

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2020 (Based on Japanese GAAP)

October 30, 2020

Company name: DOSHISHA CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 7483 URL <https://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  
 Inquiries: Accounting, Foreign Trade Operation, Business Management  
 Scheduled date to file Quarterly Securities Report: November 12, 2020  
 Scheduled date to commence dividend payments: December 7, 2020  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2020 (from April 1, 2020 to September 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	%
Six months ended September 30, 2020	50,189	3.9	5,203	66.5	5,322	68.6	3,586	67.7
Six months ended September 30, 2019	48,313	(0.3)	3,124	13.3	3,156	10.9	2,138	14.9

Note: Comprehensive income Six months ended September 30, 2020 ¥3,660 million [94.2%]  
 Six months ended September 30, 2019 ¥1,885 million [(25.1)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2020	101.16		-	
Six months ended September 30, 2019	57.70		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2020	90,334	72,013	78.3	2,011.70
As of March 31, 2020	82,798	71,032	84.3	1,921.50

Reference: Equity As of September 30, 2020: ¥70,693 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				
Year ended March 31, 2020	-	25.00	-	25.00	50.00
Year ending March 31, 2021	-	25.00	-	-	-
Year ending March 31, 2021 (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, 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
Full year	101,000	4.9	8,600	43.4	8,800	40.6	5,900	40.1	167.09

Note: Revision of consolidated financial results forecast most recently announced: Yes

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 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)

Six months ended September 30, 2020	35,455,676 shares	Six months ended September 30, 2019	37,065,111 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 September 30, 2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	37,549	43,383
Notes and accounts receivable - trade	12,809	13,077
Electronically recorded monetary claims - operating	1,326	2,045
Merchandise and finished goods	7,825	8,934
Short-term loans receivable	10	45
Other	1,152	741
Allowance for doubtful accounts	(5)	(32)
<b>Total current assets</b>	<b>60,668</b>	<b>68,194</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	13,010	13,038
Accumulated depreciation	(4,746)	(4,919)
Buildings and structures, net	8,264	8,119
Land	9,385	9,385
Construction in progress	274	331
Other	3,042	3,086
Accumulated depreciation	(2,072)	(2,199)
Other, net	969	886
<b>Total property, plant and equipment</b>	<b>18,894</b>	<b>18,723</b>
Intangible assets	642	573
<b>Investments and other assets</b>		
Investment securities	1,225	1,476
Long-term loans receivable	38	7
Other	1,380	1,377
Allowance for doubtful accounts	(51)	(18)
<b>Total investments and other assets</b>	<b>2,592</b>	<b>2,843</b>
<b>Total non-current assets</b>	<b>22,129</b>	<b>22,139</b>
<b>Total assets</b>	<b>82,798</b>	<b>90,334</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	5,174	5,841
Current portion of long-term borrowings	1,000	–
Income taxes payable	1,134	1,754
Provision for bonuses for directors (and other officers)	48	40
Provision for bonuses	48	9
Other	3,030	2,820
<b>Total current liabilities</b>	<b>10,437</b>	<b>10,466</b>
<b>Non-current liabilities</b>		
Long-term borrowings	–	6,600
Retirement benefit liability	565	573
Asset retirement obligations	9	9
Provision for environmental measures	0	–
Other	752	671
<b>Total non-current liabilities</b>	<b>1,328</b>	<b>7,855</b>
<b>Total liabilities</b>	<b>11,765</b>	<b>18,321</b>

(Millions of yen)

	As of March 31, 2020	As of September 30, 2020
Net assets		
Shareholders' equity		
Share capital	4,993	4,993
Capital surplus	6,273	6,273
Retained earnings	60,228	62,906
Treasury shares	(1,805)	(3,576)
Total shareholders' equity	69,690	70,596
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(34)	138
Deferred gains or losses on hedges	222	27
Foreign currency translation adjustment	(24)	(61)
Remeasurements of defined benefit plans	(19)	(9)
Total accumulated other comprehensive income	143	96
Non-controlling interests	1,198	1,320
Total net assets	71,032	72,013
Total liabilities and net assets	82,798	90,334

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net sales	48,313	50,189
Cost of sales	34,665	34,687
Gross profit	13,647	15,501
Selling, general and administrative expenses	10,522	10,298
Operating profit	3,124	5,203
Non-operating income		
Interest income	3	2
Dividend income	15	15
Gain on adjustment of account payable	38	23
Foreign exchange gains	–	28
Other	49	64
Total non-operating income	107	134
Non-operating expenses		
Interest expenses	2	2
Commission expenses	3	4
Foreign exchange losses	59	–
Other	10	9
Total non-operating expenses	75	15
Ordinary profit	3,156	5,322
Extraordinary income		
Reversal of provision for environmental measures	21	–
Total extraordinary income	21	–
Profit before income taxes	3,177	5,322
Income taxes - current	1,007	1,613
Income taxes - deferred	(27)	2
Total income taxes	980	1,615
Profit	2,197	3,707
Profit attributable to non-controlling interests	59	120
Profit attributable to owners of parent	2,138	3,586

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

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Profit	2,197	3,707
Other comprehensive income		
Valuation difference on available-for-sale securities	(115)	173
Deferred gains or losses on hedges	(63)	(186)
Foreign currency translation adjustment	(145)	(44)
Remeasurements of defined benefit plans, net of tax	12	10
Total other comprehensive income	(312)	(46)
Comprehensive income	1,885	3,660
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,888	3,539
Comprehensive income attributable to non-controlling interests	(3)	121

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Cash flows from operating activities		
Profit before income taxes	3,177	5,322
Depreciation	351	375
Increase (decrease) in provision for bonuses for directors (and other officers)	18	(7)
Increase (decrease) in provision for bonuses	27	(38)
Increase (decrease) in allowance for doubtful accounts	2	(6)
Increase (decrease) in retirement benefit liability	31	22
Increase (decrease) in provision for environmental measures	(21)	(0)
Compensation income	–	(8)
Interest and dividend income	(19)	(17)
Interest expenses	2	2
Decrease (increase) in trade receivables	3,054	(989)
Decrease (increase) in inventories	(1,160)	(1,106)
Increase (decrease) in trade payables	(691)	670
Increase (decrease) in accrued consumption taxes	(79)	(52)
Decrease (increase) in other current assets	17	72
Increase (decrease) in other current liabilities	156	(32)
Other, net	20	17
Subtotal	4,888	4,222
Interest and dividends received	19	17
Interest paid	(2)	(0)
Income taxes paid	(949)	(1,013)
Proceeds from subsidy income	157	35
Proceeds from compensation	–	40
Payments associated with disaster loss	(45)	(3)
Net cash provided by (used in) operating activities	4,068	3,297
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	55	–
Purchase of property, plant and equipment	(165)	(129)
Purchase of intangible assets	(7)	(103)
Purchase of investment securities	(9)	(9)
Payments for acquisition of businesses	(30)	–
Loan advances	(2)	(7)
Collection of loans receivable	4	2
Other payments	(9)	(15)
Other proceeds	0	8
Net cash provided by (used in) investing activities	(164)	(253)
Cash flows from financing activities		
Proceeds from long-term borrowings	–	6,600
Repayments of long-term borrowings	–	(1,000)
Purchase of treasury shares	(1,097)	(1,771)
Repayments of lease obligations	(75)	(78)
Dividends paid	(932)	(908)
Net cash provided by (used in) financing activities	(2,105)	2,841
Effect of exchange rate change on cash and cash equivalents	(79)	(51)
Net increase (decrease) in cash and cash equivalents	1,719	5,833
Cash and cash equivalents at beginning of period	40,195	37,549
Cash and cash equivalents at end of period	41,915	43,383