

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2014 (Based on Japanese GAAP)

July 31, 2014

Company name: DOSHISHA CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 7483 URL <http://www.doshisha.co.jp>  
 Representative: President and Chief Operating Officer Masayuki Nomura  
 Director Managing Executive Officer In  
 Inquiries: Charge of Financial & Accounting Foreign Toshihiro Fujimoto TEL 06-6121-5669  
 Trade Operation Business Management  
 Scheduled date to file Quarterly Securities Report: August 12, 2014  
 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 three months ended June 30, 2014 (from April 1, 2014 to June 30, 2014)

(1) Consolidated financial results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2014	23,768	(1.8)	1,528	9.2	1,597	3.0	988	5.0
Three months ended June 30, 2013	24,196	8.4	1,399	(18.7)	1,550	(13.6)	941	(13.5)

Note: Comprehensive income Three months ended June 30, 2014 ¥755 million [(35.8) %]  
 Three months ended May 31, 2013 ¥1,176 million [40.0%]

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2014	26.51	–
Three months ended June 30, 2013	25.24	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2014	66,149	53,612	79.6	1,411.57
As of March 31, 2014	64,975	53,416	80.8	1,408.18

Reference: Equity As of June 30, 2014: ¥52,639 million  
 As of March 31, 2014: ¥52,512 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, 2014	–	15.00	–	15.00	30.00
Year ending March 31, 2015	–				
Year ending March 31, 2015 (Forecast)		18.00	–	18.00	36.00

Notes: Revision of cash dividend forecast most recently announced: No

Details of interim dividends for the six months ending September 30, 2014 [forecast]

Ordinary dividends 15 yen Commemorative dividends 3 yen

Details of year-end dividends for the year ending March 31, 2015 [forecast]

Ordinary dividends 15 yen Commemorative dividends 3 yen

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2014	50,600	1.2	3,600	19.1	3,600	16.9	2,200	23.5	59.00
Full year	110,000	4.2	8,500	16.7	8,500	13.2	5,200	17.6	139.44

Note: Revision of consolidated financial results forecast most recently announced: No

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2014 (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: Yes
- 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 June 30, 2014	37,375,636 shares	As of March 31, 2014	37,375,636 shares
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Number of treasury shares at the end of the period

As of June 30, 2014	84,376 shares	As of March 31, 2014	84,376 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2014	37,291,260 shares	Three months ended June 30, 2013	37,291,289 shares
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\* Indication regarding execution of quarterly review procedures

This quarterly financial results report is exempt from the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly financial statements are in progress.

\* Proper use of forecasts of financial results, and other special matters

Caution concerning forward-looking statements

The forward-looking statements, including the earnings forecasts shown in this document, are based on information currently available to the Company and on certain assumptions deemed to be reasonable by the Company. As such, they do not constitute guarantees by the Company of future performance. Actual performance and other results may differ materially due to various factors.

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
<b>Assets</b>		
Current assets		
Cash and deposits	26,233	23,323
Notes and accounts receivable - trade	15,931	16,982
Merchandise and finished goods	7,292	10,282
Short-term loans receivable	24	16
Other	965	1,047
Allowance for doubtful accounts	(7)	(1)
Total current assets	50,440	51,651
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,949	7,940
Accumulated depreciation	(3,517)	(3,570)
Buildings and structures, net	4,432	4,370
Land	6,588	6,588
Other	1,657	1,703
Accumulated depreciation	(1,021)	(1,057)
Other, net	635	645
Total property, plant and equipment	11,656	11,603
Intangible assets	161	164
Investments and other assets		
Investment securities	1,525	1,563
Long-term loans receivable	18	14
Other	1,340	1,316
Allowance for doubtful accounts	(168)	(164)
Total investments and other assets	2,716	2,729
Total non-current assets	14,534	14,498
Total assets	64,975	66,149
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	4,420	6,198
Current portion of long-term loans payable	5	5
Income taxes payable	1,797	463
Provision for directors' bonuses	55	11
Provision for bonuses	39	8
Other	1,720	2,329
Total current liabilities	8,038	9,017
Non-current liabilities		
Bonds payable	2,500	2,500
Long-term loans payable	198	198
Net defined benefit liability	353	363
Asset retirement obligations	54	56
Other	413	401
Total non-current liabilities	3,520	3,519
Total liabilities	11,558	12,536

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Net assets		
Shareholders' equity		
Capital stock	4,993	4,993
Capital surplus	6,043	6,043
Retained earnings	41,354	41,783
Treasury shares	(79)	(79)
Total shareholders' equity	52,310	52,740
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	80	71
Deferred gains or losses on hedges	103	(115)
Foreign currency translation adjustment	134	56
Remeasurements of defined benefit plans	(116)	(112)
Total accumulated other comprehensive income	201	(100)
Minority interests	904	973
Total net assets	53,416	53,612
Total liabilities and net assets	64,975	66,149

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Net sales	24,196	23,768
Cost of sales	18,493	17,881
Gross profit	5,703	5,886
Selling, general and administrative expenses	4,303	4,357
Operating income	1,399	1,528
Non-operating income		
Interest income	0	2
Dividend income	7	10
House rent income	4	0
Foreign exchange gains	118	33
Other	38	35
Total non-operating income	169	82
Non-operating expenses		
Interest expenses	4	3
Commission fee	4	4
Loss on retirement of non-current assets	6	1
Other	4	4
Total non-operating expenses	19	13
Ordinary income	1,550	1,597
Extraordinary income		
Gain on reversal of subscription rights to shares	0	–
Gain on liquidation of subsidiaries and associates	–	12
Total extraordinary income	0	12
Extraordinary losses		
Provision of allowance for doubtful accounts for subsidiaries and associates	–	14
Total extraordinary losses	–	14
Income before income taxes and minority interests	1,550	1,596
Income taxes – current	444	437
Income taxes – deferred	93	81
Total income taxes	537	518
Income before minority interests	1,013	1,077
Minority interests in income	72	88
Net income	941	988

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

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Income before minority interests	1,013	1,077
Other comprehensive income		
Valuation difference on available-for-sale securities	(33)	(9)
Deferred gains or losses on hedges	108	(218)
Foreign currency translation adjustment	87	(97)
Remeasurements of defined benefit plans, net of tax	–	3
Total other comprehensive income	162	(321)
Comprehensive income	1,176	755
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,067	685
Comprehensive income attributable to minority interests	108	69

## Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	1,550	1,596
Depreciation	116	116
Increase (decrease) in provision for directors' bonuses	(49)	(43)
Increase (decrease) in provision for bonuses	(31)	(31)
Increase (decrease) in allowance for doubtful accounts	(8)	(10)
Increase (decrease) in provision for retirement benefits	8	–
Increase (decrease) in net defined benefit liability	–	15
Interest and dividend income	(7)	(13)
Interest expenses	4	3
Loss (gain) on liquidation of subsidiaries and associates	–	(12)
Decrease (increase) in notes and accounts receivable – trade	(1,544)	(1,055)
Decrease (increase) in inventories	(2,897)	(2,993)
Increase (decrease) in notes and accounts payable – trade	3,139	1,782
Increase (decrease) in accrued consumption taxes	0	(53)
Decrease (increase) in other current assets	(44)	(247)
Increase (decrease) in other current liabilities	299	464
Other, net	18	57
Subtotal	554	(426)
Interest and dividend income received	8	13
Interest expenses paid	(7)	(4)
Income taxes paid	(1,582)	(1,747)
Net cash provided by (used in) operating activities	(1,027)	(2,165)
Cash flows from investing activities		
Payments into time deposits	(300)	(2,000)
Purchase of property, plant and equipment	(51)	(57)
Purchase of intangible assets	(1)	–
Purchase of investment securities	(4)	(4)
Purchase of shares of subsidiaries and associates	–	(50)
Payments of loans receivable	(126)	(14)
Collection of loans receivable	2	7
Other payments	(5)	(4)
Other proceeds	0	0
Net cash provided by (used in) investing activities	(485)	(2,122)
Cash flows from financing activities		
Proceeds from disposal of treasury shares	0	–
Purchase of treasury shares	(0)	–
Repayments of lease obligations	(21)	(21)
Repayments of installment payables	–	(9)
Cash dividends paid	(536)	(542)
Net cash provided by (used in) financing activities	(558)	(573)
Effect of exchange rate change on cash and cash equivalents	33	(49)
Net increase (decrease) in cash and cash equivalents	(2,038)	(4,910)
Cash and cash equivalents at beginning of period	23,665	26,233
Cash and cash equivalents at end of period	21,627	21,323