

Translation

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Summary of Consolidated Financial Results for the Six Months Ended November 30, 2021 (Based on Japanese GAAP)

January 12, 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 to file Quarterly Securities Report: January 13, 2022
 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, 2021 (from June 1, 2021 to November 30, 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	%
Six months ended November 30, 2021	109,176	–	3,752	(18.4)	3,937	(17.2)	2,497	(14.2)
Six months ended November 30, 2020	111,105	10.7	4,598	139.7	4,753	137.9	2,911	145.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended November 30, 2021	179.29		179.20	
Six months ended November 30, 2020	208.99		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2021	74,027	43,648	58.8
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	–	0.00			
Year ending May 31, 2022 (Forecast)			–	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
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 six months ended November 30, 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 November 30, 2021	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 November 30, 2021	545,354 shares	As of May 31, 2021	545,320 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended November 30, 2021	13,928,866 shares	Six months ended November 30, 2020	13,928,880 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2021	As of November 30, 2021
Assets		
Current assets		
Cash and deposits	7,857	6,991
Notes and accounts receivable - trade	126	111
Merchandise and finished goods	6,529	7,139
Work in process	92	100
Raw materials and supplies	304	362
Other	4,183	3,446
Allowance for doubtful accounts	(203)	(203)
Total current assets	18,889	17,949
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	26,688	25,364
Land	8,101	8,232
Other, net	8,895	9,491
Total property, plant and equipment	43,685	43,088
Intangible assets	322	350
Investments and other assets		
Construction assistance fund receivables	1,677	1,604
Guarantee deposits	4,907	4,938
Other	6,209	6,152
Allowance for doubtful accounts	(55)	(57)
Total investments and other assets	12,738	12,638
Total non-current assets	56,746	56,077
Total assets	75,635	74,027

(Millions of yen)

	As of May 31, 2021	As of November 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,385	13,140
Short-term borrowings	3,904	4,070
Income taxes payable	2,520	1,616
Provision for bonuses	555	590
Asset retirement obligations	6	6
Other	7,611	5,398
Total current liabilities	27,983	24,822
Non-current liabilities		
Long-term borrowings	1,070	579
Retirement benefit liability	40	41
Asset retirement obligations	2,909	2,927
Other	2,093	2,007
Total non-current liabilities	6,114	5,556
Total liabilities	34,097	30,378
Net assets		
Shareholders' equity		
Share capital	1,661	1,661
Capital surplus	1,823	1,823
Retained earnings	38,695	40,789
Treasury shares	(880)	(880)
Total shareholders' equity	41,300	43,393
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	90	103
Total accumulated other comprehensive income	90	103
Share acquisition rights	46	49
Non-controlling interests	100	102
Total net assets	41,537	43,648
Total liabilities and net assets	75,635	74,027

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, 2020	Six months ended November 30, 2021
Net sales	111,105	109,176
Cost of sales	84,172	82,848
Gross profit	26,932	26,328
Selling, general and administrative expenses	22,334	22,575
Operating profit	4,598	3,752
Non-operating income		
Interest income	16	13
Dividend income	2	4
Rental income	43	44
Insurance claim income	74	89
Reversal of allowance for doubtful accounts	27	–
Other	35	73
Total non-operating income	199	224
Non-operating expenses		
Interest expenses	13	13
Rental expenses	24	24
Other	5	1
Total non-operating expenses	43	39
Ordinary profit	4,753	3,937
Extraordinary income		
Subsidy income	35	–
Total extraordinary income	35	–
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	35	–
Total extraordinary losses	35	–
Profit before income taxes	4,753	3,937
Income taxes - current	2,034	1,446
Income taxes - deferred	(197)	(8)
Total income taxes	1,837	1,438
Profit	2,916	2,498
Profit attributable to non-controlling interests	5	1
Profit attributable to owners of parent	2,911	2,497

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended November 30, 2020	Six months ended November 30, 2021
Profit	2,916	2,498
Other comprehensive income		
Valuation difference on available-for-sale securities	10	13
Total other comprehensive income	10	13
Comprehensive income	2,926	2,512
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,921	2,510
Comprehensive income attributable to non-controlling interests	5	1

Consolidated statements of cash flows

(Millions of yen)

	Six months ended November 30, 2020	Six months ended November 30, 2021
Cash flows from operating activities		
Profit before income taxes	4,753	3,937
Depreciation	2,511	2,509
Increase (decrease) in provision for bonuses	515	35
Increase (decrease) in allowance for doubtful accounts	(27)	1
Interest and dividend income	(18)	(18)
Interest expenses	13	13
Subsidy income	(35)	–
Loss on tax purpose reduction entry of non-current assets	35	–
He amount of rent offset of construction assistance fund receivables	99	96
He amount of rent off set of construction assistance fund receivables deposited	(24)	(24)
Decrease (increase) in trade receivables	64	14
Decrease (increase) in inventories	(987)	(677)
Decrease (increase) in other current assets	1,473	726
Increase (decrease) in trade payables	(2,157)	(244)
Increase (decrease) in other current liabilities	(1,556)	(589)
Increase (decrease) in other non-current liabilities	7	14
Other, net	5	10
Subtotal	4,673	5,805
Interest and dividends received	5	5
Interest paid	(11)	(11)
Income taxes paid	(1,866)	(2,350)
Net cash provided by (used in) operating activities	2,801	3,449
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,963)	(3,413)
Purchase of intangible assets	(69)	(62)
Payments of guarantee deposits	(41)	(56)
Proceeds from refund of guarantee deposits	78	22
Payments of construction assistance fund receivables	–	(10)
Long-term loan advances	(2)	–
Proceeds from collection of long-term loans receivable	1	18
Other, net	1	6
Net cash provided by (used in) investing activities	(1,994)	(3,495)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,000	900
Repayments of long-term borrowings	(1,633)	(1,224)
Repayments of lease obligations	(57)	(90)
Purchase of treasury shares	–	(0)
Dividends paid	(375)	(403)
Net cash provided by (used in) financing activities	(1,066)	(818)
Net increase (decrease) in cash and cash equivalents	(259)	(865)
Cash and cash equivalents at beginning of period	7,446	7,857
Cash and cash equivalents at end of period	7,187	6,991