

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2017
(Based on Japanese GAAP)**

May 8, 2017

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 Executive Officer In Charge of
 Inquiries: Financial & Accounting Foreign Trade Takahiro Matsumoto TEL 06-6121-5669
 Operation Business Management
 Scheduled date of ordinary general meeting of shareholders: June 29, 2017
 Scheduled date to file Securities Report: June 30, 2017
 Scheduled date to commence dividend payments: June 30, 2017
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(1) Consolidated operating results

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	%
Year ended March 31, 2017	107,015	(3.5)	7,080	(19.0)	7,122	(20.2)	4,770	(17.1)
Year ended March 31, 2016	110,843	6.9	8,736	33.5	8,921	25.4	5,754	28.5

Note: Comprehensive income Year ended March 31, 2017 ¥6,003 million [99.5 %]
 Year ended March 31, 2016 ¥3,008 million [(51.7)%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2017	132.39	131.79	8.2	9.2	6.6
Year ended March 31, 2016	156.27	155.28	10.1	12.3	7.9

Reference: Share of income of investments accounted for using the equity method

Year ended March 31, 2017 ¥- million
 Year ended March 31, 2016 ¥- million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2017	78,659	60,255	74.8	1,657.39
As of March 31, 2016	76,806	58,163	74.0	1,557.17

Reference: Equity As of March 31, 2017: ¥58,869 million
 As of March 31, 2016: ¥56,863 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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2017	4,682	(2,299)	(3,093)	32,207
Year ended March 31, 2016	5,483	(2,775)	3,634	32,993

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, 2016	–	20.00	–	25.00	45.00	1,644	28.8	2.9
Year ended March 31, 2017	–	25.00	–	25.00	50.00	1,787	37.8	3.1
Year ending March 31, 2018 (Forecast)	–	25.00	–	25.00	50.00		33.2	

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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, 2017	52,500	3.1	3,700	7.1	3,700	11.2	2,450	10.8	68.98
Full year	110,000	2.8	8,000	13.0	8,000	12.3	5,350	12.1	150.62

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2017

(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

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

(3) Number of issued shares (common shares)

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

As of March 31, 2017	∴	37,375,636 shares	As of March 31, 2016	∴	37,375,636 shares
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Number of treasury shares at the end of the period

As of March 31, 2017	∴	1,856,408 shares	As of March 31, 2016	∴	858,658 shares
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Average number of shares during the period

Year ended March 31, 2017	∴	36,038,497 shares	Year ended March 31, 2016	∴	36,824,551 shares
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Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2017	99,860	(3.6)	6,025	(22.4)	6,542	(20.2)	4,593	(15.9)
Year ended March 31, 2016	103,621	7.9	7,762	30.4	8,196	17.7	5,459	15.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2017	127.47		126.90	
Year ended March 31, 2016	148.26		147.32	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2017	74,448		57,190		76.2		1,597.26	
As of March 31, 2016	72,758		55,378		75.6		1,505.49	

Reference: Equity As of March 31, 2017 ¥56,733 million
 As of March 31, 2016 ¥54,975 million

2. Forecast of non-consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Ordinary profit		Profit		Earnings per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Six months ending September 30, 2017	49,000	3.3	3,200	8.3	2,200	7.1	61.94	
Full year	103,100	3.2	7,150	9.3	4,950	7.8	139.36	

* Financial results reports are not required to be audited.

* 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, include forecasts based on certain assumptions and plans available at the time of disclosure of this document. Actual results may differ materially due to risks and uncertainty regarding economic and industry trends, price competition, and exchange rate fluctuations.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash and deposits	32,993	32,207
Notes and accounts receivable - trade	15,616	17,796
Electronically recorded monetary claims - operating	789	1,206
Merchandise and finished goods	9,332	8,247
Deferred tax assets	720	208
Short-term loans receivable	19	14
Other	952	663
Allowance for doubtful accounts	(1)	(2)
Total current assets	60,423	60,342
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,597	7,568
Accumulated depreciation	(3,746)	(3,903)
Buildings and structures, net	3,851	3,665
Land	9,174	9,174
Leased assets	316	367
Accumulated depreciation	(185)	(226)
Leased assets, net	130	140
Construction in progress	–	2,008
Other	1,575	1,742
Accumulated depreciation	(1,140)	(1,295)
Other, net	435	446
Total property, plant and equipment	13,591	15,434
Intangible assets		
Leased assets	41	48
Other	78	74
Total intangible assets	119	123
Investments and other assets		
Investment securities	1,475	1,525
Long-term loans receivable	32	29
Deferred tax assets	166	181
Other	1,016	1,029
Allowance for doubtful accounts	(19)	(7)
Total investments and other assets	2,671	2,758
Total non-current assets	16,382	18,317
Total assets	76,806	78,659

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	4,816	5,008
Lease obligations	80	80
Income taxes payable	1,881	1,156
Provision for directors' bonuses	73	64
Provision for bonuses	40	43
Other	3,856	3,105
Total current liabilities	10,747	9,459
Non-current liabilities		
Long-term loans payable	7,000	8,000
Lease obligations	132	130
Net defined benefit liability	550	589
Asset retirement obligations	56	57
Provision for environmental measures	–	52
Other	154	113
Total non-current liabilities	7,894	8,944
Total liabilities	18,642	18,403
Net assets		
Shareholders' equity		
Capital stock	4,993	4,993
Capital surplus	6,043	6,043
Retained earnings	48,803	51,761
Treasury shares	(1,777)	(3,777)
Total shareholders' equity	58,063	59,021
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	188	211
Deferred gains or losses on hedges	(1,255)	(193)
Foreign currency translation adjustment	81	18
Remeasurements of defined benefit plans	(215)	(189)
Total accumulated other comprehensive income	(1,199)	(152)
Subscription rights to shares	402	456
Non-controlling interests	897	929
Total net assets	58,163	60,255
Total liabilities and net assets	76,806	78,659

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net sales	110,843	107,015
Cost of sales	83,880	80,784
Gross profit	26,962	26,230
Selling, general and administrative expenses	18,226	19,150
Operating profit	8,736	7,080
Non-operating income		
Interest and dividend income	23	22
Gain on adjustment of account payable	56	69
Foreign exchange gains	77	–
Operations consignment fee of subsidiaries and affiliates	6	5
Other	73	61
Total non-operating income	238	159
Non-operating expenses		
Interest expenses	8	4
Commission fee	25	24
Foreign exchange losses	–	66
Other	19	21
Total non-operating expenses	53	117
Ordinary profit	8,921	7,122
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	7	–
Provision for environmental measures	–	44
Total extraordinary losses	7	44
Profit before income taxes	8,914	7,077
Income taxes - current	2,975	2,077
Income taxes - deferred	(26)	3
Total income taxes	2,948	2,081
Profit	5,965	4,996
Profit attributable to non-controlling interests	211	225
Profit attributable to owners of parent	5,754	4,770

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Profit	5,965	4,996
Other comprehensive income		
Valuation difference on available-for-sale securities	(71)	23
Deferred gains or losses on hedges	(2,634)	1,061
Foreign currency translation adjustment	(152)	(103)
Remeasurements of defined benefit plans, net of tax	(98)	25
Total other comprehensive income	(2,956)	1,006
Comprehensive income	3,008	6,003
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,854	5,818
Comprehensive income attributable to non-controlling interests	154	185

Consolidated statements of changes in equity

Fiscal year ended March 31, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,993	6,043	44,526	(80)	55,482
Changes of items during period					
Dividends of surplus			(1,477)		(1,477)
Profit attributable to owners of parent			5,754		5,754
Purchase of treasury shares				(1,696)	(1,696)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	4,277	(1,696)	2,580
Balance at end of current period	4,993	6,043	48,803	(1,777)	58,063

	Accumulated other comprehensive income					Subscription rights to shares	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 current period	260	1,379	177	(117)	1,700	173	804	58,161
Changes of items during period								
Dividends of surplus								(1,477)
Profit attributable to owners of parent								5,754
Purchase of treasury shares								(1,696)
Net changes of items other than shareholders' equity	(71)	(2,634)	(96)	(98)	(2,899)	229	92	(2,578)
Total changes of items during period	(71)	(2,634)	(96)	(98)	(2,899)	229	92	2
Balance at end of current period	188	(1,255)	81	(215)	(1,199)	402	897	58,163

Fiscal year ended March 31, 2017

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	4,993	6,043	48,803	(1,777)	58,063
Changes of items during period					
Dividends of surplus			(1,812)		(1,812)
Profit attributable to owners of parent			4,770		4,770
Purchase of treasury shares				(2,000)	(2,000)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	2,958	(2,000)	958
Balance at end of current period	4,993	6,043	51,761	(3,777)	59,021

	Accumulated other comprehensive income					Subscription rights to shares	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 current period	188	(1,255)	81	(215)	(1,199)	402	897	58,163
Changes of items during period								
Dividends of surplus								(1,812)
Profit attributable to owners of parent								4,770
Purchase of treasury shares								(2,000)
Net changes of items other than shareholders' equity	23	1,061	(62)	25	1,047	54	32	1,134
Total changes of items during period	23	1,061	(62)	25	1,047	54	32	2,092
Balance at end of current period	211	(193)	18	(189)	(152)	456	929	60,255

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from operating activities		
Profit before income taxes	8,914	7,077
Depreciation	499	463
Increase (decrease) in provision for directors' bonuses	10	(8)
Increase (decrease) in provision for bonuses	(5)	3
Increase (decrease) in allowance for doubtful accounts	(8)	(11)
Increase (decrease) in net defined benefit liability	24	76
Increase (decrease) in provision for environmental measures	–	44
Interest and dividend income	(23)	(22)
Interest expenses	8	4
Loss on valuation of shares of subsidiaries and associates	7	–
Decrease (increase) in notes and accounts receivable - trade	397	(2,533)
Decrease (increase) in inventories	(1,737)	1,083
Increase (decrease) in notes and accounts payable - trade	138	193
Increase (decrease) in accrued consumption taxes	(453)	318
Decrease (increase) in other current assets	(64)	187
Increase (decrease) in other current liabilities	160	530
Other, net	245	84
Subtotal	8,113	7,492
Interest and dividend income received	23	22
Interest expenses paid	(8)	(4)
Income taxes paid	(2,644)	(2,827)
Net cash provided by (used in) operating activities	5,483	4,682
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,738)	(2,250)
Purchase of investment securities	(17)	(17)
Proceeds from sales of investment securities	6	0
Purchase of shares of subsidiaries and associates	(1)	–
Payments of loans receivable	(29)	(12)
Collection of loans receivable	28	19
Other payments	(29)	(40)
Other proceeds	4	1
Net cash provided by (used in) investing activities	(2,775)	(2,299)

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Cash flows from financing activities		
Proceeds from long-term loans payable	7,000	1,000
Purchase of treasury shares	(1,696)	(2,000)
Repayments of lease obligations	(91)	(89)
Repayments of installment payables	(38)	(38)
Cash dividends paid	(1,477)	(1,812)
Dividends paid to non-controlling interests	(61)	(152)
Net cash provided by (used in) financing activities	3,634	(3,093)
Effect of exchange rate change on cash and cash equivalents	(85)	(75)
Net increase (decrease) in cash and cash equivalents	6,256	(786)
Cash and cash equivalents at beginning of period	26,736	32,993
Cash and cash equivalents at end of period	32,993	32,207