

Translation

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

August 1, 2023

Company name: Kotobuki Spirits Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 2222 URL <http://www.kotobukispirits.co.jp/>
 Representative: PRESIDENT Seigo Kawagoe
 Inquiries: Managing Director Shinji Matsumoto TEL 0859-22-7477
 Scheduled date to file Quarterly Securities Report: August 10, 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 three months ended June 30, 2023 (from April 1, 2023 to June 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	%
Three months ended June 30, 2023	13,853	45.6	3,058	165.9	3,083	136.8	2,068	146.6
Three months ended June 30, 2022	9,515	65.2	1,150	–	1,302	–	838	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	66.49		–	
Three months ended June 30, 2022	26.96		–	

(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, 2023	35,601	26,423	74.2	849.11
As of March 31, 2023	36,953	26,517	71.8	852.13

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, 2023	–	0.00	–	70.00	70.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	0.00	–	14.00	14.00

The Company will perform a stock split of 5 shares per common share on the effective date of October 1, 2023. The dividend per share forecast is calculated based on the number of issued shares after the split. The dividend forecast amount will be 70 yen per share when converted through retroactive adjustment before the split.

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 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
Six months ending September 30, 2023	24,300	20.9	4,100	44.9	4,125	35.0	2,765	38.6	17.77
Full year	55,870	11.4	11,670	17.3	11,720	13.8	7,850	11.9	50.45

The Company will perform a stock split of 5 shares per common share on the effective date of October 1, 2023.

Earnings per share is calculated based on the number of issued shares after the split. Earnings per share forecast for the fiscal year ending March 31, 2024 on a pre-stock split converted basis is 252.26 yen,

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 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: 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, 2023	31,121,520 shares	As of March 31, 2023	31,121,520 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	2,350 shares	As of March 31, 2023	2,350 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, 2023	31,119,170 shares	Three months ended June 30, 2022	31,119,289 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	17,162,263	16,047,339
Notes and accounts receivable - trade	6,074,313	4,853,701
Merchandise and finished goods	1,583,653	2,334,014
Work in process	61,458	84,732
Raw materials and supplies	648,392	697,157
Other	210,983	261,128
Allowance for doubtful accounts	(294)	(496)
Total current assets	25,740,768	24,277,575
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,811,177	3,883,378
Machinery, equipment and vehicles, net	1,738,068	1,774,860
Tools, furniture and fixtures, net	292,314	299,055
Land	2,855,157	2,855,157
Leased assets, net	10,539	9,659
Construction in progress	43,147	29,028
Total property, plant and equipment	8,750,402	8,851,137
Intangible assets	100,803	100,375
Investments and other assets		
Other	2,366,943	2,377,864
Allowance for doubtful accounts	(5,772)	(5,772)
Total investments and other assets	2,361,171	2,372,092
Total non-current assets	11,212,376	11,323,604
Total assets	36,953,144	35,601,179
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,562,871	1,776,603
Current portion of long-term borrowings	140,150	97,310
Accounts payable - other	1,177,247	1,157,355
Income taxes payable	2,755,368	1,029,333
Provision for bonuses	932,111	524,176
Other	1,527,725	2,226,020
Total current liabilities	8,095,472	6,810,797
Non-current liabilities		
Long-term borrowings	300,000	300,000
Retirement benefit liability	1,849,604	1,877,266
Other	190,530	189,650
Total non-current liabilities	2,340,134	2,366,916
Total liabilities	10,435,606	9,177,713

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	1,217,800	1,217,800
Capital surplus	1,323,161	1,323,161
Retained earnings	23,855,214	23,745,857
Treasury shares	(5,312)	(5,312)
Total shareholders' equity	26,390,863	26,281,506
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,926	19,984
Foreign currency translation adjustment	31,148	45,033
Remeasurements of defined benefit plans	80,601	76,943
Total accumulated other comprehensive income	126,675	141,960
Total net assets	26,517,538	26,423,466
Total liabilities and net assets	36,953,144	35,601,179

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, 2022	Three months ended June 30, 2023
Net sales	9,515,305	13,853,381
Cost of sales	3,982,980	5,417,862
Gross profit	5,532,325	8,435,519
Selling, general and administrative expenses	4,381,889	5,376,814
Operating profit	1,150,436	3,058,705
Non-operating income		
Interest income	38	63
Dividend income	3,437	3,039
Rental income from land and buildings	12,993	12,322
Other	137,379	12,298
Total non-operating income	153,847	27,722
Non-operating expenses		
Interest expenses	152	64
Other	1,854	2,649
Total non-operating expenses	2,006	2,713
Ordinary profit	1,302,277	3,083,714
Extraordinary income		
Gain on sale of non-current assets	127	–
Total extraordinary income	127	–
Extraordinary losses		
Loss on retirement of non-current assets	2,354	1,335
Loss on sale of investment securities	400	–
Total extraordinary losses	2,754	1,335
Profit before income taxes	1,299,650	3,082,379
Income taxes	460,672	1,013,394
Profit	838,978	2,068,985
Profit attributable to owners of parent	838,978	2,068,985

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	838,978	2,068,985
Other comprehensive income		
Valuation difference on available-for-sale securities	1,367	5,058
Foreign currency translation adjustment	44,982	13,885
Remeasurements of defined benefit plans, net of tax	(4,334)	(3,658)
Total other comprehensive income	42,015	15,285
Comprehensive income	880,993	2,084,270
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	880,993	2,084,270