

FY2022(Year Ended March 31, 2022) Consolidated Business Results

May 16,2022

Kotobuki Spirits Co.,Ltd.





Company Overview

Firm name	Kotobuki Spirits Co.,Ltd.
Securities code	2222 (Tokyo Stock Exchange Prime Market)
Address	2028, Hatagasaki, Yonago-shi, Tottori, 683-0845, Japan
Establishment	April 25th,1952
Capital	1.2 Billion 17.8 Million yen
President	Seigo Kawagoe
Employees	Kotobuki Spirits 7 people/Group Total 1,507 people
Group companies	Consolidated subsidiary 18 companies (domestic 16•overseas 2)
Net sales	32.2 Billion Yen (FY2022 :Year ended March 31, 2022)



The Impact of COVID-19 on business performance

FY2022 Highlight

Net sales 32,192million yen 138.7%(YoY) 71.3% (Compared to FY2020)

Ordinary profit 2,921million yen (FY2021 Δ 322million yen)

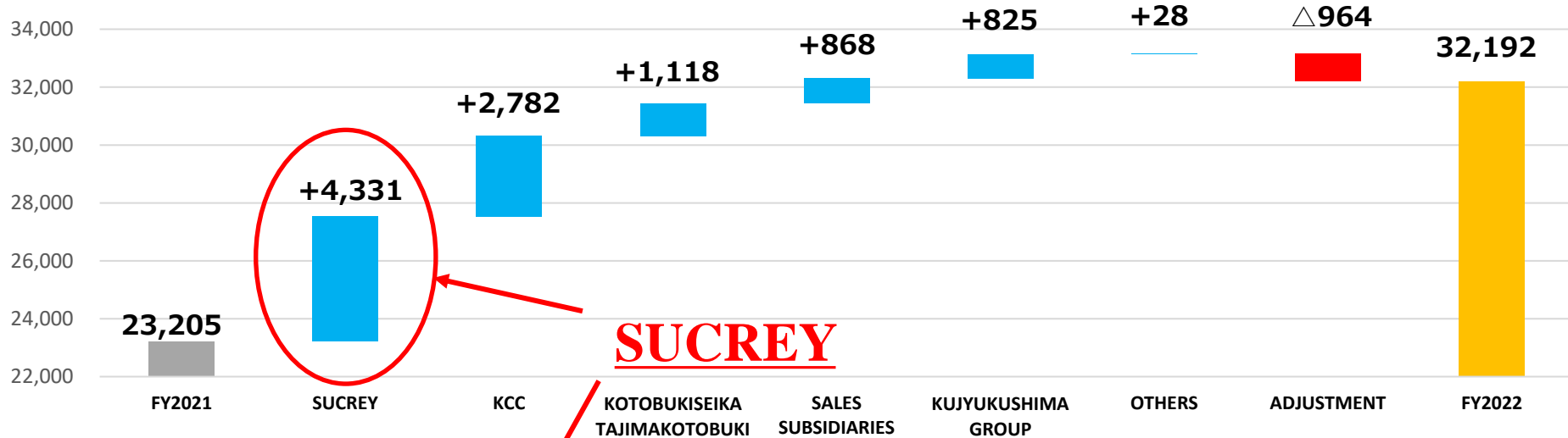
In the first half, the deficit was affected by the intermittent "state of emergency".As a result of aggressive efforts to respond to changes in the Business environment,it absorbed the deficit in the first half and achieved a full-year surplus for the first time in two terms.

(Unit:Millions of yen)	FY2020	FY2021	FY2022			YoY	Compared to FY2020
	Total	Total	1Q-2Q	3Q-4Q	Total		
Net sales	45,181	23,205	11,959	20,233	32,192	138.7	71.3
Operating profit(loss)	6,455	Δ 2,890	Δ 1,418	2,821	1,403	-	21.7
Ordinary profit(loss)	6,475	Δ 322	Δ 481	3,402	2,921	-	45.1
Net profit(loss)	4,100	Δ 570	Δ 283	2,198	1,916	-	46.7

FY2022 increase or decrease of amount

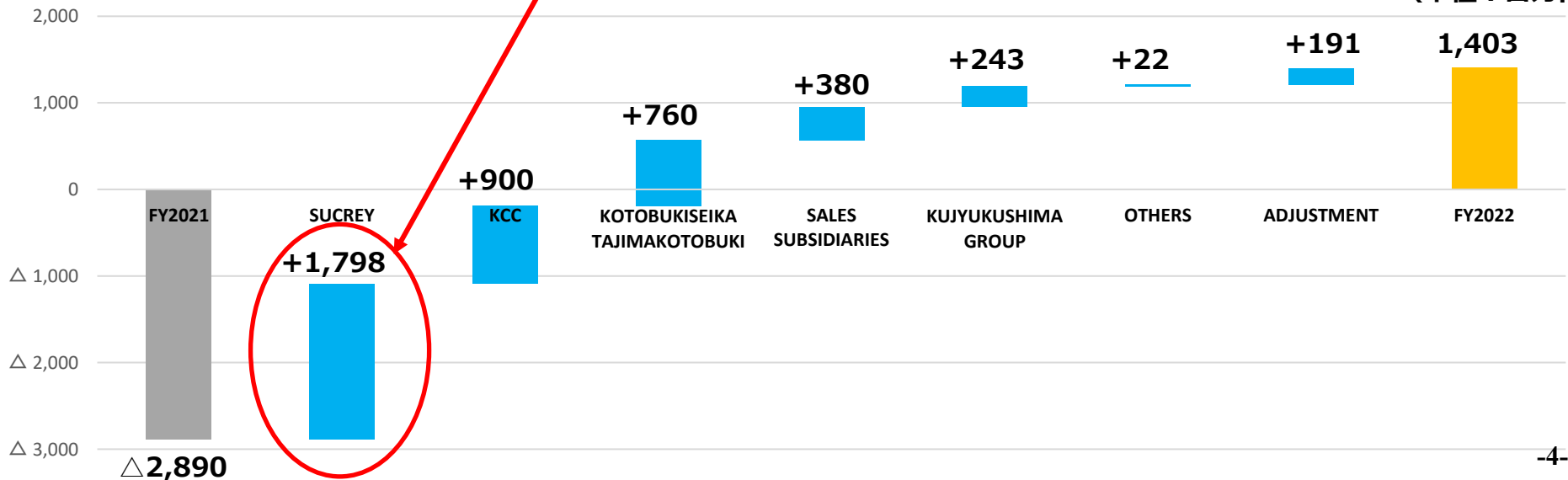
【Net sales】

(Unit: Millions of yen)



【Operating profit】

(単位：百万円)



The Impact of COVID-19 on business performance

● Sales <FY2022> (Compared to FY2021 and FY2020:%) <except for overseas subsidiaries>

	Apr	May	Jun	Jul	Aug	Sep
Compared to FY2021	222.5%	145.0%	43.9%	44.3%	17.4%	△0.7%
Compared to FY2020	△43.2%	△48.5%	△44.7%	△37.6%	△54.0%	△48.9%

	Oct	Nov	Dec	Jan	Feb	Mar
Compared to FY2021	1.3%	25.2%	51.5%	63.3%	29.4%	24.6%
Compared to FY2020	△33.3%	△22.1%	△4.1%	△29.7%	△20.3%	62.0%

4Q Sales

● Sales in March decreased by 10.7% compared to FY2019, although sales increased due to factors such as a reactionary due to the impact of COVID-19.

● Recorded subsidy income of 1.4 billion yen as non-operating income, including employment adjustment subsidies.

<April>

● Sales in April increased 50.9% YoY. Sales in April decreased 14.4% compared to FY2020. It was the first time in three years that there was no limit on Golden Week.

<FY2023 Business Forecast >

● In FY2023, economic activity is heading toward normalization, and personal consumption is expected to remain on a gradual recovery trend. We do not assume an "emergency declaration" due to the re-expansion of COVID-19. We do not expect inbound sales to recover within a year.



FY2022 Topics ①

The offensive opening stores in good locations such as the Tokyo Station area was successful and contributed to the recovery of business performance. (2 years under the Covid-19)

(SUCREY)

SUCREY opened 14 stores in 2 years. SUCREY produced an overwhelming Brands!

Major new shops for 2 years



COCORIS (GRANSTA TOKYO) neko chef (TOKYO GIFT PALETTE)(Aug.2020)



**THE MASTER by Butter Butler
(Yokohama Takashimaya)(Dec.2020)**

FiOLATTE ecute Shinagawa(Dec.2021)

Sucrey Opening and closing

	FY2021	FY2022	Total
Open	7	7	14
Close	△ 5	△ 2	△ 7
Total	2	5	7



THE MASTER by Butter Butler Butter Cake

FY2022 Topics ①

(KCC)

KCC opened three Tokyo brands at the same time in the Tokyo Station area.(2020.Aug)

Brand awareness has improved and a good start!

Major new shops for 2 years



PISTA&TOKYO (TOKYO GIFT PALETTE)(Aug.2020)

KCC Opening and closing

	FY2021	FY2022	Total
Open	3	-	3
Close	-	-	-
Total	3	-	3



**Now on Cheese ♪ Hello, Tokyo Station!
(GRANSTA TOKYO)(Aug.2020)**



Anbataya (TOKYO GIFT PALETTE)(Aug.2020)



Anbataya Anbata roll

FY2022 Topics ①

(KUJYUKUSHIMA GROUP)

KUJYUKUSHIMA GROUP opened Ivorish gift shop in the Tokyo Station area (Mar.2022)



Ivorish (GRANSTA TOKYO) (Mar.2022)

Others Opening and closing

	FY2021	FY2022	Total
Open	1	4	5
Close	△ 2	△ 3	△ 5
Total	△ 1	1	-



Ivorish French toast roll

FY2022 Topics ②

Mail-order sales grew two times in two years due to strengthened EC measures !
(Group Total sales 6.01 billion yen YoY +43.0%)



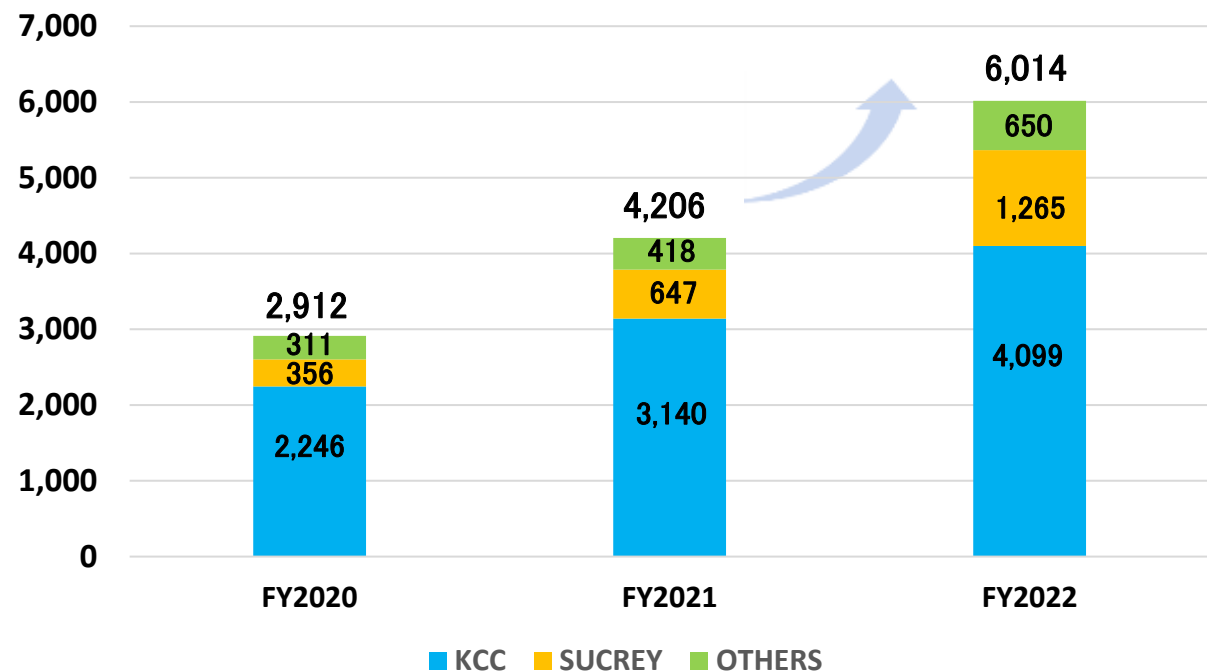
SUCREY online shop



LeTAO online shop

(Unit: Million of yen)

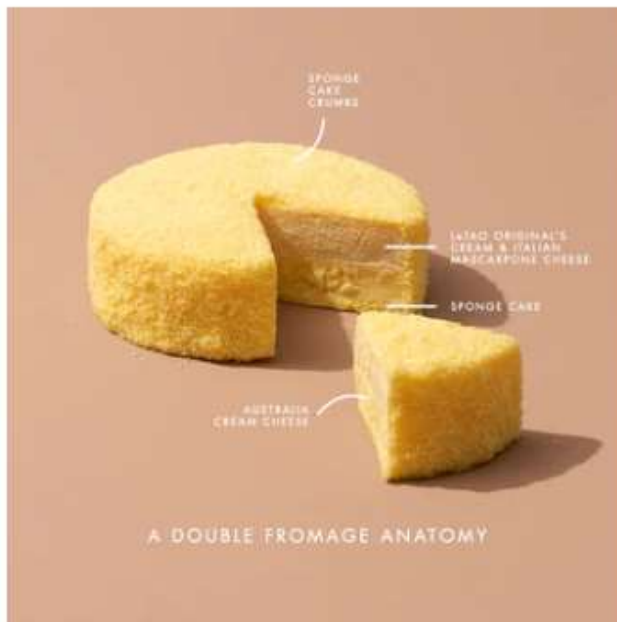
Mail-order sales



Overseas sales

Overseas sales 1,864million yen 21.0%up (YoY)

Number of stores : 69 (FY2021) / 89(FY2022)



Fromage Double - Must Try

\$38.99

LeTAO EC site (Australia)

(Unit: Million of yen)

	FY2021	FY2022	YoY (Change)	YoY (%)
HongKong ※1,※2	36	-	△ 36	-
Taiwan ※1	429	500	71	16.6%
Korea	156	247	91	58.6%
Singapore	241	185	△ 56	△ 23.2%
China	633	828	195	30.9%
Others	47	103	57	121.3%
Total	1,541	1,864	323	21.0%

※1 Hong Kong and Taiwan are consolidated subsidiaries. Other areas are FC.

※2 Hong Kong business closed in February last year.
The local subsidiary Honey Sucrey Limited is currently in the process of liquidation.

Overview of annual results

It returned to the surplus in the FY2022

(millions of yen,%)	FY2018	FY2019	FY2020	FY2021	FY2022
Net sales	37,385	40,769	45,181	23,205	32,192
(YoY)	(+14.9%)	(+9.1%)	(+10.8%)	(△48.6%)	(+38.7%)
Operating profit	5,012	5,976	6,455	△ 2,890	1,403
(YoY)	(+30.3%)	(+19.2%)	(+8.0%)	(—)	(—)
Ordinary profit	5,049	6,012	6,475	△ 322	2,921
(YoY)	(+29.5%)	(+19.1%)	(+7.7%)	(—)	(—)
Net profit	3,534	3,972	4,100	△ 570	1,916
(YoY)	(+37.4%)	(+12.4%)	(+3.2%)	(—)	(—)
Ordinary profit rate (%)	13.5	14.7	14.3	△ 1.4	9.1
EPS (Yen)	113.56	127.64	131.76	△ 18.30	61.56
BPS (Yen)	497.16	587.87	680.11	621.53	654.15
ROE (%)	25.1	23.5	20.8	△ 2.8	9.7

Results of FY2022 (YoY)

Net sales increased by 38.7% (YoY)

Operating profit turned into surplus

	FY2021		FY2022		YoY (Change)	YoY (%)
	amount	To-sales rate	amount	To-sales rate		
(millions of yen,%)						
Net sales	23,205	—	32,192	—	8,987	38.7
Gross profit	11,640	50.2	17,623	54.7	5,982	51.4
SG&A expenses	14,531	62.6	16,220	50.4	1,689	11.6
Operating profit	△ 2,890	—	1,403	4.4	4,293	—
Ordinary profit	△ 322	—	2,921	9.1	3,243	—
Net profit	△ 570	—	1,916	6.0	2,485	—
EPS (Yen)	△ 18.30		61.56		—	
ROE (%)	△ 2.8		9.7		—	

Results of FY2022(Compared to FY2020)

Compared to FY2020, Net sales decreased by 28.7%
Operating profit decreased by 78.3%

	FY2020		FY2022		YoY (Change)	YoY (%)
	amount	To-sales rate	amount	To-sales rate		
(millions of yen,%)						
Net sales	45,181	—	32,192	—	△ 12,989	△ 28.7
Gross profit	26,702	59.1	17,623	54.7	△ 9,080	△ 34.0
SG&A expenses	20,248	44.8	16,220	50.4	△ 4,028	△ 19.9
Operating profit	6,455	14.3	1,403	4.4	△ 5,052	△ 78.3
Ordinary profit	6,475	14.3	2,921	9.1	△ 3,554	△ 54.9
Net profit	4,100	9.1	1,916	6.0	△ 2,185	△ 53.3
EPS (Yen)	131.76		61.56		△ 70.20	
ROE (%)	20.8		9.7		△ 11.10	

Impact of the New Revenue Recognition Standard on Business Performance

The impact of this changes are shown in the table below due to the application of “New Revenue Recognition Standard ”.(Changes in digestion type sales transaction, delivery service for mail order, points of our own EC site, etc...) The gross profit rate decreased by 2.7 points and the SG&A expense rate decreased by 2.5 points.

(Millions of yen,%)	FY2022				amount of impact
	Before	To-sales rate	After	To-sales rate	
Net sales	31,061	—	32,192	—	1,131
Cost of sales	13,231	42.6	14,569	45.3	1,338
Gross profit	17,829	57.4	17,623	54.7	△ 207
SG&A expenses	16,431	52.9	16,220	50.4	△ 211
Promotion	2,335	7.5	2,293	7.1	△ 42
Freight	1,663	5.4	1,047	3.3	△ 617
Rent	2,516	8.1	1,110	3.4	△ 1,406
Commission expenses	730	2.4	2,584	8.0	1,854
Others	9,187	29.6	9,187	28.5	—
Operating profit	1,399	4.5	1,403	4.4	4

● In addition to the above, the balance of retained earnings at the beginning of the period decreased by 24 million yen.

Comparison of 3 terms, pre-application of New Revenue Recognition Standard

(Millions of yen,%)	FY2020		FY2021		FY2022		YoY		Compared to FY2020	
	amount	To-sales rate	amount	To-sales rate	amount	To-sales rate	(Change)	(%)	(Change)	(%)
Net sales	45,181	100.0	23,205	100.0	31,061	100.0	7,856	33.9	△ 14,120	△ 31.3
Cost of sales	18,478	40.9	11,565	49.8	13,231	42.6	1,667	14.4	△ 5,247	△ 28.4
Gross profit	26,702	59.1	11,640	50.2	17,829	57.4	6,189	53.2	△ 8,873	△ 33.2
SG&A expenses	20,248	44.8	14,531	62.6	16,431	52.9	1,900	13.1	△ 3,817	△ 18.9
Personnel expens	7,695	17.0	6,428	27.7	6,793	21.9	364	5.7	△ 902	△ 11.7
Promotion	3,567	7.9	1,969	8.5	2,335	7.5	366	18.6	△ 1,232	△ 34.5
Freight	2,026	4.5	1,382	6.0	1,663	5.4	281	20.3	△ 363	△ 17.9
Advertising	294	0.7	276	1.2	349	1.1	73	26.4	54	18.3
Rent	3,116	6.9	1,957	8.4	2,516	8.1	559	28.5	△ 600	△ 19.3
Depreciation	570	1.3	529	2.3	433	1.4	△ 96	△ 18.2	△ 137	△ 24.0
Traveling and transportation expenses	621	1.4	185	0.8	245	0.8	60	32.3	△ 376	△ 60.5
Commission expenses	578	1.3	500	2.2	730	2.4	231	46.2	152	26.3
Others	1,781	3.9	1,304	5.6	1,368	4.4	63	4.9	△ 413	△ 23.2
Operating profit (△Loss)	6,455	14.3	△ 2,890	-	1,399	4.5	4,289	-	△ 5,056	△ 78.3

Sales channel

	FY2021		FY2022		YoY (Change)	YoY (%)
	amount	To-sales rate	amount	To-sales rate		
(millions of yen,%)						
Net sales	23,205	—	32,192	—	8,987	38.7
Domestic(Wholesale)	7,582	32.7	8,982	27.9	1,400	18.5
Domestic(Retail) ※1	9,866	42.5	15,325	47.6	5,459	55.3
Mail Order	4,206	18.1	6,014	18.7	1,808	43.0
Other ※2	11	0.0	7	0.0	△ 4	△ 33.9
Domestic Total	21,664	93.4	30,328	94.2	8,664	40.0
Overseas(Wholesale) ※3	1,111	4.8	1,363	4.2	252	22.7
Overseas(Retail)	429	1.8	500	1.6	71	16.6
Overseas Total	1,541	6.6	1,864	5.8	323	21.0

※1 Retail are shops and Pop up stores.

※2 Others is insurance agency business.

※3 Overseas wholesale consists shipment sales to overseas and FC royalties

Results of FY2022 (SEGMENTS)

SUCREY and KCC operating profit are turned into surplus

(Millions of Yen,%)	Net Sales				Operating profit		
	FY2021	FY2022	YoY (Change)	YoY (%)	FY2021	FY2022	YoY (Change)
SUCREY	7,627	11,958	4,331	56.8	△ 930	868	1,798
KCC	8,177	10,959	2,782	34.0	△ 317	583	900
KOTOBUKISEIKA TAJIMAKOTOBUKI	4,935	6,053	1,118	22.6	△ 860	△ 100	760
SALES SUBSIDIARIES	2,139	3,007	868	40.6	△ 566	△ 186	380
KUJYUKUSHIMA GROUP	2,047	2,872	825	40.3	△ 649	△ 407	243
OTHERS*	539	567	28	5.1	27	49	22
SEGMENTS TOTAL	25,464	35,415	9,951	39.1	△ 3,295	807	4,102
ADJUSTMENT	△ 2,259	△ 3,223	△ 964	42.7	405	596	191
TOTAL	23,205	32,192	8,987	38.7	△ 2,890	1,403	4,293

* Board of Directors meeting held in January 2020 decided the liquidation plan of Honey Sucrey(Hong Kong).

Cost of sales ▪ Gross profit

Gross profit margin increased 4.5 points year-on-year due to increased retail rate and improved productivity

(Millions of Yen,%)	FY2021		FY2022		YoY (Change)	YoY (%)
	amount	To-sales rate	amount	To-sales rate		
Net sales	23,205	—	32,192	—	8,987	38.7
Material cost	5,104	22.0	7,178	22.3	2,073	40.6
Labor cost	3,506	15.1	3,807	11.8	302	8.6
Expense	1,853	8.0	2,140	6.6	287	15.5
Manufacturing cost	10,463	45.1	13,126	40.8	2,663	25.4
Others	1,101	4.7	1,443	4.5	342	31.0
Cost of sales	11,565	49.8	14,569	45.3	3,004	26.0
Gross profit	11,640	50.2	17,623	54.7	5,982	51.4

SG&A expenses /Operating profit

SG&A expenses rate decreased by 12.2 points due to sales recovery and cost control

	FY2021		FY2022		YoY (Change)	YoY (%)
	amount	To-sales rate	amount	To-sales rate		
(Millions of Yen,%)						
Gross profit	11,640	50.2	17,623	54.7	5,982	51.4
Personal expenses	6,428	27.7	6,793	21.1	364	5.7
Promotion	1,969	8.5	2,293	7.1	324	16.5
Freight	1,382	6.0	1,047	3.3	△ 336	△ 24.3
Advertising	276	1.2	349	1.1	73	26.4
Rent	1,957	8.4	1,110	3.4	△ 847	△ 43.3
Depreciation	529	2.3	433	1.3	△ 96	△ 18.2
Traveling and transportation expenses	185	0.8	245	0.8	60	32.3
Commission expenses	500	2.2	2,584	8.0	2,084	417.2
Others	1,304	5.6	1,368	4.2	63	4.9
SG&A expenses	14,531	62.6	16,220	50.4	1,689	11.6
Operating profit	△ 2,890	—	1,403	—	4,293	—

Achievement rate of Business Forecast

Net sales and profits exceeded the forecast

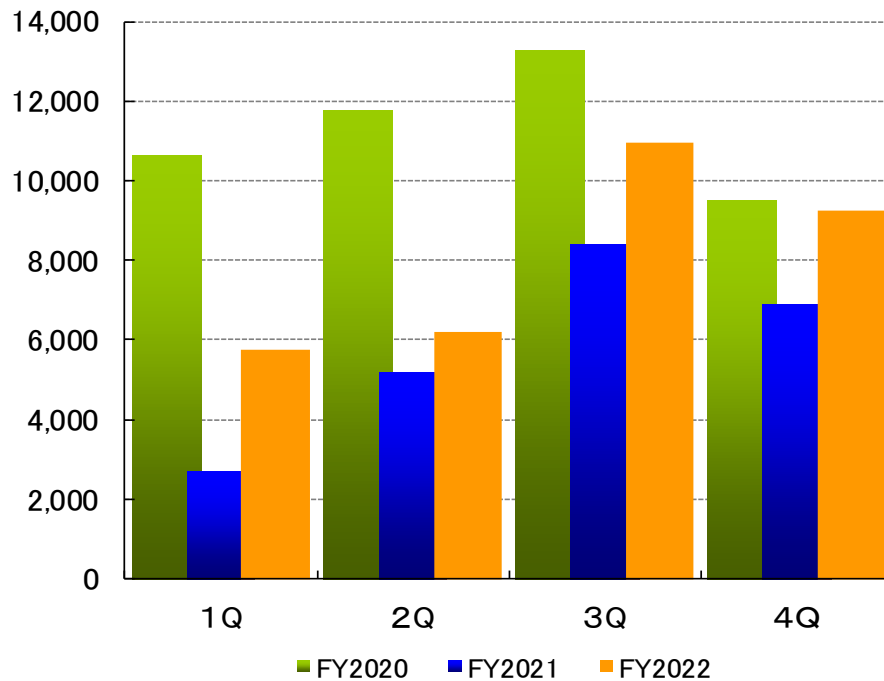
	FY2022 Business Forecast ※		FY2022		Change	achievement (%)
	amount	To-sales rate	amount	To-sales rate		
(millions of yen,%)						
Net sales	30,700	—	32,192	—	1,492	104.9
Gross profit	16,280	53.0	17,623	54.7	1,343	108.2
SG&A expenses	16,130	52.5	16,220	50.4	90	100.6
Operating profit	150	0.5	1,403	4.4	1,253	935.2
Ordinary profit	1,450	4.7	2,921	9.1	1,471	201.5
Net profit	947	3.1	1,916	6.0	969	202.3

※FY2022 Business Forecast announced in Nov 4, 2021.

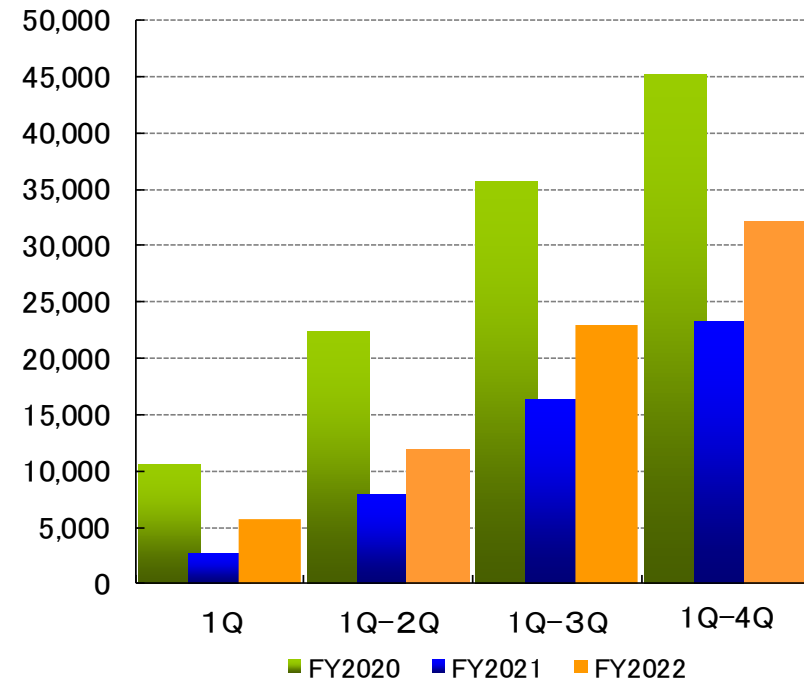
Memo

Net sales

Net sales (Quarter) (Three periods comparison)



Net sales (Cumulative) (Three periods comparison)



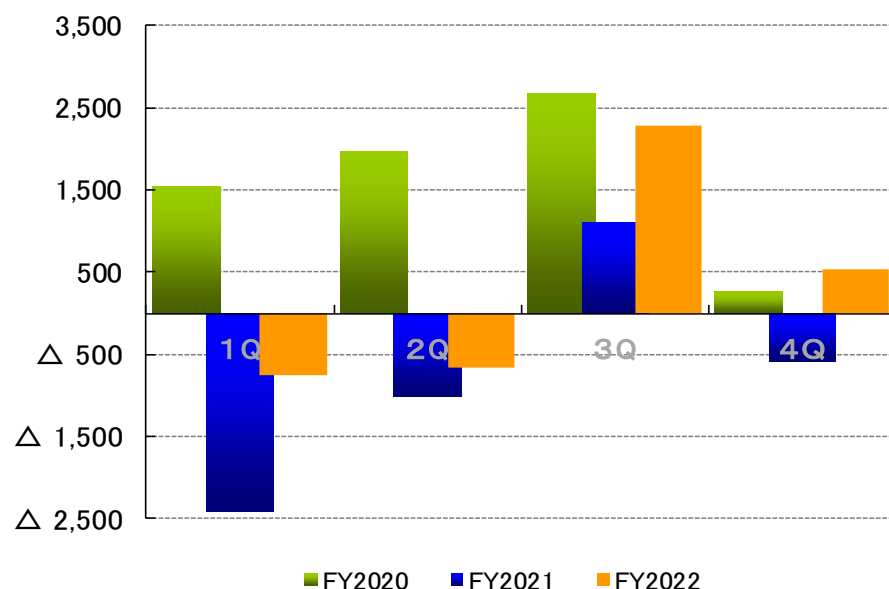
(Millions of yen)

	Quarter				Cumulative Quarter			
	1Q	2Q	3Q	4Q	1Q	1Q-2Q	1Q-3Q	1Q-4Q
FY2020	10,627	11,761	13,287	9,506	10,627	22,388	35,675	45,181
FY2021	2,716	5,189	8,402	6,898	2,716	7,905	16,306	23,205
FY2022	5,758	6,200	10,963	9,270	5,758	11,959	22,921	32,192
Compared to FY2020	△45.8%	△47.3%	△17.5%	△2.5%	△45.8%	△46.6%	△35.7%	△28.7%
YoY	112.0%	19.5%	30.5%	34.4%	112.0%	51.3%	40.6%	38.7%

Operating profit

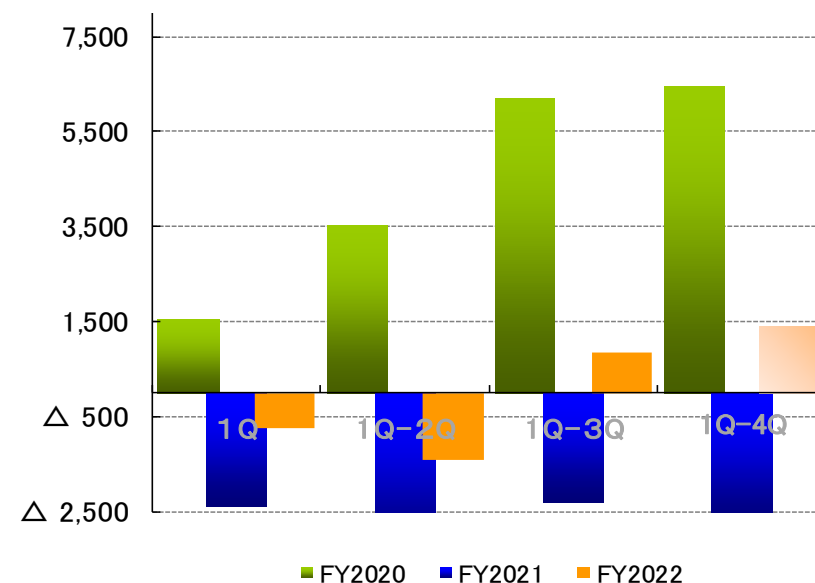
Operating profit (Quarter)

(Three periods comparison)



Operating profit (Cumulative)

(Three periods comparison)



(Millions of yen)

	Quarter				Cumulative Quarter			
	1Q	2Q	3Q	4Q	1Q	1Q-2Q	1Q-3Q	1Q-4Q
FY2020	1,555	1,964	2,672	264	1,555	3,519	6,191	6,455
FY2021	△ 2,409	△ 1,012	1,114	△ 583	△ 2,409	△ 3,421	△ 2,307	△ 2,890
FY2022	△ 759	△ 659	2,279	542	△ 759	△ 1,418	860	1,403
Compared to FY2020	-	-	△ 14.7%	105.7%	-	-	△ 86.1%	△ 78.3%
YoY	-	-	104.6%	-	-	-	-	-

Balance Sheet

The increase in current assets is due to an increase in cash deposits and trade receivables

(Millions of yen,%)	FY2020		FY2021		FY2022		YoY (Change)	YoY (%)
	amount	rate	amount	rate	amount	rate		
Current assets	13,444	50.1	12,615	50.4	15,804	57.5	3,190	25.3
Non-current assets	13,370	49.9	12,437	49.6	11,666	42.5	△ 772	△ 6.2
Assets	26,814	100.0	25,052	100.0	27,470	100.0	2,418	9.7
Current liabilities	3,846	14.3	3,077	12.3	4,620	16.8	1,543	50.2
Non-current liabilities	1,803	6.7	2,634	10.5	2,493	9.1	△ 140	△ 5.3
Liabilities	5,649	21.1	5,711	22.8	7,114	25.9	1,403	24.6
Net assets	21,165	78.9	19,342	77.2	20,357	74.1	1,015	5.2
Liabilities and net assets	26,814	100.0	25,052	100.0	27,470	100.0	2,418	9.7
BPS (Yen)	680.11		621.53		654.15		33	5.2
CAPEX	2,041		540		403		△ 137	△ 25.4
Depreciation	1,459		1,420		1,220		△ 200	△ 14.1

Statements of cash flows

FY2022 Cash and cash equivalents 9.9 Billion yen

	FY2020	FY2021	FY2022	YoY (Change)	YoY (%)
(Millions of yen,%)					
Cash flows from operating activities	6,578	83	4,293	4,211	5,079.0
Cash flows from investing activities	△ 2,446	△ 605	△ 527	78	△ 12.9
Free cash flow	4,132	△ 522	3,767	4,289	—
Cash flows from financing activities	△ 1,500	△ 463	△ 1,176	△ 713	154.1
Effect of exchange rate change on cash and cash equivalents	△ 1	3	13	9	284.2
Cash increase / decrease	2,632	△ 982	2,603	3,585	—
Cash and cash equivalents (Beginning of period)	5,660	8,291	7,309	△ 982	△ 11.8
Cash and cash equivalents (End of period)	8,291	7,309	9,913	2,603	35.6
Interest-bearing debt	180	966	726	△ 240	△ 24.8

Business Forecast for FY2023(YoY)

Net sales increase by 30.5% and operating profit increase by 267.8% (YoY)

(millions of yen,%)	FY2022		FY2023(Forecast)		YoY(Change)	YoY(%)
	amount	To-sales rate	amount	To-sales rate		
Net sales	32,192	–	42,000	–	9,808	30.5
Gross profit	17,623	54.7	24,630	58.6	7,007	39.8
SG&A expenses	16,220	50.4	19,470	46.4	3,250	20.0
Operating profit	1,403	4.4	5,160	12.3	3,757	267.8
Ordinary profit	2,921	9.1	5,200	12.4	2,279	78.0
Net profit	1,916	6.0	3,400	8.1	1,484	77.5
EPS(yen)	61.56		109.26		47.70	77.5
Dividend/stock (yen)	30.00		30.00		–	–
CAPEX	403		1,000		597	148.4
Depreciation	1,220		1,200		△ 20	△ 1.7

Business Forecast for FY2023(Compare to FY2020)

Compare to FY2020, Net sales decrease by 7.0% and operating profit decrease by 20.1%

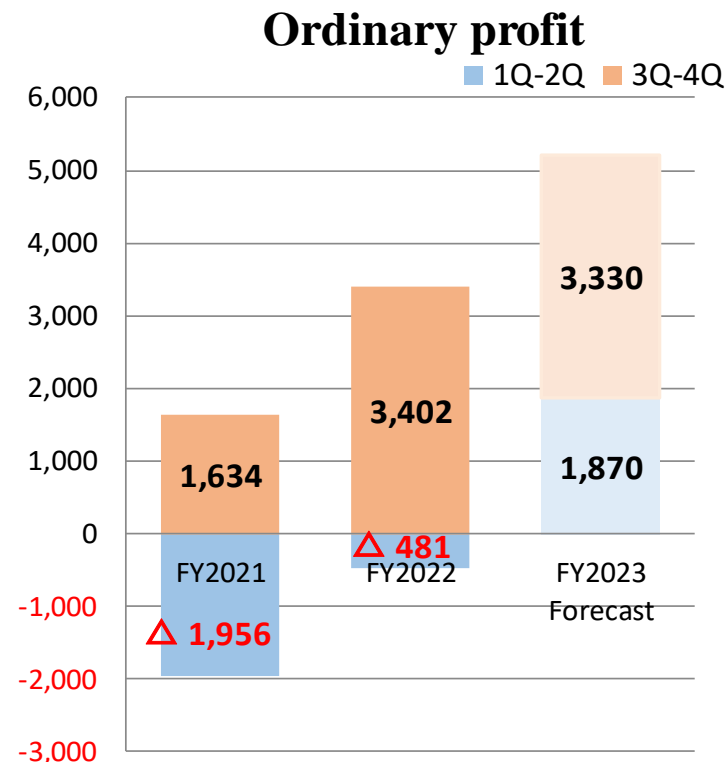
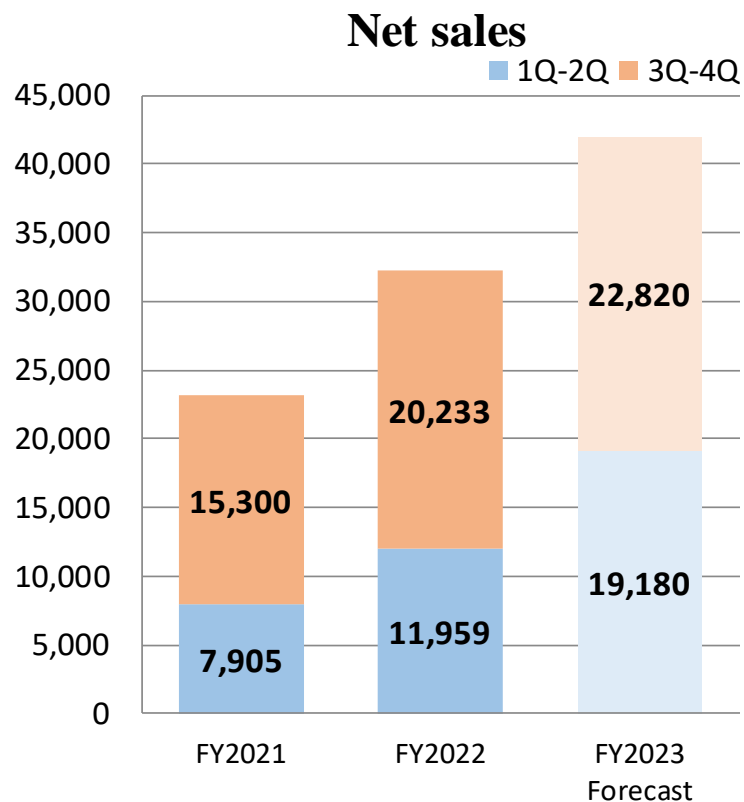
	FY2020		FY2023(Forecast)		Compare to FY2020	
	amount	To-sales rate	amount	To-sales rate	(Change)	(%)
(millions of yen,%)						
Net sales	45,181	–	42,000	–	△ 3,181	△ 7.0
Gross profit	26,702	59.1	24,630	58.6	△ 2,072	△ 7.8
SG&A expenses	20,248	44.8	19,470	46.4	△ 778	△ 3.8
Operating profit	6,455	14.3	5,160	12.3	△ 1,295	△ 20.1
Ordinary profit	6,475	14.3	5,200	12.4	△ 1,275	△ 19.7
Net profit	4,100	9.1	3,400	8.1	△ 700	△ 17.1
EPS(yen)	131.76		109.26		△ 22.50	△ 17.1
Dividend/stock (yen)	40.00		30.00		△ 10.0	△ 25.0
CAPEX	2,041		1,000		△ 1,041	△ 51.0
Depreciation	1,459		1,200		△ 259	△ 17.8

Business Forecast for FY2023 (SEGMENTS)

Aim to increase sales and profits in all segments !

	Net sales				Operating profit		
	FY2022	FY2023 (Forecast)	YoY(Change)	YoY(%)	FY2022	FY2023 (Forecast)	YoY(Change)
(Million of Yen,%)							
SUCREY	11,958	15,600	3,642	30.5	868	1,887	1,019
KCC	10,959	12,450	1,491	13.6	583	1,063	480
KOTOBUKISEIKA TAJIMAKOTOBUKI	6,053	9,490	3,437	56.8	△ 100	667	767
SALES SUBSIDIARIES	3,007	5,039	2,032	67.6	△ 186	313	499
KUJYUKUSHIMA GROUP	2,872	4,095	1,223	42.6	△ 407	96	503
OTHERS	567	673	106	18.8	49	81	32
SEGMENTS TOTAL	35,415	47,347	11,932	33.7	807	4,107	3,300
ADJUSTMENT	△ 3,223	△ 5,347	△ 2,124	65.9	596	1,053	457
TOTAL	32,192	42,000	9,808	30.5	1,403	5,160	3,757

Business Forecast for FY2023 (1Q-2Q 3Q-4Q)



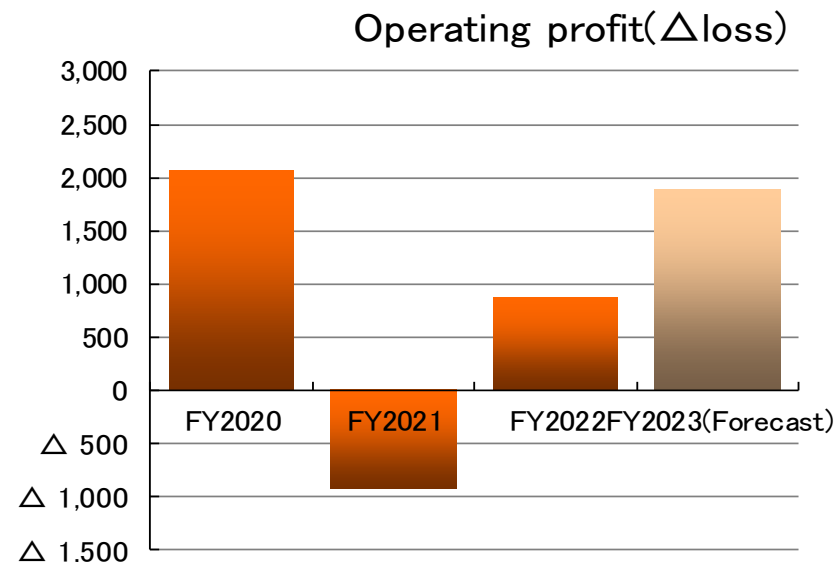
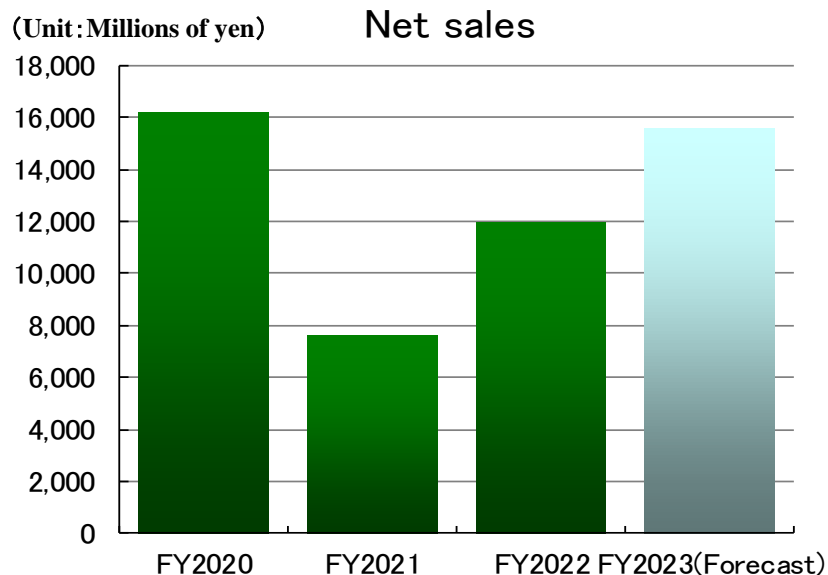
(Unit: million of yen)

	Net sales						Ordinary profit					
	FY2021	(%)	FY2022	(%)	FY2023 Forecast	(%)	FY2021	(%)	FY2022	(%)	FY2023 Forecast	(%)
1Q-2Q	7,905	34.1%	11,959	37.1%	19,180	45.7%	△ 1,956	-	△ 481	-	1,870	36.0%
3Q-4Q	15,300	65.9%	20,233	62.9%	22,820	54.3%	1,634	-	3,402	-	3,330	64.0%
Total	23,205	100.0%	32,192	100.0%	42,000	100.0%	△ 322	-	2,921	-	5,200	100.0%

《SUCREY》

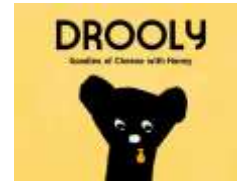
FY2023 (Forecast)

FY2023 : Net sales 15,600 million yen (+30.5%YoY) OP 1,887 million yen(+117.3%YoY)



(Millions of yen,%)	FY2020	FY2021	FY2022	YoY		FY2023 (Forecast)	YoY	
				(Change)	(%)		(Change)	(%)
Net sales	16,199	7,627	11,958	4,331	56.8	15,600	3,642	30.5
Gross profit	9,893	4,198	7,271	3,072	73.2	10,024	2,753	37.9
Gross profit rate	61.1	55.0	60.8	5.8		64.3	3.5	
SG &A expenses	7,834	5,128	6,402	1,274	24.8	8,137	1,735	27.1
Operating profit(Δloss)	2,059	Δ 930	868	1,798	-	1,887	1,019	117.3

《SUCREY》



Level up of existing shops and opening a new brands

- Sucrey opened new brand DROOLY that concept is honey and cheese in Hanshin Department Store(Apr.2022)



DROOLY Hanshin Department Store(Umeda Main Store)

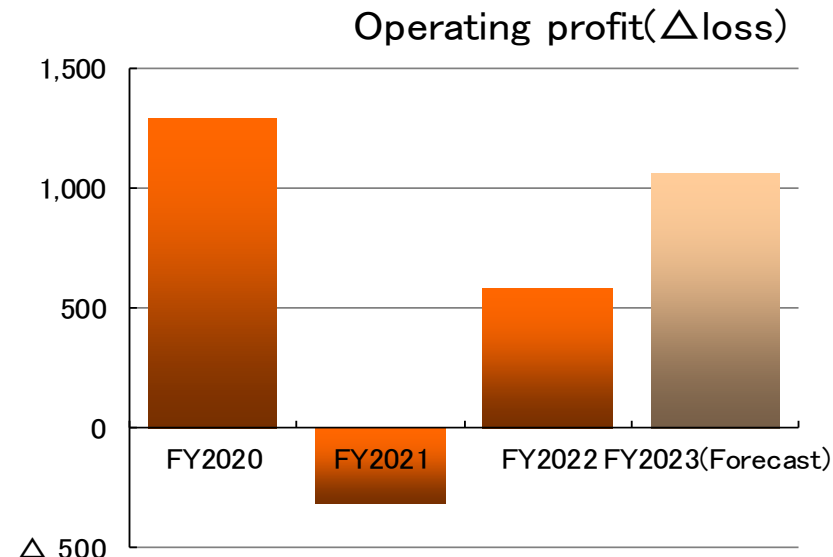
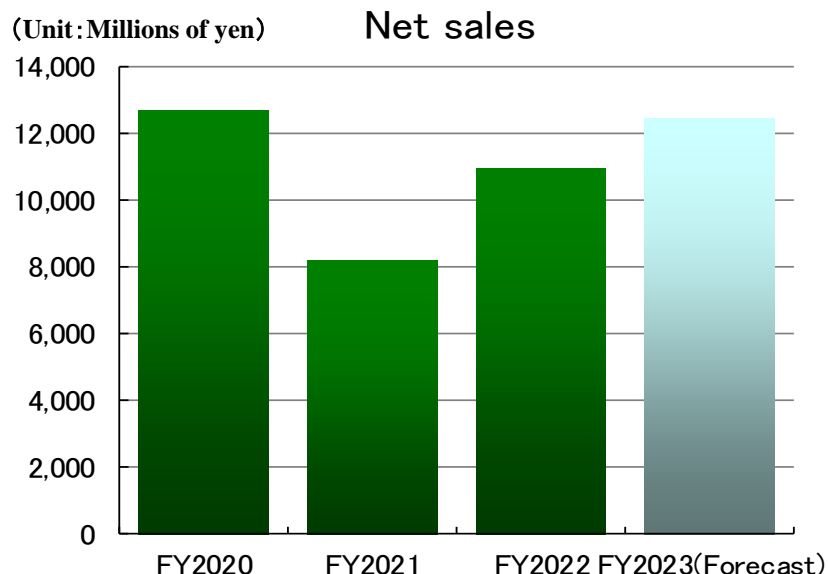


Pound Cake(Gorgonzola with Honey)



FY2023 (Forecast)

FY2023 : Net sales 12,450 million yen (+13.6%YoY) OP 1,063 million yen(+82.4%YoY)



(Millions of yen,%)	FY2020	FY2021	FY2022	YoY		FY2023 (Forecast)	YoY	
				(Change)	(%)		(Change)	(%)
Net sales	12,700	8,177	10,959	2,782	34.0	12,450	1,491	13.6
Gross profit	7,758	4,806	5,908	1,102	22.9	7,127	1,219	20.6
Gross profit rate	61.1	58.8	53.9	△ 4.9		57.2	3.3	
SG &A expenses	6,466	5,123	5,325	202	3.9	6,064	739	13.9
Operating profit(Δloss)	1,292	△ 317	583	900	-	1,063	480	82.4

《KCC》



LeTAO :Further improve brand value by improving products , shops, and sales power

Expansion of new brands awareness in Tokyo area (PISTA & TOKYO,Now on Cheese ♪)



Pistachio Sandwich Pistachio & Franboise



Pistachio chocolate terrine



PISTA & TOKYO pop up shop in Daimaru Sapporo



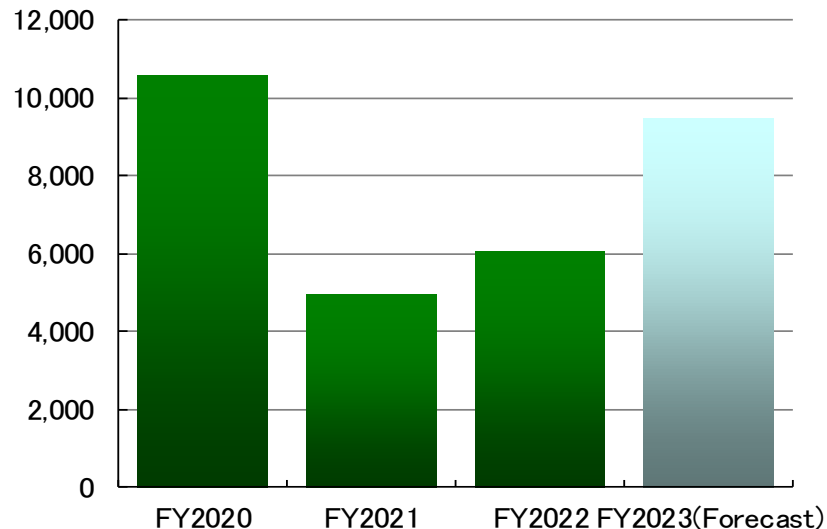
《KOTOBUKISEIKA・TAJIMAKOTOBUKI》

FY2023 (Forecast)

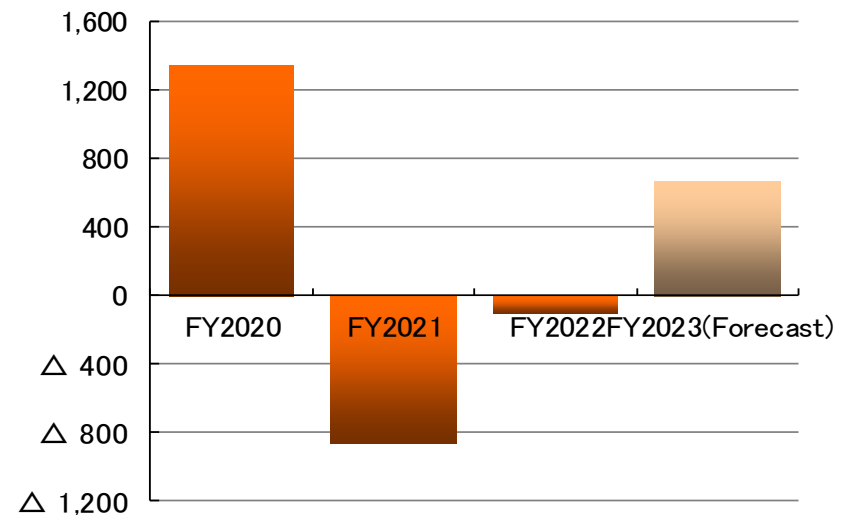
FY2023 : Net sales **9,490** million yen (+56.8%YoY) OP **667** million yen (FY2022 Δ 100million yen)

(Unit: Millions of yen)

Net sales



Operating profit(Δ loss)



(Millions of yen, %)	FY2020	FY2021	FY2022	YoY		FY2023 (Forecast)	YoY	
				(Change)	(%)		(Change)	(%)
Net sales	10,572	4,935	6,053	1,118	22.6	9,490	3,437	56.8
Gross profit	4,199	969	1,774	804	83.0	3,349	1,575	88.8
Gross profit rate	39.7	19.6	29.3	9.7		35.3	6.0	
SG & A expenses	2,847	1,829	1,874	44	2.4	2,682	808	43.1
Operating profit(Δ loss)	1,352	Δ 860	Δ 100	760	-	667	767	-

《KOTOBUKISEIKA・TAJIMAKOTOBUKI》

Strengthen new products development

- Development of new products on existing lines
- Focus on developing new genres such as protein bars for major drug stores



Inabano Shirousagi



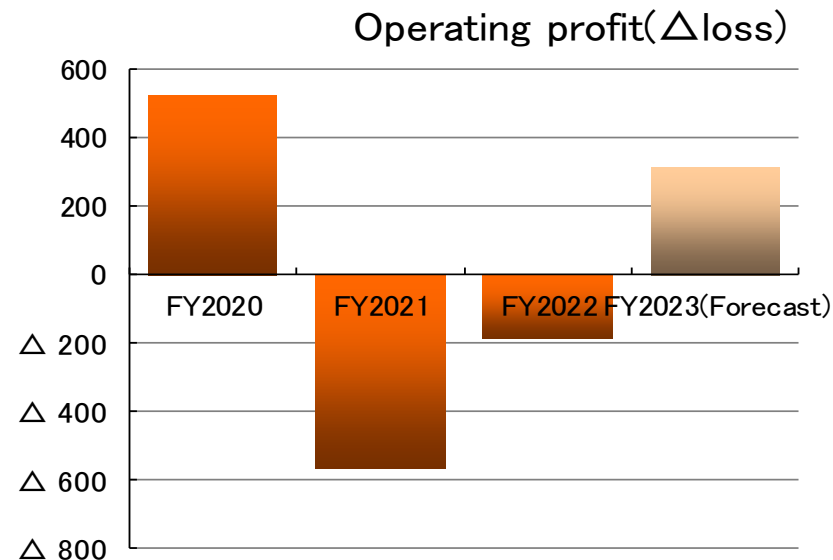
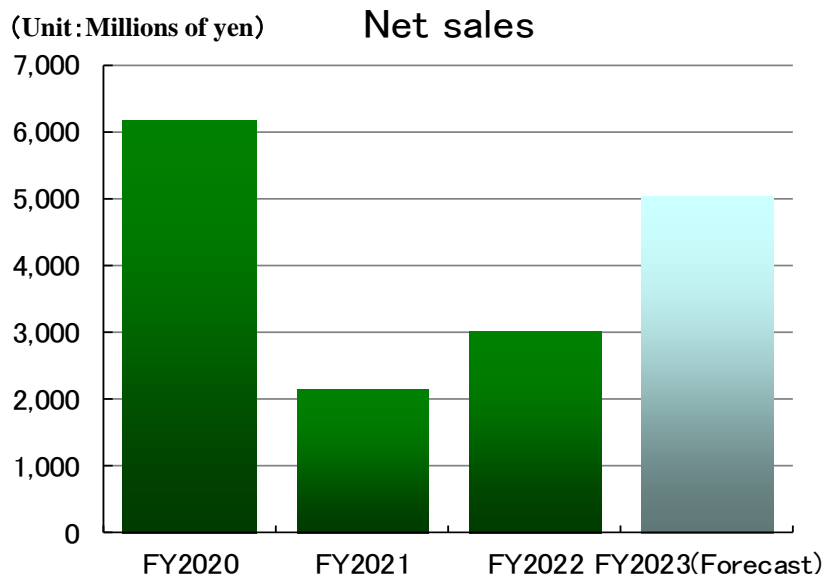
KAnoZA Matsue Shamine



KAnoZA Tottori Shamine

《SALES SUBSIDIARIES》 FY2023 (Forecast)

FY2023 : Net sales **5,039** million yen (+67.6%YoY) OP **313** million yen (FY2022 Δ 186million yen)



(Millions of yen, %)	FY2020	FY2021	FY2022	YoY		FY2023 (Forecast)	YoY	
				(Change)	(%)		(Change)	(%)
Net sales	6,176	2,139	3,007	868	40.6	5,039	2,032	67.6
Gross profit	2,224	625	1,098	473	75.7	1,796	698	63.6
Gross profit rate	36.0	29.2	36.5	7.3		35.6	Δ 0.9	
SG & A expenses	1,700	1,191	1,284	93	7.8	1,483	199	15.5
Operating profit(Δ loss)	523	Δ 566	Δ 186	380	-	313	499	-

《SALES SUBSIDIARIES》

- Launch new products that meet private demand at major transportation hubs



Osaka Honey Quattro Formage

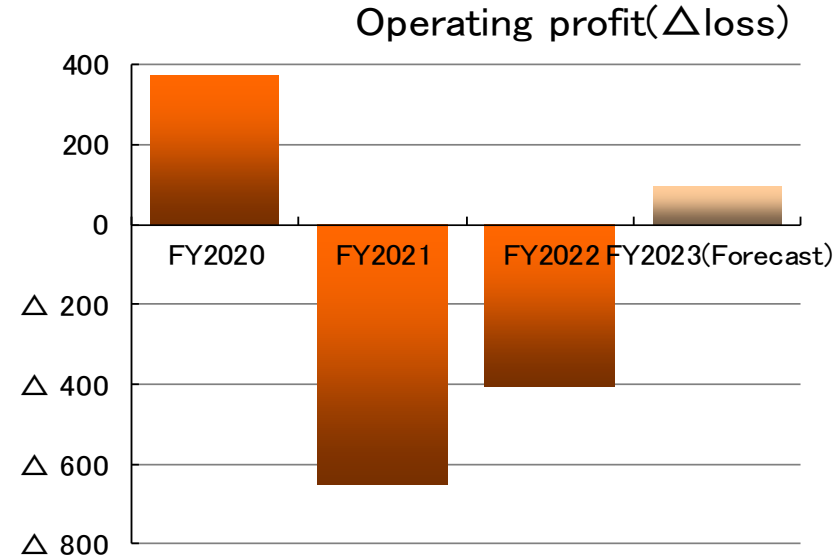
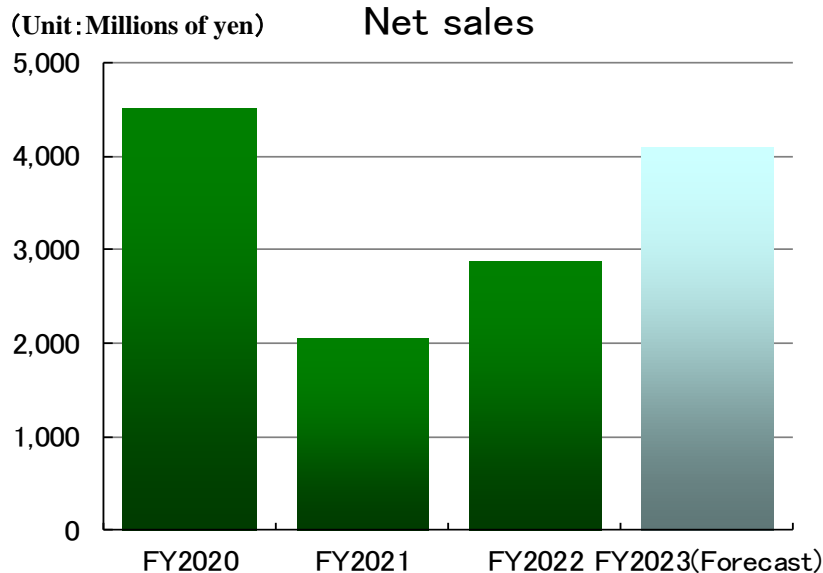


**Hakata Makkana Ichigo
Hakata DEITOS (Mar.2022)**

《KUJYUKUSHIMA GROUP》

FY2023 (Forecast)

FY2023 : Net sales **4,095** million yen (+42.6%YoY) OP **96** million yen (FY2022 Δ407million yen)



(Millions of yen,%)	FY2020	FY2021	FY2022	YoY		FY2023 (Forecast)	YoY	
				(Change)	(%)		(Change)	(%)
Net sales	4,522	2,047	2,872	825	40.3	4,095	1,223	42.6
Gross profit	2,127	650	1,241	591	90.9	1,961	720	58.0
Gross profit rate	47.0	31.8	43.2	11.4		47.9	4.7	
SG &A expenses	1,753	1,300	1,648	348	26.8	1,865	217	13.2
Operating profit(Δloss)	374	Δ 649	Δ 407	243	-	96	503	-

《 KUJYUKUSHIMA GROUP 》

Focus on shops and pop up shops

- Aiming to further brand awareness on account of opening stores at major transportation



Ivorish NEOPASA Okazaki pop up shop

I LOVE CUSTARD NEUFNEUF
JR Nagasaki Station (Mar.2022)

《OTHERS》

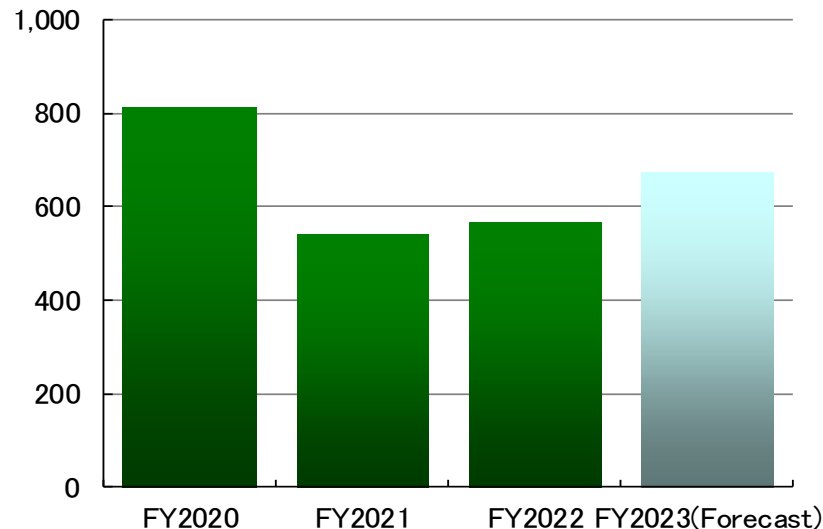
< Health food business, Taiwan confectionery business,
Hong Kong confectionery business, Insurance agency >

FY2023 (Forecast)

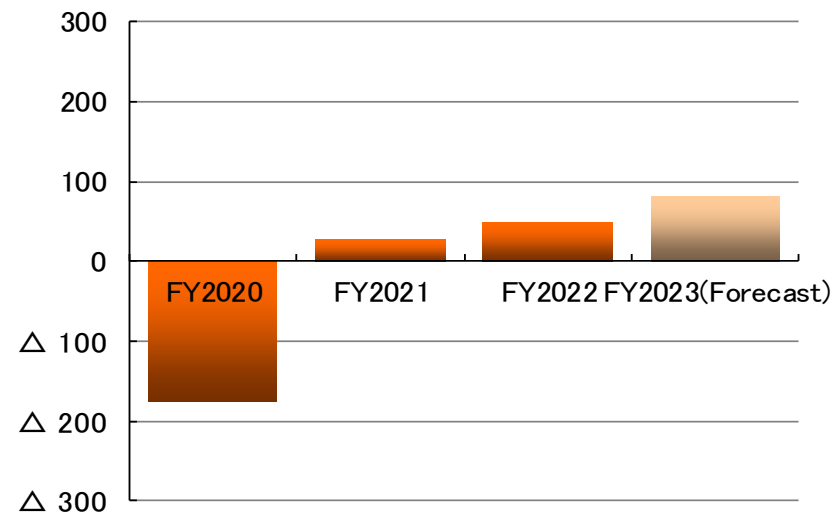
FY2023 : Net sales 673 million yen (+18.8%YoY) OP 81 million yen (+65.7%YoY)

(Unit: Millions of yen)

Net sales



Operating profit(Δloss)



(Millions of yen,%)	FY2020	FY2021	FY2022	YoY		FY2023 (Forecast)	YoY	
				(Change)	(%)		(Change)	(%)
Net sales	812	539	567	28	5.1	673	106	18.8
Gross profit	529	383	411	28	7.3	474	63	15.3
Gross profit rate	65.1	71.1	72.5	1.5		70.4	Δ 2.1	
SG &A expenses	706	356	362	6	1.8	393	31	8.5
Operating profit(Δloss)	Δ 177	27	49	22	79.1	81	32	65.7

《OTHERS》

純藍

Taiwan confectionery business



THE MAPLE MANIA

Taiwan Shin Kong Mitsukoshi A11 Pop up shop

Health food business(Junai)



Confirmed inactivating effect of indigo-derived extract on COVID-19 (SARS-CoV-2)

Demonstrated by joint research between Kotobuki Spirits Co., Ltd. and Nara Medical University

IR release(Japanese)(Jan,2021)



Kotobuki Spirits Management Slogan in 2022

Revive all Japan!

Contribute to the revival of happiness of people all over Japan
and
the revival of the Japanese economy

Strategy

1. Kotobuki revival 10

Kotobuki revival 10

- ①Improvement of stores
- ②Improvement of sales staff
- ③Active measures for annual events
- ④New pop up market(Shopping mall, Outlet mall)
- ⑤Cover the demand of self-consumption and celebration sweets
- ⑥Challenge to high customer satisfaction with high value sweets
- ⑦Creating EC fans
- ⑧Hometown tax payment sales
- ⑨Prepare for the recovery of inbound market
- ⑩Establish the success model in overseas market

2. Improvement of organizational strength by Cho-Genbashugi

We will strive to develop human resources based on corporate philosophy and improve employee satisfaction, and strive to create an organization that is highly adaptable to change and highly competitive.

※1 Cho-Genbashugi is our management style that profit groups are central.

Corporate Philosophy

To create happiness, provide happiness

Policy

Today, I make an enthusiastic fan

Vision

General Producer of the Sweets



Philosophy Management of KOZUCHI

We have introduced a business management method of Amoeba Management since FY1996.

We made a Management philosophy notebook “KOZUCHI” in 2003.

Every person who works for Kotobuki Spirits Group put KOZUCHI philosophy into practice in everyday work.

《KOZUCHI national convention》

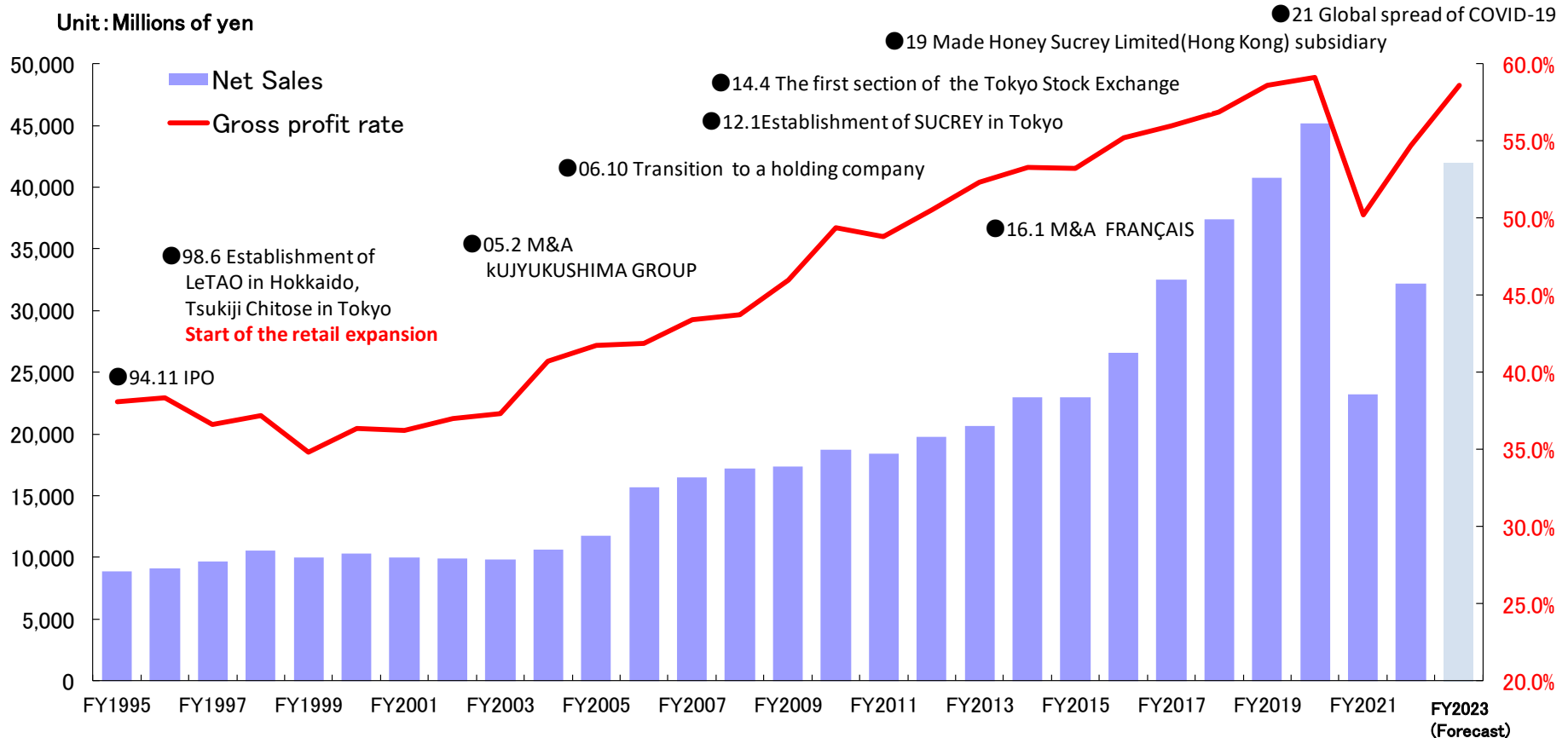
KOZUCHI national convention is held once a year for the purpose of sharing achievements with fellows.



Transition of Kotobuki Spirits ①

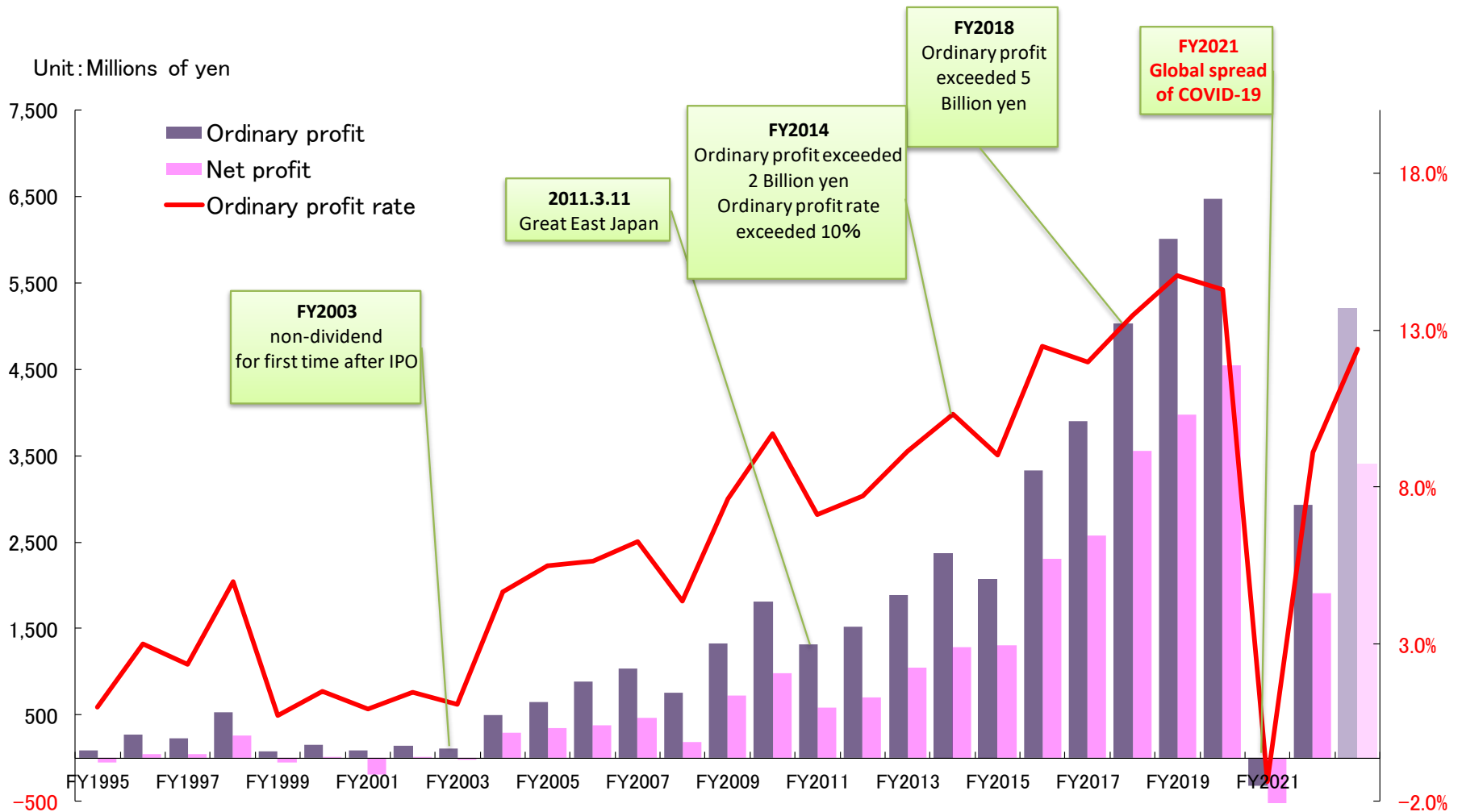
High profit management

Business model has changed from the manufacturing wholesale to the manufacturing retail



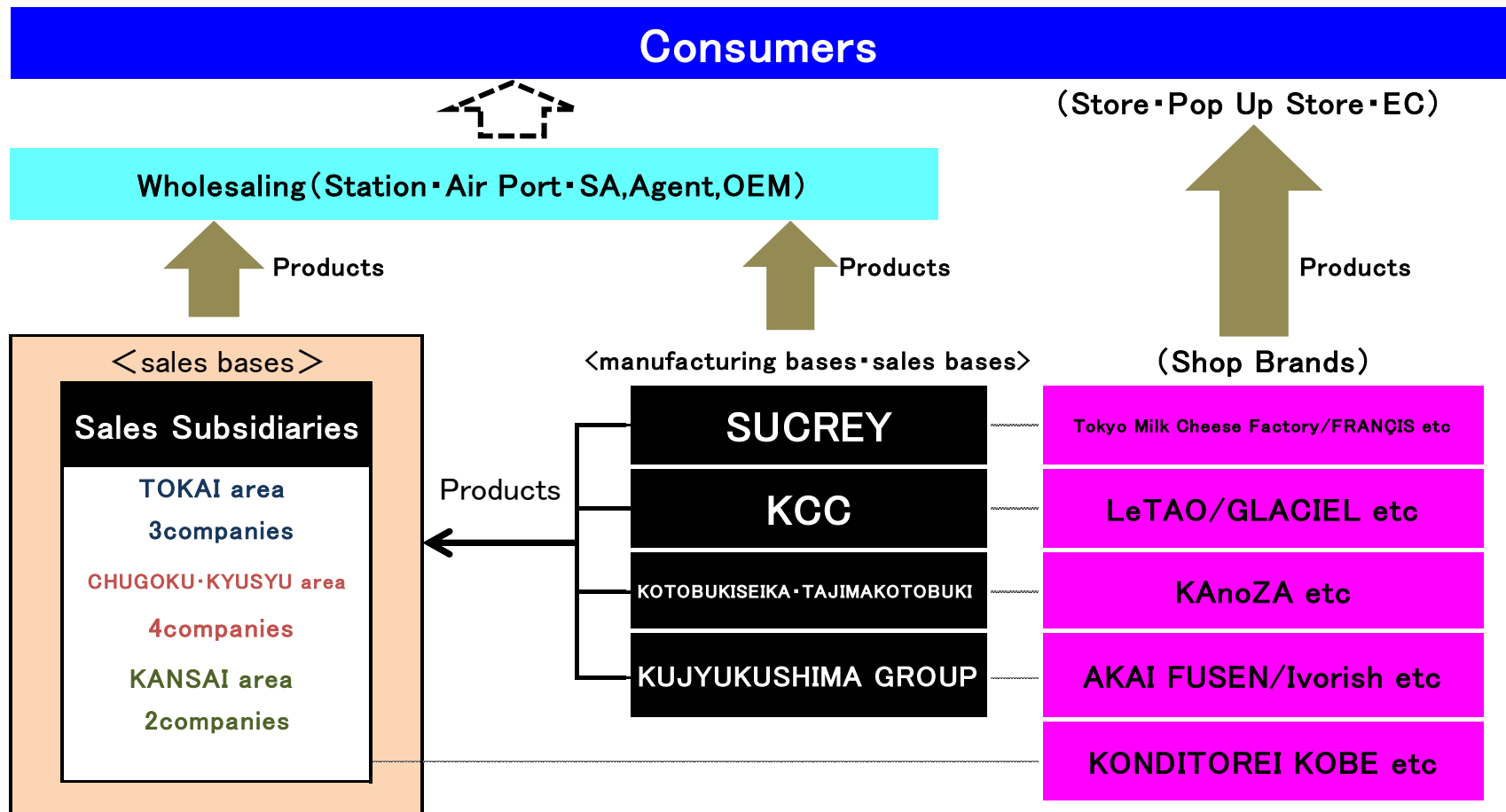
Transition of Kotobuki Spirits ②

Recorded net loss in FY2021 due to the spread of COVID-19



Business Outline

Chart



※ Except for KOTOBUKI SPIRITS (holding company) and OTHER segments.

Shop Brands



Izumo

お菓子の壽城



Yonago



Hokkaido



Fukuoka • Tokyo



Sasebo • Fukuoka



東京ミルクチーズ工場

Tokyo



Kobe



Main Sweets



Nostalgic Modern
LeTAO
Nippon's Sweets Master

Double Fromage



 寿製菓株式会社

Inabano Shirousagi



Salt and Camembert Cookie



Mille Feuille



Butter Financier



Kujyukushima Senpei

Memo

