

Developing an e-commerce business that sells housing equipment together with its replacement work

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【 7695 Koukandekirukun Sector : Retail Trade 】

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Mar. 2019	3,426	-3.0	-98	-	-81	-182.8	-135	-301.0	-65.6	74.8	0.0
Mar. 2020	4,008	17.0	160	-262.3	171	-310.8	133	-198.4	64.5	139.3	0.0
Mar. 2021 f	4,700	17.3	220	37.2	230	34.0	190	42.3	87.6	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending March 2021 are the company's forecasts.
It conducted 1-to-100 stock split on February 28, 2020. Per share indices are adjusted retroactively.

Pursuing Efficient Management by Limiting Product Handling and Sales Areas

Koukandekirukun develops an e-commerce business that sells housing equipment together with its replacement work to meet the equipment replacement needs of housing owners due to failure, deterioration, etc. of their housing equipment. Products the company handles are limited to kitchen-related, toilet-related, sink and bathroom-related, and other such items. The sales areas are limited to Tokyo Prefecture, Osaka Prefecture, Nagoya City, Sapporo City, Fukuoka City and their respective surrounding areas. The company established its original efficient management by limiting the business items and sales areas to an extent that it can take initiatives and operate on its own.

Products Handled

Renovation Area	Handled Products
Kitchen-related	Built-in gas stoves, stove hoods, IH cooking heaters, built-in dishwashers, taps and faucets, kitchen cupboards
Toilet-related, sink and bathroom-related	Toilets, washstands, bathroom heaters and dryers, gas water heaters
Others	Ventilation fans, home delivery boxes

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

Users that visit the company's website, "Koukandekirukun," will first confirm the replacement work corresponding areas, and then select the desired product and request an estimate for the product and installation work. Since the company has know-how accumulated through the 300,000 replacement works that it conducted to date, on-site investigations are not required and are handled by users just sending photos of their current equipment and the surroundings. The replacement work is conducted by its employees or contracted partners. Any malfunctions that occur after installation are handled by its after service department.

As a result of the around 300,000 people that have used its services since the opening of the website in 2001, it has accumulated content valuable for website visitors such as information on various products, over 5,000 user reviews and over 22,000 work examples on its website. This website has been at the core of its customer attraction.

Koukandekirukun (7695-TSE Mothers) ----- December 29,2020**Financial Statements**

Statement of income	Fiscal Year	Mar. 2019		Mar. 2020		Six months to Sep. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		3,426	100.0	4,008	100.0	2,182	100.0
Cost of sales		2,718	79.3	3,098	77.3	1,643	75.3
Gross profit		708	20.7	909	22.7	538	24.7
Selling, general and administrative expenses		806	23.5	749	18.7	423	19.4
Operating profit		-98	-2.9	160	4.0	115	5.3
Non-operating income		20	-	14	-	10	-
Non-operating expenses		3	-	3	-	1	-
Ordinary profit		-81	-2.4	171	4.3	123	5.7
Profit before income taxes		-80	-2.4	170	4.2	123	5.7
Net profit		-135	-4.0	133	3.3	96	4.4

Balance sheet	Fiscal Year	Mar. 2019		Mar. 2020		Six months to Sep. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		621	83.5	741	86.7	977	88.4
Cash and deposits		317	42.6	344	40.3	565	51.1
Accounts receivable-trade		156	21.0	186	21.7	194	17.6
Inventories		117	15.7	179	21.0	166	15.1
Non-current assets		122	16.5	114	13.3	128	11.6
Property, plant and equipment		22	3.0	19	2.3	17	1.6
Intangible assets		31	4.2	22	2.6	33	3.0
Investments and other assets		69	9.3	72	8.5	77	7.0
Total assets		744	100.0	855	100.0	1,106	100.0
Current liabilities		470	63.1	506	59.2	591	53.4
Accounts payable-trade		276	37.1	270	31.6	337	30.5
Current portion of bonds payable		10	1.3	10	1.2	5	0.5
Current portion of long-term borrowings		80	10.8	48	5.7	63	5.7
Non-current liabilities		119	16.1	61	7.1	130	11.8
Bonds payable		10	1.3	-	-	-	-
Long-term borrowings		109	14.7	61	7.1	130	11.8
Net assets		154	20.8	288	33.7	384	34.8
Owners' equity		154	20.8	288	33.7	384	34.8

Statement of cash flows	Fiscal Year	Mar. 2019	Mar. 2020	Six months to Sep. 2020
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-108	123	149
Depreciation		16	15	6
Cash flows from investing activities		-9	-5	-9
Cash flows from financing activities		-77	-90	79
Dividends paid		-	-	-
Net increase in cash and cash equivalents		-194	27	220
Cash and cash equivalents		317	344	565

Note:Non-consolidated basis.

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

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