

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

July 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
 Inquiries: Accounting, Foreign Trade Operation, Business Management TEL 06-6121-5669
 Scheduled date to file Quarterly Securities Report: August 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 three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(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, 2020	26,149	5.6	3,289	63.3	3,320	61.5	2,258	63.3
Three months ended June 30, 2019	24,754	(1.0)	2,014	1.4	2,056	(0.4)	1,382	3.4

Note: Comprehensive income Three months ended June 30, 2020 ¥2,298 million [124.3%]
 Three months ended June 30, 2019 ¥1,024 million [(42.4)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	63.27		–	
Three months ended June 30, 2019	37.11		–	

(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, 2020	89,207	70,651	77.8	1,974.74
As of March 31, 2020	82,798	71,032	84.3	1,921.50

Reference: Equity As of June 30, 2020: ¥69,394 million
 As of March 31, 2020: ¥69,833 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	–	25.00	–	25.00	50.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (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, 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

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, 2020
(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, 2020	37,375,636 shares	As of March 31, 2020	37,375,636 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	2,234,574 shares	As of March 31, 2020	1,032,274 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, 2020	35,691,637 shares	Three months ended June 30, 2019	37,262,147 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, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	37,549	37,660
Notes and accounts receivable - trade	12,809	17,291
Electronically recorded monetary claims - operating	1,326	1,581
Merchandise and finished goods	7,825	9,791
Short-term loans receivable	10	45
Other	1,152	814
Allowance for doubtful accounts	(5)	(33)
Total current assets	60,668	67,151
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,010	13,014
Accumulated depreciation	(4,746)	(4,831)
Buildings and structures, net	8,264	8,183
Land	9,385	9,385
Construction in progress	274	290
Other	3,042	3,068
Accumulated depreciation	(2,072)	(2,136)
Other, net	969	931
Total property, plant and equipment	18,894	18,790
Intangible assets	642	609
Investments and other assets		
Investment securities	1,225	1,320
Long-term loans receivable	38	9
Other	1,380	1,348
Allowance for doubtful accounts	(51)	(21)
Total investments and other assets	2,592	2,657
Total non-current assets	22,129	22,056
Total assets	82,798	89,207
Liabilities		
Current liabilities		
Accounts payable - trade	5,174	5,592
Current portion of long-term borrowings	1,000	1,000
Income taxes payable	1,134	1,076
Provision for bonuses for directors (and other officers)	48	4
Provision for bonuses	48	4
Other	3,030	2,979
Total current liabilities	10,437	10,656
Non-current liabilities		
Long-term borrowings	–	6,600
Retirement benefit liability	565	574
Asset retirement obligations	9	9
Provision for environmental measures	0	–
Other	752	715
Total non-current liabilities	1,328	7,899
Total liabilities	11,765	18,556

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Net assets		
Shareholders' equity		
Share capital	4,993	4,993
Capital surplus	6,273	6,273
Retained earnings	60,228	61,578
Treasury shares	(1,805)	(3,576)
Total shareholders' equity	69,690	69,268
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(34)	28
Deferred gains or losses on hedges	222	154
Foreign currency translation adjustment	(24)	(42)
Remeasurements of defined benefit plans	(19)	(14)
Total accumulated other comprehensive income	143	125
Non-controlling interests	1,198	1,256
Total net assets	71,032	70,651
Total liabilities and net assets	82,798	89,207

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, 2019	Three months ended June 30, 2020
Net sales	24,754	26,149
Cost of sales	17,488	17,779
Gross profit	7,265	8,369
Selling, general and administrative expenses	5,251	5,080
Operating profit	2,014	3,289
Non-operating income		
Interest income	1	1
Dividend income	14	14
Foreign exchange gains	2	–
Other	29	29
Total non-operating income	48	44
Non-operating expenses		
Interest expenses	1	0
Commission expenses	1	3
Foreign exchange losses	–	6
Other	4	2
Total non-operating expenses	6	13
Ordinary profit	2,056	3,320
Profit before income taxes	2,056	3,320
Income taxes - current	625	967
Income taxes - deferred	8	35
Total income taxes	634	1,002
Profit	1,421	2,317
Profit attributable to non-controlling interests	38	58
Profit attributable to owners of parent	1,382	2,258

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	1,421	2,317
Other comprehensive income		
Valuation difference on available-for-sale securities	(119)	63
Deferred gains or losses on hedges	(187)	(59)
Foreign currency translation adjustment	(96)	(27)
Remeasurements of defined benefit plans, net of tax	6	5
Total other comprehensive income	(396)	(18)
Comprehensive income	1,024	2,298
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,031	2,240
Comprehensive income attributable to non-controlling interests	(6)	57

Consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Cash flows from operating activities		
Profit before income taxes	2,056	3,320
Depreciation	171	186
Increase (decrease) in provision for bonuses for directors (and other officers)	9	(44)
Increase (decrease) in provision for bonuses	14	(43)
Increase (decrease) in allowance for doubtful accounts	1	(2)
Increase (decrease) in retirement benefit liability	14	16
Interest and dividend income	(15)	(15)
Interest expenses	1	0
Decrease (increase) in trade receivables	(2,189)	(4,739)
Decrease (increase) in inventories	(1,460)	(1,966)
Increase (decrease) in trade payables	1,665	421
Increase (decrease) in accrued consumption taxes	12	(29)
Decrease (increase) in other current assets	272	156
Increase (decrease) in other current liabilities	327	56
Other, net	13	7
Subtotal	893	(2,676)
Interest and dividends received	15	15
Interest paid	(0)	(0)
Income taxes paid	(946)	(996)
Proceeds from subsidy income	–	35
Proceeds from compensation	–	32
Payments associated with disaster loss	(45)	(3)
Net cash provided by (used in) operating activities	(82)	(3,593)
Cash flows from investing activities		
Purchase of property, plant and equipment	(73)	(50)
Purchase of intangible assets	(3)	(103)
Purchase of investment securities	(5)	(5)
Payments for acquisition of businesses	(30)	–
Loan advances	(12)	(6)
Collection of loans receivable	13	0
Other payments	(4)	(11)
Other proceeds	0	0
Net cash provided by (used in) investing activities	(115)	(174)
Cash flows from financing activities		
Proceeds from long-term borrowings	–	6,600
Purchase of treasury shares	(185)	(1,771)
Repayments of lease obligations	(37)	(39)
Dividends paid	(911)	(885)
Net cash provided by (used in) financing activities	(1,134)	3,903
Effect of exchange rate change on cash and cash equivalents	(51)	(24)
Net increase (decrease) in cash and cash equivalents	(1,383)	110
Cash and cash equivalents at beginning of period	40,195	37,549
Cash and cash equivalents at end of period	38,812	37,660