

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 10, 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 & 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, 2023
 Scheduled date to file Securities Report: June 30, 2023
 Scheduled date to commence dividend payments: June 30, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	105,709	4.6	8,052	13.3	8,342	9.8	5,621	9.5
Year ended March 31, 2022	101,027	(0.2)	7,109	(25.3)	7,598	(21.9)	5,132	(22.1)

Note: Comprehensive income Year ended March 31, 2023 ¥5,564 million [6.8%]
 Year ended March 31, 2022 ¥5,211 million [(28.5)%]

	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, 2023	164.34	–	7.3	8.7	7.6
Year ended March 31, 2022	146.55	–	6.9	8.1	7.0

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

Year ended March 31, 2023 ¥– million
 Year ended March 31, 2022 ¥– 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, 2023	98,188	79,704	79.4	2,283.42
As of March 31, 2022	94,371	76,712	79.8	2,177.99

Reference: Equity As of March 31, 2023: ¥77,958 million
 As of March 31, 2022: ¥75,285 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, 2023	7,121	(304)	(2,860)	52,639
Year ended March 31, 2022	5,007	(1,032)	(3,424)	48,581

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, 2022	–	30.00	–	30.00	60.00	2,091	40.9	2.8
Year ended March 31, 2023	–	30.00	–	35.00	65.00	2,219	39.6	2.9
Year ending March 31, 2024 (Forecast)	–	35.00	–	35.00	70.00		39.2	

Note: The company has revised the year-end dividend per share for the fiscal year ended March 31, 2023 from ¥30 to ¥35.

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	53,500	2.1	4,080	6.3	4,080	3.2	2,750	4.1	80.55
Full year	111,000	5.0	9,000	11.8	9,000	7.9	6,100	8.5	178.67

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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: No

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, 2023	∴	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 March 31, 2023	∴	3,234,655 shares	As of March 31, 2022	∴	2,809,024 shares
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Average number of shares during the period

Year ended March 31, 2023	∴	34,204,732 shares	Year ended March 31, 2022	∴	35,023,281 shares
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Reference: Summary of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	96,149	5.4	7,064	10.7	8,008	14.9	5,709	16.4
Year ended March 31, 2022	91,191	(0.6)	6,382	(20.9)	6,972	(15.2)	4,906	(13.5)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended March 31, 2023	166.92	—
Year ended March 31, 2022	140.09	—

(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, 2023	90,390	73,673	81.4	2,153.95
As of March 31, 2022	86,884	70,730	81.4	2,046.20

Reference: Equity As of March 31, 2023 ¥73,537 million
 As of March 31, 2022 ¥70,730 million

2. Forecast of non-consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	49,000	3.7	3,580	(14.6)	2,500	(19.0)	73.23
Full year	102,000	6.1	7,900	(1.4)	5,500	(3.7)	161.10

* 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, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	48,581	52,639
Notes receivable - trade	330	255
Accounts receivable - trade	12,638	13,015
Electronically recorded monetary claims - operating	1,471	1,196
Merchandise and finished goods	8,036	7,896
Short-term loans receivable	13	12
Other	933	780
Allowance for doubtful accounts	(2)	(0)
Total current assets	72,003	75,796
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,073	13,882
Accumulated depreciation	(5,442)	(5,781)
Buildings and structures, net	7,630	8,100
Land	9,385	9,385
Leased assets	932	974
Accumulated depreciation	(485)	(587)
Leased assets, net	447	387
Construction in progress	784	13
Other	2,089	2,255
Accumulated depreciation	(1,706)	(1,875)
Other, net	383	379
Total property, plant and equipment	18,631	18,266
Intangible assets		
Leased assets	96	45
Other	319	309
Total intangible assets	416	354
Investments and other assets		
Investment securities	1,910	2,200
Long-term loans receivable	20	7
Deferred tax assets	280	452
Other	1,119	1,118
Allowance for doubtful accounts	(11)	(7)
Total investments and other assets	3,319	3,771
Total non-current assets	22,367	22,392
Total assets	94,371	98,188

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	5,916	6,047
Lease liabilities	151	118
Income taxes payable	1,192	1,530
Provision for bonuses for directors (and other officers)	57	63
Provision for bonuses	5	5
Other	2,575	3,034
Total current liabilities	9,899	10,800
Non-current liabilities		
Long-term borrowings	6,600	6,600
Lease liabilities	391	313
Retirement benefit liability	650	677
Asset retirement obligations	10	10
Deferred tax liabilities	34	10
Other	72	72
Total non-current liabilities	7,759	7,683
Total liabilities	17,658	18,484
Net assets		
Shareholders' equity		
Share capital	4,993	4,993
Capital surplus	6,273	6,273
Retained earnings	68,054	71,614
Treasury shares	(4,459)	(5,105)
Total shareholders' equity	74,861	77,775
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	56	232
Deferred gains or losses on hedges	207	(270)
Foreign currency translation adjustment	180	245
Remeasurements of defined benefit plans	(21)	(24)
Total accumulated other comprehensive income	423	182
Share acquisition rights	–	135
Non-controlling interests	1,427	1,610
Total net assets	76,712	79,704
Total liabilities and net assets	94,371	98,188

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	101,027	105,709
Cost of sales	73,012	77,043
Gross profit	28,014	28,666
Selling, general and administrative expenses	20,905	20,613
Operating profit	7,109	8,052
Non-operating income		
Interest and dividend income	171	156
Gain on adjustment of accounts payable	15	11
Foreign exchange gains	155	29
Operations consignment fee of subsidiaries and affiliates	5	5
Subsidy income	44	4
Settlement received	19	–
Other	110	103
Total non-operating income	522	310
Non-operating expenses		
Interest expenses	4	4
Commission expenses	12	5
Other	16	10
Total non-operating expenses	33	20
Ordinary profit	7,598	8,342
Profit before income taxes	7,598	8,342
Income taxes - current	2,332	2,657
Income taxes - deferred	12	(61)
Total income taxes	2,344	2,596
Profit	5,253	5,746
Profit attributable to non-controlling interests	120	124
Profit attributable to owners of parent	5,132	5,621

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	5,253	5,746
Other comprehensive income		
Valuation difference on available-for-sale securities	(126)	175
Deferred gains or losses on hedges	(221)	(478)
Foreign currency translation adjustment	301	124
Remeasurements of defined benefit plans, net of tax	4	(3)
Total other comprehensive income	(41)	(181)
Comprehensive income	5,211	5,564
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,942	5,380
Comprehensive income attributable to non-controlling interests	269	183

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2023

(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	68,054	(4,459)	74,861
Changes during period					
Dividends of surplus			(2,061)		(2,061)
Profit attributable to owners of parent			5,621		5,621
Purchase of treasury shares				(646)	(646)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,560	(646)	2,913
Balance at end of period	4,993	6,273	71,614	(5,105)	77,775

	Accumulated other comprehensive income					Share acquisition rights	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	56	207	180	(21)	423	–	1,427	76,712
Changes during period								
Dividends of surplus								(2,061)
Profit attributable to owners of parent								5,621
Purchase of treasury shares								(646)
Net changes in items other than shareholders' equity	175	(478)	64	(3)	(241)	135	183	77
Total changes during period	175	(478)	64	(3)	(241)	135	183	2,991
Balance at end of period	232	(270)	245	(24)	182	135	1,610	79,704

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	7,598	8,342
Depreciation	750	752
Increase (decrease) in provision for bonuses for directors (and other officers)	(17)	6
Increase (decrease) in provision for bonuses	(0)	0
Increase (decrease) in allowance for doubtful accounts	(1)	(5)
Increase (decrease) in retirement benefit liability	35	21
Share-based payment expenses	–	135
Subsidy income	(44)	(4)
Settlement income	(19)	–
Interest and dividend income	(171)	(156)
Interest expenses	4	4
Decrease (increase) in trade receivables	(345)	(14)
Decrease (increase) in inventories	704	144
Increase (decrease) in trade payables	6	128
Increase (decrease) in accrued consumption taxes	(447)	(9)
Decrease (increase) in other current assets	172	(29)
Increase (decrease) in other current liabilities	(31)	(36)
Other, net	20	22
Subtotal	8,211	9,302
Interest and dividends received	172	156
Interest paid	(4)	(4)
Income taxes paid	(3,435)	(2,335)
Subsidies received	44	4
Settlement received	19	–
Net cash provided by (used in) operating activities	5,007	7,121
Cash flows from investing activities		
Purchase of property, plant and equipment	(420)	(199)
Purchase of intangible assets	(34)	(82)
Purchase of investment securities	(521)	(21)
Loan advances	(30)	–
Proceeds from collection of loans receivable	5	13
Other payments	(37)	(17)
Other proceeds	6	2
Net cash provided by (used in) investing activities	(1,032)	(304)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Purchase of treasury shares	(882)	(646)
Repayments of lease liabilities	(158)	(153)
Dividends paid	(2,108)	(2,060)
Dividends paid to non-controlling interests	(275)	–
Net cash provided by (used in) financing activities	(3,424)	(2,860)
Effect of exchange rate change on cash and cash equivalents	159	101
Net increase (decrease) in cash and cash equivalents	710	4,058
Cash and cash equivalents at beginning of period	47,870	48,581
Cash and cash equivalents at end of period	48,581	52,639