

Adopting a fabless model, the company engages in everything from planning and development to sales of towels for everyday use

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【365A IZAWA TOWEL Sector : Textiles and Apparels】

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)
Feb. 2024	9,938	7.9	969	-	1,771	10.2x	1,103	4.5x	110.3	395.6	65.2
Feb. 2025	9,825	-1.1	638	-34.2	980	-44.7	578	-47.6	57.8	388.2	39.0
Feb. 2026 f	10,884	10.8	900	41.1	849	-13.3	499	-13.7	49.9	-	35.0

Note: Non-consolidated basis. Figures for the fiscal year ending February 2026 is the company's forecasts.

It conducted 1:1,000 stock split on September 30, 2024. Per share indices are adjusted retroactively.

Fabless Manufacturer that Specializes in Towel Products

IZAWA TOWEL is a fabless manufacturer engaged in the development and sales of towels and related products. Although the company does not have its own manufacturing facilities, it has built a system that manages R&D, planning, manufacturing management and sales in an integrated manner, while outsourcing manufacturing primarily to factories operated by partners overseas.

IZAWA TOWEL sells its products through three channels, original design manufacturing (ODM) production, character intellectual property (IP) products and e-commerce. Looking at the net sales composition by channel for fiscal year ended February 2025, ODM production accounted for 56.6%, character IP products for 26.5% and e-commerce sales for 16.9%.

ODM production is the company's main channel, accounting for over half of net sales. The company engages in everything from product design to client request- and spec-based manufacturing. Its key customers are retail channels visited daily by consumers, including convenience stores, discount stores, home improvement stores, general merchandise stores and drugstores. The company's competitive advantage lies in its system that enables it to flexibly supply products in line with customers' various needs.

The primary customers of the company's character IP product channel are major toy manufacturers and other companies that own IP content, providing towel products and a range of goods featuring character designs.

Looking at e-commerce sales, IZAWA TOWEL sells its own brand of towel products via Amazon. The company's sales model is a vendor-based model in which products are sold via Amazon and the platform handles tasks including subsequent sales, inventory management, shipping and customer service.

Financial Statements

Statement of income	Fiscal Year	Feb. 2024		Feb. 2025	
		(mn yen)	(%)	(mn yen)	(%)
Net sales		9,938	100.0	9,825	100.0
Cost of sales		7,650	77.0	7,791	79.3
Gross profit		2,288	23.0	2,034	20.7
Selling, general and administrative expenses		1,319	13.3	1,396	14.2
Operating profit		969	9.8	638	6.5
Non-operating income		876	-	374	-
Non-operating expenses		74	-	32	-
Ordinary profit		1,771	17.8	980	10.0
Profit before income taxes		1,771	17.8	980	10.0
Net profit		1,103	11.1	578	5.9
EBITDA		1,304	13.1	780	7.9

Balance sheet	Fiscal Year	Feb. 2024		Feb. 2025	
		(mn yen)	(%)	(mn yen)	(%)
Current assets		4,515	49.7	4,194	50.1
Cash and deposits		1,884	20.7	1,676	20.0
Trade receivables		1,931	21.2	1,734	20.7
Contract asset		270	3.0	419	5.0
Non-current assets		4,573	50.3	4,185	49.9
Property, plant and equipment		725	8.0	719	8.6
Intangible assets		3,529	38.8	3,327	39.7
Investments and other assets		317	3.5	138	1.7
Total assets		9,089	100.0	8,380	100.0
Current liabilities		1,838	20.2	1,432	17.1
Accounts payable		613	6.7	565	6.7
Current portion of long-term borrowings		230	2.5	230	2.7
Income taxes payable		694	7.6	368	4.4
Non-current liabilities		3,295	36.3	3,065	36.6
Long-term borrowings		3,295	36.3	3,065	36.6
Net assets		3,956	43.5	3,882	46.3
Owners' equity		3,955	43.5	3,882	46.3

Statement of cash flows	Fiscal Year	Feb. 2024	Feb. 2025
		(mn yen)	(mn yen)
Cash flows from operating activities		1,422	643
Depreciation		11	10
Cash flows from investing activities		52	-4
Cash flows from financing activities		-271	-884
Dividends paid		-	-652
Net increase in cash and cash equivalents		1,229	-208
Cash and cash equivalents		1,884	1,676

Note: Non-consolidated

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

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