

**FY2023(1Q-2Q)**  
**(Second quarter of the fiscal year ending March 31, 2023)**  
**Consolidated Business Results**

**November 2,2022**  
**Kotobuki Spirits Co.,Ltd.**





# Company Overview

<b>Firm name</b>	<b>Kotobuki Spirits Co.,Ltd.</b>
<b>Securities code</b>	<b>2222 (Tokyo Stock Exchange 1st section)</b>
<b>Address</b>	<b>2028, Hatagasaki, Yonago-shi, Tottori, 683-0845, Japan</b>
<b>Establishment</b>	<b>April 25th,1952</b>
<b>Capital</b>	<b>1.2 Billion 17.8 Million yen</b>
<b>President</b>	<b>Seigo Kawagoe</b>
<b>Employees</b>	<b>Kotobuki Spirits 7 people/Group Total 1,559 people</b>
<b>Group companies</b>	<b>Consolidated subsidiary 17 companies (domestic 16•overseas 1)</b>
<b>Net sales</b>	<b>32.2 Billion Yen (FY2022 :Year ended March 31, 2022)</b>

# FY2023(1Q-2Q) Highlight

Net sales **20,100**million yen **168.1%**(YoY)

Ordinary profit **3,055**million yen FY2022(1Q-2Q) $\Delta$ 481million 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>

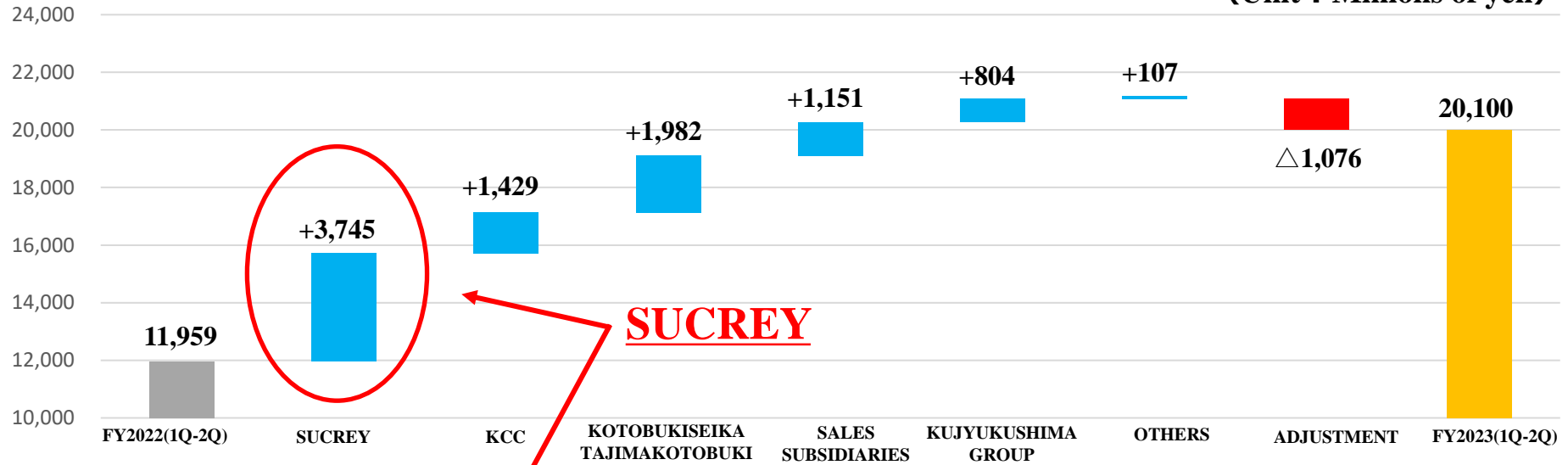
	Apr.	May.	Jun.	Jul.	Aug.	Sep.
Compared to FY2022(1Q-2Q)(%)	50.9	73.5	77.3	45.3	84.1	86.4
Compared to FY2020(1Q-2Q)(%)	$\Delta$ 14.4	$\Delta$ 10.7	$\Delta$ 1.9	$\Delta$ 9.3	$\Delta$ 15.3	$\Delta$ 4.8

(Unit:Millions of yen)	FY2020	FY2021	FY2022	FY2023	YoY	Compared to FY2020 (1Q-2Q)
	1Q-2Q	1Q-2Q	1Q-2Q	1Q-2Q		
Net sales	22,388	7,905	11,959	20,100	168.1%	89.8%
Operating profit(loss)	3,519	$\Delta$ 3,421	$\Delta$ 1,418	2,830	-	80.4%
Ordinary profit(loss)	3,548	$\Delta$ 1,956	$\Delta$ 481	3,055	-	86.1%
Net profit(loss)	2,268	$\Delta$ 1,290	$\Delta$ 283	1,994	-	87.9%

# FY2023(1Q-2Q) increase or decrease of amount

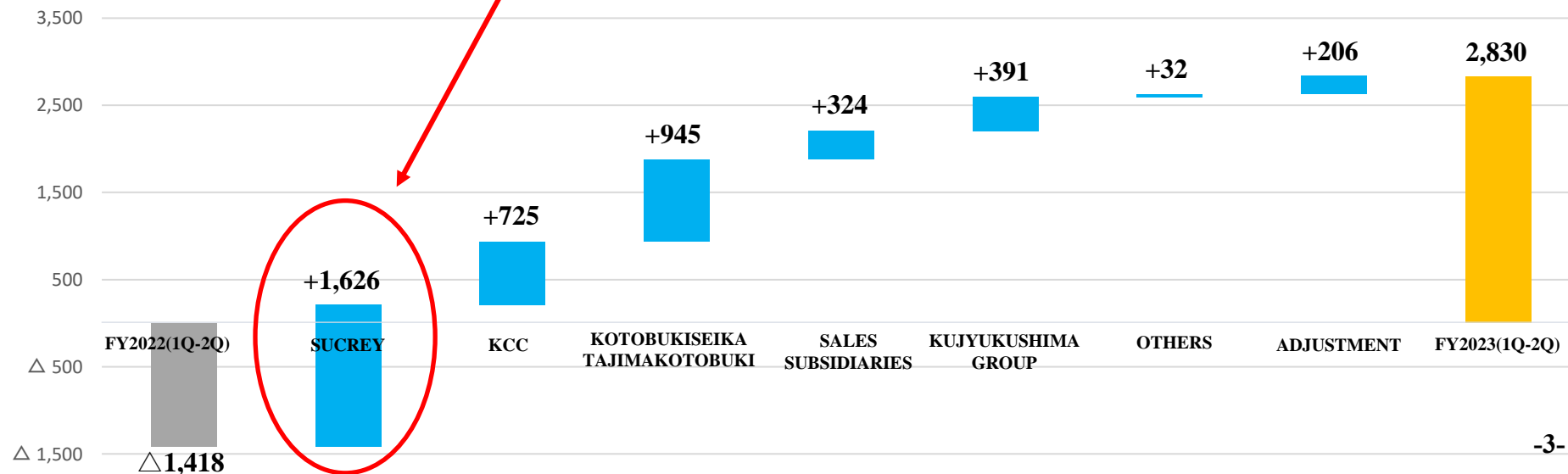
## 【Net sales】

(Unit : Millions of yen)



## 【Operating profit】

(Unit : Millions of yen)



# FY2023(1Q-2Q)Topics ① (Opening of large-scale shop)

- Sucrey opened 2 brand shops that DROOLY in Hanshin Department Store and The MASTER by Butter Butler in Abeno harukas Kintetsu Department Store.



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

**The MASTER by Butter Butler  
Abeno harukas Kintetsu Department Store(Sep.2022)**

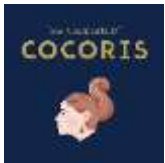
# FY2023(1Q-2Q)Topics ②

(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-2Q)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-2Q)Topics ③

### (The Maple Mania held 10th anniversary event at Tokyo Station)

The Maple Mania 10th anniversary pop up shop departed from Tokyo station to Tohoku region ! A press event was held with the participation of famous entertainers.





# Results of FY2023 1Q-2Q (YoY)

Net sales +68.1 point/Ordinary loss turned profitable

(Millions of Yen, %)	FY2022(1Q-2Q)		FY2023(1Q-2Q)				FY2022(1Q-4Q)	
	amount	To-sales rate	amount	To-sales rate	YoY(Change)	YoY(%)	amount	To-sales rate
<b>Net sales</b>	<b>11,959</b>	<b>—</b>	<b>20,100</b>	<b>—</b>	<b>8,141</b>	<b>68.1</b>	<b>32,192</b>	<b>—</b>
<b>Gross profit</b>	<b>5,841</b>	<b>48.8</b>	<b>11,771</b>	<b>58.6</b>	<b>5,931</b>	<b>101.5</b>	<b>17,623</b>	<b>54.7</b>
<b>SG&amp;A expenses</b>	<b>7,259</b>	<b>60.7</b>	<b>8,941</b>	<b>44.5</b>	<b>1,682</b>	<b>23.2</b>	<b>16,220</b>	<b>50.4</b>
<b>Operating profit(Δloss)</b>	<b>Δ 1,418</b>	<b>—</b>	<b>2,830</b>	<b>14.1</b>	<b>4,249</b>	<b>—</b>	<b>1,403</b>	<b>4.4</b>
<b>Ordinary profit(Δloss)</b>	<b>Δ 481</b>	<b>—</b>	<b>3,055</b>	<b>15.2</b>	<b>3,536</b>	<b>—</b>	<b>2,921</b>	<b>9.1</b>
<b>Net profit(Δloss)</b>	<b>Δ 283</b>	<b>—</b>	<b>1,994</b>	<b>9.9</b>	<b>2,277</b>	<b>—</b>	<b>1,916</b>	<b>6.0</b>
<b>EPS(Yen)</b>	<b>Δ 9.08</b>		<b>64.09</b>		<b>73.17</b>	<b>—</b>	<b>61.56</b>	

# Results of FY2023 1Q-2Q (Compared to FY2020 1Q-2Q)

Compared to FY2020(1Q-2Q), Net sales  $\Delta 10.2\%$ , ordinary profit  $\Delta 13.9\%$

(Millions of Yen,%)	FY2020(1Q-2Q)		FY2023(1Q-2Q)				FY2020(1Q-4Q)	
	amount	To-sales rate	amount	To-sales rate	YoY(Change)	YoY(%)	amount	To-sales rate
<b>Net sales</b>	<b>22,388</b>	<b>—</b>	<b>20,100</b>	<b>—</b>	<b><math>\Delta 2,288</math></b>	<b><math>\Delta 10.2</math></b>	<b>45,181</b>	<b>—</b>
<b>Gross profit</b>	<b>13,260</b>	<b>59.2</b>	<b>11,771</b>	<b>58.6</b>	<b><math>\Delta 1,489</math></b>	<b><math>\Delta 11.2</math></b>	<b>26,702</b>	<b>59.1</b>
<b>SG&amp;A expenses</b>	<b>9,741</b>	<b>43.5</b>	<b>8,941</b>	<b>44.5</b>	<b><math>\Delta 801</math></b>	<b><math>\Delta 8.2</math></b>	<b>20,248</b>	<b>44.8</b>
<b>Operating profit</b>	<b>3,519</b>	<b>15.7</b>	<b>2,830</b>	<b>14.1</b>	<b><math>\Delta 688</math></b>	<b><math>\Delta 19.6</math></b>	<b>6,455</b>	<b>14.3</b>
<b>Ordinary profit</b>	<b>3,548</b>	<b>15.9</b>	<b>3,055</b>	<b>15.2</b>	<b><math>\Delta 493</math></b>	<b><math>\Delta 13.9</math></b>	<b>6,475</b>	<b>14.3</b>
<b>Net profit</b>	<b>2,268</b>	<b>10.1</b>	<b>1,994</b>	<b>9.9</b>	<b><math>\Delta 274</math></b>	<b><math>\Delta 12.1</math></b>	<b>4,100</b>	<b>9.1</b>
<b>EPS(Yen)</b>	<b>72.89</b>		<b>64.09</b>		<b><math>\Delta 8.80</math></b>		<b>131.76</b>	

## Impact of the New Revenue Recognition Standard on Business Performance

**Gross profit rate $\Delta$ 1.8 point / SG&A expense rate $\Delta$ 1.4 point**

(Millions of yen,%)	FY2023 (1Q-2Q)				amount of impact
	Before	To-sales rate	After	To-sales rate	
<b>Net sales</b>	<b>19,528</b>	<b>—</b>	<b>20,100</b>	<b>—</b>	<b>572</b>
<b>Cost of sales</b>	<b>7,741</b>	<b>39.6</b>	<b>8,329</b>	<b>41.4</b>	<b>588</b>
<b>Gross profit</b>	<b>11,787</b>	<b>60.4</b>	<b>11,771</b>	<b>58.6</b>	<b><math>\Delta</math> 16</b>
<b>SG&amp;A expenses</b>	<b>8,959</b>	<b>45.9</b>	<b>8,941</b>	<b>44.5</b>	<b><math>\Delta</math> 18</b>
<b>Promotion</b>	<b>1,240</b>	<b>6.3</b>	<b>1,232</b>	<b>6.1</b>	<b><math>\Delta</math> 7</b>
<b>Freight</b>	<b>897</b>	<b>4.6</b>	<b>670</b>	<b>3.3</b>	<b><math>\Delta</math> 227</b>
<b>Rent</b>	<b>1,588</b>	<b>8.1</b>	<b>620</b>	<b>3.1</b>	<b><math>\Delta</math> 967</b>
<b>Commission expenses</b>	<b>440</b>	<b>2.3</b>	<b>1,623</b>	<b>8.1</b>	<b>1,183</b>
<b>Others</b>	<b>4,795</b>	<b>24.6</b>	<b>4,794</b>	<b>23.9</b>	<b><math>\Delta</math> 1</b>
<b>Operating profit</b>	<b>2,828</b>	<b>14.5</b>	<b>2,830</b>	<b>14.1</b>	<b>2</b>

● 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-2Q), pre-application of New Revenue Recognition Standard

### Gross profit rate +1.2 points compared to FY2020(1Q-2Q)

(Millions of yen,%)	FY2020(1Q-2Q)		FY2023(1Q-2Q)		Compared to FY2020	
	amount	To-sales rate	amount	To-sales rate	(Change)	(%)
Net sales	22,388	-	19,528	-	△ 2,860	△ 12.8
Cost of sales	9,127	40.8	7,741	39.6	△ 1,387	△ 15.2
Gross profit	13,260	59.2	11,787	60.4	△ 1,473	△ 11.1
SG&A expenses	9,741	43.5	8,959	45.9	△ 782	△ 8.0
Personnel expenses	3,881	17.3	3,530	18.1	△ 351	△ 9.1
Advertising	127	0.6	173	0.9	46	35.8
Freight	970	4.3	897	4.6	△ 74	△ 7.6
Traveling and transportation expenses	320	1.4	154	0.8	△ 165	△ 51.7
Promotion	1,549	6.9	1,240	6.3	△ 310	△ 20.0
Rent	1,518	6.8	1,588	8.1	70	4.6
Commission expenses	275	1.2	440	2.3	165	59.9
Depreciation	264	1.2	195	1.0	△ 69	△ 26.2
Others	837	3.7	743	3.8	△ 94	△ 11.2
Operating profit	3,519	15.7	2,828	14.5	△ 691	△ 19.6

# Results of FY2023 (1Q-2Q) (SEGMENTS)

All segments on recovery trend(especially SUCREY)

(Millions of Yen, %)	Net sales				Operating profit(Δloss)		
	FY2022 (1Q-2Q)	FY2023 (1Q-2Q)	YoY(Change)	YoY(%)	FY2022 (1Q-2Q)	FY2023 (1Q-2Q)	YoY(Change)
<b>SUCREY</b>	<b>4,257</b>	<b>8,002</b>	<b>3,745</b>	<b>88.0</b>	<b>Δ 403</b>	<b>1,223</b>	<b>1,626</b>
<b>KCC</b>	<b>4,107</b>	<b>5,536</b>	<b>1,429</b>	<b>34.8</b>	<b>Δ 275</b>	<b>451</b>	<b>725</b>
<b>KOTOBUKISEIKA TAJIMAKOTOBUKI</b>	<b>2,408</b>	<b>4,390</b>	<b>1,982</b>	<b>82.3</b>	<b>Δ 317</b>	<b>628</b>	<b>945</b>
<b>SALES SUBSIDIARIES</b>	<b>1,138</b>	<b>2,289</b>	<b>1,151</b>	<b>101.1</b>	<b>Δ 192</b>	<b>132</b>	<b>324</b>
<b>KUJYUKUSHIMA GROUP</b>	<b>1,043</b>	<b>1,847</b>	<b>804</b>	<b>77.0</b>	<b>Δ 392</b>	<b>Δ 1</b>	<b>391</b>
<b>OTHERS</b>	<b>219</b>	<b>326</b>	<b>107</b>	<b>48.7</b>	<b>4</b>	<b>36</b>	<b>32</b>
<b>SEGMENTS TOTAL</b>	<b>13,173</b>	<b>22,390</b>	<b>9,217</b>	<b>70.0</b>	<b>Δ 1,574</b>	<b>2,469</b>	<b>4,043</b>
<b>ADJUSTMENT</b>	<b>Δ 1,215</b>	<b>Δ 2,290</b>	<b>Δ 1,076</b>	<b>88.6</b>	<b>156</b>	<b>362</b>	<b>206</b>
<b>TOTAL</b>	<b>11,959</b>	<b>20,100</b>	<b>8,141</b>	<b>68.1</b>	<b>Δ 1,418</b>	<b>2,830</b>	<b>4,249</b>

# Sales channel

	FY2022(1Q-2Q)		FY2023(1Q-2Q)		YoY (Change)	YoY (%)
	amount	To-sales rate	amount	To-sales rate		
(millions of yen,%)						
<b>Net sales</b>	<b>11,959</b>	<b>—</b>	<b>20,100</b>	<b>—</b>	<b>8,141</b>	<b>68.1</b>
Domestic(Wholesale)	3,429	28.7	6,985	34.8	3,556	103.7
Domestic(Retail) <sub>※1</sub>	5,413	45.3	9,989	49.7	4,576	84.5
Mail Order	2,314	19.4	2,302	11.5	△ 12	△ 0.5
Other <sub>※2</sub>	2	0.0	2	0.0	-	-
<b>Domestic Total</b>	<b>11,159</b>	<b>93.3</b>	<b>19,279</b>	<b>95.9</b>	<b>8,120</b>	<b>72.8</b>
Overseas(Wholesale) <sub>※3</sub>	614	5.1	526	2.6	△ 88	△ 14.4
Overseas(Retail)	185	1.5	295	1.5	110	59.1
<b>Overseas Total</b>	<b>800</b>	<b>6.7</b>	<b>821</b>	<b>4.1</b>	<b>21</b>	<b>2.7</b>

※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 improved significantly due to the normalization of factory operations following the recovery in sales**

(Millions of Yen,%)	FY2022(1Q-2Q)		FY2023(1Q-2Q)		YoY(Change)	YoY(%)	FY2022(1Q-4Q)	
	amount	To-sales rate	amount	To-sales rate			amount	To-sales rate
<b>Net sales</b>	<b>11,959</b>	<b>—</b>	<b>20,100</b>	<b>—</b>	<b>8,141</b>	<b>68.1</b>	<b>32,192</b>	<b>—</b>
<b>Material cost</b>	<b>2,746</b>	<b>23.0</b>	<b>4,471</b>	<b>22.2</b>	<b>1,724</b>	<b>62.8</b>	<b>7,178</b>	<b>22.3</b>
<b>Labor cost</b>	<b>1,815</b>	<b>15.2</b>	<b>2,071</b>	<b>10.3</b>	<b>256</b>	<b>14.1</b>	<b>3,807</b>	<b>11.8</b>
<b>Expense</b>	<b>900</b>	<b>7.5</b>	<b>1,078</b>	<b>5.4</b>	<b>178</b>	<b>19.7</b>	<b>2,140</b>	<b>6.6</b>
<b>Manufacturing cost</b>	<b>5,461</b>	<b>45.7</b>	<b>7,619</b>	<b>37.9</b>	<b>2,158</b>	<b>39.5</b>	<b>13,126</b>	<b>40.8</b>
<b>Others</b>	<b>657</b>	<b>5.5</b>	<b>710</b>	<b>3.5</b>	<b>53</b>	<b>8.0</b>	<b>1,443</b>	<b>4.5</b>
<b>Cost of sales</b>	<b>6,118</b>	<b>51.2</b>	<b>8,329</b>	<b>41.4</b>	<b>2,211</b>	<b>36.1</b>	<b>14,569</b>	<b>45.3</b>
<b>Gross profit</b>	<b>5,841</b>	<b>48.8</b>	<b>11,771</b>	<b>58.6</b>	<b>5,931</b>	<b>101.5</b>	<b>17,623</b>	<b>54.7</b>

# SG&A expenses /Operating profit

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

	FY2022(1Q-2Q)		FY2023(1Q-2Q)		YoY(Change)		FY2022(1Q-4Q)	
	amount	To-sales rate	amount	To-sales rate			amount	To-sales rate
(Millions of Yen,%)								
<b>Gross profit</b>	<b>5,841</b>	<b>48.8</b>	<b>11,771</b>	<b>58.6</b>	<b>5,931</b>	<b>101.5</b>	<b>17,623</b>	<b>54.7</b>
Personnel expenses	3,332	27.9	3,530	17.6	198	5.9	6,793	21.1
Promotion	961	8.0	1,232	6.1	271	28.3	2,293	7.1
Freight	441	3.7	670	3.3	229	52.0	1,047	3.3
Advertising	139	1.2	173	0.9	33	23.9	349	1.1
Rent	494	4.1	620	3.1	126	25.5	1,110	3.4
Depreciation	211	1.8	195	1.0	△ 16	△ 7.6	433	1.3
Traveling and transportation expenses	99	0.8	154	0.8	55	55.5	245	0.8
Commission expenses	951	8.0	1,623	8.1	672	70.7	2,584	8.0
Others	630	5.3	743	3.7	113	17.9	1,368	4.2
<b>SG&amp;A expenses</b>	<b>7,259</b>	<b>60.7</b>	<b>8,941</b>	<b>44.5</b>	<b>1,682</b>	<b>23.2</b>	<b>16,220</b>	<b>50.4</b>
Operating profit(Δloss)	△ 1,418	-	2,830	14.1	4,249	-	1,403	4.4

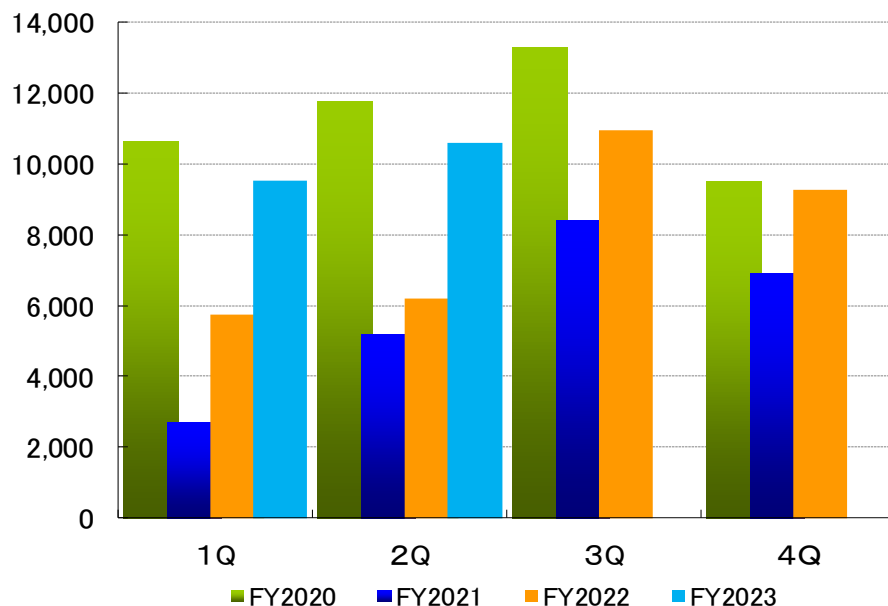
The increase in personnel expenses was mainly due to the reaction to the reduction in executive compensation and bonuses implemented in the previous fiscal year.



# Net sales

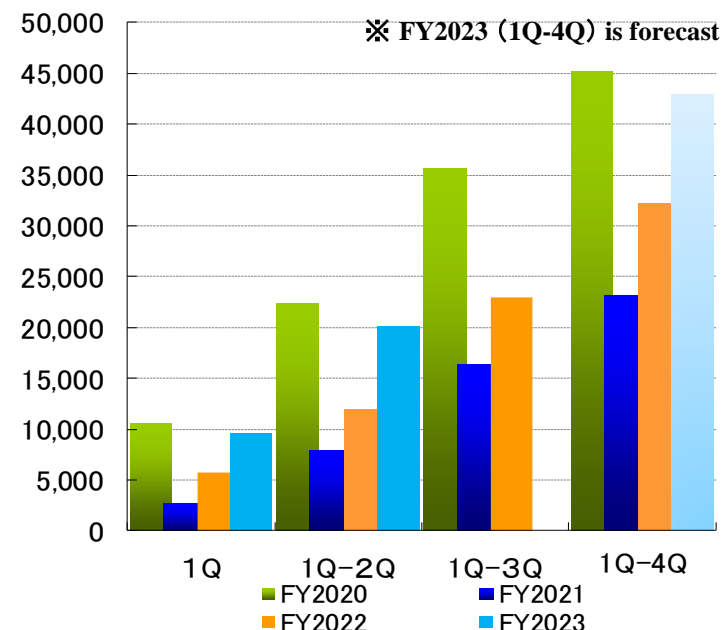
## Net sales (Quarter)

(Four periods comparison)



## Net sales (Cumulative)

(Four periods comparison)

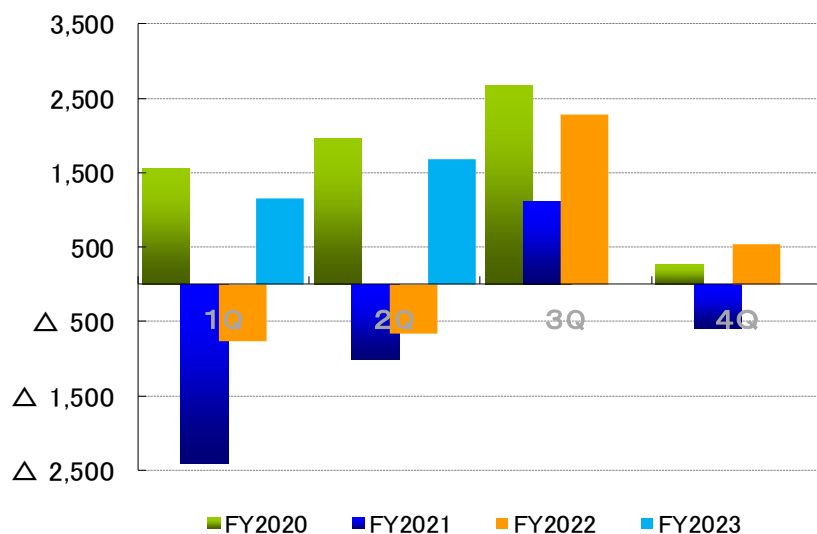


(Millions of yen)	Quarter				Cumulative Quarter			
	1Q	2Q	3Q	4Q	1Q	1Q-2Q	1Q-3Q	1Q-4Q
<b>FY2020</b>	10,627	11,761	13,287	9,506	10,627	22,388	35,675	45,181
<b>FY2021</b>	2,716	5,189	8,402	6,898	2,716	7,905	16,306	23,205
<b>FY2022</b>	5,758	6,200	10,963	9,270	5,758	11,959	22,921	32,192
<b>FY2023</b>	9,515	10,585	-	-	9,515	20,100	-	42,920
Compared to FY2020	Δ10.5%	Δ10.0%	-	-	Δ10.5%	Δ10.2%	-	※ FY2023 (1Q-4Q) is forecast
<b>YoY</b>	65.2%	70.7%	-	-	65.2%	68.1%	-	-

# Operating profit

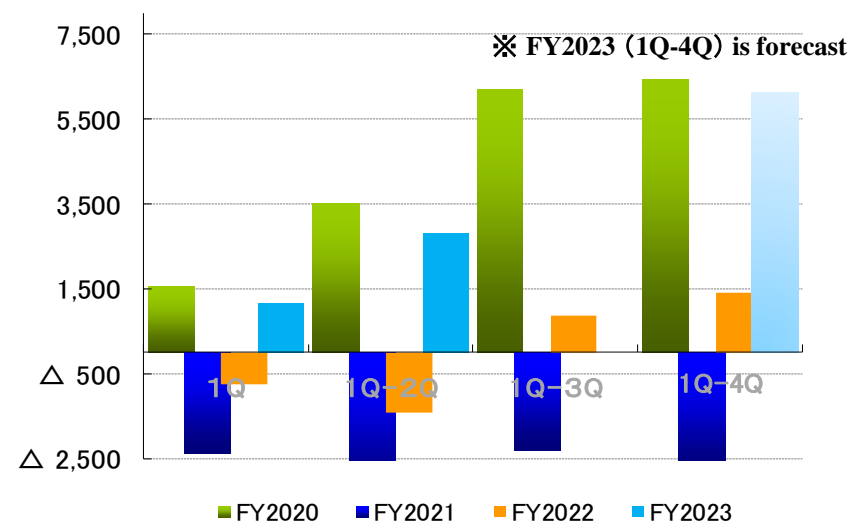
## Operating profit (Quarter)

(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
<b>FY2020</b>	<b>1,555</b>	<b>1,964</b>	<b>2,672</b>	<b>264</b>	<b>1,555</b>	<b>3,519</b>	<b>6,191</b>	<b>6,455</b>
<b>FY2021</b>	<b>△ 2,409</b>	<b>△ 1,012</b>	<b>1,114</b>	<b>△ 583</b>	<b>△ 2,409</b>	<b>△ 3,421</b>	<b>△ 2,307</b>	<b>△ 2,890</b>
<b>FY2022</b>	<b>△ 759</b>	<b>△ 659</b>	<b>2,279</b>	<b>542</b>	<b>△ 759</b>	<b>△ 1,418</b>	<b>860</b>	<b>1,403</b>
<b>FY2023</b>	<b>1,150</b>	<b>1,680</b>			<b>1,150</b>	<b>2,830</b>		<b>6,140</b>
Compared to FY2020	△26.0%	△14.5%			△26.0%	△19.4%		※ FY2023 (1Q-4Q) is forecast
YoY	-	-			-			

# Balance Sheet

The increase in current assets was due to an increase in cash and deposits and Inventory

(Millions of yen, %)	FY2021		FY2022		FY2023(2Q)		Compared to FY2022 (Change)	Compared to FY2022 (%)
	amount	rate	amount	rate	amount	rate		
<b>Current assets</b>	<b>12,615</b>	<b>50.4</b>	<b>15,804</b>	<b>57.5</b>	<b>17,132</b>	<b>60.1</b>	<b>1,327</b>	<b>8.4</b>
Non-current assets	12,437	49.6	11,666	42.5	11,380	39.9	△ 286	△ 2.5
<b>Assets</b>	<b>25,052</b>	<b>100.0</b>	<b>27,470</b>	<b>100.0</b>	<b>28,512</b>	<b>100.0</b>	<b>1,041</b>	<b>3.8</b>
Current liabilities	3,077	12.3	4,620	16.8	4,655	16.3	34	0.7
Non-current liabilities	2,634	10.5	2,493	9.1	2,419	8.5	△ 74	△ 3.0
<b>Liabilities</b>	<b>5,711</b>	<b>22.8</b>	<b>7,114</b>	<b>25.9</b>	<b>7,074</b>	<b>24.8</b>	<b>△ 40</b>	<b>△ 0.6</b>
<b>Net assets</b>	<b>19,342</b>	<b>77.2</b>	<b>20,357</b>	<b>74.1</b>	<b>21,438</b>	<b>75.2</b>	<b>1,081</b>	<b>5.3</b>
Liabilities and net assets	25,052	100.0	27,470	100.0	28,512	100.0	1,041	3.8
<b>BPS(Yen)</b>	<b>621.53</b>		<b>654.15</b>		<b>688.90</b>		<b>34.75</b>	<b>5.3</b>
<b>CAPEX</b>	<b>540</b>		<b>403</b>		<b>228</b>		<b>△ 175</b>	<b>△ 43.4</b>
<b>Depreciation</b>	<b>1,420</b>		<b>1,220</b>		<b>551</b>		<b>△ 669</b>	<b>△ 54.8</b>

# Statements of Cash Flows

Cash and deposits increased by 831 million yen from the beginning of the period

(Millions of yen, %)	FY2021	FY2022		FY2023	YoY(Change)	YoY(%)
	1Q-4Q	1Q-2Q	1Q-4Q	1Q-2Q		
Cash flows from operating activities	83	953	4,293	2,180	1,227	128.7
Cash flows from investing activities	△ 605	△ 251	△ 527	△ 302	△ 51	20.2
Free Cash flows	△ 522	702	3,767	1,878	1,176	167.5
Cash flows from financing activities	△ 463	△ 1,055	△ 1,176	△ 1,055	△ 0	0.0
Effect of exchange rate change on cash and cash equivalents	3	4	13	9	5	146.7
Cash increase / decrease	△ 982	△ 350	2,603	831	1,181	-
Cash and cash equivalents (Beginning of period)	8,291	7,309	7,309	9,913	2,603	35.6
Cash and cash equivalents (End of period)	7,309	6,960	9,913	10,744	3,784	54.4
Interest-bearing debt	966	846	726	606	△ 240	△ 28.4

# Business Forecast for FY2023

**Net sales +33.3%/Operating profit+337.7% (YoY)**

	FY2022		FY2023(Forecast)		YoY(Change)	YoY(%)
	amount	To-sales rate	amount	To-sales rate		
(millions of yen,%)						
<b>Net sales</b>	<b>32,192</b>	<b>-</b>	<b>42,920</b>	<b>-</b>	<b>10,728</b>	<b>33.3</b>
<b>Gross profit</b>	<b>17,623</b>	<b>54.7</b>	<b>25,271</b>	<b>58.9</b>	<b>7,648</b>	<b>43.4</b>
<b>SG&amp;A expenses</b>	<b>16,220</b>	<b>50.4</b>	<b>19,131</b>	<b>44.6</b>	<b>2,911</b>	<b>17.9</b>
<b>Operating profit</b>	<b>1,403</b>	<b>4.4</b>	<b>6,140</b>	<b>14.3</b>	<b>4,737</b>	<b>337.7</b>
<b>Ordinary profit</b>	<b>2,921</b>	<b>9.1</b>	<b>6,384</b>	<b>14.9</b>	<b>3,463</b>	<b>118.5</b>
<b>Net profit</b>	<b>1,916</b>	<b>6.0</b>	<b>4,175</b>	<b>9.7</b>	<b>2,259</b>	<b>117.9</b>
<b>EPS (yen)</b>	<b>61.56</b>		<b>134.16</b>		<b>72.60</b>	<b>117.9</b>
<b>Dividend/stock (yen)</b>	<b>30.00</b>		<b>30.00</b>		<b>-</b>	<b>-</b>
<b>CAPEX</b>	<b>403</b>		<b>1,000</b>		<b>597</b>	<b>148.4</b>
<b>Depreciation</b>	<b>1,220</b>		<b>1,200</b>		<b>△ 20</b>	<b>△ 1.7</b>

# Business Forecast for FY2023

**Net sales  $\Delta 5.0\%$ /Operating profit  $\Delta 4.9\%$  (Compared to FY2020)**

	FY2020		FY2023(Forecast)		(Change)	(%)
	amount	To-sales rate	amount	To-sales rate		
(millions of yen,%)						
Net sales	45,181	-	42,920	-	$\Delta 2,261$	$\Delta 5.0$
Gross profit	26,702	59.1	25,271	58.9	$\Delta 1,431$	$\Delta 5.4$
SG&A expenses	20,248	44.8	19,131	44.6	$\Delta 1,117$	$\Delta 5.5$
Operating profit	6,455	14.3	6,140	14.3	$\Delta 315$	$\Delta 4.9$
Ordinary profit	6,475	14.3	6,384	14.9	$\Delta 91$	$\Delta 1.4$
Net profit	4,100	9.1	4,175	9.7	75	1.8
EPS (yen)	131.76		134.16		2.40	1.8
Dividend/stock (yen)	40.00		30.00		$\Delta 10.0$	$\Delta 25.0$
CAPEX	2,041		1,000		$\Delta 1,041$	$\Delta 51.0$
Depreciation	1,459		1,200		$\Delta 259$	$\Delta 17.8$

# Business Forecast for FY2023 (SEGMENTS)

**Aiming for higher sales and profits in all segments**

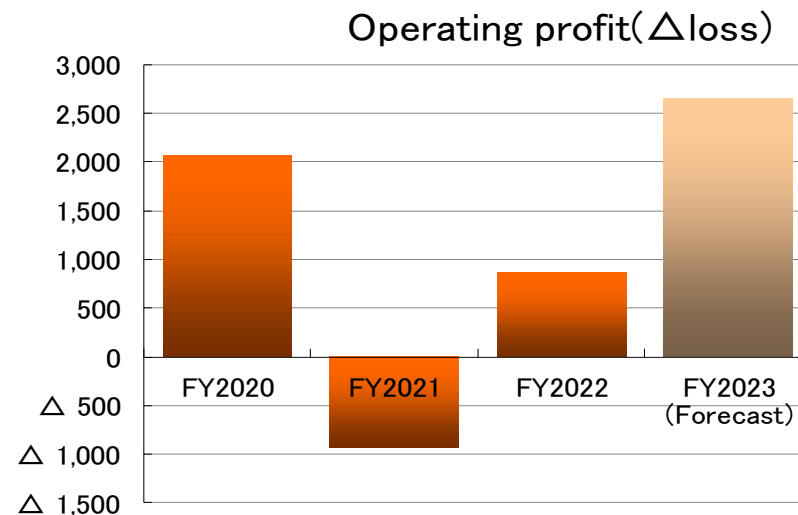
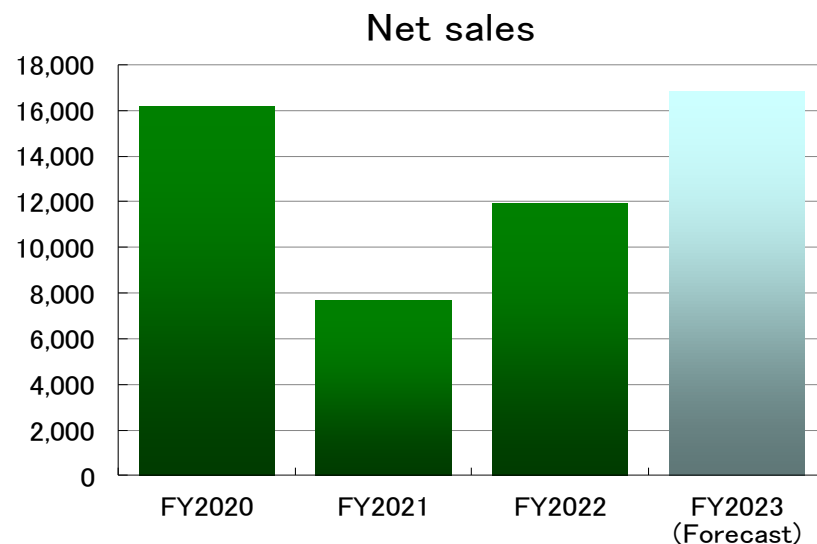
	Net sales				Operating profit		
	FY2022	FY2023 (Forecast)	YoY(Change)	YonY(%)	FY2022	FY2023 (Forecast)	YoY(Change)
(Million of Yen,%)							
<b>SUCREY</b>	<b>11,958</b>	<b>16,832</b>	<b>4,874</b>	<b>40.8</b>	<b>868</b>	<b>2,650</b>	<b>1,782</b>
<b>KCC</b>	<b>10,959</b>	<b>12,676</b>	<b>1,717</b>	<b>15.7</b>	<b>583</b>	<b>1,235</b>	<b>652</b>
<b>KOTOBUKISEIKA TAJIMAKOTOBUKI</b>	<b>6,053</b>	<b>8,967</b>	<b>2,914</b>	<b>48.1</b>	<b>△ 100</b>	<b>869</b>	<b>969</b>
<b>SALES SUBSIDIARIES</b>	<b>3,007</b>	<b>4,824</b>	<b>1,817</b>	<b>60.4</b>	<b>△ 186</b>	<b>294</b>	<b>480</b>
<b>KUJYUKUSHIMA GROUP</b>	<b>2,872</b>	<b>3,982</b>	<b>1,110</b>	<b>38.6</b>	<b>△ 407</b>	<b>73</b>	<b>480</b>
<b>OTHERS</b>	<b>567</b>	<b>676</b>	<b>109</b>	<b>19.3</b>	<b>49</b>	<b>83</b>	<b>34</b>
<b>SEGMENTS TOTAL</b>	<b>35,415</b>	<b>47,957</b>	<b>12,542</b>	<b>35.4</b>	<b>807</b>	<b>5,204</b>	<b>4,397</b>
<b>ADJUSTMENT</b>	<b>△ 3,223</b>	<b>△ 5,037</b>	<b>△ 1,814</b>	<b>56.3</b>	<b>596</b>	<b>936</b>	<b>340</b>
<b>TOTAL</b>	<b>32,192</b>	<b>42,920</b>	<b>10,728</b>	<b>33.3</b>	<b>1,403</b>	<b>6,140</b>	<b>4,737</b>

# 《SUCREY》

## FY2023 (Forecast)

**FY2023** : Net sales **16,832** million yen ( **+40.8%YoY**) OP **2,650** million yen ( **+205.2%YoY**)

(Unit: Millions of yen)



(Millions of yen, %)	FY2020	FY2021	FY2022	YoY		FY2023 (Forecast)	YoY	
				(Change)	(%)		(Change)	(%)
Net sales	16,199	7,627	11,958	4,331	56.8	16,832	4,874	40.8
Gross profit	9,893	4,198	7,271	3,072	73.2	10,785	3,514	48.3
Gross profit rate	61.1	55.0	60.8	5.8		64.1	3.3	
SG&A expenses	7,834	5,128	6,402	1,274	24.8	8,135	1,733	27.1
Operating profit(Δloss)	2,059	△ 930	868	1,798	-	2,650	1,782	205.2



# 《SUCREY》



## Level up of existing shops and opening a new brands



The Maple Mania 10th anniversary Gift



The Maple Mania 10th anniversary maple chocolate cookie



NEOPASA Okazaki Mega pop up



Tokyo Station HANAGATAYA pop up



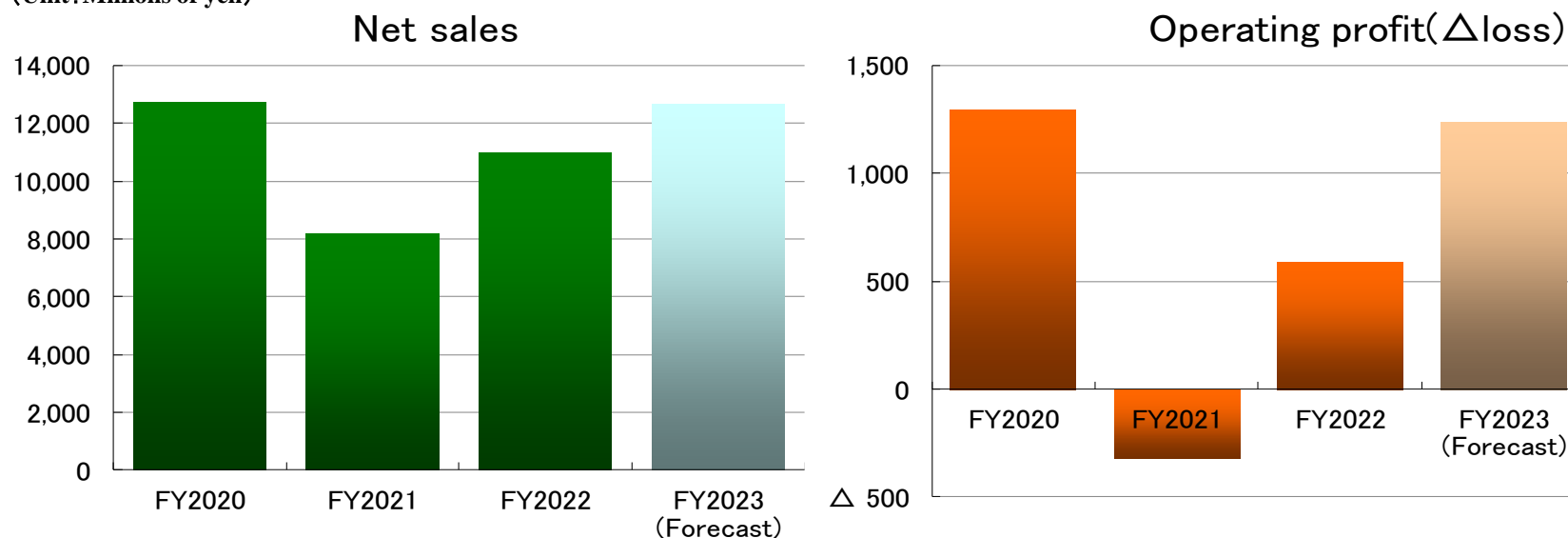
Daimaru Kobe Mega pop up



# FY2023 (Forecast)

**FY2023: Net sales 12,676 million yen (+15.7%YoY) OP 1,235 million yen (+111.9%YoY)**

(Unit: Millions of yen)



(Millions of yen, %)	FY2020	FY2021	FY2022	YoY		FY2023 (Forecast)	YoY	
				(Change)	(%)		(Change)	(%)
Net sales	12,700	8,177	10,959	2,782	34.0	12,676	1,717	15.7
Gross profit	7,758	4,806	5,908	1,102	22.9	7,199	1,291	21.8
Gross profit rate	61.1	58.8	53.9	△ 4.9		56.8	2.9	
SG & A expenses	6,466	5,123	5,325	202	3.9	5,964	639	12.0
Operating profit(Δloss)	1,292	△ 317	583	900	-	1,235	652	111.9

# 《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 Terminal2

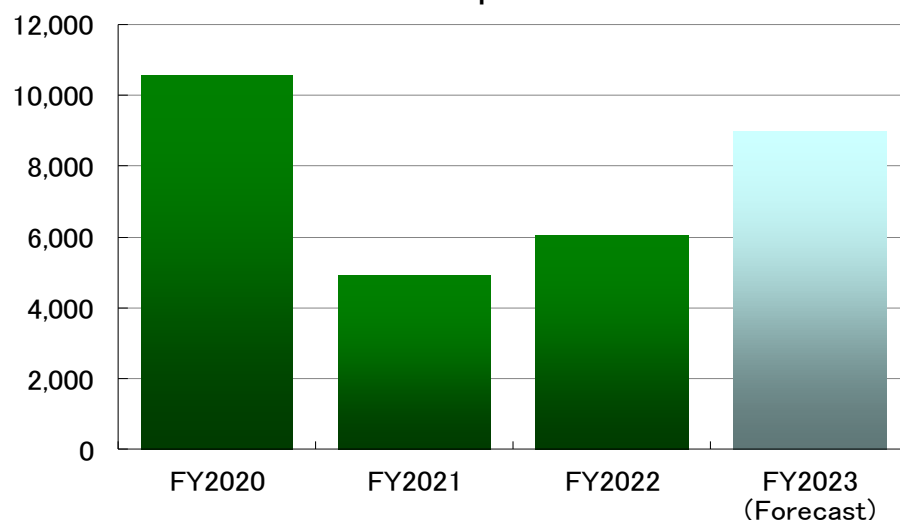
# 《KOTOBUKISEIKA・TAJIMAKOTOBUKI》

## FY2023 (Forecast)

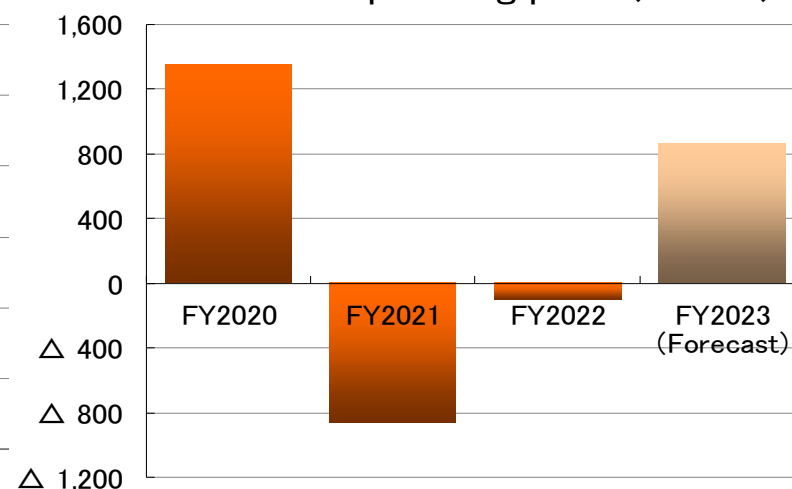
**FY2023: Net sales 8,967 million yen (+48.1%YoY) OP 869 million yen (FY2022 Δ100million yen)**

(Unit: Millions of yen)

Net profit



Operating profit(Δloss)



(Millions of yen, %)	FY2020	FY2021	FY2022	YoY		FY2023 (Forecast)	YoY	
				(Change)	(%)		(Change)	(%)
Net sales	10,572	4,935	6,053	1,118	22.6	8,967	2,914	48.1
Gross profit	4,199	969	1,774	804	83.0	3,250	1,476	83.2
Gross profit rate	39.7	19.6	29.3	9.7		36.2	6.9	
SG&A expenses	2,847	1,829	1,874	44	2.4	2,381	507	27.1
Operating profit(Δloss)	1,352	Δ 860	Δ 100	760	-	869	969	-

# 《KOTOBUKISEIKA・TAJIMAKOTOBUKI》

- Upgrade of main sweets and the development of new sweets
- For recovery in demand for souvenirs, strengthening relationships with distributors



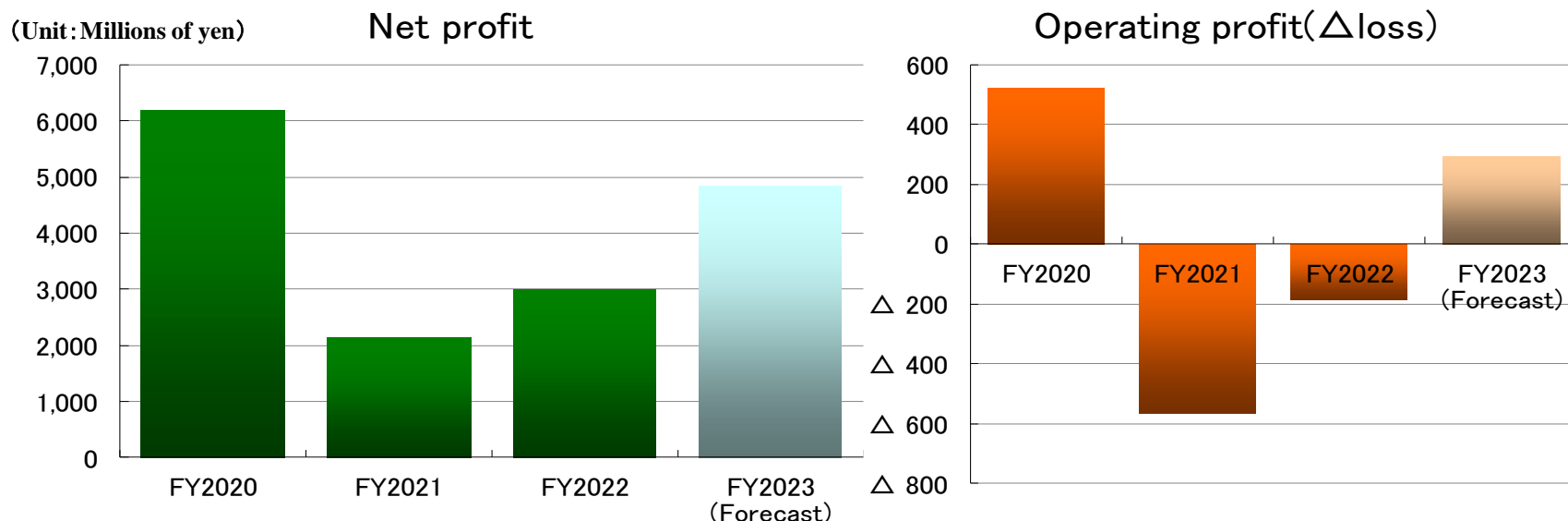
**Montblanc fondue**



**Inabano Shirousagi**

# 《 SALES SUBSIDIARIES 》 FY2023 (Forecast)

**FY2023: Net sales 4,824 million yen (+60.4% YoY) OP 294 million yen (FY2022 Δ186 million yen)**



(Millions of yen, %)	FY2020	FY2021	FY2022	YoY		FY2023 (Forecast)	YoY	
				(Change)	(%)		(Change)	(%)
Net sales	6,176	2,139	3,007	868	40.6	4,824	1,817	60.4
Gross profit	2,224	625	1,098	473	75.7	1,751	653	59.5
Gross profit rate	36.0	29.2	36.5	7.3		36.3	Δ 0.2	
SG & A expenses	1,700	1,191	1,284	93	7.8	1,457	173	13.5
Operating profit(Δloss)	523	Δ 566	Δ 186	380	-	294	480	-

# 《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



**NAGOYA Ogura Toast Cheesecake**



**KYOTO Vegetable Tempura Senbei  
Supervision by Yasaka Endo**



**OSAKA Honey Quattro Formaggi**

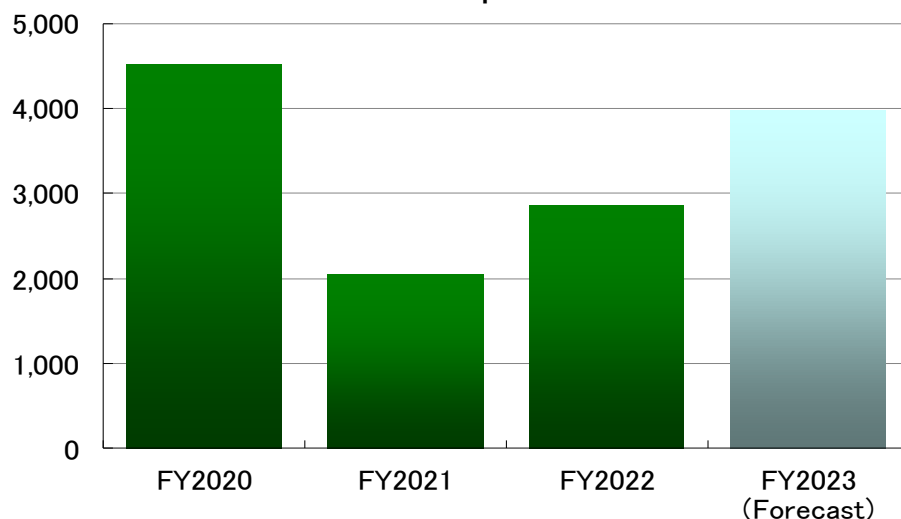
# 《 KUJYUKUSHIMA GROUP 》

## FY2023 (Forecast)

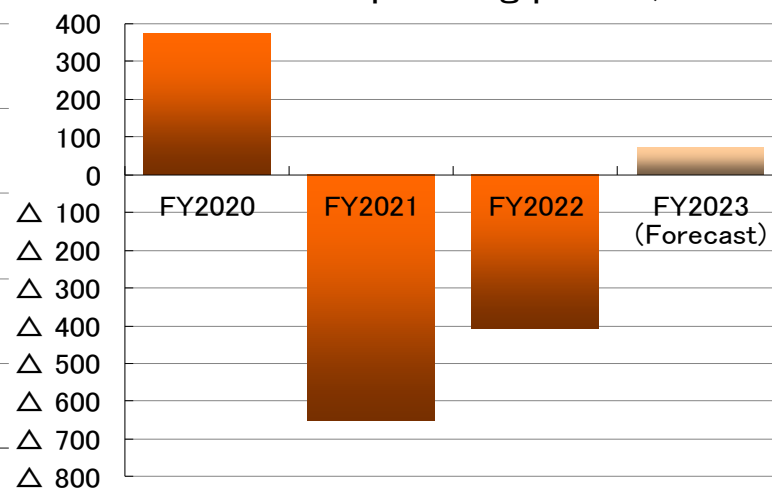
**FY2023: Net sales 3,982 million yen (+38.6%YoY) OP 73 million yen (FY2022 Δ407million yen)**

(Unit: Millions of yen)

Net profit



Operating profit (Δloss)



(Millions of yen, %)	FY2020	FY2021	FY2022	YoY		FY2023 (Forecast)	YoY	
				(Change)	(%)		(Change)	(%)
Net sales	4,522	2,047	2,872	825	40.3	3,982	1,110	38.6
Gross profit	2,127	650	1,241	591	90.9	1,967	726	58.5
Gross profit rate	47.0	31.8	43.2	11.4		49.4	6.2	
SG & A expenses	1,753	1,300	1,648	348	26.8	1,894	246	14.9
Operating profit(Δloss)	374	Δ 649	Δ 407	242	-	73	480	-



# 《 KUJYUKUSHIMA GROUP 》



Focusing on main sweets sales development and pop up shops sales development by main brands



**Ivorish LaLaport Numazu Pop up shop**



**I LOVE CUSTARD NUFNUF  
Brulee CUSTARD**

# 《OTHERS》

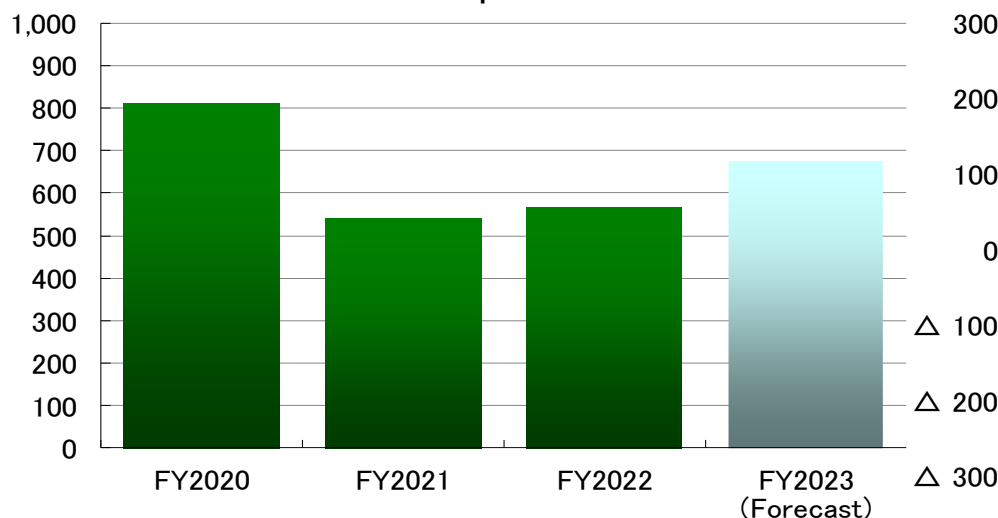
< Health food business, Taiwan confectionary business,  
General insurance agency >

## FY2023 (Forecast)

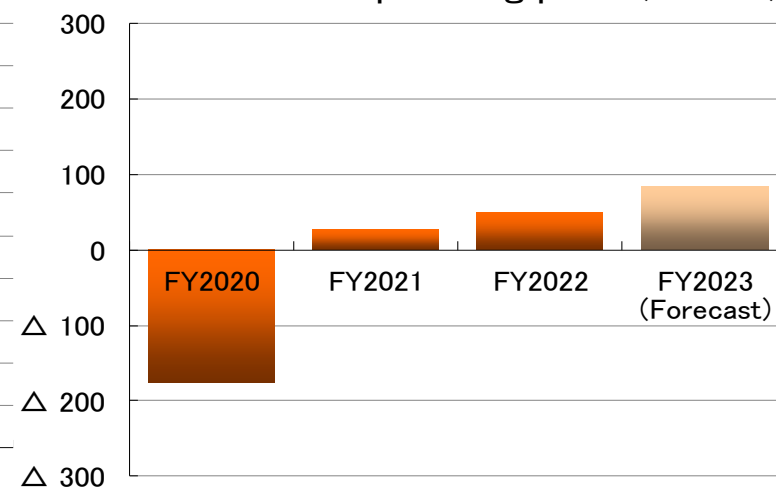
**FY2023: Net sales 676 million yen (+19.3%YoY) OP 83 million yen (+69.8%YoY)**

(Unit: Millions of yen)

Net profit



Operating profit(Δloss)



(Millions of yen,%)	FY2020	FY2021	FY2022	YoY		FY2023 (Forecast)	YoY	
				(Change)	(%)		(Change)	(%)
Net sales	812	539	567	28	5.1	676	109	19.3
Gross profit	529	383	411	28	7.3	482	71	17.3
Gross profit rate	65.1	71.1	72.5	1.5		71.3	△ 1.2	
SG & A expenses	706	356	362	6	1.8	399	37	10.2
Operating profit(Δloss)	△ 177	27	49	22	79.1	83	34	69.8

# 《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.

## **Strategy (consideration of influence of COVID-19)**

### **2. Improvement of organizational strength by <sup>※1</sup>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.**

### **3. Countermeasures of during the emergency phase**

**We will continue to take infection prevention measures in accordance with the policies of the government and local governments.**

**For the time being, we will be forced to significantly reduce our business activities, so we will strengthen our management structure by making thorough efforts to reduce costs and control expenses.**



# 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》

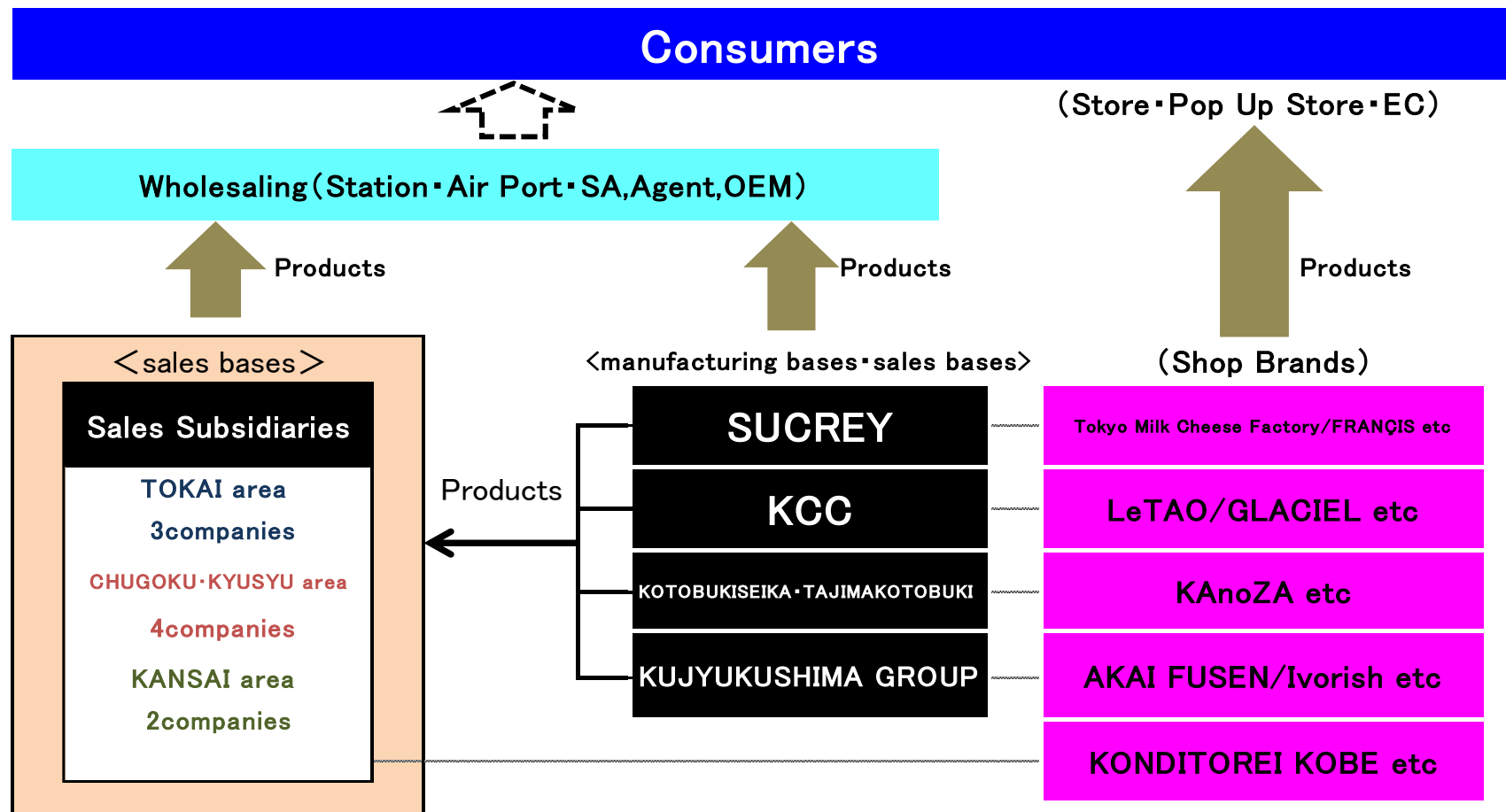
**KOZUCHI national convention is held once a year for the purpose of sharing achievements with fellows.**





# Business Outline

Chart

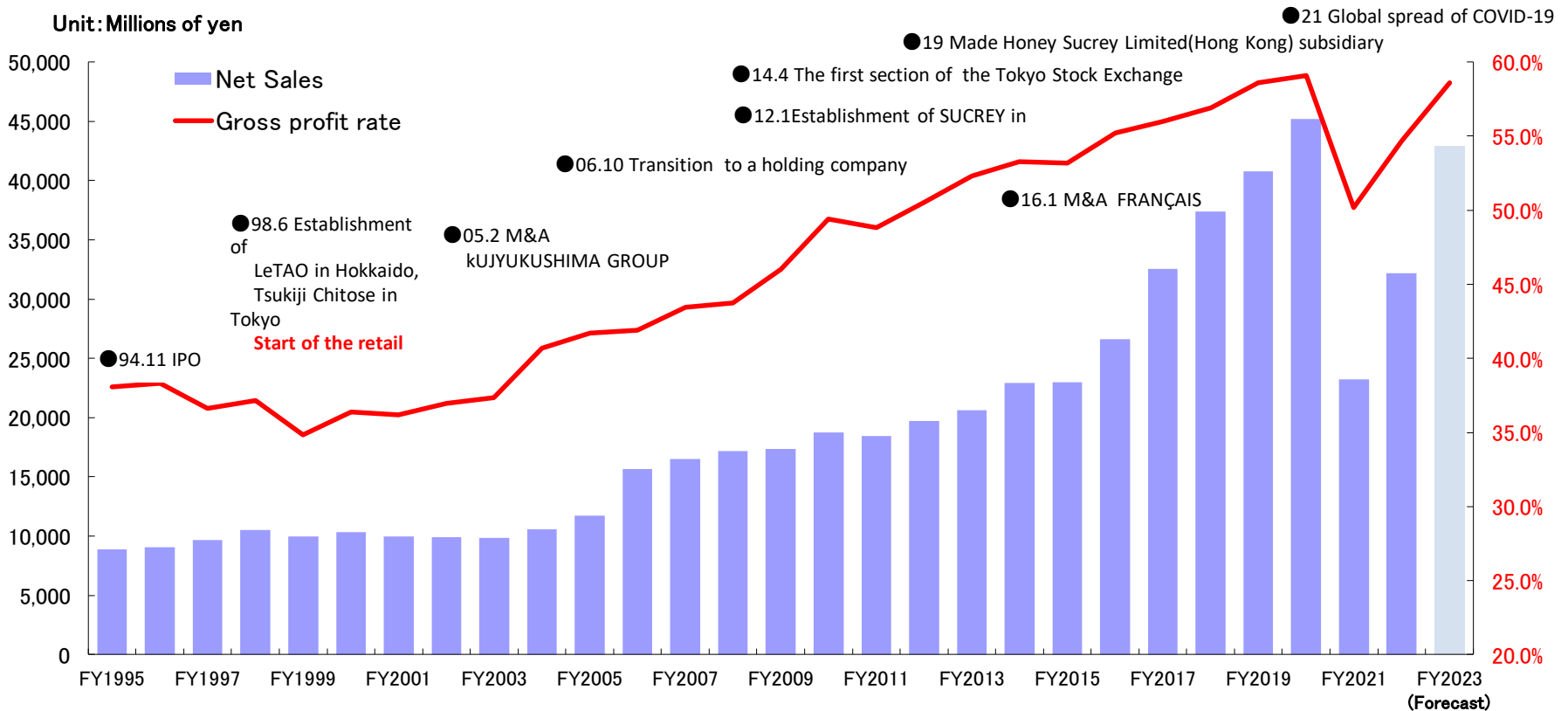


※ Except for KOTOBUKI SPIRITS (holding company) and OTHER segments.

# Transition of Kotobuki Spirits ①

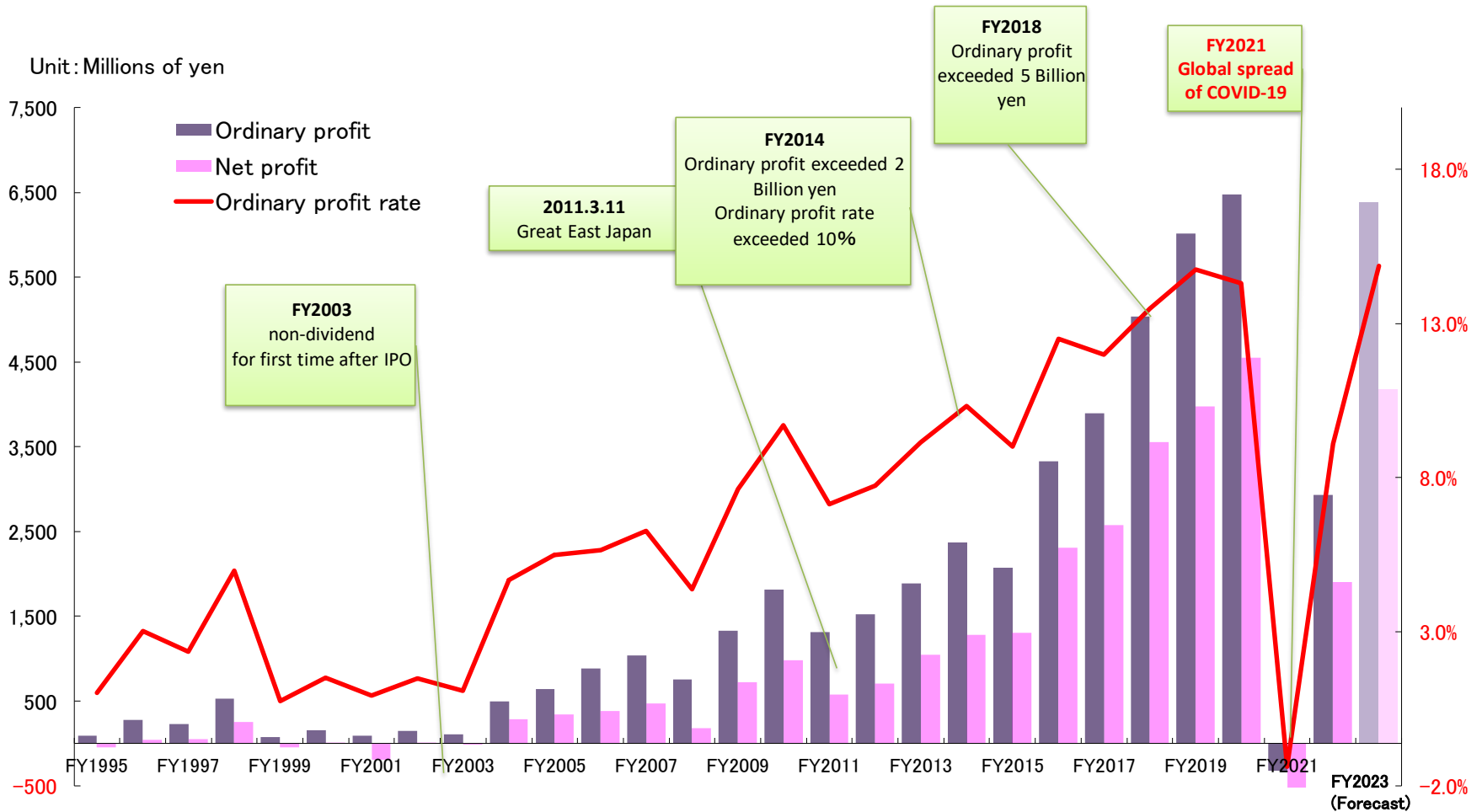
## High profit management

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



# 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**  
\*Nichest Sweets Artist\*

**Double Fromage**



 寿製菓株式会社

**Inabano Shirousagi**



**Salt and Camembert Cookie**



**Mille Feuille**



**Butter Financier**



**Kujyukushima Senpei**