

J Frontier (2934 TSE Mothers) - - - - - September 03,2021**A mail order company of health foods and medical products targeting to become a healthcare tech company**

This report is an English translation of part of the report issued on August 31, 2021.
For inquiries concerning the report, please contact info@stock-r.org

【2934 J Frontier Sector : Foods】

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)
May 2020	7,106	16.0	170	-53.7	174	-52.5	96	15.7x	25.1	219.3	0.0
May 2021	8,493	19.5	671	294.3	679	289.4	424	340.9	110.8	330.0	0.0
May 2022 f	10,497	23.6	853	27.1	817	20.4	523	23.2	118.7	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending May 2022 are the company's forecasts.
It conducted 1-to-2 stock split on July 7, 2021. Per share indices are adjusted retroactively.

Engaged in Mail Order Sales of Health Foods and Medical Products as Core Business

J Frontier was launched in June 2008 as an internet advertisement agency in the healthcare field, and has been supporting sales promotions. In August 2012, based on its accumulated expertise in sales promotion, it has started planning, development and sales of in-house brand of health foods, and currently, mail order sales of health foods and medical products have become its core business.

In February 2021, it has started a medical platform service, SOKUYAKU, that provides services of medical institution searches, bookings and receiving online medical examinations by doctors, online dosing guidance by pharmacists and delivery of prescription drugs in a one-stop manner. This service is in a phase of full-scale business expansion.

The businesses of the company are classified into the three reporting segments of the healthcare sales business, the medical care sales business and the healthcare marketing business. The healthcare sales business, which handles mail order sales of health foods, accounts for around 70% of the entire net sales. The mail order sales of medical products is categorized in the medical care sales business, and the combined amount of mail order sales of health foods and medical products accounts for about 90% of the entire net sales.

Company Plan for the Fiscal Year Ending May 2022

For the fiscal year ending May 2022, the company expects net sales of 10,497 million yen (23.6% increase year on year, same hereinafter), operating profit of 853 million yen (27.1% increase), ordinary profit of 817 million yen (20.4% increase) and net profit of 523 million yen (23.2% increase). The company assumes a large revenue increase in the medical care sales business, in which its SOKUYAKU business is categorized.

J Frontier (2934 TSE Mothers) - - - - - September 03,2021**Financial Statements**

Statement of income	Fiscal Year	May 2019		May 2020		May 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		6,125	100.0	7,106	100.0	8,493	100.0
Cost of sales		972	15.9	1,611	22.7	1,864	22.0
Gross profit		5,153	84.1	5,494	77.3	6,628	78.0
Selling, general and administrative expenses		4,785	78.1	5,324	74.9	5,956	70.1
Operating profit		368	6.0	170	2.4	671	7.9
Non-operating income		0	-	6	-	10	-
Non-operating expenses		1	-	2	-	3	-
Ordinary profit		367	6.0	174	2.5	679	8.0
Profit before income taxes		111	1.8	134	1.9	678	8.0
Net profit		6	0.1	96	1.4	424	5.0

Balance sheet	Fiscal Year	May 2019		May 2020		May 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,807	94.7	1,863	91.7	2,407	92.8
Cash and deposits		953	49.9	908	44.7	1,638	63.1
Accounts receivable-trade		269	14.1	404	19.9	362	14.0
Inventories		478	25.1	396	19.5	350	13.5
Non-current assets		102	5.3	168	8.3	186	7.2
Property, plant and equipment		40	2.1	8	0.4	10	0.4
Intangible assets		13	0.7	40	2.0	18	0.7
Investments and other assets		48	2.5	120	5.9	157	6.1
Total assets		1,909	100.0	2,032	100.0	2,594	100.0
Current liabilities		994	52.1	1,114	54.8	1,318	50.8
Accounts payable - trade		31	1.6	102	5.0	107	4.1
Non-current liabilities		168	8.8	75	3.7	8	0.3
Net assets		745	39.0	842	41.5	1,267	48.9
Owners' equity		744	39.0	841	41.4	1,266	48.8

Statement of cash flows	Fiscal Year	May 2019	May 2020	May 2021
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		13	218	830
Depreciation		6	12	5
Cash flows from investing activities		-62	-165	-7
Cash flows from financing activities		130	-99	-93
Dividends paid		-	-	-
Net increase in cash and cash equivalents		81	-45	729
Cash and cash equivalents		947	901	1,631

Note: Non-consolidated basis.

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

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