

Iceco (7698 TSE JASDAQ)- - - - - April 16, 2021**Decrease in revenue forecasted for fiscal year ending March 2022, but expectations on growth potential of frozen business**

This report is an English translation of part of the report issued on April 13, 2021.
For inquiries concerning the report, please contact info@stock-r.org

[7698 Iceco Sector : Wholesale 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. 2020	36,728	4.3	145	-54.5	212	-49.4	144	-35.3	90.0	1,141.5	16.7
Mar. 2021	40,231	9.5	701	382.9	765	260.0	485	236.1	302.5	-	-
Mar. 2022 f	41,993	4.4	500	-28.7	539	-29.4	377	-22.3	207.3	-	-

Note: Non-Consolidated basis. Figures for the fiscal year ending March 2021 and 2022 are the company's forecasts.
It conducted 1-to-15 stock split on November 1, 2020. Per share indices are adjusted retroactively.

Two Pillars; Wholesale of Ice Creams and Frozen Foods and Operation of Food Supermarket

Iceco develops the food wholesale business specialized in frozen products such as ice creams and frozen foods for the retail market. It was originally a wholesaler specialized in ice creams, and launched wholesale of frozen foods for the retail market in 1996. In addition, it started operation of food supermarkets in April 2009 through an M&A.

The company's business is comprised of two report segments; the frozen business, in which it conducts wholesale of ice creams and frozen foods, and the supermarket business. Sales composition of the frozen business is continuing to increase, accounting for 74.4% of the net sales of the fiscal year ended March 2020.

Frozen Business

The company develops its frozen business centering on the Kanto and Tokai regions and has an in-house logistics function. The company has 13 logistics bases (two logistics centers and 11 business offices) and approximately 300 distribution trucks. Around 90% of the deliverers that conduct distribution and display are the company's employees.

Therefore, it has strength in full maintenance services, delivering products using the company's deliverers directly displaying products in the shops' selling spaces, for small shops with small backyards where refrigerators cannot be installed. Major customers of the company are the drug store operator CREATE SD and general discount store operator Don Quijote and they respectively account for 28.9% and 25.7% of the net sales of the frozen business for the fiscal year ended March 2020.

Supermarket Business

In the supermarket business, the company operates eight directly-operated supermarkets (seven in Kanagawa Prefecture and one in Shizuoka Prefecture) and two tenant supermarkets. It focuses on fruits and vegetables, fresh fish and meat to differentiate itself from major supermarkets.

Iceco (7698 TSE JASDAQ)- - - - - April 16,2021**Financial Statements**

Statement of income	Fiscal Year	Mar. 2019		Mar. 2020		Nine month to Dec.2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		35,214	100.0	36,278	100.0	31,514	100.0
Cost of sales		28,677	81.4	29,884	81.4	25,746	81.7
Gross profit		6,536	18.6	6,844	18.6	5,767	18.3
Selling, general and administrative expenses		6,218	17.7	6,698	18.2	4,950	15.7
Operating profit		318	0.9	145	0.4	817	2.6
Non-operating income		159	-	118	-	96	-
Non-operating expenses		58	-	51	-	32	-
Ordinary profit		419	1.2	212	0.6	880	2.8
Profit before income taxes		237	0.7	231	0.6	880	2.8
Net profit		223	0.6	144	0.4	567	1.8

Balance sheet	Fiscal Year	Mar. 2019		Mar. 2020		Nine month to Dec.2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		6,201	50.2	7,049	51.6	8,411	56.6
Cash and deposits		1,676	13.6	1,294	9.5	1,902	12.8
Accounts receivable-trade		2,531	20.5	3,386	24.8	3,637	24.5
Inventories		497	4.0	519	3.8	824	5.5
Non-current assets		6,148	49.8	6,599	48.4	6,443	43.4
Property, plant and equipment		4,865	39.4	5,309	38.9	5,078	34.2
Intangible assets		56	0.5	56	0.4	44	0.3
Investments and other assets		1,226	9.9	1,232	9.0	1,320	8.9
Total assets		12,350	100.0	13,648	100.0	14,855	100.0
Current liabilities		7,360	59.6	8,464	62.0	9,205	62.0
Accounts payable-trade		4,313	34.9	5,454	40.0	6,208	41.8
Non-current liabilities		3,271	26.5	3,350	24.5	3,271	22.0
Net assets		1,718	13.9	1,833	13.4	2,379	16.0
Owners' equity		1,717	13.9	1,832	13.4	2,377	16.0

Statement of cash flows	Fiscal Year	Mar. 2019	Mar. 2020
		(mn yen)	(mn yen)
Cash flows from operating activities		682	311
Depreciation		374	376
Cash flows from investing activities		-474	-564
Cash flows from financing activities		-235	-98
Dividends paid		-	-26
Net increase in cash and cash equivalents		-27	-351
Cash and cash equivalents		1,582	1,231

Note: Non-consolidated basis.

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

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