

Full-year Financial Report for the Fiscal Year Ended December 31, 2020

◇ February 10, 2021
TSE 1st Section: 6071



The screenshot shows a dating app profile for a woman named Suzuki-san. The profile includes a profile picture, a name, age, location, education, height, and income. It also features a self-introduction section and a rating system.

お相手のプロフィール

1 Suzukiさん
26歳 神奈川県
経理
大学卒業 143cm
年収：300万未満

自己紹介

職場での出会いがなく参加しました。
お休みの日はドライブや、サッカー観戦に出かけたりすることが多いです。
いるいるなところにお出かけしたり、家でまったりしたり〜とにかく一緒に楽しく過ごせる方と出会えたらと思っています。





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1. Financial Results Summary

Highlights of Full-year Consolidated Results

(Million yen)

	Full-year 2019 Actual results	Full-year 2020 revised forecast (Announced on August 12, 2020)	Full-year 2020 Actual results	Revised forecast ratio
Net sales	15,282	13,117	13,072	-0.3%
Operating income	2,339	1,452	1,620	+11.6%
Ordinary income	2,346	1,385	1,518	+9.5%
Profit attributable to owners of parent	1,523	318	686	+115.2%

Income exceeded forecast with net sales of 13,072 million yen and operating income of 1,620 million yen. Profit significantly exceeded forecast as COVID-19-related extraordinary loss did not occur as expected

Highlights

◇ Agency opening support business

Amidst the spread of COVID-19, the number of openings remained close to 60

Marketing skills improved via role-play training with an aim to increase contract rate

◇ Party business

The number of participants in November was 58,700. While recovering (+2.3%) in comparison to February before the state of emergency was declared, the number of participants and events held was on a downward trend due to the spread of COVID-19

◇ Directly managed lounge business

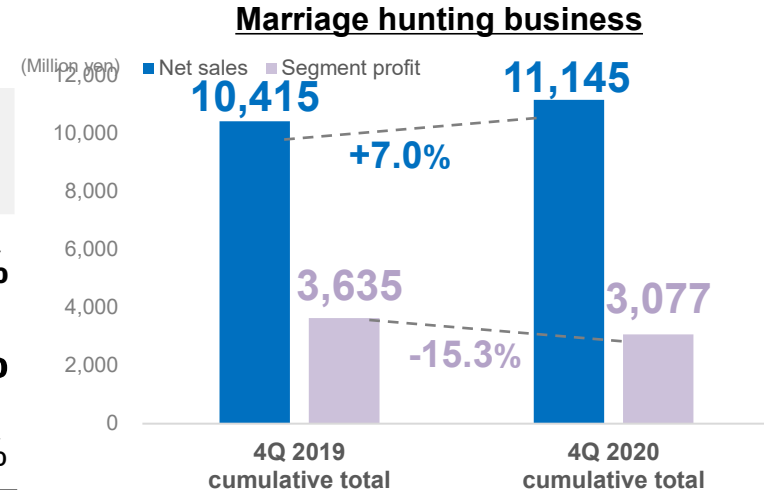
- IBJ Members hit a record high of 214 as number of people married in December
- ZWEI launched a TV commercial and its membership was on a steadily increasing trend
- Sunmarie steadily showed annual new membership of 2,544 (+ 61.5% YoY)

Segment Summary

The marriage hunting business posted net sales of 11,145 million yen and segment profit of 3,077 million yen. Marriage consulting agency business steadily recovered and served as the general driver

Marriage hunting business

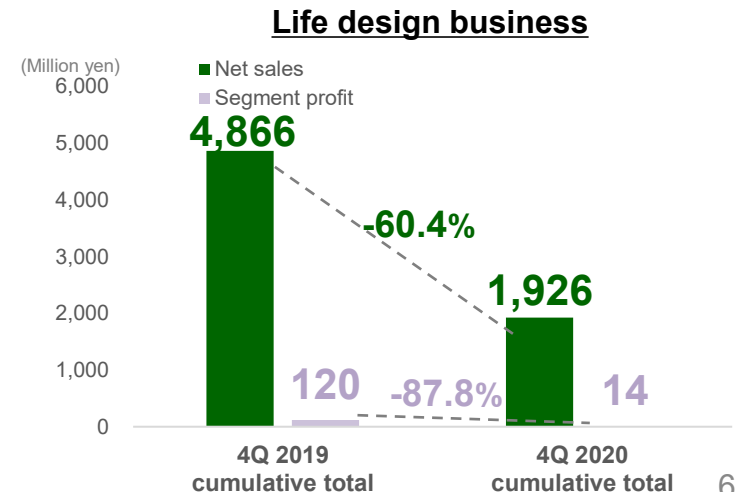
(Million yen)	4Q 2019 cumulative total	4Q 2020 cumulative total	Percentage change
Net sales	10,415	11,145	+7.0%
Segment profit	3,635	3,077	-15.3%
Segment profit rate	34.9%	27.6%	-7.3%



Life design business posted net sales of 1,926 million yen and segment profit of 14 million yen

Life design business

(Million yen)	4Q 2019 cumulative total	4Q 2020 cumulative total	Percentage change
Net sales	4,866	1,926	-60.4%
Segment profit	120	14	-87.8%
Segment profit rate	2.5%	0.8%	-1.7%



Full-year 2021 Consolidated Results Forecast

(Million yen)

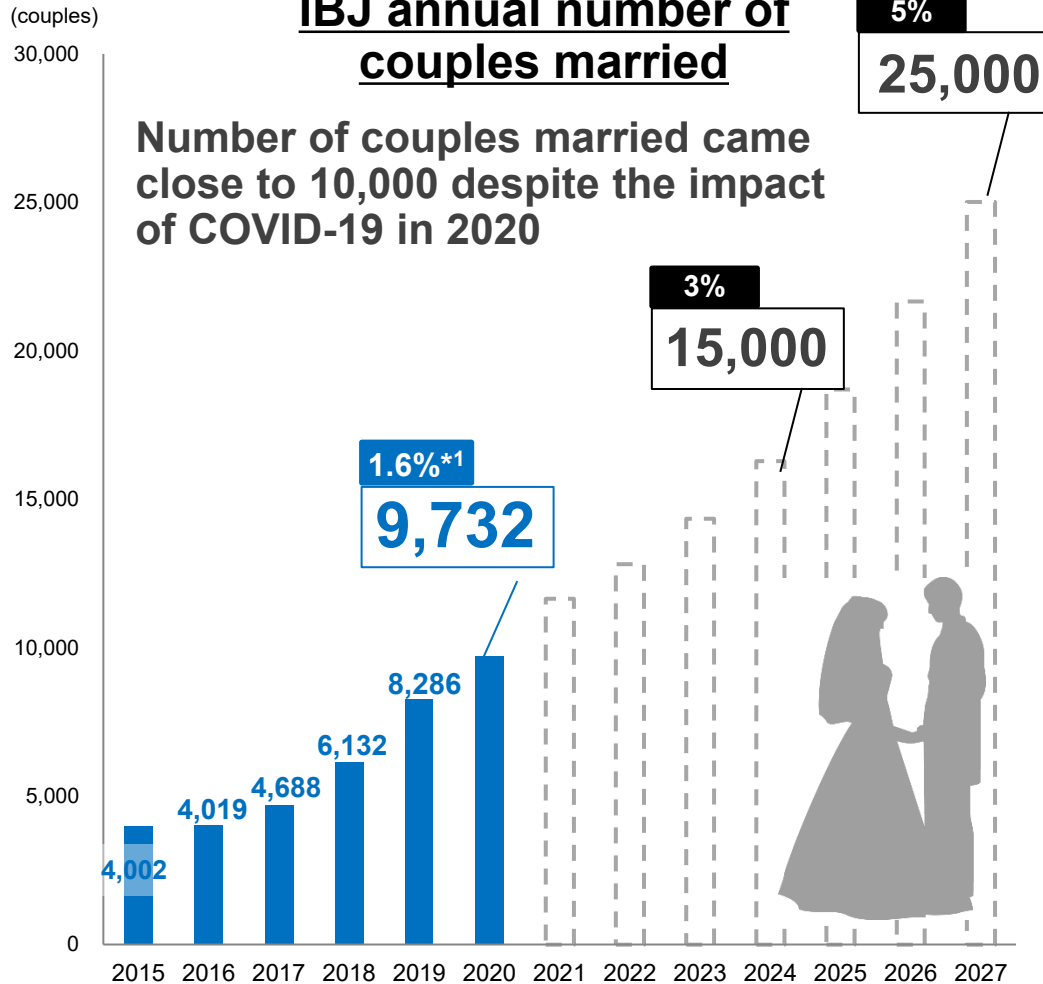
	Full-year 2020 Actual results	Full-year 2021 Results forecast	Amount of increase	Percentage change
Net sales	13,072	15,248	+2,176	+16.7%
Operating income	1,620	2,074	+454	+28.0%
Ordinary income	1,518	1,966	+448	+29.6%
Profit attributable to owners of parent	686	1,134	+448	+65.3%

January declaration of state of emergency is taken into account as a precondition for results forecast, anticipating recovery of growth speed in each business following each quarter

Annual number of couples married

IBJ annual number of couples married

Number of couples married came close to 10,000 despite the impact of COVID-19 in 2020



—IBJ Target of Annual Number of Couples Married —

IBJ annual number of couples married in 2020

9,732 couples

(Number of people married 19,464)

2024

3%*2 of annual number of couples married in Japan

15,000 couples

(Number of people married 30,000)

2027

5%*2 of annual number of couples married in Japan

25,000 couples

(Number of people married 50,000)

*1 1.6% (percentage of annual couples married in 2020) refers to the percentage with respect to the actual annual number of couples married in Japan in 2019 before the spread of COVID-19 (599,007 couples; 2019 Vital Statistics, Final data (announced on September 17, 2020))

*2 Annual number of couples married in Japan in 2027 is assumed to be 500,000 based on IBJ's own estimate



2. Summary by Business Division

Summary by Business Division

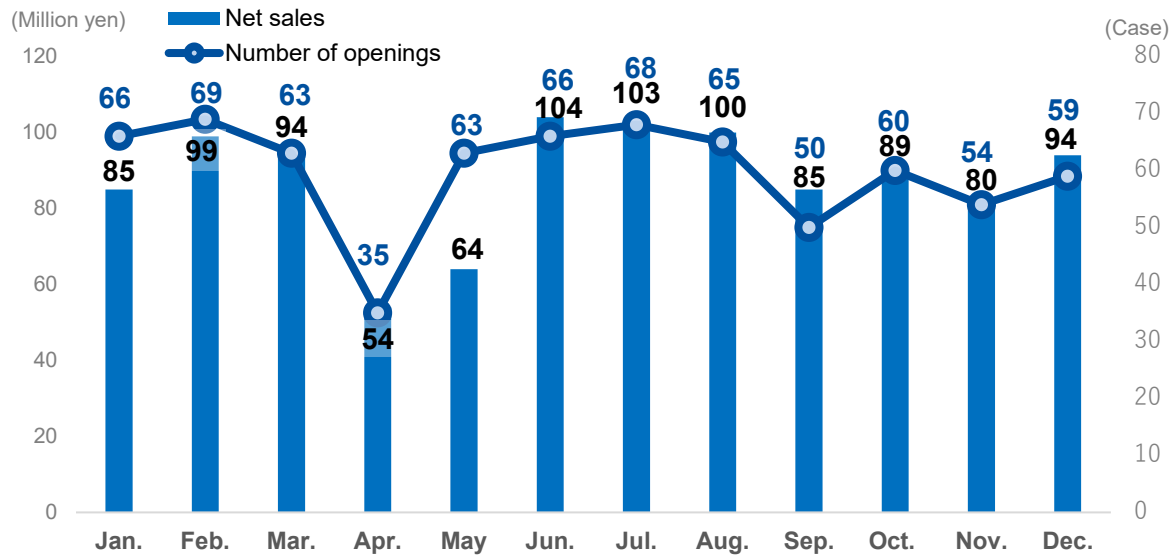
(Million yen)

		4Q 2019 cumulative total	4Q 2020 cumulative total	Percentage change (%)
Agency opening support business	Net sales	997	1,073	+7.7%
	Divisional profit	726	736	+1.4%
Affiliate business	Net sales	758	878	+15.8%
	Divisional profit	451	583	+29.4%
Apps business	Net sales	2,999	2,959	-1.3%
	Divisional profit	485	524	+7.9%
Party business	Net sales	2,312	1,367	-40.8%
	Divisional profit	781	232	-70.3%
Directly managed lounge business	Net sales	3,347	4,865	+45.3%
	Divisional profit	1,189	1,001	-15.9%
Life design business	Net sales	4,866	1,926	-60.4%
	Divisional profit	120	14	-87.8%

Monthly Change by Business Division

— Impact of COVID-19 and Current Situation —

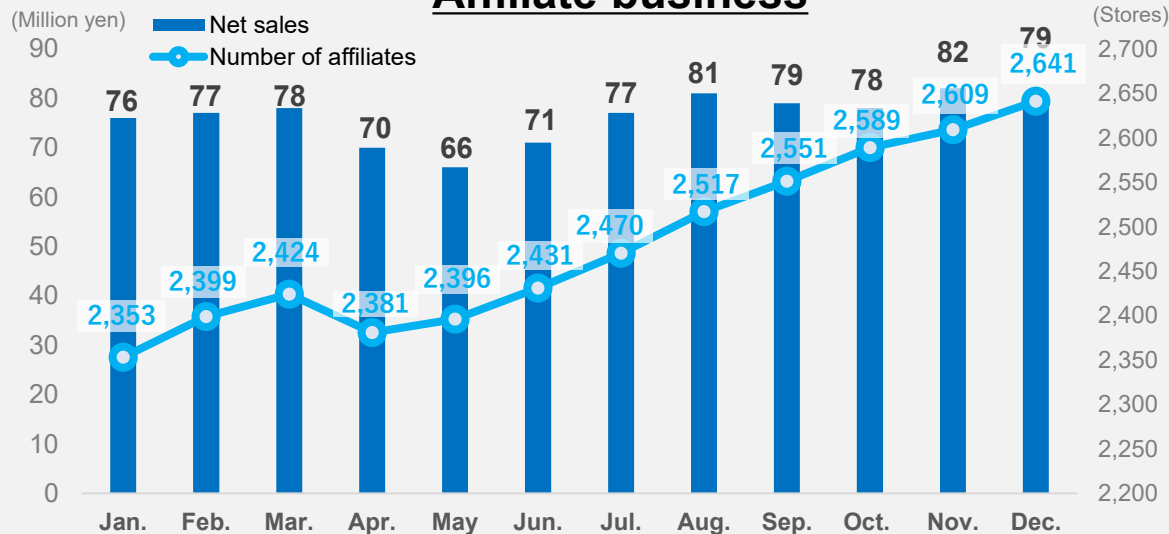
Agency opening support business



Increase in the number of openings was sluggish with a decrease in the number of sales interviews due to the spread of COVID-19

Sales exceeded those of 2Q but decreased QoQ

Affiliate business



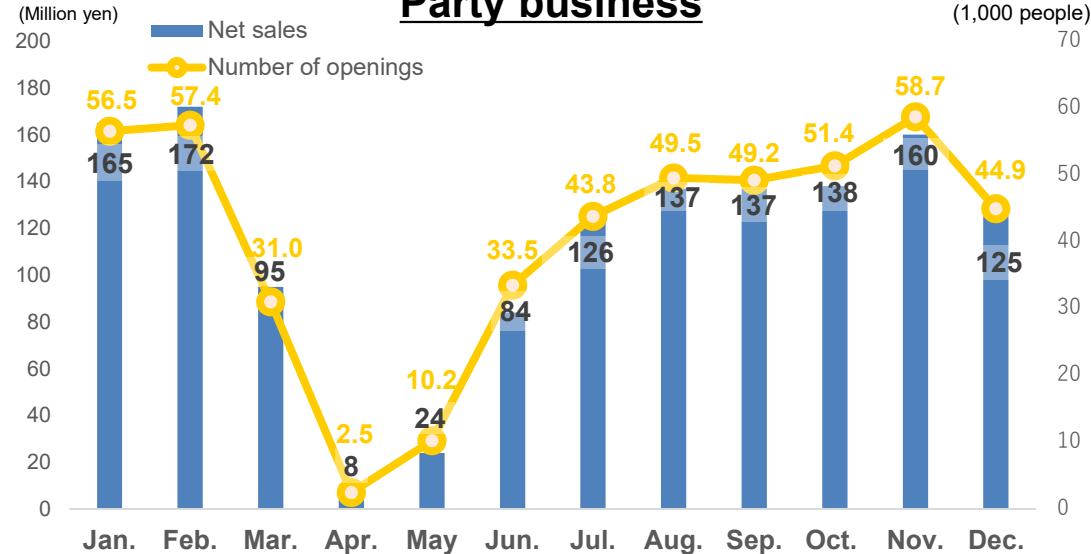
The number of affiliates was 2,641 and was on an increasing trend due to a decrease in the number of affiliates under recess

Net sales remained stable due to higher sales from system usage fees and ring-related customer introduction fees

Monthly Change by Business Division

— Impact of COVID-19 and Current Situation —

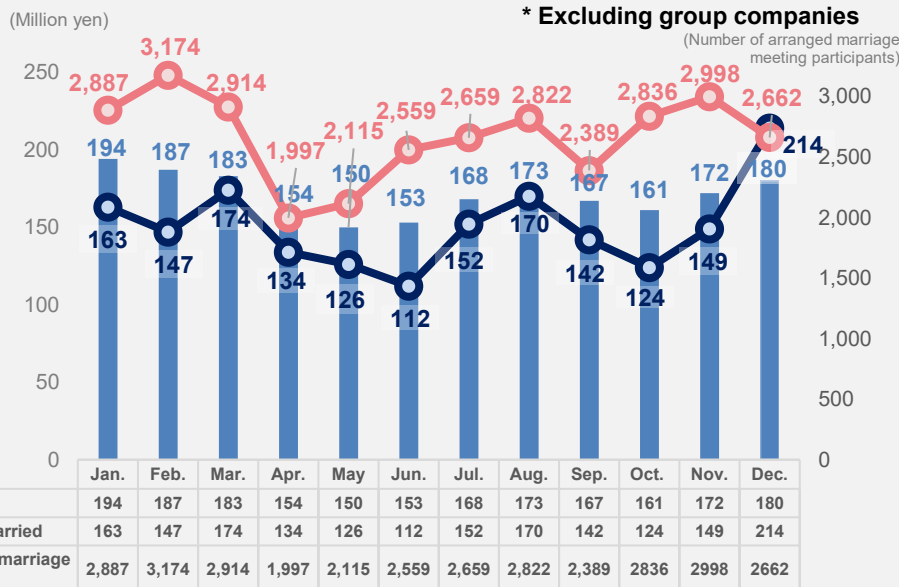
Party business



Number of participants in November reached an annual record of 58,700, but net sales did not reach those of 1Q due to decline in unit price

The number of events held and participants in December decreased by 30% from the same month of the previous year due to the spread of COVID-19

Directly managed lounge business



Monthly number of people married was a record high of 214

Although net sales are approaching the 1Q level, the number of arranged marriage meeting participants was on a decreasing trend due to the spread of COVID-19

Agency Opening Support Business & Affiliate Business (Business Model)

Business

Member of Japan Marriage Consulting Federation
Opening of marriage consulting agencies

Monthly membership fee business

IBJ arranged-marriage meeting system usage fee
Matchmaker support and know-how training

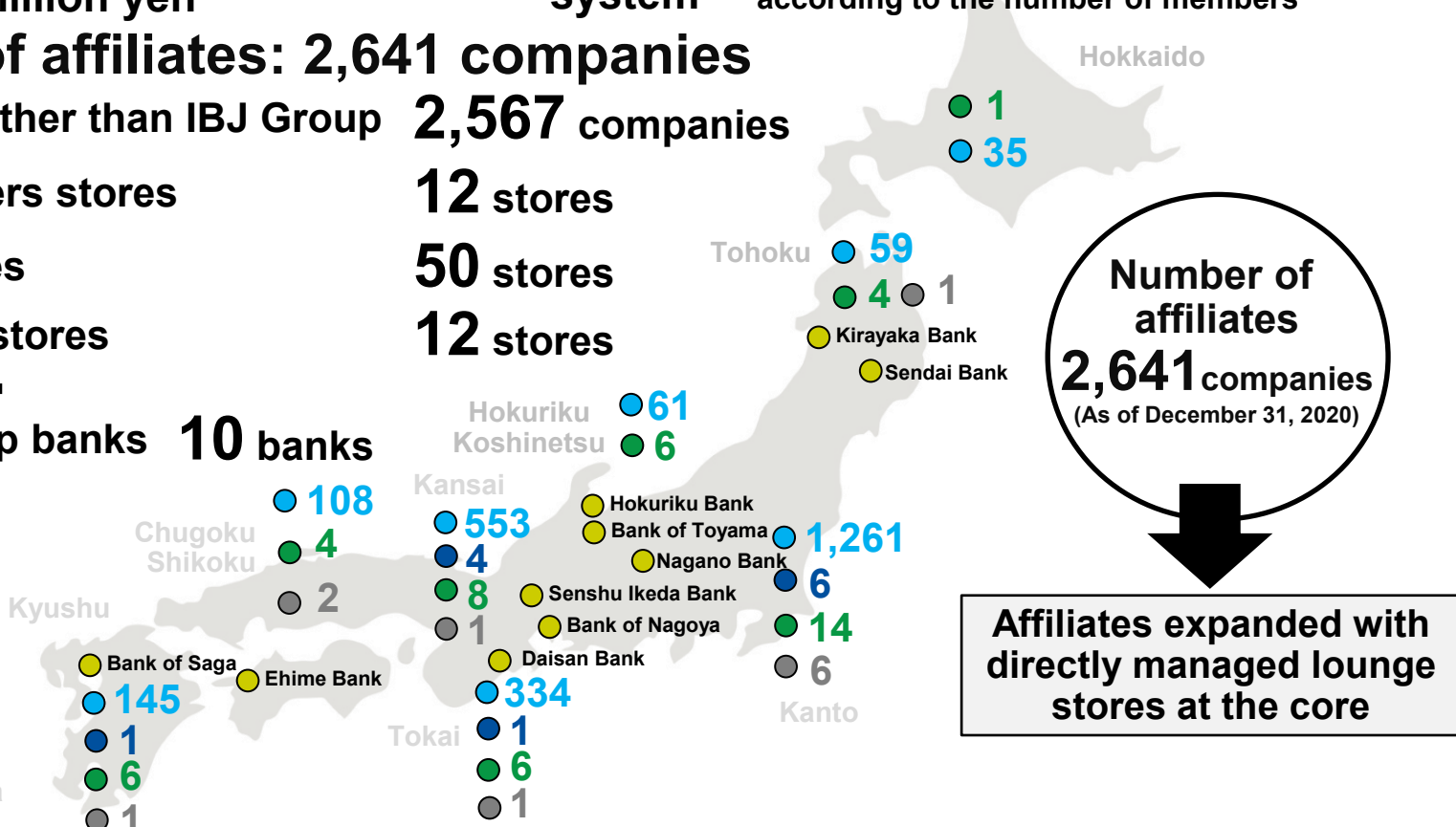
Joining fee: Corporate 3.2 million yen, Individual 1.6 million yen

Basic system usage fee + pay-as-you-go system * according to the number of members

Number of affiliates: 2,641 companies

- Affiliates other than IBJ Group 2,567 companies
- IBJ Members stores 12 stores
- ZWEI stores 50 stores
- Sunmarie stores 12 stores
- Local tie-up banks 10 banks

+



Number of affiliates
2,641 companies
(As of December 31, 2020)

Affiliates expanded with directly managed lounge stores at the core

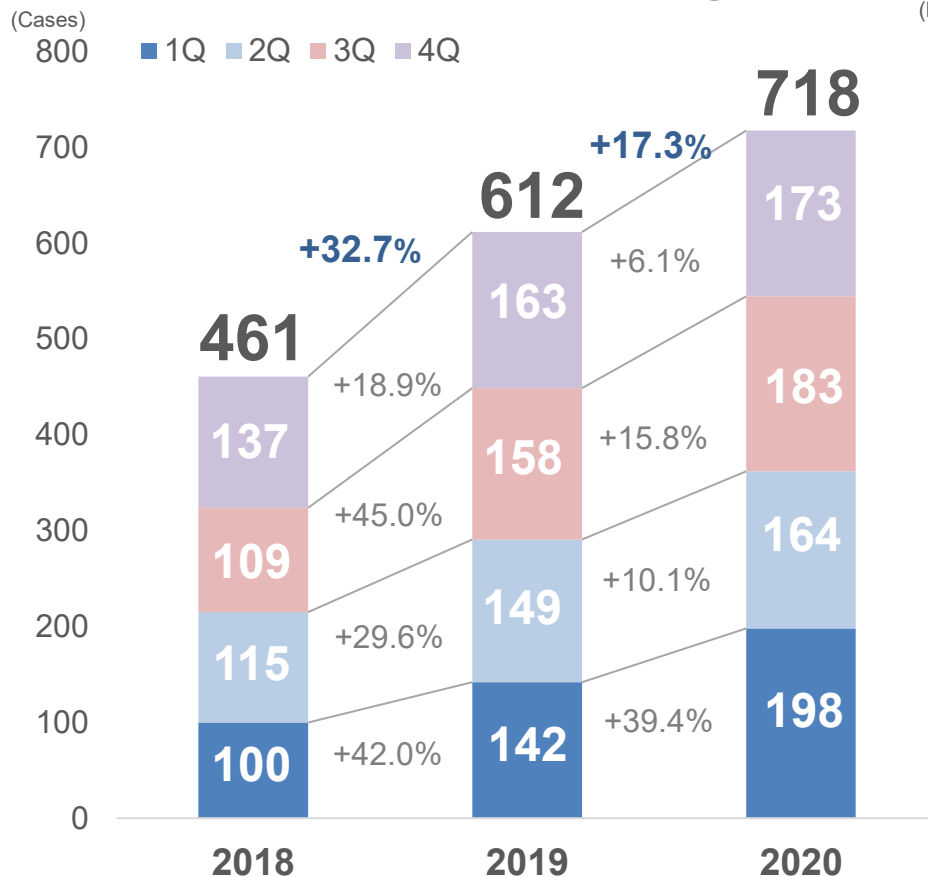
Support regional revitalization and local marriage hunting by enhancing cooperation with local banks and local governments

Agency Opening Support Business (KPI & Performance)

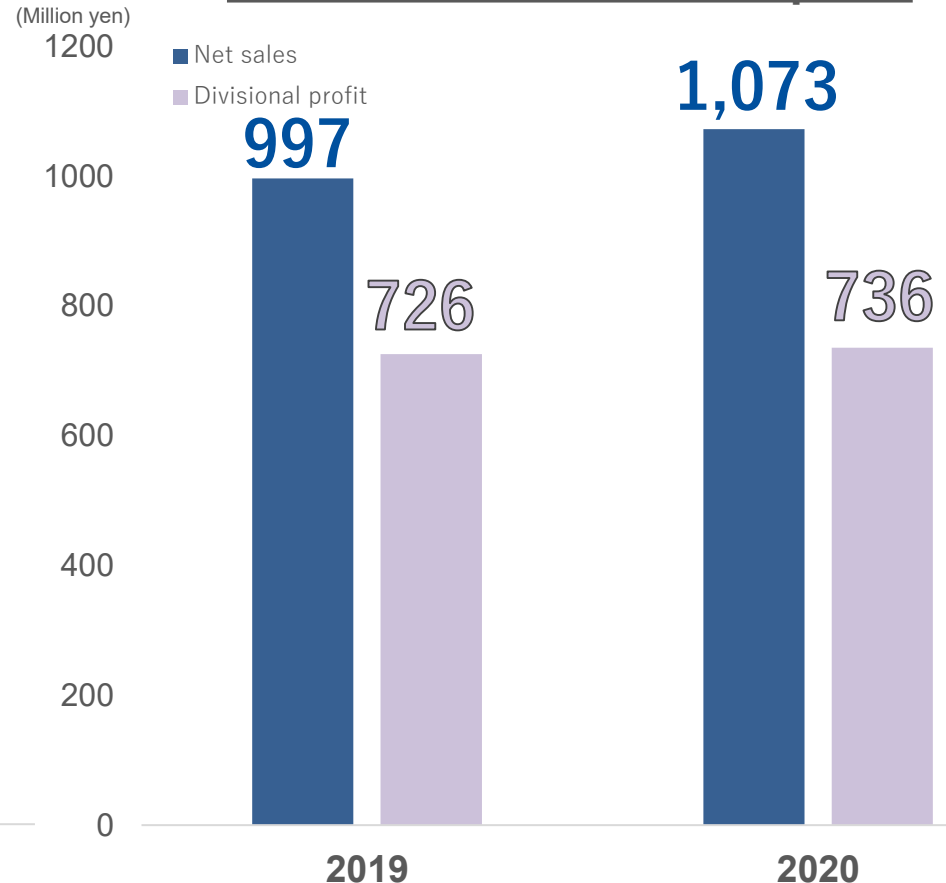
* Figures in parentheses are YoY changes

Number of openings: 718 (+17.3%); Net sales: 1,073 million yen (+7.7%);
Divisional profit: 736 million yen (+1.4%)

Number of openings



Net sales and Divisional profit

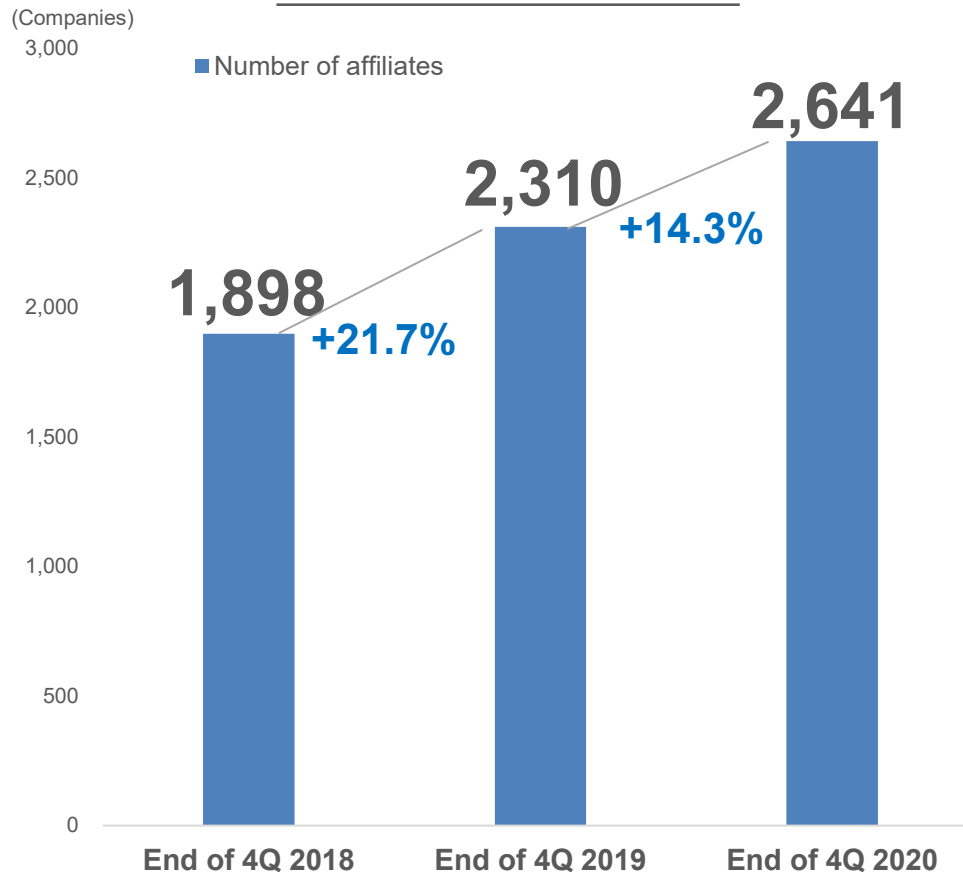


Affiliate Business (KPI & Performance)

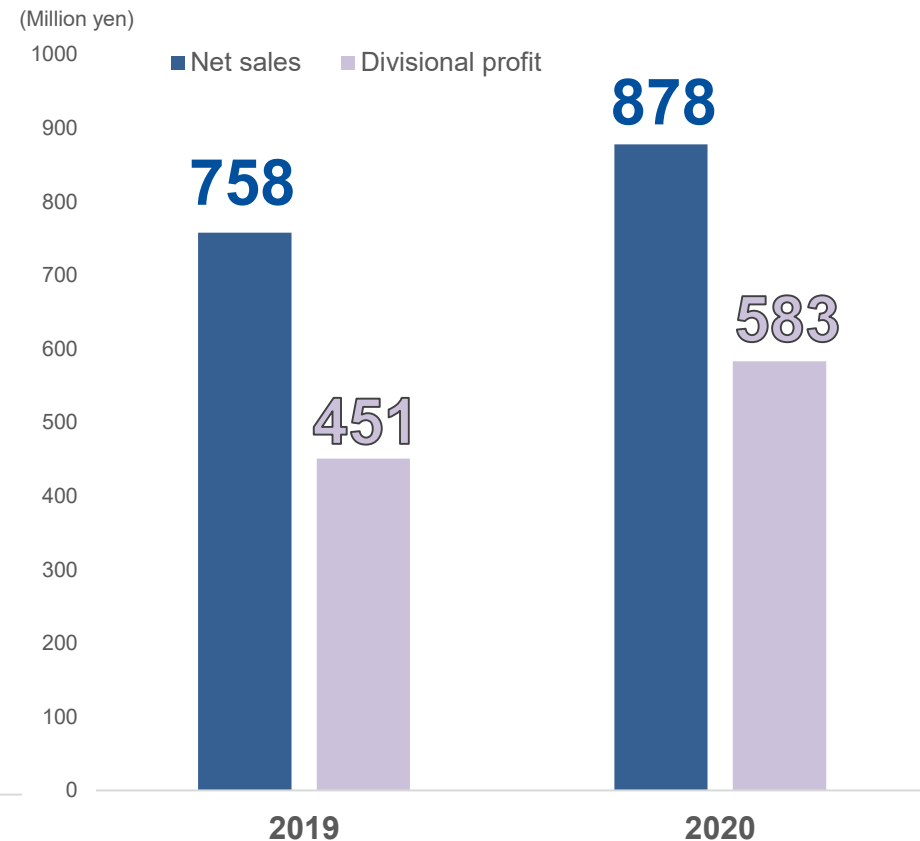
* Figures in parentheses are YoY changes

Number of affiliates: 2,641 (+14.3%); Net sales: 878 million yen (+15.8%);
Divisional profit: 583 million yen (+29.4%)

Number of affiliates



Net sales and Divisional profit



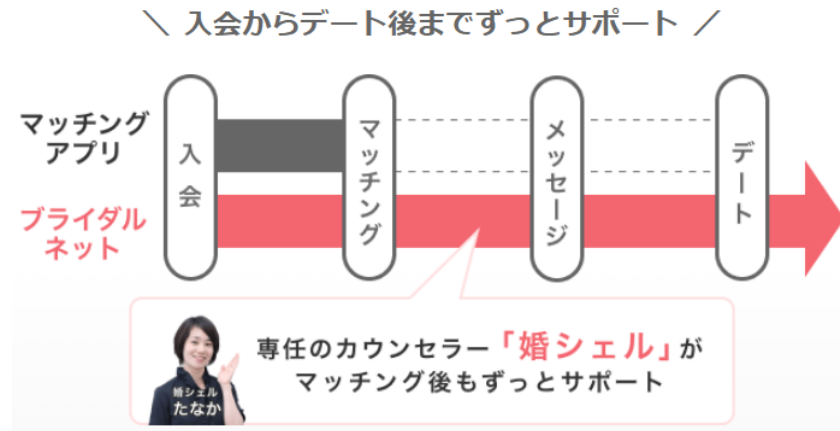
Apps Business (Business Model)

(1) Strengthening of CRM (customer relationship management)

- Improvement of service level
- Pursuit of originality



Not passive but an interfering service



(2) Enhancement of cooperation with Group services

Among service providers with nationwide membership base

- Apps services ⇔ marriage consulting agency service mutual introduction of customers
- Holding of arranged marriage meetings for app members at ZWEI stores



Differentiation from other apps with high level of sincerity and a sense of security

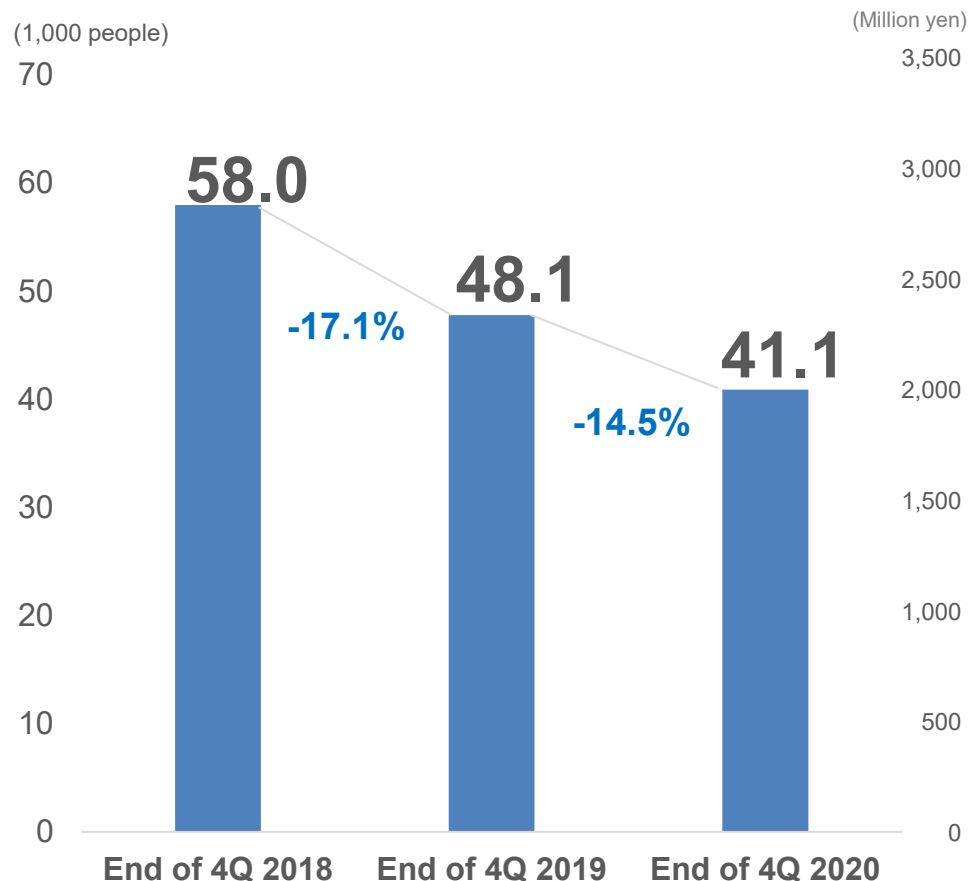


Apps Business (KPI & Performance)

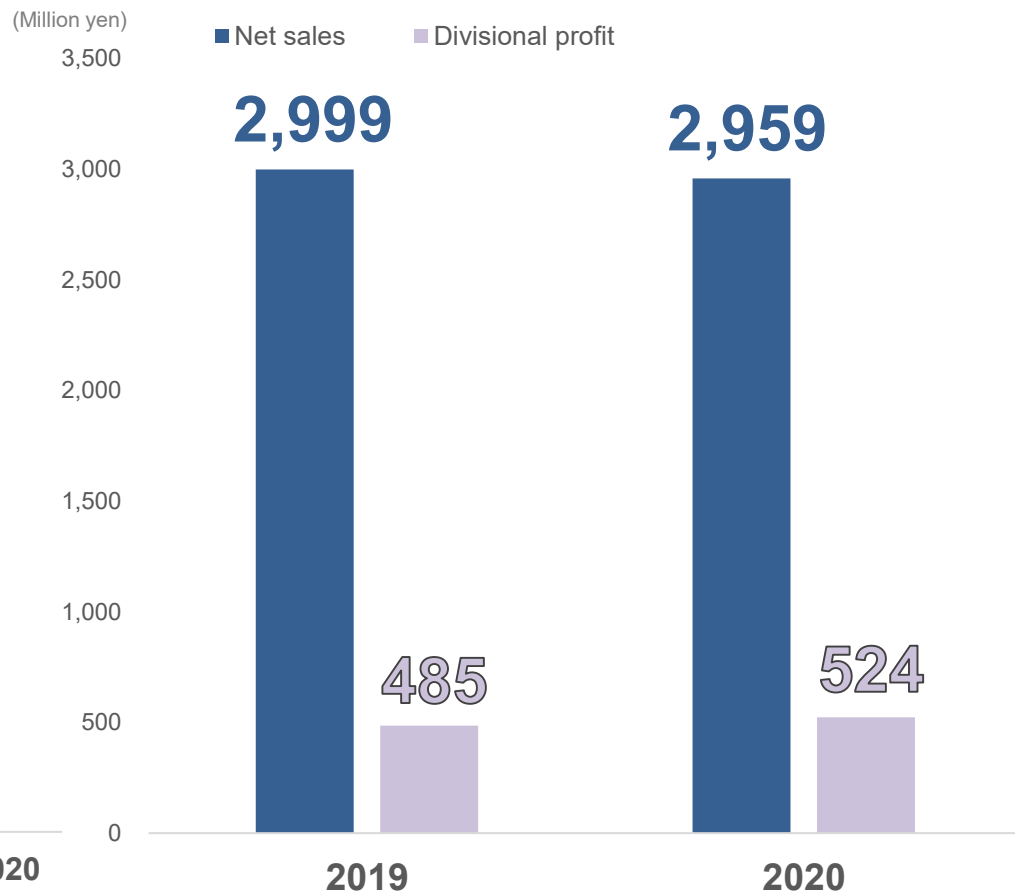
* Figures in parentheses are YoY changes

Number of paid members: 41,100 (-14.5%); Net sales: 2,959 million yen (-1.3%);
Divisional profit: 524 million yen (+7.9%)

Number of paid members



Net sales and Divisional profit



Party Business (Business Model)

Company-managed: 21 stores

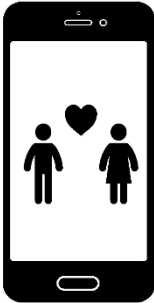
Participation fee:(paid each time)Unit price: approx. 3,100 yen

*As of December 31 (excluding online)

Capturing customers of matching apps base

- Raising of event-holding rate
- Raising of full occupancy rate
- Raising of coupling rate

Realization of overwhelming service quality



**Matching apps
2020 market size
estimate
62.0 billion yen**

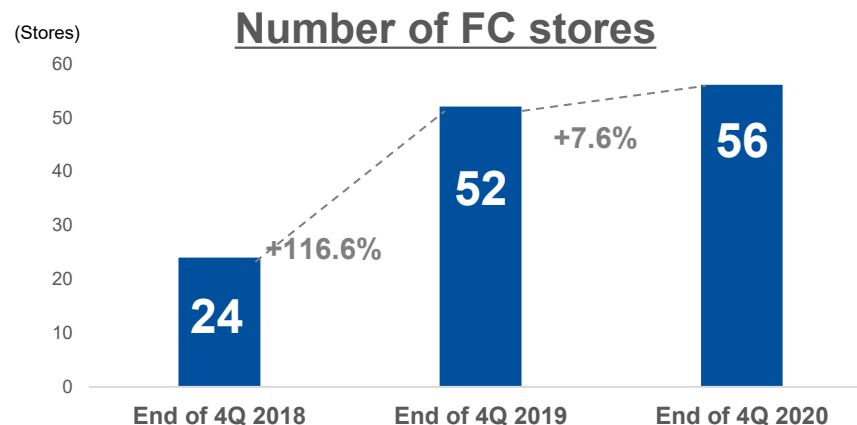
* Source: MatchingAgent/Digital InFact Survey
[Market Size Estimate of Domestic Online Dating and Marriage
Hunting Matching Service [2017–2025]]

FC: 56 stores

(Marriage-hunting party franchise)

Registration fee	1–5 million yen * Depending on area plan
Monthly system usage fee	15,000–80,000 yen * Depending on plan

Dissemination of marriage-hunting know-how to FC stores
Lending of online party system

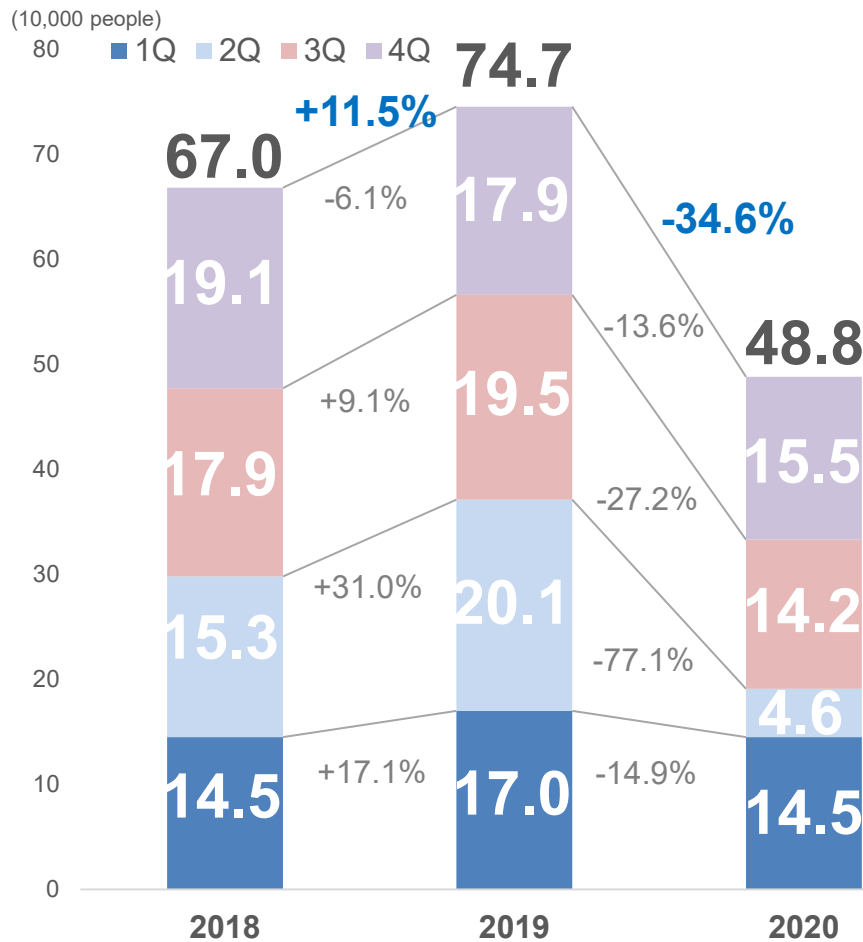


Party Business (KPI & Performance)

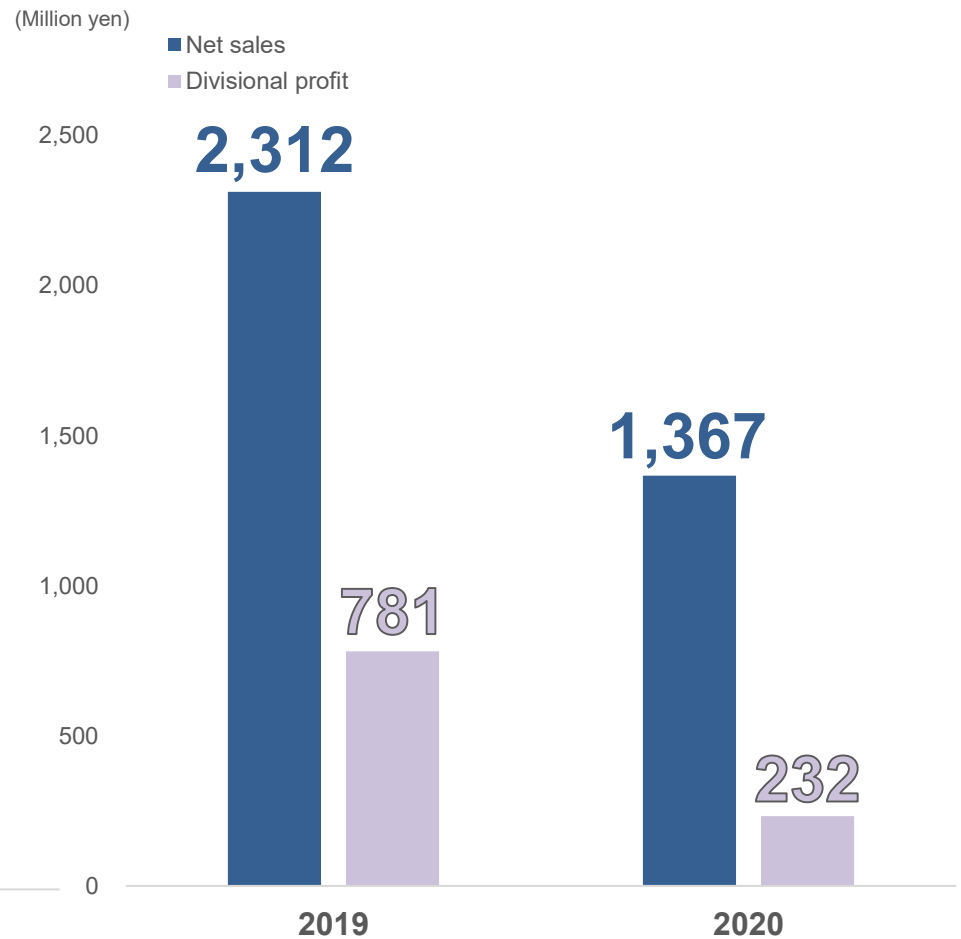
* Figures in parentheses are YoY changes

**Number of party participants: 488,000 (-34.6%); Net sales: 1,367 million yen (-40.8%);
Divisional profit: 232 million yen (-70.3%)**

Number of party participants






Net sales and Divisional profit



Directly Managed Lounge Business (Business Model)

Directly-managed marriage consulting agencies: 3 brands

			
Number of stores	12 stores	12 stores Satellite offices: 49	50 stores Satellite offices: 6
Features	Marriage rate: 50.8%* High value-added service	Professional matchmaker dedicated service	Data matching
Initial cost	165,000–409,000 yen	94,000–250,000 yen	98,000 yen
Member base	Women in their 20s to 30s Men in their 30s	Women in their 30s Men in their late 30s to early 40s	Women in their 20s to 30s Men in their 20s to 40s

* Actual results of major courses (from January to December 2019)

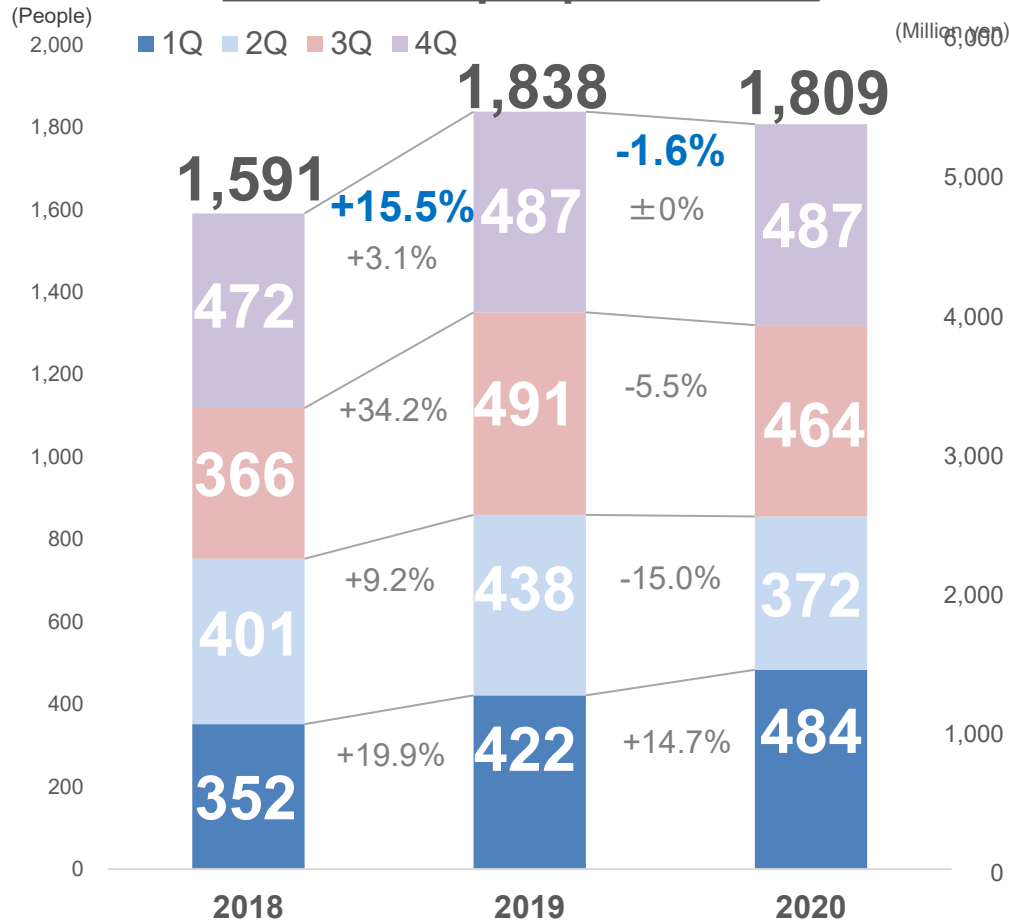
Sharing of know-how and methods and linking of systems to increase number of arranged marriage meetings and number of people married

Directly Managed Lounge Business (KPI & Performance)

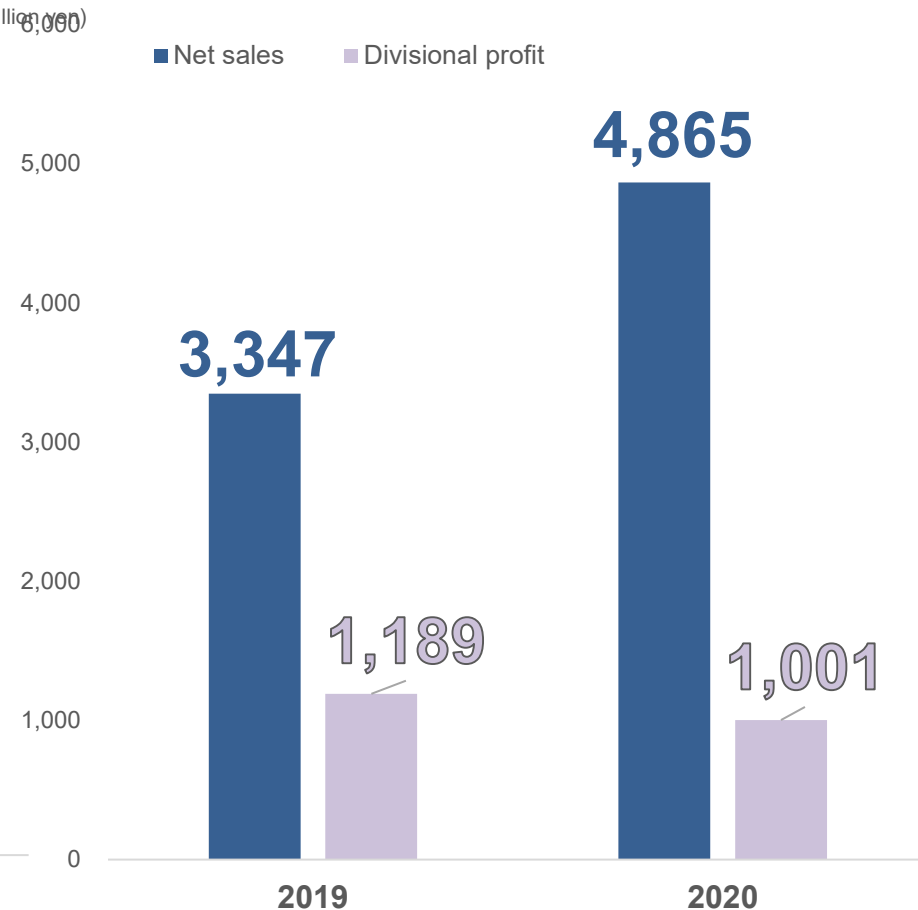
* Figures in parentheses are YoY changes

**Number of people married: 1,809 (-1.6%); Net sales: 4,865 million yen (+45.3%);
Divisional profit: 1,001 million yen (-15.9%)**

Number of people married



Net sales and Divisional profit



Life Design Business (Business Model)

IBJ Group Marriage hunting service

IBJ

Japan Marriage
Consulting Federation
IBJ Members
PARTY☆PARTY
Bridal Net
Rush

Diverse

youbride
YYC

Sunmarie

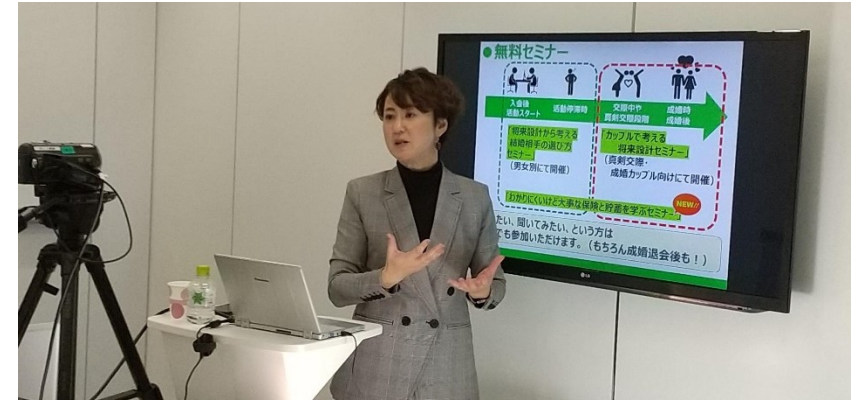
ZWEI

Prospect customers
of Life Design by
2027 is also 2.5 fold

Number of couples
married by 2027
25,000 couples

x 2.5 fold

Number of couples
married in 2020
9,732 couples



▼ Online study session on life design services for affiliate-based matchmakers

Increase cooperation with affiliates on
introducing customers to increase the number
of concluded life design contracts

IBJ Wedding

Housing/loan

IBJ Financial Advisory

Insurance

IBJ Life Design Support

Travel business
Kamome

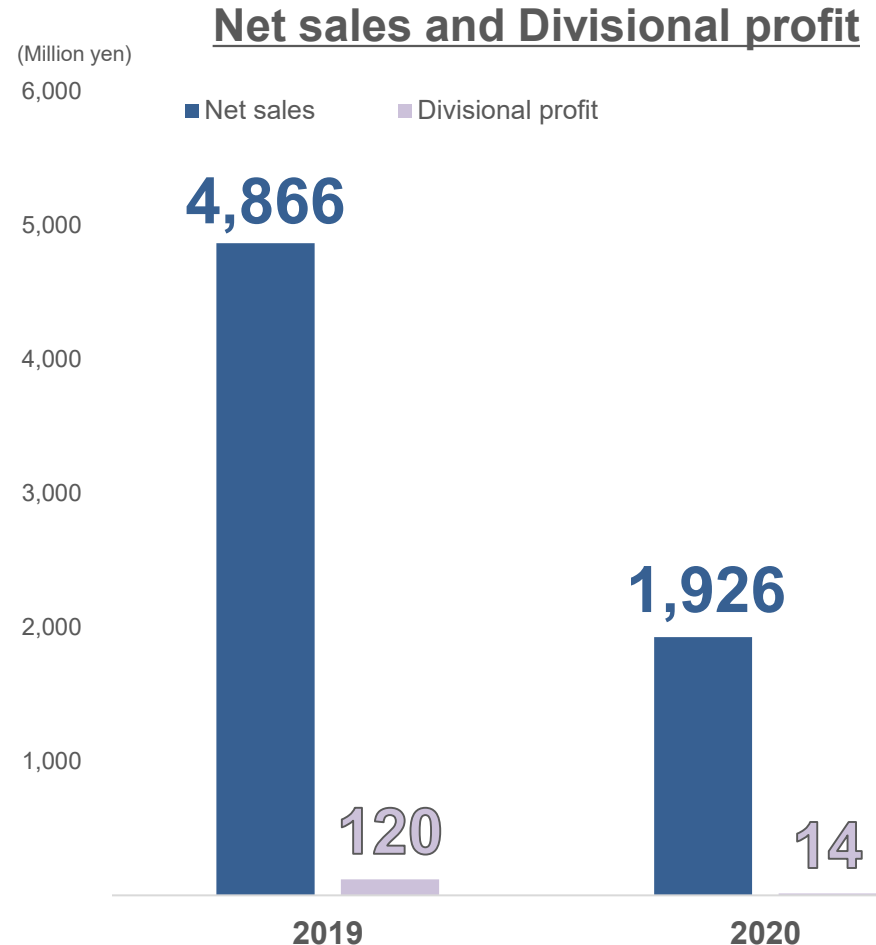
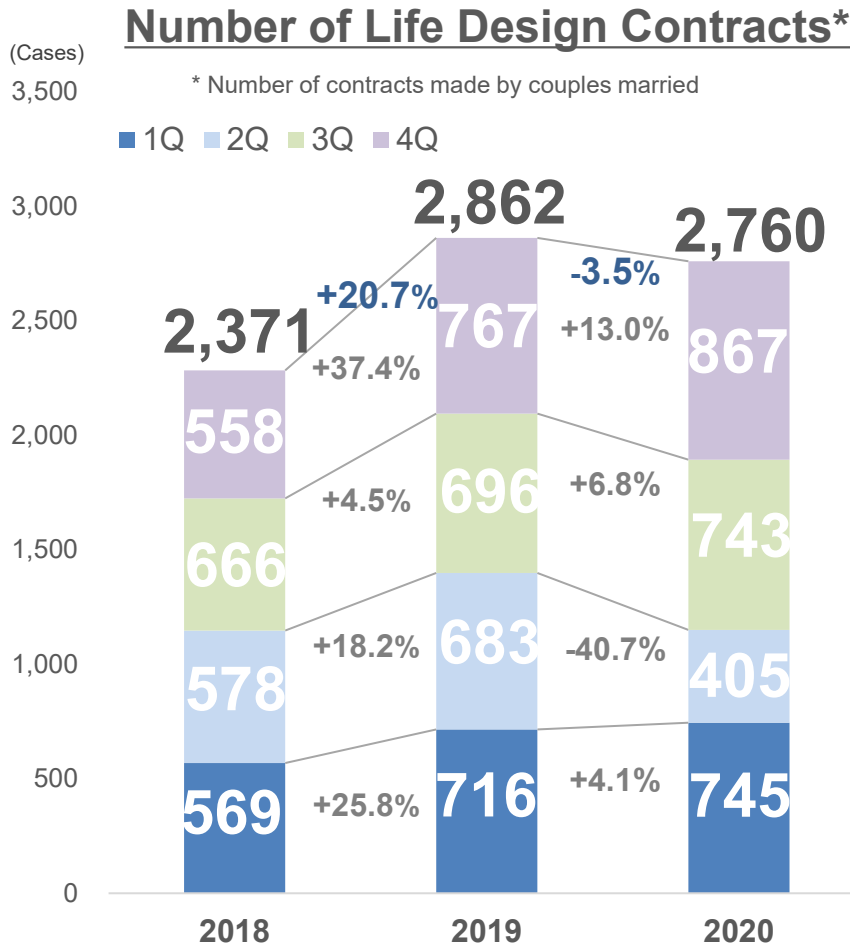
Korean language
class
K Village Tokyo

Life design
service

Life Design Business (KPI & Performance)

* Figures in parentheses are YoY changes

**Number of contracts: 2,760 (-3.5%); Net sales: 1,926 million yen (-60.4%);
Divisional profit: 14 million yen (-87.8%)**



Group Companies' Results

4Q 2020
cumulative total

Diverse

Net sales

2,599 million yen

Divisional profit*

350 million yen



1レッスン500円からの韓国語スクール

K Village Tokyo

Course Korean language school

684 million yen

41 million yen



サムリエ

1,146 million yen

142 million yen

zwei

1,671 million yen

-159 million yen

*Figures after offsetting
internal transactions



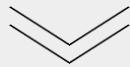
3. Growth Strategy

Formulation of the New Mid-Term Management Plan

2020 Actual results

Key indicators

- (1) Number of couples married
1.6%*1
(9,732 couples)
- (2) Number of affiliates
2,641 companies



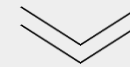
Sub indicators

- (3) Number of arranged marriage meeting members*2
84,000
- (4) Number of matching members*3
244,000

2027 Target

Key indicators

- (1) Number of couples married
5.0%
(25,000 couples)
- (2) Number of affiliates
10,000 companies



Sub indicators

- (3) Number of arranged marriage meeting members
200,000
- (4) Number of matching members
500,000

*1 1.6% (percentage of annual couples married in 2020) refers to the percentage with respect to the actual annual number of couples married in Japan in 2019 before the spread of COVID-19 (599,007 couples; 2019 Vital Statistics, Final data (announced on September 17, 2020))

*2 Number of arranged marriage meeting members refers to the number of members registered with marriage consulting agencies of Japan Marriage Consulting Federation, IBJ Members, Sunmarie and ZWEI

*3 Number of matching members refers to the number of registered members of PARTY☆PARTY and Rush with a login record within 1 year (from January 2020 to December 2020) + number of paid members of Bridal Net and Diverse (youbride/YJC) as of the end of the fiscal year

Two Strategies of the New Mid-Term Management Plan

Strategy 1

Activation of customer attracting channels toward expansion of affiliates and membership bases

- 1-(1) Strengthening of nationwide expansion centering on Group companies' directly managed lounges
- 1-(2) Increasing the number of people married by enhancing cooperation among the 3 marriage consulting agency brands

Strategy 2

Investment in the core system of arranged marriage meetings

Renewal of core system for marriage consulting agency service to improve convenience and matching rate of members

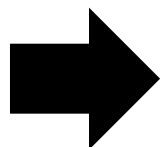
Making affiliates' rate close to IBJ members' high marriage rate

◇ With respect to the number of withdrawals due to marriage

日本結婚相談所連盟
by IBJ

婚活ラウンジ
IBJメンバーズ

$$\text{Marriage rate} = \frac{\text{Annual number of withdrawals due to marriage}}{\text{Annual number of withdrawals}}$$



41.0%

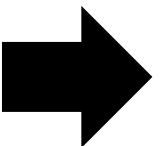
* From January to December 2020: Net membership only (excluding directly managed lounges and Group companies)

50.8%

* Actual results of major courses (from January to December 2019)

◇ With respect to the number of registered members

$$\text{Marriage rate} = \frac{\text{Annual number of withdrawals due to marriage}}{\text{Number of registered members as of December 31}}$$



17.9%

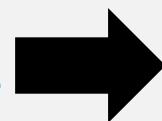
* From January to December 2020: Net membership only (excluding directly managed lounges and Group companies)

30.8%

* 2020 IBJ members only

Monthly number of successful marriages per counselor

2.2 people
(December 2019)



2.4 people
(December 2020)

Overwhelmingly high marriage rate and service quality in the industry

Advertisement and Store Strategies of ZWEI expanding nationwide

December 28, 2020 — IBJ Group's first
**nationwide TV
commercial broadcasting**
Transportation advertising
placement

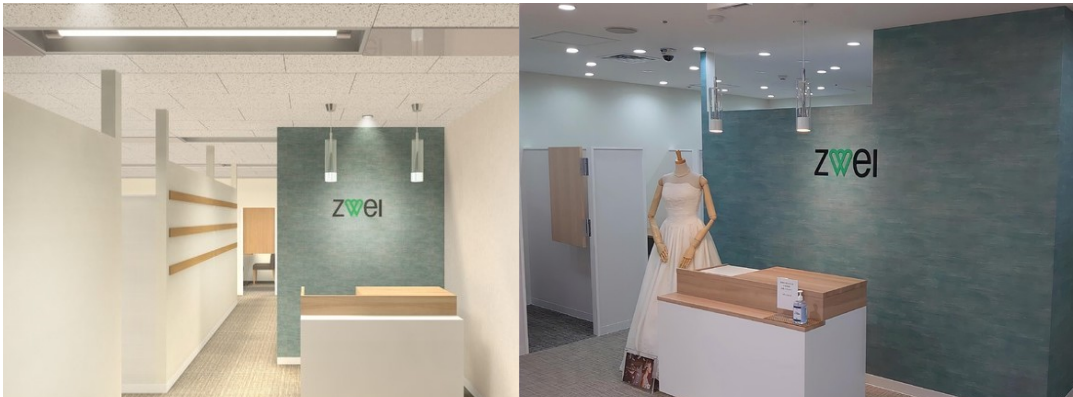
(A total of 45 lines including Keihin-Tohoku Line, Chuo Line, Yamanote Line and Nagoya Subway)

Appointed Satomi Shigemori as a mascot



Aims to enhance brand power of ZWEI and increase number of new memberships/members in local urban areas

ZWEI Store Activation Project



Sense of ease × Comfort × Security = HOME

Reopening of stores after renovation under unique concept of ZWEI due to deterioration of stores and increase in members

Grand opening of 16 stores by the end of the year

Fukuoka, Namba, Koriyama, Utsunomiya, Hamamatsu, Tachikawa, Yokohama, Takasaki, Nagoya, Hiroshima, Ikebukuro, Takamatsu, Sapporo, Sendai, Machida, Osaka

Sunmarie wins three awards as a consulting agency providing service with great care

Awarded Division

1. Chosen by people who seriously want to get married
2. Chosen by people with experience in using marriage-related services
3. Chosen by people with experience in using a marriage consulting agency

75 professional matchmakers with abundant experience are enrolled

(As of December 31, 2020)



「本気で結婚したい」人が選ぶ



「結婚サービス利用者」が選ぶ

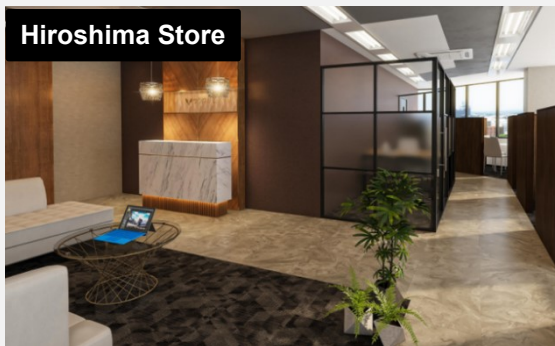


「結婚相談所利用者」が選ぶ

* Subjects: Men and women aged 25–59 nationwide who are engaged in marriage hunting
 Survey period: December 11–14, 2020
 No. 1 marriage consulting agency thought to provide service with great care when compared among top 10 companies under Google Search of “marriage consulting agency” (as of 9:51 a.m., December 8, 2020)
 Research institution: Shoppers Eye Inc.

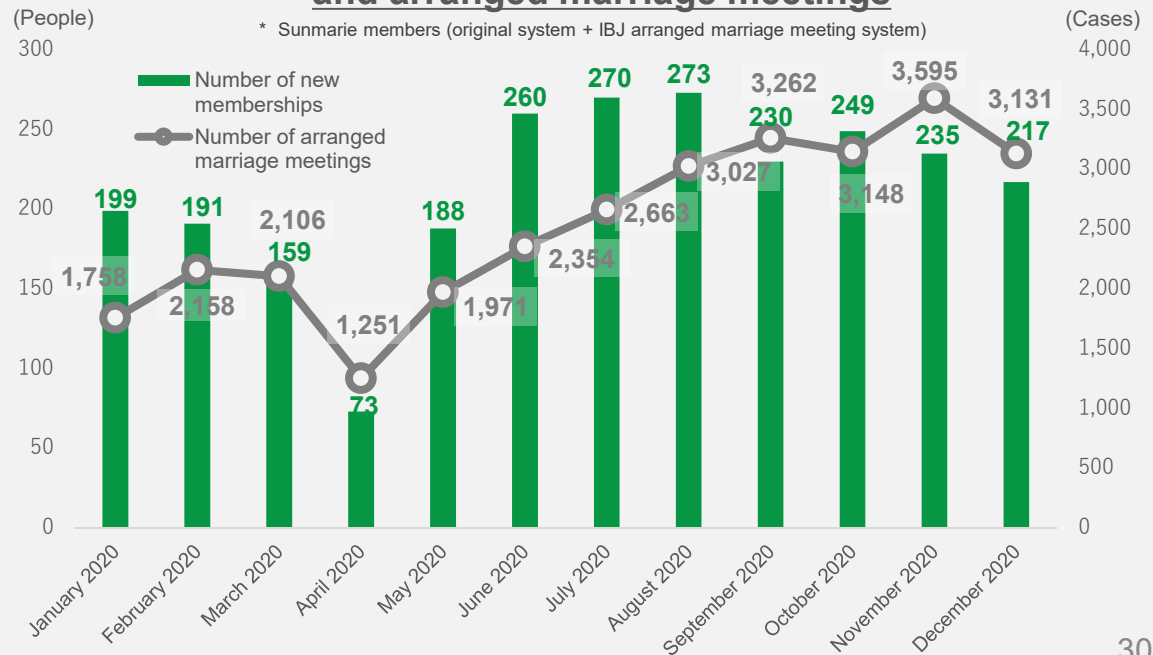
Expect increase in number of new memberships with new store openings

January 18, 2021
 Grand opening of Hiroshima Salon



Sense of specialness × Trust × Security

Number of new memberships and arranged marriage meetings





4. APPENDIX

Balance Sheet

(Million yen)

	As of December 31, 2019	As of December 31, 2020	Amount of Change
Current Assets	5,762	7,588	+1,826
Cash and Deposits	4,358	5,937	+1,578
Non-current Assets	5,525	6,298	+772
Property, Plant and Equipment/Intangible Assets	1,608	3,199	+1,591
Investments and Other Assets	3,917	3,099	-818
Total Assets	11,288	13,887	+2,598
Current Liabilities	3,966	6,864	+2,897
Non-current Liabilities	1,958	1,359	-599
Total Liabilities	5,925	8,223	+2,297
Capital Stock/Capital Surplus	1,476	1,476	-
Retained Earnings	4,367	4,660	+293
Treasury Stock	-1,007	-1,007	-
Valuation and Translation Adjustments	99	131	+32
Stock Acquisition Rights	30	0	-29
Non-controlling interests	397	403	+5
Total Net Assets	5,363	5,664	+300
Total Liabilities and Net Assets	11,288	13,887	+2,598

Cash flow

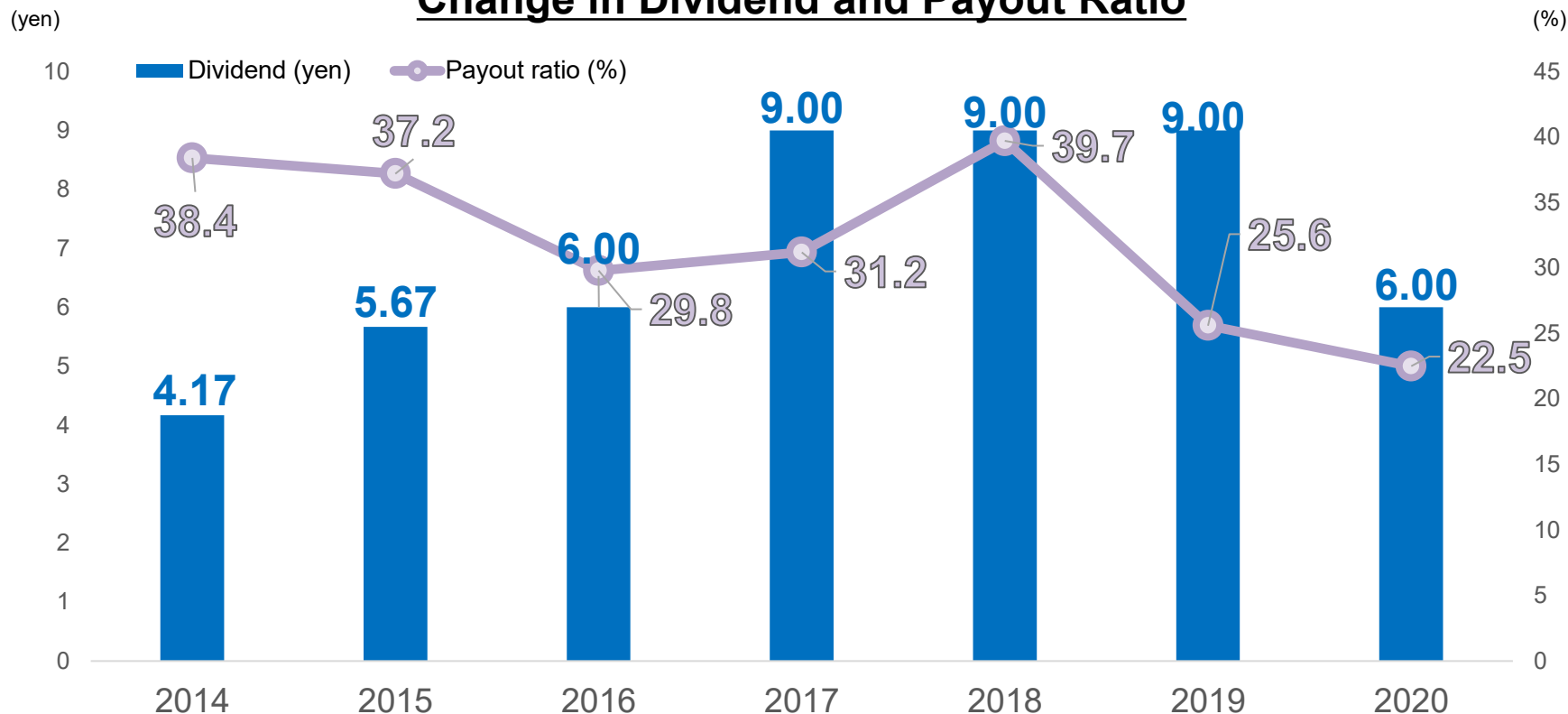
(Million yen)

	As of December 31, 2019 (Consolidated)	As of December 31, 2020 (Consolidated)	Amount of Change
Cash Flows from Operating Activities	2,460	1,042	-1,417
Cash Flows from Investing Activities	-2,882	-1,311	+1,570
Cash Flows from Financing Activities	935	1,728	+792
Increase/Decrease in Cash and Cash Equivalents	513	1,459	+945
Cash and Cash Equivalents Resulting From New Consolidation	12	108	+96
Cash and Cash Equivalents at Beginning of Period	3,859	4,385	+525
Cash and Cash Equivalents at End of Period	4,385	5,953	+1,568

Dividend and Payout Ratio

Year-end dividend per share was reduced to 6 yen with a payout ratio of 22.5%.

Change in Dividend and Payout Ratio



Although factors such as the impact of COVID-19 and making ZWEI a Group company temporarily suppressed profit, performance of Group companies continues to improve steadily



(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. The information contained in this presentation is based on a generally accepted understanding of economic and social conditions as of February 2021 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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