



**2nd-Quarter Financial Report
for the Fiscal Year Ended
in December 31, 2016**

IBJ, Inc.
TSE 1st Section : 6071

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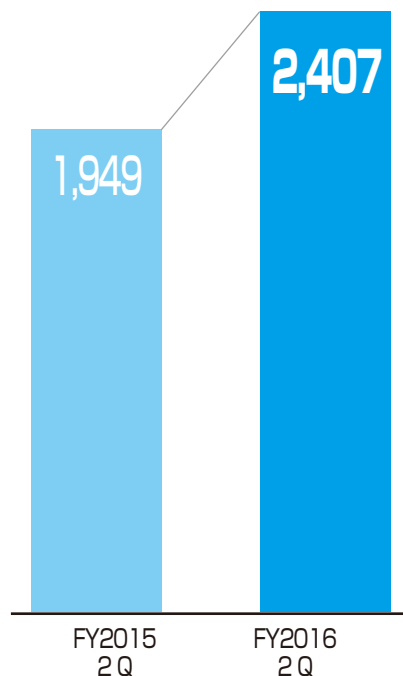
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1. Financial Results Summary

Operating income continued to achieve 30% growth

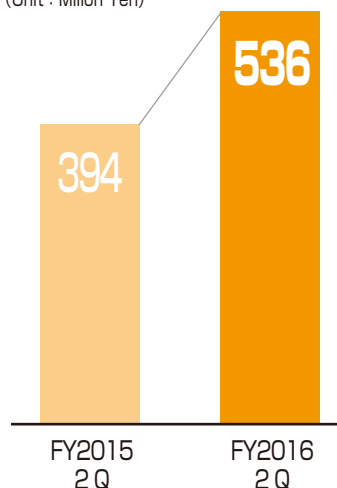
Net sales
YonY **+23.5%**

(Unit : Milion Yen)



Operating income
YonY **+36.0%**

(Unit : Milion Yen)



Media Division

※Excludes internal

Net sales :
1,705 million yen YonY **+28.6%**

Segment income :
757 million yen YonY **+42.1%**

Service Division

※Excludes internal

Net sales :
702 million yen YonY **+12.7%**

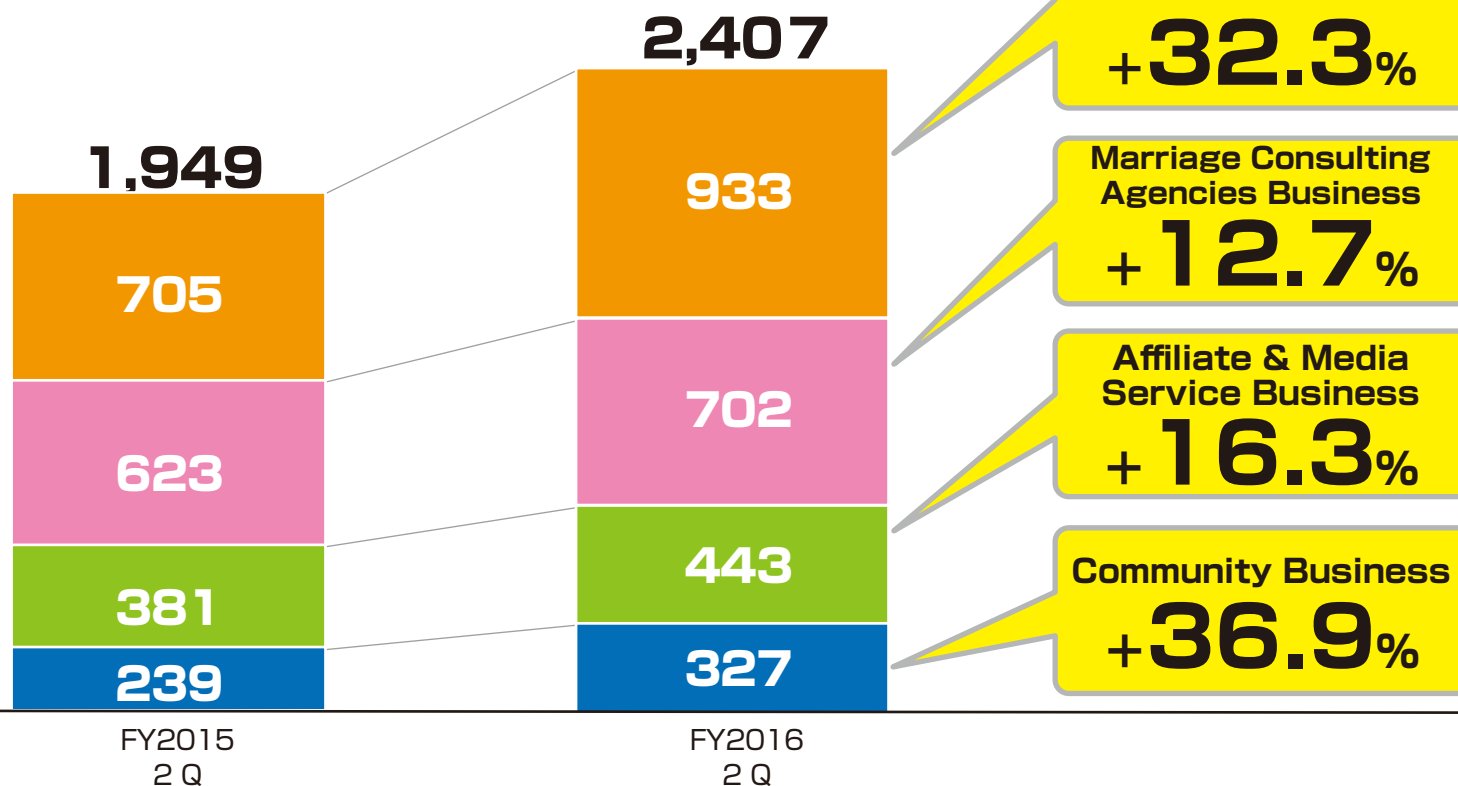
Segment income :
289 million yen YonY **+17.0%**

All business division showed steady growth

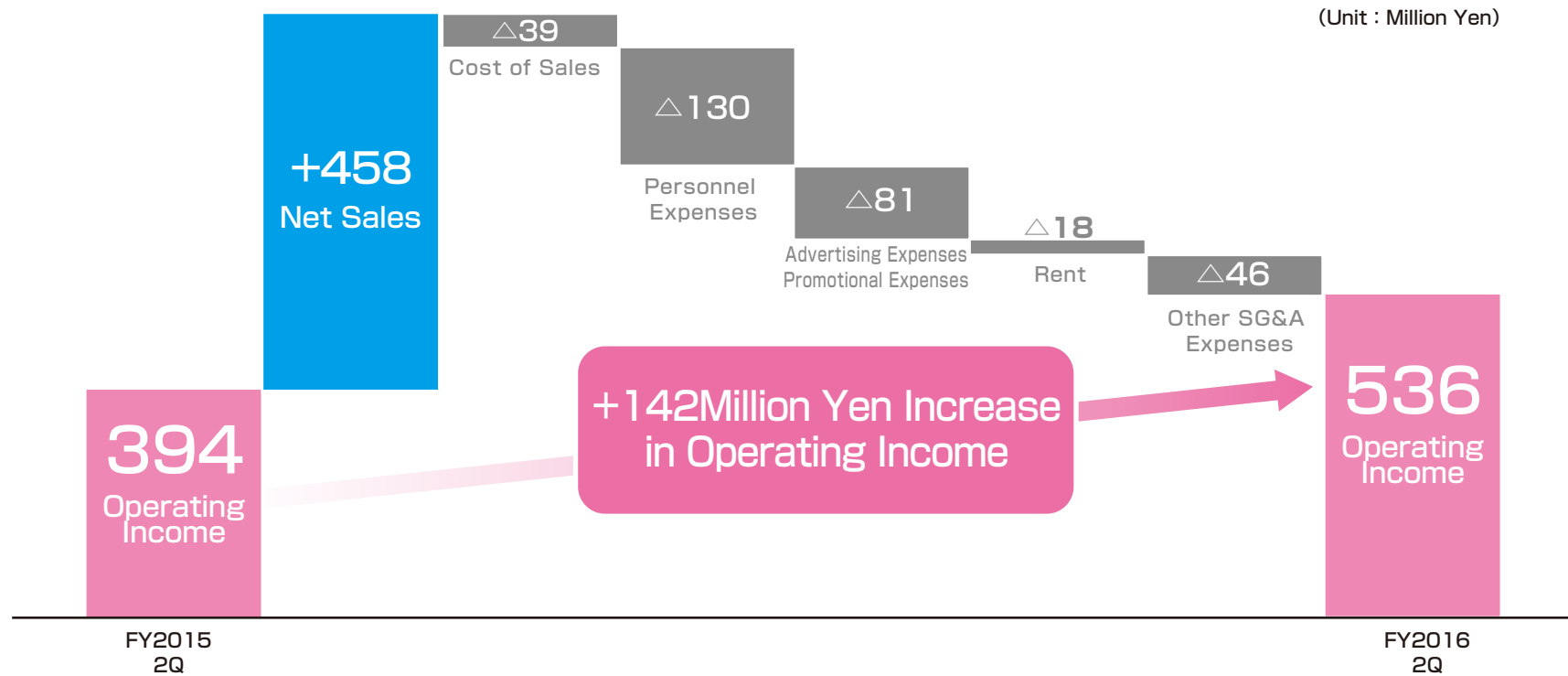
(Unit : Million Yen) ※Excludes internal sales

YonY Change in sales

Change in Composition of sales



Achievement of Both Aggressive Investment for Growth and Increased Income



1. Financial Results Summary: Progress of Performance Forecasts

Steady progress was made towards achieving the full-year financial results

(Unit : Million Yen)

	2Q (Cumulative) Actual result	2Q (Cumulative) Forecast	Achievement ratio	Full-year forecast	Full-year achievement rate
Net Sales	2,407	2,227	108.1%	4,883	49.3%
Operating Income	536	415	129.3%	1,000	53.7%
Ordinary Income	534	411	129.9%	992	53.9%
Net Income	354	275	128.3%	664	53.2%

2.Summary by Business Division

2.Summary by Business Division IBJ' s Key Indicators

Actual number of people married in the year About **4,000 couples**
(As of End of 2015)

The number of our “Kon-Katsu (marriage hunting)” members is about 490,000.
(As of End of June 2016)

Matchmaking Main



1 Community Business
 (“Kon-Katsu” sites)



2 Event Business
 (“Kon-Katsu” Parties & Matchmaking)

Monthly Number of Members Who Found a Partner

about **20,400**

(Average of 2Q FY2016)

Matchmaking+Support



3 Marriage Consulting Agencies Business
 (Our Own Marriage Consultation)



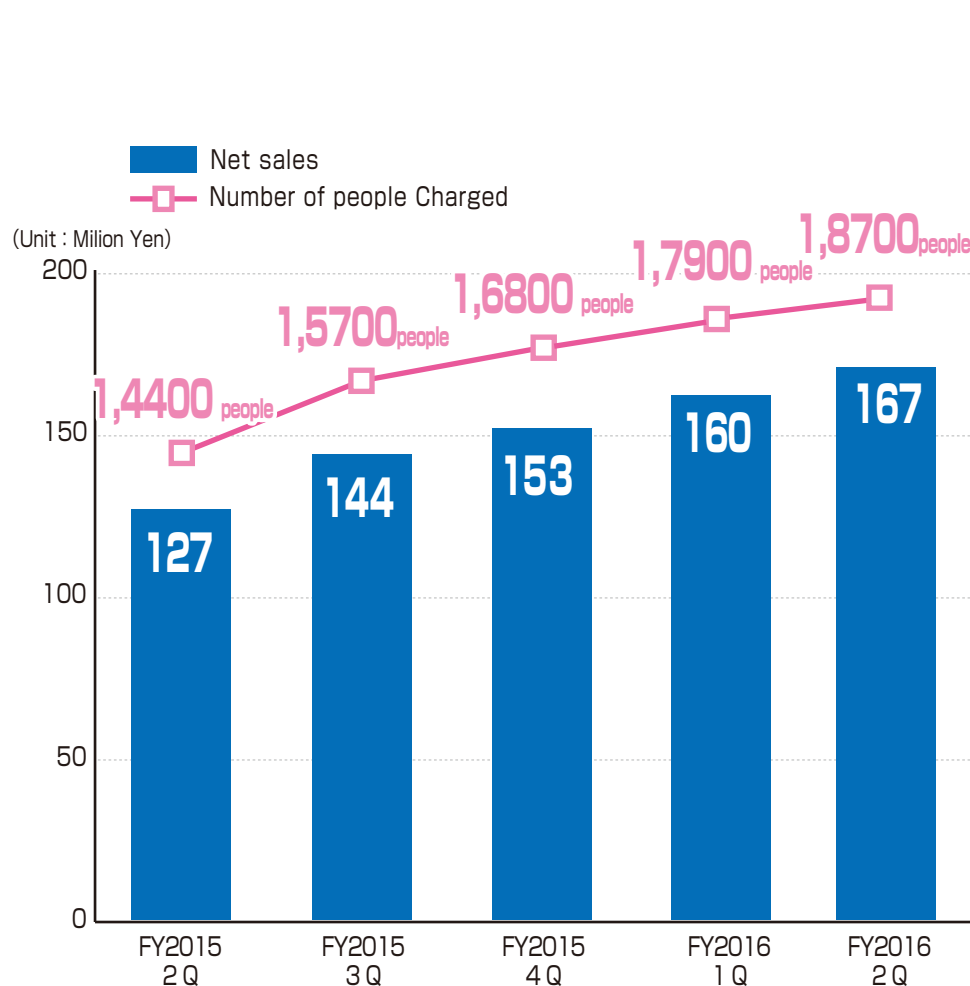
4 Marriage Consulting Agencies Business
 (Marriage Consultation FC Business)

Monthly Number of Marriage Meetings

約 **11,700 件**

(Average of 2Q FY2016)

The number of people charged monthly membership fees increased 30% (year on year).



<Improved customer support>
 Improved ability to provide non face-to-face customer services by using experienced and trained staff members.
 Established new department focused on responses to customers in July.

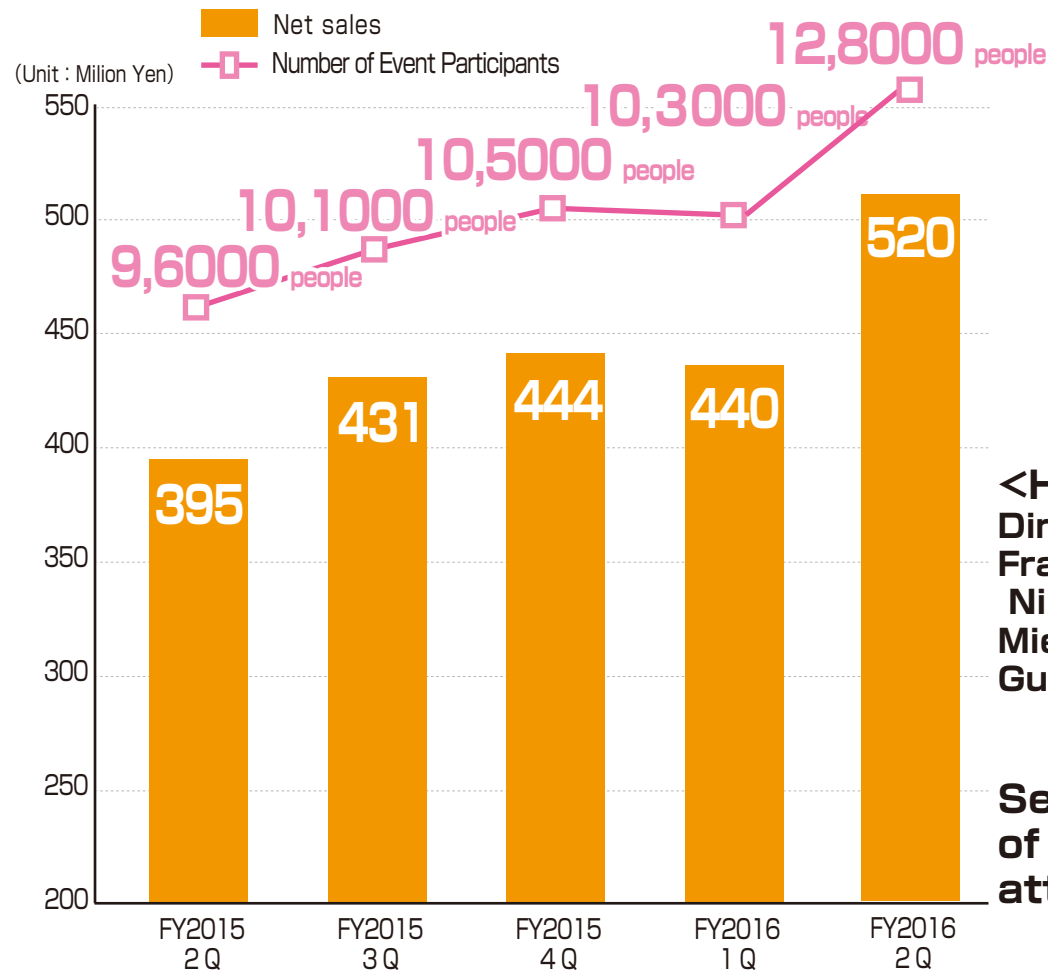
Boosted traffic of customers between the Bridal net and the Party☆Party
 by focusing on the Offline-to-Online approach as well as the Online-to-Offline approach.

2. Summary by Business Division ②Event Business

Operation of "PARTY☆PARTY" marriage-hunting parties and "Rush" matchmaking parties arrangement service



Reached the largest number of participants in the industry (in May)



<Hall openings>

Directly owned halls ⇒ Hakata hall (July)

Franchised halls ⇒

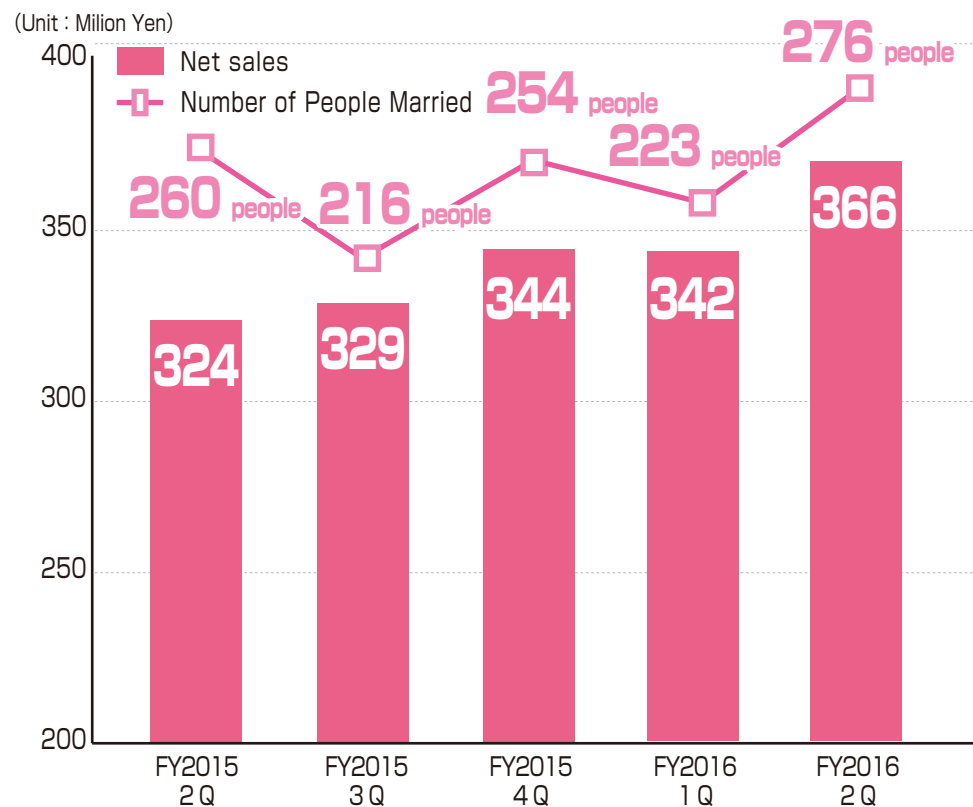
Niigata hall (April),

Mie hall (scheduled for September),

Gunma hall (scheduled for 4Q)

Securing growth through the diversification of events and improved marketing to attract customers.

Systemized consultation by highly skilled counselors.

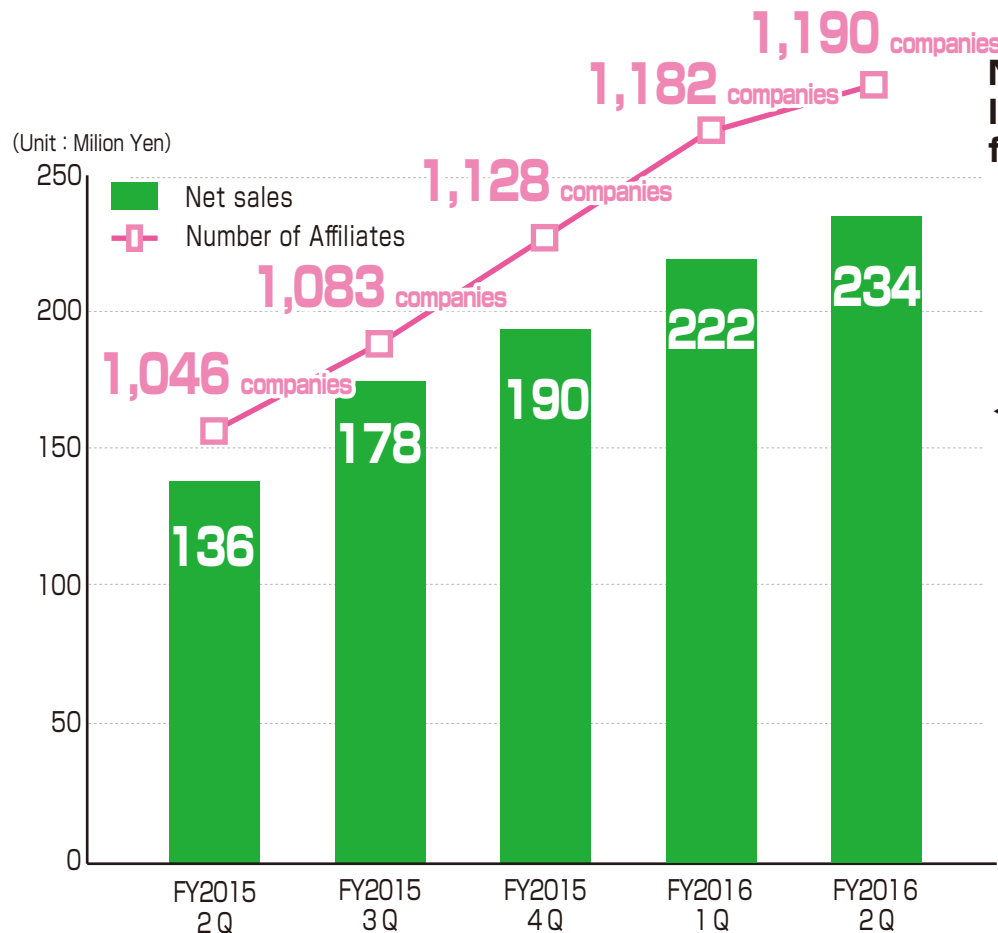


<Integration of expertise of skilled counselors in the system>

- (i) Management of the progress in marriage meetings (dating stage to marriage).
- (ii) Management of timetables and timing.

Establishment of a high quality support system that covers every step.

Record-high openings of new servicers: 28 openings (June)



<Strengthening of the packaged sale of servicers and events>

New openings:
Increased by 10 openings on average from the same quarter in the previous year.



<Release of "Matching Labo," a diagnostic function of human chemistry>



Enhanced the probability of "marriage meetings to dating" and "dating to marriage."

3. Growth strategy

3.Growth Strategy Social needs for IBJ

While the Government is strengthening efforts to cope with declining birth rates on a national level, **specific measures to support marriage hunting** has not been sufficiently taken yet.

Two symposiums on marriage hunting were held
(discussion about agendas related to declining birth and marriage rates)



<Guest commentators for the first symposium>

Shinjiro Koizumi, Member of the House of Representatives

Noritoshi Furuichi, Sociologist

Yoshihisa Aono, President and Representative Director, Cybozu, Inc.

Masami Hatanaka, Editor-in-chief of Cheese by Shogakukan



<Guest commentators for the second symposium>

Megumi Ushikubo, Marketing writer

Junya Tsutsui, Professor at the Department of Sociology,
Ritsumeikan University

Haniwa Natori, President of BPW Japan

Moderators

Rieko Zanma, Representative of club willbe

Shigeru Ishizaka, IBJ, Inc.

「少子化・未婚化時代」におけるパートナーシップのあり方
Ideal nature of partnerships in the age of declining birth and marriage rates

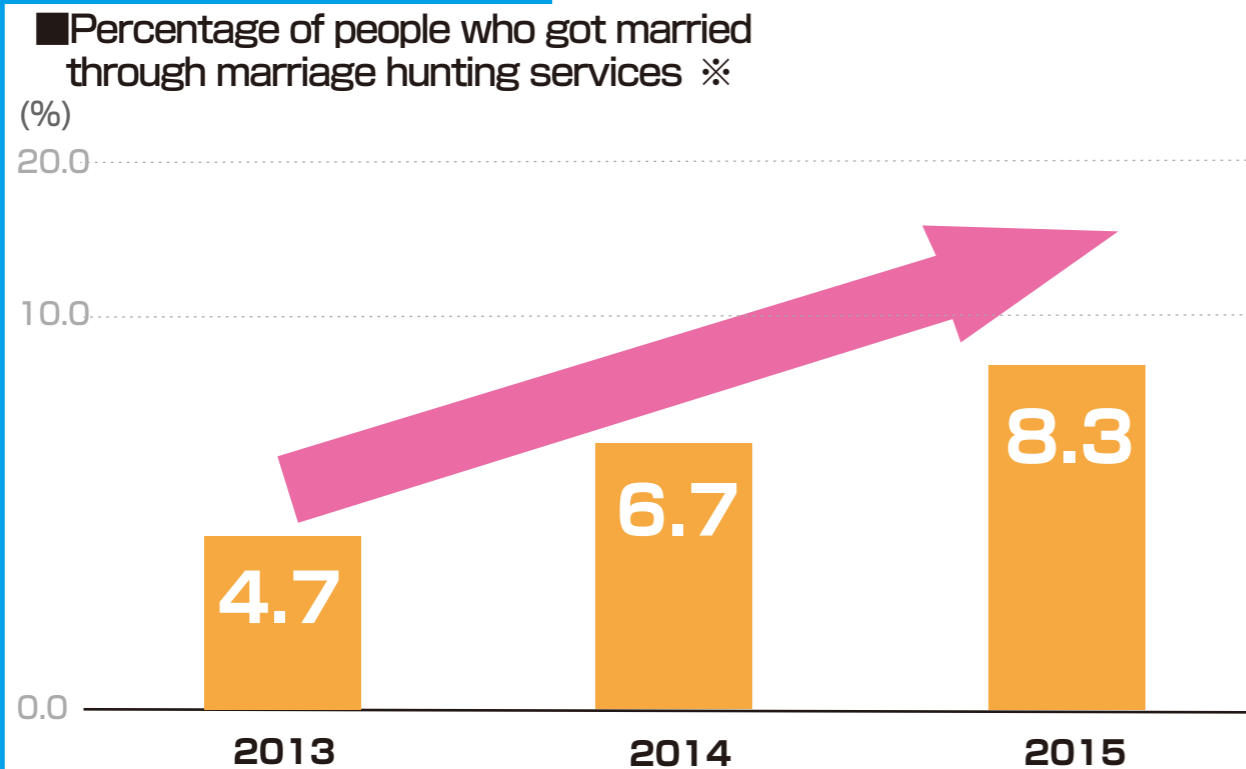
The private sector takes the primary role in providing support for marriage hunting promoted by both government and private sectors. IBJ is determined to take the lead in these efforts.

3. Growth Strategy Trend of Marriage-hunting Services Users

Needs for marriage hunting services are increasing, and the number of users is on the rise.

Trends in recent years

Source: Research on the actual state of marriage hunting in 2016 (survey by Recruit Bridal Soken)

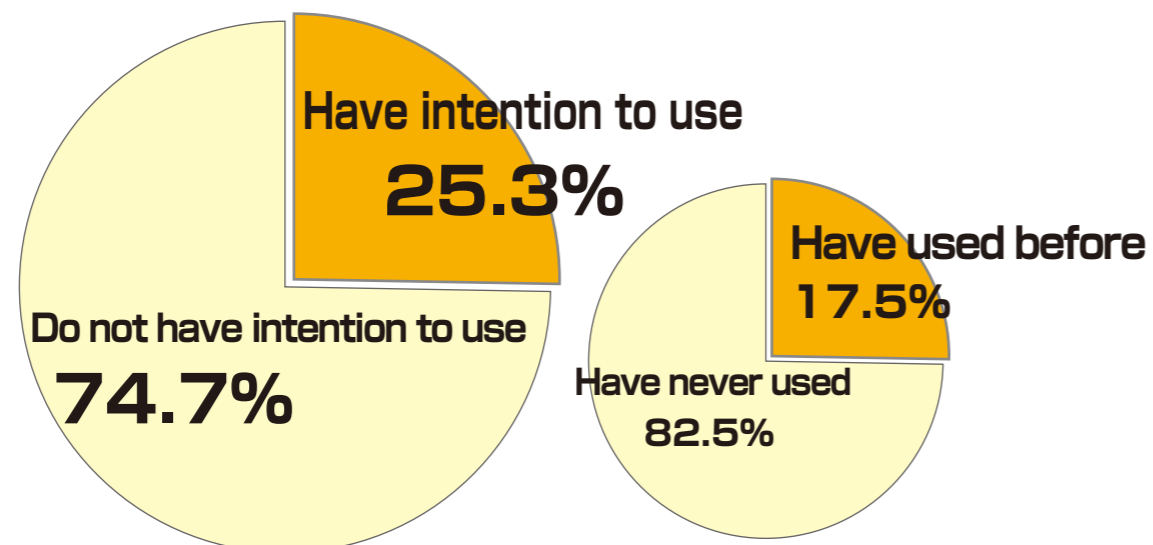


■ The percentage of people who got married through marriage hunting services is on the rise.

The percentage of people who got married through marriage hunting services rose from 4.7% to 8.3% during the period from 2013 until 2015. There was a clear upward trend on a yearly basis.

*Scope of the survey: People who got married during the period from 2013 until 2015 from among 50,000 people nationwide ages 20 to 49 who were selected as samples.

■ Usage status of marriage hunting services ※



■ One out of approximately four persons intends to use marriage hunting services. People who intend to use marriage hunting services account for 25.3%. People who have used marriage hunting services account for 17.5% (including those who are using them currently).

If the marriage ratio among users rises, more people will be inclined to use marriage hunting services. This will cause the number of users to further increase.

*Scope of survey: Singles who are not in love with anyone or have no steady boy / girl friends who want to get married were selected as samples from among 50,000 people nationwide ages 20 to 49.

Two Factors that Increase Sales

Number of Users

1. Gateway strategy
2. Local municipality strategy

Customer LTV (Life-time Value)

1. Domain expansion strategy
2. Technological development strategy

Gateway strategy

Aiming to increase the number of members by using personality diagnosis based on psychology and statistics

A “Coupling Diagnosis” application supported by an exclusive tie-up with Digram Labo Co. Ltd. will be released on November

Partners are introduced based on the results of the application’s diagnosis and referred to Party☆Party of Bridal net.

(Simulated image)



Local municipality strategy

Moving forward with initiatives with five local municipalities in the first half of the fiscal year.

(Katsuura City, Kochi Prefecture, Gifu Prefecture, Hamamatsu City, Yasuoka Town)



[Contribution/support]

- Integrated system for marriage hunting tailored for local municipalities (No charge for one year)



- Development and training of local supporters



Domain expansion strategy

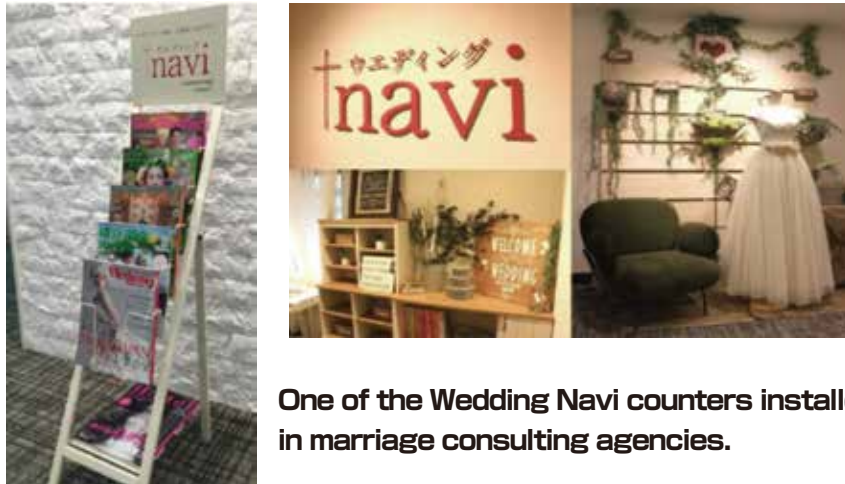
Expansion of wedding related businesses

Wind and Sun, Inc. became a subsidiary of the Group



Installing the Wedding Rack in 1,200 franchised consulting agencies across the nation

→ Expansion of the wedding servicer network



One of the Wedding Navi counters installed in marriage consulting agencies.

WIND AND SUN

Strengthening of efforts to cultivate clients who provide wedding venues by spotlighting 4,000 couples married through IBJ's services.



Sales of wedding magazines that focus on specific needs through book stores nationwide.

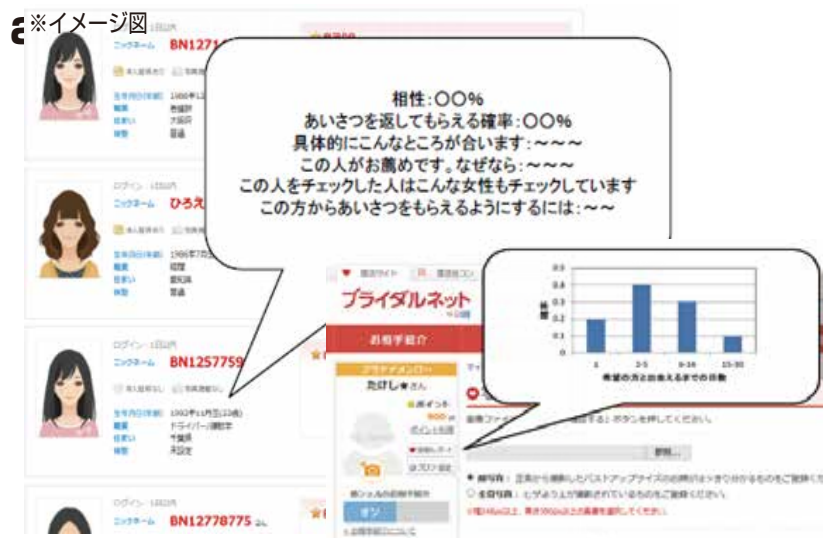
Technological development strategy

Use of artificial intelligence (AI)

Creation of new value by IBJ, which has one of the largest membership bases in Japan, and a laboratory University of Tokyo, laboratory.

Application of data analysis

※イメージ図



相性:○○%
あいさつを返してもらえらる確率:○○%
具体的にこんなところが合います:~~~~
この人がお勧めです。なぜなら:~~~~
この人をチェックした人はこんな女性もチェックしています
この方からあいさつをもらえるようにするには:~~

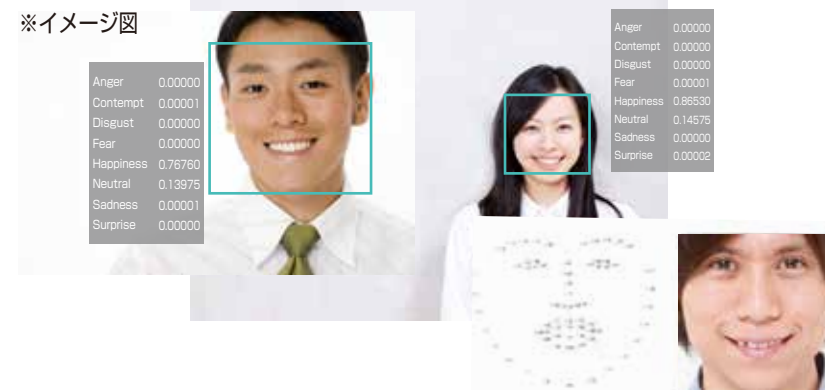
相性の高さを表したグラフ

Creation of a new function and algorithm to make recommendations.

Application of image analysis and processing technologies

Development of a program by the end of the year.
Release of a β version scheduled for the first half of 2017

※イメージ図



Anger	0.00000
Contempt	0.00000
Disgust	0.00000
Fear	0.00001
Happiness	0.86530
Neutral	0.14575
Sadness	0.00000
Surprise	0.00002

Creation of a natural smile through image analysis and processing technology

4. Reference Materials

4.Reference Materials Consolidated forecasts

(Unit : Million yen)

	Non-Consolidated forecasts	Consolidated forecasts
Net sales	4,833	5,047
Operating income	1,000	1,007
Ordinary income	992	999
Net Profit for FY2016	664	668

Unit Price in each Business × Quantity

Community (Operation of “Bridal net”)

Revenue source = Monthly membership fee of 3,000 yen × Number of people charged monthly membership fee

Event(Operation of “PARTY☆PARTY” and” Rush”)

Revenue source = Average participation fee per member of 4,000 yen - 5,000 yen × Number of people participating in events

Agent(Operation of own marriage servicers “IBJ members”)

Revenue source = Monthly membership fee of 3,000 yen × Number of people charged monthly membership fee

Affiliate and Media Service (System services for affiliates support for launches)

Revenue source = Marriage servicer registration fee of 1.2 million yen and system charges of approx 20,000 yen × Number of affiliates

4. Reference Materials : Balance Sheets

(Unit : Thousand yen)

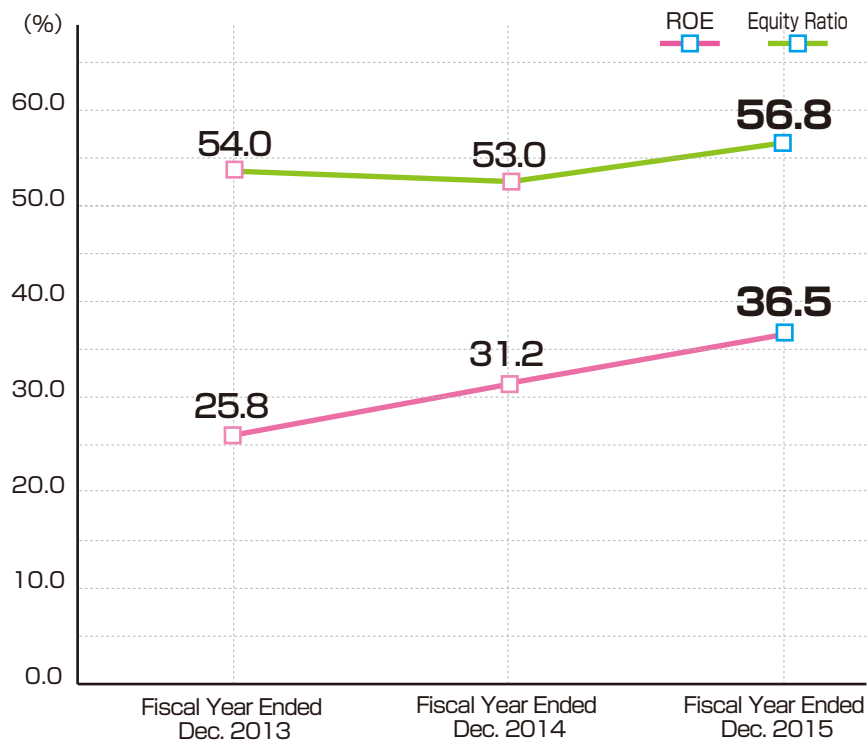
	FY2015 (Non-Consolidated)	2Q FY2016 (Non-Consolidated)	Change	Factor in Change
Current Assets	1,950,296	2,511,570	+561,274	
Cash and Deposits	1,428,980	1,906,509	+477,528	
Non-current Assets	983,499	1,138,026	+154,527	-Investment for renewal of halls System investment, etc.
Property, Plant and Equipment	451,918	558,227	+106,309	
Investments and Other Assets	531,581	579,799	+48,217	
Total Assets	2,933,795	3,649,597	+715,801	
Current Liabilities	1,057,416	1,213,308	+155,892	-Decrease in accrued taxes -Receiving long-term loans
Non-current Liabilities	202,369	807,166	+604,797	
Total Liabilities	1,259,785	2,020,475	+760,689	
Capital Stock/Capital Surplus	676,760	676,760	±0	-Posting on net income -Acquisition of treasury stock
Retained Earnings	1,183,762	1,329,285	+145,522	
Treasury Stock	△196,126	△383,205	△187,078	
Valuation and Translation Adjustments	933	△2,398	△3,332	
Stock Acquisition Rights	8,680	8,680	±0	
Total Net Assets	1,674,009	1,629,121	△44,888	
Total Liabilities and Net Assets	2,933,795	3,649,597	+715,801	

4. Reference Materials: Cash Flows

(Unit: Thousand yen)

	FY2015	December 31, 2015	Topics
Cash Flows from Operating Activities	630,052	392,046	· Posting of income before taxes
Cash Flows from Investing Activities	△162,826	△287,775	· Capital investment
Cash Flows from Financing Activities	△396,774	296,216	
Increase/Decrease in Cash and Cash Equivalents	70,451	400,487	
Cash and Cash Equivalents at Beginning of Period	1,358,529	1,428,980	
Cash and Cash Equivalents at End of Period	1,428,980	1,906,509	· cash+77,041 Thousand yen (Wind and Sun, Inc.)

ROE improved to 36.5%



	Fiscal Year Ended Dec. 2013 Actual	Fiscal Year Ended Dec. 2014 Actual	Fiscal Year Ended Dec. 2015 Actual
ROE	25.8%	31.2%	36.5%
Equity Ratio	54.0%	53.0%	56.8%

4. Reference Materials: Company Profile



Management philosophy is “Bringing happiness to all the people who share a connection.”

Company Name	IBJ, Inc.
Representatives	Shigeru Ishizaka, CEO / Tetsuhiro Nakamoto, COO
Location of Headquarters	Shinjuku First West 12F, 1-23-7 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023
Established	February 2006
Paid-in Capital	338.38 million yen (as of 2Q FY2016)
Fiscal-Year End	December 31
Businesses	Community (Marriage-Hunting Site) Business, Event (Marriage-Hunting Parties, Matchmaking Services) Business, Agent (Own Marriage Servicers) Business, Affiliate and Media Service (Marriage Servicer Network) Business, FC Business
Number of Employees	314 (as of 2Q FY2016)
Number of Halls	24 (as of 2Q FY2016)*Including FC halls Sendai, Shinjuku (2 halls), Ginza, Yurakucho, Yaesu, Ebisu (2 halls), Yokohama, Omiya, Osaka, Kyoto, Ikebukuro Shinsaibashi, Kobe, Nagoya (2 halls), Hakata, Hiroshima, Tenjin, Niigata, Kumamoto, Miyazaki, Taiwan

4. Reference Materials: Company History



2000	Bridal Net Inc. is established. Formally launches Japan' s first Internet marriage information service (Marriage-Hunting site).
2003	Becomes wholly-owned subsidiary of Yahoo Japan Corporation and creates marriage-hunting service for Yahoo! JAPAN.
2004	Provides benefits program services to the Federation of National Public Service Personnel Mutual Aid Associations (KKR).
2006	Becomes independent from Yahoo Japan Corporation through MBO by current executives. Establishes IBJ, Inc. and begins Marriage Consulting Federation business. Enters second foundation phase.
2007	Opens new directly-managed halls in Ginza and Shinjuku and begins Agent business. Full-scale launch of services integrating Internet and real life. Nippon Bridal Community Inc. (NBC) becomes a subsidiary.
2011	Completes full renovation of "Bridal Net," transforming it into a Marriage-Hunting site. Grows into Japan' s largest social marriage-hunting network.
2012	Listed on the JASDAQ (Standard) market of the Osaka Securities Exchange (now Tokyo Stock Exchange).
2014	Changes listed exchange to the Second Section of the Tokyo Stock Exchange.
2015	Changes listed exchange to the First Section of the Tokyo Stock Exchange.
2016	Establishes Kon-Katsu Labo Co., Ltd. (a subsidiary). Subsidiary of Wind and Sun, Inc.

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These presentation materials are prepared as a reference for investors to give them an understanding of the current status of IBJ, Inc. The information contained in this presentation is based on a generally accepted understanding of economic and social conditions as of August 2016 and certain assumptions considered rational and may be altered without notice for reasons such as a changes in the business environment.