

Translation

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Summary of Consolidated Financial Results for the Three Months Ended August 31, 2021 (Based on Japanese GAAP)

October 13, 2021

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: October 14, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended August 31, 2021 (from June 1, 2021 to August 31, 2021)

(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 | % |
| Three months ended August 31, 2021 | 55,393 | – | 2,001 | (24.0) | 2,069 | (24.1) | 1,335 | (23.0) |
| Three months ended August 31, 2020 | 57,241 | 12.4 | 2,631 | 156.4 | 2,726 | 159.7 | 1,734 | 178.0 |

| | Earnings per share | | Diluted earnings per share | |
|------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Three months ended August 31, 2021 | 95.86 | | 95.81 | |
| Three months ended August 31, 2020 | 124.51 | | – | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-----------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of August 31, 2021 | 73,613 | 42,517 | 57.6 |
| As of May 31, 2021 | 75,635 | 41,537 | 54.7 |

2. Cash dividends

| | Annual dividends per share | | | | |
|-------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | | | | |
| Year ended May 31, 2021 | – | 0.00 | – | 29.00 | 29.00 |
| Year ending May 31, 2022 | – | | | | |
| Year ending May 31, 2022 (Forecast) | | 0.00 | – | 29.00 | 29.00 |

3. Forecast of consolidated financial results for the year ending May 31, 2022 (from June 1, 2021 to May 31, 2022)

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, 2021 | 109,500 | – | 3,600 | (21.7) | 3,700 | (22.2) | 2,200 | (24.4) | 157.94 |
| Full year | 222,700 | – | 7,900 | (8.1) | 8,000 | (9.4) | 4,800 | (13.0) | 344.60 |

4. Notes

- (1) Changes in significant subsidiaries during the three months ended August 31, 2021
(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: Yes
- 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 August 31, 2021 | 14,474,200 shares | As of May 31, 2021 | 14,474,200 shares |
|-----------------------|-------------------|--------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-----------------------|----------------|--------------------|----------------|
| As of August 31, 2021 | 545,320 shares | As of May 31, 2021 | 545,320 shares |
|-----------------------|----------------|--------------------|----------------|

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

| | | | |
|------------------------------------|-------------------|------------------------------------|-------------------|
| Three months ended August 31, 2021 | 13,928,880 shares | Three months ended August 31, 2020 | 13,928,880 shares |
|------------------------------------|-------------------|------------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of May 31, 2021 | As of August 31, 2021 |
|--|--------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 7,857 | 6,763 |
| Notes and accounts receivable - trade | 126 | 97 |
| Merchandise and finished goods | 6,529 | 6,635 |
| Work in process | 92 | 97 |
| Raw materials and supplies | 304 | 348 |
| Other | 4,183 | 3,684 |
| Allowance for doubtful accounts | (203) | (203) |
| Total current assets | 18,889 | 17,422 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 26,688 | 26,012 |
| Land | 8,101 | 8,232 |
| Other, net | 8,895 | 9,144 |
| Total property, plant and equipment | 43,685 | 43,389 |
| Intangible assets | 322 | 310 |
| Investments and other assets | | |
| Construction assistance fund receivables | 1,677 | 1,634 |
| Guarantee deposits | 4,907 | 4,918 |
| Other | 6,209 | 5,993 |
| Allowance for doubtful accounts | (55) | (57) |
| Total investments and other assets | 12,738 | 12,490 |
| Total non-current assets | 56,746 | 56,190 |
| Total assets | 75,635 | 73,613 |

(Millions of yen)

As of May 31, 2021

As of August 31, 2021

| | As of May 31, 2021 | As of August 31, 2021 |
|---|--------------------|-----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 13,385 | 13,635 |
| Short-term borrowings | 3,904 | 4,938 |
| Income taxes payable | 2,520 | 598 |
| Provision for bonuses | 555 | 301 |
| Asset retirement obligations | 6 | 6 |
| Other | 7,611 | 5,775 |
| Total current liabilities | 27,983 | 25,254 |
| Non-current liabilities | | |
| Long-term borrowings | 1,070 | 823 |
| Retirement benefit liability | 40 | 43 |
| Asset retirement obligations | 2,909 | 2,919 |
| Other | 2,093 | 2,054 |
| Total non-current liabilities | 6,114 | 5,841 |
| Total liabilities | 34,097 | 31,096 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,661 | 1,661 |
| Capital surplus | 1,823 | 1,823 |
| Retained earnings | 38,695 | 39,627 |
| Treasury shares | (880) | (880) |
| Total shareholders' equity | 41,300 | 42,232 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 90 | 136 |
| Total accumulated other comprehensive income | 90 | 136 |
| Share acquisition rights | 46 | 46 |
| Non-controlling interests | 100 | 101 |
| Total net assets | 41,537 | 42,517 |
| Total liabilities and net assets | 75,635 | 73,613 |

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

Consolidated statements of income (cumulative)

(Millions of yen)

| | Three months ended August 31, 2020 | Three months ended August 31, 2021 |
|--|---------------------------------------|---------------------------------------|
| Net sales | 57,241 | 55,393 |
| Cost of sales | 43,423 | 42,129 |
| Gross profit | 13,817 | 13,264 |
| Selling, general and administrative expenses | 11,185 | 11,263 |
| Operating profit | 2,631 | 2,001 |
| Non-operating income | | |
| Interest income | 7 | 7 |
| Dividend income | 2 | 4 |
| Rental income | 21 | 21 |
| Insurance claim income | 32 | 37 |
| Reversal of allowance for doubtful accounts | 27 | – |
| Other | 25 | 18 |
| Total non-operating income | 116 | 88 |
| Non-operating expenses | | |
| Interest expenses | 6 | 7 |
| Rental expenses | 15 | 12 |
| Other | 0 | 1 |
| Total non-operating expenses | 21 | 20 |
| Ordinary profit | 2,726 | 2,069 |
| Profit before income taxes | 2,726 | 2,069 |
| Income taxes - current | 883 | 516 |
| Income taxes - deferred | 105 | 216 |
| Total income taxes | 989 | 732 |
| Profit | 1,737 | 1,336 |
| Profit attributable to non-controlling interests | 2 | 0 |
| Profit attributable to owners of parent | 1,734 | 1,335 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Three months ended August 31, 2020 | Three months ended August 31, 2021 |
|--|---------------------------------------|---------------------------------------|
| Profit | 1,737 | 1,336 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 20 | 46 |
| Total other comprehensive income | 20 | 46 |
| Comprehensive income | 1,757 | 1,382 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 1,754 | 1,382 |
| Comprehensive income attributable to non-controlling interests | 2 | 0 |