

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 |
|--------------------|-------------------|--------------------|-------------------|

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 |
|--------------------|----------------|--------------------|----------------|

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 |
|-------------------------|-------------------|-------------------------|-------------------|

**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

|  | As of May 31, 2021 | As of May 31, 2022 |
|--|--------------------|--------------------|
| <b>Assets</b>                            |                    |                    |
| 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 |
|---|--------------------|--------------------|
| <b>Liabilities</b>                                    |                    |                    |
| <b>Current liabilities</b>                            |                    |                    |
| 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              |
| <b>Total current liabilities</b>                      | <b>27,983</b>      | <b>26,273</b>      |
| <b>Non-current liabilities</b>                        |                    |                    |
| 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              |
| <b>Total non-current liabilities</b>                  | <b>6,114</b>       | <b>8,854</b>       |
| <b>Total liabilities</b>                              | <b>34,097</b>      | <b>35,128</b>      |
| <b>Net assets</b>                                     |                    |                    |
| <b>Shareholders' equity</b>                           |                    |                    |
| Share capital   | 1,661              | 1,661              |
| Capital surplus                                       | 1,823              | 1,823              |
| Retained earnings                                     | 38,695             | 43,909             |
| Treasury shares                                       | (880)              | (880)              |
| <b>Total shareholders' equity</b>                     | <b>41,300</b>      | <b>46,514</b>      |
| <b>Accumulated other comprehensive income</b>         |                    |                    |
| Valuation difference on available-for-sale securities | 90                 | 131                |
| <b>Total accumulated other comprehensive income</b>   | <b>90</b>          | <b>131</b>         |
| Share acquisition rights                              | 46                 | 52                 |
| Non-controlling interests                             | 100                | 104                |
| <b>Total net assets</b>                               | <b>41,537</b>      | <b>46,802</b>      |
| <b>Total liabilities and net assets</b>               | <b>75,635</b>      | <b>81,930</b>      |

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

(Millions of yen)

|   | Fiscal year ended<br>May 31, 2021 | Fiscal year ended<br>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<br>May 31, 2021 | Fiscal year ended<br>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<br>May 31, 2021 | Fiscal year ended<br>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<br>May 31, 2021 | Fiscal year ended<br>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                             |