



## FACTBOOK

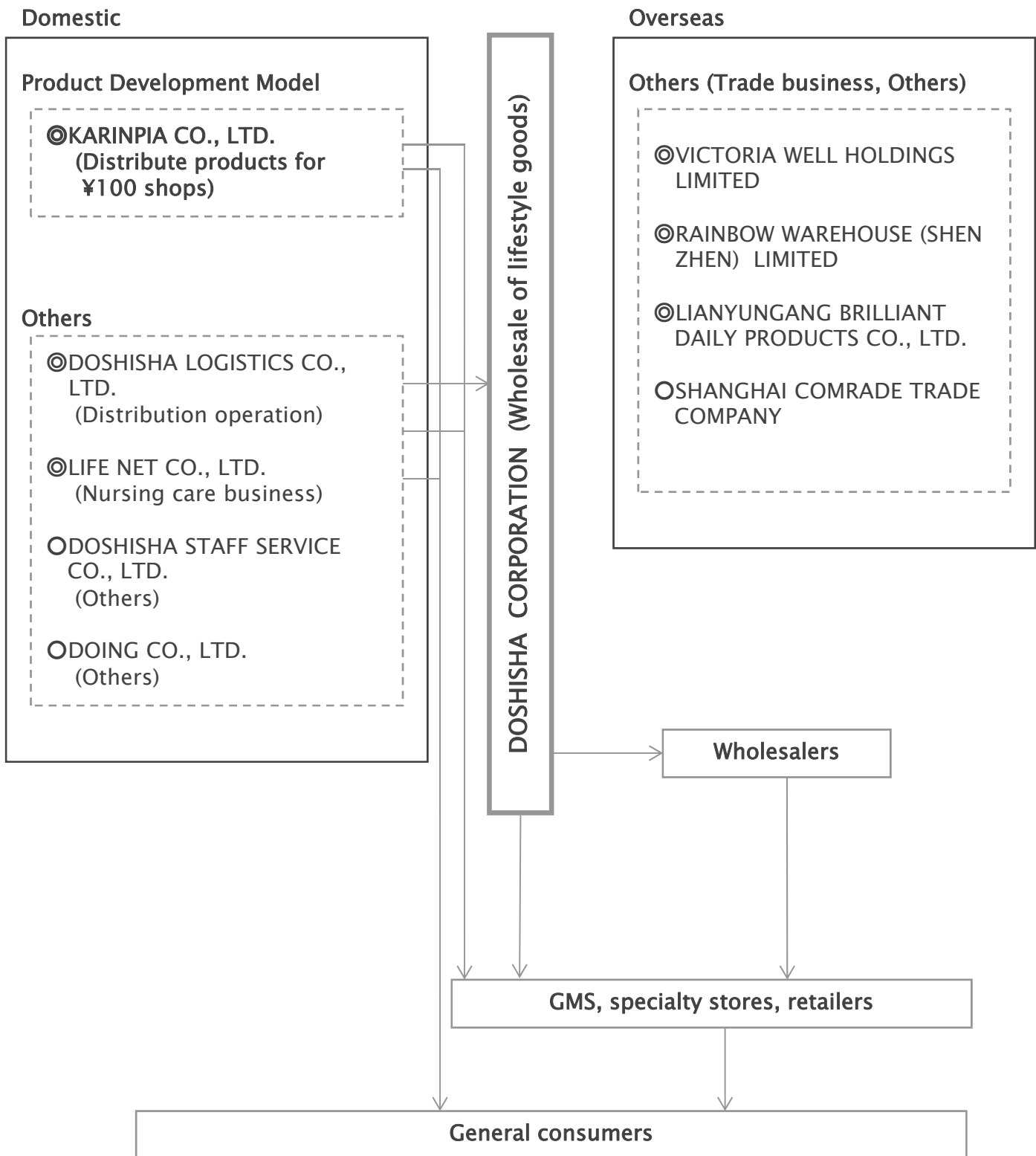
(7483) DOSHISHA CORPORATION

For the six months ended Sept 30, 2017

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Company Name	DOSHISHA CORPORATION
URL	<a href="http://www.doshisha.co.jp/">http://www.doshisha.co.jp/</a>
Head Office	Osaka : 1-5-5 Higashi-Shinsaibashi, Chuo-ku, Osaka, 542-8525 Tokyo : 2-21-46 Takanawa, Minato-ku, Tokyo, 108-8573 (Annex) 1-8-10 Higashi-Ohi, Shinagawa-ku, Tokyo, 140-0011
Established	January 1977 (Founded: October 1974)
Capital	¥4,993 million (as of September 30, 2017)
Representative	Masayuki Nomura, President and Chief Operating Officer
Employees	Consolidated : 1,537 Nonconsolidated : 820 (as of September 30, 2017)
Main Banks	Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited.; Mizuho Bank, Ltd.
Major Subsidiaries and Affiliated Companies	(Consolidated Subsidiaries) KARINPIA CO., LTD. LIFE NET CO., LTD. DOSHISHA LOGISTICS CO., LTD. VICTORIA WELL HOLDINGS LIMITED RAINBOW WAREHOUSE (SHEN ZHEN) LIMITED LIANYUNGANG BRILLIANT DAILY PRODUCTS CO., LTD. (Nonconsolidated Affiliates) DOSHISHA STAFF SERVICE CO., LTD. DOING CO., LTD. SHANGHAI COMRADE TRADE COMPANY

# DOSHISHA CORPORATION Group of Companies: An Overview



◎: Consolidated subsidiaries

○: Nonconsolidated affiliates

# Consolidated Balance Sheet

DOSHISHA CORPORATION and subsidiaries as of September 30, 2013–2017

(¥ million)	FY3/14 1H End	FY3/15 1H End	FY3/16 1H End	FY3/17 1H End	FY3/18 1H End
<b>Assets</b>					
<b>Total assets</b>	<b>63,588</b>	<b>68,180</b>	<b>68,133</b>	<b>78,465</b>	<b>83,675</b>
<b>Current assets</b>	<b>49,527</b>	<b>53,807</b>	<b>54,103</b>	<b>62,294</b>	<b>63,304</b>
Cash and deposits	24,678	27,701	26,774	33,794	34,923
Notes and accounts receivable – trade	14,612	15,283	15,597	15,538	15,970
Electronically recorded monetary claims – operating	–	–	925	1,364	2,395
Merchandise and finished goods	8,449	8,601	8,820	9,783	8,747
Short-term loans receivable	6	13	24	14	24
Other	1,787	2,208	1,963	1,801	1,243
Allowance for doubtful accounts	(6)	(1)	(1)	(3)	(1)
<b>Non-current assets</b>	<b>14,061</b>	<b>14,373</b>	<b>14,029</b>	<b>16,171</b>	<b>20,371</b>
<b>Property, plant and equipment</b>	<b>11,563</b>	<b>11,373</b>	<b>11,202</b>	<b>13,498</b>	<b>17,276</b>
Buildings and structures	7,928	7,575	7,631	7,572	7,574
Accumulated depreciation	(3,389)	(3,462)	(3,669)	(3,826)	(3,984)
Buildings and structures, net	4,538	4,113	3,961	3,745	3,590
Land	6,588	6,588	6,588	9,174	9,174
Construction in progress	–	–	–	–	4,008
Other	1,576	1,791	1,862	1,994	2,090
Accumulated depreciation	(1,139)	(1,120)	(1,210)	(1,416)	(1,587)
Other, net	437	671	652	578	503
<b>Intangible assets</b>	<b>171</b>	<b>162</b>	<b>137</b>	<b>113</b>	<b>127</b>
<b>Investments and other assets</b>	<b>2,326</b>	<b>2,837</b>	<b>2,689</b>	<b>2,559</b>	<b>2,967</b>
Investment securities	1,287	1,701	1,611	1,307	1,758
Long-term loans receivable	249	12	19	25	54
Other	1,069	1,202	1,087	1,250	1,156
Allowance for doubtful accounts	(279)	(79)	(27)	(23)	(1)

# Consolidated Balance Sheet

DOSHISHA CORPORATION and subsidiaries as of September 30, 2013–2017

(¥ million)	FY3/14 1H End	FY3/15 1H End	FY3/16 1H End	FY3/17 1H End	FY3/18 1H End
<b>Liabilities</b>					
<b>Total liabilities</b>	<b>12,279</b>	<b>12,827</b>	<b>10,674</b>	<b>21,319</b>	<b>19,891</b>
<b>Current liabilities</b>	<b>9,105</b>	<b>9,496</b>	<b>9,901</b>	<b>12,435</b>	<b>10,965</b>
Accounts payable – trade	6,185	5,672	5,765	5,761	6,927
Current portion of long-term loans payable	5	198	–	–	–
Income taxes payable	1,093	1,078	1,245	1,056	1,268
Provision for directors' bonuses	20	32	36	30	34
Provision for bonuses	18	28	24	27	32
Other	1,781	2,486	2,829	5,560	2,702
<b>Non-current liabilities</b>	<b>3,174</b>	<b>3,331</b>	<b>772</b>	<b>8,884</b>	<b>8,925</b>
Bonds payable	2,500	2,500	–	–	–
Long-term loans payable	198	–	–	8,000	8,000
Net defined benefit liability	153	368	380	562	606
Asset retirement obligations	54	55	56	57	58
Provision for environmental measures	–	–	–	–	56
Other	268	406	336	264	204
<b>Net assets</b>					
<b>Total net assets</b>	<b>51,309</b>	<b>55,352</b>	<b>57,459</b>	<b>57,145</b>	<b>63,784</b>
<b>Shareholders' equity</b>	<b>50,229</b>	<b>53,739</b>	<b>55,620</b>	<b>58,313</b>	<b>62,385</b>
Capital stock	4,993	4,993	4,993	4,993	4,993
Capital surplus	6,043	6,043	6,043	6,043	6,140
Retained earnings	39,272	42,783	46,210	50,102	53,519
Treasury shares	(79)	(80)	(1,626)	(2,825)	(2,267)
<b>Accumulated other comprehensive income</b>	<b>242</b>	<b>905</b>	<b>705</b>	<b>(2,384)</b>	<b>340</b>
Valuation difference on available-for-sale securities	44	148	272	76	367
Deferred gains or losses on hedges	82	832	392	(2,224)	107
Foreign currency translation adjustment	116	33	150	(38)	36
Remeasurements of defined benefit plans	–	(109)	(108)	(197)	(171)
Subscription rights to shares	36	57	287	457	264
<b>Non-controlling interests</b>	<b>800</b>	<b>649</b>	<b>844</b>	<b>758</b>	<b>794</b>
<b>Total liabilities and net assets</b>	<b>63,588</b>	<b>68,180</b>	<b>68,133</b>	<b>78,465</b>	<b>83,675</b>

# Consolidated Statement of Income

DOSHISHA CORPORATION and subsidiaries for the six months ended September 30, 2013–2017

(¥ million)	FY3/14 1H	FY3/15 1H	FY3/16 1H	FY3/17 1H	FY3/18 1H
Net sales	49,978	48,767	52,603	50,921	50,426
Cost of sales	38,321	37,020	39,908	37,898	36,956
Gross profit	11,657	11,747	12,694	13,023	13,469
Selling, general and administrative expenses	8,634	8,873	9,016	9,567	9,700
Operating profit	3,022	2,873	3,678	3,455	3,769
Non-operating income	94	175	150	89	139
Interest income	3	6	3	0	1
Dividend income	7	11	8	11	13
Gain on sales of investment securities	-	-	-	-	10
Gain on adjustment of account payable	9	30	33	35	20
House rent income	8	0	0	-	-
Foreign exchange gains	-	44	58	-	41
Other	65	82	45	40	53
Non-operating expenses	38	26	28	218	26
Interest expenses	7	6	3	2	2
Commission fee	9	10	10	14	13
Foreign exchange losses	8	-	-	194	-
Other	13	9	13	7	10
Ordinary profit	3,078	3,022	3,800	3,327	3,882
Extraordinary income	0	172	-	-	3
Gain on reversal of subscription rights to shares	0	-	-	-	3
Extraordinary losses	140	15	7	-	3
Provision for environmental measures	-	-	-	-	3
Profit before income taxes and minority interests	2,939	3,179	3,793	3,327	3,882
Income taxes – current	1,064	1,050	1,244	973	1,175
Income taxes – deferred	(19)	13	8	25	(18)
Total income taxes	1,045	1,064	1,253	998	1,157
Profit	1,893	2,115	2,540	2,328	2,725
Profit attributable to non-controlling interests	113	127	110	116	79
Profit attributable to owners of parent	1,780	1,988	2,429	2,211	2,645

# Consolidated Statement of Comprehensive Income

DOSHISHA CORPORATION and subsidiaries for the six months ended September 30, 2013–2017

(¥ million)	FY3/14 1H	FY3/15 1H	FY3/16 1H	FY3/17 1H	FY3/18 1H
Profit	1,893	2,115	2,540	2,328	2,725
Other comprehensive income	90	673	(1,002)	(1,287)	497
Valuation difference on available-for-sale securities	(29)	67	12	(112)	155
Deferred gains or losses on hedges	1	729	(987)	(969)	301
Foreign currency translation adjustment	119	(131)	(36)	(223)	22
Remeasurements of defined benefit plans, net of tax	-	7	8	17	18
Comprehensive income	1,984	2,788	1,537	1,041	3,222
Comprehensive income attributable to owners of parent	1,829	2,691	1,435	1,027	3,138
Comprehensive income attributable to non-controlling interests	155	96	101	14	84

# Consolidated Statement of Cash Flows

DOSHISHA CORPORATION and subsidiaries for the six months ended September 30, 2013–2017

(¥ million)	FY3/14 1H	FY3/15 1H	FY3/16 1H	FY3/17 1H	FY3/18 1H
<b>Cash flows from operating activities</b>					
<b>Net cash provided by (used in) operating activities</b>	<b>1,797</b>	<b>2,401</b>	<b>2,583</b>	<b>2,201</b>	<b>4,539</b>
Profit before income taxes and minority interests	2,939	3,179	3,793	3,327	3,882
Depreciation	237	245	242	211	205
Increase (decrease) in provision for directors' bonuses	(38)	(23)	(25)	(43)	(29)
Increase (decrease) in provision for bonuses	(22)	(11)	(20)	(12)	(11)
Increase (decrease) in allowance for doubtful accounts	91	(95)	(0)	5	(7)
Increase (decrease) in net defined benefit liability	-	26	3	37	43
Increase (decrease) in provision for environmental measures	-	-	-	-	3
Loss (gain) on sales of investment securities	-	-	-	-	(10)
Interest and dividend income	(11)	(18)	(12)	(12)	(14)
Interest expenses	7	6	3	2	2
Decrease (increase) in notes and accounts receivable – trade	784	668	367	(464)	637
Decrease (increase) in inventories	(1,221)	(1,295)	(1,206)	(478)	(499)
Increase (decrease) in notes and accounts payable – trade	1,101	1,236	1,066	965	1,918
Increase (decrease) in accrued consumption taxes	4	108	(457)	172	(314)
Decrease (increase) in other current assets	(640)	(248)	(369)	94	(331)
Increase (decrease) in other current liabilities	101	341	596	145	129
Other, net	(1)	205	127	54	10
<b>Subtotal</b>	<b>3,392</b>	<b>4,152</b>	<b>4,109</b>	<b>4,005</b>	<b>5,613</b>
Interest and dividend income received	11	18	12	12	14
Interest expenses paid	(10)	(6)	(3)	(2)	(0)
Income taxes paid	(1,595)	(1,762)	(1,534)	(1,813)	(1,087)
<b>Cash flows from investing activities</b>					
<b>Net cash provided by (used in) investing activities</b>	<b>(246)</b>	<b>513</b>	<b>(102)</b>	<b>(121)</b>	<b>(2,084)</b>
Payments into time deposits	(300)	(2,000)	-	-	-
Proceeds from withdrawal of time deposits	300	2,000	-	-	-
Purchase of property, plant and equipment	(105)	(106)	(92)	(112)	(2,025)
Purchase of investment securities	(8)	(12)	(8)	(9)	(9)
Proceeds from sales of investment securities	-	-	-	-	10
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	(127)	(15)	(0)	-	(43)
Collection of loans receivable	6	13	8	11	8
Other payments	(12)	(9)	(10)	(12)	(26)
Other proceeds	0	(46)	2	1	1
<b>Cash flows from financing activities</b>					
<b>Net cash provided by (used in) financing activities</b>	<b>(609)</b>	<b>(1,405)</b>	<b>(2,419)</b>	<b>(1,177)</b>	<b>251</b>
Repayments of long-term loans payable	(5)	(5)	-	1,000	-
Purchase of treasury shares	(0)	(0)	(1,545)	(1,048)	-
Proceeds from exercise of share options	-	-	-	-	1,416
Repayments of lease obligations	(43)	(43)	(46)	(44)	(42)
Repayments of installment payables	-	(19)	(19)	(19)	(15)
Cash dividends paid	(559)	(559)	(745)	(912)	(886)
Dividends paid to non-controlling interests	-	(778)	(61)	(152)	(219)
Effect of exchange rate change on cash and cash equivalents	71	(41)	(24)	(102)	8
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,013</b>	<b>1,467</b>	<b>37</b>	<b>800</b>	<b>2,716</b>
Cash and cash equivalents at beginning of period	23,665	26,233	26,736	32,993	32,207
Cash and cash equivalents at end of period	24,678	27,701	26,774	33,794	34,923



# Information by Business Model

DOSHISHA CORPORATION and subsidiaries for the six months ended September 30, 2013–2017

(¥ million)	FY3/14 1H	FY3/15 1H	FY3/16 1H	FY3/17 1H	FY3/18 1H
<b>Product Development Model</b>					
Net Sales	25,064	23,028	23,765	23,490	23,935
Composition Ratio	50.2%	47.2%	45.2%	46.1%	47.5%
Year-on-Year Changes	7.1%	-8.1%	3.2%	-1.2%	1.9%
<b>Wholesale Model</b>					
Net Sales	23,081	23,909	26,851	25,912	24,918
Composition Ratio	46.2%	49.0%	51.0%	50.9%	49.4%
Year-on-Year Changes	3.2%	3.6%	12.3%	-3.5%	-3.8%
<b>NB Processing</b>					
Net Sales	13,502	13,824	13,405	14,009	13,937
Composition Ratio	27.0%	28.3%	25.5%	27.5%	27.6%
Year-on-Year Changes	2.7%	2.4%	-3.0%	4.5%	-0.5%
<b>Famous Brands</b>					
Net Sales	9,578	10,084	13,446	11,902	10,980
Composition Ratio	19.2%	20.7%	25.6%	23.4%	21.8%
Year-on-Year Changes	3.9%	5.3%	33.3%	-11.5%	-7.7%
<b>Others</b>					
Net Sales	1,832	1,829	1,986	1,519	1,572
Composition Ratio	3.7%	3.8%	3.8%	3.0%	3.1%
Year-on-Year Changes	52.2%	-0.2%	8.6%	-23.5%	3.5%
<b>Total</b>					
Net Sales	49,978	48,767	52,603	50,921	50,426
Composition Ratio	100.0%	100.0%	100.0%	100.0%	100.0%
Year-on-Year Changes	6.4%	-2.4%	7.9%	-3.2%	-1.0%

Note: In January – March period of the consolidated fiscal year ended March 31, 2017, part of the net sales originally recorded under the Product Development Business Model was transferred to the Wholesale Business Model, in accordance with changes in the Company's management approach. Segment information for 1H FY3/17 are calculated based on the new categorization. (Up to 1H FY3/16 figures before segment transferring are showed for reference.)

## Product Development Business Model

Under this model, Doshisha engages in product planning, development and marketing functions as a manufacturer, providing a broad range of consumer goods, from home appliances and household products to cabinetry articles, apparel, food products and beverages.

## Wholesale Business Model

Under this model, Doshisha functions as a supplier and processor of products procured from domestic and foreign makers, and then markets these goods. These products can be separated into two main groupings: premier brands (or “FB” for “famous brands” as we categorize them) consisting primarily of wristwatches and handbags, and “NB processed goods,” or gift products that we assort ourselves.

# Consolidated Profitability Indicators

(¥ million)	FY3/14 1H	FY3/15 1H	FY3/16 1H	FY3/17 1H	FY3/18 1H
Net Sales	49,978	48,767	52,603	50,921	50,426
Gross Profit	11,657	11,747	12,694	13,023	13,469
SG&A Expenses	8,634	8,873	9,016	9,567	9,700
Operating Profit	3,022	2,873	3,678	3,455	3,769
Ordinary Profit	3,078	3,022	3,800	3,327	3,882
Profit Attributable to Owners of Parent	1,780	1,988	2,429	2,211	2,645

(%)	FY3/14 1H	FY3/15 1H	FY3/16 1H	FY3/17 1H	FY3/18 1H
Gross Profit to Sales	23.3	24.1	24.1	25.6	26.7
SG&A Expenses Ratio	17.3	18.2	17.1	18.8	19.2
Operating Profit Margin	6.0	5.9	7.0	6.8	7.5
Ordinary Profit Margin	6.2	6.2	7.2	6.5	7.7
Profit Attributable to Owners of Parent Margin	3.6	4.1	4.6	4.3	5.2

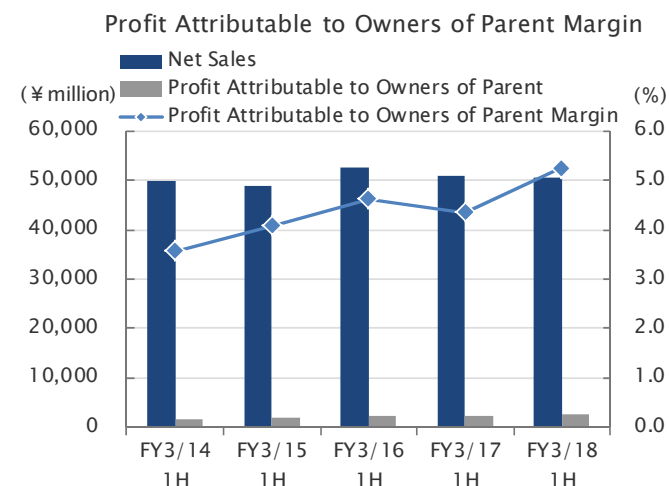
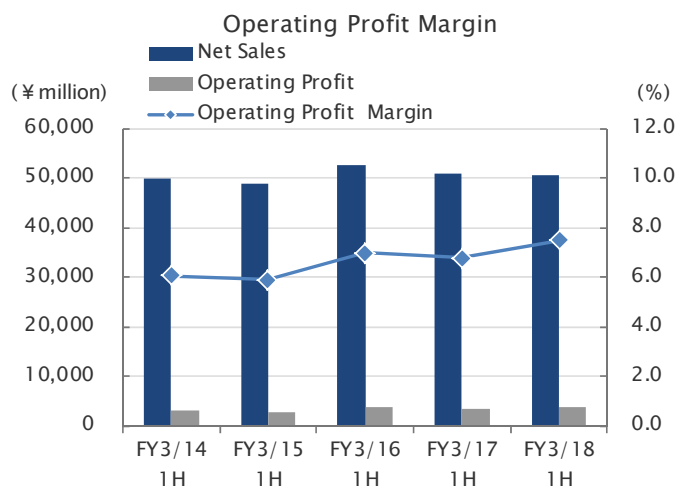
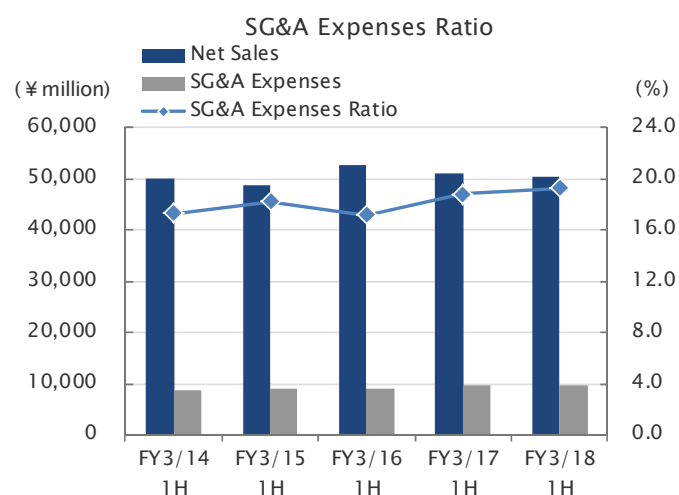
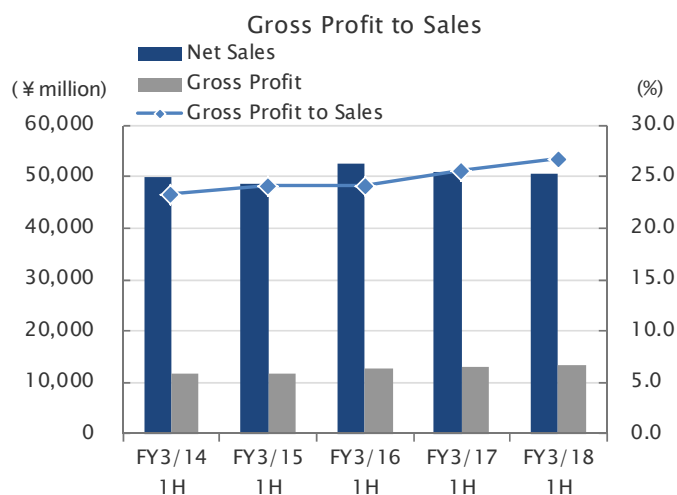
Gross Profit to Sales=Gross Profit/Net Sales

SG&A Expenses Ratio=SG&A Expenses/Net Sales

Operating Profit Margin=Operating Profit/Net Sales

Ordinary Profit Margin=Ordinary Profit/Net Sales

Profit Attributable to Owners of Parent Margin=Profit Attributable to Owners of Parent/Net Sales



# Consolidated Efficiency Indicators

(Times)	FY3/14 1H	FY3/15 1H	FY3/16 1H	FY3/17 1H	FY3/18 1H
Total Assets Turnover	1.6	1.5	1.5	1.3	1.2
Non-current Assets Turnover	7.1	6.7	7.5	6.3	5.2
Current Assets Turnover	2.1	1.9	1.9	1.7	1.6
Inventory Turns (full-year basis)	9.8	9.3	9.7	7.9	8.7

(Days)	FY3/14 1H	FY3/15 1H	FY3/16 1H	FY3/17 1H	FY3/18 1H
Accounts Receivable Turnover	53.4	57.2	57.3	60.6	66.5
Accounts Payable Turnover	22.6	21.2	20.0	20.6	25.1

(%)	FY3/14 1H	FY3/15 1H	FY3/16 1H	FY3/17 1H	FY3/18 1H
ROIC (Apr-Sep)	3.61	3.29	4.29	3.71	3.69

Total Assets Turnover=Net Sales x 2/Average Total Assets

Non-current Assets Turnover=Net Sales x 2/Average Non-current Assets

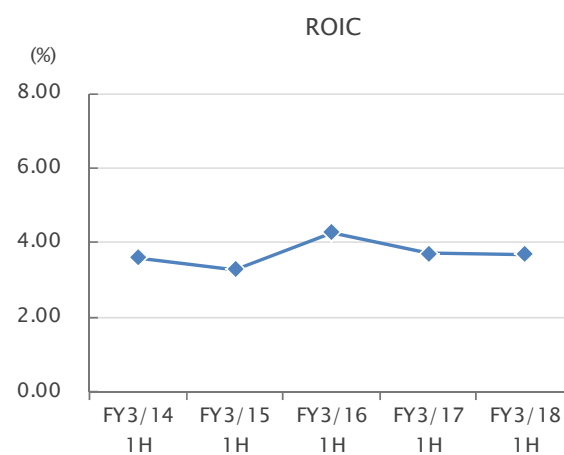
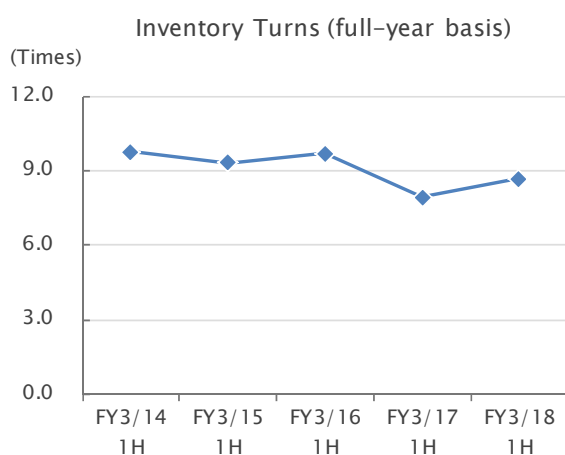
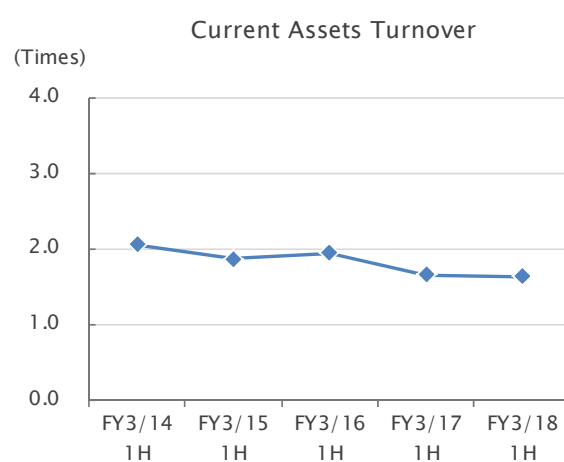
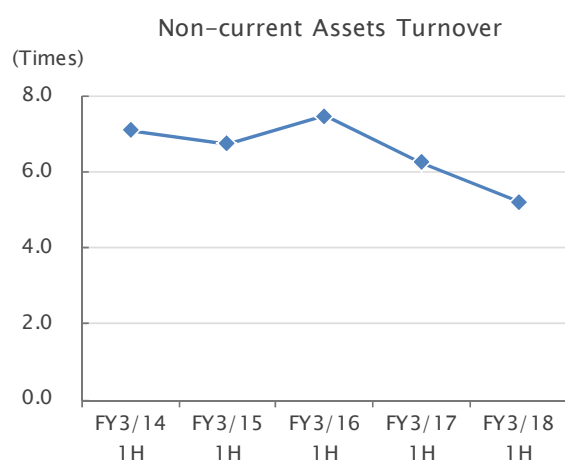
Current Assets Turnover=Net Sales x 2/Average Current Assets

Inventory Turns (full-year basis)=(Cost of Sales/Average Inventories) x 2

Accounts Receivable Turnover=Average Accounts Receivable/Net Sales x 365/2

Accounts Payable Turnover=Average Accounts Payable/Net Sales x 365/2

ROIC=Operating Profit x (1-Tax rate)/Capital Invested (Net Assets + Interest-bearing Debt)



# Consolidated Stability and Other Indicators

(¥ million)	FY3/14 1H	FY3/15 1H	FY3/16 1H	FY3/17 1H	FY3/18 1H
Equity	50,472	54,645	56,326	55,929	62,725
Total Assets	63,588	68,180	68,133	78,465	83,675
Non-current Assets	14,061	14,373	14,029	16,171	20,371
Current Assets	49,527	53,807	54,103	62,294	63,304
Current Liabilities	9,105	9,496	9,901	12,435	10,965
Interest-bearing Debt	2,703	2,698	-	8,000	8,000

(%)	FY3/14 1H	FY3/15 1H	FY3/16 1H	FY3/17 1H	FY3/18 1H
Equity Ratio	79.4	80.1	82.7	71.3	75.0
D/E Ratio	5.4	4.9	-	14.3	12.8
Non-current Ratio	27.9	26.3	24.9	28.9	32.5
Current Ratio	544.0	566.6	546.4	501.0	577.3
Return on Equity (ROE, 1H)	3.6	3.7	4.3	3.9	4.4
Return on Total Assets (ROA, 1H)	2.8	3.0	3.6	2.8	3.3

Equity Ratio=Equity/Total Assets

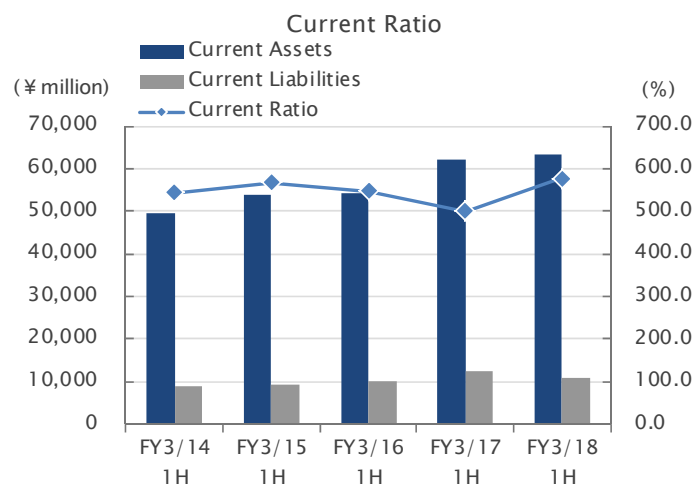
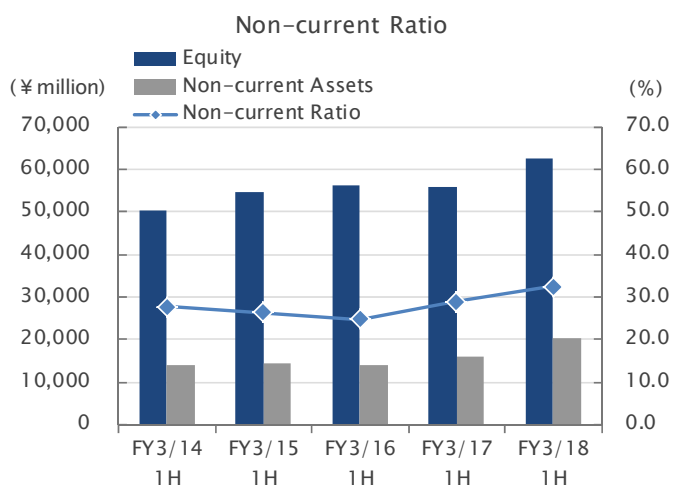
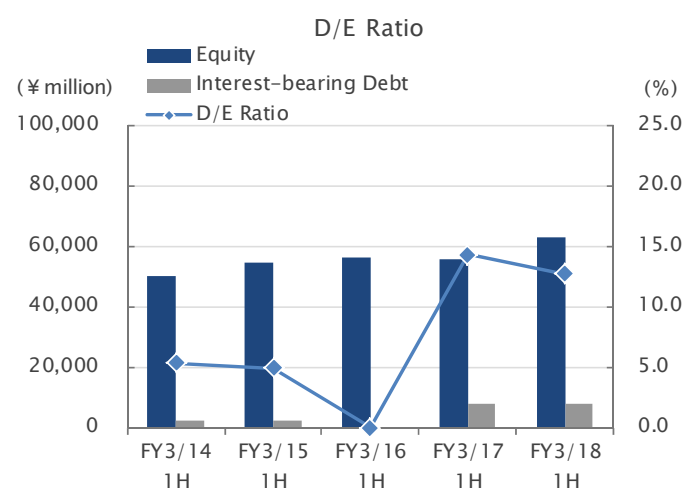
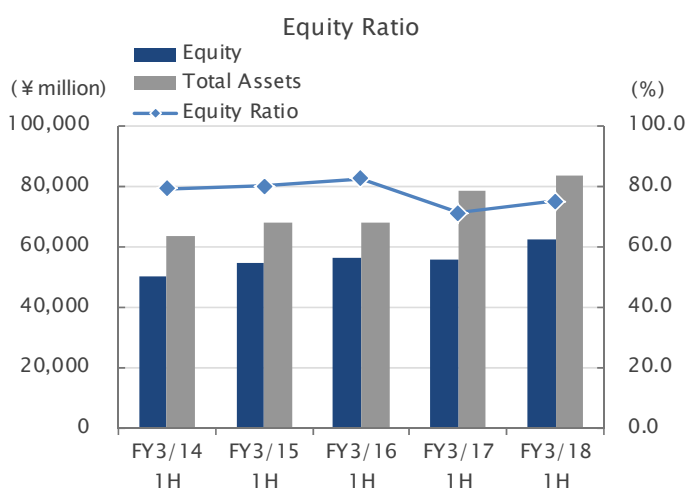
D/E Ratio=Interest-bearing Debt/Equity

Non-current Ratio=Non-current Assets/Equity

Current Ratio=Current Assets/Current Liabilities

ROE=Profit Attributable to Owners of Parent/Average Equity

ROA=Profit Attributable to Owners of Parent/Average Total Assets



## Indicators per Share

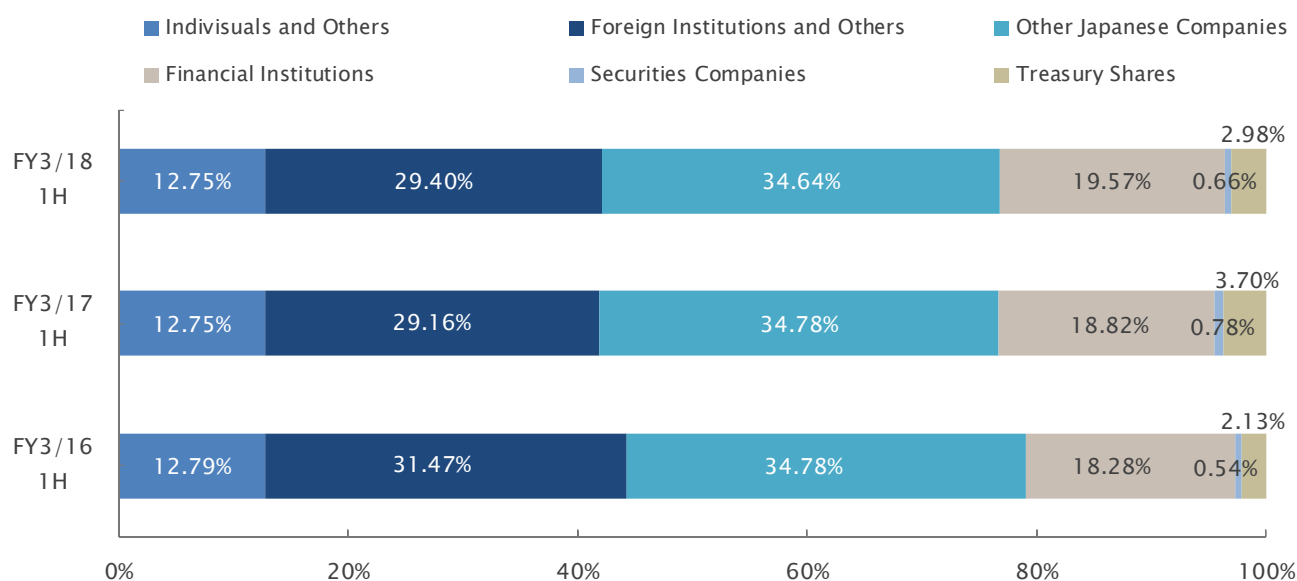
(¥)	FY3/14 1H	FY3/15 1H	FY3/16 1H	FY3/17 1H	FY3/18 1H
Share Price at Term-end	1,404	1,883	2,191	2,117	2,524
Profit per Share	47.75	53.32	65.53	60.73	74.08
Net Assets per Share	1,353.46	1,465.36	1,539.76	1,553.94	1,729.82
Dividend per Share	15.00	20.00	20.00	25.00	25.00

## Major Shareholders

As of September 30, 2017

Top 10 Shareholders	Number of Shares (thousand shares)	Shareholding Ratio (%)
MS SHOJI KK	9,350	25.02%
Nomura Kosan YK	3,360	8.99%
Japan Trustee Services Bank, Ltd.	3,112	8.33%
BBH FOR MATTHEWS JAPAN FUND (Standing Proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	1,706	4.57%
STATE STREET BANK AND TRUST COMPANY (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, HSS Management)	1,645	4.40%
GOLDMAN, SACHS & CO. REG (Standing Proxy: Goldman Sachs Japan Co., Ltd.)	1,319	3.53%
The Master Trust Bank of Japan, Ltd.	1,287	3.44%
GOVERNMENT OF NORWAY (Standing Proxy: Citibank, N.A., Tokyo Branch)	1,213	3.25%
Nomura, Masaharu	1,039	2.78%
Sumitomo Mitsui Banking Corporation	900	2.41%

## Composition of Shareholders by Category









## IR Contact

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