

Translation

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Summary of Consolidated Financial Results for the Year Ended May 31, 2022 (Based on Japanese GAAP)

July 6, 2022

Company name: DAIKOKUTENBUSSAN CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 2791 URL <http://www.e-dkt.co.jp/>
 Representative: Representative Director and President SHOJI OGA
 Inquiries: Senior Managing Director MASASHI OMURA TEL 086-435-1100
 Scheduled date of ordinary general meeting of shareholders: August 24, 2022
 Scheduled date to file Securities Report: August 24, 2022
 Scheduled date to commence dividend payments: August 25, 2022
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended May 31, 2022 (from June 1, 2021 to May 31, 2022)

(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 May 31, 2022	224,150	-	8,540	(0.7)	8,923	1.1	5,617	1.8
Year ended May 31, 2021	221,551	4.5	8,599	44.9	8,827	43.6	5,518	47.7

	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 May 31, 2022	403.30	403.23	12.8	11.3	3.8
Year ended May 31, 2021	396.21	396.16	14.2	11.8	3.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2022	81,930	46,802	56.9	3,348.84
As of May 31, 2021	75,635	41,537	54.7	2,971.58

(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 May 31, 2022	10,406	(9,620)	897	9,540
Year ended May 31, 2021	9,853	(7,006)	(2,436)	7,857

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 May 31, 2021	-	0.00	-	29.00	29.00	403	7.3	1.0
Year ended May 31, 2022	-	0.00	-	29.00	29.00	403	7.2	0.9
Year ending May 31, 2023 (Forecast)	-	0.00	-	29.00	29.00		9.9	

3. Forecast of consolidated financial results for the year ending May 31, 2023 (from June 1, 2022 to May 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
Six months ending November 30, 2022	111,700	2.3	2,200	(41.4)	2,400	(39.0)	1,600	(35.9)	114.86
Full year	234,600	4.7	5,900	(30.9)	6,200	(30.5)	4,100	(27.0)	294.35

4. Notes

(1) Changes in significant subsidiaries during the year ended May 31, 2022

(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: Yes

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 May 31, 2022	14,474,200 shares	As of May 31, 2021	14,474,200 shares
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Number of treasury shares at the end of the period

As of May 31, 2022	545,354 shares	As of May 31, 2021	545,320 shares
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Average number of shares during the period

Year ended May 31, 2022	13,928,856 shares	Year ended May 31, 2021	13,928,880 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2021	As of May 31, 2022
Assets		
Current assets		
Cash and deposits	7,857	9,540
Accounts receivable - trade	126	123
Merchandise and finished goods	6,529	7,118
Work in process	92	152
Raw materials and supplies	304	378
Other	4,183	4,050
Allowance for doubtful accounts	(203)	(203)
Total current assets	18,889	21,160
Non-current assets		
Property, plant and equipment		
Buildings and structures	55,087	56,800
Accumulated depreciation	(28,398)	(31,299)
Buildings and structures, net	26,688	25,501
Machinery, equipment and vehicles	3,272	3,675
Accumulated depreciation	(2,149)	(2,442)
Machinery, equipment and vehicles, net	1,123	1,232
Tools, furniture and fixtures	12,791	13,509
Accumulated depreciation	(8,608)	(9,694)
Tools, furniture and fixtures, net	4,183	3,814
Land	8,101	8,558
Leased assets	1,292	522
Accumulated depreciation	(673)	(256)
Leased assets, net	619	266
Construction in progress	2,458	8,036
Other	881	807
Accumulated depreciation	(371)	(338)
Other, net	509	468
Total property, plant and equipment	43,685	47,878
Intangible assets	322	335
Investments and other assets		
Investment securities	445	474
Long-term loans receivable	23	6
Construction assistance fund receivables	1,677	1,516
Deferred tax assets	4,256	4,404
Guarantee deposits	4,907	4,829
Other	1,483	1,381
Allowance for doubtful accounts	(55)	(57)
Total investments and other assets	12,738	12,556
Total non-current assets	56,746	60,770
Total assets	75,635	81,930

(Millions of yen)

	As of May 31, 2021	As of May 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,385	14,523
Short-term borrowings	3,904	2,587
Lease liabilities	173	96
Income taxes payable	2,520	1,810
Provision for bonuses	555	567
Asset retirement obligations	6	6
Other	7,438	6,682
Total current liabilities	27,983	26,273
Non-current liabilities		
Long-term borrowings	1,070	4,095
Lease liabilities	488	163
Deferred tax liabilities	146	136
Retirement benefit liability	40	41
Asset retirement obligations	2,909	3,008
Other	1,457	1,409
Total non-current liabilities	6,114	8,854
Total liabilities	34,097	35,128
Net assets		
Shareholders' equity		
Share capital	1,661	1,661
Capital surplus	1,823	1,823
Retained earnings	38,695	43,909
Treasury shares	(880)	(880)
Total shareholders' equity	41,300	46,514
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	90	131
Total accumulated other comprehensive income	90	131
Share acquisition rights	46	52
Non-controlling interests	100	104
Total net assets	41,537	46,802
Total liabilities and net assets	75,635	81,930

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

(Millions of yen)

	Fiscal year ended May 31, 2021	Fiscal year ended May 31, 2022
Net sales	221,551	224,150
Cost of sales	168,526	170,098
Gross profit	53,025	54,052
Selling, general and administrative expenses		
Salaries allowances and bonuses	19,615	20,048
Provision for bonuses	526	536
Retirement benefit expenses	70	78
Utilities expenses	3,433	4,053
Rent expenses	6,382	6,627
Depreciation	4,281	4,182
Provision of allowance for doubtful accounts	0	(0)
Other	10,116	9,985
Total selling, general and administrative expenses	44,425	45,511
Operating profit	8,599	8,540
Non-operating income		
Interest income	29	28
Dividend income	3	4
Rental income	87	94
Reversal of allowance for doubtful accounts	27	–
Insurance claim income	136	155
Penalty income	–	77
Other	58	122
Total non-operating income	342	482
Non-operating expenses		
Interest expenses	25	28
Rental expenses	49	52
Loss on disposal of non-current assets	34	–
Other	5	19
Total non-operating expenses	114	99
Ordinary profit	8,827	8,923
Extraordinary income		
Gain on sale of non-current assets	2	–
Subsidy income	35	0
Total extraordinary income	38	0
Extraordinary losses		
Impairment losses	177	63
Loss on tax purpose reduction entry of non-current assets	35	0
Total extraordinary losses	212	64
Profit before income taxes	8,653	8,860
Income taxes - current	3,614	3,414
Income taxes - deferred	(490)	(175)
Total income taxes	3,124	3,239
Profit	5,528	5,620
Profit attributable to non-controlling interests	9	3
Profit attributable to owners of parent	5,518	5,617

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended May 31, 2021	Fiscal year ended May 31, 2022
Profit	5,528	5,620
Other comprehensive income		
Valuation difference on available-for-sale securities	50	41
Total other comprehensive income	50	41
Comprehensive income	5,578	5,662
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,569	5,658
Comprehensive income attributable to non-controlling interests	9	3

Consolidated statements of changes in equity

Fiscal year ended May 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,661	1,823	33,553	(880)	36,157
Changes during period					
Dividends of surplus			(376)		(376)
Profit attributable to owners of parent			5,518		5,518
Purchase of treasury shares					–
Net changes in items other than shareholders' equity					
Total changes during period	–	–	5,142	–	5,142
Balance at end of period	1,661	1,823	38,695	(880)	41,300

	Accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities			
Balance at beginning of period	39	42	91	36,331
Changes during period				
Dividends of surplus				(376)
Profit attributable to owners of parent				5,518
Purchase of treasury shares				–
Net changes in items other than shareholders' equity	50	3	9	63
Total changes during period	50	3	9	5,206
Balance at end of period	90	46	100	41,537

Fiscal year ended May 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,661	1,823	38,695	(880)	41,300
Changes during period					
Dividends of surplus			(403)		(403)
Profit attributable to owners of parent			5,617		5,617
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	5,213	(0)	5,213
Balance at end of period	1,661	1,823	43,909	(880)	46,514

	Accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities			
Balance at beginning of period	90	46	100	41,537
Changes during period				
Dividends of surplus				(403)
Profit attributable to owners of parent				5,617
Purchase of treasury shares				(0)
Net changes in items other than shareholders' equity	41	6	3	50
Total changes during period	41	6	3	5,264
Balance at end of period	131	52	104	46,802

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended May 31, 2021	Fiscal year ended May 31, 2022
Cash flows from operating activities		
Profit before income taxes	8,653	8,860
Depreciation	5,582	5,132
Increase (decrease) in provision for bonuses	71	12
Increase (decrease) in allowance for doubtful accounts	(28)	1
Impairment losses	177	63
Interest and dividend income	(32)	(33)
Interest expenses	25	28
Loss (gain) on sale of property, plant and equipment	(2)	–
Subsidy income	(35)	(0)
Loss on tax purpose reduction entry of non-current assets	35	0
He amount of rent offset of construction assistance fund receivables	195	192
He amount of rent off set of construction assistance fund receivables deposited	(48)	(48)
Decrease (increase) in trade receivables	(15)	2
Decrease (increase) in inventories	(432)	(722)
Decrease (increase) in other current assets	1,256	129
Increase (decrease) in trade payables	(1,603)	1,138
Increase (decrease) in other current liabilities	(878)	(61)
Increase (decrease) in other non-current liabilities	27	34
Other, net	23	13
Subtotal	12,968	14,742
Interest and dividends received	7	8
Interest paid	(20)	(24)
Subsidies received	35	0
Income taxes paid	(3,137)	(4,319)
Net cash provided by (used in) operating activities	9,853	10,406
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,823)	(9,900)
Proceeds from sale of property, plant and equipment	79	235
Purchase of intangible assets	(125)	(81)
Proceeds from sale of investment securities	–	40
Expense by payment of guarantee money paid	(159)	(201)
Proceeds from refund of guarantee deposits	125	272
Payments of construction assistance fund receivables	(30)	(30)
Long-term loan advances	(4)	–
Proceeds from collection of long-term loans receivable	2	50
Other, net	(70)	(5)
Net cash provided by (used in) investing activities	(7,006)	(9,620)

(Millions of yen)

	Fiscal year ended May 31, 2021	Fiscal year ended May 31, 2022
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,200	(1,200)
Proceeds from long-term borrowings	–	5,500
Repayments of long-term borrowings	(3,131)	(2,592)
Repayments of lease liabilities	(128)	(405)
Purchase of treasury shares	–	(0)
Dividends paid	(376)	(403)
Net cash provided by (used in) financing activities	(2,436)	897
Net increase (decrease) in cash and cash equivalents	410	1,683
Cash and cash equivalents at beginning of period	7,446	7,857
Cash and cash equivalents at end of period	7,857	9,540