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MEMBERSHIP

November 7, 2023

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

Company name: GOLDWIN INC.
 Stock exchange listing: Tokyo
 Securities code: 8111
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Scheduled date to file Quarterly Securities Report: November 14, 2023
 Scheduled date to commence dividend payments: December 4, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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	%
Six months ended								
September 30, 2023	51,096	12.8	6,070	15.0	9,180	23.2	7,323	25.3
September 30, 2022	45,309	18.6	5,277	60.0	7,452	94.3	5,844	122.0

Note: Comprehensive income Six months ended September 30, 2023: ¥9,093 million [16.2%]
 Six months ended September 30, 2022: ¥7,826 million [131.6%]

	Earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	162.48	—
September 30, 2022	129.70	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	121,817	85,366	70.0
March 31, 2023	118,517	80,056	67.4

Reference: Equity
 As of September 30, 2023 ¥85,242 million
 As of March 31, 2023 ¥79,914 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	25.00	–	85.00	110.00
Year ending March 31, 2024	–	30.00			
Year ending March 31, 2024 (Forecast)			–	85.00	115.00

Note: Revisions to the forecast of cash dividends most recently announced: No

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
Full year	123,000	6.9	22,600	3.2	28,200	0.4	21,700	3.4	481.72

Note: Revisions to the forecast of consolidated financial results most recently announced: No

*** Notes**

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023 (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
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: No
 - (ii) Changes in accounting policies due to other reasons: No
 - (iii) Changes in accounting estimates: No
 - (iv) Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2023	47,448,172 shares
As of March 31, 2023	47,448,172 shares

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

As of September 30, 2023	2,340,382 shares
As of March 31, 2023	2,405,807 shares

(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	45,070,992 shares
Six months ended September 30, 2022	45,059,559 shares

* Quarterly financial results reports are exempt from quarterly review 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.

Quarterly Consolidated Financial Statements

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	35,654	26,338
Notes and accounts receivable - trade, and contract assets	11,999	14,766
Electronically recorded monetary claims - operating	4,302	4,157
Merchandise and finished goods	13,550	18,921
Work in process	352	663
Raw materials and supplies	725	875
Other	2,610	3,897
Allowance for doubtful accounts	(11)	(16)
Total current assets	69,184	69,603
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,160	2,152
Land	4,691	4,691
Other, net	1,991	2,179
Total property, plant and equipment	8,844	9,023
Intangible assets		
Trademark right	1,205	1,070
Other	2,085	2,178
Total intangible assets	3,290	3,248
Investments and other assets		
Investment securities	28,895	31,521
Guarantee deposits	2,849	2,753
Other	5,589	5,804
Allowance for doubtful accounts	(137)	(137)
Total investments and other assets	37,197	39,941
Total non-current assets	49,332	52,213
Total assets	118,517	121,817

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,116	8,535
Electronically recorded obligations - operating	15,717	12,783
Current portion of long-term borrowings	940	940
Income taxes payable	3,544	2,153
Provision for bonuses	889	856
Other	7,873	6,788
Total current liabilities	34,082	32,057
Non-current liabilities		
Long-term borrowings	1,645	1,038
Retirement benefit liability	229	229
Provision for share awards	1,074	1,680
Other	1,429	1,444
Total non-current liabilities	4,378	4,393
Total liabilities	38,461	36,450
Net assets		
Shareholders' equity		
Share capital	7,079	7,079
Capital surplus	297	347
Retained earnings	78,129	81,498
Treasury shares	(7,127)	(6,960)
Total shareholders' equity	78,379	81,965
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	728	1,363
Deferred gains or losses on hedges	55	104
Foreign currency translation adjustment	1,855	2,807
Remeasurements of defined benefit plans	(1,105)	(999)
Total accumulated other comprehensive income	1,534	3,277
Non-controlling interests	141	123
Total net assets	80,056	85,366
Total liabilities and net assets	118,517	121,817

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	45,309	51,096
Cost of sales	22,321	25,137
Gross profit	22,987	25,959
Selling, general and administrative expenses	17,710	19,888
Operating profit	5,277	6,070
Non-operating income		
Interest income	4	8
Dividend income	41	54
Share of profit of entities accounted for using equity method	2,080	3,015
Other	137	79
Total non-operating income	2,264	3,157
Non-operating expenses		
Interest expenses	22	19
Loss on sale of notes receivable - trade	4	-
Loss on cancellation of insurance policies	8	-
Other	53	27
Total non-operating expenses	89	47
Ordinary profit	7,452	9,180
Extraordinary income		
Gain on sale of investment securities	5	491
Gain on liquidation of subsidiaries	80	-
Total extraordinary income	85	491
Extraordinary losses		
Loss on disposal of non-current assets	91	21
Loss on valuation of investment securities	-	19
Loss on store closings	7	-
Other	6	-
Total extraordinary losses	104	40
Profit before income taxes	7,433	9,630
Income taxes - current	1,165	2,358
Income taxes - deferred	398	(78)
Total income taxes	1,564	2,280
Profit	5,868	7,350
Profit attributable to non-controlling interests	24	27
Profit attributable to owners of parent	5,844	7,323

Quarterly consolidated statement of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	5,868	7,350
Other comprehensive income		
Valuation difference on available-for-sale securities	66	635
Deferred gains or losses on hedges	18	29
Foreign currency translation adjustment	252	123
Remeasurements of defined benefit plans, net of tax	84	105
Share of other comprehensive income of entities accounted for using equity method	1,536	849
Total other comprehensive income	1,958	1,742
Comprehensive income	7,826	9,093
Comprehensive income attributable to:		
Owners of parent	7,802	9,065
Non-controlling interests	24	27

(3) Quarterly consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	7,433	9,630
Depreciation	891	893
Decrease (increase) in retirement benefit asset	(202)	(79)
Increase (decrease) in retirement benefit liability	(21)	(0)
Increase (decrease) in allowance for doubtful accounts	(1)	4
Interest and dividend income	(46)	(62)
Interest expenses	22	19
Share of loss (profit) of entities accounted for using equity method	(2,080)	(3,015)
Loss (gain) on disposal of non-current assets	91	21
Decrease (increase) in trade receivables	(1,701)	(2,619)
Decrease (increase) in inventories	(2,695)	(5,820)
Increase (decrease) in trade payables	1,715	470
Decrease (increase) in accounts receivable - other	(1,610)	626
Increase (decrease) in accounts payable - other	(352)	(183)
Increase (decrease) in accrued consumption taxes	(1,102)	(1,657)
Decrease (increase) in prepaid expenses	(328)	(250)
Other, net	(630)	775
Subtotal	(619)	(1,248)
Interest and dividends received	484	62
Interest paid	(22)	(19)
Income taxes paid	(3,273)	(3,585)
Net cash provided by (used in) operating activities	(3,430)	(4,790)
Cash flows from investing activities		
Payments into time deposits	(46)	(440)
Proceeds from withdrawal of time deposits	30	421
Purchase of property, plant and equipment and intangible assets	(919)	(642)
Purchase of investment securities	(200)	(31)
Proceeds from sale of investment securities	8	967
Payment of reservation deposit based on lease agreement	-	(124)
Payments of guarantee deposits	(73)	(55)
Proceeds from refund of guarantee deposits	77	139
Other, net	12	(133)
Net cash provided by (used in) investing activities	(1,112)	102
Cash flows from financing activities		
Repayments of long-term borrowings	(1,074)	(606)
Repayments of lease liabilities	(312)	(295)
Purchase of treasury shares	(1,428)	(2)
Dividends paid	(3,041)	(3,953)
Other, net	46	36
Net cash provided by (used in) financing activities	(5,811)	(4,822)
Effect of exchange rate change on cash and cash equivalents	195	123
Net increase (decrease) in cash and cash equivalents	(10,158)	(9,388)
Cash and cash equivalents at beginning of period	25,036	34,207
Cash and cash equivalents at end of period	14,877	24,819