

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 9, 2022

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 & Accounting, Foreign Trade Operation, Business Management Takahiro Matsumoto TEL 06-6121-5669
 Inquiries: Director In Charge Of Financial & Accounting, Foreign Trade Operation, Business Management Takahiro Matsumoto TEL 06-6121-5669
 Scheduled date of ordinary general meeting of shareholders: June 29, 2022
 Scheduled date to file Securities Report: June 29, 2022
 Scheduled date to commence dividend payments: June 30, 2022
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	101,027	(0.2)	7,109	(25.3)	7,598	(21.9)	5,132	(22.1)
Year ended March 31, 2021	101,257	5.2	9,522	58.8	9,734	55.5	6,588	56.4

Note: Comprehensive income Year ended March 31, 2022 ¥5,211 million [(28.5)%]
 Year ended March 31, 2021 ¥7,293 million [76.6%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	146.55	–	6.9	8.1	7.0
Year ended March 31, 2021	186.58	–	9.2	11.0	9.4

Reference: Share of profit (loss) of entities accounted for using equity method

Year ended March 31, 2022 ¥– million
 Year ended March 31, 2021 ¥– million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	94,371	76,712	79.8	2,177.99
As of March 31, 2021	94,028	74,767	78.0	2,086.85

Reference: Equity As of March 31, 2022: ¥75,285 million
 As of March 31, 2021: ¥73,334 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	5,007	(1,032)	(3,424)	48,581
Year ended March 31, 2021	8,855	(483)	1,884	47,870

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	25.00	–	30.00	55.00	1,932	29.5	2.7
Year ended March 31, 2022	–	30.00	–	30.00	60.00	2,091	40.9	2.8
Year ending March 31, 2023 (Forecast)	–	30.00	–	30.00	60.00		36.7	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	51,600	5.2	3,950	(0.1)	4,000	(3.7)	2,700	(3.3)	78.76
Full year	108,000	6.9	8,300	16.7	8,400	10.6	5,600	9.1	163.67

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	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 March 31, 2022	2,809,024 shares	As of March 31, 2021	2,234,624 shares
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Average number of shares during the period

Year ended March 31, 2022	35,023,281 shares	Year ended March 31, 2021	35,310,450 shares
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Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2022	91,191	(0.6)	6,382	(20.9)	6,972	(15.2)	4,906	(13.5)
Year ended March 31, 2021	91,755	4.6	8,071	56.9	8,225	38.5	5,674	34.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended March 31, 2022	140.09		-	
Year ended March 31, 2021	160.69		-	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of March 31, 2022	86,884		70,730		81.4		2,046.20	
As of March 31, 2021	86,336		69,126		80.1		1,967.11	

Reference: Equity As of March 31, 2022 ¥70,730 million
 As of March 31, 2021 ¥69,126 million

2. Forecast of non-consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Ordinary profit		Profit		Earnings per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Six months ending September 30, 2022	46,600	4.8	3,450	(11.3)	2,400	(13.3)	70.01	
Full year	97,100	6.5	7,200	3.3	5,000	1.9	146.13	

* Financial results reports are exempt from audit 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, include forecasts based on certain assumptions and plans available at the time of disclosure of this document. Actual results may differ materially due to risks and uncertainty regarding economic and industry trends, price competition, and exchange rate fluctuations.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	47,870	48,581
Notes and accounts receivable - trade	12,680	–
Notes receivable - trade	–	330
Accounts receivable - trade	–	12,638
Electronically recorded monetary claims - operating	1,344	1,471
Merchandise and finished goods	8,722	8,036
Short-term loans receivable	32	13
Other	1,401	933
Allowance for doubtful accounts	(32)	(2)
Total current assets	72,020	72,003
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,041	13,073
Accumulated depreciation	(5,084)	(5,442)
Buildings and structures, net	7,957	7,630
Land	9,385	9,385
Leased assets	1,005	932
Accumulated depreciation	(493)	(485)
Leased assets, net	511	447
Construction in progress	497	784
Other	1,876	2,089
Accumulated depreciation	(1,550)	(1,706)
Other, net	325	383
Total property, plant and equipment	18,677	18,631
Intangible assets		
Leased assets	144	96
Other	372	319
Total intangible assets	516	416
Investments and other assets		
Investment securities	1,556	1,910
Long-term loans receivable	6	20
Deferred tax assets	163	280
Other	1,099	1,119
Allowance for doubtful accounts	(12)	(11)
Total investments and other assets	2,813	3,319
Total non-current assets	22,007	22,367
Total assets	94,028	94,371

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	5,837	5,916
Lease liabilities	153	151
Income taxes payable	2,326	1,192
Provision for bonuses for directors (and other officers)	74	57
Provision for bonuses	6	5
Other	2,995	2,575
Total current liabilities	11,394	9,899
Non-current liabilities		
Long-term borrowings	6,600	6,600
Lease liabilities	502	391
Retirement benefit liability	621	650
Asset retirement obligations	9	10
Deferred tax liabilities	56	34
Other	76	72
Total non-current liabilities	7,866	7,759
Total liabilities	19,261	17,658
Net assets		
Shareholders' equity		
Share capital	4,993	4,993
Capital surplus	6,273	6,273
Retained earnings	65,029	68,054
Treasury shares	(3,576)	(4,459)
Total shareholders' equity	72,719	74,861
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	183	56
Deferred gains or losses on hedges	428	207
Foreign currency translation adjustment	28	180
Remeasurements of defined benefit plans	(25)	(21)
Total accumulated other comprehensive income	614	423
Non-controlling interests	1,432	1,427
Total net assets	74,767	76,712
Total liabilities and net assets	94,028	94,371

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	101,257	101,027
Cost of sales	70,796	73,012
Gross profit	30,460	28,014
Selling, general and administrative expenses	20,937	20,905
Operating profit	9,522	7,109
Non-operating income		
Interest and dividend income	26	171
Gain on adjustment of account payable	43	15
Foreign exchange gains	58	155
Operations consignment fee of subsidiaries and affiliates	5	5
Subsidy income	14	44
Compensation income	8	–
Settlement received	–	19
Other	88	110
Total non-operating income	244	522
Non-operating expenses		
Interest expenses	4	4
Commission expenses	7	12
Provision of allowance for doubtful accounts	7	–
Other	12	16
Total non-operating expenses	32	33
Ordinary profit	9,734	7,598
Profit before income taxes	9,734	7,598
Income taxes - current	3,057	2,332
Income taxes - deferred	(64)	12
Total income taxes	2,992	2,344
Profit	6,742	5,253
Profit attributable to non-controlling interests	153	120
Profit attributable to owners of parent	6,588	5,132

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	6,742	5,253
Other comprehensive income		
Valuation difference on available-for-sale securities	217	(126)
Deferred gains or losses on hedges	214	(221)
Foreign currency translation adjustment	124	301
Remeasurements of defined benefit plans, net of tax	(6)	4
Total other comprehensive income	551	(41)
Comprehensive income	7,293	5,211
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,059	4,942
Comprehensive income attributable to non-controlling interests	234	269

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,993	6,273	60,228	(1,805)	69,690
Changes during period					
Dividends of surplus			(1,787)		(1,787)
Profit attributable to owners of parent			6,588		6,588
Purchase of treasury shares				(1,771)	(1,771)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	4,801	(1,771)	3,029
Balance at end of period	4,993	6,273	65,029	(3,576)	72,719

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(34)	222	(24)	(19)	143	1,198	71,032
Changes during period							
Dividends of surplus							(1,787)
Profit attributable to owners of parent							6,588
Purchase of treasury shares							(1,771)
Net changes in items other than shareholders' equity	217	206	52	(6)	470	234	705
Total changes during period	217	206	52	(6)	470	234	3,734
Balance at end of period	183	428	28	(25)	614	1,432	74,767

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,993	6,273	65,029	(3,576)	72,719
Changes during period					
Dividends of surplus			(2,108)		(2,108)
Profit attributable to owners of parent			5,132		5,132
Purchase of treasury shares				(882)	(882)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,024	(882)	2,142
Balance at end of period	4,993	6,273	68,054	(4,459)	74,861

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	183	428	28	(25)	614	1,432	74,767
Changes during period							
Dividends of surplus							(2,108)
Profit attributable to owners of parent							5,132
Purchase of treasury shares							(882)
Net changes in items other than shareholders' equity	(126)	(221)	152	4	(190)	(5)	(196)
Total changes during period	(126)	(221)	152	4	(190)	(5)	1,945
Balance at end of period	56	207	180	(21)	423	1,427	76,712

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	9,734	7,598
Depreciation	763	750
Increase (decrease) in provision for bonuses for directors (and other officers)	26	(17)
Increase (decrease) in provision for bonuses	(42)	(0)
Increase (decrease) in allowance for doubtful accounts	(12)	(1)
Increase (decrease) in retirement benefit liability	47	35
Increase (decrease) in provision for environmental measures	(0)	–
Subsidy income	(14)	(44)
Settlement income	–	(19)
Compensation income	(8)	–
Interest and dividend income	(26)	(171)
Interest expenses	4	4
Decrease (increase) in trade receivables	140	(345)
Decrease (increase) in inventories	(880)	704
Increase (decrease) in trade payables	633	6
Increase (decrease) in accrued consumption taxes	154	(447)
Decrease (increase) in other current assets	(23)	172
Increase (decrease) in other current liabilities	116	(31)
Other, net	34	20
Subtotal	10,648	8,211
Interest and dividends received	26	172
Interest paid	(2)	(4)
Income taxes paid	(1,902)	(3,435)
Subsidies received	49	44
Settlement received	–	19
Proceeds from compensation	40	–
Payments associated with disaster loss	(3)	–
Net cash provided by (used in) operating activities	8,855	5,007
Cash flows from investing activities		
Purchase of property, plant and equipment	(343)	(420)
Purchase of intangible assets	(111)	(34)
Purchase of investment securities	(19)	(521)
Loan advances	(8)	(30)
Proceeds from collection of loans receivable	18	5
Other payments	(28)	(37)
Other proceeds	10	6
Net cash provided by (used in) investing activities	(483)	(1,032)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
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)	(882)
Repayments of lease liabilities	(157)	(158)
Dividends paid	(1,787)	(2,108)
Dividends paid to non-controlling interests	–	(275)
Net cash provided by (used in) financing activities	1,884	(3,424)
Effect of exchange rate change on cash and cash equivalents	65	159
Net increase (decrease) in cash and cash equivalents	10,321	710
Cash and cash equivalents at beginning of period	37,549	47,870
Cash and cash equivalents at end of period	47,870	48,581