

Translation

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

October 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 &
 Inquiries: Accounting, Foreign Trade Operation, Takahiro Matsumoto TEL 06-6121-5669
 Business Management
 Scheduled date to file Quarterly Securities Report: November 13, 2023
 Scheduled date to commence dividend payments: December 4, 2023
 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, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	51,860	(1.0)	4,266	11.1	4,384	10.9	2,931	11.0
Six months ended September 30, 2022	52,404	6.8	3,839	(2.9)	3,954	(4.8)	2,641	(5.4)

Note: Comprehensive income Six months ended September 30, 2023 ¥4,251 million [17.7%]
 Six months ended September 30, 2022 ¥3,613 million [41.5%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	85.86		84.82	
Six months ended September 30, 2022	77.10		-	

(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, 2023	101,616	82,639	79.5	2,366.67
As of March 31, 2023	98,188	79,704	79.4	2,283.42

Reference: Equity As of September 30, 2023: ¥80,800 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	-	35.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	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)

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	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 six months ended September 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 September 30, 2023	37,375,636 shares	As of March 31, 2023	37,375,636 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	3,234,699 shares	As of March 31, 2023	3,234,655 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, 2023	34,140,949 shares	Six months ended September 30, 2022	34,259,354 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, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	52,639	51,274
Notes receivable - trade	255	320
Accounts receivable - trade	13,015	14,305
Electronically recorded monetary claims - operating	1,196	1,922
Merchandise and finished goods	7,896	10,076
Short-term loans receivable	12	11
Other	780	1,499
Allowance for doubtful accounts	(0)	(0)
Total current assets	75,796	79,410
Non-current assets		
Property, plant and equipment		
Buildings and structures	13,882	13,953
Accumulated depreciation	(5,781)	(5,975)
Buildings and structures, net	8,100	7,978
Land	9,385	9,385
Construction in progress	13	–
Other	3,230	3,375
Accumulated depreciation	(2,463)	(2,601)
Other, net	767	774
Total property, plant and equipment	18,266	18,138
Intangible assets	354	466
Investments and other assets		
Investment securities	2,200	2,449
Long-term loans receivable	7	2
Deferred tax assets	452	46
Other	1,118	1,111
Allowance for doubtful accounts	(7)	(7)
Total investments and other assets	3,771	3,601
Total non-current assets	22,392	22,205
Total assets	98,188	101,616
Liabilities		
Current liabilities		
Accounts payable - trade	6,047	6,837
Current portion of long-term borrowings	–	6,600
Income taxes payable	1,530	1,488
Provision for bonuses for directors (and other officers)	63	31
Provision for bonuses	5	8
Other	3,152	2,899
Total current liabilities	10,800	17,864
Non-current liabilities		
Long-term borrowings	6,600	–
Retirement benefit liability	677	690
Asset retirement obligations	10	10
Other	396	411
Total non-current liabilities	7,683	1,112
Total liabilities	18,484	18,977

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	4,993	4,993
Capital surplus	6,273	6,273
Retained earnings	71,614	73,350
Treasury shares	(5,105)	(5,105)
Total shareholders' equity	77,775	79,511
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	232	382
Deferred gains or losses on hedges	(270)	553
Foreign currency translation adjustment	245	371
Remeasurements of defined benefit plans	(24)	(18)
Total accumulated other comprehensive income	182	1,288
Share acquisition rights	135	223
Non-controlling interests	1,610	1,615
Total net assets	79,704	82,639
Total liabilities and net assets	98,188	101,616

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, 2022	Six months ended September 30, 2023
Net sales	52,404	51,860
Cost of sales	38,172	36,876
Gross profit	14,231	14,984
Selling, general and administrative expenses	10,392	10,717
Operating profit	3,839	4,266
Non-operating income		
Interest income	1	15
Dividend income	26	28
Gain on adjustment of accounts payable	4	1
Foreign exchange gains	34	35
Subsidy income	3	0
Other	55	52
Total non-operating income	125	133
Non-operating expenses		
Interest expenses	2	2
Commission expenses	2	1
Cancellation penalty	–	5
Other	5	5
Total non-operating expenses	10	15
Ordinary profit	3,954	4,384
Profit before income taxes	3,954	4,384
Income taxes - current	1,276	1,379
Income taxes - deferred	(41)	(5)
Total income taxes	1,235	1,373
Profit	2,719	3,011
Profit attributable to non-controlling interests	77	80
Profit attributable to owners of parent	2,641	2,931

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	2,719	3,011
Other comprehensive income		
Valuation difference on available-for-sale securities	102	149
Deferred gains or losses on hedges	519	824
Foreign currency translation adjustment	269	260
Remeasurements of defined benefit plans, net of tax	2	5
Total other comprehensive income	894	1,240
Comprehensive income	3,613	4,251
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,389	4,037
Comprehensive income attributable to non-controlling interests	223	214

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	3,954	4,384
Depreciation	366	400
Increase (decrease) in provision for bonuses for directors (and other officers)	(23)	(32)
Increase (decrease) in provision for bonuses	2	2
Increase (decrease) in allowance for doubtful accounts	(2)	0
Increase (decrease) in retirement benefit liability	17	21
Share-based payment expenses	45	88
Subsidy income	(3)	(0)
Interest and dividend income	(28)	(44)
Interest expenses	2	2
Decrease (increase) in trade receivables	(292)	(2,030)
Decrease (increase) in inventories	(1,649)	(2,167)
Increase (decrease) in trade payables	816	739
Increase (decrease) in accrued consumption taxes	(8)	23
Decrease (increase) in other current assets	(97)	(35)
Increase (decrease) in other current liabilities	(58)	216
Other, net	8	8
Subtotal	3,051	1,577
Interest and dividends received	28	44
Interest paid	(2)	(2)
Income taxes paid	(1,270)	(1,419)
Subsidies received	3	0
Net cash provided by (used in) operating activities	1,810	199
Cash flows from investing activities		
Payments into time deposits	–	(1,299)
Purchase of property, plant and equipment	(102)	(60)
Purchase of intangible assets	(39)	(199)
Purchase of investment securities	(11)	(11)
Proceeds from collection of loans receivable	6	6
Other payments	(11)	(4)
Other proceeds	2	6
Net cash provided by (used in) investing activities	(155)	(1,562)
Cash flows from financing activities		
Purchase of treasury shares	(646)	(0)
Repayments of lease liabilities	(77)	(73)
Dividends paid	(1,036)	(1,194)
Dividends paid to non-controlling interests	–	(210)
Net cash provided by (used in) financing activities	(1,760)	(1,478)
Effect of exchange rate change on cash and cash equivalents	177	177
Net increase (decrease) in cash and cash equivalents	72	(2,664)
Cash and cash equivalents at beginning of period	48,581	52,639
Cash and cash equivalents at end of period	48,653	49,975