

Tameny Inc.

6181

Tokyo Stock Exchange Growth Market Index

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Summary

Creates high-quality services in five strategic areas, focusing on the Matching Business and Casual Wedding Business

Tameny Inc. <6181> creates and provides high quality services required by its customers in five strategic areas, with a focus on matching and casual wedding services, and develops business for the peripheral areas of tech, lifestyle, and corporates and local governments, based on its corporate philosophy of “Creating better lives.”

1. Strengths are its high levels of reliability and brand name recognition in matching and wedding areas

The Company reporting segments (changed from FY3/22) are the Matching Business (the management of the high-value-added matching support agency, the planning and management of matching parties, etc.), the Casual Wedding Business (the production of casual weddings and receptions, photo-only weddings, after-parties, etc.), the Tech Business (the management of the platform for mutual introductions between members of matching businesses' services, online matching services, etc.), the Lifestyle Business (provision of services to contribute to an improved quality of life relating to insurance, finance and real estate), and the Corporate and Local Governments Business (matching support for local governments, corporate event production, etc.) It is developing consistently high-quality and high added-value services, and its features and strengths include its high levels of reliability and brand name recognition, ranking top in the industry for the engagement rate.

2. In FY3/22, reduced losses, achieved profitability in the 2H, and eliminated excess debt

In the FY3/22 consolidated results, net sales increased 25.9% compared to FY3/21 to ¥5,574mn, operating loss was ¥153mn (a loss of ¥2,176mn in FY3/21), ordinary loss was ¥218mn (a loss of ¥2,089mn), and net loss attributable to owners of parent was ¥320mn (a loss of ¥2,316mn). The results recovery is still ongoing because the effects of the novel coronavirus pandemic (hereafter, COVID-19) are continuing. But compared to FY3/21, the impact of COVID-19 gradually lessened and sales increased significantly, while the various measures towards a results recovery, including a reduction of SG&A expenses, also contributed, and the extent of the loss was greatly reduced for every profit item. Looking by fiscal half, every profit item achieved profitability in the 2H. Also, in the 4Q, EBITDA recovered to nearly its level before COVID-19, while at the end of the period, the excess debt had been eliminated.

3. Forecast is for profitability to be achieved in FY3/23 and will return to a growth track from 2H onwards

For the FY3/23 consolidated results, the Company is forecasting an increase of net sales by 16.6% compared to FY3/22 to ¥6,500mn, operating income of ¥100mn (a loss of ¥153mn in FY3/22), ordinary income of ¥50mn (a loss of ¥218mn), and net income attributable to owners of parent of ¥50mn (a loss of ¥320mn). The impact of COVID-19 is lessening, so the forecasts are for sales to increase significantly and profitability to be achieved. In FY3/22, the Company prioritized a results recovery from a short-term perspective and eliminating the excess debt, but for FY3/23, its policy is to actively resume membership promotion measures, which include investing sales-promotion costs in 1H. Looking by fiscal half-year, the outlook is that it will record a loss in the 1H due to the active investment, but that it will achieve profitability in the 2H and return to a growth track as a result of the growth investment.

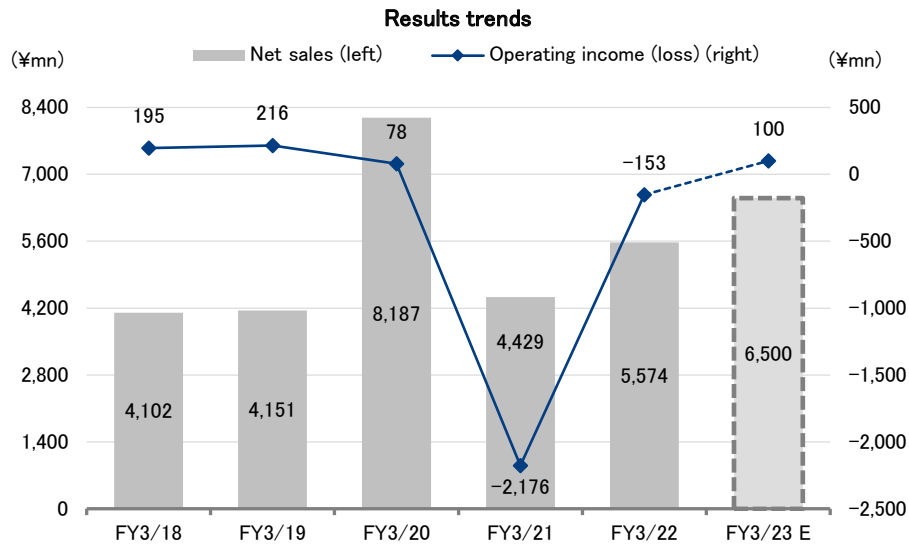
Summary

4. There remains plenty of room to increase its market share even during the with-COVID-19 era

The business environments for the matching and wedding markets have deteriorated significantly because of the continuing rise in the rate of people not getting married in their lifetimes and the decline in the number of marriages, and also because of the impact of COVID-19. However, alongside the rise in the unmarried rate, the usage rate of matching services is trending upwards, and spurred on by COVID-19, trends can be seen including a rise in the percentage of people who are seeking a partner. Due to the impact of COVID-19, the Company has pushed back the targets in the medium-term management plan, while improving and stabilizing its financial foundation is also an issue. However, when considering the Company's features and strengths, even during the with-COVID-19 era, at FISCO we consider that there remains plenty of room for it to increase its market share and that it can be expected to grow in the medium- to long-term.

Key Points

- Provides high-quality services, focused on the Matching and Casual Wedding businesses
- For FY3/23, is forecasting a return to profitability and will resume active investment and return to a growth track from the 2H onwards
- Even during the with-COVID-19 era, the Company can be evaluated as having plenty of room to increase its market share and can be expected to grow even more



Source: Prepared by FISCO from the Company's financial results

■ Company outline

The corporate philosophy is “Creating better lives”

1. Company outline

The Company’s corporate philosophy is “Creating better lives” and, with a focus on the Matching and Casual Wedding businesses, it develops business for the peripheral areas of tech, lifestyle, and corporate services and local governments, and creates and provides high-quality services required by customers in five strategic areas.

At the end of FY3/22, the Tameny Group consisted of the Company and two consolidated subsidiaries. The consolidated subsidiaries are Tameny Art Works Inc., which conducts the Casual Wedding Business, including photo-only weddings, and Tameny Agency Inc., which conducts other businesses, such as an advertising agency. The former equity method affiliate en-konkatsu agent inc. (a consolidated subsidiary of en Japan <4849>) ceased to be an equity method affiliate in November 2021 when the Company sold all its holding of shares in this company to en Japan. Also, in March 2022, it conducted an absorption merger of the consolidated subsidiary Tameny Party Agent Inc., which had conducted the Casual Wedding Business, including party production.

2. History

The Company was established as the former Partner Agent Inc., a wholly-owned subsidiary of Take and Give Needs Co., Ltd. <4331>. Mr. Shigeru Sato, the current President and Representative Director, was appointed director and in September 2006, it launched the Matching Business (matching support agency). In May 2008, it became independent of Take and Give Needs and then the new Partner Agent Inc. (Dream Door Inc., which was established in June 2004, changed its company name in May 2008 and currently is the surviving company) acquired the business of the former Partner Agent Inc.

In June 2013, the Company launched the OTOCON matching party service and then in June 2017, it launched CONNECT-ship, which is a platform for mutual introductions between members of matching businesses’ services; in April 2019, casual wedding company Mation Inc. joined the Group (absorption merger with the Company in October 2020); in March 2020, photo-only wedding company M Creative Works Inc. (which became Tameny Art Works Inc. after changing its trade name) joined the Group; and in April 2020, the wedding after-party venue introduction company pma Inc. (which became Tameny Party Agent Inc. after changing its trade name) joined the Group. In such ways, the Company has expended its business areas.

In October 2020, the Company conducted an absorption merger of Mation and changed the company name to Tameny Inc., while the names of the Group companies were also changed. Then in December 2021, it concluded business and capital alliances with FOUR SIS & CO., IKK Holdings Inc. <2198>, and TMS Holdings, respectively.

In terms of its share listing, the Company was newly listed on the Tokyo Stock Exchange (TSE) Mothers market in October 2015. In April 2022, its listing was changed to the TSE Growth market following the TSE’s reorganization of its market categories.

Company outline

History

Date	Event
June 2004	The new Partner Agent Inc., was established (the company name of the former Dream Door Inc., was changed in May 2008, and it acquired the business and is currently the surviving company)
September 2006	The former Partner Agent Inc., was established (a wholly-owned subsidiary of Take and Give Needs Co., Ltd. <4331>)
December 2006	Opened the Shinjuku store as the first store
August 2007	Acquired information security management standard ISO (JIS Q) 27001 certification
May 2008	The new Partner Agent became independent of Take and Give Needs and acquired the business of the former Partner Agent
June 2008	Acquired the Privacy Mark
September 2010	Established the advertising agency PA Marketing Inc. (currently Tameny Agency Inc.)
September 2010	Established the wedding information service provider Anniversary Wedding Inc. (absorption merger with the Company in April 2013)
May 2011	Opened the first store in the Kansai area (Osaka store)
November 2011	Opened the first store in the Tokai area (Nagoya store)
April 2012	Opened the first store in the Kyushu area (Fukuoka store)
June 2013	Launched the OTOCON matching party service
October 2013	Opened the first store in the Hokkaido area (Sapporo store)
October 2013	Established a call center to increase member numbers and to improve customer satisfaction
October 2015	Newly listed on the TSE Mothers market
June 2017	Started providing CONNECT-ship, a platform for mutual introductions between members of matching businesses' services
September 2017	Acquired the Institute of Matchmaking Service's marriage referral service certification
April 2018	Established joint venture ichie Inc. to manage a matching party information website
July 2018	Established IROGAMI Inc., to provide wedding-peripheral services
April 2019	Casual wedding company Mation Inc. joined the Group
April 2019	en-konkatsu agent inc., became an equity-method affiliate
March 2020	Photo wedding company M Creative Works Inc., joined the Group
April 2020	IROGAMI, ichie, and M Creative Works were integrated and the company name was changed to M Creative Works Inc.
April 2020	pma Inc., which introduces venues for wedding after-parties, joined the Group
July 2020	Opened the first store in the Tohoku area (Sendai store)
October 2020	Conducted an absorption merger of Mation and changed the company name to Tameny Inc.
October 2020	Changed the company name of Sync Partners to Tameny Agency Inc.
October 2020	Changed the company name of M Creative Works to Tameny Art Works Inc.
October 2020	Changed the company name of pma to Tameny Party Agent Inc.
November 2020	Tameny Art Works Inc. concluded a business alliance with ESCRIT INC. <2196>
January 2021	Launched the completely app-based Sma-Kon Enmusubi matching support agency
March 2021	Started providing Partner Agent ONLINE, a new service for DX matching
April 2021	Started providing TV-type Pack, an online event solution
June 2021	Starting providing Hybrid Pack, a combined online and offline in-company event solution service
November 2021	Sold shares of equity-method affiliate en-konkatsu agent inc. (ceased to be an equity-method affiliate)
December 2021	Concluded capital and business alliances with FOUR SIS & CO., IKK Holdings Inc., and TMS Holdings
March 2022	Conducted an absorption merger of consolidated subsidiary Tameny Party Agent
April 2022	Established Matching Alliance Partners, a matching support agency association

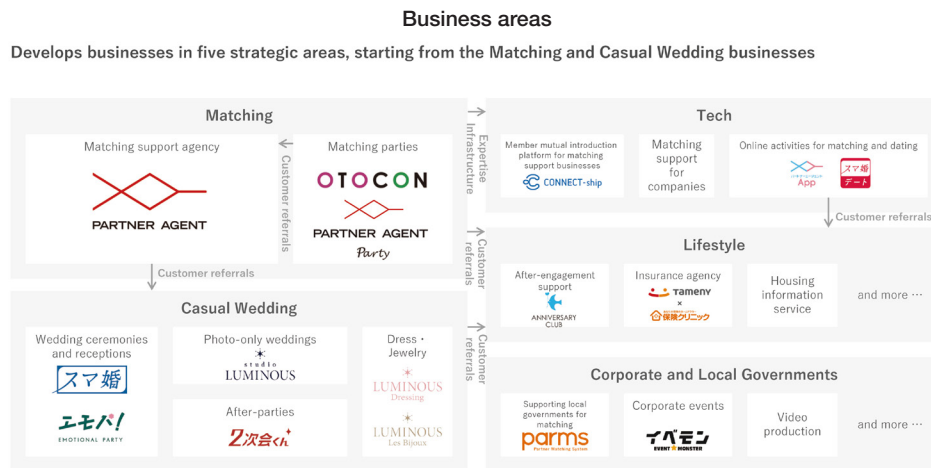
Source: Prepared by FISCO from Company materials

Business description

With the Matching Business and Casual Wedding Business as starting points, also developing services in peripheral areas

1. Summary of services

The Company's main businesses are the Matching Business, which includes the matching support agency and matching parties, and the Casual Wedding Business, which includes the production of casual weddings and receptions, photo-only weddings, and after-parties. As peripheral areas, it creates high-quality services in the Tech Business, which includes a platform for mutual introductions between members of matching businesses' services, online matching services, and a matching support system for companies; the Lifestyle Business, which includes after-engagement, insurance agency, housing information services; and the Corporate and Local Governments Business, which includes matching support for local governments, corporate event production, and video production, and develops business by positioning these as five strategic areas.



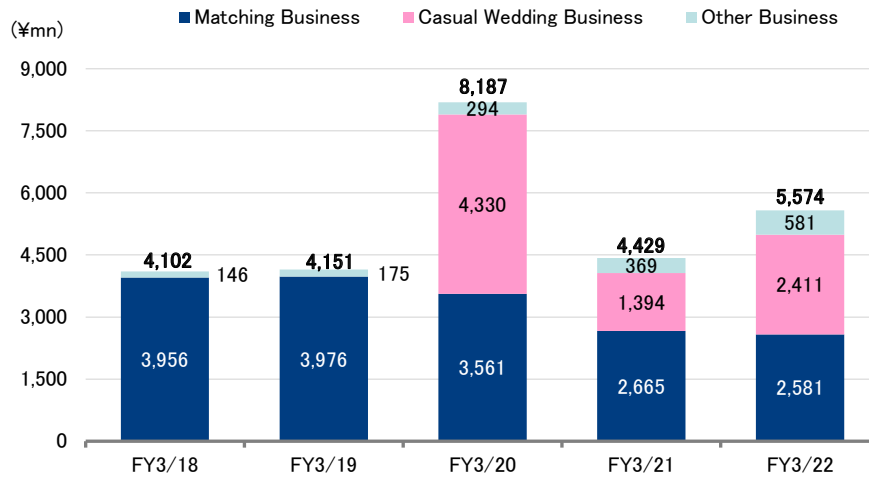
Source: Reprinted from the Company's business plan and materials relating to growth potential

The Company's reporting segments (changed in FY3/22) are the Matching Business (the management of the high-value-added matching support agency, the planning and management of matching parties, etc.), the Casual Wedding Business (the production of casual weddings and receptions, photo-only weddings, after-parties, etc.), the Tech Business (the management of the platform for mutual introductions between members of matching businesses' services, online matching services, etc.), the Lifestyle Business (provision of services to contribute to an improved quality of life relating to insurance, finance and real estate), and the Corporate and Local Governments Business (matching support for local governments, corporate event production, etc.) It is developing consistently high-quality and high added-value services, and its features and strengths include its high levels of reliability and brand name recognition, ranking top in the industry for the engagement rate.

The percentage of total net sales (external sales) by business segment in FY3/22 were 46.3% for the Matching Business, 43.3% for the Casual Wedding Business, and 10.4% for Other Business. In April 2019, the casual wedding major company Mation joined the Group (through an absorption merger in October 2020), and from FY3/20, the Matching Business and the Casual Wedding Business became the two main businesses. Subsequently, results in FY3/21 were impacted by COVID-19, but recovered in FY3/22.

Business description

Trends in net sales by business

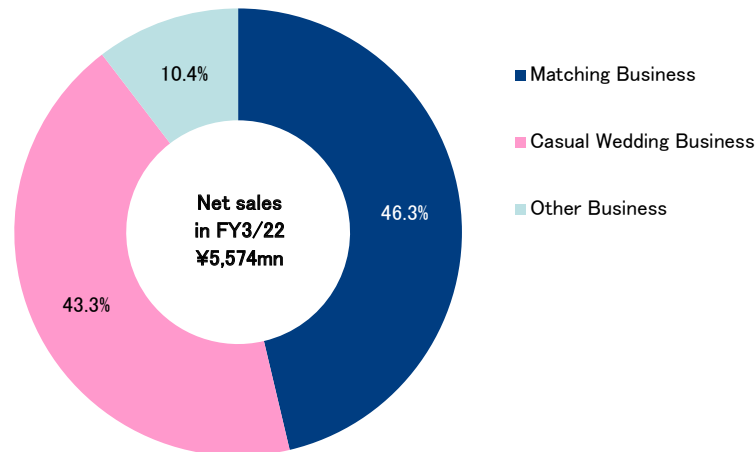


* Other Business was the former QOL business up to FY3/19

* In FY3/22, the former segments of the Matching Business, the Casual Wedding Business, and the Other Business were reorganized into five new segments consisting of the Matching Business, the Casual Wedding Business, the Tech Business, the Lifestyle Business, and the Corporate and Local Governments Business, and the FY3/21 values have been revised to be consistent with those in FY3/22. Before FY3/19, some parts of the Tech Business and other businesses were included in the Matching Business.

Source: Prepared by FISCO from the Company's business plan and materials relating to growth potential

Percentages of net sales (external sales)



Source: Prepared by FISCO from the Company's business plan and materials relating to growth potential

A strength of the matching support agency is its high-quality services, and it boasts the top rank in the industry for the engagement rate

2. Matching Business

In the Matching Business, the main services are the management of the PARTNER AGENT matching support agency for members and OTOCON matching parties launched in June 2013, and the planning and management of PARTNER AGENT PARTIES (PAP), which are high-grade parties launched in November 2020.

The matching support agency Partner Agent offers intermediary services to support matching up to engagement with its highly skilled specialists and proprietary matching system to members who want to find a marriage partner within a year. Members' average period of enrollment is approximately 18 months, and the average total cost per person (including registration fee, initial fee, monthly membership fee, optional fees, and matching fee) is around ¥370,000. A feature of the matching support through the matching concierge services is that it ranks top in the industry for the engagement rate (engagement rate = number of annual membership withdrawals due to becoming engaged / the annual average number of enrolled members multiplied by 100. According to a survey conducted in April 2020 by BTC Corporation).

During the COVID-19 pandemic, opportunities to meet in the real world have decreased, and in this situation, in March 2021, for matching using digital technology, the Company launched Partner Agent ONLINE as an online matching support agency to realize a more efficient and reasonable matching service, while maintaining the same service quality as the service that ranks number one for the engagement rate. In July 2021, this service produced its first marriage just five months after it was launched.

The OTOCON matching party service, as the entry service for the Partner Agent marriage agency, provides matching parties with the most inexpensive price in the industry for men and women who genuinely want to marry and to feel at ease attending. They are held mainly at the Company's own venues nationwide and a total of more than 1.3mn people have participated in the parties since it was launched in 2013.

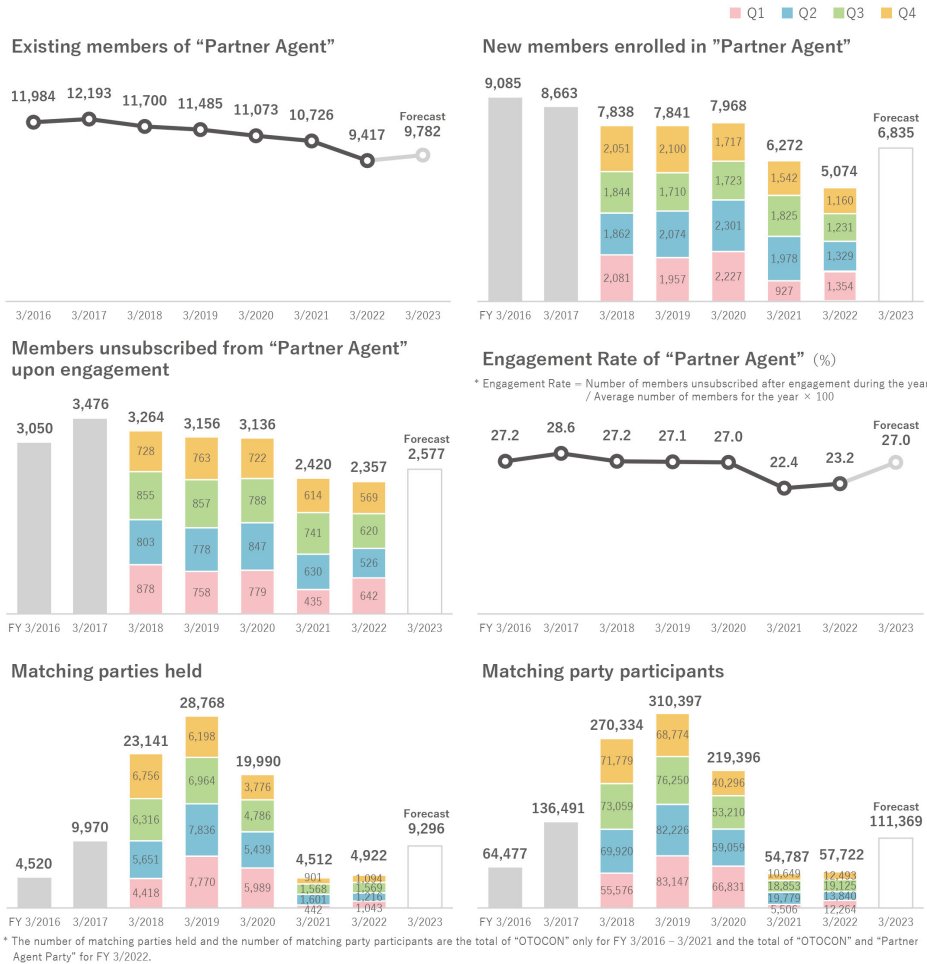
The number of OTOCON parties held and the number of participants steadily increased in FY3/19, but in FY3/20, the Company decided to strategically decrease the number of parties held in order to optimize management and to improve service quality. Moreover, from FY3/21 to FY3/22, the number of parties held declined significantly due to event cancellations and self-restraint on holding events as a result of COVID-19.

Following a revision to the Civil Code on April 1, 2022, the legal age of adulthood in Japan was reduced to 18, and based on this, the age at which people can attend matching parties was reduced from the previous 22 years to 18 years. In the Partner Agent matching support agency, the ages of enrolling members have also been seen to be trending downward, so it is responding to the earlier start timings of matchings and to the increasing needs of the younger age group.

The conditions of the main KPI in the Matching Business are described below. In FY3/21 and FY3/22, all of them declined temporarily due to the impact of COVID-19, but they are expected to recover in FY3/23.

Business description

The business KPI in the Matching Business



Source: The Company's results supplemental materials

As another new option service for members, in June 2020, the Company launched Partner Agent Coordination (PAC) as a styling service for matching that draws out the appeal of members to the greatest possible extent through total coordination. In the six months from the service launched, it achieved the result of an engagement rate of PAC users rising by around 1.4 times, so it was launched nationwide in January 2021. In March 2021, in response to diversifying matching needs, the Company launched Video Profile, an option service to communicate members' profiles by video.

In August 2021, in order to further improve the precision of the AI matching service, the Company introduced "goo AI" provided by NTT Resonant Inc., to upgrade the previous matching system, and it started operating the new AI matching system under the name "sieger."

Business description

In September 2021, the matching support agency Partner Agent connected to SCRUM, which is the platform service provided by SCRUM Inc., to link the data of nationwide matching support agencies (approximately 43,000 members). SCRUM was jointly created in February 2021 by TMS Holdings, which manages the Total Marriage Support Association, and Nihon Nakodo Renmei, and it is a service that connects nationwide matching support agencies by linking their data. Through this connection, the total number of people who can be introduced to each other through Partner Agent (the number of active members), when combined with the number of registered members of CONNECT-ship (around 31,000 people), the platform for mutual introductions between members of matching businesses' services described below, was more than 70,000 people, the largest number in the matching support agency industry. It also concluded a capital and business alliance with TMS Holdings in December 2021, thereby building a strong cooperative relationship.

In December 2021, the Company concluded a capital and business alliance with IKK Holdings. IKK Holdings manages 19 Guest House Wedding stores nationwide, while it has established a subsidiary, LALA COEUR (in November 2021), to conduct a marriage matching business. The companies are building cooperative relations in their matching businesses.

Moreover, in April 2022, the Company established matching Alliance Partners, a matching support agency association. It will enable not only mutual introductions of members of the multiple support agencies that are its alliance partners, including the Company's own Partner Agent matching support agency with approximately 10,000 members, but will also enable connections to CONNECT-ship, the platform for mutual introductions between members of matching businesses' services. Acquiring many matching support agencies as alliance partners will lead to an increase in opportunities for matches among their members and a rise in the engagement rate. It will produce many marriages and help to resolve the social problems of the decline in the lifetime unmarried rate and the declining population, thereby contributing to the sound development of the matching industry.

Photo-only weddings are a growth field

3. Casual Wedding Business

The main services in the Casual Wedding Business are Sma-Kon, a production service for casual weddings and receptions; Nijikai-Kun, a wedding after-party production service; and LUMINOUS, a photo-only wedding service.

In Sma-Kon, which is a production service for casual weddings and receptions, the Company responds to requests for a high-quality wedding ceremony within a certain budget to produce an inexpensive, beautiful, casual wedding that is tailored to requirements. The Company produces wedding receptions at the approximately 250 collaborating venues nationwide, and management on the day is carried out by professional staff at the venue. The Company is able to keep down prices, including by effectively utilizing empty slots within the schedules of the collaborating venues and ordering items in bulk or manufacturing them in-house. Therefore, compared to the cost of a typical wedding reception of around ¥2.92mn (according to the Zexy 2021 marriage trend survey), the average cost of a Sma-Kon reception is only approximately ¥2mn.

Business description

Moreover, the Group is advancing the planning, development, and provision of new plans and services in response not only to COVID-19, but also to the changing needs of brides and grooms, from the previous form of a wedding and reception with many guests to a small-scale wedding to convey feelings to the people who are truly important. In November 2021, it began accepting orders for the Sma-Kon Small Wedding Light Plan, which is a new plan for a wedding with only a small number of people, and then in February 2022, it began accepting orders for New Micro Wedding, a set plan of the Sma-Kon small wedding ceremony and family photos (photos in kimonos taken after the ceremony). Going forward, its policy is to expand its various plans and services to respond to diversifying needs.

Nijikai-Kun is an agency service to produce wedding after-parties. The party is produced by professional planners and the planner introduce venues that meet the customers' needs from over 480 partner venues nationwide, such as restaurants. On the day itself, professional managers and staff are dispatched to the venue (the food and drink are outsourced to the venue). The average cost is around ¥400,000.

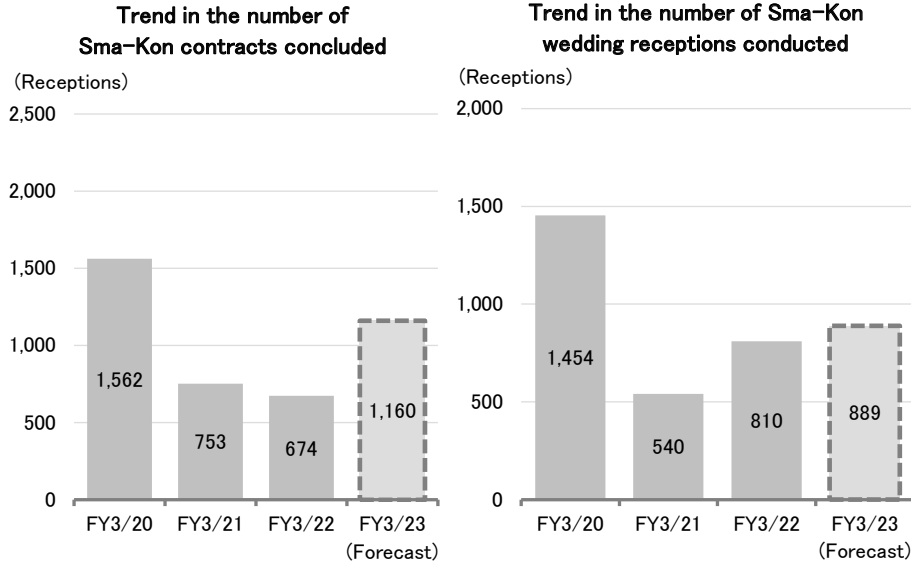
The LUMINOUS photo-only wedding service involves holding photo shoots at elegant homes and other locations to commemorate the marriage. To meet the need of customers wanting photos showing ideal bridal images, the service utilizes sophisticated studio sets and authentic locations, such as highly elegant chapels and homes, to realize the world's most beautiful bridal images. The average photography cost is approximately ¥280,000, which means that customers can have not so much a ceremony as an experience just like an actual ceremony, but for less than approximately one tenth of the cost of a typical wedding reception.

As the number of LUMINOUS photo-only wedding contracts and events held are increasing significantly in the form of weddings adapted to the with-COVID-19 era, the Company has positioned it as a growth business and is developing it to become the third source of earnings. In November 2020, Tameny Art Works concluded a business alliance with bridal company ESCRIT INC. <2196>. With the addition of ESCRIT's high quality chapels and venues, the Company will now be able to develop this business nationwide, as LUMINOUS photo-only wedding venues had previously been limited only to metropolitan Tokyo. Also, in June 2021, the Company opened its own studio in Osaka (first opening in Kansai) as its sixth base. In addition, it appears that the average sales price is rising through the addition of high-value-added services, such as a special plan for photographs in kimonos before the ceremony.

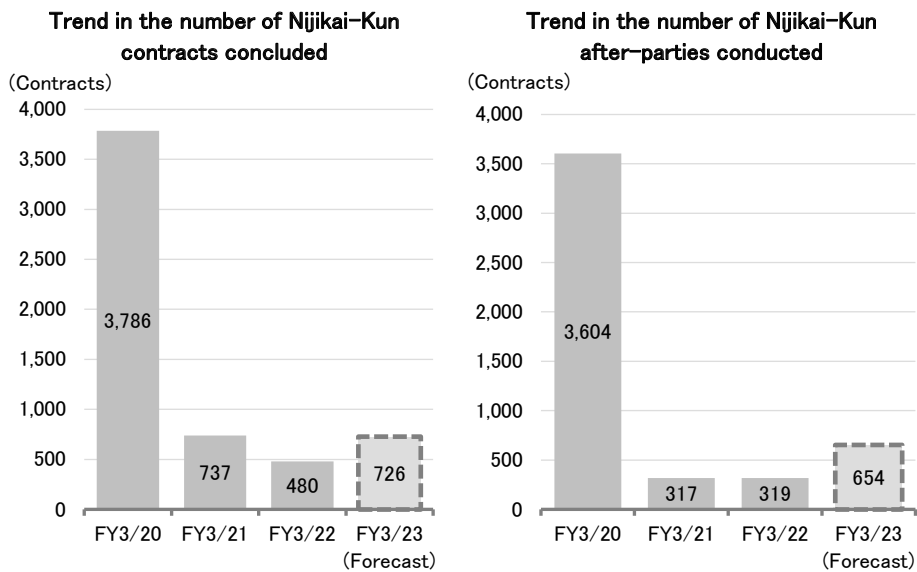
The conditions of the main KPI in the Casual Wedding Business are as follows. For LUMINOUS photo-only weddings, both the number of contracts concluded and the number of events held are growing greatly. For the Sma-Kon casual weddings and receptions and Nijikai-Kun after-parties, the KPI declined greatly in FY3/21 and FY3/22 due to the impact of COVID-19, but they are expected to recover in FY3/23.

Business description

Business KPI Casual Wedding Business

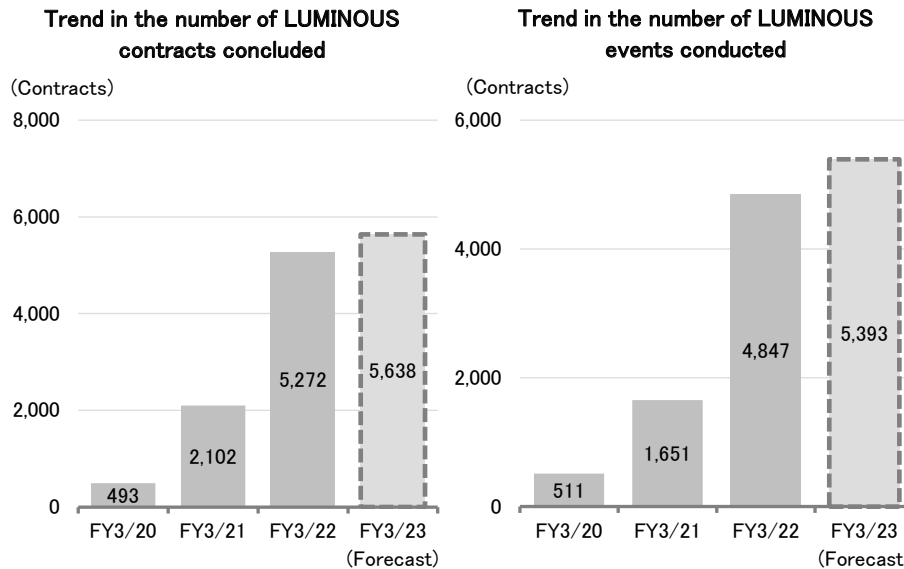


Source: Prepared by FISCO from the Company's results supplemental materials



Source: Prepared by FISCO from the Company's results supplemental materials

Business description



Source: Prepared by FISCO from the Company's results supplemental materials

In December 2021, the Company concluded a capital and business alliance with FOUR SIS & CO., which conducts the planning, manufacturing and sales mainly of wedding dresses (it operates a nationwide network of 62 dress shops, including sales of high-quality wedding dresses from the UK). By strengthening its provision of wedding clothes, which play an important role as a deciding factor in wedding ceremonies, it will further enhance its competitiveness in the wedding market.

The Tech Business includes mutual introductions between members of matching businesses' services, and a completely app-based matching support agency and matching app

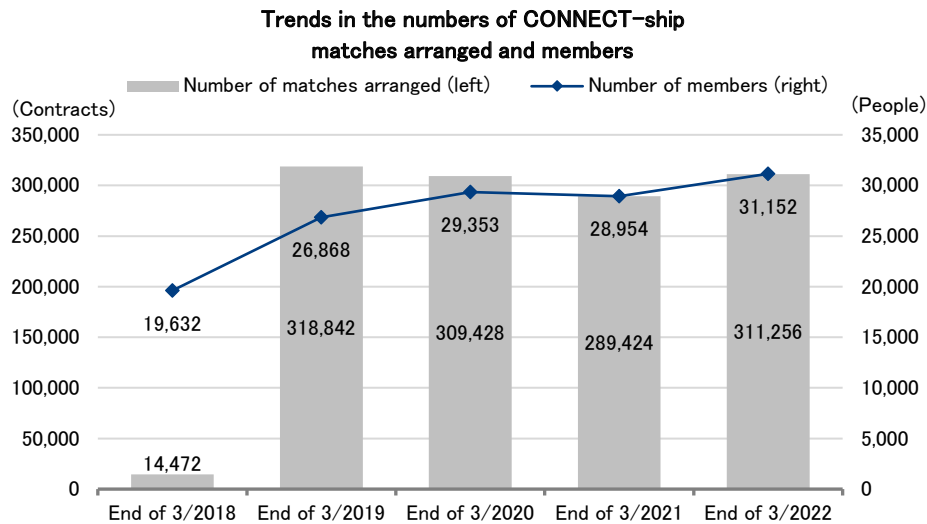
4. Tech Business

In the Tech Business, the main services include the management of the CONNECT-ship platform for mutual introductions between members of matching businesses' services; the planning, development, and management of the completely app-based matching support agency Partner Agent App (its service name was changed in February 2022 from the former Sma-Kon Enmusubi); and a matching support system for companies.

CONNECT-ship was launched as an industry first in June 2017 with the aim of being an open platform that would create the most matches in Japan, and it is Japan's largest platform for mutual introductions between members of matching businesses' services. The aims are to increase opportunities for members to meet and to maximize engagements through mutual introductions between the members of the matching businesses' services. At the end of FY3/22, the platform was being used by 12 businesses, including the Partner Agent matching support agency, and by 31,152 people (the total number of members of the businesses using it is more than 95,000 people). In FY3/22, the number of matches arranged increased by 21,832 compared to FY3/21 to 311,256.

Business description

In April 2022, TMS Connect, which manages TMS, also joined the platform, so it is now used by 13 businesses. For the monetization of CONNECT-ship, it previously obtained fees for arranging a match, but since FY3/22, it has lowered the fee for arranging a matchmaking and instead changed to a new monthly usage fee.



Source: Prepared by FISCO from the Company's results supplemental materials

For the planning, development, and management of the online matching support agency and matching app, based on the expertise that the Company has cultivated in managing the 'looking-for-love' Sma-Kon Date app and against the backdrop of increased needs for online meeting places, in January 2021, it launched Sma-Kon Enmusubi, a new completely app-based matching support agency that provides enhanced matching support agency services and that utilizes the industry's leading matching pool. In February 2022, it changed the service name to Partner Agent App and starting providing the light plan at the most inexpensive price in the industry (a monthly fee of ¥1,000, with standard plans starting from ¥9,800 a month).

For the matching support system for companies, the Company provides a system that it itself developed to utilize cutting-edge technologies, such as AI matching, for companies wanting to open matching support agencies, and it also provides them with business support.

The Lifestyle Business is pursuing synergies

5. Lifestyle Business

The main services provided by the Lifestyle Business include the Anniversary Club after-engagement support service in the new lifestyles support area, an insurance consultation service (the insurance agency Tameny x Hoken Clinic), and a housing information service, and it obtains services usage fees, customer referral fees, and other fees. Moreover, in order to create new services, in October 2020, the Company concluded a business alliance with Broad-minded Co., Ltd., which provides financial partner services.

Business description

The number of new insurance contracts issued by the insurance agency Tameny x Hoken Clinic increased from 317 in FY3/21 to 396 in FY3/22. Going forward, the policy is to pursue synergies by utilizing the contact point of newly engaged and married couples, namely the approximately 7,700 couples matched annually in the Matching Business and the Casual Wedding Business (in FY3/22, approximately 1,700 couples became engaged in the Matching Business and weddings were produced for around 6,000 couples in the Casual Wedding Business).

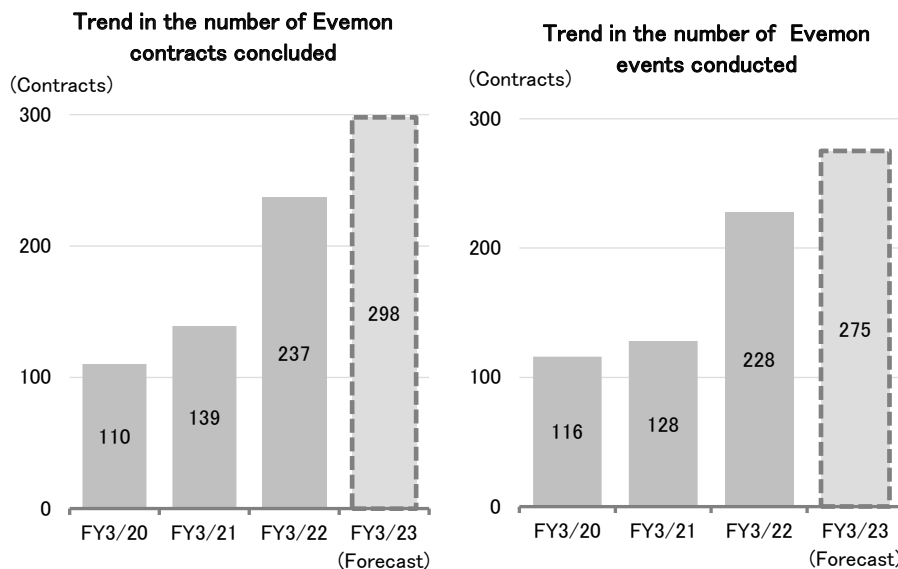
Corporate and Local Governments Business are also growth fields

6. Corporate and Local Governments Business

In the Corporate and Local Governments Business, the main services are Evemon corporate event production and the parms matching support service for local governments.

In the Evemon corporate event production service, it produces events for companies, such as employee general assemblies, company-joining ceremonies, social gatherings, and year-end parties. Utilizing its expertise in wedding planning, it undertakes all of the tasks required according to each purpose, from strategic planning and booking the venue through to producing and managing a high-quality event that the participants will not be bored by. A full production costs approximately ¥1,000,000 on average. The convenience of being able to outsource every aspect of an event has been highly evaluated by customers, and even during the COVID-19 pandemic, the numbers of contracts concluded and events held have been trending toward an increase. Moreover, demand for online events is increasing during the COVID-19 pandemic, so in April 2021 the Company launched TV-type Pack, which is an online event solution service that uses high-quality video, and began providing Hybrid Pack, a combined online and offline in-company event solution service, in June 2021. As a growth field in the future, its policy is to strengthen the business.

Business KPI in the Corporate and Local Governments Business



Source: Prepared by FISCO from the Company's results supplemental materials

Business description

In the parms matching support service for local governments, the Company customizes the matching support system that it itself developed to support the matching conducted by local governments. As of the end of FY3/22, it had concluded contracts with and introduced services into seven local governments (in the order of the contracts, Fukushima Prefecture, Kyoto Prefecture, Saitama Prefecture, Akita Prefecture, Fukui Prefecture, Ibaraki Prefecture, and Miyagi Prefecture). In addition, cases of outsourcing the management of matching support centers and of events and seminars from local governments are increasing.

Has established high levels of reliability and brand name recognition

7. Features and strengths

With the matching support agency as the starting point, it is developing a wide range of multi-directional, consistently high quality and high added-value services, from the Matching Business through to the Casual Wedding Business and the area of services to support new lifestyles, and its features and strengths include its high levels of reliability and brand name recognition.

The Partner Agent matching support agency realize the highest engagement rate in the industry through matching concierge services provided by highly skilled specialist counsellors and a matching system that the Company itself developed, and it has established a brand as a high added-value matching support service. In the Casual Wedding Business, based on its abundant track record and expertise in producing weddings, it is developing new wedding and after-party total production services tailored to new lifestyle needs during the “with COVID-19” era. Furthermore, it is aiming to maximize marriages through the CONNECT-ship platform for mutual introductions between members of matching businesses’ services, and matching Alliance Partners, a newly established matching agency alliance.

Particularly in the Matching Business, customers prioritize social reliability and name awareness with regards to safety and soundness. For these aspects, the Company has been a pioneer in its industry, acquiring the information security management standard ISO (JIS Q) 27001 certification, the Privacy Mark, and the Institution for Matchmaking Service’s marriage referral service certification. The Company was listed in 2015. It is establishing a position as a safe and secure matching support company that people in society need. Going forward also, utilizing its strengths of being highly reliable and having high brand name awareness, it intends to build a structure to provide multi-directional services that meet all customer’s needs and to develop its businesses.

Even as the number of marriages decreases, has competitive advantages

8. Risk factors, earnings characteristics, and issues and measures in response to them

The general risk factors in the matching and wedding industries include market trends, legal regulations, information management including of personal information, responding to complaints, and safety and soundness. Earnings characteristics include seasonal-variation factors.

Business description

In terms of market trends, there is an awareness that the number of marriages is falling due to the declining birthrate and the rise in the unmarried rate. Meanwhile, due to the rise in the unmarried rate, the matching service usage rate is trending upward, and spurred by COVID-19, the percentage of people who want to find a partner is also rising. Moreover, in the “with COVID-19” era, it is projected that instead of the conventional, very expensive wedding reception with large attendance, an increasing percentage of couples want to have a casual wedding with only a few guests instead or a photo-only wedding, which are the Company’s strengths. Further, when considering factors such as that it has been a pioneer in the industry for acquiring international standard certification, including the information security management standard ISO (JIS Q) 27001, that it has achieved the top rank in the industry for the engagement rate by providing high quality and high added-value services, and that it is securing high levels of reliability and brand name recognition, the Company seems likely to demonstrate its superiority even within the market competition.

In terms of seasonal factors in earnings, the tendency is for wedding receptions to be held concentrated in the spring (March to May) and the fall (September to November), so the Company’s results in the Casual Wedding Business tend to be affected by this seasonal factor. For that reason, it is strengthening measures to promote receptions during the quiet season.

As the business environment has deteriorated due to the impact of COVID-19, in FY3/21 and FY3/22, the Company conducted various measures, including integrating and closing bases, optimizing allocations of personnel, and strategically keeping down advertising and sales-promotion costs. But as explained below, in FY3/23, the impact of COVID-19 has lessened and results are recovering, so its policy is to resume advertising investment towards growth.

Business trends

In FY3/22, COVID-19 continued to have an impact, but the extent of the loss was greatly reduced

1. Summary of FY3/22 consolidated results

In FY3/22 consolidated results, net sales increased 25.9% YoY to ¥5,574mn, operating loss was ¥153mn (¥2,176mn in FY3/21), ordinary loss was ¥218mn (¥2,089mn in FY3/21), and net loss attributable to owners of parent was ¥320mn (¥2,316mn in FY3/21).

Business trends

Summary of FY3/22 consolidated results

	(¥mn)			
	FY3/21	FY3/22	1H FY3/22	2H FY3/22
Net sales	4,429	5,574	2,801	2,773
Operating income (loss)	-2,176	-153	-215	62
Ordinary income (loss)	-2,089	-218	-288	69
Net income (loss) attributable to owners of parent	-2,316	-320	-416	96
Net sales by segment				
Matching Business	2,665	2,583	1,331	1,251
Casual Wedding Business	1,394	2,412	1,255	1,156
Tech Business	145	144	69	75
Lifestyle Business	53	70	35	34
Corporate and Local Governments Business	188	374	120	253
Total	4,447	5,584	2,812	2,772
Adjusted amount	-18	-10	-11	1
Consolidated net sales	4,429	5,574	2,801	2,773
Operating income (loss) by segment				
Matching Business	196	835	393	441
Casual Wedding Business	-1,064	-212	-129	-82
Tech Business	-23	21	5	16
Lifestyle Business	-44	18	4	13
Corporate and Local Governments Business	16	86	7	78
Total	-919	748	281	467
Adjusted amount	-1,257	-902	-497	-404
Consolidated operating income (loss)	-2,176	-153	-215	62

*As the business segments were changed from FY3/22, the business segments for FY3/21 using the method of categorization following the change.

Source: Prepared by FISCO from the Company's financial results and Company materials

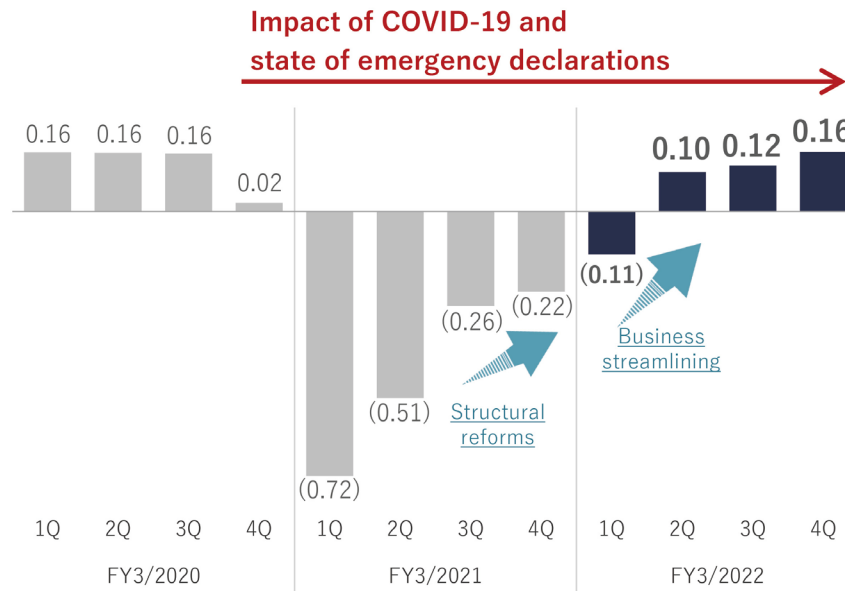
The results recovery is still ongoing as the impact of COVID-19 is continuing, but compared to FY3/21, the impact of COVID-19 has gradually lessened and sales have increased significantly, while the various measures that the Company is implementing, including strategically keeping down advertising and sales-promotion costs, optimizing allocations of personnel including external secondments, and reducing land rent through integrations and closures of bases, are also contributing to the results recovery, so the extent of the loss has been greatly reduced for every profit item. SG&A expenses decreased ¥1,304mn compared to FY3/21 to ¥4,425mn (advertising and sales-promotion costs decreased ¥262mn to ¥757mn, personnel costs declined ¥612mn to ¥1,745mn, land rent decreased ¥66mn to ¥588mn, and other costs declined ¥363mn to ¥1,334mn). The Group's number of bases declined by 12 to 31 bases, and the Group's number of employees decreased by 156 to 379 employees (does not include externally seconded employees). In non-operating income, the subsidy income of ¥127mn recorded in the previous period was not recorded in this period. In extraordinary income, subsidy income of ¥229mn, gain on the sales of affiliates' shares of ¥88mn, and other income were recorded, while in extraordinary losses, losses were recorded including a loss due to the temporary business closures of ¥359mn.

Looking by fiscal half, net sales in the 1H were ¥2,801mn, operating loss was ¥215mn, ordinary loss was ¥288mn, and net loss attributable to owners of parent was ¥416mn. But in the 2H, net sales were ¥2,773mn, operating income was ¥62mn, ordinary income was ¥69mn, and net income attributable to owners of parent was ¥96mn. So, in the 2H, every profit item recovered and achieved profitability from the effects of the various measures to improve results. Also, in the 4Q, EBITDA recovered to around the same level as before COVID-19.

Business trends

Trends in EBITDA by fiscal quarter

(billions of yen)



* EBITA = Operating income + Depreciation + System amortization + Amortization of goodwill and intangible assets
 Source: Reprinted from the Company's results briefing materials

2. Trends by business

In the Matching Business, net sales decreased 3.1% compared to FY3/21 to ¥2,583mn, and segment income (operating income before adjustments for Company-wide costs, etc.) increased 324.4% to ¥835mn. Based on the impact of COVID-19, acquisitions of new members in the matching support agency were strategically kept down, so sales decreased slightly. However, profits increased greatly as profitability improved from the effects of the various measures to secure profits, including integrating and closing bases and efforts to improve management efficiency.

In the Casual Wedding Business, net sales increased 72.9% to ¥2,412mn, while due to the recording of amortization of goodwill of ¥152mn, the loss was ¥212mn (a loss of ¥1,064mn in FY3/21), but sales increased significantly and the extent of the loss was greatly reduced. The recovery of Nijikai-Kun after-parties from COVID-19 has been sluggish, but the number of events held for the Sma-Kon casual weddings and receptions series increased by 50% and so recovered to a certain event, while in addition, the number of LUMINOUS photo-only wedding events held grew significantly, increasing 193.6%.

In the Tech Business, net sales decreased 0.3% to ¥144mn and income was ¥21mn (a loss of ¥23mn). The online matching app (in February 2022, its service name was changed from the former Sma-Kon Enmusubi series to the Partner Agent App) is still in the upfront investment phase, but the number of users of the CONNECT-ship platform for mutual introductions between members of matching businesses' services and the number of matchmakings arranged both increased. In the Lifestyle Business, net sales increased 30.1% to ¥70mn and income was ¥18mn (a loss of ¥44mn). The number of new insurance contracts increased. In the Corporate and Local Governments Business, net sales increased 98.9% to ¥374mn and income rose 422.7% to ¥86mn. For Evemon corporate event production, the number of events held grew greatly, increasing 78.1%, while for local governments, in addition to introductions of farms, the outsourcing of management of matching support centers and also of various events and seminars also contributed.

We encourage readers to review our complete legal statement on "Disclaimer" page.

Business trends

The main indicators in each business

	FY3/21	FY3/22
Matching Business		
Number of new members	6,272	5,074
Number of withdrawals due to becoming engaged	2,420	2,357
Engagement rate	22.4%	23.2%
Number of members at end of period	10,726	9,417
Number of parties held	4,512	4,922
Number of party participants	54,787	57,722
Casual Wedding Business		
Number of contracts concluded		
Sma-Kon series	753	674
Nijikai-Kun	737	480
LUMINOUS	2,102	5,272
Number of events held		
Sma-Kon series	540	810
Nijikai-Kun	317	319
LUMINOUS	1,651	4,847
Other Business		
Number of CONNECT-ship members at end of period	28,954	31,152
Number of CONNECT-ship matchmakings arranged	289,424	311,256
Number of companies using CONNECT-ship	12	12
Number of Evemon contracts concluded	139	237
Number of Evemon events held	128	228

Source: Prepared by FISCO from the Company's materials

3. Financial position

Looking at the Company's financial position, at the end of FY3/22 total assets had increased ¥264mn on the end of FY3/21 to ¥5,332mn. This was mainly because in current assets, cash and deposits increased ¥683mn, while in non-current assets, goodwill decreased ¥152mn and security deposits declined ¥112mn. Total liabilities decreased ¥372mn to ¥5,095mn. The main items were that in current liabilities, the current portion of long-term borrowings decreased ¥246mn, and provision for loss on guarantees declined ¥138mn. Total net assets increased ¥636mn to ¥237mn, mainly because share capital decreased ¥640mn, but capital surplus increased ¥492mn and retained earnings rose ¥700mn. As a result, the equity ratio increased 12.4 percentage points (pp) to 4.5%.

For the 10th issuance of share warrants, etc. (with an exercise price revision clause) that was conducted on May 31, 2021, by September 24, 2021, all the issues had been exercised. Also, in December 2021, for the respective capital and business alliances with FOUR SIS & CO., IKK Holdings, and TMS Holdings, the Company conducted capital increases through third-party allocation of shares (payments had been completed by December 29, 2021). Moreover, on March 16, 2022, it implemented a capital reduction and compensation for a loss. As a result of this, the share capital amount became ¥44mn and the capital reserve amount became ¥0, and the capital surplus and retained earnings increased. Subject to approval at the regular meeting of shareholders scheduled to be held on June 21, 2022, other capital surplus will be transferred to retained earnings. As this will be a transfer process between accounts within the net assets section, there will be no change to the total net assets amount.

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Business trends

As the Company recorded excess debt in FY3/21, on June 30, 2021, its listing was placed in the grace period for the abolition of a listing by the TSE. However, as it had eliminated the excess debt by the end of FY3/22, it will submit a securities report to the Kanto Finance Bureau (scheduled for on June 30, 2022) and will officially announce that it has eliminated the excess debt, so it is expected to be removed from this grace period. Going forward, although strengthening the financial structure through improving results will be an issue, it can be highly evaluated for having addressed and eliminated this concern at the present time.

The main management indicators

	(¥mn)				
	FY3/18	FY3/19	FY3/20	FY3/21	FY3/22
Net sales	4,102	4,151	8,187	4,429	5,574
Cost of sales	1,745	1,778	4,062	875	1,302
Gross profit	2,357	2,372	4,125	3,553	4,271
Gross profit margin	57.5%	57.2%	50.4%	80.2%	76.6%
SG&A expenses	2,162	2,156	4,046	5,729	4,425
SG&A expenses ratio	52.7%	51.9%	66.2%	129.4%	79.4%
Operating income (loss)	195	216	78	-2,176	-153
Operating income margin	4.8%	5.2%	1.0%	-	-
Non-operating income	140	18	46	161	21
Non-operating expenses	9	26	83	74	87
Ordinary income (loss)	325	208	41	-2,089	-218
Ordinary income margin	7.9%	5.0%	0.5%	-	-
Extraordinary income	-	1	105	66	334
Extraordinary losses	136	44	103	255	424
Net income (loss) before income taxes	189	165	42	-2,278	-309
Total income taxes	72	79	40	38	11
Net income (loss) attributable to owners of parent	117	90	2	-2,316	-320
Ratio of net income attributable to owners of parent	2.9%	2.2%	0.0%	-	-
Comprehensive income (loss)	117	83	3	-2,313	-321
Total assets	2,794	3,382	5,478	5,067	5,332
Current assets	1,552	2,059	1,999	1,479	2,065
Non-current assets	1,241	1,322	3,477	3,587	3,266
Total liabilities	1,942	2,404	4,452	5,467	5,095
Current liabilities	1,076	1,132	1,873	2,464	2,045
Non-current liabilities	866	1,271	2,579	3,002	3,049
Total net assets	852	978	1,025	-399	237
Shareholders' equity	850	981	1,027	-400	237
Share capital	249	255	263	684	44
Total number of shares issued at end of period excluding treasury shares	9,915,971	10,153,371	10,487,571	16,213,571	24,981,871
Net income per share (¥)	12	9	0	-203	-15
Net assets per share (¥)	86	96	98	-25	10
Dividend per share (¥)	0	0	0	0	0
Equity ratio	30.3%	28.9%	18.7%	-7.9%	4.5%
Return on Equity (ROE)	15.5%	9.8%	0.3%	-	-
Cash flows from operating activities	202	374	232	-1,514	-22
Cash flows from investing activities	-524	-180	-1,861	-447	-134
Cash flows from financing activities	374	464	1,462	1,483	841
Balance of cash and cash equivalents at the end of the period	549	1,207	1,040	562	1,246

Note: Since 3Q FY3/21, personnel costs for some stores, store rent, and other expenses that were previously recorded in cost of sales have been recorded in SG&A expenses. Figures shown for FY3/20 and earlier are values before this change.

Source: Prepared by FISCO from the Company's financial results

■ Outlook

Forecast to achieve profitability in FY3/23

1. Summary of the FY3/23 consolidated results forecasts

For the FY3/23 consolidated results, the Company is forecasting that net sales will increase 16.6% compared to FY3/22 to ¥6,500mn, operating income of ¥100mn (a loss of ¥153mn in FY3/22), ordinary income of ¥50mn (a loss of ¥218mn), and net income attributable to owners of parent of ¥50mn (a loss of ¥320mn). The business environment remains uncertain, but compared to in FY3/22, the impact of COVID-19 has lessened, so the forecasts are for net sales to increase significantly and for profitability to be achieved.

Summary of the FY3/23 consolidated results forecasts

	FY3/22 Results	FY3/23		(¥mn)
		Forecast	1H forecast	2H forecast
Net sales	5,574	6,500	3,000	3,500
Operating income (loss)	-153	100	-180	280
Ordinary income (loss)	-218	50	-210	260
Net income (loss) attributable to owners of parent	-320	50	-160	210

Source: Prepared by FISCO from the Company's financial results

In FY3/22, the Company prioritized recovering results from a short-term perspective and eliminating the excess debt, so it strategically kept down advertising and sales-promotion costs in the Matching Business, integrated and closed bases, and reduced SG&A expenses, including through external secondments of employees. On considering that by the end of FY3/22 the excess debt had been eliminated and these efforts achieved a certain level of results, and also that the impact of COVID-19 has lessened, in FY3/23 the policy for the Matching Business and the Casual Wedding Business is to actively resume membership promotion measures in the 1H, including investing in advertising and sales-promotion costs. Moreover, from a medium-to long-term perspective, the Company is progressing measures to establish a high-earnings structure and to strengthen the competitiveness of products.

Looking by fiscal half, the forecast in the 1H is for losses (net sales of ¥3,000mn, an operating loss of ¥180mn, an ordinary loss of ¥210mn, and a net loss attributable to owners of parent of ¥160mn) due to the active investment, but for profitability to be achieved in the 2H (net sales of ¥3,500mn, operating income of ¥280mn, ordinary income of ¥260mn, and net income attributable to owners of parent of ¥210mn), and results are expected to return to a growth track due to the active investment. On a full fiscal year basis, SG&A expenses are forecast to increase ¥300mn to ¥4.7bn (including that advertising and sales-promotion costs will increase ¥200mn and personnel costs will rise ¥200mn), and in extraordinary income, subsidy income for temporary business closures since December 2021 of around ¥70mn is scheduled to be recorded.

Outlook

2. Trends by business

The forecasts for net sales and operating income by business and for the main indicators are described below.

FY3/23 forecasts by business

	(¥mn)	
	FY3/22 Results	FY3/23 Forecast
Net sales by segment		
Matching Business	2,583	2,640
Casual Wedding Business	2,412	3,220
Tech Business	144	160
Lifestyle Business	70	50
Corporate and Local Governments Business	374	410
Operating income (loss) by segment (before adjustment)		
Matching Business	835	690
Casual Wedding Business	-212	30
Tech Business	21	70
Lifestyle Business	18	0
Corporate and Local Governments Business	86	60

Source: Prepared by FISCO from the Company's financial results and materials

Full year targets in each business by main indicators

	FY3/22	FY3/23 Forecast
Matching Business		
Number of new members	5,074	6,835
Number of withdrawals due to becoming engaged	2,357	2,577
Engagement rate	23.2%	27.0%
Number of members at end of period	9,417	9,782
Number of parties held	4,922	9,296
Number of party participants	57,722	111,369
Casual Wedding Business		
Number of contracts concluded		
Sma-Kon series	674	1,160
Nijikai-Kun	480	726
LUMINOUS	5,272	5,638
Number of events held		
Sma-Kon series	810	889
Nijikai-Kun	319	654
LUMINOUS	4,847	5,393
Other Business		
Number of CONNECT-ship members at end of period	31,152	-
Number of CONNECT-ship matchmakings arranged	311,256	-
Number of companies using CONNECT-ship	12	-
Number of Evemon contracts concluded	237	298
Number of Evemon events held	228	275

Source: Prepared by FISCO from the Company's materials

Outlook

Income is forecast to decline in the Matching Business, as personnel costs and advertising costs are expected to increase following the active resumption of membership promotion measures. The target for the engagement rate is close to its previous level of 30%. The Casual Wedding Business is forecast to achieve profitability from the effects of the higher sales. The numbers of Sma-Kon casual weddings and receptions series held and Nijikai-Kun after-parties produced are expected to recover, while LUMINOUS photo-only weddings are also anticipated to perform strongly. Productions of Nijikai-Kun after-parties are still at a low level, but the aim is to recover the Sma-Kon casual weddings and receptions series to around 70% of their level of before COVID-19. The forecasts are that in the Tech Business, usage will increase of the CONNECT-ship platform for mutual introductions between members of matching businesses' services, and that in the Corporate and Local Governments Business, the number of Evemon events held will also increase.

Growth strategy

Establishing a foundation for regrowth

1. Establishing a foundation for regrowth

As its growth strategy, the Company is shifting to a more flexible business structure in which it can respond immediately to trends and social changes, aiming to have a corporate structure that is resilient to COVID-19, recovering results in the short term through business streamlining and business structural reforms, establishing Group CRM that utilizes its customer base, and strengthening the financial foundation by eliminating excess debt and repaying borrowing. The Company recorded excess debt in FY3/21, but it set a target for a short-term results recovery, for which the reduction of fixed costs contributed, and it had eliminated the excess debt by the end of FY3/22.

From FY3/23 onwards, the Company's policy is to progress the establishment of a foundation on which to achieve regrowth from a medium- to long-term perspective, including by establishing a high-earnings structure, strengthening the competitiveness of products, and bolstering the financial foundation. To establish a high-earnings structure, it is working to stably generate earnings in the core businesses and to increase earnings in the other businesses; to strengthen the competitiveness of products, it is progressing DX and establishing competitive advantages that can withstand changes in the social environment; and to bolster the financial foundation, it is working to establish a sound and secure financial foundation.

In the medium-term management plan announced in November 2020, the numerical targets for FY3/24 were net sales of ¥14.7bn and operating income of ¥2.7bn. But because the impact of COVID-19 has lasted longer than was expected, the Company has revised the numerical targets and expects to achieve the initial numerical targets in two periods later than was initially planned. It intends to announce a new medium-term management plan in 2023, while observing the changes to the market environment.

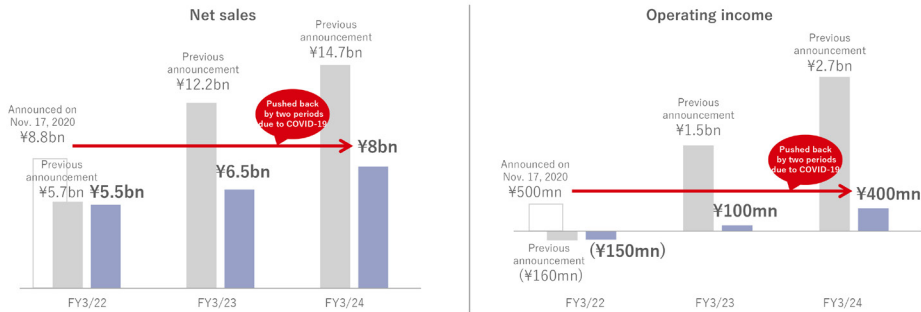
Growth strategy

The three-year medium-term management plan

Will achieve profitability in FY3/23 and earnings will subsequently increase

■ Differences with the previously announced numerical targets (on Dec. 17, 2021)

- In the three-year medium-term management plan previously announced on November 17, 2020, the numerical targets assumed an environment in which from FY3/22 2H, the COVID-19 pandemic would have ended to a certain extent and the economy would be gradually recovering
- However, the end of the COVID-19 pandemic is still not in sight and the economic environment is expected to continue to be uncertain, including due to the geopolitical risks such as the situation in Ukraine. Therefore, the Company revised the FY3/23 and FY3/24 targets, assuming that these factors would have an impact on results to a certain extent.
- It expects to achieve the three-year medium-term management plan's results targets two periods later than was initially expected



Source: Reprinted from the Company's business plan and materials relating to growth potential

Plenty of room to increase market share even during the with-COVID-19 era and is expected to grow in the medium- to long-term

2. Establishing high levels of reliability and brand name recognition.

The business environments for the matching and wedding markets have deteriorated significantly because of the continuing rise in the rate of people not getting married in their lifetimes and the decline in the number of marriages, and also because of the impact of COVID-19. However, alongside the rise in the unmarried rate, the usage rate of matching services is trending upwards, and spurred on by COVID-19, trends can be seen including a rise in the percentage of people who are seeking a partner. Also, during the with-COVID-19 era, the forecast is that the percentage of weddings that are casual weddings with small numbers of people and photo-only weddings, which are the Company's strengths, will increase.

With the matching support agency as the starting point, the Company is developing a wide range of multi-directional, consistently high quality and high added-value services, from the Matching Business through to the Casual Wedding Business and the area of services to support new lifestyles, and it is establishing high levels of reliability and brand name recognition. Moreover, it is shifting to a flexible business structure in which it can respond immediately to trends and social changes. Due to the impact of COVID-19, the Company has pushed back when it will achieve the targets in the medium-term management plan, while improving and stabilizing the financial foundation is also an issue. However, when considering the Company's features and strengths, even during the with-COVID-19 era, at FISCO we evaluate that there remains plenty of room for it to increase its market share and that it can be expected to grow in the medium- to long-term.

Shareholder return policy

In the shareholder benefits program, gives gifts of coupons and gift points according to the number of shares held

● Shareholder benefits program

The Company does not pay a dividend at the current time, as it is in the process of strengthening its financial structure. However, it implements a shareholder benefits program, giving gift coupons and gift points according to the number of shares held to shareholders registered at the end of September in each year.

Gift points

Number of shares held	Number of points presented
1,000 -1,999 shares	4,500 pt
2,000 -2,999 shares	9,500 pt
3,000 -3,999 shares	15,000 pt
4,000 shares and more	21,000 pt

Initiatives for ESG and SDGs

In order to contribute to realizing a sustainable society through all of its business activities, the Company's initiatives for the Environment, Society, and Governance (ESG) and for Social Development Goals (SDGs) include appointing women to managerial positions as part of human resources development (one outside director); conducting 360 degree evaluations for management positions; introducing a flex-time system; building trust through acquiring various types of certifications, including the ISO (JIS Q) 27001 information security management standard and the Privacy Mark; strengthening the corporate governance structure; in regional revitalization, providing the parms matching support service to local governments and collaborating with local governments (holding matching seminars and events); for health and welfare, supporting employees childcare and nursing care and employing the elderly and people with disabilities; and for the environment and nature, both reducing its environmental burden and maintaining the efficiency of business activities by shifting to paperless operations.

Initiatives for ESG and SDGs

Company's initiatives for ESG and SDGs

ESG Policy

Support from all the various stakeholders is fundamental to our business. We are committed to contributing to the SDGs and realizing a sustainable society through all of our business activities in cooperation with our stakeholders.

Main Activities

Human resource development

We aim to create an organization in which every employee can recognize and respect each other's differences, and we are working to create an environment in which it is worthwhile to work, through extensive training and career development systems.



- Promotion of female managers (an outside director / a general manager)
- 360-degree evaluation of managers
- Introduction of flextime
- Introduction of remote work
- Training system

Establishing trust

In order to ensure that our services are safe and secure, we have acquired third-party certifications such as ISO and Privacy Mark. In addition, in order to be a company that is trusted by society, we have established a corporate governance system and strive to disclose information in a timely and appropriate manner.



- Certified to ISO27001, Information Security Management System
- Certified to Privacy Mark
- Certified to a marriage referral service by Institution for matchmaking Service
- Corporate governance system
- Risk management
- Disclosure policy

Regional revitalization

By providing the only total solution to local governments that are actively working to support matching activities to improve the declining birthrate and rising unmarried rate in the region, we are contributing to the fight against the declining birthrate in the region.



- Provision of "parks," matching support systems for local government
- Collaboration with local government (seminars and events)

Health and welfare

We will pursue the physical and mental health and happiness of our employees, and promote welfare support to increase productivity and creativity, and operate business with vitality.



- Child and elderly care support
- Employment of the elderly
- Employment of challenged people

Environment and nature

In order to preserve the global environment and contribute to the realization of a sustainable society, we are working to reduce our environmental impact while maintaining the efficiency of our business activities.



- Promoting paperless work
- Recycling discarded document paper
- Collection of PET bottle caps

Source: The Company's results supplemental materials



Disclaimer

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