Walden Research Japan

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DOSHISHA (7483)

Consolidated Fiscal Year		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)		Sales	Profit	Profit	Owners of Parent	(Yen)	(Yen)	(Yen)
FY03/2019		98,668	5,561	6,065	4,263	114.53	50.00	1,856.84
FY03/2020		96,238	5,995	6,260	4,211	114.61	50.00	1,921.50
FY03/2021CoE		101,000	9,300	9,500	6,400	181.25	50.00	-
FY03/2020	YoY	(2.5%)	7.8%	3.2%	(1.2%)	-	-	-
FY03/2021CoE	YoY	4.9%	55.1%	51.7%	52.0%	-	-	-
Consolidated Q1 to Q3		Sales	Operating	Recurring	Profit Attributable to	EPS	DPS	BPS
(Million Yen)		Jales	Profit	Profit	Owners of Parent	(Yen)	(Yen)	(Yen)
Q1 to Q3 FY03/2019		79,189	5,152	5,263	3,529	-	-	-
Q1 to Q3 FY03/2020		78,243	5,630	5,735	3,916	-	-	-
Q1 to Q3 FY03/2021		81,571	8,704	8,894	6,030	-	-	-
Q1 to Q3 FY03/2020	YoY	(1.2%)	9.3%	9.0%	10.9%	-	-	-
Q1 to Q3 FY03/2021	YoY	4.3%	54.6%	55.1%	54.0%	-	-	-

Source: Company Data, WRJ Calculation

1.0 Results Update (2 February 2021)

Blue Ocean Strategy

On 29 January 2021, DOSHISHA, planning, developing and selling private brand products as well as wholesaling well-known brand products and other items, released its Q1 to Q3 FY03/2021 results. It has been revealed that the Company is successfully implementing Blue Ocean Strategy and thorough inventory control at the same time, bringing a substantial improvement in prospective operating profit margin for FY03/2021. Meanwhile, the Company suggests that it is now going for a topline growth for FY03/2022 with a stability of profitability at the current level. For example, sales are firm for CIRCULIGHT series products which combine LED lighting with a circulator function. It is highly appreciated that they contribute to the creation of comfortable spaces, while it is recognized that they also have an effect to work as the measure against infectious diseases through their ventilation. On top of this, the Company has been seeing strengths in sales for private brand products planned and developed with unique angles not available in trades, as found in a new product, launched in November 2020, which is dedicated to those who have their tongues burnt with hot drinks, i.e., "Nekojita" Tumbler or a tumbler to keep a delicate heat of hot drinks at some 60° C for a long time. Such a feature has made it so popular with the media and SNS and it has been in short supply at the storefront for some time. Sales are firm for all those proprietary private brand products that keep a certain distance from price-oriented competition, substantially driving sales and earnings on the Product Development Business Model side. Meanwhile, the Company has organizational structure and financial base that can provide customers with its products they want speedily and stably. In light of this, the Company has a good potential to see steady growth from a long-term perspective.

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2.0 Company Profile

Planning, Developing and Selling Products and Services Related to People's Various Lifestyles

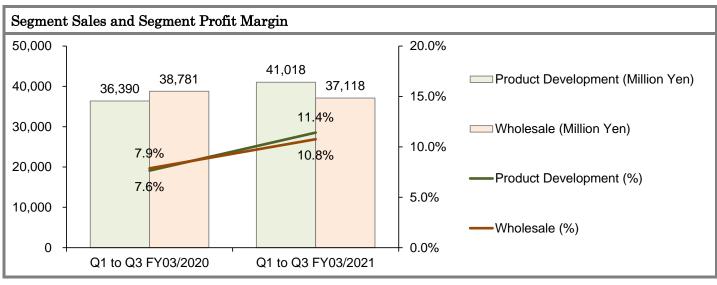
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Company Name	DOSHISHA CO.,LTD.
	Website IR Information
	IR Information CORPORATION
	Share Price (Japanese)
Established	24 January 1977
Listing	13 December 1995: Tokyo Stock Exchange 1st section (ticker: 7483)
Capital	¥4,993m (as of the end of December 2020)
No. of Shares	37,375,636 shares, including 2,234,624 treasury shares (as of the end of Dec. 2020)
Main Features	• Planning, developing and selling of No.1 products in specialty fields under the
	slogan of "a group that sells planning"
	• Priorities placed on "perspective of consumers", "whether it is new or not" and
	"whether it is interesting or not"
	• "We want to create a company one and only in the world"
Business Segments	I . Product Development Business Model
	II. Wholesale Business Model
Top Management	President and Chief Operating Officer: Masayuki Nomura
Shareholders	MS Shoji 36.17%, Custody Bank of Japan, T. 13.09%, Master Trust Bank of Japan, T.
	5.05%, Masaharu Nomura 3.07% (as of the end of Sep. 2020, but for treasury shares)
Headquarters	Chuo-ku Osaka-city, JAPAN
No. of Employees	Consolidated: 1,500, Parent: 822 (as of the end of March 2020)

Source: Company Data

3.0 Recent Trading and Prospects

Q1 to Q3 FY03/2021

In Q1 to Q3 FY03/2021, sales came in at \$81,571m (up 4.3% YoY), operating profit \$8,704m (up 54.6%), recurring profit \$8,894m (up 55.1%) and profit attributable to owners of parent \$6,030m (up 54.0%), while operating profit margin 10.7% (up 3.5% points). Gross profit came in at \$24,626m (up 13.6%) and SG&A expenses \$15,922m (down 0.8%), implying gross profit margin of 30.2% (up 2.5% points) and sales to SG&A expenses ratio of 19.5% (down 1.0% point).



Source: Company Data, WRJ Calculation

Product Development Business Model

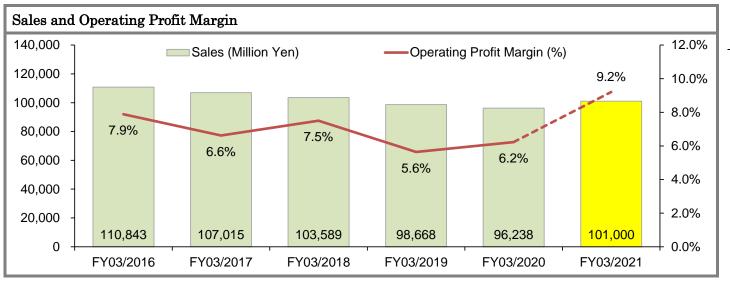
On the Product Development Business Model side, where the Company plans, develops and sells private brand products, segment sales came in at ¥41,018m (up 12.7%), segment profit ¥4,681m (up 68.2%) and segment profit margin 11.4% (up 3.8% points). In addition to aforementioned CIRCULIGHT series products and "Nekojita" Tumbler, the Company saw strengths in sales also of products with the leading market share in Japan, i.e., snow cone machines (commanding 70% of the market for consumers) and shelving units, while sales were also firm for "evercook", i.e., popular frying pan with difficult-to-stick performance. What is cited as the background for all those strengths is that the Company provides customers with its products they want speedily and stably on the occasion of increased consumption from staying at home and increased telework by means of utilizing the Company's organizational structure and financial base. Going forward, the Company plans to launch new products with even greater functionality, including those of peripheral areas where demand is growing fast, in order to further expand sales and raise market shares. 3

Wholesale Business Model

On the Wholesale Business Model side, where the Company wholesales well-known brand products and other items, segment sales came in at \$37,118m (down 4.3%), segment profit \$3,993m (up 30.9%) and segment profit margin 10.8% (up 2.9% points). Here again, it appears that the Company is successfully implementing Blue Ocean Strategy and thorough inventory control at the same time. Sales have declined over the same period of the previous year, but sales mix has improved and thus gross profit margin likewise as far as we could see. In addition, inventory turnover appears to be rising, while skillfully avoiding the occurrence of defective inventories. Meanwhile, sales have declined due to sluggishness in demand for luxury-brand products in the fields of watches and bags, for example. With the resumption of economic activity, demand for all those products is now on a gradual recovery trend, but it has been unchanged that the situations remain severe.

FY03/2021 Company Forecasts

FY03/2021 Company forecasts (announced on 29 January 2021) are going for prospective sales of \$101,000m (up 4.9% YoY), operating profit of \$9,300m (up 55.1%), recurring profit of \$9,500m (up 51.7%) and profit attributable to owners of parent of \$6,400m (up 52.0%), while operating profit margin of 9.2% (up 3.0% points). At the same time, Company forecasts are going for prospective annual dividend of \$50.00 per share, implying payout ratio of 27.6%. More importantly, meanwhile, it appears that the Company is considering a dividend increase, given that the Company is now expected to renew record high earnings for FY03/2021.



Source: Company Data, WRJ Calculation

4.0 Financial Statements

Income Statement (Cumulative / Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	03/2020	03/2020	03/2020	03/2020	03/2021	03/2021	03/2021	03/2021	Net Chg.
Sales	24,754	48,313	78,243	96,238	26,149	50,189	81,571		+3,328
Cost of Sales	17,488	34,665	56,567	69,531	17,779	34,687	56,944	-	+377
Gross Profit	7,265	13,647	21,676	26,706	8,369	15,501	24,626	-	+2,950
SG&A Expenses	5,251	10,522	16,045	20,711	5,080	10,298	15,922	-	(123)
Operating Profit	2,014	3,124	5,630	5,995	3,289	5,203	8,704		+3,074
Non Operating Balance	42	32	105	265	31	119	190		+85
Recurring Profit	2,056	3,156	5,735	6,260	3,320	5,322	8,894		+3,159
Extraordinary Balance	-	21	22	(22)	-	-	-	-	(22)
Profit before Income Taxes	2,056	3,177	5,757	6,238	3,320	5,322	8,894		+3,137
Total Income Taxes	634	980	1,745	1,922	1,002	1,615	2,723	-	+978
NP Belonging to Non-Controlling SHs	38	59	95	104	58	120	139	-	+44
Profit Attributable to Owners of Parent	1,382	2,138	3,916	4,211	2,258	3,586	6,030		+2,114
Sales YoY	(1.0%)	(0.3%)	(1.2%)	(2.5%)	+5.6%	+3.9%	+4.3%	-	-
Operating Profit YoY	+1.4%	+13.3%	+9.3%	+7.8%	+63.3%	+66.5%	+54.6%	-	-
Recurring Profit YoY	(0.4%)	+10.9%	+9.0%	+3.2%	+61.5%	+68.6%	+55.1%		-
Profit Attributable to Owners of Parent YoY	+3.4%	+14.9%	+10.9%	(1.2%)	+63.3%	+67.7%	+54.0%		-
Gross Profit Margin	29.3%	28.2%	27.7%	27.7%	32.0%	30.9%	30.2%	-	+2.5%
Sales to SG&A Expenses Ratio	21.2%	21.8%	20.5%	21.5%	19.4%	20.5%	19.5%		(1.0%)
Operating Profit Margin	8.1%	6.5%	7.2%	6.2%	12.6%	10.4%	10.7%		+3.5%
Recurring Profit Margin	8.3%	6.5%	7.3%	6.5%	12.7%	10.6%	10.9%		+3.6%
Profit Attributable to Owners of Parent Margin	5.6%	4.4%	5.0%	4.4%	8.6%	7.1%	7.4%		+2.4%
Total Income Taxes / Profit before Income Taxes	30.8%	30.8%	30.3%	30.8%	30.2%	30.3%	30.6%		+0.3%
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
		001101/101	00110.7401	00110.7101	00110.7401	001101/101	Containat	001101/101	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)									YoY Net Chg.
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
(Million Yen)	Q1 03/2020	Q2 03/2020	Q3 03/2020	Q4 03/2020	Q1 03/2021	Q2 03/2021	Q3 03/2021	Q4	Net Chg.
(Million Yen) Sales	Q1 03/2020 24,754	Q2 03/2020 23,559	Q3 03/2020 29,930	Q4 03/2020 17,995	Q1 03/2021 26,149	Q2 03/2021 24,040	Q3 03/2021 31,382	Q4	Net Chg. +1,452
(Million Yen) Sales Cost of Sales	Q1 03/2020 24,754 17,488	Q2 03/2020 23,559 17,177	Q3 03/2020 29,930 21,902	Q4 03/2020 17,995 12,964	Q1 03/2021 26,149 17,779	Q2 03/2021 24,040 16,908	Q3 03/2021 31,382 22,257	Q4	Net Chg. +1,452 +355
(Million Yen) Sales Cost of Sales Gross Profit	Q1 03/2020 24,754 17,488 7,265	Q2 03/2020 23,559 17,177 6,382	Q3 03/2020 29,930 21,902 8,029	Q4 03/2020 17,995 12,964 5,030	Q1 03/2021 26,149 17,779 8,369	Q2 03/2021 24,040 16,908 7,132	Q3 03/2021 31,382 22,257 9,125	Q4	Net Chg. +1,452 +355 +1,096
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses	Q1 03/2020 24,754 17,488 7,265 5,251	Q2 03/2020 23,559 17,177 6,382 5,271	Q3 03/2020 29,930 21,902 8,029 5,523	Q4 03/2020 17,995 12,964 5,030 4,666	Q1 03/2021 26,149 17,779 8,369 5,080	Q2 03/2021 24,040 16,908 7,132 5,218	Q3 03/2021 31,382 22,257 9,125 5,624	Q4	Net Chg. +1,452 +355 +1,096 +101
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit	Q1 03/2020 24,754 17,488 7,265 5,251 2,014	Q2 03/2020 23,559 17,177 6,382 5,271 1,110	Q3 03/2020 29,930 21,902 8,029 5,523 2,506	Q4 03/2020 17,995 12,964 5,030 4,666 365	Q1 03/2021 26,149 17,779 8,369 5,080 3,289	Q2 03/2021 24,040 16,908 7,132 5,218 1,914	Q3 03/2021 31,382 22,257 9,125 5,624 3,501	Q4	Net Chg. +1,452 +355 +1,096 +101 +995
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10)	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 73	Q4 03/2020 17,995 12,964 5,030 4,666 365 160	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10) 1,100	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 73 2,579	Q4 03/2020 17,995 12,964 5,030 4,666 365 160 525	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2) +993
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42 2,056	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10) 1,100 21	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 73 2,579 1	Q4 03/2020 17,995 12,964 5,030 4,666 365 160 525 (44)	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31 3,320	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88 2,002	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71 3,572	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2) +993 (1)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42 2,056 - 2,056	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10) 1,100 21 1,121	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 73 2,579 1 2,580	Q4 03/2020 17,995 12,964 5,030 4,666 365 160 525 (44) 481	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31 3,320 - 3,320	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88 2,002 - 2,002	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71 3,572 - 3,572	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2) +993 (1) +992
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42 2,056 - 2,056 634	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10) 1,100 21 1,121 346	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 73 2,579 1 2,580 765	Q4 03/2020 17,995 12,964 5,030 4,666 365 160 525 (44) 481 177	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31 3,320 - 3,320 1,002	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88 2,002 - 2,002 613	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71 3,572 - 3,572 1,108	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2) +993 (1) +992 +343
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42 2,056 634 38	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10) 1,100 21 1,121 346 21	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 73 2,579 1 2,580 765 36	Q4 03/2020 17,995 12,964 5,030 4,666 3655 160 525 (44) 481 1777 9	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31 3,320 - 3,320 1,002 58	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88 2,002 - 2,002 613 62	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71 3,572 - 3,572 1,108 19	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2) +993 (1) +992 +343 (17)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42 2,056 634 38 1,382	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10) 1,100 21 1,121 346 21 756	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 73 2,579 1 2,580 765 36 1,778	Q4 03/2020 17,995 12,964 5,030 4,666 3655 160 525 (44) 481 1777 9 2295	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31 3,320 - 3,320 1,002 58 2,258	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88 2,002 - 2,002 613 62 1,328	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71 3,572 1,108 19 2,444	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2) +993 (1) +992 +343 (17)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42 2,056 634 38 1,382 (1.0%)	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10) 1,100 21 1,121 346 21 756 +0.3%	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 73 2,579 1 2,580 765 36 1,778 (2.5%)	Q4 03/2020 17,995 12,964 5,030 4,666 365 160 525 (44) 481 177 9 295 (7.6%)	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31 3,320 1,002 58 2,258 +5.6%	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88 2,002 - 2,002 613 62 1,328 +2.0%	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71 3,572 1,108 19 2,444 +4.9%	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2) +993 (1) +992 +343 (17)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42 2,056 634 38 1,382 (1.0%) +1.4%	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10) 1,100 21 1,121 346 21 756 +0.3% +43.6%	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 733 2,579 1 2,580 765 36 1,778 (2.5%) +4.7%	Q4 03/2020 17,995 12,964 5,030 4,666 365 160 525 (44) 481 1777 9 295 (7.6%) (10.8%)	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31 3,320 - - 3,320 1,002 58 2,258 +5.6% +63.3%	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88 2,002 613 62 1,328 +2.0% +72.4%	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71 3,572 1,108 19 2,444 +4.9% +39.7%	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2) +993 (1) +992 +343 (17)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Recurring Profit YoY	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42 2,056 634 38 1,382 (1.0%) +1.4% (0.4%)	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10) 1,100 21 1,121 346 21 756 +0.3% +43.6% +40.8%	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 733 2,579 1 2,580 765 36 1,778 (2.5%) +4.7% +6.7%	Q4 03/2020 17,995 12,964 5,030 4,666 365 160 525 (44) 481 1777 9 295 (7.6%) (10.8%) (34.5%)	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31 3,320 1,002 58 2,258 +5.6% +63.3% +61.5%	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88 2,002 - 2,002 613 62 1,328 +2.0% +72.4% +82.0%	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71 3,572 1,108 19 2,444 +4.9% +39.7% +38.5%	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2) +993 (1) +992 +343 (17) +666 - - -
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Profit Attributable to Owners of Parent YoY	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42 2,056 634 38 1,382 (1.0%) +1.4% (0.4%) +3.4%	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10) 1,100 21 1,121 346 21 756 +0.3% +43.6% +40.8% +44.3%	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 73 2,579 1 2,580 765 36 1,778 (2.5%) +4.7% +6.7% +6.6%	Q4 03/2020 17,995 12,964 5,030 4,666 365 160 525 (44) 481 177 9 295 (7.6%) (10.8%) (34.5%) (59.8%)	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31 3,320 1,002 58 2,258 +5.6% +63.3% +61.5% +63.3%	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88 2,002 - 2,002 613 62 1,328 +2.0% +72.4% +82.0% +75.7%	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71 3,572 1,108 19 2,444 +4.9% +39.7% +38.5% +37.5%	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2) +993 (1) +992 +343 (17) +666 - - - - - - - -
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42 2,056 634 38 1,382 (1.0%) +1.4% (0.4%) +3.4%	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10) 1,100 21 1,121 346 21 756 +0.3% +43.6% +40.8% +44.3% 27.1%	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 73 2,579 1 2,580 765 36 1,778 (2.5%) +4.7% +6.7% +6.6%	Q4 03/2020 17,995 12,964 5,030 4,666 365 160 525 (44) 481 177 9 295 (7.6%) (10.8%) (34.5%) (59.8%)	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31 3,320 - - 3,320 1,002 58 2,258 +5.6% +63.3% +61.5% +63.3% 32.0%	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88 2,002 613 62 1,328 +2.0% +72.4% +82.0% +75.7% 29.7%	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71 3,572 1,108 19 2,444 +4.9% +39.7% +38.5% +37.5% 29.1%	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2) +993 (1) +992 +343 (17) +666 - - - - - - +2.3% (0.5%)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42 2,056 634 38 1,382 (1.0%) +1.4% (0.4%) +3.4% 29.3% 21.2%	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10) 1,100 21 1,121 346 21 756 +0.3% +43.6% +40.8% +40.8% +44.3%	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 73 2,579 1 2,580 765 36 1,778 (2.5%) +4.7% +6.7% +6.6% 26.8% 18.5%	Q4 03/2020 17,995 12,964 5,030 4,666 365 160 525 (44) 481 1777 9 295 (7.6%) (10.8%) (34.5%) (34.5%) (59.8%) 28.0% 25.9%	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31 3,320 - - 3,320 1,002 58 2,258 +5.6% +63.3% +61.5% +63.3% 32.0% 19.4%	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88 2,002 613 62 1,328 +2.0% +72.4% +82.0% +72.4% +82.0% 29.7% 21.7%	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71 3,572 1,108 19 2,444 +4.9% +39.7% +38.5% +37.5% 29.1% 17.9%	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2) +993 (1) +992 +343 (17)
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio Operating Profit Margin	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42 2,056 634 38 1,382 (1.0%) +1.4% (0.4%) +3.4% 29.3% 21.2% 8.1%	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10) 1,100 21 1,121 346 21 756 +0.3% +43.6% +40.8% +44.3% 27.1% 22.4% 4.7%	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 73 2,579 1 2,580 765 36 1,778 (2.5%) +4.7% +6.7% +6.6% 26.8% 18.5% 8.4%	Q4 03/2020 17,995 12,964 5,030 4,666 365 160 525 (44) 481 1777 9 295 (7.6%) (10.8%) (34.5%) (59.8%) 28.0% 25.9% 2.0%	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31 3,320 - - 3,320 1,002 58 2,258 +5.6% +63.3% +61.5% +63.3% 461.5% +63.3% 32.0% 19.4% 12.6%	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88 2,002 613 62 1,328 +2.0% +72.4% +82.0% +75.7% 29.7% 21.7% 8.0%	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71 3,572 1,108 19 2,444 +4.9% +39.7% +38.5% +37.5% 29.1% 17.9% 11.2%	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2) +993 (1) +992 +343 (17) +666 - - - - - - +2.3% (0.5%) +2.8%
(Million Yen) Sales Cost of Sales Gross Profit SG&A Expenses Operating Profit Non Operating Balance Recurring Profit Extraordinary Balance Profit before Income Taxes Total Income Taxes NP Belonging to Non-Controlling SHs Profit Attributable to Owners of Parent Sales YoY Operating Profit YoY Profit Attributable to Owners of Parent YoY Gross Profit Margin Sales to SG&A Expenses Ratio Operating Profit Margin Recurring Profit Margin	Q1 03/2020 24,754 17,488 7,265 5,251 2,014 42 2,056 634 38 1,382 (1.0%) +1.4% (0.4%) +3.4% 29.3% 21.2% 8.1% 8.3%	Q2 03/2020 23,559 17,177 6,382 5,271 1,110 (10) 1,100 21 1,121 346 21 756 +0.3% +43.6% +40.8% +44.3% 27.1% 22.4% 4.7%	Q3 03/2020 29,930 21,902 8,029 5,523 2,506 73 2,579 1 2,580 765 36 1,778 (2.5%) +4.7% +6.7% +6.6% 26.8% 18.5% 8.4% 8.6%	Q4 03/2020 17,995 12,964 5,030 4,666 365 160 525 (44) 481 177 9 295 (7.6%) (10.8%) (34.5%) (59.8%) (25.9% 2.0% 2.9%	Q1 03/2021 26,149 17,779 8,369 5,080 3,289 31 3,320 - - 3,320 1,002 58 2,258 +5.6% +63.3% +61.5% +63.3% +61.5% +63.3% 32.0% 19.4% 12.6% 12.7%	Q2 03/2021 24,040 16,908 7,132 5,218 1,914 88 2,002 613 62 1,328 +2.0% +72.4% +82.0% +75.7% 29.7% 21.7% 8.0% 8.3%	Q3 03/2021 31,382 22,257 9,125 5,624 3,501 71 3,572 1,108 19 2,444 +4.9% +39.7% +38.5% +37.5% 29.1% 17.9% 11.2% 11.4%	Q4	Net Chg. +1,452 +355 +1,096 +101 +995 (2) +993 (1) +992 +343 (17) +666 - - - - - - - - - - - - - - - - -

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative / Quarterly)

Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
03/2020	03/2020	03/2020	03/2020	03/2021	03/2021	03/2021	03/2021	Net Chg.
12,067	23,496	36,390	-	13,091	26,164	41,018	-	+4,628
11,701	23,000	38,781	-	11,945	21,784	37,118		(1,663)
985	1,817	3,071	-	1,112	2,240	3,433		+362
24,754	48,313	78,243	96,238	26,149	50,189	81,571	-	+3,328
1,002	1,619	2,783	-	1,537	2,902	4,681		+1,898
1,093	1,462	3,051	-	1,662	2,025	3,993		+942
147	245	347	-	266	415	542		+195
2,243	3,328	6,182	-	3,465	5,343	9,216	-	+3,034
(229)	(203)	(552)	-	(177)	(140)	(513)	-	+39
2,014	3,124	5,630	5,995	3,289	5,203	8,704	-	+3,074
8.3%	6.9%	7.6%	-	11.7%	11.1%	11.4%	-	+3.8%
9.3%	6.4%	7.9%	-	13.9%	9.3%	10.8%		+2.9%
14.9%	13.5%	11.3%	-	23.9%	18.5%	15.8%		+4.5%
8.1%	6.5%	7.2%	6.2%	12.6%	10.4%	10.7%	-	+3.5%
Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
03/2020	03/2020	03/2020	03/2020	03/2021	03/2021	03/2021	03/2021	Net Chg.
12,067	11,429	12,894	-	13,091	13,073	14,854	-	+1,960
11,701	11,299	15,781	-	11,945	9,839	15,334	-	(447)
985	832	1,254	-	1,112	1,128	1,193	-	(61)
24,754	23,559	29,930	17,995	26,149	24,040	31,382		+1,452
1,002	617	1,164	-	1,537	1,365	1,779	-	+615
1,093	369	1,589	-	1,662	363	1,968	-	+379
147	98	102	-	266	149	127	-	+25
2,243	1,085	2,854	-	3,465	1,878	3,873		+1,019
(229)	26	(349)	-	(177)	37	(373)		(24)
2,014	1,110	2,506	365	3,289	1,914	3,501	-	+995
8.3%	5.4%	9.0%	-	11.7%	10.4%	12.0%	-	+2.9%
9.3%	3.3%	10.1%	-	13.9%	3.7%	12.8%	-	+2.8%
9.3% 14.9%	3.3% 11.8%	10.1% 8.1%	-	13.9% 23.9%	3.7% 13.2%	12.8% 10.6%	:	+2.8% +2.5%
	Q1 03/2020 12,067 11,701 985 24,754 1,002 1,003 147 2,243 (229) 2,014 8.3% 9.3% 14.9% 8.1% Cons.Act Q1 03/2020 12,067 11,701 985 24,754 1,002 1,093 147 2,243 (229) 2,014	Q1 Q1 to Q2 03/2020 03/2020 03/2020 03/2020 12,067 23,496 11,701 23,000 985 1,817 24,754 48,313 1,002 1,619 1,093 1,462 147 2455 2,243 3,328 (229) (203) 2,014 3,124 8.3% 6.9% 9.3% 6.4% 14.9% 13.5% 8.1% 6.5% Cons.Act Cons.Act Q1 Q2 03/2020 03/2020 12,067 11,429 11,701 11,299 985 832 24,754 23,559 1,002 617 1,093 369 147 98 2,243 1,085 (229) 26 2,014 1,110	Q1 Q1 to Q2 Q1 to Q3 03/2020 03/2020 03/2020 03/2020 03/2020 03/2020 12,067 23,496 36,390 11,701 23,000 38,781 985 1,817 3,071 24,754 48,313 78,243 1,002 1,619 2,783 1,003 1,462 3,051 147 245 347 2,243 3,328 6,182 (229) (203) (552) 2,014 3,124 5,630 8.3% 6.9% 7.6% 9.3% 6.4% 7.9% 14.9% 13.5% 11.3% 8.1% 6.5% 7.2% Cons.Act Cons.Act Cons.Act Q1 Q2 Q3 03/2020 03/2020 03/2020 12,067 11,429 12,894 11,701 11,299 15,781 985 832 1,254 <	Q1 Q1 to Q2 Q1 to Q3 Q1 to Q4 03/2020 03/2020 03/2020 03/2020 12,067 23,496 36,390 - 11,701 23,000 38,781 - 985 1,817 3,071 - 24,754 48,313 78,243 96,238 1,002 1,619 2,783 - 1,093 1,462 3,051 - 1,093 1,462 3,051 - 2,243 3,328 6,182 - (229) (203) (552) - 2,014 3,124 5,630 5,995 8.3% 6.9% 7.6% - 9.3% 6.4% 7.9% - 9.3% 6.4% 7.9% - 9.3% 6.4% 7.9% - 9.3% 6.4% 7.9% - 9.3% 6.4% 7.9% - 14.9% 13.5% 11.3% -	Q1 Q1 to Q2 Q1 to Q3 Q1 to Q4 Q1 03/2020 03/2020 03/2020 03/2020 03/2020 12,067 23,496 36,390 - 13,091 11,701 23,000 38,781 - 11,945 985 1,817 3,071 - 1,112 24,754 48,313 78,243 96,238 26,149 1,002 1,619 2,783 - 1,537 1,093 1,462 3,051 - 1,662 147 245 347 - 266 2,243 3,328 6,182 - 3,465 (229) (203) (552) - (177) 2,014 3,124 5,630 5,995 3,289 8.3% 6.9% 7.6% - 11.7% 9.3% 6.4% 7.9% - 13.9% 14.9% 13.5% 11.3% - 23.9% 3.3% 6.4% 7.9	Q1 Q1 to Q2 Q1 to Q3 Q1 to Q4 Q1 Q1 to Q2 03/2020 03/2020 03/2020 03/2020 03/2021 03/2021 12,067 23,496 36,390 - 13,091 26,164 11,701 23,000 38,781 - 11,945 21,784 985 1,817 3,071 - 1,112 2,240 24,754 48,313 78,243 96,238 26,149 50,189 1,002 1,619 2,783 - 1,537 2,902 1,093 1,462 3,051 - 1,662 2,025 147 245 347 - 266 415 2,243 3,328 6,182 - (177) (140) 2,014 3,124 5,630 5,995 3,289 5,203 8.3% 6.9% 7.6% - 11.7% 11.1% 9.3% 6.4% 7.9% - 13.9% 9.3% 14.	Q1 Q1 to Q2 Q1 to Q3 Q3/2021 Q3/2021 Q3/2021 Q3/2021 12,067 23,496 36,390 - 13,091 26,164 41,018 11,701 23,000 38,781 - 11,945 21,784 37,118 985 1,817 3,071 - 1,112 2,240 3,433 24,754 48,313 78,243 96,238 26,149 50,189 81,571 1,002 1,619 2,783 - 1,537 2,902 4,681 1,093 1,462 3,051 - 1,662 2,025 3,993 147 245 347 - 266 415 542 2,243 3,328 6,182 - 3,465 5,343 9,216 (229) (203) (552) - 11,7% 11,1% 11,4% 8,3% 6.9% 7.6% - 13,9% 9.3% 10.8%	Q1 Q1 to Q2 Q1 to Q3 Q1 to Q4 Q1 to Q4 Q1 to Q4 Q1 to Q3 Q1 to Q4 Q3/2021 Q3/203 Q4 Q1 Q.24 Q4 Q1 Q.3 Q4 Q1 Q3 Q4 Q1 Q3 Q4 Q1 Q3 Q4 Q1 Q3 Q4 Q3 Q4 Q1 Q1 Q3 Q4 Q1 Q1 Q3 Q4 Q3

Source: Company Data, WRJ Calculation

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Balance Sheet (Quarterly)

Balance Sheet	Cons.Act								
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	03/2020	03/2020	03/2020	03/2020	03/2021	03/2021	03/2021	03/2021	Net Chg.
Cash and Deposit	38,867	41,915	36,343	37,549	37,660	43,383	39,681	-	+3,338
Accounts Receivables	20,075	14,829	22,866	14,135	18,872	15,122	23,282		+416
Inventory	9,868	9,558	8,263	7,825	9,791	8,934	7,262		(1,001)
Other	699	870	1,025	1,159	828	755	860		(165)
Current Assets	69,509	67,172	68,497	60,668	67,151	68,194	71,085		+2,588
Tangible Assets	19,174	19,114	19,026	18,894	18,790	18,723	18,707		(319)
Intangible Assets	326	325	663	642	609	573	538		(125)
Investments and Other Assets	2,831	2,809	2,825	2,592	2,657	2,843	2,840		+15
Fixed Assets	22,331	22,248	22,516	22,129	22,056	22,139	22,086		(430)
Total Assets	91,842	89,420	91,013	82,798	89,207	90,334	93,172		+2,159
Accounts Payables	8,205	5,841	5,949	5,174	5,592	5,841	6,051	•	+102
Short Term Debt	7,000	8,000	8,000	1,000	1,000	-	-		(8,000)
Other	3,954	3,965	4,830	4,263	4,064	4,625	5,771		+941
Current Liabilities	19,159	17,806	18,779	10,437	10,656	10,466	11,822		(6,957)
Long Term Debt	1,000	-	-	-	6,600	6,600	6,600		+6,600
Other	1,370	1,353	1,356	1,328	1,299	1,255	1,240		(116)
Fixed Liabilities	2,370	1,353	1,356	1,328	7,899	7,855	7,840		+6,484
Total Liabilities	21,529	19,159	20,135	11,765	18,556	18,321	19,663		(472)
Shareholders' Equity	69,238	69,081	69,394	69,690	69,268	70,596	72,162		+2,768
Other	1,074	1,180	1,484	1,342	1,383	1,417	1,346		(138)
Net Assets	70,312	70,261	70,878	71,032	70,651	72,013	73,508		+2,630
Total Liabilities & Net Assets	91,842	89,420	91,013	82,798	89,207	90,334	93,172		+2,159
Equity Capital	69,168	69,113	69,663	69,833	69,394	70,693	72,165	•	+2,502
Interest Bearing Debt	8,000	8,000	8,000	1,000	7,600	6,600	6,600	· · ·	(1,400)
Net Debt	(30,867)	(33,915)	(28,343)	(36,549)	(30,060)	(36,783)	(33,081)		(4,738)
Equity Ratio	75.3%	77.3%	76.5%	84.3%	77.8%	78.3%	77.5%	-	-
Net Debt Equity Ratio	(44.6%)	(49.1%)	(40.7%)	(52.3%)	(43.3%)	(52.0%)	(45.8%)		-
ROE (12 months)	6.3%	6.6%	6.7%	6.1%	7.3%	8.1%	8.9%		-
ROA (12 months)	6.7%	7.2%	7.3%	7.2%	8.3%	9.4%	10.2%	· · ·	-
Days for Inventory Turnover	51	50	34	55	50	48	29	-	-
Quick Ratio	308%	319%	315%	495%	531%	559%	533%	-	-
Current Ratio	363%	377%	365%	581%	630%	652%	601%	-	-
Source: Company Data, WRJ Calculation									

Source: Company Data, WRJ Calculation

Cash Flow Statement (Cumulative / Quarterly)

Cash Flow Statement	Cons.Act								
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	YoY
(Million Yen)	03/2020	03/2020	03/2020	03/2020	03/2021	03/2021	03/2021	03/2021	Net Chg.
Operating Cash Flow	(82)	4,068	79	8,583	(3,593)	3,297	628	-	+549
Investing Cash Flow	(115)	(164)	(285)	(538)	(174)	(253)	(377)	-	(92)
Operating Cash Flow and Investing Cash Flow	(197)	3,904	(206)	8,045	(3,767)	3,044	251		+457
Financing Cash Flow	(1,134)	(2,105)	(3,605)	(10,647)	3,903	2,841	1,926	-	+5,531
Cash Flow Statement	Cons.Act								
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	YoY
(Million Yen)	03/2020	03/2020	03/2020	03/2020	03/2021	03/2021	03/2021	03/2021	Net Chg.
Operating Cash Flow	(82)	4,150	(3,989)	8,504	(3,593)	6,890	(2,669)	-	+2,740
Investing Cash Flow	(115)	(49)	(121)	(253)	(174)	(79)	(124)	-	(30)
Operating Cash Flow and Investing Cash Flow	(197)	4,101	(4,110)	8,251	(3,767)	6,811	(2,793)	-	+2,710
Financing Cash Flow	(1,134)	(971)	(1,500)	(7,042)	3,903	(1,062)	(915)	-	(91)

Source: Company Data, WRJ Calculation

Disclaimer

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