

**Selling sales promotion material mainly through 18 e-commerce sites**

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**[168A itamiarts Sector : Other Products]**

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)
Jan.2023	2,506	19.0	113	-	127	7.5x	91	6.5x	87.4	257.3	0.0
Jan.2024	3,112	24.2	192	69.9	221	74.0	153	68.1	145.9	401.0	0.0
Jan.2025 f	3,509	12.8	244	27.1	240	8.6	167	9.2	119.9	-	20.0

Note: Non-consolidated basis. Figures for the fiscal year ending January 2025 is the company's forecasts.

**Selling Sales Promotion Material on Its Own E-commerce Site**

itamiarts is engaged in the manufacture and sale of sales promotion material or SP material, such as banner flags, event flags, advertising flags and booklets. Although it outsources some processes, the company basically carries out the product planning, site construction, customer attraction, sales, manufacture and shipping of SP products in-house. Therefore, it ensures stable quality, short delivery times and low prices while also accommodating small lot purchases.

Itamiarts' main focus is on sales through BtoB e-commerce sites with wholesale transactions conducted for major clients. With sales on BtoB e-commerce sites accounting for approximately 70% of net sales and wholesales accounting for approximately 30%, the company has transactions with over 350,000 companies in total.

itamiarts operates a total of 18 e-commerce sites which are referred to as the King Series, each dedicated to specific SP material. On each site, there is an independent site named "SP material name + King" for each type of SP material. The sites with high net sales are sites for banner flags, overhead flags and booklets.

Take the site for banner flags as an example, while it is an e-commerce site specializing in Japanese narrow banner flags, it also consciously cross-sells products, listing other SP material and handling more than 15,000 products. Additionally, an order can be placed for just one original banner flag, which can be shipped as soon as the next business day.

Regarding e-commerce sales operations, in addition to building e-commerce sites, itamiarts uses an in-house developed system for processes ranging from receiving orders to delivery, covering order management, product management, customer management and shipping instructions. It also has an in-house department specializing in e-commerce marketing in charge of various aspects, including SEO measures, web advertising operations and service development.

The company's wholesales are targeted at referrals and customers who place large quantities of orders through its e-commerce sites. It also has dedicated sales staff to respond to customer needs that are often overlooked in e-commerce.

## Financial Statements

Statement of income	Fiscal Year	Jan. 2022		Jan.2023		Jan.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		2,106	100.0	2,506	100.0	3,112	100.0
Cost of sales		1,293	61.4	1,524	60.8	1,905	61.2
Gross profit		813	38.6	981	39.1	1,207	38.8
Selling, general and administrative expenses		818	38.8	867	34.6	1,014	32.6
Operating profit		-4	-	113	4.5	192	6.2
Non-operating income		36	-	25	-	42	-
Non-operating expenses		13	-	12	-	14	-
Ordinary profit		17	0.8	127	5.1	221	7.1
Profit before income taxes		16	0.8	133	5.3	224	7.2
Net profit		14	0.7	91	3.6	153	4.9

Balance sheet	Fiscal Year	Jan. 2022		Jan.2023		Jan.2024	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		571	27.3	662	29.7	897	35.5
Cash and deposits		266	12.7	312	14.0	449	17.8
Accounts receivable-trade		172	8.2	201	9.0	242	9.6
Inventories		88	4.2	96	4.3	130	5.1
Non-current assets		1,520	72.7	1,564	70.2	1,629	64.5
Property, plant and equipment		1,485	71.0	1,502	67.4	1,527	60.5
Intangible assets		27	1.3	18	0.8	25	1.0
Investments and other assets		7	0.3	42	1.9	76	3.0
Total assets		2,091	100.0	2,227	100.0	2,526	100.0
Current liabilities		530	25.3	750	33.7	810	32.1
Accounts payable - trade		51	2.4	61	2.7	73	2.9
Current portion of bonds payable		-	-	-	-	100	4.0
Current portion of long-term borrowings		247	11.8	385	17.3	333	13.2
Non-current liabilities		1,385	66.2	1,206	54.2	1,295	51.3
Bonds payable		100	4.8	100	4.5	-	-
Long-term borrowings		1,188	56.8	1,046	47.0	1,251	49.5
Net assets		176	8.4	270	12.1	421	16.7
Owners' equity		176	8.4	270	12.1	421	16.7

Statement of cash flows	Fiscal Year	Jan. 2022	Jan.2023	Jan.2024
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		259	153	236
Depreciation		153	141	169
Cash flows from investing activities		-136	-94	-252
Cash flows from financing activities		-44	-25	129
Dividends paid		-	-	-
Net increase in cash and cash equivalents		80	41	119
Cash and cash equivalents		178	219	339

Note:Non-consolidated

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

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