

Tameny Inc.

6181

Tokyo Stock Exchange Growth Market

20-Jul.-2023

FISCO Ltd. Analyst

Masanobu Mizuta



FISCO Ltd.

<https://www.fisco.co.jp>

Index

Summary	01
1. Strengths are its high levels of reliability and brand name recognition in matching and wedding areas.....	01
2. In FY3/23, reduced losses, EBITDA in the black	01
3. Full year profit expected in FY3/24 with improving trend from 2H.....	02
4. Expects medium- to long-term profit improvements due to results of rebuilding of the management foundation.....	02
Company outline	03
1. Company outline.....	03
2. History	03
Business description	06
1. Summary of services.....	06
2. Matching Business.....	07
3. Casual Wedding Business.....	09
4. Life and Tech Business	12
5. Regional Revitalization Business.....	13
6. Features and strengths	14
7. Risk factors, earnings characteristics, and issues and measures in response to them	15
Business trends	16
1. Summary of FY3/23 results.....	16
2. Trends by business	17
3. Financial position	19
Outlook	21
● Summary of the FY3/24 full-year consolidated results forecasts	21
Growth strategy	23
Shareholder return policy	23
Initiatives for ESG and SDGs	24

■ Summary

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

Tameny Inc. <6181> (hereinafter, “Company”) creates and provides high quality services required by its customers in four strategic areas, with a focus on matching and casual wedding services, and develops business for the peripheral areas of life and tech and regional revitalization, based on its corporate philosophy of “For your fine life.” and with its Purpose as “We value creativity, kindness and dedication to fulfill people’s heart, and to be a basis of forming a lively society.”

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

The Company’s businesses of origin are the Matching Business, which includes the matching support agency, online matching support, matching parties and online matching services, etc., and the Casual Wedding Business, which includes the production of casual weddings and receptions, photo-only weddings and after-parties. Peripheral areas include the Life and Tech Business, which offers a platform for mutual introductions between members of matching businesses’ services, a matching support agency association, after engagement support and insurance agency, and the Regional Revitalization Business, which includes matching support for local governments and commissioned operation of matching support centers. The Company’s strengths are that it provides a comprehensive range of high-quality, high-value-added services, and it has established a high level of reliability and brand recognition, including the highest marriage rate in the industry.

2. In FY3/23, reduced losses, EBITDA in the black

In FY3/23 consolidated results, net sales increased 0.5% year on year (YoY) to ¥5,604mn, with operating loss of ¥151mn (a loss of ¥153mn in the previous fiscal year), ordinary loss of ¥230mn (a loss of ¥218mn) and net loss attributable to owners of parent of ¥237mn (a loss of ¥320mn). Net sales were flat YoY due to factors such as the lingering impact of the COVID-19 pandemic (COVID-19) and a time lag between orders received and holding ceremonies in the Casual Weddings Business, but the operating loss was slightly lower due to a reduction in SG&A expenses resulting from management rationalization such as optimization of personnel allocation and integrating and closing bases. Although the Company continued to post operating loss, EBITDA (= operating income + depreciation and amortization + amortization of goodwill) returned to the black in 2Q FY 3/22 due to management rationalization and restraints on advertising restraints, and all four quarters in FY3/23 were in the black despite a gradual strengthening of advertising. It’s fair to say that earnings are on an improving trend.

Summary

3. Full year profit expected in FY3/24 with improving trend from 2H

In its full-year non-consolidated results forecast for FY3/24 (the Company has transitioned to disclose on a non-consolidated basis and changed segment classification), the Company expects net sales to rise 3.1% YoY to ¥5,780mn and operating income of ¥50mn (a loss of ¥151mn in FY3/23 consolidated results) and ordinary loss of ¥0mn (a loss of ¥230mn), with net income of ¥20mn (net loss attributable to owners of parent of ¥237mn). Viewed by 1H and 2H, the forecast for 1H is net sales of ¥2,693mn, operating loss of ¥140mn, ordinary loss of ¥170mn and net loss of ¥142mn, and the forecast for 2H is net sales of ¥3,087mn, operating income of ¥190mn, ordinary income of ¥169mn and net income of ¥162mn. In the Matching Business, a full-scale recovery in new members is expected from 2H due to strengthened advertising investment in 1H. The outlook for the Casual Weddings Business is for the number of events held for the Sma-Kon casual weddings series to be concentrated in 2H. The Regional Revitalization Business is also biased toward 2H. From the aspect of expenses, the Company expects a reduction of land rent through integrating and closing bases (including reduction in head office floor space). As a result, the Company forecasts earnings to improve from 2H, and to be in the black for the full year (all businesses will be profitable).

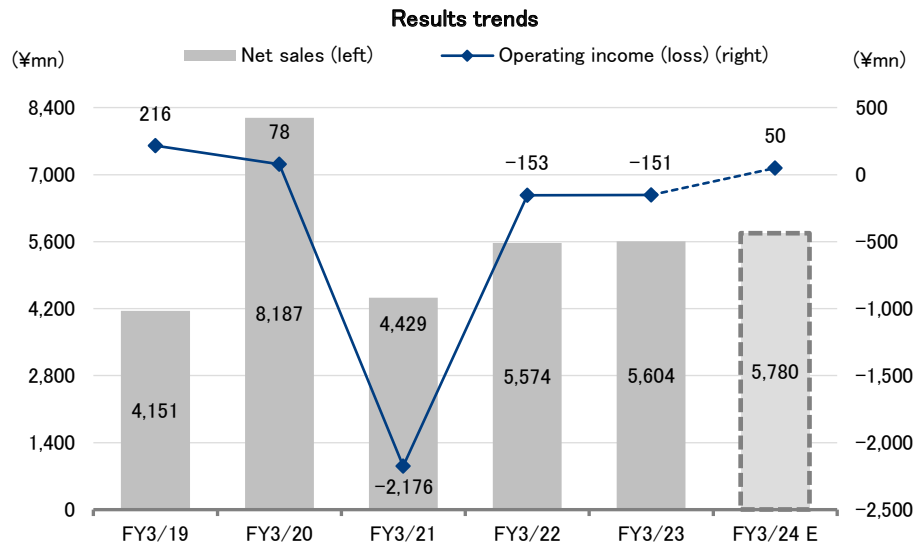
4. Expects medium- to long-term profit improvements due to results of rebuilding of the management foundation

As part of its basic strategy for medium-term growth, the Company aims to shift to a flexible business structure capable of responding rapidly to trends and societal changes, and to build a corporate structure that maintain its footing in the face of COVID-19. Until FY3/22, the Company prioritized management rationalization measures, including curbing advertising investment and reducing fixed costs, as a means of achieving a short-term recovery in performance to eliminate excess debt. Since FY3/23, however the Company has advanced efforts to rebuild its management foundation with an eye to medium- to long-term growth, including by establishing a high earnings structure, enhancing its product competitiveness and strengthening its financial base. In FY3/24, the Company plans to continue structural reforms toward returning to a growth trajectory from FY3/25 onward. Although a fully-fledged recovery in earnings and improvement of the financial base are not forecast until FY3/25 and beyond, we at FISCO believe that the effects of pushing structural reform and rebuilding of the management foundation are commendable for raising expectations of an earnings improvement trend in the medium- to long-term.

Key Points

- Creates high-quality services in four strategic areas, focusing on the Matching Business and Casual Wedding Business
- In FY3/23, reduced losses, EBITDA in the black
- Full year profit expected in FY3/24 with improving trend from 2H
- Commendable for raising expectations of an earnings improvement trend in the medium- to long-term resulting from rebuilding of the management foundation

Summary



Note: Transitioned to non-consolidated financial statements from FY3/24
 Source: Prepared by FISCO from the Company's financial results

Company outline

The corporate philosophy is “For your fine life.”

1. Company outline

The Company creates and provides high quality services required by its customers in four strategic areas, with a focus on matching and casual wedding services, and develops business for the peripheral areas of life and tech and regional revitalization, based on its corporate philosophy of “For your fine life.” and with its Purpose as “We value creativity, kindness and dedication to fulfill people’s heart, and to be a basis of forming a lively society.” As of March 31, 2023, total assets were ¥5,016mn, net assets were ¥150mn, equity ratio 3.0% and total number of issued shares (including 129 treasury shares) was 26,259, 100.

2. History

The Company was established as the former Partner Agent Inc., a wholly owned subsidiary of Take and Give Needs Co., Ltd. <4331>. 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.

Company outline

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, and was merged into the Company through an absorption-type merger in March 2023) 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, and was merged into the Company through an absorption-type merger in March 2022) joined the Group. In such ways, the Company has expended its business areas.

In December 2021, the Company concluded business and capital alliances with FOUR SIS & CO., IKK Holdings Inc. <2198>, and TMS Holdings, respectively. In March 2023, the Company strengthened its capital and business alliance by issuing new shares to TMS Holdings through a third-party allotment.

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.

Tameny Inc. | 20-Jul.-2023
 6181 Tokyo Stock Exchange Growth Market | <https://tameny.jp/en/ir/>

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 Changed to the TSE Growth market in conjunction with the reorganization of TSE's markets
July 2022	Launched CONNECT-ship Party matching party service using platform for connecting members of matching businesses' services
August 2022	Suma-Kon ranked number one in the overall rankings of "Inexpensive Weddings" in the 2022 Oricon Customer Satisfaction Survey
September 2022	Introduced the matching party industry's first system based on an agency fee for successful formation of couples
March 2023	Subsidiary Tameny Art Works was in an absorption-type merger with V-cube, Inc., a corporate event production company, the successor.

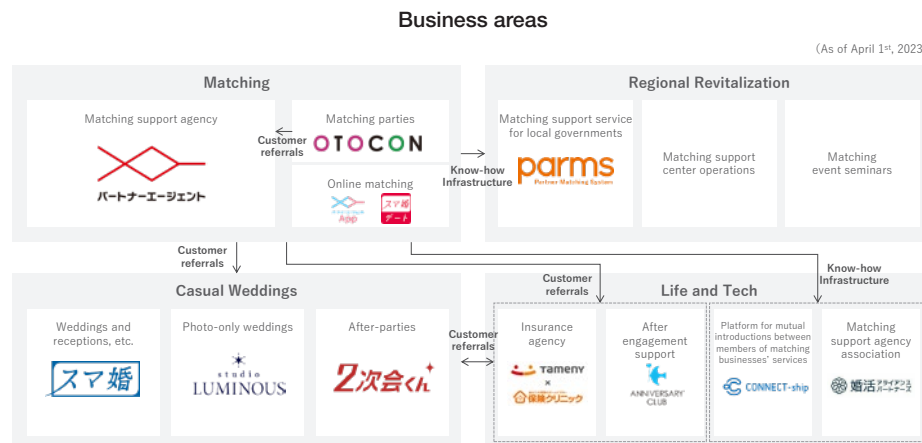
Source: Prepared by FISCO from Company materials

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 of origin are the Matching Business, which includes the matching support agency, online matching support, matching parties and online matching services, etc., and the Casual Wedding Business, which includes the production of casual weddings and receptions, photo-only weddings and after-parties. Peripheral areas include the Life and Tech Business, which offers a platform for mutual introductions between members of matching businesses' services, a matching support agency association, after engagement support and insurance agency, and the Regional Revitalization Business, which includes matching support for local governments and commissioned operation of matching support centers. The Company's strengths are that it provides a comprehensive range of high-quality, high-value-added services, and it has established a high level of reliability and brand recognition, including the highest marriage rate in the industry.



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

FY3/23 net sales (external sales) in the Matching Business decreased 12.2% YoY to ¥2,271mn (40.5% of total net sales), in the Casual Weddings Business increased 11.5% to ¥2,689mn (48.0%) and in the other three businesses increased 12.1% to total ¥642mn (11.5%). The Company made Mation Inc. a Group subsidiary in April 2019 and established the Matching Business and the Casual Wedding Business as its two main pillars. Since FY3/21, the Company was significantly impacted by a voluntary restraint on events due to COVID-19, but as restrictions on movement have loosened, it has seen a gradual recovery in sales. It changed segment classification from FY3/24 and now comprises the Matching Business, Casual Wedding Business, Life and Tech Business and Regional Revitalization Business.

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 Partner Agent matching support agency for members; Partner Agent ONLINE, an online matching support agency; the Partner Agent App, a completely app-based matching support agency (the service name changed in February 2022 from what was the online matching support agency Sma-Kon Enmusubi series launched in January 2021) and the OTOCON matching party service.

The matching support agency Partner Agent offers intermediary services to support matching up to engagement with its highly skilled specialists and proprietary matching system mainly 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 various types of support provided by 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). The rate was about 27.0% in FY3/20 according to a survey conducted in February 2023 by Digital Rights Consulting INC., average rate for the two major matchmaking agencies about 12.0% according to the Company, and the average engagement rate for Japan in general is about 5.9%, according to the Company's calculation based on the Population Census). In January 2023, the Company changed eligibility requirements for membership to 20 years of age or older (previously, men had been 22 to 64 and women 20 to 54) to provide marriage opportunities to a wider range of customers.

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.

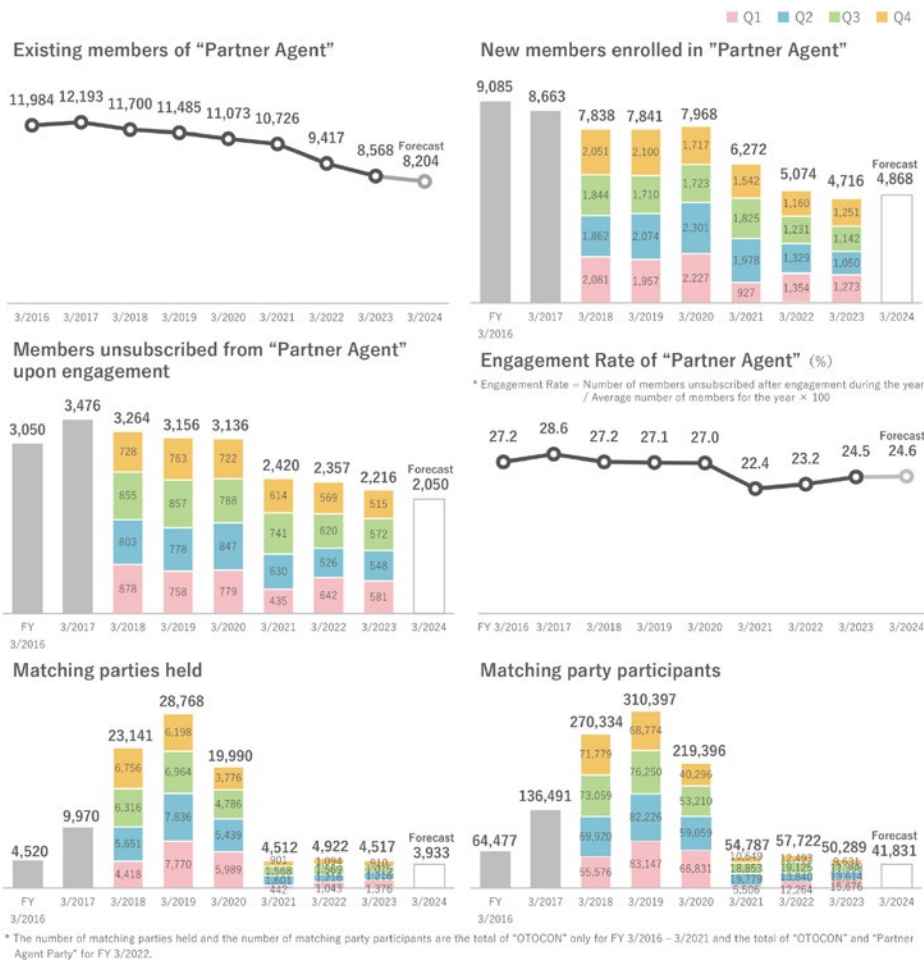
Partner Agent App, the completely app-based matching support agency, was developed against the backdrop of the increased need for online meeting places, based on expertise the Company had cultivated in managing the Sma-Kon Date matching support app. It also provides a light plan that is the least expensive in the industry (a monthly fee of ¥1,000, with standard plans starting from ¥9,800 a month).

The OTOCON matching party service serves as entry-level service to the Partner Agent matching support agency, providing matching parties for men and women who genuinely want to marry and who want to feel at ease attending. The number of OTOCON parties held and the number of participants steadily increased until FY3/19, exceeding a cumulative total of more than 1.3mn people since starting the events in 2013, 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. Following a revision to the Civil Code dated 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.

Business description

The conditions of the main KPI in the Matching Business are described below. The number of new members of the Partner Agent matching support agency had been on a downward trend as a result of the Company's restrained investment in advertising in light of the impact of COVID-19, but the number of new members bottomed out at 1,050 in 2Q FY3/23 (down 21% YoY), and recovered to 1,142 in 3Q (down 7% YoY) and 1,251 in 4Q (up 8% YoY). In 4Q, the business turned around to improve YoY as a result of factors such as the resumption of advertising on mass transportation. Going forward, there is expected to be a recovery in the number of new members, although there will be a time lag due to the withdrawal of members who have not achieved results after a long period of time, and the number of enrolled members is expected to begin to recover. Even though it felt the impact of COVID-19, the engagement rate remains in the 20% range, which is a level higher than the industry average. The forecast is to continue for the time being holding about the same number of OTOCON matchmaking parties, which had been strategically reduced since FY3/20, even before COVID-19, to optimize operations and improve service quality.

The business KPI in the Matching Business



Source: The Company's results supplemental materials

Business description

As new option services 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 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."

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 business and capital alliances with TMS Holdings and IKK Holdings Inc. in December 2021, thereby building a strong cooperative relationship.

In April 2022, the Company established Matching Alliance Partners, a matching support agency association. It enables 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 also enables 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. In addition, in April 2022, it opened a marriage support center exclusively for those who come of age.

In July 2022, the Company also launched CONNECT-ship Party, matching parties utilizing the CONNECT-ship platform for mutual introductions between members of matching businesses' services. In September 2022, the OTOCON matching party service introduced the industry's first system for no-fee matching party participation based on an agency fee for successful formation of couples.

Ranked number one in the overall rankings of "Inexpensive Weddings" in the 2022 Oricon Customer Satisfaction Survey

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.

Business description

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 ¥3.04mn (according to the Zexy 2022 marriage trend survey), the average cost of a Sma-Kon reception is only approximately ¥2mn. In August 2022, Sma-Kon won first place in the 2022 Oricon Customer Satisfaction Survey “Cheap Wedding” overall ranking.

Moreover, the Group is not only advancing the planning, development, and provision of new plans and services in response to the increasing 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 plan for a wedding with only a small number of people, and then in February 2022, it began accepting orders for Sma-Kon photos + weddings, a set plan of the Sma-Kon small wedding ceremony and family photos (photos in kimonos taken after the ceremony). In January 2023, the Company began offering Sma-flower & table coordinate, which fulfills the bride and groom’s vision of beauty and hospitality. Going forward, the Company’s 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 approximately ¥400,000.

The LUMINOUS photo-only wedding service involves holding photo shoots at six locations nationwide 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 produce and photography cost is approximately ¥300,000. Customers can experience a ceremony just like an actual ceremony, but for less than approximately one tenth of the cost of a typical wedding reception.

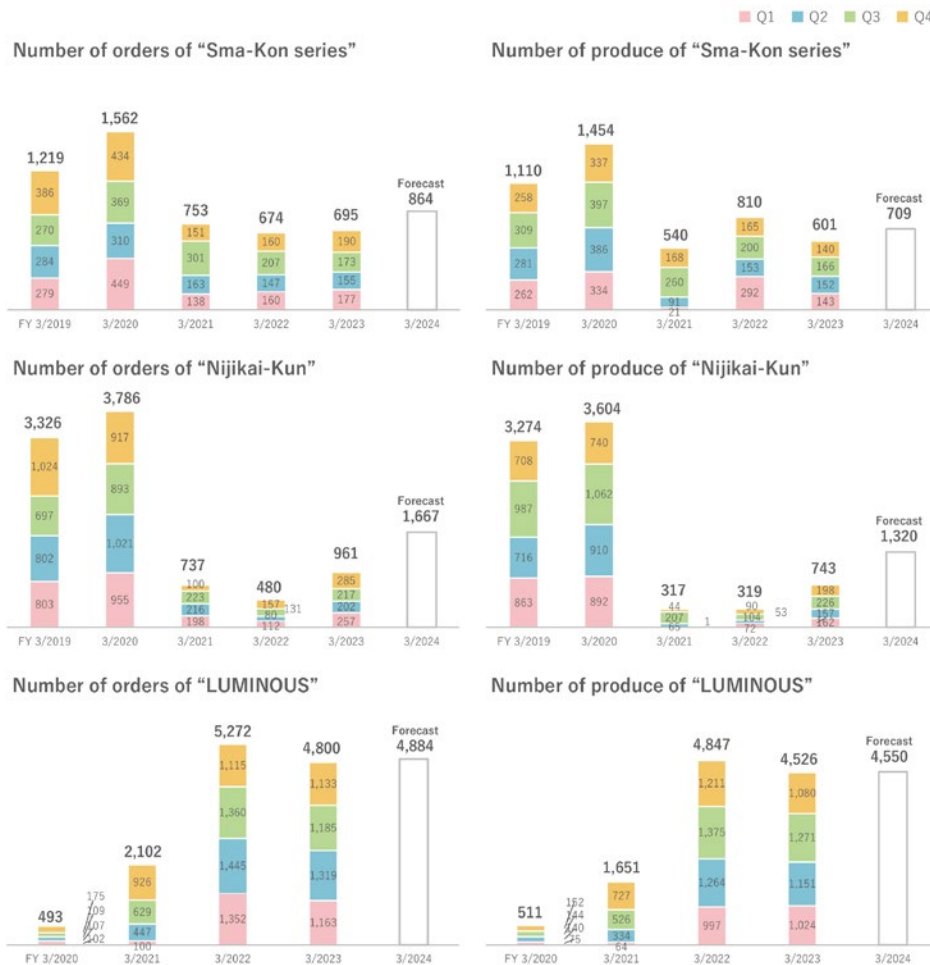
The LUMINOUS photo-only wedding service concluded a business alliance with bridal company ESCRIT INC. <2196> in November 2020. With the addition of ESCRIT’s high-quality chapels and venues, the Company is now able to develop this business nationwide, as LUMINOUS photo-only wedding venues had previously been limited to metropolitan Tokyo. In June 2021, the Company opened its own studio in Osaka (the first in Kansai) as a sixth base. In addition, it appears that the average sales price is rising through the addition of high-value-added services, including a special plan for photographs in kimono prior to the actual ceremony. In December 2022, the Company began offering “the Anniversary Photo Plan” and “the Once More Photo Plan,” providing a way to continually memorialize in photos the evolution of a family over time. It intends to attract groups of customers who wish to keep a commemorative photo for each stage of their lives and those who would like to enjoy a second photo shoot wearing a dress again. 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.

Business description

The Company will strengthen measures to raise the operation rate and increase prices for the LUMINOUS photo-only wedding service against the backdrop of a trend towards a return to wedding and reception-style weddings. For the time being, the Company plans to hold off on opening new bases by itself, and will instead provide expertise, consulting and joint operations to hotels, wedding halls and other businesses that wish to bolster their photo wedding services.

The conditions of the main KPI in the Casual Wedding Business are as follows. For the Sma-Kon production service for casual weddings and receptions, the impact of COVID-19 caused the numbers of contracts concluded and weddings held to slump significantly, but as the influence of the pandemic abated in FY3/23, the service made a turnaround, increasing the number of contracts concluded by 21 YoY to reach 695. As there is a time lag of roughly eight months from the time of a contract conclusion through to a wedding, the forecast for FY3/24 is for an increase in weddings held in conjunction with the increase in contracts concluded. For Nijikai-Kun after-parties, the number of contracts concluded in FY3/23 increased by 481 YoY to 961, and the number of events held increased by 424 to 743, not reaching the pre-COVID-19 level, but recovering faster than Sma-Kon. Growth was slightly sluggish for the LUMINOUS photo-only wedding service due to a return to wedding receptions following the easing of restrictions from the impact of COVID-19 in addition to fiercer competition.

Business KPI Casual Wedding Business



Source: The Company's results supplemental materials

Life and Tech Business includes mutual introductions between members of matching businesses' services

4. Life and Tech Business

The main services in the Life and Tech Business include the management, etc. of the CONNECT-ship platform for mutual introductions between members of matching businesses' services, which had been part of the previous Tech Business, and Matching Alliance Partners, a matching support agency association, which had been part of the previous Lifestyle Business together with the conventional post-engagement support, insurance agency, etc.

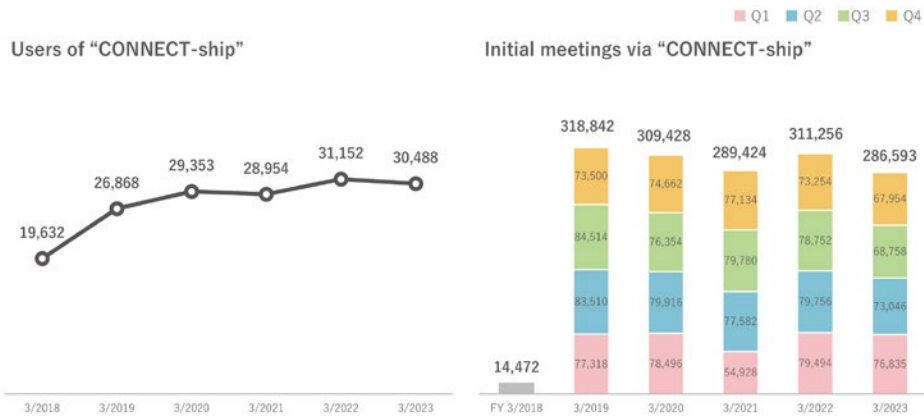
CONNECT-ship was launched as an industry-first service in June 2017, with the aim of being an open platform that would create the most matches in Japan; it is Japan's largest platform for mutual introductions between members of matching businesses' services. Its goals are to increase opportunities for members to meet and to maximize engagements through mutual introductions between members of matching businesses' services. As of the end of FY3/23, the platform was being used by 12 companies, including the Partner Agent matching support agency, and by 30,488 people (the total number of members of the businesses using the platform is more than 95,000 people). In FY3/23, the total number of matches arranged grew to 286,593. With regards to the monetization of CONNECT-ship, it previously obtained fees for arranging a match, but since FY3/22, it has lowered the fee for matches arranged and instead changed to a new monthly usage fee.

The main services provided by what was 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), a housing information service, and financial planning services, and it obtains services usage fees, customer referral fees, and other fees. In November 2020, to create new services, the Company concluded a business alliance with Broad-minded Co., Ltd., which provides financial partner services.

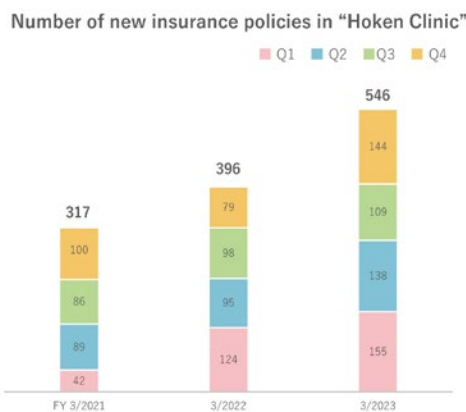
The number of new insurance contracts issued by the insurance agency Tameny x Hoken Clinic increased from 317 in FY3/21 and 396 in FY3/22 to 546 in FY3/23. Going forward, the policy is to pursue synergies by utilizing the contact point of brides and grooms, namely the approximately 7,400 couples matched annually in the Matching Business and the Casual Wedding Business (in FY3/23, approximately 1,600 couples became engaged in the Matching Business and weddings were produced for around 5,800 couples in the Casual Wedding Business).

Business description

Business KPI Life and Tech Business



FY	3/2021	3/2022	3/2023
"Hoken Clinic", insurance agency			
Number of new insurance policies	317	396	546



Source: The Company's results supplemental materials

5. Regional Revitalization Business

In the Regional Revitalization Business, the Company provides the parms matching support service for local governments and operates marriage activity support centers for local governments on consignment, etc. In March 2023, the Company handed over (business transfer) its Evemon corporate event production business to V-cube, Inc. <3681>.

Business description

In the parms matching support service for local governments, the Company customizes the matching support system developed in-house to support the matching conducted by local governments. As of the end of FY3/23, the service has been introduced in 11 prefectural governments (in order of contracts concluded, Fukushima Prefecture, Kyoto Prefecture, Saitama Prefecture, Akita Prefecture, Fukui Prefecture, Ibaraki Prefecture, Miyagi Prefecture, Aomori Prefecture, Shiga Prefecture, Oita Prefecture and Hyogo Prefecture). Of the prefectures (33 as of May 2023) with a matching system in place, the Company's system has been adopted by 33.3% of them. The Company also provides Kyoto Prefecture with a new version of parms equipped with AI functions. Of the 11 prefectures using the Company's system, the Company has also been commissioned to manage the matching support centers in Kyoto, Miyagi and Shiga prefectures. The Company was also commissioned to provide services for an online marriage support center in Hokkaido in April 2023 (operations will begin in June 2023). Moreover, Kyoto Prefecture commissioned the Company for the second consecutive year to operate, manage, etc. the Kyoto Konkatsu Ouen Center marriage support center (consignment period from April 1, 2023 to March 31, 2024).

In addition, the Company is seeing an increase in requests from local governments to plan and hold events and seminars. Most recently, in June 2022, the Company was commissioned by Wakayama Prefecture to plan and operate matching support projects and by Akita Prefecture for projects to improve matching support skills and to help improve the ability of singles in their search for marriage partners. In September 2022, the Company was also commissioned by the Hyogo Deai Support Center for its public-private partnership matchmaking event project. In FY3/23, the Company held 45 events or seminars, an increase of 6 YoY.

Has established high levels of reliability and brand name recognition

6. Features and strengths

With the matching support agency as the starting point, it is developing a wide range of multi-directional, one-stop 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 in the Life and Tech Business, and its features and strengths include its high levels of reliability and brand name recognition.

The Partner Agent matching support agency realizes 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 photo only wedding and after-party total production services. 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 recognition 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 recognition, it intends to build a structure to provide multi-directional services that meet all customer's needs and to develop its businesses.

Business description

7. 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.

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, instead of the conventional, expensive wedding reception with large attendance, there are growing needs among couples who want to have a casual wedding with only a few guests 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 this reason, it is strengthening measures to promote receptions during the quiet season. Also, because many weddings involve long periods of time—in general, about eight months from engagement to wedding—this creates a time lag between the engagement and when actual sales are recorded.

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. The impact of COVID-19 has gradually lessened and results are recovering, so its policy is to resume investment towards growth.

Business trends

In FY3/23, reduced losses, EBITDA in the black

1. Summary of FY3/23 results

In FY3/23 consolidated results, net sales increased 0.5% year on year (YoY) to ¥5,604mn, with operating loss of ¥151mn (a loss of ¥153mn in the previous fiscal year), ordinary loss of ¥230mn (a loss of ¥218mn) and net loss attributable to owners of parent of ¥237mn (a loss of ¥320mn). Net sales were flat YoY due to factors such as the lingering impact of COVID-19 and a time lag between orders received and holding ceremonies in the Casual Weddings Business, but the operating loss was slightly lower due to a reduction in SG&A expenses resulting from management rationalization such as optimization of personnel allocation and integrating and closing bases. SG&A expenses decreased by ¥230mn (5.2%) YoY. Advertising and sales promotion expenses increased by ¥110mn due to the phased resumption of advertising, but personnel expenses decreased by ¥220mn due to a decrease in personnel and improved productivity, rent expenses on land and buildings decreased by ¥40mn due to integrating and closing bases, and other expenses decreased by ¥70mn. Under extraordinary income, the ¥88mn gain on sale of shares of subsidiaries and associates booked in the previous fiscal year was lost, but a ¥122mn gain on sale of businesses was recorded. Under extraordinary losses, impairment loss increased ¥70mn but loss on temporary business closure decreased ¥74mn.

Despite continuing to post an operating loss, EBITDA returned to the black in 2Q FY3/22 due to management rationalization and restraints on advertising restraints, and all four quarters in FY3/23 were in the black despite a gradual strengthening of advertising. It's fair to say that earnings are on an improving trend.

In FY3/23 business segment classification was divided into the five segments of the Matching Business, Casual Wedding Business, Tech Business, Lifestyle Business and Corporate and Local Governments Business.

Summary of FY3/23 results

	(¥mn)		
	FY3/21	FY3/22	FY3/23
Net sales	4,429	5,574	5,604
Operating income (loss)	-2,176	-153	-151
Ordinary income (loss)	-2,089	-218	-230
Net income (loss) attributable to owners of parent	-2,316	-320	-237
Net sales by segment			
Matching Business	2,665	2,590	2,272
Casual Wedding Business	1,394	2,412	2,690
Tech Business	145	138	168
Lifestyle Business	53	70	70
Corporate and Local Governments Business	188	389	421
Adjusted amount	-18	-26	-20
Operating income (loss) by segment			
Matching Business	196	805	587
Casual Wedding Business	-1,064	-212	-229
Tech Business	-23	51	64
Lifestyle Business	-44	18	25
Corporate and Local Governments Business	16	88	75
Adjusted amount	-1,257	-904	-675

* As the business segments were changed from FY3/22, the business segments for FY3/21 use the new categorization method

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

Business trends

2. Trends by business

The main indicators in each business

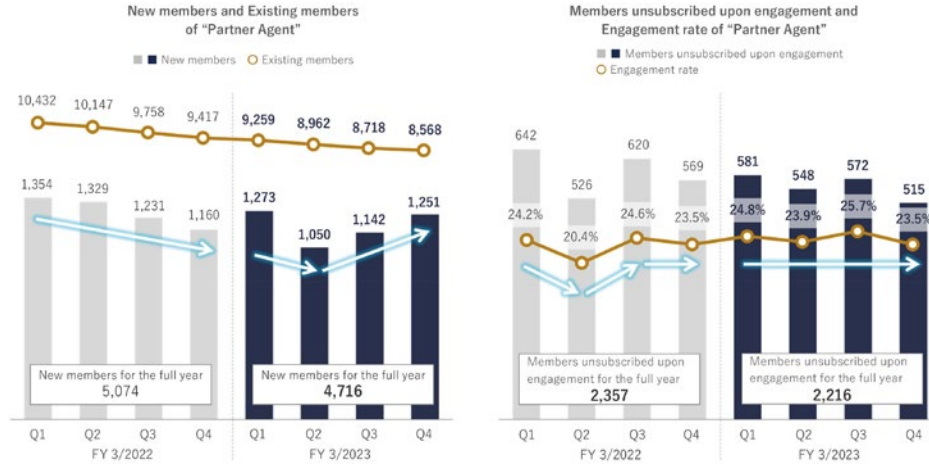
	FY3/21	FY3/22	FY3/23
Matching Business			
Number of new members	6,272	5,074	4,716
Number of withdrawals due to becoming engaged	2,420	2,357	2,216
Engagement rate	22.4	23.2	24.5
Number of members at end of period	10,726	9,417	8,568
Number of parties held	4,512	4,922	4,517
Number of party participants	54,787	57,722	50,289
Casual Wedding Business			
Number of contracts concluded			
Sma-Kon series	753	674	695
Nijikai-Kun	737	480	961
LUMINOUS	2,102	5,272	4,800
Number of events held			
Sma-Kon series	540	810	601
Nijikai-Kun	317	319	743
LUMINOUS	1,651	4,847	4,526
Other Business			
Number of CONNECT-ship members at end of period	28,954	31,152	30,488
Number of CONNECT-ship matchmakings arranged	289,424	311,256	286,593
Number of companies using CONNECT-ship	12	12	12
Number of new insurance contracts	317	396	546

Source: Prepared by FISCO from the Company's FACTBOOK

In the Matching Business, net sales decreased 12.3% YoY to ¥2,272mn, while operating income (operating income before adjustments for Company-wide costs, etc.) decreased 27.0% to ¥587mn. As a result of the Company curbing advertising and sales promotion costs due to the impact of COVID-19, the number of new members and memberships in the Partner Agent matching support agency declined. The number of new members fell 7.1% YoY to 4,716, while the number of active members at the end of the fiscal year fell 9.0% YoY to 8,568. Advertising investment in the Matching Business resumed in June 2022 with transportation advertising primarily in the Tokyo metropolitan area, and was expanded to the Tokai and Kansai regions in September 2022, and the number of new members underwent a turnaround to increase as a result of the gradual strengthening of advertising. The number of matching parties held decreased 8.2% to 4,517, while the number of participants was down 12.9% to 50,289. The Company decided to strategically decrease the number of parties held in order to optimize management and to improve service quality, but the number of customers sent from matching parties to a matching support agency was up 24.4% to 495 people.

Business trends

Matching Business The main management indicators

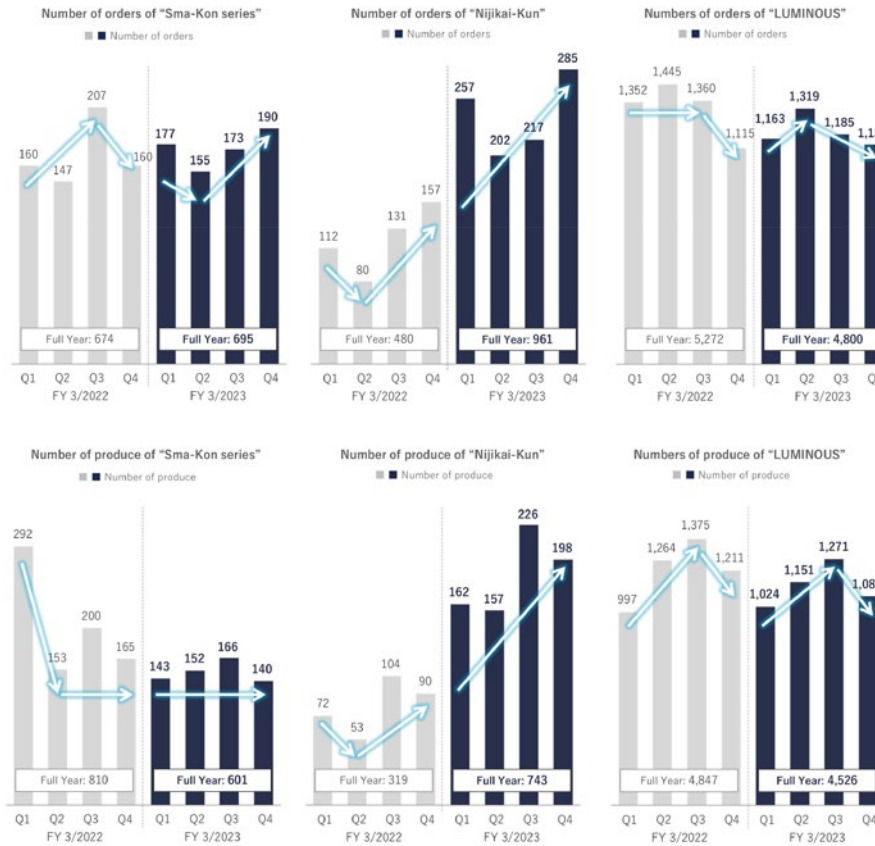


Source: Reprinted from the Company's results briefing materials

In the Casual Wedding Business net sales increased 11.6% YoY to ¥2,690mn, with operating loss of ¥229mn due to the recording of amortization of goodwill of ¥152mn was recorded (a loss of ¥212mn in the previous fiscal year). The number of contracts concluded for Nijikai-Kun after-parties increased 100.2% to 961, and the number of events held increased 132.9% YoY to 743, strengthening the recovery trend. The number of contracts for the Sma-Kon series of casual weddings and receptions held increased 3.1% YoY to 695, putting it on a gradual recovery trend, but the number of weddings held decreased 25.8% to 601, which was associated with the time lag. In the LUMINOUS photo-only wedding business, the number of contracts concluded decreased 9.0% YoY to 4,800 and the number of events held decreased 6.6% to 4,526. Although the number of contracts concluded and weddings held was sluggish for photo-weddings, this was due to the return to weddings and receptions, as well as the effects of fierce competition, and the unit price per event rose due in part to better quality wedding costumes.

Business trends

Casual Wedding Business The main management indicators



Source: Reprinted from the Company's results briefing materials

In the Tech Business, net sales increased 21.6% YoY to ¥168mn and operating income was up 25.9% to ¥64mn. The number of paid users of the CONNECT-ship platform for mutual introductions between members of matching businesses' services increased due to the addition of new members (TMS Connect joined in April 2022, but one more operator left, so the number of member companies at the end of the period remained unchanged YoY at 12). Moreover, contributions came from Matching Alliance Partners, a matching support agency association, established in April 2022, and CONNECT-Ship Party, a matchmaking party using CONNECT-ship, launched in July 2022. In the Lifestyle Business, net sales increased 0.5% YoY to ¥70mn and operating income increased 33.5% to ¥25mn. The number of new insurance contracts steadily increased (up 37.9% to 546). In the Corporate and Local Governments Business, net sales increased 8.2% YoY to ¥421mn and operating income decreased 14.1% to ¥75mn. For local governments, the introduction of the parms system for matching support expanded, but for Evemon corporate event production, the number of events held fell due to the drop in demand for year-end parties. The Evemon business was transferred at the end of March 2023.

3. Financial position

Looking at the Company's financial position, at the end of FY3/23 total assets were down ¥316mn from the end of the previous fiscal period to ¥5,016mn. Goodwill decreased by ¥152mn and software under non-current assets decreased ¥129mn. Total liabilities were down ¥229mn from the end of the previous fiscal period to ¥4,865mn. Total short- and long-term borrowings decreased ¥180mn. The balance of short- and long-term borrowings was ¥4,062mn. Net assets decreased ¥86mn YoY to ¥150mn. Capital surplus decreased ¥237mn and retained earnings increased ¥150mn. As a result, the equity ratio was down 1.5 percentage points YoY to 3.0%.

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

Tameny Inc. | 20-Jul.-2023
 6181 Tokyo Stock Exchange Growth Market | <https://tameny.jp/en/ir/>

Business trends

In February 2023, the Company concluded an additional capital and business alliance agreement with TMS Holdings and raised ¥147mn through a third-party allocation of new shares to TMS Holdings (payment completed in March 2023). Although recovering a stable financial base remains an issue, we at FISCO believe that this funding will lower risk from a financial aspect for the time being.

The main management indicators

	(¥mn)				
	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23
Net sales	4,151	8,187	4,429	5,574	5,604
Cost of sales	1,778	4,062	875	1,302	1,562
Gross profit	2,372	4,125	3,553	4,271	4,042
Gross profit margin	57.2%	50.4%	80.2%	76.6%	72.1%
SG&A expenses	2,156	4,046	5,729	4,425	4,193
SG&A expenses ratio	51.9%	49.4%	129.4%	79.4%	74.8%
Operating income (loss)	216	78	-2,176	-153	-151
Operating income margin	5.2%	1.0%	-	-	-
Non-operating income	18	46	161	21	4
Non-operating expenses	26	83	74	87	83
Ordinary income (loss)	208	41	-2,089	-218	-230
Ordinary income margin	5.0%	0.5%	-	-	-
Extraordinary income	1	105	66	334	363
Extraordinary losses	44	103	255	424	387
Net income (loss) before income taxes	165	42	-2,278	-309	-254
Total income taxes	79	40	38	11	-17
Net income (loss) attributable to owners of parent	90	2	-2,316	-320	-237
Ratio of net income attributable to owners of parent	2.2%	0.0%	-	-	-
Comprehensive income (loss)	83	3	-2,313	-321	-237
Total assets	3,382	5,478	5,067	5,332	5,016
Current assets	2,059	1,999	1,479	2,065	2,311
Non-current assets	1,322	3,477	3,587	3,266	2,705
Total liabilities	2,404	4,452	5,467	5,095	4,865
Current liabilities	1,132	1,873	2,464	2,045	2,255
Non-current liabilities	1,271	2,579	3,002	3,049	2,610
Total net assets	978	1,025	-399	237	150
Shareholders' equity	981	1,027	-400	237	150
Share capital	255	263	684	44	44
Total number of shares issued at end of period excluding treasury shares	10,153,371	10,487,571	16,213,571	24,981,871	26,258,971
Net income per share (¥)	8.99	0.25	-202.70	-15.28	-9.49
Net assets per share (¥)	96.39	97.81	-24.65	9.50	5.73
Dividend per share (¥)	0	0	0	0	0
Equity ratio	28.9%	18.7%	-7.9%	4.5%	3.0%
Return on Equity (ROE)	9.8%	0.3%	-739.9%	-	-122.4%
Cash flows from operating activities	374	232	-1,514	-22	69
Cash flows from investing activities	-180	-1,861	-447	-134	71
Cash flows from financing activities	464	1,462	1,483	841	-67
Balance of cash and cash equivalents at the end of the period	1,207	1,040	562	1,246	1,319

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

Full year profit expected in FY3/24 with improving trend from 2H

● Summary of the FY3/24 full-year consolidated results forecasts

The Company makes the following forecast for its non-consolidated earnings for FY3/24 (Tameny Art Works Inc. was absorbed, Tameny Agency Inc. made a non-consolidated subsidiary and the Company transitioned to non-consolidated financial statements and changed its segment classification), with net sales expected to rise 3.1% compared to consolidated results from the previous fiscal year to ¥5,780mn, operating income of ¥50mn (compared to a loss of ¥151mn in consolidated results in the previous fiscal year), ordinary income of ¥0mn (a loss of ¥230mn) and net income of ¥20mn (net loss attributable to owners of parent of ¥237mn).

Viewed by 1H and 2H, the forecast for 1H is net sales of ¥2,693mn, operating loss of ¥140mn, ordinary loss of ¥169mn and net loss of ¥142mn, and the forecast for 2H is net sales of ¥3,087mn, operating income of ¥190mn, ordinary income of ¥170mn and net income of ¥162mn. In the Matching Business, a full-scale recovery in new members is expected from 2H due to strengthened advertising investment in 1H. The outlook for the Casual Weddings Business is for the number of events held for the Sma-Kon casual weddings series to be concentrated in 2H. The Regional Revitalization Business is also biased toward 2H. From the aspect of expenses, the Company expects a reduction of land rent through integrating and closing bases (including a reduction in head office floor space) to be generated from 2H. As a result, the Company forecasts earnings to improve from 2H, and to be in the black for the full year (all businesses will be profitable).

Summary of the FY3/24 full-year consolidated results forecasts

	FY3/22 results		FY3/23 results		FY3/24 non-consolidated earnings forecast		
	Consolidated Full year	Consolidated Full year	Non-consolidated Full year	1H	2H	Full-year	
Net sales	5,574	5,604	3,988	2,693	3,087	5,780	
Operating income (loss)	-153	-151	-39	-140	190	50	
Ordinary income (loss)	-218	-230	-114	-169	170	0	
Net income	-320	-237	-804	-142	162	20	

Note: Loss on debt forgiveness of ¥650mn was recorded under extraordinary losses for FY3/23 in the non-consolidated financial statements for Tameny Art Works Inc.

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

Outlook

FY3/24 forecasts by segment

(billions of yen)

Former segments		FY 3/2023 Result		New segments	FY 3/2024 Forecast
Matching Business	Net sales	2.27		Matching Business	2.22
	Operating income	0.58			0.54
Casual Wedding Business	Net sales	2.69		Casual Wedding Business	3.21
	Operating income	(0.22)			0.00
Tech Business	Net sales	0.16	Integration	Life and Tech Business	0.25
	Operating income	0.06			0.03
Lifestyle Business	Net sales	0.07		Regional Revitalization Business	0.15
	Operating income	0.02	Demerger of the corporates business		0.02
Corporates and Local Governments Business	Net sales	0.42			
	Operating income	0.07			

* In Life and Tech Business and Matching Business, intersegment transactions (brokerage commissions for customer referral arrangements from Matching Business to Life and Tech Business) occurs from FY 3/2024

Source: Reprinted from the Company's results briefing materials

Full-year targets in each business by main indicators

(¥mn)

	FY3/23	FY3/24 forecast
Matching Business		
Number of new members	4,716	4,868
Number of members at end of period	8,568	8,204
Casual Wedding Business		
Number of contracts concluded		
Sma-Kon series	695	864
Nijikai-Kun	961	1,667
LUMINOUS	4,800	4,884
Number of events held		
Sma-Kon series	601	709
Nijikai-Kun	743	1,320
LUMINOUS	4,526	4,550

Source: Prepared by FISCO from Company materials

■ Growth strategy

Expects medium- to long-term profit improvements due to results of rebuilding of the management foundation

As part of its basic strategy for growth, the Company aims to shift to a flexible business structure capable of responding rapidly to trends and societal changes, and to build a corporate structure that maintain its footing in the face of COVID-19. Until FY3/22, the Company prioritized management rationalization measures, including curbing advertising investment and reducing fixed costs, as a means of achieving a short-term recovery in performance to eliminate excess debt. The Company has advanced efforts from FY3/23 onward to rebuild its management base with an eye to medium- to long-term growth, including by establishing a high earnings structure, enhancing its product competitiveness and strengthening its financial base. Furthermore, in FY3/24 the Company plans to continue structural reforms to return to a growth path from FY3/25.

In terms of its management structure, as the Company reached a certain level of recovery in short-term performance, it implemented a change in representative directors as of October 1, 2022. Further, as the key to its medium- to long-term strategy, the Company has defined its Purpose as “We support the realization of a vibrant society by satisfying people’s hearts with our creativity, compassion, and hospitality.”

Although a fully-fledged recovery in earnings and improvement of the financial base are not forecast until FY3/25 and beyond, we at FISCO believe that the effects of pushing structural reform and rebuilding of the management foundation are commendable for raising expectations of an earnings improvement trend in the medium- to long-term.

■ Shareholder return policy

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

Regarding a shareholder return policy, as the Company is still at the point of investing for the future, it does not currently pay a dividend. However, it does offer a shareholder benefits program for shareholders holding at least one unit (100 shares) as of September 30 of each year. Depending on the number of shares held, shareholders receive gift coupons that can be used for various services offered by the Company. The Company has decided that it is in the best interest of shareholders to quickly restore business performance and return to a growth path, so has temporarily halted providing gift points that can be used in the Tameny Premium Benefits Club exclusively for shareholders.

Shareholder return policy

Changes to the shareholder benefit system

(Changes are underlined)

	Before change	After change
Gift coupons	Partner Agent/ <u>Partner Agent ONLINE</u>	Partner Agent
	Free gift coupon at the time of registering membership x 1 (Note 1)	Free membership coupon (valued at ¥30,000 (excluding tax) x 1
	Sma-Kon	Sma-Kon
	Discount coupons valued at ¥50,000 (excluding tax) x 4 (Note 2)	Discount coupons valued at ¥50,000 (excluding tax) x 4 (Note 2)
	Nijikai-Kun	Nijikai-Kun
	Discount coupons valued at ¥30,000 (excluding tax) x 2 (Note 3)	Discount coupons valued at ¥30,000 (excluding tax) x 2 (Note 3)
	Wedding photos LUMINOUS	Wedding photos LUMINOUS
	Discount coupons valued at ¥20,000 (excluding tax) x 1	Discount coupons valued at ¥20,000 (excluding tax) x 1
	Money Sodankai	Money Sodankai
	Free participation coupon x 1	Free participation coupon x 1
<u>Gift points</u>	<u>LUMINOUS Les Bijoux (jewelry)</u>	<u>Abolished</u>
	Discount coupons valued at ¥30,000 (excluding tax) x 3	<u>Abolished</u>
	<u>Gift points that can be used in the Tameny Premium Benefits Club</u>	<u>Abolished</u>

Note 1: Free gift coupon at the time of registering membership means the ¥30,000 joining fee (excluding tax) at the time of registering membership at Partner Agent and ¥10,000 fee (excluding tax) at Partner Agent ONLINE will be free of charge.

Note 2: One Sma-kon discount coupon can be used for payments excluding tax of ¥500,000 or more but under ¥1mn; 2 coupons can be used for payments of ¥1mn or more but under ¥1.5mn; 3 coupons can be used for payments of ¥1.5mn or more but under ¥2mn; and 4 coupons can be used for payments of ¥2mn or more.

Note 3: One Nijikai-Kun discount coupon can be used for payments excluding tax of ¥300,000 or more but under ¥600,000 and 2 coupons can be used for payments of ¥600,000 or more.

Source: Reprinted from the Company's media release

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. The Company's entire business can also be said to contribute to society as a whole though measures to address the declining birthrate and regional revitalization.

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

FISCO Ltd. ("FISCO") offer stock price and index information for use under the approval of the Tokyo Stock Exchange, the Osaka Stock Exchange and Nikkei Inc.

This report is provided solely for the purpose of offering information, and is not a solicitation of investment nor any other act or action.

FISCO prepared and published this report based on information which it considered reliable; however, FISCO does not warrant the accuracy, completeness, fitness nor reliability of the contents of this report or the said information.

The issuers' securities, currencies, commodities, securities and other financial instruments mentioned in this report may increase or decrease in value or lose their value due to influence from corporate activities, economic policies, world affairs and other factors. This report does not make any promises regarding any future outcomes. If you use this report or any information mentioned herein, regardless of the purpose therefor, such use shall be made based on your judgment and responsibility, and FISCO shall not be liable for any damage incurred by you as a result of such use, irrespective of the reason.

This report has been prepared at the request of the company subject hereto based on the provision of information by such company through telephone interviews and the like. However, the hypotheses, conclusions and all other contents contained herein are based on analysis by FISCO. The contents of this report are as of the time of the preparation hereof, and are subject to change without notice. FISCO is not obligated to update this report.

The intellectual property rights, including the copyrights to the main text hereof, the data and the like, belong to FISCO, and any revision, reprocessing, reproduction, transmission, distribution or the like of this report and any duplicate hereof without the permission of FISCO is strictly prohibited.

FISCO and its affiliated companies, as well as the directors, officers and employees thereof, may currently or in the future trade or hold the financial instruments or the securities of issuers that are mentioned in this report.

Please use the information in this report upon accepting the above points.

■ For inquiry, please contact: ■

FISCO Ltd.

5-13-3 Minami Aoyama, Minato-ku, Tokyo, Japan 107-0062

Phone: 03-5774-2443 (IR Consulting Business Division)

Email: support@fisco.co.jp