

FY2023(1Q)
(First quarter of the fiscal year ending March 31, 2023)
Consolidated Business Results

August 3,2022
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)

FY2023(1Q) Highlight

Net sales 9,515million yen 165.2%(YoY)

Ordinary profit 1,302million yen FY2022(1Q)Δ311million yen

In the end of March, Intensive measures to prevent spread were completely lifted, economic activities progressed toward normalization. Sales and profits recovered due to aggressive measures such as product enhancement.

● Sales <except for overseas subsidiaries>

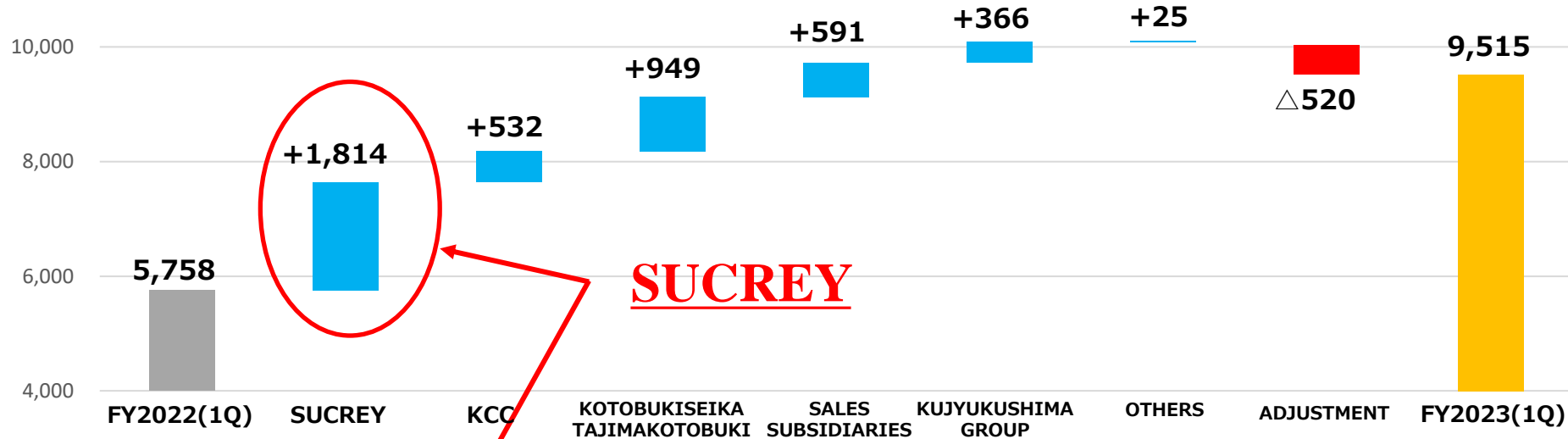
	Apr	May	Jun
Compared to FY2022(1Q)(%)	50.9	73.5	77.3
Compared to FY2020(1Q)(%)	Δ 14.4	Δ 10.7	Δ 1.9

	FY2020	FY2021	FY2022	FY2023	YoY	Compared to FY2020(1Q)
	1Q	1Q	1Q	1Q		
(Unit:Millions of yen)						
Net sales	10,627	2,716	5,758	9,515	165.2	89.5
Operating profit(loss)	1,555	Δ 2,409	Δ 759	1,150	-	74.0
Ordinary profit(loss)	1,567	Δ 1,755	Δ 311	1,302	-	83.1
Net profit(loss)	1,023	Δ 1,163	Δ 192	839	-	82.0

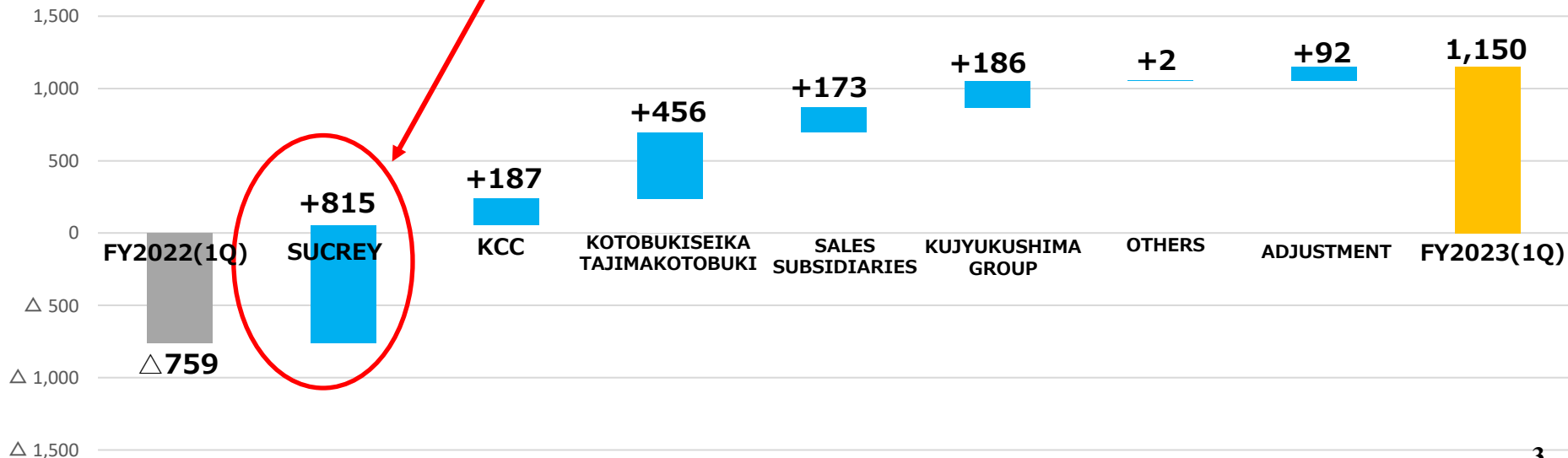
FY2023(1Q) increase or decrease of amount

【Net sales】

(Unit : Millions of yen)



【Operating profit】



FY2023(1Q)Topics ① (Opening of large-scale shop)

- Sucrey opened new brand DROOLY that concept is honey and cheese in Hanshin Department Store(Apr.2022)
- A good start by opening a new brand shop in a super prime location!



DROOLY Hanshin Department Store(Umeda Main Store) (Apr.2022)

FY2023(1Q)Topics ②

(Tokyo station sweets sales ranking at GRANSTA Tokyo and ecute Tokyo)

4 sweets ranked among the top 10 sales rankings!

COCORIS won the No.1!

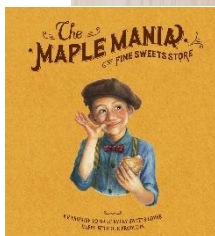
※GRANSTA Tokyo and ecute Tokyo are commercial facilities inside of ticket gates at Tokyo Station.



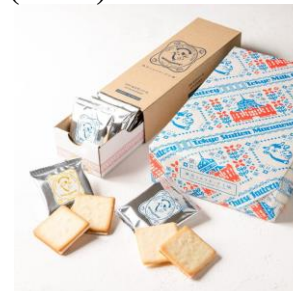
No.1(Sandwich Cookie Hazelnuts and Strawberries)
COCORIS(SUCREY)



No.3(Cheesecake Sandwich)
Now on Cheese ♪ Hello, Tokyo Station !
(KCC)



No.6(Maple Chocolate Cake)
THE MAPLE MANIA(SUCREY)



No.8(Assort Cookies Tokyo Station Package)
Tokyo Milk Cheese Factory(SUCREY)

”JR East Cross Station Development company press release”(Jun.2022)

<https://www.jr-cross.co.jp/info/items/46568b1dc052b1aea6ad85600a802e1e527b9a44.pdf>

FY2023(1Q)Topics ②

(Tokyo station sweets sales ranking at TOKYO GIFT PALETTE)

3 sweets ranked among the top 10 sales rankings!

Anbataya won the No.1!

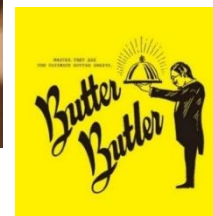
※ TOKYO GIFT PALETTE is commercial facility outside of ticket gates at Tokyo Station.



No.1(Anbata financier)
Anbataya(KCC)



No.2(Pistage)
PISTA&TOKYO(KCC)



No.5(Butter Financier)
Butter Butler(SUCREY)

“Tokyo station development company press release”(Jul.2022)

<https://prtimes.jp/main/html/rd/p/000000039.000037893.html>

FY2023(1Q)Topics ③(New Shops/Long-term pop up)

SUCREY opened 2 new shops and a Long-term pop up shop!



**Long-term pop up shop(OKASHI BAKO)
LaLaport Fukuoka(Apr.2022)**



FRANÇAIS LaLaport Ebina(May.2022)



**Tokyo Milk Cheese Factory
Gransta Tokyo(Apr.2022)**

Mail-order sales

(Mail-order sales FY2023(1Q)1,247 million Yen Δ 2.2% (YoY))

- **Mail-order sales decreased slightly due to reaction to Mother's Day event and stay-home consumption in previous fiscal year**
- **Continue to strengthen EC Gift measures**



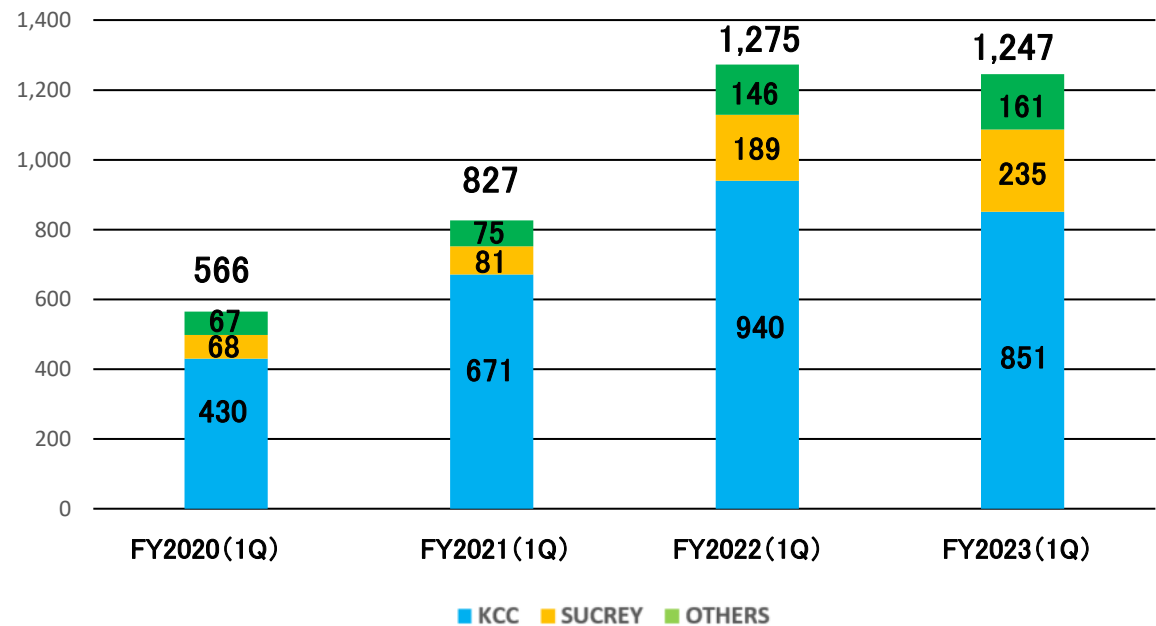
SUCREY online shop



LeTAO online shop

Mail-order sales

(Unit: Millions of yen)



Overseas sales



Nostalgic Modern
LeTAO
Northern Sweets Manner

Overseas sales FY2023(1Q)331million yen Δ 18.9%(YoY)

Sales in China decreased due to the impact of the lockdown in Shanghai



**THE MAPLE MANIA First shop in Taiwan
Shin Kong Mitsukoshi A8(Jun.2022)**

Overseas sales

(Unit: Millions of yen)	FY2022 (1Q)	FY2023 (1Q)	YoY (Change)	YoY (%)
Taiwan (※1)	58	88	30	50.6
Korea	65	47	Δ 18	Δ 27.7
Singapore	34	90	56	167.8
China	237	70	Δ 166	Δ 70.3
Others (※2)	15	36	21	141.7
Total	408	331	Δ 77	Δ 18.9

※1 Taiwan is consolidated subsidiary.

Other areas are FC.

※2 Hong Kong business closed in February 2020.

The local subsidiary Honey Sucrey Limited (Hong Kong) was liquidation in July 2022.

Results of FY2023(1Q)(YoY)

Net sales +65.2 point/Ordinary loss turned profitable

	FY2022(1Q)		FY2023(1Q)		YoY(Change)	YoY(%)
	amount	To-sales rate	amount	To-sales rate		
(Millions of Yen,%)						
Net sales	5,758	—	9,515	—	3,757	65.2
Gross profit	2,830	49.1	5,532	58.1	2,703	95.5
SG&A expenses	3,589	62.3	4,382	46.1	793	22.1
Operating profit(Δloss)	Δ 759	—	1,150	12.1	1,910	—
Ordinary profit(Δloss)	Δ 311	—	1,302	13.7	1,613	—
Net profit(Δloss)	Δ 192	—	839	8.8	1,031	—
EPS (Yen)	Δ 6.16		26.96		—	

Results of FY2023(1Q) (Compared to FY2020(1Q))

Compared to FY2020(1Q), Net sales $\Delta 10.5\%$, ordinary profit $\Delta 16.9\%$

	FY2020(1Q)		FY2023(1Q)		Compared to FY2020(1Q)	
	amount	To-sales rate	amount	To-sales rate	(Change)	(%)
(Millions of Yen,%)						
Net sales	10,627	—	9,515	—	$\Delta 1,111$	$\Delta 10.5$
Gross profit	6,320	59.5	5,532	58.1	$\Delta 787$	$\Delta 12.5$
SG&A expenses	4,765	44.8	4,382	46.1	$\Delta 383$	$\Delta 8.0$
Operating profit(Δ loss)	1,555	14.6	1,150	12.1	$\Delta 405$	$\Delta 26.0$
Ordinary profit(Δloss)	1,567	14.8	1,302	13.7	$\Delta 265$	$\Delta 16.9$
Net profit(Δ loss)	1,023	9.6	839	8.8	$\Delta 184$	$\Delta 18.0$
EPS (Yen)	32.86		26.96		$\Delta 5.90$	

Impact of the New Revenue Recognition Standard on Business Performance

Gross profit rate Δ 2.1 point / SG&A expense rate Δ 1.7 point

(Millions of yen,%)	FY2023(1Q)				amount of impact
	Before	To-sales rate	After	To-sales rate	
Net sales	9,223	—	9,515	—	292
Cost of sales	3,667	39.8	3,983	41.9	316
Gross profit	5,556	60.2	5,532	58.1	Δ 24
SG&A expenses	4,407	47.8	4,382	46.1	Δ 25
Promotion	608	6.6	605	6.4	Δ 3
Freight	437	4.7	308	3.2	Δ 129
Rent	758	8.2	294	3.1	Δ 464
Commission expenses	231	2.5	801	8.4	571
Others	2,373	25.7	2,373	24.9	—
Operating profit	1,149	12.5	1,150	12.1	1

●The above impact amount is due to the application of “New Revenue Recognition Standard”. Due to changes in digestion type sales transaction, delivery service for mail order, points of our own EC site, etc. The impact on operating loss is minor.

Compared to FY2020(1Q), pre-application of New Revenue Recognition Standard

Gross profit rate +0.7 points compared to FY2020(1Q)

(Millions of yen,%)	FY2020(1Q)		FY2023(1Q)		Compared to FY2020	
	amount	To-sales rate	amount	To-sales rate	(Change)	(%)
Net sales	10,627	100.0	9,223	100.0	△ 1,403	△ 13.2
Cost of sales	4,307	40.5	3,667	39.8	△ 640	△ 14.9
Gross profit	6,320	59.5	5,556	60.2	△ 763	△ 12.1
SG&A expenses	4,765	44.8	4,407	47.8	△ 357	△ 7.5
Personnel expenses	1,916	18.0	1,740	18.9	△ 176	△ 9.2
Advertising	68	0.6	104	1.1	36	52.9
Freight	459	4.3	437	4.7	△ 21	△ 4.6
Traveling and transportation expenses	160	1.5	76	0.8	△ 84	△ 52.6
Promotion	757	7.1	608	6.6	△ 149	△ 19.7
Rent	713	6.7	758	8.2	45	6.3
Commission expenses	134	1.3	231	2.5	97	72.6
Depreciation	130	1.2	96	1.0	△ 34	△ 26.3
Others	428	4.0	358	3.9	△ 70	△ 16.4
Operating profit	1,555	14.6	1,149	12.5	△ 406	△ 26.1

Results of FY2023(1Q) (SEGMENTS)

All segments on recovery trend(especially SUCREY)

	Net sales				Operating profit (△loss)		
	FY2022(1Q)	FY2023(1Q)	YoY(Change)	YoY(%)	FY2022(1Q)	FY2023(1Q)	YoY(Change)
(Millions of Yen,%)							
SUCREY	2,005	3,819	1,814	90.5	△ 235	580	815
KCC	2,106	2,638	532	25.3	△ 99	88	187
KOTOBUKISEIKA TAJIMAKOTOBUKI	1,130	2,080	949	84.0	△ 162	294	456
SALES SUBSIDIARIES	524	1,115	591	112.8	△ 109	64	173
KUJYUKUSHIMA GROUP	515	881	366	71.2	△ 201	△ 15	186
OTHERS*	77	101	25	32.1	△ 11	△ 9	2
SEGMENTS TOTAL	6,357	10,634	4,277	67.3	△ 817	1,001	1,818
ADJUSTMENT	△ 599	△ 1,119	△ 520	86.9	57	149	92
TOTAL	5,758	9,515	3,757	65.2	△ 759	1,150	1,910

* Honey Sucrey(Hong Kong) is in the process of liquidation.

Sales channel

	FY2022(1Q)		FY2023(1Q)		YoY (Change)	YoY (%)
	amount	To-sales rate	amount	To-sales rate		
(millions of yen,%)						
Net sales	5,758	—	9,515	—	3,757	65.2
Domestic(Wholesale)	1,589	27.6	3,242	34.1	1,653	104.1
Domestic(Retail) ※1	2,485	43.2	4,694	49.3	2,209	88.9
Mail Order	1,275	22.1	1,247	13.1	△ 28	△ 2.2
Other ※2	1	0.0	1	0.0	△ 0	—
Domestic Total	5,350	92.9	9,184	96.5	3,834	71.7
Overseas(Wholesale) ※3	350	6.1	244	2.6	△ 107	△ 30.4
Overseas(Retail)	58	1.0	88	0.9	30	50.6
Overseas Total	408	7.1	331	3.5	△ 77	△ 18.9

※1 Retail are shops and Pop up stores.

※2 Other is insurance agency business.

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

Cost of sales ▪ Gross profit

Gross profit margin increased 9.0 points due to improved productivity

	FY2022(1Q)		FY2023(1Q)		YoY (Change)	YoY (%)
	amount	To-sales rate	amount	To-sales rate		
(Millions of Yen,%)						
Net sales	5,758	—	9,515	—	3,757	65.2
Material cost	1,500	26.0	2,187	23.0	687	45.8
Labor cost	907	15.8	1,038	10.9	131	14.4
Expense	455	7.9	511	5.4	56	12.3
Manufacturing cost	2,862	49.7	3,736	39.3	874	30.5
Others	67	1.2	247	2.6	180	268.8
Cost of sales	2,929	50.9	3,983	41.9	1,054	36.0
Gross profit	2,830	49.1	5,532	58.1	2,703	95.5

SG&A expenses /Operating profit

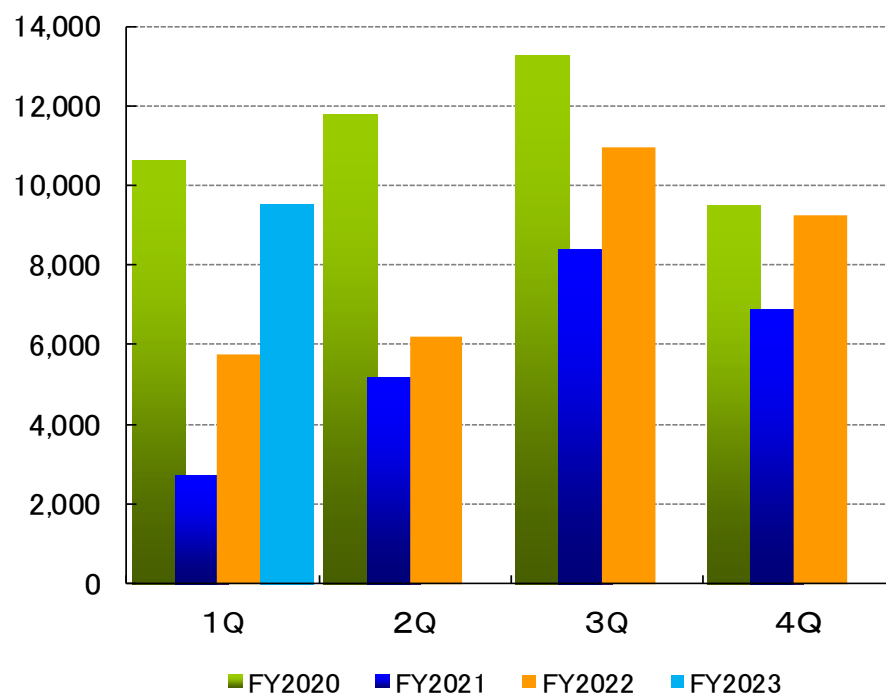
SG&A expenses rate decreased by 16.2 points due to sales recovery and cost control

	FY2022(1Q)		FY2023(1Q)		YoY (Change)	YoY (%)
	amount	To-sales rate	amount	To-sales rate		
(Millions of Yen,%)						
Gross profit	2,830	49.1	5,532	58.1	2,703	95.5
Personal expenses	1,676	29.1	1,740	18.3	64	3.8
Promotion	478	8.3	605	6.4	128	26.7
Freight	199	3.5	308	3.2	109	54.7
Advertising	81	1.4	104	1.1	23	28.6
Rent	235	4.1	294	3.1	59	25.1
Depreciation	105	1.8	96	1.0	△ 9	△ 9.0
Traveling and transportation expenses	48	0.8	76	0.8	28	56.9
Commission expenses	458	8.0	801	8.4	343	75.0
Others	309	5.4	358	3.8	49	15.9
SG&A expenses	3,589	62.3	4,382	46.1	793	22.1
Operating profit	△ 759	-	1,150	-	1,910	-

Net sales

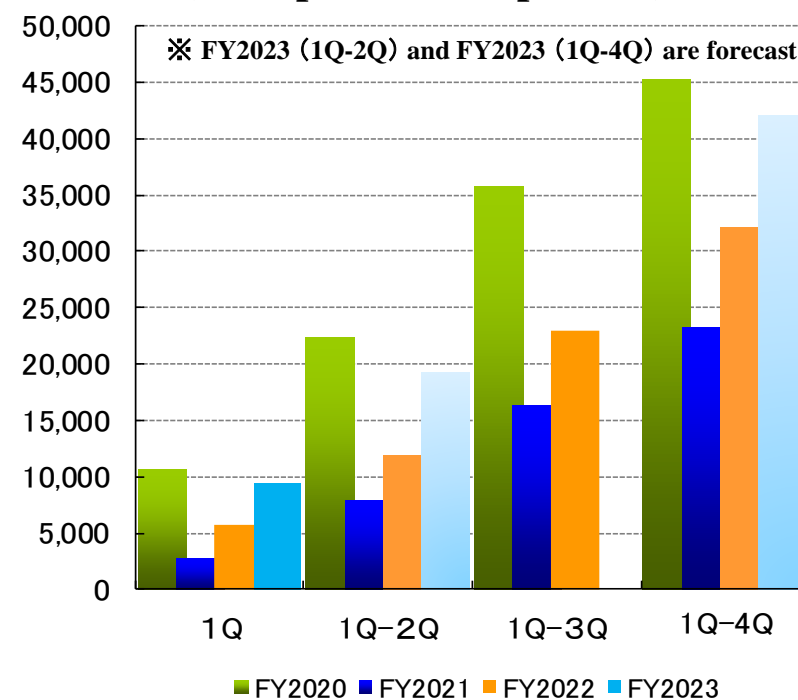
Net sales (Quarter)

(Four periods comparison)



Net sales (Cumulative)

(Four periods comparison)

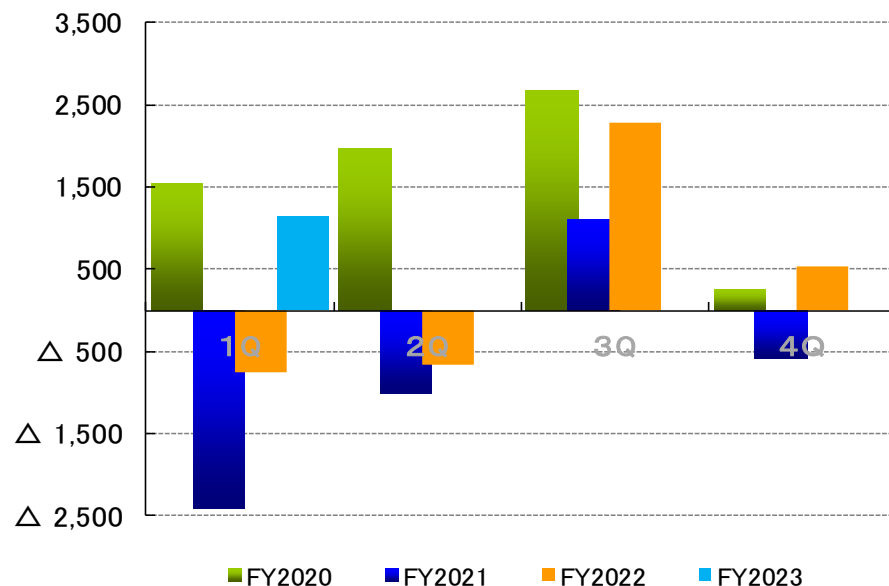


(Millions of yen)	Quarter				Cumulative Quarter			
	1Q	2Q	3Q	4Q	1Q	1Q-2Q	1Q-3Q	1Q-4Q
FY2020	10,627	11,761	13,287	9,506	10,627	22,388	35,675	45,181
FY2021	2,716	5,189	8,402	6,898	2,716	7,905	16,306	23,205
FY2022	5,758	6,200	10,963	9,270	5,758	11,959	22,921	32,192
FY2023	9,515	-	-	-	9,515	19,180	-	42,000
Compared to FY2020	△10.5%	-	-	-	△10.5%	-	-	-
YoY	65.2%	-	-	-	65.2%	-	-	-

Operating profit

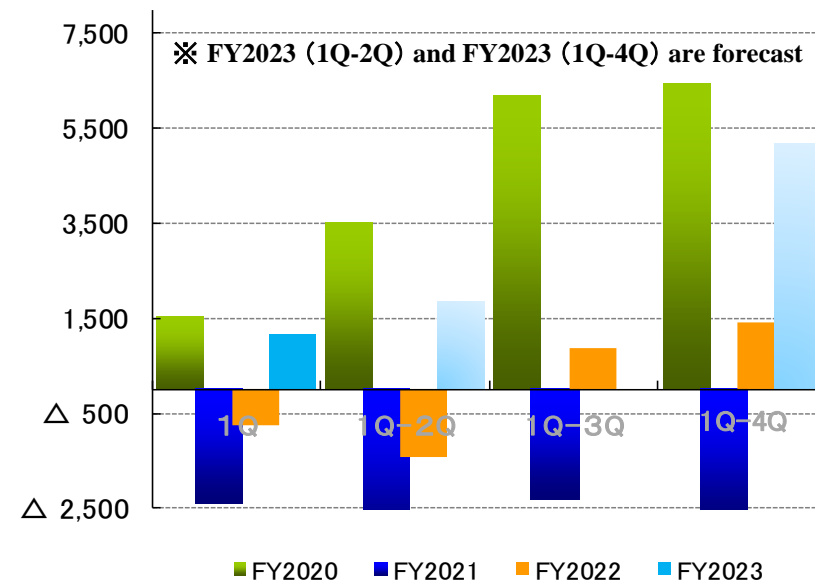
Operating profit (Quarter)

(Four periods comparison)



Operating profit (Cumulative)

(Four periods comparison)

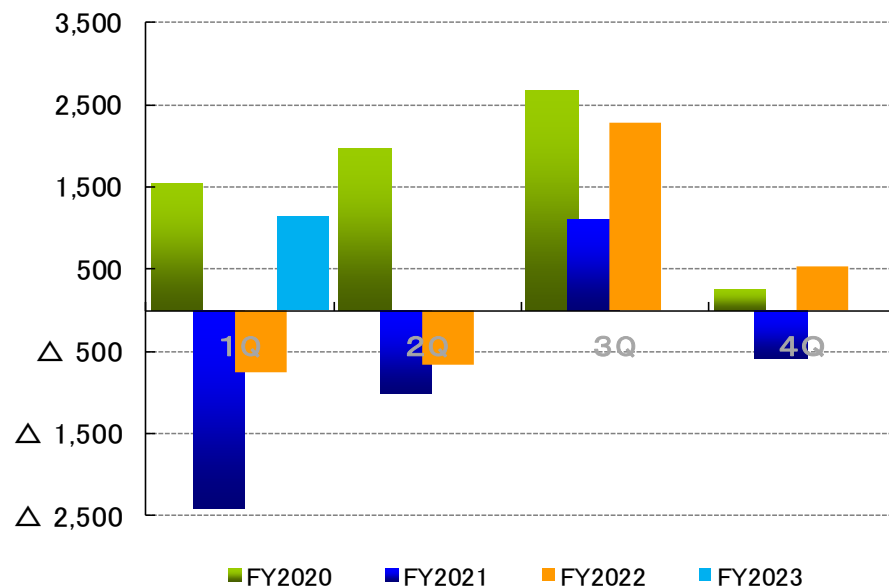


(Millions of yen)	Quarter				Cumulative Quarter			
	1Q	2Q	3Q	4Q	1Q	1Q-2Q	1Q-3Q	1Q-4Q
FY2020	1,555	1,964	2,672	264	1,555	3,519	6,191	6,455
FY2021	△ 2,409	△ 1,012	1,114	△ 583	△ 2,409	△ 3,421	△ 2,307	△ 2,890
FY2022	△ 759	△ 659	2,279	542	△ 759	△ 1,418	860	1,403
FY2023	1,150				1,150	1,850		5,160
Compared to FY2020	△26.0%				△26.0%			
YoY	-				-			

Operating profit

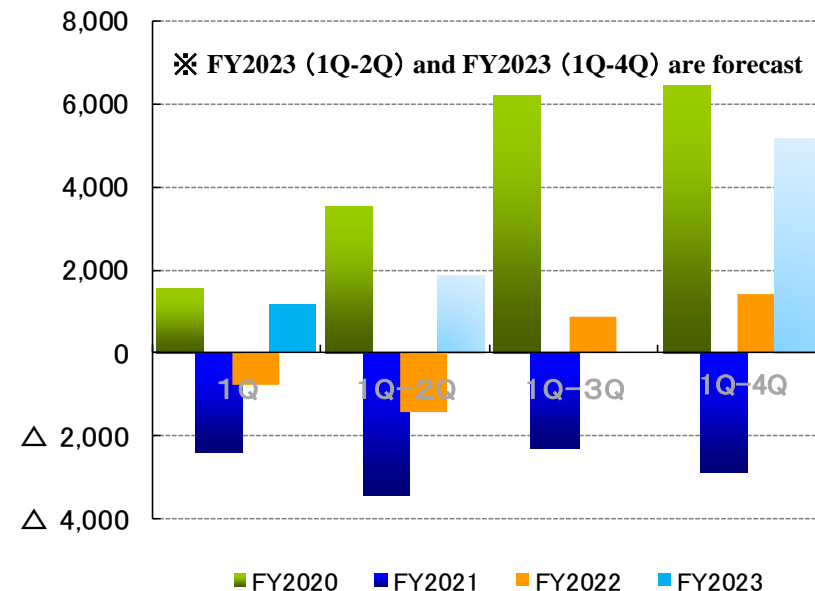
Operating profit (Quarter)

(Four periods comparison)



Operating profit (Cumulative)

(Four 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
FY2023	1,150	-	-	-	1,150	1,850	-	5,160
Compared to FY2020	△ 26.0%	-	-	-	△ 26.0%	-	-	-
YoY	-	-	-	-	-	-	-	-

Balance Sheet

(Millions of yen,%)	FY2021		FY2022		FY2023(1Q)		Compared to FY2022	
	amount	rate	amount	rate	amount	rate	(Change)	(%)
Current assets	12,615	50.4	15,804	57.5	15,906	57.9	101	0.6
Non-current assets	12,437	49.6	11,666	42.5	11,561	42.1	△ 105	△ 0.9
Assets	25,052	100.0	27,470	100.0	27,466	100.0	△ 4	△ 0.0
Current liabilities	3,077	12.3	4,620	16.8	4,737	17.2	117	2.5
Non-current liabilities	2,634	10.5	2,493	9.1	2,454	8.9	△ 39	△ 1.6
Liabilities	5,711	22.8	7,114	25.9	7,191	26.2	78	1.1
Net assets	19,342	77.2	20,357	74.1	20,275	73.8	△ 82	△ 0.4
Liabilities and net assets	25,052	100.0	27,470	100.0	27,466	100.0	△ 4	△ 0.0
BPS(Yen)	621.53		654.15		651.52		△ 2.63	△ 0.4
Cash and deposits	7,309		9,913		10,038		125	1.3
Interest-bearing debt	966		726		666		△ 60	△ 8.3

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

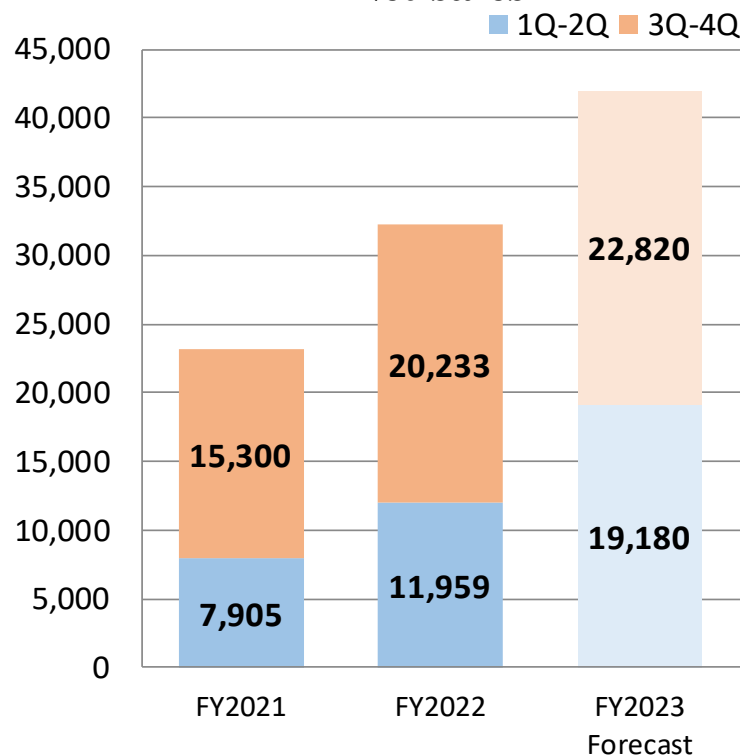
Business Forecast for FY2023 (SEGMENTS)

Aim to increase sales and profits in all segments !

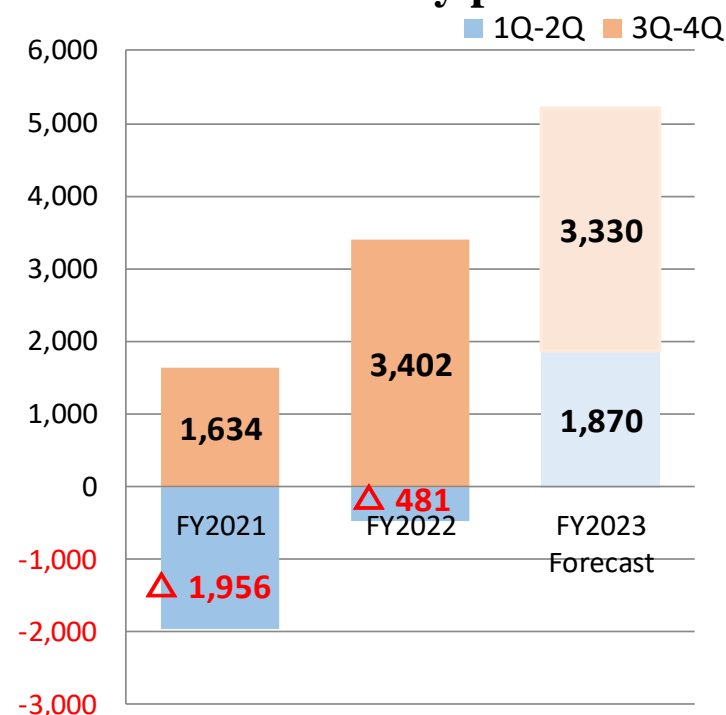
	Net sales				Operating profit		
	FY2022	FY2023 (Forecast)	YoY(Change)	YoY(%)	FY2022	FY2023 (Forecast)	YoY(Change)
(Million of Yen,%)							
SUCREY	11,958	15,600	3,642	30.5	868	1,887	1,019
KCC	10,959	12,450	1,491	13.6	583	1,063	480
KOTOBUKISEIKA TAJIMAKOTOBUKI	6,053	9,490	3,437	56.8	△ 100	667	767
SALES 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)

Net sales



Ordinary profit



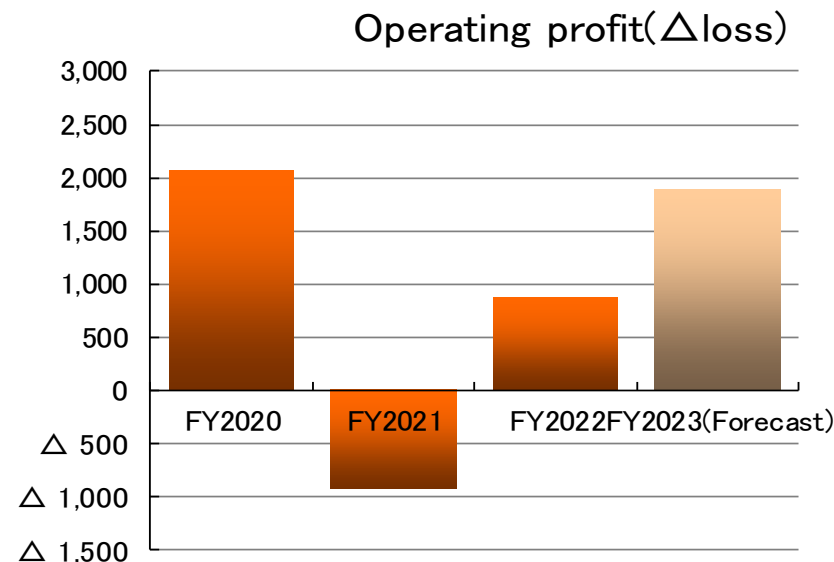
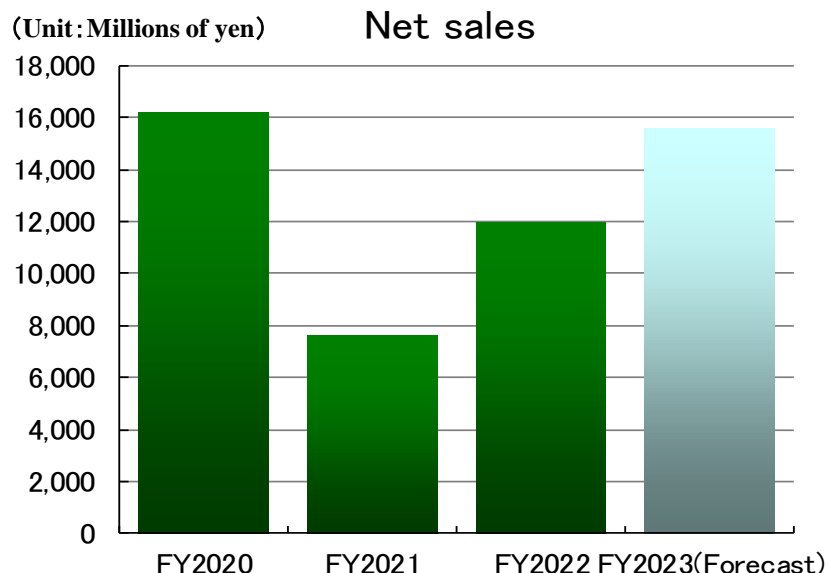
(Unit: million of yen)

	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》



Continue to focus on brands development and new brands development



NEOPASA Okazaki THE MAPLE MANIA MEGA pop up shop



Kobe Daimaru THE MAPLE MANIA MEGA pop up shop

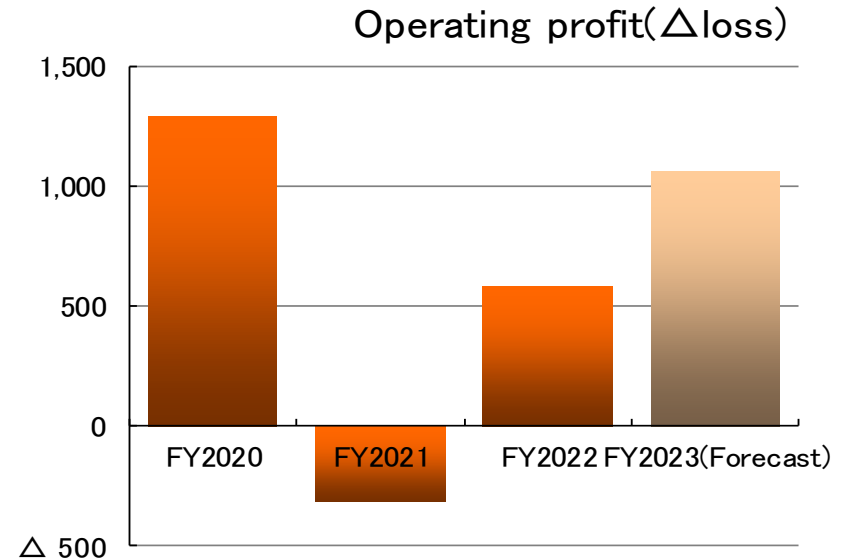
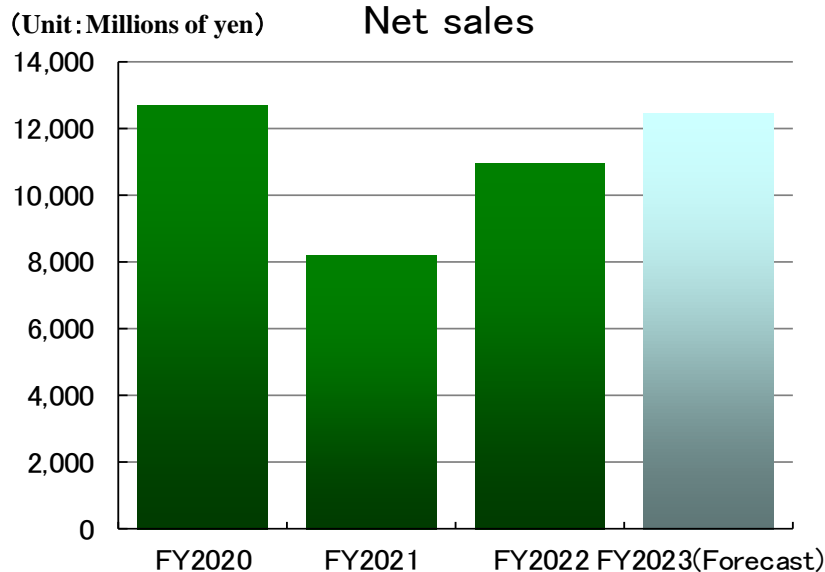


THE MAPLE MANIA 10th anniversary GIFT



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 :Strengthen brand value by improving premium gift sweets, shop force and sales force

Focus on developing Tokyo area brands (PISTA & TOKYO/Now on Cheese ♪/Anbataya)

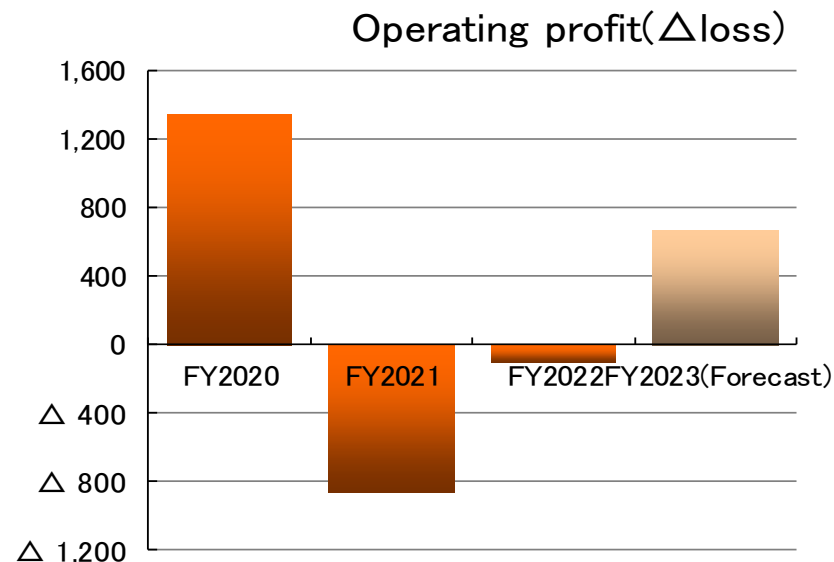
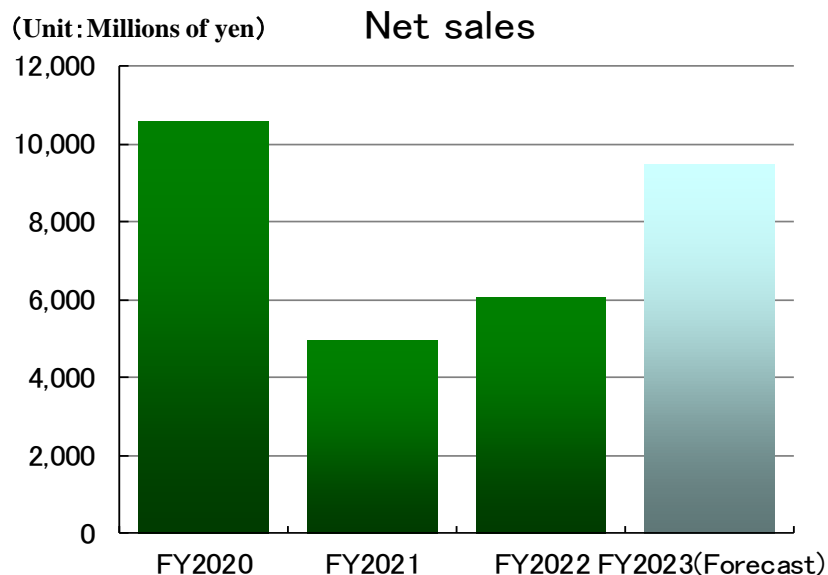


Anbataya Haneda Airport Terminal 2 pop up

《KOTOBUKISEIKA・TAJIMAKOTOBUKI》

FY2023 (Forecast)

FY2023 : Net sales **9,490** million yen (+56.8%YoY) OP **667** million yen (FY2022 Δ100million yen)



(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(Δloss)	1,352	Δ 860	Δ 100	760	-	667	767	-

《KOTOBUKISEIKA・TAJIMAKOTOBUKI》



Strengthen cooperation with distributors to revive demand for souvenirs

- Strengthen main sweets /Development of new sweets
- Focus on developing new genres such as protein bars for major retail stores



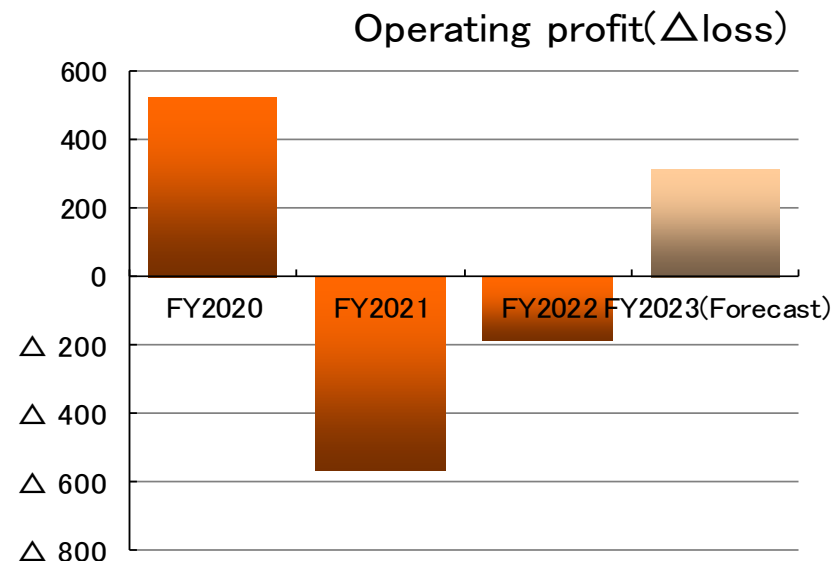
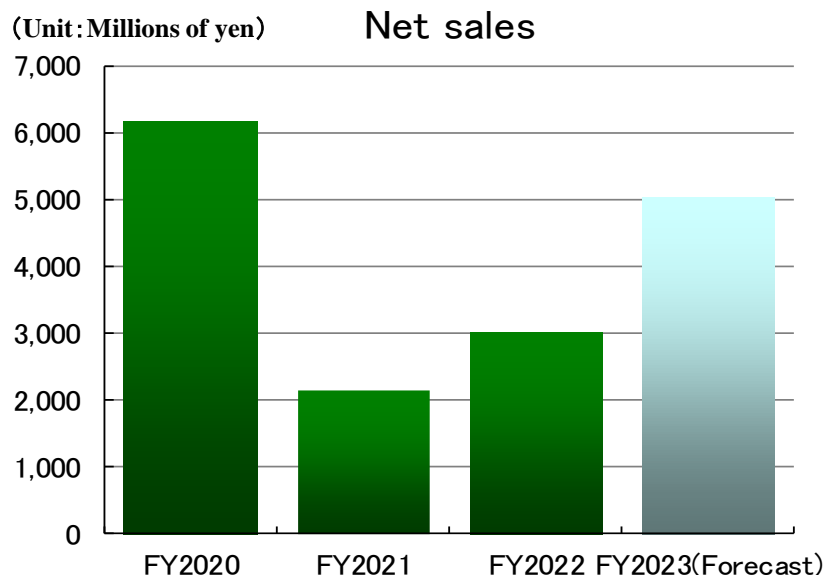
Shirousagi Financier/Inabano Shirousagi



KAnoZA Rafe de Citron

《SALES SUBSIDIARIES》 FY2023 (Forecast)

FY2023 : Net sales **5,039** million yen (+67.6%YoY) OP **313** million yen (FY2022 Δ186million 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(Δloss)	523	Δ 566	Δ 186	380	-	313	499	-

《SALES SUBSIDIARIES》

Acquisition of new sales floors with new products and focus on expanding sales floor space for main sweets for the revival of the souvenir market of major transportation channels



KYOTO Vegetable Tempura Senbei
Supervision by Yasaka Endo



NAGOYA Ogura Toast Cheesecake

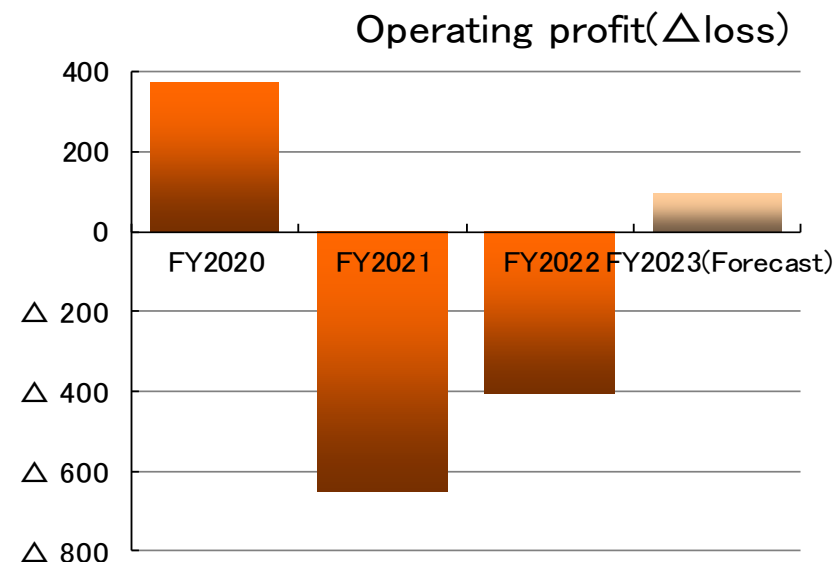
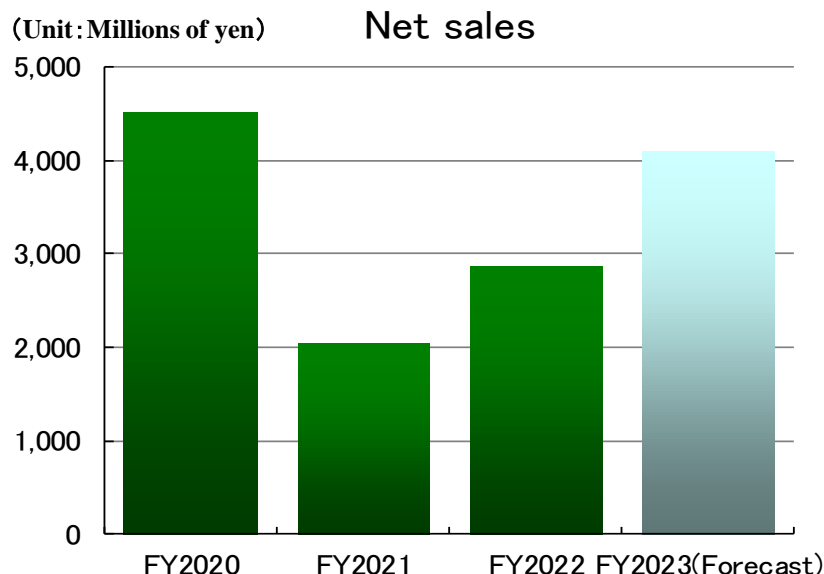


OSAKA Honey Quattro Formaggi

《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



Hanakago by Akaifusen 40th anniversary



Ivorish LaLaport Numazu Pop up shop

《OTHERS》

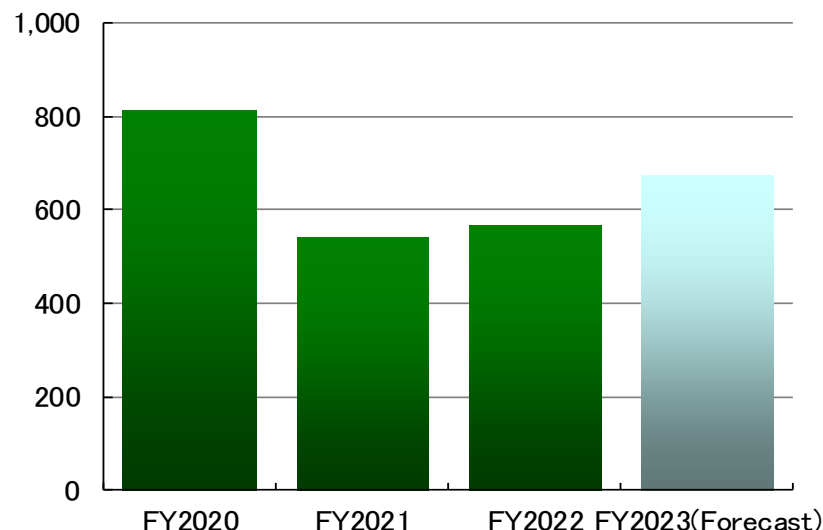
< Health food business, Taiwan confectionary business, Insurance agency >

FY2023 (Forecast)

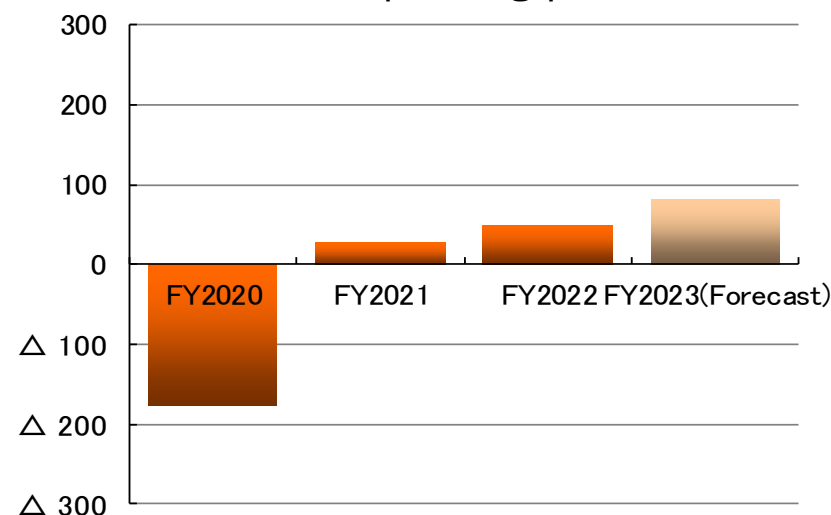
FY2023 : Net sales 673 million yen (+18.8%YoY) OP 81 million yen (+65.7%YoY)

(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

※Hong Kong business closed in February 2020.

The local subsidiary Honey Sucrey Limited (Hong Kong) was liquidation in July 2022.

《OTHERS》

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

純藍

Taiwan confectionery business



THE MAPLE MANIA Mid-Autumn Festival Gift

health food business(Junai)



Indigo cheese langue de chat

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 》

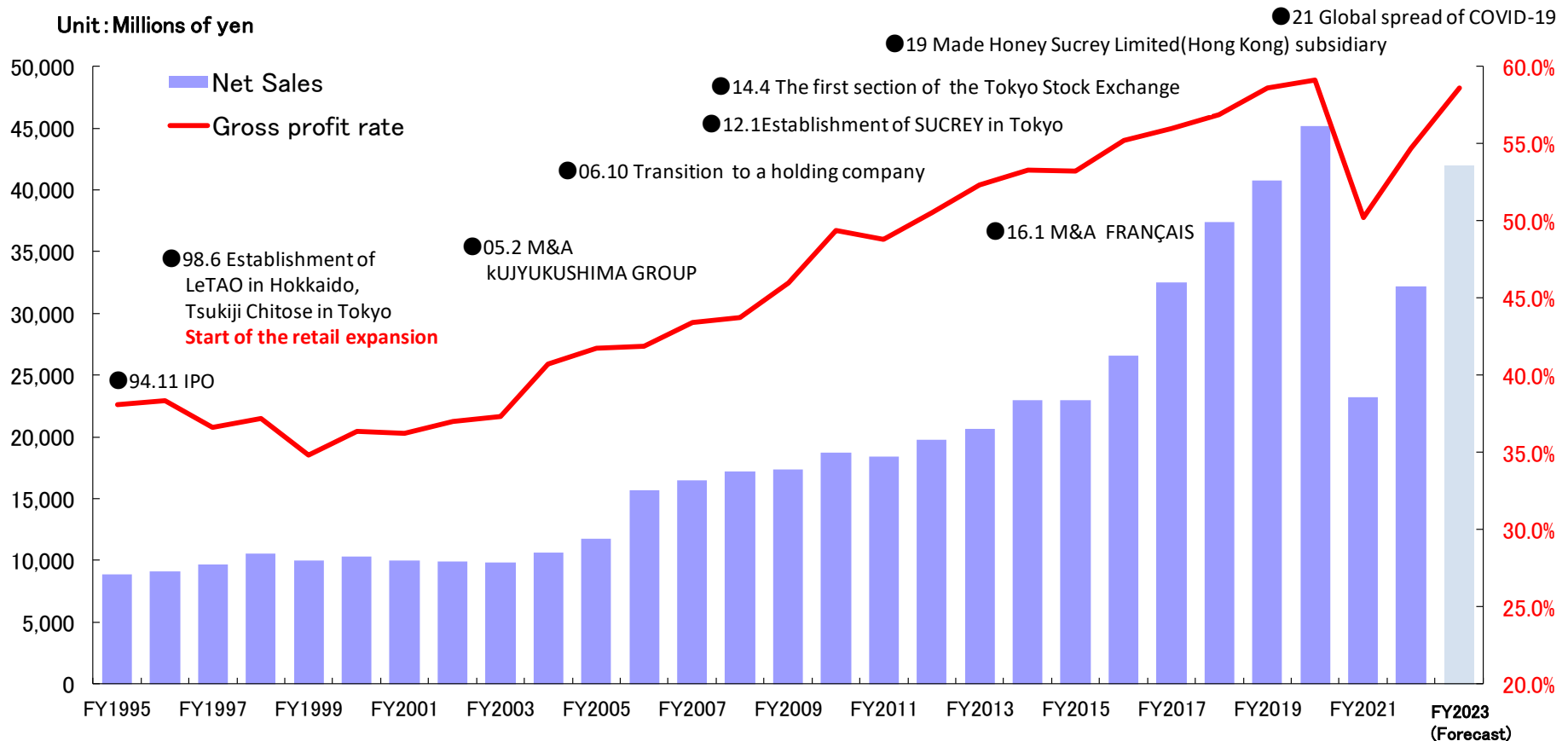
KOZUCHI national convention is held once a year for the purpose of sharing achievements with fellows.



Transition of Kotobuki Spirits ①

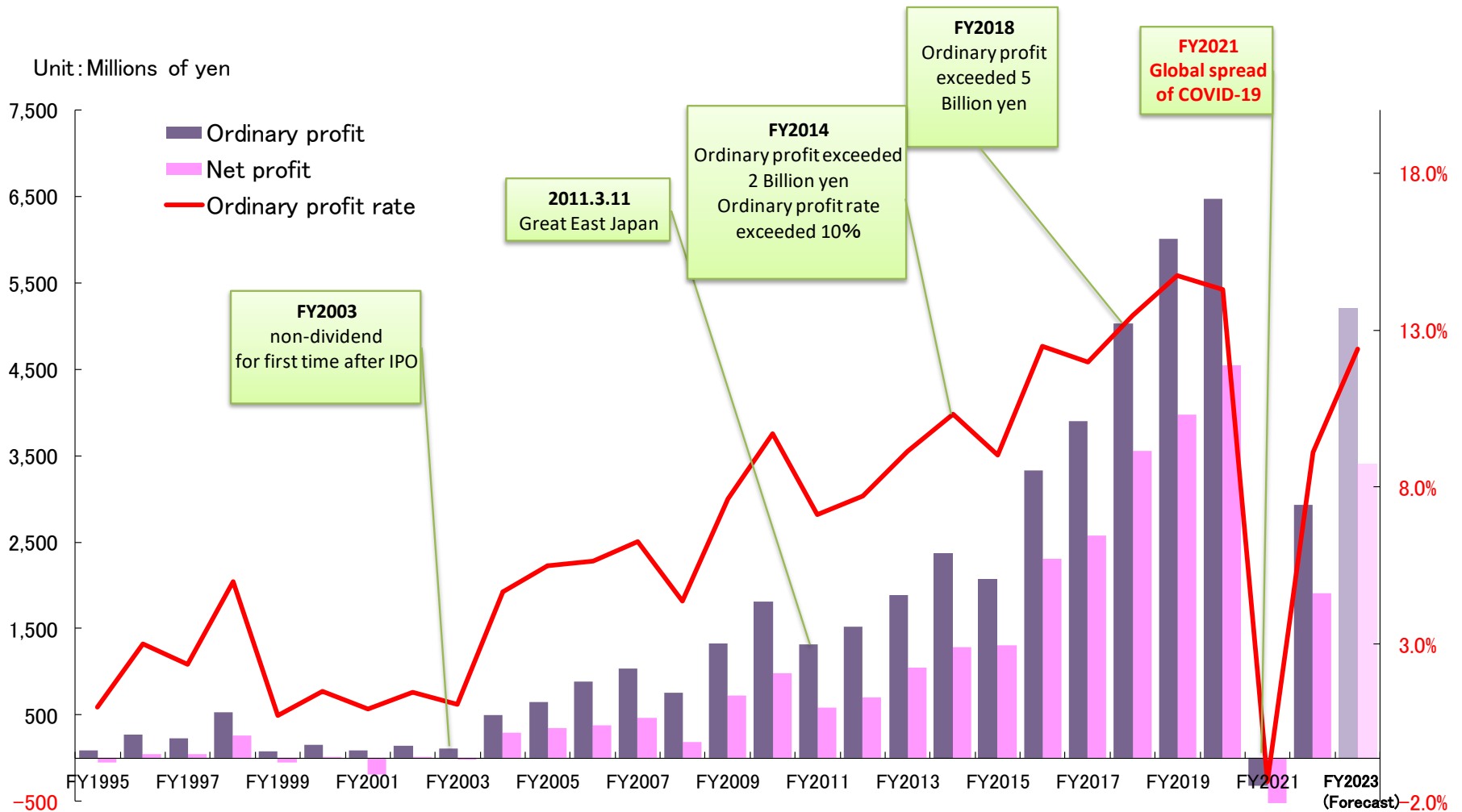
High profit management

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



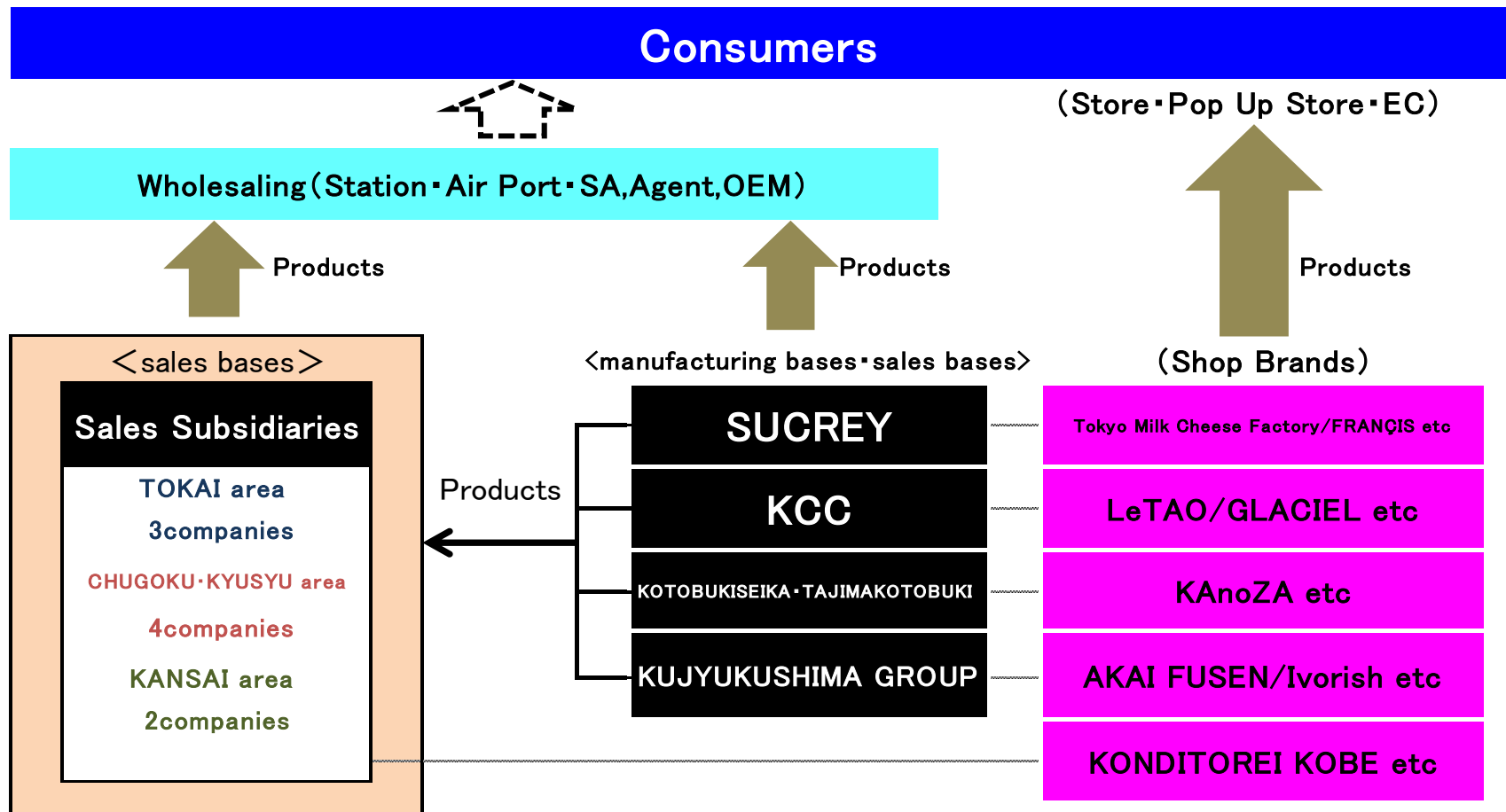
Transition of Kotobuki Spirits ②

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

Ivorish

Premium French Toast

Fukuoka • Tokyo



Akai Fusen
PATISSERIE

Sasebo • Fukuoka



東京ミルクチーズ工場



Tokyo



FRANÇAJS



IN KOBE
VERLIEBTES GEMÜT IN DIE
SÜßWAREN
LEGEND.
"Meisterstück Gästegluck"
KONFITOREI
KOBE

Kobe



Main Sweets



Nostalgic Modern.
LeTAO
★Northern Sweets Manner★

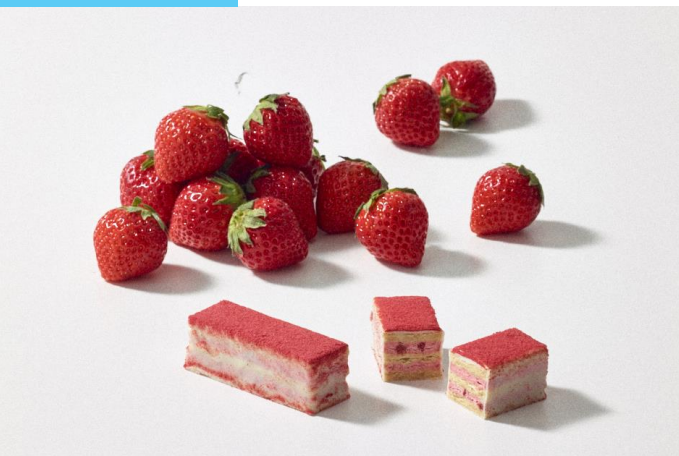
Double Fromage



Inabano Shirousagi



Salt and Camembert Cookie



Mille Feuille



Butter Financier



Kujyukushima Senpei