

Translation

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Summary of Consolidated Financial Results for the Six Months Ended November 30, 2023 (Based on Japanese GAAP)

January 11, 2024

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 12, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended November 30, 2023 (from June 1, 2023 to November 30, 2023)

(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, 2023 | 131,787 | 12.9 | 3,955 | 268.3 | 4,052 | 204.1 | 2,488 | 222.7 |
| Six months ended November 30, 2022 | 116,776 | 7.0 | 1,073 | (71.4) | 1,332 | (66.2) | 771 | (69.1) |

| | Earnings per share | | Diluted earnings per share | |
|------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Six months ended November 30, 2023 | 178.68 | | 178.64 | |
| Six months ended November 30, 2022 | 55.36 | | – | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of November 30, 2023 | 97,649 | 51,599 | 52.7 |
| As of May 31, 2023 | 97,194 | 49,518 | 50.8 |

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, 2023 | – | 0.00 | – | 29.00 | 29.00 |
| Year ending May 31, 2024 | – | 0.00 | | | |
| Year ending May 31, 2024 (Forecast) | | | – | 29.00 | 29.00 |

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 |
| Full year | 264,187 | 9.1 | 7,355 | 63.5 | 7,452 | 53.8 | 4,588 | 47.2 | 329.39 |

4. Notes

- (1) Changes in significant subsidiaries during the six months ended November 30, 2023
(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, 2023 | 14,474,200 shares | As of May 31, 2023 | 14,474,200 shares |
|-------------------------|-------------------|--------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|----------------|--------------------|----------------|
| As of November 30, 2023 | 545,471 shares | As of May 31, 2023 | 545,471 shares |
|-------------------------|----------------|--------------------|----------------|

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

| | | | |
|------------------------------------|-------------------|------------------------------------|-------------------|
| Six months ended November 30, 2023 | 13,928,729 shares | Six months ended November 30, 2022 | 13,928,845 shares |
|------------------------------------|-------------------|------------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of May 31, 2023 | As of November 30, 2023 |
|--|--------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 8,630 | 9,742 |
| Notes and accounts receivable - trade | 151 | 128 |
| Merchandise and finished goods | 8,370 | 9,321 |
| Work in process | 146 | 153 |
| Raw materials and supplies | 593 | 599 |
| Other | 6,201 | 3,963 |
| Allowance for doubtful accounts | (203) | (203) |
| Total current assets | 23,890 | 23,705 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 40,209 | 40,365 |
| Land | 9,357 | 10,110 |
| Other, net | 10,325 | 10,085 |
| Total property, plant and equipment | 59,892 | 60,561 |
| Intangible assets | 344 | 309 |
| Investments and other assets | | |
| Construction assistance fund receivables | 1,376 | 1,380 |
| Guarantee deposits | 5,129 | 5,146 |
| Other | 6,620 | 6,605 |
| Allowance for doubtful accounts | (59) | (59) |
| Total investments and other assets | 13,067 | 13,072 |
| Total non-current assets | 73,304 | 73,943 |
| Total assets | 97,194 | 97,649 |

(Millions of yen)

| | As of May 31, 2023 | As of November 30, 2023 |
|---|--------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 16,749 | 16,365 |
| Short-term borrowings | 4,601 | 4,201 |
| Income taxes payable | 503 | 1,826 |
| Provision for bonuses | 581 | 638 |
| Other | 8,267 | 8,163 |
| Total current liabilities | 30,703 | 31,196 |
| Non-current liabilities | | |
| Long-term borrowings | 11,950 | 9,905 |
| Retirement benefit liability | 41 | 42 |
| Asset retirement obligations | 3,397 | 3,382 |
| Other | 1,583 | 1,522 |
| Total non-current liabilities | 16,972 | 14,853 |
| Total liabilities | 47,676 | 46,050 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,661 | 1,661 |
| Capital surplus | 1,823 | 1,823 |
| Retained earnings | 46,621 | 48,706 |
| Treasury shares | (881) | (881) |
| Total shareholders' equity | 49,225 | 51,310 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 131 | 125 |
| Total accumulated other comprehensive income | 131 | 125 |
| Share acquisition rights | 52 | 52 |
| Non-controlling interests | 108 | 110 |
| Total net assets | 49,518 | 51,599 |
| Total liabilities and net assets | 97,194 | 97,649 |

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, 2022 | Six months ended November 30, 2023 |
|--|---------------------------------------|---------------------------------------|
| Net sales | 116,776 | 131,787 |
| Cost of sales | 90,776 | 101,611 |
| Gross profit | 26,000 | 30,175 |
| Selling, general and administrative expenses | 24,926 | 26,220 |
| Operating profit | 1,073 | 3,955 |
| Non-operating income | | |
| Interest income | 13 | 13 |
| Dividend income | 4 | 4 |
| Rental income | 55 | 58 |
| Insurance claim income | 71 | 39 |
| Settlement income | 165 | – |
| Other | 41 | 56 |
| Total non-operating income | 351 | 171 |
| Non-operating expenses | | |
| Interest expenses | 13 | 15 |
| Rental expenses | 32 | 31 |
| Provision of allowance for doubtful accounts | 2 | (0) |
| Loss on disposal of non-current assets | – | 23 |
| Other | 43 | 4 |
| Total non-operating expenses | 92 | 75 |
| Ordinary profit | 1,332 | 4,052 |
| Profit before income taxes | 1,332 | 4,052 |
| Income taxes - current | 797 | 1,626 |
| Income taxes - deferred | (238) | (65) |
| Total income taxes | 559 | 1,561 |
| Profit | 773 | 2,491 |
| Profit attributable to non-controlling interests | 1 | 2 |
| Profit attributable to owners of parent | 771 | 2,488 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Six months ended November 30, 2022 | Six months ended November 30, 2023 |
|--|---------------------------------------|---------------------------------------|
| Profit | 773 | 2,491 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 54 | (5) |
| Total other comprehensive income | 54 | (5) |
| Comprehensive income | 827 | 2,485 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 825 | 2,482 |
| Comprehensive income attributable to non-controlling interests | 1 | 2 |

Consolidated statements of cash flows

(Millions of yen)

| | Six months ended November 30, 2022 | Six months ended November 30, 2023 |
|---|---------------------------------------|---------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,332 | 4,052 |
| Depreciation | 3,067 | 3,516 |
| Increase (decrease) in provision for bonuses | 20 | 57 |
| Increase (decrease) in allowance for doubtful accounts | 2 | 0 |
| Interest and dividend income | (17) | (18) |
| Interest expenses | 13 | 15 |
| Settlement income | (165) | – |
| He amount of rent offset of construction assistance fund receivables | 93 | 93 |
| He amount of rent off set of construction assistance fund receivables deposited | (24) | (24) |
| Decrease (increase) in trade receivables | (12) | 23 |
| Decrease (increase) in inventories | (1,179) | (964) |
| Decrease (increase) in other current assets | (1,245) | 2,238 |
| Increase (decrease) in trade payables | 449 | (383) |
| Increase (decrease) in other current liabilities | (101) | 609 |
| Increase (decrease) in other non-current liabilities | 0 | (29) |
| Other, net | 7 | 34 |
| Subtotal | 2,241 | 9,221 |
| Interest and dividends received | 5 | 5 |
| Interest paid | (12) | (13) |
| Income taxes paid | (1,615) | (334) |
| Net cash provided by (used in) operating activities | 619 | 8,878 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (10,586) | (4,733) |
| Proceeds from sale of property, plant and equipment | 0 | 1 |
| Purchase of intangible assets | (63) | (1) |
| Proceeds from sale of investment securities | 5 | – |
| Payments for asset retirement obligations | (12) | (25) |
| Payments of guarantee deposits | (208) | (105) |
| Proceeds from refund of guarantee deposits | 27 | 63 |
| Payments of construction assistance fund receivables | (26) | (85) |
| Proceeds from collection of long-term loans receivable | 7 | 0 |
| Proceeds from construction assistance deposits received | – | 25 |
| Other, net | (37) | (28) |
| Net cash provided by (used in) investing activities | (10,894) | (4,888) |
| Cash flows from financing activities | | |
| Increase (decrease) in short-term borrowings | 4,300 | (400) |
| Proceeds from long-term borrowings | 5,000 | – |
| Repayments of long-term borrowings | (1,353) | (2,044) |
| Repayments of lease liabilities | (47) | (36) |
| Purchase of treasury shares | (0) | – |
| Dividends paid | (396) | (396) |
| Net cash provided by (used in) financing activities | 7,501 | (2,877) |
| Net increase (decrease) in cash and cash equivalents | (2,773) | 1,111 |
| Cash and cash equivalents at beginning of period | 9,540 | 8,630 |
| Cash and cash equivalents at end of period | 6,767 | 9,742 |