

A food SPA developing St.Cousair, Kuze Fuku & Co. and other brands

This report is an English translation of part of the report issued on December 30, 2022.
For inquiries concerning the report, please contact info@stock-r.org

【2937 St.Cousair 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)
Mar.2021	10,859	-	419	-	578	-	268	-	35.5	46.0	0.0
Mar.2022	14,165	30.4	1,316	313.8	1,322	228.7	939	349.6	122.9	177.1	35.0
Mar.2023 f	16,938	19.6	1,333	1.3	1,314	-0.6	942	0.3	118.2	-	33.0

Note: Consolidated basis. Figures for the fiscal year ending March 2023 are the company's forecasts.
It conducted 1-to-200 stock split on January 11, 2022. Per share indices are adjusted retroactively.

Food SPA

St.Cousair is developing its business based on the food SPA model, which sells excellent food products from all over Japan through various sales channels.

The company has three store brands. For the domestic market, it is developing St.Cousair, which focuses on Western ingredients such as jam and pasta sauce, and Kuze Fuku & Co., which is inspired by the shops of the Taisho era and focuses on Japanese ingredients from across Japan. St.Cousair mainly sells at outlets in locations including tourist spots. Kuze Fuku & Co. stores are mainly located in commercial facilities.

In the U.S., the company operates Kuze Fuku & Sons, whose main target is the ever-expanding organic food market.

Four Sales Channels

The store channel, which accounts for approximately 70% of net sales, consists of 52 directly managed stores and 99 franchise stores as of the end of September 2022. By brand, there are 15 St.Cousair stores and 136 Kuze Fuku & Co. stores. In fiscal year ended March 2021, the company disposed stores whose business performance deteriorated due to the pandemic, mainly St.Cousair stores, and most recently, it has been opening mainly Kuze Fuku & Co. franchise stores.

In the wholesale business, which accounts for slightly less than 20% of its net sales, the company sells its brand products and supplies them on an OEM basis to supermarkets, the main customers of the business.

The e-commerce business accounts for approximately 6% of net sales, and the company operates its own brand e-commerce site and a marketplace where producers from all over Japan open stores.

The global business is sales through St. Cousair, Inc., a U.S. subsidiary established in 2017.

St.Cousair (2937 TSE Growth)- - - - - January 12, 2023**Financial Statements**

Statement of income	Fiscal Year	Mar.2021		Mar.2022		Six months to Sep. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		10,859	100.0	14,165	100.0	8,127	100.0
Cost of sales		6,403	59.0	8,384	59.2	4,895	60.2
Gross profit		4,455	41.0	5,781	40.8	3,231	39.8
Selling, general and administrative expenses		4,036	37.2	4,464	31.5	2,563	31.5
Operating profit		419	3.9	1,316	9.3	667	8.2
Non-operating income		220	-	53	-	38	-
Non-operating expenses		61	-	47	-	21	-
Ordinary profit		578	5.3	1,322	9.3	684	8.4
Profit before income taxes		434	4.0	1,322	9.3	693	8.5
Profit attributable to owners of parent		268	2.5	939	6.6	461	5.7

Balance sheet	Fiscal Year	Mar.2021		Mar.2022		Sep. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		3,438	63.1	4,160	64.4	4,189	63.0
Cash and deposits		1,395	25.6	1,249	19.3	1,082	16.3
Accounts receivable-trade		1,034	19.0	1,408	21.8	1,434	21.6
Prepaid expenses		907	16.7	1,394	21.6	1,572	23.6
Non-current assets		2,010	36.9	2,304	35.6	2,465	37.0
Property, plant and equipment		1,452	26.7	1,556	24.1	1,643	24.7
Intangible assets		147	2.7	139	2.2	152	2.3
Investments and other assets		410	7.5	608	9.4	669	10.1
Total assets		5,448	100.0	6,464	100.0	6,655	100.0
Current liabilities		3,163	58.1	3,544	54.8	3,485	52.4
Accounts payable - trade		1,018	18.7	1,373	21.3	1,087	16.3
Non-current liabilities		1,930	35.4	1,563	24.2	1,481	22.3
Net assets		353	6.5	1,355	21.0	1,688	25.4
Owners' equity		351	6.5	1,353	20.9	1,685	25.3

Statement of cash flows	Fiscal Year	Mar.2021	Mar.2022	Six months to Sep. 2022
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		1,051	983	99
Depreciation		217	216	111
Cash flows from investing activities		6	-510	-166
Cash flows from financing activities		-596	-640	-130
Dividends paid		-	-	-267
Net increase in cash and cash equivalents		452	-145	-167
Cash and cash equivalents		1,395	1,249	1,082

Note: Consolidated

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.	SMBC Nikko Securities Inc.	Daiwa Securities Co. Ltd.
Nomura Securities Co., Ltd.	Mizuho Securities Co., Ltd.	Ernst & Young ShinNihon LLC
KPMG AZSA LLC	ICMG Co., Ltd.	Grant Thornton Taiyo LLC
Deloitte Touche Tohmatsu LLC	SBI SECURITIES Co., Ltd.	BDO Sanyu
Pricewaterhouse Coopers Kyoto	J Trust Global Securities Co., Ltd.	Ichiyoshi Securities Co., Ltd.
A&A Partners	GYOSEI & CO.	Avantia G.P.
TAKARA PRINTING CO., LTD.	PRONEXUS INC.	Japan Securities Dealers Association

The Securities Analysts Association of Japan

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.