

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 1, 2024

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: February 14, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	47,036	33.0	11,734	71.1	11,798	64.4	7,899	67.7
Nine months ended December 31, 2022	35,370	54.3	6,856	696.8	7,176	223.7	4,711	218.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	50.77		–	
Nine months ended December 31, 2022	30.28		–	

(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, 2023	42,746	32,265	75.5	207.37
As of March 31, 2023	36,953	26,517	71.8	170.43

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	–	0.00	–		
Year ending March 31, 2024 (Forecast)				25.00	–

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
Full year	60,461	20.5	14,192	42.6	14,263	38.5	9,560	36.2	61.44

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2023	155,607,600 shares	As of March 31, 2023	155,607,600 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	12,070 shares	As of March 31, 2023	11,750 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, 2023	155,595,698 shares	Nine months ended December 31, 2022	155,596,340 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	17,162,263	18,027,966
Notes and accounts receivable - trade	6,074,313	8,453,378
Merchandise and finished goods	1,583,653	2,532,711
Work in process	61,458	111,068
Raw materials and supplies	648,392	902,377
Other	210,983	800,958
Allowance for doubtful accounts	(294)	(541)
Total current assets	25,740,768	30,827,917
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,811,177	4,021,788
Machinery, equipment and vehicles, net	1,738,068	1,902,294
Tools, furniture and fixtures, net	292,314	353,773
Land	2,855,157	2,855,157
Leased assets, net	10,539	7,900
Construction in progress	43,147	274,232
Total property, plant and equipment	8,750,402	9,415,144
Intangible assets	100,803	89,183
Investments and other assets		
Other	2,366,943	2,420,485
Allowance for doubtful accounts	(5,772)	(5,772)
Total investments and other assets	2,361,171	2,414,713
Total non-current assets	11,212,376	11,919,040
Total assets	36,953,144	42,746,957
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,562,871	2,088,062
Current portion of long-term borrowings	140,150	17,190
Accounts payable - other	1,177,247	1,728,756
Income taxes payable	2,755,368	2,367,272
Provision for bonuses	932,111	575,571
Other	1,527,725	1,276,971
Total current liabilities	8,095,472	8,053,822
Non-current liabilities		
Long-term borrowings	300,000	300,000
Retirement benefit liability	1,849,604	1,940,010
Other	190,530	187,921
Total non-current liabilities	2,340,134	2,427,931
Total liabilities	10,435,606	10,481,753

(Thousands of yen)

	As of March 31, 2023	As of December 31, 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	29,576,784
Treasury shares	(5,312)	(6,050)
Total shareholders' equity	26,390,863	32,111,695
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,926	37,222
Foreign currency translation adjustment	31,148	46,661
Remeasurements of defined benefit plans	80,601	69,626
Total accumulated other comprehensive income	126,675	153,509
Total net assets	26,517,538	32,265,204
Total liabilities and net assets	36,953,144	42,746,957

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, 2022	Nine months ended December 31, 2023
Net sales	35,370,073	47,036,204
Cost of sales	14,228,254	17,907,035
Gross profit	21,141,819	29,129,169
Selling, general and administrative expenses	14,285,447	17,394,884
Operating profit	6,856,372	11,734,285
Non-operating income		
Interest income	116	185
Dividend income	5,915	5,677
Rental income from land and buildings	38,803	39,771
Other	283,341	27,112
Total non-operating income	328,175	72,745
Non-operating expenses		
Interest expenses	390	131
Other	7,493	8,102
Total non-operating expenses	7,883	8,233
Ordinary profit	7,176,664	11,798,797
Extraordinary income		
Gain on sale of non-current assets	247	481
Gain on liquidation of subsidiaries and associates	2,277	–
Total extraordinary income	2,524	481
Extraordinary losses		
Loss on retirement of non-current assets	6,214	4,227
Loss on sale of investment securities	400	–
Total extraordinary losses	6,614	4,227
Profit before income taxes	7,172,574	11,795,051
Income taxes	2,461,430	3,895,139
Profit	4,711,144	7,899,912
Profit attributable to owners of parent	4,711,144	7,899,912

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	4,711,144	7,899,912
Other comprehensive income		
Valuation difference on available-for-sale securities	11,685	22,296
Foreign currency translation adjustment	35,257	15,513
Remeasurements of defined benefit plans, net of tax	569	(10,975)
Total other comprehensive income	47,511	26,834
Comprehensive income	4,758,655	7,926,746
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,758,655	7,926,746