

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

July 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: August 10, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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 | % |
| Three months ended June 30, 2023 | 26,362 | (1.1) | 2,517 | 13.8 | 2,596 | 9.9 | 1,738 | 9.3 |
| Three months ended June 30, 2022 | 26,655 | 4.8 | 2,212 | (10.8) | 2,363 | (10.5) | 1,590 | (10.4) |

Note: Comprehensive income Three months ended June 30, 2023 ¥2,860 million [35.1%]
 Three months ended June 30, 2022 ¥2,117 million [31.9%]

| | Earnings per share | | Diluted earnings per share | |
|----------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Three months ended June 30, 2023 | 50.93 | | 50.43 | |
| Three months ended June 30, 2022 | 46.30 | | – | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of June 30, 2023 | 99,167 | 81,204 | 80.2 | 2,328.54 |
| As of March 31, 2023 | 98,188 | 79,704 | 79.4 | 2,283.42 |

Reference: Equity As of June 30, 2023: ¥79,498 million
 As of March 31, 2023: ¥77,958 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, 2023 | – | 30.00 | – | 35.00 | 65.00 |
| Year ending March 31, 2024 | – | | | | |
| Year ending March 31, 2024 (Forecast) | | 35.00 | – | 35.00 | 70.00 |

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

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

| | 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 |

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

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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 June 30, 2023 | 37,375,636 shares | As of March 31, 2023 | 37,375,636 shares |
|---------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|---------------------|------------------|----------------------|------------------|
| As of June 30, 2023 | 3,234,699 shares | As of March 31, 2023 | 3,234,655 shares |
|---------------------|------------------|----------------------|------------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|----------------------------------|-------------------|----------------------------------|-------------------|
| Three months ended June 30, 2023 | 34,140,959 shares | Three months ended June 30, 2022 | 34,348,112 shares |
|----------------------------------|-------------------|----------------------------------|-------------------|

* 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, 2023 | As of June 30, 2023 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 52,639 | 48,355 |
| Notes receivable - trade | 255 | 346 |
| Accounts receivable - trade | 13,015 | 15,482 |
| Electronically recorded monetary claims - operating | 1,196 | 1,792 |
| Merchandise and finished goods | 7,896 | 9,432 |
| Short-term loans receivable | 12 | 12 |
| Other | 780 | 1,597 |
| Allowance for doubtful accounts | (0) | (0) |
| Total current assets | 75,796 | 77,020 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 13,882 | 13,910 |
| Accumulated depreciation | (5,781) | (5,877) |
| Buildings and structures, net | 8,100 | 8,033 |
| Land | 9,385 | 9,385 |
| Construction in progress | 13 | – |
| Other | 3,230 | 3,352 |
| Accumulated depreciation | (2,463) | (2,528) |
| Other, net | 767 | 823 |
| Total property, plant and equipment | 18,266 | 18,242 |
| Intangible assets | 354 | 495 |
| Investments and other assets | | |
| Investment securities | 2,200 | 2,274 |
| Long-term loans receivable | 7 | 4 |
| Deferred tax assets | 452 | 20 |
| Other | 1,118 | 1,117 |
| Allowance for doubtful accounts | (7) | (7) |
| Total investments and other assets | 3,771 | 3,409 |
| Total non-current assets | 22,392 | 22,147 |
| Total assets | 98,188 | 99,167 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 6,047 | 6,274 |
| Current portion of long-term borrowings | – | 6,600 |
| Income taxes payable | 1,530 | 837 |
| Provision for bonuses for directors (and other officers) | 63 | 19 |
| Provision for bonuses | 5 | 4 |
| Other | 3,152 | 3,097 |
| Total current liabilities | 10,800 | 16,833 |
| Non-current liabilities | | |
| Long-term borrowings | 6,600 | – |
| Retirement benefit liability | 677 | 684 |
| Asset retirement obligations | 10 | 10 |
| Other | 396 | 434 |
| Total non-current liabilities | 7,683 | 1,129 |
| Total liabilities | 18,484 | 17,963 |

(Millions of yen)

| | As of March 31, 2023 | As of June 30, 2023 |
|---|----------------------|---------------------|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 4,993 | 4,993 |
| Capital surplus | 6,273 | 6,273 |
| Retained earnings | 71,614 | 72,157 |
| Treasury shares | (5,105) | (5,105) |
| Total shareholders' equity | <u>77,775</u> | <u>78,319</u> |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 232 | 268 |
| Deferred gains or losses on hedges | (270) | 599 |
| Foreign currency translation adjustment | 245 | 332 |
| Remeasurements of defined benefit plans | (24) | (21) |
| Total accumulated other comprehensive income | <u>182</u> | <u>1,179</u> |
| Share acquisition rights | 135 | 180 |
| Non-controlling interests | 1,610 | 1,526 |
| Total net assets | <u>79,704</u> | <u>81,204</u> |
| Total liabilities and net assets | <u>98,188</u> | <u>99,167</u> |

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

| | Three months ended June 30, 2022 | Three months ended June 30, 2023 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 26,655 | 26,362 |
| Cost of sales | 19,199 | 18,469 |
| Gross profit | 7,456 | 7,893 |
| Selling, general and administrative expenses | 5,244 | 5,375 |
| Operating profit | 2,212 | 2,517 |
| Non-operating income | | |
| Interest income | 0 | 12 |
| Dividend income | 25 | 27 |
| Foreign exchange gains | 105 | 13 |
| Subsidy income | 3 | – |
| Other | 21 | 31 |
| Total non-operating income | 157 | 84 |
| Non-operating expenses | | |
| Interest expenses | 1 | 1 |
| Commission expenses | 1 | 0 |
| Other | 3 | 3 |
| Total non-operating expenses | 6 | 5 |
| Ordinary profit | 2,363 | 2,596 |
| Profit before income taxes | 2,363 | 2,596 |
| Income taxes - current | 690 | 763 |
| Income taxes - deferred | 28 | 50 |
| Total income taxes | 719 | 813 |
| Profit | 1,643 | 1,782 |
| Profit attributable to non-controlling interests | 52 | 44 |
| Profit attributable to owners of parent | 1,590 | 1,738 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Three months ended June 30, 2022 | Three months ended June 30, 2023 |
|--|-------------------------------------|-------------------------------------|
| Profit | 1,643 | 1,782 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 44 | 35 |
| Deferred gains or losses on hedges | 228 | 870 |
| Foreign currency translation adjustment | 199 | 168 |
| Remeasurements of defined benefit plans, net of tax | 2 | 2 |
| Total other comprehensive income | 474 | 1,077 |
| Comprehensive income | 2,117 | 2,860 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,950 | 2,735 |
| Comprehensive income attributable to non-controlling interests | 166 | 125 |

Consolidated statements of cash flows

(Millions of yen)

| | Three months ended June 30, 2022 | Three months ended June 30, 2023 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 2,363 | 2,596 |
| Depreciation | 182 | 192 |
| Increase (decrease) in provision for bonuses for directors (and other officers) | (41) | (44) |
| Increase (decrease) in provision for bonuses | (1) | (1) |
| Increase (decrease) in allowance for doubtful accounts | (2) | 0 |
| Increase (decrease) in retirement benefit liability | 8 | 11 |
| Share-based payment expenses | – | 45 |
| Subsidy income | (3) | – |
| Interest and dividend income | (26) | (39) |
| Interest expenses | 1 | 1 |
| Decrease (increase) in trade receivables | (3,880) | (3,124) |
| Decrease (increase) in inventories | (1,252) | (1,531) |
| Increase (decrease) in trade payables | 797 | 198 |
| Increase (decrease) in accrued consumption taxes | 173 | 251 |
| Decrease (increase) in other current assets | (88) | (59) |
| Increase (decrease) in other current liabilities | 109 | 87 |
| Other, net | 4 | 4 |
| Subtotal | (1,656) | (1,411) |
| Interest and dividends received | 26 | 39 |
| Interest paid | (2) | (2) |
| Income taxes paid | (1,116) | (1,402) |
| Subsidies received | 3 | – |
| Net cash provided by (used in) operating activities | (2,744) | (2,776) |
| Cash flows from investing activities | | |
| Payments into time deposits | – | (1,000) |
| Purchase of property, plant and equipment | (50) | (50) |
| Purchase of intangible assets | (4) | (173) |
| Purchase of investment securities | (7) | (6) |
| Proceeds from collection of loans receivable | 3 | 3 |
| Other payments | (3) | (1) |
| Other proceeds | 2 | 0 |
| Net cash provided by (used in) investing activities | (60) | (1,229) |
| Cash flows from financing activities | | |
| Purchase of treasury shares | (646) | (0) |
| Repayments of lease liabilities | (39) | (36) |
| Dividends paid | (1,011) | (1,166) |
| Dividends paid to non-controlling interests | – | (210) |
| Net cash provided by (used in) financing activities | (1,696) | (1,412) |
| Effect of exchange rate change on cash and cash equivalents | 103 | 134 |
| Net increase (decrease) in cash and cash equivalents | (4,398) | (5,284) |
| Cash and cash equivalents at beginning of period | 48,581 | 52,639 |
| Cash and cash equivalents at end of period | 44,183 | 47,355 |