

Supporting brand manufacturers in conducting direct sales to consumers by utilizing e-commerce

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For inquiries concerning the report, please contact info@stock-r.org

[7694 itsumo. Sector : Retail Trade]

Fiscal Year	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Mar. 2019	4,404	-	68	-	80	-	69	-	15.2	7.1	0.0
Mar. 2020	5,261	-	170	-	198	-	143	-	31.3	38.3	0.0
Mar. 2021 f	8,090	53.8	438	2.6x	434	2.2x	350	2.4x	72.7	-	-

Note: Non-consolidated basis. Figures for the fiscal year ending March 2021 are the company's forecasts.
It conducted 1-to-1,000 stock split on August 9, 2019 and 1-to20 stock split on September 4, 2020.
Per share indices are adjusted retroactively.
Figures for the fiscal year ending March 2019 are 15 months due to change in fiscal year end.

Comprehensively Support EC Businesses of Brand Manufacturers

itsumo. provides two types of services, EC marketplace services and EC marketing services.

Net Sales by Service

	Service	Fiscal year ended Mar. 2020		Six months to Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)
EC marketplace services	EC Business Partner (D2C business support), EC Fulfilment	3,883	73.8	3762	82.6
EC marketing services	EC Consulting, marketing and creative, EC big data	1,378	26.2	794	17.4
Total		5,261	100.0	4557	100.0

Source: Prepared by Stock Research Center based on the notifiable prospectus.

EC Marketplace Services

For EC marketplace services, the company mainly provides EC Business Partner (D2C business support) and EC Fulfilment. The primary targets are major manufacturers that have leading brands.

EC Business Partner (D2C business support) is a service that comprehensively supports D2C businesses and primarily targets brand manufacturers. By becoming the official EC business partner of brand manufactures, it supports operations necessary for D2C businesses.

The company acts as the official website operator and purchases products from brand manufacturers and directly sells them to consumers through official EC websites as well as Rakuten Ichiba, Amazon, Yahoo Shopping and other platforms. Expenses include merchandise costs, logistics costs and fee payments to EC platforms.

As for EC Fulfilment, the company provides EC dedicated customer services, warehousing and logistics services. The revenue of the service is the handling volume multiplied by the unit price contracted with the customer, and expenses include warehousing fees, shipping fees and other costs.

EC Marketing Services

EC marketing services primarily provides EC Consulting, which advises on how to enhance sales for each EC platform. It also supports operations necessary for EC businesses and provides data.

Financial Statements

Statement of income	Fiscal Year	Mar. 2019		Mar. 2020		Six months to Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		4,404	100.0	5,261	100.0	4,557	100.0
Cost of sales		3,216	73.0	3,798	72.2	3,509	77.0
Gross profit		1,188	27.0	1,463	27.8	1,047	23.0
Selling, general and administrative expenses		1,119	25.4	1,293	24.6	714	15.7
Operating profit		68	1.5	170	3.2	332	7.3
Non-operating income		25	-	36	-	29	-
Non-operating expenses		13	-	8	-	3	-
Ordinary profit		80	1.8	198	3.8	358	7.9
Profit before income taxes		76	1.7	198	3.8	383	8.4
Net profit		69	1.6	143	2.7	251	5.5

Balance sheet	Fiscal Year	Mar. 2019		Mar. 2020		Six months to Sep. 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,322	81.3	1,917	84.8	2,375	87.1
Cash and deposits		540	33.2	1,077	47.7	1,267	46.5
Accounts receivable-trade		384	23.6	424	18.8	523	19.2
Inventories		350	21.5	339	15.0	499	18.3
Non-current assets		305	18.7	342	15.1	351	12.9
Property, plant and equipment		62	3.8	65	2.9	62	2.3
Intangible assets		90	5.5	92	4.1	81	3.0
Investments and other assets		152	9.3	184	8.1	207	7.6
Total assets		1,627	100.0	2,260	100.0	2,726	100.0
Current liabilities		943	58.0	1,134	50.2	1,482	54.4
Accounts payable-trade		376	23.1	395	17.5	713	26.2
Current portion of long-term borrowings		231	14.2	279	12.3	269	9.9
Non-current liabilities		651	40.0	949	42.0	816	29.9
Long-term borrowings		650	40.0	949	42.0	816	29.9
Net assets		32	2.0	176	7.8	427	15.7
Owners' equity		32	2.0	176	7.8	427	15.7

Statement of cash flows	Fiscal Year	Mar. 2019	Mar. 2020	Six months to Sep. 2021
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		32	234	344
Depreciation		34	41	22
Cash flows from investing activities		-197	-50	-14
Cash flows from financing activities		184	346	-143
Dividends paid		-	-	-
Net increase in cash and cash equivalents		20	530	187
Cash and cash equivalents		481	1,011	1,199

Note: Non-consolidated basis. Figures for the fiscal year ending March 2019 are 15 months due to change in fiscal year end.
Source: Prepared by Stock Research Center based on the notifiable prospectus.

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