

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 5, 2024

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 Semi-annual Securities Report: November 14, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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	%
Six months ended September 30, 2024	32,906	13.9	7,476	12.9	7,520	12.8	4,990	12.1
Six months ended September 30, 2023	28,891	43.7	6,622	134.0	6,668	118.3	4,453	123.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	32.07		–	
Six months ended September 30, 2023	28.62		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	46,368	35,915	77.4
As of March 31, 2024	46,510	35,223	75.7

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, 2024	–	0.00	–	28.00	–
Year ending March 31, 2025	–	0.00			
Year ending March 31, 2025 (Forecast)			–	28.00	28.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	70,000	9.3	17,530	11.1	17,600	10.9	11,800	8.9	75.81

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: Yes

(2) Application of special accounting methods for preparing semi-annual 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 September 30, 2024	155,658,402 shares	As of March 31, 2024	155,607,600 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	14,497 shares	As of March 31, 2024	12,070 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	155,616,933 shares	Six months ended September 30, 2023	12,070 shares
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Semi-annual consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	23,689	22,941
Notes and accounts receivable - trade	7,015	5,910
Merchandise and finished goods	2,403	2,937
Work in process	101	122
Raw materials and supplies	797	985
Other	400	254
Allowance for doubtful accounts	(0)	(0)
Total current assets	34,408	33,152
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,886	4,229
Machinery, equipment and vehicles, net	2,020	2,352
Tools, furniture and fixtures, net	379	390
Land	2,800	3,026
Leased assets, net	7	10
Construction in progress	370	483
Total property, plant and equipment	9,465	10,492
Intangible assets	82	112
Investments and other assets		
Other	2,564	2,620
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	2,554	2,611
Total non-current assets	12,102	13,216
Total assets	46,510	46,368
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,704	1,930
Accounts payable - other	1,660	1,160
Income taxes payable	3,022	2,540
Provision for bonuses	1,137	1,328
Other	1,299	990
Total current liabilities	8,824	7,951
Non-current liabilities		
Long-term borrowings	300	300
Retirement benefit liability	1,950	1,974
Other	211	228
Total non-current liabilities	2,462	2,502
Total liabilities	11,287	10,453

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	1,217	1,263
Capital surplus	1,323	1,368
Retained earnings	32,508	33,141
Treasury shares	(6)	(6)
Total shareholders' equity	35,042	35,767
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55	52
Foreign currency translation adjustment	49	27
Remeasurements of defined benefit plans	75	65
Total accumulated other comprehensive income	180	144
Non-controlling interests	—	3
Total net assets	35,223	35,915
Total liabilities and net assets	46,510	46,368

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	28,891	32,906
Cost of sales	11,159	12,529
Gross profit	17,732	20,376
Selling, general and administrative expenses	11,109	12,899
Operating profit	6,622	7,476
Non-operating income		
Interest income	0	0
Dividend income	3	3
Rental income from land and buildings	25	24
Other	21	22
Total non-operating income	50	51
Non-operating expenses		
Interest expenses	0	–
Other	5	7
Total non-operating expenses	5	7
Ordinary profit	6,668	7,520
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	–	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	2	6
Total extraordinary losses	2	6
Profit before income taxes	6,665	7,514
Income taxes	2,212	2,524
Profit	4,453	4,990
Profit attributable to owners of parent	4,453	4,990

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	4,453	4,990
Other comprehensive income		
Valuation difference on available-for-sale securities	21	(3)
Foreign currency translation adjustment	18	(22)
Remeasurements of defined benefit plans, net of tax	(7)	(10)
Total other comprehensive income	32	(35)
Comprehensive income	4,485	4,954
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,485	4,954

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	6,665	7,514
Depreciation	539	625
Increase (decrease) in allowance for doubtful accounts	0	0
Share-based payment expenses	—	25
Increase (decrease) in provision for bonuses	131	190
Increase (decrease) in retirement benefit liability	36	7
Interest and dividend income	(3)	(4)
Interest expenses	0	—
Loss (gain) on sale of investment securities	—	(0)
Loss (gain) on sale of non-current assets	(0)	(0)
Loss on retirement of non-current assets	2	6
Subsidy income	(4)	—
Decrease (increase) in trade receivables	785	1,101
Decrease (increase) in inventories	(1,341)	(744)
Increase (decrease) in trade payables	82	226
Other, net	(1,165)	(930)
Subtotal	5,728	8,019
Interest and dividends received	3	4
Interest paid	(0)	—
Subsidies received	4	—
Income taxes refund (paid)	(2,668)	(2,771)
Net cash provided by (used in) operating activities	3,067	5,252
Cash flows from investing activities		
Payments into time deposits	—	(1,000)
Proceeds from withdrawal of time deposits	—	1,000
Proceeds from sale of investment securities	—	0
Purchase of property, plant and equipment	(666)	(1,482)
Proceeds from sale of property, plant and equipment	2	0
Purchase of intangible assets	(16)	(49)
Payments of leasehold and guarantee deposits	(30)	(35)
Proceeds from refund of leasehold and guarantee deposits	23	5
Other, net	(49)	(78)
Net cash provided by (used in) investing activities	(736)	(1,639)
Cash flows from financing activities		
Repayments of long-term borrowings	(79)	—
Repayments of finance lease liabilities	(1)	(2)
Purchase of treasury shares	(0)	(0)
Dividends paid	(2,178)	(4,356)
Net cash provided by (used in) financing activities	(2,260)	(4,358)
Effect of exchange rate change on cash and cash equivalents	9	(2)
Net increase (decrease) in cash and cash equivalents	79	(747)
Cash and cash equivalents at beginning of period	16,162	22,689
Cash and cash equivalents at end of period	16,241	21,941