

FY2025 (1Q-2Q)
(Second quarter of the fiscal year ending March 31, 2025)
Consolidated Business Results

November 6, 2024
Kotobuki Spirits Co.,Ltd.



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FY2025(1Q-2Q)Highlight

Results of FY2025 (1Q-2Q) (April-September)

Sales and profits reach record highs for two consecutive years

● We faced cost-increasing factors, such as rising raw material prices, higher personnel expenses due to rising salary levels, and reduced productivity owing to temporary adjustments to manufacturing lines due to the establishment of new factories and the relocation of production lines. However, we secured increased sales and profit, driven by the growth in inbound sales, the positive impact of new store openings, and the effect of product price revisions. As a result, we achieved record-high profit for the cumulative second quarter.

● Inbound sales (international airports sales) were 4,644 million yen.

● During this period, we opened nine new stores and rebranded one store, including the simultaneous opening of three stores in April of this year in the new commercial facility, EAToLUMINE inside the JR Shinjuku Station gates.

FY2025(1Q-2Q) Topics ① (Inbound sales)

【International airports sales(Inbound sales)*1 】

※ FY2025 1Q-4Q is forecast

(Millikons of Yen)	1Q	2Q	3Q	4Q	1Q-4Q
FY2025	2,305	2,338			8,500
FY2024	1,519	1,606	1,966	2,033	7,126
FY2023	85	167	640	1,084	1,977



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



Narita airport Fa-So-La TAX FREE STORE AKIHABARA
PISTA & TOKYO

*1 Starting from this first quarter, inbound sales figures have been revised to include sales outside the clean areas of the international terminal.

FY2025(1Q-2Q) Topics ② New Store opennings (Shinjyuku area)

On April 17, 2024, EAToLUMINE held its grand opening inside the JR Shinjuku Station gates.
Our Group simultaneously opened three stores: two stores of new brands and one store of an existing brand.



(The photo in the top left) New Brand
 “woofie EAToLUMINE Shinjuku Store”
 opened on April 17, 2024

(The photo in the top right) New Brand
 “canarina EAToLUMINE Shinjuku Store”
 opened on April 17, 2024

(The photo in the bottom left) New Brand
 “Okada-kinsei Anbataya EAToLUMINE Shinjuku Store”
 Opened on April 17, 2024

FY2025(1Q-2Q) Topics ③ New Store opennings (Metropolitan area)

Sucrey opened one store in ecute Omiya and two stores in Sogo Yokohama, while KCC opened one store in Lumine Tachikawa, for a total of four new store openings.



Opened on April 26, 2024 “THE TAILOR Sogo Yokohama Store”



Opened on April 26, 2024 “Tokyo Milk Cheese Factory Sogo Yokohama Store”



Opened on July 9, 2024 “Butter Butler ecute Omiya Store”



Opened on September 18, 2024 “Now on Cheese Lumine Tachikawa Store”

FY2025(1Q-2Q) Topics ④ New Store opennings(Other area)

Our sales subsidiaries opened one store of a new brand in Kyoto Porta Kyokomachi store, and another at Fukuoka Airport, while the Kujukushima Group opened a store of the new brand “Ramely*” at JR Hakata Station.*Rebranding of an existing store



New Brand
“KNOU Kyoto Porta Kyokomachi Store”
opened on August 1, 2024



Opened on April 12, 2024 “Makkanaichigo Fukuoka Air Port Store”



Opened on June 28, 2024 New Brand “Ramely Hakata Store”

FY2025(1Q-2Q) Topics ⑤ Commencement of Operations at Sucrey Fujisan Shizuoka Factory

Sucrey has established the Fujisan Shizuoka Factory, its third production site following the Yokohama and Hamamatsu factories.

This factory consists of four production lines, with one line having commenced operations in mid-August 2024, and the remaining three lines scheduled to begin operations in November 2024.



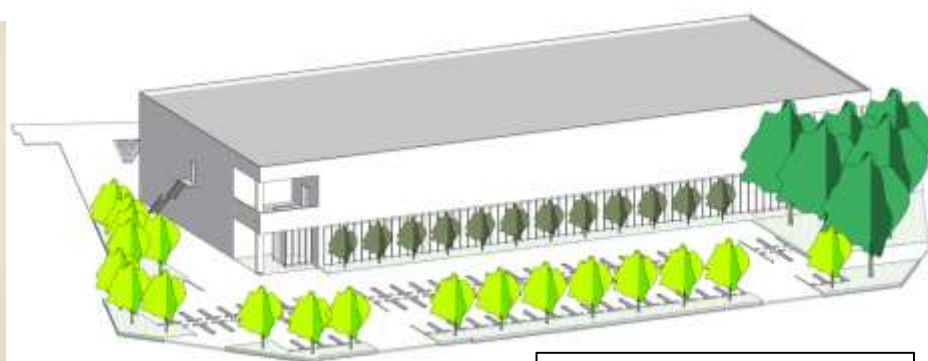
FY2025(1Q-2Q) Topics ⑥ Establishment of KMF Co., Ltd.

Kotobuki Seika established a joint venture company in Miyakojima City, Okinawa Prefecture, on July 8, 2024, with Paradise Plan in order to accelerate business growth in the Okinawa area.

The plan is that KMF Co., Ltd. will establish a factory in a commercial facility to be built by Paradise Plan, and we will prepare to start production operations in July 2026.



Left: Mr. Shirouchi of the Company, Middle: Mr. Nishizato, President of Paradise Plan
Right: Mr. Kakazu, Deputy Mayor of Miyakojima City
Press conference on July 4, 2024



Overview of the commercial facility (plan)
Site area: 2,700 *tsubo*
(8,926 sq. meters)
Building area: 1,600 *tsubo*
(5,289 sq. meters)
Factory area: 1,000 *tsubo*
(3,306 sq. meters)



Results of FY2025 1Q-2Q (YoY)

Both sales and profits hit record highs

(Millions of yen, %)	FY2024(1Q-2Q)		FY2025(1Q-2Q)		YoY		FY2024(1Q-4Q)	
	amount	to-sales rate	amount	to-sales rate	Change	%	amount	to-sales rate
Net sales	28,891	—	32,906	—	4,014	13.9	64,035	—
Gross profit	17,732	61.4	20,376	61.9	2,644	14.9	39,804	62.2
SG&A expenses	11,109	38.5	12,899	39.2	1,790	16.1	24,023	37.5
Operating profit	6,622	22.9	7,476	22.7	853	12.9	15,780	24.6
Ordinary profit	6,668	23.1	7,520	22.9	852	12.8	15,867	24.8
Net profit (*1)	4,453	15.4	4,990	15.2	537	12.1	10,831	16.9
EPS (Yen) (*2)	28.62		32.07		3.45		69.61	

(*1) Quarterly net profit = Quarterly net profit attributable to owners of the parent

(*2) Our company implemented a stock split of 5 shares per common share effective October 1, 2023.
EPS figures are calculated assuming that a stock split took place.

Achievement rate of Business Forecast

Both sales and profit exceeded the initial business forecast due to the success of the active development of business initiatives.

(millions of yen,%)	FY2025(1Q-2Q) Business Forecast(*1)		FY2025(1Q-2Q)		Compared with Business Forecast	
	amount	To-sales rate	amount	To-sales rate	YoY(Change)	achievement(%)
Net sales	32,000	—	32,906	—	906	102.8
Gross profit	19,850	62.0	20,376	61.9	526	102.7
SG&A expenses	12,430	38.8	12,899	39.2	469	103.8
Operating profit	7,420	23.2	7,476	22.7	56	100.8
Ordinary profit	7,455	23.3	7,520	22.9	65	100.9
Net profit	4,940	15.4	4,990	15.2	50	101.0

(*1) Business Forecast is the figures announced on May 14, 2024.

Sales channel

The domestic retail sector saw a significant increase in sales due to the effects of new store openings, etc. The domestic wholesale sector continued to benefit from strong inbound demand.

(Millions of yen,%)	FY2024(1Q-2Q)		FY2025(1Q-2Q)		YoY(Change)	YoY(%)
	amount	To-sales rate	amount	To-sales rate		
Net sales	28,891	—	32,906	—	4,014	13.9
Domestic(Wholesales) (*1)	12,697	43.9	14,490	44.0	1,793	14.1
Domestic(Retail)	13,322	46.1	15,621	47.5	2,298	17.3
Mail Order	2,164	7.5	2,195	6.7	30	1.4
Other (*2)	2	0.0	3	0.0	1	-
Domestic Total (*3)	28,186	97.6	32,311	98.2	4,124	14.6
Overseas(Wholesale)	435	1.5	321	1.0	△ 114	△ 26.2
Overseas(Retail)	268	0.9	273	0.8	4	1.6
Overseas Total	704	2.4	594	1.8	△ 109	△ 15.6

(*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

(Overseas sales)

(Unit:Millions of yen)	FY2024 (1Q-2Q)	FY2025 (1Q-2Q)	YoY (Change)	YoY (%)
Taiwan (*1)	268	273	4	1.6
Singapore	90	139	49	53.8
Australia	97	130	33	33.8
Others	75	51	△ 24	△ 32.1
Korea (*2)	48	-	△ 48	-
China (*2)	123	-	△ 124	-
Total	704	594	△ 110	△ 15.6

(*1) Taiwan is consolidated subsidiaries. Other areas are FC.

(*2) China and South Korea ended their FC contracts in March 2024.



LeTAO Seattle store pre-opened on August 24, 2024

Cost of sales ▪ Gross profit

Gross profit margin increased by 0.5 points YoY due to price revisions, etc., amid continued high raw material prices

(Millions of Yen, %)	FY2024(1Q-2Q)		FY2025(1Q-2Q)				FY2024(1Q-2Q)	
	amount	To-sales rate	amount	To-sales rate	YoY(change)	YoY(%)	amount	To-sales rate
Net sales	28,891	—	32,906	—	4,014	13.9	64,035	—
Material cost	7,044	24.4	7,556	23.0	512	7.3	14,511	22.7
Labor cost	2,612	9.0	2,917	8.9	304	11.7	5,699	8.9
Expense	1,312	4.5	1,488	4.5	176	13.4	2,779	4.3
Manufacturing cost	10,968	38.0	11,962	36.4	993	9.1	22,990	35.9
Others	190	0.7	567	1.7	376	-	1,241	1.9
Cost of sales	11,159	38.6	12,529	38.1	1,370	12.3	24,231	37.8
Gross profit	17,732	61.4	20,376	61.9	2,644	14.9	39,804	62.2

SG&A expenses /Operating profit

(millions of Yen、%)	FY2024(1Q-2Q)		FY2025(1Q-2Q)		YoY(change)	YoY(%)
	amount	To-sales-rate	amount	To-sales-rate		
Gross profit	17,732	61.4	20,376	61.9	2,644	14.9
Personnel expenses	4,185	14.5	4,967	15.1	781	18.7
Promotion	1,678	5.8	1,892	5.7	213	12.7
Freight	971	3.4	1,156	3.5	184	18.9
Advertising	162	0.6	220	0.7	57	35.3
Rent and Commission	2,856	9.9	3,270	9.9	413	14.5
Depreciation	202	0.7	195	0.6	△ 6	△ 3.1
traveling and transportation expenses	211	0.7	237	0.7	26	12.5
Others	839	2.9	959	2.9	120	14.3
SG&A expenses	11,109	38.5	12,899	39.2	1,790	16.1
Operating profit	6,622	47.8	7,476	22.7	853	12.9

(Note) Starting from this fiscal period, land rent and commission fees are presented together.

Supplemental Explanation of Results by Segment

Sucrey	Sucrey focused on measures for inbound tourism by expanding sales floors in major international terminals and enhancing customer service in foreign languages. At directly managed stores and stores opened at events, we strengthened brand appeal by offering new seasonal products and others, with mainstay products at the core. In terms of store openings and closings, in May of this year, we opened four new stores, including a store of the new brand “woofie” in EAToLUMINE at JR Shinjuku Station, and closed four stores. On the manufacturing side, to increase production capacity and optimize the production system, we worked on the establishment of the Shizuoka Factory, which began phased operation in August of this year.
KCC	KCC worked on enhancing the brand value of “LeTAO” and fostering brands in the Tokyo metropolitan area, in addition to focusing on measures for inbound tourism. At each store, we strengthened efforts to promote mainstay products and boost sales of new, limited-edition sweets. In terms of new store openings, in May of this year, we opened three stores, including the new brand “canarina” in EAToLUMINE at JR Shinjuku Station. In terms of overseas development, we opened the first "LeTAO" store in the U.S. in August of this year through a franchise model.
Kotobuki Seika / Tajima Kotobuki	Kotobuki Seika and Tajima Kotobuki promoted proposal-based marketing, including measures for mainstay products, sales floor proposals, and new product development, through close collaboration with distributors and Group companies. In the San-in region, we worked on boosting the sales of mainstay products, such as "White Rabbit of Inaba."
Sales subsidiaries	Sales subsidiaries focused on expanding sales floor space for mainstay products and new products, with an emphasis on transportation hub channels. By region, in the Tokai area, we worked to strengthen sales of mainstay products such as “Ogura Toast Langue de Chat.” In the Kansai area, we worked on boosting sales of seasonal products, such as “Osaka Mitarashi Mizumanju,” and in August of this year, we opened a store of the new brand “KNOU” at Kyoto Station. In the Fukuoka area, in April of this year, we opened “Hakata Makkana Ichigo,” a store dedicated to Amaou strawberry sweets, in the domestic terminal of Fukuoka Airport.
Kujukushima Group	The Kujukushima Group promoted management reforms, including product modification and discontinuation, organizational reform, and a review of production lines, for the transformation towards a manufacturing and retail-oriented management style. In terms of brand development, in September of this year, we launched the first sister product of our flagship product “Kujukushima Senpei,” called “Kujukushima Senpei Financier.” We worked to enhance brand recognition across all brands by launching new products and actively participating in events. Additionally, we rebranded an existing store at JR Hakata Station under the new brand “Ramely” in June of this year.

Results of FY2025 (1Q-2Q) (SEGMENTS)

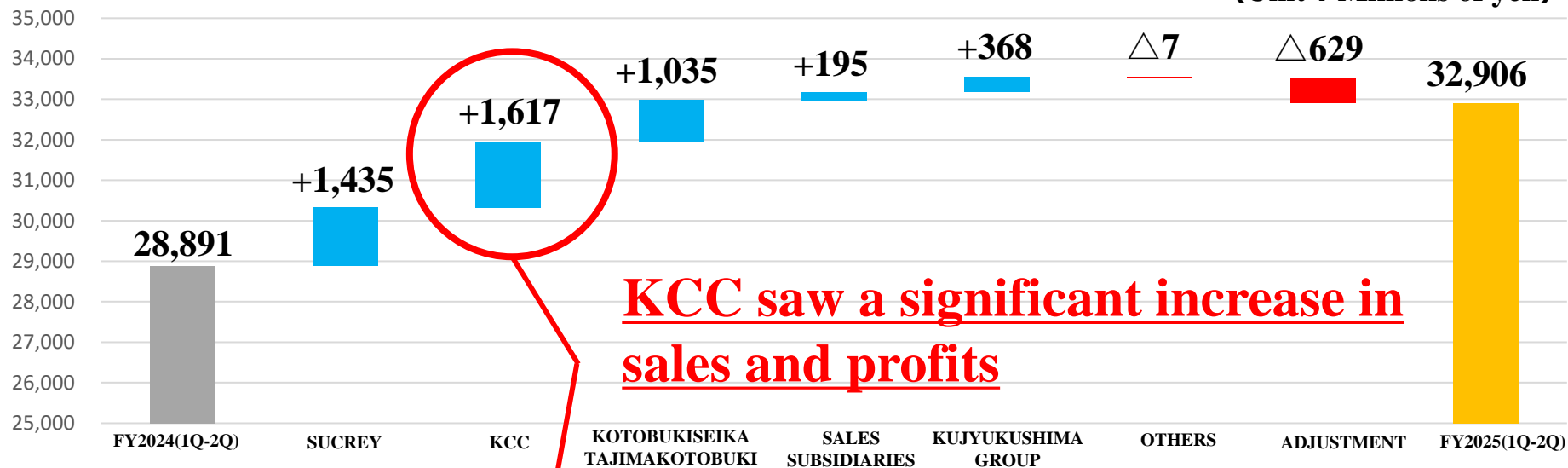
KCC's inbound sales are strong and sales and profits have increased significantly.
KUJYUKUSHIMA GROUP's profit decreased due to factory consolidation.

(Millions of Yen, %)	Net sales				Operating profit(Δloss)		
	FY2024 (1Q-2Q)	FY2025 (1Q-2Q)	YoY(Change)	YoY(%)	FY2024 (1Q-2Q)	FY2025 (1Q-2Q)	YoY(Change)
SUCREY	11,713	13,149	1,435	12.3	2,412	2,505	93
KCC	7,738	9,355	1,617	20.9	1,366	1,991	624
KOTOBUKISEIKA TAJIMAKOTOBUKI	6,239	7,275	1,035	16.6	1,344	1,574	230
SALES SUBSIDIARIES	3,373	3,568	195	5.8	417	446	29
KUJYUKUSHIMAGROUP	2,914	3,282	368	12.6	397	294	Δ 102
OTHERS	316	308	Δ 7	Δ 2.5	30	17	Δ 12
SEGMENT TOTAL	32,295	36,940	4,644	14.4	5,968	6,831	862
ADJUSTMENT	Δ 3,404	Δ 4,034	Δ 629	18.5	653	644	Δ 8
TOTAL	28,891	32,906	4,014	13.9	6,622	7,476	853

FY2025(1Q-2Q) increase or decrease of amount

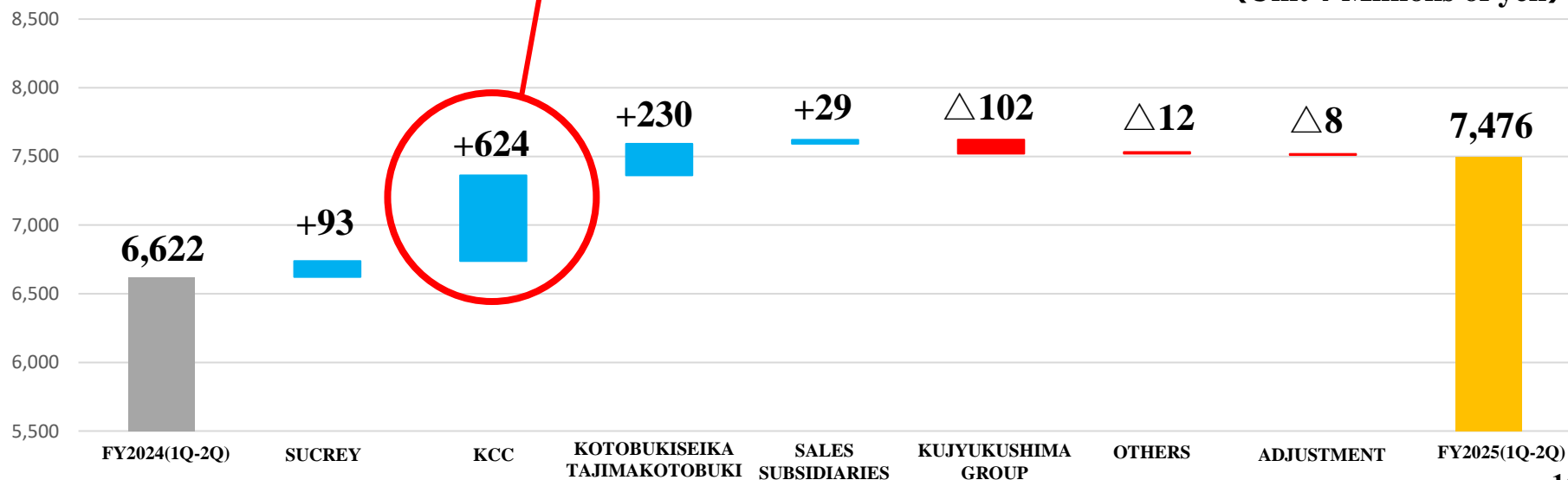
【Net sales】

(Unit : Millions of yen)



【Operating profit】

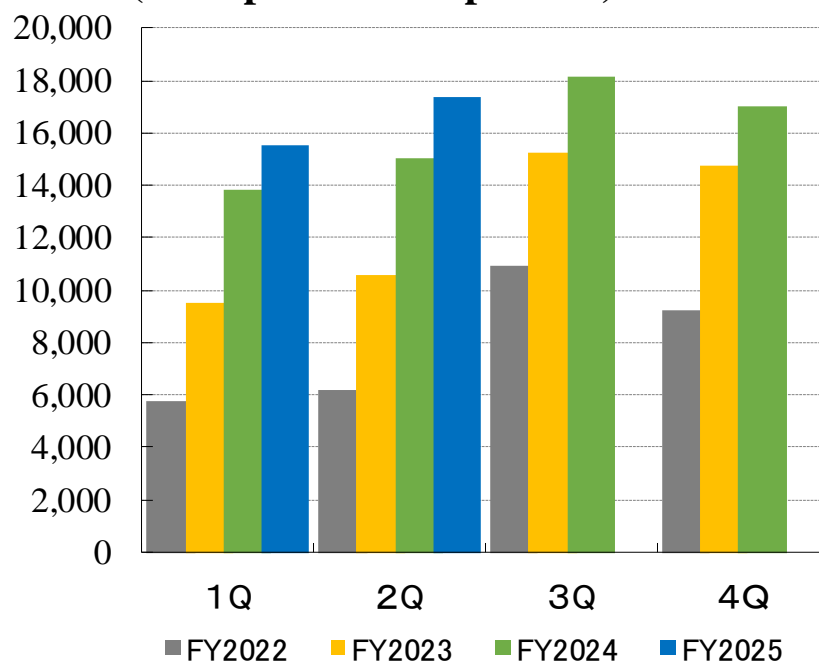
(Unit : Millions of yen)



Net sales

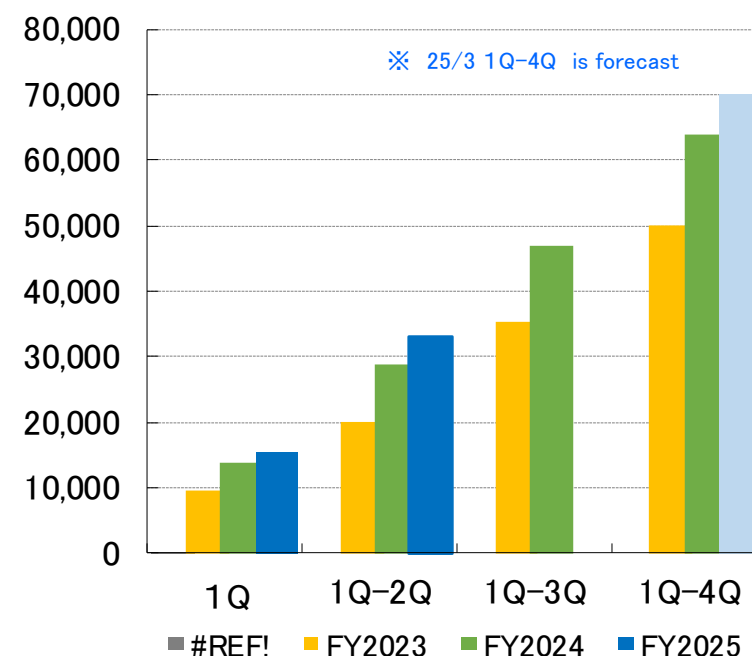
Net sales (Quarter)

(Four periods comparison)



Net sales (Cumulative)

(Four periods comparison)



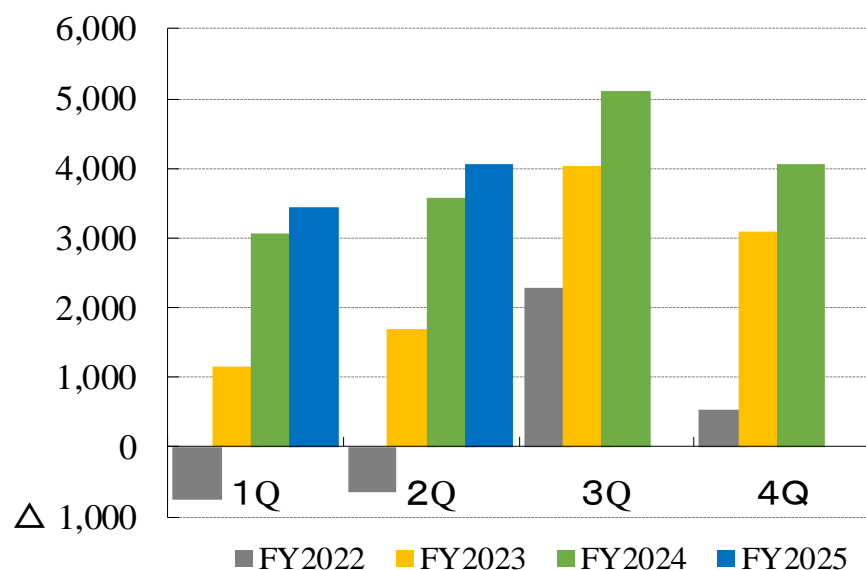
(百万円)	Quarter				Cumulative Quarter			
	1Q	2Q	3Q	4Q	1Q	1Q-2Q	1Q-3Q	1Q-4Q
FY2022	5,758	6,200	10,962	9,270	5,758	11,958	22,921	32,191
FY2023	9,515	10,584	15,270	14,785	9,515	20,099	35,370	50,155
FY2024	13,853	15,037	18,144	16,999	13,853	28,891	47,036	64,035
FY2025	15,526	17,379			15,526	32,906		70,000
YoY	112.1%	115.6%			112.1%	113.9%		

※ 25/3 1Q-4Q is forecast

Operating profit

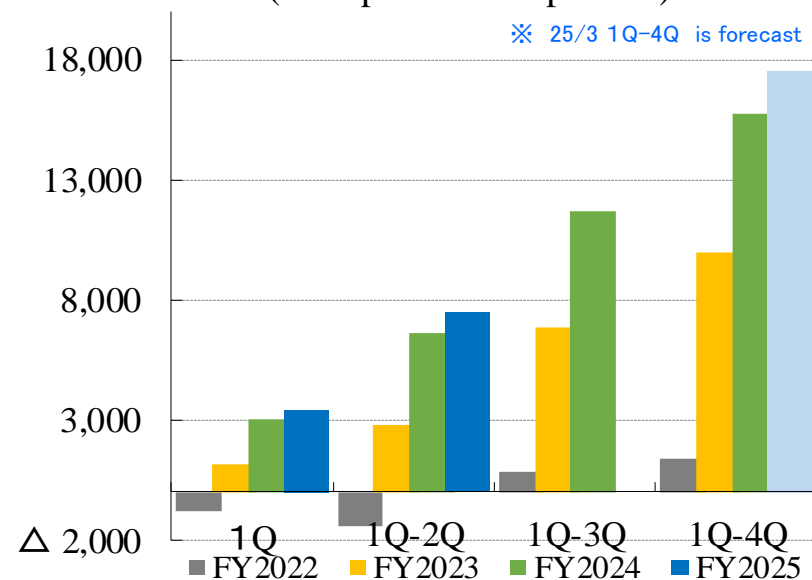
Operating profit (Quarter)

(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
FY2022	△ 759	△ 658	2,278	542	△ 759	△ 1,418	860	1,402
FY2023	1,150	1,679	4,026	3,095	1,150	2,830	6,856	9,951
FY2024	3,058	3,563	5,111	4,046	3,058	6,622	11,734	15,780
FY2025	3,428	4,048			3,428	7,476		17,530
YoY	112.1%	113.6%			112.1%	112.9%		

※ 25/3 1Q-4Q is forecast

Balance Sheet

Non-current assets increased due to capital investments such as factory construction.

(millions of Yen, %)	FY2023		FY2024		FY2025(1Q-2Q)		Compared to FY2024	
	amount	rate	amount	rate	amount	rate	(Change)	(%)
Current assets	25,740	69.7	34,408	74.0	33,152	71.5	△ 1,255	△ 3.7
Non-current assets	11,212	30.3	12,102	26.0	13,216	28.5	1,114	9.2
Assets	36,953	100.0	46,510	100.0	46,368	100.0	△ 141	△ 0.3
Current liabilities	8,095	21.9	8,824	19.0	7,951	17.1	△ 873	△ 9.9
Non-current liabilities	2,340	6.3	2,462	5.3	2,502	5.4	39	1.6
Liabilities	10,435	28.2	11,287	24.3	10,453	22.5	△ 833	△ 7.4
Net assets	26,517	71.8	35,223	75.7	35,915	77.5	691	2.0
Liabilities and net asset	36,953	100.0	46,510	100.0	46,368	100.0	△ 141	△ 0.3
BPS (Yen)	170.43		226.38		230.73		4.37	1.9
CAPEX	572		1,926		1,574		△ 352	△ 18.3
Depreciation	1,137		1,164		625		△ 538	△ 46.3

※ 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

Free cash flow increased 55.0% year on year to 3,613 million yen

	FY2023	FY2024		FY2025		
(millions of yen,%)	1Q-4Q	1Q-2Q	1Q-4Q	1Q-2Q	YoY(change)	YoY(%)
Cash flows from operating activities	9,085	3,067	10,845	5,252	2,185	71.2
Cash flows from investing activities	△ 1,615	△ 736	△ 2,004	△ 1,639	△ 902	122.5
Free Cash flows	7,469	2,330	8,840	3,613	1,282	55.0
Cash flows from financing activities	△ 1,223	△ 2,260	△ 2,322	△ 4,358	△ 2,098	92.8
Effect of exchange rate change on cash and cash equivalents	3	9	9	△ 2	△ 11	-
Cash increase / decrease	6,249	79	6,527	△ 747	△ 827	-
Cash and cash equivalents (Beginning of period)	9,912	16,162	16,162	22,689	6,527	40.4
Cash and cash equivalents (End of period)	16,162	16,241	22,689	21,941	5,700	35.1
Interest-bearing debt	440	360	300	300	△ 60	△ 16.7



Business forecast for FY2025

Business Forecast for FY2025

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

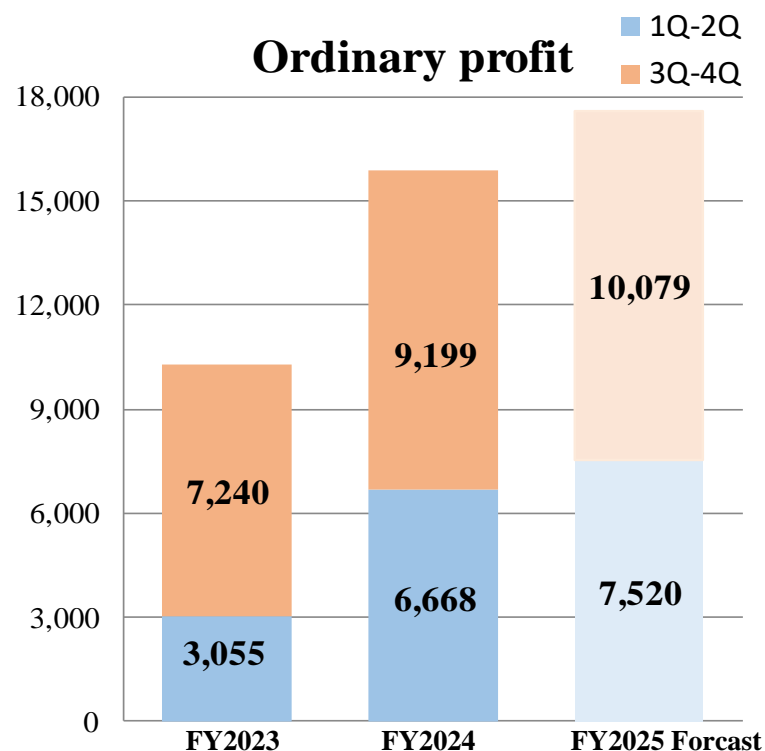
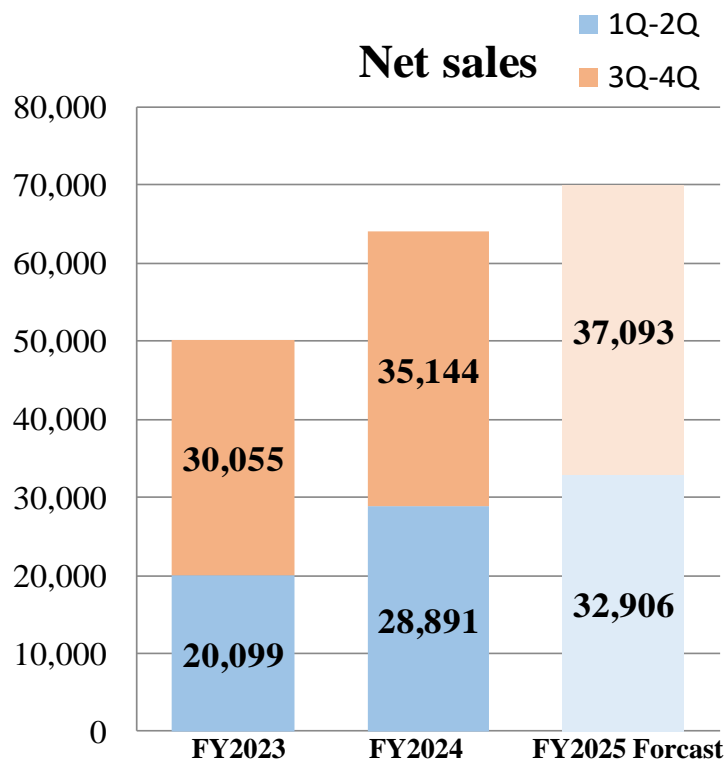
(millions of yen, %)	FY2024		FY2025(Forecast)		YoY(Change)	YoY(%)
	amount	To-sales rate	amount	To-sales rate		
Net sales	64,035	-	70,000	-	5,964	9.3
Gross profit	39,804	62.2	43,700	62.4	3,895	9.8
SG&A expenses	24,023	37.5	26,170	37.4	2,146	8.9
Operating profit	15,780	24.6	17,530	25.0	1,749	11.1
Ordinary profit	15,867	24.8	17,600	25.1	1,732	10.9
Net profit	10,831	16.9	11,800	16.9	968	8.9
EPS (yen)	69.61		75.84		6.23	-
Dividend/stock (yen)	28.00		28.00		-	-
CAPEX	1,926		3,500		1,573	81.7
Depreciation	1,164		1,400		235	20.2

Business Forecast for FY2025 (SEGMENTS)

(Million of Yen, %)	Net sales				Operating profit		
	FY2024	FY2025 (Forecast)	YoY(Change)	YoY(%)	FY2024	FY2025 (Forecast)	YoY(Change)
SUCREY	26,455	29,200	2,744	10.4	5,843	7,000	1,156
KCC	18,052	19,400	1,347	7.5	3,818	4,350	531
KOTOBUKISEIKA TAJIMAKOTOBU	12,834	13,770	935	7.3	2,776	3,012	235
SALES SUBSIDIARIES	6,957	7,400	442	6.4	889	1,020	130
KUJYUKUSHIMA GROUP	6,382	6,000	△ 382	△ 6.0	783	500	△ 283
OTHERS	743	750	6	0.9	87	80	△ 7
SEGMENTS TOTAL	71,427	76,520	5,092	7.1	14,198	15,962	1,763
ADJUSTMENT	△ 7,391	△ 6,520	871	△ 11.8	1,582	1,568	△ 14
TOTAL	64,035	70,000	5,964	9.3	15,780	17,530	1,749

(Note) KUJYUKUSHIMA GROUP's sales and profits decreased due to factory consolidation and other factors.

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	20,099	40.1%	28,891	45.1%	32,906	45.7%	3,055	29.7%	6,668	42.0%	7,520	42.4%
3Q-4Q	30,055	59.9%	35,144	54.9%	37,093	54.3%	7,240	70.3%	9,199	58.0%	10,079	57.6%
total	50,155	100.0%	64,035	100.0%	70,000	100.0%	10,295	100.0%	15,867	100.0%	17,600	100.0%

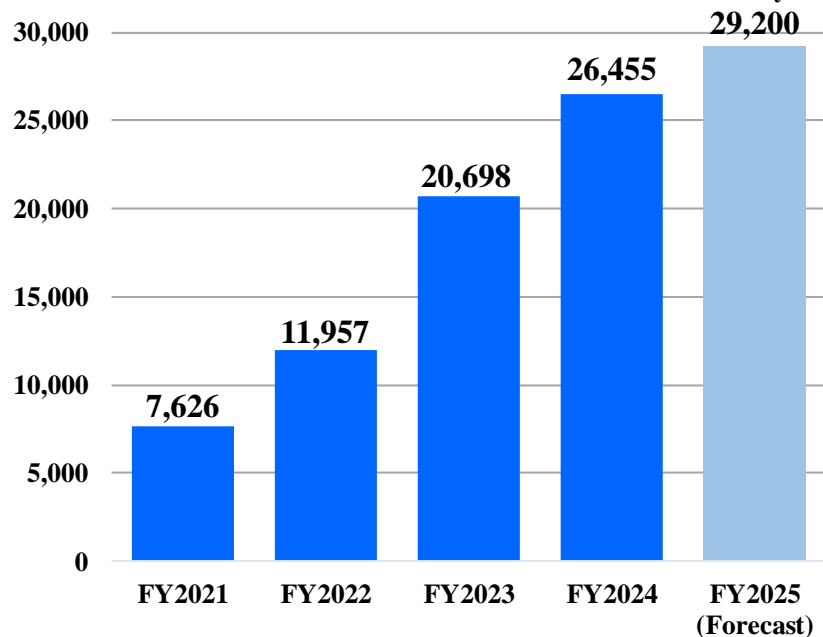
《SUCREY》

FY2025 (Forecast)

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

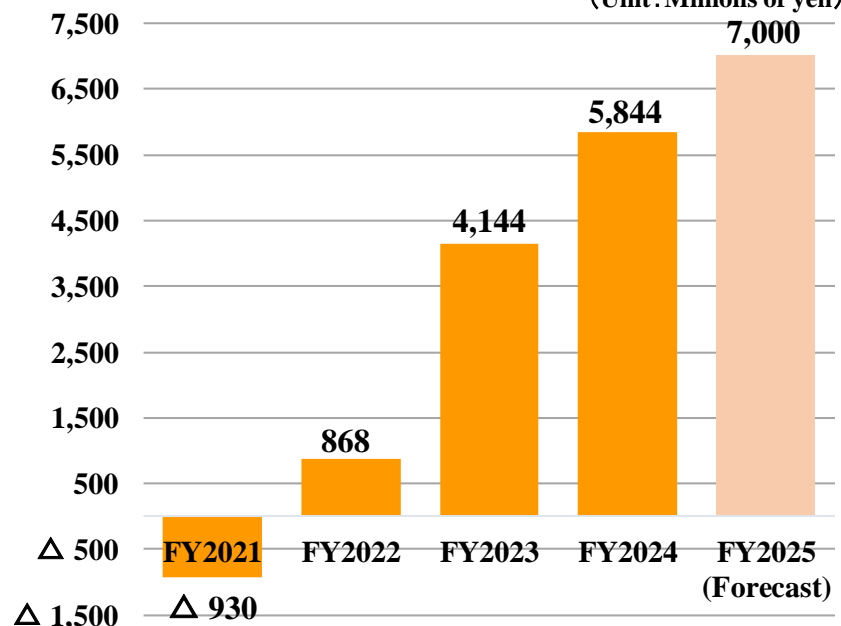
Net Sales

(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	7,626	11,957	20,698	26,455	5,757	27.8	29,200	2,744	10.4
Gross profit	4,198	7,270	13,160	17,037	3,877	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	5,127	6,402	9,015	11,193	2,177	24.2	12,150	956	8.5
Operating profit	△ 929	868	4,144	5,843	1,699	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.



東京ミルクチーズ工場



COCORIS“Financier pistachio”

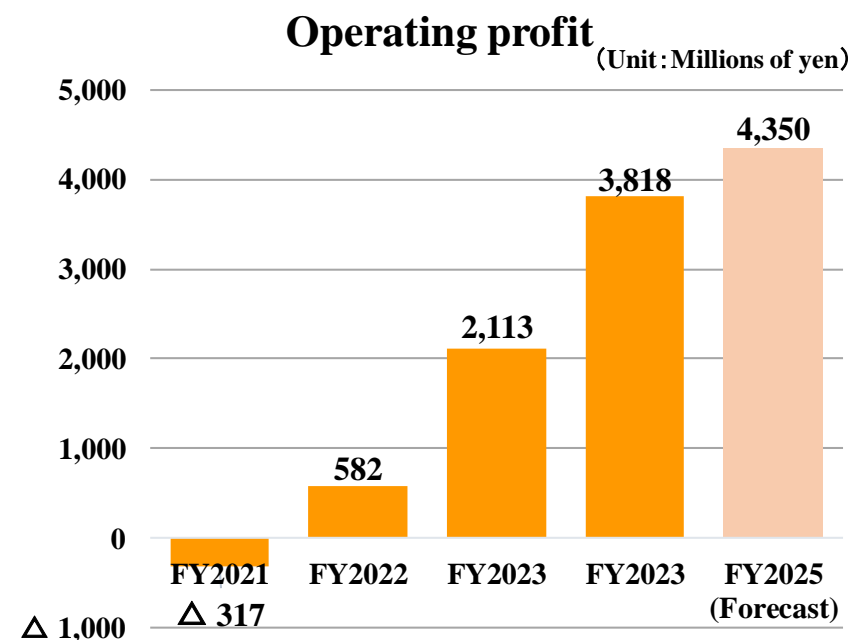
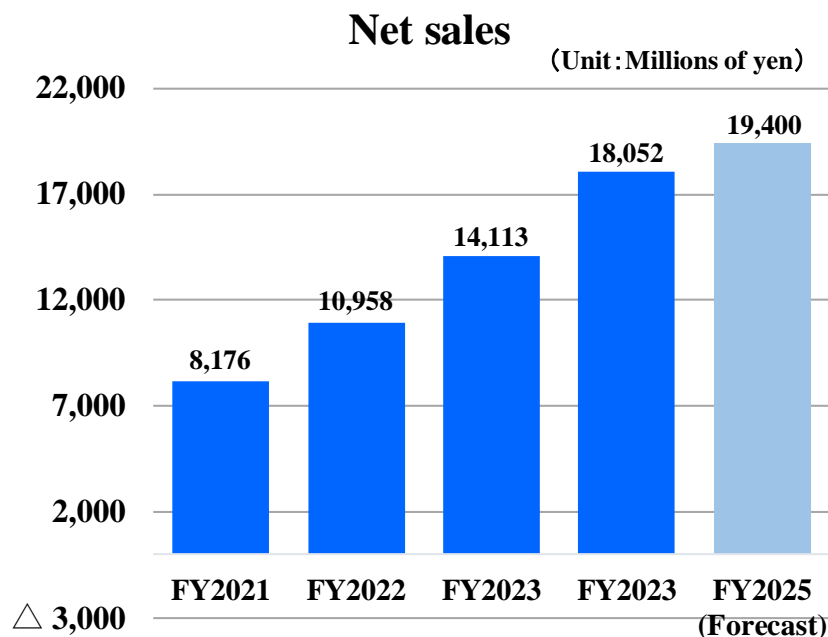


Tokyo milk cheese factory “Maron and Mascarpone Cookies” -26-

《KCC》

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	8,176	10,958	14,113	18,052	3,939	27.9	19,400	1,347	7.5
Gross profit	4,805	5,908	8,149	10,938	2,789	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	6,035	7,120	1,084	18.0	7,770	649	9.1
Operating profit(Δloss)	Δ 317	582	2,113	3,818	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 NOW」



LeTAO 「Cadence strawberry」

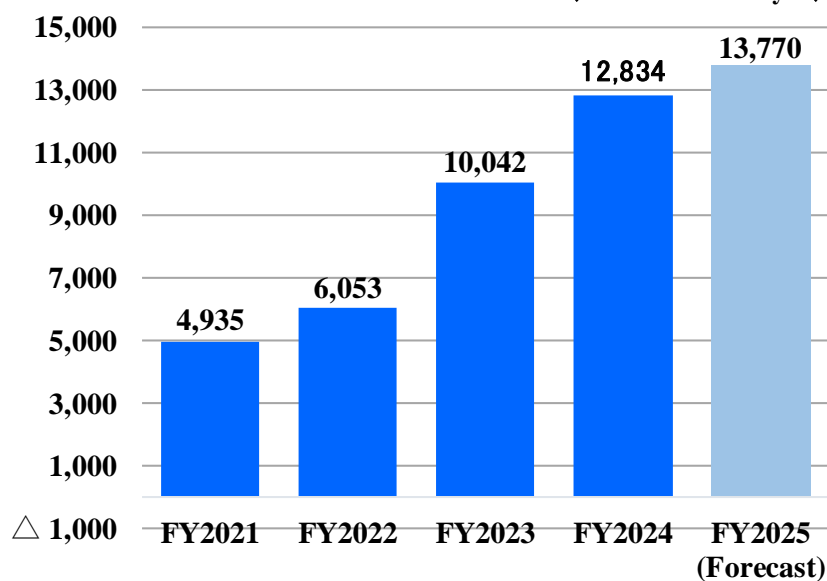
《KOTOBUKISEIKA・TAJIMAKOTOBUKI》

FY2025 (Forecast)

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

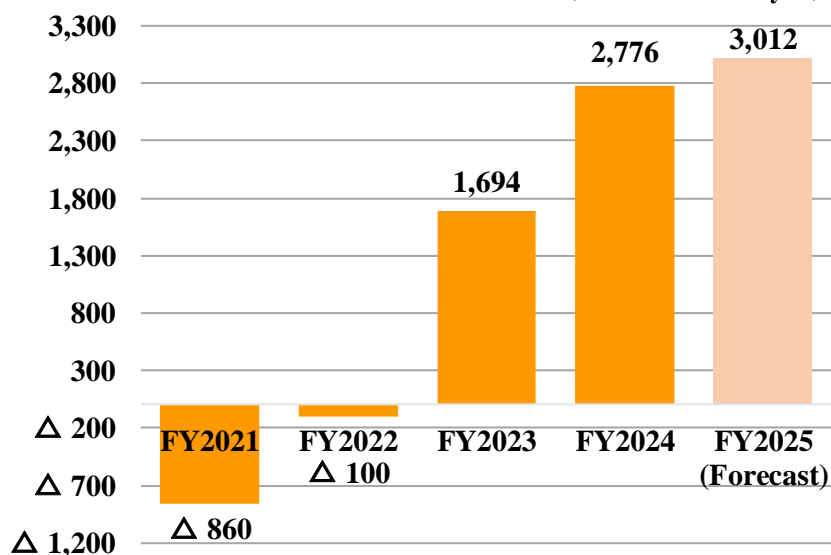
Net sales

(Unit: Millions of yen)



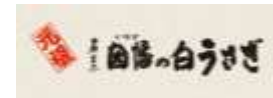
Operating profit

(Unit: Millions of yen)



(Millions of yen, %)	FY2021	FY2022	FY2023	FY2024	YoY		FY2025 (Forecast)	YoY	
					(Change)	(%)		(Change)	(%)
Net sales	4,935	6,053	10,042	12,834	2,792	27.8	13,770	935	7.3
Gross profit	969	1,773	3,952	5,355	1,402	35.5	5,954	598	11.2
Gross profit rate	19.6	29.3	39.4	41.7	2.4	-	43.2	1.5	-
SG&A expenses	1,829	1,873	2,258	2,578	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	235	8.5

《KOTOBUKISEIKA・TAJIMAKOTOBUKI》



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



Inabano Shirousagi



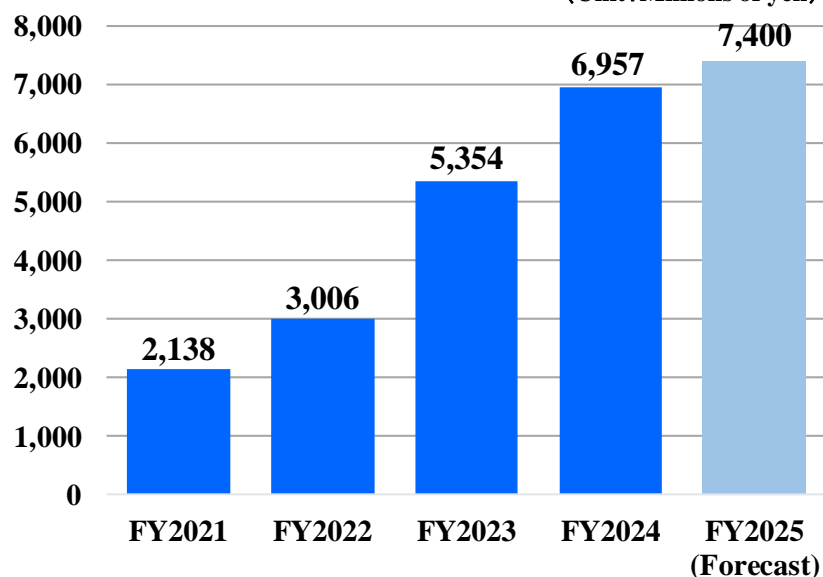
KAnoZA “Mont Blanc fondue”

《SALES SUBSIDIARIES》 FY2025 (Forecast)

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

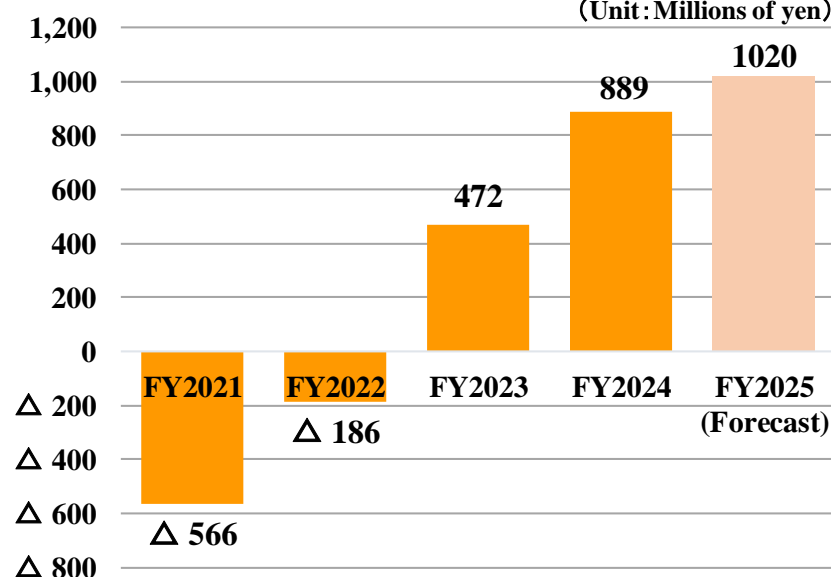
Net sales

(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	2,138	3,006	5,354	6,957	1,603	29.9	7,400	442	6.4
Gross profit	624	1,097	2,012	2,637	624	31.0	2,860	222	8.5
Gross profit rate	29.2	36.5	37.6	37.9	0.3	-	38.6	0.7	-
SG & A expenses	1,190	1,284	1,540	1,747	207	13.4	1,840	92	5.3
Operating profit	△ 566	△ 186	472	889	417	88.4	1,020	130	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 Honey Quattro Formaggi



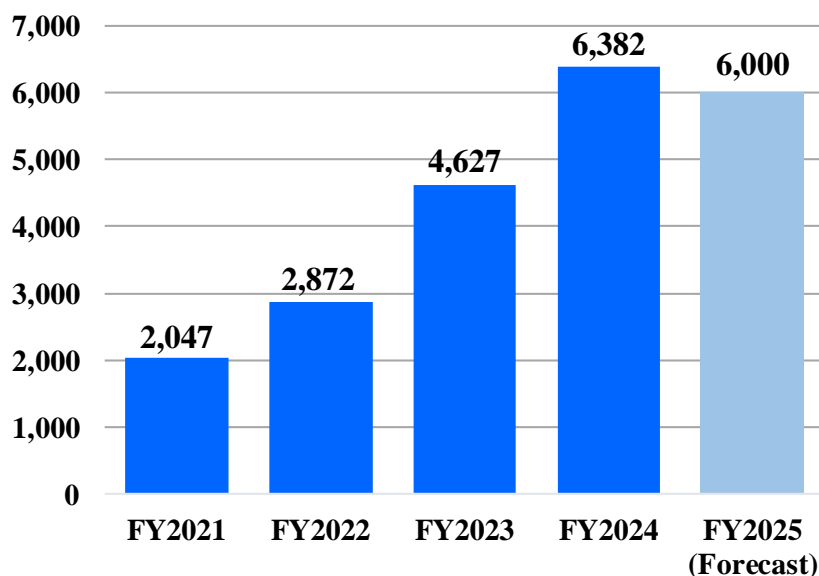
KYOTO VENETO "Chobericcha"

《KUJYUKUSHIMA GROUP》

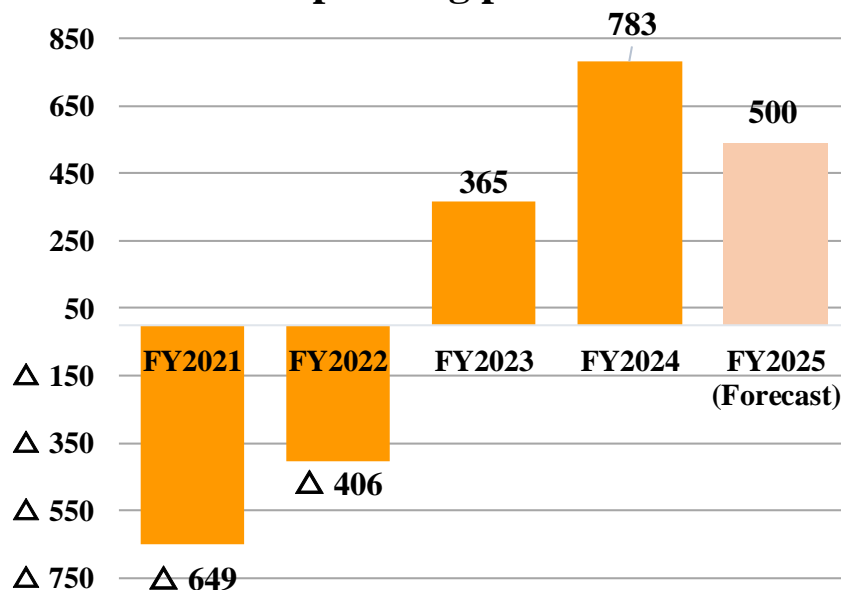
FY2025 (Forecast)

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	4,627	6,382	1,754	37.9	6,000	$\Delta 382$	$\Delta 6.0$
Gross profit	650	1,241	2,426	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	1,299	1,647	2,061	2,603	542	26.3	2,650	46	1.8
Operating profit(Δ loss)	$\Delta 649$	$\Delta 406$	365	783	417	114.3	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.



BUTTER&bee “Honey Butter Pound Cake [Lemon]”



Ramely “Assorted gifts”

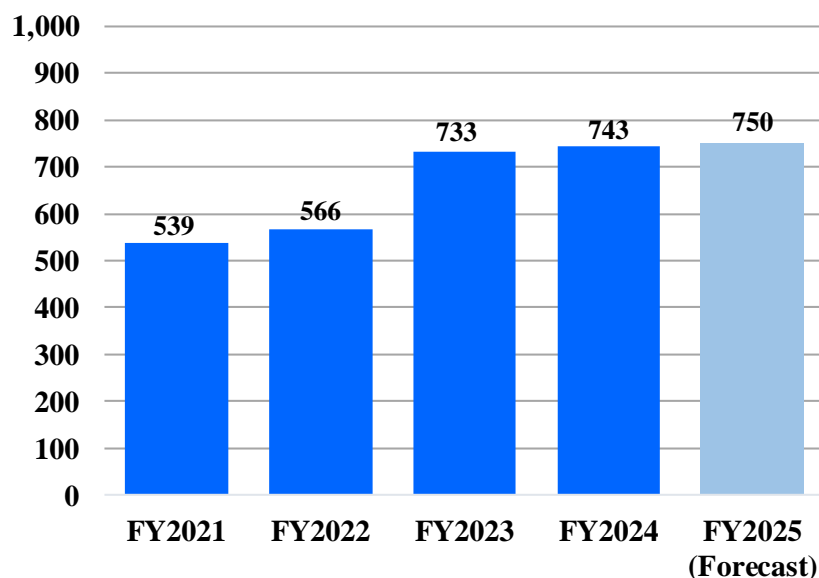
《OTHERS》

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

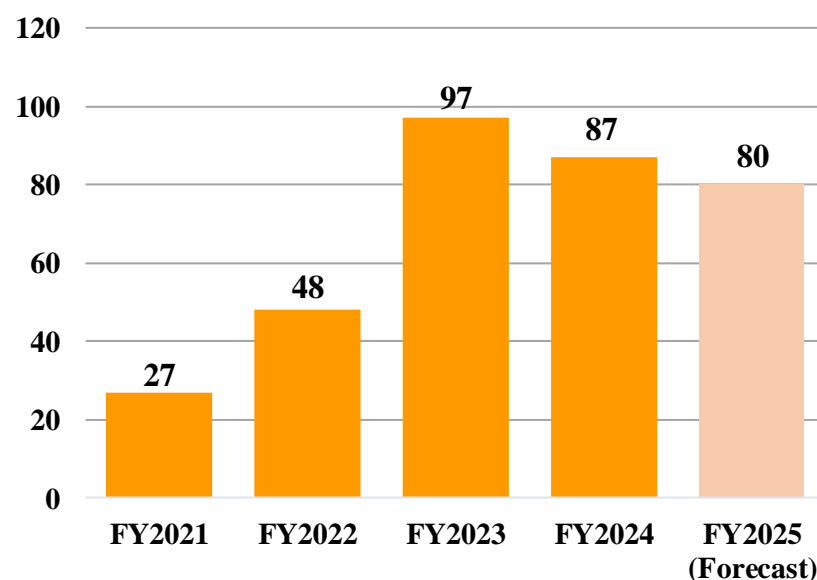
FY2025 (Forecast)

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	566	733	743	9	1.3	750	6	0.9
Gross profit	383	411	534	537	2	0.5	540	2	0.6
Gross profit rate	71.1	72.5	72.8	72.2	△ 0.6	-	72.0	△ 0.2	-
SG & A expenses	355	362	437	449	12	2.9	460	10	2.2
Operating profit(Δloss)	27	48	97	87	△ 10	△ 10.4	80	△ 7	△ 8.2

《OTHERS》

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

純藍

health food business(Junai)



Junai tea

Chinese New Year Gift



Future Management Policy

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



Stock States

Status of Shares

(As of September 30, 2024)

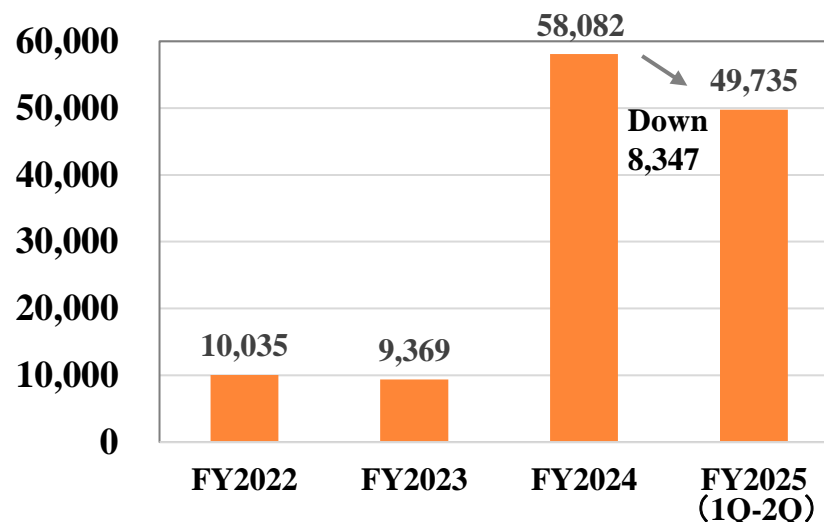
■ Total number of authorized shares
456,000,000

■ Total number of issued shares
155,658,402 (*1)

■ Number of shares per unit 100

■ Number of shareholders 49,735
(down 8,347 from the previous year)

Number of shareholders



(*1) On July 24, 2024, we issued new shares as restricted stock compensation. As a result, the total number of issued shares increased by 50,802.

■ Major shareholders (top 5)

Shareholder name	Number of shares held	Ownership (%)
S Kawagoe Co., Ltd.	45,500,000	29.23
The Master Trust Bank of Japan, Ltd. (trust account)	12,773,800	8.21
STATE STREER BANK AND TRUST COMPANY 505001	12,717,905	8.17
Custody Bank of Japan, Ltd. (trust account)	4,846,500	3.11
The San-in Godo Bank, Ltd.	4,500,000	2.89

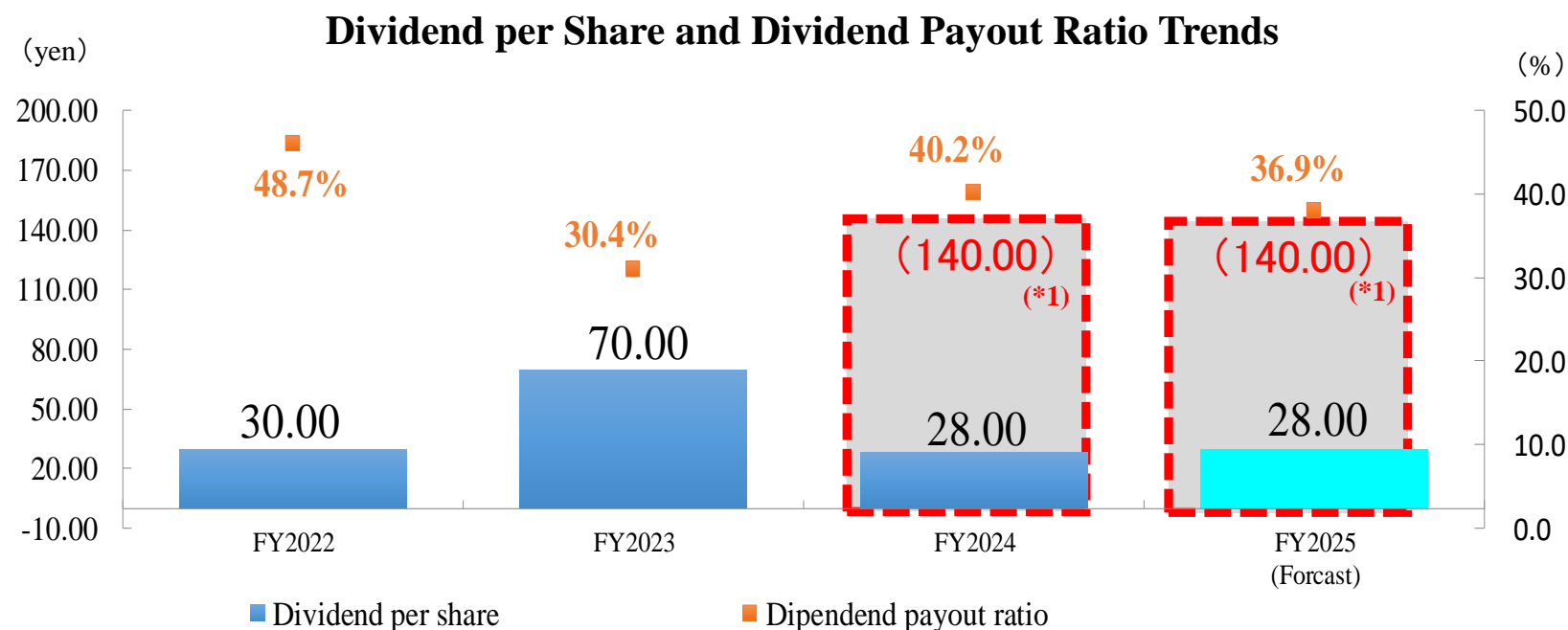
Note 1: Ownership ratio excludes 14,497 shares of treasury stock

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



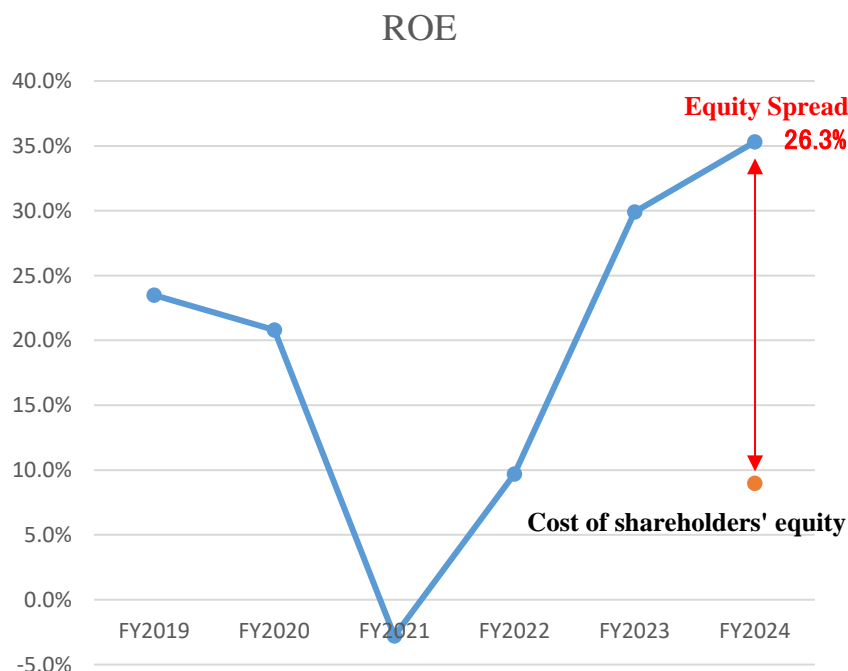
(Note) Our company implemented a stock split of 5 shares per common share effective October 1, 2023.

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

	【Profitability】	【Asset efficiency】	【Financial leverage】
ROE	=	$\frac{\text{Net profit}}{\text{Net sales}}$	$\times \frac{\text{Net sales}}{\text{Total assets}}$
			$\times \frac{\text{Total assets}}{\text{Equity}}$

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	\times Risks Specific to the Company	\times Excess return rate expected from equity investments *Set based on past stock market returns	=
			8.98%
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	33.22	36.92	-	105.91	41.55	27.53
PBR	7.21	7.15	11.57	9.97	11.00	8.46

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

■ Market capitalization





Other



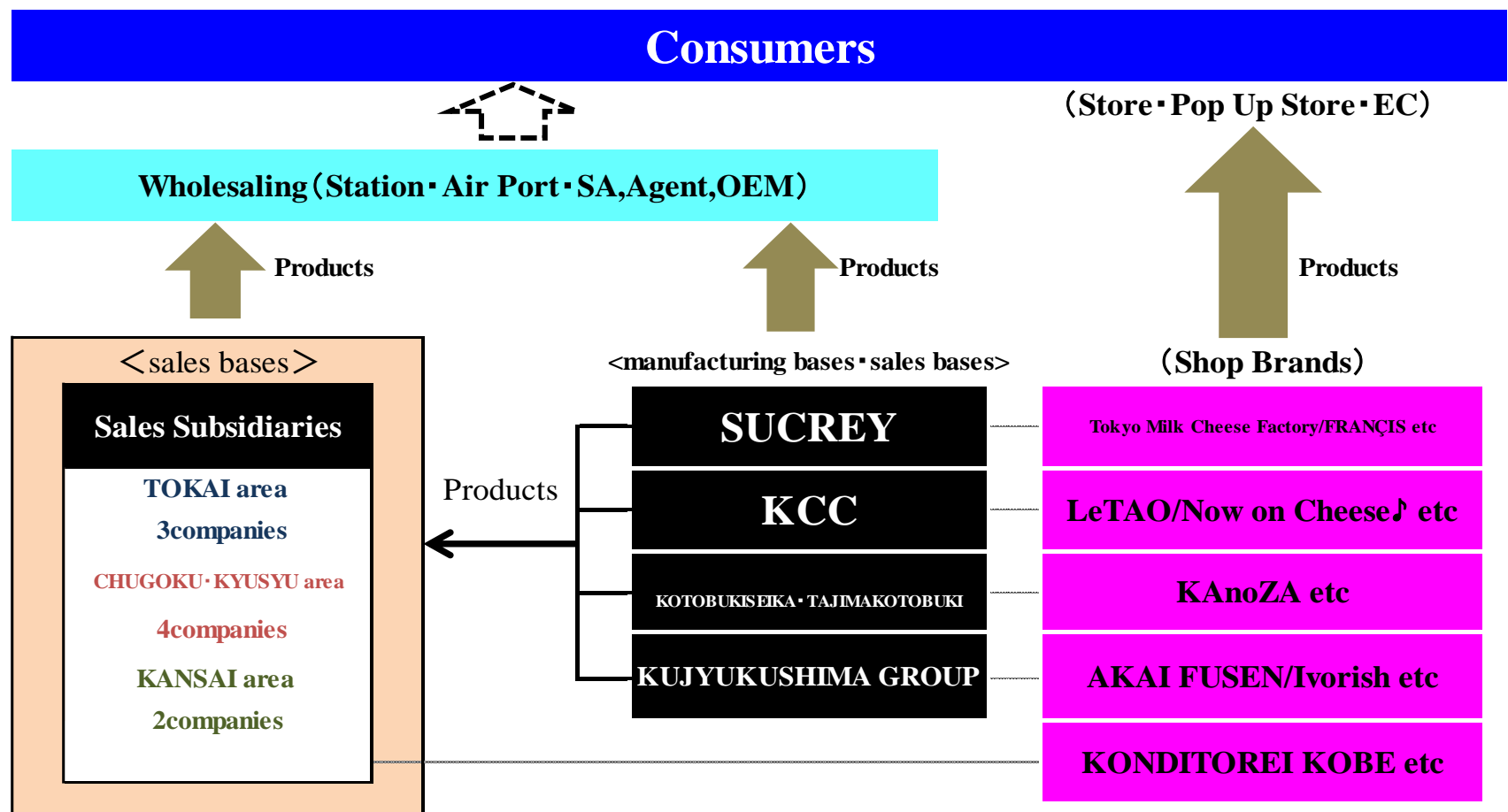
Company Overview

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 63.24 Million yen
President	Seigo Kawagoe
Employees	Kotobuki Spirits 8 people/Group Total 1,806 people
Group companies	Consolidated subsidiary 18 companies (domestic 17・overseas 1)
Net sales	64.0 Billion Yen (FY2024 :Year ended March 31, 2024)

September 30th,2024

Business Outline

Chart



※ Except for KOTOBUKI SPIRITS (holding company), KMF Co., Ltd. established in July 2024, and OTHER segments.

Kotobuki Spirits Group Factory

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



Main Factory



Uratsu factory



Yodoe fuctory



The first factory



Second factory



Tajima fuctory



KOTOBUKISEIKA

Main factory
Uratsu factory
Yodoe factory
Tajima fuctory



KCC

The first factory
Second factory



Fukuoka factory



Main factory



Kurokami factory



Oroshidanchi factory



Yokohama factory



Hamamatsu factory



SUCREY

Yokohama factory
Hamamatsu factory
(Under Preparation)
Shizuoka factory



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



KUJYUKUSHIMA GROUP

Fukuoka factory Main factory
Kurokami factory
Oroshidanchi factory (2023/12~)

Shop Brands



Izumo

お菓子の**壽城**



Yonago



Hokkaido



東京ミルクチーズ工場



Tokyo



Sasebo・Fukuoka



Kobe



KYOTO VENETO
MEETING FROM ITALY TO KYOTO

Kyoto



Main Sweets



Nostalgic Modern
LeTAO
★Nostalgic Sweets Museum★

Double Fromage



吉野堂株式会社

Inabano Shirousagi



Salt and Camembert Cookie



Mille Feuille



Butter Financier



Kujyukushima Senpei

ESG Information (Identification of Materiality and Issuance of Integrated Report)

We recognize that contributing to the realization of a sustainable society and enhancing corporate value over the medium to long term are critical management issues as our Group promotes various business activities. We will advance sustainability initiatives, having identified materiality (key issues) in June 2024. Additionally, we issued our first integrated report in November of this year.

Integrated Report 2024

Kotobuki Spirits Group's materiality (material issues)



- (1) Contribution to a sustainable and environmentally friendly society
- (2) Provision of safe and secure products
- (3) Recruitment and development of human resources that respect diversity
- (4) Building sustainable supply chains
- (5) Coexistence and co-prosperity with local communities
- (6) Strengthening corporate governance

History (1)

April 1952	(27th year of Showa era)	Kotobuki Seika Co., Ltd. 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 “ Inaba no Shirousagi ” 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 Tajima Kotobuki Co., Ltd. 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 “ Kotobuki Castle ,” 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 (now KCC Co., Ltd.) 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 Tsukiji Chitose Co., Ltd. in Chuo City, Tokyo. Began developing the Tokyo Japanese confectionery brand. In the city of Otaru in Hokkaido, KCC Co., Ltd. established “ Otaru Western Confectionery LeTAO. ” 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 Kujukushima Group Co., Ltd.
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 Sucrey Co., Ltd. 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 JunAi Inc. in Minato City, Tokyo.
January 2016	(28th year of Heisei era)	Acquired all shares of FRANCAIS Co., Ltd. and made it a subsidiary.
April 2017	(29th year of Heisei era)	Sucrey Co., Ltd. absorbed FRANCAIS Co., Ltd.
April 2022	(4th year of Reiwa era)	Moved to the Prime Market following the market segment review of the Tokyo Stock Exchange.
July 2024	(6th year of Reiwa era)	Established KMF Co., Ltd. in Miyakojima City, Okinawa.



Otaru Western
Confectionery LeTAO



“Kujukushima Senpei”

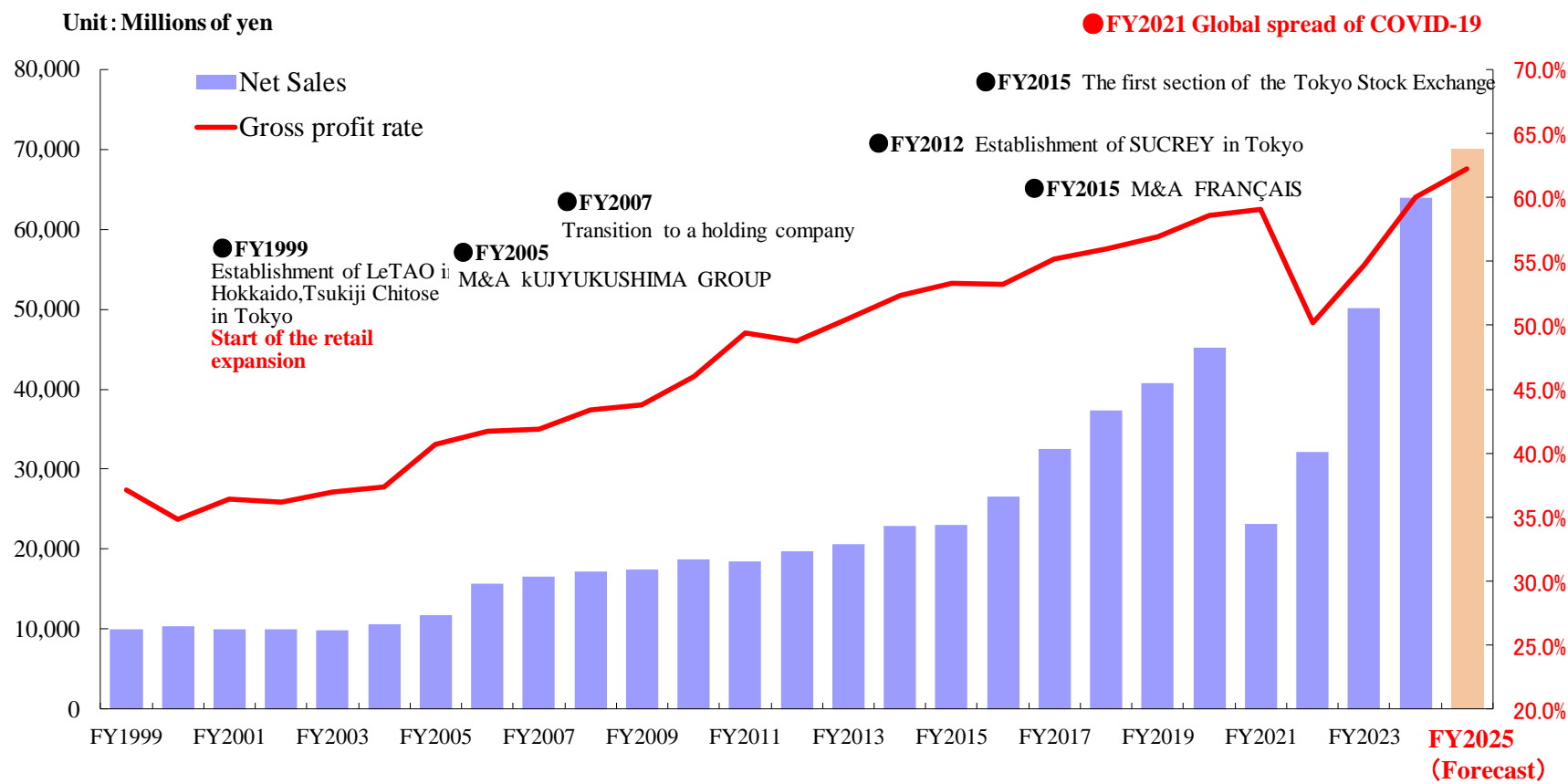


FRANCAIS confectionery

Transition of Kotobuki Spirits ①

High profit management

● Achieved high gross profit margin management through the transformation from a manufacturing and wholesale business to a manufacturing and retail-oriented management style.



Transition of Kotobuki Spirits ②

● Achieved high profitability, with the ordinary profit rate reaching 24.8% in FY2024.

Unit: Millions of yen

