

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

July 31, 2019

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  
 Managing Executive Officer  
 Director In Charge Of Financial & Takahiro Matsumoto  
 Inquiries: Accounting, Foreign Trade Operation, Business Management TEL 06-6121-5669  
 Scheduled date to file Quarterly Securities Report: August 9, 2019  
 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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(1) Consolidated operating results (cumulative)

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	%
Three months ended June 30, 2019	24,754	(1.0)	2,014	1.4	2,056	(0.4)	1,382	3.4
Three months ended June 30, 2018	24,998	(1.3)	1,985	(9.5)	2,064	(7.4)	1,337	(12.1)

Note: Comprehensive income Three months ended June 30, 2019 ¥1,024 million [(42.4)%]  
 Three months ended June 30, 2018 ¥1,779 million [(8.4)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	37.11		–	
Three months ended June 30, 2018	36.09		36.02	

Note: Diluted earnings per share for the three months ended June 30, 2019 is not presented since there were no potentially dilutive shares.

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of June 30, 2019	91,842		70,312		75.3		1,859.75	
As of March 31, 2019	90,181		70,405		76.8		1,856.84	

Reference: Equity As of June 30, 2019: ¥69,168 million  
 As of March 31, 2019: ¥69,254 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2019	–	25.00	–	25.00	50.00
Year ending March 31, 2020	–				
Year ending March 31, 2020 (Forecast)		25.00	–	25.00	50.00

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

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	50,000	3.1	3,100	12.4	3,100	8.9	2,150	15.5	58.06
Full year	103,000	4.4	6,700	20.5	6,800	12.1	4,650	9.1	126.63

Note: Revision of consolidated financial results forecast most recently announced: No

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019 (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: No
- 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 June 30, 2019	37,375,636 shares	As of March 31, 2019	37,375,636 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	183,439 shares	As of March 31, 2019	78,439 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	37,262,147 shares	Three months ended June 30, 2018	37,060,178 shares
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\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* 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, 2019	As of June 30, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	40,250	38,867
Notes and accounts receivable - trade	14,460	17,820
Electronically recorded monetary claims - operating	3,434	2,255
Merchandise and finished goods	8,426	9,868
Short-term loans receivable	8	8
Other	1,123	695
Allowance for doubtful accounts	(5)	(5)
<b>Total current assets</b>	<b>67,698</b>	<b>69,509</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	12,995	12,989
Accumulated depreciation	(4,404)	(4,485)
Buildings and structures, net	8,591	8,503
Land	9,385	9,385
Construction in progress	281	267
Other	2,828	2,874
Accumulated depreciation	(1,807)	(1,855)
Other, net	1,021	1,018
<b>Total property, plant and equipment</b>	<b>19,280</b>	<b>19,174</b>
Intangible assets	314	326
<b>Investments and other assets</b>		
Investment securities	1,574	1,404
Long-term loans receivable	39	38
Other	1,289	1,406
Allowance for doubtful accounts	(16)	(18)
<b>Total investments and other assets</b>	<b>2,887</b>	<b>2,831</b>
<b>Total non-current assets</b>	<b>22,482</b>	<b>22,332</b>
<b>Total assets</b>	<b>90,181</b>	<b>91,842</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	6,557	8,205
Current portion of long-term borrowings	7,000	7,000
Income taxes payable	1,041	673
Provision for bonuses for directors (and other officers)	8	17
Provision for bonuses	9	24
Other	2,761	3,237
<b>Total current liabilities</b>	<b>17,378</b>	<b>19,159</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,000	1,000
Retirement benefit liability	516	522
Asset retirement obligations	9	9
Provision for environmental measures	48	48
Other	822	789
<b>Total non-current liabilities</b>	<b>2,396</b>	<b>2,370</b>
<b>Total liabilities</b>	<b>19,775</b>	<b>21,529</b>

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Net assets		
Shareholders' equity		
Share capital	4,993	4,993
Capital surplus	6,273	6,273
Retained earnings	57,865	58,316
Treasury shares	(159)	(344)
Total shareholders' equity	68,972	69,238
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	188	69
Deferred gains or losses on hedges	101	(85)
Foreign currency translation adjustment	22	(28)
Remeasurements of defined benefit plans	(30)	(24)
Total accumulated other comprehensive income	281	(69)
Non-controlling interests	1,150	1,144
Total net assets	70,405	70,312
Total liabilities and net assets	90,181	91,842

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	24,998	24,754
Cost of sales	17,721	17,488
Gross profit	7,276	7,265
Selling, general and administrative expenses	5,290	5,251
Operating profit	1,985	2,014
Non-operating income		
Interest income	1	1
Dividend income	56	14
Foreign exchange gains	0	2
Other	28	29
Total non-operating income	86	48
Non-operating expenses		
Interest expenses	1	1
Commission expenses	4	1
Other	2	4
Total non-operating expenses	7	6
Ordinary profit	2,064	2,056
Extraordinary losses		
Provision for loss on removal of fixed assets	73	–
Impairment loss	33	–
Total extraordinary losses	107	–
Profit before income taxes	1,957	2,056
Income taxes - current	536	625
Income taxes - deferred	54	8
Total income taxes	590	634
Profit	1,366	1,421
Profit attributable to non-controlling interests	28	38
Profit attributable to owners of parent	1,337	1,382

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

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	1,366	1,421
Other comprehensive income		
Valuation difference on available-for-sale securities	(52)	(119)
Deferred gains or losses on hedges	446	(187)
Foreign currency translation adjustment	11	(96)
Remeasurements of defined benefit plans, net of tax	8	6
Total other comprehensive income	413	(396)
Comprehensive income	1,779	1,024
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,746	1,031
Comprehensive income attributable to non-controlling interests	33	(6)

## Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Cash flows from operating activities		
Profit before income taxes	1,957	2,056
Depreciation	152	171
Increase (decrease) in provision for bonuses for directors (and other officers)	(19)	9
Increase (decrease) in provision for bonuses	(9)	14
Increase (decrease) in allowance for doubtful accounts	0	1
Increase (decrease) in retirement benefit liability	16	14
Increase (decrease) in provision for loss on removal of fixed assets	73	–
Impairment loss	33	–
Interest and dividend income	(57)	(15)
Interest expenses	1	1
Decrease (increase) in trade receivables	(1,723)	(2,189)
Decrease (increase) in inventories	(2,463)	(1,460)
Increase (decrease) in trade payables	2,045	1,665
Increase (decrease) in accrued consumption taxes	56	12
Decrease (increase) in other current assets	(77)	272
Increase (decrease) in other current liabilities	39	327
Other, net	(1)	13
Subtotal	22	893
Interest and dividends received	57	15
Interest paid	(1)	(0)
Income taxes paid	(1,426)	(946)
Payments associated with disaster loss	–	(45)
Net cash provided by (used in) operating activities	(1,348)	(82)
Cash flows from investing activities		
Purchase of property, plant and equipment	(39)	(73)
Purchase of investment securities	(5)	(5)
Payments for acquisition of businesses	–	(30)
Loan advances	(9)	(12)
Collection of loans receivable	67	13
Other payments	(9)	(7)
Other proceeds	0	0
Net cash provided by (used in) investing activities	3	(115)
Cash flows from financing activities		
Proceeds from exercise of employee share options	655	–
Purchase of treasury shares	–	(185)
Repayments of lease obligations	(28)	(37)
Repayments of installment payables	(9)	–
Dividends paid	(901)	(911)
Proceeds from share issuance to non-controlling shareholders	220	–
Net cash provided by (used in) financing activities	(63)	(1,134)
Effect of exchange rate change on cash and cash equivalents	(2)	(51)
Net increase (decrease) in cash and cash equivalents	(1,411)	(1,383)
Cash and cash equivalents at beginning of period	35,986	40,195
Cash and cash equivalents at end of period	34,575	38,812