

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2014 (Based on Japanese GAAP)

January 30, 2015

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: February 12, 2015
 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, 2014 (from April 1, 2014 to December 31, 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	%
Nine months ended December 31, 2014	81,310	(3.2)	5,540	(13.5)	5,968	(10.0)	3,830	(1.2)
Nine months ended December 31, 2013	83,994	5.2	6,404	(0.9)	6,628	(1.6)	3,876	(5.5)

Note: Comprehensive income
 Nine months ended December 31, 2014 ¥6,307 million [38.3%]
 Nine months ended December 31, 2013 ¥4,560 million [5.1%]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2014	102.71	–
Nine months ended December 31, 2013	103.95	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2014	69,664	58,184	82.2	1,536.09
As of March 31, 2014	64,975	53,416	80.8	1,408.18

Reference: Equity
 As of December 31, 2014: ¥57,282 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	–	20.00	–		
Year ending March 31, 2015 (Forecast)				20.00	40.00

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

Details of interim dividends for the six months ended September 30, 2014

Ordinary dividends 15 yen Commemorative dividends 5 yen

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

Ordinary dividends 15 yen Commemorative dividends 5 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
Full year	105,000	(0.5)	6,700	(8.0)	7,000	(6.8)	4,530	2.5	121.48

Note: Revision of consolidated financial results forecast most recently announced: Yes

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2014 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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 December 31, 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 December 31, 2014	84,411 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)

Nine months ended December 31, 2014	37,291,239 shares	Nine months ended December 31, 2013	37,291,292 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 December 31, 2014
Assets		
Current assets		
Cash and deposits	26,233	18,620
Notes and accounts receivable - trade	15,931	23,785
Merchandise and finished goods	7,292	8,375
Short-term loans receivable	24	13
Other	965	4,510
Allowance for doubtful accounts	(7)	(2)
Total current assets	50,440	55,304
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,949	7,598
Accumulated depreciation	(3,517)	(3,520)
Buildings and structures, net	4,432	4,077
Land	6,588	6,588
Other	1,657	1,865
Accumulated depreciation	(1,021)	(1,190)
Other, net	635	675
Total property, plant and equipment	11,656	11,341
Intangible assets	161	156
Investments and other assets		
Investment securities	1,525	1,728
Long-term loans receivable	18	30
Other	1,340	1,132
Allowance for doubtful accounts	(168)	(29)
Total investments and other assets	2,716	2,862
Total non-current assets	14,534	14,360
Total assets	64,975	69,664
Liabilities		
Current liabilities		
Accounts payable - trade	4,420	5,316
Current portion of long-term loans payable	5	198
Income taxes payable	1,797	1,032
Provision for directors' bonuses	55	54
Provision for bonuses	39	37
Other	1,720	4,035
Total current liabilities	8,038	10,674
Non-current liabilities		
Bonds payable	2,500	—
Long-term loans payable	198	—
Net defined benefit liability	353	371
Asset retirement obligations	54	55
Other	413	379
Total non-current liabilities	3,520	806
Total liabilities	11,558	11,480

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Net assets		
Shareholders' equity		
Capital stock	4,993	4,993
Capital surplus	6,043	6,043
Retained earnings	41,354	43,879
Treasury shares	(79)	(80)
Total shareholders' equity	52,310	54,836
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	80	165
Deferred gains or losses on hedges	103	2,242
Foreign currency translation adjustment	134	143
Remeasurements of defined benefit plans	(116)	(105)
Total accumulated other comprehensive income	201	2,446
Subscription rights to shares	–	115
Minority interests	904	785
Total net assets	53,416	58,184
Total liabilities and net assets	64,975	69,664

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, 2013	Nine months ended December 31, 2014
Net sales	83,994	81,310
Cost of sales	64,316	62,034
Gross profit	19,677	19,275
Selling, general and administrative expenses	13,273	13,734
Operating income	6,404	5,540
Non-operating income		
Interest income	4	7
Dividend income	12	50
Gain on sales of investment securities	–	5
Gain on adjustment of account payable	9	30
House rent income	11	0
Foreign exchange gains	109	268
Insurance premiums refunded cancellation	29	–
Other	91	108
Total non-operating income	268	470
Non-operating expenses		
Interest expenses	11	9
Commission fee	13	14
Other	19	18
Total non-operating expenses	44	42
Ordinary income	6,628	5,968
Extraordinary income		
Gain on reversal of subscription rights to shares	0	–
Gain on liquidation of subsidiaries and associates	–	13
Gain on sales of shares of subsidiaries and associates	–	158
Total extraordinary income	0	172
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	102	3
Provision of allowance for doubtful accounts for subsidiaries and associates	–	14
Loss on sales of shares of subsidiaries and associates	21	–
Provision of allowance for doubtful accounts	97	–
Total extraordinary losses	222	17
Income before income taxes and minority interests	6,406	6,124
Income taxes - current	2,432	2,056
Income taxes - deferred	(69)	31
Total income taxes	2,362	2,088
Income before minority interests	4,043	4,036
Minority interests in income	167	205
Net income	3,876	3,830

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	4,043	4,036
Other comprehensive income		
Valuation difference on available-for-sale securities	(22)	85
Deferred gains or losses on hedges	343	2,139
Foreign currency translation adjustment	196	35
Remeasurements of defined benefit plans, net of tax	–	10
Total other comprehensive income	517	2,271
Comprehensive income	4,560	6,307
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,308	6,075
Comprehensive income attributable to minority interests	252	232

Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	6,406	6,124
Depreciation	371	378
Increase (decrease) in provision for directors' bonuses	(12)	(0)
Increase (decrease) in provision for bonuses	(9)	(2)
Increase (decrease) in allowance for doubtful accounts	98	(144)
Increase (decrease) in provision for retirement benefits	22	-
Increase (decrease) in net defined benefit liability	-	35
Interest and dividend income	(17)	(57)
Interest expenses	11	9
Loss on valuation of shares of subsidiaries and associates	102	3
Loss (gain) on sales and valuation of investment securities	-	(5)
Loss (gain) on sales of shares of subsidiaries and associates	21	(158)
Loss (gain) on liquidation of subsidiaries and associates	-	(13)
Loss (gain) on sales of property, plant and equipment	-	0
Decrease (increase) in notes and accounts receivable - trade	(8,254)	(7,824)
Decrease (increase) in inventories	(695)	(1,045)
Increase (decrease) in notes and accounts payable - trade	296	862
Increase (decrease) in accrued consumption taxes	65	302
Decrease (increase) in other current assets	(51)	(357)
Increase (decrease) in other current liabilities	388	902
Other, net	(3)	314
Subtotal	(1,256)	(677)
Interest and dividend income received	17	57
Interest expenses paid	(14)	(11)
Income taxes paid	(2,578)	(2,803)
Net cash provided by (used in) operating activities	(3,832)	(3,435)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Cash flows from investing activities		
Payments into time deposits	(300)	(2,000)
Proceeds from withdrawal of time deposits	300	2,000
Purchase of property, plant and equipment	(170)	(170)
Proceeds from sales of property, plant and equipment	–	1
Purchase of intangible assets	(1)	(0)
Purchase of investment securities	(12)	(22)
Proceeds from sales of investment securities	–	27
Purchase of shares of subsidiaries and associates	–	(50)
Proceeds from sales of shares of subsidiaries and associates	56	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	555
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	–	132
Payments of loans receivable	(134)	(36)
Collection of loans receivable	8	17
Other payments	(290)	(19)
Other proceeds	1	3
Net cash provided by (used in) investing activities	(541)	440
Cash flows from financing activities		
Repayments of long-term loans payable	(5)	(5)
Redemption of bonds	–	(2,500)
Proceeds from disposal of treasury shares	0	–
Purchase of treasury shares	(0)	(0)
Repayments of lease obligations	(65)	(66)
Repayments of installment payables	–	(25)
Cash dividends paid	(1,116)	(1,303)
Cash dividends paid to minority shareholders	(56)	(778)
Net cash provided by (used in) financing activities	(1,244)	(4,678)
Effect of exchange rate change on cash and cash equivalents	76	60
Net increase (decrease) in cash and cash equivalents	(5,540)	(7,612)
Cash and cash equivalents at beginning of period	23,665	26,233
Cash and cash equivalents at end of period	18,124	18,620