

# **1st-Quarter Financial Report for the Fiscal Year Ending December 31, 2019**

**IBJ May 10, 2019  
TSE 1st Section: 6071**

# Management Philosophy

## MISSION

**Bringing happiness to all the people who share a connection**

## VISION

**We will solve Japan's greatest domestic social problem, "population decline, declining birthrate and aging population"**

## STRATEGY

**Increase  
of  
affiliates**

**Diffusion  
of  
methods**

**Increase  
in the number  
of successes  
(marriage)**

# Contents

**1. Financial Results  
Summary**

**2. Business Strategy**

**3. APPENDIX**

# Topics 1

## Rie Shibata became an official ambassador

Aiming for increased  
recognition and brand power

Number of  
affiliates



Number of new  
members



Revenue



UP 



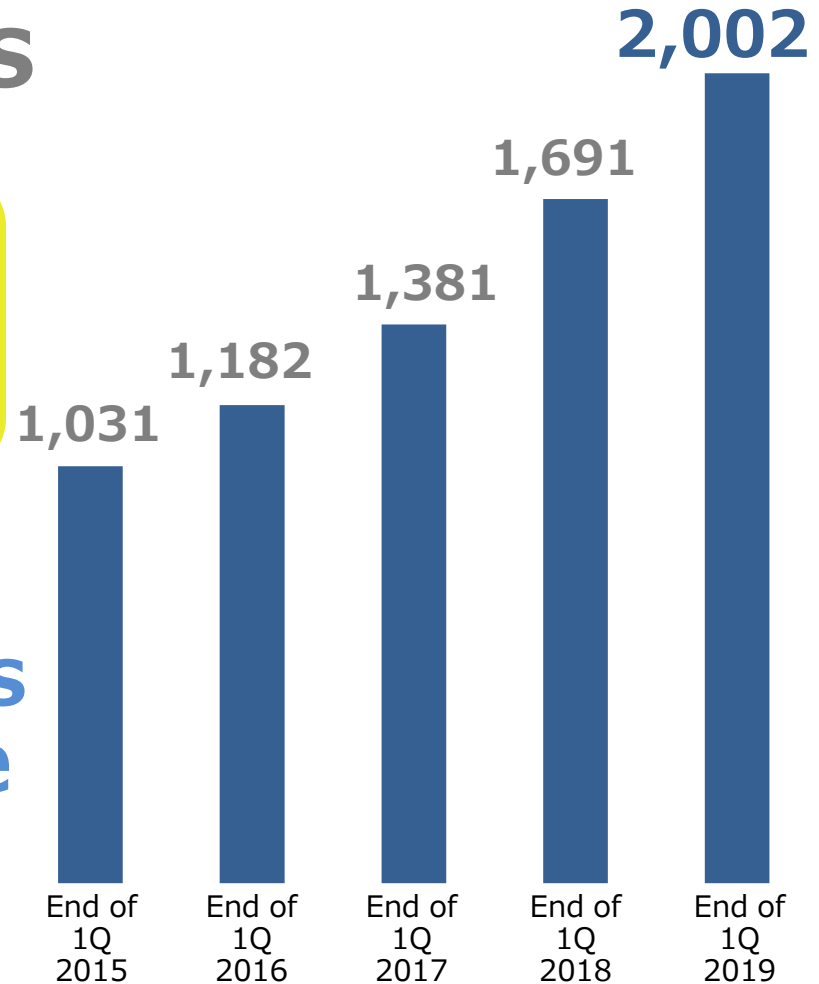
# Topics 2

## Number of affiliates

Finally /

**Exceeded 2,000**

**The roughly 4,000 go-betweeners at our affiliates guide singles nationwide towards success (marriage)**



# Topics 3

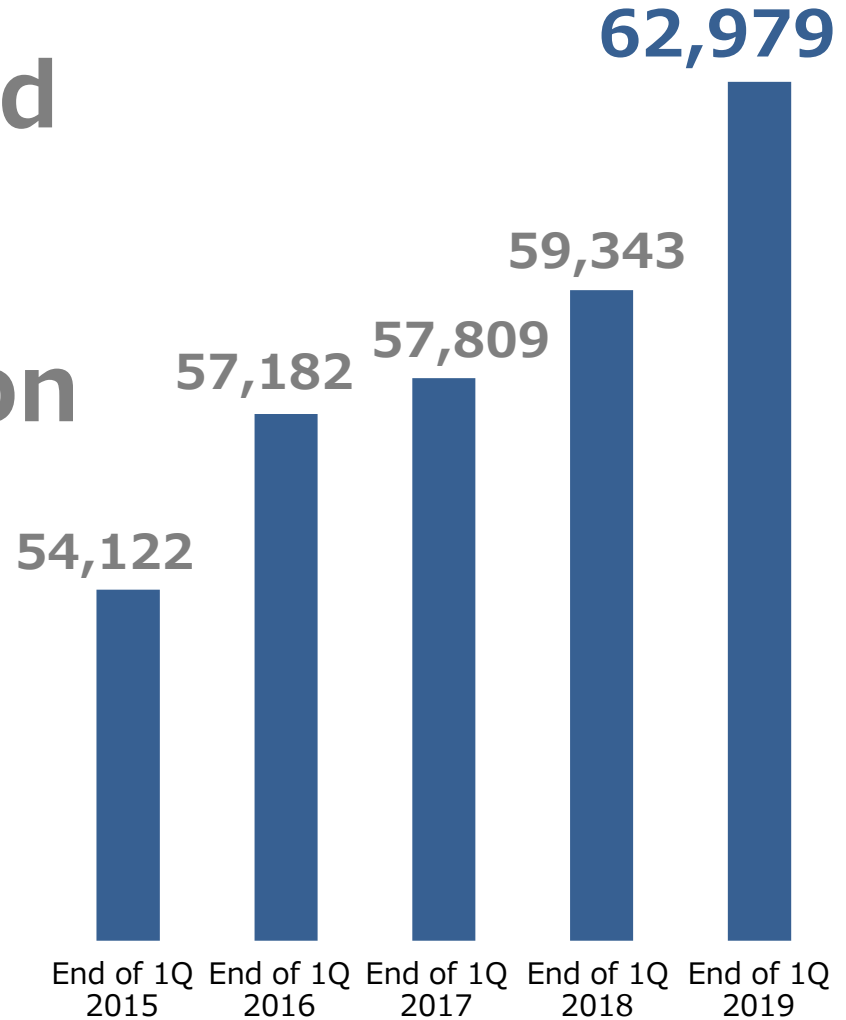
## Number of registered members of the Japan Marriage Consulting Federation

**Became No.1 in the industry**

Number of arranged marriage meetings

Number of couples married

**UP** ↗



# 1. Financial Results Summary

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# Consolidated Results Highlights

(Million yen)

	1Q 2018	1Q 2019	Percentage change
Net sales	2,457	3,666	+49.2%
Operating income	327	421	+28.7%
Ordinary income	325	449	+38.1%
Quarterly net income	215	242	+12.3%

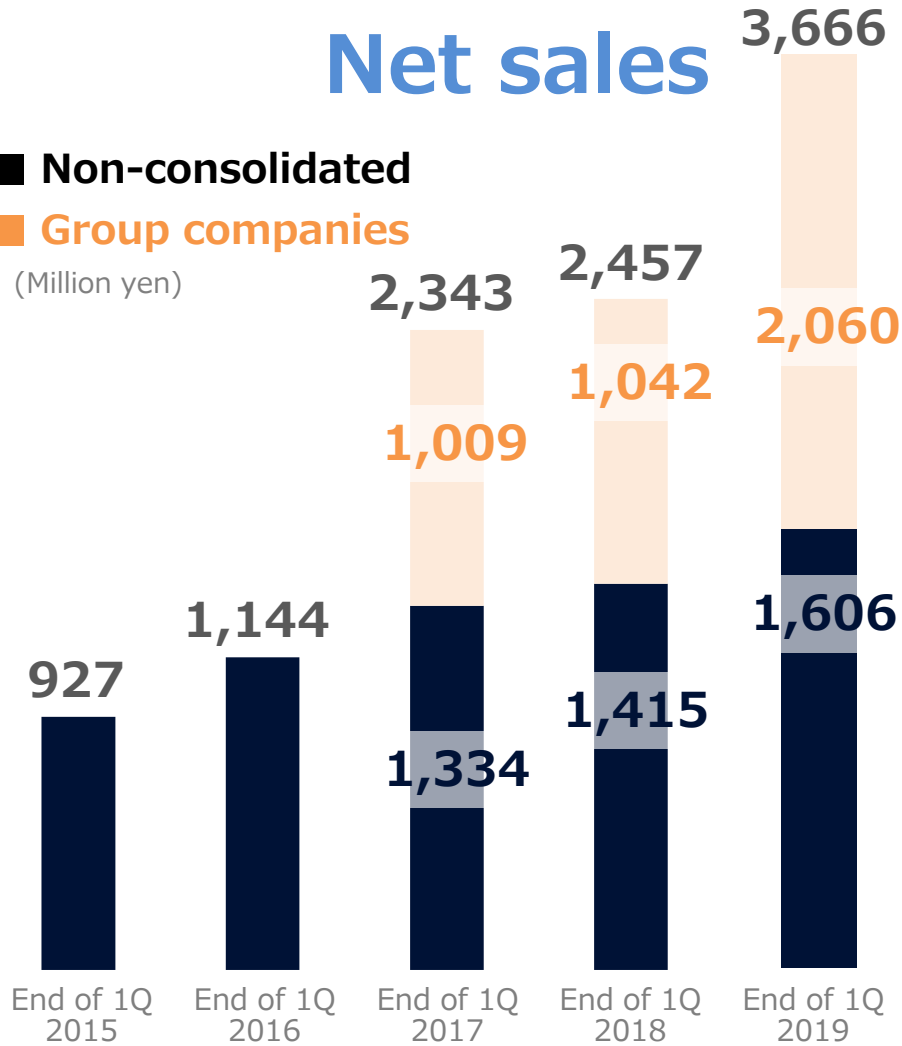
**A good start towards dramatic growth since last year**



# Consolidated / Non-Consolidated Results Highlights

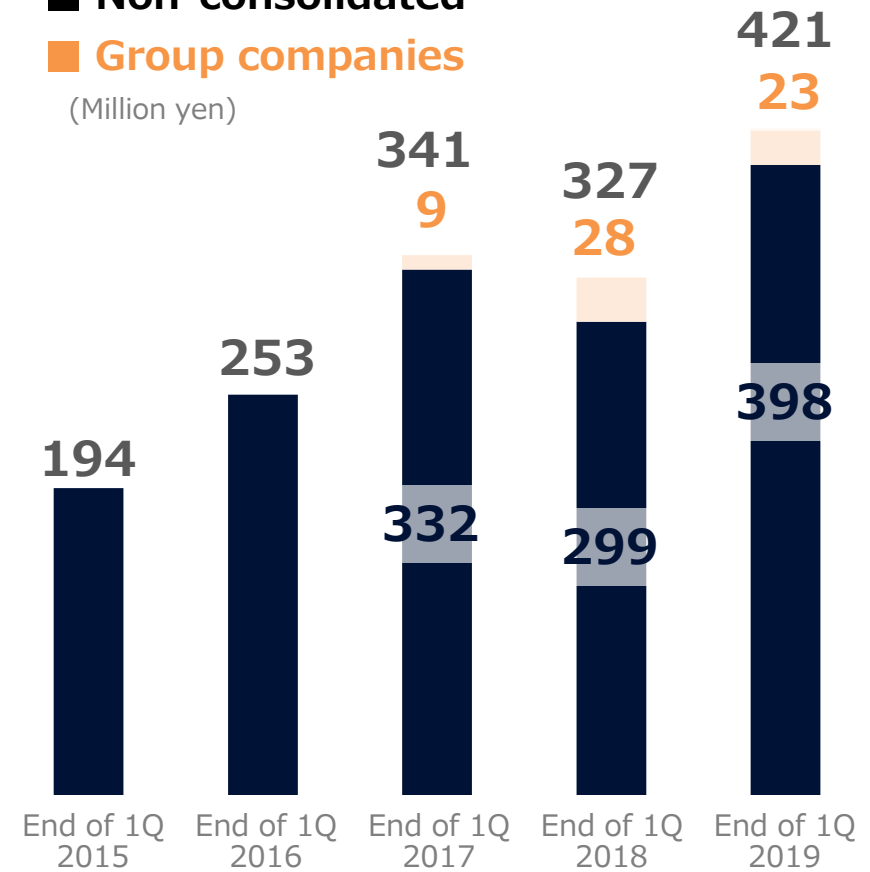
## Net sales

■ Non-consolidated  
 ■ Group companies  
 (Million yen)



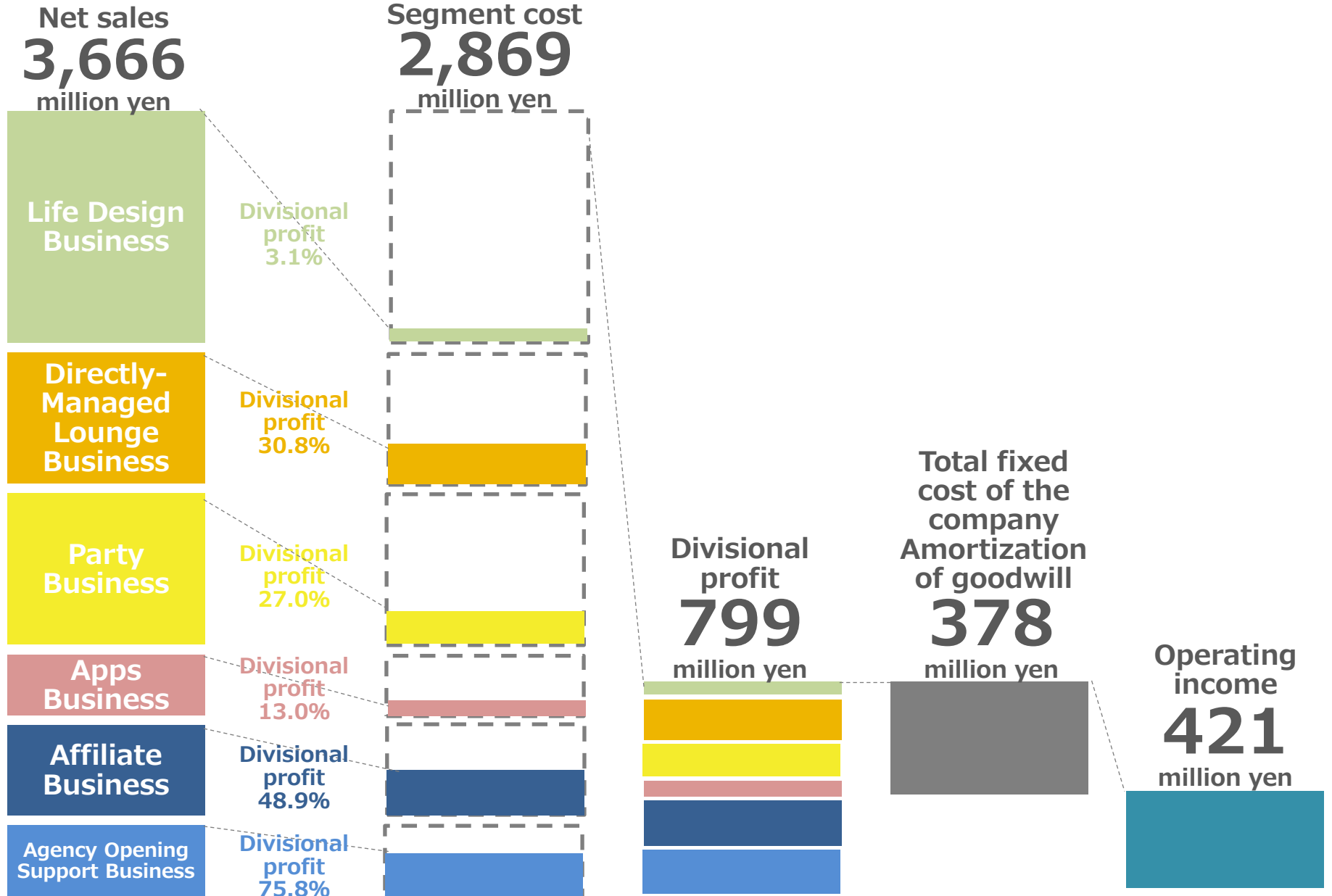
## Operating income

■ Non-consolidated  
 ■ Group companies  
 (Million yen)



**IBJ's non-consolidated growth drove the growth of the entire group**

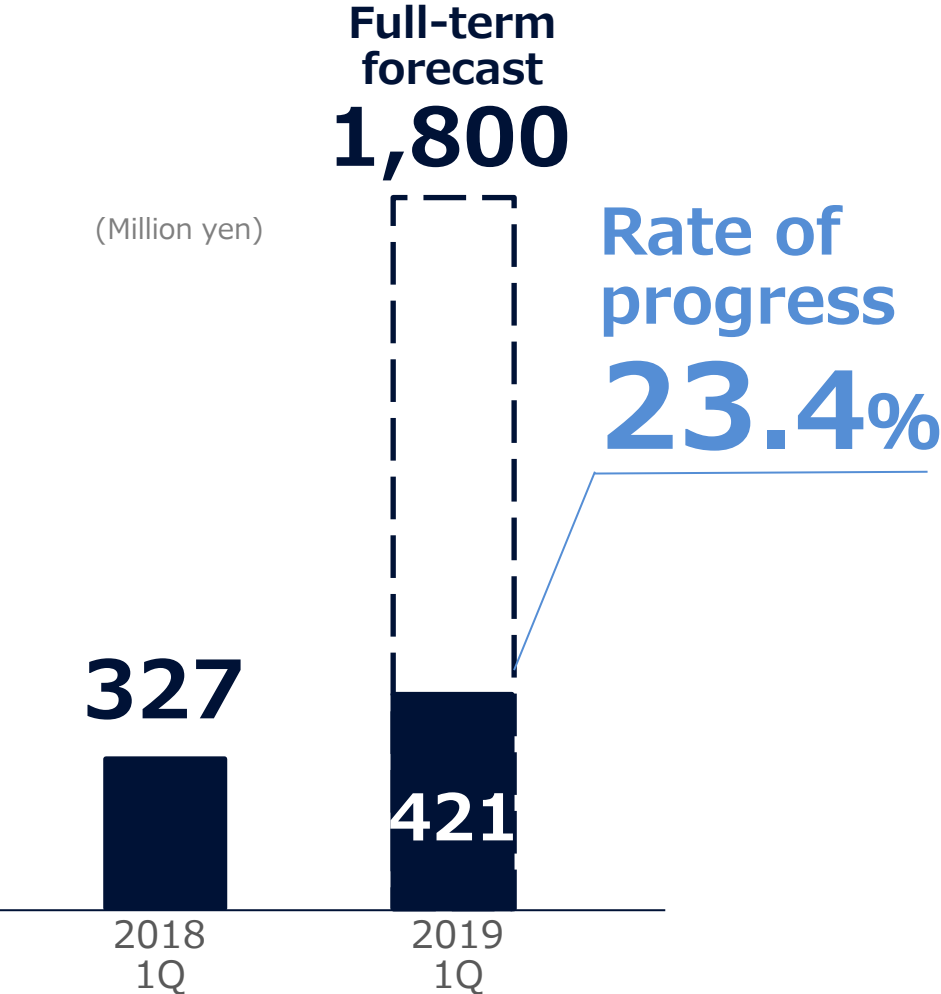
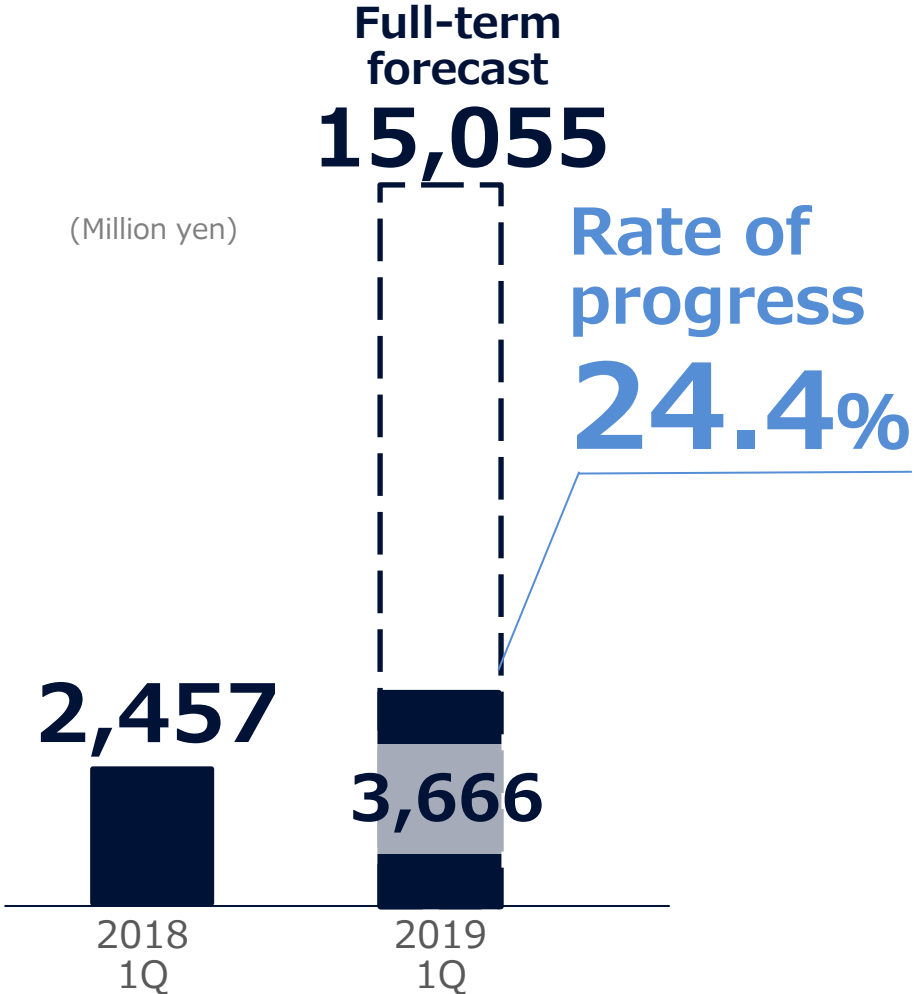
# Analysis of Changes in Operating Income



# Expected Rate of Progress of Full-Term Results

## Net sales

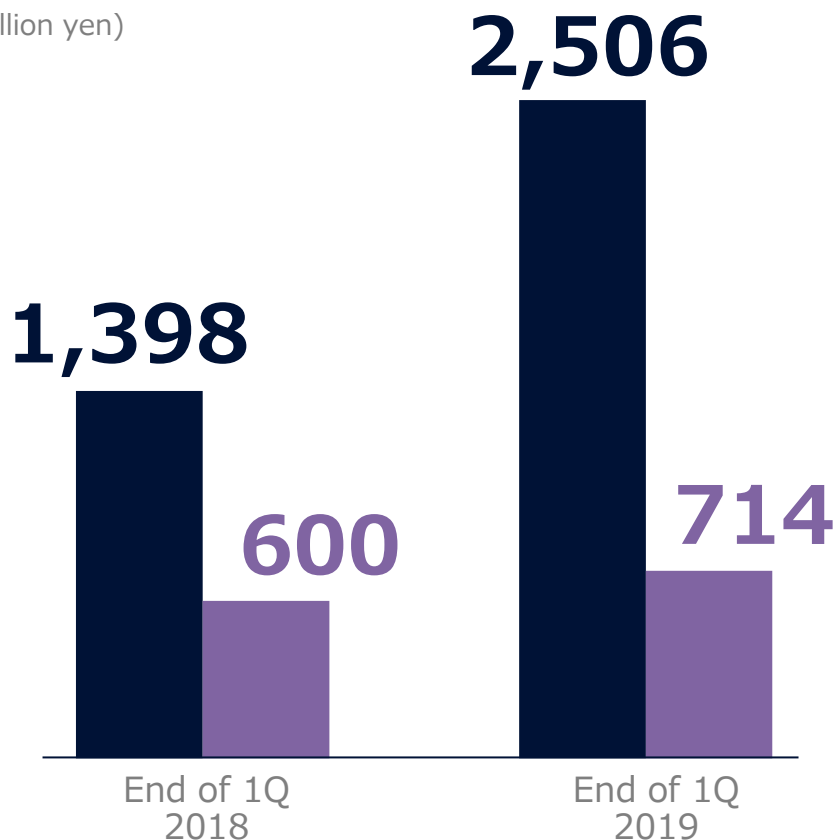
## Operating income



# Summary by Segment

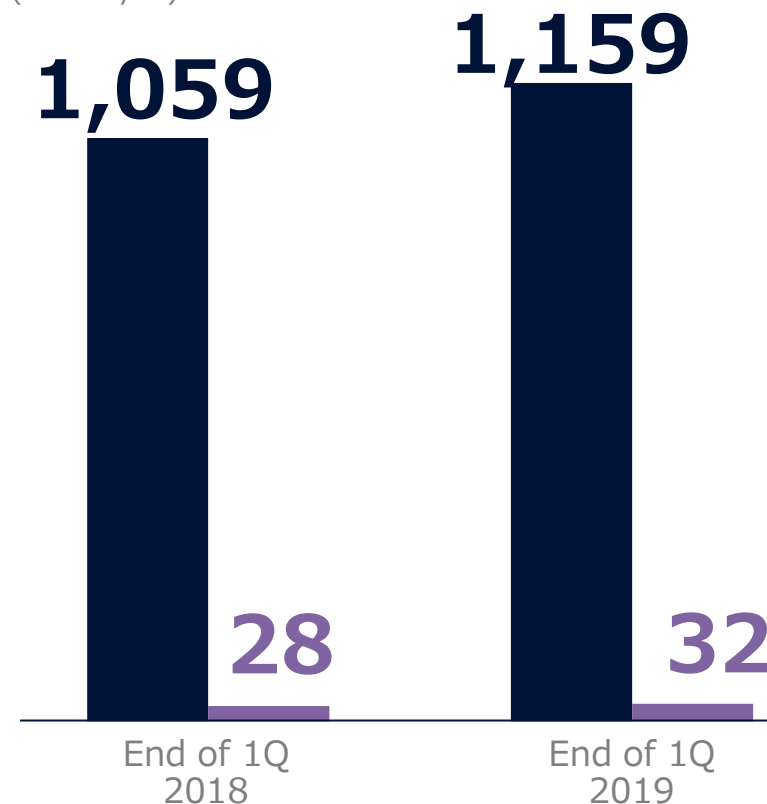
## Marriage Hunting Business

■ Net sales  
■ Segment income  
(Million yen)



## Life Design Business

■ Net sales  
■ Segment income  
(Million yen)



# Subdivision of New Segment

Current	New	Subdivision
Affiliate & Media Service Business	Marriage Hunting Business	Agency Opening Support Business
Community Business		Affiliate Business
Marriage Consulting Agencies Business		Apps Business
Life Design Business		Directly-Managed Lounge Business
	Life Design Business	Party Business
		Life Design Business

We are subdividing the items for disclosure in the new segment making the revenue structure easy to understand in association with the conversion to an affiliate system and business expansion based on M&A

# Business Model

Sales = Unit Price in Each Business × Quantity

## Agency Opening Support Business

- Japan Marriage Consulting Federation ... Agency opening joining fees ... Individual 1.5 million yen ... corporate 3 million yen
- App affiliates ... Joining fees Individual 1.5 million yen Corporate 3 million yen
- Party affiliates Registration fee 1.2 - 6 million yen \* The fee differs depending on the area

## Affiliate Business

- Japan Marriage Consulting Federation Monthly system usage fee Average 31,000 yen
- App affiliates Monthly system usage fee 40,000 - 80,000 yen
- App & Party affiliates Monthly system usage fee 40,000 - 80,000 yen  
\* The fee differs depending on the area

## Apps Business

Average monthly unit price About 5,700 yen Number of paying members About 47,000 people

## Party Business

Participation fee 2,800 yen Number of event participants About 60,000 people

## Directly-Managed Lounge Business

Average annual unit price About 250,000 yen Number of members About 6,000 + success fee 200,000 yen

## Life Design Business

- wedding 10% of food and beverage charge for wedding banquets, etc. (50,000 - 100,000 yen) x monthly number of cases of customers sent About 80 cases
- Honeymoon Honeymoon travel fee 500,000 - 700,000 yen x monthly number of contracts About 15 cases
- Insurance Fee for conclusion of insurance contract 30,000 - 200,000 yen x monthly number of contracts concluded About 45 cases

# Summary by Business Division (Million yen)

		1Q 2018	1Q 2019	Percentage change
<b>Agency Opening Support Business</b>	Net sales	150	228	+52.3%
	Divisional profit	110	171	+55.7%
<b>Affiliate Business</b>	Net sales	215	222	+3.2%
	Divisional profit	114	112	-1.4%
<b>Apps Business</b>	Net sales	123	767	+522.7%
	Divisional profit	90	100	+10.6%
<b>Party Business</b>	Net sales	468	493	+5.4%
	Divisional profit	121	133	+10.2%
<b>Directly-Managed Lounge Business</b>	Net sales	440	794	+80.3%
	Divisional profit	203	244	+20.2%
<b>Life Design Business</b>	Net sales	1,059	1,159	+9.5%
	Divisional profit	36	36	+0.5%

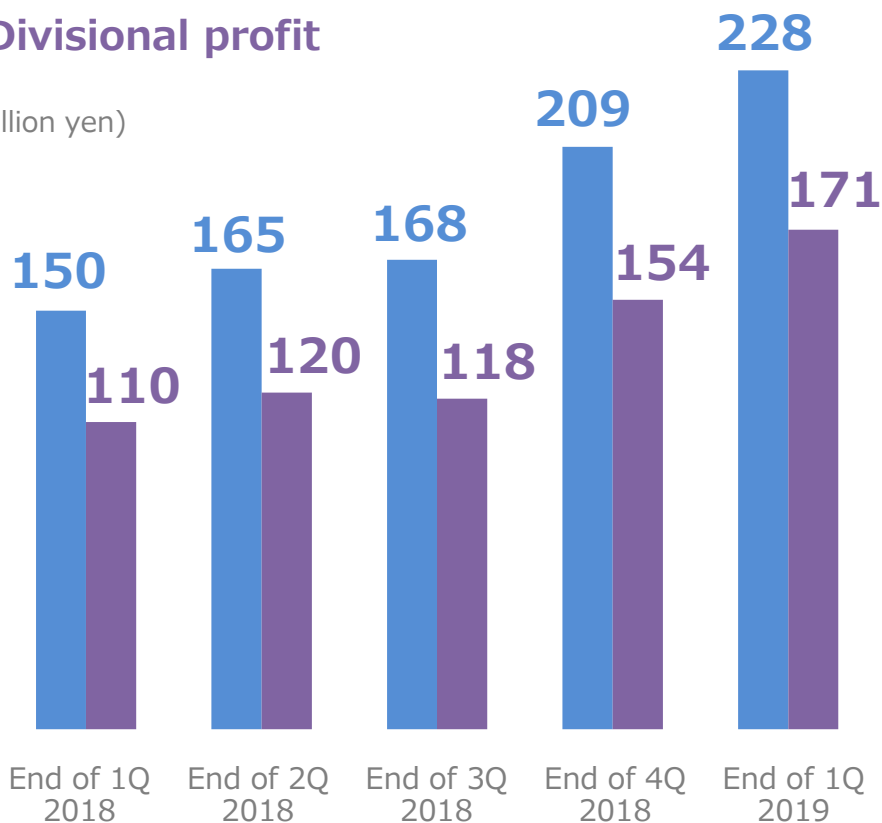
# Agency Opening Support Business


## Net sales and business profit

■ Net sales

■ Divisional profit

(Million yen)



日本結婚相談所連盟  
by 

Number of affiliates  
**2,002**

(As of the end of March 2019)

ブライダルネット  
by 

Number of affiliates  
**4**

\*Launched February 2019

(As of the end of March 2019)

PARTY☆PARTY  
by 

Number of affiliates  
**29**

(As of the end of March 2019)



# Affiliate Business

## Net sales and business profit

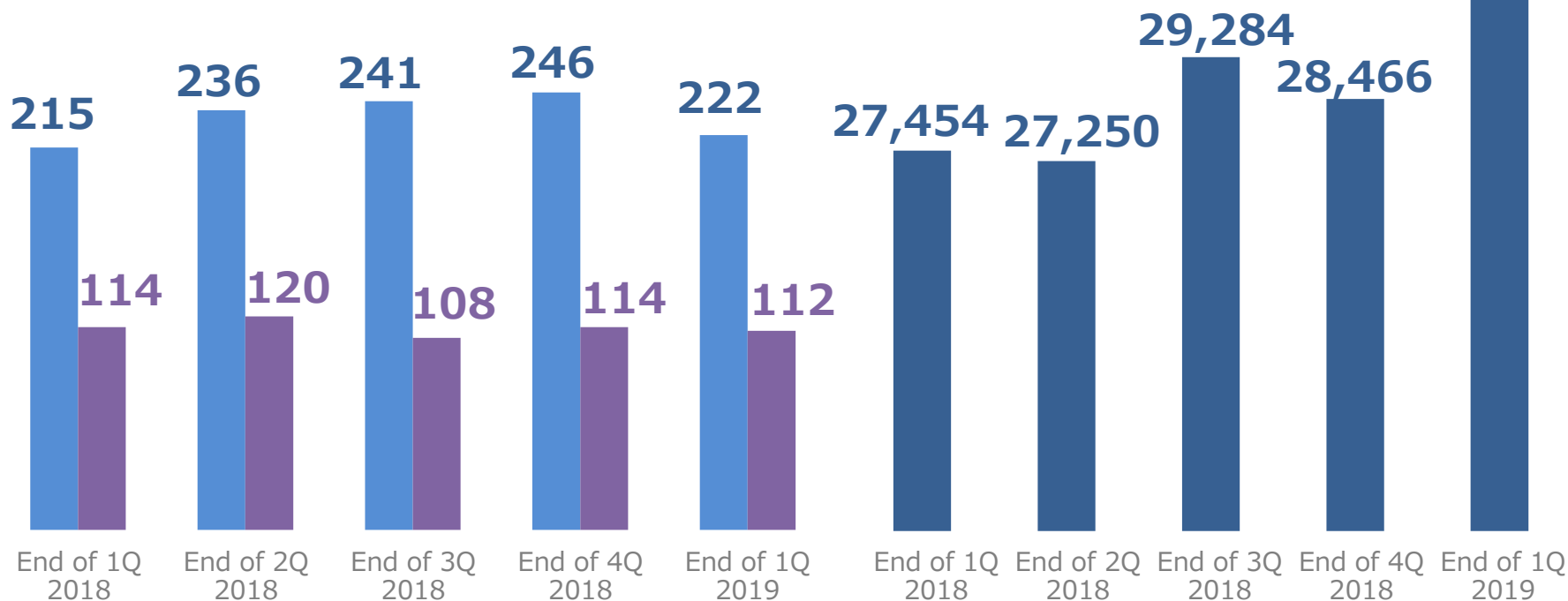
## Number of arranged marriage meetings

(persons)

**34,006**

- Net sales
- Divisional profit

(Million yen)

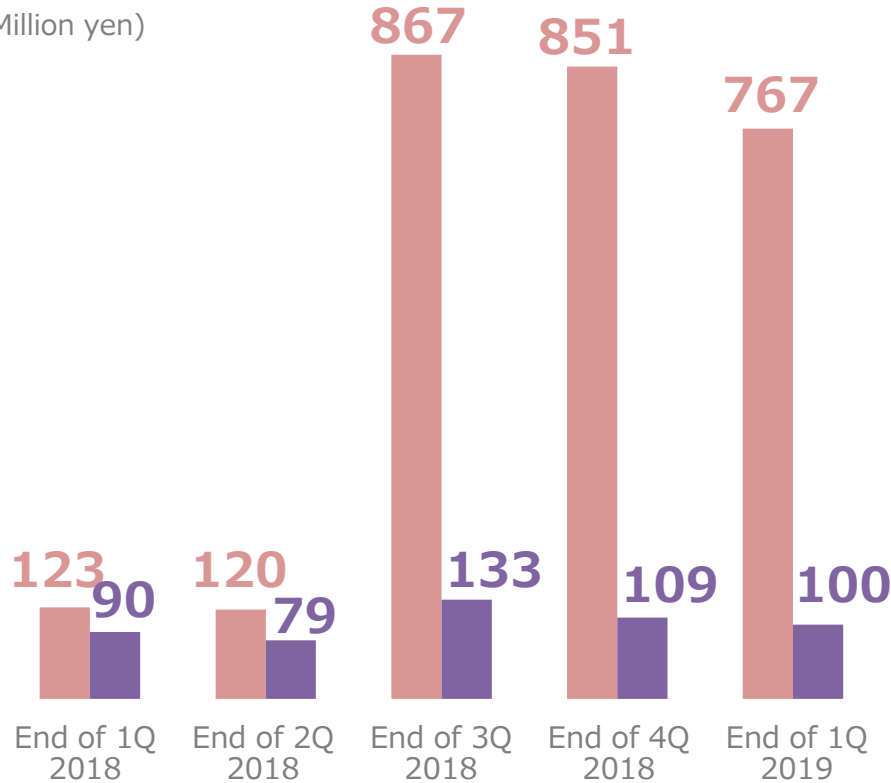


# Apps Business

## Net sales and business profit

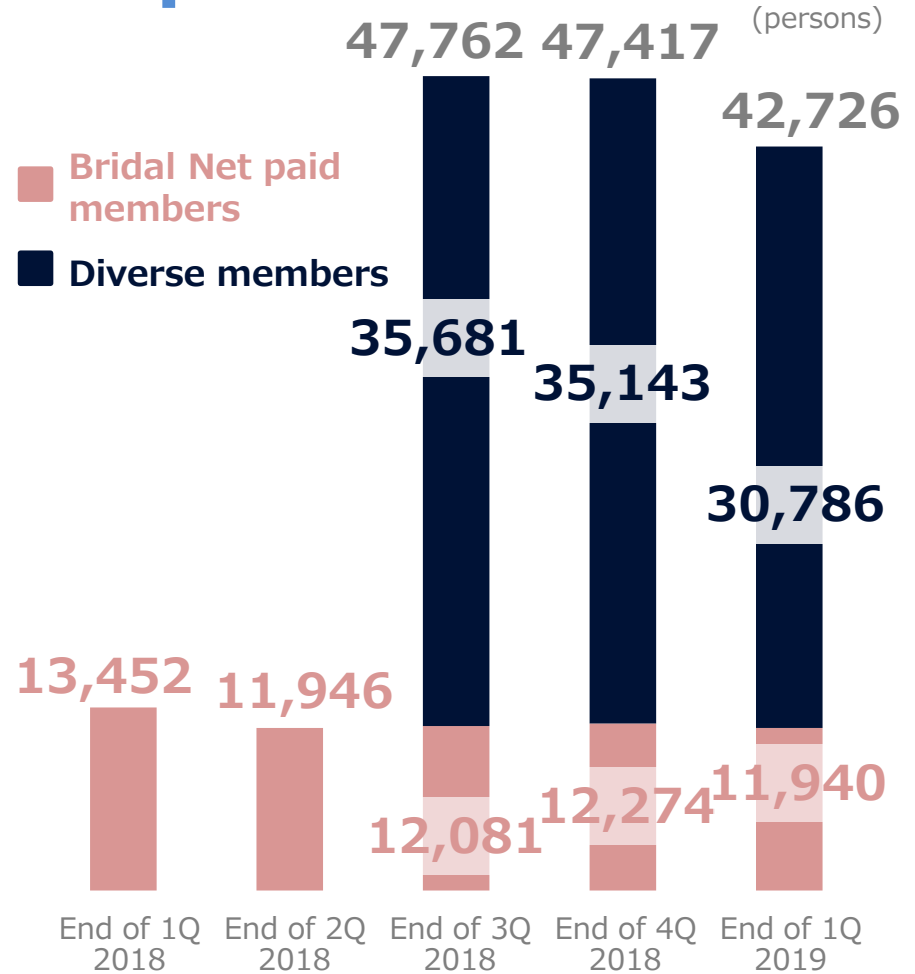
■ Net sales  
■ Divisional profit

(Million yen)



## Number of paid members

■ Bridal Net paid members  
■ Diverse members



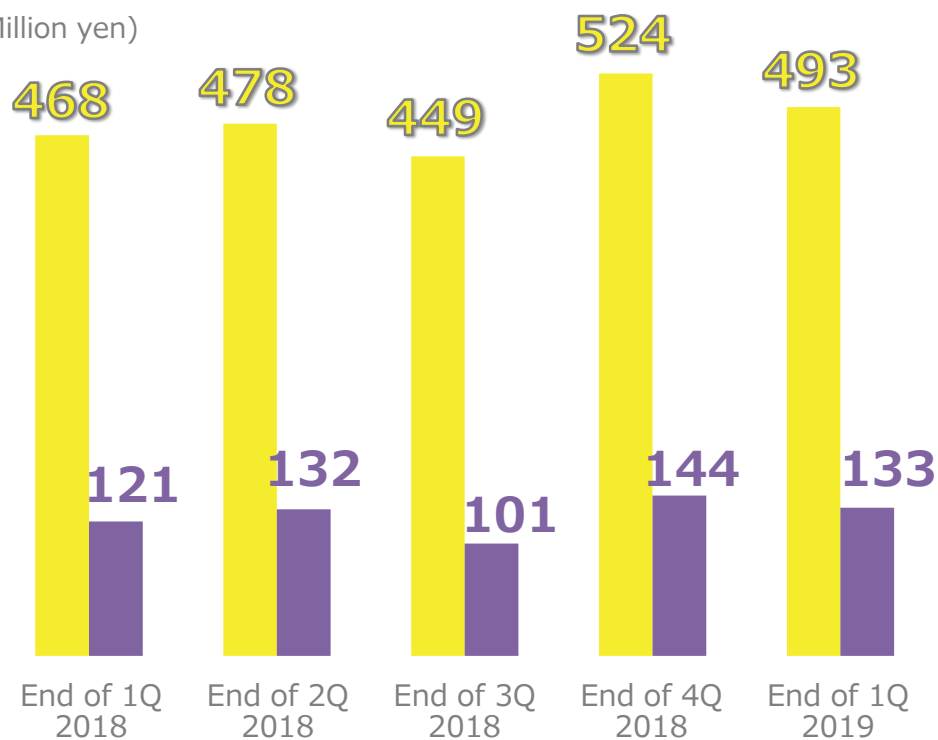
# Party Business

## Net sales and business profit

■ Net sales

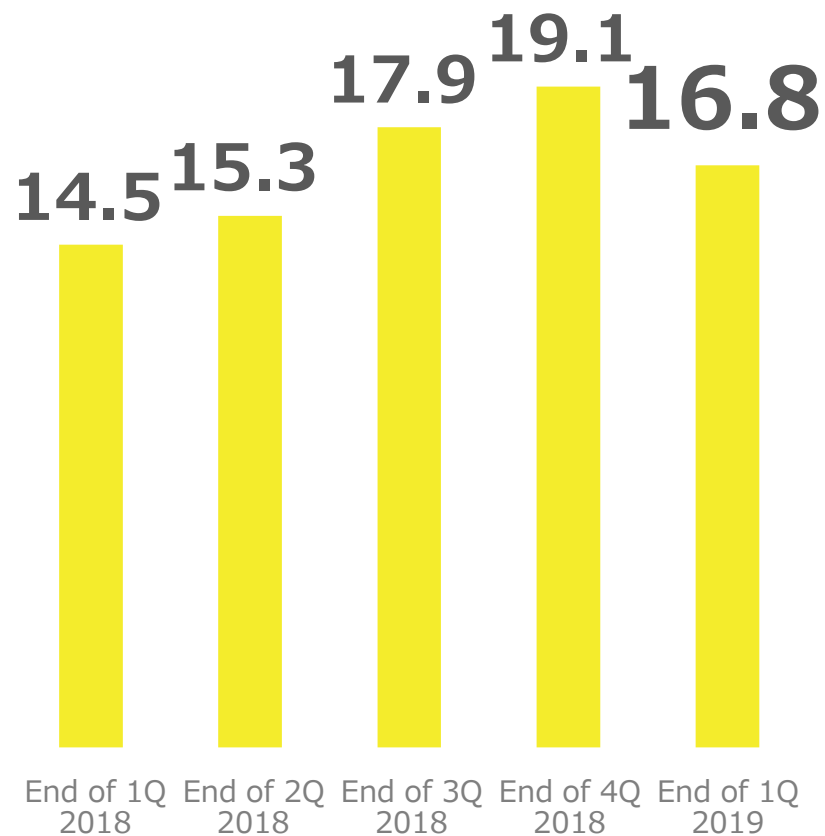
■ Divisional profit

(Million yen)



## Number of participants

(10,000 persons)



# Directly-Managed Lounge Business

## Net sales and business profit

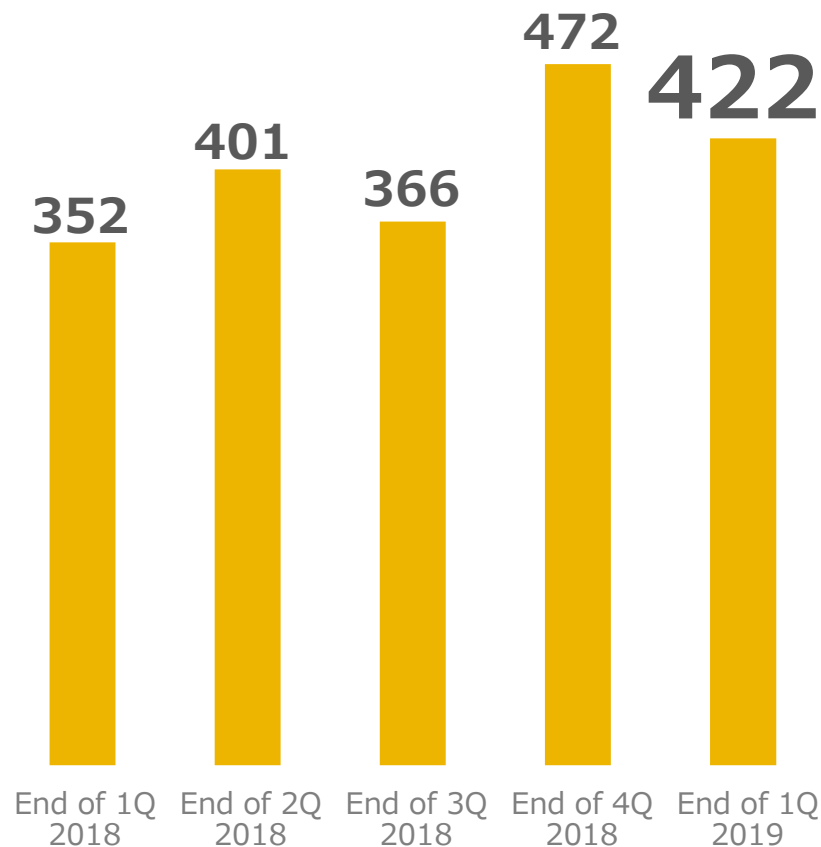
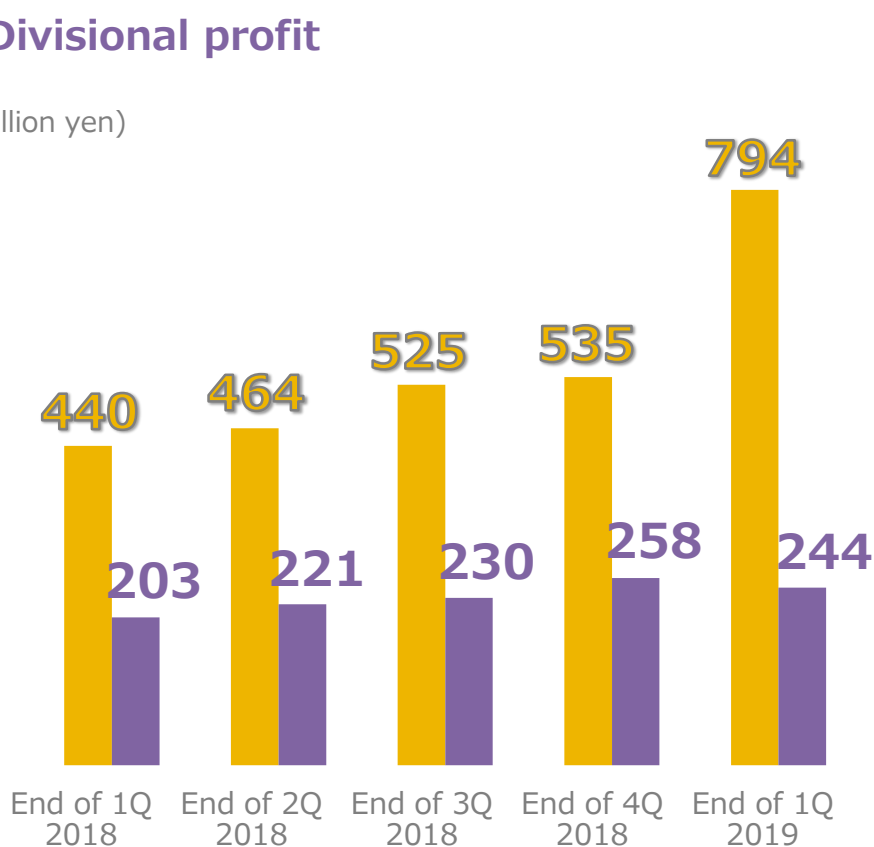
## Number of couples married

(persons)

■ Net sales

■ Divisional profit

(Million yen)

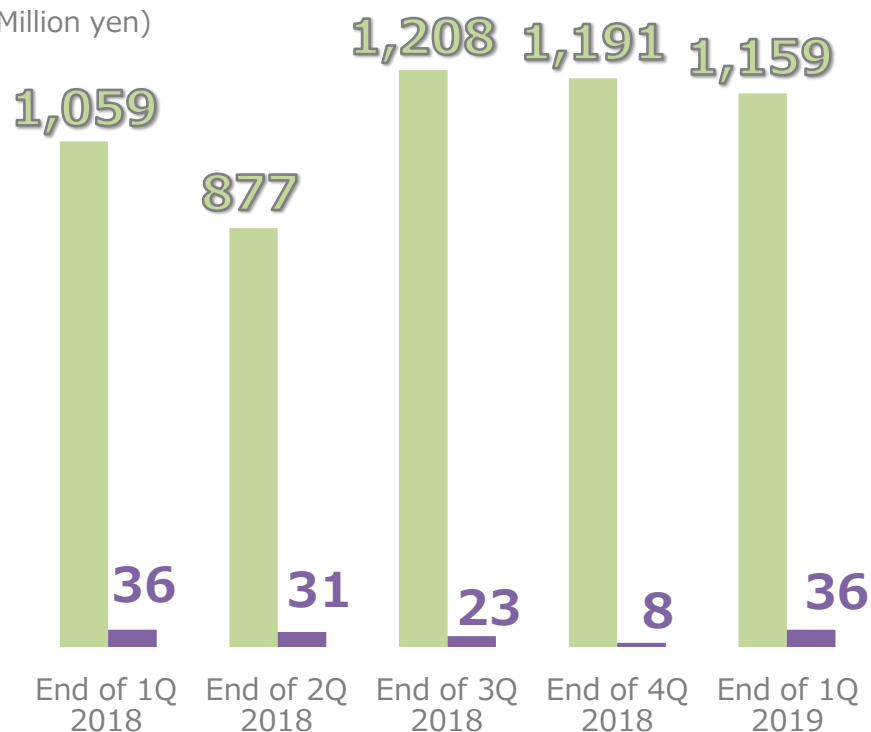


# Life Design Business

## Net sales and business profit

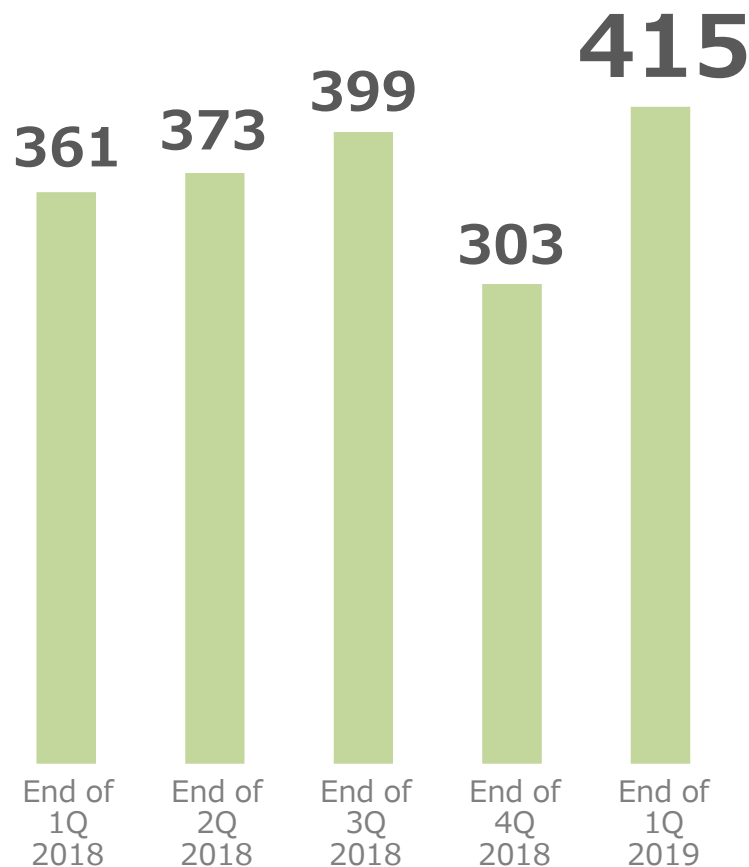
- Net sales
- Divisional profit

(Million yen)



## Number of contracts

(contracts)



# Group companies

1Q 2019

**Diverse**

**Net sales**

**655 million yen**  
(+3.2% compared to budget)

**Divisional profit**

**655 million yen**  
(+339.2% compared to budget)



60分500円の韓国語スクール  
**K Village Tokyo**  
Course Korean language school

**146 million yen**  
(-2.2% compared to budget)

**19 million yen**  
(+25.7% compared to budget)



**サンマリエ**

**246 million yen**  
(+4.5% compared to budget)

**19 million yen**  
(+28.9% compared to budget)

# 2. Business Strategy

# IBJ will solve Japan's greatest domestic social problem, "population decline, declining birthrate and aging population"

## Current situation

The state is focusing on the child allowance and the conversion to fee free child care centers and kindergartens  
A factor in the declining birthrate is the advance of the tendency not to get married



## Solution

The only solution in Japan, which has a low rate of childbirth outside of marriage, is to increase the number of married couples



## Problem

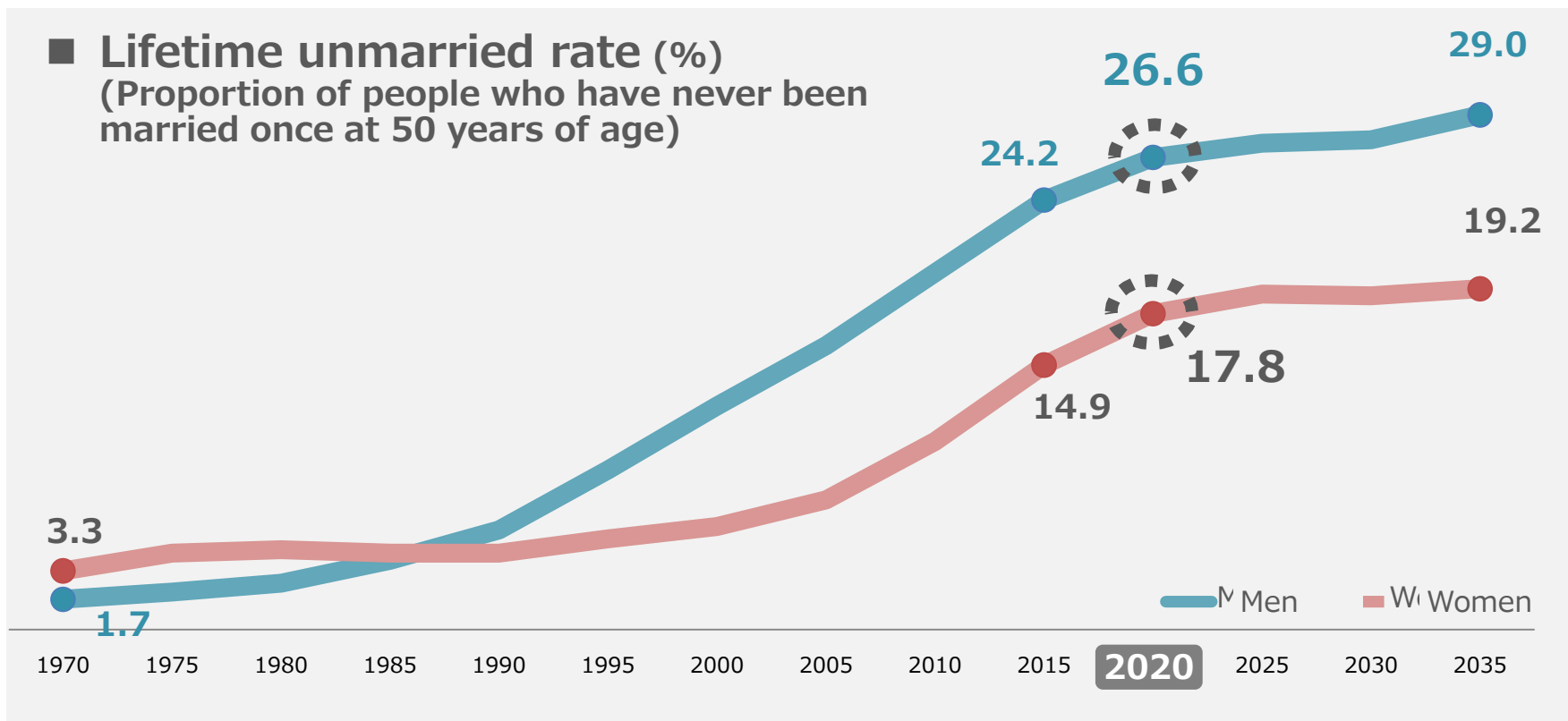
Support for marriage hunting is a private problem so the government tends to hesitate over full-scale intervention

## Support for marriage hunting is a problem that should be solved by private companies



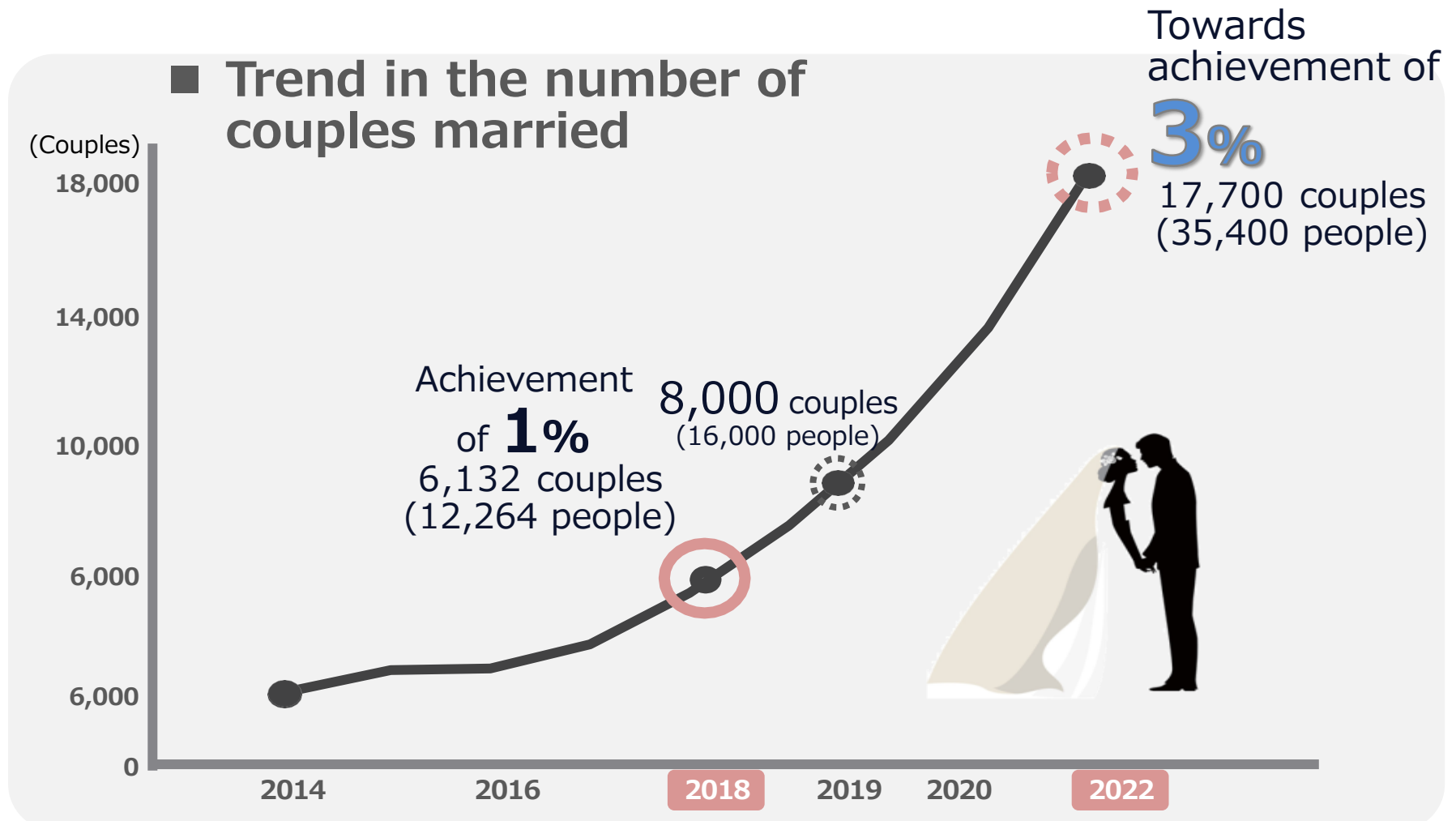
# Trend in Lifetime Unmarried Rate (Including Future Estimates)

In 2020, we will be in an era with about one-in-four men and about one-in-six women remaining unmarried for life.



Source: National Institute of Population and Social Security Research "Population Statistics" (2015), "Household Projections for Japan" (January 2013 nationwide estimates)  
The averages for unmarried rates for 45 to 49 year old people and for 50 to 54 year old people for the period to 2010 from "Population Statistics" (2015) and from 2015 "Household Projections for Japan."

# IBJ is ... “The only company in Japan targeting the creation of success (marriage)”



# A Growth Cycle Not Dependent on Advertising and Agency Opening

## Conventional format

Increase in agency opening and advertising placement costs



Focus on joining

Decreased service quality

Decreased profit rate

## IBJ

Development of affiliates centered on the centripetal force of directly-managed lounges

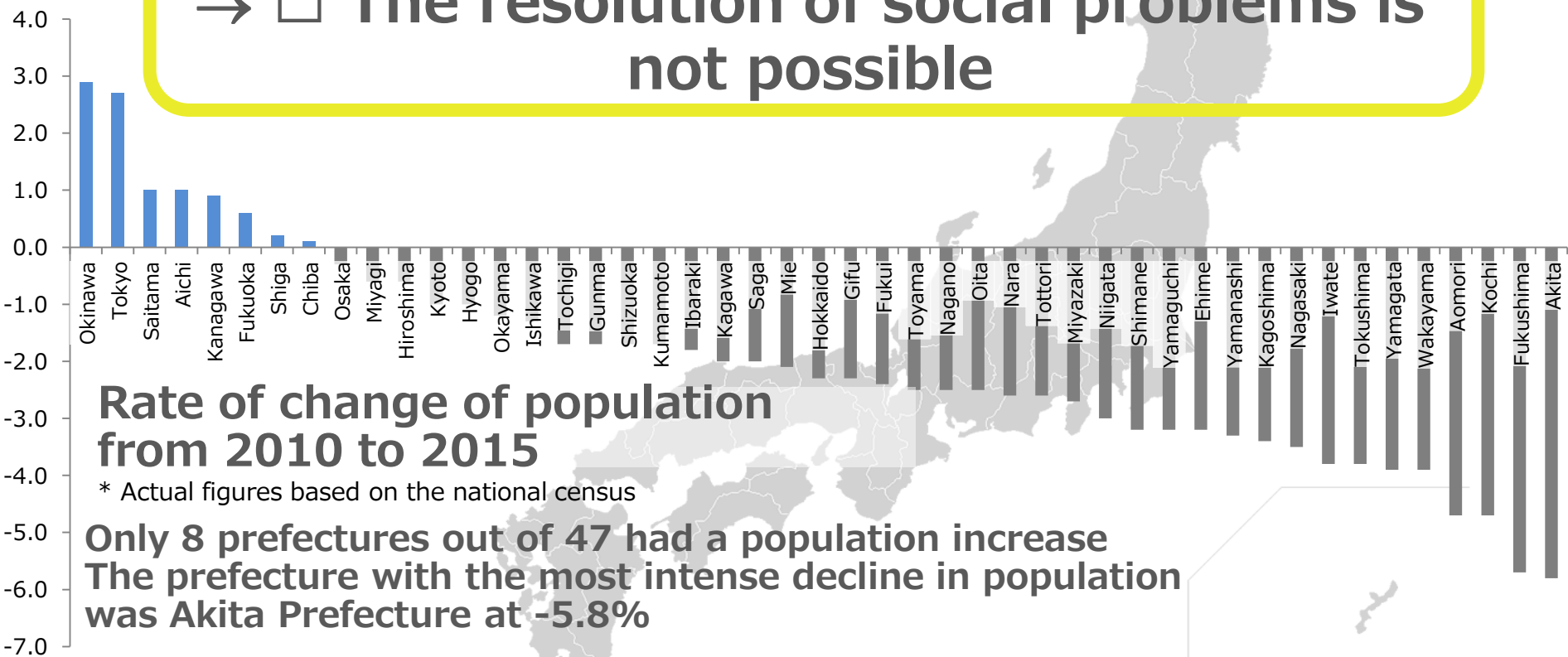


Focus on success (marriage)

No costs (advertising, people, rent)

# Japan's social problems (population decline, declining birthrate and aging population) are becoming more serious mainly in regional areas

Conventional format: No lounges opened in regional areas as they are unprofitable  
 →  The resolution of social problems is not possible



# With its affiliate system, IBJ provides

**[1]  
A system**



**[2]  
Know-hows**



**[3]  
Methods**



**Lounge openings are possible even in regional areas and the speed of opening is fast**

**Services rooted in the local area are possible**

# [1] A System IBJ Provides The standard OS (Operation system) in the marriage-hunting industry

- IBJ's arranged marriage meeting system (member management screen on the go-between side)

Everything from the management of the arranged marriage meetings of members to chats with members and the coordination of arranged marriage meeting times is possible on the system.

State of receipt of applications for arranged marriage meetings from members

Member and go-between chat function

February 2019: Realization of AI (facial recognition function) release

August 2019: Planned release of functions for AI to engage in deep learning on complete action histories of marriage hunting members

▶ Increase number of arranged marriage meetings

# [2] Know-hows IBJ Provides

(Good results at low cost)

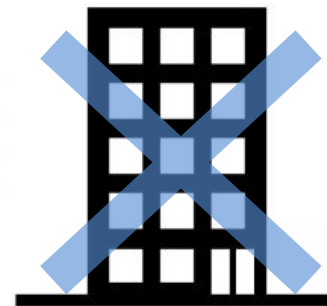
## Consulting Agency management does not incur costs



Labour costs

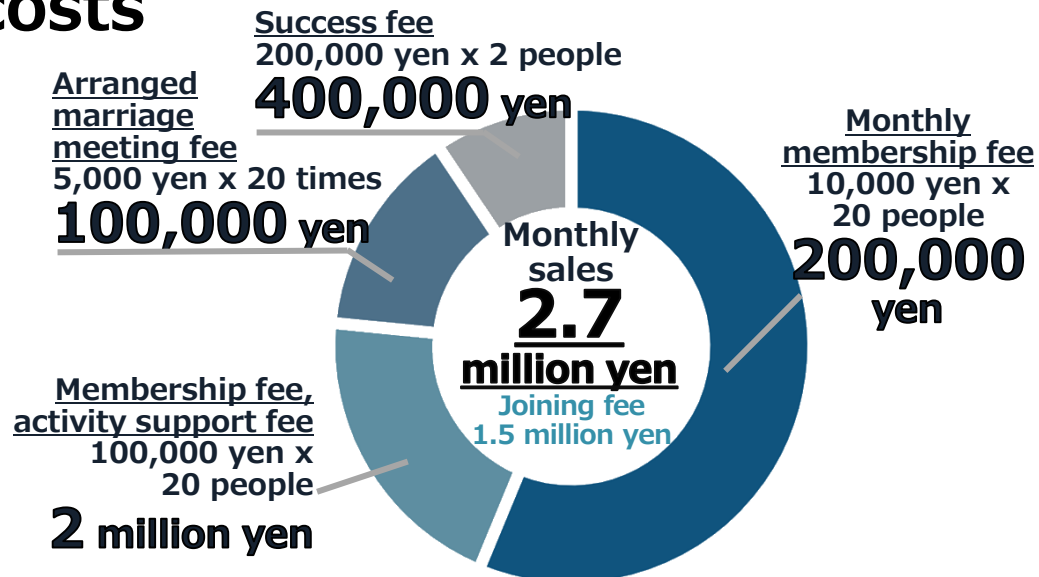


Advertising costs



Rent

This is a system that makes it possible to start at low cost and recover the agency opening funds



(Model case of an individual agency opening with 20 active members)



# [3] Methods IBJ Provides

## Training based on IBJ's unique methods

- Method I Attraction of customers / marketing
- Method II Promotion of joining
- Method III First counselling
- Method IV Interaction management

## Building of a go-between network (crowd)



IBJ Summit



Regular meetings

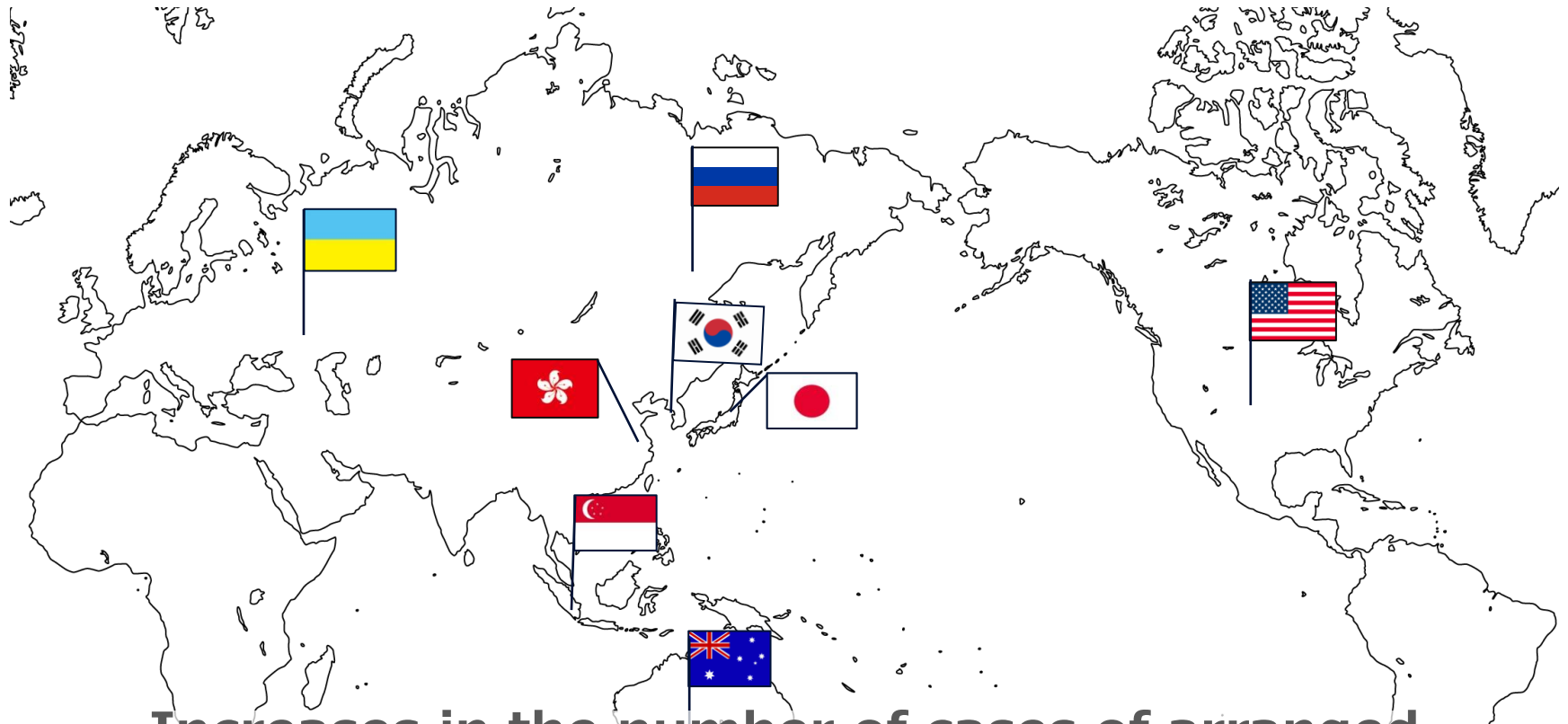


Ambassador Club

**These increase the diffusion of the IBJ methods among go-betweens and loyalty to the Japan Marriage Consulting Federation**



# Global Rollout of Affiliate Business



**Increases in the number of cases of arranged marriage meetings for inbound international marriages and the number of couples married**

**We will solve Japan's population problems with IBJ's affiliate business**

# 3. APPENDIX

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# Balance Sheets

(Million yen)

	As of the end of December 2018	As of the end of March 2019	Change
Current Assets	5,028	5,336	+308
Cash and Deposits	3,832	3,849	+16
Non-current Assets	2,530	4,318	+1,788
Property, Plant and Equipment/Intangible Assets	1,172	1,820	+648
Investments and Other Assets	1,358	2,498	+1,139
<b>Total Assets</b>	<b>7,559</b>	<b>9,655</b>	<b>+2,096</b>
Current Liabilities	2,771	3,507	+735
Non-current Liabilities	1,231	2,353	+1,122
<b>Total Liabilities</b>	<b>4,002</b>	<b>5,861</b>	<b>+1,858</b>
Capital Stock/Capital Surplus	1,232	1,236	+3
Retained Earnings	3,214	3,086	-128
Treasury Stock	-1,007	-1,007	+0
Valuation and Translation Adjustments	85	161	+76
Stock Acquisition Rights	31	31	0
<b>Total Net Assets</b>	<b>3,556</b>	<b>3,794</b>	<b>+238</b>
<b>Total Liabilities and Net Assets</b>	<b>7,559</b>	<b>9,655</b>	<b>+2,096</b>

# History

**2006**

- Becomes independent from Yahoo Japan Corporation through an MBO executed by the current executives.
- Establishes IBJ, Inc. and begins the Japan Marriage Consulting Federation business.
- Launches the “IBJS” marriage meeting coordination system.

**2012**

- Begins community gathering business with Go-Kon (matchmaking get-together) / Machi-Kon (community gathering) service “Rush”
- Stock listing on the JASDAQ market of the Tokyo Stock Exchange

**2014**

- Establishes “IBT,” a joint venture, in Taiwan \* Joint venture with Sunfun Info
- 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**

- Makes Wind and Sun Co., Ltd., (currently IBJ Wedding) which has media specializing in customer needs in wedding-related business, a Group company.
- Makes Kamome Co., Ltd., which develops mainly overseas planned tour holidays in travel business, a Group company.

**2017**

- Establishes IBJ Life Design Support Inc., an insurance agent, based on a joint investment with Sony Life Insurance Co., Ltd.
- Establishes Kansai Office and Tokai Office.

**2018**

- Starts a home loan service as a franchisee of Aruhi Corporation.
- Makes Diverse, Inc. a Group company
- Selected by Forbes Asia for “Asia’s 200 Best Under A Billion.”
- Realizes 6,132 married couples during the year, 1% of the total number of couples married in Japan during the year.

**2019**

- Makes Sunmarie Inc., which manages a long-established marriage consulting agency, a Group company.
- Makes K Village Tokyo Inc., which runs Korean language schools, a Group company.

# Company Profile

<b>Company Name</b>	IBJ, Inc.
<b>Representatives</b>	Shigeru Ishizaka, CEO / Tetsuhiro Nakamoto, COO
<b>Location</b>	〒160-0023 12th floor, Shinjuku First West, 1-23-7 Nishi-Shinjuku, Shinjuku-ku, Tokyo, Japan
<b>Established</b>	February 2006
<b>Paid-in Capital</b>	618,158,250 yen*As of the end of March 2019
<b>Fiscal Year End</b>	December 31
<b>Description of businesses</b>	Agency Opening Support Business / Affiliate Business / App Business / Party Business / Directly-Managed Lounge Business / Life Design Business
<b>Number of Employees (consolidated)</b>	723 *As of the end of March 2019
<b>Number of halls</b>	47 (including affiliates) * As of the end of March 2019 Sendai, Shinjuku* (2 halls), Ginza, Yurakucho, Yaesu, Ueno, Shibuya, Ebisu* (2 halls), Ikebukuro, Yokohama, Omiya, Chiba, Osaka, Shinsaibashi, Nanba, Kyoto, Kobe, Nagoya* (3 halls), Hakata, Taiwan, Hokkaido, Niigata, Ishikawa, Gunma, Tochigi* (2 halls), Ibaraki, Machida, Kitasenju, Kawasaki, Odawara, Shizuoka, Gifu, Mie* (3 halls), Shiga, Hiroshima, Fukuoka, Kitakyushu, Kumamoto, Miyazaki, Kagoshima

# Shareholder incentives

## Shareholder benefits for shareholders on the register as of the end of June each year

- ▶ Shareholders holding more company's shares

Special QUO card



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## Shareholder benefits for shareholders on the register as of the end of December each year

- ▶ Shareholders holding more company's shares

Marriage agencies that are members of the Japan Marriage Consulting Federation (excluding some agencies)

One 30,000 yen discount ticket

- ▶ Shareholders holding the company's shares for a longer period

Travel coupons that can be used at Kamome Co., Ltd., the Company's subsidiary operating the travel business

100,000 yen × 10 coupons (by lot)

\* Winners will receive the product with no announcement.





(IBJ, Inc.)

12th floor, Shinjuku First West,  
1-23-7 Nishi-Shinjuku, Shinjuku-ku, Tokyo, Japan 160-0023

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 May 2019 as well as certain assumptions considered to be rational. The information contained herein may be altered without notice due to changes in the business environment and other such reasons.

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