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May 9, 2025

Consolidated Financial Results for the First Three Months Ended March 31, 2025 (Under Japanese GAAP)

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Listing: Tokyo Stock Exchange
Securities code: 6071
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Scheduled date of commencing dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated quarterly financial results for the first three months of the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	4,815	13.2	1,006	51.7	999	51.0	614	27.7
March 31, 2024	4,254	10.1	663	24.2	662	20.9	481	31.7

Note: Comprehensive income For the three months ended March 31, 2025: ¥678 million [36.8%]
For the three months ended March 31, 2024: ¥495 million [31.4%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2025	16.26	—
March 31, 2024	12.54	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	19,411	9,347	44.9	230.87
December 31, 2024	18,465	8,970	45.4	221.93

Reference: Equity
As of March 31, 2025: ¥8,724 million
As of December 31, 2024: ¥8,386 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended December 31, 2024	Yen —	Yen 0.00	Yen —	Yen 8.00	Yen 8.00
Fiscal year ending December 31, 2025	—				
Fiscal year ending December 31, 2025 (Forecast)		0.00	—	8.00	8.00

Note: Revision to the forecast for dividends announced most recently: None

3. Consolidated financial results forecast for the fiscal year ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter (cumulative)	9,468	10.5	1,366	7.6	1,347	6.2	891	2.9	23.59
Full year	19,405	9.4	3,124	21.1	3,085	20.4	1,989	30.6	52.65

Note: Revision to the forecast for dividends announced most recently: None

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
 Newly included: – companies (–)
 Excluded: – companies (–)
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (ordinary shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	42,000,000 shares
As of December 31, 2024	42,000,000 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	4,212,706 shares
As of December 31, 2024	4,212,206 shares

- (iii) Average number of shares during the period (quarterly cumulative)

Three months ended March 31, 2025	37,787,524 shares
Three months ended March 31, 2024	38,380,505 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Notes regarding forward-looking statements, etc.)

Financial results forecasts and other forward-looking statements provided in these materials are based on information available to the Company and certain other assumptions deemed reasonable as of the date of publication of this document, and do not represent any guarantee that the Company will achieve these results. Actual financial results and other aspects of business performance may differ significantly from these forecasts owing to various factors.

Please refer to “1. Qualitative information for the 1st quarter of the fiscal year ending December 31, 2025, (3) Overview of consolidated financial results forecast and other forward-looking information” on page 4 of this financial results report (attached materials) for conditions forming the basis for financial results forecasts, notes regarding the use of financial results forecasts, and other information.

(How to obtain the supplementary material on financial results and the contents of the financial results briefing)

The Company plans to hold a financial results briefing for institutional investors and analysts on Tuesday, May 13, 2025. A video of the meeting will be posted on the Company’s website as soon as possible after the meeting. Supplementary materials for the financial results will be posted on the Company’s website today.

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1. Qualitative information for the 1st quarter of the fiscal year ending December 31, 2025

(1) Operating results

In the first three months of the fiscal year under review, the Japanese economy continued to show a modest recovery centered on domestic demand, supported by corporate earnings and wage increases despite ongoing pressure from rising prices. Although the impact of yen depreciation and fluctuations in energy prices on corporate activities remains under close observation, the overall trend remains one of gradual recovery, bolstered by the rebound in inbound demand and a pickup in capital investment.

Meanwhile, structural labor shortages caused by the declining birthrate and aging population, as well as uncertainty surrounding future economic growth, continue to pose significant challenges. Additionally, the downward trend in the number of marriages has persisted nationwide in 2024, highlighting the increasingly severe social environment surrounding marriage.

In the marriage-hunting market, while the spread of marriage-matching applications continues, issues have emerged due to the rapid increase in users, such as reduced matching accuracy and rising concerns over safety, including identity fraud and scams. Against this backdrop, in the marriage consultation agency industry, demand is rising for high-trust matchmaking services that include verification of personal information such as identity, income, and educational background, as well as personalized support by counselors. Furthermore, public-private partnerships aimed at addressing the falling birthrate and revitalizing local regions are gaining momentum, with more initiatives such as regional marriage support programs in collaboration with local governments being expanded.

Amid this operating environment, while the Group has been affected by domestic and international economic fluctuations, we continue to focus on enhancing brand recognition and providing services that help address societal issues, with the aim of achieving sustainable growth and further expanding our business operations and corporate value.

As a result, consolidated net sales in the first three months of the fiscal year under review came to 4,815,524 thousand yen (up 13.2% year on year), operating profit was 1,006,858 thousand yen (up 51.7% year on year), ordinary profit was 999,734 thousand yen (up 51.0% year on year), and profit attributable to owners of parent was 614,584 thousand yen (up 27.7% year on year).

Net sales and divisional profit by each segment are shown below.

From the first quarter of the current fiscal year, the Group has newly added the “K Village Business” as a reportable segment. This decision was made to strengthen management by separating the business of K Village Inc., which operates within the hobby and community business under the Life Design Business, from the Life Design Business, in light of the business’s growing scale. As a result, segment classification has been revised for greater clarity. For year-on-year comparisons below, figures for the same period of the previous fiscal year have been recalculated based on the revised segment classification. For details, please refer to “2. Quarterly consolidated financial statements and major notes, (3) Notes to quarterly consolidated financial statements (Segment information).”

Divisional profit is defined as operating income + depreciation + amortization of goodwill + amortization of long-term prepaid expenses (after adjusting internal transactions).

<Affiliate Business>

In the Affiliate Business, the number of new members enrolling in marriage consulting agencies increased significantly by 46.7% year on year, due to the effect of the alliance with O-net, which began in the first quarter of the previous year. Furthermore, the introduction of the “Branch System,” aimed at promoting interaction among consulting agencies, contributed to improving the skills of IBJ-affiliated matchmakers, resulting in a 25.8% increase in the number of arranged marriage meetings year on year and continued strong growth.

In addition, with regard to new openings of marriage consulting agencies, we continued to train sales personnel and develop new sales channels. The increase in franchise fees starting this year is also expected to contribute to further earnings growth going forward.

As a result, segment net sales amounted to 912,828 thousand yen (up 9.4% year on year), and divisional profit was 601,433 thousand yen (up 3.1% year on year).

<Directly-Managed Lounge Business>

As for the Directly-Managed Lounge Business, IBJ Members and Sunmarie strengthened cooperation with

the Party Business (IBJ Matching), and as a result of focused efforts on member acquisition through party events, the number of new members increased by 12.5% year on year.

At ZWEI, continued efforts to enhance counselor support capabilities led to a 6.9% year-on-year increase in the number of arranged marriage meetings, which in turn contributed to a synergistic increase in the number of marriages.

As a result, segment net sales amounted to 2,305,091 thousand yen (up 7.8% year on year) and divisional profit was 581,889 thousand yen (up 23.9% year on year).

<Matching Business>

In the Matching Business, the number of participants and the number of events held by IBJ Matching increased due to the effect of campaigns targeting new customers. In addition, strengthened cooperation with the Directly-Managed Lounge Business contributed to an increase in the number of new members in the marriage consulting agencies.

As a result, segment net sales amounted to 371,363 thousand yen (down 10.2% year on year) and divisional profit was 90,782 thousand yen (up 50.0% year on year).

<Life Design Business>

In the Life Design Business, the number of users of various services has continued to increase steadily in line with the growth in the number of members and marriages in the marriage consulting business. As a result, the number of successful contracts in the wedding business and the number of profile photo shoots have remained strong. In addition, the expansion of insurance offerings led to a favorable trend in the number of insurance contracts, which increased by 20.5% year on year, contributing to stable revenue.

As a result, segment net sales amounted to 433,466 thousand yen (up 79.1% year on year) and divisional profit was 176,726 thousand yen (up 99.9% year on year).

<K Village Business>

In the K Village Business, the number of new students at the Korean language schools operated by K Village Inc. continued to increase. In addition, efforts to enhance instructor skills led to higher customer satisfaction and a decline in the number of student withdrawals, resulting in a 15.0% year-on-year increase in the total number of students.

At NAYUTAS, which offers voice training and other services, a franchise business model is being developed. In addition to enabling school openings with relatively small capital, the provision of extensive support including training before business launch has proven effective, resulting in a rapid 148.3% year-on-year increase in the number of franchise locations.

As a result, segment net sales amounted to 792,774 thousand yen (up 26.7% year on year) and divisional profit was 126,835 thousand yen (up 77.7% year on year).

(2) Overview of financial position

(Assets)

Current assets as of March 31, 2025 amounted to 7,732,713 thousand yen, down 1,185,886 thousand yen from the end of the previous fiscal year. This was mainly due to decreases of 1,369,271 thousand yen in cash and deposits and 88,617 thousand yen in deposits paid, despite increases of 166,806 thousand yen in accounts receivable -trade and 70,490 thousand yen in prepaid expenses.

Non-current assets were 11,678,695 thousand yen, up 2,131,664 thousand yen from the end of the previous fiscal year. This was mainly due to increases of 1,085,269 thousand yen in investment securities, 760,379 thousand yen in goodwill, and 435,914 thousand yen in guarantee deposits, despite decreases of 140,566 thousand yen in deferred tax assets and 18,724 thousand yen in software.

Consequently, total assets came to 19,411,409 thousand yen, up 945,777 thousand yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of March 31, 2025 amounted to 6,712,840 thousand yen, up 1,491,864 thousand yen

from the end of the previous fiscal year. This was mainly due to increases of 1,000,000 thousand yen in short-term borrowings, 848,250 thousand yen in current portion of long-term borrowings, and 160,974 thousand yen in accounts payable – trade, despite decreases of 412,171 thousand yen in accrued expenses and 139,969 thousand yen in accounts payable – other.

Non-current liabilities were 3,350,701 thousand yen, down 923,672 thousand yen from the end of the previous fiscal year. This was mainly due to decreases of 919,257 thousand yen in long-term borrowings and 2,582 thousand yen in asset retirement obligations.

Consequently, total liabilities came to 10,063,541 thousand yen, up 568,192 thousand yen from the end of the previous fiscal year.

(Net assets)

Net assets as of March 31, 2025 stood at 9,347,867 thousand yen, up 377,585 thousand yen from the end of the previous fiscal year. This was mainly due to increases of 312,160 thousand yen in retained earnings and 37,654 thousand yen in non-controlling interests.

Consequently, the equity-to-asset ratio was 44.9% (compared to 45.4% at the end of the previous fiscal year).

(3) Overview of consolidated financial results forecast and other forward-looking information

There has been no change from the consolidated financial results forecast for the fiscal year ending December 31, 2025 announced in the “Consolidated Financial Results for the Fiscal Year Ended December 31, 2024” on February 12, 2025.

2. Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated balance sheet

(Unit: thousands of yen)

	Previous consolidated fiscal year (December 31, 2024)	1Q FY2025 (March 31, 2025)
Assets		
Current assets		
Cash and deposits	4,198,305	2,829,034
Accounts receivable – trade	1,904,190	2,070,996
Operational investment securities	2,139,445	2,110,505
Merchandise and finished goods	10,448	12,861
Raw materials and supplies	2,105	4,830
Advance payments to suppliers	26,390	27,951
Prepaid expenses	372,840	443,330
Current portion of long-term loans receivable	1,999	1,999
Deposits paid	190,910	102,293
Other	92,594	152,504
Allowance for doubtful accounts	-20,631	-23,596
Total current assets	8,918,600	7,732,713
Non-current assets		
Property, plant and equipment		
Buildings	2,442,154	2,472,020
Accumulated depreciation	-1,127,589	-1,154,791
Buildings, net	1,314,564	1,317,228
Vehicles	31,426	31,426
Accumulated depreciation	-8,488	-9,806
Vehicles, net	22,938	21,619
Tools, furniture and fixtures	611,349	607,905
Accumulated depreciation	-546,514	-537,320
Tools, furniture and fixtures, net	64,834	70,584
Land	1,538,479	1,538,479
Leased assets	43,229	45,041
Accumulated depreciation	-30,827	-34,582
Leased assets, net	12,401	10,459
Total property, plant and equipment	2,953,219	2,958,371
Intangible assets		
Goodwill	1,320,307	2,080,686
Software	969,167	950,442
Software in progress	11,151	25,259
Trademark right	-	83
Other	19,982	18,181
Total intangible assets	2,320,608	3,074,653
Investments and other assets		
Investment securities	1,604,165	2,689,435
Long-term prepaid expenses	146,644	138,992
Long-term loans receivable	833	333
Deferred tax assets	644,436	503,869
Insurance funds	279,309	279,309
Guarantee deposits	1,591,125	2,027,039
Other	6,690	6,690
Total investments and other assets	4,273,203	5,645,670
Total non-current assets	9,547,030	11,678,695
Total assets	18,465,631	19,411,409

(Unit: thousands of yen)

	Previous consolidated fiscal year (December 31, 2024)	1Q FY2025 (March 31, 2025)
Liabilities		
Current liabilities		
Accounts payable – trade	281,764	442,738
Short-term borrowings	1,160,000	2,160,000
Current portion of long-term borrowings	468,198	1,316,448
Accounts payable – other	748,974	609,005
Accrued expenses	841,468	429,297
Income taxes payable	400,819	229,256
Accrued consumption taxes	312,390	262,153
Advances received	649,637	590,475
Lease obligations	6,847	6,245
Other	350,875	667,219
Total current liabilities	5,220,976	6,712,840
Non-current liabilities		
Long-term borrowings	3,537,516	2,618,259
Lease obligations	5,064	3,959
Asset retirement obligations	718,664	716,081
Other	13,129	12,401
Total non-current liabilities	4,274,373	3,350,701
Total liabilities	9,495,349	10,063,541
Net assets		
Shareholders' equity		
Share capital	699,585	699,585
Capital surplus	929,640	929,640
Retained earnings	9,272,311	9,584,472
Treasury shares	-2,436,380	-2,436,380
Total shareholders' equity	8,465,156	8,777,317
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-78,980	-53,186
Total accumulated other comprehensive income	-78,980	-53,186
Share acquisition rights	37,512	39,489
Non-controlling interests	546,592	584,246
Total net assets	8,970,281	9,347,867
Total liabilities and net assets	18,465,631	19,411,409

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statement of income

First consolidated three months (cumulative)

(Unit: thousands of yen)

	1Q FY2024 (from January 1, 2024 to March 31, 2024)	1Q FY2025 (from January 1, 2025 to March 31, 2025)
Net sales	4,254,722	4,815,524
Cost of sales	294,997	432,296
Gross profit	3,959,724	4,383,228
Selling, general and administrative expenses	3,295,847	3,376,369
Operating profit	663,877	1,006,858
Non-operating income		
Interest income	38	1,646
Foreign exchange gains	2,547	-
Subsidy income	284	1,155
Miscellaneous income	1,049	835
Total non-operating income	3,919	3,637
Non-operating expenses		
Interest expenses	3,802	7,715
Loss on investments in investment partnerships	117	439
Foreign exchange losses	-	2,607
Commission expenses	1,779	-
Miscellaneous losses	0	0
Total non-operating expenses	5,699	10,762
Ordinary profit	662,097	999,734
Extraordinary income		
Gain on reversal of share acquisition rights	82,210	-
Total extraordinary income	82,210	-
Extraordinary losses		
Loss on retirement of non-current assets	-	12,222
Total extraordinary losses	-	12,222
Profit before income taxes	744,307	987,511
Income taxes – current	157,967	215,869
Income taxes – deferred	88,554	119,403
Total income taxes	246,522	335,272
Profit	497,784	652,238
Profit attributable to non-controlling interests	16,461	37,654
Profit attributable to owners of parent	481,323	614,584

Quarterly consolidated statement of comprehensive income
First consolidated three months (cumulative)

(Unit: thousands of yen)

	1Q FY2024 (from January 1, 2024 to March 31, 2024)	1Q FY2025 (from January 1, 2025 to March 31, 2025)
Profit	497,784	652,238
Other comprehensive income		
Valuation difference on available-for-sale securities	-2,007	25,793
Total other comprehensive income	-2,007	25,793
Comprehensive income	495,777	678,031
Comprehensive income attributable to:		
Owners of parent	479,315	640,377
Non-controlling interests	16,461	37,654

(3) Notes to quarterly consolidated financial statements

(Note on entity's ability to continue as going concern)

Not applicable

(Notes on in the event of substantial changes in shareholders' equity)

Not applicable

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27; October 28, 2022), the "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25; October 28, 2022), and the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28; October 28, 2022) have been applied from the beginning of the first quarter of the current consolidated fiscal year. These changes had no impact on the quarterly consolidated financial statements.

(Notes on the cash flow statement)

The Company has not prepared a quarterly consolidated cash flow statement for the first three months ended March 31, 2025. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first three months ended March 31, 2024 and 2025 are as follows.

(Unit: thousands of yen)

	1Q FY2024 (from January 1, 2024 to March 31, 2024)	1Q FY2025 (from January 1, 2025 to March 31, 2025)
Depreciation	135,900	143,830
Amortization of goodwill	41,358	38,177

(Segment information)

Segment Information

I First three months ended March 31, 2024 (from January 1, 2024 to March 31, 2024)

1. Disclosure of sales, profit (loss), and breakdown of revenue for each reportable segment

(Unit: thousands of yen)

	Affiliate Business	Reportable segment					Adjustments	Per consolidated financial statements
		Directly-Managed Lounge Business	Matching Business	Life Design Business	K Village Business	Total		
Sales								
Services at transferred at a point in time	528,166	717,753	241,300	156,417	202,081	1,845,720	—	1,845,720
Services transferred over time	306,073	1,421,228	172,463	38,010	423,673	2,361,448	—	2,361,448
Revenue from contracts with customers	834,240	2,138,981	413,763	194,428	625,755	4,207,168	—	4,207,168
Other revenues	—	—	—	47,553	—	47,553	—	47,553
Revenues from external customers	834,240	2,138,981	413,763	241,982	625,755	4,254,722	—	4,254,722
Transactions with other segments	36,491	13,007	12,200	—	—	61,699	-61,699	—
Total	870,731	2,151,989	425,963	241,982	625,755	4,316,421	-61,699	4,254,722
Segment profit (loss)	572,203	392,407	40,206	73,483	53,491	1,131,792	-467,914	663,877

- Notes:
- Adjustments to segment profit (loss) of -467,914 thousand yen include elimination of inter-segment transactions of 150 thousand yen and corporate expenses of -468,064 thousand yen that are not allocated to each reportable segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.
 - Segment profit (loss) is adjusted with the operating profit in the quarterly consolidated statement of income.
 - “Other revenues” are transactions related to financial instruments based on the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019) and real estate rental income, etc. based on the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, March 30, 2007).

2. Disclosure of impairment losses of non-current assets and goodwill, etc., for each reportable segment

(Significant impairment losses regards to non-current assets)

Not applicable

(Significant changes in the amount of goodwill)

Not applicable

II First three months ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

1. Disclosure of sales, profit (loss), and breakdown of revenue for each reportable segment

(Unit: thousands of yen)

	Affiliate Business	Reportable segment					Adjustments	Per consolidated financial statements
		Directly-Managed Lounge Business	Matching Business	Life Design Business	K Village Business	Total		
Sales								
Services at transferred at a point in time	486,997	763,651	217,183	240,807	249,324	1,957,964	—	1,957,964
Services transferred over time	425,831	1,541,440	154,180	47,876	543,449	2,712,778	—	2,712,778
Revenue from contracts with customers	912,828	2,305,091	371,363	288,684	792,774	4,670,743	—	4,670,743
Other revenues	—	—	—	144,781	—	144,781	—	144,781
Revenues from external customers	912,828	2,305,091	371,363	433,466	792,774	4,815,524	—	4,815,524
Transactions with other segments	39,841	15,033	28,280	—	—	83,154	-83,154	—
Total	952,670	2,320,125	399,643	433,466	792,774	4,898,679	-83,154	4,815,524
Segment profit (loss)	588,097	501,931	70,630	162,319	109,934	1,432,913	-426,054	1,006,858

- Notes:
- Adjustments to segment profit (loss) are corporate expenses that are not allocated to each reportable segment and consist of general and administrative expenses.
 - Segment profit (loss) is adjusted with the operating profit in the quarterly consolidated financial statement of income.
 - “Other revenues” are transactions related to financial instruments based on the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019) and real estate rental income, etc. based on the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, March 30, 2007).

2. Disclosure of impairment losses of non-current assets and goodwill, etc., for each reportable segment

(Significant impairment losses regards to non-current assets)

Not applicable

(Significant changes in the amount of goodwill)

Not applicable

3. Items related to changes in reportable segments

From the first quarter of the current consolidated fiscal year, the Group has newly added the “K Village Business” as a reportable segment. This change was made in light of the growing scale of the business operated by K Village Inc. within the hobby and community business of the Life Design Business, and the decision to separate this business from the existing Life Design Business was made in order to further strengthen management control and clarify segment classification. Segment information for the first three months of the previous fiscal year has been prepared and presented in accordance with the revised segment classification.

(Revenue recognition)

Breakdown information for revenue from contracts with the Group’s customers are as shown in “Notes (Segment information).”