

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

October 29, 2021

Company name: DOSHISHA CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 7483 URL <https://www.doshisha.co.jp>
 Representative: President, CEO and COO 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: November 12, 2021
 Scheduled date to commence dividend payments: December 6, 2021
 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, 2021 (from April 1, 2021 to September 30, 2021)

(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, 2021	49,046	(2.3)	3,953	(24.0)	4,155	(21.9)	2,791	(22.2)
Six months ended September 30, 2020	50,189	3.9	5,203	66.5	5,322	68.6	3,586	67.7

Note: Comprehensive income Six months ended September 30, 2021 ¥2,553 million [(30.3)%]
 Six months ended September 30, 2020 ¥3,660 million [94.2%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	79.45		-	
Six months ended September 30, 2020	101.16		-	

(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, 2021	93,941	75,990	79.6	2,126.63
As of March 31, 2021	94,028	74,767	78.0	2,086.85

Reference: Equity As of September 30, 2021: ¥74,731 million
 As of March 31, 2021: ¥73,334 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, 2021	-	25.00	-	30.00	55.00
Year ending March 31, 2022	-	30.00	-	-	-
Year ending March 31, 2022 (Forecast)	-	-	-	30.00	60.00

Note: Revision of cash dividend forecast most recently announced: No

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	103,400	2.1	9,000	(5.5)	9,100	(6.5)	6,100	(7.4)	173.59

Note: Revision of consolidated financial results forecast most recently announced: No

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021
(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: Yes
- 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, 2021	37,375,636 shares	As of March 31, 2021	37,375,636 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	2,234,624 shares	As of March 31, 2021	2,234,624 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, 2021	35,141,012 shares	Six months ended September 30, 2020	35,455,676 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, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	47,870	47,807
Notes and accounts receivable - trade	12,680	12,713
Electronically recorded monetary claims - operating	1,344	1,537
Merchandise and finished goods	8,722	9,224
Short-term loans receivable	32	32
Other	1,401	726
Allowance for doubtful accounts	(32)	(31)
Total current assets	72,020	72,010
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,041	13,048
Accumulated depreciation	(5,084)	(5,258)
Buildings and structures, net	7,957	7,790
Land	9,385	9,385
Construction in progress	497	618
Other	2,881	2,990
Accumulated depreciation	(2,044)	(2,163)
Other, net	837	826
Total property, plant and equipment	18,677	18,620
Intangible assets	516	466
Investments and other assets		
Investment securities	1,556	1,516
Long-term loans receivable	6	5
Other	1,262	1,331
Allowance for doubtful accounts	(12)	(10)
Total investments and other assets	2,813	2,843
Total non-current assets	22,007	21,930
Total assets	94,028	93,941
Liabilities		
Current liabilities		
Accounts payable - trade	5,837	6,210
Income taxes payable	2,326	1,328
Provision for bonuses for directors (and other officers)	74	32
Provision for bonuses	6	9
Other	3,149	2,580
Total current liabilities	11,394	10,160
Non-current liabilities		
Long-term borrowings	6,600	6,600
Retirement benefit liability	621	628
Asset retirement obligations	9	9
Other	634	551
Total non-current liabilities	7,866	7,789
Total liabilities	19,261	17,950

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	4,993	4,993
Capital surplus	6,273	6,273
Retained earnings	65,029	66,767
Treasury shares	(3,576)	(3,576)
Total shareholders' equity	72,719	74,457
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	183	146
Deferred gains or losses on hedges	428	120
Foreign currency translation adjustment	28	28
Remeasurements of defined benefit plans	(25)	(19)
Total accumulated other comprehensive income	614	274
Non-controlling interests	1,432	1,258
Total net assets	74,767	75,990
Total liabilities and net assets	94,028	93,941

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, 2020	Six months ended September 30, 2021
Net sales	50,189	49,046
Cost of sales	34,687	34,478
Gross profit	15,501	14,568
Selling, general and administrative expenses	10,298	10,615
Operating profit	5,203	3,953
Non-operating income		
Interest income	2	0
Dividend income	15	71
Gain on adjustment of account payable	23	10
Foreign exchange gains	28	26
Subsidy income	–	35
Settlement received	–	19
Other	64	54
Total non-operating income	134	219
Non-operating expenses		
Interest expenses	2	2
Commission expenses	4	8
Other	9	5
Total non-operating expenses	15	17
Ordinary profit	5,322	4,155
Profit before income taxes	5,322	4,155
Income taxes - current	1,613	1,215
Income taxes - deferred	2	71
Total income taxes	1,615	1,286
Profit	3,707	2,868
Profit attributable to non-controlling interests	120	76
Profit attributable to owners of parent	3,586	2,791

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	3,707	2,868
Other comprehensive income		
Valuation difference on available-for-sale securities	173	(36)
Deferred gains or losses on hedges	(186)	(308)
Foreign currency translation adjustment	(44)	24
Remeasurements of defined benefit plans, net of tax	10	5
Total other comprehensive income	(46)	(315)
Comprehensive income	3,660	2,553
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,539	2,452
Comprehensive income attributable to non-controlling interests	121	101

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	5,322	4,155
Depreciation	375	362
Increase (decrease) in provision for bonuses for directors (and other officers)	(7)	(42)
Increase (decrease) in provision for bonuses	(38)	2
Increase (decrease) in allowance for doubtful accounts	(6)	(2)
Increase (decrease) in retirement benefit liability	22	14
Increase (decrease) in provision for environmental measures	(0)	–
Subsidy income	–	(35)
Settlement received	–	(19)
Compensation income	(8)	–
Interest and dividend income	(17)	(72)
Interest expenses	2	2
Decrease (increase) in trade receivables	(989)	(212)
Decrease (increase) in inventories	(1,106)	(498)
Increase (decrease) in trade payables	670	361
Increase (decrease) in accrued consumption taxes	(52)	(441)
Decrease (increase) in other current assets	72	235
Increase (decrease) in other current liabilities	(32)	(157)
Other, net	17	10
Subtotal	4,222	3,663
Interest and dividends received	17	72
Interest paid	(0)	(2)
Income taxes paid	(1,013)	(2,186)
Subsidies received	35	35
Settlement package received	–	19
Proceeds from compensation	40	–
Payments associated with disaster loss	(3)	–
Net cash provided by (used in) operating activities	3,297	1,601
Cash flows from investing activities		
Purchase of property, plant and equipment	(129)	(211)
Purchase of intangible assets	(103)	(14)
Purchase of investment securities	(9)	(11)
Loan advances	(7)	–
Proceeds from collection of loans receivable	2	1
Other payments	(15)	(19)
Other proceeds	8	3
Net cash provided by (used in) investing activities	(253)	(251)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Proceeds from long-term borrowings	6,600	–
Repayments of long-term borrowings	(1,000)	–
Purchase of treasury shares	(1,771)	–
Repayments of lease obligations	(78)	(79)
Dividends paid	(908)	(1,054)
Dividends paid to non-controlling interests	–	(275)
Net cash provided by (used in) financing activities	2,841	(1,408)
Effect of exchange rate change on cash and cash equivalents	(51)	(4)
Net increase (decrease) in cash and cash equivalents	5,833	(62)
Cash and cash equivalents at beginning of period	37,549	47,870
Cash and cash equivalents at end of period	43,383	47,807