

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, 2020 (Based on Japanese GAAP)

January 29, 2021

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
 Inquiries: Accounting, Foreign Trade Operation, Business Management TEL 06-6121-5669
 Scheduled date to file Quarterly Securities Report: February 12, 2021
 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, 2020 (from April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	81,571	4.3	8,704	54.6	8,894	55.1	6,030	54.0
Nine months ended December 31, 2019	78,243	(1.2)	5,630	9.3	5,735	9.0	3,916	10.9

Note: Comprehensive income Nine months ended December 31, 2020 ¥6,034 million [52.1%]
 Nine months ended December 31, 2019 ¥3,966 million [7.0%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	170.55		–	
Nine months ended December 31, 2019	106.22		–	

(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, 2020	93,172	73,508	77.5	2,053.59
As of March 31, 2020	82,798	71,032	84.3	1,921.50

Reference: Equity As of December 31, 2020: ¥72,165 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	–	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	9,300	55.1	9,500	51.7	6,400	52.0	181.25

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

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2020	37,375,636 shares	As of March 31, 2020	37,375,636 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2020	2,234,624 shares	As of March 31, 2020	1,032,274 shares
-------------------------	------------------	----------------------	------------------

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

Nine months ended December 31, 2020	35,361,282 shares	Nine months ended December 31, 2019	36,869,340 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, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	37,549	39,681
Notes and accounts receivable - trade	12,809	21,265
Electronically recorded monetary claims - operating	1,326	2,017
Merchandise and finished goods	7,825	7,262
Short-term loans receivable	10	36
Other	1,152	854
Allowance for doubtful accounts	(5)	(34)
Total current assets	60,668	71,085
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,010	13,027
Accumulated depreciation	(4,746)	(4,992)
Buildings and structures, net	8,264	8,035
Land	9,385	9,385
Construction in progress	274	430
Other	3,042	2,992
Accumulated depreciation	(2,072)	(2,135)
Other, net	969	856
Total property, plant and equipment	18,894	18,707
Intangible assets	642	538
Investments and other assets		
Investment securities	1,225	1,417
Long-term loans receivable	38	7
Other	1,380	1,441
Allowance for doubtful accounts	(51)	(25)
Total investments and other assets	2,592	2,840
Total non-current assets	22,129	22,086
Total assets	82,798	93,172
Liabilities		
Current liabilities		
Accounts payable - trade	5,174	6,051
Current portion of long-term borrowings	1,000	–
Income taxes payable	1,134	2,027
Provision for bonuses for directors (and other officers)	48	67
Provision for bonuses	48	3
Other	3,030	3,672
Total current liabilities	10,437	11,822
Non-current liabilities		
Long-term borrowings	–	6,600
Retirement benefit liability	565	581
Asset retirement obligations	9	9
Provision for environmental measures	0	–
Other	752	648
Total non-current liabilities	1,328	7,840
Total liabilities	11,765	19,663

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Net assets		
Shareholders' equity		
Share capital	4,993	4,993
Capital surplus	6,273	6,273
Retained earnings	60,228	64,472
Treasury shares	(1,805)	(3,576)
Total shareholders' equity	69,690	72,162
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(34)	95
Deferred gains or losses on hedges	222	(45)
Foreign currency translation adjustment	(24)	(43)
Remeasurements of defined benefit plans	(19)	(3)
Total accumulated other comprehensive income	143	2
Non-controlling interests	1,198	1,343
Total net assets	71,032	73,508
Total liabilities and net assets	82,798	93,172

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, 2019	Nine months ended December 31, 2020
Net sales	78,243	81,571
Cost of sales	56,567	56,944
Gross profit	21,676	24,626
Selling, general and administrative expenses	16,045	15,922
Operating profit	5,630	8,704
Non-operating income		
Interest income	4	2
Dividend income	25	23
Gain on adjustment of account payable	38	23
Foreign exchange gains	–	79
Subsidy income	–	11
Other	75	83
Total non-operating income	144	223
Non-operating expenses		
Interest expenses	3	3
Commission expenses	5	6
Provision of allowance for doubtful accounts	–	7
Foreign exchange losses	14	–
Other	16	16
Total non-operating expenses	38	33
Ordinary profit	5,735	8,894
Extraordinary income		
Reversal of provision for environmental measures	21	–
Total extraordinary income	21	–
Profit before income taxes	5,757	8,894
Income taxes - current	1,756	2,732
Income taxes - deferred	(10)	(9)
Total income taxes	1,745	2,723
Profit	4,011	6,170
Profit attributable to non-controlling interests	95	139
Profit attributable to owners of parent	3,916	6,030

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	4,011	6,170
Other comprehensive income		
Valuation difference on available-for-sale securities	(41)	130
Deferred gains or losses on hedges	51	(260)
Foreign currency translation adjustment	(72)	(21)
Remeasurements of defined benefit plans, net of tax	18	15
Total other comprehensive income	(44)	(135)
Comprehensive income	3,966	6,034
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,903	5,890
Comprehensive income attributable to non-controlling interests	63	144

Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Cash flows from operating activities		
Profit before income taxes	5,757	8,894
Depreciation	549	566
Increase (decrease) in provision for bonuses for directors (and other officers)	35	19
Increase (decrease) in provision for bonuses	28	(45)
Increase (decrease) in allowance for doubtful accounts	2	2
Increase (decrease) in retirement benefit liability	47	39
Increase (decrease) in provision for environmental measures	(28)	(0)
Subsidy income	–	(11)
Compensation income	–	(8)
Interest and dividend income	(30)	(25)
Interest expenses	3	3
Decrease (increase) in trade receivables	(4,975)	(9,147)
Decrease (increase) in inventories	145	569
Increase (decrease) in trade payables	(593)	877
Increase (decrease) in accrued consumption taxes	149	274
Decrease (increase) in other current assets	(5)	(85)
Increase (decrease) in other current liabilities	605	416
Other, net	34	17
Subtotal	1,725	2,356
Interest and dividends received	30	25
Interest paid	(2)	(2)
Income taxes paid	(1,786)	(1,834)
Proceeds from subsidy income	157	46
Proceeds from compensation	–	40
Payments associated with disaster loss	(45)	(3)
Net cash provided by (used in) operating activities	79	628
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	55	–
Purchase of property, plant and equipment	(202)	(253)
Purchase of intangible assets	(74)	(103)
Purchase of investment securities	(15)	(15)
Payments for acquisition of businesses	(30)	–
Loan advances	(3)	(7)
Collection of loans receivable	7	11
Other payments	(25)	(19)
Other proceeds	2	9
Net cash provided by (used in) investing activities	(285)	(377)
Cash flows from financing activities		
Proceeds from long-term borrowings	–	6,600
Repayments of long-term borrowings	–	(1,000)
Purchase of treasury shares	(1,645)	(1,771)
Repayments of lease obligations	(113)	(117)
Dividends paid	(1,846)	(1,784)
Net cash provided by (used in) financing activities	(3,605)	1,926
Effect of exchange rate change on cash and cash equivalents	(41)	(44)
Net increase (decrease) in cash and cash equivalents	(3,851)	2,132
Cash and cash equivalents at beginning of period	40,195	37,549
Cash and cash equivalents at end of period	36,343	39,681