

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 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: August 12, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
Three months ended June 30, 2022	9,515	65.2	1,150	–	1,302	–	838	–
Three months ended June 30, 2021	5,758	112.0	(759)	–	(311)	–	(191)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	26.96		–	
Three months ended June 30, 2021	(6.16)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	27,466	20,274	73.8	651.52
As of March 31, 2022	27,470	20,356	74.1	654.15

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, 2022	–	0.00	–	30.00	30.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	0.00	–	30.00	30.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 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 September 30, 2022	19,180	60.4	1,850	–	1,870	–	1,220	–	39.20
Full year	42,000	30.5	5,160	267.8	5,200	78.0	3,400	77.5	109.26

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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: 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 June 30, 2022	31,121,520 shares	As of March 31, 2022	31,121,520 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	2,239 shares	As of March 31, 2022	2,208 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	31,119,289 shares	Three months ended June 30, 2021	31,119,345 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	9,912,584	10,038,005
Notes and accounts receivable - trade	3,767,856	3,193,100
Merchandise and finished goods	1,416,694	1,709,919
Work in process	37,905	69,425
Raw materials and supplies	540,832	598,374
Other	128,925	297,030
Allowance for doubtful accounts	(299)	(293)
Total current assets	15,804,497	15,905,560
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,006,807	3,954,068
Machinery, equipment and vehicles, net	2,031,524	1,968,982
Tools, furniture and fixtures, net	296,244	292,374
Land	2,855,362	2,855,157
Leased assets, net	8,144	7,533
Construction in progress	9,471	11,557
Total property, plant and equipment	9,207,552	9,089,671
Intangible assets	142,219	132,334
Investments and other assets		
Other	2,321,415	2,343,784
Allowance for doubtful accounts	(5,250)	(5,250)
Total investments and other assets	2,316,165	2,338,534
Total non-current assets	11,665,936	11,560,539
Total assets	27,470,433	27,466,099
Liabilities		
Current liabilities		
Notes and accounts payable - trade	922,666	1,022,822
Current portion of long-term borrowings	239,880	239,880
Accounts payable - other	952,012	806,661
Income taxes payable	908,371	449,001
Provision for bonuses	767,274	421,476
Other	830,216	1,797,586
Total current liabilities	4,620,419	4,737,429
Non-current liabilities		
Long-term borrowings	485,980	426,010
Retirement benefit liability	1,815,031	1,839,216
Other	192,302	188,599
Total non-current liabilities	2,493,313	2,453,825
Total liabilities	7,113,732	7,191,254

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Net assets		
Shareholders' equity		
Share capital	1,217,800	1,217,800
Capital surplus	1,323,161	1,323,161
Retained earnings	17,799,692	17,676,034
Treasury shares	(4,158)	(4,371)
Total shareholders' equity	20,336,495	20,212,624
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,980	7,347
Foreign currency translation adjustment	(6,118)	38,864
Remeasurements of defined benefit plans	20,344	16,010
Total accumulated other comprehensive income	20,206	62,221
Total net assets	20,356,701	20,274,845
Total liabilities and net assets	27,470,433	27,466,099

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	5,758,304	9,515,305
Cost of sales	2,928,587	3,982,980
Gross profit	2,829,717	5,532,325
Selling, general and administrative expenses	3,589,162	4,381,889
Operating profit (loss)	(759,445)	1,150,436
Non-operating income		
Interest income	41	38
Dividend income	2,363	3,437
Rental income from land and buildings	13,437	12,993
Subsidy income	423,063	119,257
Other	13,038	18,122
Total non-operating income	451,942	153,847
Non-operating expenses		
Interest expenses	302	152
Other	3,263	1,854
Total non-operating expenses	3,565	2,006
Ordinary profit (loss)	(311,068)	1,302,277
Extraordinary income		
Gain on sale of non-current assets	–	127
Total extraordinary income	–	127
Extraordinary losses		
Loss on retirement of non-current assets	461	2,354
Loss on sale of investment securities	–	400
Total extraordinary losses	461	2,754
Profit (loss) before income taxes	(311,529)	1,299,650
Income taxes	(119,817)	460,672
Profit (loss)	(191,712)	838,978
Profit (loss) attributable to owners of parent	(191,712)	838,978

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit (loss)	(191,712)	838,978
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,898)	1,367
Foreign currency translation adjustment	(177)	44,982
Remeasurements of defined benefit plans, net of tax	1,396	(4,334)
Total other comprehensive income	(1,679)	42,015
Comprehensive income	(193,391)	880,993
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(193,391)	880,993