

Translation

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Summary of Consolidated Financial Results for the Year Ended May 31, 2024 (Based on Japanese GAAP)

July 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 of ordinary general meeting of shareholders: August 22, 2024
 Scheduled date to file Securities Report: August 22, 2024
 Scheduled date to commence dividend payments: August 23, 2024
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended May 31, 2024 (from June 1, 2023 to May 31, 2024)

(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, 2024	270,077	11.5	9,352	107.9	9,543	97.0	6,306	102.4
Year ended May 31, 2023	242,243	8.1	4,497	(47.3)	4,844	(45.7)	3,116	(44.5)

	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, 2024	452.64	452.43	12.0	9.5	3.5
Year ended May 31, 2023	223.73	—	6.5	5.4	1.9

(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, 2024	104,352	55,496	53.0	3,969.51
As of May 31, 2023	97,194	49,518	50.8	3,543.59

(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, 2024	21,408	(13,030)	(4,985)	12,023
Year ended May 31, 2023	7,610	(17,889)	9,370	8,630

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, 2023	—	0.00	—	29.00	29.00	403	13.0	0.8
Year ended May 31, 2024	—	0.00	—	33.00	33.00	460	7.3	0.9
Year ending May 31, 2025 (Forecast)	—	0.00	—	33.00	33.00		7.2	

3. Forecast of consolidated financial results for the year ending May 31, 2025 (from June 1, 2024 to May 31, 2025)

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, 2024	140,600	6.7	4,500	13.8	4,700	16.0	2,800	12.5	200.79
Full year	292,400	8.3	10,500	12.3	10,700	12.1	6,400	1.5	458.95

4. Notes

(1) Changes in significant subsidiaries during the year ended May 31, 2024

(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, 2024	14,489,800 shares	As of May 31, 2023	14,474,200 shares
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Number of treasury shares at the end of the period

As of May 31, 2024	545,471 shares	As of May 31, 2023	545,471 shares
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Average number of shares during the period

Year ended May 31, 2024	13,933,529 shares	Year ended May 31, 2023	13,928,796 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2023	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	8,630	12,023
Accounts receivable - trade	151	145
Merchandise and finished goods	8,370	8,591
Work in process	146	136
Raw materials and supplies	593	601
Other	6,201	4,541
Allowance for doubtful accounts	(203)	(203)
Total current assets	23,890	25,835
Non-current assets		
Property, plant and equipment		
Buildings and structures	75,198	79,748
Accumulated depreciation	(34,988)	(38,527)
Buildings and structures, net	40,209	41,221
Machinery, equipment and vehicles	8,019	8,137
Accumulated depreciation	(3,501)	(4,505)
Machinery, equipment and vehicles, net	4,517	3,632
Tools, furniture and fixtures	15,723	17,600
Accumulated depreciation	(11,010)	(12,560)
Tools, furniture and fixtures, net	4,713	5,039
Land	9,357	11,204
Leased assets	408	272
Accumulated depreciation	(196)	(106)
Leased assets, net	212	165
Construction in progress	460	2,890
Other	756	580
Accumulated depreciation	(334)	(352)
Other, net	421	227
Total property, plant and equipment	59,892	64,381
Intangible assets	344	281
Investments and other assets		
Investment securities	473	448
Construction assistance fund receivables	1,376	1,426
Deferred tax assets	4,830	5,103
Guarantee deposits	5,129	5,401
Other	1,316	1,533
Allowance for doubtful accounts	(59)	(58)
Total investments and other assets	13,067	13,853
Total non-current assets	73,304	78,516
Total assets	97,194	104,352

(Millions of yen)

	As of May 31, 2023	As of May 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,749	17,978
Short-term borrowings	4,601	4,061
Lease liabilities	73	62
Income taxes payable	503	2,864
Provision for bonuses	581	633
Other	8,193	10,340
Total current liabilities	30,703	35,941
Non-current liabilities		
Long-term borrowings	11,950	7,895
Lease liabilities	90	27
Deferred tax liabilities	119	91
Retirement benefit liability	41	46
Asset retirement obligations	3,397	3,492
Other	1,373	1,360
Total non-current liabilities	16,972	12,914
Total liabilities	47,676	48,856
Net assets		
Shareholders' equity		
Share capital	1,661	1,716
Capital surplus	1,823	1,877
Retained earnings	46,621	52,524
Treasury shares	(881)	(881)
Total shareholders' equity	49,225	55,237
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	131	114
Total accumulated other comprehensive income	131	114
Share acquisition rights	52	30
Non-controlling interests	108	113
Total net assets	49,518	55,496
Total liabilities and net assets	97,194	104,352

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

(Millions of yen)

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Net sales	242,243	270,077
Cost of sales	187,755	207,770
Gross profit	54,488	62,307
Selling, general and administrative expenses		
Salaries allowances and bonuses	21,005	22,934
Provision for bonuses	540	582
Retirement benefit expenses	76	86
Utilities expenses	5,705	5,195
Rent expenses	6,989	7,221
Depreciation	4,762	5,520
Provision of allowance for doubtful accounts	(0)	0
Other	10,909	11,414
Total selling, general and administrative expenses	49,990	52,955
Operating profit	4,497	9,352
Non-operating income		
Interest income	27	27
Dividend income	4	4
Rental income	113	126
Insurance claim income	122	73
Subsidy income	25	71
Settlement income	165	–
Other	61	68
Total non-operating income	520	371
Non-operating expenses		
Interest expenses	28	31
Rental expenses	65	66
Loss on disposal of non-current assets	–	51
Loss on cancellation of rental contracts	23	–
Provision of allowance for doubtful accounts	2	0
Other	53	31
Total non-operating expenses	173	180
Ordinary profit	4,844	9,543
Extraordinary income		
Subsidy income	200	600
Total extraordinary income	200	600
Extraordinary losses		
Impairment losses	297	460
Total extraordinary losses	297	460
Profit before income taxes	4,746	9,683
Income taxes - current	2,069	3,664
Income taxes - deferred	(442)	(293)
Total income taxes	1,626	3,370
Profit	3,120	6,312
Profit attributable to non-controlling interests	3	5
Profit attributable to owners of parent	3,116	6,306

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Profit	3,120	6,312
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(17)
Total other comprehensive income	0	(17)
Comprehensive income	3,120	6,295
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,116	6,289
Comprehensive income attributable to non-controlling interests	3	5

Consolidated statements of changes in equity

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

Fiscal year ended May 31, 2024

(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	46,621	(881)	49,225
Changes during period					
Issuance of new shares	54	54			108
Dividends of surplus			(403)		(403)
Profit attributable to owners of parent			6,306		6,306
Net changes in items other than shareholders' equity					
Total changes during period	54	54	5,903	–	6,011
Balance at end of period	1,716	1,877	52,524	(881)	55,237

	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	108	49,518
Changes during period				
Issuance of new shares				108
Dividends of surplus				(403)
Profit attributable to owners of parent				6,306
Net changes in items other than shareholders' equity	(17)	(21)	5	(33)
Total changes during period	(17)	(21)	5	5,978
Balance at end of period	114	30	113	55,496

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Cash flows from operating activities		
Profit before income taxes	4,746	9,683
Depreciation	6,729	7,278
Increase (decrease) in provision for bonuses	13	52
Increase (decrease) in allowance for doubtful accounts	2	(1)
Impairment losses	297	460
Interest and dividend income	(31)	(31)
Interest expenses	28	31
Subsidy income	(200)	(600)
Settlement income	(165)	–
He amount of rent offset of construction assistance fund receivables	185	192
He amount of rent off set of construction assistance fund receivables deposited	(48)	(49)
Decrease (increase) in trade receivables	(28)	6
Decrease (increase) in inventories	(1,461)	(219)
Decrease (increase) in other current assets	(2,161)	1,795
Increase (decrease) in trade payables	2,226	1,228
Increase (decrease) in other current liabilities	407	2,973
Increase (decrease) in other non-current liabilities	17	2
Other, net	33	48
Subtotal	10,591	22,850
Interest and dividends received	6	6
Interest paid	(25)	(28)
Subsidies received	200	120
Settlement received	187	–
Income taxes paid	(3,350)	(1,541)
Net cash provided by (used in) operating activities	7,610	21,408
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,367)	(12,395)
Proceeds from sale of property, plant and equipment	9	2
Purchase of intangible assets	(87)	(33)
Proceeds from sale of investment securities	5	–
Payments for asset retirement obligations	(22)	(25)
Expense by payment of guarantee money paid	(425)	(369)
Proceeds from refund of guarantee deposits	83	70
Payments of construction assistance fund receivables	(26)	(258)
Proceeds from collection of long-term loans receivable	8	0
Proceeds From Construction Assistance Deposits Received	–	25
Other, net	(67)	(47)
Net cash provided by (used in) investing activities	(17,889)	(13,030)

(Millions of yen)

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(150)	(400)
Proceeds from long-term borrowings	13,000	–
Repayments of long-term borrowings	(2,979)	(4,195)
Repayments of lease liabilities	(96)	(73)
Proceeds from issuance of shares	–	87
Purchase of treasury shares	(0)	–
Dividends paid	(403)	(403)
Net cash provided by (used in) financing activities	9,370	(4,985)
Net increase (decrease) in cash and cash equivalents	(909)	3,392
Cash and cash equivalents at beginning of period	9,540	8,630
Cash and cash equivalents at end of period	8,630	12,023