

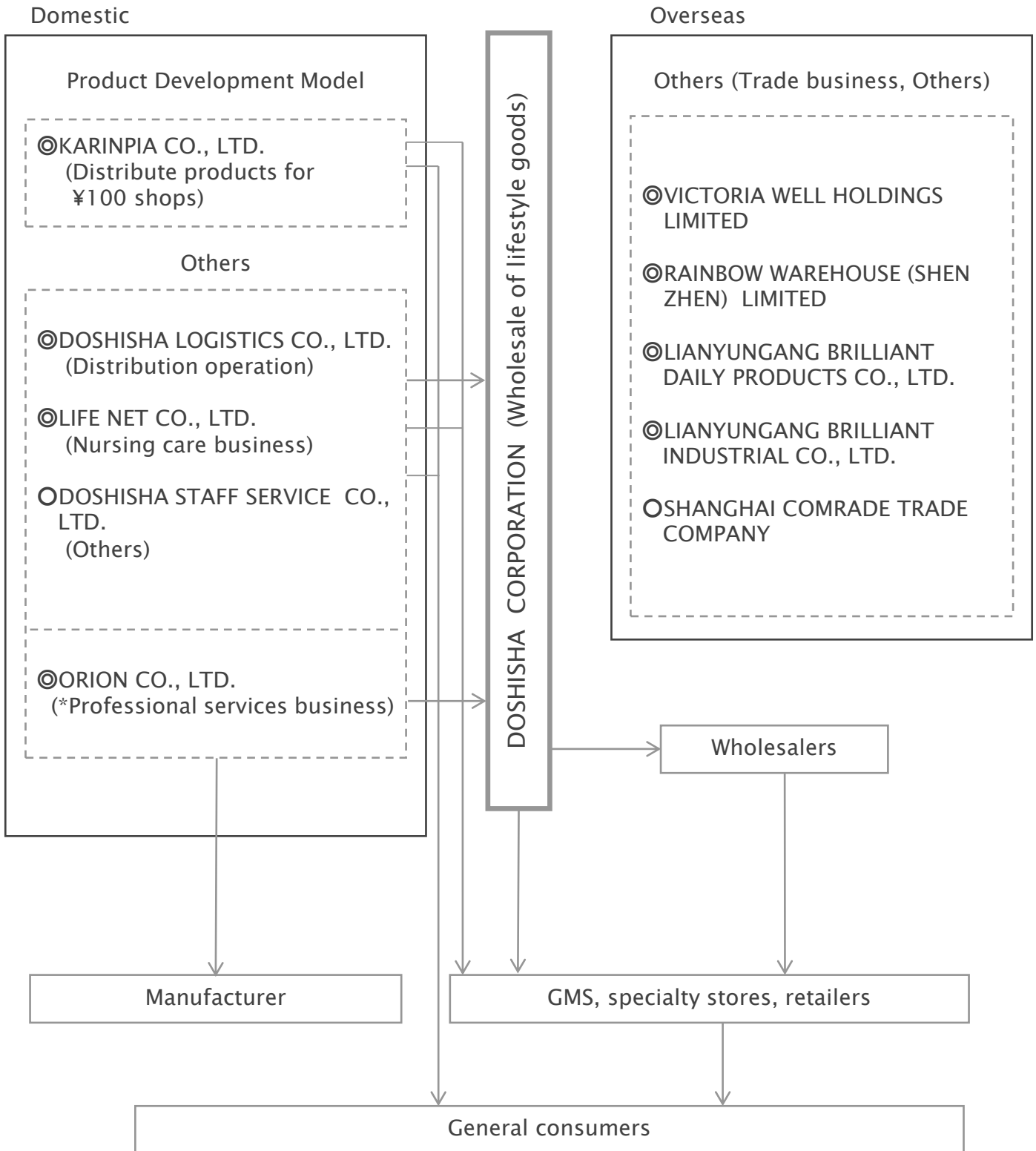


## FACTBOOK

(7483) DOSHISHA CORPORATION  
For the six months ended September 30, 2020

■ Corporate Profile	P2
■ DOSHISHA CORPORATION Group of Companies: An Overview	P3
■ Financial Data	P4-12
• Consolidated Balance Sheet	P4-5
• Consolidated Statement of Income	P6
• Consolidated Statement of Comprehensive Income	P7
• Consolidated Statement of Cash Flows	P8
• Information by Business Model	P9
• Consolidated Profitability Indicators	P10
• Consolidated Efficiency Indicators	P11
• Consolidated Stability Indicators, ROE/ROA	P12
■ Stock Information	P13

Company Name	DOSHISHA CORPORATION
URL	<a href="https://www.doshisha.co.jp/">https://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, 2020)
Representative	Masayuki Nomura, President and Chief Operating Officer
Employees	Consolidated: 1,560 Nonconsolidated: 855 (as of September 30, 2020)
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)	FY3/17 1H End	FY3/18 1H End	FY3/19 1H End	FY3/20 1H End	FY3/21 1H End
<b>Assets</b>					
<b>Total assets</b>	<b>78,465</b>	<b>83,675</b>	<b>88,919</b>	<b>89,420</b>	<b>90,334</b>
<b>Current assets</b>	<b>62,294</b>	<b>63,304</b>	<b>66,872</b>	<b>67,172</b>	<b>68,194</b>
Cash and deposits	33,794	34,923	38,529	41,915	43,383
Notes and accounts receivable – trade	15,538	15,970	14,101	13,305	13,077
Electronically recorded monetary claims – operating	1,364	2,395	3,089	1,524	2,045
Merchandise and finished goods	9,783	8,747	9,063	9,558	8,934
Short-term loans receivable	14	24	175	10	45
Other	1,801	1,243	1,930	862	741
Allowance for doubtful accounts	(3)	(1)	(18)	(4)	(32)
<b>Non-current assets</b>	<b>16,171</b>	<b>20,371</b>	<b>22,046</b>	<b>22,248</b>	<b>22,139</b>
<b>Property, plant and equipment</b>	<b>13,498</b>	<b>17,276</b>	<b>18,982</b>	<b>19,114</b>	<b>18,723</b>
Buildings and structures	7,572	7,574	12,786	12,995	13,038
Accumulated depreciation	(3,826)	(3,984)	(4,229)	(4,569)	(4,919)
Buildings and structures, net	3,745	3,590	8,556	8,425	8,119
Land	9,174	9,174	9,174	9,385	9,385
Construction in progress	–	4,008	279	259	331
Other	1,994	2,090	2,648	2,965	3,086
Accumulated depreciation	(1,416)	(1,587)	(1,676)	(1,920)	(2,199)
Other, net	578	503	972	1,044	886
<b>Intangible assets</b>	<b>113</b>	<b>127</b>	<b>122</b>	<b>325</b>	<b>573</b>
<b>Investments and other assets</b>	<b>2,559</b>	<b>2,967</b>	<b>2,942</b>	<b>2,809</b>	<b>2,843</b>
Investment securities	1,307	1,758	1,758	1,414	1,476
Long-term loans receivable	25	54	4	36	7
Other	1,250	1,156	1,193	1,378	1,377
Allowance for doubtful accounts	(23)	(1)	(13)	(20)	(18)

# Consolidated Balance Sheet

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

(¥ million)	FY3/17 1H End	FY3/18 1H End	FY3/19 1H End	FY3/20 1H End	FY3/21 1H End
<b>Liabilities</b>					
<b>Total liabilities</b>	<b>21,319</b>	<b>19,891</b>	<b>19,804</b>	<b>19,159</b>	<b>18,321</b>
<b>Current liabilities</b>	<b>12,435</b>	<b>10,965</b>	<b>10,560</b>	<b>17,806</b>	<b>10,466</b>
Accounts payable – trade	5,761	6,927	6,598	5,841	5,841
Current portion of long-term borrowings	–	–	–	8,000	–
Income taxes payable	1,056	1,268	877	1,093	1,754
Provision for bonuses for directors (and other officers)	30	34	21	26	40
Provision for bonuses	27	32	25	36	9
Provision for loss on removal of non-current assets	–	–	73	–	–
Other	5,560	2,702	2,963	2,808	2,820
<b>Non-current liabilities</b>	<b>8,884</b>	<b>8,925</b>	<b>9,244</b>	<b>1,353</b>	<b>7,855</b>
Long-term borrowings	8,000	8,000	8,000	–	6,600
Retirement benefit liability	562	606	588	530	573
Asset retirement obligations	57	58	9	9	9
Provision for environmental measures	–	56	48	27	–
Other	264	204	597	785	671
<b>Net assets</b>					
<b>Total net assets</b>	<b>57,145</b>	<b>63,784</b>	<b>69,114</b>	<b>70,261</b>	<b>72,013</b>
<b>Shareholders' equity</b>	<b>58,313</b>	<b>62,385</b>	<b>67,503</b>	<b>69,081</b>	<b>70,596</b>
Share capital	4,993	4,993	4,993	4,993	4,993
Capital surplus	6,043	6,140	6,273	6,273	6,273
Retained earnings	50,102	53,519	56,396	59,071	62,906
Treasury shares	(2,825)	(2,267)	(159)	(1,256)	(3,576)
<b>Accumulated other comprehensive income</b>	<b>(2,384)</b>	<b>340</b>	<b>506</b>	<b>31</b>	<b>96</b>
Valuation difference on available-for-sale securities	76	367	354	73	138
Deferred gains or losses on hedges	(2,224)	107	216	38	27
Foreign currency translation adjustment	(38)	36	43	(61)	(61)
Remeasurements of defined benefit plans	(197)	(171)	(108)	(18)	(9)
Share acquisition rights	457	264	–	–	–
Non-controlling interests	758	794	1,104	1,147	1,320
<b>Total liabilities and net assets</b>	<b>78,465</b>	<b>83,675</b>	<b>88,919</b>	<b>89,420</b>	<b>90,334</b>

# Consolidated Statement of Income

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

(¥ million)	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H	FY3/21 1H
Net sales	50,921	50,426	48,477	48,313	50,189
Cost of sales	37,898	36,956	35,208	34,665	34,687
Gross profit	13,023	13,469	13,268	13,647	15,501
Selling, general and administrative expenses	9,567	9,700	10,510	10,522	10,298
Operating profit	3,455	3,769	2,758	3,124	5,203
Non-operating income	89	139	125	107	134
Interest income	0	1	2	3	2
Dividend income	11	13	57	15	15
Gain on sales of investment securities	-	10	-	-	-
Gain on adjustment of account payable	35	20	8	38	23
Foreign exchange gains	-	41	11	-	28
Other	40	53	45	49	64
Non-operating expenses	218	26	37	75	15
Interest expenses	2	2	2	2	2
Commission expenses	14	13	9	3	4
Provision of allowance for doubtful accounts	-	-	13	-	-
Foreign exchange losses	194	-	-	59	-
Other	7	10	12	10	9
Ordinary profit	3,327	3,882	2,845	3,156	5,322
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	-	3	127	-	-
Provision for loss on removal of non-current assets	-	-	73	-	-
Impairment loss	-	-	33	-	-
Loss on disaster	-	-	20	-	-
Provision for environmental measures	-	3	-	-	-
Profit before income taxes	3,327	3,882	2,741	3,177	5,322
Total income taxes	998	1,157	825	980	1,615
Income taxes - current	973	1,175	797	1,007	1,613
Income taxes - deferred	25	(18)	27	(27)	2
Profit	2,328	2,725	1,916	2,197	3,707
Profit attributable to non-controlling interests	116	79	55	59	120
Profit attributable to owners of parent	2,211	2,645	1,861	2,138	3,586

# Consolidated Statement of Comprehensive Income

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

(¥ million)	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H	FY3/21 1H
Profit	2,328	2,725	1,916	2,197	3,707
Other comprehensive income	(1,287)	497	598	(312)	(46)
Valuation difference on available-for-sale securities	(112)	155	(26)	(115)	173
Deferred gains or losses on hedges	(969)	301	537	(63)	(186)
Foreign currency translation adjustment	(223)	22	70	(145)	(44)
Remeasurements of defined benefit plans, net of tax	17	18	16	12	10
Comprehensive income	1,041	3,222	2,515	1,885	3,660
Comprehensive income attributable to owners of parent	1,027	3,138	2,444	1,888	3,539
Comprehensive income attributable to non-controlling interests	14	84	71	(3)	121

# Consolidated Statement of Cash Flows

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

(¥million)	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H	FY3/21 1H
<b>Cash flows from operating activities</b>					
<b>Net cash provided by (used in) operating activities</b>	<b>2,201</b>	<b>4,539</b>	<b>2,817</b>	<b>4,068</b>	<b>3,297</b>
Profit before income taxes	3,327	3,882	2,741	3,177	5,322
Depreciation	211	205	306	351	375
Increase (decrease) in provision for bonuses for directors (and other officers)	(43)	(29)	(13)	18	(7)
Increase (decrease) in provision for bonuses	(12)	(11)	(0)	27	(38)
Increase (decrease) in allowance for doubtful accounts	5	(7)	12	2	(6)
Increase (decrease) in retirement benefit liability	37	43	29	31	22
Increase (decrease) in provision for environmental measures	-	3	-	(21)	(0)
Compensation income	-	-	-	-	(8)
Increase (decrease) in provision for loss on removal of non-current assets	-	-	73	-	-
Impairment loss	-	-	33	-	-
Loss on disaster	-	-	20	-	-
Loss (gain) on sales of investment securities	-	(10)	-	-	-
Interest and dividend income	(12)	(14)	(60)	(19)	(17)
Interest expenses	2	2	2	2	2
Decrease (increase) in trade receivables	(464)	637	1,881	3,054	(989)
Decrease (increase) in inventories	(478)	(499)	(688)	(1,160)	(1,106)
Increase (decrease) in trade payables	965	1,918	323	(691)	670
Increase (decrease) in accrued consumption taxes	172	(314)	136	(79)	(52)
Decrease (increase) in other current assets	94	(331)	(588)	17	72
Increase (decrease) in other current liabilities	145	129	(24)	156	(32)
Other, net	54	10	3	20	17
<b>Subtotal</b>	<b>4,005</b>	<b>5,613</b>	<b>4,189</b>	<b>4,888</b>	<b>4,222</b>
Interest and dividends received	12	14	60	19	17
Interest paid	(2)	(0)	(2)	(2)	(0)
Income taxes paid	(1,813)	(1,087)	(1,429)	(949)	(1,013)
Proceeds from subsidy income	-	-	-	157	35
Proceeds from compensation	-	-	-	-	40
Payments associated with disaster loss	-	-	-	(45)	(3)
<b>Cash flows from investing activities</b>					
<b>Net cash provided by (used in) investing activities</b>	<b>(121)</b>	<b>(2,084)</b>	<b>(248)</b>	<b>(164)</b>	<b>(253)</b>
Proceeds from withdrawal of time deposits	-	-	-	55	-
Purchase of property, plant and equipment	(112)	(2,025)	(355)	(165)	(129)
Purchase of intangible assets	-	-	-	(7)	(103)
Purchase of investment securities	(9)	(9)	(9)	(9)	(9)
Proceeds from sales of investment securities	-	10	-	-	-
Payments for acquisition of businesses	-	-	-	(30)	-
Loan advances	-	(43)	(13)	(2)	(7)
Collection of loans receivable	11	8	143	4	2
Other payments	(12)	(26)	(14)	(9)	(15)
Other proceeds	1	1	0	0	8
<b>Cash flows from financing activities</b>					
<b>Net cash provided by (used in) financing activities</b>	<b>(1,177)</b>	<b>251</b>	<b>(69)</b>	<b>(2,105)</b>	<b>2,841</b>
Proceeds from long-term borrowings	1,000	-	-	-	6,600
Repayments of long-term borrowings	-	-	-	-	(1,000)
Purchase of treasury shares	(1,048)	-	-	(1,097)	(1,771)
Proceeds from exercise of employee share options	-	1,416	707	-	-
Repayments of lease obligations	(44)	(42)	(55)	(75)	(78)
Repayments of installment payables	(19)	(15)	(19)	-	-
Dividends paid	(912)	(886)	(923)	(932)	(908)
Dividends paid to non-controlling interests	(152)	(219)	-	-	-
Proceeds from share issuance to non-controlling shareholders	-	-	220	-	-
Effect of exchange rate change on cash and cash equivalents	(102)	8	45	(79)	(51)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>800</b>	<b>2,716</b>	<b>2,543</b>	<b>1,719</b>	<b>5,833</b>
Cash and cash equivalents at beginning of period	32,993	32,207	35,986	40,195	37,549
Cash and cash equivalents at end of period	33,794	34,923	38,529	41,915	43,383



# Information by Business Model

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

(¥ million)	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H	FY3/21 1H
<b>Product Development Business Model</b>					
Net sales	23,490	23,935	24,580	23,496	26,164
Composition ratio	46.1%	47.5%	50.7%	48.6%	52.1%
Year-on-year change	-1.2%	1.9%	2.7%	-4.4%	11.4%
<b>Wholesale Business Model</b>					
Net sales	25,912	24,918	22,388	23,000	21,784
Composition ratio	50.9%	49.4%	46.2%	47.6%	43.4%
Year-on-year change	-3.5%	-3.8%	-10.2%	2.7%	-5.3%
<b>NB Processing</b>					
Net sales	14,009	13,937	13,558	14,334	15,440
Composition ratio	27.5%	27.6%	28.0%	29.7%	30.8%
Year-on-year change	4.5%	-0.5%	-2.7%	5.7%	7.7%
<b>Famous Brands</b>					
Net sales	11,902	10,980	8,830	8,665	6,343
Composition ratio	23.4%	21.8%	18.2%	17.9%	12.6%
Year-on-year change	-11.5%	-7.7%	-19.6%	-1.9%	-26.8%
<b>Others</b>					
Net sales	1,519	1,572	1,508	1,817	2,240
Composition ratio	3.0%	3.1%	3.1%	3.8%	4.5%
Year-on-year change	-23.5%	3.5%	-4.1%	20.5%	23.3%
<b>Total</b>					
Net sales	50,921	50,426	48,477	48,313	50,189
Composition ratio	100.0%	100.0%	100.0%	100.0%	100.0%
Year-on-year change	-3.2%	-1.0%	-3.9%	-0.3%	3.9%

Note: In April – June period of the consolidated fiscal year ended June 30, 2020, part of the net sales and income 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 FY3/20 are calculated based on the new categorization. (Up to 1H FY3/19, figures before segment transferring are shown 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)	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H	FY3/21 1H
Net sales	50,921	50,426	48,477	48,313	50,189
Gross profit	13,023	13,469	13,268	13,647	15,501
SG&A expenses	9,567	9,700	10,510	10,522	10,298
Operating profit	3,455	3,769	2,758	3,124	5,203
Ordinary profit	3,327	3,882	2,845	3,156	5,322
Profit attributable to owners of parent	2,211	2,645	1,861	2,138	3,586

(%)	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H	FY3/21 1H
Gross profit margin	25.6	26.7	27.4	28.2	30.9
SG&A expenses ratio	18.8	19.2	21.7	21.8	20.5
Operating profit margin	6.8	7.5	5.7	6.5	10.4
Ordinary profit margin	6.5	7.7	5.9	6.5	10.6
Profit attributable to owners of parent margin	4.3	5.2	3.8	4.4	7.1

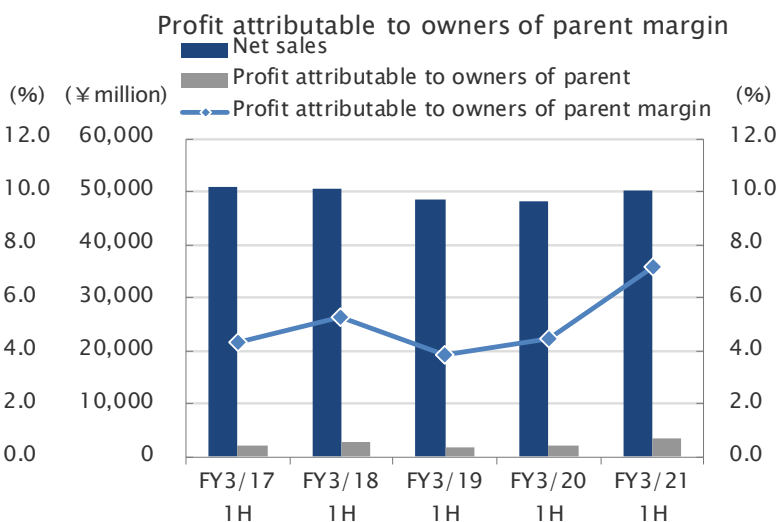
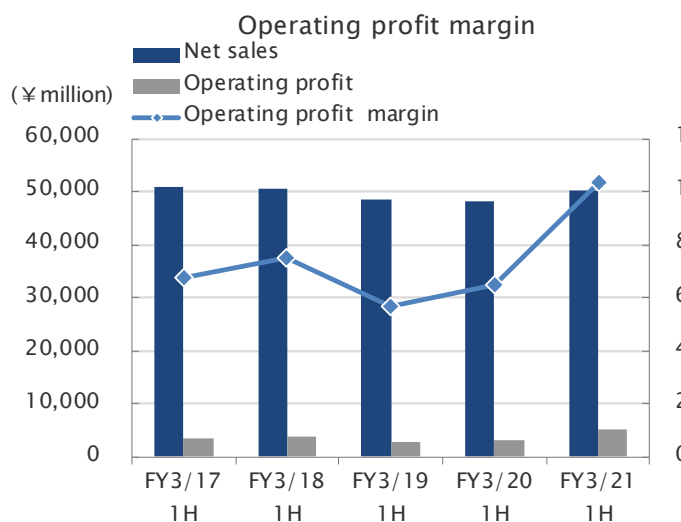
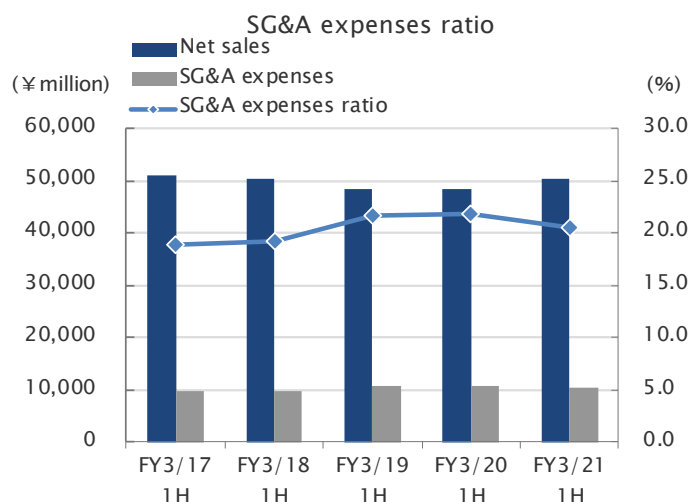
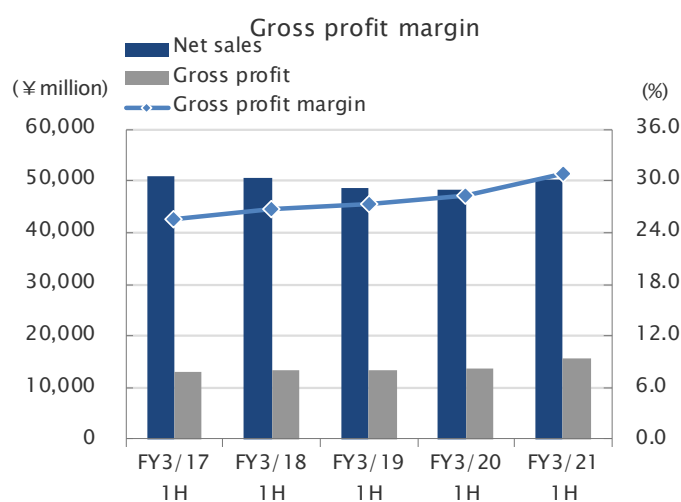
Gross profit margin=Gross profit/Net sales

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

(Times)	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H	FY3/21 1H
Total assets turnover	1.3	1.2	1.1	1.1	1.2
Non-current assets turnover	6.3	5.2	4.4	4.3	4.5
Current assets turnover	1.7	1.6	1.5	1.4	1.6
Inventory turns (full-year basis)	7.9	8.7	8.1	7.7	8.3

(Days)	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H	FY3/21 1H
Trade receivables turnover	60.6	66.5	64.7	56.0	55.0
Trade payables turnover	20.6	25.1	24.8	22.1	21.2

(%)	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H	FY3/21 1H
ROIC (Apr-Sep)	3.71	3.69	2.50	2.76	4.61

Total assets turnover=Net sales x 2/Average total assets

Non-current assets turnover=Net sales x 2/Average non-current assets

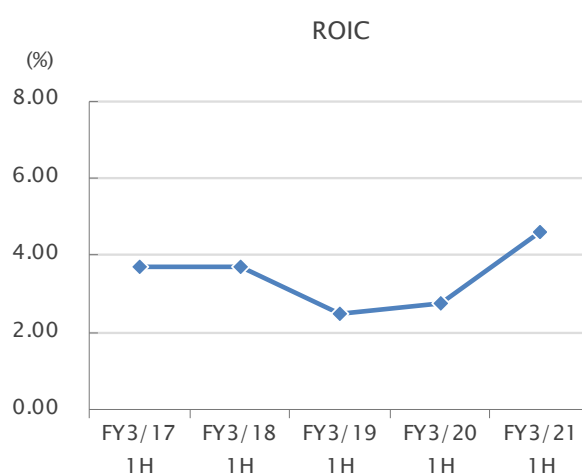
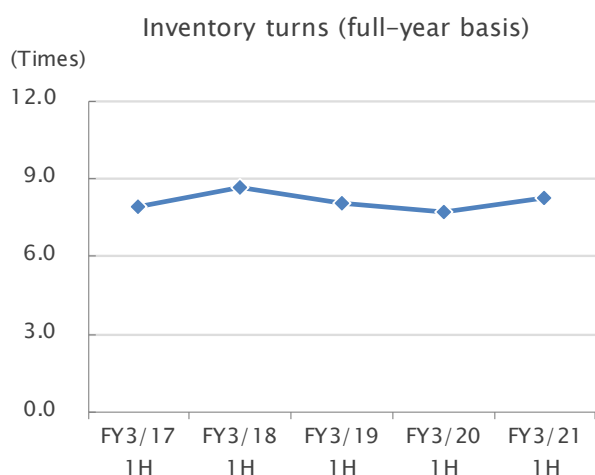
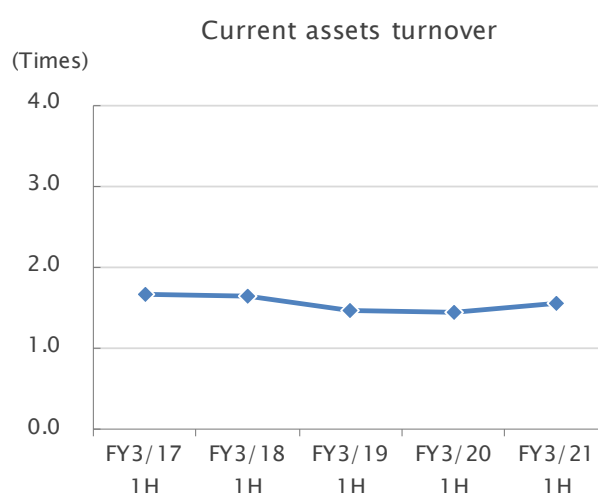
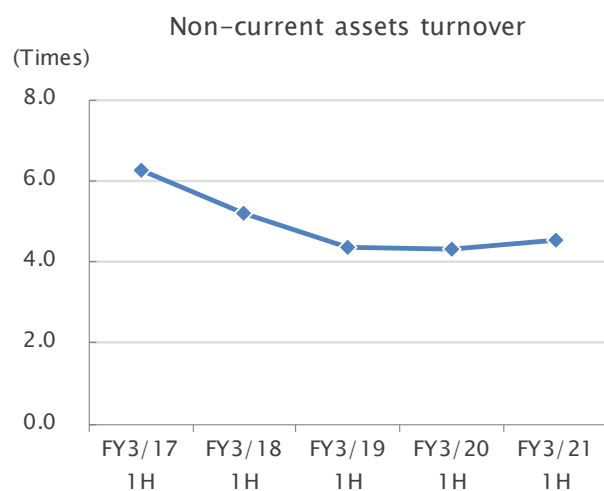
Current assets turnover=Net sales x 2/Average current assets

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)/Invested capital (Net assets + Interest-bearing debt)



# Consolidated Stability Indicators, ROE/ROA

(¥ million)	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H	FY3/21 1H
Equity	55,929	62,725	68,009	69,113	70,693
Total assets	78,465	83,675	88,919	89,420	90,334
Non-current assets	16,171	20,371	22,046	22,248	22,139
Current assets	62,294	63,304	66,872	67,172	68,194
Current liabilities	12,435	10,965	10,560	17,806	10,466
Interest-bearing debt	8,000	8,000	8,000	8,000	6,600

(%)	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H	FY3/21 1H
Equity ratio	71.3	75.0	76.5	77.3	78.3
D/E ratio	14.3	12.8	11.8	11.6	9.3
Non-current ratio	28.9	32.5	32.4	32.2	31.3
Current ratio	501.0	577.3	633.3	377.2	651.6
Return on equity (ROE, 1H)	3.9	4.4	2.8	3.1	5.1
Return on total assets (ROA, 1H)	2.8	3.3	2.1	2.4	4.1

Equity ratio=Equity/Total assets

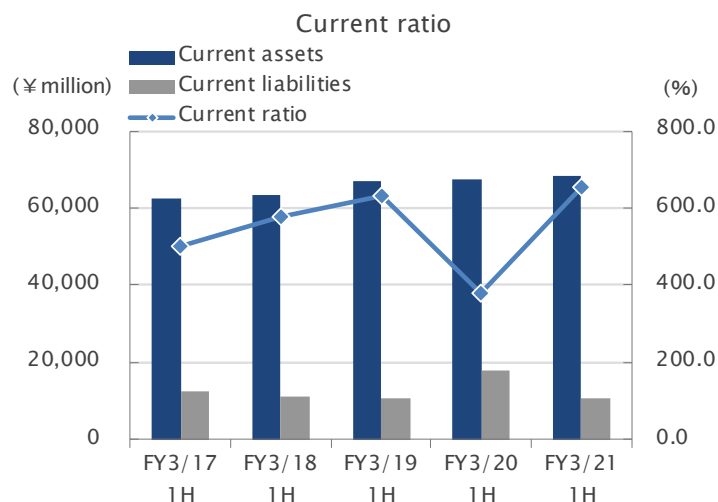
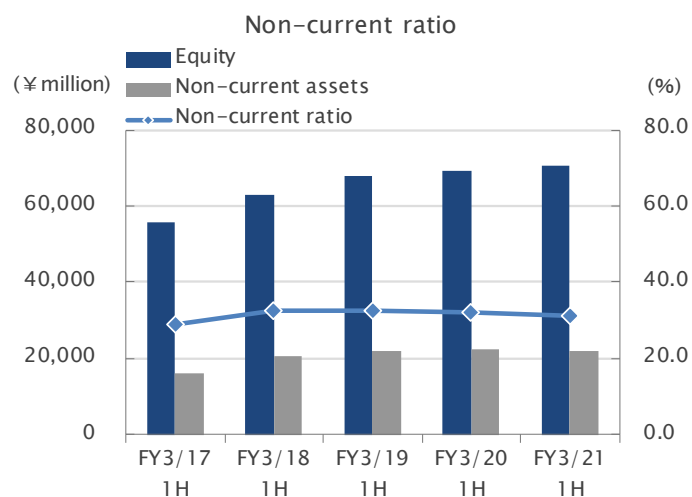
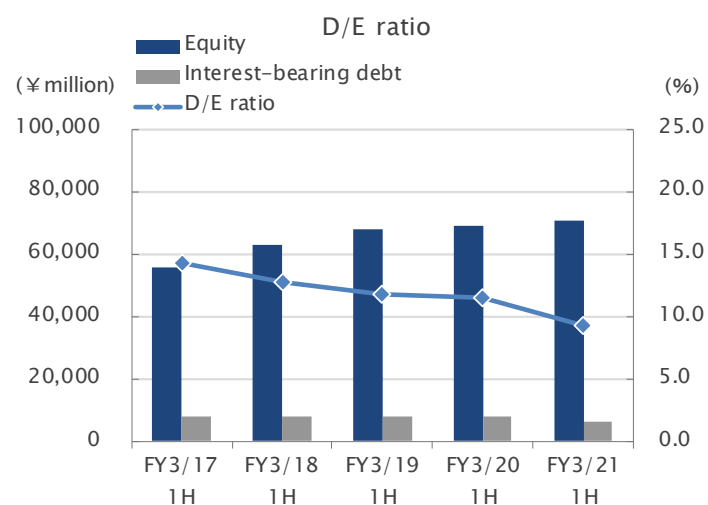
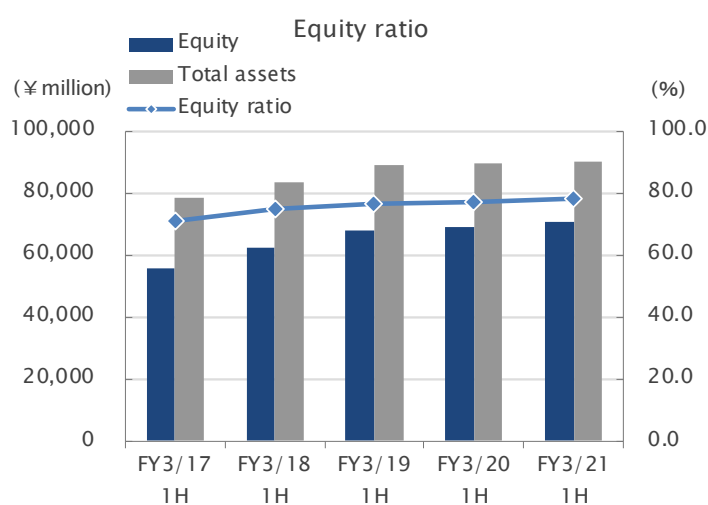
D/E ratio=Interest-bearing debt/Equity

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

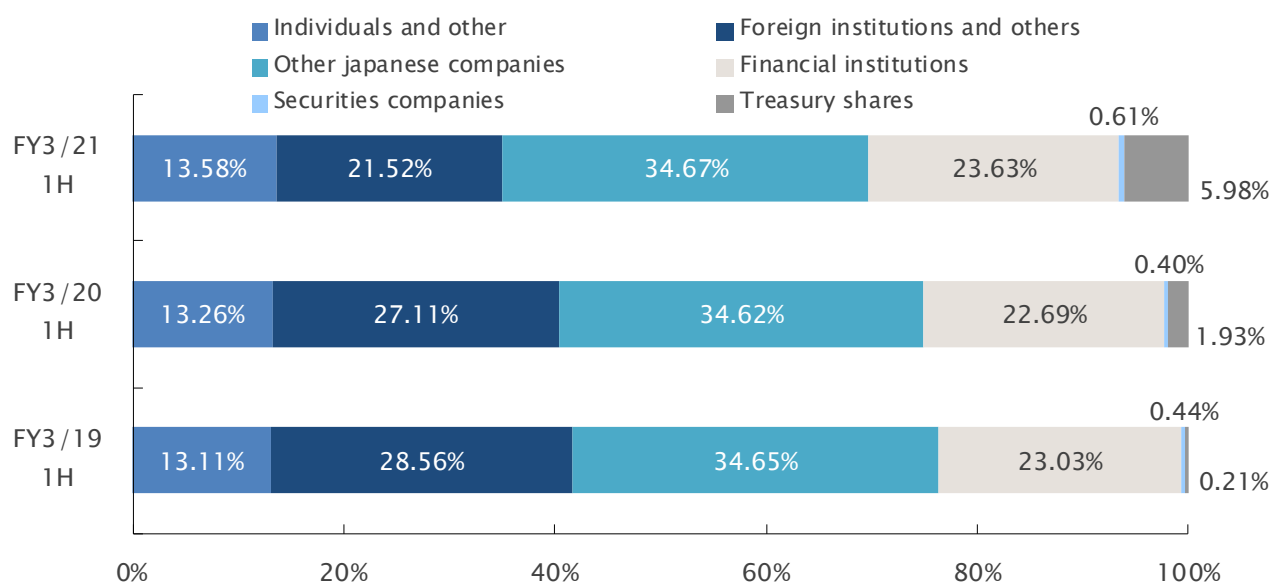
(¥)	FY3/17 1H	FY3/18 1H	FY3/19 1H	FY3/20 1H	FY3/21 1H
Share price at term-end	2,117	2,524	2,358	1,704	2,113
Profit per share	60.73	74.08	50.08	57.70	101.16
Net assets per share	1,553.94	1,729.82	1,823.44	1,885.47	2,011.70
Dividend per share	25.00	25.00	25.00	25.00	25.00

## Major shareholders

As of September 30, 2020

Top 10 shareholders	Number of shares (thousand shares)	Shareholding ratio(%)
MS SHOJI KK	12,710	34.01%
Custody Bank of Japan, Ltd. (Trust Account)	4,598	12.30%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,774	4.75%
Nomura, Masaharu	1,079	2.89%
STATE STREET BANK AND TRUST COMPANY (Standing Proxy: Mizuho Bank, Ltd., Settlement & Sales Division)	1,044	2.79%
Sumitomo Mitsui Banking Corporation	900	2.41%
Sumitomo Mitsui Trust Bank, Limited	840	2.25%
SSBTC CLIEMT OMNIBUS ACCOUNT (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch, HSS Management)	760	2.04%
JP MORGAN CHASE BANK (Standing Proxy: Mizuho Bank, Ltd., Settlement & Sales Division)	741	1.98%
THE BANK OF NEW YORK -JASDECTREATYACCOUNT (Standing Proxy: Mizuho Bank, Ltd., Settlement & Sales Division)	632	1.69%

## Composition of shareholders by category









## IR Contact

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**DOSHISHA CORPORATION**

(Tokyo) Phone: +81-3-6408-5591

(Osaka) Phone: +81-6-6121-5666

E-mail: [info-keiki@doshisha.co.jp](mailto:info-keiki@doshisha.co.jp)