

Koukandekirukun (7695 TSE Mothers) - - - - - January 21,2022**Developing an e-commerce business that sells housing equipment together with its replacement work**

This report is an English translation of part of the report issued on January 21, 2022.
For inquiries concerning the report, please contact info@stock-r.org

【 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. 2020		4,008	17.0	160	-	171	-	133	-	64.5	139.3	0.0
Mar. 2021		4,721	17.8	257	60.6	255	48.9	205	53.9	97.3	350.8	0.0
Mar. 2022	CE	5,600	-	320	-	320	-	200	-	89.0	-	0.0
Mar. 2022	E	5,500	-	311	-	310	-	194	-	86.2	437.4	0.0
Mar. 2023	E	6,394	16.3	387	24.4	387	24.8	243	25.3	108.0	545.4	0.0
Mar. 2024	E	7,306	14.3	481	24.3	481	24.3	301	23.9	133.8	679.2	0.0

Note: CE(company expectations),E(Stock Research Center expectations)
Source: Stock Research Center

1. Corporate Overview

Koukandekirukun develops an e-commerce business that sells housing equipment together with its replacement work to housing owners to meet their equipment replacement needs due to failure, deterioration, etc. of their housing equipment.

Since the opening of the website in 2001, the total number of customers exceeded 300,000, and the number of replacement works in the fiscal year ended March 2021 reached 34,623, an increase of 15.2% from the previous fiscal year. Due to its high customer attraction efficiency, it secures appropriate profits despite its low-price strategy.

2. Financial Analysis

During the period from the fiscal year ended March 2016 to the fiscal year ended March 2021, net sales increased at an annual rate of 10.2% due to factors including a rise in the ratio of those that shifted to e-commerce in the housing renovation market. On the other hand, ordinary profit only increased 7.5% year-on-year due to factors including the increase in personnel expenses and other expenses.

The company is more attractive than similar companies in terms of financial security, growth potential and profitability.

3. Non-Financial Analysis

The source of the company's intellectual capital is that it specializes in the domain of housing equipment replacement and in its autonomous operation process.

4. Corporate Strategy Analysis

The company's growth strategy is to expand its business area, add new products, strengthen B-to-B areas, and aggressively invest in technology.

5. Analyst Evaluation

For the fiscal year ending March 2022, we estimate both net sales and operating profit to slightly fall below the company's plan due to the shortage in semiconductors as well as delays in the supply of some products due to the impact of the pandemic on Southeast Asia,

where the production bases of housing equipment component manufacturers are located. We estimate a 16.3% revenue increase and 24.4% operating profit increase for the fiscal year ending March 2023 and a 14.3% revenue increase and 24.3% operating profit increase for the fiscal year ending March 2024, assuming an increase in the ratio of those shifted to e-commerce in the housing equipment replacement market, an increase in market share due to increased name recognition, an improvement in gross profit margin due to economies of scale and other factors.

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