

2nd Quarter Financial Report for the Fiscal Year Ending December 31, 2019

**IBJ August 9, 2019
TSE 1st Section: 6071**

Company Profile

Company Name	IBJ, Inc.
Representatives	Shigeru Ishizaka, CEO / Tetsuhiro Nakamoto, COO
Location	〒160-0023 12th floor, Shinjuku First West, 1-23-7 Nishi-Shinjuku, Shinjuku-ku, Tokyo, Japan
Established	February 2006
Paid-in Capital	627,218,250 yen *As of the end of June 2019
Fiscal Year End	December 31
Description of Businesses	Agency Opening Support Business / Affiliate Business / FC Business / App Business / Party Business / Directly-Managed Lounge Business / Life Design Business
Number of Employees (consolidated)	730 *As of the end of June 2019
Number of Halls	58 (including party affiliates) *As of the end of June 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, Toyama Ishikawa, Gunma, Tochigi* (2 halls), Ibaraki (3 halls), Chiba, Shinjuku, Roppongi, Machida, Kitasenju (2 halls), Kawasaki, Odawara, Shizuoka, Nagano, Gifu, Mie* (4 halls), Shiga, Wakayama, Okayama Hiroshima, Fukuoka, Saga, Kumamoto, Miyazaki, Kagoshima

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
(marriages)

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1. Financial Results Summary

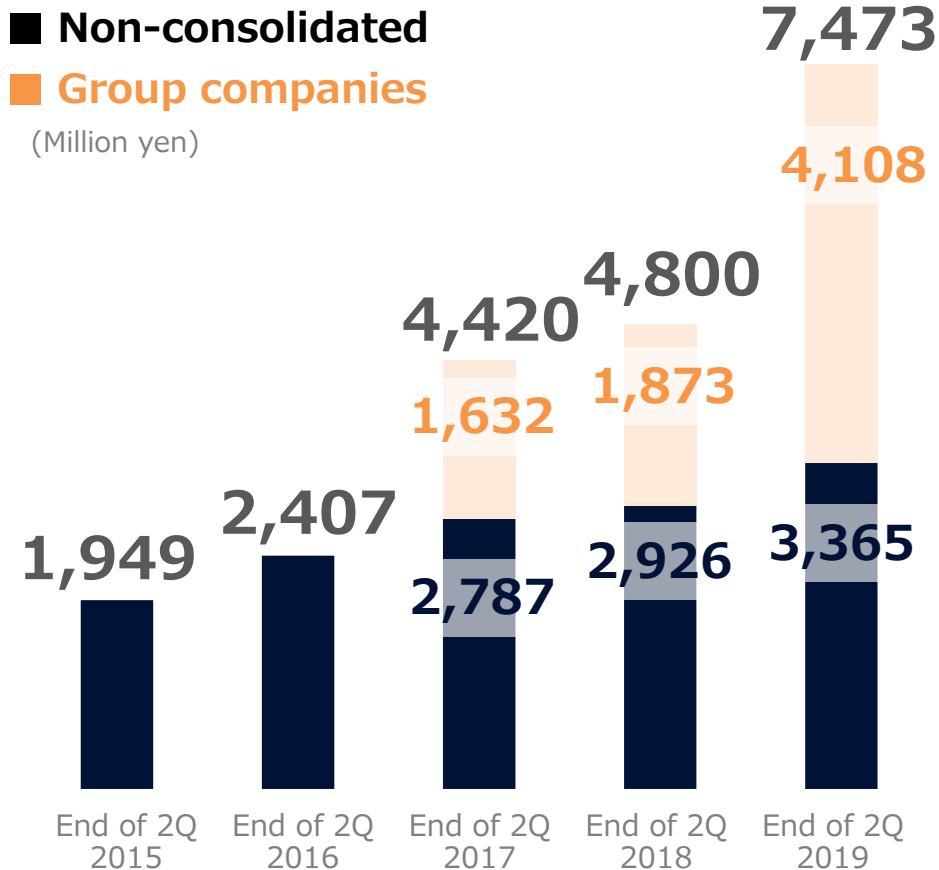
Consolidated Results Highlights

(Million yen)

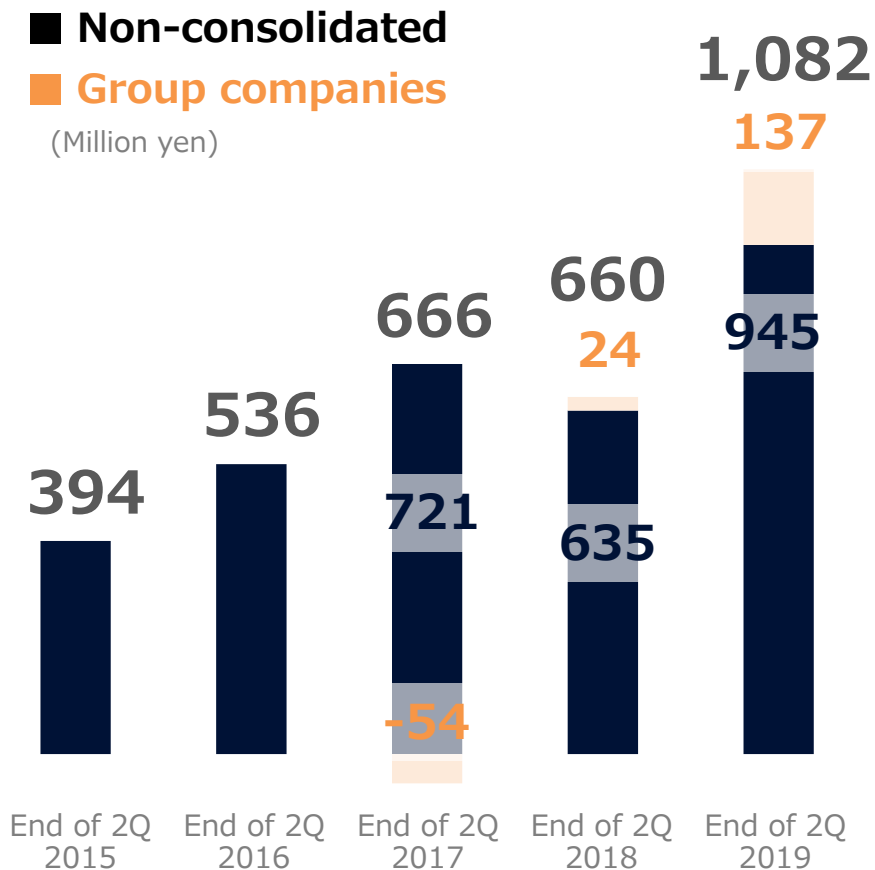
	2Q 2018	2Q 2019	Percentage change
Net sales	4,800	7,473	+55.7%
Operating income	660	1,082	+63.9%
Ordinary income	656	1,106	+68.6%
Quarterly net income	425	722	+69.6%

Consolidated / Non-Consolidated Results Highlights

Net sales



Operating income



It significantly exceeded the forecast partially due to the contribution of a group company which we acquired through an M&A last year

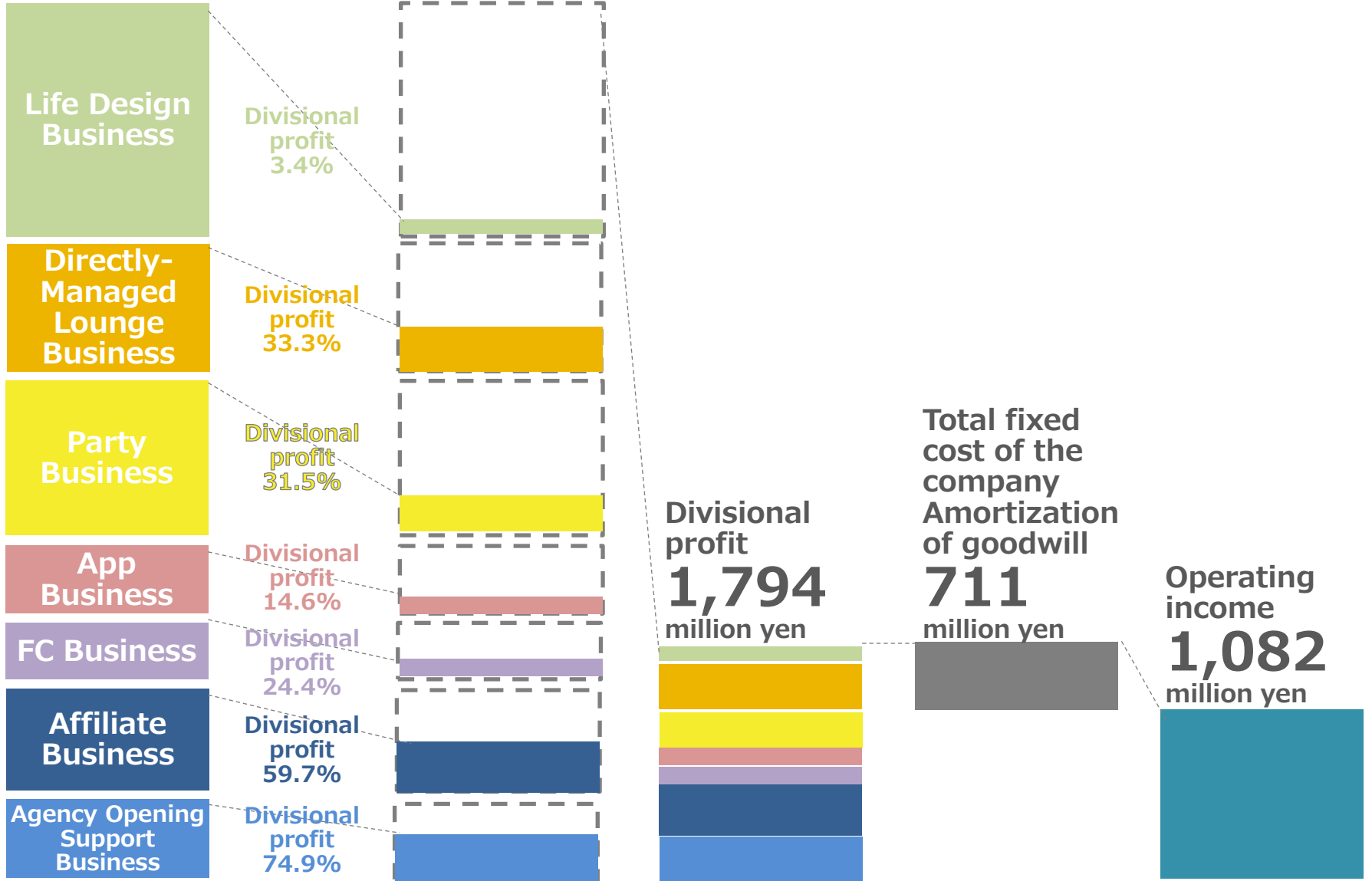
Analysis of Changes in Operating Income

Net sales

7,473 million yen

Divisional cost

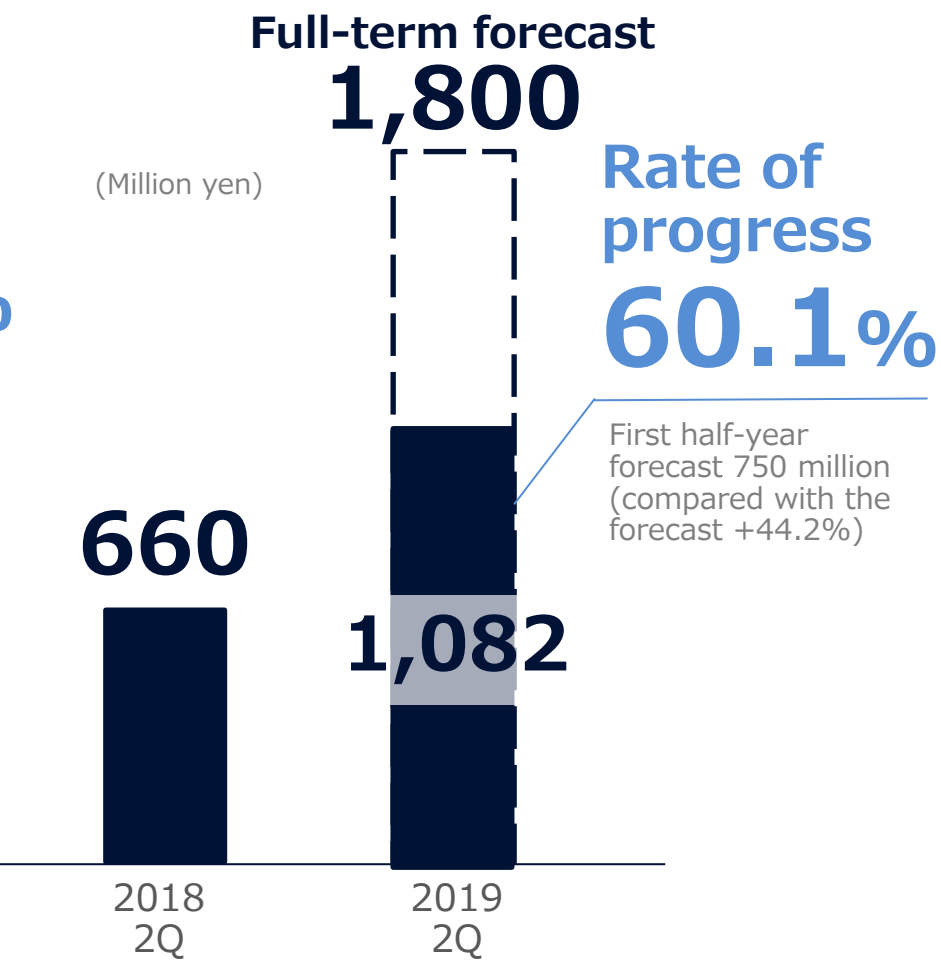
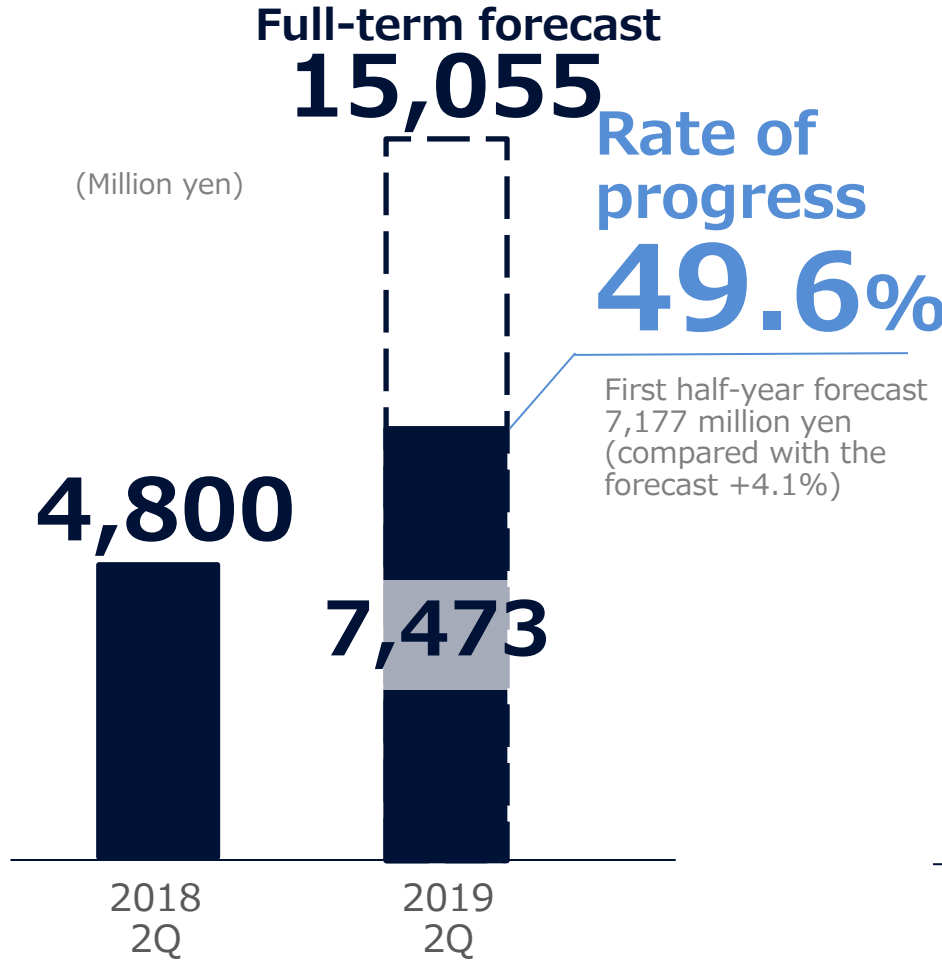
5,679 million yen



Expected Rate of Progress of Full-Term Results

Net sales

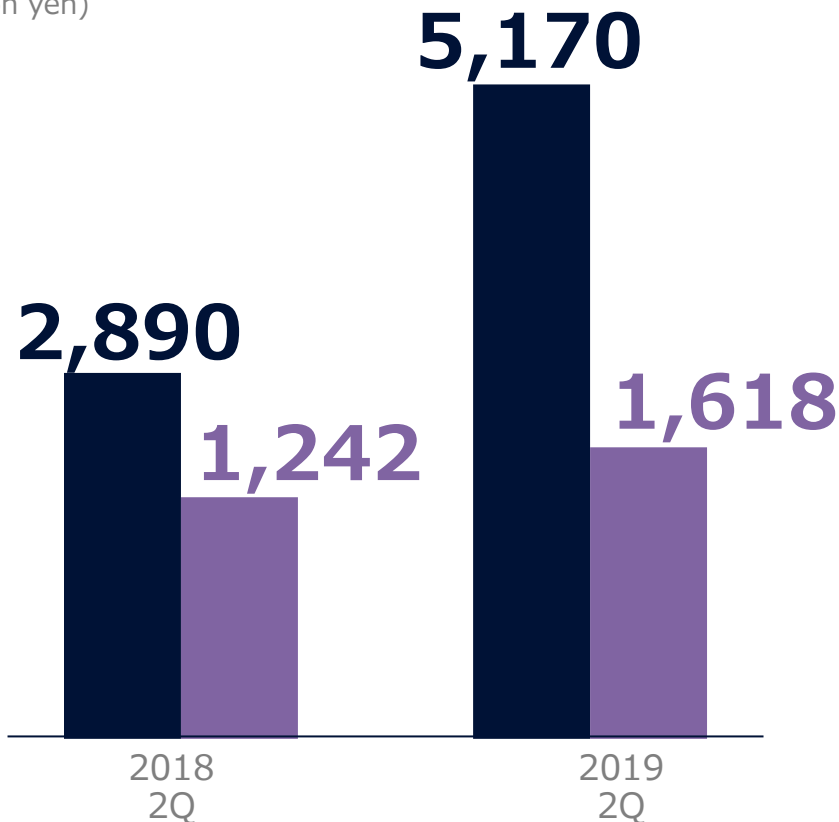
Operating income



Summary by Segment

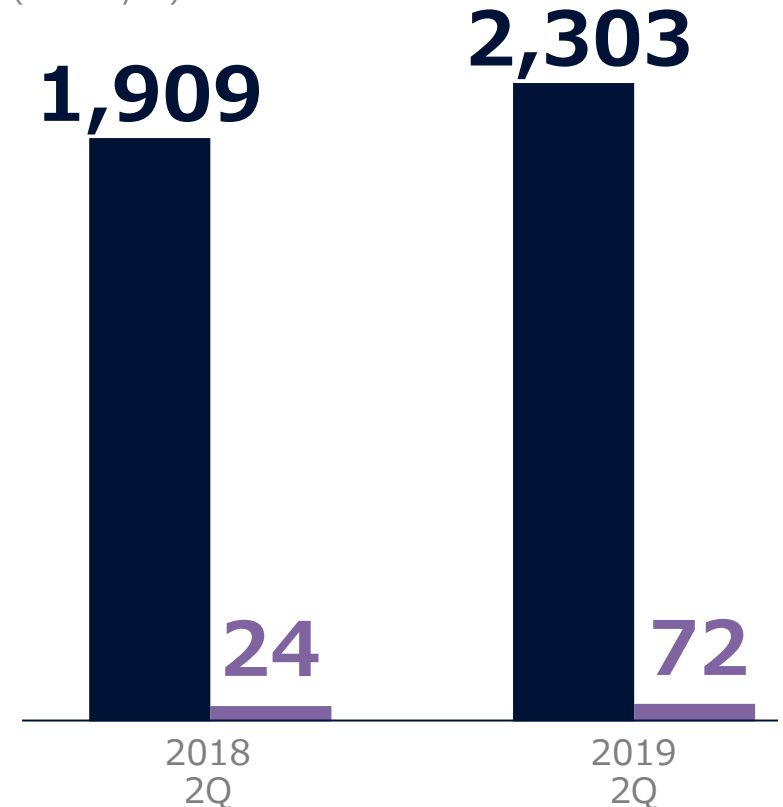
Marriage Hunting Business

■ Net sales
■ Segment income
(Million yen)



Life Design Business

■ Net sales
■ Segment income
(Million yen)



Business Model

Sales = Unit Price in Each Business x 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

* Small-sized company
1.8 million yen
(company with 30
employees or less)

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

FC Business

- Party affiliates Registration fee 1.2 – 6 million yen *The fee differs depending on the area
- Party affiliates Monthly system usage fee 40,000 – 80,000 yen *The fee differs depending on the area

App Business

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

Party Business

Participation fee per event 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) × monthly number of cases of customers sent About 80 cases
- Honeymoon Honeymoon travel fee 500,000 – 700,000 yen × monthly number of contracts About 15 cases
- Insurance Fee for conclusion of insurance contract 30,000 – 200,000 yen × monthly number of contracts concluded About 45 cases

Summary by Business Division (Million yen)

		2Q 2018	2Q 2019	Percentage change
Agency Opening Support Business	Net sales	315	488	+54.9%
	Divisional profit	231	366	+58.6%
Affiliate Business	Net sales	288	350	+21.5%
	Divisional profit	205	214	+4.3%
FC Business	Net sales	154	92	-40.5%
	Divisional profit	20	22	+8.7%
App Business	Net sales	243	1,511	+520.5%
	Divisional profit	169	220	+30.4%
Party Business	Net sales	974	1,102	+13.1%
	Divisional profit	260	348	+33.9%
Directly-Managed Lounge Business	Net sales	913	1,625	+77.8%
	Divisional profit	434	541	+24.7%
Life Design Business	Net sales	1,909	2,303	+20.6%
	Divisional profit	27	79	+185.9%

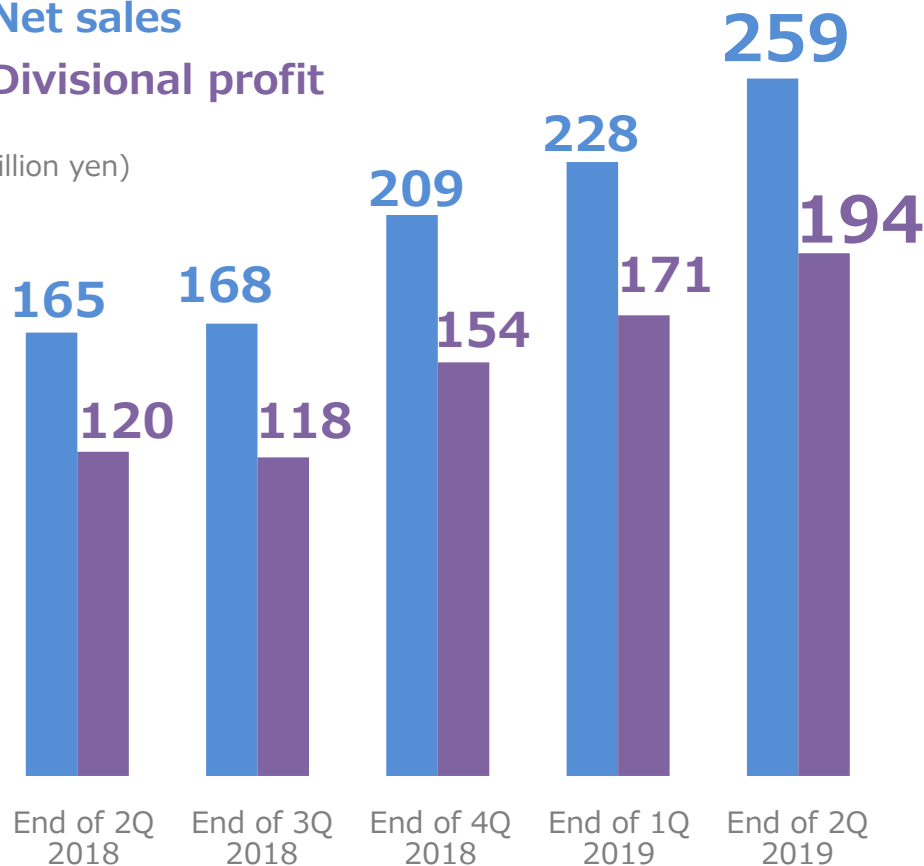
Agency Opening Support Business


Net sales and divisional profit

■ Net sales

■ Divisional profit

(Million yen)



日本結婚相談所連盟
by  IBJ

Number of openings

April – June 2019

149

ブライダルネット
by  IBJ

Number of openings

April – June 2019

6

*February 2019 to Start

PARTY☆PARTY
by  IBJ

Number of openings

April – June 2019

5

Affiliate Business

Net sales and divisional profit

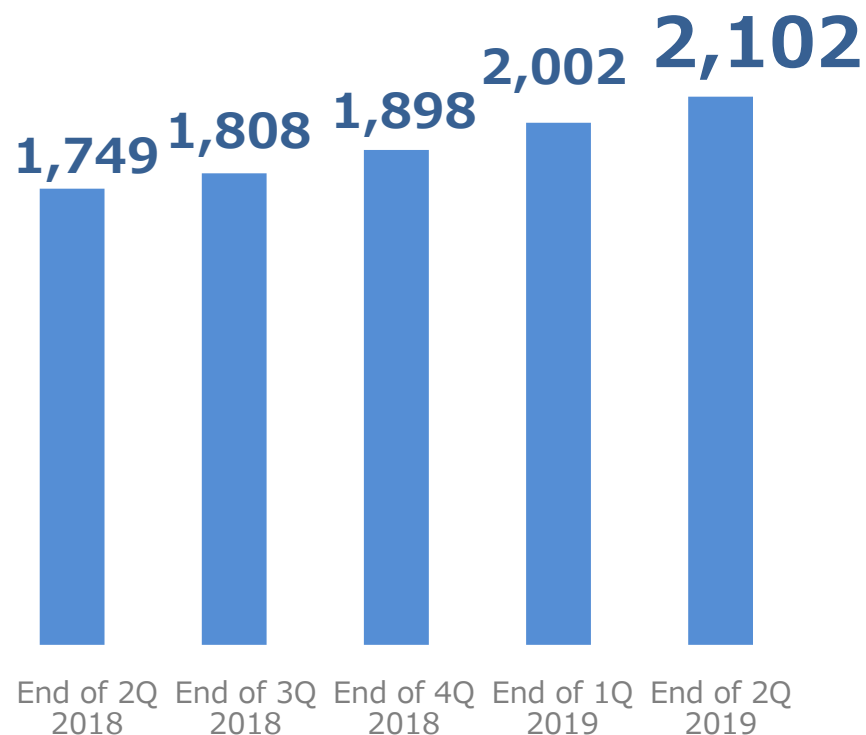
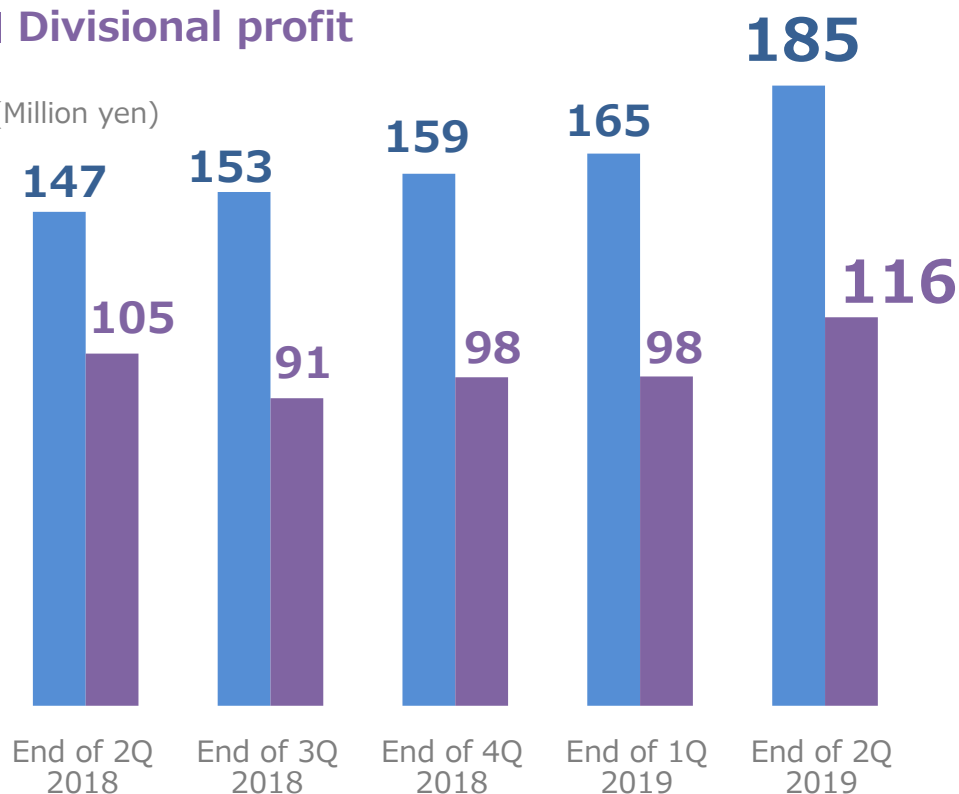
Number of affiliates

(Companies)

■ Net sales

■ Divisional profit

(Million yen)



FC Business

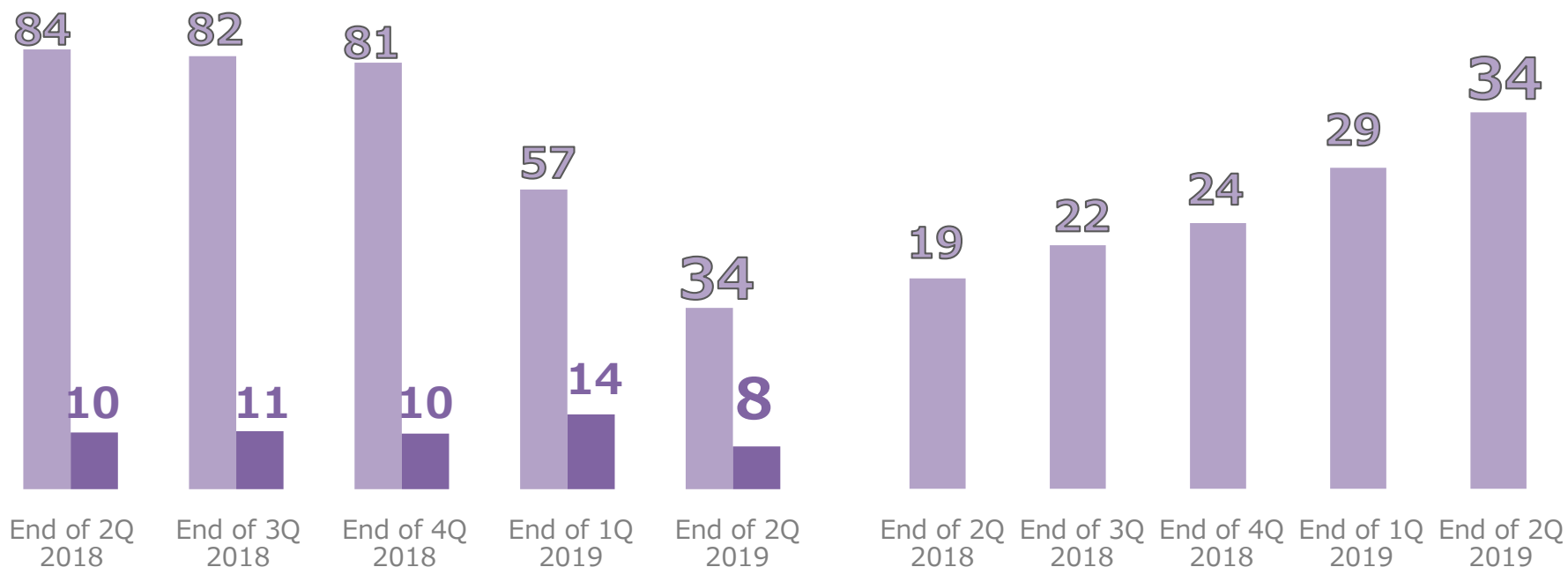
Net sales and divisional profit

Number of party affiliates

(Affiliates)

- Net sales
- Divisional profit

(Million yen)

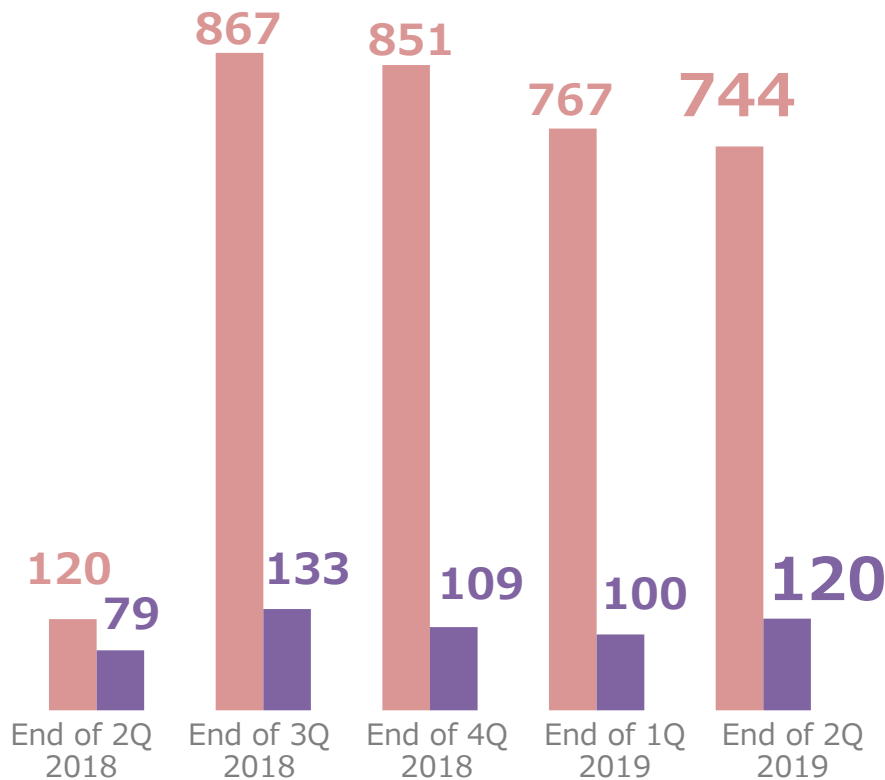


Apps Business

Net sales and divisional profit

■ Net sales
■ Divisional profit

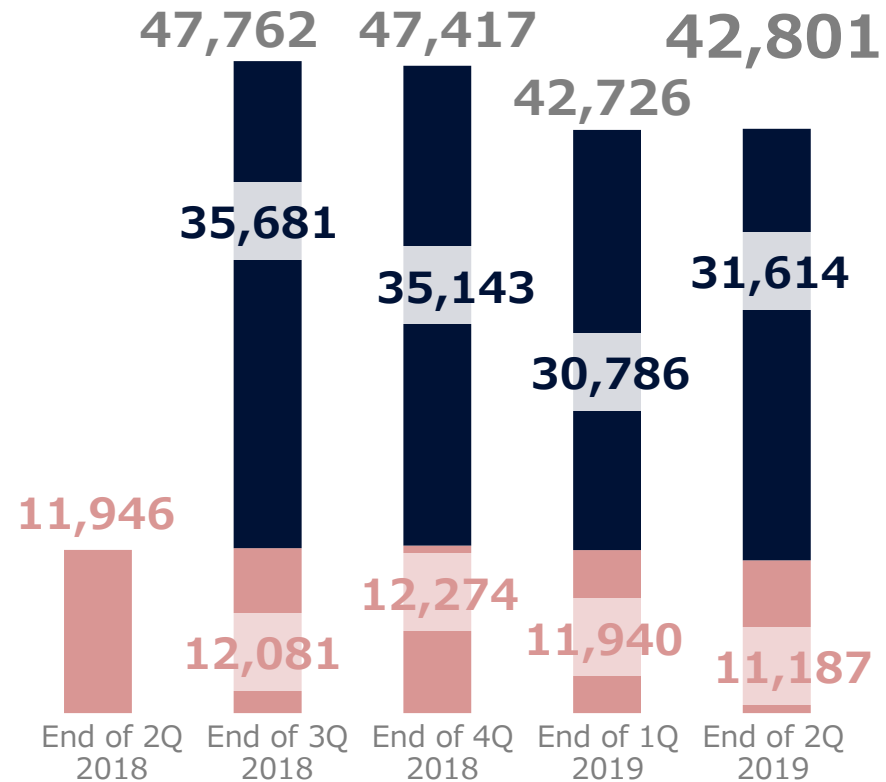
(Million yen)



Number of paid members

■ Bridal Net paid members (persons)

■ Diverse members



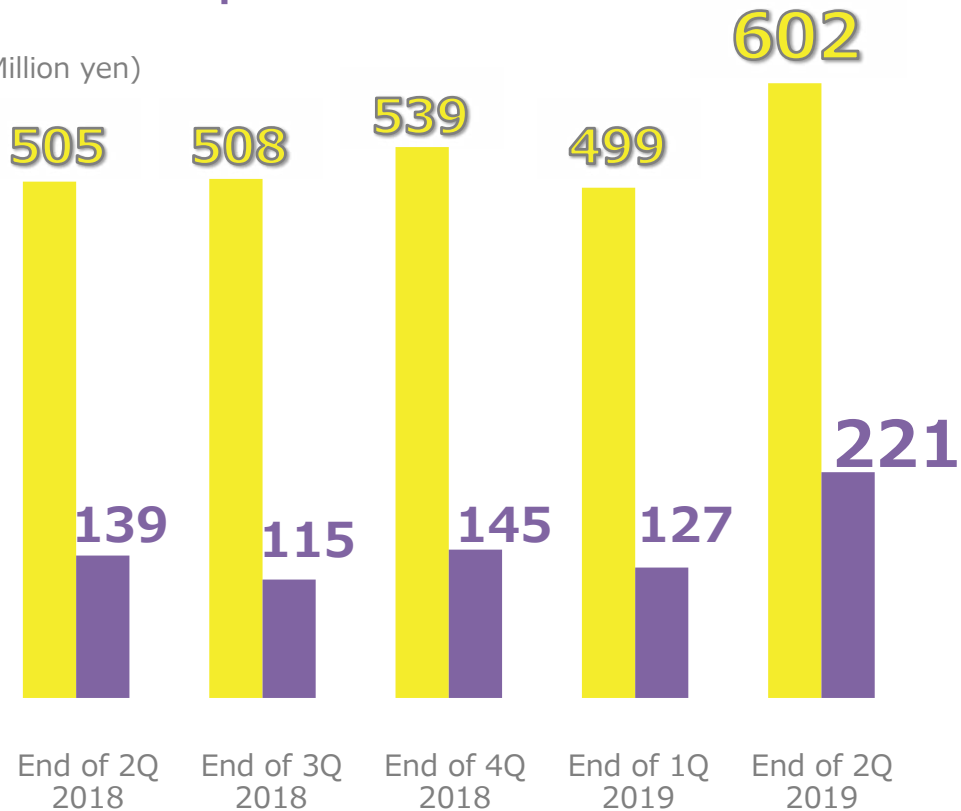
Party Business

Net sales and divisional profit

■ Net sales

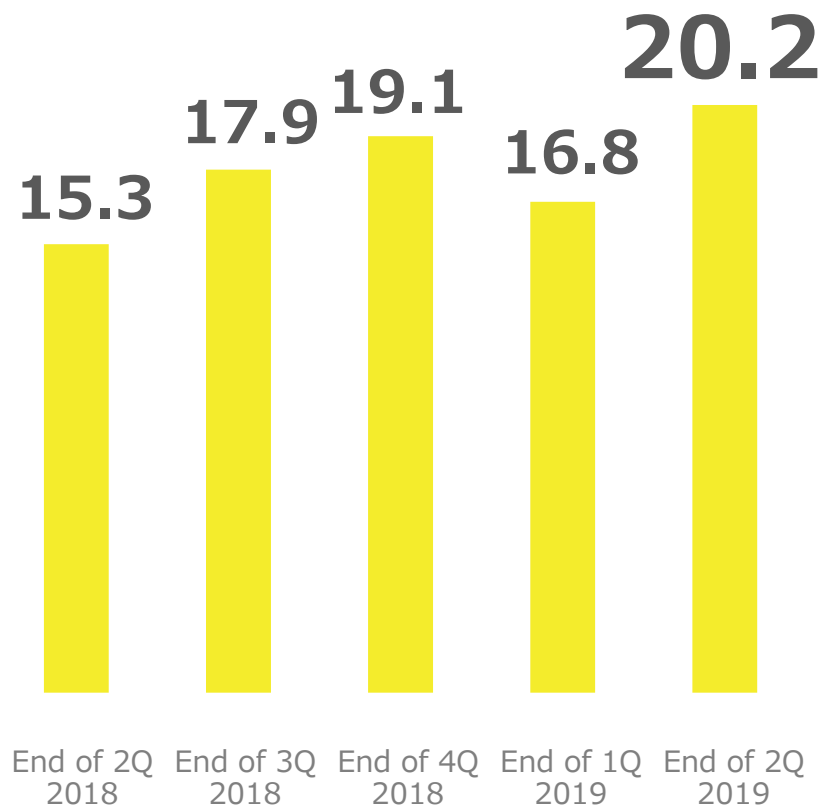
■ Divisional profit

(Million yen)



Number of participants

(10,000 persons)



Directly-Managed Lounge Business

Net sales and divisional profit

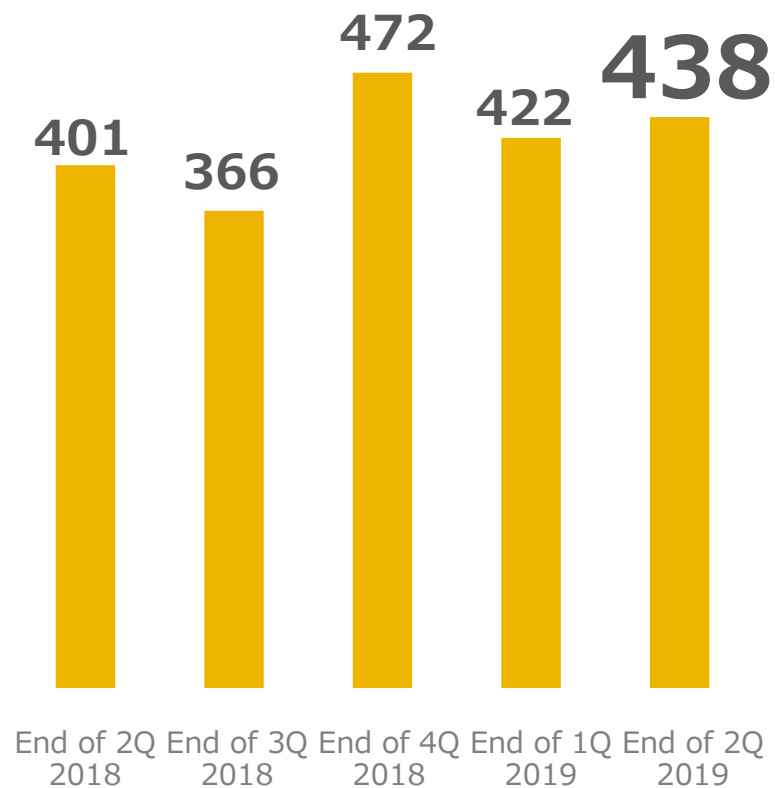
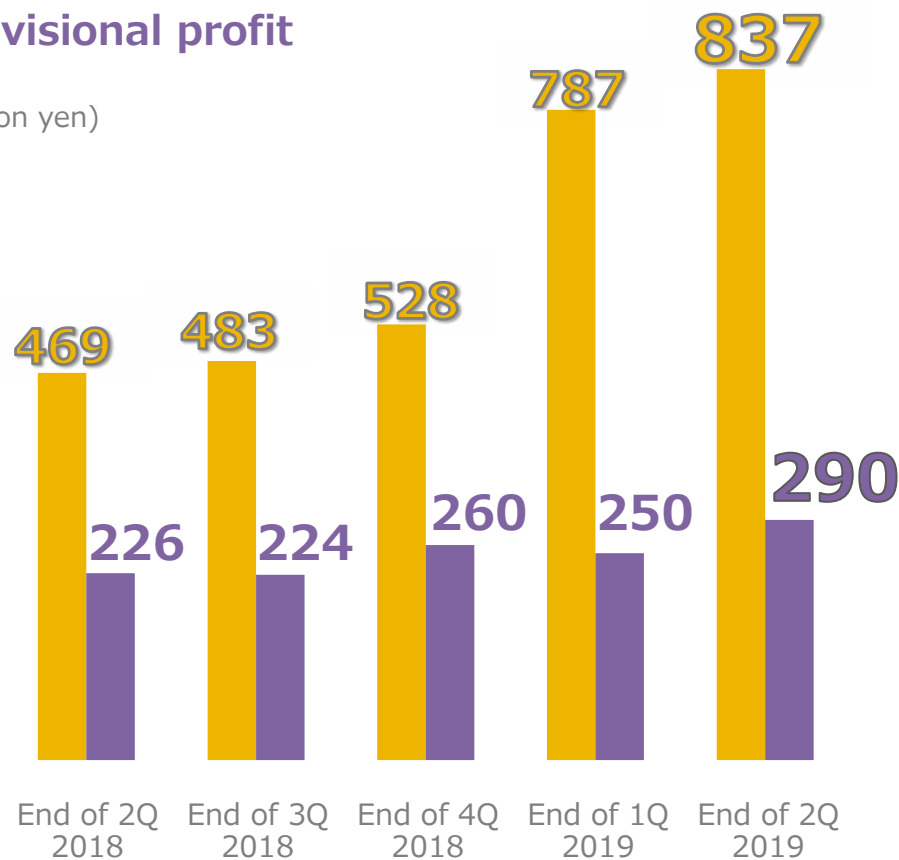
Number of couples married

(Persons)

■ Net sales

■ Divisional profit

(Million yen)



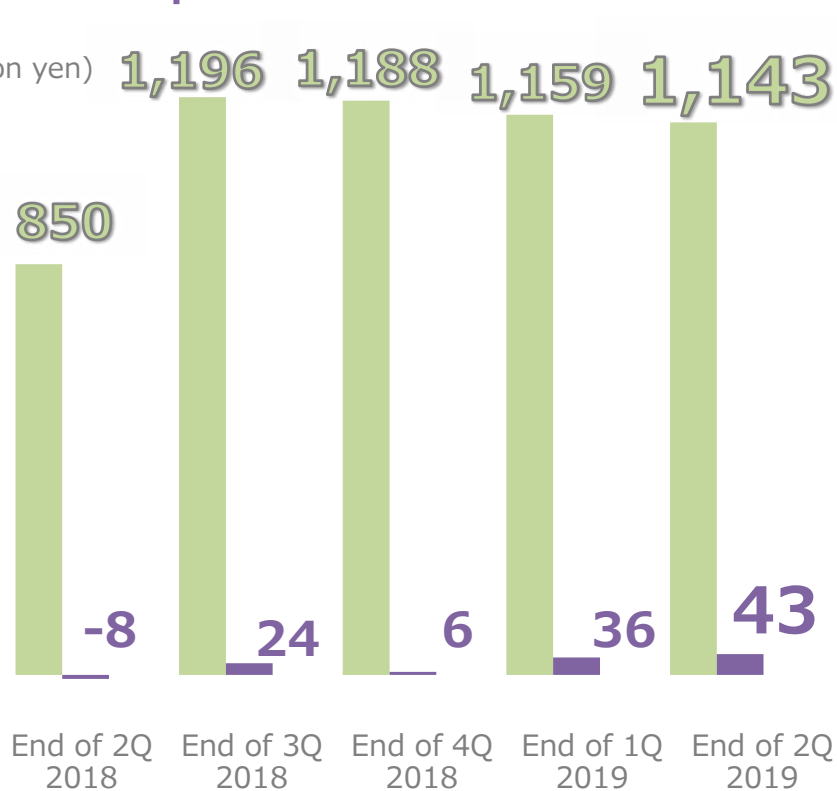
Life Design Business

Net sales and divisional profit

■ Net sales

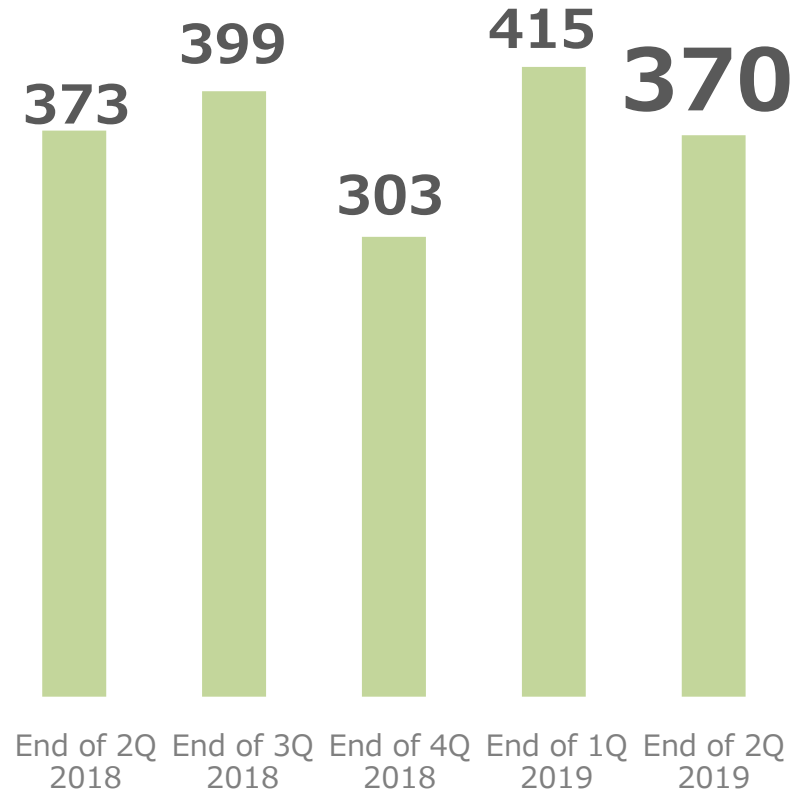
■ Divisional profit

(Million yen)



Number of contracts

(contracts)



Group companies

Total of the first
6 months in 2019

Diverse

Net sales

1,292 million yen
(-1.9% compared
with budget)

**Divisional
profit**

104 million yen
(+67.5% compared
with budget)



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

298 million yen
(-8.5% compared
with budget)

34 million yen
(-24.1% compared
with budget)



サンマリエ

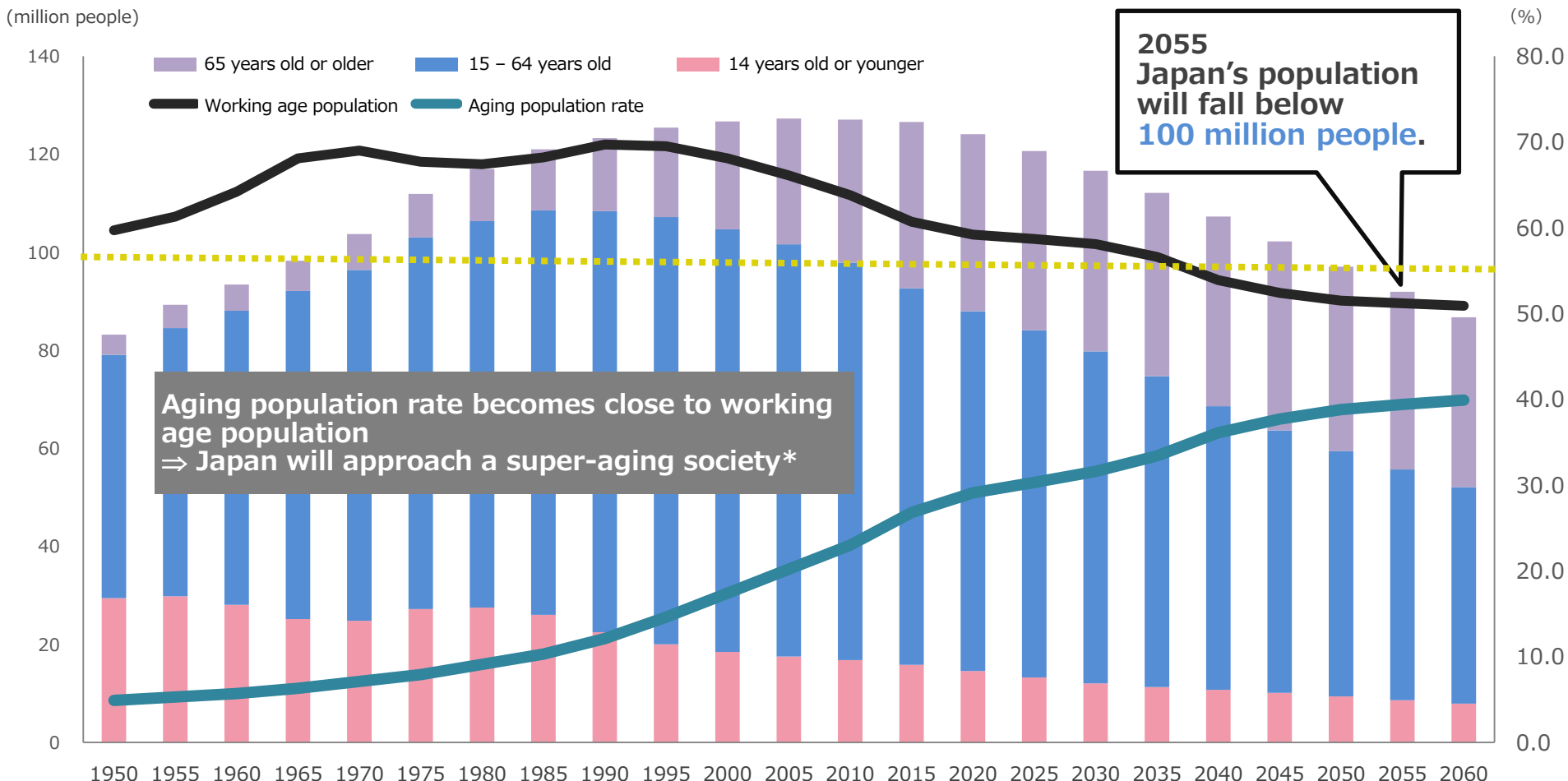
516 million yen
(+6.3 compared with
budget)

50 million yen
(+31.7% compared
with budget)

2. Business Strategy

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

Japan's total population (forecast)



Source: Statistic Bureau, Ministry of Internal Affairs and Communications "Population Census Report," "Wagakokuno suikeijinko (Japan's Population Estimate)," "Population Estimate," National Institute of Population and Social Security Research "Population Projections for Japan (Forecast, 2017)"

* A super-aging society is defined as a society in which 21% of the population is 65 years old or over by the World Health Organization (WHO) and the United Nations. (Japan became a super-aging society in 2010)

Current Situation of Japan's Social Problems

Current situation

The state is focusing on child allowance and conversion to fee-free child care centers and kindergartens
A factor in the declining birthrate is the increasing 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



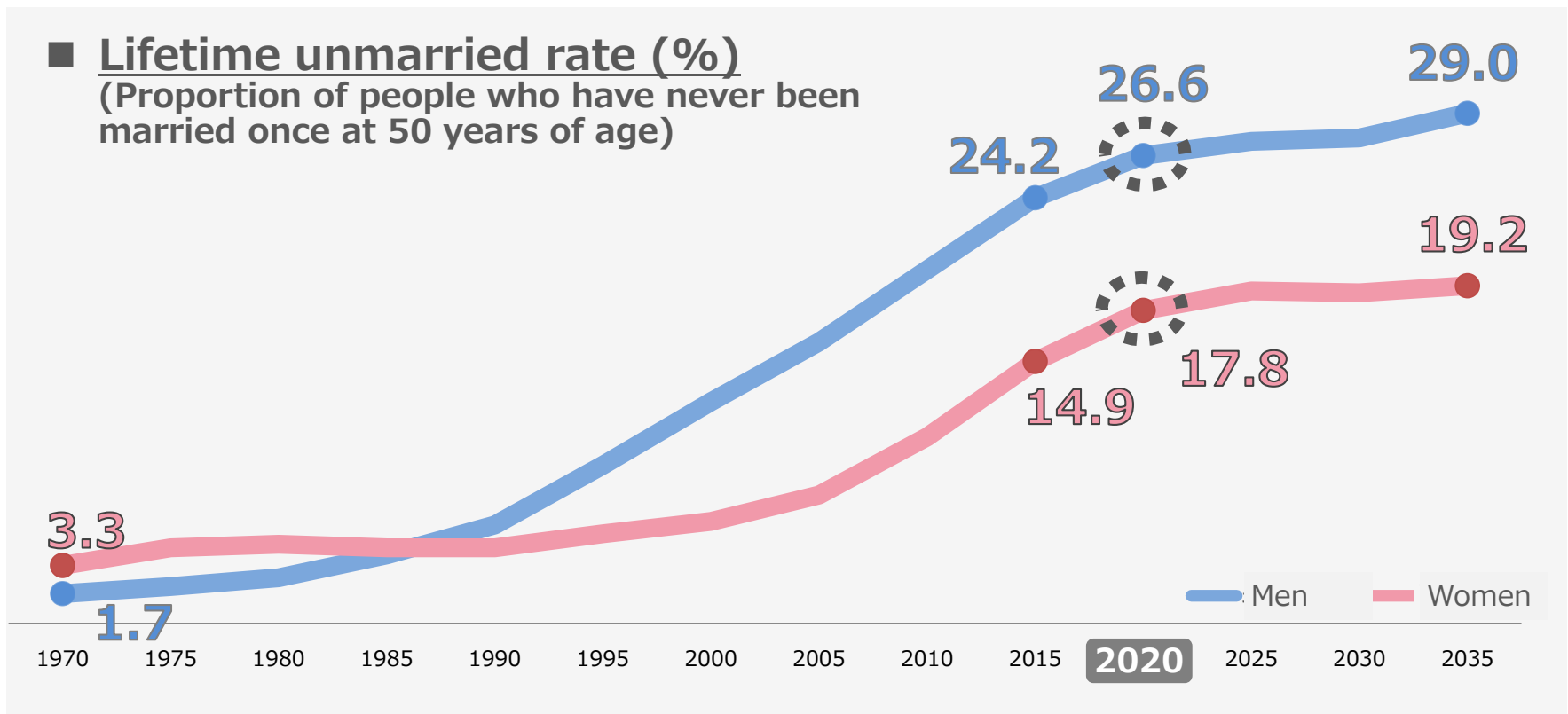
Problem

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

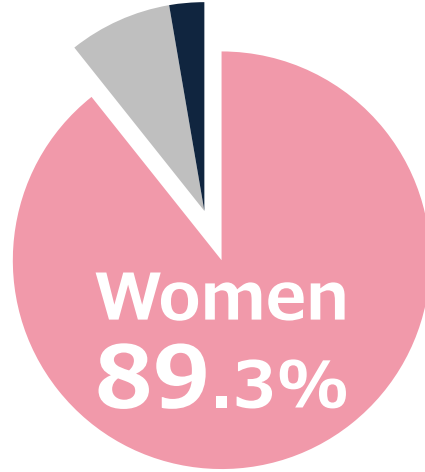
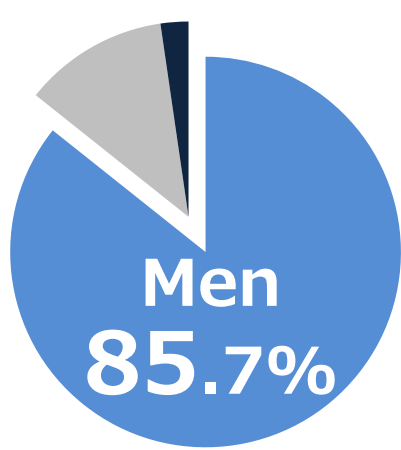
Trend of Lifetime Unmarried Rate (Including forecast)

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."

■ **Marriage intention ratio of the unmarried**

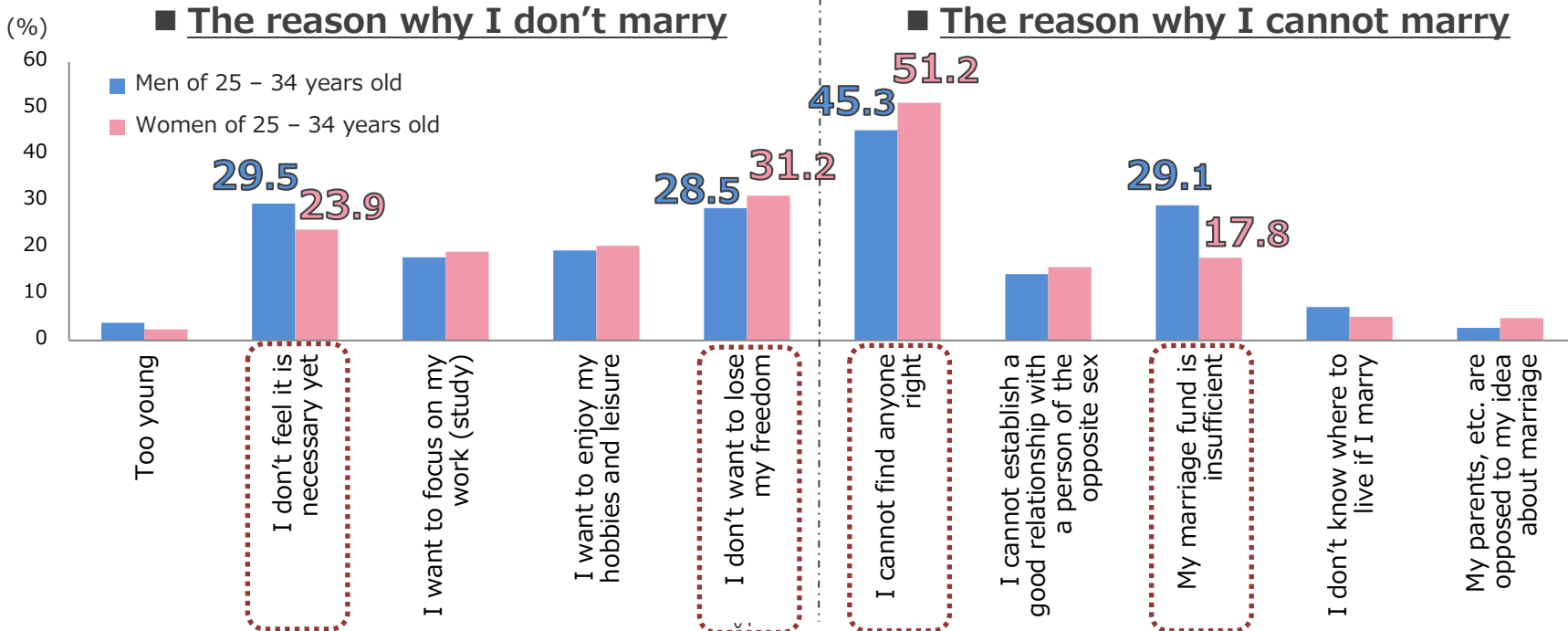


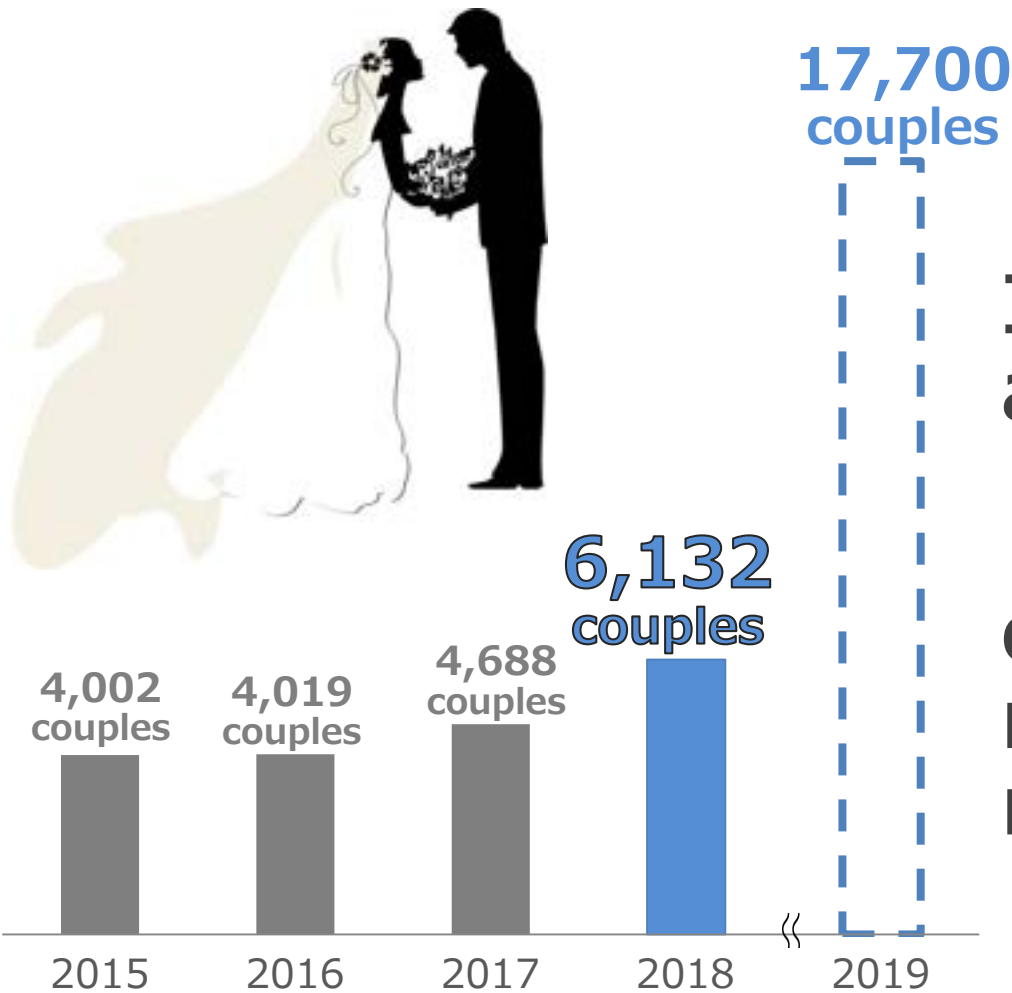
Marriage intention ratio of unmarried men and women I will get married eventually.

Nearly 90%

(Unmarried men and women of 18 – 34 years old)

While the marriage intention ratio of the unmarried remains the same, why isn't the number of marriages increasing?



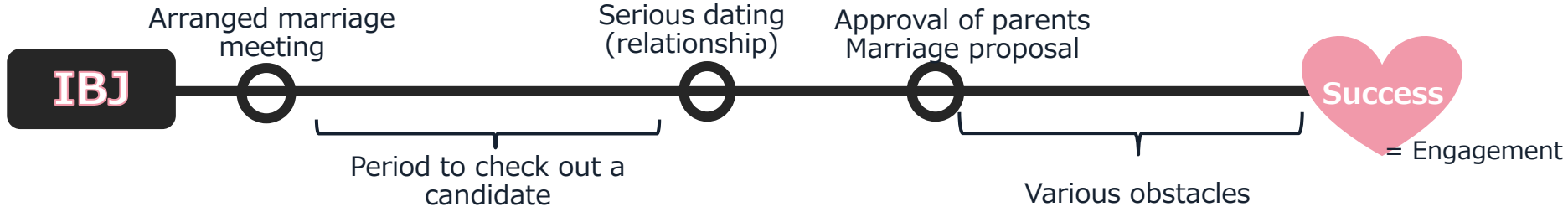


In 2018, we attained

1% (6,132 couples)
of Japan's total
number of couples
married.

Why is IBJ's success ratio so high?

[1] Reinforcement of Success Policy



Professional of marriage hunting

Counselor and AI (artificial intelligence)

Increase in the number of successes (marriages) per counselor
2.1 persons per month
* As of the end of December 2019



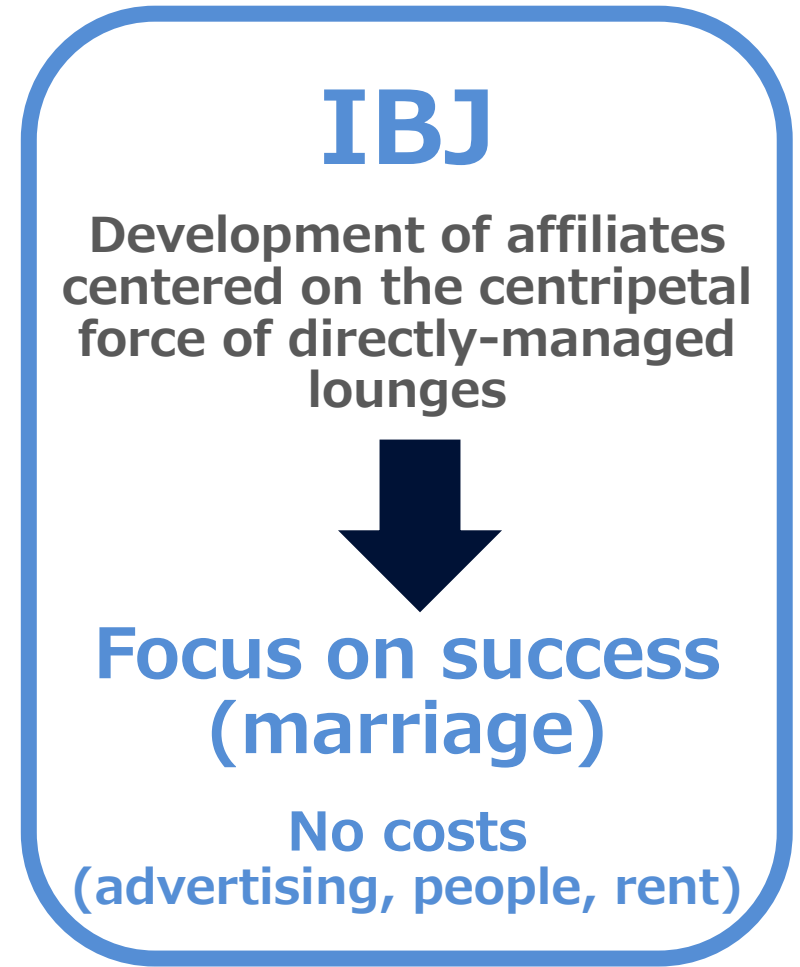
X

With AI, use its facial recognition function and conduct deep learning of marriage hunting activity history

=

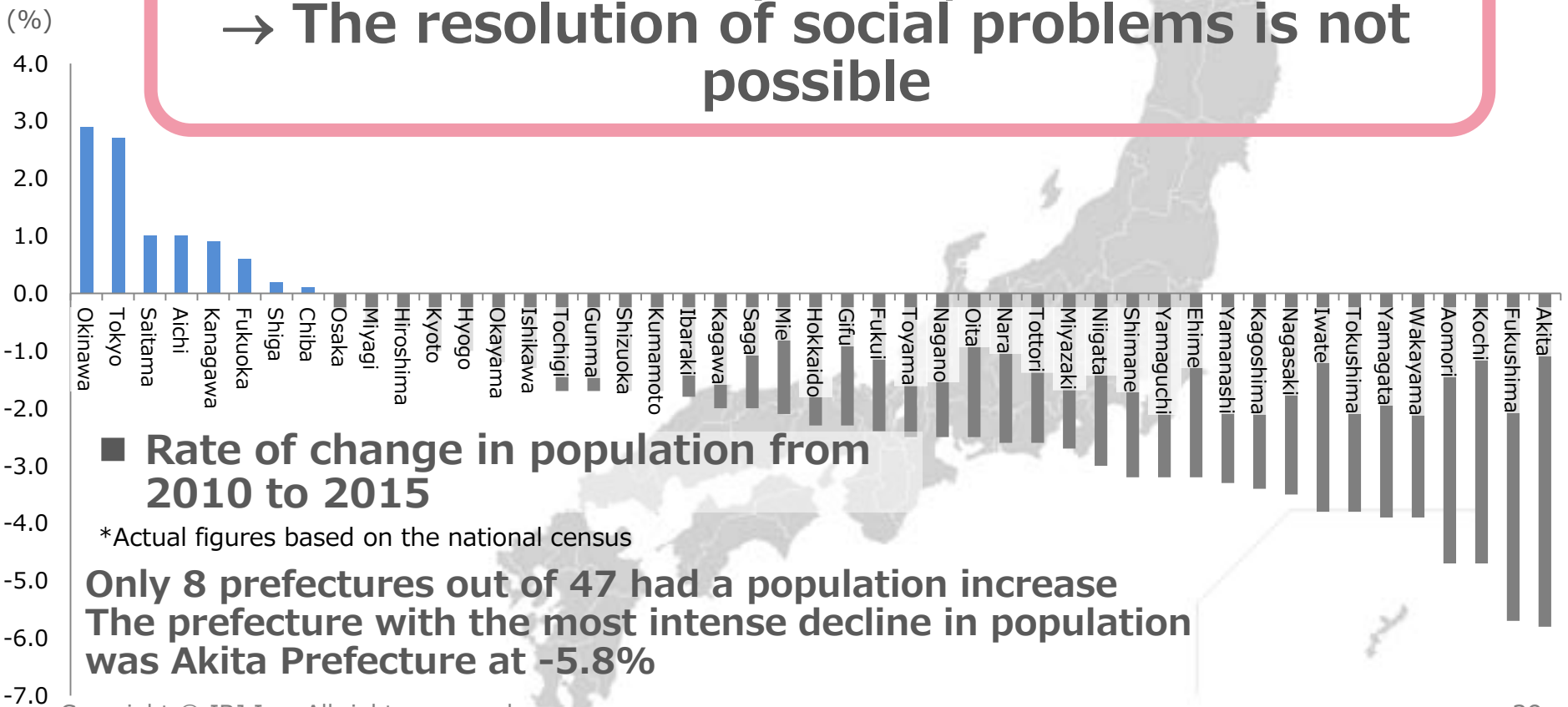
Number of successes per month
2.5 persons

[2] A Growth Cycle Not Dependent on Advertising and Agency Opening

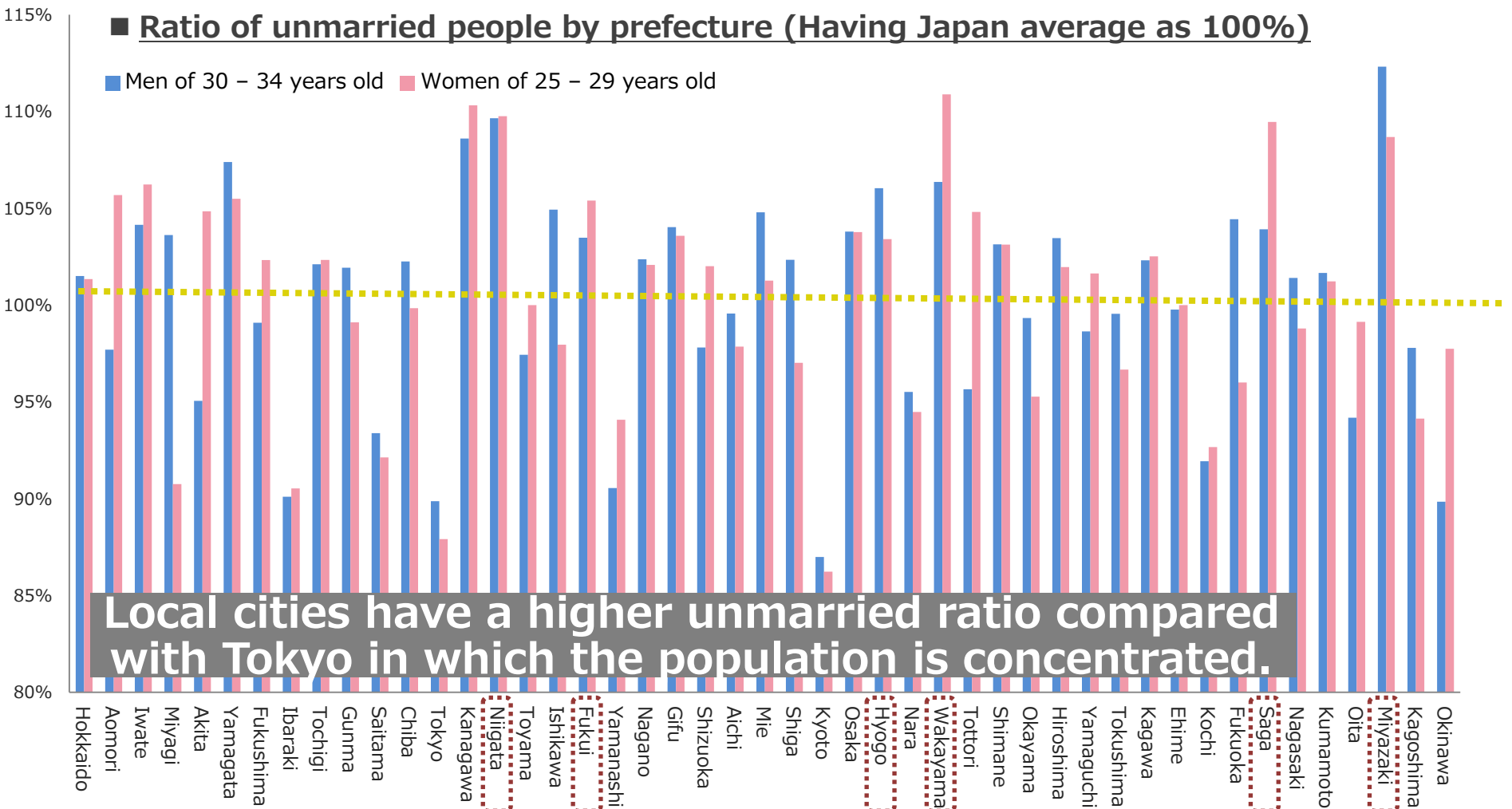


Japan's social problems (population decline, declining birthrate and aging population) are becoming more serious mainly in regional areas

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



Comparison with Japan Average: The ratios of unmarried people of local cities are higher than that of Tokyo



Source: Prepared based on Statistic Bureau, Ministry of Internal Affairs and Communications "Population Census Report" Ratio of unmarried people by prefecture, Men of 30 – 34 years old and Women of 25 – 29 years old in 2010

What IBJ provides with its Affiliate System

[1]
A system



[2]
Know-how



[3]
Methods

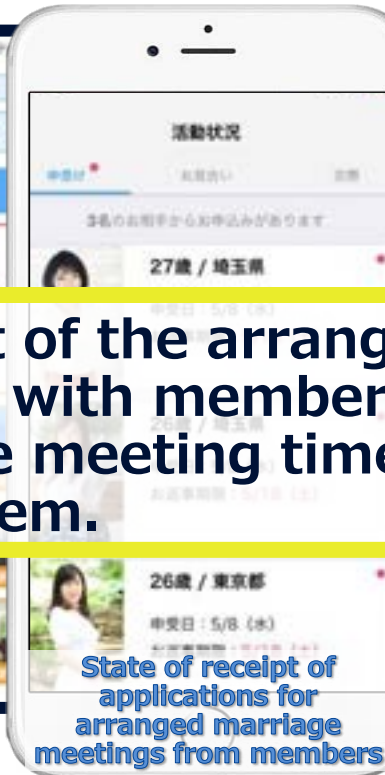


Lounge openings are possible even in regional areas and the speed of opening is fast

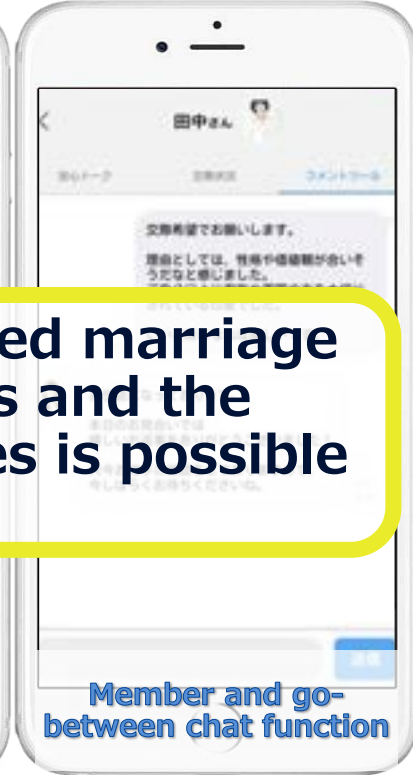
Services rooted in the local area are possible

[1] A System that 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)



State of receipt of applications for arranged marriage meetings from members



Member and go-between chat function

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.

- February 2019 Realization of AI (facial recognition function) release
- September 2019 Planned release of functions for AI to engage in deep learning on complete action histories of marriage hunting members

▶ Increase in number of arranged marriage meetings

[2] Know-how that IBJ Provides

(Good results at low cost)

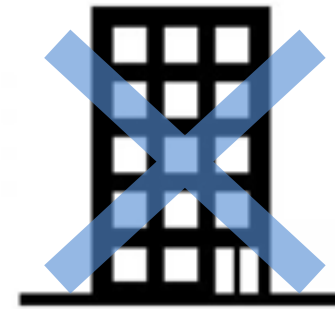
Consulting Agency management does not incur costs



Labour costs

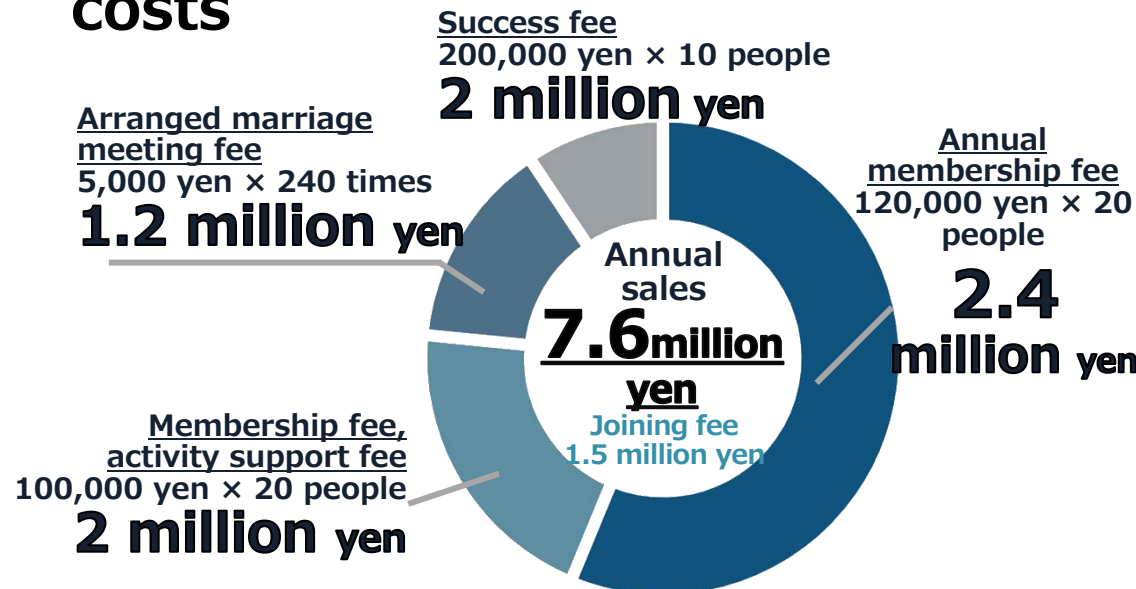


Advertising costs



Rent

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



[3] Methods that 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



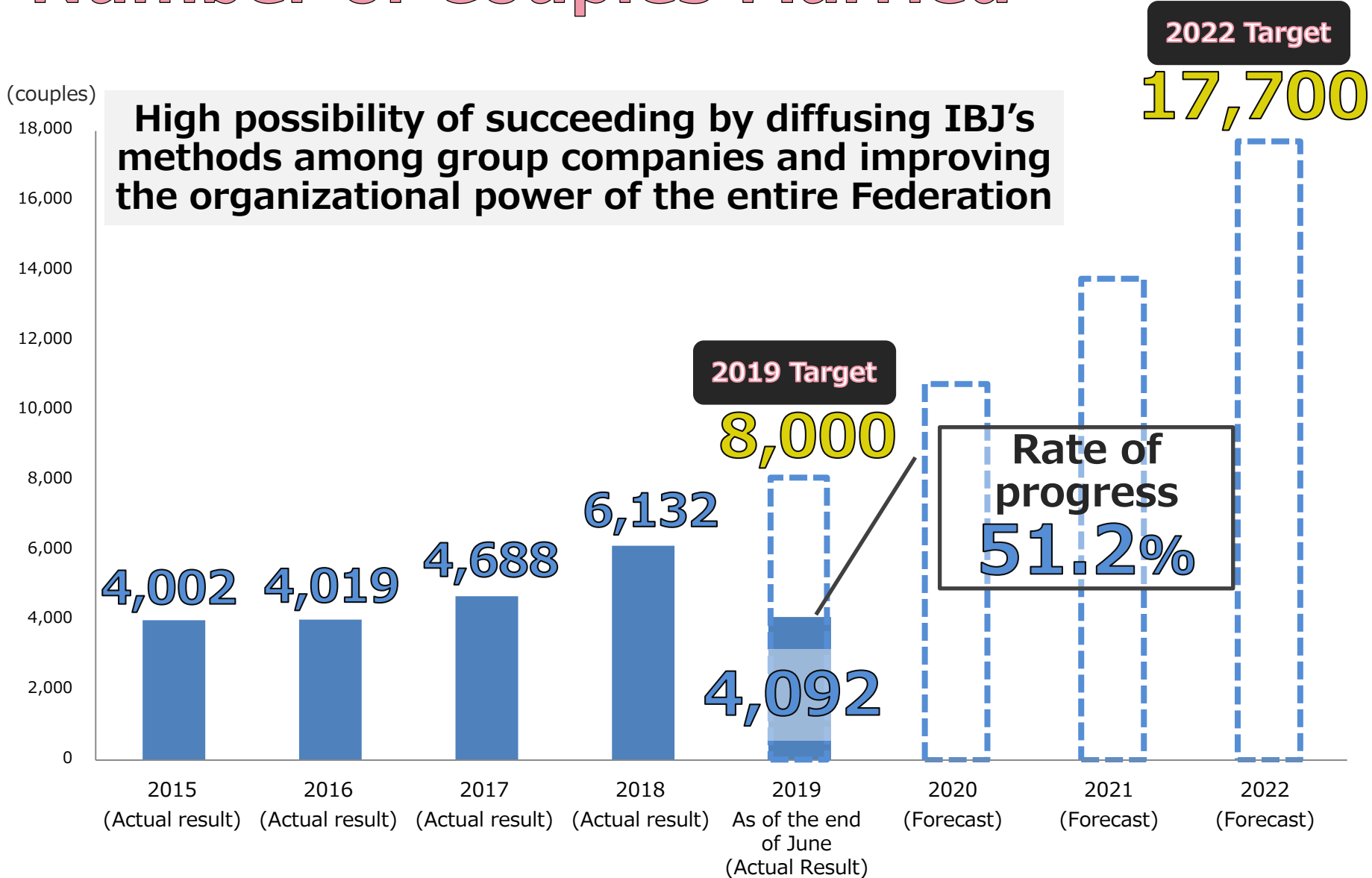
Regular meetings



Ambassador Club

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

Progress to Attain 3% of the Number of Couples Married



Change in the Perception about Marriage as the Era Shifted from Showa to Reiwa

Showa

Many people married through the introduction by parents and boss.
Average age of the first marriage was 26 – 28 for men and 23 – 25 for women.



Heisei

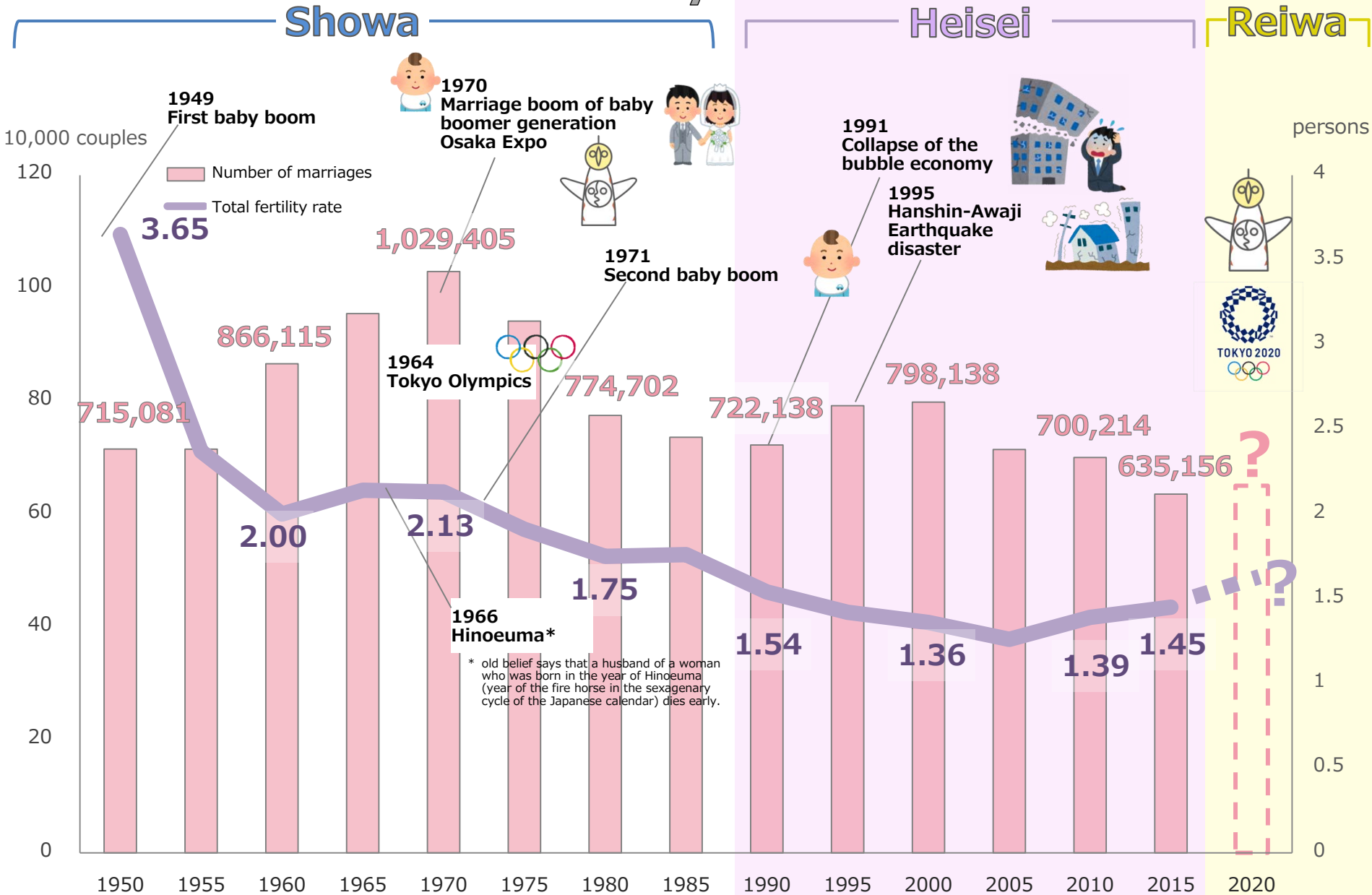
With the widespread of SNS and apps, dating and marriage hunting became common.
Average age of the first marriage was 31 for men and 29 for women.



Reiwa

The income disparity between men and women shrank. It becomes more difficult for a man with low income to marry a woman with high income.

Trend in the Number of Marriages and Total Fertility Rate



How the Go-Between Should Be in the Era of Reiwa



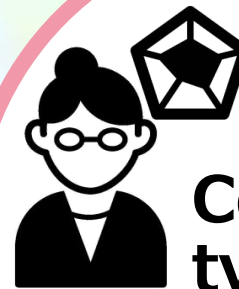
Nomad type

By utilizing IT equipment, look after people using Skype, etc., without fixing time and place of the service.



Specialized type

Care specialized in specific needs
(For nerds, doctors, etc.)



Consulting type

Care that interferes in customers' lives rather than just meeting their requests



Mother type

It is not a forceful service. Customers are convinced. Comfortable and adequate care.



Diverse support type

Care that is not fixed, and flexibly meets customers' needs

3. APPENDIX

Topics [1]

June
20

IBJ SUMMIT 2019 was held




About 400 of go-betweens of affiliates attended

(Last year's participants, about 200)

Talk session for "How the Go-Between Should Be in the Era of Reiwa"

Topics [2]

日本結婚相談所連盟
by 

Number of registered
members exceeds

60,000

Full disclosure of “Big Data of Success”



**Who is typical successful
people?**

Successful couples by age
group

[Age]
x [Ease of getting married]

[Academic record]
x [Ease of getting married]

[Annual income]
x [Ease of getting married]

**Support marriage hunting activities of marriage hunting
service users as well as companies and municipalities
with the big data of IBJ that generated 1% of Japan's
total number of married couples**

Business Partnership with Kirayaka Bank and Sendai Bank

Purpose

- ▶ One of business succession activities of their business partners
- ▶ Support the start of marriage hunting business as main or side business to contribute to the activation of local communities and resolve the declining population problem

- Marriage hunting support for single business operators and successors
(Introduction of excellent member agency of IBJ Japan Marriage Consulting Federation)
- Support of the start of the marriage consulting business to the corporate customers of the banks

Activities



Topics [4]



Full-renewal of Search Function of the Japan Marriage Consulting Federation Website



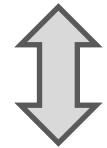
Area and desired conditions of partner
Desired support type of go-between, etc.

Send potential customers



XX Marriage Consulting Agency
Marriage XX
XX Marriage Consulting Lounge

Bulk estimation from about 2,000 of affiliate consulting agencies
Select marriage consulting agencies that would suit customers' needs



Affiliate consulting agencies
Receive introduction fee



Marriage hunters who are wondering which marriage consulting agency they shall choose



Website of the Japan Marriage Consulting Federation

Balance Sheets

(Million yen)

	As of end of December 2018	As of end of June 2019	Change
Current Assets	5,028	5,816	+788
Cash and Deposits	3,832	4,275	+442
Non-current Assets	2,530	4,528	+1,997
Property, Plant and Equipment/ Intangible Assets	1,172	1,749	+577
Investments and Other Assets	1,358	2,778	+1,420
Total Assets	7,559	10,345	+2,785
Current Liabilities	2,771	3,707	+935
Non-current Liabilities	1,231	2,231	+1,000
Total Liabilities	4,002	5,939	+1,936
Capital Stock/Capital Surplus	1,232	1,335	+103
Retained Earnings	3,214	3,566	+351
Treasury Stock	-1,007	-1,007	±0
Valuation and Translation Adjustments	85	146	+61
Stock Acquisition Rights	31	31	±0
Total Net Assets	3,556	4,406	+849
Total Liabilities and Net Assets	7,559	10,345	+2,785

Cash Flow

(Million yen)

	As of end of June 2018 (Consolidated)	As of end of June 2019 (Consolidated)	TOPICS
Cash Flow from Operating Activities	389	997	
Cash Flow from Investing Activities	-240	-1,511	
Cash Flow from Financing Activities	139	944	
Increase/Decrease in Cash and Cash Equivalents	288	430	
Cash and Cash Equivalents at Beginning of Period	3,607	3,859	
Cash and Cash Equivalents From Newly Consolidated Subsidiary	-	12	
Cash and Cash Equivalents at End of Quarter	3,896	4,302	

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.

Shareholder benefits

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

- ▶ Shareholders holding more company's shares

Special QUO card



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.)

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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.

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