

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

July 30, 2020

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 11, 2020
 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, 2020 (from April 1, 2020 to June 30, 2020)

(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, 2020	2,715	(74.4)	(2,409)	–	(1,755)	–	(1,163)	–
Three months ended June 30, 2019	10,626	23.5	1,554	87.4	1,567	87.7	1,022	100.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	(37.38)	–
Three months ended June 30, 2019	32.86	–

(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, 2020	22,974	18,744	81.6	602.34
As of March 31, 2020	26,814	21,164	78.9	680.11

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, 2020	–	0.00	–	40.00	40.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
 (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, 2020	31,121,520 shares	As of March 31, 2020	31,121,520 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	1,939 shares	As of March 31, 2020	1,905 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, 2020	31,119,607 shares	Three months ended June 30, 2019	31,119,657 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	8,291,162	5,329,672
Notes and accounts receivable - trade	2,761,061	1,208,110
Merchandise and finished goods	1,439,981	918,284
Work in process	40,902	56,619
Raw materials and supplies	597,887	615,843
Other	313,941	1,027,006
Allowance for doubtful accounts	(745)	(599)
Total current assets	13,444,189	9,154,935
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,653,471	4,603,489
Machinery, equipment and vehicles, net	2,805,610	2,748,526
Tools, furniture and fixtures, net	432,168	414,377
Land	2,887,139	2,887,139
Leased assets, net	735	294
Construction in progress	14,899	8,473
Total property, plant and equipment	10,794,022	10,662,298
Intangible assets	154,243	165,891
Investments and other assets		
Other	2,432,994	3,003,081
Allowance for doubtful accounts	(11,235)	(11,235)
Total investments and other assets	2,421,759	2,991,846
Total non-current assets	13,370,024	13,820,035
Total assets	26,814,213	22,974,970
Liabilities		
Current liabilities		
Notes and accounts payable - trade	635,316	296,681
Current portion of long-term borrowings	180,017	119,918
Accounts payable - other	866,114	532,604
Income taxes payable	900,009	4,452
Provision for bonuses	606,358	196,122
Provision for point card certificates	8,052	11,730
Other	650,382	1,242,117
Total current liabilities	3,846,248	2,403,624
Non-current liabilities		
Retirement benefit liability	1,616,529	1,637,012
Other	186,635	189,734
Total non-current liabilities	1,803,164	1,826,746
Total liabilities	5,649,412	4,230,370

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Net assets		
Shareholders' equity		
Share capital	1,217,800	1,217,800
Capital surplus	1,323,161	1,323,161
Retained earnings	18,655,835	16,247,733
Treasury shares	(2,376)	(2,544)
Total shareholders' equity	21,194,420	18,786,150
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(3,221)	(1,212)
Foreign currency translation adjustment	(15,157)	(30,712)
Remeasurements of defined benefit plans	(11,241)	(9,626)
Total accumulated other comprehensive income	(29,619)	(41,550)
Total net assets	21,164,801	18,744,600
Total liabilities and net assets	26,814,213	22,974,970

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, 2019	Three months ended June 30, 2020
Net sales	10,626,625	2,715,673
Cost of sales	4,307,019	2,104,615
Gross profit	6,319,606	611,058
Selling, general and administrative expenses	4,764,666	3,020,489
Operating profit (loss)	1,554,940	(2,409,431)
Non-operating income		
Interest income	18	25
Dividend income	3,463	2,598
Rental income from land and buildings	5,156	7,392
Subsidy income	–	623,840
Other	9,883	22,979
Total non-operating income	18,520	656,834
Non-operating expenses		
Interest expenses	495	556
Other	5,515	2,217
Total non-operating expenses	6,010	2,773
Ordinary profit (loss)	1,567,450	(1,755,370)
Extraordinary income		
Gain on sales of non-current assets	15	7,277
Total extraordinary income	15	7,277
Extraordinary losses		
Loss on sales of non-current assets	–	5
Loss on retirement of non-current assets	1,063	1,300
Total extraordinary losses	1,063	1,305
Profit (loss) before income taxes	1,566,402	(1,749,398)
Income taxes	543,772	(586,081)
Profit (loss)	1,022,630	(1,163,317)
Profit (loss) attributable to owners of parent	1,022,630	(1,163,317)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit (loss)	1,022,630	(1,163,317)
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,394)	2,009
Foreign currency translation adjustment	(9,246)	(15,555)
Remeasurements of defined benefit plans, net of tax	1,699	1,615
Total other comprehensive income	(15,941)	(11,931)
Comprehensive income	1,006,689	(1,175,248)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,006,689	(1,175,248)