

# **FY2024 (year ending March 31, 2024)**

## **Consolidated Business Results**

**May 15,2024**  
**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 Prime Market)</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 8 people/Group Total 1,636 people</b>
<b>Group companies</b>	<b>Consolidated subsidiary 17 companies (domestic 16・overseas 1)</b>
<b>Net sales</b>	<b>64.0 Billion Yen (FY2024 :Year ended March 31, 2024)</b>

March 31th,2024

## FY2024(1Q-4Q)Highlight

Ordinary profit **15,868** million yen (**up 54.1%** YoY)

Ordinary profit margin **24.8%** (**up 4.3 points** YoY)

**Profit increased by 54.3% YoY to 10,831 million yen, exceeding 10 billion yen for the first time**

● The impact of the backlash from the COVID-19 model faded, and while there was a reactionary decline in nationwide travel support in the second half of the fiscal year, both sales and profits reached record highs due to the implementation of key measures, such as strengthening inbound measures, opening new brand stores, and revising product prices.

● Inbound sales (International airport sales) was 7,126 million yen, surpassing the pre-COVID-19 level.

# Overview of annual results

Achieved record high performance in all indicators

(millions of yen,%)	FY2020	FY2021	FY2022	FY2023	FY2024
<b>Net Sales</b>	<b>45,181</b>	<b>23,205</b>	<b>32,192</b>	<b>50,155</b>	<b>64,036</b>
(YoY)	(+10.8%)	(Δ48.6%)	(+38.7%)	(+55.8%)	(+27.7%)
<b>Operating profit</b>	<b>6,455</b>	<b>Δ2,890</b>	<b>1,403</b>	<b>9,952</b>	<b>15,781</b>
(YoY)	(+8.0%)	(—)	(—)	(+609.4%)	(+58.6%)
<b>Ordinary profit</b>	<b>6,475</b>	<b>Δ322</b>	<b>2,921</b>	<b>10,296</b>	<b>15,868</b>
(YoY)	(+7.7%)	(—)	(—)	(+252.4%)	(+54.1%)
<b>Net profit</b>	<b>4,100</b>	<b>Δ570</b>	<b>1,916</b>	<b>7,018</b>	<b>10,831</b>
(YoY)	(+3.2%)	(—)	(—)	(+266.4%)	(+54.3%)
<b>Ordinary profit rate(%)</b>	<b>14.3</b>	<b>Δ1.4</b>	<b>9.1</b>	<b>20.5</b>	<b>24.8</b>
<b>EPS (Yen)</b>	<b>26.35</b>	<b>Δ3.66</b>	<b>12.31</b>	<b>45.10</b>	<b>69.61</b> (*1)
<b>BPS (Yen)</b>	<b>136.02</b>	<b>124.31</b>	<b>130.83</b>	<b>170.43</b>	<b>226.38</b> (*1)
<b>ROE (%)</b>	<b>20.8</b>	<b>Δ2.8</b>	<b>9.7</b>	<b>29.9</b>	<b>35.1</b>

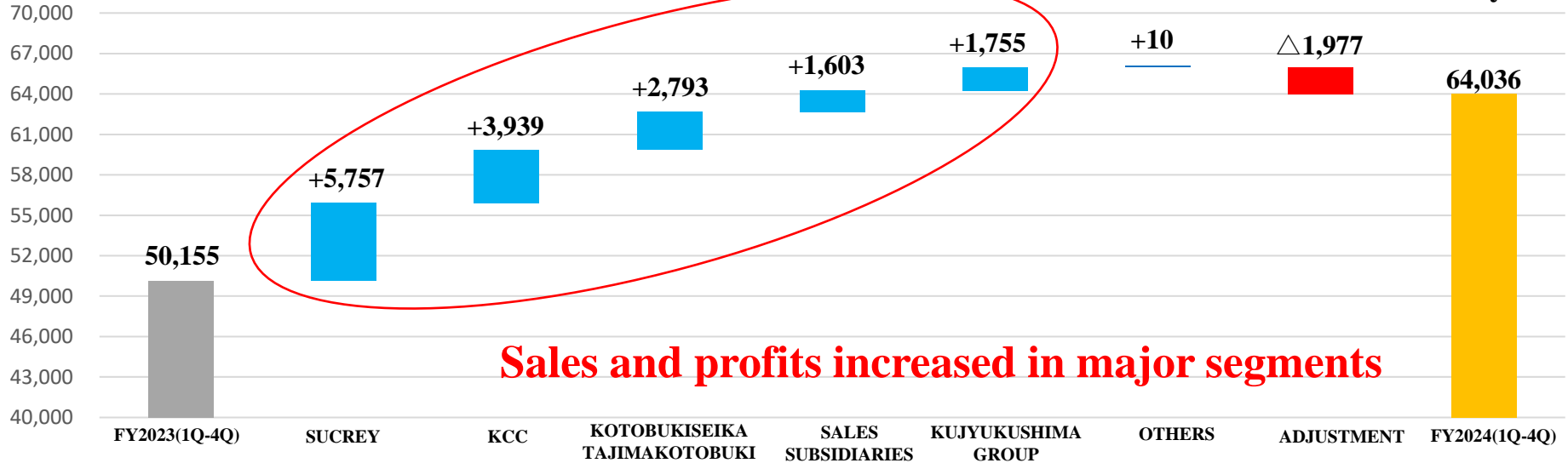
(\*1) Our company implemented a stock split of 5 shares per common share effective October 1, 2023.

EPS and BPS figures are calculated assuming that the stock split took place at the beginning of the fiscal year ended March 31, 2020.

# FY2024(1Q-4Q) increase or decrease of amount

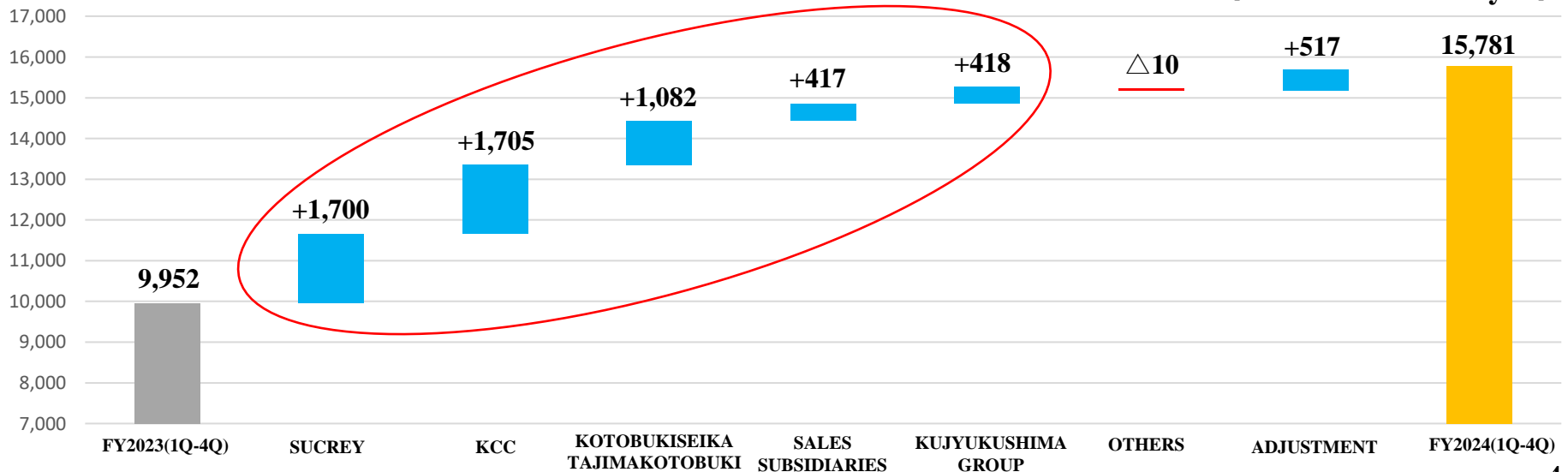
## 【Net sales】

(Unit : Millions of yen)



## 【Operating profit】

(Unit : Millions of yen)



# FY2024 Topics ① (Inbound sales)

## 【International airports sales(Inbound sales)】

Due to the less strict of travel restrictions from October 2022, shops at major international terminals have reopened. Inbound sales in 4Q exceeded 2billion yen for the first time.

(Millikons of Yen)	1Q	2Q	3Q	4Q	1Q-4Q
<b>FY2024</b>	<b>1,520</b>	<b>1,606</b>	<b>1,967</b>	<b>2,033</b>	<b>7,126</b>
<b>FY2023</b>	<b>86</b>	<b>167</b>	<b>640</b>	<b>1,085</b>	<b>1,978</b>
<b>FY2020</b>	<b>1,502</b>	<b>1,381</b>	<b>1,645</b>	<b>846</b>	<b>5,375</b>



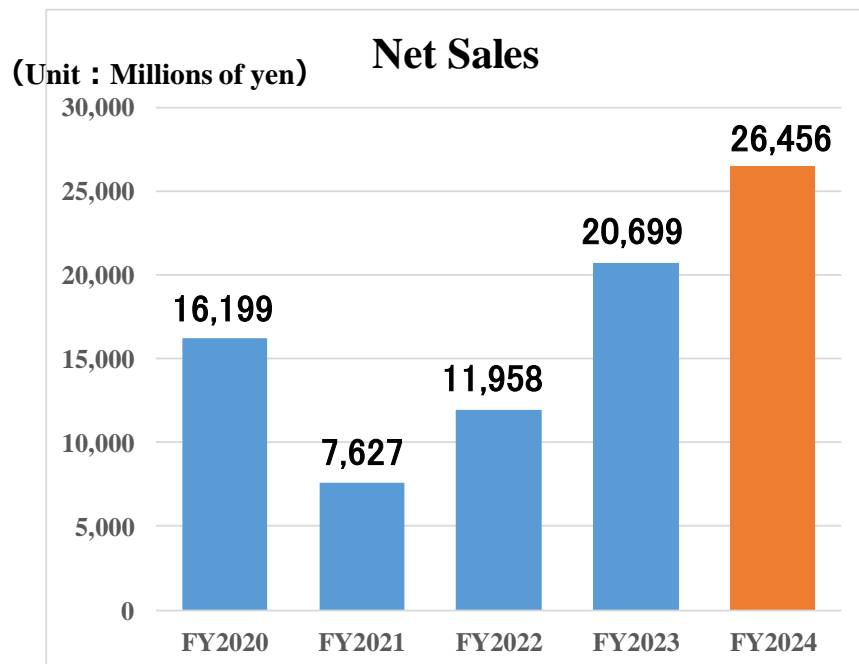
Narita airport Fa-So-La TAX FREE STORE AKIHABARA  
LeTAO



Narita airport Fa-So-La TAX FREE STORE AKIHABARA  
THE MAPLE MANIA

## FY2024 Topics ② (SUCREY had a big impact on good performance)

Produced two new brands and opened new stores in prime locations such as Tokyo Station and department stores. Actively promoting large-scale events, etc.



VANI Hanshin Umeda main store Opening November 1, 2023

(millions of yen,%)	FY2020	FY2021	FY2022	FY2023	FY2024	YoY(Change)	YoY(%)
<b>Net Sales</b>	<b>16,199</b>	<b>7,627</b>	<b>11,958</b>	<b>20,699</b>	<b>26,456</b>	<b>5,757</b>	<b>27.8</b>
Domestic(Wholesale)	4,666	1,196	1,846	4,310	6,855	2,545	59.1
Domestic(Retail)	10,423	5,294	8,033	13,568	17,263	3,695	27.2
Mail Order	356	647	1,265	1,712	1,612	△ 101	△ 5.9
Overseas(Wholesale)	437	319	436	633	331	△ 302	△ 47.6
Others	318	169	378	476	395	△ 80	△ 16.9

# FY2024 Topics ③ (Opening new brand stores)

In the fiscal year ending March 2024, 4 new stores with new brands will be opened.



**THE DROS Gransta Tokyo**



**VANI Hanshin Umeda main store**



**I'm LILY Hakata**



**Mr.maple by the maple mania Gransta Tokyo**



# (Overseas sales)

Overseas sales 1,538million yen -21.4%(YoY)

The 2nd shop in Australia has opened in Sydney, following the Melbourne shop



## Overseas sales

(Unit: Million of yen)

	FY2023 (1Q-4Q)	FY2024 (1Q-3Q)	YoY (Change)	YoY(%)
Taiwan ※1	657	651	△ 6	△ 0.9
Korea ※2	213	67	△ 146	△ 68.5
Singapore	453	225	△ 229	△ 50.4
China ※2	349	125	△ 224	△ 64.1
Australia	128	263	135	105.9
Others	157	207	50	31.8
<b>Total</b>	<b>1,957</b>	<b>1,538</b>	<b>△ 419</b>	<b>△ 21.4</b>

※1 Taiwan is consolidated subsidiaries. Other areas are FC.

※2 FC contracts with China and Korea ended in March 2024.

LeTAO Sydney shop (Grand opening on December 15, 2023 as Australia's 2nd shop)

# Results of FY2024 (YoY)

Net sales +27.7% (YoY), Ordinary profit +54.1% (YoY)  
Profitability increased mainly due to the price revision and improvement of efficiency in production and sales

(Millions of Yen, %)	FY2023(1Q-4Q)		FY2024(1Q-4Q)		YoY(Change)	YoY(%)
	amount	To-sales rate	amount	To-sales rate		
<b>Net sales</b>	<b>50,155</b>	<b>—</b>	<b>64,036</b>	<b>—</b>	<b>13,880</b>	<b>27.7</b>
<b>Gross profit</b>	<b>30,107</b>	<b>60.0</b>	<b>39,805</b>	<b>62.2</b>	<b>9,698</b>	<b>32.2</b>
<b>SG&amp;A expenses</b>	<b>20,155</b>	<b>40.2</b>	<b>24,024</b>	<b>37.5</b>	<b>3,869</b>	<b>19.2</b>
<b>Operating profit</b>	<b>9,952</b>	<b>19.8</b>	<b>15,781</b>	<b>24.6</b>	<b>5,829</b>	<b>58.6</b>
<b>Ordinary profit</b>	<b>10,296</b>	<b>20.5</b>	<b>15,868</b>	<b>24.8</b>	<b>5,572</b>	<b>54.1</b>
<b>Net profit</b>	<b>7,018</b>	<b>14.0</b>	<b>10,831</b>	<b>16.9</b>	<b>3,813</b>	<b>54.3</b>
<b>EPS (Yen)</b>	<b>45.10</b> (*1)		<b>69.61</b> (*1)		<b>24.51</b>	<b>—</b>
<b>ROE (%)</b>	<b>29.9</b>		<b>35.1</b>		<b>5.2</b>	<b>—</b>

(\*1) Our company implemented a stock split of 5 shares per common share effective October 1, 2023.

The EPS figures for the fiscal year ended March 2023 are calculated assuming that a stock split took place at the beginning of the fiscal year ended March 2023.

# Results of FY2024 (SEGMENTS)

**Sales and profits increased in major segments, Especially Sucrey**

(Millions of Yen, %)	Net sales				Operating profit		
	FY2023 (1Q-4Q)	FY2024 (1Q-4Q)	YoY(Change)	YoY(%)	FY2023 (1Q-4Q)	FY2024 (1Q-4Q)	YoY(Change)
<b>SUCREY</b>	20,699	26,456	5,757	27.8	4,144	5,844	1,700
<b>KCC</b>	14,114	18,053	3,939	27.9	2,113	3,819	1,705
<b>KOTOBUKISEIKA TAJIMAKOTOBUKI</b>	10,042	12,835	2,793	27.8	1,694	2,776	1,082
<b>SALES SUBSIDIARIES</b>	5,354	6,957	1,603	29.9	472	889	417
<b>KUJYUKUSHIMA GROUP</b>	4,628	6,383	1,755	37.9	366	783	418
<b>OTHERS (*1)</b>	734	744	10	1.3	97	87	△ 10
<b>SEGMENTS TOTAL</b>	55,570	71,427	15,857	28.5	8,887	14,199	5,312
<b>ADJUSTMENT</b>	△ 5,415	△ 7,391	△ 1,977	36.5	1,065	1,582	517
<b>TOTAL</b>	50,155	64,036	13,880	27.7	9,952	15,781	5,829

(\*1) "Others" include non-life insurance agency business, health food business and overseas confectionery business (Taiwan).

# Sales channel

**Backed by the recovery in the flow of people, domestic wholesale increased sharply thanks to a recovery in inbound demand**

(millions of yen,%)	FY2023(1Q-4Q)		FY2024(1Q-4Q)		YoY (Change)	YoY (%)
	amount	To-sales rate	amount	To-sales rate		
<b>Net sales</b>	<b>50,155</b>	<b>—</b>	<b>64,036</b>	<b>—</b>	<b>13,880</b>	<b>27.7</b>
<b>Domestic(Wholesale)</b>	<b>17,275</b>	<b>34.4</b>	<b>26,416</b>	<b>41.3</b>	<b>9,141</b>	<b>52.9</b>
<b>Domestic(Retail) ※1</b>	<b>25,118</b>	<b>50.1</b>	<b>30,182</b>	<b>47.1</b>	<b>5,064</b>	<b>20.2</b>
<b>Mail Order</b>	<b>5,798</b>	<b>11.6</b>	<b>5,892</b>	<b>9.2</b>	<b>94</b>	<b>1.6</b>
<b>Other ※2</b>	<b>7</b>	<b>0.0</b>	<b>9</b>	<b>0.0</b>	<b>2</b>	<b>22.8</b>
<b>Domestic Total</b>	<b>48,198</b>	<b>96.1</b>	<b>62,498</b>	<b>97.6</b>	<b>14,300</b>	<b>29.7</b>
<b>Overseas(Wholesale) ※3</b>	<b>1,300</b>	<b>2.6</b>	<b>887</b>	<b>1.4</b>	<b>△ 413</b>	<b>△ 31.8</b>
<b>Overseas(Retail)</b>	<b>657</b>	<b>1.3</b>	<b>651</b>	<b>1.0</b>	<b>△ 6</b>	<b>△ 0.9</b>
<b>Overseas Total</b>	<b>1,957</b>	<b>3.9</b>	<b>1,538</b>	<b>2.4</b>	<b>△ 419</b>	<b>△ 21.4</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 increased by 2.2 points YoY due to price revisions, etc., amid continued high raw material prices

(Millions of Yen, %)	FY2023(1Q-4Q)		FY2024(1Q-4Q)		YoY(change)	YoY(%)
	amount	To-sales rate	amount	To-sales rate		
<b>Net sales</b>	<b>50,155</b>	<b>—</b>	<b>64,036</b>	<b>—</b>	<b>13,880</b>	<b>27.7</b>
<b>Material cost</b>	<b>10,754</b>	<b>21.4</b>	<b>14,511</b>	<b>22.7</b>	<b>3,758</b>	<b>34.9</b>
<b>Labor cost</b>	<b>4,454</b>	<b>8.9</b>	<b>5,700</b>	<b>8.9</b>	<b>1,246</b>	<b>28.0</b>
<b>Expense</b>	<b>2,380</b>	<b>4.7</b>	<b>2,779</b>	<b>4.3</b>	<b>399</b>	<b>16.8</b>
<b>Manufacturing cost</b>	<b>17,587</b>	<b>35.1</b>	<b>22,990</b>	<b>35.9</b>	<b>5,403</b>	<b>30.7</b>
<b>Others</b>	<b>2,461</b>	<b>4.9</b>	<b>1,241</b>	<b>1.9</b>	<b>△ 1,220</b>	<b>△ 49.6</b>
<b>Cost of sales</b>	<b>20,049</b>	<b>40.0</b>	<b>24,231</b>	<b>37.8</b>	<b>4,183</b>	<b>20.9</b>
<b>Gross profit</b>	<b>30,107</b>	<b>60.0</b>	<b>39,805</b>	<b>62.2</b>	<b>9,698</b>	<b>32.2</b>

# SG&A expenses /Operating profit

## SG&A expenses rate decreased by 2.7 points due to sales growth and sales efficiency improvement

(Millions of Yen,%)	FY2023(1Q-4Q)		FY2024(1Q-4Q)		YoY(change)	YoY(%)
	amount	To-sales rate	amount	To-sales rate		
<b>Gross profit</b>	<b>30,107</b>	<b>60.0</b>	<b>39,805</b>	<b>62.2</b>	<b>9,698</b>	<b>32.2</b>
<b>Personnel expenses</b>	<b>7,432</b>	<b>14.8</b>	<b>8,742</b>	<b>13.7</b>	<b>1,310</b>	<b>17.6</b>
<b>Promotion</b>	<b>3,012</b>	<b>6.0</b>	<b>3,798</b>	<b>5.9</b>	<b>785</b>	<b>26.1</b>
<b>Freight</b>	<b>1,580</b>	<b>3.1</b>	<b>2,068</b>	<b>3.2</b>	<b>489</b>	<b>30.9</b>
<b>Advertising</b>	<b>395</b>	<b>0.8</b>	<b>393</b>	<b>0.6</b>	<b>△ 2</b>	<b>△ 0.6</b>
<b>Rent</b>	<b>1,314</b>	<b>2.6</b>	<b>1,452</b>	<b>2.3</b>	<b>138</b>	<b>10.5</b>
<b>Depreciation</b>	<b>407</b>	<b>0.8</b>	<b>433</b>	<b>0.7</b>	<b>26</b>	<b>6.4</b>
<b>Traveling and transportation expenses</b>	<b>373</b>	<b>0.7</b>	<b>483</b>	<b>0.8</b>	<b>111</b>	<b>29.8</b>
<b>Commission</b>	<b>3,969</b>	<b>7.9</b>	<b>4,916</b>	<b>7.7</b>	<b>946</b>	<b>23.8</b>
<b>Others</b>	<b>1,672</b>	<b>3.3</b>	<b>1,738</b>	<b>2.7</b>	<b>66</b>	<b>4.0</b>
<b>SG&amp;A expenses</b>	<b>20,155</b>	<b>40.2</b>	<b>24,024</b>	<b>37.5</b>	<b>3,869</b>	<b>19.2</b>
<b>Operating profit</b>	<b>9,952</b>	<b>19.8</b>	<b>15,781</b>	<b>24.6</b>	<b>5,829</b>	<b>58.6</b>

# Achievement rate of Business Forecast

**Net sales +5.9%, operating profit +11.2%**

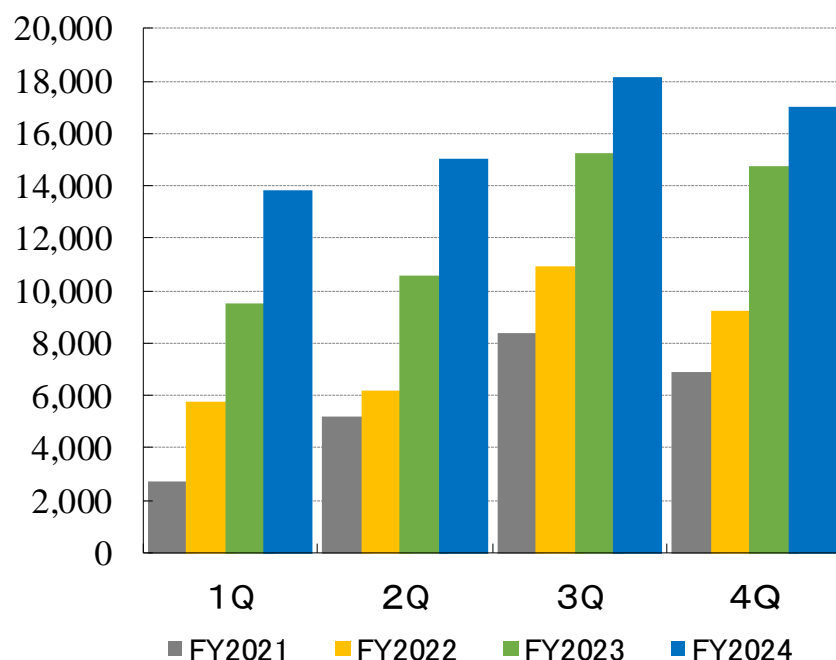
	FY2024 Business Forecast ※		FY2024		YoY (Change)	achievement (%)
	amount	To-sales rate	amount	To-sales rate		
(millions of yen,%)						
<b>Net sales</b>	<b>60,461</b>	<b>—</b>	<b>64,036</b>	<b>—</b>	<b>3,575</b>	<b>105.9</b>
<b>Gross profit</b>	<b>37,112</b>	<b>61.4</b>	<b>39,805</b>	<b>62.2</b>	<b>2,693</b>	<b>107.3</b>
<b>SG&amp;A expenses</b>	<b>22,920</b>	<b>37.9</b>	<b>24,024</b>	<b>37.5</b>	<b>1,104</b>	<b>104.8</b>
<b>Operating profit</b>	<b>14,192</b>	<b>23.5</b>	<b>15,781</b>	<b>24.6</b>	<b>1,589</b>	<b>111.2</b>
<b>Ordinary profit</b>	<b>14,263</b>	<b>23.6</b>	<b>15,868</b>	<b>24.8</b>	<b>1,605</b>	<b>111.3</b>
<b>Net profit</b>	<b>9,560</b>	<b>15.8</b>	<b>10,831</b>	<b>16.9</b>	<b>1,271</b>	<b>113.3</b>

※FY2024 Business Forecast announced in November 11, 2023.

# Net sales

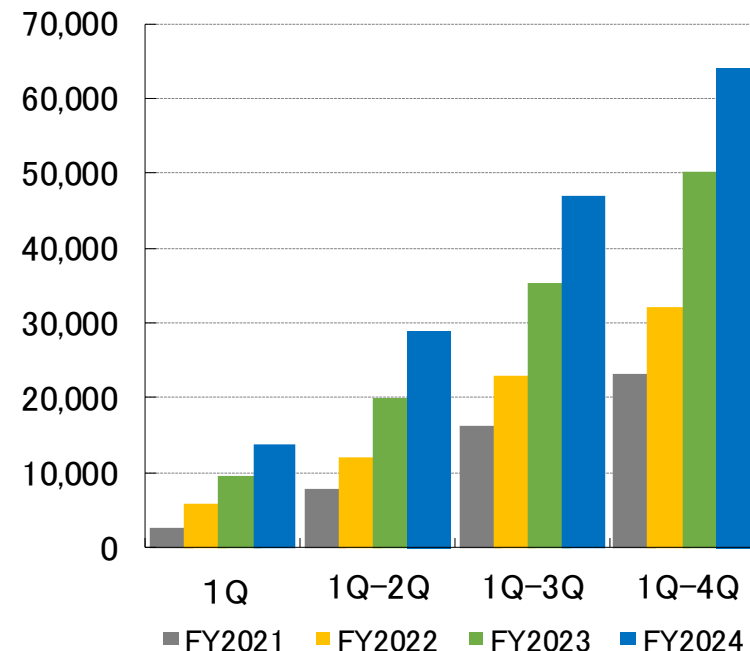
## Net sales (Quarter)

(Four periods comparison)



## Net sales (Cumulative)

(Four periods comparison)

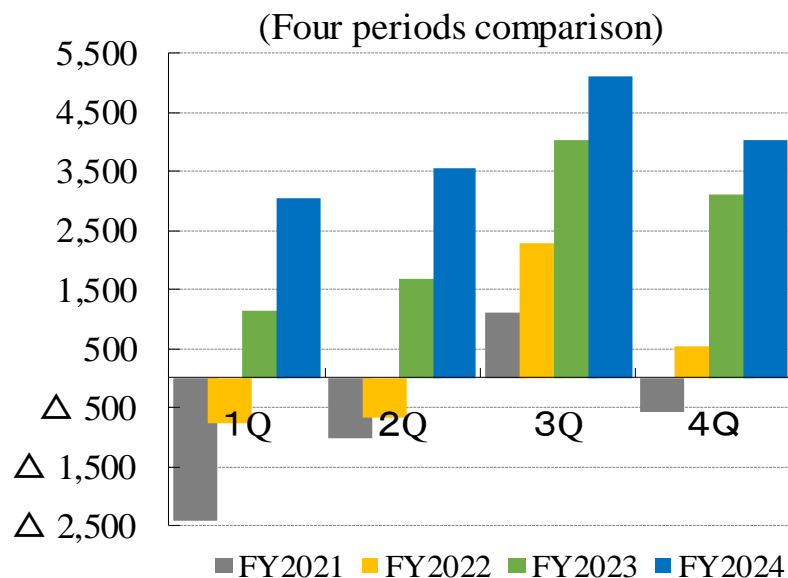


Millions of yen	Quarter				Cumulative Quarter			
	1Q	2Q	3Q	4Q	1Q	1Q-2Q	1Q-3Q	1Q-4Q
<b>FY2021</b>	2,716	5,189	8,402	6,898	2,716	7,905	16,306	23,205
<b>FY2022</b>	5,758	6,200	10,963	9,270	5,758	11,959	22,921	32,192
<b>FY2023</b>	9,515	10,585	15,270	14,785	9,515	20,100	35,370	50,155
<b>FY2024</b>	13,853	15,038	18,145	17,000	13,853	28,891	47,036	64,036
<b>YoY</b>	145.6%	142.1%	118.8%	115.0%	145.6%	143.7%	133.0%	127.7%

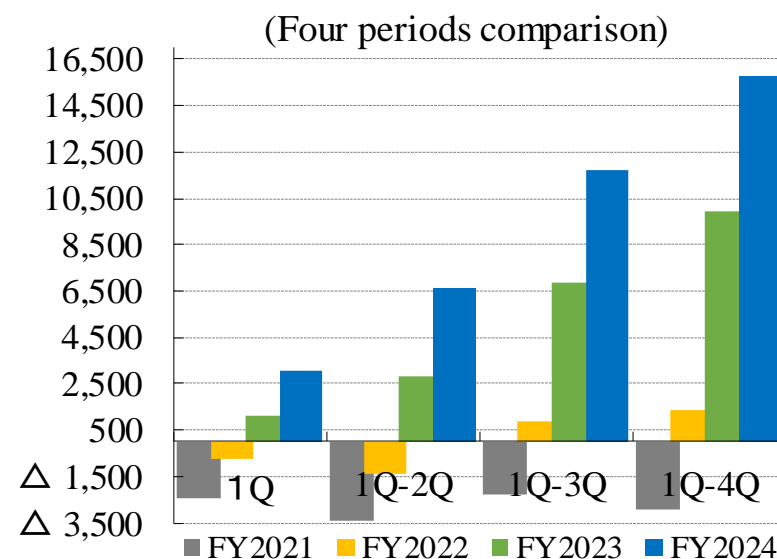


# Operating profit

## Operating profit (Quarter)



## Operating profit (Cumulative)



Millions of yen	Quarter				Cumulative Quarter			
	1Q	2Q	3Q	4Q	1Q	1Q-2Q	1Q-3Q	1Q-4Q
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	1,680	4,026	3,095	1,150	2,830	6,856	9,952
<b>FY2024</b>	<b>3,059</b>	<b>3,564</b>	<b>5,112</b>	<b>4,046</b>	<b>3,059</b>	<b>6,622</b>	<b>11,734</b>	<b>15,781</b>
YoY	265.9%	212.1%	127.0%	130.7%	265.9%	234.0%	171.1%	158.6%

# Balance Sheet

The increase in current assets was mainly due to an increase in cash and deposits and accounts receivable.

(millions of yen, %)	FY2022		FY2023		FY2024		Compared to FY2023 (Change)	Compared to FY2023 (%)
	amount	rate	amount	rate	amount	rate		
<b>Current assets</b>	<b>15,804</b>	<b>57.5</b>	<b>25,741</b>	<b>69.7</b>	<b>34,408</b>	<b>74.0</b>	<b>8,667</b>	<b>33.7</b>
Non-current assets	11,666	42.5	11,212	30.3	12,102	26.0	890	7.9
<b>Assets</b>	<b>27,470</b>	<b>100.0</b>	<b>36,953</b>	<b>100.0</b>	<b>46,510</b>	<b>100.0</b>	<b>9,557</b>	<b>25.9</b>
Current liabilities	4,620	16.8	8,095	21.9	8,824	19.0	729	9.0
Non-current liabilities	2,493	9.1	2,340	6.3	2,463	5.3	123	5.2
<b>Liabilities</b>	<b>7,114</b>	<b>25.9</b>	<b>10,436</b>	<b>28.2</b>	<b>11,287</b>	<b>24.3</b>	<b>851</b>	<b>8.2</b>
<b>Net assets</b>	<b>20,357</b>	<b>74.1</b>	<b>26,518</b>	<b>71.8</b>	<b>35,223</b>	<b>75.7</b>	<b>8,706</b>	<b>32.8</b>
<b>Liabilities and net assets</b>	<b>27,470</b>	<b>100.0</b>	<b>36,953</b>	<b>100.0</b>	<b>46,510</b>	<b>100.0</b>	<b>9,557</b>	<b>25.9</b>
<b>BPS (yen)</b>	<b>130.83</b>		<b>170.43</b>		<b>226.38</b>		<b>55.95</b>	<b>32.8</b>
<b>CAPEX</b>	<b>403</b>		<b>573</b>		<b>1,927</b>		<b>1,354</b>	<b>236.2</b>
<b>Depreciation</b>	<b>1,220</b>		<b>1,137</b>		<b>1,164</b>		<b>27</b>	<b>2.4</b>

※ Our company implemented a stock split of 5 shares per common share effective October 1, 2023.  
BPS figures are calculated assuming that a stock split took place.

# Statements of Cash Flows

Cash and deposits increased by 6,527 million yen from the beginning of the period

(Millions of yen,%)	FY2022	FY2023	FY2024	YoY(Change)	YoY(%)
Cash flows from operating activities	4,293	9,086	10,845	1,759	19.4
Cash flows from investing activities	△ 527	△ 1,616	△ 2,004	△ 389	24.1
Free Cash flows	3,767	7,470	8,841	1,371	18.4
Cash flows from financing activities	△ 1,176	△ 1,223	△ 2,323	△ 1,099	89.9
Effect of exchange rate change on cash and cash equivalents	13	3	9	6	200.5
Cash increase / decrease	2,603	6,250	6,527	278	4.4
Cash and cash equivalents (Beginning of period)	7,309	9,913	16,162	6,250	63.0
Cash and cash equivalents (End of period)	9,913	16,162	22,690	6,527	40.4
Interest-bearing debt	726	440	300	△ 140	△ 31.8

# Business Forecast for FY2025

Net sales +9.3% / Operating profit+11.1% (YoY)

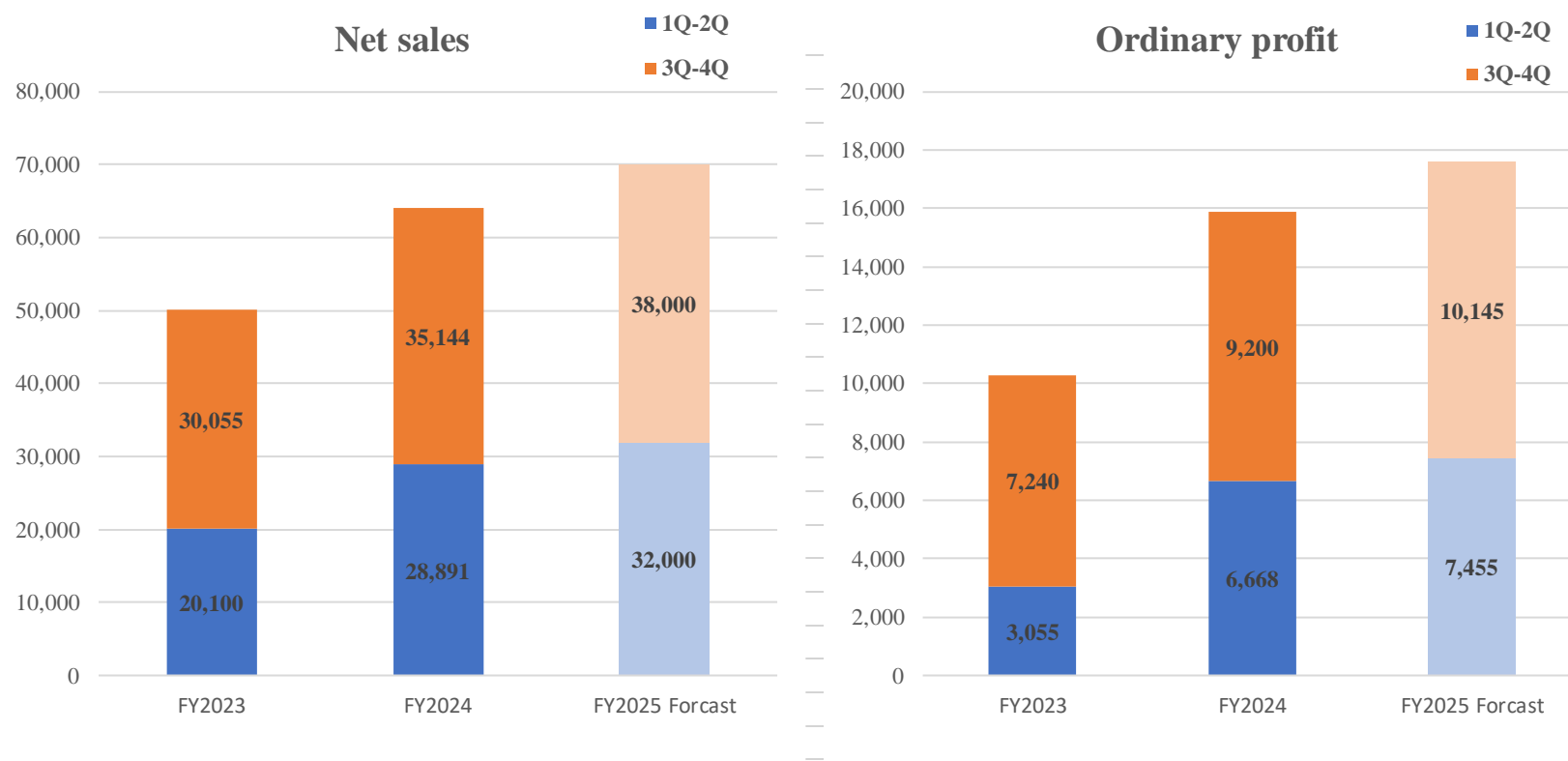
(millions of yen, %)	FY2024		FY2025(Forecast)		YoY(Change)	YoY(%)
	amount	To-sales rate	amount	To-sales rate		
<b>Net sales</b>	<b>64,036</b>	<b>-</b>	<b>70,000</b>	<b>-</b>	<b>5,964</b>	<b>9.3</b>
<b>Gross profit</b>	<b>39,805</b>	<b>62.2</b>	<b>43,700</b>	<b>62.4</b>	<b>3,895</b>	<b>9.8</b>
<b>SG&amp;A expenses</b>	<b>24,024</b>	<b>37.5</b>	<b>26,170</b>	<b>37.4</b>	<b>2,146</b>	<b>8.9</b>
<b>Operating profit</b>	<b>15,781</b>	<b>24.6</b>	<b>17,530</b>	<b>25.0</b>	<b>1,749</b>	<b>11.1</b>
<b>Ordinary profit</b>	<b>15,868</b>	<b>24.8</b>	<b>17,600</b>	<b>25.1</b>	<b>1,732</b>	<b>10.9</b>
<b>Net profit</b>	<b>10,831</b>	<b>16.9</b>	<b>11,800</b>	<b>16.9</b>	<b>969</b>	<b>8.9</b>
<b>EPS (yen)</b>	<b>69.61</b>		<b>75.84</b>		<b>6.2</b>	<b>-</b>
<b>Dividend/stock (yen)</b>	<b>28.00</b>		<b>28.00</b>		<b>0.0</b>	<b>-</b>
<b>CAPEX</b>	<b>1,927</b>		<b>3,500</b>		<b>1,573</b>	<b>81.7</b>
<b>Depreciation</b>	<b>1,164</b>		<b>1,400</b>		<b>236</b>	<b>20.2</b>

# Business Forecast for FY2025 (SEGMENTS)

SUCREY drives the group's performance.

(Million of Yen, %)	Net sales				Operating profit		
	FY2024	FY2025 (Forecast)	YoY(Change)	YoY(%)	FY2024	FY2025 (Forecast)	YoY(Change)
<b>SUCREY</b>	26,456	29,200	2,744	10.4	5,844	7,000	1,156
<b>KCC</b>	18,052	19,400	1,348	7.5	3,819	4,350	531
<b>KOTOBUKISEIKA TAJIMAKOTOBUKI</b>	12,835	13,770	935	7.3	2,776	3,012	236
<b>SALES SUBSIDIARIES</b>	6,957	7,400	443	6.4	889	1,020	131
<b>KUJYUKUSHIMA GROUP</b>	6,383	6,000	△ 383	△ 6.0	783	500	△ 283
<b>OTHERS</b>	744	750	6	0.9	87	80	△ 7
<b>SEGMENTS TOTAL</b>	71,426	76,520	5,094	7.1	14,199	15,962	1,763
<b>ADJUSTMENT</b>	△ 7,391	△ 6,520	871	△ 11.8	1,582	1,568	△ 14
<b>TOTAL</b>	64,036	70,000	5,964	9.3	15,781	17,530	1,749

# Business Forecast for FY2025(1Q-2Q 3Q-4Q)



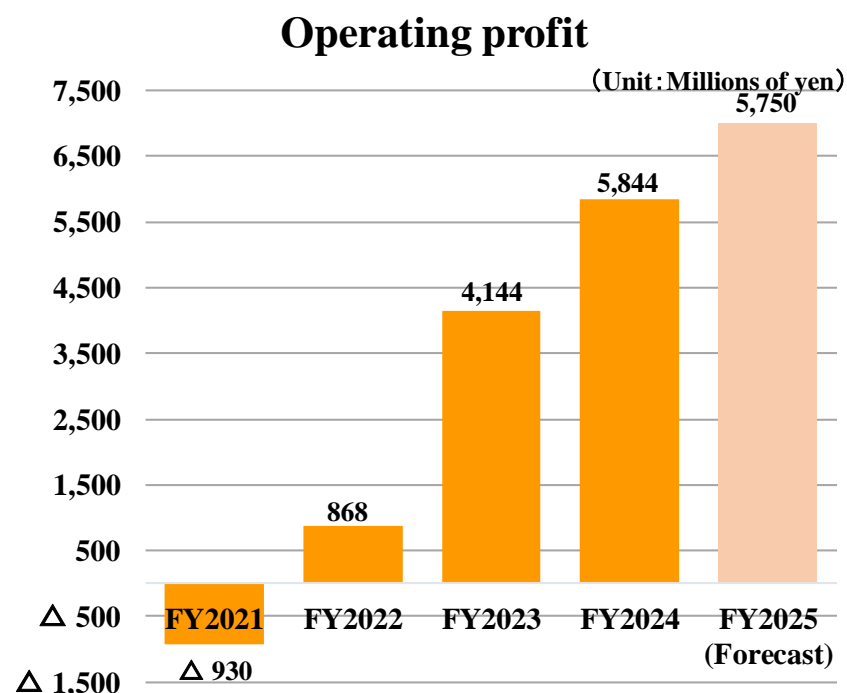
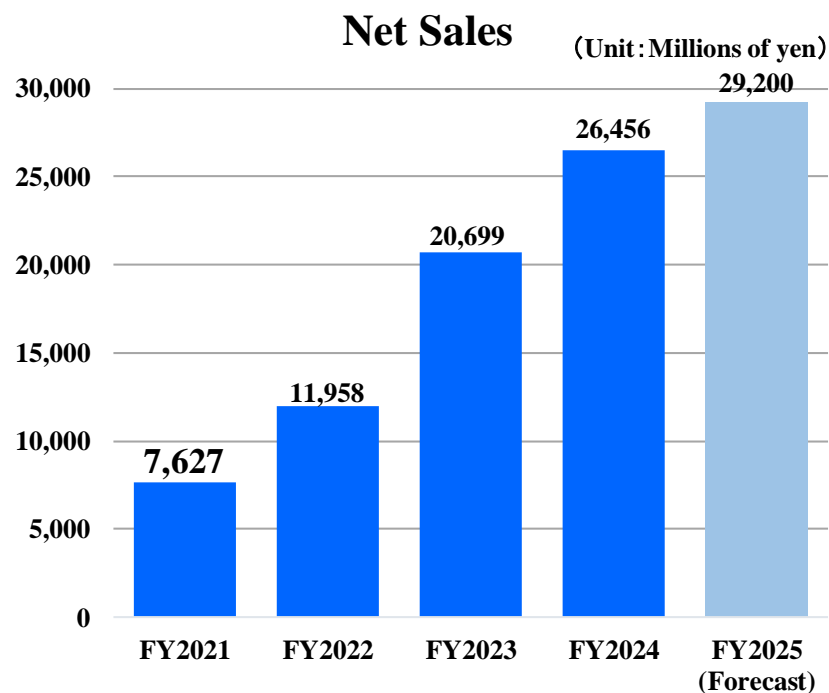
(Unit:millions of yen)

	Net sales						Ordinary profit					
	FY2023	(%)	FY2024	(%)	FY2025 Forecast	(%)	FY2023	(%)	FY2024	(%)	FY2025 Forecast	(%)
1Q-2Q	20,100	40.1%	28,891	45.1%	32,000	45.7%	3,055	29.7%	6,668	42.0%	7,455	42.4%
3Q-4Q	30,055	59.9%	35,144	54.9%	38,000	54.3%	7,240	70.3%	9,200	58.0%	10,145	57.6%
total	50,155	100.0%	64,036	100.0%	70,000	100.0%	10,296	100.0%	15,868	100.0%	17,600	100.0%

# 《SUCREY》

## FY2025 (Forecast)

**FY2025** : Net sales **29,200** million yen ( **+10.4%YoY** ) OP **7,000** million yen ( **+19.8%YoY** )



(Millions of yen,%)	FY2021	FY2022	FY2023	FY2024	YoY		FY2024 (Forecast)	YoY	
					(Change)	(%)		(Change)	(%)
Net sales	7,627	11,958	20,699	26,456	5,757	27.8	29,200	2,744	10.4
Gross profit	4,198	7,271	13,160	17,038	3,878	29.5	19,150	2,112	12.4
Gross profit rate	55.0	60.8	63.6	64.4	0.8	-	65.6	1.2	-
SG&A expenses	5,128	6,402	9,016	11,194	2,178	24.2	12,150	956	8.5
Operating profit	Δ 930	868	4,144	5,844	1,700	41.0	7,000	1,156	19.8

# 《SUCREY》

Accelerate growth to improve brand value and achieve sales of 35 billion yen in the fiscal year ending March 31, 2026.



COWCOW Kitchen "Milk pie strawberry"



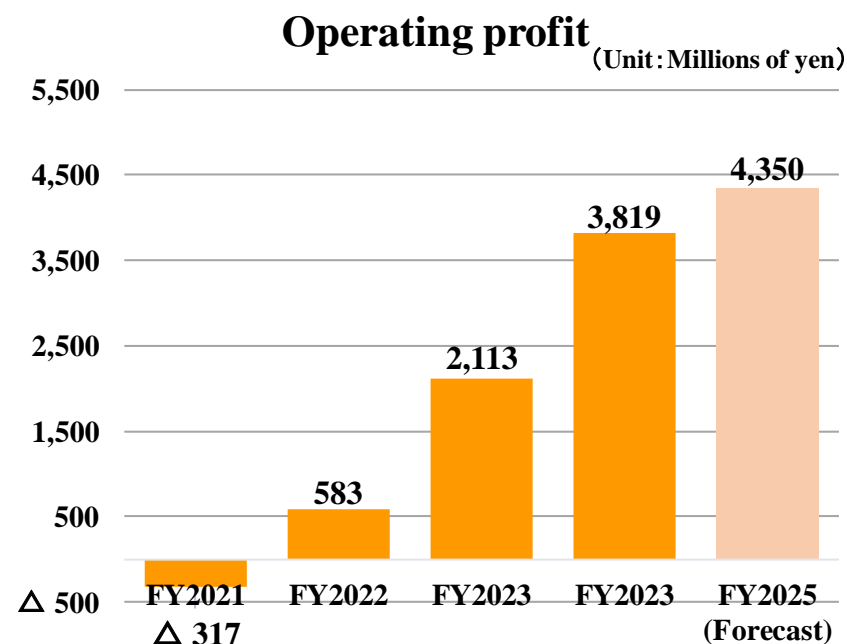
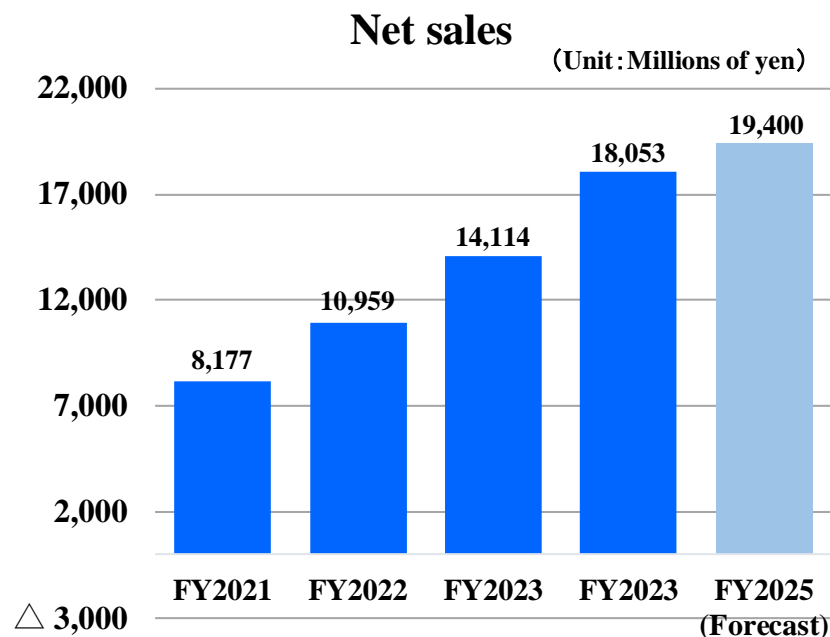
Tokyo milk cheese factory "Milk cheese cake"





# FY2025 (Forecast)

**FY2025: Net sales 19,400 million yen (+7.5%YoY) OP 4,350 million yen (+13.9%YoY)**



(Millions of yen,%)	FY2021	FY2022	FY2023	FY2024	YoY		FY2025 (Forecast)	YoY	
					(Change)	(%)		(Change)	(%)
Net sales	8,177	10,959	14,114	18,053	3,939	27.9	19,400	1,347	7.5
Gross profit	4,806	5,908	8,149	10,939	2,790	34.2	12,120	1,181	10.8
Gross profit rate	58.8	53.9	57.7	60.6	2.9	-	62.5	1.9	-
SG&A expenses	5,123	5,325	6,036	7,120	1,085	18.0	7,770	650	9.1
Operating profit(Δloss)	Δ 317	583	2,113	3,819	1,705	80.7	4,350	531	13.9

# 《KCC》



**Focusing on further improving the brand value of LeTAO, which has reached its 25th anniversary ,and development of metropolitan area brands**



Now on cheese ♪ Cheese cake sand]

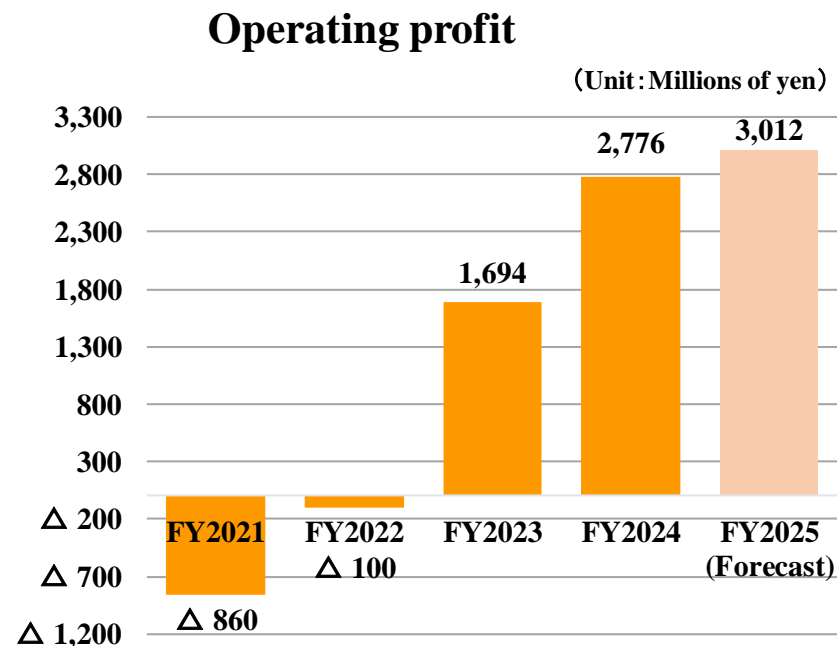
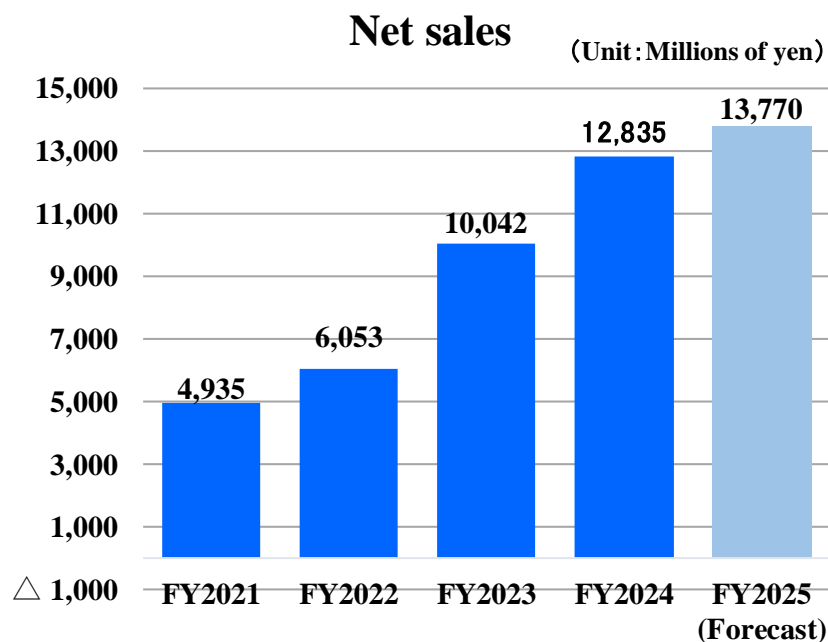


LeTAO 「Fleur mignon」

# 《KOTOBUKISEIKA・TAJIMAKOTOBUKI》

## FY2025 (Forecast)

**FY2025: Net sales 13,770 million yen (+7.3%YoY) OP 3,012 million yen (+8.5%YoY)**



(Millions of yen,%)	FY2021	FY2022	FY2023	FY2024	YoY		FY2025 (Forecast)	YoY	
					(Change)	(%)		(Change)	(%)
Net sales	4,935	6,053	10,042	12,835	2,793	27.8	13,770	935	7.3
Gross profit	969	1,774	3,953	5,355	1,403	35.5	5,954	599	11.2
Gross profit rate	19.6	29.3	39.4	41.7	2.4	-	43.2	1.5	-
SG&A expenses	1,829	1,874	2,258	2,579	320	14.2	2,942	363	14.1
Operating profit(Δloss)	Δ 860	Δ 100	1,694	2,776	1,082	63.9	3,012	236	8.5

# 《KOTOBUKISEIKA・TAJIMAKOTOBUKI》



Sales expansion of mainstay products and new products development and strengthening relationships with distributors



Inaba no Shirousagi "Mother's day gift box"

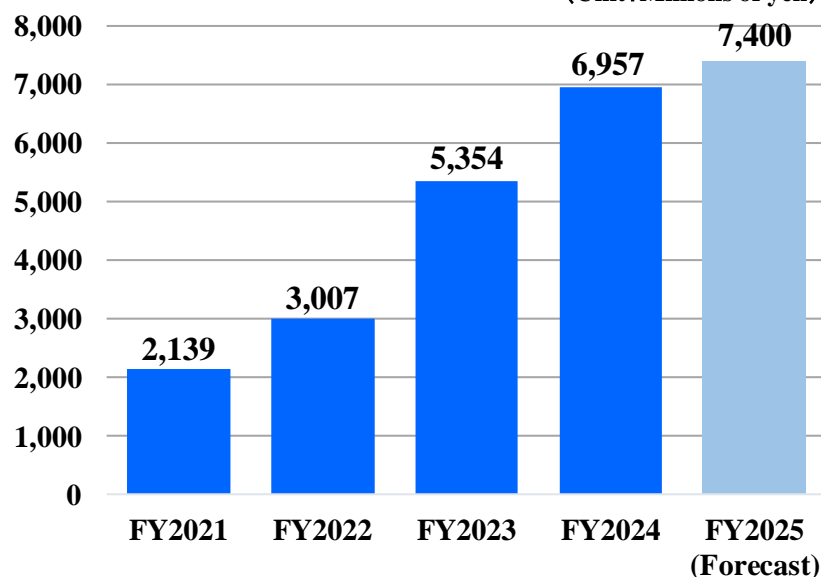


KANOZA "Maccha fondue"

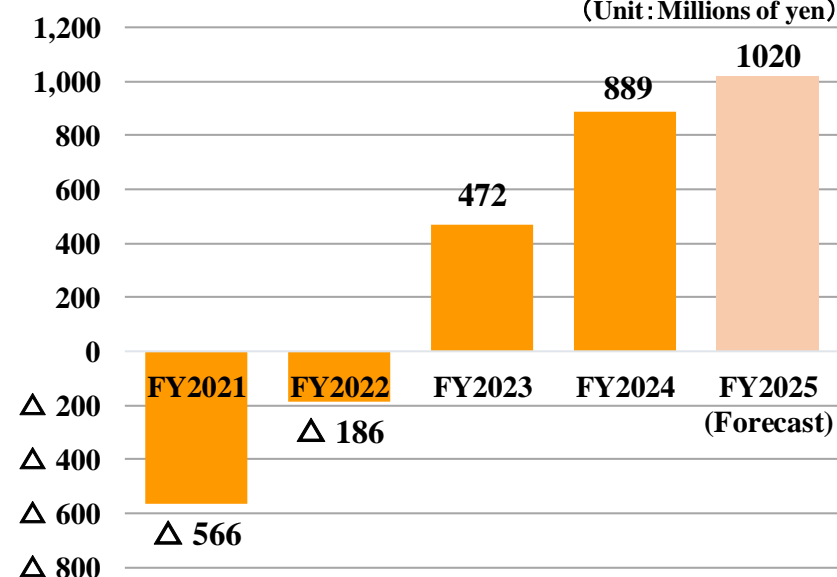
# 《SALES SUBSIDIARIES》 FY2025 (Forecast)

**FY2025: Net sales 7,400 million yen (+6.4%YoY) OP 1,020 million yen (+14.7%YoY)**

**Net sales**  
(Unit: Millions of yen)



**Operating profit**  
(Unit: Millions of yen)



(Millions of yen,%)	FY2021	FY2022	FY2023	FY2024	YoY		FY2025 (Forecast)	YoY	
					(Change)	(%)		(Change)	(%)
Net sales	2,139	3,007	5,354	6,957	1,603	29.9	7,400	443	6.4
Gross profit	625	1,098	2,013	2,637	624	31.0	2,860	223	8.5
Gross profit rate	29.2	36.5	37.6	37.9	0.3	-	38.6	0.7	-
SG&A expenses	1,191	1,284	1,541	1,748	207	13.4	1,840	92	5.3
Operating profit	△ 566	△ 186	472	889	417	88.4	1,020	131	14.7

# 《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 VENETO  
MEETING FROM ITALY TO KYOTO



OSAKA Strawberry cheese talt



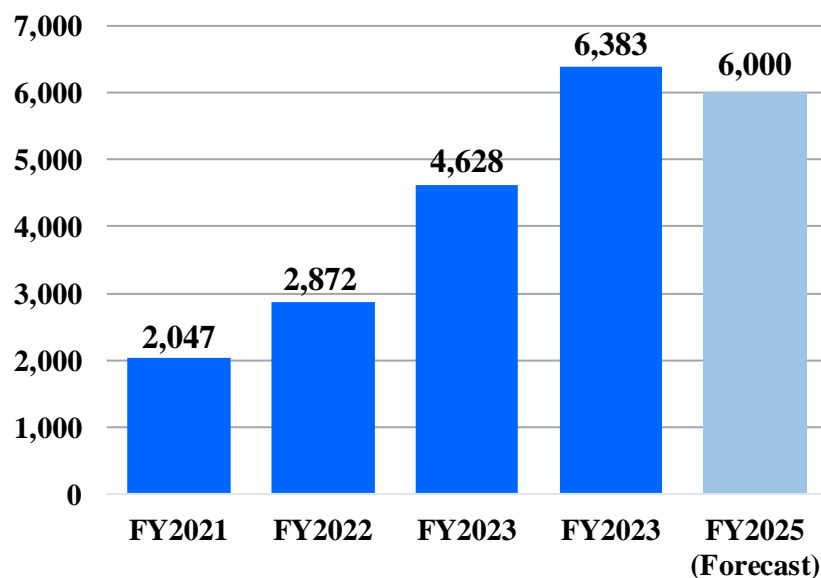
KYOTO VENETO “Chobericcha”

# 《 KUJYUKUSHIMA GROUP 》

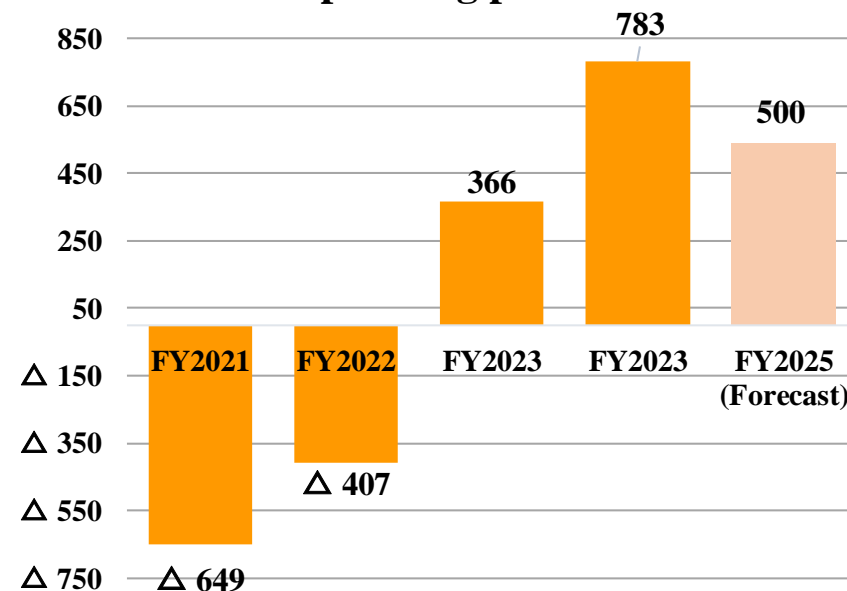
## FY2025 (Forecast)

**FY2025: Net sales 6,000 million yen  $\Delta 6.0\%$  YoY) OP 500 million yen ( $\Delta 36.2\%$  YoY)**

### Net sales



### operating profit



(Millions of yen,%)	FY2021	FY2022	FY2023	FY2024	YoY		FY2025 (Forecast)	YoY	
					(Change)	(%)		(Change)	(%)
Net sales	2,047	2,872	4,628	6,383	1,755	37.9	6,000	$\Delta 383$	$\Delta 6.0$
Gross profit	650	1,241	2,427	3,387	960	39.6	3,150	$\Delta 237$	$\Delta 7.0$
Gross profit rate	31.8	43.2	52.4	53.1	0.6	-	52.5	$\Delta 0.6$	-
SG&A expenses	1,300	1,648	2,061	2,604	542	26.3	2,650	46	1.8
Operating profit( $\Delta$ loss)	$\Delta 649$	$\Delta 407$	366	783	418	-	500	$\Delta 283$	$\Delta 36.2$

# 《 KUJYUKUSHIMA GROUP 》



**Executing organizational reform by utilizing the synergy of Kotobuki Spirits group.  
Transitioning to a manufacturing and retail-oriented management style to aim for growth.**



**IVORISH“French Toast Pudding”**



**I'm LILY“Butter Nuts Cake Almond&Pistachio ”**



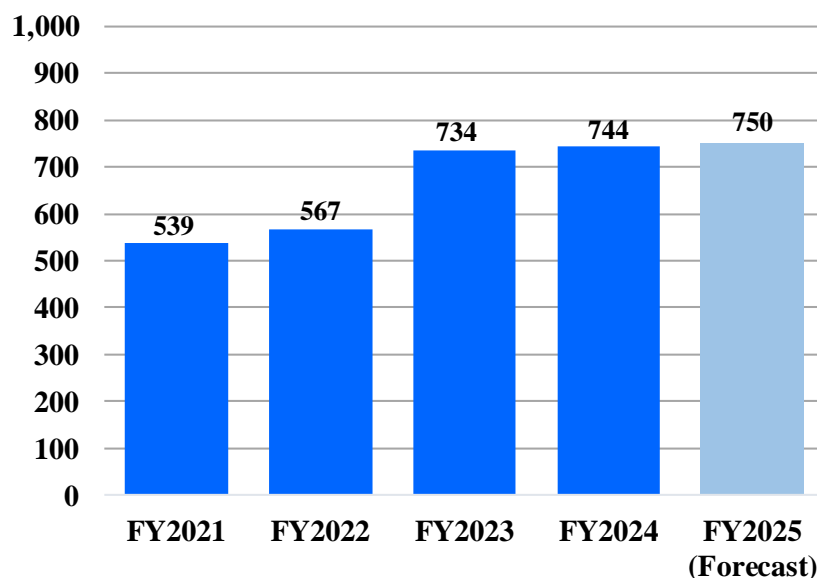
# 《OTHERS》

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

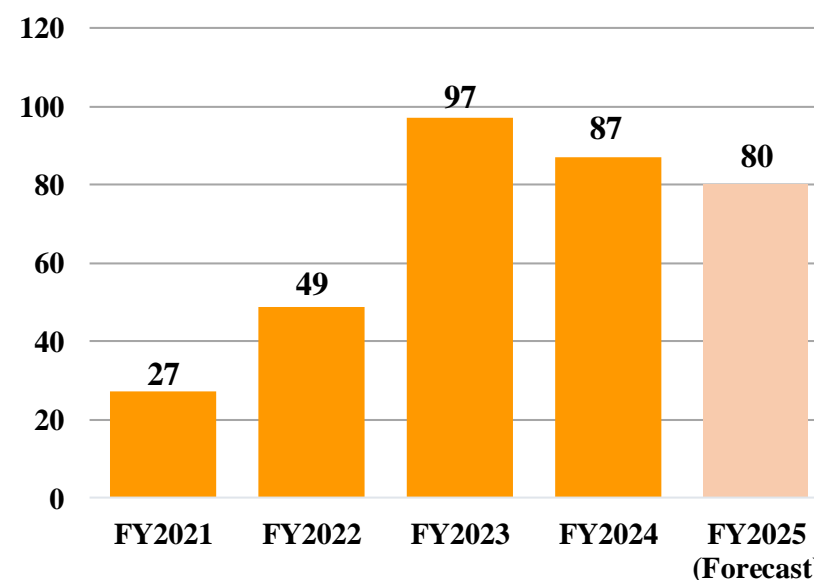
## FY2025 (Forecast)

**FY2025**: Net sales **750** million yen (**+0.9%** YoY) OP **80** million yen (**△ 8.2%** YoY)

### Net sales



### Operating profit



(Millions of yen,%)	FY2021	FY2022	FY2023	FY2024	YoY		FY2025 (Forecast)	YoY	
					(Change)	(%)		(Change)	(%)
Net sales	539	567	734	744	10	1.3	750	6	0.9
Gross profit	383	411	534	537	3	0.5	540	3	0.6
Gross profit rate	71.1	72.5	72.8	72.2	△ 0.6	-	72.0	△ 0.2	-
SG&A expenses	356	362	437	450	13	2.9	460	10	2.2
Operating profit(△loss)	27	49	97	87	△ 10	△ 10.4	80	△ 7	△ 8.2

# 《OTHERS》

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

## 純藍

### health food business(Junai)



Chinese New Year Gift

Junai tea

# Corporate Vision and Basic Policies

## Corporate Philosophy

### To Create happiness, Provide happiness

The corporate vision of our group was created by the late Shoichi Kawagoe, the founder of our company, and his predecessors, who overcame many trials and tribulations. While the pursuit of profit is not the only purpose of a company, in order for the company to continue to develop forever into the future, we must always place the highest priority on "making people happy," and the creation of products that will please our customers, continuing to provide services that will please our customers, contributing to local communities, and coexistence and co-prosperity are the company's raison d'etre and the mission of our company group.

## Basic Policies

### Today, I make an enthusiastic fan.

All employees of our group have a basic policy of "Making enthusiastic fans" in order to realize our corporate vision, which is to strive to make one enthusiastic fan of our company today, with whom we can build a lifelong relationship through a single confectionery item or by serving one customer.

## Practice of "All-Participation-type Management" based on corporate vision

Based on our corporate vision, the Group aims to create a dynamic and attractive corporate group and increase its corporate value over the medium to long term by practicing "**all-participation-type management**," in which each and every employee participates in management with a sense of ownership.

### <<About the Corporate Vision Notebook, "Kozuchi">>

The Group has created a corporate vision notebook, "Kozuchi," which clearly states its management philosophy (Philosophy), and strives to ensure that all employees are familiar with the corporate vision and thoroughly adhere to corporate ethics. The corporate vision notebook, "Kozuchi," is used in morning meetings, training sessions, and study groups held at each workplace unit. In addition, a "National Convention for Kozuchi Presentation" is held once a year to share the results of the implementation of the corporate vision with all employees and to produce even greater results.



National Convention for Kozuchi Presentation in January 2024

## Vision (direction to aim for)

# "General Producer of the Sweets "

creating original brands and store brands of sweets from all over the country.

- Creating stores and confectionery with originality by pursuing "Local" and "Specialty" with a thorough focus on deliciousness and quality under the theme of **"Creation of higher value"**.
- Adapting the brand portfolio to meet the demand for a variety of **Premium Gift Sweets**, from souvenirs and personal gifts that match the market characteristics of each region to sweets to be enjoyed at home.



# Future Management Policies

## Management Slogan for 2024

# Cho-zetsu Mach Management !

The Group will specialize in Premium Gift Sweets with an even greater pursuit of deliciousness, executing its business measures by focusing on superb speed and quickness by all standards.

### Priority Measures

#### 1. Value Up EveryDay

- ① Value Up of products by evolving their deliciousness to be the best
- ② Value Up of sales force by refining unique sales methods
- ③ Value Up of sales floors by conveying the brand's worldview to the fullest
- ④ Value Up for new brand development, new shop opening locations, and hiring

#### 2. Promotion of "all-participation-type super field-oriented" management

Promoting "all-participation-type super field-oriented" management, based on the thorough implementation of our corporate vision, to improve our human resources and organizational capabilities.

## Future Management Policies

### Middle-term/long-term target indicators

#### Long-term Target Indicators

Ordinary Profit rate : 30%

#### Middle-term Target Indicators

#### (SUCREY)

① Net Sales : 35,000 millions yen

#### (Group All)

② Inbound Sales : 10,000 millions yen

# ESG

## Endorsement of TCFD Recommendation , and Establishes a “Sustainability Committee”

**Kotobuki Spirits Co.,Ltd. endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in April 2023.**

**Accordingly, the Company will disclose information regarding four elements -- governance, strategy, risk management, and metrics and targets -- in accordance with the TCFD recommendations by proactively disclosing climate change-related financial information, as follows. In addition, we established the “Sustainability Committee” in April 2023.**





# ESG Information

## (KCC's First Factory receives FSSC 22000 certification)

On September 1, 2023, KCC's First Factory acquired FSSC 22000 certification making it the fourth manufacturing base for Kotobuki Spirits group to do so, following KCC's Second Factory, the SUCREY's Yokohama Factory, and the Hamamatsu Factory. We will continue our quality improvement activities in order to provide safe and secure products that will please our customers.



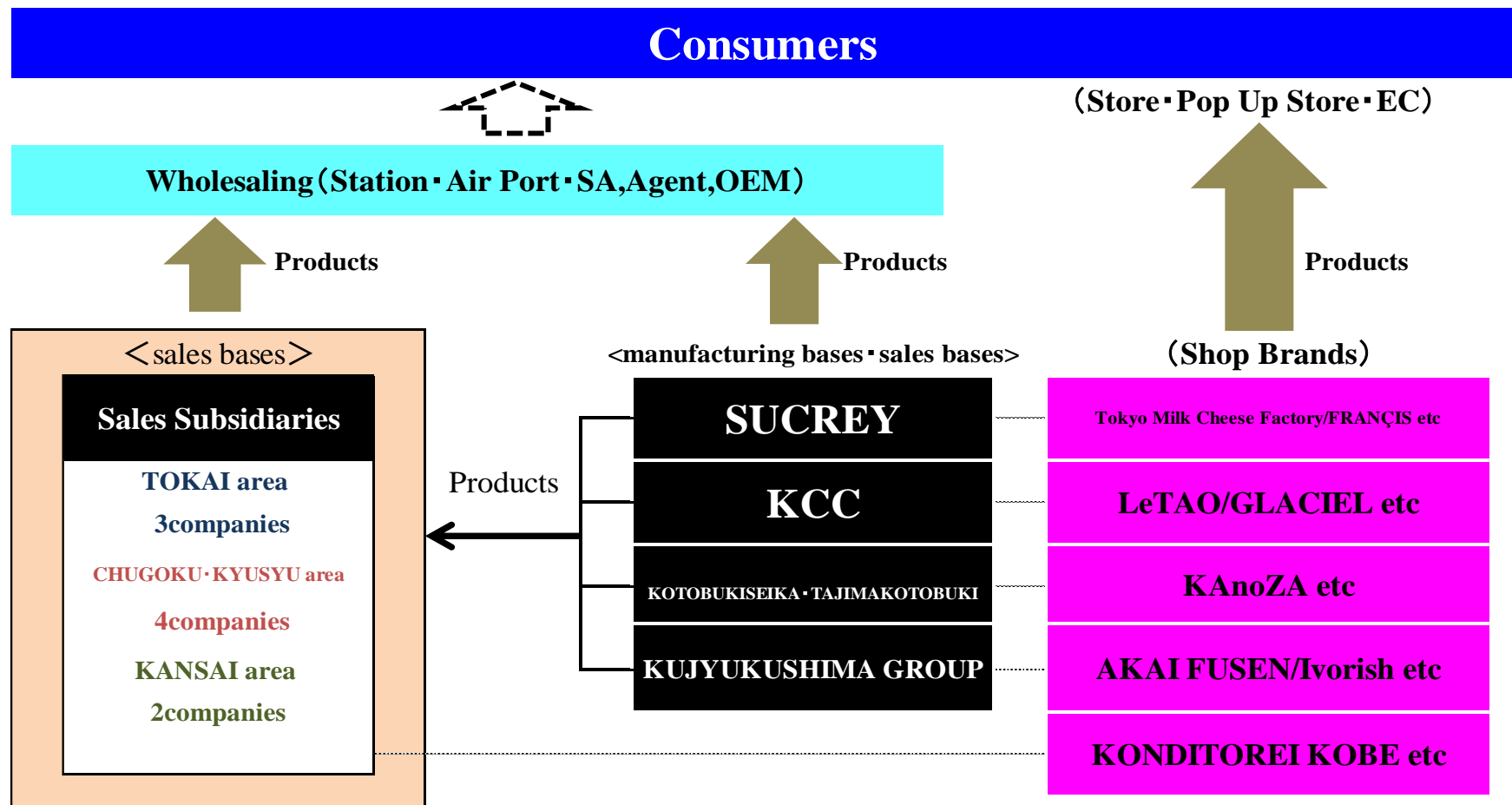
### **External appearance of KCC's First Factory**

※ FSSC 22000 is an international standard for food safety management systems that reinforces ISO 22000 with additional requirements.

It is approved as one of the benchmark standards by the Global Food Safety Initiative (GFSI).

# Business Outline

Chart



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

# Kotobuki Spirits Group Factory

(SUCREY Shizuoka factory scheduled to begin Operations in August 2024)



Main Factory



Uratsu factory



Yodoe factory



The first factory



Second factory



Tajima factory

**KOTOBUKISEIKA**  
 Main factory  
 Uratsu factory  
 Yodoe factory  
 Tajima factory



**KCC**  
 The first factory  
 Second factory



Fukuoka factory



Main factory



Yokohama factory



Hamamatsu factory



Kurokami factory

**KUJYUKUSHIMA GROUP**  
 Fukuoka factory  
 Main factory  
 Kurokami factory



**SUCREY**  
 Yokohama factory  
 Hamamatsu factory  
 (Under Preparation)  
 Shizuoka factory



Shizuoka factory  
 \*scheduled to begin  
 Operations in the August 2024

# 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



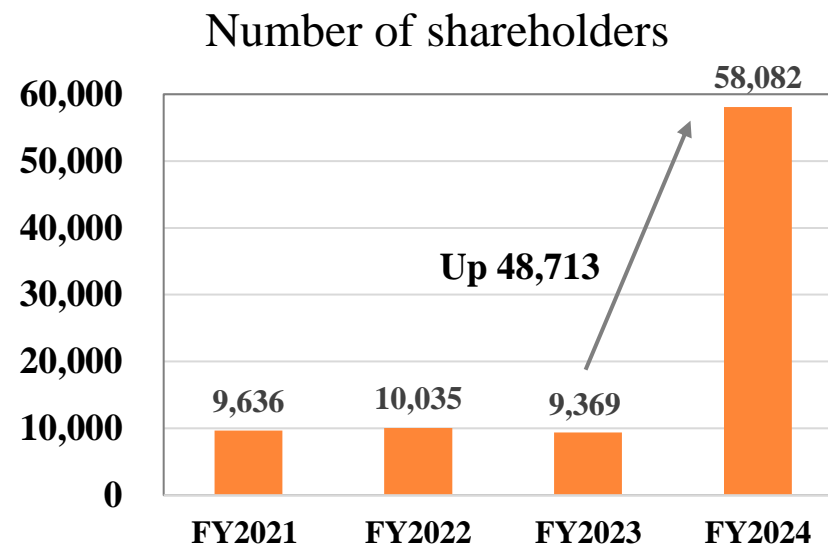
Kobe



# Status of Shares

(As of March 31, 2024)

- Total number of authorized shares  
456,000,000 (\*1)
- Total number of issued shares  
155,607,600 (\*1)
- Number of shares per unit 100
- Number of shareholders 58,082  
(up 48,713 from the previous year)



(\*1)As of October 1, 2023, the Company split its common stock into 5 shares. As a result, the total number of authorized shares will increase by 364,800,000 shares. The total number of issued shares has increased by 124,486,080 shares.

## ■ Major shareholders (top 5)

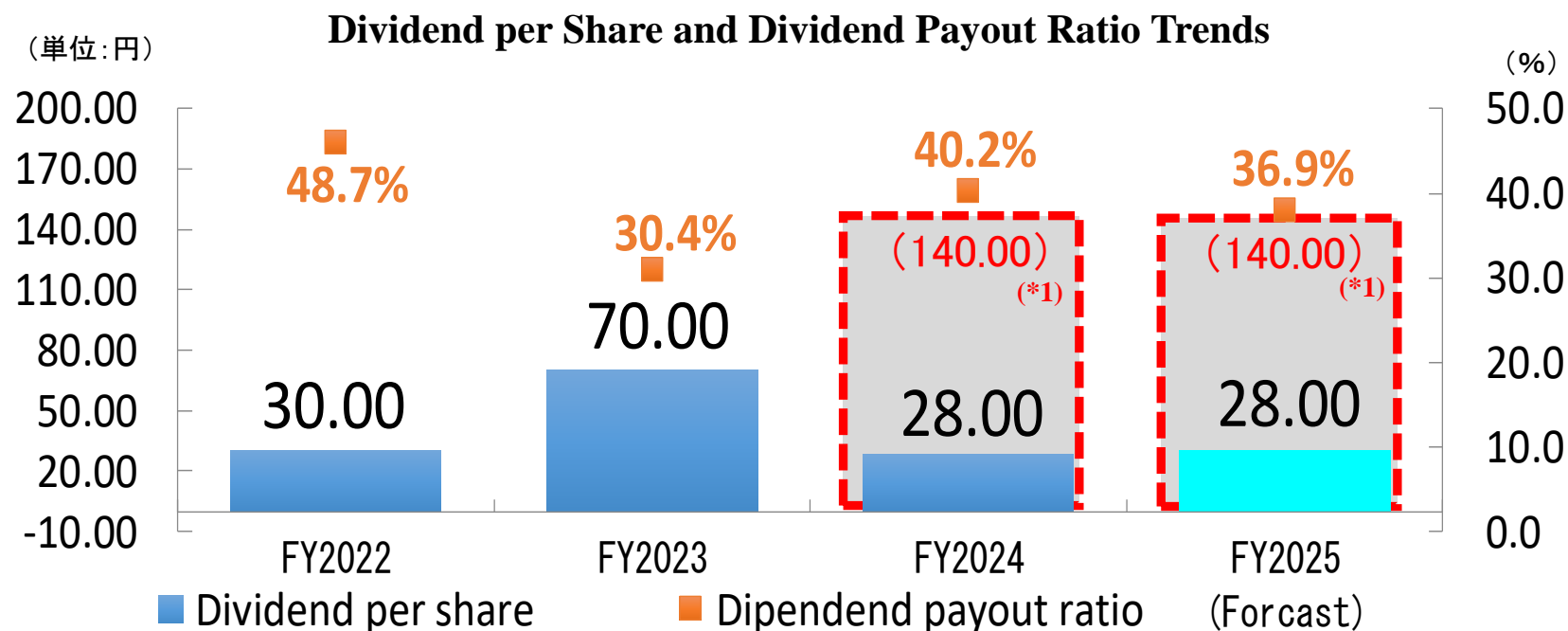
Shareholder name	Number of shares held	Ownership (%)
S Kawagoe Co., Ltd.	45,500,000	29.24
The Master Trust Bank of Japan, Ltd. (trust account)	13,909,400	8.94
SSBTC CRIENT OMNIBUS ACCOUNT	7,226,201	4.46
Custody Bank of Japan, Ltd. (trust account)	5,562,300	3.64
The San-in Godo Bank, Ltd.	4,500,000	2.89

# Shareholder Return

## ■ Dividend policy

Our basic policy is to return profits by comprehensively taking into account internal reserves, performance levels, payout ratio and other factors so that we can return profits stably over the long term.

## ■ Dividend per share forecast for the fiscal year ending March 2025 **28** yen



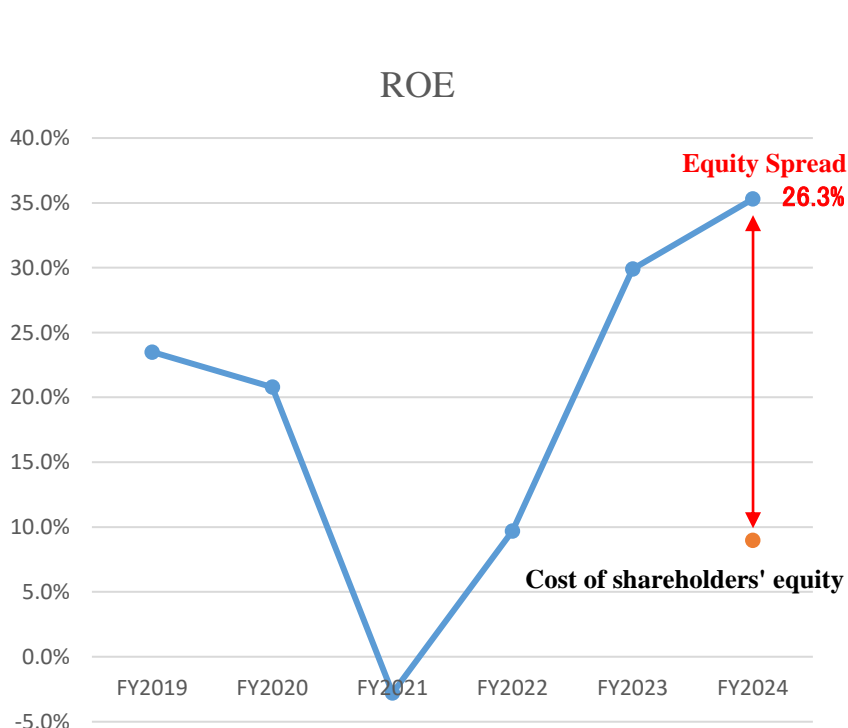
**(Note) Our company implemented a stock split of 5 shares per common share effective October 1, 2023.**

**The dividend for the fiscal year ended March 31, 2024 and the dividend (forecast) per share for the fiscal year ending March 31, 2025 will be 140 yen on a pre-split basis.**

# Actions to engage in management that is conscious of cost of capital and stock price

## ■ Analysis of Capital Profitability

The cost of shareholders' equity is calculated using CAPM (Capital Asset Pricing Model) and is generally recognized to be around 9%. ROE was 29.9% for the fiscal year ended March 31, 2023, and 35.1% for the fiscal year ended March 31, 2024, significantly exceeding the cost of shareholders' equity. Given this situation, we have not set any improvement measures or targets at this time, but we will continue to strive to improve our capital profitability, create higher added value than our cost of shareholders' equity, and increase our corporate value.



	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
ROE	23.5%	20.8%	-2.8%	9.7%	29.9%	35.1%
ROE Analysis						
Net profit margin on sales	9.7%	9.1%	-2.5%	6.0%	14.0%	16.9%
Total asset turnover ratio (times)	1.69	1.71	0.90	1.23	1.56	1.53
Financial leverage (times)	1.43	1.34	1.28	1.32	1.37	1.35

$$\text{ROE} = \frac{\text{Net profit}}{\text{Net sales}} \times \frac{\text{Net sales}}{\text{Total assets}} \times \frac{\text{Total assets}}{\text{Equity}}$$

【Profitability】      【Asset efficiency】      【Financial leverage】

Cost of shareholders' equity (%) FY2024

Risk-free rate	Beta sensitivity	Risk premium	Cost of shareholders' equity
Safe assets, interest-free interest rates *Set based on 10-year government bond yield	× Risks Specific to the Company	× Excess return rate expected from equity investments *Set based on past stock market returns	= <b>8.98%</b>
			Calculated from CAPM

# Actions to engage in management that is conscious of cost of capital and stock price

## ■ PER / PBR

The PBR (Price Book-Value Ratio) at the end of the fiscal year ended March 31, 2024 was 8x, well above 1x.

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
PER	33.32	36.92	-	105.91	41.55	27.32
PBR	7.21	7.15	11.57	9.97	11.00	8.45

(Note) FY2021 PER is not shown due to net loss

## ■ Market capitalization





# History (1)

April 1952	(27th year of Showa era)	<b>Kotobuki Seika Co., Ltd.</b> was established in Kakuban-cho in the city of Yonago in Tottori, and began manufacturing candy and other confectionery products.
April 1959	(34th year of Showa era)	Entered the tourism and souvenir confectionery business.
November 1968	(43rd year of Showa era)	Introduced the famous confectionery “ <b>Inaba no Shirousagi</b> ” to work on upgrading tourist souvenir confectionery.
April 1972	(47th year of Showa era)	Established Kotobuki Co., Ltd. in the city of Kaga in Ishikawa. Later, established sales subsidiaries one by one, mainly in western Japan, to expand the sales network nationwide.
May 1979	(54th year of Showa era)	Moved to a newly constructed main plant in its current location (city of Yonago in Tottori).
March 1987	(62nd year of Showa era)	Established <b>Tajima Kotobuki Co., Ltd.</b> in Shinonsen-cho, Mikata-gun, Hyogo.
1988	(63rd year of Showa era)	Aimed to differentiate from other companies based on the concept of “Kashi,” a type of confectionery that is written using a Chinese character without the grass radical (meaning a focus on fruits), which uses locally produced fruit and is sold only locally. [The director of the taste of travel]
April 1993	(5th year of Heisei era)	In the city of Yonago in Tottori, established a large sales facility called “ <b>Kotobuki Castle</b> ,” where visitors can observe the manufacturing process. Started retail business in earnest.
November 1994	(6th year of Heisei era)	Listed on JASDAQ.
April 1996	(8th year of Heisei era)	In the city of Chitose in Hokkaido, established Kotobuki Chocolate Company Limited ( <b>now KCC Co., Ltd.</b> ) and entered into Hokkaido in earnest. Added chocolate and langue de chat items to serve as a manufacturing base.



“White Rabbit of Inaba”



Kotobuki Seika Co., Ltd., Main Plant



Kotobuki Castle

# History (2)

June 1998	(10th year of Heisei era)	Acquired a 100-year-old long-established trademark and established <b>Tsukiji Chitose Co., Ltd.</b> in Chuo City, Tokyo. Began developing the Tokyo Japanese confectionery brand. In the city of Otaru in Hokkaido, KCC Co., Ltd. established “ <b>Otaru Western Confectionery LeTAO.</b> ” Launched a retail specialty store for Western confectionery.
February 2005	(17th year of Heisei era)	By taking over the business, the company inherited the confectionery manufacturing and sales business from Kujukushima SK Farm Co., Ltd. and three other companies, and started <b>Kujukushima Group Co., Ltd.</b>
October 2006	(18th year of Heisei era)	Changed the company name to Kotobuki Spirits Co., Ltd. and shifted to a pure holding company structure through a company split.
December 2011	(23rd year of Heisei era)	Established <b>Sucrey Co., Ltd.</b> in Minato City, Tokyo.
January 2012	(24th year of Heisei era)	Tsukiji Chitose Co., Ltd. was dissolved after transferring part of its business to Sucrey Co., Ltd.
November 2012	(24th year of Heisei era)	Established KCC International Taiwan Co., Ltd. in Taipei, Taiwan.
April 2013	(25th year of Heisei era)	Listed on the Second Section of the Tokyo Stock Exchange.
April 2014	(26th year of Heisei era)	Listed on the First Section of the Tokyo Stock Exchange.
September 2014	(26th year of Heisei era)	Established <b>JunAi Inc.</b> in Minato City, Tokyo.
January 2016	(28th year of Heisei era)	<b>Acquired all shares of FRANCAIS Co., Ltd.</b> and made it a subsidiary.
April 2017	(29th year of Heisei era)	<b>Sucrey Co., Ltd. absorbed FRANCAIS Co., Ltd.</b>
April 2022	(4th year of Reiwa era)	Moved to the Prime Market following the market segment review of the Tokyo Stock Exchange.



Otaru Western  
Confectionery LeTAO



“Kujukushima Senpei”

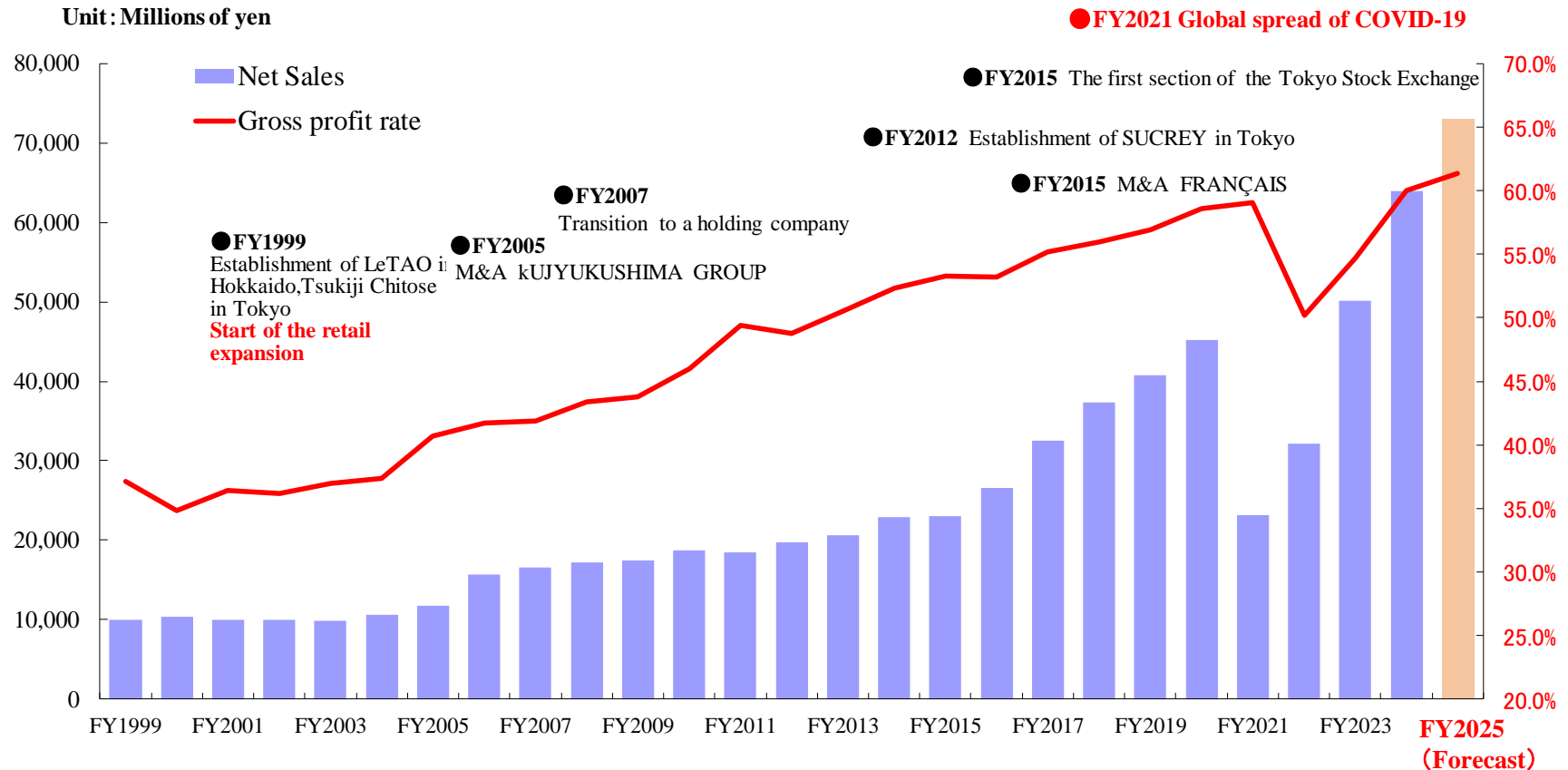


FRANCAIS confectionery

# Transition of Kotobuki Spirits ①

## High profit management

●FY2023 Net sales exceeded 50 Billion yen Gross profit rate exceeded 60%



# Transition of Kotobuki Spirits ②

●FY2023 Ordinary profit exceeded 10 Billion yen  
Ordinary profit rate exceeded 20%

Unit: Millions of yen

