August 14, 2026

# Consolidated Financial Results for the First Six Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: IBJ, Inc.
Listing: Tokyo Stock Exchange
Securities code: 6071
URL: https://www.ibjapan.jp/
Representative: Kenjiro Tsuchiya, CEO
Inquiries: Akira Ishida, Executive Officer and Supervisor of Business Administration Department
Telephone: +81-80-7027-0983
Scheduled date of filing semi-annual report: August 14, 2026
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 six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| Six months ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| June 30, 2026 | 14,043 | 44.3 | 2,487 | 38.7 | 2,422 | 36.0 | 1,238 | 13.0 |
| June 30, 2025 | 9,734 | 13.6 | 1,793 | 41.2 | 1,780 | 40.4 | 1,096 | 26.6 |

Note: Comprehensive income For the six months ended June 30, 2026: ¥1,206 million [1.5%]
For the six months ended June 30, 2025: ¥1,188 million [31.9%]

| | Basic earnings per share | Diluted earnings per share |
|---|---|---|
| Six months ended | Yen | Yen |
| June 30, 2026 | 32.69 | 32.68 |
| June 30, 2025 | 29.00 | – |

### (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 |
| June 30, 2026 | 34,536 | 12,813 | 31.8 | 289.26 |
| December 31, 2025 | 32,524 | 11,923 | 31.3 | 268.79 |

Reference: Equity
As of June 30, 2026: ¥10,969 million
As of December 31, 2025: ¥10,179 million

## 2. Dividends

| | Annual dividends per share | | | | |
|---|---|---|---|---|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended December 31, 2025 | – | 0.00 | – | 10.00 | 10.00 |
| Fiscal year ending December 31, 2026 | – | 0.00 | | | |
| Fiscal year ending December 31, 2026 (Forecast) | | | – | 19.00 | 19.00 |

Note: Revision to the forecast for dividends announced most recently: Yes

For the revised dividend forecast, please refer to the "Notice Regarding the Revision (Dividend Increase) of the Dividend Forecast" released today.

## 3. Consolidated financial results forecast for the fiscal year ending December 31, 2026 (January 1, 2026 to December 31, 2026)

(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 |
| Full year | 28,905 | 43.3 | 4,647 | 28.8 | 4,523 | 30.3 | 2,523 | 21.5 | 66.57 |

Note: Revision to the financial results forecast announced most recently: Yes

For the revised financial results forecast, please refer to the "Notice Regarding Differences Between Business Performance Forecast and Actual Results, and Revisions to Performance Forecast" released today.

*** 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 semi-annual 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: None
(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 June 30, 2026 | 42,001,800 shares |
| As of December 31, 2025 | 42,000,000 shares |

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

| | |
|---|---|
| As of June 30, 2026 | 4,077,206 shares |
| As of December 31, 2025 | 4,128,406 shares |

(iii) Average number of shares during the period (semi-annual)

| | |
|---|---|
| Six months ended June 30, 2026 | 37,890,636 shares |
| Six months ended June 30, 2025 | 37,819,417 shares |

* The semi-annual financial results reports are exempt from review by certified public accountants or an audit firm.

* 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 first half of the fiscal year ending December 31, 2026, (3) Overview of consolidated financial results forecast and other forward-looking information" on page 5 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 Monday, August 17, 2026. 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.

○ Table of contents of the attached materials

## 1. Qualitative information for the first half of the fiscal year ending December 31, 2026

### (1) Operating results

According to an overview of marriage trends in Japan in the "2025 Vital Statistics (Preliminary Figures)" published by the Ministry of Health, Labour and Welfare, the number of marriages in 2025 was 489,119. Although the number represented a slight increase of 4,027, or 0.8%, from the previous year's final figure of 485,092, the marriage rate remained low at 4.1. In the same year, the number of births and the total fertility rate fell to record lows of 671,236 and 1.14, respectively, highlighting the declining birthrate and aging population as extremely serious social issues.

Under such circumstances, the Company has evolved its services into "Match Tech" by combining HUMAN (marriage support services featuring dedicated support that only matchmakers can provide) and TECH (improved efficiency by leveraging data on approximately 110,000 members and AI), and facilitated more than 20,000 marriages between members in the most recent year. In Japan, children born to married couples account for approximately 98% of all births, and an increase in the number of marriages tends to directly lead to an increase in the number of births. Therefore, a net increase in the number of marriages between members will directly contribute to an increase in the number of births in Japan. The Company will continue working to address "the population decline and the declining birthrate," a major social issue in Japan, as part of its mission.

During the first half of the fiscal year under review, net sales and profits at all levels significantly increased year on year, due to the revenue contribution of the newly consolidated Decollte Holdings Corporation, as well as the steady performance of existing businesses.

Consolidated financial results in the first half of the fiscal year under review are shown below.

(Unit: thousands of yen)

| | First half of FY2025 (from January 1, 2025 to June 30, 2025) | First half of FY2026 (from January 1, 2026 to June 30, 2026) | Year-on-year change (Amount) | Year-on-year change (%) |
|---|---|---|---|---|
| Net sales | 9,734,294 | 14,043,935 | 4,309,641 | +44.3% |
| Operating profit | 1,793,507 | 2,487,818 | 694,311 | +38.7% |
| Ordinary profit | 1,780,945 | 2,422,802 | 641,856 | +36.0% |
| Profit attributable to owners of parent | 1,096,693 | 1,238,779 | 142,086 | +13.0% |

In the first half of the fiscal year under review, the Group reviewed the segmentation. As Decollte Holdings Corporation became a consolidated subsidiary, the Group newly added "Wedding & Photo Business" as a reportable segment, by separating the wedding business and photo business from the Life Design Business.

In this segment, we are streamlining customer referral flow from the marriage consulting agencies to the post-marriage domain and strengthening the organizational structure. By positioning marriage as a "start of new household consumption," we are promoting our growth strategy as a "life design support company" that stands by customers at their key life stages. In addition, we are working to maximize group synergies by improving cross-selling rates.

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

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

(Unit: thousands of yen)

| Segment (thousands of yen) | Net sales | Year-on-year change (%) | Divisional profit | Year-on-year change (%) |
|---|---|---|---|---|
| Affiliate Business | 1,984,726 | +11.7% | 1,413,245 | +20.0% |
| Directly-Managed Lounge Business | 5,093,882 | +10.0% | 1,347,263 | +21.3% |
| Matching Business | 832,286 | +11.8% | 200,399 | +14.7% |
| Life Design Business | 685,977 | +19.9% | 204,269 | -16.0% |
| K Village Business | 1,861,717 | +11.3% | 308,144 | +24.4% |
| Wedding & Photo Business | 3,585,346 | +965.2% | 921,198 | +1,058.9% |

(Note) Segment information for the first half of the previous fiscal year has been prepared in accordance with the revised segment classification.

<Affiliate Business>

In the Affiliate Business, the Company supports the opening of marriage consulting agencies and operates one of the largest kon-katsu (marriage-hunting) platforms in Japan that connects marriage consulting agencies and their members nationwide.

- Revitalized member activity within the IBJ platform created the virtuous cycle of related KPIs, including the number of registered members of 109,712 (up 12.1% year on year) and the number of arranged marriage meetings of 297,080 (up 14.3% year on year), and the number of marriages between members steadily increased to 5,712 (up 12.1% year on year).
- At the Agency Opening Support Business, the number of new sales meetings increased significantly through enhanced outbound sales. As a result, the number of new openings grew steadily to 206 (up 16.4% year on year).

<Directly-Managed Lounge Business>

In the Directly-Managed Lounge Business, the Company provides in-house marriage consulting agency services where matchmakers closely accompany customers through the three brands, “IBJ Members,” “Sunmarie,” and “ZWEI.”

- In-store appointments with prospective customers of ZWEI have increased and the related customer acquisition rate has improved, driving the performance.
- The three directly-managed brands including IBJ Members also performed well, with the number of new members of 6,616 (up 11.1% year on year) and the number of arranged marriage meetings of 97,883 (up 12.3% year on year).

<Matching Business>

In the Matching Business, the Company provides a wide range of opportunities for finding partners efficiently through planning and operating marriage hunting parties and providing matching apps.

- The number of party participants reached 85,704 (up 14.5% year on year), driven by holding large-scale parties, expanding outsourced event services for local governments, and collaboration with media.
- For “IBJ online,” released in October 2025, the user base of the platform steadily expanded and the number of matches also increased due to the steady increase in the number of new affiliate consultation agencies and members.

<Life Design Business>

The Life Design Business provides insurance and housing brokerage services, operates men’s eyebrow salons, and provides other life design services that support the life of members before and after marriage.

- In the insurance domain, the number of insurance contracts reached 677 (up 36.8% year on year), as a result of the creation of continuous customer touchpoints.
- GROWBING (men’s eyebrow salon) has further strengthened collaboration with the three directly-managed brands to expand group synergies, resulting in a higher number of visitors.

<K Village Business>

The K Village Business provides educational and cultural services related to language and entertainment through the operation of one of the largest Korean language schools in Japan and voice training schools.

- At the Korean language school business, a full-scale franchise expansion commenced and the number of franchise schools increased to eight (up 700% year on year), showing strong growth.
- At the voice training business, the number of students increased to 11,784 (up 56.5% year on year), driven by the increase in the number of franchise schools to 116 (up 46.8% year on year).

<Wedding & Photo Business>

The Wedding & Photo Business provides total support for events before and after marriage through providing photo wedding services (by Decollte), introducing wedding venues, and shooting profile photos for arranged marriage meetings.

- Customer referrals from the three directly-managed brands to Decollte commenced on a full-scale basis, and customer referrals from the affiliated consultation agencies nationwide have also started sequentially.
- Supported by strengthened collaboration with Decollte, the number of successful wedding contracts in the wedding business significantly increased to 504 (up 67.4% year on year).

(2) Overview of financial position

(i) Assets, liabilities and net assets

(Assets)

Current assets as of June 30, 2026 amounted to 16,052,449 thousand yen, up 3,270,116 thousand yen from the end of the previous fiscal year. This was mainly due to increases of 2,155,175 thousand yen in cash and deposits and 993,865 thousand yen in operational investment securities. Non-current assets were 18,484,338 thousand yen, down 1,258,011 thousand yen from the end of the previous fiscal year. This was mainly due to decreases of 827,472 thousand yen in investment securities, 343,472 thousand yen in goodwill, and 342,956 thousand yen in right-of-use assets, despite an increase of 64,851 thousand yen in buildings and 95,717 thousand yen in deferred tax assets.

Consequently, total assets came to 34,536,787 thousand yen, up 2,012,105 thousand yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of June 30, 2026 amounted to 13,523,223 thousand yen, up 1,927,042 thousand yen from the end of the previous fiscal year. This was mainly due to an increase of 1,550,000 thousand yen in short-term borrowings and 1,160,015 thousand yen in deposits received, despite decreases of 124,977 thousand yen in accrued expenses and 536,936 thousand yen in current portion of long-term borrowings. Non-current liabilities were 8,199,911 thousand yen, down 805,260 thousand yen from the end of the previous fiscal year. This was mainly due to decreases in 477,122 thousand yen in long-term borrowings and 345,312 thousand yen in lease obligations.

Consequently, total liabilities came to 21,723,135 thousand yen, up 1,121,782 thousand yen from the end of the previous fiscal year.

(Net assets)

Net assets as of June 30, 2026 stood at 12,813,652 thousand yen, up 890,322 thousand yen from the end of the previous fiscal year. This was mainly due to an increase of 860,063 thousand yen in retained earnings.

Consequently, the equity-to-asset ratio was 31.8% (compared to 31.3% at the end of the previous fiscal year).

(ii) Cash Flows

Cash and cash equivalents (hereinafter referred to as “Funds”) in the first half of the fiscal year under review amounted to 7,121,048 thousand yen, up 2,051,604 thousand yen from the end of the previous fiscal year. The status of each cash flow and their main factors in the first half ended June 30, 2026 are as follows.

(Cash flows from operating activities)

Funds provided by operating activities in the first half of the fiscal year under review amounted to 2,374,936 thousand yen (Funds provided in the same period of the previous year amounted to 1,516,211 thousand yen). The main factors of the increase were 2,155,915 thousand yen in profit before income taxes, 653,356 thousand yen in depreciation, 343,472 thousand yen in amortization of goodwill, and such. The main factors of the decrease were 1,003,231 thousand yen of increase in inventories, 968,276 thousand yen of income taxes paid, and such.

(Cash flows from investing activities)

Funds used in investing activities in the first half of the fiscal year under review amounted to 159,039 thousand yen (Funds used in the same period of the previous year amounted to 3,051,540 thousand yen). The main factor of the increase was 371,126 thousand yen in proceeds from sale of investment securities. The main factors of the decrease were 275,426 thousand yen in purchase of property, plant and equipment, 128,809 thousand yen in purchase of intangible assets, 106,532 thousand yen in payments of leasehold and guarantee deposits, and such.

(Cash flows from financing activities)

Funds used in financing activities in the first half of the fiscal year under review amounted to 161,271 thousand yen (Funds provided in the same period of the previous year amounted to 1,099,738 thousand yen). The main factors of the increase were 6,800,000 thousand yen in proceeds from short-term borrowings, 360,000 thousand yen in proceeds from long-term borrowings, and such. The main factors of the decrease were 5,250,000 thousand yen in repayments of short-term borrowings, 1,374,058 thousand yen in repayments of long-term borrowings, and such.

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

The Company has revised the financial results forecast announced on February 13, 2026. For details, please refer to the “Notice Regarding Differences Between Business Performance Forecast and Actual Results, and Revisions to Performance Forecast” released today.

## 2. Semi-annual consolidated financial statements and major notes

### (1) Semi-annual consolidated balance sheet

(Unit: thousands of yen)

| | Previous consolidated fiscal year (December 31, 2025) | First half of FY2026 (June 30, 2026) |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 4,935,131 | 7,090,307 |
| Accounts receivable – trade | 2,761,120 | 2,815,495 |
| Operational investment securities | 4,281,168 | 5,275,034 |
| Merchandise and finished goods | 16,182 | 19,902 |
| Work in process | 93,779 | 112,181 |
| Raw materials and supplies | 6,907 | 7,751 |
| Advance payments to suppliers | 7,313 | 5,557 |
| Prepaid expenses | 517,638 | 580,413 |
| Current portion of long-term loans receivable | 4,333 | 10,000 |
| Deposits paid | 148,236 | 43,236 |
| Other | 39,227 | 122,599 |
| Allowance for doubtful accounts | -28,704 | -30,031 |
| Total current assets | 12,782,332 | 16,052,449 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 4,005,962 | 4,133,140 |
| Accumulated depreciation | -1,819,249 | -1,881,574 |
| Buildings, net | 2,186,713 | 2,251,565 |
| Vehicles | 52,281 | 49,865 |
| Accumulated depreciation | -28,694 | -31,874 |
| Vehicles, net | 23,587 | 17,990 |
| Tools, furniture and fixtures | 1,172,346 | 1,183,582 |
| Accumulated depreciation | -824,173 | -858,900 |
| Tools, furniture and fixtures, net | 348,173 | 324,682 |
| Land | 1,703,883 | 1,711,597 |
| Leased assets | 43,967 | 44,443 |
| Accumulated depreciation | -36,962 | -39,351 |
| Leased assets, net | 7,005 | 5,092 |
| Right-of-use assets | 5,523,500 | 5,232,981 |
| Accumulated depreciation | -1,580,476 | -1,632,914 |
| Right-of-use assets, net | 3,943,023 | 3,600,066 |
| Total property, plant and equipment | 8,212,386 | 7,910,994 |
| Intangible assets | | |
| Goodwill | 4,895,462 | 4,551,990 |
| Software | 563,979 | 583,356 |
| Software in progress | 6,235 | 8,982 |
| Other | 47 | 23 |
| Total intangible assets | 5,465,724 | 5,144,353 |
| Investments and other assets | | |
| Investment securities | 2,064,166 | 1,236,694 |
| Long-term prepaid expenses | 140,237 | 128,964 |
| Long-term loans receivable | 41,500 | 109,780 |
| Deferred tax assets | 944,613 | 1,040,330 |
| Insurance funds | 292,602 | 292,602 |
| Guarantee deposits | 2,574,368 | 2,613,866 |
| Other | 6,750 | 6,750 |
| Total investments and other assets | 6,064,239 | 5,428,989 |
| Total non-current assets | 19,742,349 | 18,484,338 |
| Total assets | 32,524,682 | 34,536,787 |

(Unit: thousands of yen)

| | Previous consolidated fiscal year (December 31, 2025) | First half of FY2026 (June 30, 2026) |
|---|---|---|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable – trade | 528,059 | 554,268 |
| Short-term borrowings | 2,460,000 | 4,010,000 |
| Current portion of long-term borrowings | 1,817,116 | 1,280,180 |
| Accounts payable – other | 1,099,000 | 933,893 |
| Accrued expenses | 1,083,969 | 958,991 |
| Income taxes payable | 982,554 | 890,390 |
| Accrued consumption taxes | 373,802 | 424,939 |
| Advances received | 1,018,284 | 1,071,421 |
| Deposits received | 1,449,338 | 2,609,353 |
| Lease obligations | 617,137 | 627,684 |
| Asset retirement obligations | 36,973 | – |
| Provision for paid annual leave | 68,305 | 68,683 |
| Provision for bonuses | – | 9,619 |
| Other | 61,637 | 83,796 |
| Total current liabilities | 11,596,180 | 13,523,223 |
| Non-current liabilities | | |
| Long-term borrowings | 4,727,622 | 4,250,500 |
| Lease obligations | 3,102,600 | 2,757,287 |
| Asset retirement obligations | 1,167,213 | 1,180,545 |
| Other | 7,736 | 11,578 |
| Total non-current liabilities | 9,005,172 | 8,199,911 |
| Total liabilities | 20,601,352 | 21,723,135 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 699,585 | 700,460 |
| Capital surplus | 937,276 | 933,853 |
| Retained earnings | 11,047,313 | 11,907,377 |
| Treasury shares | -2,384,213 | -2,339,070 |
| Total shareholders' equity | 10,299,961 | 11,202,620 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | -120,380 | -232,634 |
| Total accumulated other comprehensive income | -120,380 | -232,634 |
| Share acquisition rights | 51,304 | 54,019 |
| Non-controlling interests | 1,692,443 | 1,789,646 |
| Total net assets | 11,923,329 | 12,813,652 |
| Total liabilities and net assets | 32,524,682 | 34,536,787 |

(2) Semi-annual consolidated statements of income and comprehensive income

Semi-annual consolidated statement of income

(Unit: thousands of yen)

| | First half of FY2025 (from January 1, 2025 to June 30, 2025) | First half of FY2026 (from January 1, 2026 to June 30, 2026) |
|---|---|---|
| Net sales | 9,734,294 | 14,043,935 |
| Cost of sales | 868,431 | 2,289,111 |
| Gross profit | 8,865,862 | 11,754,824 |
| Selling, general and administrative expenses | 7,072,355 | 9,267,005 |
| Operating profit | 1,793,507 | 2,487,818 |
| Non-operating income | | |
| Interest income | 1,691 | 14,962 |
| Subsidy income | 1,455 | 6,400 |
| Equity in earnings of affiliates | 68,178 | – |
| Other | 2,979 | 9,467 |
| Total non-operating income | 74,304 | 30,829 |
| Non-operating expenses | | |
| Interest expenses | 20,227 | 87,535 |
| Loss on investments in investment partnerships | 439 | – |
| Loss on valuation of securities | 60,737 | – |
| Other | 5,461 | 8,310 |
| Total non-operating expenses | 86,866 | 95,846 |
| Ordinary profit | 1,780,945 | 2,422,802 |
| Extraordinary income | | |
| Gain on sale of investment securities | – | 247,659 |
| Gain on reversal of asset retirement obligations | 647 | – |
| Other | – | 7,404 |
| Total extraordinary income | 647 | 255,064 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 17,101 | 1,941 |
| Loss on valuation of investment securities | – | 515,359 |
| Other | – | 4,650 |
| Total extraordinary losses | 17,101 | 521,951 |
| Profit before income taxes | 1,764,492 | 2,155,915 |
| Income taxes – current | 532,693 | 864,759 |
| Income taxes – deferred | 63,185 | -44,826 |
| Total income taxes | 595,878 | 819,933 |
| Profit | 1,168,613 | 1,335,981 |
| Profit attributable to non-controlling interests | 71,919 | 97,202 |
| Profit attributable to owners of parent | 1,096,693 | 1,238,779 |

Semi-annual consolidated statement of comprehensive income

(Unit: thousands of yen)

| | First half of FY2025 (from January 1, 2025 to June 30, 2025) | First half of FY2026 (from January 1, 2026 to June 30, 2026) |
|---|---|---|
| Profit | 1,168,613 | 1,335,981 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 19,741 | -129,732 |
| Total other comprehensive income | 19,741 | -129,732 |
| Comprehensive income | 1,188,355 | 1,206,249 |
| Comprehensive income attributable to: | | |
| Owners of parent | 1,116,435 | 1,109,047 |
| Non-controlling interests | 71,919 | 97,202 |

### (3) Semi-annual consolidated cash flow statement

(Unit: thousands of yen)

| | First half of FY2025 (from January 1, 2025 to June 30, 2025) | First half of FY2026 (from January 1, 2026 to June 30, 2026) |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,764,492 | 2,155,915 |
| Depreciation | 297,659 | 653,356 |
| Amortization of goodwill | 96,671 | 343,472 |
| Amortization of long-term prepaid expenses | 6,044 | 3,513 |
| Increase (decrease) in allowance for doubtful accounts | 3,142 | 1,326 |
| Increase (decrease) in provision for bonuses | 19,897 | 9,619 |
| Interest income | -1,691 | -14,962 |
| Share of loss (profit) of entities accounted for using equity method | -68,178 | – |
| Interest expenses | 20,227 | 87,535 |
| Loss (gain) on sale of investment securities | – | -247,659 |
| Loss on retirement of non-current assets | 17,101 | 1,941 |
| Loss (gain) on valuation of investment securities | 60,737 | 515,359 |
| Loss (gain) on investments in investment partnerships | 439 | -317 |
| Decrease (increase) in trade receivable | -1,709 | -54,569 |
| Decrease (increase) in advance payments to suppliers | 17,817 | 1,756 |
| Decrease (increase) in deposits paid | 5,695 | 1,428 |
| Increase (decrease) in deposits received | 513,075 | 1,160,015 |
| Decrease (increase) in inventories | -595,195 | -1,003,231 |
| Increase (decrease) in trade payables | 87,700 | 26,208 |
| Increase (decrease) in advances received | -40,929 | 71,631 |
| Increase (decrease) in accounts payable – other, and accrued expenses | -239,232 | -252,255 |
| Increase (decrease) in accrued consumption taxes | -113,436 | 51,137 |
| Other | 86,730 | -94,191 |
| Subtotal | 1,937,059 | 3,417,031 |
| Interest and dividends received | 1,691 | 14,922 |
| Interest paid | -21,204 | -88,740 |
| Income taxes paid | -401,335 | -968,276 |
| Net cash provided by (used in) operating activities | 1,516,211 | 2,374,936 |

(Unit: thousands of yen)

| | First half of FY2025 (from January 1, 2025 to June 30, 2025) | First half of FY2026 (from January 1, 2026 to June 30, 2026) |
|---|---|---|
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | -121,383 | -275,426 |
| Purchase of intangible assets | -132,550 | -128,809 |
| Purchase of investment securities | -1,671,196 | -13,961 |
| Proceeds from sale of investment securities | 200,000 | 371,126 |
| Loan advances | – | -74,780 |
| Proceeds from collection of loans receivable | 999 | 833 |
| Payments of leasehold and guarantee deposits | -456,126 | -106,532 |
| Proceeds from refund of leasehold and guarantee deposits | 29,547 | 68,439 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | -900,819 | – |
| Other | -9 | 71 |
| Net cash provided by (used in) investing activities | -3,051,540 | -159,039 |
| Cash flows from financing activities | | |
| Proceeds from issuance of shares | – | 1,204 |
| Proceeds from short-term borrowings | 2,700,000 | 6,800,000 |
| Repayments of short-term borrowings | -2,000,000 | -5,250,000 |
| Proceeds from long-term borrowings | 900,000 | 360,000 |
| Repayments of long-term borrowings | -282,329 | -1,374,058 |
| Dividends paid | -301,920 | -378,446 |
| Repayments of lease obligations | -3,603 | -319,971 |
| Other | 87,590 | – |
| Net cash provided by (used in) financing activities | 1,099,738 | -161,271 |
| Effect of exchange rate change on cash and cash equivalents | -3,841 | -3,020 |
| Net increase (decrease) in cash and cash equivalents | -439,431 | 2,051,604 |
| Opening balance of cash and cash equivalents | 4,373,834 | 5,069,443 |
| Ending balance of cash and cash equivalents | 3,934,403 | 7,121,048 |

(4) Notes to semi-annual consolidated financial statements

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

Not applicable

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

Not applicable

(Changes in accounting policies)

Not applicable

(Segment information)

Segment information

I First half ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

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

(Unit: thousands of yen)

| – | Reportable segment | | | | | | | Adjust-ments | Per semi-annual consoli-dated financial statements |
|---|---|---|---|---|---|---|---|---|---|
| | Affiliate Business | Directly-Managed Lounge Business | Matching Business | Life Design Business | K Village Business | Wedding & Photo Business | Total | | |
| Sales | | | | | | | | | |
| Services transferred at a point in time | 923,884 | 1,533,739 | 441,904 | 280,611 | 547,164 | 336,603 | 4,063,907 | – | 4,063,907 |
| Services transferred over time | 853,447 | 3,097,581 | 302,552 | 105,012 | 1,125,318 | – | 5,483,912 | – | 5,483,912 |
| Revenue from contracts with customers | 1,777,331 | 4,631,320 | 744,457 | 385,623 | 1,672,483 | 336,603 | 9,547,820 | – | 9,547,820 |
| Other revenues | – | – | – | 186,474 | – | – | 186,474 | – | 186,474 |
| Revenues from external customers | 1,777,331 | 4,631,320 | 744,457 | 572,098 | 1,672,483 | 336,603 | 9,734,294 | – | 9,734,294 |
| Transactions with other segments | 87,350 | 28,726 | 56,320 | 2,946 | – | 873 | 176,217 | -176,217 | – |
| Total | 1,864,681 | 4,660,047 | 800,777 | 575,044 | 1,672,483 | 337,477 | 9,910,511 | -176,217 | 9,734,294 |
| Segment profit (loss) | 1,151,048 | 949,149 | 134,605 | 207,690 | 204,988 | 62,896 | 2,710,378 | -916,871 | 1,793,507 |

Notes:
1. Adjustments to segment profit (loss) are corporate expenses that are not allocated to each reportable segment and consist of general and administrative expenses.
2. Segment profit (loss) is adjusted with the operating profit in the semi-annual consolidated financial statements.
3. "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)

GROWBING, Inc. has been included in the scope of consolidation from the first half of the fiscal year under review as a result of share acquisition. The increase in the amount of goodwill caused by this event was 812,621 thousand yen for the "Life Design Business" segment.

II First half ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

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

(Unit: thousands of yen)

| | Reportable segment | | | | | | | Adjust-ments | Per semi-annual consoli-dated financial statements |
|---|---|---|---|---|---|---|---|---|---|
| | Affiliate Business | Directly-Managed Lounge Business | Matching Business | Life Design Business | K Village Business | Wedding & Photo Business | Total | | |
| Sales | | | | | | | | | |
| Services transferred at a point in time | 998,585 | 1,725,200 | 541,046 | 442,589 | 516,242 | 3,585,346 | 7,809,010 | – | 7,809,010 |
| Services transferred over time | 986,140 | 3,368,682 | 291,239 | 67,049 | 1,345,474 | – | 6,058,587 | – | 6,058,587 |
| Revenue from contracts with customers | 1,984,726 | 5,093,882 | 832,286 | 509,639 | 1,861,717 | 3,585,346 | 13,867,597 | – | 13,867,597 |
| Other revenues | – | – | – | 176,337 | – | – | 176,337 | – | 176,337 |
| Revenues from external customers | 1,984,726 | 5,093,882 | 832,286 | 685,977 | 1,861,717 | 3,585,346 | 14,043,935 | – | 14,043,935 |
| Transactions with other segments | 112,914 | 32,458 | 50,360 | 15,059 | – | 27,268 | 238,060 | -238,060 | – |
| Total | 2,097,640 | 5,126,341 | 882,646 | 701,036 | 1,861,717 | 3,612,614 | 14,281,995 | -238,060 | 14,043,935 |
| Segment profit (loss) | 1,380,544 | 1,203,351 | 145,737 | 142,747 | 267,049 | 265,890 | 3,405,320 | -917,502 | 2,487,818 |

Notes:
1. Adjustments to segment profit (loss) are corporate expenses that are not allocated to each reportable segment and consist of general and administrative expenses.
2. Segment profit (loss) is adjusted with the operating profit in the semi-annual consolidated financial statements.
3. “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

As Decollte Holdings Corporation became a consolidated subsidiary, the Group reviewed the segmentation due to the increased significance of the photo business, which was previously included in the Life Design Business. As a result, from the first half of the fiscal year under review, the Group newly added “Wedding & Photo Business” as a reportable segment, by separating the wedding business and photo business from the Life Design Business. Segment information for the first half 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).”