bitengyoushi

IBJ, Inc. (6071)
FY2026 2Q Earnings Review

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Bitengyoushi Inc

Executive Summary

IBJ reported a strong 1H FY12/2026 result, with revenue increasing 44.3% YoY and operating profit rising 38.7% YoY. The outcome was supported by continued momentum in the core marriage-consulting business and the first-time consolidation of Decollte Holdings, which joined the Group at the end of December 2025. Operating profit reached 53.5% of revised full-year guidance, suggesting a solid earnings trajectory heading into the second half.

We see the key investment debate as whether IBJ can sustain earnings growth by transforming from a traditional marriage-consulting operator into a scalable Match Tech platform. The combination of AI-driven operating efficiency and high-touch human advisory support should enhance consultant productivity, raise conversion and success rates, and reinforce the Company’s competitive moat through its nationwide member base and agency network.

Beyond the near-term earnings beat, the medium-term upside case rests on the expansion of customer lifetime value. By monetizing adjacent life events after marriage, including weddings, insurance, housing and beauty services, IBJ has the potential to add high-margin revenue streams with limited incremental customer acquisition cost. This should improve earnings quality and support a more capital-efficient growth model.

The upward revision to FY12/2026 guidance, introduction of a progressive dividend policy, and higher year-end dividend forecast are positive signals for both earnings visibility and shareholder returns. From a sell-side perspective, the key catalysts to monitor are continued execution in Match Tech, evidence of LTV expansion, margin contribution from newly consolidated businesses, and the potential for a valuation re-rating as the market gains confidence in the durability of IBJ’s earnings growth.

2Q Earnings Review

IBJ delivered a strong first-half performance, supported by continued growth in its core businesses and a meaningful earnings contribution from directly operated locations, particularly ZWEI. Reflecting the solid pace of progress, the company revised up its full-year earnings guidance, introduced a progressive dividend policy, and materially raised its dividend forecast. As IBJ repositions its marriage support operations as a “Match Tech” platform and accelerates development of its life-design domain to expand customer LTV, the company appears to be entering a new phase of sustainable growth.

1. 2Q Financial Results

For the first half of FY2026, consolidated revenue increased 44.3% YoY to ¥14.04 billion. Operating profit rose 38.7% YoY to ¥2.48 billion, ordinary profit increased 36.0% YoY to ¥2.42 billion and profit attributable to owners of parent grew 13.0% YoY to ¥1.23 billion. The results represented broad-based profit growth across the income statement. Given the strong first-half run rate, IBJ revised up its full-year earnings forecast, including operating profit guidance of ¥4.64 billion.

Key Drivers and Segment Trends

- **Solid execution in directly operated stores and franchise operations:** Revenue in the directly operated store business increased 11.5% YoY to ¥2.59 billion, while segment profit rose 25.1%, driven by improved customer conversion at ZWEI. The franchise business also continued to benefit from resilient new agency openings and recurring monthly fees, with revenue up 13.7% YoY to ¥980 million and segment profit rising 21.3%.
- **Incremental contribution from the wedding and photo business:** The newly consolidated Decollte HD recorded net sales of 1.20 billion yen, bolstering overall consolidated financial results.
- **Recovery in matching services and steady expansion at K Village:** The matching business remained on a recovery track, with revenue up 14.3% YoY to ¥420 million. K Village also sustained moderate growth, supported by Korean-language franchise development and the expansion of voice-training locations, with NAYUTAS student enrollment increasing 56.5%; revenue rose 2.6% YoY to ¥900 million.

FY2026 2Q Cumulative Consolidated Results

(¥mn)	FY2025 2Q Cumulative	FY2026 2Q Cumulative	Change YoY	% Change YoY
Revenue	9,734	**14,043**	+4,309	**+44.3%**
Operating profit	1,793	**2,487**	+694	**+38.7%**
Ordinary profit	1,780	**2,422**	+641	**+36.0%**

(¥mn)	FY2025 2Q Cumulative	FY2026 2Q Cumulative	Change YoY	% Change YoY
Profit attributable to owners of parent	1,096	**1,238**	+142	**+13.0%**

FY2026 First-Half Progress and Revised Full-Year Guidance

(¥mn)	FY2026 1H Actual	FY2026 Revised Full-Year Guidance	Progress rate
Revenue	14,043	**28,905**	**48.6%**
Operating profit	2,487	**4,647**	**53.5%**
Ordinary profit	2,422	**4,523**	**53.6%**
Profit attributable to owners of parent	1,238	**2,523**	**49.1%**

2. Growth Strategy: Two Platforms Driving Sustainable Expansion

Marriage Support Platform: Repositioning the Business as Match Tech

- **A hybrid model combining AI-enabled efficiency with human consultant expertise**

  IBJ is leveraging AI to automate and streamline routine administrative processes, including profile creation, while reallocating consultant time toward differentiated, high-touch support that remains difficult to replicate with technology alone. The company is well positioned to capture users who have reached the limitations of self-directed dating apps and are shifting toward more serious marriage-oriented services. Approximately

38.9% of unmarried men and women have used dating apps, and around 70% of IBJ members have prior app experience. With a membership base of 110,000 and a nationwide franchise network of approximately 4,800 agencies, IBJ benefits from strong network effects. Its emphasis on trusted introductions and outcome-oriented marriage support continues to create a meaningful competitive moat.

Life-Design Platform: Expanding Customer Lifetime Value

- **Life-tech expansion anchored in successful marriages**

  IBJ is building a long-cycle business model that treats marriage not as the end of the customer relationship, but as the starting point for new household-related demand. Leveraging the high level of trust between members and matchmaking consultants, the company is creating cross-selling opportunities across post-marriage life events, including weddings through Decollte Holdings, insurance, housing, and beauty services such as GROWBING. Because IBJ can approach qualified customers already within its ecosystem, it has the potential to increase LTV without incurring incremental customer acquisition cost, or CAC, thereby reinforcing a more resilient earnings base.

3. Capital Allocation: Financial Position and Shareholder Returns

Supported by earnings growth and healthy operating cash flow, management is increasingly emphasizing a balanced capital allocation strategy that combines growth investment with enhanced shareholder returns.

In conjunction with the upward revision to earnings guidance, IBJ raised its FY2026 year-end dividend forecast from ¥13 to ¥19 per share, an increase of ¥6. The company also adopted a progressive dividend policy, under which dividends are not expected to be reduced, and indicated a dividend on equity, or DOE, of 5.79%. These moves underscore management's confidence in the company's growth trajectory and mark a clear shift toward a more shareholder-conscious capital return policy.

4. Future Outlook

Despite structural headwinds in Japan, including a declining birthrate and a shrinking number of marriages, IBJ continues to deliver growth. The company is evolving from a labor-intensive marriage agency operator into a scalable Match Tech platform that can serve as marriage-related social infrastructure. Based on the company's track record in growth investment, the Bitengyoushi analyst team highlights three strategic drivers that could support a step-change in enterprise value and market capitalization over the medium to long term.

- **1. Standardizing group-wide service quality through IBJ's marriage-success methodology as intellectual property**
  - **Common challenge:** As group companies and franchise agencies increase, maintaining consistent service quality becomes more difficult.

    - **IBJ's differentiated strategy:** IBJ is systematizing and transferring its proprietary marriage-success know-how across group brands such as ZWEI and Sunmarie, effectively converting consultant expertise into scalable intellectual property.
    - **Investor implication:** This approach enables quality standardization across the group at relatively low cost, supporting scalable brand expansion while preserving attractive unit economics.

- **2. Asset-light expansion through regional networks**
    - **Common challenge:** Expansion into regional and new markets typically requires substantial upfront investment in stores and personnel, creating cost and execution risks.
    - **IBJ's differentiated strategy:** IBJ is pursuing a model that minimizes in-house resource commitments by embedding its know-how into external partner networks. Examples include regional bank initiatives such as Hokuyo Bank's entry into the marriage consulting business, as well as collaboration agreements, seminars and marriage events with more than 200 local government projects nationwide.
    - **Investor implication:** The asset-light model allows IBJ to expand geographically with limited capital intensity, supporting high ROE and reducing execution risk.
- **3. Building a life-design economic ecosystem as an LTV-expansion platform**
    - **Common challenge:** If the customer relationship ends at the point of marriage, customer contact is lost and LTV remains limited.
    - **IBJ's differentiated strategy:** IBJ views engagement and marriage as gateways to broader household consumption, using its member base and marriage-related data to deliver a seamless customer journey across weddings, real estate, insurance, and beauty services such as GROWBING.
    - **Investor implication:** By extending the customer relationship beyond marriage support, IBJ can capture additional margin without incremental CAC, creating a structurally higher-LTV business model.

Taken together, IBJ's focus on intellectual property, asset-light regional expansion, and LTV enhancement positions the company to evolve from a set of adjacent businesses into an integrated value-creation ecosystem. If execution continues, this transformation could support multiple expansion and drive a meaningful increase in enterprise value over the medium to long term.

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