

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

January 29, 2016

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, 2016  
 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, 2015 (from April 1, 2015 to December 31, 2015)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

|                                     | Net sales       |       | Operating income |        | Ordinary income |        | Profit attributable to owners of parent |       |
|-------------------------------------|-----------------|-------|------------------|--------|-----------------|--------|---|-------|
|                                     | Millions of yen | %     | Millions of yen  | %      | Millions of yen | %      | Millions of yen                         | %     |
| Nine months ended December 31, 2015 | 88,011          | 8.2   | 7,378            | 33.2   | 7,587           | 27.1   | 4,916                                   | 28.4  |
| Nine months ended December 31, 2014 | 81,310          | (3.2) | 5,540            | (13.5) | 5,968           | (10.0) | 3,830                                   | (1.2) |

Note: Comprehensive income  
 Nine months ended December 31, 2015 ¥3,904 million [(38.1)%]  
 Nine months ended December 31, 2014 ¥6,307 million [38.3%]

|                                     | Earnings per share |  | Diluted earnings per share |  |
|-------------------------------------|--------------------|--|----------------------------|--|
|                                     | Yen                |  | Yen                        |  |
| Nine months ended December 31, 2015 | 133.18             |  | 132.55                     |  |
| Nine months ended December 31, 2014 | 102.71             |  | –                          |  |

#### (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, 2015 | 69,764          | 59,001          | 82.8         | 1,581.50             |
| As of March 31, 2015    | 68,280          | 58,161          | 83.7         | 1,533.42             |

Reference: Equity  
 As of December 31, 2015: ¥57,751 million  
 As of March 31, 2015: ¥57,182 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, 2015             | –                          | 20.00           | –               | 20.00           | 40.00 |
| Year ending March 31, 2016            | –                          | 20.00           | –               | –               | –     |
| Year ending March 31, 2016 (Forecast) | –                          | –               | –               | 25.00           | 45.00 |

Notes: Revision of cash dividend forecast most recently announced: Yes

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 ended March 31, 2015

Ordinary dividends 15 yen Commemorative dividends 5 yen

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

|           | Net sales       |     | Operating income |      | Ordinary income |      | Profit attributable to owners of parent |      | Earnings per share |
|-----------|-----------------|-----|------------------|------|-----------------|------|---|------|--------------------|
|           | Millions of yen | %   | Millions of yen  | %    | Millions of yen | %    | Millions of yen                         | %    | Yen                |
| Full year | 110,000         | 6.1 | 8,300            | 26.8 | 8,700           | 22.3 | 5,500                                   | 22.8 | 148.98             |

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, 2015  
(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 December 31, 2015 | 37,375,636 shares | As of March 31, 2015 | 37,375,636 shares |
|-------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

|                         |                |                      |               |
|-------------------------|----------------|----------------------|---------------|
| As of December 31, 2015 | 858,606 shares | As of March 31, 2015 | 84,711 shares |
|-------------------------|----------------|----------------------|---------------|

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

|                                     |                   |                                     |                   |
|-------------------------------------|-------------------|-------------------------------------|-------------------|
| Nine months ended December 31, 2015 | 36,916,819 shares | Nine months ended December 31, 2014 | 37,291,239 shares |
|-------------------------------------|-------------------|-------------------------------------|-------------------|

\* 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, 2015 | As of December 31, 2015 |
|---|----------------------|-------------------------|
| <b>Assets</b>                                       |                      |                         |
| Current assets                                      |                      |                         |
| Cash and deposits                                   | 26,736               | 19,085                  |
| Notes and accounts receivable - trade               | 16,364               | 25,024                  |
| Electronically recorded monetary claims - operating | 526                  | 1,103                   |
| Merchandise and finished goods                      | 7,614                | 9,014                   |
| Short-term loans receivable                         | 21                   | 22                      |
| Other   | 2,905                | 1,539                   |
| Allowance for doubtful accounts                     | (2)                  | (3)                     |
| Total current assets                                | 54,165               | 55,787                  |
| Non-current assets                                  |                      |                         |
| Property, plant and equipment                       |                      |                         |
| Buildings and structures                            | 7,621                | 7,616                   |
| Accumulated depreciation                            | (3,573)              | (3,708)                 |
| Buildings and structures, net                       | 4,048                | 3,907                   |
| Land  | 6,588                | 6,588                   |
| Other   | 1,753                | 1,873                   |
| Accumulated depreciation                            | (1,092)              | (1,265)                 |
| Other, net  | 661                  | 607                     |
| Total property, plant and equipment                 | 11,297               | 11,103                  |
| Intangible assets                                   | 148                  | 128                     |
| Investments and other assets                        |                      |                         |
| Investment securities                               | 1,593                | 1,684                   |
| Long-term loans receivable                          | 29                   | 16                      |
| Other   | 1,071                | 1,071                   |
| Allowance for doubtful accounts                     | (27)                 | (27)                    |
| Total investments and other assets                  | 2,667                | 2,744                   |
| Total non-current assets                            | 14,114               | 13,976                  |
| Total assets  | 68,280               | 69,764                  |
| <b>Liabilities</b>                                  |                      |                         |
| Current liabilities                                 |                      |                         |
| Accounts payable - trade                            | 4,698                | 5,736                   |
| Income taxes payable                                | 1,515                | 1,326                   |
| Provision for directors' bonuses                    | 62                   | 69                      |
| Provision for bonuses                               | 45                   | 35                      |
| Other   | 2,999                | 2,870                   |
| Total current liabilities                           | 9,321                | 10,038                  |
| Non-current liabilities                             |                      |                         |
| Net defined benefit liability                       | 389                  | 360                     |
| Asset retirement obligations                        | 55                   | 56                      |
| Other   | 352                  | 307                     |
| Total non-current liabilities                       | 797                  | 724                     |
| Total liabilities                                   | 10,119               | 10,762                  |

(Millions of yen)

|   | As of March 31, 2015 | As of December 31, 2015 |
|---|----------------------|-------------------------|
| Net assets  |                      |                         |
| Shareholders' equity                                  |                      |                         |
| Capital stock   | 4,993                | 4,993                   |
| Capital surplus                                       | 6,043                | 6,043                   |
| Retained earnings                                     | 44,526               | 47,965                  |
| Treasury shares                                       | (80)                 | (1,776)                 |
| Total shareholders' equity                            | 55,482               | 57,225                  |
| Accumulated other comprehensive income                |                      |                         |
| Valuation difference on available-for-sale securities | 260                  | 320                     |
| Deferred gains or losses on hedges                    | 1,379                | 186                     |
| Foreign currency translation adjustment               | 177                  | 101                     |
| Remeasurements of defined benefit plans               | (117)                | (82)                    |
| Total accumulated other comprehensive income          | 1,700                | 526                     |
| Subscription rights to shares                         | 173                  | 345                     |
| Non-controlling interests                             | 804                  | 904                     |
| Total net assets                                      | 58,161               | 59,001                  |
| Total liabilities and net assets                      | 68,280               | 69,764                  |

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

|  | Nine months ended<br>December 31, 2014 | Nine months ended<br>December 31, 2015 |
|--|--|--|
| Net sales  | 81,310                                 | 88,011                                 |
| Cost of sales  | 62,034                                 | 66,572                                 |
| Gross profit   | 19,275                                 | 21,438                                 |
| Selling, general and administrative expenses                                 | 13,734                                 | 14,060                                 |
| Operating income   | 5,540                                  | 7,378                                  |
| Non-operating income   |  |  |
| Interest income  | 7                                      | 4                                      |
| Dividend income  | 50                                     | 16                                     |
| Gain on sales of investment securities                                       | 5                                      | 3                                      |
| Gain on adjustment of account payable  | 30                                     | 33                                     |
| Foreign exchange gains   | 268                                    | 130                                    |
| Other  | 109                                    | 59                                     |
| Total non-operating income   | 470                                    | 248                                    |
| Non-operating expenses   |  |  |
| Interest expenses  | 9                                      | 6                                      |
| Commission fee   | 14                                     | 15                                     |
| Loss on valuation of investment securities                                   | -                                      | 3                                      |
| Other  | 18                                     | 13                                     |
| Total non-operating expenses   | 42                                     | 39                                     |
| Ordinary income  | 5,968                                  | 7,587                                  |
| Extraordinary income   |  |  |
| Gain on liquidation of subsidiaries and associates                           | 13                                     | -                                      |
| Gain on sales of shares of subsidiaries and associates                       | 158                                    | -                                      |
| Total extraordinary income   | 172                                    | -                                      |
| Extraordinary losses   |  |  |
| Loss on valuation of shares of subsidiaries and associates                   | 3                                      | 7                                      |
| Provision of allowance for doubtful accounts for subsidiaries and associates | 14                                     | -                                      |
| Total extraordinary losses   | 17                                     | 7                                      |
| Income before income taxes and minority interests                            | 6,124                                  | 7,579                                  |
| Income taxes - current   | 2,056                                  | 2,476                                  |
| Income taxes - deferred  | 31                                     | 8                                      |
| Total income taxes   | 2,088                                  | 2,485                                  |
| Profit   | 4,036                                  | 5,094                                  |
| Profit attributable to non-controlling interests                             | 205                                    | 177                                    |
| Profit attributable to owners of parent                                      | 3,830                                  | 4,916                                  |

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

(Millions of yen)

|  | Nine months ended<br>December 31, 2014 | Nine months ended<br>December 31, 2015 |
|--|--|--|
| Profit   | 4,036                                  | 5,094                                  |
| Other comprehensive income                                     |  |  |
| Valuation difference on available-for-sale securities          | 85                                     | 60                                     |
| Deferred gains or losses on hedges                             | 2,139                                  | (1,192)                                |
| Foreign currency translation adjustment                        | 35                                     | (92)                                   |
| Remeasurements of defined benefit plans, net of tax            | 10                                     | 34                                     |
| Total other comprehensive income                               | 2,271                                  | (1,189)                                |
| Comprehensive income   | 6,307                                  | 3,904                                  |
| Comprehensive income attributable to                           |  |  |
| Comprehensive income attributable to owners of parent          | 6,075                                  | 3,742                                  |
| Comprehensive income attributable to non-controlling interests | 232                                    | 161                                    |

## Consolidated statements of cash flows

(Millions of yen)

|  | Nine months ended<br>December 31, 2014 | Nine months ended<br>December 31, 2015 |
|--|--|--|
| Cash flows from operating activities   |  |  |
| Income before income taxes and minority interests  | 6,124                                  | 7,579                                  |
| Depreciation   | 378                                    | 368                                    |
| Increase (decrease) in provision for directors' bonuses  | (0)                                    | 7                                      |
| Increase (decrease) in provision for bonuses   | (2)                                    | (9)                                    |
| Increase (decrease) in allowance for doubtful accounts   | (144)                                  | 0                                      |
| Increase (decrease) in net defined benefit liability   | 35                                     | 12                                     |
| Interest and dividend income   | (57)                                   | (20)                                   |
| Interest expenses  | 9                                      | 6                                      |
| Loss on valuation of shares of subsidiaries and associates                                     | 3                                      | 7                                      |
| Loss (gain) on sales and valuation of investment securities                                    | (5)                                    | 0                                      |
| Loss (gain) on sales of shares of subsidiaries and associates                                  | (158)                                  | -                                      |
| Loss (gain) on liquidation of subsidiaries and associates                                      | (13)                                   | -                                      |
| Decrease (increase) in notes and accounts receivable - trade                                   | (7,824)                                | (9,237)                                |
| Decrease (increase) in inventories   | (1,045)                                | (1,399)                                |
| Increase (decrease) in notes and accounts payable - trade                                      | 862                                    | 1,036                                  |
| Increase (decrease) in accrued consumption taxes   | 302                                    | (419)                                  |
| Decrease (increase) in other current assets  | (357)                                  | (327)                                  |
| Increase (decrease) in other current liabilities   | 902                                    | 755                                    |
| Other, net   | 315                                    | 176                                    |
| Subtotal   | <u>(677)</u>                           | <u>(1,461)</u>                         |
| Interest and dividend income received  | 57                                     | 20                                     |
| Interest expenses paid   | (11)                                   | (6)                                    |
| Income taxes paid  | <u>(2,803)</u>                         | <u>(2,671)</u>                         |
| Net cash provided by (used in) operating activities  | <u>(3,435)</u>                         | <u>(4,119)</u>                         |
| Cash flows from investing activities   |  |  |
| Payments into time deposits  | (2,000)                                | -                                      |
| Proceeds from withdrawal of time deposits  | 2,000                                  | -                                      |
| Purchase of property, plant and equipment  | (170)                                  | (121)                                  |
| Purchase of investment securities  | (22)                                   | (13)                                   |
| Proceeds from sales of investment securities   | 27                                     | 6                                      |
| Purchase of shares of subsidiaries and associates  | (50)                                   | (1)                                    |
| 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   | (36)                                   | (4)                                    |
| Collection of loans receivable   | 17                                     | 16                                     |
| Other payments   | (19)                                   | (16)                                   |
| Other proceeds   | 5                                      | 3                                      |
| Net cash provided by (used in) investing activities  | <u>440</u>                             | <u>(130)</u>                           |

(Millions of yen)

|   | Nine months ended<br>December 31, 2014 | Nine months ended<br>December 31, 2015 |
|---|--|--|
| Cash flows from financing activities                        |  |  |
| Repayments of long-term loans payable                       | (5)                                    | –                                      |
| Redemption of bonds   | (2,500)                                | –                                      |
| Purchase of treasury shares                                 | (0)                                    | (1,696)                                |
| Repayments of lease obligations                             | (66)                                   | (68)                                   |
| Repayments of installment payables                          | (25)                                   | (25)                                   |
| Cash dividends paid   | (1,303)                                | (1,476)                                |
| Dividends paid to non-controlling interests                 | (778)                                  | (61)                                   |
| Net cash provided by (used in) financing activities         | (4,678)                                | (3,329)                                |
| Effect of exchange rate change on cash and cash equivalents | 60                                     | (72)                                   |
| Net increase (decrease) in cash and cash equivalents        | (7,612)                                | (7,651)                                |
| Cash and cash equivalents at beginning of period            | 26,233                                 | 26,736                                 |
| Cash and cash equivalents at end of period                  | 18,620                                 | 19,085                                 |