

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2020
(Based on Japanese GAAP)**

May 8, 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 & Accounting, Foreign Trade Operation, Business Management
 Inquiries: Takahiro Matsumoto TEL 06-6121-5669
 Scheduled date of ordinary general meeting of shareholders: June 26, 2020
 Scheduled date to file Securities Report: June 29, 2020
 Scheduled date to commence dividend payments: June 29, 2020
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020	96,238	(2.5)	5,995	7.8	6,260	3.2	4,211	(1.2)
Year ended March 31, 2019	98,668	(4.8)	5,561	(28.4)	6,065	(24.2)	4,263	(22.4)

Note: Comprehensive income Year ended March 31, 2020 ¥4,129 million [(12.9)%]
 Year ended March 31, 2019 ¥4,739 million [(16.4)%]

	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, 2020	114.61	-	6.1	7.2	6.2
Year ended March 31, 2019	114.53	114.47	6.3	6.8	5.6

Reference: Share of profit (loss) of entities accounted for using equity method

Year ended March 31, 2020 ¥- million

Year ended March 31, 2019 ¥- million

Note: Diluted earnings per share for the year ended March 31, 2020 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 March 31, 2020	82,798	71,032	84.3	1,921.50
As of March 31, 2019	90,181	70,405	76.8	1,856.84

Reference: Equity As of March 31, 2020: ¥69,833 million

As of March 31, 2019: ¥69,254 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, 2020	8,583	(538)	(10,647)	37,549
Year ended March 31, 2019	5,864	(601)	(1,088)	40,195

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, 2019	–	25.00	–	25.00	50.00	1,864	43.7	2.8
Year ended March 31, 2020	–	25.00	–	25.00	50.00	1,824	43.6	2.6
Year ending March 31, 2021 (Forecast)	–	25.00	–	25.00	50.00		48.1	

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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, 2020	42,000	(13.1)	2,250	(28.0)	2,350	(25.5)	1,550	(27.5)	43.43
Full year	92,000	(4.4)	5,300	(11.6)	5,500	(12.1)	3,650	(13.3)	103.93

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2020

(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: No

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, 2020	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 March 31, 2020	1,032,274 shares	As of March 31, 2019	78,439 shares
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Average number of shares during the period

Year ended March 31, 2020	36,747,960 shares	Year ended March 31, 2019	37,224,286 shares
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Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

(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, 2020	87,712	(3.1)	5,143	5.5	5,939	12.2	4,230	17.0
Year ended March 31, 2019	90,518	(5.9)	4,873	(30.1)	5,295	(28.5)	3,616	(30.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2020	115.12		-	
Year ended March 31, 2019	97.15		97.10	

Note: Diluted earnings per share for the year ended March 31, 2020 is not presented since there were no potentially dilutive shares.

(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, 2020	76,464		66,648		87.2		1,833.85	
As of March 31, 2019	84,504		66,013		78.1		1,769.93	

Reference: Equity As of March 31, 2020 ¥66,648 million
As of March 31, 2019 ¥66,013 million

2. Forecast of non-consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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, 2020	38,000	(13.7)	1,950	(29.4)	1,350	(29.4)	37.83	
Full year	83,000	(5.4)	4,800	(19.2)	3,200	(24.4)	91.12	

* Financial results reports are exempt from audit 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, 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, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	40,250	37,549
Notes and accounts receivable - trade	14,460	12,809
Electronically recorded monetary claims - operating	3,434	1,326
Merchandise and finished goods	8,426	7,825
Short-term loans receivable	8	10
Other	1,123	1,152
Allowance for doubtful accounts	(5)	(5)
Total current assets	67,698	60,668
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,995	13,010
Accumulated depreciation	(4,404)	(4,746)
Buildings and structures, net	8,591	8,264
Land	9,385	9,385
Leased assets	922	987
Accumulated depreciation	(302)	(392)
Leased assets, net	619	594
Construction in progress	281	274
Other	1,906	2,054
Accumulated depreciation	(1,504)	(1,679)
Other, net	402	375
Total property, plant and equipment	19,280	18,894
Intangible assets		
Leased assets	211	196
Other	103	445
Total intangible assets	314	642
Investments and other assets		
Investment securities	1,574	1,225
Long-term loans receivable	39	38
Deferred tax assets	194	278
Other	1,095	1,101
Allowance for doubtful accounts	(16)	(51)
Total investments and other assets	2,887	2,592
Total non-current assets	22,482	22,129
Total assets	90,181	82,798

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	6,557	5,174
Current portion of long-term borrowings	7,000	1,000
Lease obligations	143	156
Income taxes payable	1,041	1,134
Provision for bonuses for directors (and other officers)	8	48
Provision for bonuses	9	48
Other	2,618	2,874
Total current liabilities	17,378	10,437
Non-current liabilities		
Long-term borrowings	1,000	–
Lease obligations	687	635
Retirement benefit liability	516	565
Asset retirement obligations	9	9
Provision for environmental measures	48	0
Deferred tax liabilities	72	55
Other	62	62
Total non-current liabilities	2,396	1,328
Total liabilities	19,775	11,765
Net assets		
Shareholders' equity		
Share capital	4,993	4,993
Capital surplus	6,273	6,273
Retained earnings	57,865	60,228
Treasury shares	(159)	(1,805)
Total shareholders' equity	68,972	69,690
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	188	(34)
Deferred gains or losses on hedges	101	222
Foreign currency translation adjustment	22	(24)
Remeasurements of defined benefit plans	(30)	(19)
Total accumulated other comprehensive income	281	143
Non-controlling interests	1,150	1,198
Total net assets	70,405	71,032
Total liabilities and net assets	90,181	82,798

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

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	98,668	96,238
Cost of sales	72,507	69,531
Gross profit	26,160	26,706
Selling, general and administrative expenses	20,598	20,711
Operating profit	5,561	5,995
Non-operating income		
Interest and dividend income	160	69
Gain on adjustment of account payable	43	86
Foreign exchange gains	80	–
Operations consignment fee of subsidiaries and affiliates	5	5
Subsidy income	157	35
Compensation income	–	32
Other	105	126
Total non-operating income	552	356
Non-operating expenses		
Interest expenses	4	4
Commission expenses	16	6
Foreign exchange losses	–	59
Other	28	21
Total non-operating expenses	49	91
Ordinary profit	6,065	6,260
Extraordinary income		
Reversal of provision for environmental measures	–	23
Insurance claim income	97	–
Gain on bargain purchase	248	–
Total extraordinary income	346	23
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	–	45
loss on removal of fixed assets	73	–
Impairment loss	33	–
Loss on disaster	85	–
Total extraordinary losses	193	45
Profit before income taxes	6,218	6,238
Income taxes - current	1,726	1,987
Income taxes - deferred	113	(64)
Total income taxes	1,840	1,922
Profit	4,378	4,316
Profit attributable to non-controlling interests	115	104
Profit attributable to owners of parent	4,263	4,211

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	4,378	4,316
Other comprehensive income		
Valuation difference on available-for-sale securities	(191)	(223)
Deferred gains or losses on hedges	422	120
Foreign currency translation adjustment	36	(95)
Remeasurements of defined benefit plans, net of tax	93	10
Total other comprehensive income	360	(186)
Comprehensive income	4,739	4,129
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,621	4,073
Comprehensive income attributable to non-controlling interests	117	55

Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,993	6,226	55,458	(913)	65,763
Changes during period					
Dividends of surplus			(1,855)		(1,855)
Profit attributable to owners of parent			4,263		4,263
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		47		753	801
Net changes in items other than shareholders' equity					
Total changes during period	–	47	2,407	753	3,209
Balance at end of period	4,993	6,273	57,865	(159)	68,972

	Accumulated other comprehensive income					Share acquisition rights	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 period	380	(320)	(11)	(124)	(76)	94	812	66,594
Changes during period								
Dividends of surplus								(1,855)
Profit attributable to owners of parent								4,263
Purchase of treasury shares								(0)
Disposal of treasury shares								801
Net changes in items other than shareholders' equity	(191)	422	34	93	358	(94)	338	602
Total changes during period	(191)	422	34	93	358	(94)	338	3,811
Balance at end of period	188	101	22	(30)	281	–	1,150	70,405

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,993	6,273	57,865	(159)	68,972
Changes during period					
Dividends of surplus			(1,848)		(1,848)
Profit attributable to owners of parent			4,211		4,211
Purchase of treasury shares				(1,645)	(1,645)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,362	(1,645)	717
Balance at end of period	4,993	6,273	60,228	(1,805)	69,690

	Accumulated other comprehensive income					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 period	188	101	22	(30)	281	1,150	70,405
Changes during period							
Dividends of surplus							(1,848)
Profit attributable to owners of parent							4,211
Purchase of treasury shares							(1,645)
Net changes in items other than shareholders' equity	(223)	120	(46)	10	(138)	47	(90)
Total changes during period	(223)	120	(46)	10	(138)	47	626
Balance at end of period	(34)	222	(24)	(19)	143	1,198	71,032

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	6,218	6,238
Depreciation	672	758
Increase (decrease) in provision for bonuses for directors (and other officers)	(26)	40
Increase (decrease) in provision for bonuses	(16)	38
Increase (decrease) in allowance for doubtful accounts	3	34
Increase (decrease) in retirement benefit liability	69	64
Increase (decrease) in provision for environmental measures	–	(48)
Insurance claim income	(97)	(4)
Subsidy income	(157)	(35)
Compensation income	–	(32)
Loss on valuation of shares of subsidiaries and associates	–	45
loss on removal of fixed assets	73	–
Impairment loss	33	–
Loss on disaster	85	3
Gain on bargain purchase	(248)	–
Interest and dividend income	(160)	(69)
Interest expenses	4	4
Decrease (increase) in trade receivables	1,165	3,754
Decrease (increase) in inventories	(86)	575
Increase (decrease) in trade payables	302	(1,360)
Increase (decrease) in accrued consumption taxes	145	154
Decrease (increase) in other current assets	217	41
Increase (decrease) in other current liabilities	(379)	46
Other, net	20	39
Subtotal	7,838	10,289
Interest and dividends received	160	69
Interest paid	(5)	(4)
Income taxes paid	(2,205)	(1,889)
Proceeds from subsidy income	–	157
Proceed from insurance income	97	4
Payments associated with disaster loss	(20)	(45)
Net cash provided by (used in) operating activities	5,864	8,583
Cash flows from investing activities		
Payments into time deposits	(55)	–
Proceeds from withdrawal of time deposits	–	55
Purchase of property, plant and equipment	(489)	(255)
Purchase of intangible assets	(10)	(258)
Purchase of investment securities	(18)	(18)
Purchase of shares of subsidiaries and associates	(50)	–
Payments for acquisition of businesses	(193)	(30)
Loan advances	(16)	(9)
Collection of loans receivable	277	9
Other payments	(46)	(34)
Other proceeds	0	3
Net cash provided by (used in) investing activities	(601)	(538)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from financing activities		
Repayments of long-term borrowings	–	(7,000)
Purchase of treasury shares	(0)	(1,645)
Proceeds from exercise of employee share options	707	–
Repayments of lease obligations	(132)	(153)
Repayments of installment payables	(28)	–
Dividends paid	(1,854)	(1,848)
Proceeds from share issuance to non-controlling shareholders	220	–
Net cash provided by (used in) financing activities	(1,088)	(10,647)
Effect of exchange rate change on cash and cash equivalents	34	(43)
Net increase (decrease) in cash and cash equivalents	4,209	(2,646)
Cash and cash equivalents at beginning of period	35,986	40,195
Cash and cash equivalents at end of period	40,195	37,549