

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

January 31, 2020

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 TEL 06-6121-5669  
 Accounting, Foreign Trade Operation, Business Management  
 Inquiries: TEL 06-6121-5669  
 Scheduled date to file Quarterly Securities Report: February 12, 2020  
 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, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	78,243	(1.2)	5,630	9.3	5,735	9.0	3,916	10.9
Nine months ended December 31, 2018	79,189	(4.6)	5,152	(26.2)	5,263	(26.2)	3,529	(27.5)

Note: Comprehensive income Nine months ended December 31, 2019 ¥3,966 million [7.0%]  
 Nine months ended December 31, 2018 ¥3,707 million [(33.9)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2019	106.22		–	
Nine months ended December 31, 2018	94.88		94.82	

Note: Diluted earnings per share for the nine months ended December 31, 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 December 31, 2019	91,013	70,878	76.5	1,916.83
As of March 31, 2019	90,181	70,405	76.8	1,856.84

Reference: Equity As of December 31, 2019: ¥69,663 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	–	25.00	–		
Year ending March 31, 2020 (Forecast)				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
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 nine months ended December 31, 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 December 31, 2019	37,375,636 shares	As of March 31, 2019	37,375,636 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2019	1,032,274 shares	As of March 31, 2019	78,439 shares
-------------------------	------------------	----------------------	---------------

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

Nine months ended December 31, 2019	36,869,340 shares	Nine months ended December 31, 2018	37,202,407 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

\* 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 December 31, 2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	40,250	36,343
Notes and accounts receivable - trade	14,460	20,947
Electronically recorded monetary claims - operating	3,434	1,919
Merchandise and finished goods	8,426	8,263
Short-term loans receivable	8	9
Other	1,123	1,021
Allowance for doubtful accounts	(5)	(7)
<b>Total current assets</b>	<b>67,698</b>	<b>68,497</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	12,995	13,009
Accumulated depreciation	(4,404)	(4,661)
Buildings and structures, net	8,591	8,348
Land	9,385	9,385
Construction in progress	281	271
Other	2,828	3,008
Accumulated depreciation	(1,807)	(1,987)
Other, net	1,021	1,021
<b>Total property, plant and equipment</b>	<b>19,280</b>	<b>19,026</b>
Intangible assets	314	663
<b>Investments and other assets</b>		
Investment securities	1,574	1,529
Long-term loans receivable	39	35
Other	1,289	1,278
Allowance for doubtful accounts	(16)	(17)
<b>Total investments and other assets</b>	<b>2,887</b>	<b>2,825</b>
<b>Total non-current assets</b>	<b>22,482</b>	<b>22,516</b>
<b>Total assets</b>	<b>90,181</b>	<b>91,013</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	6,557	5,949
Current portion of long-term borrowings	7,000	8,000
Income taxes payable	1,041	971
Provision for bonuses for directors (and other officers)	8	43
Provision for bonuses	9	38
Other	2,761	3,776
<b>Total current liabilities</b>	<b>17,378</b>	<b>18,779</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,000	—
Retirement benefit liability	516	538
Asset retirement obligations	9	9
Provision for environmental measures	48	20
Other	822	788
<b>Total non-current liabilities</b>	<b>2,396</b>	<b>1,356</b>
<b>Total liabilities</b>	<b>19,775</b>	<b>20,135</b>

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Net assets		
Shareholders' equity		
Share capital	4,993	4,993
Capital surplus	6,273	6,273
Retained earnings	57,865	59,932
Treasury shares	(159)	(1,805)
Total shareholders' equity	68,972	69,394
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	188	146
Deferred gains or losses on hedges	101	153
Foreign currency translation adjustment	22	(18)
Remeasurements of defined benefit plans	(30)	(12)
Total accumulated other comprehensive income	281	269
Non-controlling interests	1,150	1,214
Total net assets	70,405	70,878
Total liabilities and net assets	90,181	91,013

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Net sales	79,189	78,243
Cost of sales	57,931	56,567
Gross profit	21,258	21,676
Selling, general and administrative expenses	16,105	16,045
Operating profit	5,152	5,630
Non-operating income		
Interest income	5	4
Dividend income	67	25
Gain on adjustment of account payable	8	38
Foreign exchange gains	25	–
Other	57	75
Total non-operating income	165	144
Non-operating expenses		
Interest expenses	3	3
Commission expenses	15	5
Provision of allowance for doubtful accounts	13	–
Foreign exchange losses	–	14
Other	21	16
Total non-operating expenses	53	38
Ordinary profit	5,263	5,735
Extraordinary income		
Reversal of provision for environmental measures	–	21
Insurance claim income	97	–
Total extraordinary income	97	21
Extraordinary losses		
Provision for loss on removal of fixed assets	73	–
Impairment loss	33	–
Loss on disaster	85	–
Total extraordinary losses	193	–
Profit before income taxes	5,168	5,757
Income taxes - current	1,527	1,756
Income taxes - deferred	27	(10)
Total income taxes	1,555	1,745
Profit	3,613	4,011
Profit attributable to non-controlling interests	83	95
Profit attributable to owners of parent	3,529	3,916

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

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	3,613	4,011
Other comprehensive income		
Valuation difference on available-for-sale securities	(193)	(41)
Deferred gains or losses on hedges	266	51
Foreign currency translation adjustment	(2)	(72)
Remeasurements of defined benefit plans, net of tax	24	18
Total other comprehensive income	94	(44)
Comprehensive income	3,707	3,966
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,630	3,903
Comprehensive income attributable to non-controlling interests	76	63

## Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Cash flows from operating activities		
Profit before income taxes	5,168	5,757
Depreciation	483	549
Increase (decrease) in provision for bonuses for directors (and other officers)	3	35
Increase (decrease) in provision for bonuses	9	28
Increase (decrease) in allowance for doubtful accounts	15	2
Increase (decrease) in retirement benefit liability	50	47
Increase (decrease) in provision for environmental measures	–	(28)
Insurance claim income	(97)	–
Increase (decrease) in provision for loss on removal of fixed assets	73	–
Impairment loss	33	–
Loss on disaster	85	–
Interest and dividend income	(73)	(30)
Interest expenses	3	3
Decrease (increase) in trade receivables	(5,226)	(4,975)
Decrease (increase) in inventories	186	145
Increase (decrease) in trade payables	(917)	(593)
Increase (decrease) in accrued consumption taxes	189	149
Decrease (increase) in other current assets	(137)	(5)
Increase (decrease) in other current liabilities	266	605
Other, net	13	34
Subtotal	129	1,725
Interest and dividends received	73	30
Interest paid	(3)	(2)
Income taxes paid	(2,194)	(1,786)
Proceeds from subsidy income	–	157
Proceed from insurance income	62	–
Payments associated with disaster loss	(11)	(45)
Net cash provided by (used in) operating activities	(1,944)	79
Cash flows from investing activities		
Payments into time deposits	(55)	–
Proceeds from withdrawal of time deposits	–	55
Purchase of property, plant and equipment	(426)	(202)
Purchase of intangible assets	(6)	(74)
Purchase of investment securities	(14)	(15)
Payments for acquisition of businesses	–	(30)
Loan advances	(14)	(3)
Collection of loans receivable	213	7
Other payments	(38)	(25)
Other proceeds	0	2
Net cash provided by (used in) investing activities	(342)	(285)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Cash flows from financing activities		
Proceeds from exercise of employee share options	707	–
Purchase of treasury shares	(0)	(1,645)
Repayments of lease obligations	(93)	(113)
Repayments of installment payables	(28)	–
Dividends paid	(1,851)	(1,846)
Proceeds from share issuance to non-controlling shareholders	220	–
Net cash provided by (used in) financing activities	(1,046)	(3,605)
Effect of exchange rate change on cash and cash equivalents	(10)	(41)
Net increase (decrease) in cash and cash equivalents	(3,343)	(3,851)
Cash and cash equivalents at beginning of period	35,986	40,195
Cash and cash equivalents at end of period	32,642	36,343