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MEMBERSHIP

May 12, 2023

Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

Company name: GOLDWIN INC.
 Stock exchange listing: Tokyo
 Securities code: 8111
 URL: <https://corp.goldwin.co.jp/eng/>
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Scheduled date of annual general meeting of shareholders: June 28, 2023
 Scheduled date to commence dividend payments: June 13, 2023
 Scheduled date to file Securities Report: June 28, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

Year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	115,052	17.1	21,904	32.7	28,083	38.4	20,977	46.2
March 31, 2022	98,235	8.6	16,501	11.2	20,285	26.9	14,350	33.7

Note: Comprehensive income Year ended March 31, 2023: ¥22,621 million [47.2%]
 Year ended March 31, 2022: ¥15,365 million [34.0%]

Year ended	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
March 31, 2023	465.69	—	29.3	25.8	19.0
March 31, 2022	316.30	—	24.7	21.3	16.8

Reference: Share of profit (loss) of entities accounted for using equity method
 Year ended March 31, 2023: ¥5,891 million
 Year ended March 31, 2022: ¥3,669 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	118,517	80,056	67.4	1,774.20
March 31, 2022	99,085	63,411	63.9	1,398.56

Reference: Equity

As of March 31, 2023

¥79,914 million

As of March 31, 2022

¥63,278 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	20,222	(3,381)	(7,725)	34,207
March 31, 2022	18,049	(1,567)	(11,853)	25,036

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	20.00	–	65.00	85.00	3,980	26.9	6.3
Year ended March 31, 2023	–	25.00	–	85.00	110.00	5,116	23.5	6.4
Year ending March 31, 2024 (Forecast)	–	30.00	–	85.00	115.00		23.9	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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
Six months ending September 30, 2023	48,900	7.9	5,200	(1.5)	7,300	(2.0)	5,900	1.0	130.97
Full year	123,000	6.9	22,600	3.2	28,200	0.4	21,700	3.4	481.72

* **Notes**

- (1) Changes in significant subsidiaries during the year ended March 31, 2023 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: No
- (iii) Changes in accounting estimates: No
- (iv) Restatement of prior period financial statements: No
- (3) Number of issued shares (common shares)

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

As of March 31, 2023	47,448,172 shares
As of March 31, 2022	47,448,172 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2023	2,405,807 shares
As of March 31, 2022	2,202,276 shares

- (iii) Average number of shares during the period

Year ended March 31, 2023	45,046,839 shares
Year ended March 31, 2022	45,370,540 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

Year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	104,639	21.9	19,448	38.6	24,707	41.3	18,454	54.4
March 31, 2022	85,838	7.9	14,029	11.5	17,484	19.8	11,951	16.5

Year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	409.68	—
March 31, 2022	263.41	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	90,579	54,788	60.5	1,216.37
March 31, 2022	74,543	42,065	56.4	929.71

Reference: Equity

As of March 31, 2023: ¥54,788 million

As of March 31, 2022: ¥42,065 million

2. Forecast of non-consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	44,900	9.8	4,700	6.8	5,900	(8.4)	4,600	(11.8)	102.12
Full year	113,500	8.5	20,800	6.9	24,700	(0.0)	18,700	1.3	415.12

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of financial forecasts, and other special matters

Descriptions of the above financial forecasts and other data are based on information currently available to the Company and certain assumptions that we consider to be reasonable. Actual financial results may differ significantly from the forecasts for various reasons.

Consolidated Financial Statements

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	26,406	35,654
Notes receivable - trade	630	524
Electronically recorded monetary claims - operating	2,797	4,302
Accounts receivable - trade	10,402	11,474
Merchandise and finished goods	12,554	13,550
Work in process	326	352
Raw materials and supplies	542	725
Other	1,841	2,610
Allowance for doubtful accounts	(13)	(11)
Total current assets	55,486	69,184
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,718	2,160
Machinery, equipment and vehicles, net	269	281
Land	4,691	4,691
Leased assets, net	1,138	1,281
Other, net	823	429
Total property, plant and equipment	8,642	8,844
Intangible assets		
Software	912	877
Trademark right	1,490	1,205
Software in progress	635	1,135
Other	54	72
Total intangible assets	3,093	3,290
Investments and other assets		
Investment securities	24,060	28,895
Long-term loans receivable	45	45
Retirement benefit asset	1,637	1,470
Guarantee deposits	2,708	2,849
Distressed receivables	70	19
Deferred tax assets	1,608	1,342
Other	1,920	2,712
Allowance for doubtful accounts	(188)	(137)
Total investments and other assets	31,862	37,197
Total non-current assets	43,598	49,332
Total assets	99,085	118,517

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,904	5,116
Electronically recorded obligations - operating	12,223	15,717
Current portion of long-term borrowings	1,437	940
Lease liabilities	566	494
Accounts payable - other	2,359	2,382
Income taxes payable	3,112	3,544
Accrued consumption taxes	1,428	1,697
Accrued expenses	1,424	1,473
Contract liabilities	556	727
Provision for bonuses	1,648	889
Other	725	1,098
Total current liabilities	30,386	34,082
Non-current liabilities		
Long-term borrowings	2,751	1,645
Lease liabilities	901	922
Retirement benefit liability	217	229
Asset retirement obligations	57	57
Provision for share awards	947	1,074
Other	412	449
Total non-current liabilities	5,287	4,378
Total liabilities	35,673	38,461
Net assets		
Shareholders' equity		
Share capital	7,079	7,079
Capital surplus	276	297
Retained earnings	61,356	78,129
Treasury shares	(5,377)	(7,127)
Total shareholders' equity	63,335	78,379
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	480	728
Deferred gains or losses on hedges	98	55
Foreign currency translation adjustment	196	1,855
Remeasurements of defined benefit plans	(830)	(1,105)
Total accumulated other comprehensive income	(56)	1,534
Non-controlling interests	132	141
Total net assets	63,411	80,056
Total liabilities and net assets	99,085	118,517

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	98,235	115,052
Cost of sales	46,491	55,016
Gross profit	51,743	60,035
Selling, general and administrative expenses	35,241	38,130
Operating profit	16,501	21,904
Non-operating income		
Interest income	25	28
Dividend income	59	68
Share of profit of entities accounted for using equity method	3,669	5,891
Other	241	340
Total non-operating income	3,996	6,328
Non-operating expenses		
Interest expenses	83	42
Loss on sale of notes receivable - trade	27	4
Loss on cancellation of insurance policies	22	10
Commitment fees	20	16
Other	57	76
Total non-operating expenses	212	150
Ordinary profit	20,285	28,083
Extraordinary income		
Gain on sale of non-current assets	0	-
Gain on sale of investment securities	51	18
Gain on liquidation of subsidiaries	-	80
Income from subsidiaries	-	45
Total extraordinary income	51	144
Extraordinary losses		
Loss on disposal of non-current assets	6	95
Impairment losses	180	21
Loss on store closings	8	38
Loss on valuation of investment securities	-	94
Extra retirement payments	7	21
Loss on tax purpose reduction entry of non-current assets	-	45
Other	4	17
Total extraordinary losses	206	334
Profit before income taxes	20,131	27,892
Income taxes - current	5,938	6,528
Income taxes - deferred	(221)	332
Total income taxes	5,717	6,861
Profit	14,413	21,030
Profit attributable to non-controlling interests	62	52
Profit attributable to owners of parent	14,350	20,977

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	14,413	21,030
Other comprehensive income		
Valuation difference on available-for-sale securities	(10)	248
Deferred gains or losses on hedges	12	(36)
Foreign currency translation adjustment	264	109
Remeasurements of defined benefit plans, net of tax	236	(268)
Share of other comprehensive income of entities accounted for using equity method	449	1,537
Total other comprehensive income	951	1,590
Comprehensive income	15,365	22,621
Comprehensive income attributable to:		
Owners of parent	15,302	22,568
Non-controlling interests	62	52

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,079	264	50,604	(4,138)	53,810
Cumulative effects of changes in accounting policies			(79)		(79)
Restated balance	7,079	264	50,525	(4,138)	53,731
Changes during period					
Purchase of treasury shares				(1,544)	(1,544)
Disposal of treasury shares		12		305	317
Dividends of surplus			(3,520)		(3,520)
Profit attributable to owners of parent			14,350		14,350
Net changes in items other than shareholders' equity					
Total changes during period	-	12	10,830	(1,238)	9,604
Balance at end of period	7,079	276	61,356	(5,377)	63,335

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	490	27	(457)	(1,068)	(1,007)	114	52,916
Cumulative effects of changes in accounting policies							(79)
Restated balance	490	27	(457)	(1,068)	(1,007)	114	52,837
Changes during period							
Purchase of treasury shares							(1,544)
Disposal of treasury shares							317
Dividends of surplus							(3,520)
Profit attributable to owners of parent							14,350
Net changes in items other than shareholders' equity	(10)	71	653	237	951	18	969
Total changes during period	(10)	71	653	237	951	18	10,573
Balance at end of period	480	98	196	(830)	(56)	132	63,411

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,079	276	61,356	(5,377)	63,335
Changes during period					
Purchase of treasury shares				(2,027)	(2,027)
Disposal of treasury shares		21		277	298
Dividends of surplus			(4,204)		(4,204)
Profit attributable to owners of parent			20,977		20,977
Net changes in items other than shareholders' equity					
Total changes during period	–	21	16,773	(1,749)	15,044
Balance at end of period	7,079	297	78,129	(7,127)	78,379

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	480	98	196	(830)	(56)	132	63,411
Changes during period							
Purchase of treasury shares							(2,027)
Disposal of treasury shares							298
Dividends of surplus							(4,204)
Profit attributable to owners of parent							20,977
Net changes in items other than shareholders' equity	248	(42)	1,659	(274)	1,590	9	1,600
Total changes during period	248	(42)	1,659	(274)	1,590	9	16,644
Balance at end of period	728	55	1,855	(1,105)	1,534	141	80,056

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	20,131	27,892
Depreciation	1,646	1,762
Share of loss (profit) of entities accounted for using equity method	(3,669)	(5,891)
Decrease (increase) in retirement benefit asset	(370)	166
Increase (decrease) in retirement benefit liability	(4)	12
Impairment losses	180	21
Increase (decrease) in allowance for doubtful accounts	(73)	(54)
Increase (decrease) in provision for bonuses	(20)	(758)
Interest and dividend income	(85)	(96)
Interest expenses	83	42
Loss (gain) on disposal of non-current assets	0	95
Decrease (increase) in trade receivables	(1,368)	(2,467)
Decrease (increase) in inventories	1,741	(1,196)
Increase (decrease) in trade payables	3,447	3,701
Increase (decrease) in accounts payable - other	356	228
Increase (decrease) in accrued consumption taxes	(216)	269
Decrease (increase) in prepaid expenses	126	(217)
Other, net	378	(552)
Subtotal	22,284	22,958
Interest and dividends received	2,573	3,539
Interest paid	(80)	(42)
Income taxes paid	(6,728)	(6,233)
Net cash provided by (used in) operating activities	18,049	20,222
Cash flows from investing activities		
Payments into time deposits	(102)	(730)
Proceeds from withdrawal of time deposits	121	718
Purchase of non-current assets	(1,722)	(1,770)
Proceeds from sale of non-current assets	1	-
Purchase of investment securities	(101)	(659)
Proceeds from sale of investment securities	90	40
Payment of reservation deposit based on lease agreement	-	(681)
Payments of guarantee deposits	(104)	(280)
Proceeds from refund of guarantee deposits	66	135
Other, net	182	(151)
Net cash provided by (used in) investing activities	(1,567)	(3,381)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,600)	-
Proceeds from long-term borrowings	643	50
Repayments of long-term borrowings	(2,600)	(1,652)
Repayments of lease liabilities	(785)	(611)
Purchase of treasury shares	(2,140)	(1,431)
Dividends paid	(3,520)	(4,204)
Other, net	150	125
Net cash provided by (used in) financing activities	(11,853)	(7,725)
Effect of exchange rate change on cash and cash equivalents	120	55
Net increase (decrease) in cash and cash equivalents	4,748	9,170
Cash and cash equivalents at beginning of period	20,287	25,036
Cash and cash equivalents at end of period	25,036	34,207