

FY2026(year ended March 31, 2026) Consolidated Business Results

**May 15,2026
Kotobuki Spirits Co.,Ltd.**



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Summary of Financial Results FY2026 (1Q–4Q)

Amounts in this document are rounded down to the nearest million yen.

FY2026(1Q-4Q)Highlight

Results of FY2026 (1Q-4Q) (April-March)

Sales and profits reach record highs

- **Whilst the company faced difficulties in the first half of the financial year due to rising manufacturing costs, including soaring raw material prices, the second half saw a turnaround thanks to the implementation of proactive measures; as a result, both turnover and profits at all levels reached record highs for the fourth consecutive quarter.**
- **Inbound sales (international terminal sales) continued to grow to 10,701 million yen (+6.8% YoY) due to strengthened measures, despite the observed impact of deteriorating Japan-China relations.**
- **We opened a total of 11 new stores, including a new brand “SALTRA” at Hanshin Umeda Main Store, a new brand “VANISTA” at Seibu Ikebukuro Main Store, respectively in November last year, and a new brand “HELLO MAPLI” at JR Nagoya Takashimaya in February this year. In terms of store closings, we closed a total of 9 stores, including 3 stores in January this year (2 of which are scheduled to open in the fiscal year ending March 31, 2028) due to renovation work in the sales area inside Tokyo Station.**

Overview of annual results

(millions of yen, %)	FY2022	FY2023	FY2024	FY2025	FY2026
Net Sales (YoY)	32,191 (+38.7%)	50,155 (+55.8%)	64,035 (+27.7%)	72,349 (+13.0%)	78,781 (+8.9%)
Operating profit (YoY)	1,402 (—)	9,951 (+609.4%)	15,780 (+58.6%)	17,610 (+11.6%)	18,598 (+5.6%)
Ordinary profit (YoY)	2,921 (—)	10,295 (+252.4%)	15,867 (+54.1%)	17,686 (+11.5%)	18,733 (+5.9%)
Net profit (*1) (YoY)	1,915 (—)	7,018 (+266.4%)	10,831 (+54.3%)	12,122 (+11.9%)	12,557 (+3.6%)
Ordinary profit rate(%)	9.1	20.5	24.8	24.4	23.8
EPS (Yen) (*2)	12.31	45.10	69.61	78.00	81.32
BPS (Yen) (*2)	130.83	170.43	226.38	259.67	310.37
ROE (%)	9.7	29.9	35.1	32.2	28.5

(*1) Net profit (loss) = Net profit (loss) attributable to owners of parent (same applies elsewhere in this document)

(*2) 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, 2022.

Topics ① Sucrey Group is focusing on developing new brands and opening stores in prime locations

Sucrey opened a store of the new brand “SALTRA Hanshin Umeda Main Store”



New Brand“SALTRA Hanshin Umeda Main Store” opened on November 12, 2025

Sucrey has opened its first permanent store as a Kotobukispirits Group at Seibu Ikebukuro under its new brand “VANISTA”.



New Brand“VANISTA Seibu Ikebukuro Main Store” opened on November 21, 2025

Kujoyukushima Group opened its new brand, ‘Hakattarashi’, at ‘Ming’, a shopping complex located within JR Hakata Station.



New Brand“Hakattarashi Maing Store” opened on December 10, 2025

Kujukushima Group opened its first permanent store as a Kotobukispirits Group at JR Nagoya Takashimaya under its new brand "HELLO MAPLI".



New Brand“HELLO MAPLI JR NAGOYA TAKASHIMAYA” opened on February 18, 2026

Sucrey opened a store of the new brand “Shu Shu Sogo Yokohama”



New Brand“Shu Shu Sogo Yokohama” opened on March 28, 2026

Topics ② Rebranding of the flagship brand

Sucrey Group's flagship brand, 'Tokyo Milk Cheese Factory', opened its first flagship store following its rebranding at 'NEWoMan Takanawa', which opened on 12 September 2025.



opened on September 12, 2025 “Tokyo Milk Cheese Factory NEWoMan TAKANAWA “

Topics ③ Kotobukiseika Group is focusing on the Okinawa region

The Kotobukiseika Group is actively expanding its business in Okinawa by providing OEM products to major distributors and promoting its own brand, “newQ,” a specialty store for pineapple sweets.



newQ Naha Kokusai-dori Shopping Street store



Yukishio Sand Main Store

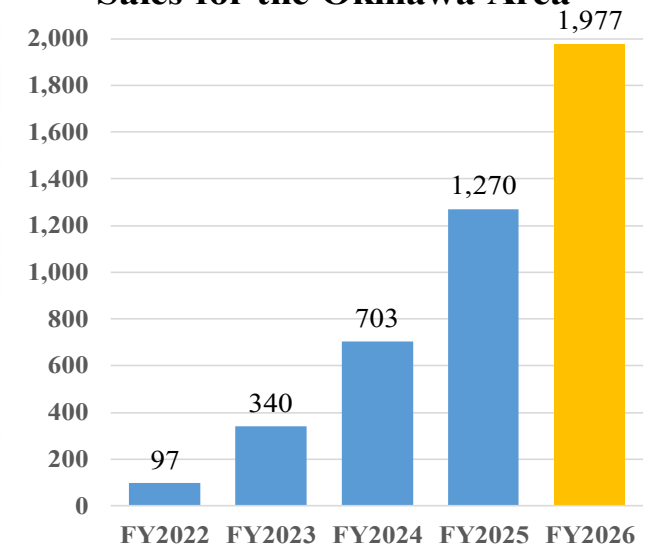


Displays in retail stores



Naha Airport Souvenir Shop

Sales for the Okinawa Area
(unit: millions of yen, %)



A new factory is being established on Miyako Island in Okinawa Prefecture, with preparations underway for operations to commence in the summer of 2027. The capital investment amounts to 2.9 billion yen.



[Facility Overview]

Site area: 8,910 square metres

Factory floor area: approx. 3,000 square metres

[Tentative Schedule]

February 2027: Completion of the building

Summer 2027: Commencement of factory operations

[Production Capacity]

5 billion yen in the mediumterm

[Product Range]

Sand cokies

FinanciersTarts and other items



Topics ④ Inbound sales (international terminal sales)

Inbound sales increased by 6.8% YoY

(Millions of Yen)	1Q	2Q	3Q	4Q	通期
FY2026	2,646	2,436	2,930	2,687	10,701
FY2025	2,305	2,338	2,765	2,613	10,022
FY2024	1,519	1,606	1,966	2,033	7,126

We are making a concerted effort across the Kotobukispirits Group to secure shelf space in the duty-free shop (confectionery and food section) at Fukuoka Airport's International Terminal, which opened on November 18, 2025.



Results of FY2026 1Q-4Q (YoY)

Net sales +8.9% (YoY), Ordinary profit +5.9% (YoY)

(Millions of yen,%)	FY2025(1Q-4Q)		FY2026(1Q-4Q)		YoY	
	amount	to-sales rate	amount	to-sales rate	Change	%
Net sales	72,349	—	78,781	—	6,431	8.9
Gross profit	44,804	61.9	48,388	61.4	3,583	8.0
SG&A expenses	27,193	37.6	29,789	37.8	2,596	9.5
Operating profit	17,610	24.3	18,598	23.6	987	5.6
Ordinary profit	17,686	24.4	18,733	23.8	1,046	5.9
Net profit	12,122	16.8	12,557	15.9	434	3.6
EPS(Yen)	78.00		81.32		3.32	
ROE(%)	32.2		28.5		△ 3.7	

Achievement rate of Business Forecast

Net sales 98.9% of the target, whilst ordinary profit achieved 95.0% of the target

	FY2026 Business Forecast ※		FY2026		YoY (Change)	achievement (%)
	amount	To-sales rate	amount	To-sales rate		
(millions of yen, %)						
Net sales	79,670	—	78,781	—	△ 888	98.9
Gross profit	49,600	62.3	48,388	61.4	△ 1,211	97.6
SG&A expenses	29,950	37.6	29,789	37.8	△ 160	99.5
Operating profit	19,650	24.7	18,598	23.6	△ 1,051	94.6
Ordinary profit	19,720	24.8	18,733	23.8	△ 986	95.0
Net profit	13,400	16.8	12,557	15.9	△ 842	93.7

※FY2026 Business Forecast announced in May 13, 2025.

Sales channel

Domestic wholesale sales increased by 11.8% due to contributions from the Kotobukiseika Group and others

(Millions of yen,%)	FY2025(1Q-4Q)		FY2026(1Q-4Q)		YoY(Change)	YoY(%)
	amount	To-sales rate	amount	To-sales rate		
Net sales	72,349	—	78,781	—	6,431	8.9
Domestic(Wholesales) (*1)	29,900	41.3	33,423	42.4	3,523	11.8
Domestic(Retail)	34,940	48.3	37,443	47.5	2,503	7.2
Mail Order	6,127	8.5	6,378	8.1	250	4.1
Other (*2)	10	0.0	13	0.0	2	-
Domestic Total	70,979	98.1	77,258	98.1	6,279	8.8
Overseas(Wholesale) (*3)	759	1.1	935	1.2	175	23.2
Overseas(Retail)	610	0.8	586	0.7	△ 23	△ 3.9
Overseas Total	1,370	1.9	1,522	1.9	152	11.1

(*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)	FY2025 (1Q-4Q)	FY2026 (1Q-4Q)	YoY (Change)	YoY (%)
Taiwan (*1)	610	591	△ 18	△ 3.0
Singapore	286	323	37	13.0
Australia	258	307	49	19.1
Others	213	299	86	40.3
Total	1,370	1,522	152	11.1

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



(Singapore)
LeTAO Le chocolat Singapore
Wisma Atria B1-58 (435 Orchard Road)

opened on August 1, 2025



Cost of sales ▪ Gross profit

The ratio of material costs increased by 0.4 percentage points compared with the previous period

(Millions of Yen,%)	FY2025(1Q-4Q)		FY2026(1Q-4Q)			
	amount	To-sales rate	amount	To-sales rate	YoY(change)	YoY(%)
Net sales	72,349	—	78,781	—	6,431	8.9
Material cost	16,300	22.5	18,033	22.9	1,732	10.6
Labor cost	5,730	7.9	5,884	7.5	154	2.7
Expense	3,353	4.6	3,550	4.5	196	5.9
Manufacturing cost	25,385	35.1	27,468	34.9	2,083	8.2
Others	2,159	3.0	2,924	3.7	764	35.4
Cost of sales	27,544	38.1	30,393	38.6	2,848	10.3
Gross profit	44,804	61.9	48,388	61.4	3,583	8.0

SG&A expenses /Operating profit

The SG&A expense ratio increased by 0.2% compared with the previous period

(millions of Yen,%)	FY2025(1Q-4Q)		FY2026(1Q-4Q)		YoY(change)	YoY(%)
	amount	To-sales-rate	amount	To-sales-rate		
Gross profit	44,804	61.9	48,388	61.4	3,583	8.0
Personnel expenses (* 1)	9,892	13.7	10,422	13.2	529	5.4
Promotion	4,251	5.9	5,143	6.5	891	21.0
Freight	2,357	3.3	2,539	3.2	182	7.7
Advertising	468	0.6	600	0.8	131	28.1
Rent and Commission	7,199	10.0	7,710	9.8	511	7.1
Depreciation	460	0.6	549	0.7	88	19.2
traveling and transportation expenses	532	0.7	532	0.7	0	0.0
Others	2,030	2.8	2,290	2.9	260	12.8
SG&A expenses	27,193	37.6	29,789	37.8	2,596	9.5
Operating profit	17,610	24.3	18,598	23.6	987	5.6

(* 1) The increase in promotion expenses is attributable to the opening of new stores, an increase in brand revamps, and higher staff deployment costs associated with the intensification of promotional activities targeting inbound travellers at the international terminal.

Results of FY2026 (1Q-4Q) (SEGMENTS)

Kotobukiseikagroup increased sales and profits due to strong expansion of the Okinawa market

(Millions of Yen, %)	Net sales				Operating profit		
	FY2025 (1Q-4Q)	FY2026 (1Q-4Q)	YoY(Change)	YoY (%)	FY2025 (1Q-4Q)	FY2026 (1Q-4Q)	YoY(Change)
Sucrey Group (* 1)	34,698	37,054	2,356	6.8	6,797	7,087	289
KCC	21,482	23,184	1,701	7.9	5,024	4,833	△ 190
Kotobukiseika Group (* 1)	14,545	16,298	1,752	12.1	3,240	3,823	582
Sales Subsidiaries	7,227	7,804	576	8.0	946	1,089	143
Others (* 2)	692	674	△ 18	△ 2.6	55	28	△ 26
SEGMENT TOTAL	78,647	85,016	6,369	8.1	16,064	16,862	798
ADJUSTMENT	△ 6,297	△ 6,235	62	△ 1.0	1,546	1,735	188
TOTAL	72,349	78,781	6,431	8.9	17,610	18,598	987

(* 1)Due to organizational changes within the Group implemented at the beginning of the first quarter of the fiscal year ending March 31, 2026, “Sucrey” and “Kujyukushima Group” were merged and the segment name was changed to “Sucrey Group”. Segment information for the previous fiscal year has been prepared according to the new segmentation. In addition, the segment name of “Kotobuki Seika and Tajima Kotobuki” was changed to “Kotobukiseika Group”.

(* 2) “Others” includes the non-life insurance agency business, health food business, and confectionery business overseas (Taiwan).

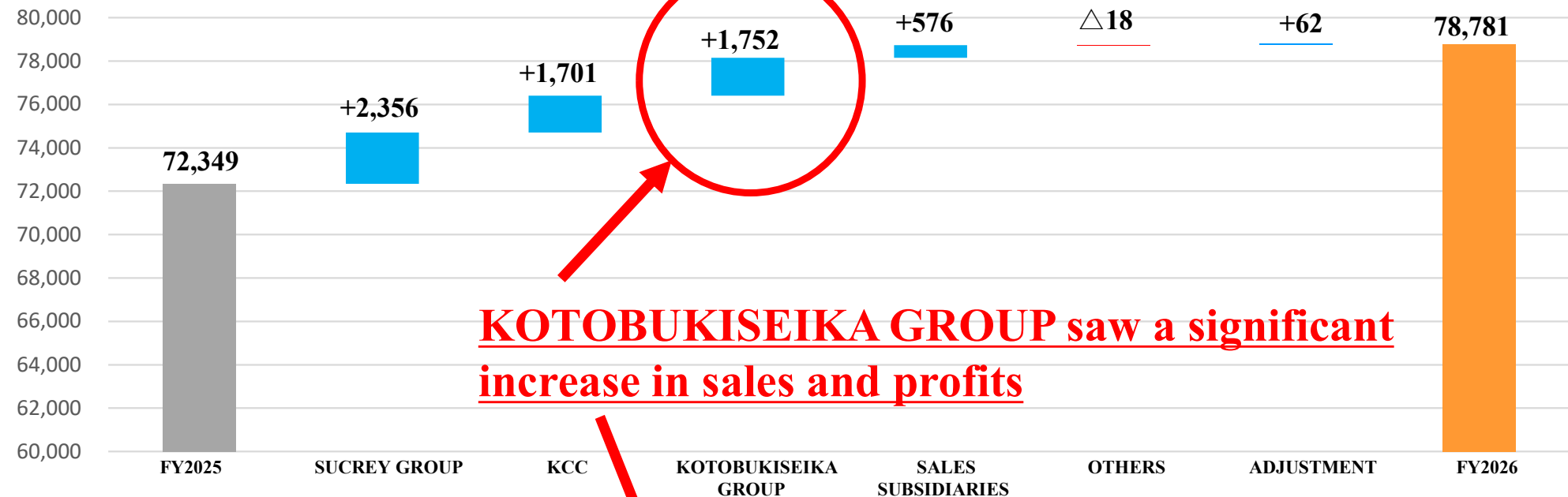
Supplemental Explanation of Results by Segment

Sucrey Group	Sucrey Group strived to strengthen brand appeal by offering new items, including seasonal offerings, centered on mainstay products. In terms of inbound sales initiatives, we focused on increasing sales personnel and boosting sales of “Matcha Chitose” products, mainly in international terminals. We opened a total of 10 new stores. These included opening the first flagship store following the rebranding of “Tokyo Milk Cheese Factory” at NEWoMan TAKANAWA in September last year. In addition, we expanded new brands mainly in department stores, including “SALTRA” at Hanshin Umeda Main Store, “VANISTA” at Seibu Ikebukuro Main Store, respectively in November last year, and “HELLO MAPLI” at JR Nagoya Takashimaya in February this year. In terms of store closings, we closed a total of 7 stores, including 3 stores in January this year (2 of which are scheduled to be opened in the next fiscal year) due to renovation work in the sales area inside Tokyo Station.
KCC	KCC, which operates the LeTAO brand, worked on new product development to further increase brand value, including boosting sales at “LeTAO Canal Plaza Store,” which had its grand opening in March last year, and a complete renovation of “LeTAO New Chitose Airport Store” and “LeTAO Sapporo Daimaru Store.” Meanwhile, we launched a new tea category “&LeTAO” and sequentially introduced new limited-edition sweets. With respect to inbound demand, we focused on increasing sales personnel mainly at international terminals and conducting promotional events under a new brand “Okada-kinsei CHAORI-YA.” In e-commerce sales, we moved forward with measures for seasonal events. In June last year, we renewed the “LeTAO” points system, strengthening integration between the stores and the online store. For brands in the Tokyo metropolitan area, such as “Now on Cheese,” we focused on developing events to increase brand awareness.
Kotobukiseika Group	Kotobukiseika Group focused on new product development and promoted proposal-based sales to major distributors and Group companies. In sales channel expansion, in Okinawa, we promoted OEM development through collaboration with major distributors and strengthened the development of our own brand of specialty store for pineapple sweets “New Q.” In the local San-in area, we reopened the select store “Tottori Kanoza” in conjunction with the renewal of the commercial zone at JR Tottori Station in August last year. In addition, we strived to further increase the name recognition of our mainstay product “Inabano Shirousagi” by holding a Guinness World Record attempt event in March this year.
Sales Subsidiaries	Sales subsidiaries focused on measures for mainstay products, the launch of new products that match regional characteristics, and inbound measures, at each sales location. By region, in the Tokai area, we launched new seasonal products, “Ise Celebration Mizumanju” and “Ise Celebration Zenzaimochi,” and in the Kansai area, we worked on boosting sales of our mainstay product, “Osaka Honey Quattro Formaggi.” In the Fukuoka area, we focused on strengthening brand development for the “Hakata Makkana Ichigo” brand, which marked its 10th anniversary.

FY2026(1Q-4Q) increase or decrease of amount

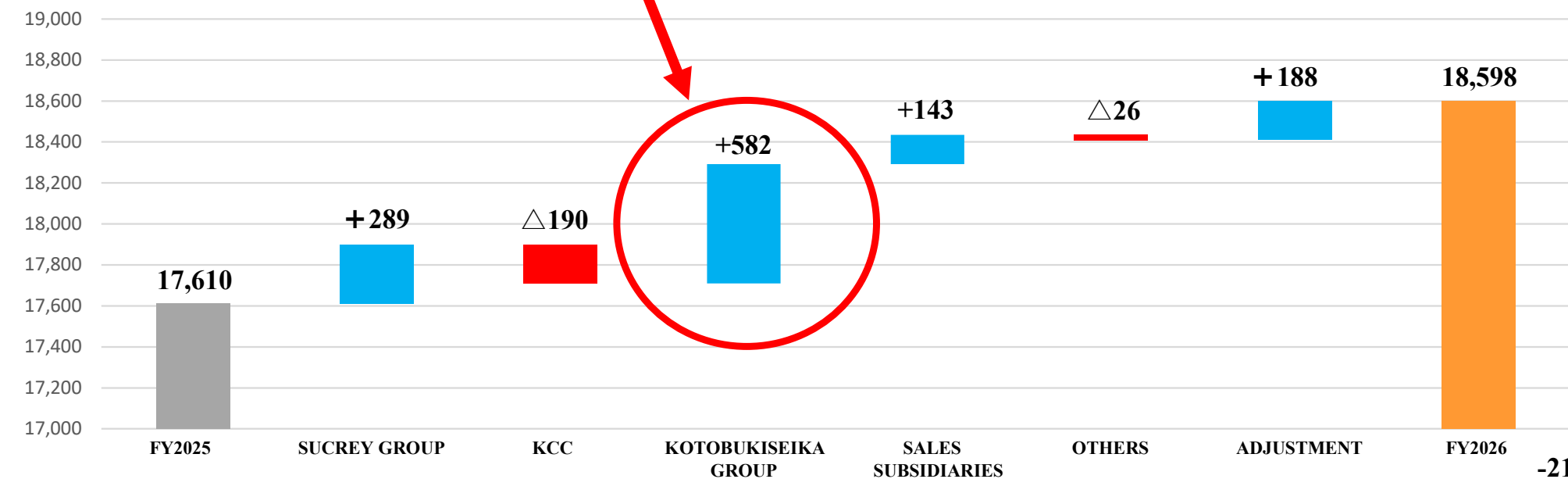
【Net sales】

(Unit : Millions of yen)



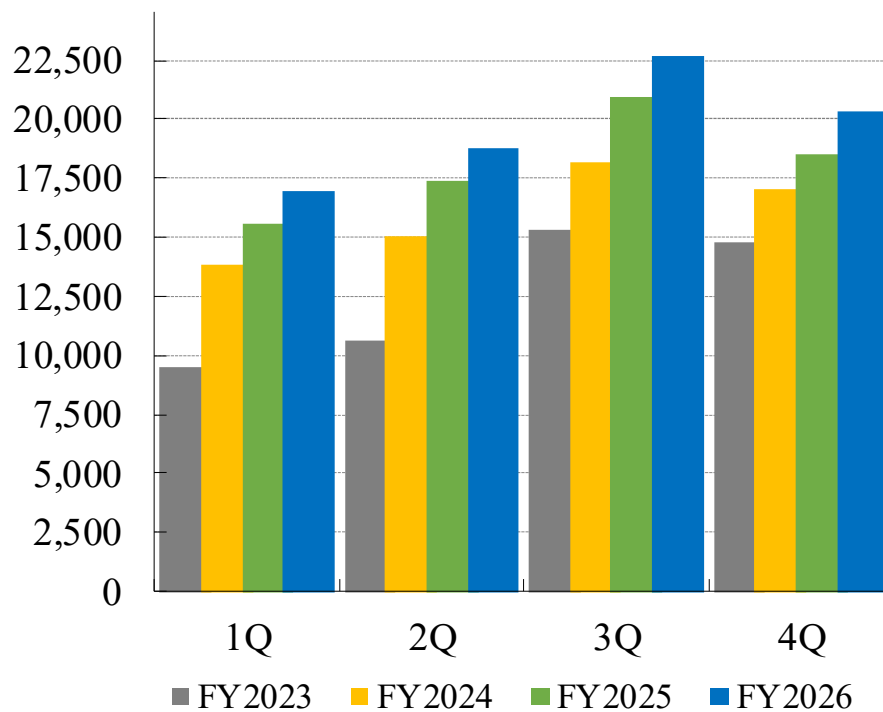
【Operating profit】

(Unit : Millions of yen)

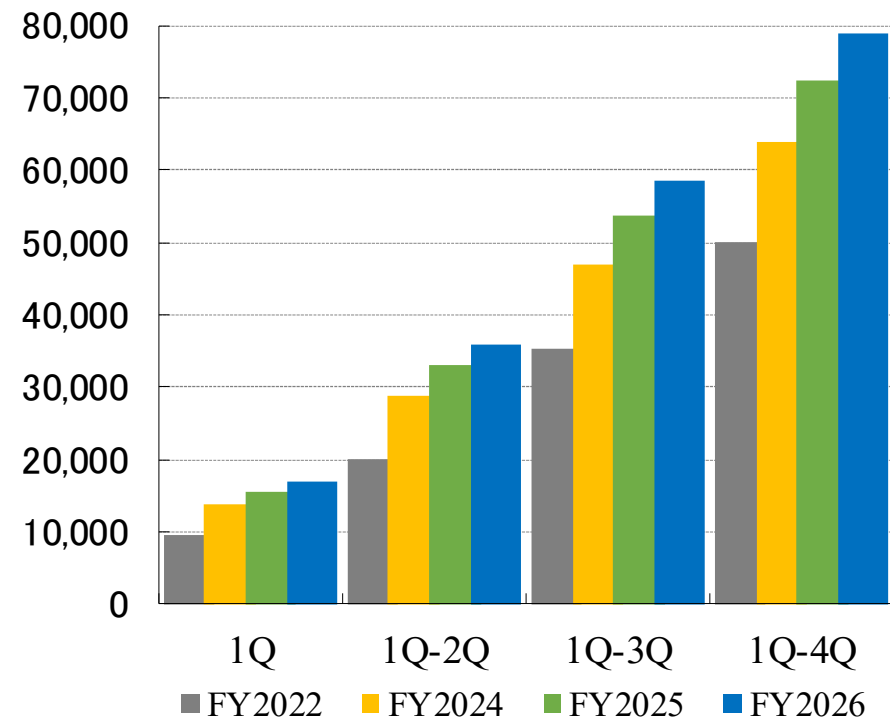


Net sales

Net sales (Quarter) (Four periods comparison)



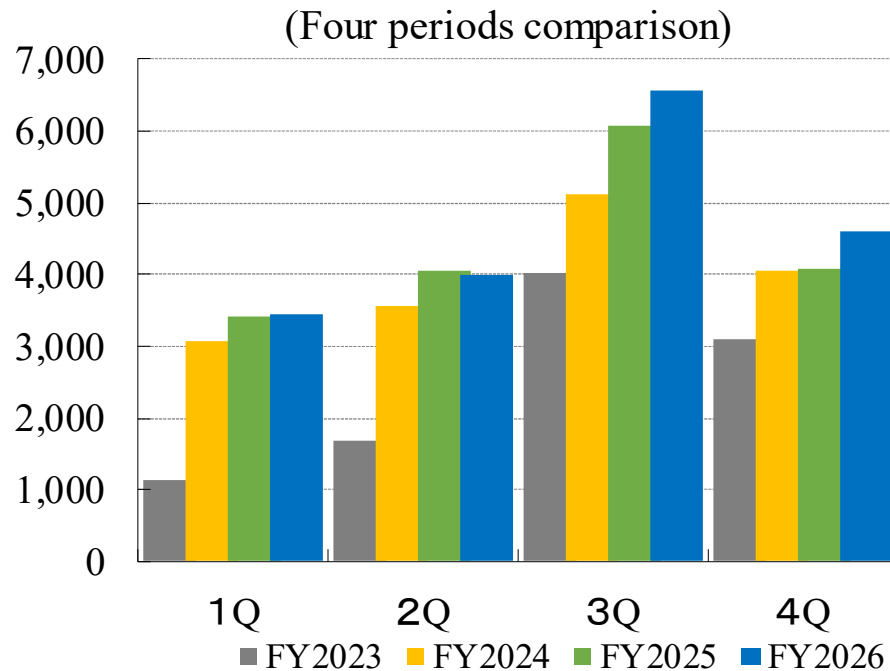
Net sales (Cumulative) (Four periods comparison)



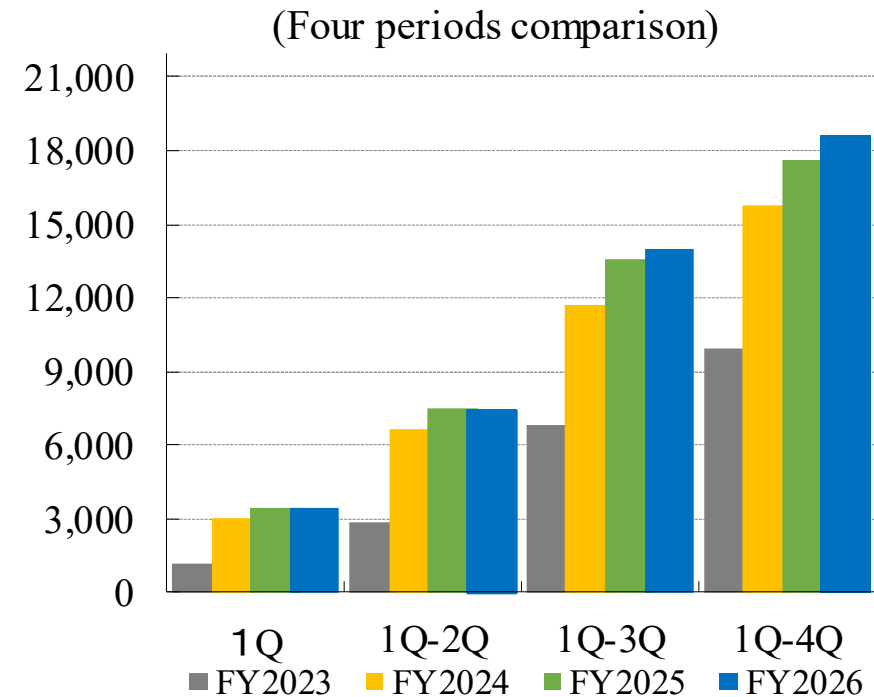
(百万円)	Quarter				Cumulative Quarter			
	1Q	2Q	3Q	4Q	1Q	1Q-2Q	1Q-3Q	1Q-4Q
FY2023	9,515	10,584	15,270	14,785	9,515	20,099	35,370	50,155
FY2024	13,853	15,037	18,144	16,999	13,853	28,891	47,036	64,035
FY2025	15,526	17,379	20,901	18,541	15,526	32,906	53,807	72,349
FY2026	16,976	18,811	22,697	20,295	16,976	35,787	58,485	78,781
YoY	109.3%	108.2%	108.6%	109.5%	109.3%	108.8%	108.7%	108.9%

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
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	6,069	4,065	3,428	7,476	13,545	17,610
FY2026	3,439	4,001	6,570	4,586	3,439	7,441	14,011	18,598
YoY	100.3%	98.8%	108.3%	112.8%	100.3%	99.5%	103.4%	105.6%

Balance Sheet

Increase in current assets was mainly due to an increase in cash and deposits

(millions of Yen,%)	FY2024		FY2025		FY2026		Compared to FY2025	
	amount	rate	amount	rate	amount	rate	(Change)	(%)
Current assets	34,408	74.0	37,649	72.4	44,775	74.4	7,126	18.9
Non-current assets	12,102	26.0	14,331	27.6	15,367	25.6	1,036	7.2
Assets	46,510	100.0	51,980	100.0	60,142	100.0	8,162	15.7
Current liabilities	8,824	19.0	9,735	18.7	10,102	16.8	367	3.8
Non-current liabilities	2,462	5.3	2,158	4.2	2,103	3.5	△ 55	△ 2.6
Liabilities	11,287	24.3	11,894	22.9	12,206	20.3	311	2.6
Net assets	35,223	75.7	40,085	77.1	47,936	79.7	7,850	19.6
Liabilities and net asset	46,510	100.0	51,980	100.0	60,142	100.0	8,162	15.7
BPS (Yen)	226.38		259.67		310.37		50.70	19.5
CAPAX	1,926		3,357		2,570 (*1)		-	-
Depreciation	1,164		1,462		1,691		-	-

(*1) Capex includes 490 million yen in down payments for production equipment contracts for the new factory on Miyako Island, among other items

Statements of Cash Flows

The cash balance at the end of the period was 28,200 million yen, an increase of 3,119 million yen compared with the previous period.

	FY2024	FY2025	FY2026	YoY(Change)	YoY(%)
(Millions of yen, %)					
Cash flows from operating activities	10,845	13,204	13,801	597	4.5
Cash flows from investing activities	△ 2,004	△ 3,438	△ 5,451	△ 2,013	58.5
Free Cash flows	8,840	9,766	8,350	△ 1,416	△ 14.5
Cash flows from financing activities	△ 2,322	△ 7,372	△ 5,241	2,131	△ 28.9
Effect of exchange rate change on cash and cash equivalents	9	△ 5	10	15	-
Cash increase / decrease	6,527	2,388	3,119	731	30.6
Cash and cash equivalents (Beginning of period)	16,162	22,689	25,081	2,392	10.5
Increase/decrease due to change in scope of consolidation	-	3	-	-	-
Cash and cash equivalents (End of period)	22,689	25,081	28,200	3,119	12.4



Business Forecast for FY2027

Supplementary Explanation of Business Forecast for FY 2027

● Change in scope of consolidation, etc.	In April of this year, “Hakonetokinomi Co., Ltd.,” a wholly owned subsidiary of KCC, was established. The former Hakone Ashinoyu Flower Center will be renovated and opened under a new brand in July of this year (planned). In addition, the name of the reportable segment that had been “KCC” was changed to “KCC Group.”
●Store Openings and Closings, etc.	In FY27/3, the company plans to open a total of 7 stores and close 1 store, including Lumine Omiya (opened in April), Naha Airport, Daimaru Fukuoka, Isetan Shinjuku, Tokyo Station, and Hakone (street-level store).
● Inbound sales (international terminal sales)	With the expectation that the impact of deteriorating Japan-China relations will continue for the foreseeable future, measures will be strengthened at the main international terminals, and a 7.5% increase year on year to 11.5 billion yen is planned.
●Capital investment, etc.	The capital investment plan is 4billion yen, mainly for renewal and acquisition of plant facilities. The new plant in Miyakojima City, Okinawa, for which investment will be recorded in FY28/3, is scheduled to start operation in June 2027. The planned investment is 2.9 billion yen (excluding the factory building to be leased).

Business Forecast for FY2027

Net sales +7.3% / Operating profit+10.5% (YoY)

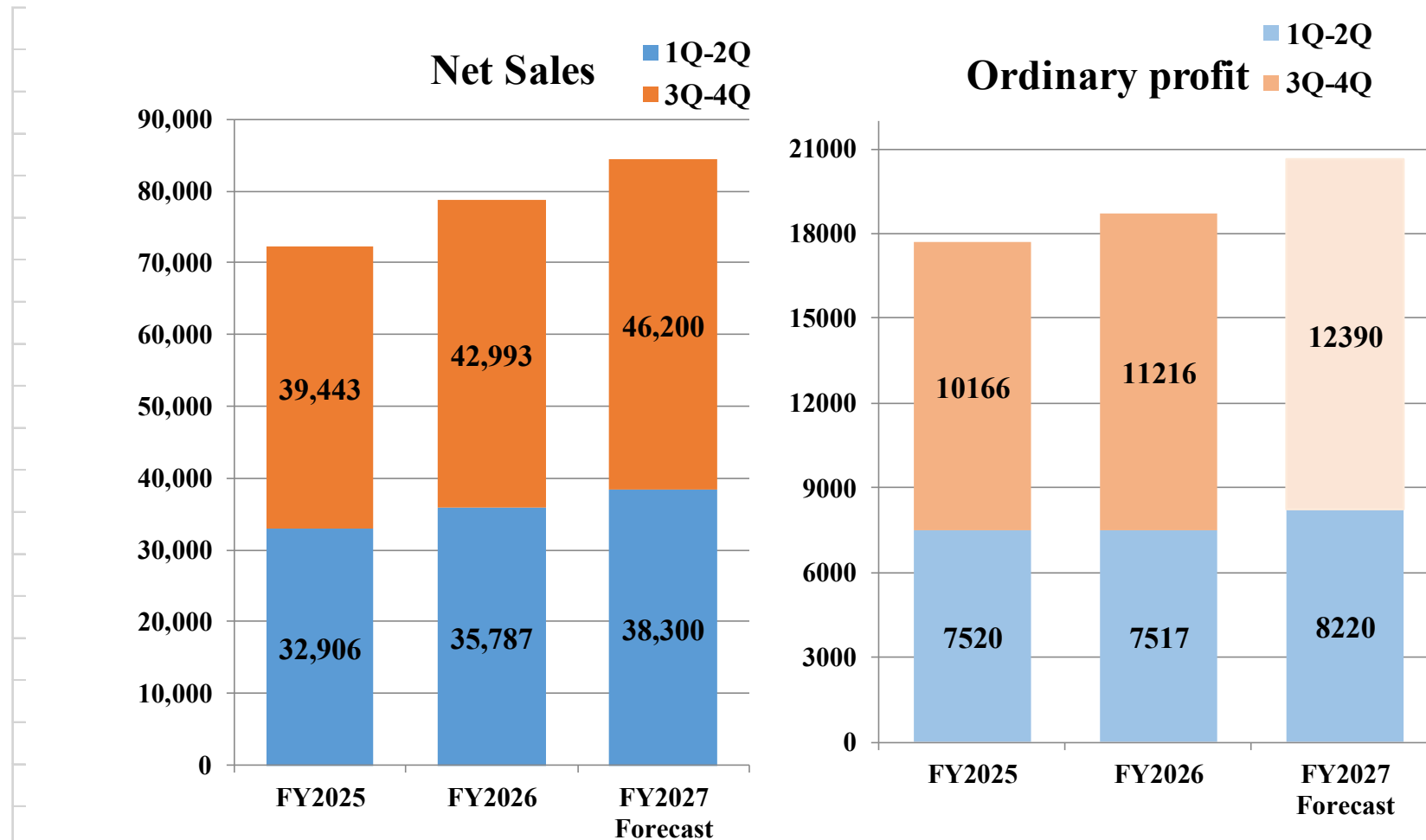
(millions of yen,%)	FY2026		FY2027(Forecast)		YoY(Change)	YoY(%)
	amount	To-sales rate	amount	To-sales rate		
Net sales	78,781	-	84,500	-	5,718	7.3
Gross profit	48,388	61.4	52,520	62.2	4,131	8.5
SG&A expenses	29,789	37.8	31,970	37.8	2,180	7.3
Operating profit	18,598	23.6	20,550	24.3	1,951	10.5
Ordinary profit	18,733	23.8	20,610	24.4	1,876	10.0
Net profit	12,557	15.9	13,810	16.3	1,252	10.0
EPS(yen)	81.32		89.42		8.10	10.0
Dividend/stock(yen)	35.00		35.00		-	-
CAPEX	2,570		4,000		1,429	55.6
Depreciation	1,691		1,750		58	3.5

Business Forecast for FY2027 (SEGMENTS)

(Million of Yen, %)	Net sales				Operating profit		
	FY2026	FY2027 (Forecast)	YoY(Change)	YoY(%)	FY2026	FY2027 (Forecast)	YoY(Change)
Sucrey Group	37,054	39,700	2,645	7.1	7,087	7,760	672
KCC Group	23,184	24,800	1,615	7.0	4,833	5,350	516
Kotobukiseika Group	16,298	17,550	1,251	7.7	3,823	4,267	443
Sales Subsidiaries	7,804	8,310	505	6.5	1,089	1,198	108
Others	674	700	25	3.8	28	28	△0
SEGMENTS TOTAL	85,016	91,060	6,043	7.1	16,862	18,603	1,740
ADJUSTMENT	△ 6,235	△ 6,560	△ 324	5.2	1,735	1,947	211
TOTAL	78,781	84,500	5,718	7.3	18,598	20,550	1,951

(Note) Following the establishment of Hakonetokinomi Co., Ltd. as a wholly-owned subsidiary on 1 April 2026, KCC has changed the name of the segment to 'KCC Group'.

Business Forecast for FY2027(1Q-2Q 3Q-4Q)



	Net Sales						Ordinary profit					
	FY2025	(%)	FY2026	(%)	FY2027 Forecast	(%)	FY2025	(%)	FY2026	(%)	FY2027 Forecast	(%)
1Q-2Q	32,906	45.5%	35,787	45.4%	38,300	45.3%	7,520	42.5%	7,517	40.1%	8,220	39.9%
3Q-4Q	39,443	54.5%	42,993	54.6%	46,200	54.7%	10,166	57.5%	11,216	59.9%	12,390	60.1%
total	72,349	100.0%	78,781	100.0%	84,500	100.0%	17,686	100.0%	18,733	100.0%	20,610	100.0%



Future Management Policy and Segment Results Overview

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.

<<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 2026

Vision

"General Producer of the Sweets "

Creating premium gift sweet brands from all over the country

As a “General Sweets Producer,” we will strive to create and cultivate “premium gift sweets” that pursue deliciousness and local characteristics under the theme of “creation of higher value,” and contribute to, coexist with, and prosper together with local communities, aiming to become a corporate group that is trusted and needed by society.



Future Management Policies

Management Slogan for 2026

Today, I make an enthusiastic fan

This is a daily task for all of us, the purpose of management, and something to implement under our corporate vision, “Create happiness, Provide happiness.” By continuously evolving in both thinking and action each day, today more than yesterday, tomorrow more than today, we will create lifelong enthusiastic fans with a single sweet or through a single customer service experience.



Medium- and Long-Term Management Objectives (Value Up Vision 2030)

● Corporate growth story

Further promotion of “ultra field-oriented” management with all member participation, based on the management philosophy

Based on our management philosophy, our group promotes human capital management by thoroughly practicing “ultra field-oriented management with all-employee participation,” in which each employee participates in management with a sense of ownership. We aim to create a dynamic and attractive corporate group and enhance our corporate value over the medium to long term.



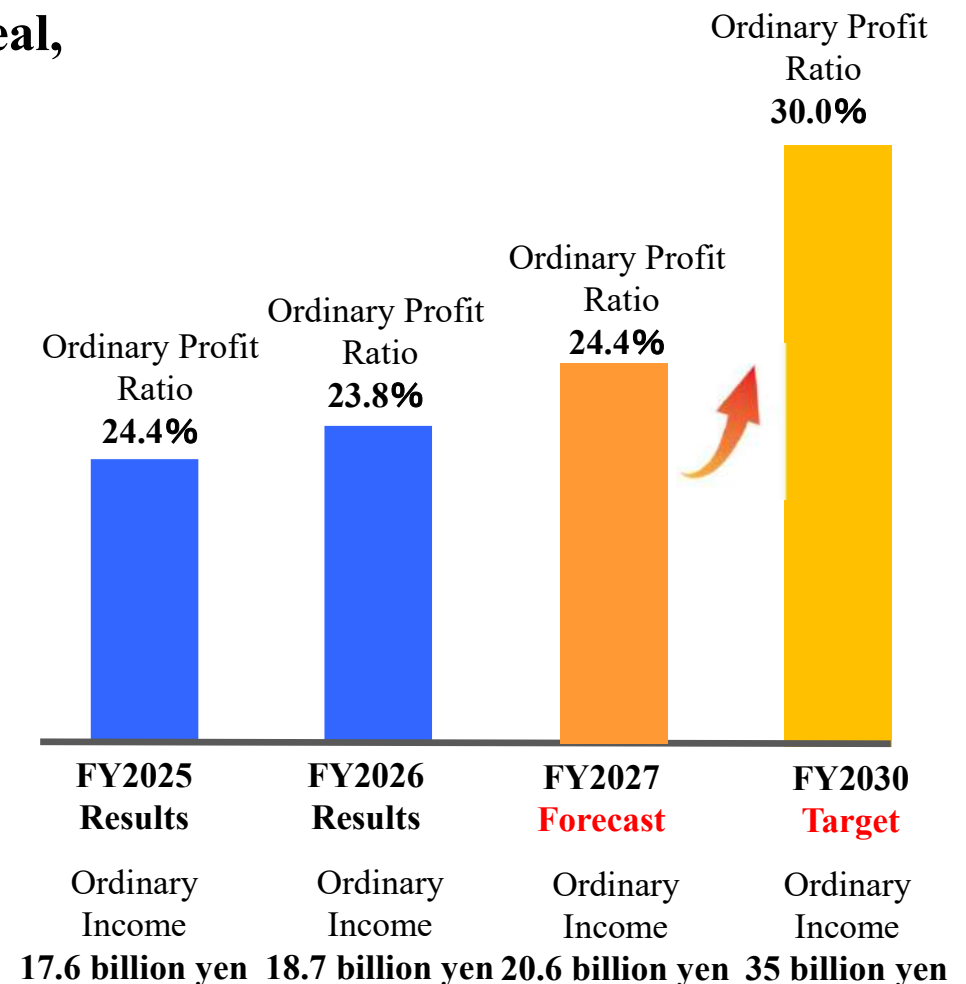
Medium- and Long-Term Management Objectives (Value Up Vision 2030)

● priority measures

- Value up of product appeal, sales floor appeal, and sales power
- Value Up Inbound Measures
- Value Up of human resources

● Target Indicators

- Ordinary profit rate: 30% (FY2030)
- Ordinary profit: 35 billion yen (FY2030)
- Average five-year sales growth rate 10%
- ROE 30% or more

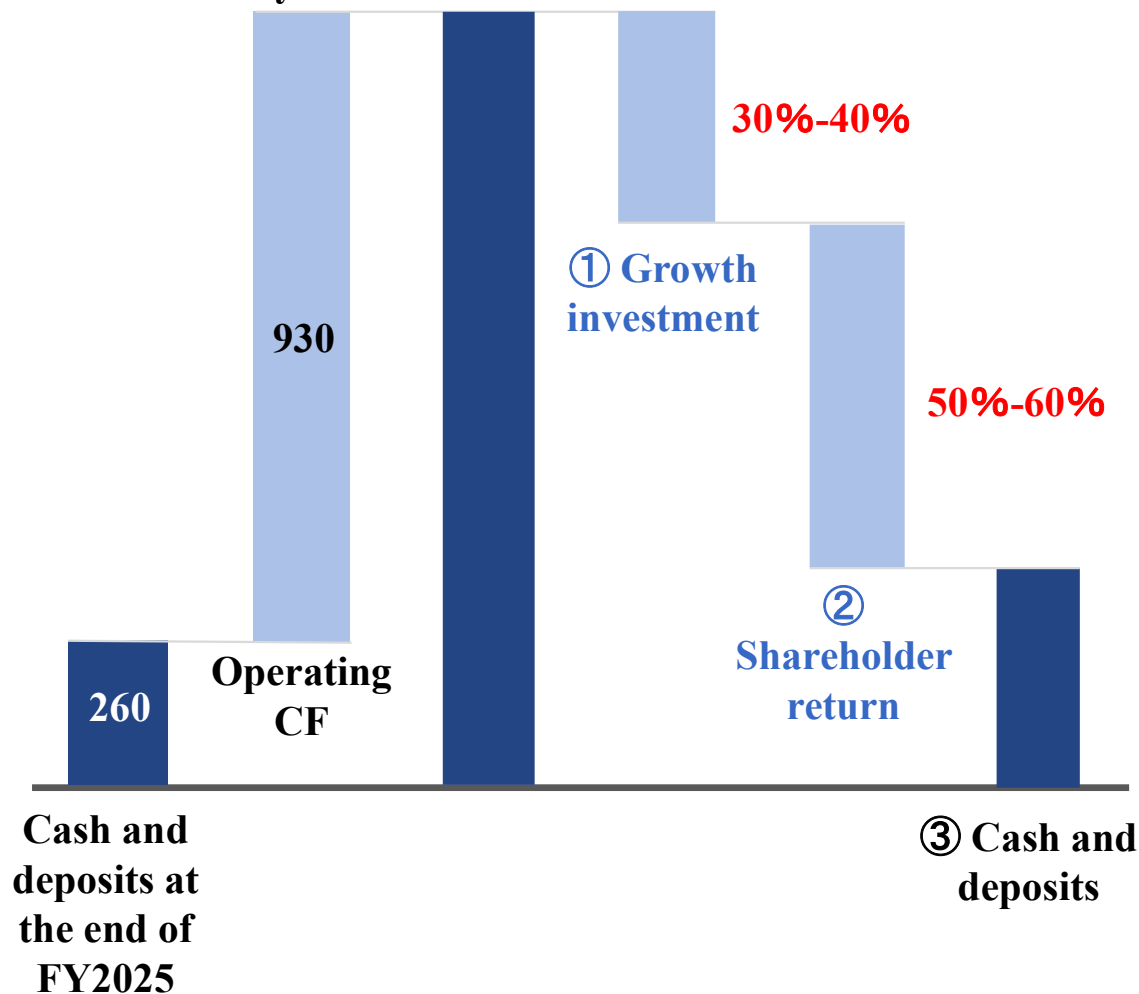


●Cash Allocation Policy

(5 years from FY2026 to FY2030)

Invest the cash generated in further growth and shareholder returns to promote high ROE management by further improving profitability. Aim to maximize corporate value

(100 million yen)



①Growth investment

Investment in factories (including maintenance and renewal of existing factories), investment in new growth through store openings, M&A, etc.

②Shareholder return

Increasing dividends in line with profit growth and implementing flexible share buybacks with an eye to achieving a total return ratio of at least 50%

③Cash and deposits

Maintaining liquidity on hand of approximately 30% of sales

Segment Overview

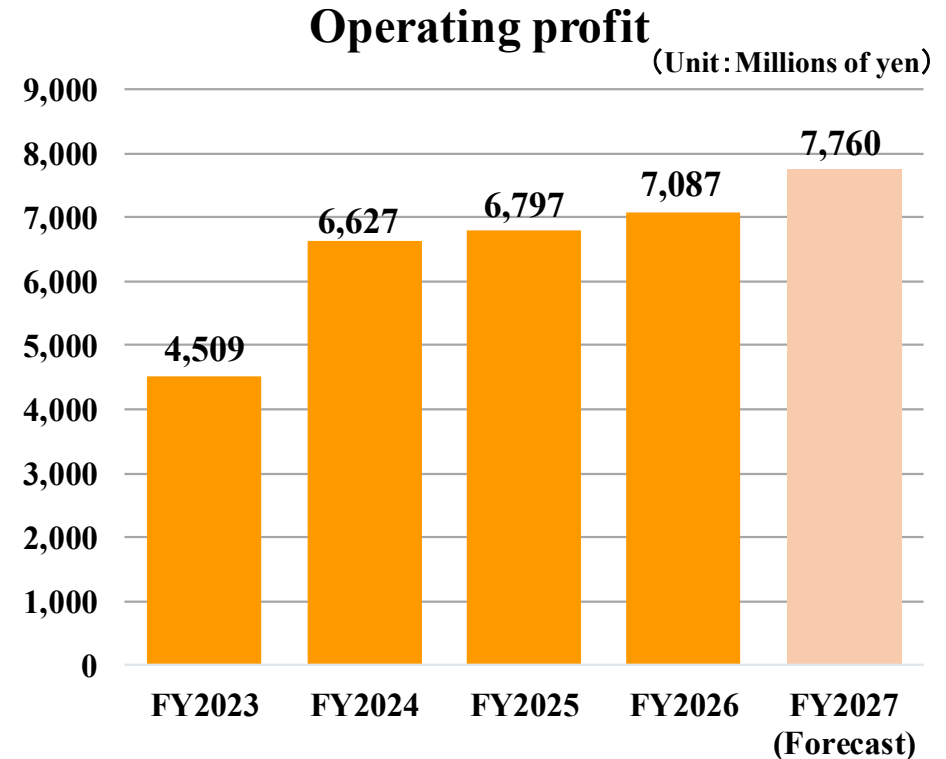
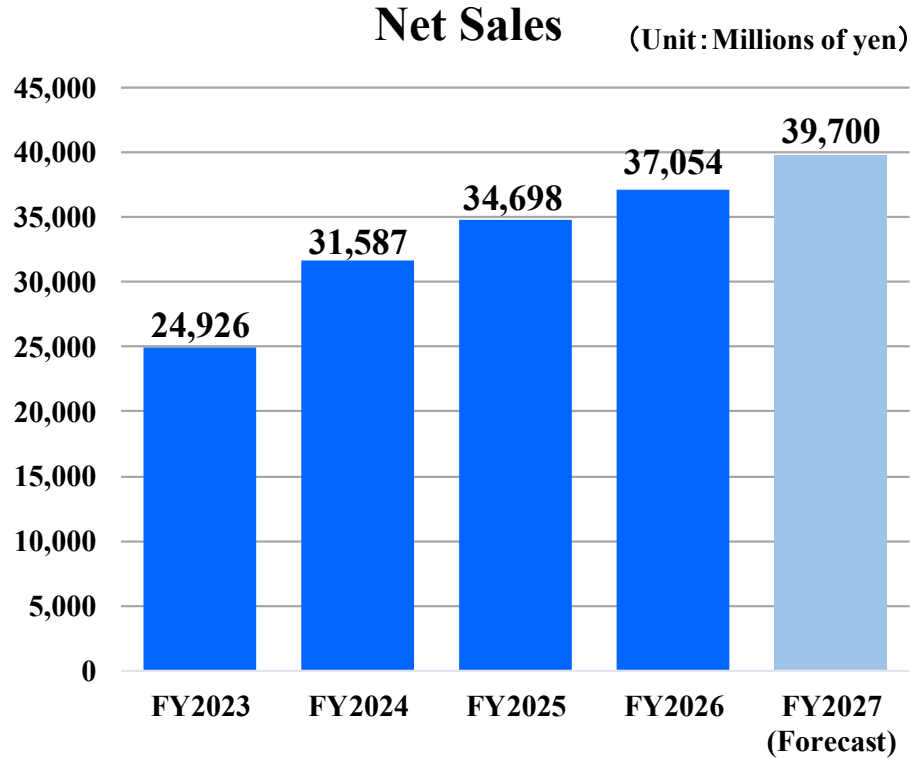


- **Sucrey Group**
(Sucrey/Kujyukushima Group)
- **KCC Group**
(KCC /Hakonetokinomi)
- **Kotobukiseika Group**
(Kotobuki Seika / Tajima Kotobuki / KMF)
- **Sales subsidiaries**
- **Others**

《Sucrey Group》

FY2027 (Forecast)

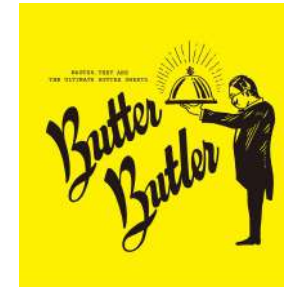
FY2027 : Net sales 39,700 million yen(+7.1%YoY) OP 7,760 million yen(+9.5%YoY)



(Millions of yen,%)	FY2023	FY2024	FY2025	FY2026	YoY		FY2027 (Forecast)	YoY	
					(Change)	(%)		(Change)	(%)
Net sales	24,926	31,587	34,698	37,054	2,356	6.8	39,700	2,645	7.1
Gross profit	15,587	20,424	22,286	23,918	1,631	7.3	25,950	2,031	8.5
Gross profit rate	62.5	64.7	64.2	64.5	0.3	-	65.4	0.8	-
SG&A expenses	11,077	13,797	15,489	16,830	1,341	8.7	18,190	1,359	8.1
Operating profit	4,509	6,627	6,797	7,087	289	4.3	7,760	672	9.5

《Sucrey Group》

Promoting integrated management with the Kujukushima Group. Accelerating growth by further strengthening on-site capabilities to enhance brand value



東京ミルクチーズ工場



Butter Butler (Butter and Matcha Financier)

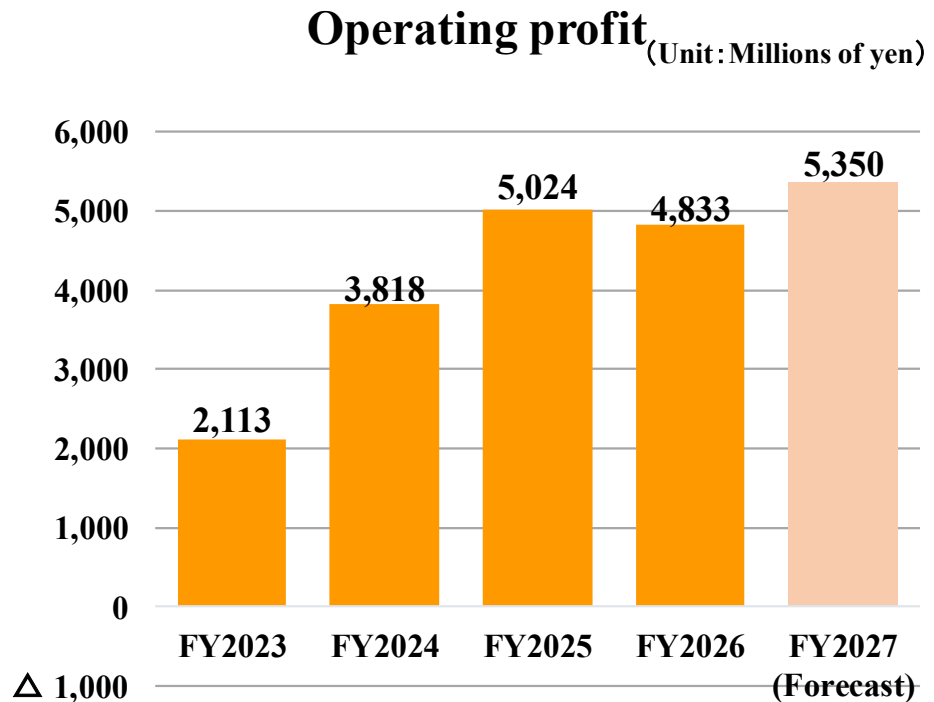
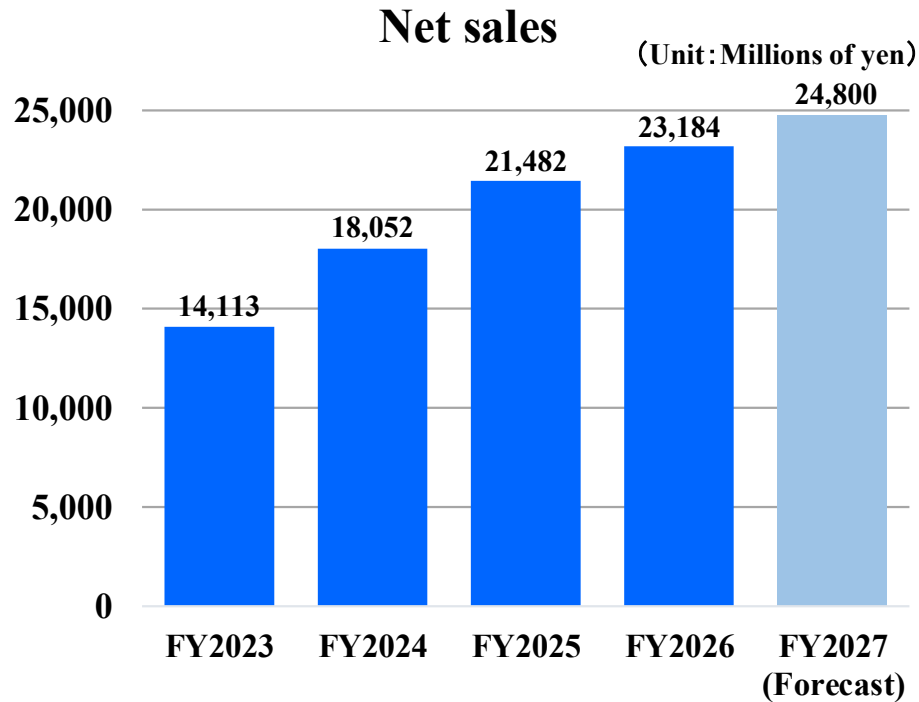


Tokyo Milk Cheese Factory (Strawberry & Mascarpone Cookies)

《KCC Group》

FY2027 (Forecast)

FY2027: Net sales 24,800 million yen (+7.0% YoY) OP 5,350 million yen (+10.7% YoY)



(Millions of yen, %)	FY2023	FY2024	FY2025	FY2026	YoY		FY2027 (Forecast)	YoY	
					(Change)	(%)		(Change)	(%)
Net sales	14,113	18,052	21,482	23,184	1,701	7.9	24,800	1,615	7.0
Gross profit	8,149	10,938	13,378	14,117	738	5.5	15,330	1,212	8.6
Gross profit rate	57.7	60.6	62.3	60.9	△ 1.4	-	61.8	0.9	-
SG&A expenses	6,035	7,120	8,354	9,283	928	11.1	9,980	696	7.5
Operating profit	2,113	3,818	5,024	4,833	△ 190	△ 3.8	5,350	516	10.7

(Note) Following the establishment of Hakonetokinomi Co., Ltd. as a wholly-owned subsidiary on 1 April 2026, KCC has changed the name of the segment to 'KCC Group'.

《KCC Group》



Celebrating its 30th anniversary, K KCC is focusing on further enhancing the brand value of LeTAO and nurturing its Tokyo-based brands, such as ‘Pista & Tokyo’, ‘Now on Cheese ♪’ ‘Okada’s Kinsei Anbataya’ and ‘canarina’.



Okada Kinsei Chaori-ya (melon bread Matcha)

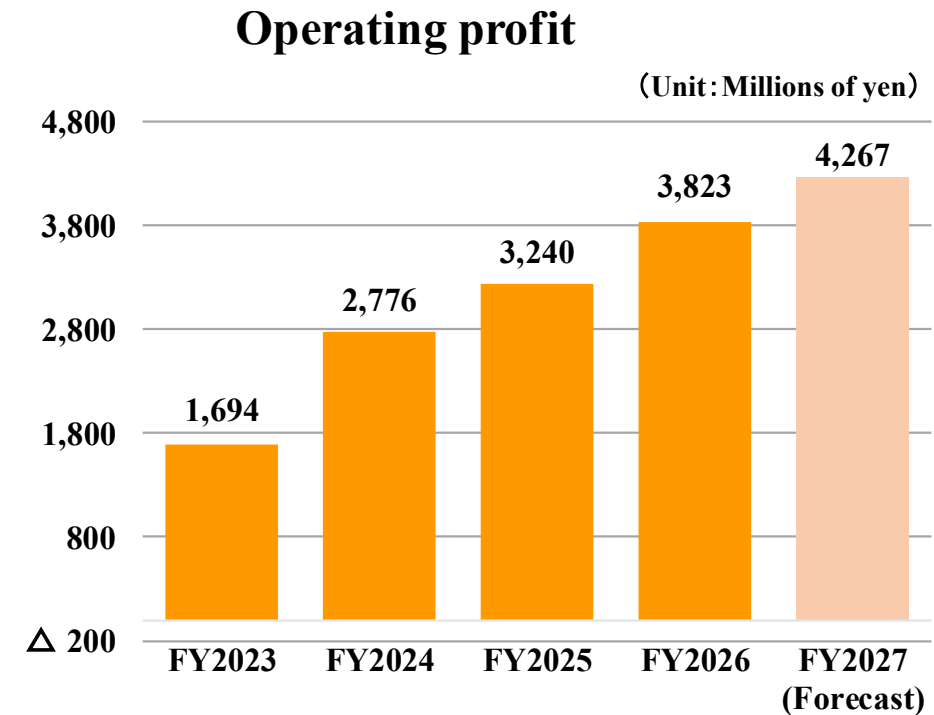
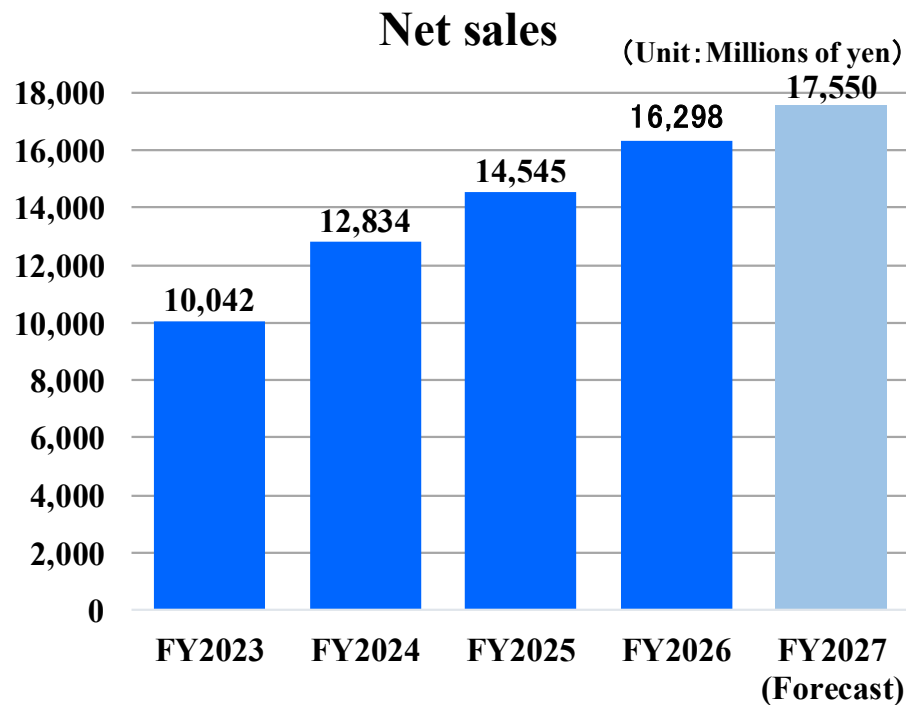


LeTAO (Le Monde du Fromage)

《Kotobukiseika Group》

FY2027 (Forecast)

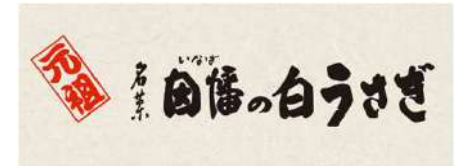
FY2027: Net sales 17,550 million yen (+7.7%YoY) OP 4,267 million yen (+11.6%YoY)



(Millions of yen, %)	FY2023	FY2024	FY2025	FY2026	YoY		FY2027 (Forecast)	YoY	
					(Change)	(%)		(Change)	(%)
Net sales	10,042	12,834	14,545	16,298	1,752	12.1	17,550	1,251	7.7
Gross profit	3,952	5,355	6,104	6,954	849	13.9	7,647	692	10.0
Gross profit rate	39.4	41.7	42.0	42.7	0.7	-	43.6	0.9	-
SG&A expenses	2,258	2,578	2,863	3,131	267	9.3	3,380	248	8.0
Operating profit(Δloss)	1,694	2,776	3,240	3,823	582	18.0	4,267	443	11.6

《Kotobukiseika Group》

We aim to achieve further growth by fostering our core products, promoting new product development, strengthening partnerships with distributors, and accelerating our expansion in Okinawa through the establishment of the Miyakojima plant, which is scheduled to begin operations in the summer of 2027.



newQ PAPAPAPANE TALT

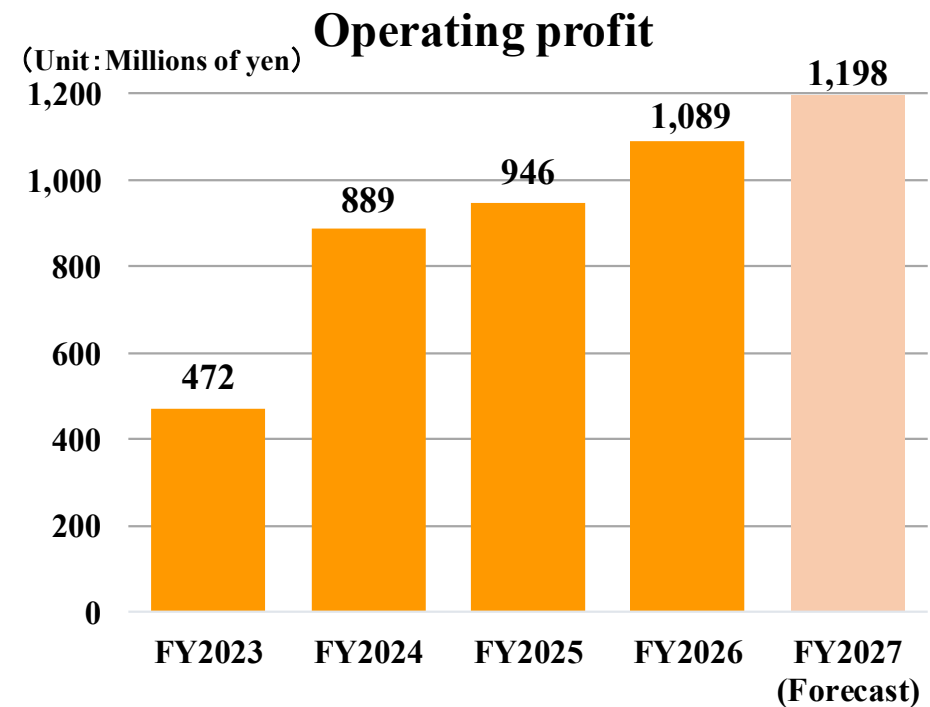
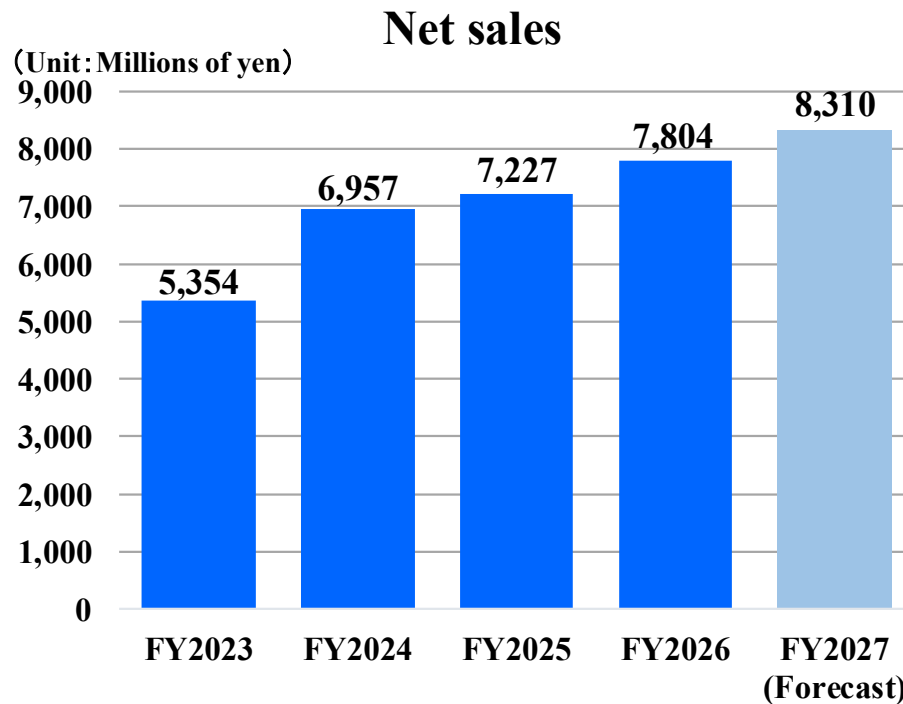


Inaba no Shirousagi

《Sales Subsidiaries》

FY2027 (Forecast)

FY2027: Net sales 8,310 million yen (+6.5%YoY) OP 1,198 million yen (+9.9%YoY)



(Millions of yen,%)	FY2023	FY2024	FY2025	FY2026	YoY		FY2027 (Forecast)	YoY	
					(Change)	(%)		(Change)	(%)
Net sales	5,354	6,957	7,227	7,804	576	8.0	8,310	505	6.5
Gross profit	2,012	2,637	2,796	3,042	246	8.8	3,290	247	8.1
Gross profit rate	37.6	37.9	38.7	39.0	0.3	-	39.6	0.6	-
SG&A expenses	1,540	1,747	1,850	1,953	102	5.6	2,092	138	7.1
Operating profit	472	889	946	1,089	143	15.1	1,198	108	9.9

《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



10th Anniversary Hakata Makkana Ichigo no Langue de Chat



Osaka Honey Quattro Formaggi

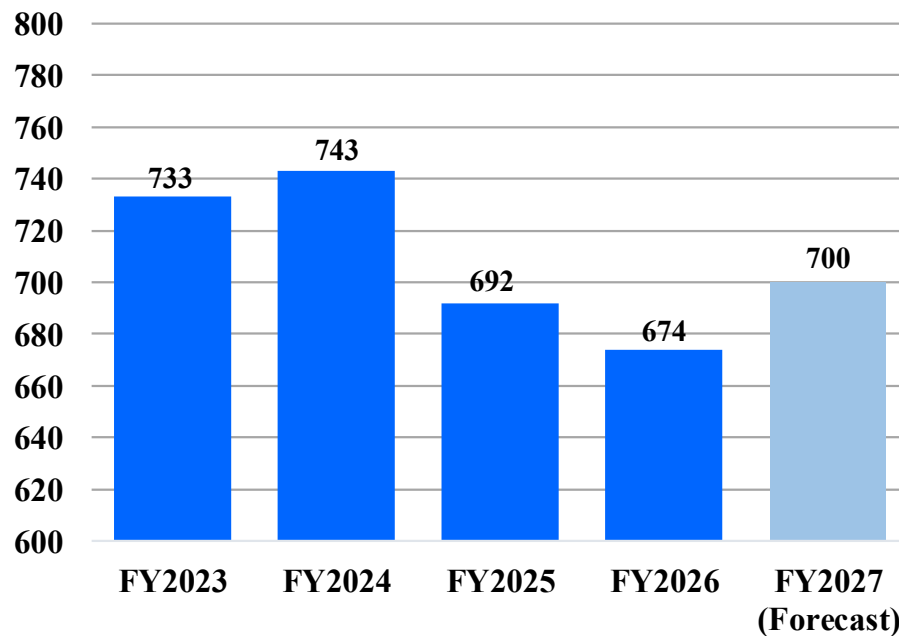
《Others》

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

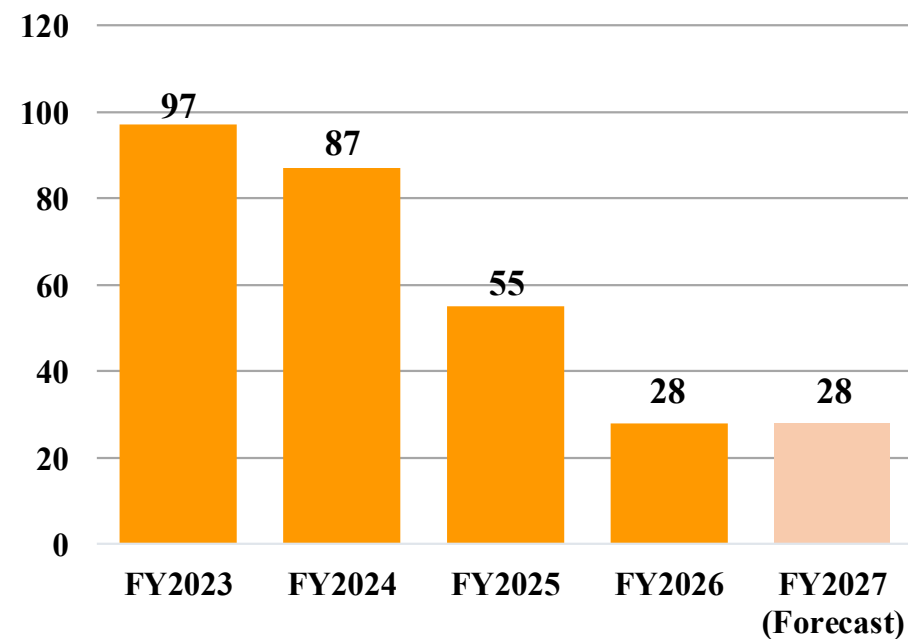
FY2027 (Forecast)

FY2027: Net sales 700 million yen (+3.8 %YoY) OP 28 million yen (△ 3.2% YoY)

Net sales



Operating profit



(Millions of yen,%)	FY2023	FY2024	FY2025	FY2026	YoY		FY2027 (Forecast)	YoY	
					(Change)	(%)		(Change)	(%)
Net sales	733	743	692	674	△ 18	△ 2.6	700	25	3.8
Gross profit	534	537	494	479	△ 15	△ 3.1	497	17	3.7
Gross profit rate	72.8	72.2	71.4	71.1	△ 0.3	-	71.0	△ 0.1	-
SG&A expenses	437	449	438	450	11	2.6	469	18	4.2
Operating profit	97	87	55	28	△ 26	△ 47.9	28	0	△ 3.2

《Others》

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

純藍

Taiwan confectionery business



Chinese New Year Gift

health food business(Junai)



Junai tea



ESG-related Information

Kotobuki Spirits Group's materiality (material issues)

02

価値創造ストーリー

株式会社リッツ・カールトン・ホテルズ&リゾーツは、世界的なホテルブランドであり、多くの人に愛されるプレミアムギフトスイーツブランドを創出しています。



長島メサジ

「品質にこだわり、お客様に最高のスイーツを提供すること」をモットーに、長島メサジは、長島メサジグループの各ホテル・リゾートに、長島メサジのスイーツを提供しています。また、長島メサジは、長島メサジグループの各ホテル・リゾートに、長島メサジのスイーツを提供しています。

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数字で見る株式会社リッツ

多くの人に愛されるプレミアムギフトスイーツブランドを生み出し、安定した経営基盤を築いています



グループ経営体制

株式会社リッツ・カールトン・ホテルズ&リゾーツは、世界的なホテルブランドであり、多くの人に愛されるプレミアムギフトスイーツブランドを創出しています。

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Stock States

Status of Shares

(March 31, 2026)

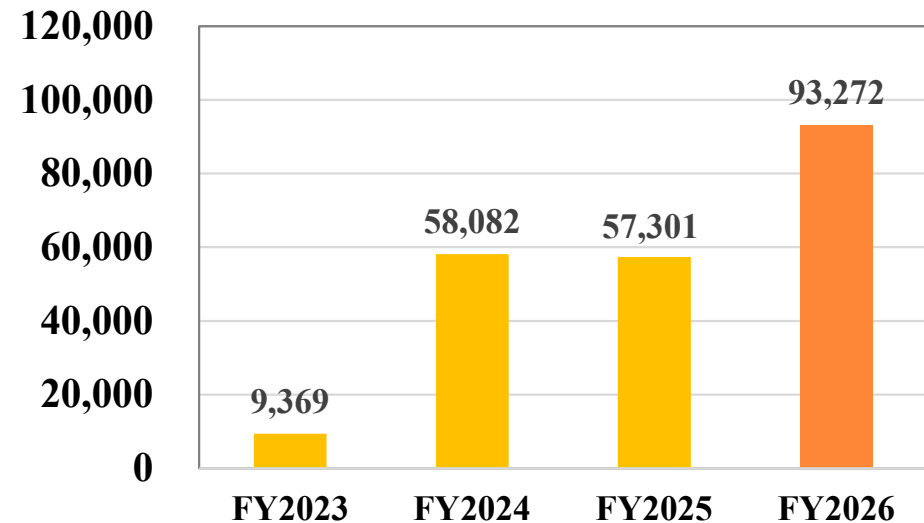
■ Total number of authorized shares
456,000,000

■ Total number of issued shares
155,658,402

■ Number of shares per unit 100

■ Number of shareholders 93,272
(up 35,971 from the previous year)

Number of shareholders



■ Major shareholders (top 5)

Shareholder name	Number of shares held	Ownership (%)
S Kawagoe Co., Ltd.	45,500,000	29.46
The Master Trust Bank of Japan, Ltd. (trust account)	10,623,000	6.88
STATE STREER BANK AND TRUST COMPANY 505001	5,688,007	3.68
Custody Bank of Japan, Ltd. (trust account)	4,933,200	3.19
The San-in Godo Bank, Ltd.	3,657,300	2.37

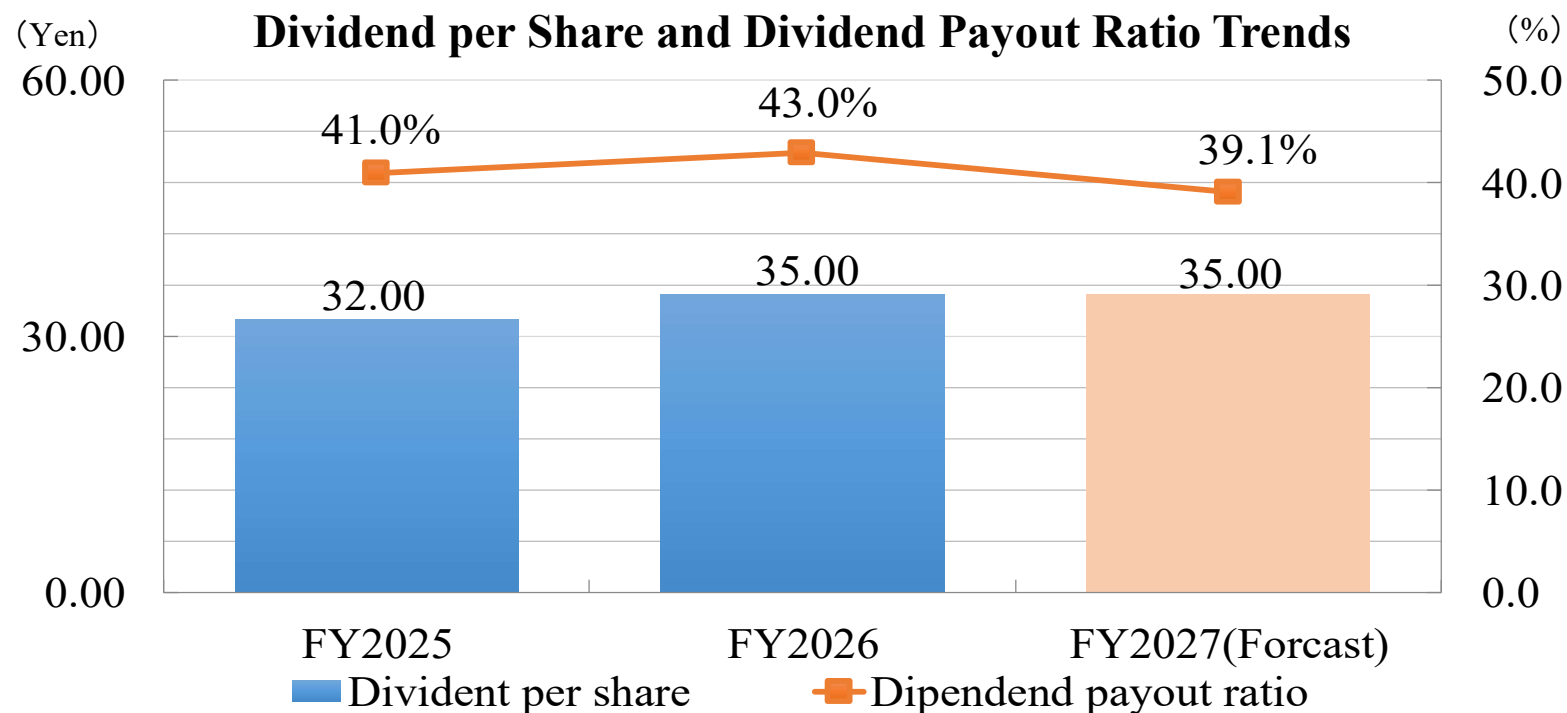
Note 1:Ownership ratio excludes 1,225,366 shares of treasury stock

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. Regarding shareholder returns for the period from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2030, our policy is to increase dividends in line with profit growth and implement flexible share buybacks, with an eye to a total return ratio of 50% or more.

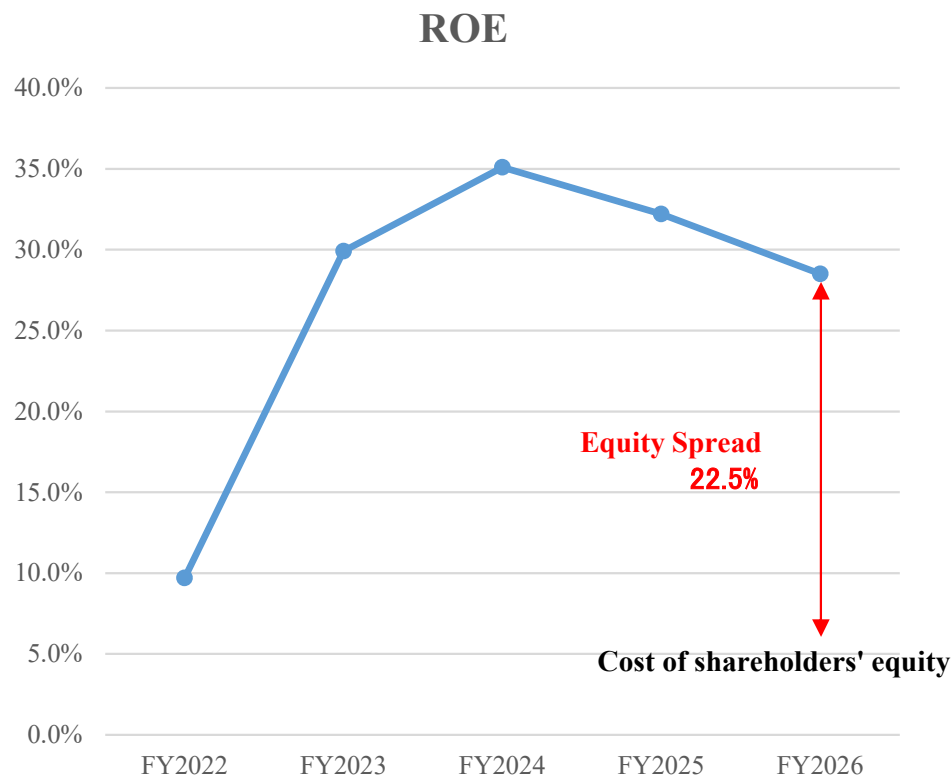
■ Dividend per share forecast for the fiscal year ending March 2027 **35.00** yen



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 the capital asset pricing model (CAPM) and is generally recognized to be around 6%. ROE was 35.1% for the fiscal year ended March 31, 2024, 32.2% for the fiscal year ended March 31, 2025, and 28.5% for the fiscal year ended March 31, 2026, significantly exceeding the cost of shareholders' equity. We will continue striving to further improve our profitability, promote high ROE management, and increase our corporate value.



	FY2022	FY2023	FY2024	FY2025	FY2026
ROE	9.7%	29.9%	35.1%	32.2%	28.5%
ROE Analysis					
Net profit margin on sales	6.0%	14.0%	16.9%	16.8%	15.9%
Total asset turnover ratio (times)	1.23	1.56	1.53	1.47	1.41
Financial leverage (times)	1.32	1.37	1.35	1.31	1.27

	【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 (%) FY2026

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	=	5.99%
						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, 2026 was 5.90x, well above 1x.

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
PER	36.92	-	105.91	41.55	27.53	31.15	22.51
PBR	7.15	11.57	9.97	11.00	8.46	9.36	5.90

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

■ Market capitalization



(Note) Market capitalization = share price at end of period x (number of shares issued - number of treasury shares) -56-



<<Reference Information>>



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	1.26324 Billion yen
President	Seigo Kawagoe
Employees	Kotobuki Spirits 7 people/Group Total 1,801 people
Group companies	Consolidated subsidiary 18 companies (domestic 17・overseas 1)
Net sales	78.7 Billion Yen (FY2026 :Year ended March 31, 2026)

March 31th,2026

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”



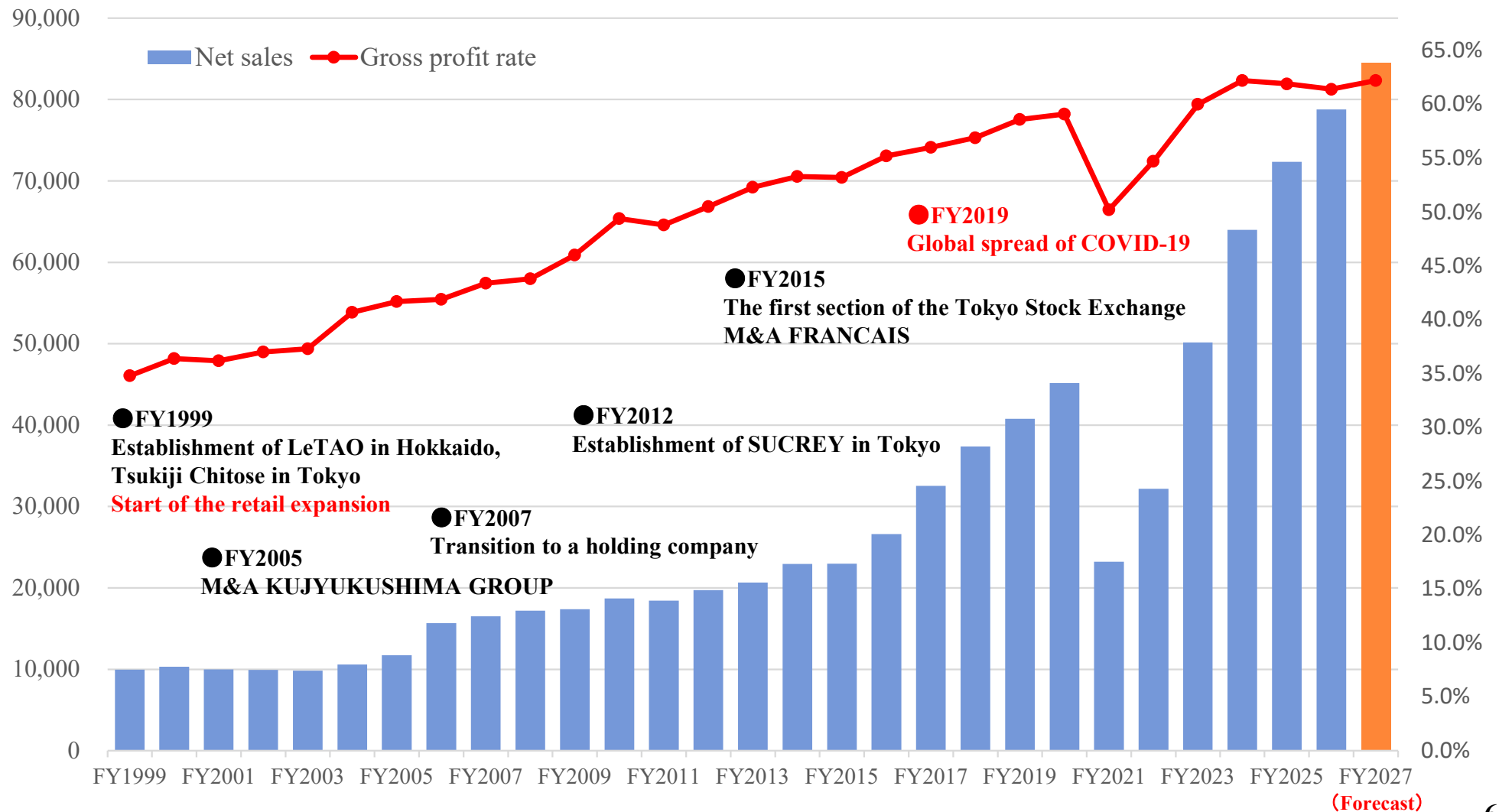
FRANCAIS confectionery

Transition of Kotobuki Spirits ①

High profit management

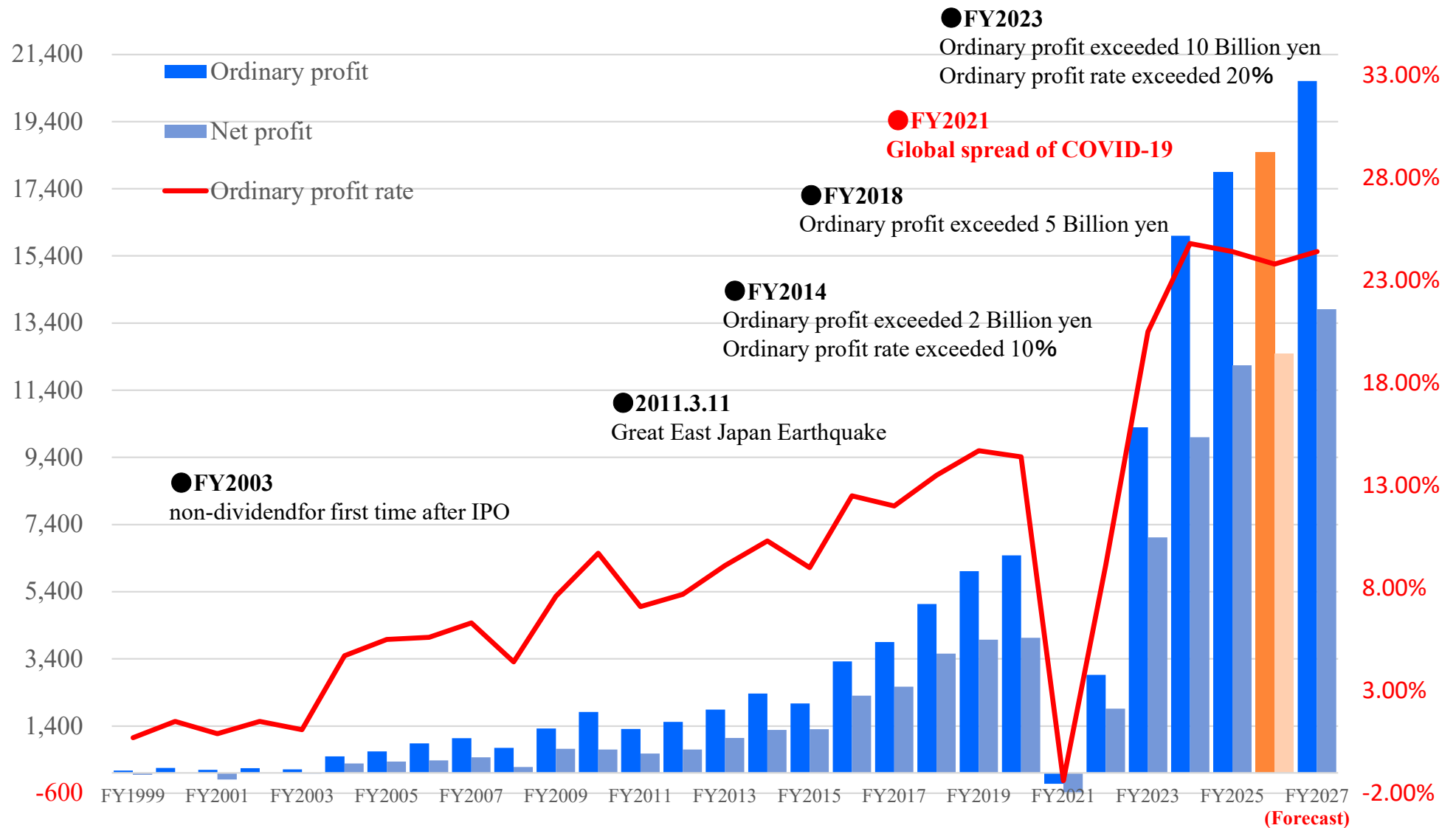
● Achieved high gross profit margin management through the transformation from a manufacturing and wholesale business to a manufacturing and retail-oriented management style.

Unit: Millions of yen



Transition of Kotobuki Spirits ②

● Achieved high profitability, with the ordinary profit rate reaching 23.8% in FY2026.



Shop Brands



Izumo

お菓子の 壽城



Yonago



Hokkaido



Sasebo・Fukuoka



東京ミルクチーズ工場



Tokyo



Kobe



KYOTO VENETO
MEETING FROM ITALY TO KYOTO

Kyoto



FRANÇAIS

Main Sweets



Nostalgic Modern.
LeTAO
Northern Sweets Manner

Double Fromage

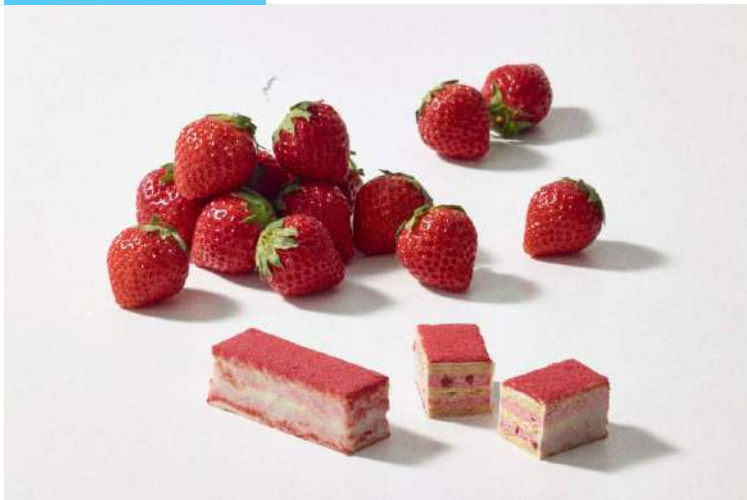


寿製菓株式会社

Inabano Shirousagi



Salt and Camembert Cookie



Mille Feuille



Butter Financier

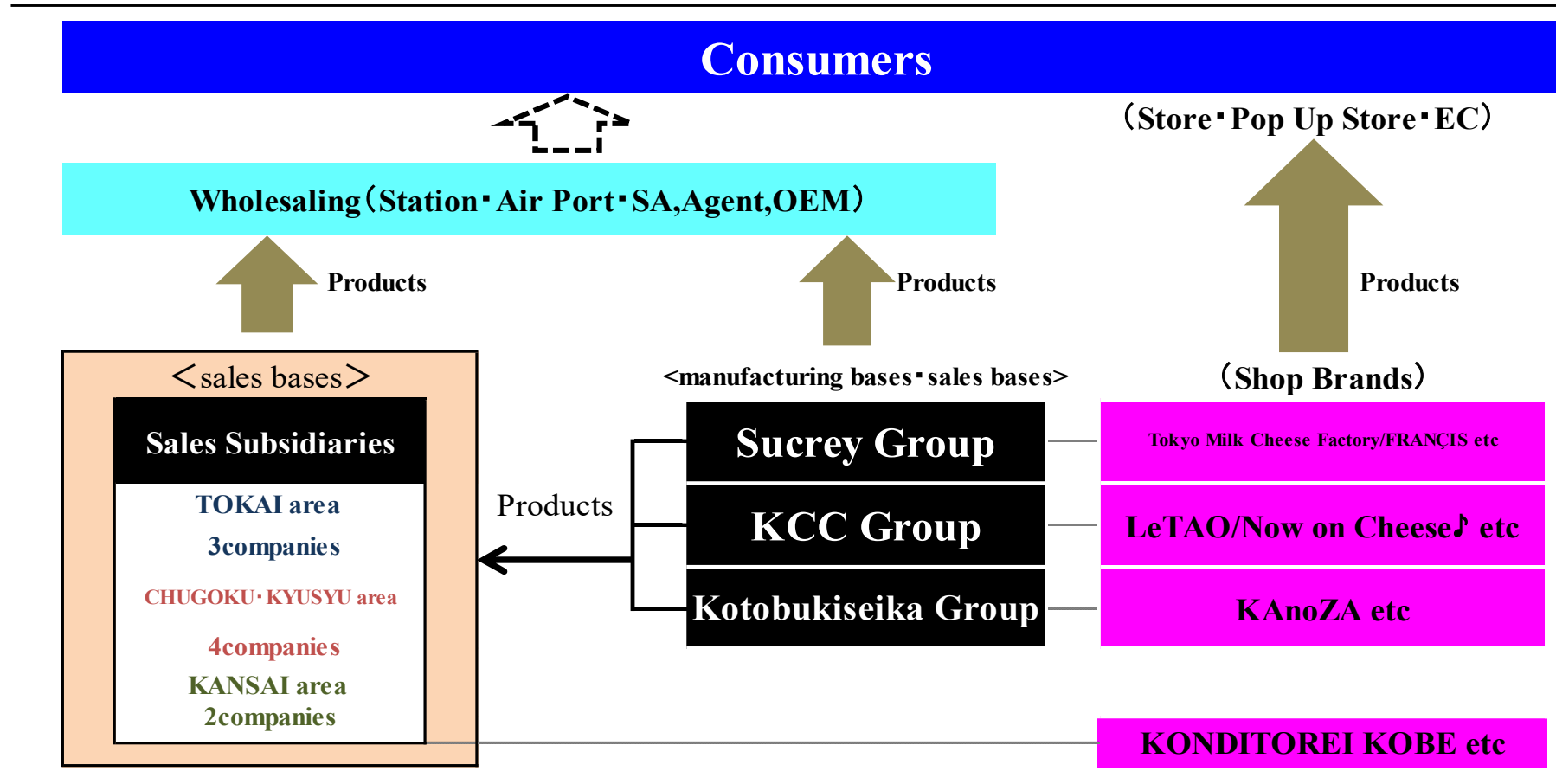


Kujoyukushima Senpei

Business Outline

Our Group consists of the Company (a pure holding company) and 18 subsidiaries. Business segments are classified based on regional operating companies (unions of regional operating companies). We provide integrated services from planning and manufacturing to sales by leveraging the strength of our sales platform and manufacturing bases that cover the entire country from Hokkaido to Okinawa.

Chart



Kotobuki Spirits Group Factory

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



Main Factory



Uratsu factory



Yodoe fuctory



The first factory



The second factory



Tajima fuctory



Kotobukiseika

Main factory (ISO22000 certified)
Uratsu fuctory (ISO22000 certified)
Yodoe fuctory (ISO22000 certified)
Tajima fuctory (ISO22000 certified)



KCC

The first factory(FSSC22000 certified)
The second factory(FSSC22000 certified /
(Implementation of AIB Food Safety Audit System)



Main factory



Kurokami factory



Oroshidanchi factory



Yokohama factory



Hamamatsu factory



Fujisan Shizuoka factory

*



Sucrey(*)

Kurokami factory(FSSC22000 certified)
Oroshidanchi factory(FSSC22000 certified)
(*) Former Kujukushima Group Factory

Sucrey

Yokohama factory(FSSC22000 certified)
Hamamatsu factory(FSSC22000 certified)
Shizuoka factory (FSSC22000 certified)



Examples of Making Enthusiastic Fans

“Making Enthusiastic Fans” is a motto that expresses the guiding principle of our corporate vision “Create happiness, Provide happiness.”

《Kotobuki Spirits》



●Entrance Ceremony for Group Companies

In April 2025, 127 new work-ready employees joined our group.



《Kotobuki Spirits》



●In December 2025, we sponsored the event "Young Women's Physical Health SupportFestival" organized by NHK Educational.





《Kotobukiseika》

●February 8, 2026, Shimane Susano Magic of the B1 League will hold a game sponsored by Kotobukiseika.

Since 2016, Kotobukiseika has been supporting Shimane Susano Magic, a basketball team based in Matsue City, Shimane Prefecture, as a sponsor, in order to help revitalize the local Sanin region.



《Kotobukiseika》

● On October 11, 2025, we held the 13th annual “Kotobukiseika Grand Appreciation Festival.” We organized many staff-led activities with the aim of fostering a community of passionate fans through direct interaction with our customers.





《Kotobukiseika》

●In March 2026, the “Inaba no shirousagi” challenged the Guinness World Record for the most people decorating sweets in a relay format, achieving a new world record with 349 participants.



《KCC》

KCC (Headquarters: Chitose City, Hokkaido, President and Representative Director: Naruto Uemura) was selected as the operator of the former “Hakone Ashinoyu Flower Center” by the Hakone Town Government. We will create a new confectionery brand with this property as its main store, utilizing the know-how we have accumulated through the development of LeTAO Otaru Confectionery in Otaru City, Hokkaido. Targeting an opening in July 2026, we will revitalize this property as a facility with a distinctive concept in harmony with Hakone’s nature, helping to create repeat visitors to the area.



* Before renovation



* The image is for illustrative purposes only.

《Sucrey》

SUCREY
AOYAMA

● Launched on April 15, 2016, alongside the opening of NEWoMan Shinjuku, "Butter Butler" has been supported by many customers and has now reached its 10th brand anniversary. In 2026 — our "Butter Butler Year" — we will roll out a series of campaigns to express our gratitude to customers, along with exciting new initiatives throughout the year.

