

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended November 30, 2022 (Based on Japanese GAAP)

January 12, 2023

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 to file Quarterly Securities Report: January 13, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended November 30, 2022 (from June 1, 2022 to November 30, 2022)

(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 November 30, 2022	116,776	7.0	1,073	(71.4)	1,332	(66.2)	771	(69.1)
Six months ended November 30, 2021	109,176	–	3,752	(18.4)	3,937	(17.2)	2,497	(14.2)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended November 30, 2022	55.36	–
Six months ended November 30, 2021	179.29	179.20

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2022	90,354	47,225	52.1
As of May 31, 2022	81,930	46,802	56.9

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 May 31, 2022	–	0.00	–	29.00	29.00
Year ending May 31, 2023	–	0.00			
Year ending May 31, 2023 (Forecast)			–	29.00	29.00

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
Full year	234,600	4.7	3,923	(54.1)	4,223	(52.7)	2,793	(50.3)	200.51

4. Notes

- (1) Changes in significant subsidiaries during the six months ended November 30, 2022
(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 November 30, 2022	14,474,200 shares	As of May 31, 2022	14,474,200 shares
-------------------------	-------------------	--------------------	-------------------

Number of treasury shares at the end of the period

As of November 30, 2022	545,380 shares	As of May 31, 2022	545,354 shares
-------------------------	----------------	--------------------	----------------

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

Six months ended November 30, 2022	13,928,845 shares	Six months ended November 30, 2021	13,928,866 shares
------------------------------------	-------------------	------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2022	As of November 30, 2022
Assets		
Current assets		
Cash and deposits	9,540	6,767
Notes and accounts receivable - trade	123	135
Merchandise and finished goods	7,118	8,102
Work in process	152	151
Raw materials and supplies	378	573
Other	4,050	5,485
Allowance for doubtful accounts	(203)	(203)
Total current assets	21,160	21,013
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,501	37,008
Land	8,558	8,558
Other, net	13,819	10,527
Total property, plant and equipment	47,878	56,094
Intangible assets	335	388
Investments and other assets		
Construction assistance fund receivables	1,516	1,465
Guarantee deposits	4,829	4,966
Other	6,267	6,485
Allowance for doubtful accounts	(57)	(60)
Total investments and other assets	12,556	12,857
Total non-current assets	60,770	69,340
Total assets	81,930	90,354

(Millions of yen)

	As of May 31, 2022	As of November 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,523	14,972
Short-term borrowings	2,587	7,715
Income taxes payable	1,810	956
Provision for bonuses	567	587
Asset retirement obligations	6	9
Other	6,778	7,177
Total current liabilities	26,273	31,418
Non-current liabilities		
Long-term borrowings	4,095	6,912
Retirement benefit liability	41	42
Asset retirement obligations	3,008	3,132
Other	1,709	1,621
Total non-current liabilities	8,854	11,709
Total liabilities	35,128	43,128
Net assets		
Shareholders' equity		
Share capital	1,661	1,661
Capital surplus	1,823	1,823
Retained earnings	43,909	44,276
Treasury shares	(880)	(880)
Total shareholders' equity	46,514	46,881
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	131	186
Total accumulated other comprehensive income	131	186
Share acquisition rights	52	52
Non-controlling interests	104	106
Total net assets	46,802	47,225
Total liabilities and net assets	81,930	90,354

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended November 30, 2021	Six months ended November 30, 2022
Net sales	109,176	116,776
Cost of sales	82,848	90,776
Gross profit	26,328	26,000
Selling, general and administrative expenses	22,575	24,926
Operating profit	3,752	1,073
Non-operating income		
Interest income	13	13
Dividend income	4	4
Rental income	44	55
Insurance claim income	89	71
Settlement income	–	165
Other	73	41
Total non-operating income	224	351
Non-operating expenses		
Interest expenses	13	13
Rental expenses	24	32
Provision of allowance for doubtful accounts	1	2
Other	0	43
Total non-operating expenses	39	92
Ordinary profit	3,937	1,332
Profit before income taxes	3,937	1,332
Income taxes - current	1,446	797
Income taxes - deferred	(8)	(238)
Total income taxes	1,438	559
Profit	2,498	773
Profit attributable to non-controlling interests	1	1
Profit attributable to owners of parent	2,497	771

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended November 30, 2021	Six months ended November 30, 2022
Profit	2,498	773
Other comprehensive income		
Valuation difference on available-for-sale securities	13	54
Total other comprehensive income	13	54
Comprehensive income	2,512	827
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,510	825
Comprehensive income attributable to non-controlling interests	1	1

Consolidated statements of cash flows

(Millions of yen)

	Six months ended November 30, 2021	Six months ended November 30, 2022
Cash flows from operating activities		
Profit before income taxes	3,937	1,332
Depreciation	2,509	3,067
Increase (decrease) in provision for bonuses	35	20
Increase (decrease) in allowance for doubtful accounts	1	2
Interest and dividend income	(18)	(17)
Interest expenses	13	13
Settlement income	–	(165)
He amount of rent offset of construction assistance fund receivables	96	93
He amount of rent off set of construction assistance fund receivables deposited	(24)	(24)
Decrease (increase) in trade receivables	14	(12)
Decrease (increase) in inventories	(677)	(1,179)
Decrease (increase) in other current assets	726	(1,245)
Increase (decrease) in trade payables	(244)	449
Increase (decrease) in other current liabilities	(589)	(101)
Increase (decrease) in other non-current liabilities	14	0
Other, net	10	7
Subtotal	5,805	2,241
Interest and dividends received	5	5
Interest paid	(11)	(12)
Income taxes paid	(2,350)	(1,615)
Net cash provided by (used in) operating activities	3,449	619
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,413)	(10,586)
Proceeds from sale of property, plant and equipment	–	0
Purchase of intangible assets	(62)	(63)
Proceeds from sale of investment securities	–	5
Payments for asset retirement obligations	–	(12)
Payments of guarantee deposits	(56)	(208)
Proceeds from refund of guarantee deposits	22	27
Payments of construction assistance fund receivables	(10)	(26)
Proceeds from collection of long-term loans receivable	18	7
Other, net	6	(37)
Net cash provided by (used in) investing activities	(3,495)	(10,894)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	900	4,300
Proceeds from long-term borrowings	–	5,000
Repayments of long-term borrowings	(1,224)	(1,353)
Repayments of lease liabilities	(90)	(47)
Purchase of treasury shares	(0)	(0)
Dividends paid	(403)	(396)
Net cash provided by (used in) financing activities	(818)	7,501
Net increase (decrease) in cash and cash equivalents	(865)	(2,773)
Cash and cash equivalents at beginning of period	7,857	9,540
Cash and cash equivalents at end of period	6,991	6,767