7483
TSE 1st Section

DOSHISHA CORPORATION

A Summary of the FY3/11 Business Results Meeting

The following is a summary of the FY3/11 Business Results Meeting held by DOSHISHA CORPORATION, hereinafter DOSHISHA or the Company, on May 18, 2011.

Summary of FY03/11 Consolidated Business Results

As can be seen in Table 1, consolidated net sales exceeded the Company's forecast issued on November 17, 2010, but operating income dipped below the previous term's figure as well as the forecast due to a decline in its gross margin rate. The decline resulted from a sales surge in AV related products in October-November 2010, which pushed down the gross margin rate of 25.9% recorded in 2H of FY3/10 to 24.1% in the 2H of FY3/11. Moreover, because DOSHISHA procured fixed assets related to its new Tokyo head office in November 2010, it led to an acquisition tax of ¥87 million and thus drove SG&A expenses higher. As for net sales recording a year-on-year growth of 7.9%, the increase was driven by the development- and wholesale-type NB (National Brand) processed products.

【Table 1】Consolidated Business Results Summary

Consolidated (¥ million)	FY3/10 Actual	FY3/10 Composition Ratio	FY3/11 Forecast on Nov.17	FY3/11 Actual	FY3/11 Composition Ratio	YoY chg
Net Sales	**86,629**	**100.0%**	**91,000**	**93,494**	**100.0%**	**7.9%**
Product Development Model	43,900	50.7%	45,119	49,281	52.7%	12.3%
Wholesale Model	40,638	46.9%	43,596	41,991	44.9%	3.3%
NB Processing	19,670	22.7%	-	21,098	22.6%	7.3%
Famous Brand	20,967	24.2%	-	20,892	22.3%	-0.4%
Others	2,091	2.4%	2,285	2,221	2.4%	6.2%
Gross Proft	22,233	25.7%	23,374	23,129	24.7%	4.0%
SG&A Expenses	14,532	16.8%	15,374	15,431	16.5%	6.2%
Operating Income	**7,701**	**8.9%**	**8,000**	**7,698**	**8.2%**	**0.0%**
Ordinary Income	**7,593**	**8.8%**	**8,000**	**7,614**	**8.1%**	**0.3%**
Net Sales	**4,293**	**5.0%**	**4,650**	**4,395**	**4.7%**	**2.4%**

Note: All tables prepared by Trias Corp. with the data disclosed by DOSHISHA CORPORATION.

The development-type business in which DOSHISHA develops its own products performed well, particularly sales of 16-32 inch LCD televisions, buoyed by eco-point incentive program and the transition to terrestrial digital broadcasting from July 2011. While these TV units were developed in collaboration with a partner-manufacturer, the large electronics discount retailers have come

This Memo is for reference purposes only and is not intended as a solicitation for investment. The contents contained herein areprepared based on reliable information that already exists in the public domain. The Company, however, does not guarantee complete accuracy. Any pinionrinformation contained in the Memo is relevant as of the day of the Information Meeting and/or Company Visit, although the views and/or facts may be altered without prior notification. Final investment decisions shall be made by investors themselves based solely on their own judgment and responsivility

Copyright © 2011 Trias Corporation. All rights reserved.

appreciate not only their reasonable pricing versus national brands, but also the fact that the Company has established its own repair center and after-service system, as well as a dependable quality control regime. The Company also reports successful product development that focuses on design, functionality, location of use and concept. Sales of mug bottles, pressure cookers and home appliances to make confectionery have also performed well, as has a beer-like alcoholic drink ("third-type beer") due to the hot summer last year.

One niche-market success that DOSHISHA has stepped up its marketing is wine that sells for 398 yen, the lowest retail price for any wine that is being sold at home improvement centers and discount liquor stores. Because Beaujolais Nouveau has sold well at large general supermarkets and liquor stores in general, DOSHISHA's Virage has become the third bestselling Beaujolais Nouveau import in Japan. In food products, the Company is targeting niche markets and, as a result, sales of pickled umeboshi plums and Japanese sake have grown, while reinforcing development of a "100 million yen for a single breed" product. On the other hand, LED lights and low-priced cosmetic products failed to reach the forecast targets.

In DOSHISHA's wholesale operations, various types of gifts—from highly priced to greatly discounted, memorial and hospitality presents—continued to sell well from the previous term. Moreover, the profitability of premier brand watches, shoes and jewelry remained robust. However, Le Creuset and other imported sundries such as Western pottery failed to reach the projected targets.

As for developing new sales channels and new products, the rate of developing new channels declined from 5.4% in fiscal 2009 to 4.8% in fiscal 2010. A major factor that influenced this outcome was the Middle series humidifier, which sold well in 2009. On the other hand, the rate of developing new products grew from 56.9% to 57.3% in the same period, indicating that new product development, the lifeline of DOSHISHA, remains alive and well.

A special notice in the consolidated balance sheet was the acquisition of a new Tokyo head office building, which cost ¥4.6 billion, including tax. Cash declined by ¥2.1 billion, while corporate bonds increased by ¥2.5 billion and fixed assets rose by ¥4.3 billion.

FY03/12 Consolidated Forecasts and Priority Initiatives

Table 2 features DOSHISHA's FY3/12 consolidated forecasts. Among the priority initiatives the Company has adopted are corporate responses to the post-March 11 disaster rebuilding effort, fortifying its marketing/sales capabilities by business model, and expansion of overseas sales.

This Memo is for reference purposes only and is not intended as a solicitation for investment. The contents contained herein areprepared based on reliable information that already exists in the public domain. The Company, however, does not guarantee complete accuracy. Any pinionrinformation contained in the Memo is relevant as of the day of the Information Meeting and/or Company Visit, although the views and/or facts may be altered without prior notification. Final investment decisions shall be made by investors themselves based solely on their own judgment and responsivility

Copyright © 2011 Trias Corporation. All rights reserved.

In order to meet demand created by the post-disaster recovery in Japan, the Company will be putting greater effort into developing and marketing products with the focus on energy conservation, disaster prevention and combating the summer heat, in response to a dramatic change in consumer needs. In addition, DOSHISHA will step up the procurement and supply of a broad range of daily essentials, such as basic commodities and home electronics products. Because the Company has a network of 1,500 suppliers at home and abroad, it intends to make maximum use of this network to provide customers “what is in demand now.”

【Table 2】FY03/12 Consolidated Forecast

Consolidated (¥ million)	FY3/11 (Actual) 1H	2H	Full Year	FY3/12 (Forecast) 1H	2H	Full Year	YoY chg
Net Sales	**41,718**	**51,776**	**93,494**	**44,600**	**53,400**	**98,000**	**4.8%**
Product Development Model	20,519	28,762	49,281	22,500	29,200	51,700	4.9%
Wholesale Model	20,196	21,795	41,991	21,100	22,950	44,050	4.9%
Others	1,003	1,218	2,221	1,000	1,250	2,250	1.3%
Gross Profit	10,634	12,495	23,129	11,200	13,200	24,400	5.5%
SG&A Expenses	7,555	7,876	15,431	8,000	8,200	16,200	5.0%
Operating Income	**3,079**	**4,619**	**7,698**	**3,200**	**5,000**	**8,200**	**6.5%**
Ordinary Income	**3,041**	**4,573**	**7,614**	**3,200**	**5,000**	**8,200**	**7.7%**
Net Income	**1,768**	**2,627**	**4,395**	**1,900**	**2,900**	**4,800**	**9.2%**

Note: FY3/12 forecasts announced May 18, 2011

As it had in fiscal 2010, sales expansion initiatives in DOSHISHA’s product development operations will center on expanding market share for its LCD TVs. Based on its niche market strategy, the Company will focus on developing TV units that can be installed in vehicles, cellular phones with “one-segment” TV capability, TVs with external HDD recording, and other variants. As for the popular mug bottle, DOSHISHA has begun to make the product on its own from March, thus reducing costs in a bid to fuel further sales. The Company will be reinforcing sales of products that have been developed with a clear conceptual and thematic basis targeting “savings, health and healing.” As for brand sales, the Company will be strengthening its lineup of the HALEIWA brand from Hawaii.

In its wholesale field of operations, DOSHISHA will work to sell assorted gift packages of beer for the first time. At the same time, demand for affordable, middle-tier brand products, or so-called “casual brands,” is growing. The Company thus aims to expand sales of such brands as DIESEL and SECTOR by incorporating a newly created marketing channel and upgraded sales promotion tools.

As for overseas sales, DOSHISHA began making active forays from fiscal 2010 and is now targeting markets in Europe, China and Korea. Although sales to foreign countries amounted to just around ¥200 million in the previous year, the Company is working to increase that to ¥500 million in this

This Memo is for reference purposes only and is not intended as a solicitation for investment. The contents contained herein areprepared based on reliable information that already exists in the public domain. The Company, however, does not guarantee complete accuracy. Any pinionrinformation contained in the Memo is relevant as of the day of the Information Meeting and/or Company Visit, although the views and/or facts may be altered without prior notification. Final investment decisions shall be made by investors themselves based solely on their own judgment and responsivility

Copyright © 2011 Trias Corporation. All rights reserved.

term and ¥1 billion at the earliest possible opportunity.

While Table 3 features the main goods from DOSHISHA's new lineup of products, the core focus of its operations will be the following: To procure "what is in demand now" on a timely basis; to plan and develop attractive products featuring novel designs and superior functionality; and to provide these goods at competitive prices. The Company has been working to improve its product design capabilities through collaborations with various industrial design schools, including the Tokyo-based Kuwasawa Design School, and expects the move to establish new regimes will accelerate in the future.

【Table 3】Select Goods from FY03/12 Product Lineup

Net Sales (¥ million)	FY3/11 Actual	FY3/12 Fcst.	FY3/12 Change vs FY3/11	FY3/12 Remarks
Product Development Operations	**49,200**	**51,700**	**2,400**	
LED Lighting	700	1,500	800	Expanding lineup of high quality, very low-price units
Chilled Products	-	-	500	Production can't keep up with demand; being met through inventory only
Third-Type Beer	-	-	300	Tie-up with Korea's largest brewery
Steel Racks	-	-	300	Entered recovery phase since April
Digital Signage TV	-	500	-	Offering value-added products for growth markets
"Smart Slim Bottle" Mugs	-	-	300	Sales of student designed product to start
HALEIWA Brand from Hawaii	400	700	300	Incorporated to bolster mug bottle lineup
New Character-Brand Product "ONE-PIECE"	-	300	-	Niche products include camping equipment and bicycles
Wholesale Operations	**41,900**	**44,000**	**2,000**	
Casual Brands	-	-	400	Upgraded sales promotion to drive sales growth
Gifts (All Categories)	-	-	1,500	
Gifts (Assorted Beer Pacage)	-	400	-	Profitability secured through product mix

As an example of upgrading its product functionality capabilities, DOSHISHA will be making a major push into the market for electric fans this year. It plans to roll out two types of units: the first is based on its design value and the second, a compact fan, is based on its ability to run on three different methods of power supply (either standard outlets, batteries or via USB cable). As for LED lighting, a product lineup that underperformed last year as a result of intensifying price competition, the Company has adopted guidelines set by the Japan Electric Lamp Manufacturers Association (JELMA) and established an operating regime that can deliver profits from LED lighting units that will

This Memo is for reference purposes only and is not intended as a solicitation for investment. The contents contained herein areprepared based on reliable information that already exists in the public domain. The Company, however, does not guarantee complete accuracy. Any pinionrinformation contained in the Memo is relevant as of the day of the Information Meeting and/or Company Visit, although the views and/or facts may be altered without prior notification. Final investment decisions shall be made by investors themselves based solely on their own judgment and responsivility

Copyright © 2011 Trias Corporation. All rights reserved.

constantly be sold at retail outlets at prices of only 1,000 yen. In this term, DOSHISHA will be concentrating resources to drive further sales in both the personal and corporate LED markets. The Company will begin offering a LED bulb capable of three energy savings settings, LED wake-up unit and clip-on LED lamp that can be run on batteries. It will also sell fluorescent tube-type LED lamps that do not require replacement modifications to corporate customers.

Q&A Session

Q1: Has the drop-off in consumer spending since the March 11 disaster begun to improve?

A1: Sales in April hit double digits versus that same month last year, a trend that is continuing in May and beyond. Our biggest retailer clients tell us that the situation at their outlets has improved dramatically as well.

Q2: While your gross margin rate fell from 25.5% in 1H of FY3/11 to 24.1% in 2H, what indications are there to expect improvement in this area for this term?

A2: The gross margin rate projected for FY3/12 is 24.9%. The factor behind this projection is a modest decline in the sales ratio of our LCD TV units, which had received a boost from the government's eco-point incentive program in the previous term. Sales for the TV units are expected to fall by ¥1.9 billion. At the same time, however, sales of products related to the post-March 11 recovery is expected to reach ¥2.2 billion in the first half, and we've also changed our sales mix—these factors lead us to believe that the gross margin will improve. In addition, seasonal products traditionally generate disposal costs at the end of their sales seasons, and this works to adversely impact gross margins as well. But this year, we believe disposal costs will be minimal due to the long-term forecast for a hotter-than-average summer and demand for energy conservation products.

Q3: Will the operating income margin for LED lighting this year expected to exceed or fall below the same margin for DOSHISHA as a whole?

A3: As for now, it does not appear that the operating income margin for LED lighting will reach the 8.3% rate for the entire Company. But because we've set up a framework through which we can squeeze a profit from our LED lamps even if they are sold at just 1,000 yen, we believe our profit margin from the product is viable and appropriate. It should be noted that companies are showing strong in interest in our LED products for use in their warehouses and offices. We are currently in the process of beefing up our marketing/sales arm for corporate sales by hiring experienced sales staff.

This Memo is for reference purposes only and is not intended as a solicitation for investment. The contents contained herein areprepared based on reliable information that already exists in the public domain. The Company, however, does not guarantee complete accuracy. Any pinionrinformation contatined in the Memo is relevant as of the day of the Information Meeting and/or Company Visit, although the views and/or facts may be altered without prior notification. Final investment decisions shall be made by investors themselves based solely on their own judgment and responsivility

Copyright © 2011 Trias Corporation. All rights reserved.

Q4: Given that sales to volume electronics discounters are on the upswing, what is your profit ratio in this area?

A4: Take our sales composition to one of our larger clients, a major electronics discounter: We not only provide the retailer with LCD TV units, but also shaved ice machines, electric fans, crockery, food products and an assortment of brand goods—meaning that even if TV sales should fall, that will not represent a significant decline in profitability. While it's difficult to calculate the exact ratio, we can say our profit ratio to these large retailers remains at about the same level as that posted in the first half.

Q5: What are you doing in terms of Web-based sales?

A5: We believe our effort there requires reinforcement. In 1H of FY3/11, for example, the ratio of web sales actually fell. The reason for this was that sales on the web that was generated through one of our larger clients took a step back. We are now looking to beef up our Internet marketing by focusing on "casual brand" goods, as well as on storage products. It should be noted that a portion of our products that are sold online can't be posted as such because they are incorporated into our overall sales to major supermarkets, which sell our products on their websites.

Q6: As stated earlier, DOSHISHA is looking at M&A in order to develop opportunities for business synergies in certain domains. What are the domains that you are looking at?

A6: While we are not entertaining any specific M&A case at this moment, I can tell you that people are constantly calling us regarding proposals. We are looking for a distinct type of company, one with upstream capabilities, especially manufacturing. We are not searching for firms downstream as that would pit us against our trading partners, which is something we definitely intend to avoid.

Q7: What will your dividend payment be?

A7: While we have not set a specific target to date, we are aiming to provide shareholders with a more stable and sustainable payout. You should know, however, that DOSHISHA has never lowered its dividend in the past, and that we will do everything in our power to meet shareholder expectations.

This Memo is for reference purposes only and is not intended as a solicitation for investment. The contents contained herein areprepared based on reliable information that already exists in the public domain. The Company, however, does not guarantee complete accuracy. Any pinionrinformation contatined in the Memo is relevant as of the day of the Information Meeting and/or Company Visit, although the views and/or facts may be altered without prior notification. Final investment decisions shall be made by investors themselves based solely on their own judgment and responsivility

Copyright © 2011 Trias Corporation. All rights reserved.

Key Financial Data (Consolidated)

Key Stock Indicators (Consolidated)		
No. of Shares Issued	Mar. 2011	18,687,818
No. of Treasury Stock	Mar. 2011	538,117
Market Value (¥million)	May 30, 2011	35,208
BPS (¥)	Mar. 2011	2,226.2
ROE (%)	Mar. 2011	11.3
ROA (%)	Mar. 2011	8.7
PER (times)	FY3/12 est.	7.1
PCFR(times)	Mar. 2011	7.4
PBR (times)	Mar. 2011	0.8
Share Price (¥)	May 30, 2011	1,884
Unit Share (shares)	May 30, 2011	100
Average Daily Volume (shares)	May 30, 2011	55,057

Key Financial Data (Consolidated)		
Total Assets (¥million)	Mar. 2011	53,154
Shareholders' Equity (¥million)	Mar. 2011	40,403
Interest-Bearing Debt (¥million)	Mar. 2011	5,095
Equity Ratio (%)	Mar. 2011	76
Ratio of Interest-Bearing Debt (%)	Mar. 2011	13
Free Cash Flows (¥million)	Mar. 2011	-3,270

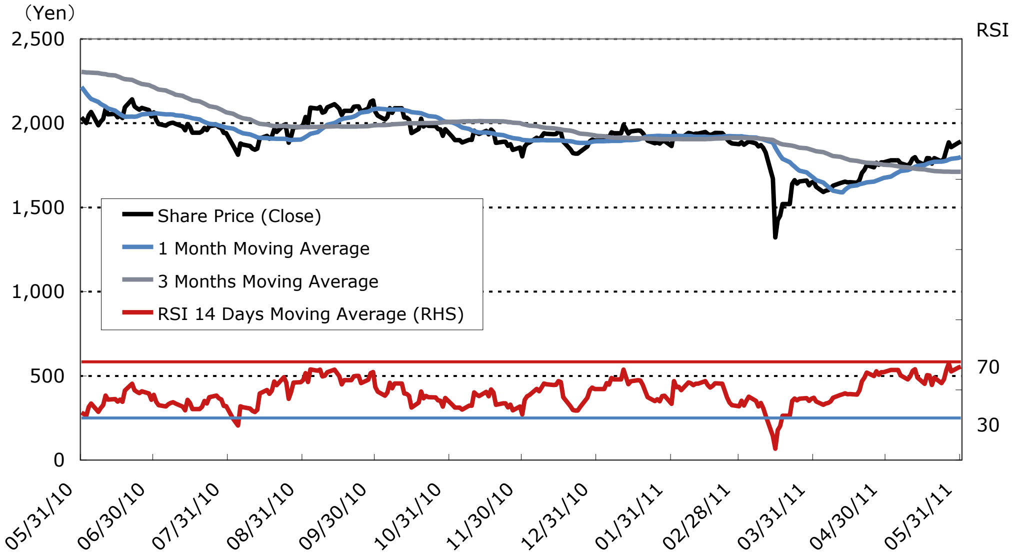
ROE=Current Net Income÷Averaged Shareholders' Equity
of beginning of term and term end
ROA=Current Net Income÷Averaged Total Assets
of beginning of term and term end
PCFR=Maket Value÷(Current Net Income+Depreciation)
Average Daily Volume=Ave. Daily Volume for the last 12 months
Ratio=Interest-Bearing Debts÷Shareholders' Equity
Free Cash Flows=Operating CF+Investment CF

Financial Results (Consolidated)

Consolidated (¥million)	Net Sales	Operating Income	Ordinary Income	Net Income	EPS (¥)	Dividend per Share (¥)
FY3/08	83,140	5,143	5,183	2,849	154.4	45.00
FY3/09	80,898	5,014	5,131	2,558	140.9	45.00
FY3/10	86,629	7,701	7,594	4,293	236.5	55.00
FY3/11 fcst.	93,494	7,698	7,614	4,395	242.2	55.00
2Q FY3/12 fcst.	44,600	3,200	3,200	1,900	104.7	27.50
FY3/12 fcst.	98,000	8,200	8,200	4,800	264.5	55.00

Note: FY3/12 forecast announced on May 10, 2011

Share Price Charts and RSI



Source: Prepared by Trias Corp. with Bloomberg data.
Note: RSI, Relative Strength Index, is the index representing the ratio of overbought or oversold share prices.
In general, over 70 in RSI shows overbought share price range, while below 30 shows oversold share price range.
RSI=averaged share price appreciation for N days÷(averaged share price appreciation for N days
+averaged share price decline for N days) x100

This Memo is for reference purposes only and is not intended as a solicitation for investment. The contents contained herein areprepared based on reliable information that already exists in the public domain. The Company, however, does not guarantee complete accuracy. Any pinionrinformation contatined in the Memo is relevant as of the day of the Information Meeting and/or Company Visit, although the views and/or facts may be altered without prior notification. Final investment decisions shall be made by investors themselves based solely on their own judgment and responsivility

Copyright © 2011 Trias Corporation. All rights reserved.