

Providing fulfillment services to online mail-order companies

This report is an English translation of part of the report issued on March 30, 2021.
For inquiries concerning the report, please contact info@stock-r.org

[9327 e-LogiT Sector : Warehousing and Harbor Transportation]

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	7,446	55.3	381	-	389	65.6	269	70.3	99.9	380.5	6.8
Mar. 2020	8,385	12.6	84	-78.0	102	-73.8	76	-71.7	28.4	402.1	2.0
Mar. 2021 f	10,631	26.8	211	2.5x	216	2.1x	132	73.7	47.0	-	-

Note: Non-consolidated basis. Figures for the fiscal year ending March 2021 are the company's forecasts.
It conducted 1-to-200 stock split on September 30, 2020. Per share indices are adjusted retroactively.

Providing Fulfillment Services

e-LogiT integrates logistics agency services and operation agency services and provides them to mail-order companies as fulfillment services. While the website page creation and operation are conducted by client companies, the company handles the product photography, order receiving process, logistics agency, customer relations, home delivery and payment collection.

It also provides "logistics consulting services" to improve the logistics of mail-order companies by utilizing the expertise it has accumulated through the mail-order logistics business, but almost all of its net sales are from fulfillment services.

The company provides mail-order companies with a series of logistics services including "product management," which manages the storage, quality, expiration dates and quantity of products, "picking," "distribution processing," which handles operations such as subdividing and packaging of custom products as well as assemblage, and "packaging," while providing "distribution" and "payment collection" through delivery companies.

Its strength is in logistics of a great variety of small-lot products with high inventory turnover ratios, through which it responds to the demands of mail-order companies to maximize sales with small inventories. In addition to miscellaneous goods, apparel items, food/beverages and car accessories, it can also handle products that require authorization based on the Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices such as cosmetics and quasi-pharmaceutical products.

In addition to logistics services, upon request from client companies, it also conducts customer support including product photography to post on mail-order sites as well as image processing, uploading product data on mail-order sites, order receiving process, responding to e-mails and phone calls from users.

The company's fulfillment centers (FCs) in Eastern and Western Japan are playing a key role in supporting its fulfillment services. Including Narashino FC that opened this January, the company operates six FCs in Tokyo, Saitama, Chiba and Osaka. Each FC is located close to a residential area, where part-time workers can be easily secured.

Financial Statements

Statement of income	Fiscal Year	Mar. 2019		Mar. 2020		Nine months to Dec. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		7,446	100.0	8,385	100.0	7,969	100.0
Cost of sales		6,717	90.2	7,854	93.7	7,325	91.9
Gross profit		729	9.8	530	6.3	643	8.1
Selling, general and administrative expenses		347	4.7	446	5.3	450	5.6
Operating profit		381	5.1	84	1.0	193	2.4
Non-operating income		10	-	20	-	19	-
Non-operating expenses		2	-	3	-	4	-
Ordinary profit		389	5.2	102	1.2	209	2.6
Profit before income taxes		385	5.2	102	1.2	209	2.6
Net profit		269	3.6	76	0.9	129	1.6

Balance sheet	Fiscal Year	Mar. 2019		Mar. 2020		Nine months to Dec. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,761	58.6	1,874	57.2	2,786	65.5
Cash and deposits		865	28.8	877	26.7	1,608	37.8
Accounts receivable-trade		755	25.1	755	23.0	955	22.5
Non-current assets		1,245	41.4	1,404	42.8	1,466	34.5
Property, plant and equipment		413	13.7	534	16.3	497	11.7
Intangible assets		21	0.7	18	0.5	13	0.3
Investments and other assets		810	26.9	851	26.0	955	22.5
Guarantee deposits		732	24.3	770	23.5	882	20.7
Total assets		3,007	100.0	3,279	100.0	4,252	100.0
Current liabilities		1,486	49.4	1,624	49.5	2,295	54.0
Accounts payable-trade		602	20.0	505	15.4	749	17.6
Current portion of long-term borrowings		115	3.8	100	3.0	97	2.3
Non-current liabilities		493	16.4	569	17.4	667	15.7
Long-term borrowings		399	13.3	467	14.2	494	11.6
Net assets		1,027	34.2	1,085	33.1	1,289	30.3
Owners' equity		1,027	34.2	1,085	33.1	1,289	30.3

Statement of cash flows	Fiscal Year	Mar. 2019	Mar. 2020
		(mn yen)	(mn yen)
Cash flows from operating activities		474	242
Depreciation		78	110
Amortization of goodwill		-	1
Cash flows from investing activities		-551	-265
Cash flows from financing activities		248	35
Dividends paid		-14	-18
Net increase in cash and cash equivalents		171	12
Cash and cash equivalents		865	877

Note: Non-consolidated basis.

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

About Stock Research Center

Stock Research Center is engaged in the preparation of analyst reports, mainly on companies that are not sufficiently covered by analysts, based on a neutral perspective, and broadly disclose the reports to the public with an aim to revitalize the stock market.

Note: Reports prepared by Stock Research Center are created in reference to the Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation.



■Supporting Members

Tokyo Stock Exchange, Inc.
Nomura Securities Co., Ltd.
Ernst & Young ShinNihon LLC
Deloitte Touche Tohmatsu LLC
SBI SECURITIES Co., Ltd.
Association of Japan
TAKARA PRINTING CO., LTD.

SMBC Nikko Securities Inc.
Mizuho Securities Co., Ltd.
ICMG Co., Ltd.
BDO Sanyu
Japan Securities Dealers Association
Ichiyoshi Securities Co., Ltd.
PRONEXUS INC.

Daiwa Securities Co. Ltd.
KPMG AZSA LLC
Grant Thornton Taiyo LLC
The Securities Analysts
A&A Partners

Certification by Analysts

Analysts indicated in the reports certify that the content indicated in the report precisely reflects the personal opinions of the analysts on all securities and issuer companies discussed in the report. In addition, it is ensured that the opinions directly or indirectly indicated in the report will have no influence on the analyst's compensation in the past, present, and future upon writing the report.

Disclaimer

- The report is prepared by stock analysts affiliated with the Stock Research Center for the purpose of disclosure to a wide range of investors as reference information and not to recommend or solicit to buy or to sell any particular securities or financial instrument.
- The content and indication of the report is based on disclosed information available publicly and is prepared by adding necessary supplementary information gained through interviews by analysts. The writer of the report is, without exception, prohibited to use insider information, or to acquire such information. The information included in the report is believed to be precise and reliable, but its preciseness is not verified objectively. In addition, the report is not intended to comprehensively include all information required by investors.
- The information included in the report may become outdated due to changes in the financial market, economic environment, etc. There are risks that the prices of stocks featured directly or indirectly in the report will fall below the par value due to fluctuations in stock prices, changes in management/financial conditions of the issuers, fluctuations in exchange rates or interest rates, etc. Past performance does not imply or guarantee future performance.
- The opinions indicated in the report are subject to change without notice and the Stock Research Center has no obligation to update the information or opinions included in the report.
- The Stock Research Center does not bear any responsibility for any results, including direct losses, indirect losses, losses of profit and damages, suffered by investors due to using the report or relying on the report. Final investment decisions shall be made by investors themselves and the sole responsibility concerning the investment lies with the investors that viewed the report.
- The copyright of the report belongs to the Stock Research Center and it may not be copied, reproduced, quoted, etc. in any form without prior consent.