

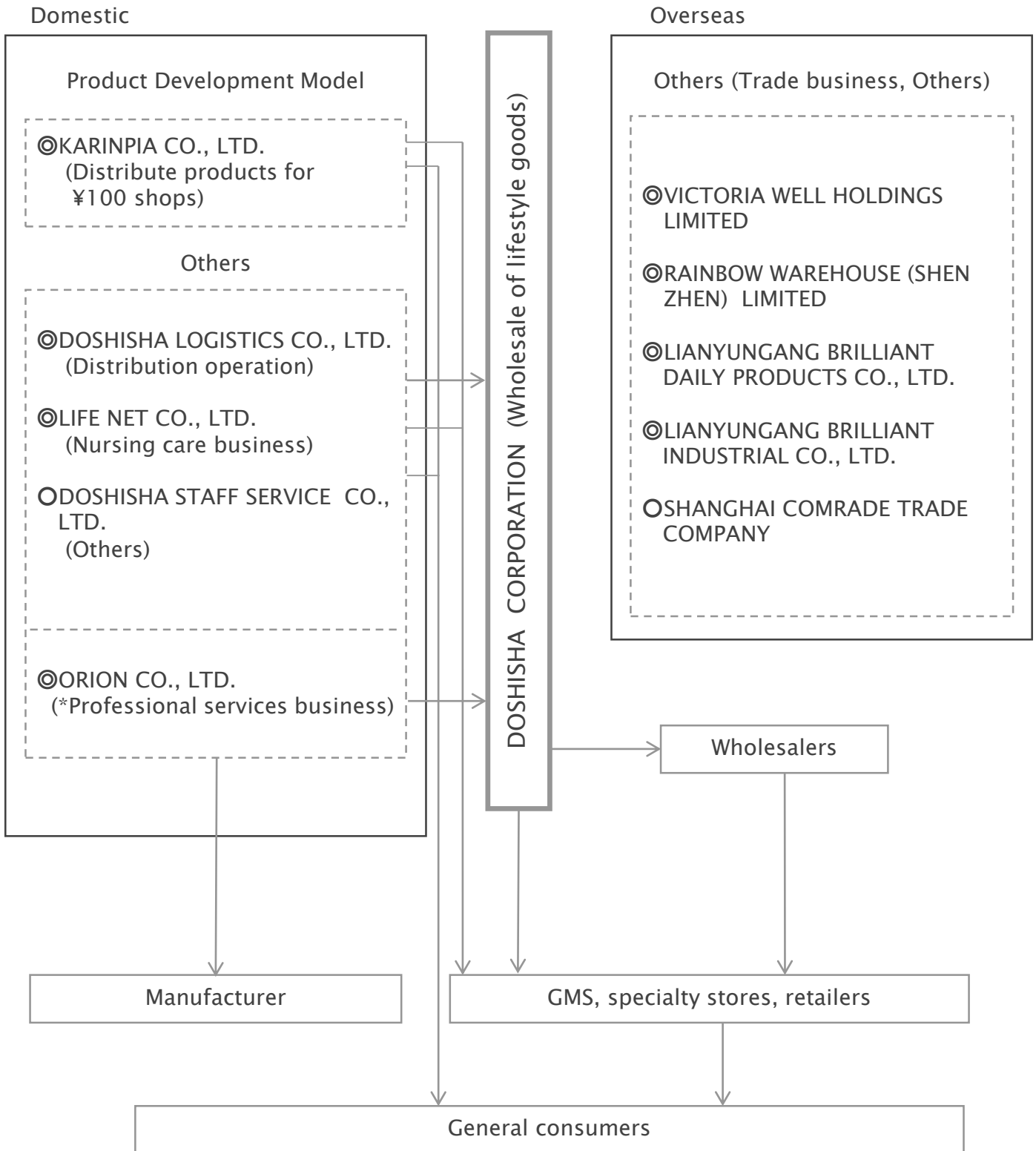


## FACTBOOK

(7483) DOSHISHA CORPORATION  
For the six months ended September 30, 2019

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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, 2019)
Representative	Masayuki Nomura, President and Chief Operating Officer
Employees	Consolidated: 1,562 Nonconsolidated: 850 (as of September 30, 2019)
Main Banks	Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; Mizuho Bank, Ltd.
Major Subsidiaries and Affiliated Companies	(Consolidated Subsidiaries)  DOSHISHA LOGISTICS CO., LTD. LIFE NET CO., LTD. KARINPIA CO., LTD. ORION CO., LTD. VICTORIA WELL HOLDINGS LIMITED RAINBOW WAREHOUSE (SHEN ZHEN) LIMITED LIANYUNGANG BRILLIANT DAILY PRODUCTS CO., LTD. LIANYUNGANG BRILLIANT INDUSTRIAL CO., LTD.  (Nonconsolidated Affiliates)  DOSHISHA STAFF SERVICE CO., LTD. SHANGHAI COMRADE TRADE COMPANY



◎: Consolidated subsidiaries  
 ○: Nonconsolidated affiliates

\* Professional services business is engaged in design solutions for product development, circuit board design, mechanical design and software development.

# Consolidated Balance Sheet

DOSHISHA CORPORATION and subsidiaries as of September 30, 2016–2020

(¥ million)	FY3/16 1H End	FY3/17 1H End	FY3/18 1H End	FY3/19 1H End	FY3/20 1H End
<b>Assets</b>					
<b>Total assets</b>	<b>68,133</b>	<b>78,465</b>	<b>83,675</b>	<b>88,919</b>	<b>89,420</b>
<b>Current assets</b>	<b>54,103</b>	<b>62,294</b>	<b>63,304</b>	<b>66,872</b>	<b>67,172</b>
Cash and deposits	26,774	33,794	34,923	38,529	41,915
Notes and accounts receivable – trade	15,597	15,538	15,970	14,101	13,305
Electronically recorded monetary claims – operating	925	1,364	2,395	3,089	1,524
Merchandise and finished goods	8,820	9,783	8,747	9,063	9,558
Short-term loans receivable	24	14	24	175	10
Other	1,963	1,801	1,243	1,930	862
Allowance for doubtful accounts	(1)	(3)	(1)	(18)	(4)
<b>Non-current assets</b>	<b>14,029</b>	<b>16,171</b>	<b>20,371</b>	<b>22,046</b>	<b>22,248</b>
<b>Property, plant and equipment</b>	<b>11,202</b>	<b>13,498</b>	<b>17,276</b>	<b>18,982</b>	<b>19,114</b>
Buildings and structures	7,631	7,572	7,574	12,786	12,995
Accumulated depreciation	(3,669)	(3,826)	(3,984)	(4,229)	(4,569)
Buildings and structures, net	3,961	3,745	3,590	8,556	8,425
Land	6,588	9,174	9,174	9,174	9,385
Construction in progress	–	–	4,008	279	259
Other	1,862	1,994	2,090	2,648	2,965
Accumulated depreciation	(1,210)	(1,416)	(1,587)	(1,676)	(1,920)
Other, net	652	578	503	972	1,044
<b>Intangible assets</b>	<b>137</b>	<b>113</b>	<b>127</b>	<b>122</b>	<b>325</b>
<b>Investments and other assets</b>	<b>2,689</b>	<b>2,559</b>	<b>2,967</b>	<b>2,942</b>	<b>2,809</b>
Investment securities	1,611	1,307	1,758	1,758	1,414
Long-term loans receivable	19	25	54	4	36
Other	1,087	1,250	1,156	1,193	1,378
Allowance for doubtful accounts	(27)	(23)	(1)	(13)	(20)

# Consolidated Balance Sheet

DOSHISHA CORPORATION and subsidiaries as of September 30, 2016–2020

(¥ million)	FY3/16 1H End	FY3/17 1H End	FY3/18 1H End	FY3/19 1H End	FY3/20 1H End
<b>Liabilities</b>					
<b>Total liabilities</b>	<b>10,674</b>	<b>21,319</b>	<b>19,891</b>	<b>19,804</b>	<b>19,159</b>
<b>Current liabilities</b>	<b>9,901</b>	<b>12,435</b>	<b>10,965</b>	<b>10,560</b>	<b>17,806</b>
Accounts payable – trade	5,765	5,761	6,927	6,598	5,841
Current portion of long-term borrowings	–	–	–	–	8,000
Income taxes payable	1,245	1,056	1,268	877	1,093
Provision for bonuses for directors (and other officers)	36	30	34	21	26
Provision for bonuses	24	27	32	25	36
Provision for loss on removal of fixed assets	–	–	–	73	–
Other	2,829	5,560	2,702	2,963	2,808
<b>Non-current liabilities</b>	<b>772</b>	<b>8,884</b>	<b>8,925</b>	<b>9,244</b>	<b>1,353</b>
Long-term borrowings	–	8,000	8,000	8,000	–
Retirement benefit liability	380	562	606	588	530
Asset retirement obligations	56	57	58	9	9
Provision for environmental measures	–	–	56	48	27
Other	336	264	204	597	785
<b>Net assets</b>					
<b>Total net assets</b>	<b>57,459</b>	<b>57,145</b>	<b>63,784</b>	<b>69,114</b>	<b>70,261</b>
<b>Shareholders' equity</b>	<b>55,620</b>	<b>58,313</b>	<b>62,385</b>	<b>67,503</b>	<b>69,081</b>
Share capital	4,993	4,993	4,993	4,993	4,993
Capital surplus	6,043	6,043	6,140	6,273	6,273
Retained earnings	46,210	50,102	53,519	56,396	59,071
Treasury shares	(1,626)	(2,825)	(2,267)	(159)	(1,256)
<b>Accumulated other comprehensive income</b>	<b>705</b>	<b>(2,384)</b>	<b>340</b>	<b>506</b>	<b>31</b>
Valuation difference on available-for-sale securities	272	76	367	354	73
Deferred gains or losses on hedges	392	(2,224)	107	216	38
Foreign currency translation adjustment	150	(38)	36	43	(61)
Remeasurements of defined benefit plans	(108)	(197)	(171)	(108)	(18)
Share acquisition rights	287	457	264	–	–
<b>Non-controlling interests</b>	<b>844</b>	<b>758</b>	<b>794</b>	<b>1,104</b>	<b>1,147</b>
<b>Total liabilities and net assets</b>	<b>68,133</b>	<b>78,465</b>	<b>83,675</b>	<b>88,919</b>	<b>89,420</b>

# Consolidated Statement of Income

DOSHISHA CORPORATION and subsidiaries for the six months ended September 30, 2016–2020

(¥ million)	FY3/16 1H	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H
Net sales	52,603	50,921	50,426	48,477	48,313
Cost of sales	39,908	37,898	36,956	35,208	34,665
Gross profit	12,694	13,023	13,469	13,268	13,647
Selling, general and administrative expenses	9,016	9,567	9,700	10,510	10,522
Operating profit	3,678	3,455	3,769	2,758	3,124
Non-operating income	150	89	139	125	107
Interest income	3	0	1	2	3
Dividend income	8	11	13	57	15
Gain on sales of investment securities	-	-	10	-	-
Gain on adjustment of account payable	33	35	20	8	38
Foreign exchange gains	58	-	41	11	-
Other	45	40	53	45	49
Non-operating expenses	28	218	26	37	75
Interest expenses	3	2	2	2	2
Commission expenses	10	14	13	9	3
Provision of allowance for doubtful accounts	-	-	-	13	-
Foreign exchange losses	-	194	-	-	59
Other	13	7	10	12	10
Ordinary profit	3,800	3,327	3,882	2,845	3,156
Extraordinary income	-	-	3	24	21
Reversal of provision for environmental measures	-	-	-	-	21
Gain on reversal of share acquisition rights	-	-	3	-	-
Insurance claim income	-	-	-	24	-
Extraordinary losses	7	-	3	127	-
Provision for loss on removal of fixed assets	-	-	-	73	-
Impairment loss	-	-	-	33	-
Loss on disaster	-	-	-	20	-
Provision for environmental measures	-	-	3	-	-
Other	7	-	-	-	-
Profit before income taxes	3,793	3,327	3,882	2,741	3,177
Total income taxes	1,253	998	1,157	825	980
Income taxes – current	1,244	973	1,175	797	1,007
Income taxes – deferred	8	25	(18)	27	(27)
Profit	2,540	2,328	2,725	1,916	2,197
Profit attributable to non-controlling interests	110	116	79	55	59
Profit attributable to owners of parent	2,429	2,211	2,645	1,861	2,138

# Consolidated Statement of Comprehensive Income

DOSHISHA CORPORATION and subsidiaries for the six months ended September 30, 2016–2020

(¥ million)	FY3/16 1H	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H
Profit	2,540	2,328	2,725	1,916	2,197
Other comprehensive income	(1,002)	(1,287)	497	598	(312)
Valuation difference on available-for-sale securities	12	(112)	155	(26)	(115)
Deferred gains or losses on hedges	(987)	(969)	301	537	(63)
Foreign currency translation adjustment	(36)	(223)	22	70	(145)
Remeasurements of defined benefit plans, net of tax	8	17	18	16	12
Comprehensive income	1,537	1,041	3,222	2,515	1,885
Comprehensive income attributable to owners of parent	1,435	1,027	3,138	2,444	1,888
Comprehensive income attributable to non-controlling interests	101	14	84	71	(3)

# Consolidated Statement of Cash Flows

DOSHISHA CORPORATION and subsidiaries for the six months ended September 30, 2016–2020

(¥ million)	FY3/16 1H	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H
<b>Cash flows from operating activities</b>					
<b>Net cash provided by (used in) operating activities</b>	<b>2,583</b>	<b>2,201</b>	<b>4,539</b>	<b>2,817</b>	<b>4,068</b>
Profit before income taxes	3,793	3,327	3,882	2,741	3,177
Depreciation	242	211	205	306	351
Increase (decrease) in provision for bonuses for directors (and other officers)	(25)	(43)	(29)	(13)	18
Increase (decrease) in provision for bonuses	(20)	(12)	(11)	(0)	27
Increase (decrease) in allowance for doubtful accounts	(0)	5	(7)	12	2
Increase (decrease) in retirement benefit liability	3	37	43	29	31
Increase (decrease) in provision for loss on removal of fixed assets	–	–	–	73	–
Increase (decrease) in provision for environmental measures	–	–	3	–	(21)
Impairment loss	–	–	–	33	–
Loss on disaster	–	–	–	20	–
Loss (gain) on sales of investment securities	–	–	(10)	–	–
Interest and dividend income	(12)	(12)	(14)	(60)	(19)
Interest expenses	3	2	2	2	2
Decrease (increase) in trade receivables	367	(464)	637	1,881	3,054
Decrease (increase) in inventories	(1,206)	(478)	(499)	(688)	(1,160)
Increase (decrease) in trade payables	1,066	965	1,918	323	(691)
Increase (decrease) in accrued consumption taxes	(457)	172	(314)	136	(79)
Decrease (increase) in other current assets	(369)	94	(331)	(588)	17
Increase (decrease) in other current liabilities	596	145	129	(24)	156
Other, net	127	54	10	3	20
<b>Subtotal</b>	<b>4,109</b>	<b>4,005</b>	<b>5,613</b>	<b>4,189</b>	<b>4,888</b>
Interest and dividends received	12	12	14	60	19
Interest paid	(3)	(2)	(0)	(2)	(2)
Income taxes paid	(1,534)	(1,813)	(1,087)	(1,429)	(949)
Proceeds from subsidy income	–	–	–	–	157
Payments associated with disaster loss	–	–	–	–	(45)
<b>Cash flows from investing activities</b>					
<b>Net cash provided by (used in) investing activities</b>	<b>(102)</b>	<b>(121)</b>	<b>(2,084)</b>	<b>(248)</b>	<b>(164)</b>
Proceeds from withdrawal of time deposits	–	–	–	–	55
Purchase of property, plant and equipment	(92)	(112)	(2,025)	(355)	(165)
Purchase of investment securities	(8)	(9)	(9)	(9)	(9)
Proceeds from sales of investment securities	–	–	10	–	–
Payments for acquisition of businesses	–	–	–	–	(30)
Loan advances	(0)	–	(43)	(13)	(2)
Collection of loans receivable	8	11	8	143	4
Other payments	(10)	(12)	(26)	(14)	(17)
Other proceeds	2	1	1	0	0
<b>Cash flows from financing activities</b>					
<b>Net cash provided by (used in) financing activities</b>	<b>(2,419)</b>	<b>(1,177)</b>	<b>251</b>	<b>(69)</b>	<b>(2,105)</b>
Proceeds from long-term borrowings	–	1,000	–	–	–
Proceeds from exercise of employee share options	–	–	1,416	707	–
Purchase of treasury shares	(1,545)	(1,048)	–	–	(1,097)
Repayments of lease obligations	(46)	(44)	(42)	(55)	(75)
Repayments of installment payables	(19)	(19)	(15)	(19)	–
Dividends paid	(745)	(912)	(886)	(923)	(932)
Dividends paid to non-controlling interests	(61)	(152)	(219)	–	–
Proceeds from share issuance to non-controlling shareholders	–	–	–	220	–
Effect of exchange rate change on cash and cash equivalents	(24)	(102)	8	45	(79)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>37</b>	<b>800</b>	<b>2,716</b>	<b>2,543</b>	<b>1,719</b>
Cash and cash equivalents at beginning of period	26,736	32,993	32,207	35,986	40,195
Cash and cash equivalents at end of period	26,774	33,794	34,923	38,529	41,915



# Information by Business Model

DOSHISHA CORPORATION and subsidiaries for the six months ended September 30, 2016–2020

(¥ million)	FY3/16 1H	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H
<b>Product Development Business Model</b>					
Net sales	23,765	23,490	23,935	24,580	24,753
Composition ratio	45.2%	46.1%	47.5%	50.7%	51.2%
Year-on-year change	3.2%	-1.2%	1.9%	2.7%	0.7%
<b>Wholesale Business Model</b>					
Net sales	26,851	25,912	24,918	22,388	21,742
Composition ratio	51.0%	50.9%	49.4%	46.2%	45.0%
Year-on-year change	12.3%	-3.5%	-3.8%	-10.2%	-2.9%
<b>NB Processing</b>					
Net sales	13,405	14,009	13,937	13,558	13,077
Composition ratio	25.5%	27.5%	27.6%	28.0%	27.1%
Year-on-year change	-3.0%	4.5%	-0.5%	-2.7%	-3.5%
<b>Famous Brands</b>					
Net sales	13,446	11,902	10,980	8,830	8,665
Composition ratio	25.6%	23.4%	21.8%	18.2%	17.9%
Year-on-year change	33.3%	-11.5%	-7.7%	-19.6%	-1.9%
<b>Others</b>					
Net sales	1,986	1,519	1,572	1,508	1,817
Composition ratio	3.8%	3.0%	3.1%	3.1%	3.8%
Year-on-year change	8.6%	-23.5%	3.5%	-4.1%	20.5%
<b>Total</b>					
Net sales	52,603	50,921	50,426	48,477	48,313
Composition ratio	100.0%	100.0%	100.0%	100.0%	100.0%
Year-on-year change	7.9%	-3.2%	-1.0%	-3.9%	-0.3%

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.

(For 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)	FY3/16 1H	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H
Net Sales	52,603	50,921	50,426	48,477	48,313
Gross Profit	12,694	13,023	13,469	13,268	13,647
SG&A Expenses	9,016	9,567	9,700	10,510	10,522
Operating Profit	3,678	3,455	3,769	2,758	3,124
Ordinary Profit	3,800	3,327	3,882	2,845	3,156
Profit Attributable to Owners of Parent	2,429	2,211	2,645	1,861	2,138

(%)	FY3/16 1H	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H
Gross Profit to Sales	24.1	25.6	26.7	27.4	28.2
SG&A Expenses Ratio	17.1	18.8	19.2	21.7	21.8
Operating Profit Margin	7.0	6.8	7.5	5.7	6.5
Ordinary Profit Margin	7.2	6.5	7.7	5.9	6.5
Profit Attributable to Owners of Parent Margin	4.6	4.3	5.2	3.8	4.4

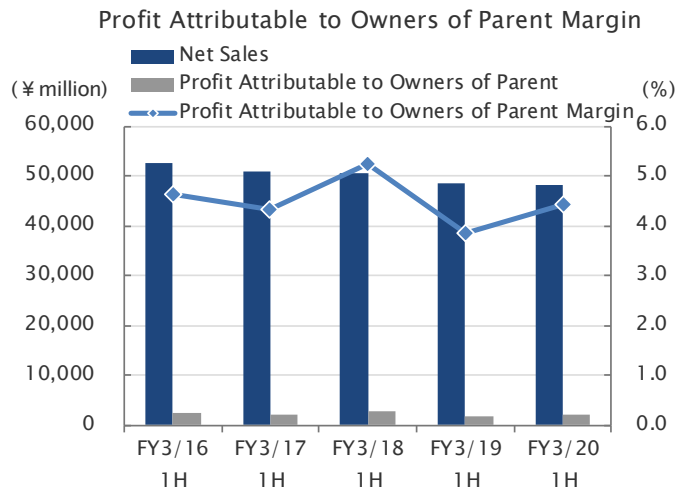
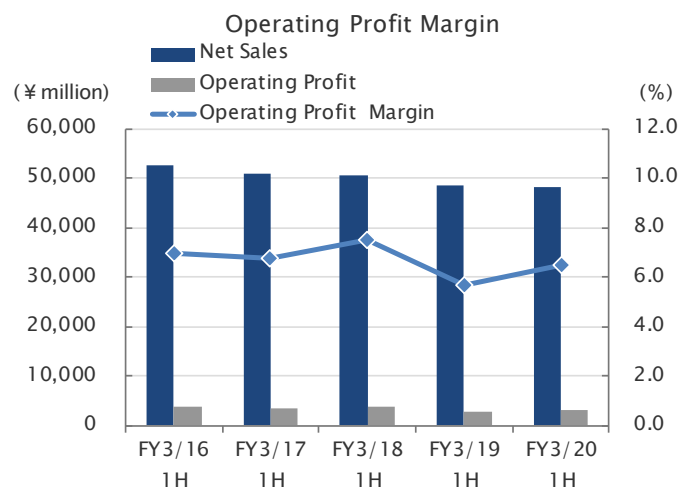
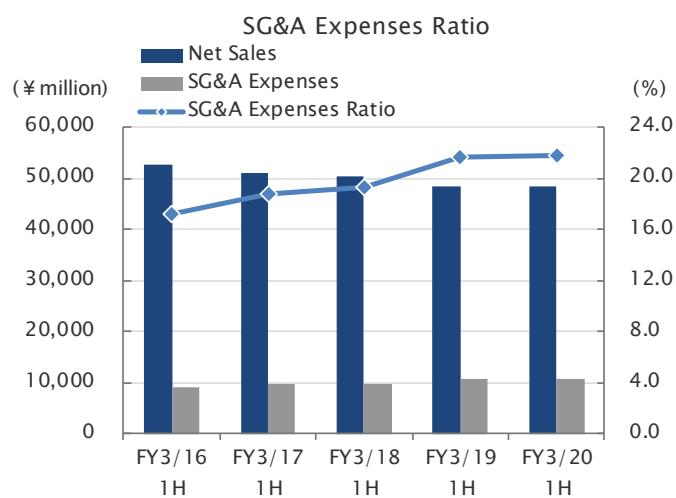
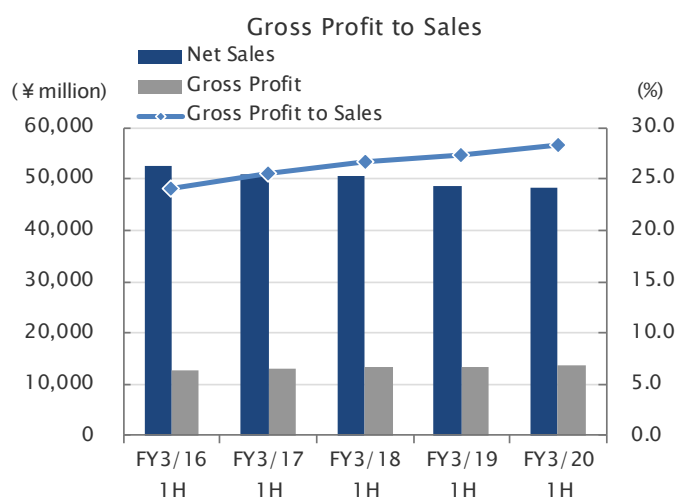
Gross Profit to Sales=Gross Profit/Net Sales

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

	FY3/16	FY3/17	FY3/18	FY3/19	FY3/20
(Times)	1H	1H	1H	1H	1H
Total Assets Turnover	1.5	1.3	1.2	1.1	1.1
Non-current Assets Turnover	7.5	6.3	5.2	4.4	4.3
Current Assets Turnover	1.9	1.7	1.6	1.5	1.4
Inventory Turns (full-year basis)	9.7	7.9	8.7	8.1	7.7

	FY3/16	FY3/17	FY3/18	FY3/19	FY3/20
(Days)	1H	1H	1H	1H	1H
Accounts Receivable Turnover	57.3	60.6	66.5	64.7	56.0
Accounts Payable Turnover	20.0	20.6	25.1	24.8	22.1

	FY3/16	FY3/17	FY3/18	FY3/19	FY3/20
(%)	1H	1H	1H	1H	1H
ROIC (Apr-Sep)	4.29	3.71	3.69	2.50	2.76

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

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

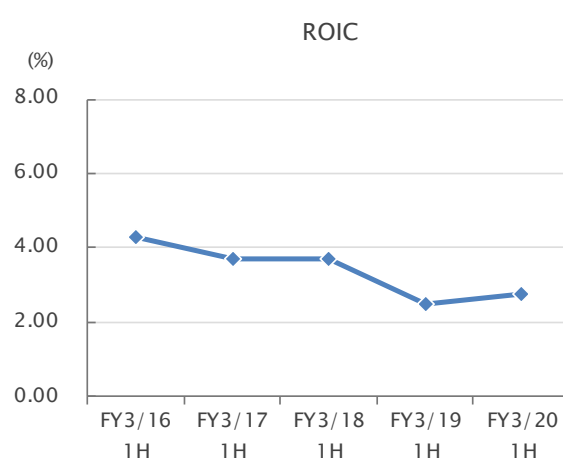
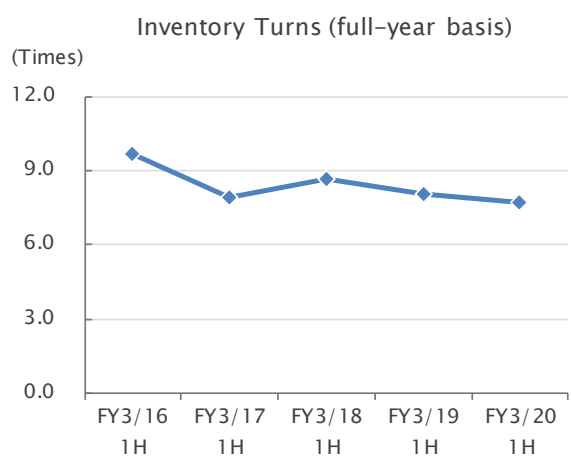
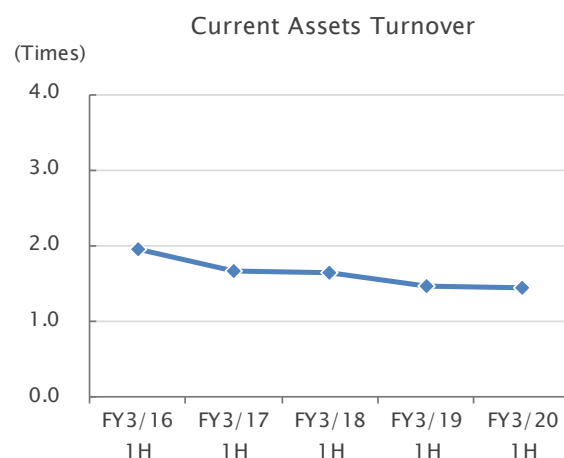
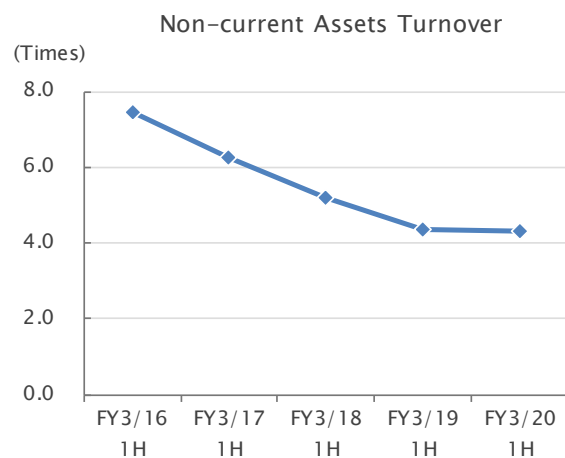
Current Assets Turnover=Net Sales x 2/Average Current Assets

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 Indicators, ROE/ROA

(¥ million)	FY3/16 1H	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H
Equity	56,326	55,929	62,725	68,009	69,113
Total Assets	68,133	78,465	83,675	88,919	89,420
Non-current Assets	14,029	16,171	20,371	22,046	22,248
Current Assets	54,103	62,294	63,304	66,872	67,172
Current Liabilities	9,901	12,435	10,965	10,560	17,806
Interest-bearing Debt	-	8,000	8,000	8,000	8,000

(%)	FY3/16 1H	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H
Equity Ratio	82.7	71.3	75.0	76.5	77.3
D/E Ratio	-	14.3	12.8	11.8	11.6
Non-current Ratio	24.9	28.9	32.5	32.4	32.2
Current Ratio	546.4	501.0	577.3	633.3	377.2
Return on Equity (ROE, 1H)	4.3	3.9	4.4	2.8	3.1
Return on Total Assets (ROA, 1H)	3.6	2.8	3.3	2.1	2.4

Equity Ratio=Equity/Total Assets

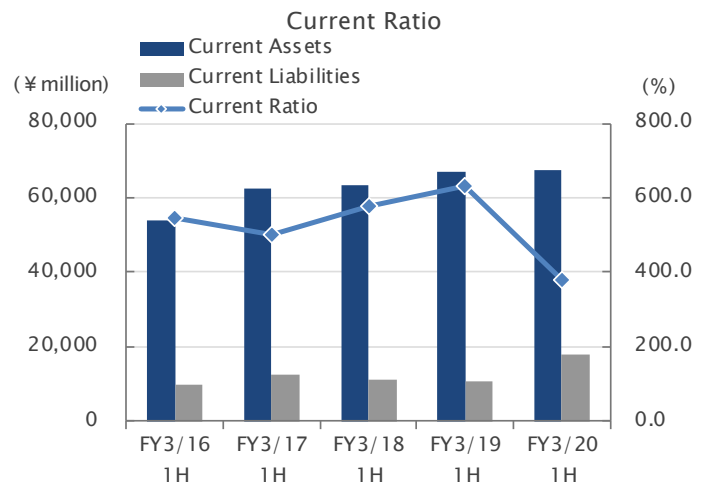
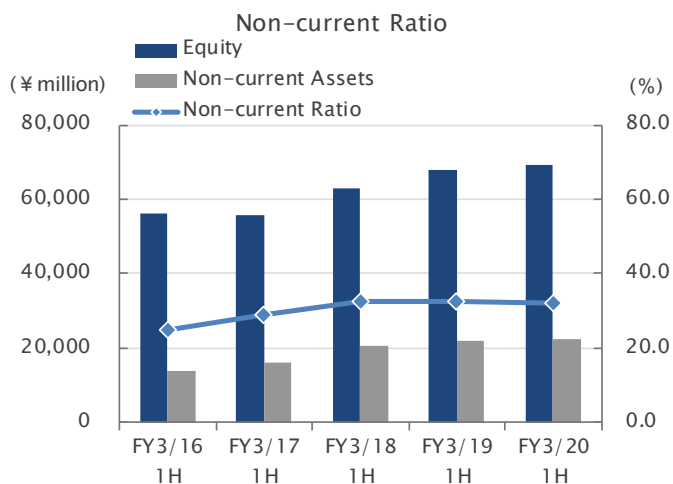
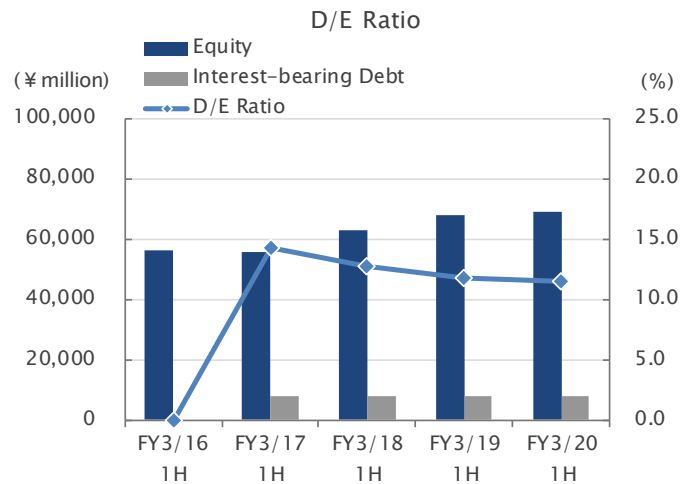
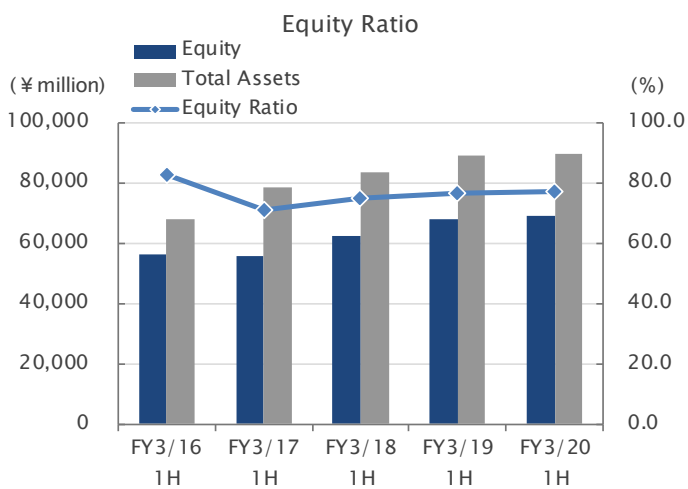
D/E Ratio=Interest-bearing Debt/Equity

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

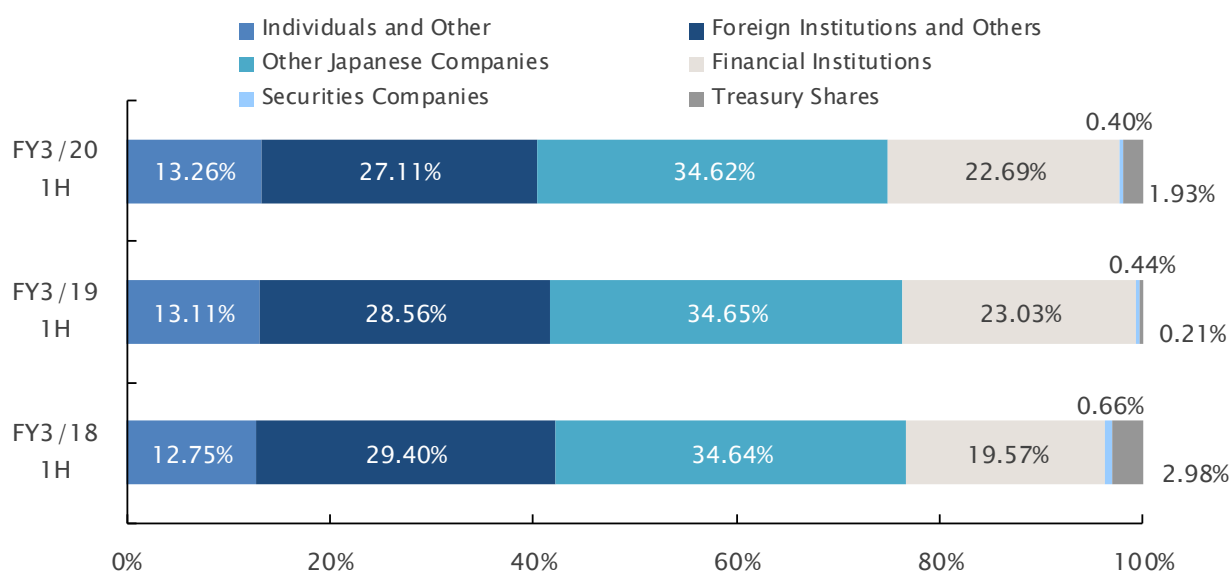
(¥)	FY3/16 1H	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H
Share Price at Term-end	2,191	2,117	2,524	2,358	1,704
Profit per Share	65.53	60.73	74.08	50.08	57.70
Net Assets per Share	1,539.76	1,553.94	1,729.82	1,823.44	1,885.47
Dividend per Share	20.00	25.00	25.00	25.00	25.00

## Major Shareholders

As of September 30, 2019

Top 10 Shareholders	Number of Shares (thousand shares)	Shareholding Ratio(%)
MS SHOJI KK	12,710	34.01%
Japan Trustee Services Bank, Ltd. (Trust Account)	4,407	11.79%
SSBTC CLIENT OMNIBUS ACCOUNT (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, HSS Management)	1,328	3.55%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,258	3.37%
GOLDMAN, SACHS & CO. REG (Standing Proxy: Goldman Sachs Japan Co., Ltd.)	1,187	3.18%
Nomura, Masaharu	1,079	2.89%
MISAKI ENGAGEMENT MASTER FUND (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, HSS Management)	915	2.45%
Sumitomo Mitsui Banking Corporation	900	2.41%
Sumitomo Mitsui Trust Bank, Limited	840	2.25%
STATE STREET BANK AND TRUST COMPANY (Standing Proxy: Mizuho Bank, Ltd., Settlement & Sales Division)	680	1.82%

## Composition of Shareholders by Category









## IR Contact

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