

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 6, 2018

Company name: GOLDWIN INC.  
 Stock exchange listing: Tokyo  
 Stock code: 8111 URL <http://www.goldwin.co.jp>  
 Representative: President and Representative Director Akio Nishida  
 Inquiries: Vice President Administration HQ Kiyoto Futatsukawa TEL 03-3481-7203  
 Scheduled date to file Quarterly Securities Report: February 14, 2018  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2017 (from April 1, 2017 to December 31, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2017	51,774	15.8	6,512	77.9	6,717	74.6	4,602	54.5
Nine months ended December 31, 2016	44,703	3.1	3,661	27.4	3,848	19.6	2,979	22.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	406.12		–	
Nine months ended December 31, 2016	259.29		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	76,165	34,047	44.7
As of March 31, 2017	60,572	31,918	52.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2017	–	0.00	–	65.00	65.00
Year ending March 31, 2018	–	0.00	–		
Year ending March 31, 2018 (Forecast)				85.00	85.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	69,000	13.3	6,200	58.6	6,900	50.7	4,700	37.2	414.68

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2017  
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
  - Changes in accounting policies due to other reasons: No
  - Changes in accounting estimates: No
  - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2017	11,912,043 shares	As of March 31, 2017	11,912,043 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	767,451 shares	As of March 31, 2017	446,192 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2017	11,334,125 shares	Nine months ended December 31, 2016	11,489,278 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	8,735	14,419
Notes and accounts receivable - trade	9,330	12,129
Electronically recorded monetary claims - operating	1,322	2,874
Merchandise and finished goods	10,318	10,412
Work in process	115	77
Raw materials and supplies	651	663
Other	1,529	1,504
Allowance for doubtful accounts	(5)	(6)
Total current assets	31,998	42,076
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,422	1,734
Land	671	671
Other, net	1,393	1,452
Total property, plant and equipment	3,487	3,858
Intangible assets		
Trademark right	2,931	2,730
Other	1,032	1,006
Total intangible assets	3,964	3,736
Investments and other assets		
Investment securities	17,824	22,624
Guarantee deposits	1,844	1,935
Other	1,752	2,206
Allowance for doubtful accounts	(299)	(271)
Total investments and other assets	21,122	26,494
Total non-current assets	28,573	34,089
Total assets	60,572	76,165

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,077	4,720
Electronically recorded obligations - operating	7,711	12,088
Short-term loans payable	528	5,300
Current portion of long-term loans payable	1,694	2,667
Income taxes payable	457	1,585
Provision for bonuses	872	489
Provision for sales returns	557	404
Other	3,811	4,474
Total current liabilities	20,710	31,730
Non-current liabilities		
Long-term loans payable	4,887	7,476
Net defined benefit liability	288	280
Provision for stocks payment	273	377
Other	2,494	2,254
Total non-current liabilities	7,943	10,387
Total liabilities	28,654	42,118
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,079	7,079
Capital surplus	4,066	4,066
Retained earnings	23,453	27,283
Treasury shares	(1,514)	(4,069)
Total shareholders' equity	33,085	34,360
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	543	819
Deferred gains or losses on hedges	(0)	4
Foreign currency translation adjustment	331	569
Remeasurements of defined benefit plans	(2,079)	(1,744)
Total accumulated other comprehensive income	(1,205)	(352)
Non-controlling interests	37	39
Total net assets	31,918	34,047
Total liabilities and net assets	60,572	76,165

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	44,703	51,774
Cost of sales	23,341	25,743
Gross profit	21,362	26,030
Reversal of provision for sales returns	276	153
Gross profit - net	21,638	26,183
Selling, general and administrative expenses	17,976	19,671
Operating profit	3,661	6,512
Non-operating income		
Interest income	8	8
Dividend income	54	58
Share of profit of entities accounted for using equity method	189	202
Other	60	88
Total non-operating income	313	358
Non-operating expenses		
Interest expenses	73	88
Loss on sales of notes receivable - trade	17	15
Other	35	49
Total non-operating expenses	127	153
Ordinary profit	3,848	6,717
Extraordinary income		
Gain on sales of non-current assets	1	0
Gain on sales of investment securities	-	0
Total extraordinary income	1	0
Extraordinary losses		
Loss on disposal of non-current assets	1	6
Impairment loss	27	-
Loss on closing of stores	4	22
Special retirement expenses	-	9
Other	4	0
Total extraordinary losses	38	38
Profit before income taxes	3,810	6,679
Income taxes - current	529	1,861
Income taxes - deferred	288	197
Total income taxes	817	2,058
Profit	2,993	4,620
Profit attributable to non-controlling interests	14	17
Profit attributable to owners of parent	2,979	4,602

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit	2,993	4,620
Other comprehensive income		
Valuation difference on available-for-sale securities	427	275
Deferred gains or losses on hedges	31	4
Foreign currency translation adjustment	(281)	23
Remeasurements of defined benefit plans, net of tax	331	334
Share of other comprehensive income of entities accounted for using equity method	(1,398)	214
Total other comprehensive income	(888)	852
Comprehensive income	2,104	5,473
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,090	5,455
Comprehensive income attributable to non-controlling interests	14	17