

## Tameny Inc.

Tokyo Stock Exchange Growth code:6181

March 8, 2023

## 6.2x upside potential based on GCC Management™ analysis

## Prospects for LTV maximization through connection of matchmaking and wedding support and lifestyle support

This report analyzes corporate value based on the "GCC Management™" framework developed by J-Phoenix Research Corporation ("JPR"), which emphasizes three elements: Growth (sales growth), Connection (strategic connection of all stakeholders, leading to improved stability), and Confidence (enhanced trust and lowered business risks).

## Using matchmaking and wedding as a starting point, "Creating a Better Life."

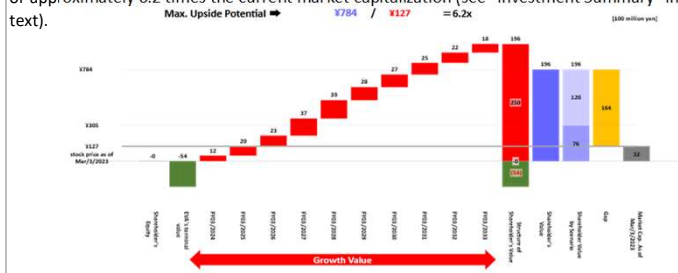
Tameny Inc. (hereinafter "Tameny") (formerly Partner Agent Inc.) was established in 2004 and has been operating bridal-related businesses, including Partner Agent, a marriage counseling agency, since 2008. In 2015, it was listed on the Tokyo Stock Exchange Mothers (now TSE Growth) and changed its name to Tameny in 2020. Currently, it is developing its matchmaking business, casual wedding business, lifestyle business, tech business, and business for corporates and local governments under the banner of "Creating a Better Life."

## Aiming for full-fledged synergies among businesses in the second founding phase

The growth story, "Maximizing LTV from marriage and weddings," is planned to be connected to lifestyle support, and from the point of view of the synergy manifestation between businesses through system reform for this purpose, the conceptual design with future potential\*1 progress is evident. On the other hand, Tameny is still in the process of recovering short-term performance and building a foundation for medium- to long-term growth over the next three years, and it is also in the process of reforming its existing organization and accelerating and maximizing the effects of M&A and business alliances in order to realize synergies among its businesses, therefore the implementation design\*2 is halfway through the process. In terms of performance, while Tameny is No. 1 in the industry for its marriage rate and "Suma-Kyun" name recognition, it has not developed a system for transferring customers between businesses and has only a few services for total customers. While the financial situation is in a state of stabilization, the contribution to society can be evaluated as society is catching up with Tameny's contribution to society from the point that the government's measures to reduce the birthrate are beginning to take effect in earnest. If the growth story is realized, Tameny's contribution will be even greater, not merely in addressing the declining birthrate through marriage support, but also in remarriage, healthy life expectancy measures, and other areas.

## Potential for mainstay stocks related to declining birthrate and aging population with a maximum upside of 6.2x

Shareholder value was estimated using the "Excess Profit Method" (see Reference 2) based on the GCC Management™ framework under the assumption that Tameny will achieve sales of 30 billion yen and operating profit of 3 billion yen in the fiscal year ending March 31, 2028. As a result, assuming that the concept of the value creation process is implemented and realized, and incorporating 10 years of growth value, shareholder value was estimated to be 19.6 billion yen, or approximately 6.2 times the current market capitalization (see "Investment Summary" in the text).



For more information on the \*1"Conceptual Design" and \*2"Implementation Design" and the evaluation system, please refer to "Reference 1." at the end of this document.

## Basic report

Written and Edited by  
J-Phoenix Research Inc.  
Taizo Honda

## Corporate Profile

Headquarters	Shinagawa-ku, Tokyo
President & CEO	Kensuke Kurisawa
Established	June 15, 2004
Capital	44 JPY 1mil.
Listed	October 27, 2015
URL	https://tameny.jp/
Industry	service business

Key Indicators  
(as of March 7, 2023)

Stock price	133 yen
Highest in 52 weeks	168 yen
Lowest in 52 weeks	80 yen
Outstanding Shares	24,988,000 stocks
Trading Units	100 stocks
Market Capitalization	3,323 JPY 1mil.
Prospective Dividend	-
Estimated EPS	-9.21 yen
Estimated PER	-
Actual BPS (March 31, 2022)	-0.52 yen
Actual PBR	-

Performance Trends	Sales (JPY 1 mil.)	YoY %	Operating income (JPY 1 mil.)	YoY %	Ordinary income (JPY 1 mil.)	YoY %	net income (JPY 1 mil.)	YoY %	EPS (JPY)	Stock price	
										High price (JPY)	Low price (JPY)
Results for FY 3, 2020	8,187	97.2%	78	-63.8%	41	-80.1%	2	-97.1%	0.25	469	136
Results for FY 3, 2021	4,429	-45.9%	2,176	-	2,089	-	-2,316	-	-202.70	269	139
Results for FY 3, 2022	5,574	25.9%	-153	-	-218	-	-320	-	-15.28	171	80
Results for FY 3, 2022 3Q	4,194	35.3%	-200	-	-253	-	-309	-	-15.75	109	90
Results for FY 3, 2023 3Q	4,163	-0.8%	-190	-	-232	-	-251	-	-10.07	115	89
Plans for FY 3, 2023	5,756	3.3%	-195	-	-246	-	-230	-	-	-	-

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## 1. Investment Summary

### Shareholder value analysis

**Maximum Upside  
6.2x in Market  
Capitalization  
Estimated**

### Estimation using the excess profit method

**Maximum upside 6.2x depending on realization of growth scenario**

Tameny operates matchmaking business, casual wedding business, tech business, lifestyle business, and business for corporates and local governments under the corporate philosophy of "Creating a better life". JPR estimated shareholder value using the Excess Profit Method (see "Reference 2") based on the GCC Management™ framework, taking into account the future potential regarding Tammany's business development. The following chart visualizes the qualitative/quantitative story outline and the results of the estimation. The prerequisites are explained on the next page and beyond. The following chart visualizes the results of the estimation. The prerequisites are explained on the next page and beyond.

■ Shareholder Value Analysis (Unit: JPY 100 mil)

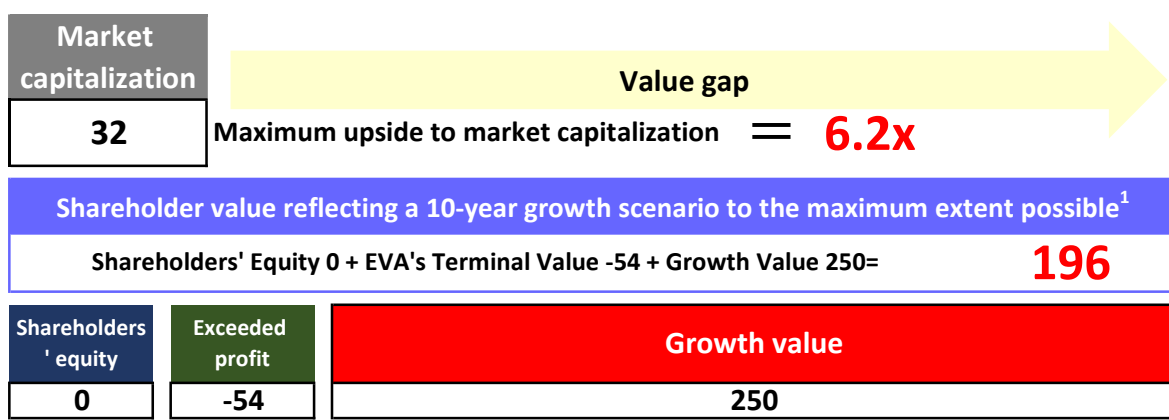
## Qualitative Story Outline

**Growth : Maximize LTV through connection of matchmaking and wedding support and lifestyle support**

**Connection : Synergies among businesses will be fully realized in coming**

**Confidence: Contribution to declining birthrate, aging population, and increase in healthy life expectancy**

## Quantitative Story Outline

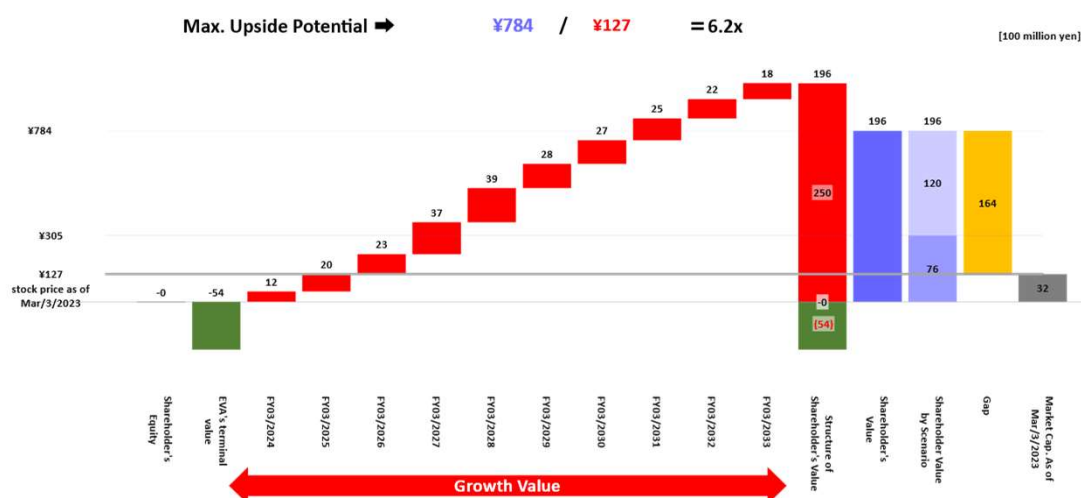


Source: JPR

1: Fractions do not match due to rounding.

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## Shareholder Value Structure and Value Gap Analysis Using the Excess Profit Method



Source: JPR. Market capitalization is the closing price on January 13, 2023

## Shareholder Value Structure and Value Gap Analysis Using the Excess Profit Method (details)

[¥100mn]	Current Year 2023.03	1 year later 2024.03	2 years later 2025.03	3 years later 2026.03	4 years later 2027.03	5 years later 2028.03	6 years later 2029.03	7 years later 2030.03	8 years later 2031.03	9 years later 2032.03	10 years later 2033.03
Sales	58	80	111	155	215	300	394	493	592	687	775
Operating income	-2.0	1.6	5.6	10.8	19.4	30.0	39.4	49.3	59.2	68.7	77.5
Operating margin	-3.4%	2.0%	5.0%	7.0%	9.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Sales growth rate	3.3%	39.1%	39.1%	39.1%	39.1%	39.2%	31.4%	25.1%	20.1%	16.1%	12.9%
NOPAT margin	-2.3%	1.4%	3.5%	4.8%	6.2%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%
Invested capital turnover ratio	65.6%	68.4%	58.7%	52.0%	47.5%	44.5%	42.7%	41.6%	40.8%	40.3%	40.1%
WACC	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%	8.2%
ROIC = NOPAT margin ÷ invested capital net sales ratio	-3.6%	2.0%	5.9%	9.3%	13.1%	15.5%	16.2%	16.6%	16.9%	17.2%	17.2%
ROIC / WACC (value created with the original hand of 1 y)	(¥0.4)	¥0.2	¥0.7	¥1.1	¥1.6	¥1.9	¥2.0	¥2.0	¥2.1	¥2.1	¥2.1
NOPAT	-1.35	1.11	3.85	7.50	13.41	20.74	27.25	34.09	40.93	47.51	53.61
Invested capital × WACC	3.10	4.49	5.36	6.61	8.40	10.95	13.80	16.81	19.81	22.70	25.49
EVA	-4.45	-3.39	-1.51	0.89	5.01	9.79	13.45	17.28	21.12	24.81	28.12
EVA = NOPAT - invested capital × WACC	-4.45	-3.39	-1.51	0.89	5.01	9.79	13.45	17.28	21.12	24.81	28.12
Value created in each year	-54	13	23	29	50	58	45	47	47	45	40
Discount Rate	100%	92%	85%	79%	73%	67%	62%	58%	53%	49%	45%
Present value of EVA	-54	12	20	23	37	39	28	27	25	22	18
Invested capital ① Origin	38										
Over profit value (Permanent value of EVA of this ten→)	-54										
Growth value (Present value of increase in EVA) ③	250										
Non-business asset value ④	6										
Corporate value = ① + ② + ③ + ④	240										
Interest-bearing debt, etc.	-44										
Shareholder value	196										

[Source] JPR

\*For NOPAT, since it is difficult to estimate the corporate tax rate due to accumulated losses, a conservative effective corporate tax rate of 30.9% is applied.

## Three qualitative and quantitative information assumptions set for estimating shareholder value\*1

### Growth : Maximize LTV through connection of matchmaking and wedding support and lifestyle support

Values and Worldviews	Value provided and Growth Potential	Net Sales
<b>Creating a Better Life</b>	<b>High Growth in 1.6+α trillion yen market</b>	<b>CAGR 39% expected</b>
Tameny recognizes that addressing Japan's declining population and aging society with fewer children is an important social issue. In order to solve problems, Tameny has set forth the following Purpose: "With the power of creativity, compassion, and hospitality, we will fill people's hearts and minds and support the realization of a vibrant society." and to support the realization of a vibrant society." Under the banner of its corporate philosophy "Creating a Better Life," Tameny aims to maximize the LTV of the entire life span, starting with marriage advice, based on (1) the industry's No. 1 marriage rate of approximately 27.0% and the concierge coaching and training capabilities that make this possible, and (2) the "Smart-Marriage" brand, which is the industry's No. 1 service with approximately 55.2% of the market and boasts recognition that is approximately twice that of other services.	Targeting a market of 1.6 trillion yen*2, Tameny offers (1) online and offline matchmaking support, (2) casual weddings, and (3) lifestyle support as values provided to address declining population and aging society with fewer children. Under the three-year medium-term management plan "Re-FINE," Tameny will achieve a short-term performance recovery and build a foundation for medium- to long-term growth. Under the established flexible business structure, Tameny aims to maximize LTV in the +α*3 market by expanding into the provision of overall lifestyle support services, not simply marriage-related services.	<div> <div>March, 2023</div> <div>March, 2028</div> </div> <div> <div>5.8 billion yen</div> <div>▶</div> <div>30 billion yen</div> </div> <p>Sales to increase six-fold in the five years from fiscal year ending March 31, 2023 to fiscal year ending March 31, 2028. After that, stable growth is assumed.</p>
		<b>Growth Value</b>
		<b>25.0 billion yen</b>

### Connection : Synergies among businesses will be fully realized in coming

Strategy	Business Model	ROIC
<b>Reforms in the business structure will bring synergies between businesses into</b>	<b>Expansion of customer transfer capabilities and customer destination</b>	<b>Expected to improve by 19.1 percentage points</b>
Tameny's largest customer base is the approximately 7,700 brides and grooms per year who have been married or had their weddings produced. With this as a starting point, in order to maximize LTV, it is important to (1) strengthen the ability to transfer customers between businesses through organizational reform, and (2) build a system to quickly realize M&A and business alliances and maximize their effects. By doing so, Tameny aims to achieve profitability in the short term and an operating margin of 10.0% and ROIC of 15.5% in the medium to long term by leveraging its strong customer base and realizing synergies among its businesses.	In (1) Tameny will strengthen the ability to transfer customers from the casual wedding business to the lifestyle business. "Smart-Marriage" is a business acquired through M&A and will implement an organizational transformation not only for successful weddings but also for the entire group. In (2), Tameny will expand its lifestyle business. Utilizing the customer base with which it has established close relationships through marriage and wedding support, it aims to expand into a wide range of lifestyle support, including subsequent newlywed life, child rearing, and the post-retirement years, as well as the education and job searching of the next generation. In addition, core system improvements are required to accelerate this movement and maximize its effectiveness.	<div> <div>March, 2023</div> <div>March, 2028</div> </div> <div> <div>-3.6 %</div> <div>▶</div> <div>15.5 %</div> </div> <p>Profitability will improve as inter-business synergies are realized</p>
		<b>Exceeded profit</b>
		<b>-5.4 billion yen</b>

### Confidence: Contribution to declining birthrate, aging population, and increase in healthy life expectancy

Financial Sustainability	Contribution to Social Sustainability	WACC
<b>Steps to ensure financial stability</b>	<b>Resolving issues related to marriage and partnering</b>	<b>maintaining the status quo</b>
In the fiscal year ending March 31, 2022, net assets were positive, mainly due to a turnaround in step profits and the issuance of stock acquisition rights and issuance of new shares through a third-party allotment, and accordingly, excess liabilities were resolved. Aim to ensure financial stability that will enable the implementation of dividends in the three years through the fiscal year ending March 31, 2024.	In addition to simply achieving marriage, demand for remarriage in old age due to extended life expectancy and demand for partners who do not require marriage are emerging, and people are moving from satisfying physiological, safety, social, and approval needs in their lives with their partners to the stage of fulfilling self-actualization needs. Offering high-quality matching and subsequent support, Tameny is expected not only to provide a solution to the declining population and aging population with fewer children, but also to address life expectancy extension and lifestyle diversification.	<div> <div>8.2 %</div> </div> <p>Currently, the financial situation is relatively unstable. On the other hand, the business and its future potential will contribute greatly to the sustainability of society.</p>
		<b>Shareholders' equity</b>
		<b>0 billion yen</b>

\*1Compiled by JPR based on its own projections of post-company plan estimates based on company hearings.

\*2From Yano Research Institute's "Bridal Industry Yearbook 2022," estimated bridal-related market size in FY2022.

\*3 Support services related to post-marriage child-rearing, retirement, education of the next generation, and job searching are expected to far exceed the 1.6 trillion yen market size.

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## 2. Company Overviews

### Company Overviews

Name	Tameny Inc.
Established	June 15, 2004
Representative	Kensuke Kurisawa
Head Office	Imasu Osaki Bldg. 3F
Location	1-20-3, Osaki, Shinagawa-ku, Tokyo
Capital stock	JPY 44 million
Number of Employees	444 (as of April 1, 2022)
Fiscal Year End	March
Business Purpose	Matchmaking services, Casual wedding services, Tech services, Lifestyle services, Services for corporates and local governments
Listing Date	October 27, 2015
Stock Exchange Listing	Tokyo Stock Exchange Growth [Securities Code: 6181]

[Source]Prepared by JPR based on company data

### Company History

Year	Month	Details
2004	6	(New) Partner Agent Inc. established (former trade name: Dream Door Inc.)
2006	9	(Former) Partner Agent Inc. established (wholly owned subsidiary of TAKE AND GIVE NEEDS Co., Ltd.)
2008	5	Dream Door Inc. changed its trade name to Partner Agent Inc. and (New) Partner Agent Inc. became independent from TAKE AND GIVE. NEEDS Co., Ltd. and took over all business from (Former) Partner Agent Inc.
2010	9	PA Marketing Inc. (currently Tameny Agency Inc.) is established for the purpose of advertising agency business. Established Anniversary Wedding Inc. for the purpose of providing wedding information services.
2013	4	Merged with Anniversary Wedding Inc.
2015	10	Listed on the Tokyo Stock Exchange Mothers (currently Tokyo Stock Exchange Growth Market)
2018	4	Established ichie Inc. through joint investment for the purpose of operating a matchmaking party information site
	7	Established IROGAMI Inc. for the purpose of providing wedding-related services
2019	4	Mation Inc. added to the group
2020	3	M Creative Works Inc. added to the group
	4	Three consolidated subsidiaries (IROGAMI Inc., ichie Inc., and M Creative Works Inc.) were merged and renamed (New) M Creative Works Inc. (currently Tameny Art Works Inc.)
	4	pma Inc. (changed its name to Tameny Party Agency Inc. in October 2020) added to the group
	10	Merged Mation Inc. and changed the company name to Tameny Inc.
	10	Consolidated subsidiaries M Creative Works Inc., pma Inc. and Sync Partners Inc. changed their names to Tameny Art Works Inc., Tameny Party Agent Inc. and Tameny Agency Inc. respectively
2022	3	Integrated Tammany Party Agency Inc.

[Source]Prepared by JPR based on company data

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## Major Consolidated Subsidiaries and Group Companies

Business Line	Company Name	Business Overview	Capital	Shareholding ratio
Wedding Business	Tameny Art Works Inc.	Operation of wedding photo studio, planning and operation for corporate events, new business development, etc.	JPY 10 million	100%
Advertising Agency Business	Tameny Agency Inc.	Advertising agency outsourcing partner, Fee-charging job placement agency outsourcing partner	JPY 5 million	100%

[Source]Prepared by JPR based on company data

## Major M&A

Year	3	Target Company	Objective
2019	1	Mation Inc.	①Maximize customer profits by providing a comprehensive range of services from matchmaking services to post-marriage services, as there are high synergies between the matchmaking support and bridal domains. ②Provide new value by combining knowledge and expertise in the "Nasi-Marriage" (in which the couple registers but does not hold a wedding ceremony) market, which is expected to grow. ③Utilize both the "Partner Agent" and the "Smart-Marriage" (Smart weddings that offer only what is needed at a fair price) brands in marketing.
2020	2	M Creative Works Inc.	casual weddings across the entire group in anticipation of further market expansion in photo weddings, the percentage of which continues to increase.

[Source]Prepared by JPR based on company data

## Major Business and Capital Alliances

Year	Month	Target Company	Objective
2021	12	FOUR SIS & CO.	A capital and business alliance agreement to receive support from FOUR SIS & CO., a leading Japanese wedding costume brand, in all aspects of business, including provision of costumes and fittings. To strengthen wedding costumes, which play an important role as a deciding factor in the wedding ceremony, through alliances with leading partners in the industry as a measure to strengthen competitiveness ahead of the industry.
2021	12	IKK Holdings Inc.	A capital and business alliance agreement to establish a cooperative relationship in the matchmaking business, a new business area for IKK Holdings Inc., which is involved in the wedding, nursing care, food, overseas, and financial businesses. To revitalize the industry by quickly launching marriage brokerage business of IKK Holdings Inc. and getting the business off the ground by opening up knowledge and expertise in the matchmaking business or matching pool to IKK Holdings Inc., and to acquire new revenues for Tameny.
2021	12	TMS HOLDINGS Inc.	A capital and business alliance agreement to build a strong medium- to long-term cooperative relationship with the TMS Group, a comprehensive matchmaking business company that engages in the marriage counseling agency, matchmaking event, and bridal businesses. By developing data linkage between the marriage counseling agencies and matching platforms operated by each company under a stronger cooperative framework, the group companies provide their members with more opportunities to marry, thereby increasing revenue, fostering a sense of security and safety in matchmaking through increased marriages, and revitalizing the industry as a whole.

[Source]Prepared by JPR based on company data

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### 3. Growth story and evaluation based on the GCC Management™ framework

#### Growth

**Significant Progress in Conceptual Design**

**Acceleration expected under new management structure**

**Establishment Progress: 70%**

**Recovery of business performance in progress  
Establishment Progress: 30%**

**Progress in reflecting the results in performance: 10%**

#### Expectations for future of results based on concept to implementation design

#### Expectations for future of results based on concept to implementation design

Tameny recognizes that addressing Japan's declining population and aging society with fewer children is an important social issue. To solve this issue, Tameny aims to "fill people's hearts with the power of creativity, compassion, and hospitality" and realize an active society. The core of this service is (1) the industry's No. 1 marriage rate and the concierge coaching and training capabilities that make this possible, and (2) the "Smart-Marriage" brand, which is the industry's No. 1 service and boasts approximately twice the recognition of other services. Tameny aims to maximize LTV by developing support services for all aspects of the lifestyle from marriages and weddings as a starting point. The bridal-related market targeted by Tameny's core business is recovering from the previous year, despite the impact of the new Corona, and is estimated to be worth 1.6 trillion yen<sup>1</sup> as of FY2022. From FY ending March 31, 2023 to FY ending March 31, 2028, JPR expects to realize growth in this market from 5.8 billion yen to 10 billion yen, and to grow its support services for all other general lifestyles to 20 billion yen

#### Implementation Design: From short-term performance recovery to establishing a foundation for growth

Tameny's core businesses are (1) the matchmaking business, (2) casual weddings business, and (3) lifestyle business, with (4) the tech business serving as the infrastructure for these businesses, and (5) business for corporates and local governments expanding customer contacts. The three-year medium-term management plan "Re-FINE" for the period from FY ending March 31, 2022 to FY ending March 31, 2024 aims to achieve a short-term performance recovery and build a foundation for medium- to long-term growth. Under the flexible business structure established in this way, Tameny will expand to provide not only marriage-related services, but also general lifestyle support services under the banner of the corporate philosophy "Create a Better Life."

#### Performance: Not yet fully developed. Expectations for future expansion of lifestyle business

In the core businesses, (1) in the matchmaking business, the industry's No. 1 marriage rate of approximately 27.0% and the concierge personnel that make this possible are noteworthy. (2) In the casual wedding business, Tameny's main businesses are "Smart Marriage," which produces casual weddings and receptions, etc. and "studio LUMINOUS," which offers high quality photo weddings. In particular, "Smart Marriage" is No. 1 in the industry with approximately 55.2% and boasts approximately twice the degree of recognition of other services. (3) The lifestyle business currently offers few services and is expected to expand in the future.

<sup>\*1</sup>Estimated bridal-related market size in FY2022 from Yano Research Institute's "Bridal Industry Yearbook 2022"

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## Connection

**Significant progress  
in conceptual design**

**Establishment  
Progress: 70%**

**Expectations for  
concretization of (2)  
in particular**

**Establishment  
Progress: 30%**

**Progress in reflecting  
the results in  
performance: 10%**

### Expectations for System Reforms to Achieve a Comprehensive Range of Services

#### Conceptual Design: Build a Project Structure to realize synergies among businesses through systemic reforms

In order to maximize LTV with brides and grooms, the largest customer base, as the starting point, it is important to (1) strengthen the ability to transfer customers between businesses through organizational reform, and (2) build a system to quickly realize M&A and business alliances and maximize their effects. M&A and business alliances will be effective in leveraging the customer base that has established a close relationship through marriage and wedding support, and expanding to support a wide range of lifestyles, including newlywed life, child rearing, and retirement, as well as education and job seeking for the next generation. In building this project structure, the strong relationship of trust that Tameny has with its customers is expected to be a decisive factor and put it in an advantageous position. By doing so, the company aims to achieve profitability in the short term and an operating margin of 10.0% and ROIC of 15.5% in the medium to long term through the realization of synergies among its businesses.

#### Implementation design: Establishment of a customer transfer system and a system to expedite the conclusion of M&A and alliances signings

(1) In strengthening the ability to transfer customers between businesses through organizational reform, especially from the casual wedding business to the lifestyle business. Although the casual wedding business was acquired through M&A, it currently serves more than three times as many brides and grooms as the matchmaking business, and Tameny will implement organizational changes to strengthen its awareness of transferring customers not only to successful weddings but also to the entire group. (2) In establishing a system to quickly realize M&A and business alliances and maximize their effects, speed up contracts by improving the core system, etc. and expand the lifestyle business.

#### Results: Gap in customer base is being filled and system reforms are expected

In the matchmaking business, Tameny holds matchmaking parties to attract customers to the marriage counseling center, and after marriage, transfers customers to the casual wedding business, and then to the lifestyle business, in an integrated manner. This is combined with customers transferred to the lifestyle business from the tech business and the business for corporations and municipalities. Due to the difference in customer base between the matchmaking business and the casual wedding business, the customer transfer rate between these two businesses is not high. The main customers for the matchmaking business were relatively affluent customers in their 30s and 40s, while the main customers for the casual wedding business were skewed toward younger customers. In recent years, however, the number of younger users in the matchmaking business has been increasing, and it is expected that the gap in the customer base will be filled in a few years or so. In the matchmaking business, it is expected that age and annual income restrictions will be eliminated or eased in order to expand the needs to be met. Compared to the customer transfer between the matchmaking business and the lifestyle business, the customer traffic between the casual wedding business and the lifestyle business is also not high. Unlike the matchmaking business, the casual wedding business, which has continued to expand through M&A, has weak inter-group ties.



## Confidence

**Profitability is improving**

**Debt insolvency has been eliminated, but overall financial stability rating is currently around 10%**

**The development of services that go beyond simply supporting marriages responds to social issues associated with lifestyle diversification. The project is working on issues that have a very high social contribution, and it would be safe to say that the evaluation of social contribution is 70-90%.**

## High contribution to society and expected to stabilize finances

### Financial Stability: Stability Assurance Phase

#### Improving Profitability by Realizing Growth ▪ Connection Stories

The corona disaster caused sales to halve and post a deficit from the fiscal year ending March 2020 to the fiscal year ending March 2021. In response, the internal target of "30 billion yen in group sales for the fiscal year ending March 31, 2026", which was set before Corona, was changed, and a medium-term management plan, "Re-FINE," was established to increase profitability over the three-year period from the fiscal year ending March 31, 2022, to the fiscal year ending March 31, 2024. If the aforementioned Growth/Connection story is realized, it is expected that Tameny will achieve a short-term earnings recovery and backward achievement of its pre-Corona internal targets through enhanced profitability and cost structure reforms.

#### Initiatives to Stabilize Financial Base

It was placed on a probation period for delisting due to its excess liabilities in the fiscal year ending March 31, 2021.

In the fiscal year ending March 31, 2022, net assets were positive, mainly due to a turnaround in step profits and the issuance of stock acquisition rights and issuance of new shares through a third-party allotment, and accordingly, excess liabilities were resolved and it was removed from the list of issues under a probationary period. It aims to ensure financial stability that will allow implementation of dividends in the three years through the fiscal year ending March 31, 2024.

### Contribution to society: Addressing declining birthrates and population and diversifying lifestyles

With the change in views on marriage, demand is emerging not simply for marriage, but also for remarriage in old age due to extended life expectancy, and for partners who do not require marriage. It can be said that the purpose of living with a partner is shifting from the satisfaction of physiological, safety, social, and approval needs to the satisfaction of self-actualization needs. In this context, major services can be said to be contributing to solving social issues such as the declining birthrate, aging society, and declining population by making marriage a reality. Furthermore, if the Growth/Connection story is realized, the customer base for the matchmaking business will cover a wide range of people from young to old, and the lifestyle business will be able to provide lifestyle support at all stages of life as well. Offering high-quality matching through concierge and matching technology and subsequent lifestyle support, Tameny is expected not only to provide a solution to the declining population and aging society with fewer children, but also to respond to life expectancy extension and lifestyle diversification through both real and digital technology.

## 4. Summary of Business Results for 3Q of the Fiscal Year Ending March 31, 2023

### Profit/Loss Summary

Slight decrease in sales, but profit improved due to SG&A cost reductions, etc.

Despite lower revenues and profits, the number of new members increased and the gradual downward trend in that of enrolled members is subsiding

Focus on phased advertising investment and strengthening of sales structure

### Profit/Loss Summary

#### Company-wide Results

Net sales decreased slightly to 4,163 million yen (-0.8% YoY), but profits continued to improve with an operating loss of 190 million yen (vs. operating loss of 200 million yen in the same period a year ago), recurring loss was 232 million yen (vs. recurring loss of 253 million yen in the same period a year ago), and net loss attributable to shareholders of the parent company for the quarter was 251 million yen (vs. net loss attributable to shareholders of the parent company of 309 million yen in the same period a year ago). These were due to an increase in revenue in the matchmaking business, and a -6.4% YoY decline in SG&A due to a decrease in personnel expenses and land rent, despite an increase in advertising and sales promotion expenses. As for extraordinary gains and losses, 202 million yen in subsidies income related to closures, etc., was recorded as extraordinary gains, and 222 million yen in losses (personnel expenses, etc.) due to temporary closures, etc., was recorded as extraordinary losses. EBITDA, which is positioned as an important management indicator, was 144 million yen (+13.2% in the same period a year ago), a continuation of the positive figure from the previous Q3.

#### Matchmaking Business

##### Summary

Sales were 1,735 million yen (-12.6% YoY), and operating profit was 452 million yen (-25.0% YoY). This was due to the number of new members turned to an upward trend from September onward as a result of the marriage agency's efforts to strengthen its sales system and step up advertising, and the gradual decline in the number of enrolled members also showed signs of bottoming out. And the company was able to secure revenue at the same level as in the same period of the previous year by curbing discounts and improving operational efficiency, among other factors despite the number of participants in matchmaking parties declined as the number of parties held was reduced from October onward.

##### Major Initiatives

- Lowering the age requirement for participation in matchmaking parties from 22 to 18 years old or older
- Opened a marriage activity support center exclusively for new adults.
- Resumed traffic advertisements in the Tokyo metropolitan area and expanded to the Tokai and Kansai areas.
- Introduced the industry's first couple formation fee-based system at matchmaking parties.
- Changed membership qualifications for marriage agencies to provide opportunities for a wider range of customers to marry.

### Major Indicators

	number of new members	number of marriage dropouts	marriage rate	Number of members enrolled	number of parties held	number of participants
3Q FY Mar.2022	3,914	1,788	23.0%	9,758	3,828	45,229
3Q FY Mar.2023	3,465	1,701	24.8%	8,718	3,607	40,658

[Source]Prepared by JPR based on company data

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## Casual Wedding Business

### Summary

Sales were 2,055 million yen (+9.8% in the same period a year ago), and operating loss was 149 million yen (vs. an operating loss of 153 million yen in the same period a year ago) due to 114 million yen in goodwill amortization. This was due to a decrease in the number of execution for the Smart-Marriage series, a significant increase in the number of executions for Second Party-Kun, and a decrease in the number of executions and an increase in the unit price per execution due to quality enhancements at LUMINOUS. In addition, the smart-marriage series has made steady progress in improving its sales structure, including the reinforcement of human resources, and the introduction of new products, and the current contract situation is improving.

### Major Initiatives

- Smart-Marriage wins No. 1 overall ranking in the 2022 Oricon Customer Satisfaction® Survey of "Cheap Weddings"
- "LUMINOUS Nagoya" renewal opening
- "LUMINOUS" Real Photo Wedding Experience Fair held
- Started offering "Anniversary Photo Plan and Once More Photo Plan"
- Started offering "Suma Flowers & Table Coordination", a high-quality flower arrangement service for smart-marriage

Increased revenue and improved profit due to increased execution of Sma-Kon and increased revenue from LUMINOUS, etc

Further enhancement of products related to weddings

## Major indicators (Left: Number of contracts, Right: Number of executions)

	Smart-Marriage series		Second Party-Kun		LUMINOUS	
	Contracts	Implementations	Contracts	Implementations	Contracts	Implementations
3Q FY Mar.2022	514	645	323	229	4,157	3,636
3Q FY Mar.2023	505	461	676	545	3,667	3,446

[Source]Prepared by JPR based on company data

## Tech Business

### Summary

Sales were 123 million yen (+23.0% YoY), and operating profit was 46 million yen (+25.0% YoY). This was due to an increase in the number of members using the service as a result of the addition of new businesses using CONNECT-ship, the joining of several companies to the League of matchmaking counseling agencies established in April, and the matchmaking parties regularly held using CONNECT-ship, which began in July.

### Major Initiatives

- Joined "TMS Connect" (operated by TMS Inc.) as a CONNECT-ship member
- New marriage counselling agencies alliance "matchmaking Alliance Partners" is established (data can be linked to CONNECT-ship)
- Launch of "CONNECT-ship Party," a matchmaking party utilizing the Connect-ship system

Increased number of members using the service, resulting in increased revenues and profits

Strengthening connections with peers through CONNECT-ship

## Major indicators of CONNECT-ship

	Number of members (end of period)	Number of matchmaking	Number of businesses using the
3Q FY Mar.2022	30,947	238,002	13
3Q FY Mar.2023	30,520	218,639	13

[Source]Prepared by JPR based on company data

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## Lifestyle Business

### Summary

Revenues and income increased due to growth in the number of new insurance policies and improved productivity

Sales were 55 million yen (+5.1% YoY), and operating profit was 22 million yen (+59.5% YoY). This was due to growth in the number of new insurance policies and productivity improvement in insurance sales through proposal activities tailored to customer needs, as well as a focus on building a system for sending customers from inside and outside the Group.

### Major Initiatives

Enhanced support for life stages after marriage

- Establishment of a system to send customers from inside and outside the Group, and start of cooperation with jewelry-related companies, etc.
- Strengthening of financial seminars and other events for members active in marriage counseling agencies
- Strengthening cooperation with insurance clinic franchise headquarters in insurance sales

## Major indicators of Lifestyle Business

	Number of new insurance policies written
3Q FY Mar.2022 total	317
3Q FY Mar.2023 total	402
[Source]Prepared by JPR based on company data	

## Business for corporates and local governments

### Summary

Decrease in revenue due to investment in advertising, increase in revenue due to higher unit prices and orders for projects

Sales were 208 million yen (+2.0% YoY), and operating loss was 31 million yen (vs. an operating profit of 19 million yen for the same period a year ago). This was due to a decrease in revenue as a result of a decline in demand for year-end parties and increased investment in advertising to attract future customers, despite an increase in the unit price of corporate event production as the full-production type became the mainstream, and to a decrease in revenue as a result of aggressive sales activities in the marriage activity support for local governments, where five local governments contracted us to operate marriage activity support centers and develop marriage activity support systems. In the area of marriage activity support for local governments, the Company was commissioned by five local governments to operate marriage activity support centers and develop marriage activity support systems as a result of its aggressive sales activities. The majority of the revenue from the development and provision of marriage activity support systems will be recorded in the fourth quarter.

### Major Initiatives

Expansion of marriage activity support area for municipalities and launch of corporate services

- (For corporate)
- Started offering "eSports Team Building Package," a corporate event plan utilizing eSports
- (For local government)
- matchmaking support system "parms" to be provided to Aomori, Shiga, Oita, and Kyoto Prefectures.
  - Operation of matchmaking Support Center, newly commissioned by Shiga Prefecture
  - Various events and seminars, 45 projects commissioned by Wakayama, Akita, Hyogo and other prefectures, 32 projects held

## Major indicators of Business for corporates and local governments

	Number of contracts signed by Eve-mon	Number of cases enforced by Eve-mon
3Q FY Mar.2022	222	146
3Q FY Mar.2023	119	99
[Source]Prepared by JPR based on company data		

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## 5. Appendix: Financial Model Details

### Detailed financial model of actual results, company plan and JPR forecast 10-year forecast

				business plan JPR Anticipat ion	JPR Anticipat ion	JPR Anticipat ion	JPR Anticipat ion	JPR Anticipat ion	JPR Anticipat ion	JPR Anticipat ion	JPR Anticipat ion	JPR Anticipat ion	JPR Anticipat ion	JPR Anticipat ion	
	[million yen]		Results												
FY			2022.3	2023.3	2024.3	2025.3	2026.3	2027.3	2028.3	2029.3	2030.3	2031.3	2032.3	2033.3	
PL	Sales		5,574	5,756	8,007	11,137	15,492	21,549	29,996	39,415	49,308	59,219	68,754	77,623	
	COGS		1,302	1,345	1,870	2,601	3,619	5,034	7,007	9,207	11,518	13,833	16,060	18,132	
	SGA		4,425	4,606	5,976	7,979	10,789	14,576	19,990	26,267	32,860	39,465	45,819	51,729	
	OP		-153	-195	160	557	1,084	1,939	3,000	3,942	4,931	5,922	6,875	7,762	
	Interest rate		58	62	73	87	104	125	147	165	177	181	177	146	
	CP		-211	-246	87	470	981	1,815	2,853	3,777	4,754	5,741	6,698	7,617	
	Tax		109	-16	27	145	303	561	882	1,167	1,469	1,774	2,070	2,354	
	NP		-320	-230	60	325	678	1,254	1,971	2,610	3,285	3,967	4,629	5,263	
	Issued shares		24,988	26,259	26,259	26,259	26,259	26,259	26,259	26,259	26,259	26,259	26,259	26,259	
	EPS(yen)		-12.8	-8.8	2.3	12.4	25.8	47.8	75.1	99.4	125.1	151.1	176.3	200.4	
	Dividend		0	0	6	32	68	125	197	261	328	397	463	526	
	Retained Earning		-2318	-320	-230	54	292	610	1,129	1,774	2,349	2,956	3,570	4,166	4,737
	BS	Operating cash		562	1,246	1,733	2,411	3,354	4,665	6,493	8,532	10,674	12,819	14,883	16,803
Excess cash			0	0	0	0	0	0	0	0	0	0	0	0	
Working Capital			917	819	1,139	1,585	2,204	3,066	4,268	5,608	7,016	8,426	9,783	11,045	
Tangible Fixed Assets			735	725	1,008	1,403	1,951	2,714	3,778	4,965	6,211	7,459	8,660	9,777	
Goodwill			1,529	1,376	1,223	1,070	917	764	612	459	306	153	0	0	
Other assets			1,324	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	1,166	
Total Assets			5,067	5,332	6,270	7,635	9,592	12,376	16,317	20,730	25,372	30,023	34,492	38,791	
NIBCLs			922	569	791	1,101	1,531	2,130	2,965	3,896	4,874	5,854	6,797	7,673	
ST debt			1,542	1,476	2,175	3,076	4,211	5,685	7,563	9,170	10,386	11,001	10,857	10,014	
LT debt			2,739	2,765	2,865	2,965	3,065	3,165	3,265	3,365	3,465	3,565	3,665	3,765	
Other debt			863	328	328	328	328	328	328	328	328	328	328	328	
Paid Capital			647	1,140	1,287	1,287	1,287	1,287	1,287	1,287	1,287	1,287	1,287	1,287	
Retained Earnings			-1,646	-946	-1,176	-1,122	-830	-220	909	2,683	5,032	7,988	11,558	15,724	
Debt&Equity			5,067	5,332	6,270	7,635	9,592	12,376	16,317	20,730	25,372	30,023	34,492	38,791	
CF		Operating cash		-684	-487	-678	-943	-1,311	-1,829	-2,039	-2,142	-2,145	-2,064	-1,920	0
		Working Capital		98	-320	-445	-620	-862	-1,202	-1,340	-1,408	-1,410	-1,357	-1,262	-338
		NIBCLs		-353	222	309	430	599	835	931	978	980	943	877	235
	Depr		294	339	471	655	912	1,269	1,708	2,184	2,671	3,150	3,603	3,821	
	Goodwill amortization		153	153	153	153	153	153	153	153	153	153	0	0	
	Gross Investment		-239	-622	-865	-1,204	-1,675	-2,333	-2,895	-3,430	-3,919	-4,351	-4,720	-3,821	
	Retained Earnings		-320	-230	54	292	610	1,129	1,774	2,349	2,956	3,570	4,166	4,737	
	CF from operation		-1,052	-946	-1,001	-1,235	-1,574	-1,978	-1,707	-1,316	-715	44	743	4,634	
	ST debt		-66	699	901	1,135	1,474	1,878	1,607	1,216	615	-144	-843	-4,734	
	LT debt		26	100	100	100	100	100	100	100	100	100	100	100	
	Equity financing		493	147	0	0	0	0	0	0	0	0	0	0	
	CF from finance		453	946	1,001	1,235	1,574	1,978	1,707	1,316	715	-44	-743	-4,634	
	Increase in Excess Cash		-599	0	0	0	0	0	0	0	0	0	0	0	
	Check		-599	0	0	0	0	0	0	0	0	0	0	0	
	Beginning Invested capital sales ratio			82.7%	68.4%	58.7%	52.0%	47.5%	44.5%	42.7%	41.6%	40.8%	40.3%	40.1%	
		Beginning Invested capital			4,763	5,479	6,534	8,061	10,245	13,352	16,833	20,498	24,169	27,695	31,118
	KPI	Sales growth			3.3%	39.1%	39.1%	39.1%	39.1%	39.2%	31.4%	25.1%	20.1%	16.1%	12.9%
Working Capital DOH			60	52	52	52	52	52	52	52	52	52	52	52	
COGS/Sales			23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	
NIBCLs DOH			60	36	36	36	36	36	36	36	36	36	36	36	
CASH required			1.2	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	
ST interest rate			1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	1.18%	
DT interest rate			1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	1.45%	
Tax rate			30.9%	30.9%	30.9%	30.9%	30.9%	30.9%	30.9%	30.9%	30.9%	30.9%	30.9%	30.9%	
Pay out ratio			0%	0%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Depreciation Ratio			33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	

[Source]Prepared by JPR based on company data

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## Reference 1. For those new to JPR reports

### GCC Management™ Analysis

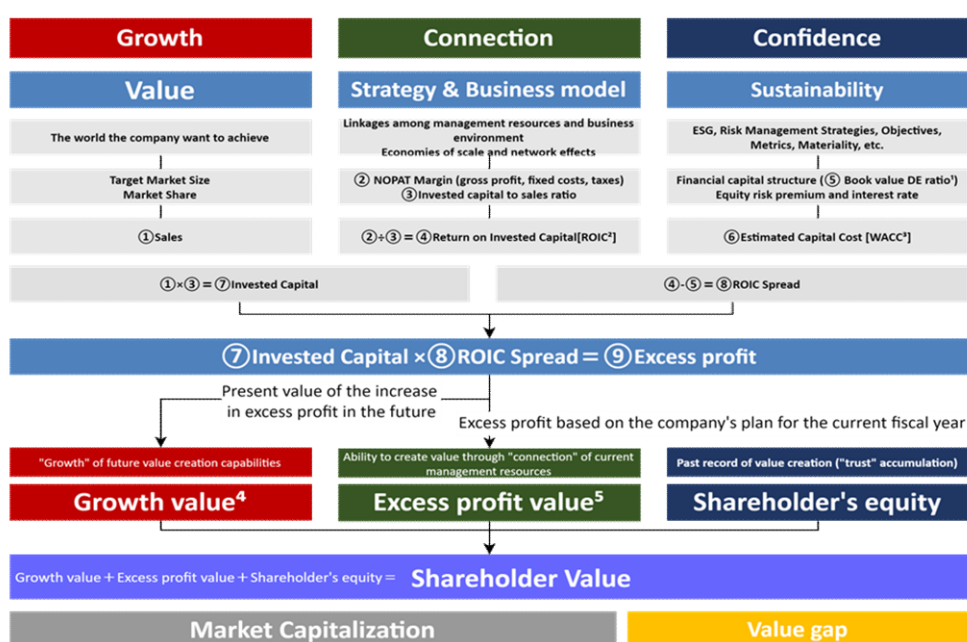
Visualize the value gap between theoretical shareholder value and market capitalization

Analyze by the three elements of Growth, Connection, and Confidence.

A framework for directly linking qualitative stories to shareholder value

This report analyzes corporate value from the perspective of GCC Management™, a framework developed by J-Phoenix Research Corporation ("JPR"), emphasizing three elements: Growth (sales growth), Connection (improved human and business connections = higher return on capital), and Confidence (improved trust = lower business risk). The following chart shows the overall picture of the GCC Management™ framework. The following diagram shows the overall picture. The qualitative future story is linked to financial indicators, which are finally integrated to estimate shareholder value. Using the excess profit method (see "Appendix 3. Basis of Calculation")

### GCC Management™ Analysis Framework



[Source: JPR] [Notes] 1. Book value DE ratio: Ratio of interest-bearing debt to shareholders' equity.  
 2. ROIC: Return on Invested Capital, See "Appendix 3." at the end of this document. 3. WACC: Weighted Cost of Capital, see "Appendix 3." at the end of this document. 4. growth value = cumulative present value of the perpetuity value of the excess profit increment through year X. The perpetuity value is calculated as the excess profit increment divided by WACC. The present value of that amount is discounted by the WACC. Cumulative future value up to year X as assumed by the growth scenario. 5. Excess profit value = the perpetual value of excess profit based on the current year's company plan. The excess profit value is estimated by dividing the excess profit calculated from the current year's company plan and the invested capital at the beginning of the period by the WACC.

Source: JPR

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## GCC Management™ Evaluation System

Evaluate the  
feasibility of the  
Growth and  
Connection story of  
the value creation  
process from three  
perspectives

## Evaluation of Growth and Connection

Evaluate the feasibility of qualitative stories from three perspectives

JPR evaluates the feasibility of the value creation process based on GCC analysis from three perspectives: conceptual design, implementation design, and actual performance. "Conceptual design" is defined as "conceptualizing the concept of the value creation process" and "implementation design" is defined as "creating and operating a system to systematize and implement the management resources necessary to realize the concept of the value creation process. Value creation becomes an "achievement" only when "conceptual design" becomes "implementation design. JPR conducts subjective evaluations of "conceptual design," "implementation design," and "performance," which are then rated in an easy-to-understand manner at 90%, 70%, 50%, 30%, and 10%. Specifics are described below.

## Conceptual Design," "Implementation Design," and "Performance" Evaluation Framework

% indication	90%	70%	50%	30%	10%
"Conceptual design"	Conceptual design is very logically organized	Conceptual design is approximately logically organized	Conceptual design is about halfway organized	Conceptual design is organized to a certain degree	Conceptual design is organized to a certain degree
"Implementation design"	Conceptual design is almost implemented	Conceptual design is almost implemented	Conceptual design is about half implemented	Conceptual design is implemented to a certain degree	Conceptual design has been implemented, albeit marginally.
"Performance"	Targeted outcomes are observed as actual results almost exactly as intended by the conceptual design	Targeted outcomes are observed as actual results almost exactly as intended by the conceptual design	Targeted outcomes are observed as actual results as intended by the conceptual design about half way through	Targeted outcomes are observed as actual results to a certain degree, as intended by the design	Targeted outcomes are observed as achievements, albeit slight, as intended by the conceptual design

Source: JPR

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## Evaluation of Confidence

### Evaluation of financial stability and social contribution

#### Credibility of the value creation process

JPR evaluates the feasibility of the value creation process based on GCC analysis from three perspectives: "Conceptual Design", "Implementation Design", and "Actual Performance." "Conceptual Design" is defined as "conceptualizing the concept of the value creation process" and "Implementation Design" is defined as "creating and operating a system to systematize and implement the management resources necessary to realize the concept of the value creation process." Value creation becomes an "Actual Performance" only when "Conceptual Design" becomes "Implementation Design." JPR conducts subjective evaluations of "Conceptual Design," "Implementation Design," and "Actual Performance," which are then rated in an easy-to-understand manner at 90%, 70%, 50%, 30%, and 10%. Specifics are described below.

#### "Conceptual Design," "Implementation Design," and "Actual performance" Evaluation Framework

% indication	90%	70%	50%	30%	10%
<b>Financial Stability</b> The evaluation is based on a five-point scale from the viewpoint of sufficient experience in the value creation process, differentiated value creation capabilities that are difficult to imitate, low risk of fluctuations such as economic and seasonal fluctuations due to stockholding, and an optimized capital-liability structure.	Very Highly commendable	Highly commendable	Can be evaluated as a listed company on average	Can be commendable to a certain degree	Partially commendable
<b>Social Contribution</b> The social issues addressed are generally of great importance to society, the path to their solution is not yet clear, and they are tackling a challenging task that requires both the creation of a new concept and the systematic creation of the optimal governance structure for its implementation.	Very Highly commendable	Highly commendable	Can be evaluated as a listed company on average	Can be commendable to a certain degree	Partially commendable

Source: JPR

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## Visualization of value gap through 10-year growth scenario analysis

### Comparison of increase in shareholder value and market capitalization by year

Visualize how many years of future stories are reflected in the market capitalization

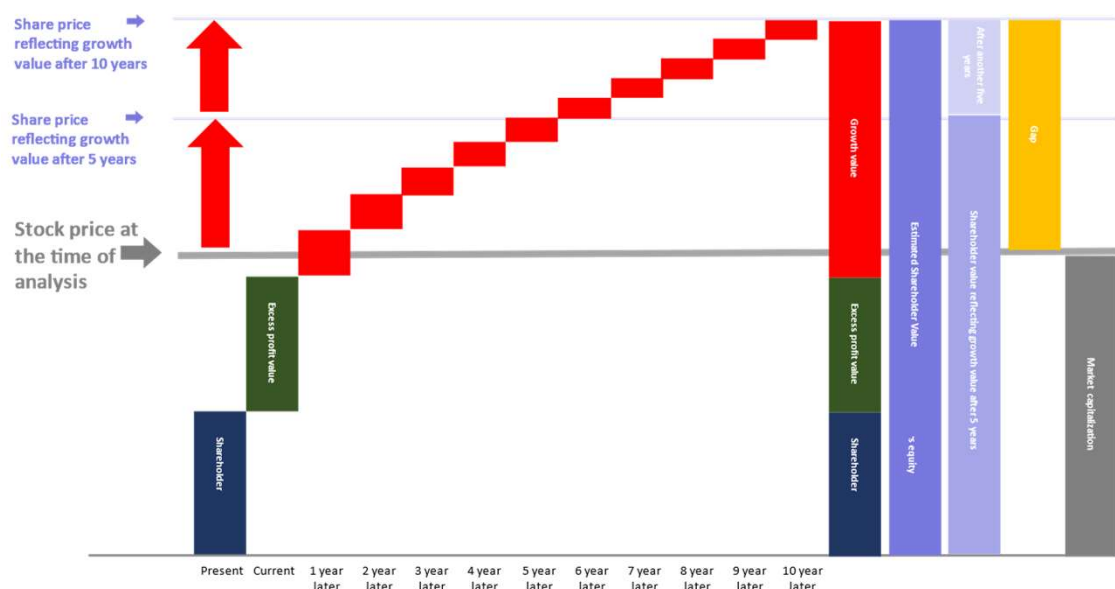
The potential increase in shareholder value generated by a 10-year growth scenario based on the future story is visualized for each year and compared to the market capitalization. This allows us to visualize how many years of the future story are reflected in the market capitalization. 10 years of shareholder value is expected to be reflected in the market capitalization as the expectations for the achievability of the 10-year future story increase. The difference between the market capitalization and the estimated shareholder value reflecting up to 10 years of future story is the estimated upside potential. As investors' expectations of the feasibility of the future story are raised by the specific current performance, the likelihood of the realization of that value gap increases.

### Conservative Growth Scenarios and Scenarios Reflecting Change in Future Stories

Visualization of various scenario analysis

This analysis is useful when the firm's strategy undergoes significant change. As shown in the figure below, it is also possible to visualize separately the growth potential under the conservative scenario and the growth potential under the change. Shareholder value without incorporating change represents a conservative amount.

### Visualizing the Value Gap



Source: JPR

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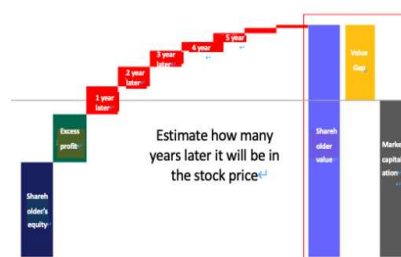
## Reference 2. Basis of Calculation

Corporate value  
estimated by use of  
ROIC and excess return

### Excess return analysis framework

Excess profit or economic value added is globally used as an indicator to estimate corporate value, evidenced by its adoption by Kao Corporation, a Grand Prix winner of the Tokyo Stock Exchange Fifth Corporate Value Improvement Award (FY2016). In the calculation of excess return, corporate value can be broken down into four elements: invested capital, excess return value, growth value, and non-business assets. This facilitates a better understanding of the structure that creates corporate value. A company might be overvalued or undervalued when its market cap is higher or is lower than its theoretical corporate value, respectively. The contribution of each year's corporate value can be visualized in the following figure, wherein shareholders' equity is simply represented as a sum of invested capital and non-business asset, subtracting interest-bearing debts. The figure below allows us to estimate how many years of growth might be incorporated into the stock price.

### Breakdown of corporate value using excess return



[source] JPR

Estimated excess return is profit that exceeds investors' return expectations against invested capital. Its present value is "excess return value," while a potentially growing portion of excess return is "growth value." Moreover, assets not used in business are added as non-business asset value in estimating a theoretical corporate value. Theoretically, the estimated corporate value using excess return should be the same as the value estimated using the discount cash flow (DCF) model. This report calculates excess return by using the following figures in a simplified manner.

- ② Excess return = NOPAT – Invested capital X WACC
- ② Net Operating Profit After Tax (NOPAT) = Operating profit X (1 - Effective tax rate)
- ② Invested capital = Total assets – Non-business assets – Current liabilities excluding interest-bearing debt
- ② Non-business assets = Cash and deposits exceeding 10% of sales + Short-term investment securities + Investment securities + Deferred gains or losses on hedges + Land revaluation difference + Foreign currency translation adjustments
- ② Weighted average cost of capital (WACC) = After-tax interest rate of interest-bearing debt X (D / (E+D)) + Cost of shareholders' equity X (E / (D+E))
- ② Cost of shareholders' equity = 0.5% + 5% X β
- ② β = Slope of a linear regression line of five-year daily returns of TOPIX and the stock price of the target company
- ② E = Market cap at the time of calculation
- ② D = Short-term interest-bearing debt + Long-term liabilities + Minority interests in the latest financial statements at the time of calculation

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