

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 2, 2023

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 Shinji Matsumoto TEL 0859-22-7477
 Scheduled date to file Quarterly Securities Report: February 14, 2023
 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, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	35,370	54.3	6,856	696.8	7,176	223.7	4,711	218.9
Nine months ended December 31, 2021	22,921	40.6	860	–	2,216	–	1,477	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	151.39	–
Nine months ended December 31, 2021	47.47	–

(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, 2022	33,779	24,152	71.5	776.12
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	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	0.00	–	30.00	30.00
Year ending March 31, 2023	–	0.00	–		
Year ending March 31, 2023 (Forecast)				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
Full year	46,400	44.1	7,950	466.7	8,280	183.4	5,413	182.6	173.94

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2022	2,279 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)

Nine months ended December 31, 2022	31,119,268 shares	Nine months ended December 31, 2021	31,119,325 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	9,912,584	12,138,703
Notes and accounts receivable - trade	3,767,856	7,424,337
Merchandise and finished goods	1,416,694	1,810,278
Work in process	37,905	80,025
Raw materials and supplies	540,832	736,601
Other	128,925	339,839
Allowance for doubtful accounts	(299)	(460)
Total current assets	15,804,497	22,529,323
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,006,807	3,848,737
Machinery, equipment and vehicles, net	2,031,524	1,816,049
Tools, furniture and fixtures, net	296,244	287,225
Land	2,855,362	2,855,157
Leased assets, net	8,144	11,419
Construction in progress	9,471	4,162
Total property, plant and equipment	9,207,552	8,822,749
Intangible assets	142,219	120,891
Investments and other assets		
Other	2,321,415	2,312,070
Allowance for doubtful accounts	(5,250)	(5,250)
Total investments and other assets	2,316,165	2,306,820
Total non-current assets	11,665,936	11,250,460
Total assets	27,470,433	33,779,783
Liabilities		
Current liabilities		
Notes and accounts payable - trade	922,666	1,831,156
Current portion of long-term borrowings	239,880	240,180
Accounts payable - other	952,012	1,429,364
Income taxes payable	908,371	2,053,564
Provision for bonuses	767,274	478,456
Other	830,216	1,194,326
Total current liabilities	4,620,419	7,227,046
Non-current liabilities		
Long-term borrowings	485,980	317,190
Retirement benefit liability	1,815,031	1,891,940
Other	192,302	191,412
Total non-current liabilities	2,493,313	2,400,542
Total liabilities	7,113,732	9,627,588

(Thousands of yen)

	As of March 31, 2022	As of December 31, 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	21,548,202
Treasury shares	(4,158)	(4,685)
Total shareholders' equity	20,336,495	24,084,478
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,980	17,665
Foreign currency translation adjustment	(6,118)	29,139
Remeasurements of defined benefit plans	20,344	20,913
Total accumulated other comprehensive income	20,206	67,717
Total net assets	20,356,701	24,152,195
Total liabilities and net assets	27,470,433	33,779,783

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, 2021	Nine months ended December 31, 2022
Net sales	22,921,465	35,370,073
Cost of sales	10,495,408	14,228,254
Gross profit	12,426,057	21,141,819
Selling, general and administrative expenses	11,565,576	14,285,447
Operating profit	860,481	6,856,372
Non-operating income		
Interest income	94	116
Dividend income	4,197	5,915
Rental income from land and buildings	39,983	38,803
Subsidy income	1,281,646	246,656
Other	39,512	36,685
Total non-operating income	1,365,432	328,175
Non-operating expenses		
Interest expenses	902	390
Sales discounts	670	1,958
Other	7,539	5,535
Total non-operating expenses	9,111	7,883
Ordinary profit	2,216,802	7,176,664
Extraordinary income		
Gain on sale of non-current assets	383	247
Gain on liquidation of subsidiaries and associates	–	2,277
Total extraordinary income	383	2,524
Extraordinary losses		
Loss on sale of non-current assets	2,795	–
Loss on retirement of non-current assets	4,200	6,214
Loss on sale of investment securities	–	400
Impairment losses	26,777	–
Total extraordinary losses	33,772	6,614
Profit before income taxes	2,183,413	7,172,574
Income taxes	706,056	2,461,430
Profit	1,477,357	4,711,144
Profit attributable to owners of parent	1,477,357	4,711,144

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,477,357	4,711,144
Other comprehensive income		
Valuation difference on available-for-sale securities	5,909	11,685
Foreign currency translation adjustment	6,836	35,257
Remeasurements of defined benefit plans, net of tax	4,186	569
Total other comprehensive income	16,931	47,511
Comprehensive income	1,494,288	4,758,655
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,494,288	4,758,655