

Translation

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

February 3, 2022

Company name: Kotobuki Spirits Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 2222 URL <https://www.kotobukispirits.co.jp/>
 Representative: PRESIDENT Seigo Kawagoe
 Inquiries: Managing Director, Corporate Planning Shinji Matsumoto TEL 0859-22-7477
 Scheduled date to file Quarterly Securities Report: February 14, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 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	%
Nine months ended December 31, 2021	22,921	40.6	860	–	2,216	–	1,477	–
Nine months ended December 31, 2020	16,306	(54.3)	(2,307)	–	(302)	–	(174)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	47.47		–	
Nine months ended December 31, 2020	(5.60)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	27,250	19,878	72.9	638.78
As of March 31, 2021	25,052	19,341	77.2	621.53

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	0.00	–	30.00	30.00
Year ending March 31, 2022	–	0.00	–		
Year ending March 31, 2022 (Forecast)				30.00	30.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 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	30,700	32.3	150	–	1,450	–	947	–	30.43

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 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: Yes
- (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 December 31, 2021	31,121,520 shares	As of March 31, 2021	31,121,520 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	2,208 shares	As of March 31, 2021	2,164 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2021	31,119,325 shares	Nine months ended December 31, 2020	31,119,548 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	7,309,405	7,558,377
Notes and accounts receivable - trade	2,889,677	5,571,745
Merchandise and finished goods	861,540	1,305,540
Work in process	61,368	53,961
Raw materials and supplies	580,020	627,352
Other	913,470	263,603
Allowance for doubtful accounts	(667)	(246)
Total current assets	12,614,813	15,380,332
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,268,125	4,063,513
Machinery, equipment and vehicles, net	2,410,815	2,124,059
Tools, furniture and fixtures, net	349,125	322,452
Land	2,887,139	2,860,362
Leased assets, net	10,587	8,755
Construction in progress	2,312	2,434
Total property, plant and equipment	9,928,103	9,381,575
Intangible assets	151,437	143,598
Investments and other assets		
Other	2,373,437	2,360,306
Allowance for doubtful accounts	(15,507)	(15,507)
Total investments and other assets	2,357,930	2,344,799
Total non-current assets	12,437,470	11,869,972
Total assets	25,052,283	27,250,304
Liabilities		
Current liabilities		
Notes and accounts payable - trade	838,006	1,463,373
Current portion of long-term borrowings	239,880	251,300
Accounts payable - other	668,485	1,180,366
Income taxes payable	99,040	674,221
Provision for bonuses	697,316	345,392
Provision for point card certificates	8,675	–
Other	525,578	914,592
Total current liabilities	3,076,980	4,829,244
Non-current liabilities		
Long-term borrowings	725,860	545,950
Retirement benefit liability	1,711,820	1,802,367
Other	195,874	194,414
Total non-current liabilities	2,633,554	2,542,731
Total liabilities	5,710,534	7,371,975

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	1,217,800	1,217,800
Capital surplus	1,323,161	1,323,161
Retained earnings	16,841,423	17,361,378
Treasury shares	(3,852)	(4,158)
Total shareholders' equity	19,378,532	19,898,181
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(20)	5,889
Foreign currency translation adjustment	(23,868)	(17,032)
Remeasurements of defined benefit plans	(12,895)	(8,709)
Total accumulated other comprehensive income	(36,783)	(19,852)
Total net assets	19,341,749	19,878,329
Total liabilities and net assets	25,052,283	27,250,304

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	16,306,411	22,921,465
Cost of sales	8,361,106	10,495,408
Gross profit	7,945,305	12,426,057
Selling, general and administrative expenses	10,252,568	11,565,576
Operating profit (loss)	(2,307,263)	860,481
Non-operating income		
Interest income	54	94
Dividend income	4,003	4,197
Rental income from land and buildings	33,975	39,983
Subsidy income	1,869,592	1,281,646
Other	106,021	39,512
Total non-operating income	2,013,645	1,365,432
Non-operating expenses		
Interest expenses	721	902
Other	8,362	8,209
Total non-operating expenses	9,083	9,111
Ordinary profit (loss)	(302,701)	2,216,802
Extraordinary income		
Gain on sale of non-current assets	7,782	383
Total extraordinary income	7,782	383
Extraordinary losses		
Loss on sale of non-current assets	5	2,795
Loss on retirement of non-current assets	9,848	4,200
Impairment losses	7,143	26,777
Total extraordinary losses	16,996	33,772
Profit (loss) before income taxes	(311,915)	2,183,413
Income taxes	(137,713)	706,056
Profit (loss)	(174,202)	1,477,357
Profit (loss) attributable to owners of parent	(174,202)	1,477,357

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit (loss)	(174,202)	1,477,357
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,218)	5,909
Foreign currency translation adjustment	(16,832)	6,836
Remeasurements of defined benefit plans, net of tax	4,845	4,186
Total other comprehensive income	(13,205)	16,931
Comprehensive income	(187,407)	1,494,288
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(187,407)	1,494,288