

## Consolidated Quarterly Financial Statements for the 2nd Quarter of the Fiscal Year Ending December 31, 2021

### (1) Results of operations

In the first six months of the fiscal year under review, the situation of uncertainty regarding the time of containment of the spread of the novel coronavirus infection and other factors continued, and state of emergency declarations were issued several times in some regions. Although the number of infected people temporarily decreased, the number is increasing again.

Despite the impact of the novel coronavirus infection, the Group continues to strive to expand our business in order to realize the aims of the medium term management plan (January 2021 to December 2027): “25,000 marriages,” “10,000 affiliated consultation offices,” “200,000 members for arranged marriage meetings,” and “500,000 matching members.”

In the first six months of the fiscal year under review, in addition to the number of affiliated consultation offices surpassing 2,800, the number of members for arranged marriage meetings exceeded 71,000 mainly due to the strengthening of the member base by ZWEI CO., LTD., which became a group company in the previous fiscal year. On the other hand, the Party Business was forced to reduce the scale of its events due to the repeated issuance of state of emergency declarations and public announcements of priority measures to prevent the spread of infection, but the number of event participants increased year on year as a result of recovery efforts, such as holding parties with thorough measures in place to prevent the spread of the novel coronavirus infection.

In addition, some investment securities that were previously included in investment securities under investments and other assets were reclassified as operational investment securities under current assets in the first quarter ended March 31, 2021. Furthermore, since the Group finalized the provisional accounting treatment for the business combination with ZWEI CO., LTD., at the end of the previous fiscal year, the figures for the first six months of the fiscal year ended December 31, 2020 are those after retroactive application.

As a result, consolidated net sales in the first six months of the fiscal year under review came to 6,755,516 thousand yen (up 10.2% year on year), operating profit was 684,315 thousand yen (down 10.5% year on year), ordinary profit was 619,422 thousand yen (down 13.6% year on year), and profit attributable to owners of parent was 367,401 thousand yen (up 73.0% year on year).

The business results for each segment are outlined below.

#### <Marriage-Hunting Business>

This segment consists of the Agency Opening Support Business, the Affiliate Business, the Directly-Managed Lounge Business, the Party Business, and the App Business.

In the first six months of the fiscal year under review, we focused on the following activities.

- In the Agency Opening Support Business, despite the impact of state of emergency declarations in response to the novel coronavirus infection and public announcements of priority measures to prevent the spread of the infection, sales remained strong, with an increase in the number of new affiliated consultation offices in the Kyushu, Tohoku and Hokuriku regions.
- In the Affiliate Business, the number of affiliated consultation offices increased to 2,832 (up 15.7% year on year) and the number of registered members steadily increased to over 71,000, resulting in an increase in sales.
- In the Party Business also, despite the impact of the novel coronavirus infection, the number of event participants in the first six months of the fiscal year under review was 202,572 (up 5.8% year on year) due to our efforts to hold parties with thorough measures in place to prevent the spread of the infection and recovery efforts such as holding parties online.
- In the App Business, while the number of paying subscribers declined to 40,000 (down 10.6% year on year) as of June 30, 2021, we made efforts to improve customer satisfaction by holding marriage-hunting parties exclusively for app members.

As a result, segment net sales amounted to 6,178,499 thousand yen (up 25.5% year on year) and segment profit was 1,179,269 thousand yen (down 6.8% year on year).

#### <Life Design Business>

The Life Design Business consists of the Wedding Business, Travel Business, Language School Business, Real Estate and Housing Loan Business, and Insurance Business.

In the first six months of the fiscal year under review, we focused on the following activities.

- In the Wedding Business, which is operated by IBJ Wedding Co., Ltd., although the series of advertising cost reductions by clients due to the spread of the novel coronavirus infection seen in the first quarter ended March 31, 2021, continued, the number of couples sent to wedding halls increased as a result of an increase in the number of married couples in the Group.
- In the Travel Business, which is operated by Kamome Co., Ltd., we have been forced to suspend our business in general because overseas travel remains impossible due to the measures in other countries to restrict the entry of Japanese nationals and travelers from Japan in response to the novel coronavirus infection and the continuation of recommendation to avoid all travel in the Travel Advice and Warning on Infectious Diseases issued by the Ministry of Foreign Affairs. Meanwhile, we strove to curb cash outflow by reviewing and reducing costs, among others.

As a result, segment net sales amounted to 577,017 thousand yen (down 52.2% year on year) and segment loss was 11,716 thousand yen (compared to segment loss of 41,292 thousand yen for the same period in the previous fiscal year).

## (2) Analysis of financial position

Some investment securities that were previously included in investment securities under investments and other assets were reclassified as operational investment securities under current assets in the first quarter ended March 31, 2021. Furthermore, since the Group finalized the provisional accounting treatment for the business combination with ZWEI CO., LTD., at the end of the previous fiscal year, the figures for the first six months of the fiscal year ended December 31, 2020 are those after retroactive application.

### 1) Assets, liabilities, and net assets

#### (Assets)

Current assets as of June 30, 2021 amounted to 7,245,867 thousand yen, down 1,339,487 thousand yen from the end of the previous fiscal year. This was mainly due to increases of 411,707 thousand yen in operational investment securities and 148,955 thousand yen in other current assets, in addition to a decrease of 1,913,907 thousand yen in ordinary deposits. Non-current assets were 5,329,278 thousand yen, up 26,878 thousand yen from the end of the previous fiscal year. This was mainly due to decreases of 146,512 thousand yen in goodwill, 33,021 thousand yen in shares of subsidiaries and associates, and 84,759 thousand yen in long-term loans receivable, in addition to increases of 134,298 thousand yen in buildings, 46,751 thousand yen in deferred tax assets, 30,728 thousand yen in investment securities, and 28,357 thousand yen in guarantee deposits.

Consequently, total assets came to 12,575,146 thousand yen, down 1,312,609 thousand yen from the end of the previous fiscal year.

#### (Liabilities)

Current liabilities as of June 30, 2021 amounted to 4,218,067 thousand yen, down 2,646,010 thousand yen from the end of the previous fiscal year. This was mainly due to decreases of 154,825 thousand yen in accounts payable – other and 2,600,000 thousand yen in short-term loans payable, in addition to increases of 24,320 thousand yen in current portion of long-term loans payable and 89,417 thousand yen in income taxes payable. Non-current liabilities were 2,549,100 thousand yen, up 1,190,074 thousand yen from the end of the previous fiscal year. This was mainly due to an increase of 1,164,500 thousand yen in long-term loans payable.

Consequently, total liabilities came to 6,767,168 thousand yen, down 1,455,935 thousand yen from the end of the previous fiscal year.

#### (Net assets)

Net assets as of June 30, 2021 stood at 5,807,977 thousand yen, up 143,326 thousand yen from the end of the previous fiscal year. This was mainly due to increases of 127,230 thousand yen in retained earnings and 21,406 thousand yen in valuation difference on securities.

Consequently, the equity-to-asset ratio was 43.1% (compared to 37.9% at the end of the previous fiscal year).

## 2) Status of cash flow

Cash and cash equivalents (“cash”) as of June 30, 2021 were 4,213,226 thousand yen, a decrease of 1,740,432 thousand yen from the end of the previous fiscal year. The following is a summary of cash flows and contributing factors in the first six months of the fiscal year under review.

### (Cash flows from operating activities)

Net cash provided by operating activities during the first six months of the fiscal year under review was 210,425 thousand yen (181,196 thousand yen provided in the same period of the previous fiscal year). The main factors that contributed to increase were profit before income taxes of 645,349 thousand yen, depreciation of 151,822 thousand yen, amortization of goodwill of 146,512 thousand yen, and share of loss of entities accounted for using equity method of 74,314 thousand yen. The main factors that contributed to decrease were an increase of 406,607 thousand yen in inventories, a decrease of 147,514 thousand yen in accounts payable - other, and accrued expenses, and payments of income taxes paid of 169,943 thousand yen.

### (Cash flows from investing activities)

Net cash used in investing activities during the first six months of the fiscal year under review was 231,943 thousand yen (2,077,925 thousand yen used in the same period of the previous fiscal year). This was mainly due to purchase of property, plant and equipment of 218,964 thousand yen, purchase of intangible assets of 69,189 thousand yen, and proceeds from sales of investment securities of 61,984 thousand yen.

### (Cash flows from financing activities)

Net cash used in financing activities during the first six months of the fiscal year under review was 1,718,913 thousand yen (2,412,340 thousand yen provided in the same period of the previous fiscal year). This was mainly due to an increase in short-term loans payable of 2,600,000 thousand yen, repayment of long-term loans payable of 511,180 thousand yen, and proceeds from long-term borrowings of 1,700,000 thousand yen.

## (3) Note about consolidated earnings forecast and other forward-looking statements

As of June 30, 2021, and the date of publication of this document, no changes have been made to the full-year earnings forecast for the fiscal year ending December 31, 2021. However, if any facts to be disclosed arise due to changes in future circumstances or other factors, the Company will make an announcement without delay.

In addition, due to the many uncertainties involved in estimating the spread of the novel coronavirus infection and when it will be contained, actual results may differ from the forward-looking statements.