

November 4, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: Shou Spirits Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 2222
 URL: <https://www.kotobukispirits.co.jp/>
 Representative: Please refer to the website.
 Inquiries: Please refer to the website.
 Telephone: +81-859-22-7477
 Scheduled date to file semi-annual securities report:
 Scheduled date to commence dividend payments:
 Preparation of supplementary material on financial results:
 Holding of financial results briefing:

November 14, 2025

-

Yes

Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results

(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, 2025	35,787	8.8	7,441	(0.5)	7,517	(0.0)	5,016	0.5
September 30, 2024	32,906	13.9	7,476	12.9	7,520	12.8	4,990	12.1

Note: Comprehensive income For the six months ended September 30, 2025: ¥5,014 million [1.2%]
 For the six months ended September 30, 2024: ¥4,954 million [10.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	32.49	-
September 30, 2024	32.07	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2025	50,985	40,305	79.0	260.97
March 31, 2025	51,980	40,085	77.1	259.67

Reference: Equity
 As of September 30, 2025: ¥40,302 million
 As of March 31, 2025: ¥40,082 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	32.00	32.00
Fiscal year ending March 31, 2026	-	0.00			
Fiscal year ending March 31, 2026 (Forecast)				35.00	35.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	79,670	10.1	19,650	11.6	19,720	11.5	13,400	10.5	86.81

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	155,658,402 shares
As of March 31, 2025	155,658,402 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	1,225,366 shares
As of March 31, 2025	1,295,797 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	154,392,790 shares
Six months ended September 30, 2024	155,616,933 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual results may differ due to a variety of factors. For the conditions on which earnings forecasts are predicated and precautions for using earnings forecasts, please refer to "1. Summary of Operating Results, etc. (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

(How to obtain supplementary explanatory materials for financial results)

Supplementary financial results materials will be disclosed on TDnet on the same day and posted on the Company's website.

Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	26,081	24,758
Notes and accounts receivable - trade	7,400	6,389
Merchandise and finished goods	2,882	3,364
Work in process	155	241
Raw materials and supplies	913	983
Other	216	304
Allowance for doubtful accounts	(0)	(0)
Total current assets	37,649	36,041
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,980	5,142
Machinery, equipment and vehicles, net	2,934	3,297
Tools, furniture and fixtures, net	425	462
Land	3,026	3,067
Leased assets, net	11	17
Construction in progress	141	95
Total property, plant and equipment	11,520	12,083
Intangible assets	108	128
Investments and other assets		
Other	2,707	2,736
Allowance for doubtful accounts	(5)	(5)
Total investments and other assets	2,702	2,730
Total non-current assets	14,331	14,943
Total assets	51,980	50,985

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,169	2,069
Current portion of long-term borrowings	300	-
Accounts payable - other	1,575	1,465
Income taxes payable	3,327	2,524
Provision for bonuses	1,222	1,351
Other	1,141	1,074
Total current liabilities	9,735	8,485
Non-current liabilities		
Retirement benefit liability	1,916	1,946
Other	242	247
Total non-current liabilities	2,158	2,193
Total liabilities	11,894	10,679
Net assets		
Shareholders' equity		
Share capital	1,263	1,263
Capital surplus	1,368	1,350
Retained earnings	40,274	40,350
Treasury shares	(3,006)	(2,842)
Total shareholders' equity	39,900	40,122
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	54	63
Foreign currency translation adjustment	25	30
Remeasurements of defined benefit plans	101	87
Total accumulated other comprehensive income	182	180
Non-controlling interests	2	2
Total net assets	40,085	40,305
Total liabilities and net assets	51,980	50,985

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	32,906	35,787
Cost of sales	12,529	14,261
Gross profit	20,376	21,526
Selling, general and administrative expenses	12,899	14,085
Operating profit	7,476	7,441
Non-operating income		
Interest income	0	12
Dividend income	3	3
Rental income from land and buildings	24	24
Insurance claim income	8	24
Other	13	13
Total non-operating income	51	79
Non-operating expenses		
Depreciation	1	1
Other	6	1
Total non-operating expenses	7	3
Ordinary profit	7,520	7,517
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	6	6
Total extraordinary losses	6	6
Profit before income taxes	7,514	7,511
Income taxes	2,524	2,495
Profit	4,990	5,016
Loss attributable to non-controlling interests	-	(0)
Profit attributable to owners of parent	4,990	5,016

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	4,990	5,016
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	8
Foreign currency translation adjustment	(22)	4
Remeasurements of defined benefit plans, net of tax	(10)	(14)
Total other comprehensive income	(35)	(1)
Comprehensive income	4,954	5,014
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,954	5,014
Comprehensive income attributable to non-controlling interests	-	(0)

Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	7,514	7,511
Depreciation	625	778
Increase (decrease) in allowance for doubtful accounts	0	0
Share-based payment expenses	25	58
Increase (decrease) in provision for bonuses	190	128
Increase (decrease) in retirement benefit liability	7	7
Interest and dividend income	(4)	(16)
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	6	6
Insurance claim income	(8)	(24)
Decrease (increase) in trade receivables	1,101	1,014
Decrease (increase) in inventories	(744)	(636)
Increase (decrease) in trade payables	226	(100)
Other, net	(930)	(235)
Subtotal	8,010	8,489
Interest and dividends received	4	12
Income taxes refund (paid)	(2,771)	(3,262)
Proceeds from insurance income	8	24
Net cash provided by (used in) operating activities	5,252	5,263
Cash flows from investing activities		
Payments into time deposits	(1,000)	(3,000)
Proceeds from withdrawal of time deposits	1,000	1,000
Proceeds from sale of investment securities	0	-
Purchase of property, plant and equipment	(1,482)	(1,240)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(49)	(37)
Payments of leasehold and guarantee deposits	(35)	(23)
Proceeds from refund of leasehold and guarantee deposits	5	20
Other, net	(78)	(73)
Net cash provided by (used in) investing activities	(1,639)	(3,353)
Cash flows from financing activities		
Repayments of long-term borrowings	-	(300)
Repayments of finance lease liabilities	(2)	(2)
Purchase of treasury shares	(0)	-
Dividends paid	(4,356)	(4,939)
Net cash provided by (used in) financing activities	(4,358)	(5,242)
Effect of exchange rate change on cash and cash equivalents	(2)	8
Net increase (decrease) in cash and cash equivalents	(747)	(3,322)
Cash and cash equivalents at beginning of period	22,689	25,081
Cash and cash equivalents at end of period	21,941	21,758

(Notes on segment information, etc.)

Segment Information

I. Previous interim consolidated accounting period (April 1, 2024 to September 30, 2024)

1. Information on sales and the amount of profit or loss for each reported segment

(Millions of yen)

	Reportable segments				
	Sucrey Group	KCC	Kotobukiseika Group	sales subsidiary	Total
Sales					
Revenues from external customers	15,000	9,134	4,959	3,503	32,597
Transactions with other segments	527	221	2,315	65	3,130
Total	15,528	9,355	7,275	3,568	35,727
Segment Profit	2,846	1,991	1,574	446	6,859

	Other (Note) 1	Total	Adjustment amount (Note) 2	Interim Consolidated Statements of Income (Note)3
Sales				
Revenues from external customers	308	32,906	-	32,906
Transactions with other segments	0	3,130	(3,130)	-
Total	308	36,036	(3,130)	32,906
Segment Profit	17	6,876	599	7,476

Note: 1. The "Other" category is a business segment that is not included in the reporting segments, and includes the non-life insurance agency business, the health food business, and the confectionery business overseas (Taiwan). In addition, during the interim consolidated accounting period under review, the Company's consolidated subsidiary, Jusei Confectionery Co., Ltd., established KM Co., Ltd. on July 25, 2024 as a joint venture with Miyakojima Snow Salt Co., Ltd. (formerly Paradise Plan Co., Ltd.), so it is included in the scope of consolidation. The consolidated subsidiaries are included in the category of "Shou Seika Group," but they have no impact on the interim consolidated financial statements for the interim consolidated accounting period.

2. The 599 million yen adjustment in segment profit consists of 1,090 million yen in the elimination of internal transactions between the Company and segments, 15 million yen in the elimination of inter-segment transactions, (20) million yen in inventory adjustments, and (485) million yen in company-wide expenses that have not been allocated to each reporting segment. Company-wide expenses are mainly related to group management at the submitting company.

3. Segment profit is adjusted to operating income in the interim consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment
Not applicable.

II. The Interim Consolidated Accounting Period (April 1, 2025 to September 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment

(Millions of yen)

	Reportable segments				
	Sucrey Group	KCC	Kotobukiseika Group	Sales subsidiary	Total
Sales					
Revenues from external customers	16,010	10,122	5,663	3,681	35,477
Transactions with other segments	553	150	2,478	59	3,241
Total	16,563	10,272	8,141	3,741	38,719
Segment Profit	2,641	1,830	1,789	474	6,736

	Other (Note) 1	Total	Adjustment amount (Note) 2	Interim Consolidated Statements of Income (Note)3
Sales				
Revenues from external customers	310	35,787	-	35,787
Transactions with other segments	0	3,242	(3,242)	-
Total	310	39,030	(3,242)	35,787
Segment Profit	5	6,742	698	7,441

Note: 1. The "Other" category is a business segment that is not included in the reporting segments, and includes the non-life insurance agency business, the health food business, and the confectionery business overseas (Taiwan).

2. Segment profit adjustments of ¥698 million comprise the elimination of internal transactions between the Company and segments of 1,148 million yen, the elimination of inter-segment transactions of ¥15 million, the adjustment of inventories of ¥36 million, and the Company-wide expenses of (501) million yen that have not been allocated to each reporting segment. Company-wide expenses are mainly related to group management at the submitting company.

3. Segment profit is adjusted to operating income in the interim consolidated statements of income.

2. Changes to Reporting Segments

Previously, "Shukrei" and "Kujukushima Group" were independent segments, but due to the organizational restructuring (company split) between consolidated subsidiaries implemented on April 1, 2025, they were integrated from the current interim consolidated accounting period and the segment classification was changed to "Shukuri Group". In addition, the name of the reporting segment, which had been called "Jusei Confectionery & Tajima Ju," was changed to "Susei Confectionery Group" from the interim consolidated accounting period.

3. Information on impairment losses or goodwill on fixed assets by reporting segment
Not applicable.