



|   |   |
|---|---|
| <br>President Shigeru Sato | Partner Agent, Inc. (6181)  |
|   | <br>PARTNER AGENT |

## Company Information

|            |   |
|------------|---|
| Market     | TSE Mothers   |
| Industry   | Service industry  |
| President  | Shigeru Sato  |
| HQ Address | IMAS Osaki Building, 1-20-3 Osaki, Shinagawa-ku, Tokyo      |
| Year-end   | End of March  |
| HOME PAGE  | <a href="https://www.p-a.co.jp/">https://www.p-a.co.jp/</a> |

## Stock Information

| Share Price | Shares Outstanding   |           | Market Cap.   | ROE (actual) | Trading Unit |
|-------------|----------------------|-----------|---------------|--------------|--------------|
| ¥214        | 10,714,800shares     |           | ¥2,292million | 0.3%         | 100shares    |
| DPS (Est)   | Dividend Yield (Est) | EPS (Est) | PER (Est)     | BPS (Act)    | PBR (Act)    |
| ¥0.00       | -                    | TBD       | -             | ¥97.81       | 2.2x         |

\*The share price is the closing price on June 16.

\*Each number was taken from the brief financial report in the fiscal year ended March 2020.

\*It is difficult to rationally calculate the impact of the novel coronavirus at this stage. Thus, the forecast for this term is still to be determined.

## Earnings Trends

| Fiscal Year     | Sales | Operating Income | Ordinary Income | Net Income | EPS   | DPS  |
|-----------------|-------|------------------|-----------------|------------|-------|------|
| March 2017 Act. | 3,812 | 204              | 231             | 107        | 11.37 | 0.00 |
| March 2018 Act. | 4,102 | 195              | 325             | 117        | 12.15 | 0.00 |
| March 2019 Act. | 4,151 | 216              | 208             | 90         | 8.99  | 0.00 |
| March 2020 Act. | 8,187 | 78               | 41              | 2          | 0.25  | 0.00 |
| March 2021 Est. | -     | -                | -               | -          | -     | 0.00 |

\*Unit: million yen., yen. On January 1, 2017, the company conducted a 3-for-1 stock split. EPS was adjusted retroactively.

\*From the term ended March 2016, net income is profit attributable to owners of the parent. Hereinafter the same shall apply.

\*It is difficult to rationally calculate the impact of the novel coronavirus at this stage. Thus, the forecast for this term is still to be determined.

We would like to report an overview of earnings results for the Fiscal Year ended March 2020 of Partner Agent, Inc.

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## Key Points

- The sales for FY ended March 2020 were 8,187 million yen, up 97.2% year on year. This is due to the inclusion of Mation Inc. in the Group. Operating income decreased 63.8% year on year to 78 million yen, and ordinary income declined 80.1% year on year to 41 million yen. There was a significant decrease in profit due to an increase in costs and SG&A expenses of Mation Inc., amortization of goodwill and intangible fixed assets of 207 million yen, and recording of one-time income such as sales of the matching system in the previous term. EBITDA increased 30.9% year on year to 509 million yen. Net income decreased 97.1% year on year to 2 million yen.
- The company downwardly revised its earnings forecast for FY ended March 2020, to take into consideration the impact of the spread of COVID-19. Nonetheless, since the day of the forecast announcement, the postponements and cancellations of wedding ceremonies have additionally occurred in the casual wedding business. In the matching business as well, there were many requests to reconsider the timing of enrollment in the marriage support agency, so it was below the revised forecast.
- The earnings forecast for FY ending March 2021 is still to be determined, since it is difficult to rationally calculate the impact of the novel coronavirus at this stage. Both the matching business and the casual wedding business are pursuing their initiatives with the theme “utilizing the Internet” to capture the needs for a new lifestyle to prevent the spread of the novel coronavirus.
- Since the earnings forecast for this fiscal year is still to be determined due to the difficulty in rationally calculating the impact of the novel coronavirus at this stage, investors would like to wait for quarterly disclosure, but expects the release of qualitative information regarding the current situation and so on. Also, although the announcement has been postponed, we would like to pay attention to the vision and goals how it will set as Tameny Inc. in the medium-term management plan.

## 1. Company Overview

Based on the corporate philosophy of “We produce more smiles, more happiness, for people's life,” the company has three businesses including the mainstay “Matching Business” that supports marriage activities of registered members by operating “Partner Agent,” a matching agency and “CONNECT-ship,” a platform that enables the matchmaking between its members and those of other matching companies, the “Casual wedding Business” that produces casual weddings, such as wedding receptions at prices that suit customer needs, weddings with entrance fees for meals and photo weddings in response to growing needs in recent years, and “Other Business” in which services related to matching and weddings are provided. The company’s major feature is its high marriage rate which is achieved by matching through detailed follow-ups by dedicated concierges and unique systems.

Partner Agent will change its corporate name to Tameny Inc. on October 1, 2020, and they will aim to strengthen organizational capability, maximize business synergies, create new value, and improve profitability by utilizing management resources and enhancing operational efficiency, while expanding its business domains together with the group companies.

### 【1-1 Corporate history】

In June 2004, the company was established to start a matching business as a 100% subsidiary of Take and Give Needs, Co. Ltd. (4331, Tokyo Stock Exchange 1<sup>st</sup> Section, hereinafter “T&G”), which is specialized in wedding planning and wedding hall operation. At the time of the company establishment, Mr. Shigeru Sato was appointed to be the President for his abundant experiences and achievements at a major matching company.

Later, when T&G became difficult to invest continuously, President Sato, the executive staff and the employees collaboratively purchased the shares of Partner Agent, Inc., and the company became independent from the T&G Group in May 2008. The company’s business has been growing steadily because the customers highly regard the company’s high marriage rate, which is the result of “pursuing customers’ goals”. It was listed on the TSE Mothers in October 2015.

The company is focusing on growing its business domains and strengthening its business foundation. As part of its efforts to achieve these goals, the company included Mation Inc., which offers new wedding styles such as “Suma-Kon” and “Nijikai-Kun,” in its corporate groups, to enter the casual wedding field on a full-scale basis and reorganized M Creative Works Inc., which operates a wedding photo studio, and pma Inc., which produces wedding reception after parties, into subsidiaries.

### 【1-2 Corporate ethos】

“Pursuing the customers’ goals” has been the philosophy of President Sato since the establishment of the company. Based on this philosophy, the company holds the following mission and visions.

|                      |   |
|----------------------|---|
| Our mission          | We produce more smiles, more happiness, for people's life.  |
| Our visions          | <ol style="list-style-type: none"> <li>1. As an innovator of the matching industry, we continue creating more values, and more marriage opportunities.</li> <li>2. Making steps alongside with people as a lifelong supporter, we aim to contribute to a life with full of happiness through the business of our belief.</li> </ol> |
| Our action guideline | <ul style="list-style-type: none"> <li>• Judgment criteria are the customers.</li> <li>• Professional mind</li> <li>• Passion supremacist</li> <li>• Walk on the right path</li> <li>• Grow with its own initiative</li> <li>• Team Partner Agent</li> <li>• Pursue one’s own happiness</li> </ul>                                  |

President Sato believes that these philosophies will penetrate into the employees only by remembering the philosophies and thinking based on it whenever they encounter specific issues or troubles.

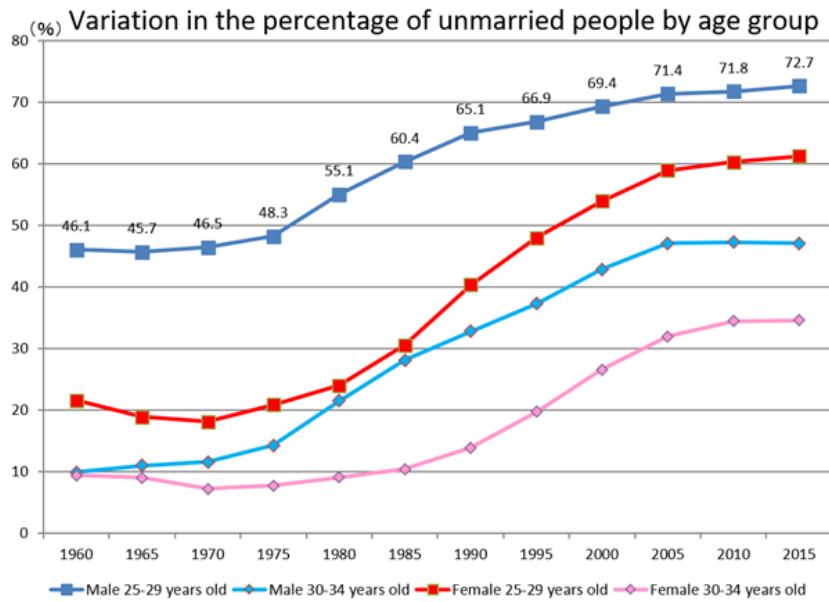
### 【1-3 Market environment】

#### <Situations of unmarried people>

##### \* Growing percentage of unmarried people

According to the national census conducted by the Ministry of Internal Affairs and Communications, the percentage of unmarried people between ages 25 and 34 has been increasing for both men and women in Japan.

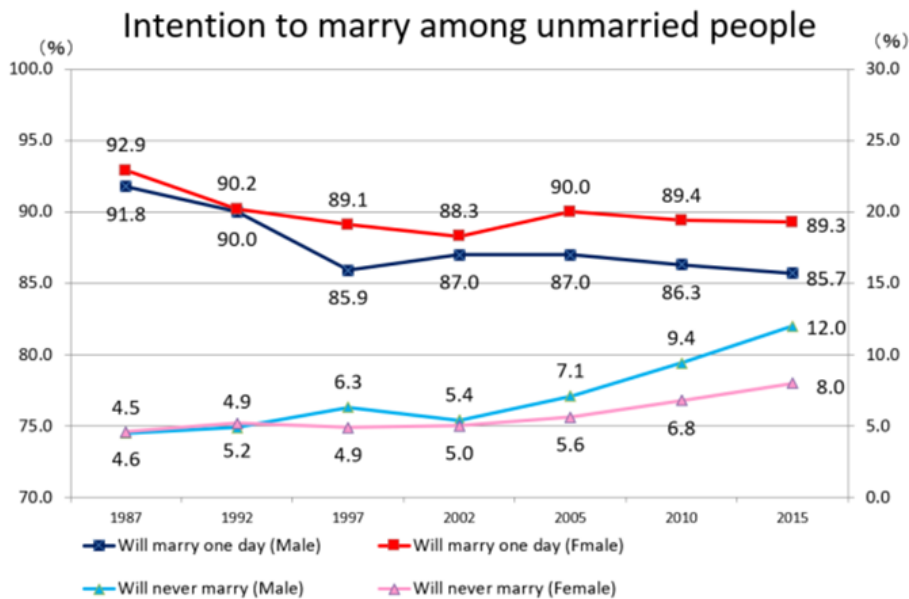
BRIDGE REPORT



Produced by Investment Bridge based on the National Census Report published by the Statistics Department of Ministry of Internal Affairs and Communications

**\* Intention to marry among unmarried people: “Intention to marry” remains at a high level.**

According to the “2016 National Institute of Population and Social Security Research <National Survey on Marriage and Childbirth>, the 15<sup>th</sup> Basic Survey on Childbirth Trend,” the percentage of unmarried people between ages 18 and 34 who want to marry were: male 85.7%, female 89.3%. These data indicate that there are still many unmarried people who “want to marry.”

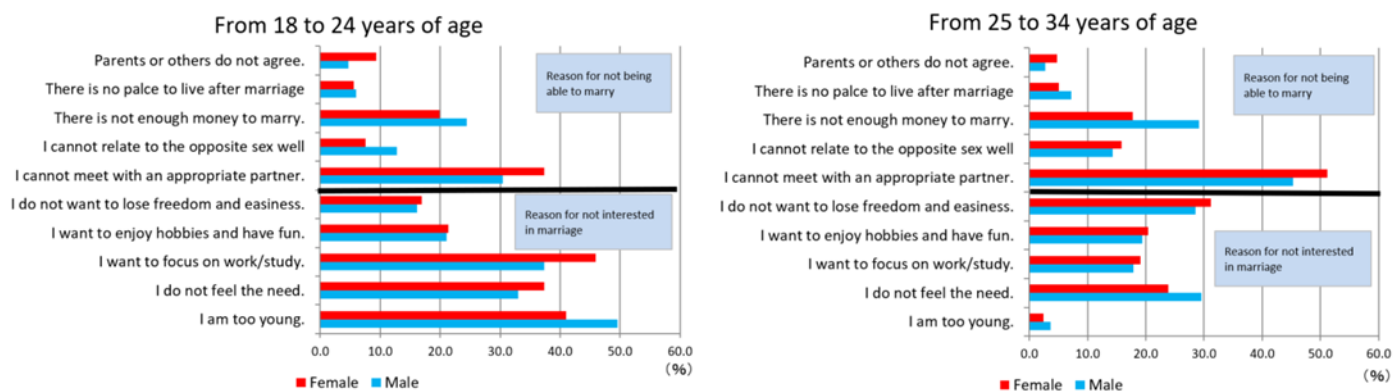


Produced by Investment Bridge Co., Ltd. based on “2015 National Institute of Population and Social Security Research <National Survey on Marriage and Childbirth>, the 15th Basic Survey on Childbirth Trend”.

Although the percentages of unmarried men and women who responded “Never intend to marry” have been rising, among them, 44.1% of men and 49.8% of women responded that they might eventually change their intention to “Intend to marry.” This indicates that about half of the people who currently do not intend to marry may change their mind and start to look for their marriage partners in the future.

**\* Reasons for being single: Unable to find the right person for marriage after 25 years of age**

The reasons for the unmarried people between ages 18 and 24 to stay single were “I am still too young” and “I do not feel the need,” indicating that their motivation for marriage is not so high. On the other hand, a higher percentage of unmarried people between ages 25 and 34 responded that “I have not met a right person yet,” indicating that the needs for the opportunities to meet potential partners are high in this age group.



\*Developed by Investment Bridge Co., Ltd. based on “2015 National Institute of Population and Social Security Research <National Survey on Marriage and Childbirth>, the 15th Basic Survey on Childbirth Trend”

**Other companies in the industry**

About 3,000 marriage support agencies etc. are engaged in matching activities across Japan. However, 90% of them are operated by individual business owners. There are only a few agencies including the company that run such businesses across Japan. Since IBJ Inc. reorganized Zwei Co., Ltd., into a subsidiary (delisted) on April 30, 2020, there are two listed companies in the matching business: IBJ and Partner Agent.

| Code | Company name  | Sales | Sales growth rate | Operating income | Profit growth rate | Operating income margin | Aggregate market value | PER | PBR |
|------|---------------|-------|-------------------|------------------|--------------------|-------------------------|------------------------|-----|-----|
| 6071 | IBJ           | -     | -                 | -                | -                  | -                       | 36,540                 | -   | 7.2 |
| 6181 | Partner Agent | -     | -                 | -                | -                  | -                       | 2,485                  | -   | 2.4 |

\*Units are million yen, % and times

\*The aggregate market value is “the term end number of shares issued as stated in the most recent financial statement” x “closing price on June 8, 2020.”

\*It is difficult to rationally calculate the impact of the novel coronavirus at this stage. Thus, both companies’ forecasts for this term are still to be determined.

**【1-4 Business contents】**

From this fiscal year, the reporting segments are divided into three businesses: Matching Service Business, Casual wedding Business, and Other Business.

**(1) Matching Business**

There are three main business domains: The Marriage support service domain, the Entry service domain, and the Solution service domain.

**① Marriage support service domain**

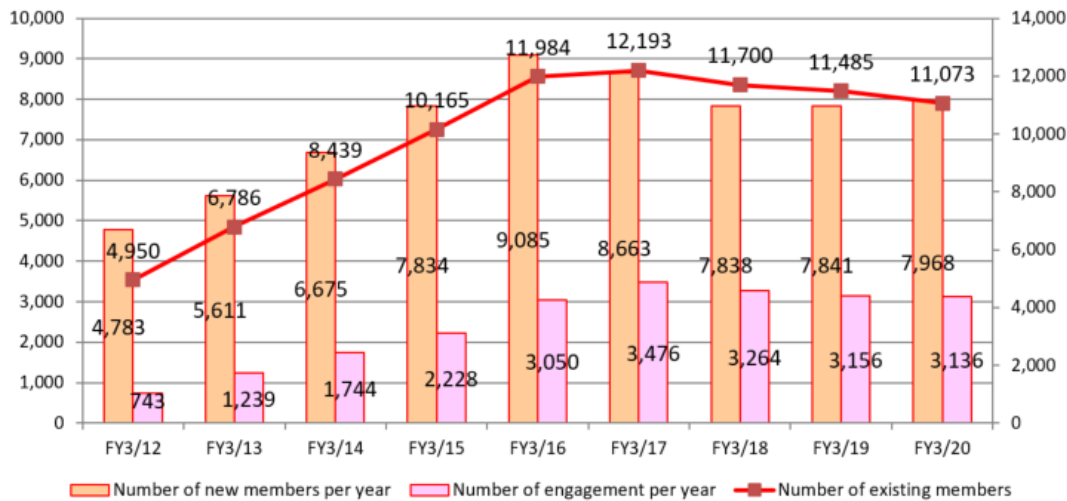
The company operates one of its greatest features, a high-value-added marriage support agency.

The Matching service provides information, introduces potential partners and provides opportunities of the encounter to the registered members.

An exclusive concierge is assigned to each member. The concierge develops plans for actions and supports the member professionally. Also, in order to provide opportunities of the encounter, the company plans and hosts matchmaking events for the members.

There are more female members, with the member composition ratio of male to female being between 4:6 and 3:7.

### Main indicators of Marriage support service



#### (Characteristics of services)

A concierge with high coaching skills works with a “customer who wants to find a marriage partner within 1 year.” The concierge designs the activities based on the PDCA cycle to meet the needs of the customer who desires cost-effective services without wasting time and effort.

The concierges are mostly women who are done raising children, willing to help others through matching and share joys. There are about 140 concierges. The company has the motto of “pursuing customers’ goals” so the concierges are evaluated based on the “customer satisfaction” including the engagement rate and the early withdrawal rate.

#### <Image of support>

##### ① Before sign-up: Clarifying service contents and fee structures

A customer who is considering being a member and comes to the store is greeted by an account executive whose role is to encourage him/her to become a member. The account executive explains the service contents and fee structures in details so that the customer can accurately understand them. If it seems difficult to continue introducing partners to the customer based on certain criteria, the customer may be declined to be a member. This is to avoid the situations where the customers are not satisfied with the services in cases where they cannot reach an initial meeting or go steady with a partner, even though they pay monthly membership fees.

##### ② After sign-up: Support by an exclusive concierge who is assigned to a member

Once a customer signs up for the membership, an interview will be conducted by a concierge in charge of the customer to understand the customer’s sense of value and expectations.

At this time, using the coaching skills, the concierge tries to identify the customer’s expectations and ideal model of marriage as clearly as possible. This way, instead of helping the customers find their partners abstractly, the concierges can help them find someone based on specific criteria.

In addition to the conventional matching mechanism through data, the company offers concierge services. This has differentiated the company’s service from the others. With this system, the company can offer cost-effective services without wasting time and efforts of the customers.

During the activities, the exclusive concierges help the members modify the path as needed using a PDCA cycle. This way, the members can proactively work on the activities, even if they fail in the process.

Furthermore, the concierges ask for comments and impression from the members after each initial meeting, providing consultation to the members during dating period in addition to follow-ups after engagement (\*) to walk with the members until they reach engagement. The follow-up period after the engagement is 1 year. This way, they can support the members for a long time until marriage.

(\*) Engagement (Withdrawal from the membership)

This means that members withdraw from the membership after both members expressed their intention to continue dating with the intent to marry the partners they are dating.

**③Setting up initial meeting: Support by the staff other than the exclusive concierges**

As the process advances, the members have contacts (initial meeting) with the matched members. The specialized team supports them to coordinate the date, time and place of these contacts so that they can have their contacts set up effortlessly and efficiently. The support team helps the members to carry out the activities smoothly. For example, even if the members are lost on the way to the contact venue or cannot find the person that they are supposed to meet, the company’s staff provides support via phone or e-mail so that the members do not miss the chance to meet. Furthermore, when the customers seek second opinions, the company provides third-party advice through a service desk.

**<Service fee structure>**

|                         |   |
|-------------------------|---|
| <b>Registration fee</b> | Cost related to new member registration   |
| <b>Initial fee</b>      | Cost related to activities including interviews done by a designated concierge, planning activity and writing recommendation. |
| <b>Monthly fee</b>      | Cost for matchmaking and activity support   |
| <b>Engagement fee</b>   | Incentive fee for leaving the membership at the time of the engagement.   |
| <b>Others</b>           | Cost related to participation in events and seminars, purchase of option services and other activities.                       |

The company introduces about 2 to 6 members per customer per month, depending on the course chosen by customers. However, this figure is an obligation under the service contract and not the upper limit. Therefore, the company may introduce more members at its direction.

The following services are also provided as ancillary services.

**◎Events for the members**

In addition to the introduction by a concierge, the company develops and hosts various events such as matchmaking parties. Having spaces for holding events within the company’s stores makes it possible to flexibly hold parties without requiring expenses of renting a hall for events.

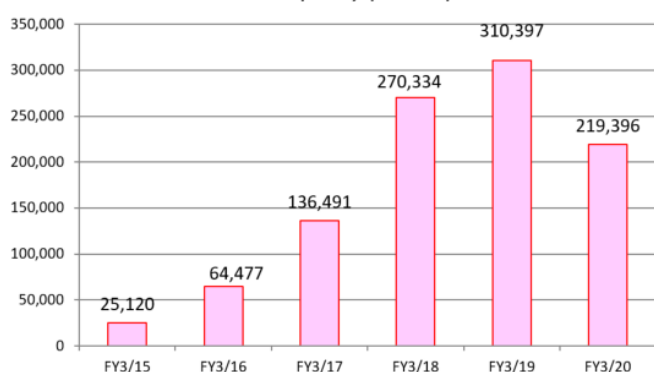
**◎Option services**

- ☆The company offers a photo shoot (fee-based) for the members with extra charges. Since the first impression is crucial for matchmaking, in collaboration with professional photographers and make-up artists, the company offers photo shoots in their studios or within the company’s premises. Because the photography is specifically for matchmaking, the company can offer advice concerning appropriate clothing and facial expressions based on their experiences.
- ☆To provide the preliminary knowledge and information about matchmaking to the members, the company offers seminars (fee-based) on color coordination, fashion advisor, communication and others for the members.

**②Entry service domain**

Based on the concept of “affordable matching services which people can start using without hesitation,” the company plans, develops and operates entry-type matching agencies, matchmaking parties, and matching apps.

Number of party participants



### ◎ “OTOCON” matchmaking parties

It plans and operates matchmaking parties called “OTOCON” for the general public.

Although these parties are targeting the public, some non-members show interest in the company through these events and become members of the matching agency. Thus, OTOCON is also functioning as a venue to increase new members.

Furthermore, similar to the event services for the members of the matching agency, there are staff members who are dedicated to event planning, and the events take place in the spaces within the company’s premises. The events promote efficient utilization of the company facilities and also work as a channel to solicit new members it also creates synergies with other services.

### ③Solution service domain

The main service in this domain is the “CONNECT-ship,” a platform that enables mutual introduction of members.

The “CONNECT-ship” is an open platform that enables mutual introduction of members between matching agencies. It launched in June 2017.

#### (Overview)

Matching companies and target service that use “CONNECT-ship” and their services are following 10 companies and 14 services as of March 2020.

| Name of the companies                | Management service name   |
|--------------------------------------|---|
| en-konkatsu agent Inc.               | •en-konkatsu agent  |
| Senior Life, Inc.                    | •MARRIX   |
| Japan Bridal Association             | •JBA (Japan Bridal Association)   |
| Nihon Nakodo Renmei                  | •NNR (Nihon Nakodo Renmei)  |
| Recruit Marketing Partners Co., Ltd. | •Zexy Enmusubi Agent  |
| Kekkonjoho center, Inc.              | •NOZZE  |
| Partner Agent, Inc.                  | •Partner Agent<br>•OTOCON Matching Concierge (former Yahoo! Matching Concierge Plan)<br>•Excite. Bridal Agency powered by Partner Agent<br>•Ichie<br>•OTOCON Matching Concierge Global Kids |
| Zenkoku Nakodo Rengokai Co., Ltd.    | •Zenkoku Nakodo Rengokai  |
| Kankocho Marriage, Inc.              | •Kankocho Marriage  |
| Measures of Falling Birthdate (MFB)  | •K Marriage   |

The “CONNECT-ship” has more than 50,000 members (total members of all participating agencies). It is the first attempt in the matching industry to enhance marriage rate through the mutual introduction of a large number of members between businesses with a certain scale to find their partners and enhance the results and customer satisfaction.

The platform (system) to achieve mutual introduction among members was developed by the company. The other agencies will use the “CONNECT-ship” service, which is being operated and maintained by the company. The company is also in charge of operating the executive office of the “CONNECT-ship.”

It will increase its scale by including other companies that have the same vision (i.e. to maximize the marriage opportunities), which is the ultimate goal of the customers.

Each participating agency can offer its unique services and operations ca being interfered by other participating agencies including the executive office (the company).

The revenue source of the company, which provides and operates the system, is the remuneration for realizing the initial meeting between members, which is received from enterprises using this system.

#### (Purposes)

The purposes of the “CONNECT-ship” for the company are to develop the industry by facilitating sales competition among the participating companies and by learning from each other in an effort to promote marriage among the members to raise customer



satisfaction, within a new framework. At the same time, the company is aiming to bring about changes in the industry so that healthy competition on service quality will be created.

## (2) Casual Wedding Business

There are three main business domains: the Casual wedding domain, the After-party domain, and the Quality of life (QOL) service domain.

### ① Casual wedding domain

In response to the increasing needs in recent years, the company produces casual weddings such as wedding receptions at prices which meet with customers' requirements, weddings with membership fees, and photo weddings.

“Suma-Kon,” the main product to support weddings in Japan, is a service operated by Mation, Inc., which joined the Group in April 2019. It provides reasonable wedding receptions with the concept that couples do not need to give up on having wedding ceremonies due to prices which meet with customers' requirements.

In addition to being able to have a party at high-end venues with a reasonable fee, the venue and plan can be selected flexibly, and convenience such as no carry-in fees and the option of payment after party are being valued by the customers.

A similar concept, “Suma-Kon Resort” is also available, which provides overseas weddings at prices which meet with customers' requirements.

Mation, Inc. also offers the “1.5th wedding party,” a wedding style that is not as formal as a reception and is not as casual as an after-party.

A 1.5th wedding party planner proposes a party plan that suits the couple's needs, such as plans and costs. In addition to a wide range of choices, such as gift money style or entrance-fee style and course meal or buffet meal, there are no carry-in fees and payment after the party is also possible just like “Suma-Kon.”

The service is used for various purposes, such as a party after an overseas wedding ceremony, a formal party with a wedding ceremony, and a casual party with entrance fee.

### ② After-party domain

Just like “Suma-Kon,” “Nijikai-Kun” provided by Mation, Inc. upholds the theme of “Making the wedding after-party the best party in your life” and offers services including venue search, party planning, management on the day, and follow-up after the party.

Mation, Inc. is consistently achieving top-class results in terms of the number of after-party agency services.

### ③ QOL service domain

They are services that contribute to the improvement in the quality of life after engagement, such as bridal jewelry, insurance sales, and housing information services.

To the members married through the matching services and customers of “Suma-Kon” and “Nijikai-Kun,” the company offers various services at their major life events by maintaining relationship with the customers. This is to enhance customer satisfaction and increase revenue opportunities.

The members of the “Anniversary Club” are the ones who withdrew from the membership after their engagement. To those members, the following services are provided.

|  |
|--|
| Introduction of wedding halls  |
| Sales of items related to wedding  |
| Sales of engagement rings/ marriage rings  |
| Review of insurance contracts associated with changes in life stages   |
| Provision of various discount services that can be used for matchmaking activities and others (through business collaboration with other companies). |

As for the introduction of the wedding venues, the company's service had been limited to introduction of wedding venues and referral to “Zexy Consultation Counter” operated by Recruit Zexy Navi, Co., Ltd. However, as the company began to offer “Suma-Kon” and

“Nijikai-Kun,” it has become possible to provide in-house services including organization of wedding ceremonies and after-parties. As for housing, the company introduces “Suumo Counter” operated by Recruit Sumai Company Ltd. to engaged couples who are considering purchasing custom-built homes. It has also entered into a business alliance agreement on customer collaboration with Dualtap Co., Ltd., which has a track record of condominium development in Tokyo to provide high-quality housing information services.

### (3) Other Business

The main business domains are the services surrounding matching and the services surrounding casual wedding. The company is also developing new businesses.

#### ① Service around matching

##### ◎ Matching services for local governments

The company offers the original matching system called “parks” as ASP to local governments planning to offer matching activities to residents.

“parks” is a system that combines several functions, such as supporting its user activities and streamlining tasks of operating staff in addition to basic functions such as member registration, membership management and partner matching, which are all necessary in the matching business. The system operators can customize the system depending on the needs.

“parks” has been installed in Fukushima, Kyoto, Saitama Prefectures, and Akita Prefecture so far.

The major achievements with the local governments are as follows.

| Local government     | Contents   |
|----------------------|--|
| Mie Prefecture       | Operation of the “Support to Strengthen Bond between Married/Unmarried Couples” project in the “Marriage Positive Campaign” (a project to create a positive trend for marriage)” |
| Kyoto Prefecture     | Provision of a matching system to the companies that received business from “Kyoto Matching Support Center”  |
| Fukushima Prefecture | Comprehensive operation of a matching business on behalf of “Fukushima Marriage/Child-Raising Support Center”  |
| Akita Prefecture     | Provision of a matching system to Akita Matching Center.   |

In addition to the above, the company has been offering seminars and solutions such as training to support the operation of matchmaking events organized by local governments in 10 prefectures since 2017.

#### ② Service area around casual wedding

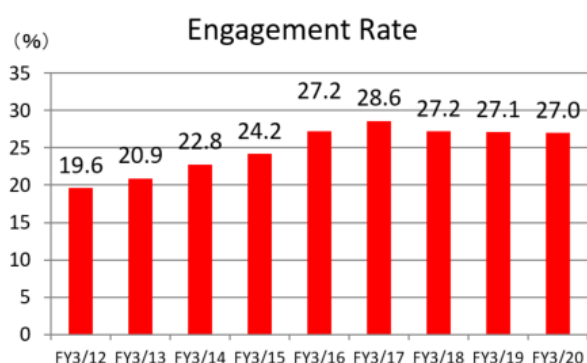
The company is working on in-house production of videos used during “Suma-Kon” and “Nijikai-Kun” to pursue synergies with the casual wedding business.

### 【1-5 Characteristics and strengths】

#### High engagement rate as a result of “pursuing customers’ goal”

One of the key features of the company is its “high engagement rate.”

The engagement rate for FY March 2020 was 27.0%.



Although other companies in the industry are not announcing exact figures, the average engagement rate is suspected to be about 10%. In comparison, the company's engagement rate is exceptionally high.

The "engagement rate" shows a rate of members who withdrew from the membership after their engagement during a specific period. Because the rate may also raise a question about the need for matchmaking companies, many companies in the matchmaking industry prefer not to use the engagement rate as an indicator.

However, President Sato has been focusing on the idea of "pursuing customers' goals" as a corporate strategy and philosophy from the foundation of the company.

He believes the goal that the customers want to reach through the company's services is the "marriage." Thus, making efforts to reach the highest rate of "getting married" is the social value of the company.

In order to achieve this purpose, the company carries out all activities including employment, education, development, training, knowledge sharing, management, and evaluation system based on the philosophy of "pursuing customers' goals." This stance leads to the outstanding "engagement rate" in this field.

## 2. Fiscal Year ended March 2020 Earnings Results

### (1) Consolidated earnings

|                  | FY 3/19 | Ratio to sales | FY 3/20 | Ratio to sales | YoY    | Ratio to initial forecasts | Ratio to revised forecasts |
|------------------|---------|----------------|---------|----------------|--------|----------------------------|----------------------------|
| Sales            | 4,151   | 100.0%         | 8,187   | 100.0%         | +97.2% | -10.0%                     | -0.4%                      |
| Gross profit     | 2,372   | 57.2%          | 4,125   | 50.4%          | +73.8% | -                          | -                          |
| SG&A             | 2,156   | 51.9%          | 4,046   | 49.4%          | +87.7% | -                          | -                          |
| Operating Income | 216     | 5.2%           | 78      | 1.0%           | -63.8% | -66.1%                     | -35.0%                     |
| Ordinary Income  | 208     | 5.0%           | 41      | 0.5%           | -80.1% | -75.9%                     | -41.4%                     |
| Net Income       | 90      | 2.2%           | 2       | 0.0%           | -97.1% | -98.5%                     | -93.3%                     |
| EBITDA           | 388     | 9.3%           | 509     | 6.2%           | +30.9% | -                          | -                          |

\*Unit: million yen

**Although sales were increase significantly due to the contribution of the consolidation of Mation Inc. into the Group, profit was decreased significantly. EBITDA was increased.**

The sales for FY ended March 2020 were 8,187 million yen, up 97.2% year on year. This is due to the inclusion of Mation Inc. in the Group. Operating income decreased 63.8% year on year to 78 million yen, and ordinary income declined 80.1% year on year to 41 million yen. There was a significant decrease in profit due to an increase in costs and SG&A expenses of Mation Inc., amortization of goodwill and intangible fixed assets of 207 million yen, and recording of one-time income such as sales of the matching system in the previous term. EBITDA increased 30.9% year on year to 509 million yen. Net income decreased 97.1% year on year to 2 million yen.

The company downwardly revised its earnings forecast for FY ended March 2020, to take into consideration the impact of the spread of COVID-19. Nonetheless, since the day of the forecast announcement, the postponements and cancellations of wedding ceremonies have additionally occurred in the casual wedding business. In the matching business as well, there were many requests to reconsider the timing of enrollment in the marriage agency, so it was below the revised forecast

### (2) Trend in each segment

|                         | FY 3/19 | Composition rate | FY 3/20 | Composition rate | YoY       |
|-------------------------|---------|------------------|---------|------------------|-----------|
| Sales                   |         |                  |         |                  |           |
| Matching Business       | 3,804   | 91.6%            | 3,561   | 43.5%            | -6.4%     |
| Casual Wedding Business | 97      | 2.3%             | 4,424   | 54.0%            | +4,444.1% |

## BRIDGE REPORT



|                         |       |        |       |        |         |
|-------------------------|-------|--------|-------|--------|---------|
| Other Business          | 250   | 6.0%   | 200   | 2.5%   | -19.7%  |
| Total                   | 4,151 | 100.0% | 8,187 | 100.0% | +97.2%  |
| Profit in each segment  |       |        |       |        |         |
| Matching Business       | 804   | 21.2%  | 817   | 23.0%  | +1.6%   |
| Casual Wedding Business | 11    | 11.7%  | 81    | 1.8%   | +617.7% |
| Other Business          | 84    | 33.7%  | 15    | 7.6%   | -81.9%  |
| Adjustment              | -684  | -      | -836  | -      | -       |
| Total                   | 216   | 5.2%   | 78    | 1.0%   | -63.8%  |

\*Unit: million yen. Sales are sales to external customers. The composition rate of the profit in each segment means return on sales.

### Matching Business

Sales decreased, while profit increased.

In addition to strategically curtailing the number of parties held, the number of existing matching parties held decreased as people refrain from going out due to the spread of the novel coronavirus, resulting in a decline in sales.

Although depreciation expenses were posted early due to the integration/closure of five stores, profit increased due to improved advertising efficiency and enhanced profits in existing matching parties.

#### ◎Marriage support Service Domain

The company implemented various measures to establish the brand. Particularly, on the advertising side, the number of brand searches and requests for information materials increased as a result of implementing efficient and effective advertising measures with a focus on acquiring customers.

As for services, it changed the system to strengthen and enhance quality. In addition, the company made efforts to acquire a new customer base by offering high-end courses, such as the “ultimate course” targeting people with an annual income of 30 million yen or more as an admission condition, and the “executive course” that offers appearance support.

Also, the company promoted online consultation before enrollment and initial online meetings between members.

Due to the novel coronavirus impact, many requested a review of the enrollment period (including the cooling-off period in April 2020), and the number of new members in March 2020 was below the estimate. However, the number of new members per year was 7,968, up 1.6% from the previous year.

The number of people ending their membership after finding their marriage partners decreased 0.6% to 3,136 from the previous year and the marriage rate decreased 0.1 points to 27.0% from the previous year.

As of the end of March 2020, the number of registered members decreased 3.6% from the previous year to 11,073 because the number of new members was sluggish for the reasons mentioned above and the number of members who dropped out temporarily increased before or after the consumption tax hike.

#### ◎Entry Service Domain

Since the company curtailed the number of events to optimize the operation of matching parties and improve service quality and also due to the impact of the novel coronavirus, the number of matching parties decreased 30.5% from the previous term to 19,990. As for the number of participants, it decreased 29.3% from the previous term to 219,396.

The number of participants per event increased, and profits improved significantly due to factors such as in-house management.

The total number of OTOCON participants exceeded 1 million. Seizing this opportunity, the company launched an advertisement featuring SKE48 members to promote the brand further.

The number of members enrolling in the matching agency via matching parties, which the company has been focusing on since the previous term, increased 7.3% from the previous term to 560, even though the number of parties held decreased.

As for the planning and development of new entry services, the company has proceeded with the planning and development of high-value-added matching parties and also has promoted to make the existing marriage matching parties online and to prepare for the launch of the matching application “Suma-Kon Date.” The company started these developments in May 2020 gradually.

## BRIDGE REPORT



### ◎Solution Service Domain

In order to contribute to the improvement of the results of the “CONNECT-ship” users, the company is implementing various measures to increase the number of members.

As of the end of June 2020, the number of members was 29,353, up 9.2% year on year and the number of initial meetings realized by the end of the FY March 2020 was 309,428, down 3.0% year on year.

#### \*Major Indicators

|   | FY 3/19 | FY 3/20 | YOY    | Initial forecasts |
|---|---------|---------|--------|-------------------|
| Number of new members                             | 7,841   | 7,968   | +1.6%  | 8,933             |
| Number of existing members at the end of March    | 11,485  | 11,073  | -3.6%  | 12,365            |
| Number of members subscribed after engagement     | 3,156   | 3,136   | -0.6%  | 3,194             |
| Engagement Rate (%)                               | 27.1%   | 27.0%   | -0.1pt | -                 |
| Number of party participants                      | 310,397 | 219,396 | -29.3% | 268,949           |
| Number of parties held                            | 28,768  | 19,990  | -30.5% | -                 |
| Number of the “CONNECT-ship” users (end of March) | 26,868  | 29,353  | +9.2%  | -                 |
| Number of initial meetings via “CONNECT-ship”     | 318,842 | 309,428 | -3.0%  | -                 |

### (Casual Wedding Business)

Both sales and profit increased.

The inclusion of Mation, Inc. in the Group contributed. Profit increased significantly even after recording the amortization of goodwill and intangible fixed assets (207 million yen).

### ◎Casual Wedding Domain

The company focused on expanding the product lineup with “Suma-Kon” as the core product.

Some of the efforts include the launch of “Suma-Kon wedding ceremony” to meet the needs of the customers who are focused on a wedding ceremony and “Suma-Kon Dress” to enhance competitiveness through in-house production. Both are showing a strong start.

There was a partial postponement (delay) of wedding ceremonies due to the impact of the novel coronavirus. However, as a result of introducing “Suma-Kon” to customers who are engaged through matching service and collaborating with the matching businesses, the annual number of contracts concluded increased 28.1% year on year to 1,562, and the number of wedding ceremonies also increased significantly by 31.0% year on year to 1,454.

Furthermore, by reorganizing M Creative Works Inc., which handles high-quality photo weddings, into a subsidiary, it became possible to meet the needs of all casual wedding customers. Also, in addition to the wedding agency, the company promoted initiatives using the Internet to create new wedding styles.

The company is working on various initiatives toward in-house production of various items other than dresses as well.

### ◎After-party Domain

In order to further expand the business of “Nijikai-Kun,” which boasts the industry’s highest level of implementation, various measures are being taken to strengthen collaboration with leading travel agencies in the wedding after-party industry. Additionally, the company refortified the business foundation to cope with the increase of orders during busy months (October and November).

the company concluded a comprehensive business alliance with Authemotion Products Co., Ltd, which has the industry’s largest production results, and started reciprocal customer transfers with them in June 2019.

In addition, like the Casual Wedding Domain, the company started coordinating with the Matching Business.

Some wedding ceremonies were postponed or canceled due to the impact of the novel coronavirus. Nonetheless, the annual number of concluded contracts for “Nijikai-Kun” increased 13.8% year on year to 3,786, and the number of wedding ceremonies increased 10.1% to 3,604.

Furthermore, the company took various measures toward including pma Inc., which handles the introduction of after-parties of wedding receptions mainly in the Kanto area, in the Group, and also promoted online consultation for after-parties of wedding receptions.

#### ◎QOL Service Domain

The company worked to expand sales of bridal jewelry and insurance to the members who are engaged through matching service and the customers of “Suma-Kon” and “Nijikai-Kun.” In particular, regarding insurance sales, the company opened the “Partner Agent x Insurance Clinic” Shibuya East Exist Branch followed by Osaka Station Square Branch in order to expand the operation of the high-quality insurance business. Furthermore, the company started providing high-quality housing information service through an alliance with Dualtap Co., Ltd., which has a large number of condominium development records in Tokyo.

#### \*Major Indicators

|                         | FY 3/19 | FY 3/20 | YOY    | Initial forecasts |
|-------------------------|---------|---------|--------|-------------------|
| (Number of contracts)   |         |         |        |                   |
| Suma-Kon series         | 1,219   | 1,562   | +28.1% | 1,437             |
| Nijikai-Kun             | 3,326   | 3,786   | +13.8% | 3,692             |
| (Number of enforcement) |         |         |        |                   |
| Suma-Kon series         | 1,110   | 1,454   | +31.0% | 1,285             |
| Nijikai-Kun             | 3,274   | 3,604   | +10.1% | 3,435             |

\*Mation, Inc. has joined the Group in April 2019. The number of implemented cases for Suma-Kon series and Nijikai-Kun in the third quarter of FY March, 2019 is not included in the results for the third quarter of FY March, 2019.

#### (Other Business)

Both sales and profit decreased.

Both sales and profit declined due to the transfer of the childcare business and the recording of temporary earnings related to the sale of matching support systems in FY March 2019.

#### ◎Service around matching

The company is focusing on expanding management support for local governments that carry out matching activities. The company provided support in the event organized by Saitama Prefecture, and introduced the matching system “parms” to Akita Prefecture.

#### ◎ Service around casual wedding

The company started in-house production of opening movies and videos introducing the groom and bride, and used for “Suma-Kon” and “Nijikai-Kun” in collaboration with the Casual wedding business.

#### ◎ New business development

In addition to increasing awareness and strengthening the sales system of “evemon,” which produces events for companies by using the knowledge and know-how nurtured in the production of the wedding after-party, the company has newly started to support online events.

### (3) Financial condition and cash flow

#### ◎Main BS

|                              | End of March 2019 | End of March 2020 |  | End of March 2019 | End of March 2020 |
|------------------------------|-------------------|-------------------|--|-------------------|-------------------|
| <b>Current Assets</b>        | 2,059             | 2,006             | <b>Current liabilities</b>             | 1,132             | 1,685             |
| <b>Cash</b>                  | 1,207             | 1,039             | <b>ST Interest-Bearing Liabilities</b> | 771               | 1,174             |
| <b>Receivables</b>           | 723               | 674               | <b>Noncurrent liabilities</b>          | 1,271             | 2,773             |
| <b>Noncurrent Assets</b>     | 1,322             | 3,477             | <b>LT Interest-Bearing Liabilities</b> | 1,135             | 2,521             |
| <b>Tangible Fixed Assets</b> | 328               | 585               | <b>Total Liabilities</b>               | 2,404             | 4,459             |

## BRIDGE REPORT



|                                |       |       |   |       |       |
|--------------------------------|-------|-------|---|-------|-------|
| <b>Intangible Fixed Assets</b> | 335   | 1,412 | <b>Net Assets</b>                       | 978   | 1,025 |
| <b>Investment, Others</b>      | 658   | 1,479 | <b>Retained earnings</b>                | 981   | 1,027 |
| <b>Total assets</b>            | 3,382 | 5,484 | <b>Total Liabilities and Net Assets</b> | 3,382 | 5,484 |

\*Unit: million yen

Noncurrent assets grew 2,155 million yen due to the increase in goodwill, and total assets rose 2,102 million yen year on year to 5,484 million yen.

Due to the augmentation of interest-bearing debt, total liabilities increased 2,055 million yen year on year to 4,459 million yen. Net assets grew 47 million yen year on year to 1,025 million yen due to a decrease in treasury shares and an increase in retained earnings. As a result, equity ratio fell 10.2 points from the end of the previous fiscal year to 18.7%.

### ◎Cash Flow

|                      | FY 3/19 | FY 3/20 | Increase/Decrease |
|----------------------|---------|---------|-------------------|
| <b>Operating CF</b>  | 374     | 231     | -143              |
| <b>Investing CF</b>  | -180    | -1,861  | -1,681            |
| <b>Free CF</b>       | 194     | -1,630  | -1,824            |
| <b>Financing CF</b>  | 464     | 1,462   | +997              |
| <b>Cash position</b> | 1,207   | 1,039   | -168              |

\*Unit: million yen

The surplus of operating CF dropped due to a decrease in net income before income taxes.

Free CF turned negative due to increase in purchase of shares of subsidiaries.

The surplus of financing CF expanded due to the increase in long and short-term debts.

The cash position declined.

### (4) Topics

#### ◎The inclusion of pma Inc., which deals with the production of wedding reception after-parties in the Group

In April 2020, the company included pma Inc., which is involved in the production of wedding reception after-parties, in the Group by acquiring all its shares.

#### (Background for including pma in the Group)

pma Inc. is a company newly established in September 2019 as a result of the company split of Authemotion Products Co., Ltd., which is involved in the production of wedding reception after-parties as one of the leading companies in the field. After taking over the business in Tokyo and Kanagawa, pma became independent from Authemotion Products and has been involved in producing around 1,100 wedding reception after-parties in about half a year since its establishment mainly in the Kanto area. pma has a wide range of 700 stores or more, which can be used as venues.

Under these circumstances, Partner Agent formed a comprehensive tie-up with pma and deepened their relationship through mutual exchange of joint venues and business connections, development of new businesses, reciprocal customer transfer of services, etc., with the perspective of adding pma to the Group. Partner Agent decided to acquire all the shares of pma after considering the increase of orders and profits of the entire group in the domain of wedding reception after-parties by further strengthening their cooperation in the future, and effectively utilizing the management resources of both companies. As of the end of February 2020, pma's total assets and net assets were 656 million yen and -39 million yen, respectively. The acquisition cost was 1,000 yen.

#### (Future developments)

In addition to providing a variety of services to meet the needs of brides and grooms who hold wedding reception after-parties, the Group will work as one to accelerate business development to become a leading casual wedding company.

◎Changing the corporate name to “Tameny Inc.”

The corporate name will be changed to “Tameny Inc.” on October 1, 2020.

(Background for changing the corporate name)

Since Partner Agent was listed in 2015, it has established its position as a safe and secure matching company that is needed by society. Furthermore, on October 1, 2020, the company will absorb and merge Mation Inc., which was added to the Group in April 2019, and will expect to expand all its services that contribute to further improving the customers’ quality of life while focusing on matching and casual weddings as its core business area.

Under these circumstances, Partner Agent considers the period since October 1, 2020, as its second founding phase, and it newly defined its purpose as “creating ‘smiles’ for all those we come in contact with to make their lives better by only doing what is good for society and the people.”

Manifesting this decision, the company decided to change the corporate name to “Tameny Inc.”

Taking advantage of this change in its corporate name, the company will aim to (1) strengthen organizational capabilities by unifying management principles, (2) maximize business synergies and create new value by activating personnel exchanges, and (3) improve profitability by effectively using management resources and improving operational efficiency, and so on.

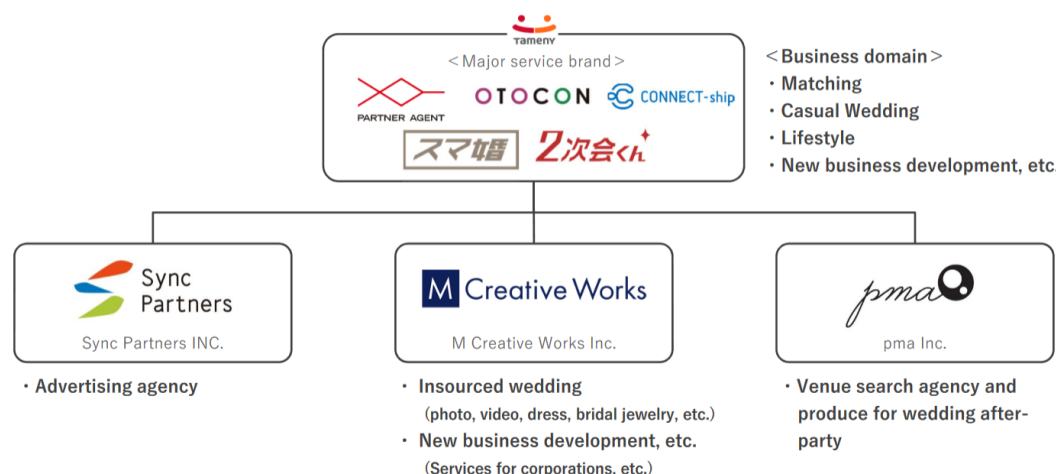


Corporate Philosophy  
For your fine life.

(taken from the company’s material)

(Future management system)

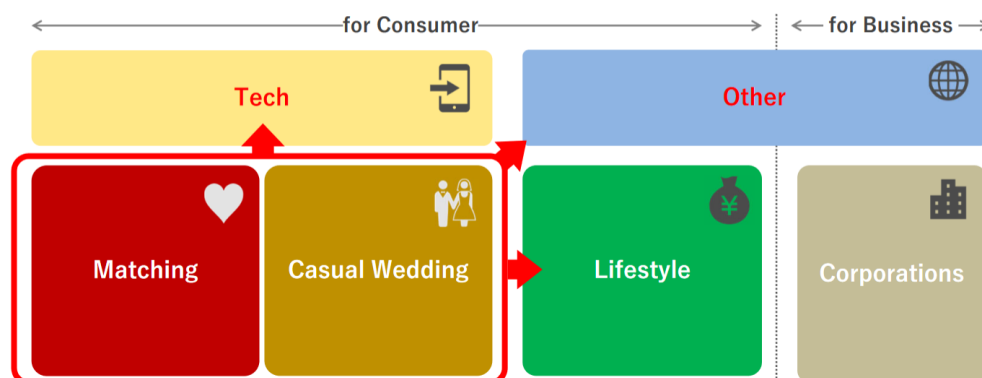
From October 1, 2020, the company will shift to a seamless system centering on Tameny Inc. Other Business will be handled by the three group companies.



(taken from the company’s material)

While focusing on matching and casual weddings, the company plans to expand its business domains into the “Tech domain,” “Lifestyle domain,” and “Other domains” for individuals and “Other domains” and “Corporate domain” for corporate customers. The company will provide details in the medium-term management plan to be announced in November 2020.

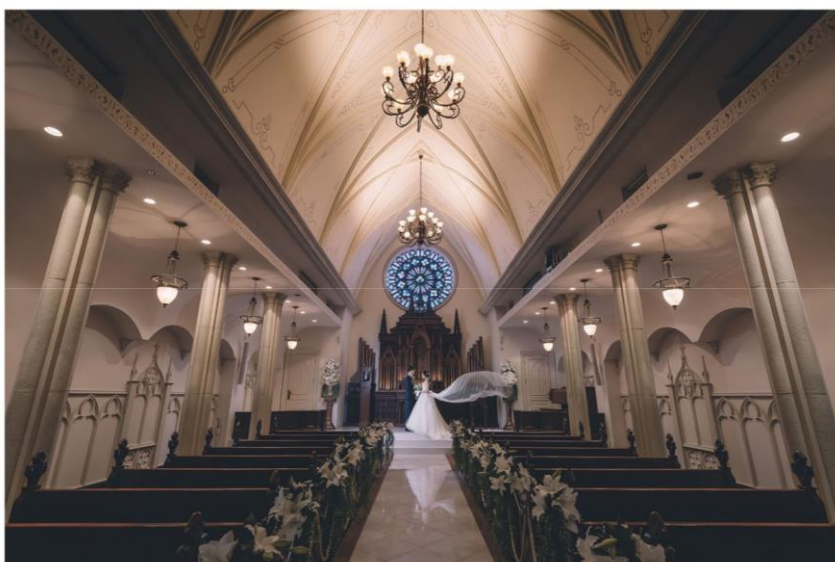




(taken from the company's material)

### ©Launching “LUMINOUS La Maison,” a new wedding style in the post pandemic era

Subsidiary M Creative Works started to offer “LUMINOUS La Maison,” a wedding photo shooting service since “Photography Day” on June 1, 2020.



The photos provided by LUMINOUS are vastly different from the standard Japanese wedding photos that cut out only people. LUMINOUS offers state-of-the-art photos with a foreign style and a majestic sense of scale, which captures the bride and groom standing in a beautiful and dynamic background.

Due to the coronavirus impact, the number of couples who postponed or canceled their weddings has increased. In light of this situation, the company will move beyond the traditional wedding photo to provide couples nationwide who will not have weddings and couples who postponed their weddings with a dramatic new form of weddings rather than the conventional ones.

## 3. Fiscal Year ending March 2021 Earnings Forecasts

### (1) Earnings forecast

Since it is difficult to reasonably calculate the impact of the novel coronavirus at this stage, the forecast for this term is still to be determined.

### (2) The current and future efforts

Both the matching business and the casual wedding business are promoting unique initiatives focusing on the theme of “utilizing the Internet.”

## ① Matching Business

### ◎ Launching an original online automatic matchmaking system

Since April 2020, the company has been conducting online matchmaking using a generic online meeting system to provide a new way of matching couples under the new lifestyle to prevent the spread of novel coronavirus. However, it was difficult to carry out many initial meetings due to the need for staff settings and interventions.

Because of these issues, the company independently developed an automatic online initial meeting system which does not require any staff for Partner Agent and CONNECT-ship members and launched it in June 2020.

### ◎ Holding online matching parties nationwide

Like initial meetings, the company has started holding online matching parties in May 2020 using the knowledge and know-how nurtured by throwing around 20,000 matching parties a year for a cumulative total of more than one million users to meet the diversifying needs under the new lifestyles to prevent the spread of the novel coronavirus.

Partner Agent prepares parties with various plans and age restrictions to thoroughly verify the user's identity.

### ◎ Launching matching application

In May 2020, the subsidiary Mation Inc. released "Suma-Kon Date" as a new smartphone application.

In the customer surveys of "Suma-Kon" (wedding receptions, etc.) and "Nijikai-Kun" (after-party agency services), which are the primary services of Mation, the answer of the question: "Are there any people around you who want to get to know someone romantically?" was yes for about 90%.

In other surveys, 60% of the guests answered that they had expected new romantic encounters at weddings and wedding reception after-parties. Hence, there is a high tendency for people around the brides and grooms to want to meet someone romantically, and weddings and wedding reception after-parties are expected to be matching opportunities.

Therefore, Mation has decided to launch the matching application "Suma-Kon Date" to provide new meeting opportunities to about 150,000 "Nijikai-Kun" participants every year.

"Suma-Kon Date" is entirely free. Since the application's system is an invitation basis system, the quality of users is high, and a mechanism for reporting and deleting suspicious users is adopted, so the user can feel safe while using it. In the future, the company plans to implement an online dating function.

## ② Casual Wedding Business

The company holds online consultations and remote previews for casual weddings and wedding reception after-parties, which do not require visiting the company's store.

Focusing on the new lifestyle, the company aims to create new wedding styles that benefit from the advantages of the real and virtual.

## 4. Conclusions

Since the earnings forecast for this fiscal year is still to be determined due to the difficulty in rationally calculating the impact of the novel coronavirus at this stage, investors would like to wait for quarterly disclosure, but expects the release of qualitative information regarding the current situation and so on. Also, although the announcement has been postponed, we would like to pay attention to the vision and goals how it will set as Tameny Inc. in the medium-term management plan.

## <Reference: Regarding Corporate Governance>

### ◎ Organization type, and the composition of directors and auditors

|                   |   |
|-------------------|---|
| Organization type | Company with an audit and supervisory board |
| Directors         | 8 directors, including 2 external ones      |
| Auditors          | 3 auditors, including 2 external ones       |

### Corporate Governance Report

The latest update: July 5,2019

#### <Basic policy>

Based on the principles of the Corporate Governance Code, the Group has established basic policies regarding corporate governance. In order to maximize corporate value, the basic policies of the corporate governance initiatives are to strengthen relationships with each stakeholder and enhance management governance and internal control functions, and they are positioned as the most important management actions. The Company is striving to secure transparency and fairness and disclose right information to each stakeholder in a timely manner by speeding up and revitalizing decision making, strengthening the supervisory function for business execution, strengthening the management oversight function for directors, and establishing an internal control system.

The Company operates a marriage information service business and believes that the corporate value is based on the trust of society. The Company recognizes that corporate governance is indispensable for the Group to maintain such trust from society.

The Company believes that “separation of execution and supervision” in management is the most effective way to meet the expectations of each stakeholder and continuously increase corporate value. Therefore, in addition to having the Board of Directors and the Board of Auditors as the supervisory bodies of the Group’s management team, the Management Council is established. The purposes of the Management Council include to determine important matters regarding business execution, deliberate important management matters, facilitate communication and common understanding of information, and review risks. Furthermore, in order to take systematic and right countermeasures against risks, the Company established the Risk Compliance Committee that facilitates risk management and compliance in an integrated manner to not only improve the organizational structure but also strengthen corporate governance.

#### <Reasons for Non-compliance with the Principles of the Corporate Governance Code (Excerpts)>

The company states that it will carry out all basic principles of corporate governance code as a company listed on the TSE Mothers.

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