

Provides painting app free of charge with advertising fees for the app being the main source of revenue

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[9343 ibis Sector : Services]

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)
Dec.2021	2,744	69.6	60	-	107	-	72	-	25.9	93.3	0.0
Dec.2022	3,397	23.8	219	3.7x	238	2.2x	168	2.3x	60.5	153.8	0.0
Dec.2023 f	3,590	5.7	300	37.0	292	22.7	202	20.2	60.8	-	10.0

Note: Non-Consolidated basis. Figures for the fiscal year ending December 2023 are the company's forecasts.

Mobile Painting App is Growth Driver

Since its founding, ibis has released products specialized in the mobile field, including the painting app ibisPaint.

The company's business is divided into the mobile business and the solutions business, and the mobile business accounted for 63.7% of net sales and 70.7% of profit before deducting adjustments in fiscal year ended December 2022.

Mobile Business

The company provides the mobile app for basically free. Revenue from the mobile business includes revenue from the paid version of ibisPaint, but most of it comes from advertising fees related to banner ads and video ads distributed on apps.

Although the portion of revenue directly derived from app users is small, the number of app downloads is important from the perspective of increasing value as an advertising medium. ibisPaint is free of charge but provides almost full functions, so the total number of downloads reached 300 million in January 2023. In addition, MAU reached 40 million worldwide in December 2022, and the number of users is overwhelmingly large overseas; 92.5% of the cumulative downloads as of the end of 2022 were by overseas users.

According to a data.ai survey, 61.6% of ibisPaint users are under the age of 25, so many users are from Generation Z. Painting apps are rarely switched to other apps, which means that there are many users who will continue to use the company's apps for a long time to come. Therefore, the company considers that it is important to implement measures to increase customer lifetime value.

Solutions Business

In the solutions business, the company provides two services: 1) IT engineer dispatch service and 2) contracted development services such as contracted development, operation and maintenance of mobile terminal applications and server construction, migration, operation and maintenance using Amazon Web Services, a cloud computing service.

Financial Statements

Statement of income	Fiscal Year	Dec.2020		Dec.2021		Dec.2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,618	100.0	2,744	100.0	3,397	100.0
Cost of sales		846	52.3	868	31.6	1,028	30.3
Gross profit		772	47.7	1,875	68.3	2,369	69.7
Selling, general and administrative expenses		858	53.0	1,815	66.1	2,149	63.3
Operating profit		-86	-	60	2.2	219	6.4
Non-operating income		28	-	54	-	24	-
Non-operating expenses		11	-	7	-	6	-
Ordinary profit		-68	-	107	3.9	238	7.0
Profit before income taxes		-57	-	107	3.9	237	7.0
Profit attributable to owners of parent		-39	-	72	2.6	168	4.9

Balance sheet	Fiscal Year	Dec.2020		Dec.2021		Dec.2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		723	84.8	805	84.6	1,052	81.6
Cash and deposits		455	53.3	305	32.0	594	46.1
Accounts receivable-trade		231	27.1	443	46.5	373	28.9
Prepaid expenses		0	0.0	1	0.1	0	0.0
Non-current assets		130	15.2	146	15.3	236	18.3
Property, plant and equipment		0	0.0	1	0.1	9	0.7
Intangible assets		31	3.6	56	0.0	90	0.0
Investments and other assets		98	11.5	89	9.3	135	10.5
Total assets		853	100.0	952	100.0	1,289	100.0
Current liabilities		508	59.6	564	59.2	756	58.7
Accounts payable - trade		0	0.0	-	-	-	-
Short-term borrowings		201	23.6	100	10.5	-	-
Current portion of long-term borrowings		34	4.0	34	3.6	34	2.6
Non-current liabilities		155	18.2	124	13.0	101	7.8
Long-term borrowings		143	16.8	109	11.4	74	5.7
Net assets		190	22.3	262	27.5	431	33.4
Owners' equity		187	21.9	260	27.3	428	33.2

Statement of cash flows	Fiscal Year	Dec.2020	Dec.2021	Dec.2022
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-35	43	553
Depreciation		17	23	44
Cash flows from investing activities		-28	-58	-129
Cash flows from financing activities		341	-135	-134
Dividends paid		-	-	-
Net increase in cash and cash equivalents		276	-150	289
Cash and cash equivalents		455	305	594

Note: Non-Consolidated

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

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