Securities code: 2222

FY2027（1Q-2Q）
(Second quarter of the fiscal year endding March 31, 2027)
Consolidated Business Results

November 5,2026

Kotobuki Spirits Co.,Ltd.

喜びを創り喜びを提供する
寿スピリッツ

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Summary of Financial Results FY2027 (1Q-2Q)

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

FY2027(1Q-2Q)Highlight

Results of FY2027 (1Q-2Q) (April-September)

Net sales 110.8% (YoY) / ordinary profit 122.9% (YoY)

● **Net sales increased 10.8%, supported by the proactive rollout of value-enhancement initiatives and new store openings, even as inbound sales (sales at the international terminal) showed limited growth.**

● **1.7 percentage-point year-on-year rise in the gross profit margin, driven largely by the effects of price revisions, contributed to improved profitability.**

FY2027(1Q-2Q)
Topics ① Actively expanding in the Tokyo Station area

"Tokyo Milk Cheese Factory GRANSTA Tokyo Store" has reopened following renovation.
A new brand, "Ivorish MAISON," has opened at GRANSTA Tokyo.



Opened on June 15, 2026
“Tokyo Milk Cheese Factory GRANSTA Tokyo Store”



Opened on September 16, 2026
“Ivorish MAISON GRANSTA Tokyo Store”

On July 2, 2026, GRANSTA Tokyo at JR Tokyo Station announced its “Tokyo Station Exclusive Classic Souvenir Sweets 2026 Sales Ranking Top 10,” in which Sucrey took all of the top three positions. And COCORIS was ranked No. 1 for the seventh consecutive year.



FY2027(1Q-2Q)

Topics ② Actively expanding into prime department store locations

The new brand "MILLI MILLI" has opened at Isetan Shinjuku Store, and the new brand "HAKATA ORIOORI" has opened at Daimaru Fukuoka Tenjin Store.

MILLI MILLI



Opened on May 20, 2026
“MILLI MILLI Isetan Shinjuku Store”

HAKATA ORIOORI







Opened on May 20, 2026
“HAKATA ORIOORI Daimaru Fukuoka Tenjin Store”

（Examples of Store Openings in Prime Department Store Locations in the Previous Fiscal Year）



Opened on November 12, 2025
“SALTRA Hanshin Umeda MainStore”



Opened on November 21, 2025
“ VANISTA Seibu Ikebukuro MainStore”



Opened on February 18, 2026
“HELLO MAPLI JR Nagoya Takashimaya Store”



Opened on March 28, 2026
“Shu Shu Sogo Yokohama Store”

FY2027(1Q-2Q) Topics ③ New Store Openings

The KCC Group has opened "Okada Kinsei Anbataya LUMINE Omiya Store."



Opened on April 23, 2026
“Okada Kinsei Anbataya Lumine Omiya Store”

The Kotobukiseika Group has opened “newQ Naha Airport store."



Opened on June 21, 2026
“newQ Naha Airport Store”

Results of FY2027 1Q-2Q（YoY）

Net sales 110.8% (YoY), Ordinary profit 122.9% (YoY)

(Millions of yen,%)	FY2026(1Q-2Q)		FY2027(1Q-2Q)		YoY	
	amount	to-sales rate	amount	to-sales rate	Change	%
Net sales	**35,787**	**—**	**39,651**	**—**	**3,863**	**10.8**
Gross profit	**21,526**	**60.1**	**24,488**	**61.8**	**2,962**	**13.8**
SG&A expenses	**14,085**	**39.4**	**15,335**	**38.7**	**1,250**	**8.9**
Operating profit	**7,441**	**20.8**	**9,153**	**23.1**	**1,712**	**23.0**
Ordinary profit	**7,517**	**21.0**	**9,236**	**23.3**	**1,718**	**22.9**
Net profit (*1)	**5,016**	**14.0**	**6,045**	**15.2**	**1,029**	**20.5**
EPS（Yen）	**32.49**		**39.14**		**6.65**	

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

Achievement rate of Business Forecast

Net sales came in at 103.5% of the initial forecast, and ordinary profit at 112.4%.

(millions of yen,%)	FY2027(1Q-2Q) Business Forecast(*1)		FY2027(1Q-2Q)		Compared with Business Forecast	
	amount	To-sales rate	amount	To-sales rate	YoY(Change)	achievement(%)
Net sales	**38,300**	**—**	**39,651**	**—**	**1,351**	**103.5**
Gross profit	**23,320**	**60.9**	**24,488**	**61.8**	**1,168**	**105.0**
SG&A expemses	**15,130**	**39.5**	**15,335**	**38.7**	**205**	**101.4**
Operating profit	**8,190**	**21.4**	**9,153**	**23.1**	**963**	**111.8**
Ordinary profit	**8,220**	**21.5**	**9,236**	**23.3**	**1,016**	**112.4**
Net profit (*2)	**5,500**	**14.4**	**6,045**	**15.2**	**545**	**109.9**

(*1) Business Forecast is the figures announced on May 14, 2026.
(*2) Quarterly net profit attributable to owners of the parent

Sales channel

domestic retail business increased 14.6%, driven by growth at existing stores and the contribution from new store openings.

(Millions of yen,%)	FY2026(1Q-2Q) amount	FY2026(1Q-2Q) To-sales rate	FY2027(1Q-2Q) amount	FY2027(1Q-2Q) To-sales rate	YoY(Change)	YoY(%)
Net sales	35,787	—	39,651	—	3,863	10.8
Domestic(Wholesales)	16,039	44.8	17,444	44.0	1,404	8.8
Domestic(Retail)	16,596	46.4	19,018	48.0	2,421	14.6
Mail Order	2,431	6.8	2,418	6.1	△ 12	△ 0.5
Other	3	0.0	4	0.0	0	5.3
Domestic Total	35,071	98.0	38,885	98.1	3,813	10.9
Overseas(Wholesale)	452	1.3	433	1.1	△ 18	△ 4.0
Overseas(Retail)	264	0.7	332	0.8	68	25.9
Overseas Total	716	2.0	766	1.9	50	7.0

(Note)Retail are shops and Pop up stores. Other is insurance agency business.
Overseas wholesale consists shipment sales to overseas and FC royalties

supplementary① Inbound sales (international terminal sales)

Inbound sales increased by 0.5% YoY

(Millions of Yen)	1Q	2Q	3Q	4Q	1Q-4Q
FY2027	2,698	2,447			
FY2026	2,646	2,436	2,930	2,687	10,701
FY2025	2,305	2,338	2,765	2,613	10,022

We mobilized its full strength to secure sales floor space at the duty-free shop (confectionery and food area) in Terminal 1 of Kansai International Airport, which opened on June 2, 2026.







Supplementary② Overseas sales

(Unit:Millions of yen)	FY2026 (1Q-2Q)	FY2027 (1Q-2Q)	YoY (Change)	YoY (%)
Taiwan (*1)	264	338	74	28.0
Singapore	144	122	△ 21	△ 14.9
Australia	180	139	△ 41	△ 22.9
Others	127	141	13	10.9
Total	716	766	50	7.0

(*1) Sales in Taiwan consist of local sales by our consolidated subsidiary and OEM sales.





(Taiwan)
Tokyo Milk Cheese Factory
Taipei Dome Store
Opened on August 2026

Cost of sales・Gross profit

The gross profit margin rose 1.7 percentage points, largely due to the effects of price revisions, among other factors.

(Millions of Yen、%)	FY2026(1Q-2Q)		FY2027(1Q-2Q)			
	amount	To-sales rate	amount	To-sales rate	YoY(change)	YoY(%)
Net sales	35,787	—	39,651	—	3,863	10.8
Material cost	8,694	24.3	9,119	23.0	425	4.9
Labor cost	2,966	8.3	2,954	7.5	△ 12	△ 0.4
Expense	1,729	4.8	1,838	4.6	108	6.3
Manufacturing cost	13,391	37.4	13,913	35.1	522	3.9
Others	870	2.4	1,249	3.2	378	43.5
Cost of sales	14,261	39.9	15,162	38.2	900	6.3
Gross profit	21,526	60.1	24,488	61.8	2,962	13.8

SG&A expenses /Operating profit

The selling, general and administrative (SG&A) expense ratio decreased 0.7 percentage points, mainly owing to the increase in net sales.

(millions of Yen、%)	FY2026(1Q-2Q)		FY2027(1Q-2Q)			
	amount	To-sales-rate	amount	To-sales-rate	YoY(change)	YoY(%)
Gross profit	**21,526**	**60.1**	**24,488**	**61.8**	**2,962**	**13.8**
Personnel expenses	**5,282**	**14.8**	**5,449**	**13.7**	**166**	**3.1**
Promotion	**2,302**	**6.4**	**2,685**	**6.8**	**382**	**16.6**
Freight	**1,256**	**3.5**	**1,287**	**3.2**	**30**	**2.5**
Advertising	**258**	**0.7**	**353**	**0.9**	**94**	**36.7**
Rent and Commission	**3,465**	**9.7**	**3,903**	**9.8**	**437**	**12.6**
Depreciation	**245**	**0.7**	**293**	**0.7**	**47**	**19.3**
traveling and transportation expenses	**240**	**0.7**	**238**	**0.6**	**△ 2**	**△ 0.9**
Others	**1,031**	**2.9**	**1,123**	**2.8**	**92**	**9.0**
SG&A expenses	**14,085**	**39.4**	**15,335**	**38.7**	**1,250**	**8.9**
Operating profit	**7,441**	**20.8**	**9,153**	**23.1**	**1,712**	**23.0**

Results of FY2027（1Q-2Q）（SEGMENTS）

All segments posted increases in both net sales and profit.

(Millions of Yen,%)	Net sales				Operating profit		
	FY2026 (1Q-2Q)	FY2027 (1Q-2Q)	YoY(Change)	YoY(%)	FY2026 (1Q-2Q)	FY2027 (1Q-2Q)	YoY(Change)
SUCREY GROUP	16,563	18,050	1,487	9.0	2,641	3,280	639
KCC GROUP (* 1)	10,272	11,140	867	8.4	1,830	2,328	497
KOTOBUKISEIKA GROUP	8,141	9,222	1,080	13.3	1,789	2,255	465
SALES SUBSIDIARIES	3,741	4,191	449	12.0	474	623	148
OTHERS (* 2)	310	366	56	18.1	5	10	5
SEGMENT TOTAL	39,030	42,972	3,941	10.1	6,742	8,497	1,755
ADJUSTMENT	△ 3,242	△ 3,320	△ 78	-	698	655	△ 43
TOTAL	35,787	39,651	3,863	10.8	7,441	9,153	1,712

(* 1) Effective April 1, 2026, KCC established Hakone Tokinomi Co., Ltd. as a wholly owned subsidiary, and accordingly changed its segment name to "KCC Group."

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

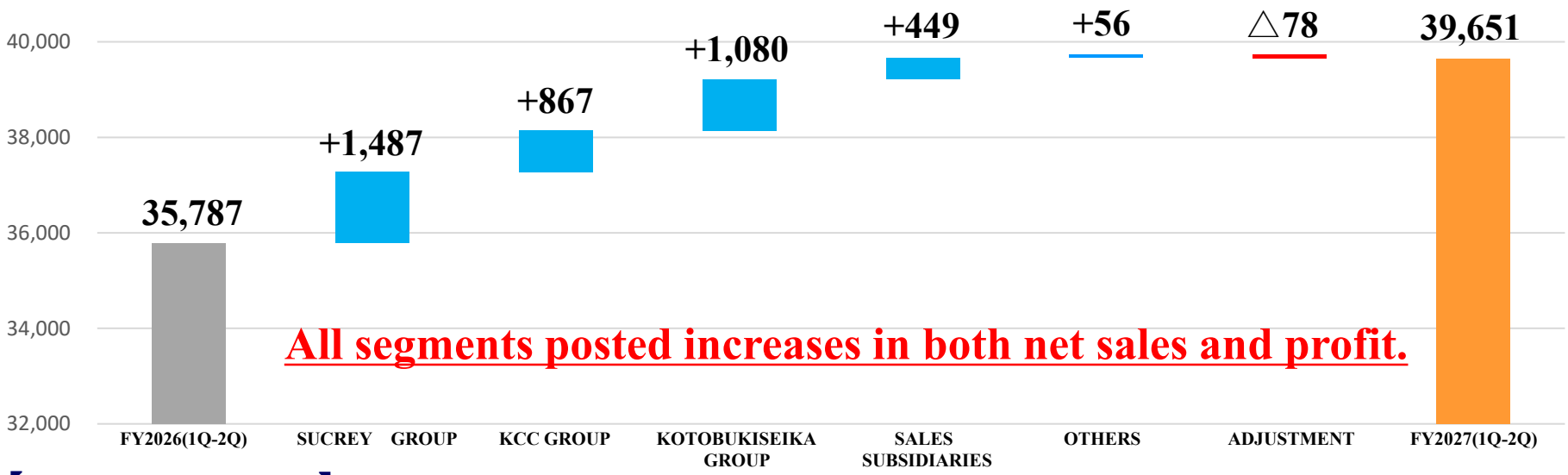
Supplemental Explanation of Results by Segment

SUCREY GROUP	To enhance each brand's appeal, we ran events for Butter Butler, which marked its 10th anniversary, and launched Tokyo Milk Cheese Factory's 15th-anniversary product, "Quattro Cheese Cookie," adding new items built around each brand's core products.In the Fukuoka and Nagasaki areas, we worked on wholesale expansion of "Hakattarashi," a new Hakata souvenir launched last December, and opened the Nagasaki Airport Store in April this year, the third location for "Tante Anie."For inbound demand, we focused on strengthening our sales staff and rolling out promotional events at the international terminal as part of efforts to expand sales floor space there.In terms of store openings and closures, we opened the new brand "MILLI MILLI" at Isetan Shinjuku Store and the new brand "HAKATA ORIOORI" at Daimaru Fukuoka Tenjin Store in May this year, and opened the new brand "Ivorish MAISON" at GRANSTA Tokyo in September this year, resulting in four store openings and one store closure.
KCC	To further increase the brand value of LeTAO, we worked to enhance brand appeal by sequentially launching new limited-edition sweets at each directly operated store, built around each store's core products — for example, stepping up sales of "Garenatti," a new limited-edition sweet at LeTAO Daimaru Sapporo Store, and of "Ronde Miel," a limited-edition product at the LeTAO Main Store.For inbound demand, we focused on strengthening sales staff mainly at the international terminal and on running promotional events featuring the new brand "Okada Kinsei Chaoriya."For brands in the Tokyo metropolitan area such as "PISTA & TOKYO," we focused on limited-time stores to raise brand awareness.In new store openings, we opened "Okada Kinsei Anbataya" LUMINE Omiya Store in April this year.
Kotobuki Seika GROUP	We focused on measures for our core products and on new product development, while promoting proposal-based sales activities targeting major distributors and sales subsidiaries.In the Okinawa area, we worked on advancing OEM initiatives in partnership with major distributors and on strengthening the rollout of "newQ," our in-house pineapple sweets specialty store.We also opened the Naha Airport Store, the second "newQ" location, in June this year.In our home San'in region, we promoted sales floor proposals centered on "Inaba no Shiro Usagi," our core product, whose flavor has been further enhanced through the renewal of its production line.
Sales subsidiaries	At each sales base, we focused on initiatives for core products, the launch of new products tailored to local characteristics, and measures targeting inbound demand.By area, in the Tokai region we worked to strengthen sales of "Ogura Toast Langue de Chat," a core product marking its 15th anniversary. In the Kansai region, we launched the new product "Osaka Torasando" and strengthened sales of our core product "Kobe Sannomiya French Toast Langue de Chat." In the Fukuoka area, we worked to strengthen the rollout of the "Hakata Makkana Ichigo" brand and to step up sales of "Mentai Tempura Senbei," a new product from the Hakata restaurant Chikae.

FY2027(1Q-2Q) increase or decrease of amount

【Net sales】

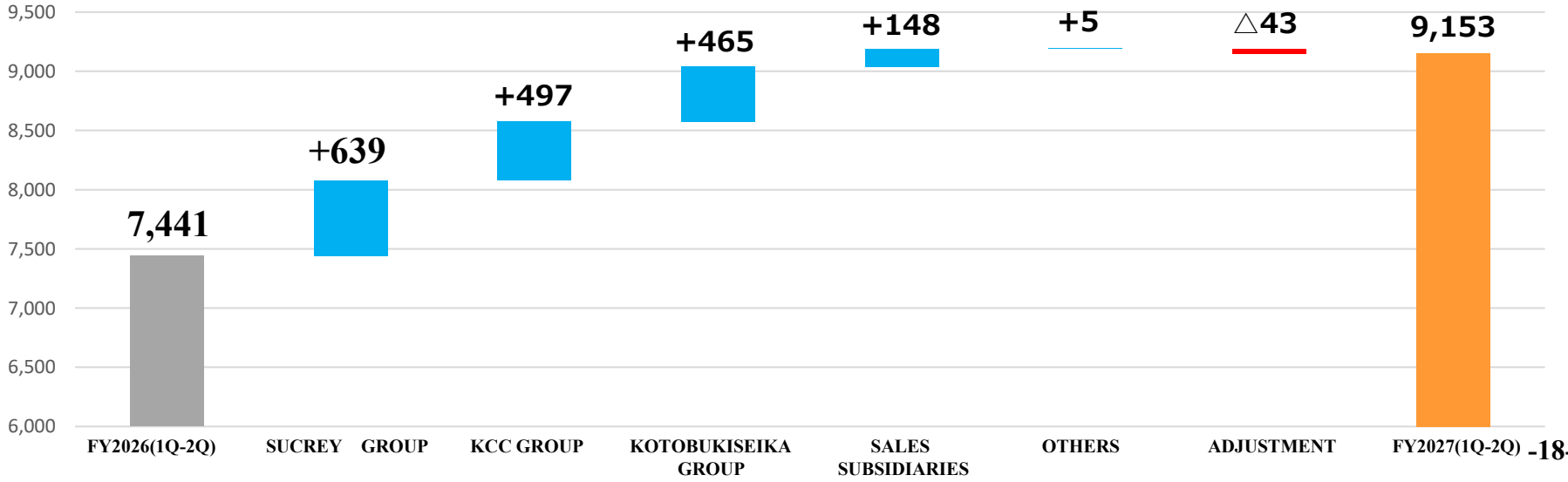
（Unit：Millions of yen）



All segments posted increases in both net sales and profit.

【Operating profit】

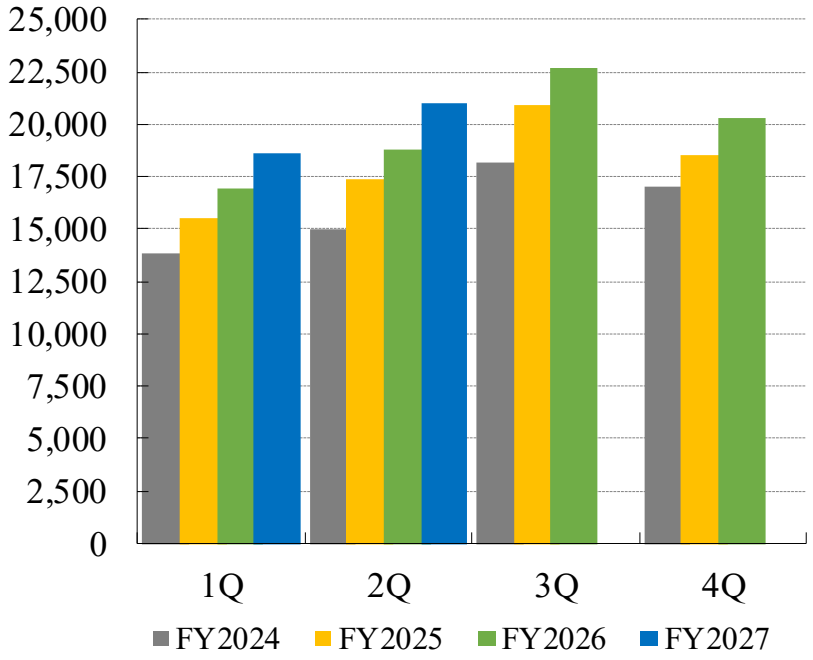
（Unit：Millions of yen）



Net sales

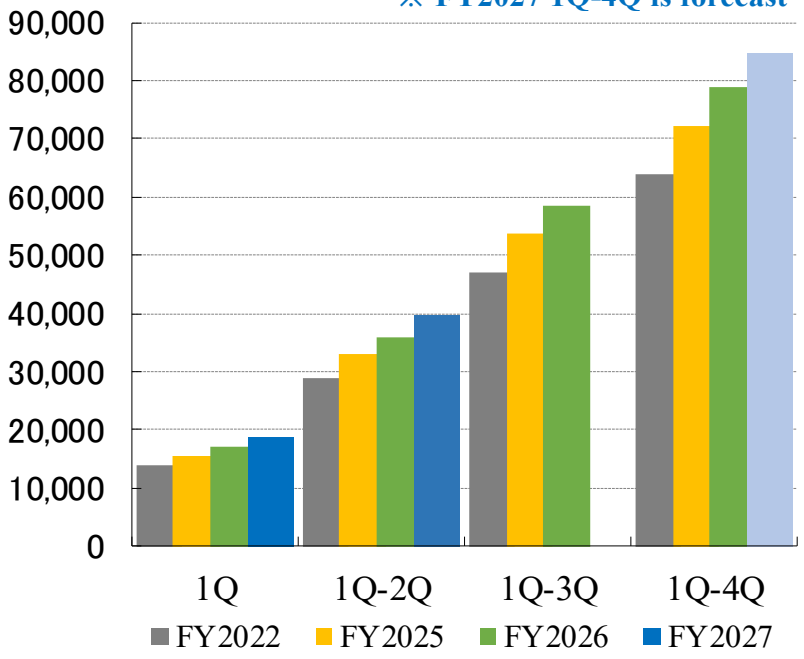
Net sales for the second quarter increased 11.5% year on year.

Net sales (Quarter)



Net sales (Cumulative)

※ FY2027 1Q-4Q is forecast



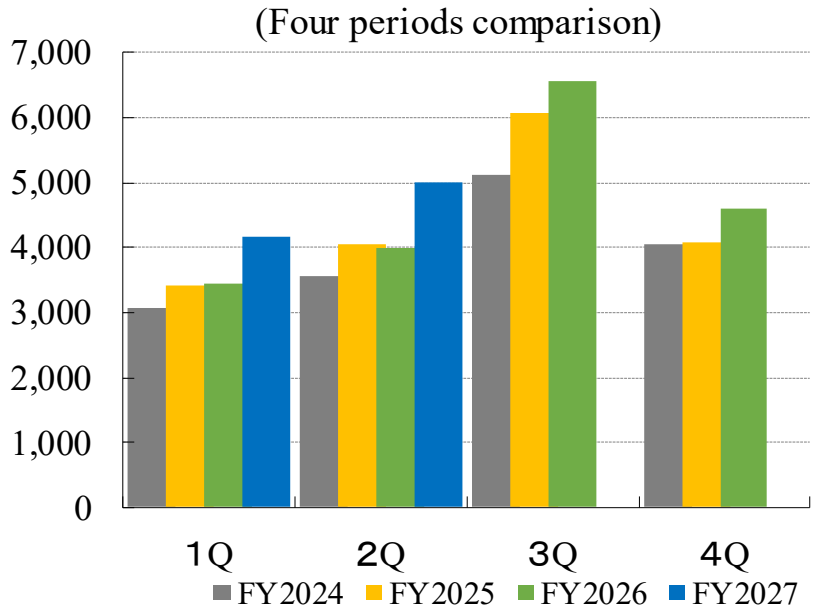
(百万円)	Quarter				Cumulative Quarter			
	1Q	2Q	3Q	4Q	1Q	1Q-2Q	1Q-3Q	1Q-4Q
FY2024	13,853	15,037	18,144	16,999	13,853	28,891	47,036	64,035
FY2025	15,526	17,379	20,901	18,541	15,526	32,906	53,807	72,349
FY2026	16,976	18,811	22,697	20,295	16,976	35,787	58,485	78,781
FY2027	18,668	20,983			18,668	39,651		84,500
YoY	110.0%	111.5%			110.0%	110.8%	0.0%	107.3%

※ FY2027 1Q-4Q is forecast

Operating profit

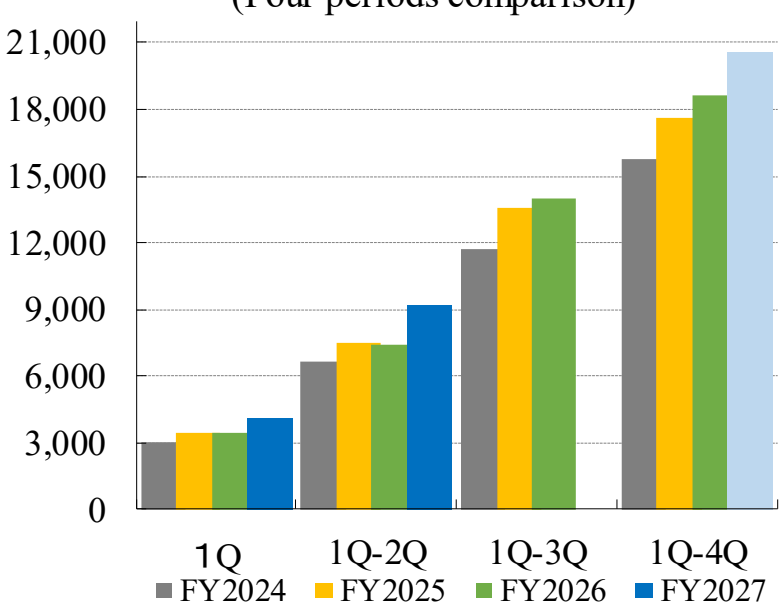
Operating profit for the second quarter increased 25.0% year on year.

Operating profit (Quarter)



Operating profit (Cumulative)

※ FY2027 1Q-4Q is forecast



Millions of yen	Quarter				Cumulative Quarter			
	1Q	2Q	3Q	4Q	1Q	1Q-2Q	1Q-3Q	1Q-4Q
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
FY2027	4,152	5,001			4,152	9,153		20,550
YoY	120.7%	125.0%			120.7%	123.0%		110.5%

※ FY2027 1Q-4Q is forecast

Balance Sheet

The increase in non-current assets was due to an increase in tangible fixed assets resulting from capital expenditures.

(millions of Yen,%)	FY2025		FY2026		FY2027(1Q-2Q)		Compared to FY2026	
	amount	rate	amount	rate	amount	rate	(Change)	(%)
Current assets	37,649	72.4	44,775	74.4	43,335	71.8	△ 1,439	△ 3.2
Non-curent assets	14,331	27.6	15,367	25.6	16,995	28.2	1,627	10.6
Assets	51,980	100.0	60,142	100.0	60,330	100.0	187	0.3
Current liabilities	9,735	18.7	10,102	16.8	9,402	15.6	△ 700	△ 6.9
Non-current liabilities	2,158	4.2	2,103	3.5	2,172	3.6	69	3.3
Liabilities	11,894	22.9	12,206	20.3	11,575	19.2	△ 630	△ 5.2
Net assets	40,085	77.1	47,936	79.7	48,755	80.8	818	1.7
Liabilities and net asset	51,980	100.0	60,142	100.0	60,330	100.0	187	0.3
BPS（Yen）	259.67		310.37		315.55		5.18	1.7
CAPAX	3,357		2,570		2,226		-	-
Depreciation	1,462		1,691		856		-	-

Statements of Cash Flows

The cash and cash equivalents balance at the end of the interim period decreased 1.6% compared with the same period of the previous year.

(millions of yen,%)	FY2025	FY2026		FY2027		
	1Q-4Q	1Q-2Q	1Q-4Q	1Q-2Q	YoY(change)	YoY(%)
Cash flows from operating activities	13,204	5,263	13,801	7,200	1,936	36.8
Cash flows from investing activities	△ 3,438	△ 3,353	△ 5,451	△ 8,574	△ 5,221	155.7
Free Cash flows	9,766	1,910	8,350	△ 1,374	△ 3,284	△ 171.9
Cash flows from financing activities	△ 7,372	△ 5,242	△ 5,241	△ 5,407	△ 165	3.2
Effect of exchange rate change on cash and cash equivalents	△ 5	8	10	0	△ 8	-
Cash increase / decrease	2,388	△ 3,322	3,119	△ 6,781	△ 3,458	-
Cash and cash equivalents (Beginning of period)	22,689	25,081	25,081	28,200	3,119	12.4
Increase or decrease due to change in scope of consolidation	3	-	-	-	-	-
Cash and cash equivalents (End of period)	25,081	21,758	28,200	21,418	△ 339	△ 1.6

(Note)The increase in cash used in investing activities was mainly due to an increase in time deposits placed.

Business Forecast for FY2027

(The forecast is unchanged from that announced on May 14, 2026.)

Supplementary Explanation of Business Forecast for FY 2027

●Business Forecast for FY2027	Performance is progressing generally in line with the forecast, and the full-year earnings forecast remains unchanged.While the business environment is expected to remain uncertain, the Group will continue to advance its business initiatives under "Value Up Vision 2030," now in its second year, aiming for further growth in both net sales and profit.
●Store Openings and Closings, etc.	For FY2027/3, we opened six stores and closed one store in the first half. In the second half, we plan to open two stores. One of these — Okada Kinsei Chaoriya Tokyo Gift Palette Store — opened in October, and we also plan to open the new brand "Hakone Tokinomi."
●Capital expenditures, among others	The capital expenditure plan is unchanged from the initial forecast. We plan to invest 4.0 billion yen, primarily for the new Miyakojima plant and for the renewal and acquisition of production equipment at existing plants.The new plant in Miyakojima City, Okinawa Prefecture, is scheduled to begin operations in June 2027, with total investment planned at 2.9 billion yen.

≪Hakone Tokinomi≫

KCC has been selected as the operator of the former Hakone Ashinoyu Flower Center, a property for which the Town of Hakone solicited proposals from private businesses. Drawing on the expertise it has built through the operation of LeTAO and other brands in Otaru, Hokkaido, KCC is preparing a new confectionery brand that will be headquartered at this site. We will regenerate the property as a facility with a worldview in harmony with Hakone's natural environment, and contribute to creating repeat visitors.





«KMF»

A new factory is being established on Miyako Island in Okinawa Prefecture, with preparations underway for operations to commence in the summer of 2027



[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 cokkies
FinanciersTarts and other items



Business Forecast for FY2027

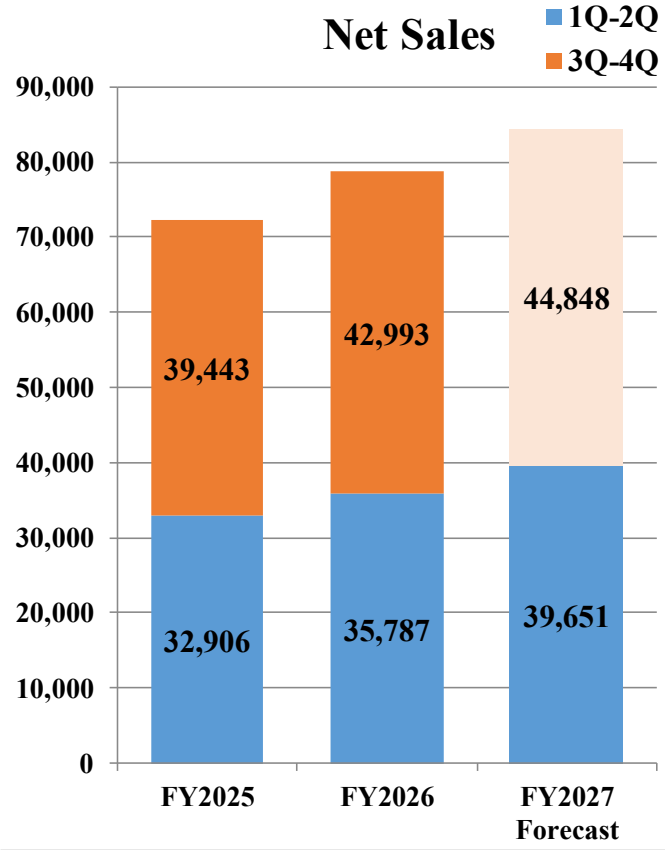
Net sales +7.3% / Operating profit+10.5% (YoY)

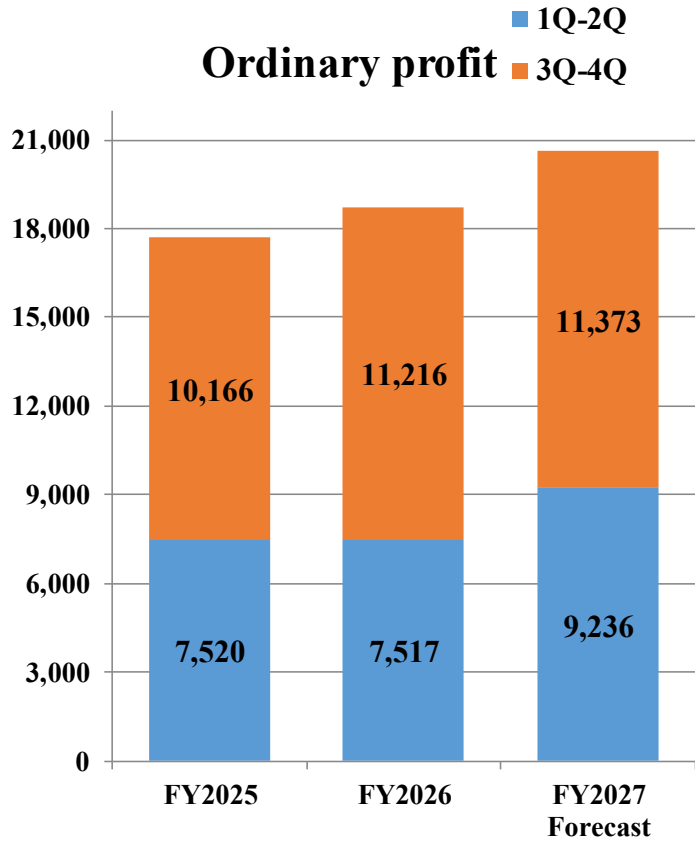
(millions of yen,%)	FY2026		FY2027(Forecast)			
	amount	To-sales rate	amount	To-sales rate	YoY(Change)	YoY(%)
Net sales	78,781	-	84,500	-	5,718	7.3
Gross profit	48,388	61.4	52,520	62.2	4,131	8.5
SG&A expenses	29,789	37.8	31,970	37.8	2,180	7.3
Operating profit	18,598	23.6	20,550	24.3	1,951	10.5
Ordinary 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		45.00		10.00	28.6
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)	YonY(%)	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

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%	39,651	46.9%	7,520	42.5%	7,517	40.1%	9,236	44.8%
3Q-4Q	39,443	54.5%	42,993	54.6%	44,848	53.1%	10,166	57.5%	11,216	59.9%	11,373	55.2%
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.





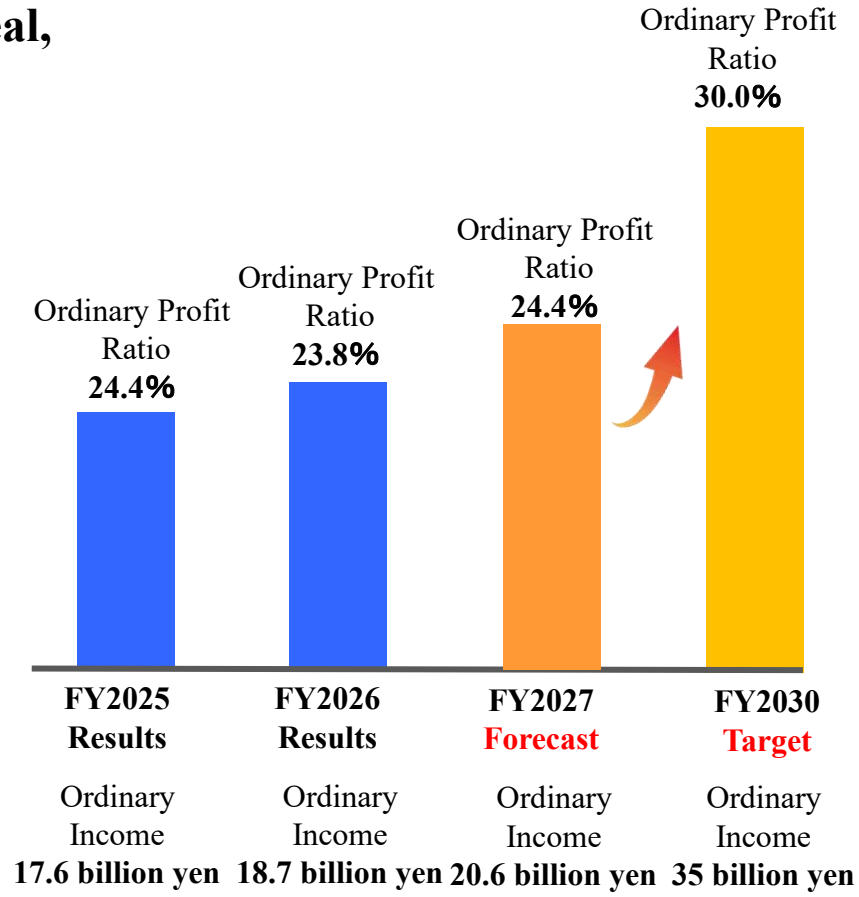
Medium- and Long-Term Management Objectives (Value Up Vision 2030)

● priority measures

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

● Target Indicators

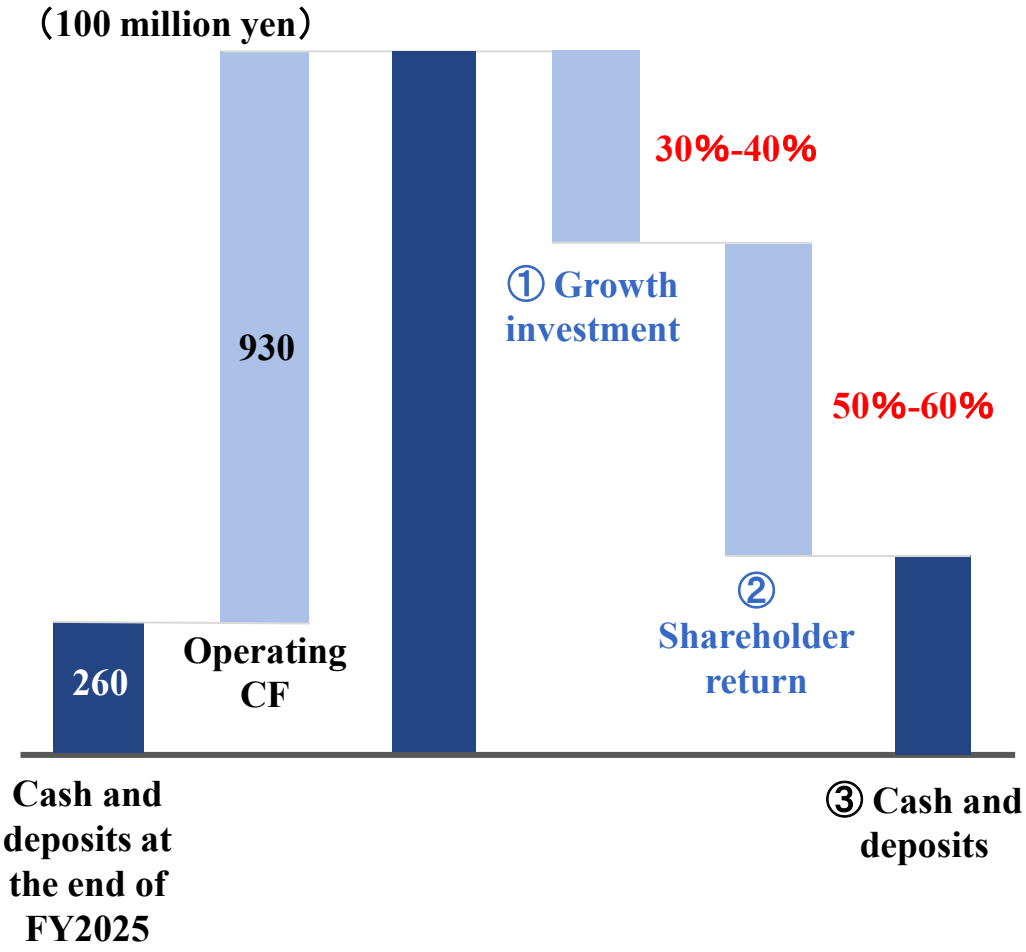
- Ordinary profit rate: 30% (FY2030)
- Ordinary profit: 35 billion yen (FY2030)
- Average five-year sales growth rate 10%
- ROE 30% or more



●Cash Allocation Policy

(5 years from FY2025 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



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

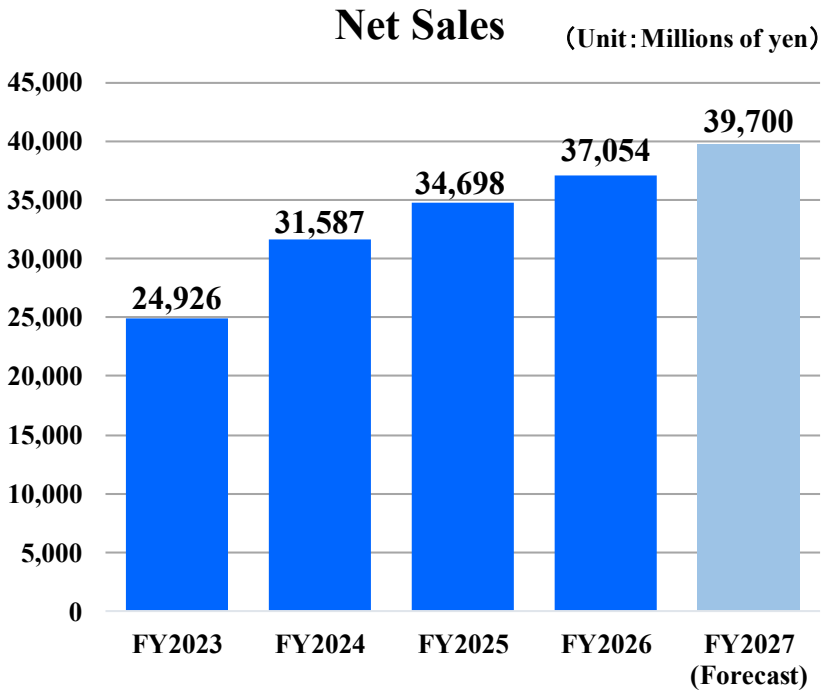
Segment Overview

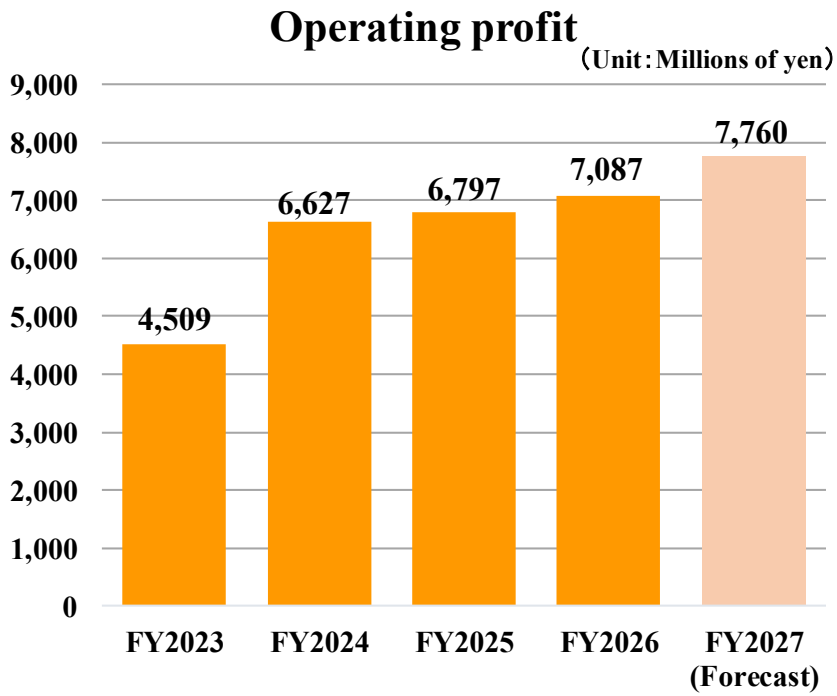
- **SUCREY GROUP**
  (SUCREY/KUJYUKUSHIMA GROUP)
- **KCC GROUP**
  （KCC / Hakone Tokinomi）
- **KOTOBUKI SEIKA GROUP**
  (KTOBUKI SEIKA / TAJIMA KOTOBUKI / KMF)
- **SALES SUBSIDARIES**
- **OTHER**

≪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 (Change)	YoY (%)	FY2027 (Forecast)	YoY (Change)	YoY (%)
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



Butter Butler（Butter Amandine ）

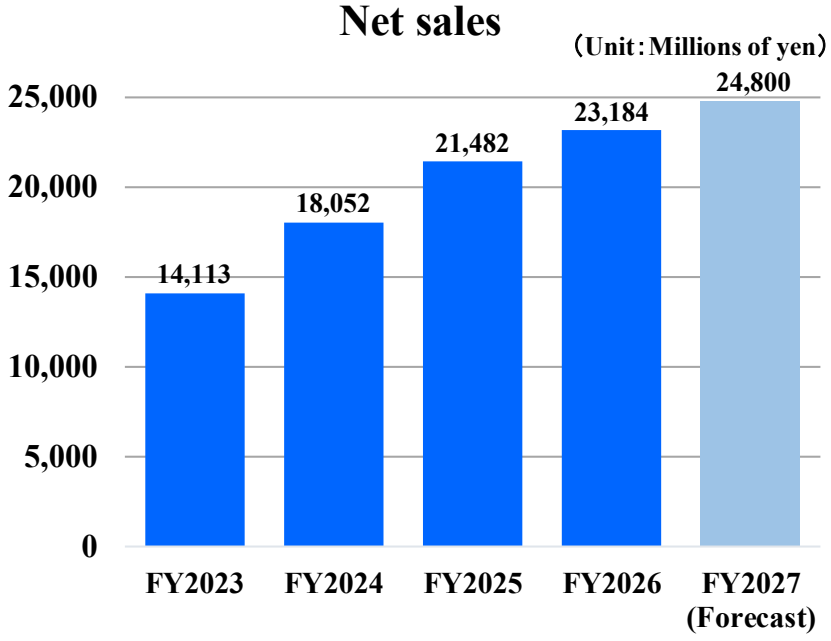


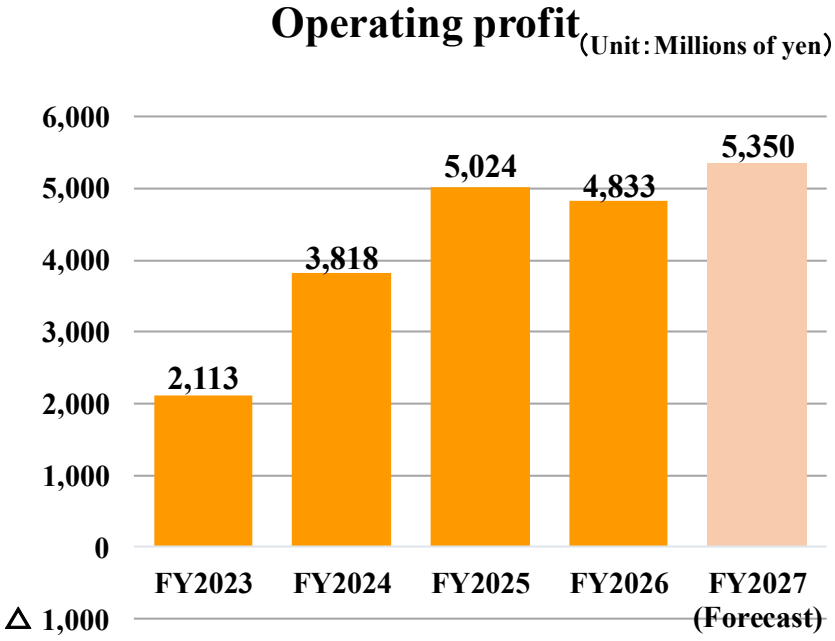
VANI（Brandy Cake）

≪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 (Change)	YoY (%)	FY2027 (Forecast)	YoY (Change)	YoY (%)
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）

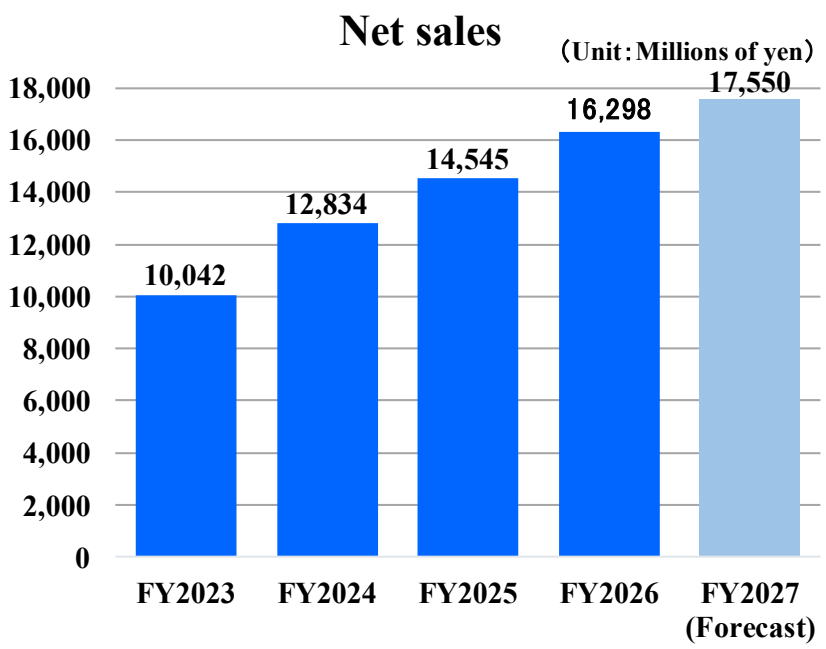


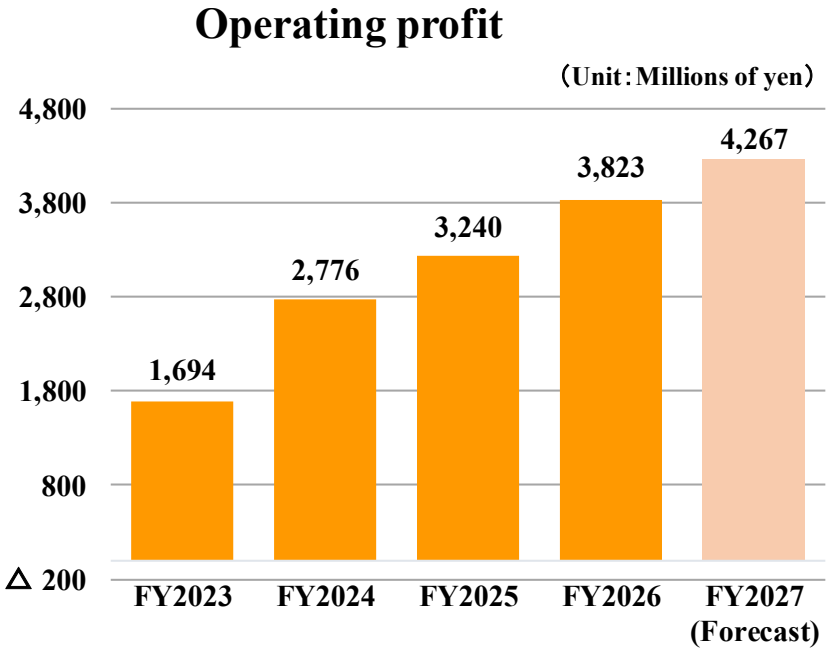
LeTAO（Mont Blanc with Cream）

≪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 (Change)	YoY (%)	FY2027 (Forecast)	YoY (Change)	YoY (%)
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(△loss)	1,694	2,776	3,240	3,823	582	18.0	4,267	443	11.6

≪Kotobukiseika Group≫

We will cultivate core products and advance new product development, strengthen collaboration with distributors, and accelerate our Okinawa expansion through the establishment of the Miyakojima plant, scheduled to begin operations in June 2027 — aiming for further growth.



newQ PAPAPAPANE TALT

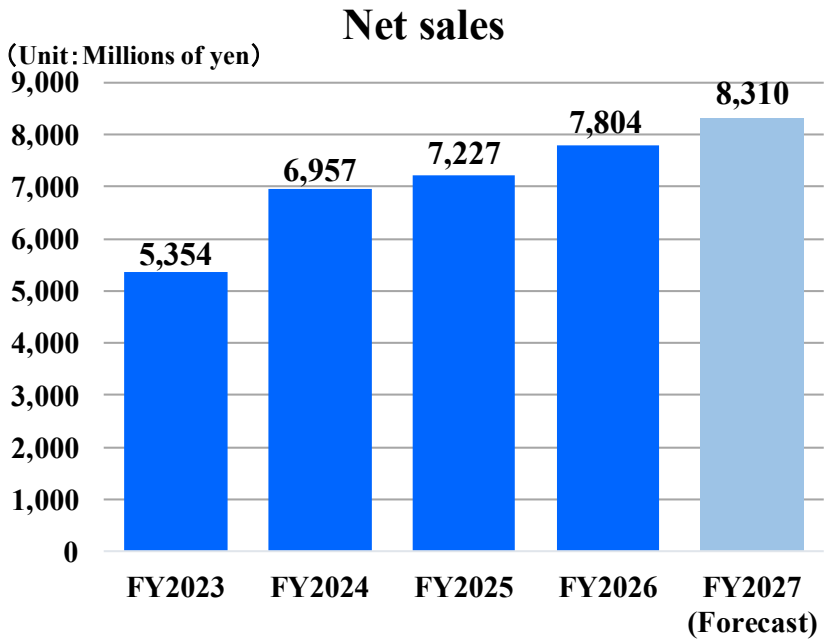


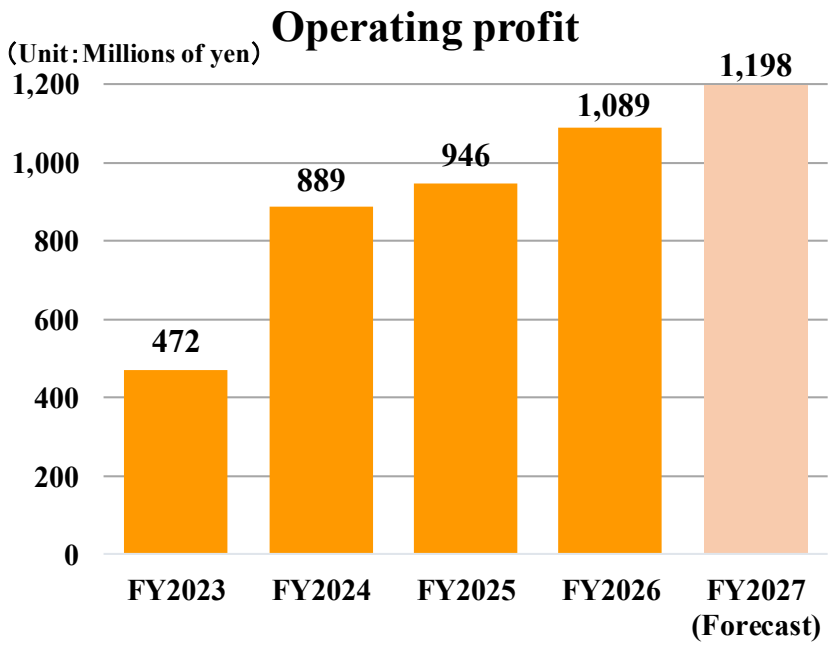
Inaba no Shirousagi

≪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 (Change)	YoY (%)	FY2027 (Forecast)	YoY (Change)	YoY (%)
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



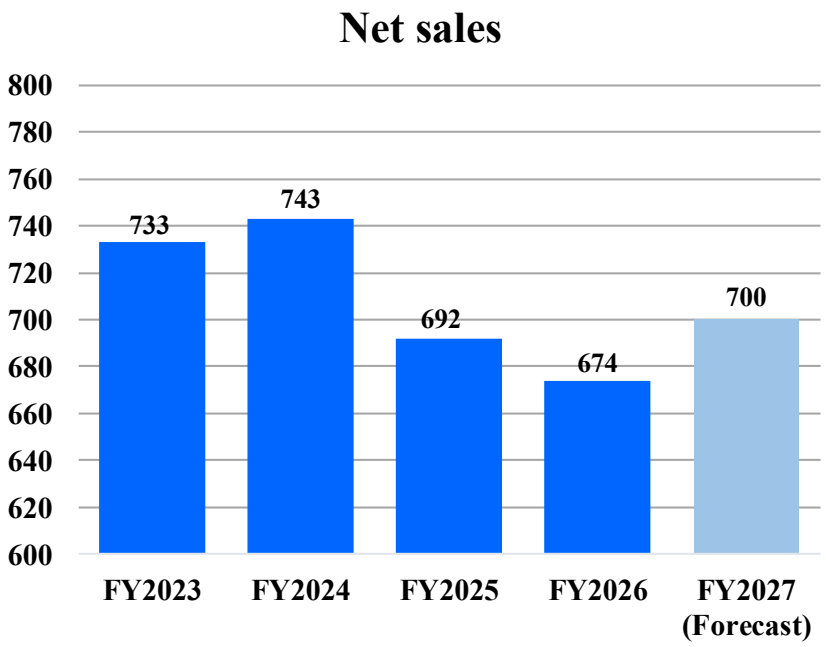
Osaka Tora Sand

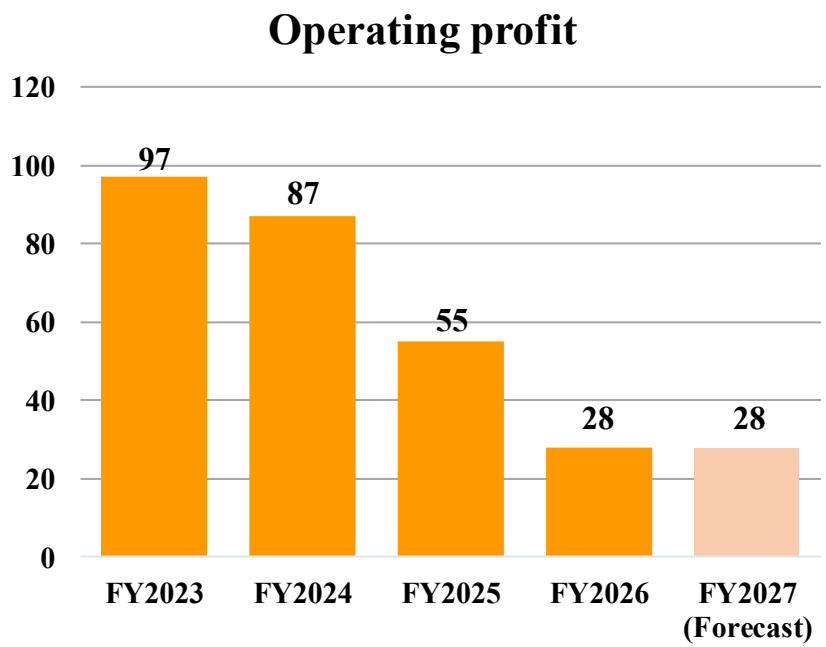
≪Others≫

< 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）





(Millions of yen,%)	FY2023	FY2024	FY2025	FY2026	YoY (Change)	YoY (%)	FY2027 (Forecast)	YoY (Change)	YoY (%)
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 confectionary business, Insurance agency >

純藍

Taiwan confectionery business





Chinese New Year Gift

health food business(Junai)





Junai tea

ESG-related Information

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

We recognize that contributing to the realization of a sustainable society and enhancing our corporate value over the medium to long term are key management priorities in advancing the Group's various business activities. Based on this recognition, we identified our materiality (priority issues) in June 2024 and will continue to advance our sustainability initiatives.
In addition, we published Integrated Report 2026, our third edition, in November 2026.

Integrated Report 2026









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

Stock States

Status of Shares

■ Selected as a constituent of the 2026 "JPX Prime 150 Index" and the "JPX-Nikkei Index 400.“

The Company has been selected as a constituent of the JPX Prime 150 Index for fiscal 2026, calculated by JPX Market Innovation & Research, Inc., and of the JPX-Nikkei Index 400, calculated by JPX Market Innovation & Research, Inc. and Nikkei Inc.

The JPX Prime 150 Index is a stock price index composed of companies positioned as "leading Japanese companies expected to create value." Constituents are selected from among the largest companies by market capitalization listed on the Prime Market of the Tokyo Stock Exchange, based on two perspectives for measuring value creation: "capital profitability," derived from financial performance, and "market valuation," which incorporates future and non-financial information.

The JPX-Nikkei Index 400 is composed of "companies highly attractive to investors" that meet the various requirements demanded by global investment standards, such as the efficient use of capital and investor-oriented management. It was developed with the aim of showcasing the appeal of Japanese companies both domestically and internationally, encouraging their sustained enhancement of corporate value, and thereby revitalizing the stock market.

JPX-NIKKEI 400

JPX PRIME 150

Status of Shares

(September 30, 2026)

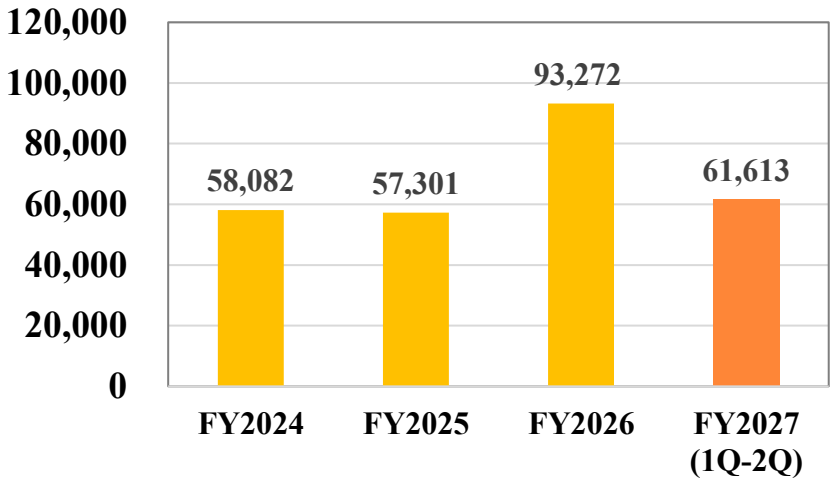
■ Total number of authorized shares
456,000,000

■ Total number of issued shares
155,658,402

■ Number of shares per unit 100

■ Number of shareholders 61,613
(down 31,659 compared with the end of the previous fiscal 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)	13,565,400	8.78
STATE STREER BANK AND TRUST COMPANY 505001	7,111,102	4.60
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,030,700	3.26
INDUS SELECT MASTER FUND,LTD.	4,425,400	2.86

Note 1:Ownership ratio excludes 1,164,113 shares of treasury stock

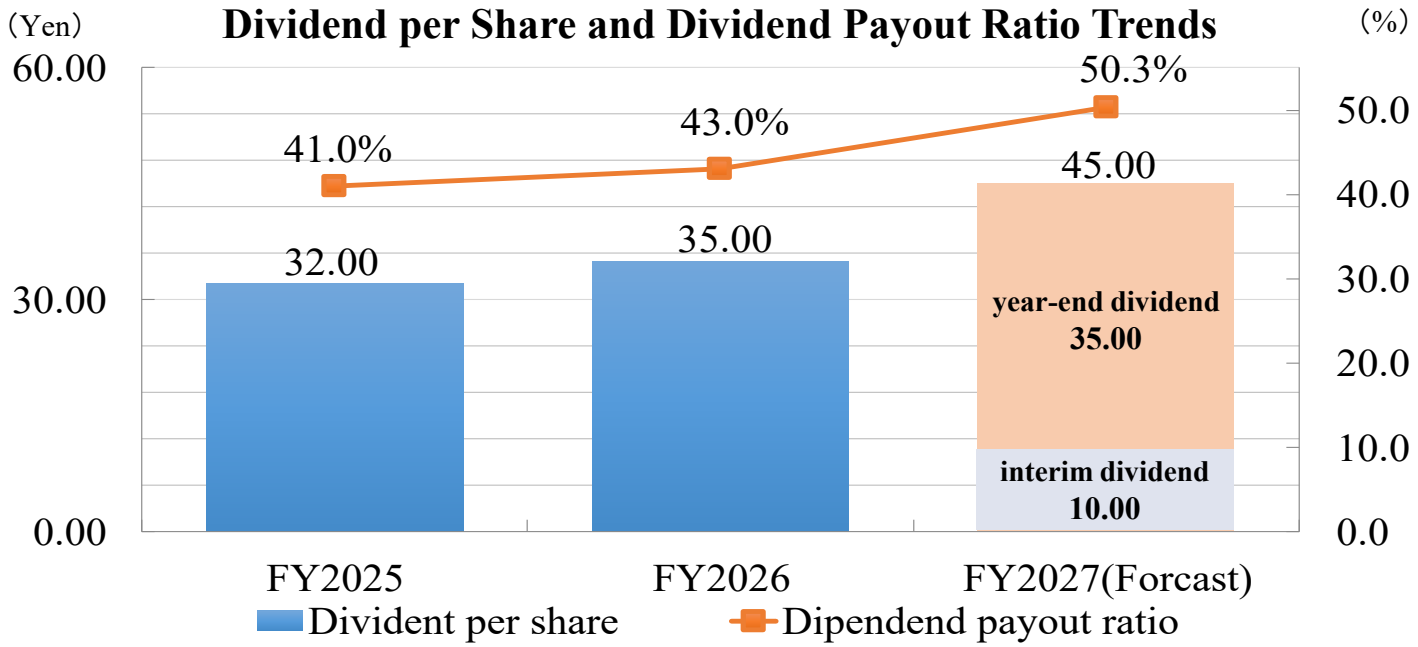
Shareholder Return

■Dividend policy

Our basic policy is to strive for stable and sustainable shareholder returns over the long term, by comprehensively considering internal reserves, earnings performance, and dividend payout ratios. With regard to shareholder returns for the period from fiscal year ending March 2026 through fiscal year ending March 2030, our policy is to target a total return ratio of 50% or more, implementing dividend increases in line with earnings growth as well as flexible share buybacks.

In addition, we will introduce interim dividends from this fiscal year onward, with a view to enhancing returns to our shareholders.

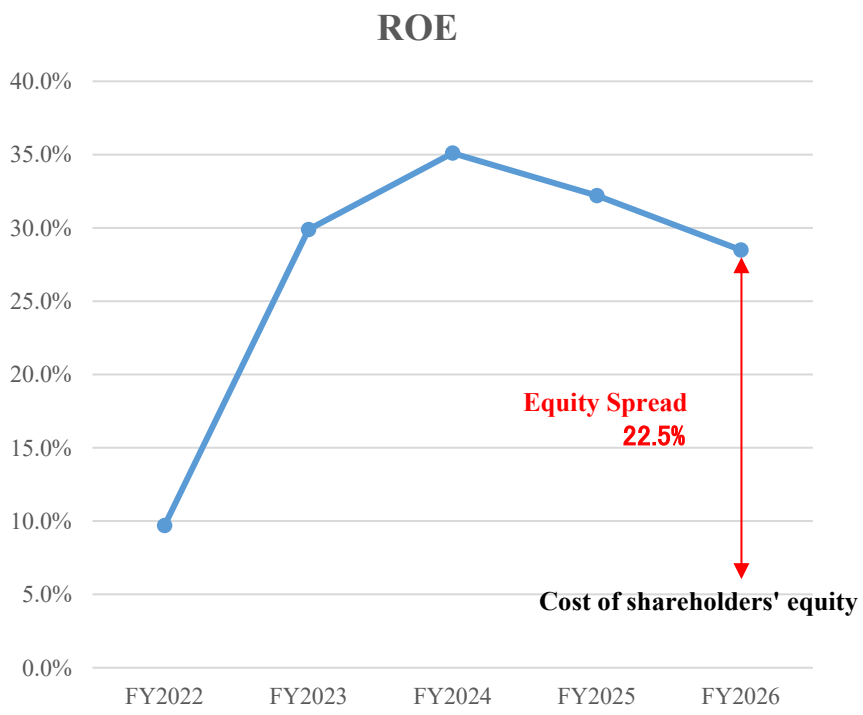
■Dividend per share forecast for the fiscal year ending March 2027 45.00 yen



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】

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

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

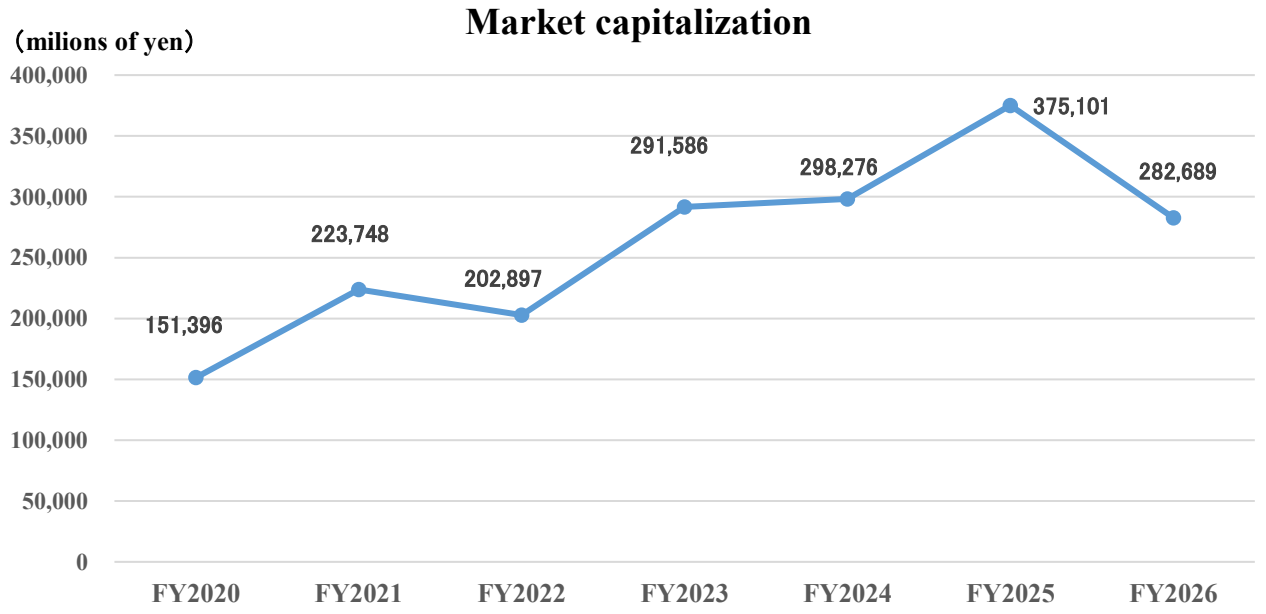
■PER / PBR

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)

<<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 1,823 people
Group companies	Consolidated subsidiary 19 companies（domestic 18・overseas 1）
Net sales	78.7 Billion Yen（FY2026 :Year ended March 31, 2026）

September 30, 2026

History (1)

April 1952	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	Entered the tourism and souvenir confectionery business.
November 1968	Introduced the famous confectionery "Inaba no Shirousagi" to work on upgrading tourist souvenir confectionery.
April 1972	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	Moved to a newly constructed main plant in its current location (city of Yonago in Tottori).
March 1987	Established Tajima Kotobuki Co., Ltd. in Shinonsen-cho, Mikata-gun, Hyogo.
1988	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	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	Listed on JASDAQ.
April 1996	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	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	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	Changed the company name to Kotobuki Spirits Co., Ltd. and shifted to a pure holding company structure through a company split.
December 2011	Established Sucrey Co., Ltd. in Minato City, Tokyo.
January 2012	Tsukiji Chitose Co., Ltd. was dissolved after transferring part of its business to Sucrey Co., Ltd.
November 2012	Established KCC International Taiwan Co., Ltd. in Taipei, Taiwan.
April 2013	Listed on the Second Section of the Tokyo Stock Exchange.
April 2014	Listed on the First Section of the Tokyo Stock Exchange.
September 2014	Established JunAi Inc. in Minato City, Tokyo.
January 2016	Acquired all shares of FRANCAIS Co., Ltd. and made it a subsidiary.
April 2017	Sucrey Co., Ltd. absorbed FRANCAIS Co., Ltd.
April 2022	Moved to the Prime Market following the market segment review of the Tokyo Stock Exchange.
July 2024	Established KMF Co., Ltd. in Miyakojima City, Okinawa.
April 2026	Established Hakone tokinomi Co., Ltd.



Otaru Western Confectionery LeTAO



"Kujukushima Senpei"



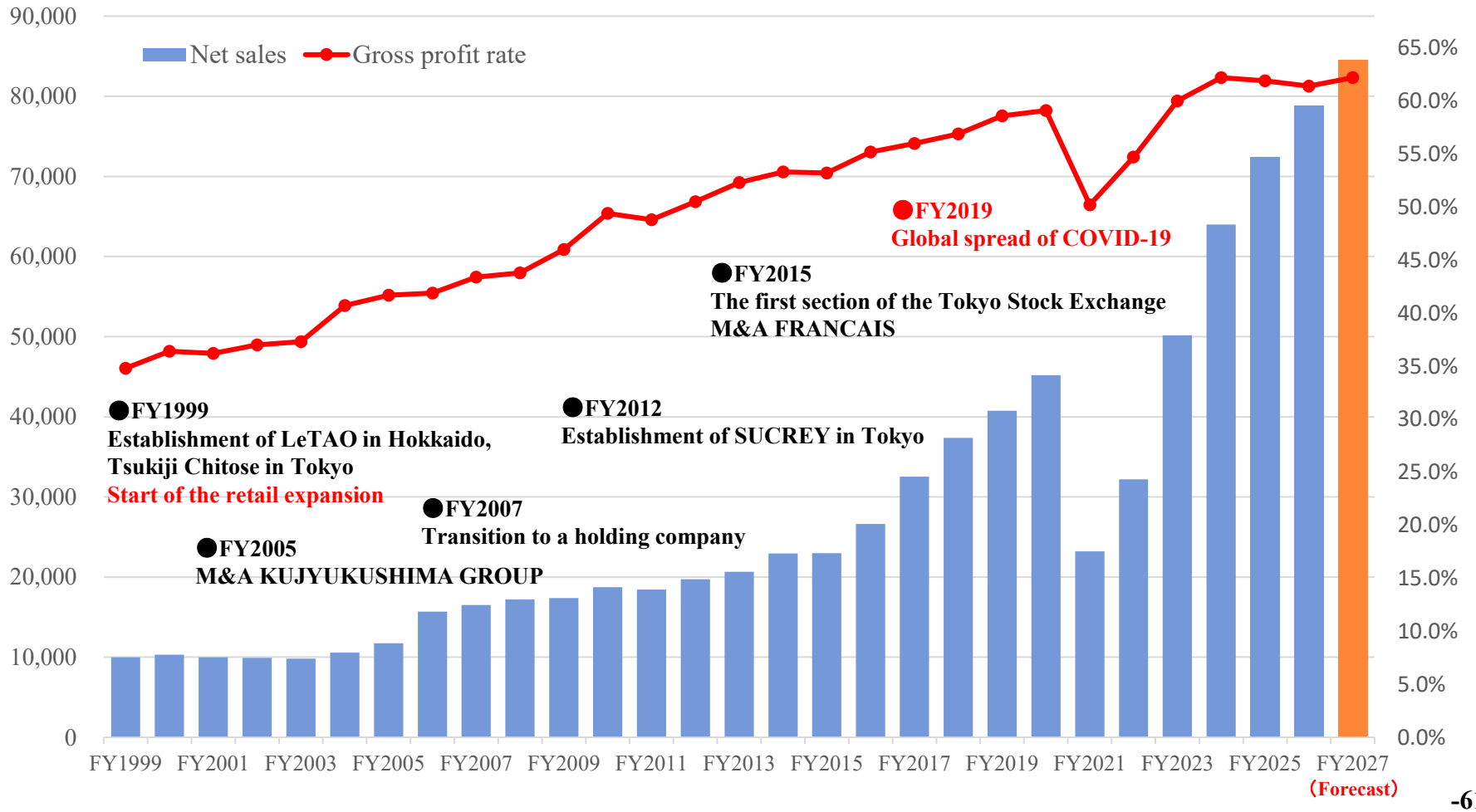
FRANCAIS confectionery

Transition of Kotobuki Spirits ①

High profit management

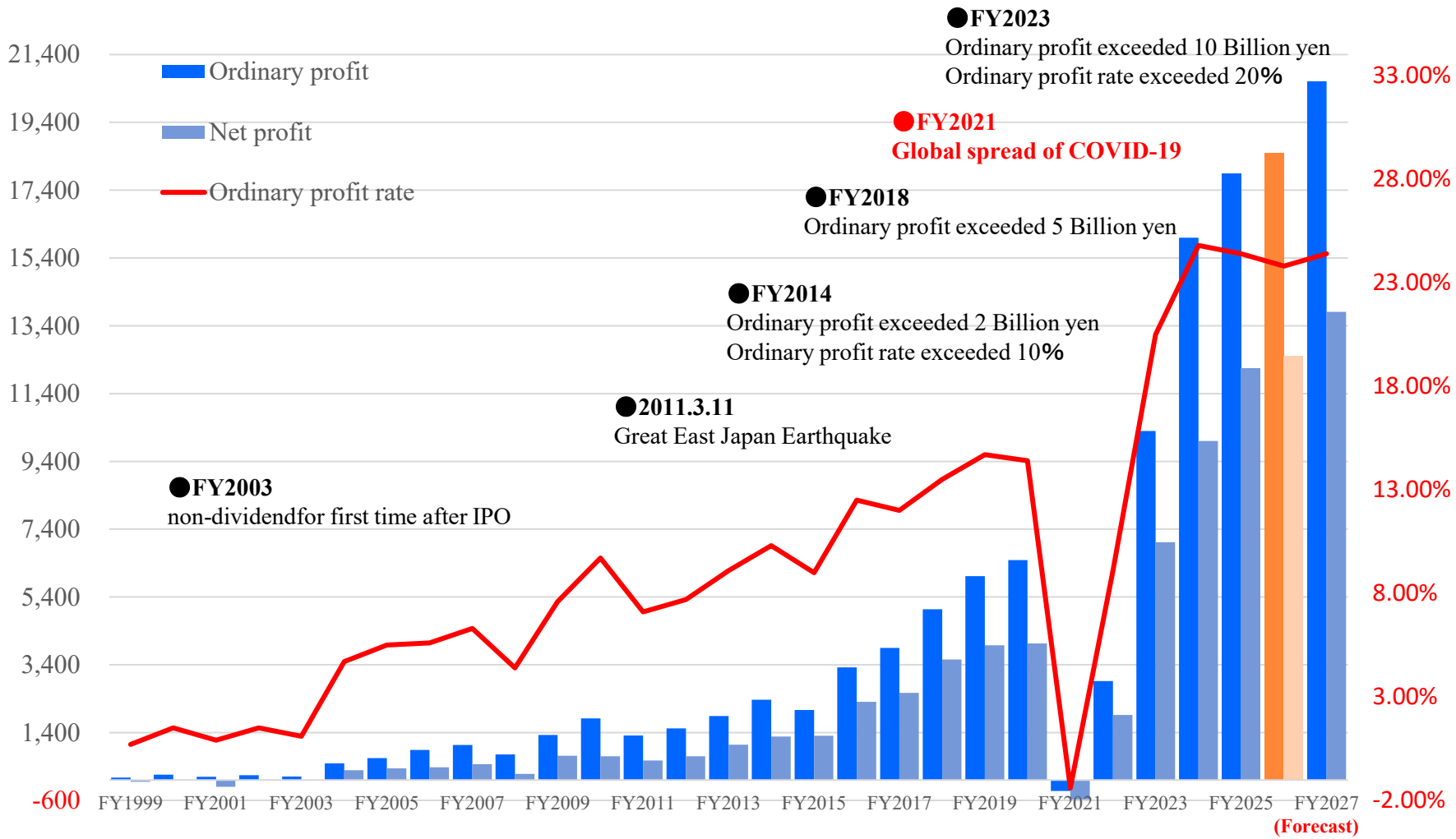
● **Achieved high gross profit margin management through the transformation from a manufacturing and wholesale business to a manufacturing and retail-oriented management style.**

Unit:Millions of yen



Transition of Kotobuki Spirits ②

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



Shop Brands

炎 KÄnoZA IZUMO

Izumo

お菓子の壽城



Yonago

Nostalgic Modern. LeTAO ＊Northern Sweets Manner＊

Hokkaido





Akai Fusen 赤い風船 PATISSERIE

Sasebo・Fukuoka

東京ミルクチーズ工場

Tokyo

Butter Butter

makkana ichigo HAKATA

Konditorei Kobe

Kobe

KYOTO VENETO MEETING FROM ITALY TO KYOTO

Kyoto

The MAPLE MANIA FINE SWEETS STORE

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 Butter

Butter Financier



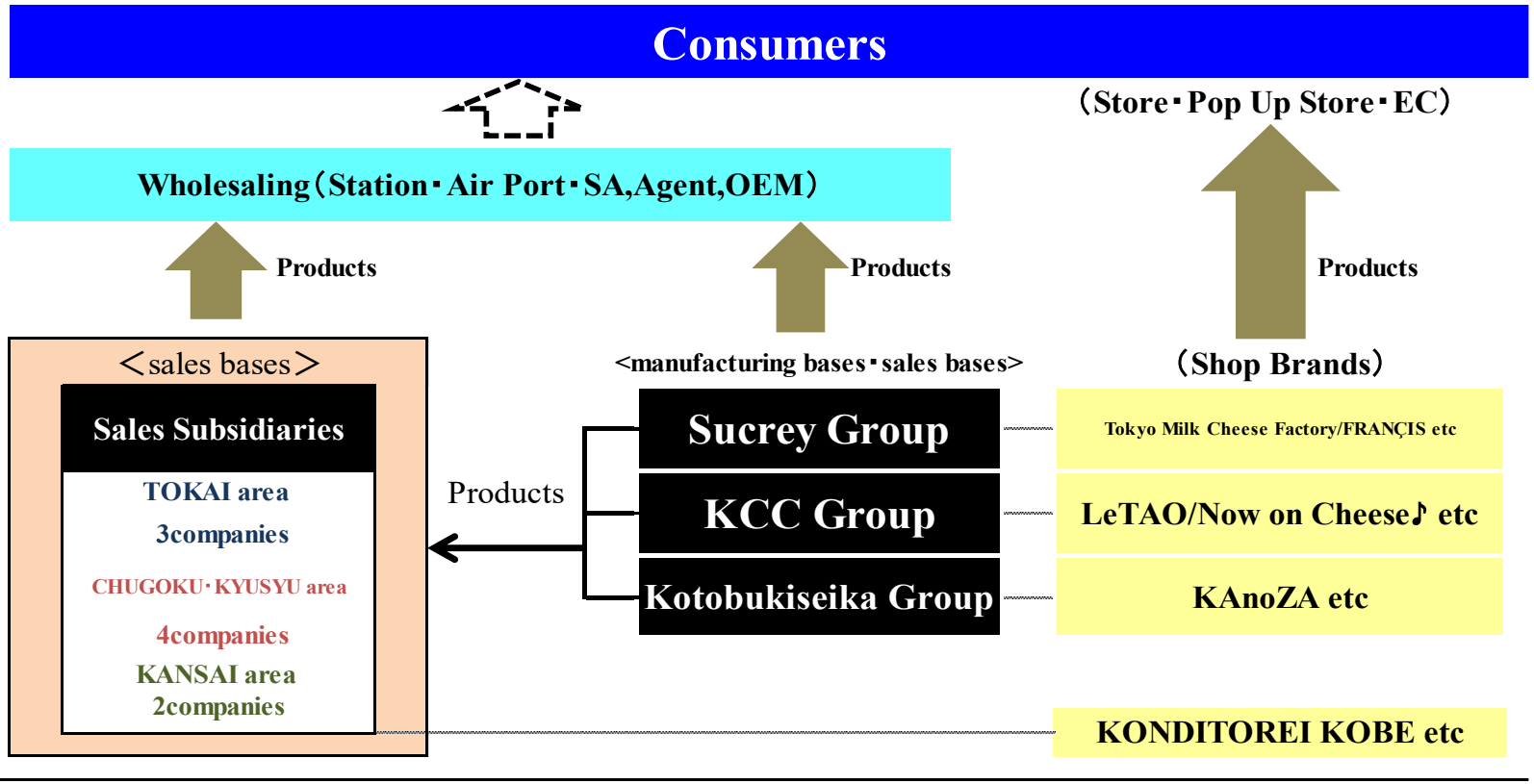
九十九島せんべい

Kujyukushima 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



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



Yokohama factory



Hamamatsu factory



Kurokami factory



Oroshidanchi factory



Fujisan Shizuoka factory



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

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

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≫

● In November 2026, we sponsored the NHK Educational event "Young Women's Health Support Festa."









*Note: The photograph was taken at the same event held in 2025.

≪Kotobuki Spirits≫

寿心

●In April 2026, our group welcomed 124 new employees who were ready to contribute immediately.



April 2026: Sucrey Group New Employee Orientation and Kickoff Meeting

≪Kotobukiseika≫

●June 2026: The design of the observation walkway was renewed on the occasion of the oven replacement.

At Kotobuki Seika, we renewed the design of the observation walkway for elementary school visitors to coincide with the replacement of the oven used to bake "Inaba no Shiro Usagi." The walkway is now more enjoyable for visitors than before.







≪KCC≫

●July 2026: KCC held a new internal event, "THE KCC PARTY 2026," under the theme "Igniting the Passion in Our Colleagues."









≪KCC≫

●In celebration of its 30th anniversary, and as a token of gratitude to the city of Chitose which has supported our growth, KCC held a joint press conference to announce the launch of the Chitose area limited-edition product "COOORN" to commemorate the 100th anniversary of New Chitose Airport, as well as a campaign to give away trial match tickets for Levanga Hokkaido.



≪KCC≫

kcc co.,ltd.

●On July 1, the results of the New Chitose Airport Soft-Serve & Ice Cream General Election 2026 were announced, and LeTAO received first place in the Premium category and second place in the Unique Flavor category.



■1st Place, Premium Category
Mousse Fromage Parfait



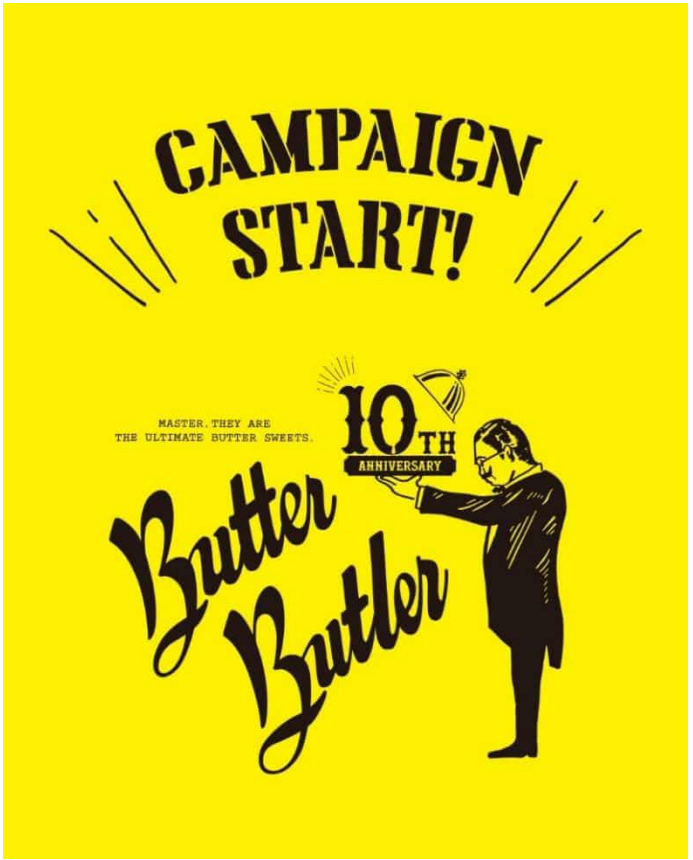
■2nd Place, Unique Flavor Category
Crème Glacée Sweet Corn

≪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.





≪Sucrey≫

SUCREY
AOYAMA

● **On September 16, 2026, the GENDY Aoyama Store reopened following relocation. To commemorate the 10th anniversary of its opening, we offered a limited re-release of "The Premium Bitter Caramel Bar Framboise," limited to 100 boxes.**







≪kujyukusima group≫

KUJUKUSHIMA GROUP

●In May 2026, the 12th MING No.1 Souvenir Contest was held. In the Japanese Confectionery category, "Mitarashi Manju" from "Hakattarashi," which opened last December, won first place in its first-ever entry.In the Western Confectionery category, "Hakata Ichigo Ichigo" from "Akai Fusen" took first place for the second consecutive year, and "Butter Millefeuille [Amaou Strawberry]" from "BUTTER&bee" took second place.







