

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 31, 2023

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: February 13, 2023
 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, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	84,737	5.4	7,254	8.9	7,405	6.5	4,991	6.4
Nine months ended December 31, 2021	80,401	(1.4)	6,661	(23.5)	6,950	(21.9)	4,692	(22.2)

Note: Comprehensive income Nine months ended December 31, 2022 ¥4,588 million [2.4%]
 Nine months ended December 31, 2021 ¥4,481 million [(25.7)%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	145.85		–	
Nine months ended December 31, 2021	133.61		–	

(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, 2022	98,900	78,685	77.9	2,255.98
As of March 31, 2022	94,371	76,712	79.8	2,177.99

Reference: Equity As of December 31, 2022: ¥77,021 million
 As of March 31, 2022: ¥75,285 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, 2022	–	30.00	–	30.00	60.00
Year ending March 31, 2023	–	30.00	–		
Year ending March 31, 2023 (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, 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
Full year	108,000	6.9	8,300	16.7	8,400	10.6	5,600	9.1	163.67

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

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(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, 2022	37,375,636 shares	As of March 31, 2022	37,375,636 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	3,234,624 shares	As of March 31, 2022	2,809,024 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	34,223,852 shares	Nine months ended December 31, 2021	35,120,762 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, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	48,581	44,507
Notes receivable - trade	330	458
Accounts receivable - trade	12,638	20,647
Electronically recorded monetary claims - operating	1,471	2,180
Merchandise and finished goods	8,036	7,697
Short-term loans receivable	13	12
Other	933	886
Allowance for doubtful accounts	(2)	(0)
Total current assets	72,003	76,389
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,073	13,073
Accumulated depreciation	(5,442)	(5,694)
Buildings and structures, net	7,630	7,378
Land	9,385	9,385
Construction in progress	784	791
Other	3,022	3,156
Accumulated depreciation	(2,191)	(2,386)
Other, net	830	770
Total property, plant and equipment	18,631	18,326
Intangible assets	416	361
Investments and other assets		
Investment securities	1,910	2,157
Long-term loans receivable	20	10
Deferred tax assets	280	543
Other	1,119	1,123
Allowance for doubtful accounts	(11)	(11)
Total investments and other assets	3,319	3,823
Total non-current assets	22,367	22,510
Total assets	94,371	98,900
Liabilities		
Current liabilities		
Accounts payable - trade	5,916	7,214
Income taxes payable	1,192	1,195
Provision for bonuses for directors (and other officers)	57	55
Provision for bonuses	5	3
Other	2,727	4,087
Total current liabilities	9,899	12,555
Non-current liabilities		
Long-term borrowings	6,600	6,600
Retirement benefit liability	650	653
Asset retirement obligations	10	10
Other	498	395
Total non-current liabilities	7,759	7,659
Total liabilities	17,658	20,215

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	4,993	4,993
Capital surplus	6,273	6,273
Retained earnings	68,054	70,984
Treasury shares	(4,459)	(5,105)
Total shareholders' equity	74,861	77,145
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	56	205
Deferred gains or losses on hedges	207	(532)
Foreign currency translation adjustment	180	215
Remeasurements of defined benefit plans	(21)	(12)
Total accumulated other comprehensive income	423	(124)
Share acquisition rights	–	91
Non-controlling interests	1,427	1,572
Total net assets	76,712	78,685
Total liabilities and net assets	94,371	98,900

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, 2021	Nine months ended December 31, 2022
Net sales	80,401	84,737
Cost of sales	57,530	61,630
Gross profit	22,870	23,106
Selling, general and administrative expenses	16,208	15,852
Operating profit	6,661	7,254
Non-operating income		
Interest income	1	5
Dividend income	78	43
Gain on adjustment of account payable	10	4
Foreign exchange gains	63	23
Subsidy income	44	3
Settlement received	19	–
Insurance claim income	–	5
Other	96	81
Total non-operating income	313	168
Non-operating expenses		
Interest expenses	3	3
Commission expenses	10	4
Other	10	8
Total non-operating expenses	24	16
Ordinary profit	6,950	7,405
Profit before income taxes	6,950	7,405
Income taxes - current	2,066	2,336
Income taxes - deferred	87	(26)
Total income taxes	2,154	2,310
Profit	4,795	5,095
Profit attributable to non-controlling interests	103	103
Profit attributable to owners of parent	4,692	4,991

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	4,795	5,095
Other comprehensive income		
Valuation difference on available-for-sale securities	(115)	148
Deferred gains or losses on hedges	(347)	(739)
Foreign currency translation adjustment	140	76
Remeasurements of defined benefit plans, net of tax	8	8
Total other comprehensive income	(314)	(506)
Comprehensive income	4,481	4,588
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,309	4,443
Comprehensive income attributable to non-controlling interests	172	145

Consolidated statements of cash flows

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Cash flows from operating activities		
Profit before income taxes	6,950	7,405
Depreciation	553	556
Increase (decrease) in provision for bonuses for directors (and other officers)	(23)	(1)
Increase (decrease) in provision for bonuses	(3)	(2)
Increase (decrease) in allowance for doubtful accounts	(1)	(1)
Increase (decrease) in retirement benefit liability	26	14
Share-based payment expenses	–	91
Insurance claim income	–	(5)
Subsidy income	(44)	(3)
Settlement income	(19)	–
Interest and dividend income	(79)	(49)
Interest expenses	3	3
Decrease (increase) in trade receivables	(8,716)	(8,841)
Decrease (increase) in inventories	923	334
Increase (decrease) in trade payables	736	1,304
Increase (decrease) in accrued consumption taxes	(309)	90
Decrease (increase) in other current assets	7	(189)
Increase (decrease) in other current liabilities	523	468
Other, net	15	14
Subtotal	543	1,188
Interest and dividends received	79	49
Interest paid	(4)	(4)
Income taxes paid	(3,413)	(2,350)
Proceeds from insurance income	–	5
Subsidies received	44	3
Settlement received	19	–
Net cash provided by (used in) operating activities	(2,732)	(1,107)
Cash flows from investing activities		
Purchase of property, plant and equipment	(315)	(156)
Purchase of intangible assets	(18)	(53)
Purchase of investment securities	(517)	(17)
Proceeds from collection of loans receivable	2	10
Other payments	(24)	(14)
Other proceeds	3	2
Net cash provided by (used in) investing activities	(869)	(230)
Cash flows from financing activities		
Purchase of treasury shares	(256)	(646)
Repayments of lease liabilities	(118)	(115)
Dividends paid	(2,105)	(2,057)
Dividends paid to non-controlling interests	(275)	–
Net cash provided by (used in) financing activities	(2,756)	(2,820)
Effect of exchange rate change on cash and cash equivalents	67	84
Net increase (decrease) in cash and cash equivalents	(6,290)	(4,074)
Cash and cash equivalents at beginning of period	47,870	48,581
Cash and cash equivalents at end of period	41,580	44,507