

Translation

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Summary of Consolidated Financial Results for the Year Ended May 31, 2023 (Based on Japanese GAAP)

July 6, 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 of ordinary general meeting of shareholders: August 23, 2023
 Scheduled date to file Securities Report: August 23, 2023
 Scheduled date to commence dividend payments: August 24, 2023
 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, 2023 (from June 1, 2022 to May 31, 2023)

(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, 2023	242,243	8.1	4,497	(47.3)	4,844	(45.7)	3,116	(44.5)
Year ended May 31, 2022	224,150	–	8,540	(0.7)	8,923	1.1	5,617	1.8

	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, 2023	223.73	–	6.5	5.4	1.9
Year ended May 31, 2022	403.30	403.23	12.8	11.3	3.8

(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, 2023	97,194	49,518	50.8	3,543.59
As of May 31, 2022	81,930	46,802	56.9	3,348.84

(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, 2023	7,610	(17,889)	9,370	8,630
Year ended May 31, 2022	10,406	(9,620)	897	9,540

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, 2022	–	0.00	–	29.00	29.00	403	7.2	0.9
Year ended May 31, 2023	–	0.00	–	29.00	29.00	403	13.0	0.8
Year ending May 31, 2024 (Forecast)	–	0.00	–	29.00	29.00		10.9	

3. Forecast of consolidated financial results for the year ending May 31, 2024 (from June 1, 2023 to May 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
Six months ending November 30, 2023	124,800	6.9	2,700	151.6	2,700	102.7	1,600	107.5	114.86
Full year	257,200	6.2	6,100	35.6	6,100	25.9	3,700	18.7	265.63

4. Notes

(1) Changes in significant subsidiaries during the year ended May 31, 2023

(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: No

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, 2023	14,474,200 shares	As of May 31, 2022	14,474,200 shares
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Number of treasury shares at the end of the period

As of May 31, 2023	545,471 shares	As of May 31, 2022	545,354 shares
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Average number of shares during the period

Year ended May 31, 2023	13,928,796 shares	Year ended May 31, 2022	13,928,856 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2022	As of May 31, 2023
Assets		
Current assets		
Cash and deposits	9,540	8,630
Accounts receivable - trade	123	151
Merchandise and finished goods	7,118	8,370
Work in process	152	146
Raw materials and supplies	378	593
Other	4,050	6,201
Allowance for doubtful accounts	(203)	(203)
Total current assets	21,160	23,890
Non-current assets		
Property, plant and equipment		
Buildings and structures	56,800	75,198
Accumulated depreciation	(31,299)	(34,988)
Buildings and structures, net	25,501	40,209
Machinery, equipment and vehicles	3,675	8,019
Accumulated depreciation	(2,442)	(3,501)
Machinery, equipment and vehicles, net	1,232	4,517
Tools, furniture and fixtures	13,509	15,723
Accumulated depreciation	(9,694)	(11,010)
Tools, furniture and fixtures, net	3,814	4,713
Land	8,558	9,357
Leased assets	522	408
Accumulated depreciation	(256)	(196)
Leased assets, net	266	212
Construction in progress	8,036	460
Other	807	756
Accumulated depreciation	(338)	(334)
Other, net	468	421
Total property, plant and equipment	47,878	59,892
Intangible assets	335	344
Investments and other assets		
Investment securities	474	473
Long-term loans receivable	6	–
Construction assistance fund receivables	1,516	1,376
Deferred tax assets	4,404	4,830
Guarantee deposits	4,829	5,129
Other	1,381	1,316
Allowance for doubtful accounts	(57)	(59)
Total investments and other assets	12,556	13,067
Total non-current assets	60,770	73,304
Total assets	81,930	97,194

(Millions of yen)

	As of May 31, 2022	As of May 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,523	16,749
Short-term borrowings	2,587	4,601
Lease liabilities	96	73
Income taxes payable	1,810	503
Provision for bonuses	567	581
Asset retirement obligations	6	–
Other	6,682	8,193
Total current liabilities	26,273	30,703
Non-current liabilities		
Long-term borrowings	4,095	11,950
Lease liabilities	163	90
Deferred tax liabilities	136	119
Retirement benefit liability	41	41
Asset retirement obligations	3,008	3,397
Other	1,409	1,373
Total non-current liabilities	8,854	16,972
Total liabilities	35,128	47,676
Net assets		
Shareholders' equity		
Share capital	1,661	1,661
Capital surplus	1,823	1,823
Retained earnings	43,909	46,621
Treasury shares	(880)	(881)
Total shareholders' equity	46,514	49,225
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	131	131
Total accumulated other comprehensive income	131	131
Share acquisition rights	52	52
Non-controlling interests	104	108
Total net assets	46,802	49,518
Total liabilities and net assets	81,930	97,194

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

(Millions of yen)

	Fiscal year ended May 31, 2022	Fiscal year ended May 31, 2023
Net sales	224,150	242,243
Cost of sales	170,098	187,755
Gross profit	54,052	54,488
Selling, general and administrative expenses		
Salaries allowances and bonuses	20,048	21,005
Provision for bonuses	536	540
Retirement benefit expenses	78	76
Utilities expenses	4,053	5,705
Rent expenses	6,627	6,989
Depreciation	4,182	4,762
Provision of allowance for doubtful accounts	(0)	(0)
Other	9,985	10,909
Total selling, general and administrative expenses	45,511	49,990
Operating profit	8,540	4,497
Non-operating income		
Interest income	28	27
Dividend income	4	4
Rental income	94	113
Insurance claim income	155	122
Settlement income	–	165
Other	199	87
Total non-operating income	482	520
Non-operating expenses		
Interest expenses	28	28
Rental expenses	52	65
Loss on cancellation of rental contracts	8	23
Provision of allowance for doubtful accounts	1	2
Other	9	53
Total non-operating expenses	99	173
Ordinary profit	8,923	4,844
Extraordinary income		
Subsidy income	0	200
Total extraordinary income	0	200
Extraordinary losses		
Impairment losses	63	297
Loss on tax purpose reduction entry of non-current assets	0	–
Total extraordinary losses	64	297
Profit before income taxes	8,860	4,746
Income taxes - current	3,414	2,069
Income taxes - deferred	(175)	(442)
Total income taxes	3,239	1,626
Profit	5,620	3,120
Profit attributable to non-controlling interests	3	3
Profit attributable to owners of parent	5,617	3,116

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended May 31, 2022	Fiscal year ended May 31, 2023
Profit	5,620	3,120
Other comprehensive income		
Valuation difference on available-for-sale securities	41	0
Total other comprehensive income	41	0
Comprehensive income	5,662	3,120
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,658	3,116
Comprehensive income attributable to non-controlling interests	3	3

Consolidated statements of changes in equity

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

Fiscal year ended May 31, 2023

(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	43,909	(880)	46,514
Changes during period					
Dividends of surplus			(403)		(403)
Profit attributable to owners of parent			3,116		3,116
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,712	(0)	2,711
Balance at end of period	1,661	1,823	46,621	(881)	49,225

	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	131	52	104	46,802
Changes during period				
Dividends of surplus				(403)
Profit attributable to owners of parent				3,116
Purchase of treasury shares				(0)
Net changes in items other than shareholders' equity	0	–	3	4
Total changes during period	0	–	3	2,715
Balance at end of period	131	52	108	49,518

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended May 31, 2022	Fiscal year ended May 31, 2023
Cash flows from operating activities		
Profit before income taxes	8,860	4,746
Depreciation	5,132	6,729
Increase (decrease) in provision for bonuses	12	13
Increase (decrease) in allowance for doubtful accounts	1	2
Impairment losses	63	297
Interest and dividend income	(33)	(31)
Interest expenses	28	28
Settlement income	–	(165)
Subsidy income	(0)	(200)
Loss on tax purpose reduction entry of non-current assets	0	–
He amount of rent offset of construction assistance fund receivables	192	185
He amount of rent off set of construction assistance fund receivables deposited	(48)	(48)
Decrease (increase) in trade receivables	2	(28)
Decrease (increase) in inventories	(722)	(1,461)
Decrease (increase) in other current assets	129	(2,161)
Increase (decrease) in trade payables	1,138	2,226
Increase (decrease) in other current liabilities	(61)	407
Increase (decrease) in other non-current liabilities	34	17
Other, net	13	33
Subtotal	14,742	10,591
Interest and dividends received	8	6
Interest paid	(24)	(25)
Settlement received	–	187
Subsidies received	0	200
Income taxes paid	(4,319)	(3,350)
Net cash provided by (used in) operating activities	10,406	7,610
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,900)	(17,367)
Proceeds from sale of property, plant and equipment	235	9
Purchase of intangible assets	(81)	(87)
Proceeds from sale of investment securities	40	5
Payments for asset retirement obligations	–	(22)
Expense by payment of guarantee money paid	(201)	(425)
Proceeds from refund of guarantee deposits	272	83
Payments of construction assistance fund receivables	(30)	(26)
Proceeds from collection of long-term loans receivable	50	8
Other, net	(5)	(67)
Net cash provided by (used in) investing activities	(9,620)	(17,889)

(Millions of yen)

	Fiscal year ended May 31, 2022	Fiscal year ended May 31, 2023
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(1,200)	(150)
Proceeds from long-term borrowings	5,500	13,000
Repayments of long-term borrowings	(2,592)	(2,979)
Repayments of lease liabilities	(405)	(96)
Purchase of treasury shares	(0)	(0)
Dividends paid	(403)	(403)
Net cash provided by (used in) financing activities	897	9,370
Net increase (decrease) in cash and cash equivalents	1,683	(909)
Cash and cash equivalents at beginning of period	7,857	9,540
Cash and cash equivalents at end of period	9,540	8,630