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February 12, 2025

Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 6071
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 Scheduled date of annual general meeting of shareholders: March 27, 2025
 Scheduled date of commencing dividend payments: March 28, 2025
 Scheduled date of filing annual securities report: March 27, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated quarterly financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	17,739	0.5	2,579	15.6	2,561	11.7	1,523	-6.5
December 31, 2023	17,649	19.9	2,230	11.9	2,292	11.8	1,629	9.1

Note: Comprehensive income For the fiscal year ended December 31, 2024: ¥1,835 million [78.2%]
 For the fiscal year ended December 31, 2023: ¥1,029 million [-35.3%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales ratio
	Yen	Yen	%	%	%
December 31, 2024	40.16	—	19.2	14.0	14.5
December 31, 2023	40.84	—	21.7	14.4	12.6

Reference: Equity in earnings (losses) of affiliates For the fiscal year ended December 31, 2024: ¥— million
 For the fiscal year ended December 31, 2023: ¥— million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2024	18,465	8,970	45.4	221.93
December 31, 2023	18,120	8,023	41.1	192.02

Reference: Equity
 As of December 31, 2024: ¥8,386 million
 As of December 31, 2023: ¥7,447 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Ending balance of cash and cash equivalents
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2024	1,309	-357	-1,385	4,373
December 31, 2023	3,517	-4,165	1,608	4,805

2. Dividends

	Annual dividends per share					Total dividends (total)	Payout ratio (consolidated)	Dividends to net assets ratio (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
December 31, 2023	–	0.00	–	6.00	6.00	232	14.7	3.2
December 31, 2024	–	0.00	–	8.00	8.00	302	19.9	3.9
Fiscal year ending December 31, 2025 (Forecast)	–	–	–	–	–		–	

Note: The Company's Articles of Incorporation stipulate the last day of the second quarter and the end of the fiscal year as the record date for dividends. At present, however, the dividend forecast as of the record date has not been determined.

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

(Percentages indicate year-on-year changes.)

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

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: – companies (–)

Excluded: – companies (–)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (ordinary shares)

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

As of December 31, 2024	42,000,000 shares
As of December 31, 2023	42,000,000 shares

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

As of December 31, 2024	4,212,206 shares
As of December 31, 2023	3,217,506 shares

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

Fiscal year ended December 31, 2024	37,935,680 shares
Fiscal year ended December 31, 2023	39,902,867 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
December 31, 2024	7,506	-0.2	1,510	2.0	2,315	43.2	1,714	29.3
December 31, 2023	7,523	7.0	1,481	7.2	1,616	-10.6	1,326	-3.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
December 31, 2024	45.21	–
December 31, 2023	33.25	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
December 31, 2024	14,058	8,276	58.6	218.04
December 31, 2023	13,293	7,210	53.5	183.33

Reference: Equity

As of December 31, 2024: ¥8,239 million

As of December 31, 2023: ¥7,110 million

- * Financial results reports are exempt from review by certified public accountants or an audit firm.
- * Proper use of earnings forecasts, and other special matters

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

Please refer to “1. Overview of operating results, etc., (4) Overview of consolidated financial results forecast and other forward-looking information” on page 4 of this financial results report (attached materials) for conditions forming the basis for financial results forecasts, notes regarding the use of financial results forecasts, and other information.

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

The Company plans to hold a financial results briefing for institutional investors and analysts on Friday, February 14, 2025. A video of the meeting will be posted on the Company’s website as soon as possible after the meeting. Supplementary materials for the financial results will be posted on the Company’s website today.

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1. Overview of operating results, etc.

(1) Overview of operating results for the fiscal year under review

In the fiscal year under review, despite uncertain movements in the financial market, the economic environment in Japan is expected to show modest recovery driven by future domestic demand, with signs of picking up after a temporary lull of the economy, such as an increase in personal consumption for the first time in the last five quarters.

Meanwhile, concerns over labor shortage and slowdown of economic growth caused by the falling birthrate have not been eliminated, and the number of marriages has further declined nationwide in recent years. In the kon-katsu (marriage-hunting) market, problems are emerging in the marriage-hunting and matching application market, which rapidly grew during the COVID-19 pandemic, such as difficulty in matching couples due to an increase in users and damage caused by fraud. In response, marriage consulting agencies are further promoting measures, such as the use of various certificates to confirm potential customers' seriousness toward marriage-hunting and to ensure reliability, marriage support for customers seeking personal support, and private-public initiatives aimed at falling birthrate reversal and regional development.

Under such a situation, despite an impact in no small way from economic activities in and outside of Japan, the Group continues to strive to expand our business by implementing plans to raise our profile aimed at further expansion of our business scale and taking various measures to support national policies.

As a result, consolidated net sales in the fiscal year under review came to 17,739,874 thousand yen (up 0.5% year on year), operating profit was 2,579,086 thousand yen (up 15.6% year on year), ordinary profit was 2,561,662 thousand yen (up 11.7% year on year), and profit attributable to owners of parent was 1,523,551 thousand yen (down 6.5% year on year).

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

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

<Affiliate Business>

The Affiliate Business steadily grew through measures continued from the first quarter, and achieved a year-on-year increase of 34.2% in the number of new members of the marriage agencies, through an increase in the number of marriage agencies and the effect of the alliance with O-net.

The number of new openings during the fiscal year under review was 964, maintaining firm growth achieved through continued development of new advertising media and new sales routes. The number of marriage agencies consultation offices grew steadily and was 4,502 as of December 31, 2024 (up 9.1% year on year).

As a result, the segment net sales amounted to 3,365,028 thousand yen (up 13.2% year on year) and divisional profit was 2,227,757 thousand yen (up 21.9% year on year).

<Directly-Managed Lounge Business>

As for the Directly-Managed Lounge Business, during the fiscal year under review, the average enrollment fee per member improved and the number of new members maintained firm growth for the IBJ Members Marriage-Hunting Lounge, as a result of focused effort on acquisition of new members through web media, in parallel with measures to acquire members through party events. In addition, the number of new members in the Directly-Managed Lounge Business as a whole increased 10.3% year on year, due to successful marketing measures by ZWEI and strong performance in new member acquisition through party events achieved by strengthened cooperation with the Matching Business at Sunmarie.

As a result, segment net sales amounted to 8,999,538 thousand yen (up 7.4% year on year) and divisional profit was 2,062,006 thousand yen (up 11.4% year on year).

<Matching Business>

In the Party Business, we achieved increases in the number of events, as well as a significant improvement of advertisement efficiency, through campaigns and new advertising media (advertisement posted on websites).

In the App Business, both net sales and divisional profit have remained steady, and we have been continuously taking measures to brush up services, aiming at an increase in the number of paid members.

As a result, during the fiscal year under review, segment net sales amounted to 1,634,736 thousand yen

(down 11.1% year on year) and divisional profit was 224,611 thousand yen (down 33.0% year on year).

<Life Design Business>

In the Life Design Business, as the number of marriages between members has increased in the marriage consulting business, the number of service users steadily increased, and KPIs, such as the number of successful contracts in the ring business and the number of insurance consultations, remained strong during the fiscal year under review, enabling us to stably secure revenue.

In addition, in the hobby and community business, the number of students continuously increased in the language community business of K Village Inc., which operates Korean language schools and voice training schools. In the music community business, the number of openings of franchisees grew steadily.

As a result, segment net sales amounted to 3,740,570 thousand yen (down 16.1% year on year) and divisional profit was 622,080 thousand yen (up 22.0% year on year).

(2) Overview of financial position for the fiscal year under review

(Assets)

Current assets as of December 31, 2024 amounted to 8,918,600 thousand yen, up 827,475 thousand yen from the end of the previous fiscal year. This was mainly due to increases of 409,280 thousand yen in cash and deposits, 276,782 thousand yen in accounts receivable – trade, and 1,199,882 thousand yen in operational investment securities, despite a decrease of 836,007 thousand yen in deposits paid.

Non-current assets were 9,547,030 thousand yen, down 482,162 thousand yen from the end of the previous fiscal year. This was mainly due to decreases of 100,980 thousand yen in software, 206,790 thousand yen in goodwill, 356,892 thousand yen in investment securities, 73,814 thousand yen in long-term prepaid expenses, and 64,355 thousand yen in deferred tax assets, despite an increase of 334,251 thousand yen in guarantee deposits.

Consequently, total assets came to 18,465,631 thousand yen, up 345,313 thousand yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of December 31, 2024 amounted to 5,220,976 thousand yen, down 1,966,831 thousand yen from the end of the previous fiscal year. This was mainly due to decreases of 205,452 thousand yen in accounts payable – trade, 2,056,817 thousand yen in short-term borrowings, and 193,508 thousand yen in income taxes payable, despite increases of 133,508 thousand yen in accrued expenses, 172,264 thousand yen in accrued consumption taxes, and 187,514 thousand yen in current portion of long-term borrowings.

Non-current liabilities were 4,274,373 thousand yen, up 1,365,736 thousand yen from the end of the previous fiscal year. This was mainly due to increases of 1,316,924 thousand yen in long-term borrowings and 47,593 thousand yen in asset retirement obligations.

Consequently, total liabilities came to 9,495,349 thousand yen, down 601,095 thousand yen from the end of the previous fiscal year.

(Net assets)

Net assets as of December 31, 2024 stood at 8,970,281 thousand yen, up 946,408 thousand yen from the end of the previous fiscal year. This was mainly due to increases of 1,290,856 thousand yen in retained earnings, 593,032 thousand yen in treasury shares, 241,192 thousand yen in valuation difference on available-for-sale securities, and 70,573 thousand yen in non-controlling interests, despite a decrease of 63,181 thousand yen in share acquisition rights.

Consequently, the equity-to-asset ratio was 45.4% (compared to 41.1% at the end of the previous fiscal year).

(3) Overview of cash flows for the fiscal year under review

Cash and cash equivalents (hereinafter referred to as “Funds”) in the fiscal year under review amounted to 4,373,834 thousand yen, down 431,371 thousand yen from the end of the previous fiscal year.

The status of each cash flow and their main factors in the fiscal year under review are as follows.

(Cash flows from operating activities)

Funds provided by operating activities in the fiscal year under review amounted to 1,309,102 thousand yen (Funds provided in the previous fiscal year amounted to 3,517,856 thousand yen).

The main factors of the increase were a 170,061 thousand yen loss on sale of investment securities and such. The main factors of the decrease were 1,196,937 thousand yen of increase in inventories, 205,452 thousand yen of decrease in trade payables, 276,782 thousand yen of increase in trade receivable, 974,606 thousand yen in income taxes paid, and such.

(Cash flows from investing activities)

Funds used in investing activities in the fiscal year under review amounted to 357,407 thousand yen (Funds used in the previous fiscal year amounted to 4,165,709 thousand yen).

The main factor of the increase was 892,369 thousand yen in proceeds from sale of investment securities and such. The main factors of the decrease were 205,457 thousand yen in purchase of property, plant and equipment, 241,733 thousand yen in purchase of intangible assets, 452,477 thousand yen in purchase of investment securities, 357,480 thousand yen in payments of leasehold and guarantee deposits, and such.

(Cash flows from financing activities)

Funds used in financing activities in the fiscal year under review amounted to 1,385,718 thousand yen (Funds provided in the previous fiscal year amounted to 1,608,796 thousand yen).

The main factors of the increase were 950,000 thousand yen in proceeds from short-term borrowings, 1,932,500 thousand yen in proceeds from long-term borrowings, and such. The main factors of the decrease were 3,006,817 thousand yen in repayments of short-term borrowings, 428,062 thousand yen in repayments of long-term borrowings, 593,032 thousand yen in purchase of treasury shares, 232,681 thousand yen in dividends paid, and such.

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

For the fiscal year ending December 31, 2025, we forecast net sales of 19,405,841 thousand yen (up 9.4% year on year), operating profit of 3,124,446 thousand yen (up 21.1% year on year), ordinary profit of 3,085,021 thousand yen (up 20.4% year on year), and profit attributable to owners of parent of 1,989,400 thousand yen (up 30.6% year on year).

Forward-looking statements contained in this report are based on judgments made by the Company as of the end of the fiscal year under review, and actual results may differ from these estimates.

2. Basic policy on selection of accounting standards

The Group's policy is to prepare consolidated financial statements in accordance with Japanese GAAP for the time being, taking into consideration the comparability of consolidated financial statement from period to period and from company to company.

Regarding the application of international accounting standards, the Company will take appropriate measures in consideration of various domestic and international situation.

3. Consolidated financial statements and major notes

(1) Consolidated balance sheet

(Unit: thousands of yen)

	Previous consolidated fiscal year (December 31, 2023)	Current consolidated fiscal year (December 31, 2024)
Assets		
Current assets		
Cash and deposits	3,789,025	4,198,305
Accounts receivable – trade	1,627,407	1,904,190
Operational investment securities	939,562	2,139,445
Merchandise and finished goods	10,610	10,448
Raw materials and supplies	3,105	2,105
Advance payments to suppliers	2,664	26,390
Prepaid expenses	354,718	372,840
Current portion of long-term loans receivable	1,999	1,999
Deposits paid	1,026,918	190,910
Other	349,043	92,594
Allowance for doubtful accounts	-13,931	-20,631
Total current assets	8,091,124	8,918,600
Non-current assets		
Property, plant and equipment		
Buildings	2,292,612	2,442,154
Accumulated depreciation	-931,064	-1,127,589
Buildings, net	1,361,547	1,314,564
Vehicles	10,880	31,426
Accumulated depreciation	-7,133	-8,488
Vehicles, net	3,746	22,938
Tools, furniture and fixtures	592,398	611,349
Accumulated depreciation	-509,522	-546,514
Tools, furniture and fixtures, net	82,876	64,834
Land	1,538,479	1,538,479
Leased assets	37,494	43,229
Accumulated depreciation	-23,718	-30,827
Leased assets, net	13,775	12,401
Total property, plant and equipment	3,000,425	2,953,219
Intangible assets		
Goodwill	1,527,097	1,320,307
Software	1,070,148	969,167
Software in progress	10,201	11,151
Other	–	19,982
Total intangible assets	2,607,446	2,320,608
Investments and other assets		
Investment securities	1,961,057	1,604,165
Long-term prepaid expenses	220,459	146,644
Long-term loans receivable	2,833	833
Deferred tax assets	708,791	644,436
Insurance funds	266,015	279,309
Guarantee deposits	1,256,874	1,591,125
Other	5,290	6,690
Total investments and other assets	4,421,320	4,273,203
Total non-current assets	10,029,193	9,547,030
Total assets	18,120,318	18,465,631

(Unit: thousands of yen)

	Previous consolidated fiscal year (December 31, 2023)	Current consolidated fiscal year (December 31, 2024)
Liabilities		
Current liabilities		
Accounts payable – trade	487,216	281,764
Short-term borrowings	3,216,817	1,160,000
Current portion of long-term borrowings	280,684	468,198
Account payable – other	859,885	748,974
Accrued expenses	707,960	841,468
Income taxes payable	594,328	400,819
Accrued consumption taxes	140,125	312,390
Advances received	583,167	649,637
Lease obligations	6,675	6,847
Other	310,946	350,875
Total current liabilities	7,187,807	5,220,976
Non-current liabilities		
Long-term borrowings	2,220,592	3,537,516
Lease obligations	6,947	5,064
Asset retirement obligations	671,070	718,664
Other	10,028	13,129
Total non-current liabilities	2,908,637	4,274,373
Total liabilities	10,096,445	9,495,349
Net assets		
Shareholders' equity		
Share capital	699,585	699,585
Capital surplus	929,640	929,640
Retained earnings	7,981,454	9,272,311
Treasury shares	-1,843,347	-2,436,380
Total shareholders' equity	7,767,333	8,465,156
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-320,172	-78,980
Total accumulated other comprehensive income	-320,172	-78,980
Share acquisition rights	100,693	37,512
Non-controlling interests	476,019	546,592
Total net assets	8,023,873	8,970,281
Total liabilities and net assets	18,120,318	18,465,631

(2) Consolidated statements of income and comprehensive income

Consolidated statement of income

(Unit: thousands of yen)

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Net sales	17,649,498	17,739,874
Cost of sales	2,552,911	1,276,770
Gross profit	15,096,587	16,463,103
Selling, general and administrative expenses	12,865,760	13,884,017
Operating profit	2,230,827	2,579,086
Non-operating income		
Interest income	190	349
Dividend income	16,811	–
Subsidy income	17,004	2,191
Surrender value of insurance policies	16,000	–
Sales compensation income	22,000	–
Other	8,861	8,982
Total non-operating income	80,868	11,523
Non-operating expenses		
Interest expenses	11,998	22,626
Loss on investments in investment partnerships	426	240
Commission expenses	3,281	1,779
Other	3,644	4,302
Total non-operating expenses	19,351	28,947
Ordinary profit	2,292,344	2,561,662
Extraordinary income		
Gain on sale of non-current assets	2,286	2,893
Gain on sale of investment securities	379,773	–
Gain on reversal of share acquisition rights	–	82,210
Other	18,100	–
Total extraordinary income	400,160	85,103
Extraordinary losses		
Loss on retirement of non-current assets	32,714	24,430
Loss on sale of investment securities	–	170,061
Loss on valuation of investment securities	180,609	92,791
Impairment losses	102,334	81,526
Loss on store closings	918	–
Other	14,044	–
Total extraordinary losses	330,622	368,809
Profit before income taxes	2,361,882	2,277,956
Income taxes – current	877,244	725,991
Income taxes – deferred	-186,591	-42,159
Total income taxes	690,653	683,831
Profit	1,671,228	1,594,124
Profit attributable to non-controlling interests	41,765	70,573
Profit attributable to owners of parent	1,629,463	1,523,551

Consolidated statement of comprehensive income

(Unit: thousands of yen)

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Profit	1,671,228	1,594,124
Other comprehensive income		
Valuation difference on available-for-sale securities	-641,593	241,192
Total other comprehensive income	-641,593	241,192
Comprehensive income	1,029,635	1,835,317
Comprehensive income attributable to:		
Owners of parent	987,870	1,764,744
Non-controlling interests	41,765	70,573

(3) Consolidated statement of changes in net assets

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

(Unit: thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Opening balance	699,585	854,782	6,593,394	-901,709	7,246,052
Changes during period					
Dividends of surplus			-241,403		-241,403
Profit attributable to owners of parent			1,629,463		1,629,463
Change in ownership interest of parent due to transactions with non-controlling interests		11,660			11,660
Purchase of treasury shares				-1,093,966	-1,093,966
Restricted stock remuneration		63,197		152,329	215,526
Issuance of share acquisition rights					-
Net changes in items other than shareholders' equity					-
Total changes during period	-	74,857	1,388,059	-941,637	521,280
Ending balance	699,585	929,640	7,981,454	-1,843,347	7,767,333

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Opening balance	321,420	321,420	634	395,898	7,964,006
Changes during period					
Dividends of surplus					-241,403
Profit attributable to owners of parent					1,629,463
Change in ownership interest of parent due to transactions with non-controlling interests					11,660
Purchase of treasury shares					-1,093,966
Restricted stock remuneration					215,526
Issuance of share acquisition rights			100,058		100,058
Net changes in items other than shareholders' equity	-641,593	-641,593		80,120	-561,472
Total changes during period	-641,593	-641,593	100,058	80,120	59,866
Ending balance	-320,172	-320,172	100,693	476,019	8,023,873

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

(Unit: thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Opening balance	699,585	929,640	7,981,454	-1,843,347	7,767,333
Changes during period					
Dividends of surplus			-232,694		-232,694
Profit attributable to owners of parent			1,523,551		1,523,551
Purchase of treasury shares				-593,032	-593,032
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	1,290,856	-593,032	697,823
Ending balance	699,585	929,640	9,272,311	-2,436,380	8,465,156

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Opening balance	-320,172	-320,172	100,693	476,019	8,023,873
Changes during period					
Dividends of surplus					-232,694
Profit attributable to owners of parent					1,523,551
Purchase of treasury shares					-593,032
Net changes in items other than shareholders' equity	241,192	241,192	-63,181	70,573	248,584
Total changes during period	241,192	241,192	-63,181	70,573	946,408
Ending balance	-78,980	-78,980	37,512	546,592	8,970,281

(4) Consolidated cash flow statement

(Unit: thousands of yen)

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Cash flows from operating activities		
Profit before income taxes	2,361,882	2,277,956
Depreciation	419,169	575,734
Amortization of goodwill	267,121	165,435
Amortization of long-term prepaid expenses	1,768	4,673
Increase (decrease) in allowance for doubtful accounts	4,141	6,699
Increase (decrease) in provision for bonuses	-1,661	–
Interest and dividend income	-17,002	-349
Interest expenses	11,998	22,626
Loss on retirement of non-current assets	32,714	24,430
Loss (gain) on sale of investment securities	-379,773	170,061
Loss (gain) on investments in investment partnerships	426	117
Loss (gain) on valuation of investment securities	180,609	92,791
Gain on reversal of share acquisition rights	–	-82,210
Impairment losses	102,334	81,526
Decrease (increase) in trade receivable	32,663	-276,782
Decrease (increase) in advance payments to suppliers	6,727	-23,725
Decrease (increase) in deposits paid	-3,547	-4,643
Decrease (increase) in inventories	851,626	-1,196,937
Increase (decrease) in trade payables	243,549	-205,452
Increase (decrease) in advances received	-6,754	77,593
Increase (decrease) in accounts payable – other, and accrued expenses	139,440	22,597
Increase (decrease) in accrued consumption taxes	-84,723	172,097
Other	13,834	402,304
Subtotal	4,176,547	2,306,543
Interest and dividends received	17,002	349
Interest paid	-12,039	-23,184
Income taxes paid	-663,653	-974,606
Net cash provided by (used in) operating activities	3,517,856	1,309,102

(Unit: thousands of yen)

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Cash flows from investing activities		
Purchase of property, plant and equipment	-1,621,300	-205,457
Purchase of intangible assets	-881,125	-241,733
Proceeds from sale of investment securities	535,775	892,369
Purchase of investment securities	-1,991,358	-452,477
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-112,104	–
Loan advances	-3,856	–
Proceeds from collection of loans receivable	5,855	1,999
Payments of leasehold and guarantee deposits	-132,580	-357,480
Proceeds from refund of leasehold and guarantee deposits	44,196	20,199
Other	-9,210	-14,827
Net cash provided by (used in) investing activities	-4,165,709	-357,407
Cash flows from financing activities		
Proceeds from issuance of share acquisition rights	27,361	–
Proceeds from short-term borrowings	2,745,817	950,000
Repayments of short-term borrowings	-450,000	-3,006,817
Proceeds from long-term borrowings	1,093,290	1,932,500
Repayments of long-term borrowings	-513,800	-428,062
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	50,016	–
Purchase of treasury shares	-1,093,966	-593,032
Dividends paid	-241,468	-232,681
Other	-8,452	-7,624
Net cash provided by (used in) financing activities	1,608,796	-1,385,718
Effect of exchange rate change on cash and cash equivalents	3,896	2,652
Net increase (decrease) in cash and cash equivalents	964,840	-431,371
Opening balance of cash and cash equivalents	3,840,365	4,805,205
Ending balance of cash and cash equivalents	4,805,205	4,373,834

- (5) Notes to consolidated financial statements
(Note on entity's ability to continue as going concern)
Not applicable

(Segment information, etc.)

1. Overview of the reportable segments

The Company's reportable segment is determined based on whether individual financial information for each component of the Company is available and reported to the Board of Directors on a regular basis in order to allocate management resources and evaluate results of operations.

(1) Affiliate Business

Affiliate Business consists of the Agency Opening Support Business and the Affiliate Business.

- In the Agency Opening Support Business, the Company mainly provides support for the opening of marriage consulting businesses for corporations and individuals, and attracts customers for marriage consulting businesses that use the IBJ platform, an online marriage consulting agency network provided by the Company.
- In the Affiliate Business, the Company provides the IBJ Arranged-Marriage Meeting System, a marriage consulting agency network for member management and arrangements of arranged-marriage meetings, to marriage consulting agencies and their members, and operates IBJ, of which marriage consulting agencies are members.

(2) Directly-Managed Lounge Business

- In the Directly-Managed Lounge Business, the Company operates IBJ Members Marriage-Hunting Lounge, which specializes in major cities and terminal locations, Sunmarie Marriage Consulting Agency, which features the dedicated services of professional matchmakers, and ZWEI Marriage Consulting Agency, which operates 53 branches throughout Japan, and provides face-to-face marriage partner introduction services to the members thereof, including marriage consulting, arranged-marriage meeting arrangements, and relationship management.

(3) Matching Business

Matching Business consists of the Party Business and the App Business.

- In the Party Business, the Company plans and holds various events held at its own venues and at external venues, in addition to planning marriage-hunting party events and operating and holding the IBJ Matching website for recruiting participants for those events.
- In the App Business, in addition to Bridal Net, a marriage-hunting application in which dedicated counselors provide support up to the point of meeting, the Company provides multiple matching services for users including Youbride.

(4) Life Design Business

The Life Design Business consists of the Hobby and Community Business, the Real Estate Business, the Insurance Business, and the Wedding Business.

- In the Hobby and Community Business, K Village Inc. operates Korean language schools, provides support for studying abroad, operates the voice training school "NAYUTAS," and develops the entertainment business for planning and holding K-POP idol events and the beauty community business, with the aim to create the largest Japanese and Korean community.
- IBJ Financial Advisory CO., LTD.'s real estate business consists of introducing properties, leasing real estate, and providing housing loans.
- The Insurance Business offers insurance proposals to support life planning, risk hedging, and wealth building needs.

2. Method of calculating sales, profit or loss, assets, liabilities and other items by reportable segment

The accounting methods used for the reported business segments are generally the same as those used in the preparation of the consolidated financial statements.

Intersegment sales and transfers are based on prevailing market prices.

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

Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)

(Unit: thousands of yen)

	Reportable segment					Adjustments	Per consolidated financial statements
	Affiliate Business	Directly-Managed Lounge Business	Matching Business	Life Design Business	Total		
Sales							
Services at transferred at a point in time	1,832,965	2,727,858	1,134,192	983,352	6,678,368	–	6,678,368
Services transferred over time	1,140,764	5,651,912	704,230	1,551,806	9,048,714	–	9,048,714
Revenue from contracts with customers	2,973,730	8,379,771	1,838,423	2,535,159	15,727,083	–	15,727,083
Other revenues	–	–	–	1,922,415	1,922,415	–	1,922,415
Revenues from external customers	2,973,730	8,379,771	1,838,423	4,457,574	17,649,498	–	17,649,498
Transactions with other segments	122,659	38,146	39,264	–	200,070	-200,070	–
Total	3,096,389	8,417,917	1,877,687	4,457,574	17,849,569	-200,070	17,649,498
Segment profit (loss)	1,792,675	1,455,334	250,369	371,624	3,870,004	-1,639,176	2,230,827
Other items							
Depreciation	34,407	189,167	84,053	76,756	384,385	34,784	419,169
Amortization of long-term prepaid expenses	–	61	67	1,639	1,768	–	1,768
Impairment losses	–	25,867	14,716	61,750	102,334	–	102,334
Increase in property, plant and equipment and intangible assets	82,560	211,867	113,137	1,754,033	2,161,599	663,676	2,825,275

- Notes:
- Adjustments to segment profit (loss) of -1,639,176 thousand yen include elimination of inter-segment transactions of 799 thousand yen and corporate expenses of -1,639,976 thousand yen that are not allocated to each reportable segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.
 - Segment profit (loss) is adjusted with the operating profit in the consolidated financial statements.
 - Segment assets and liabilities are not shown because assets are not allocated to business segments, and this information is not used in decision-making by the highest management decision-making body.
 - “Other revenues” are transactions related to financial instruments based on the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019) and real estate rental income, etc. based on the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, March 30, 2007).

Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)

(Unit: thousands of yen)

	Reportable segment					Adjustments	Per consolidated financial statements
	Affiliate Business	Directly-Managed Lounge Business	Matching Business	Life Design Business	Total		
Sales							
Services at transferred at a point in time	2,018,050	3,039,567	944,467	1,438,050	7,440,136	–	7,440,136
Services transferred over time	1,346,978	5,959,971	690,268	2,065,190	10,062,408	–	10,062,408
Revenue from contracts with customers	3,365,028	8,999,538	1,634,736	3,503,241	17,502,545	–	17,502,545
Other revenues	–	–	–	237,329	237,329	–	237,329
Revenues from external customers	3,365,028	8,999,538	1,634,736	3,740,570	17,739,874	–	17,739,874
Transactions with other segments	159,109	51,442	92,441	393	303,387	-303,387	–
Total	3,524,138	9,050,980	1,727,178	3,740,964	18,043,261	-303,387	17,739,874
Segment profit (loss)	2,178,623	1,746,760	137,687	482,214	4,545,286	-1,966,199	2,579,086
Other items							
Depreciation	49,133	196,414	86,924	88,588	421,060	154,673	575,734
Amortization of long-term prepaid expenses	–	–	–	4,673	4,673	–	4,673
Impairment losses	–	5,236	–	76,289	81,526	–	81,526
Increase in property, plant and equipment and intangible assets	98,969	122,237	64,171	216,567	501,946	1,450	503,397

- Notes:
- Adjustments to segment profit (loss) of -1,966,199 thousand yen include elimination of inter-segment transactions of 1,020 thousand yen and corporate expenses of -1,967,219 thousand yen that are not allocated to each reportable segment. Corporate expenses mainly consist of general and administrative expenses that do not belong to any reportable segment.
 - Segment profit (loss) is adjusted with the operating profit in the consolidated financial statements.
 - Segment assets and liabilities are not shown because assets are not allocated to business segments, and this information is not used in decision-making by the highest management decision-making body.
 - “Other revenues” are transactions related to financial instruments based on the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019) and real estate rental income, etc. based on the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, March 30, 2007).

(Revenue recognition)

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

(Per share information)

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Net assets per share	192.02 yen	221.93 yen
Basic earnings per share	40.84 yen	40.16 yen

Notes: 1. Diluted earnings per share is not shown because there are no dilutive potential shares.
2. The basis for calculating basic earnings per share is as follows.

	Previous consolidated fiscal year (from January 1, 2023 to December 31, 2023)	Current consolidated fiscal year (from January 1, 2024 to December 31, 2024)
Basic earnings per share		
Profit attributable to owners of parent (thousands of yen)	1,629,463	1,523,551
Amount not attributable to ordinary shareholders (thousands of yen)	–	–
Profit attributable to owners of parent regarding ordinary shares (thousands of yen)	1,629,463	1,523,551
Average number of shares during the period	39,902,867	37,935,680
An outline of potential shares not included in the calculation of diluted earnings per share because they do not have dilutive effects	<p>Consolidated subsidiary K Village Tokyo Inc. 1st series of stock acquisition rights Number of stock acquisition rights 2,450 units (Ordinary shares 2,450 shares) 2nd series of stock acquisition rights Number of stock acquisition rights 800 units (Ordinary shares 800 shares)</p> <p>Reporting Company 5th series of stock acquisition rights based on the resolution of the Board of Directors meeting held on April 19, 2023 Number of stock acquisition rights 17,930 units (Ordinary shares 1,793,000 shares) 6th series of stock acquisition rights based on the resolution of the Board of Directors meeting held on April 19, 2023 Number of stock acquisition rights 2,570units (Ordinary shares 257,000 shares)</p>	<p>Consolidated subsidiary K Village Inc. 1st series of stock acquisition rights Number of stock acquisition rights 2,450 units (Ordinary shares 2,450 shares) 2nd series of stock acquisition rights Number of stock acquisition rights 800 units (Ordinary shares 800 shares)</p> <p>Reporting Company 6th series of stock acquisition rights Number of stock acquisition rights 2,570 units (Ordinary shares 257,000 shares)</p>

(Significant events after reporting period)

Not applicable