



# IBJ

TSE Prime 6071 Industry: Consumer services

## Fully concentrating on marriage support, while exiting from casual dating apps

### Deconsolidating Diverse to concentrate resources on marriage support businesses

On April 27, IBJ (6071, the company) announced that it would sell part of its stake in subsidiary Diverse and deconsolidate the subsidiary. The sale of shares will take place on April 28, and the company's voting rights will decrease from 60.0% to 19.95%. Diverse is part of the company's app business and operates several online dating apps. Of these, "you bride," which targets users seeking marriages, was already sold to IBJ on April 1.

We believe that the casual dating app market is highly competitive and hard to achieve profitability due to heavy burden of advertising costs. We see the company's decision to concentrate on marriage support as a positive from a medium- to long-term perspective.

In light of the above transaction, the company announced changes to its 1H and full-year guidance for FY12/22. OP guidance was changed from 679m yen to 666m yen for 1H and from 1.701bn yen to 1.655bn yen for full year. NP guidance was changed from 417m yen to 490m yen for 1H and from 1.334bn yen to 1.405bn yen for full year. The changes reflected only the impact of the exclusion of Diverse from consolidated accounts.

Please refer to the report dated April 27, 2022 for the rationale of the rating and target price.

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## Update

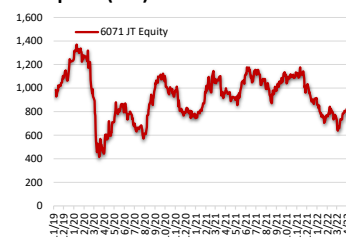
Rating  
**Buy**

Target price (JPY)	1,300
Stock price (JPY) (Apr 27)	718
Market cap (JPYbn)	30.2

### Key changes

Rating	No
Target price	No
Earnings forecast	No

### Stock price (JPY)



Source: Bloomberg Finance LP

### Earnings

		12/20	12/21	12/22E	12/23E	12/24E
Sales	JPYbn	13.1	14.1	15.9	17.9	19.6
OP	JPYbn	1.6	1.5	1.9	2.7	3.6
RP	JPYbn	1.5	1.4	1.8	2.6	3.5
NP	JPYbn	0.7	1.1	1.2	1.7	2.4
EPS	JPY	17.1	26.3	28.8	43.0	58.7
BPS	JPY	131.4	154.1	176.9	212.0	260.7
DPS	JPY	6.0	6.0	8.0	10.0	14.0
PER	x	45.7	27.3	24.9	16.7	12.2
PBR	x	6.0	4.7	4.1	3.4	2.8
Div. yield	%	0.8	0.8	1.1	1.4	1.9
ROA	%	5.5	7.8	8.2	10.9	13.1
ROE	%	13.5	18.4	17.4	22.1	24.9

Source: Company data, Mita Securities

### Company profile

IBJ operates its marriage agency business both directly and through its franchisees. The Japan Marriage Consulting Federation, which the company manages, has over 70,000 members, making it one of the largest in Japan. As of the end of December 2021, the company had 3,039 franchisees. The company's strength lies in its counseling services that focus on marriage, and it is also active in M&As.

Comparison of valuations with peers (reference)

Figure: Comparison of valuations for franchise business operators

Company name	Ticker	PX 27-Apr	Mkt cap JPYbn	Net D/E Last	Sales YoY LTM	EBITDA Mn LTM	ROE LTM	ROE Cur E	ROE Nxt E	PER LTM	PER Cur E	PER Nxt E	PBR Last	EV/EBITDA Cur E	EV/Sales Cur E	Div yield Cur E	1M Chg	3M Chg	1YR Chg
KOBE BUSSAN CO LTD	3038	3,210	878.3	-0.3	8.6	8.5	28.7	25.2	25.2	34.6	33.8	29.1	8.8	24.0	2.2	0.7	-16.4	-8.0	10.1
KOMEDA HOLDINGS CO LTD (TP 3,000 Buy)	3543	2,212	102.1	1.1	15.5	26.8	13.6	13.5	13.8	20.7	19.1	17.5	2.7	15.1	3.9	2.5	9.0	5.9	9.0
IBJ INC (TP 1,300 Buy)	6071	718	30.2	-0.1	7.7	15.3	18.4	20.9	21.1	27.3	20.2	16.8	4.7	13.1	1.8	1.2	-9.1	-0.7	-22.0
CURVES HOLDINGS CO LTD	7085	760	71.3	0.8	16.4	NA	23.8	21.8	31.8	35.8	34.2	20.3	7.6	NA	3.0	1.1	4.5	13.4	-7.9
FAST FITNESS JAPAN INC (TP 2,650 Buy)	7092	1,927	36.0	-0.2	NA	29.0	21.5	16.4	16.4	20.0	25.0	21.6	3.8	8.3	2.6	0.6	7.8	-4.1	-48.0
WORKMAN CO LTD	7564	4,430	362.6	-0.4	10.2	24.5	19.4	NA	NA	20.1	19.9	18.7	3.7	NA	NA	1.5	-11.6	-11.4	-38.0
Average				0.2	11.7	20.8	20.9	19.6	21.7	26.4	25.4	20.7	5.2	15.1	2.7	1.3	-2.6	-0.8	-16.1
Median				-0.1	10.2	24.5	20.5	20.9	21.1	24.0	22.6	19.5	4.2	14.1	2.6	1.1	-2.3	-2.4	-14.9

Source: Bloomberg Finance LP data, Mita Securities Note: Forecasts are based on Bloomberg consensus. Shading indicates stocks covered by Mita Securities

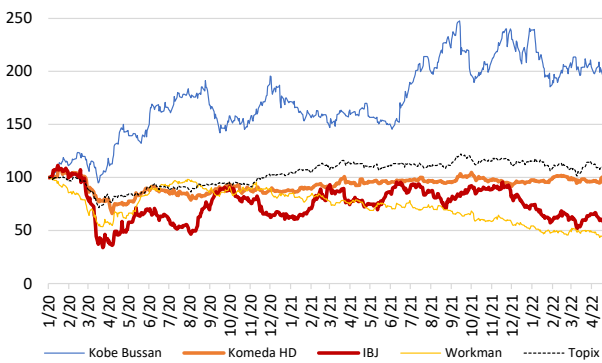
Figure: Comparison of valuations for matchmaking-related companies

Company name	Ticker	PX 27-Apr	Mkt cap JPYbn	Net D/E Last	Sales YoY LTM	EBITDA Mn LTM	ROE LTM	ROE Cur E	ROE Nxt E	PER LTM	PER Cur E	PER Nxt E	PBR Last	EV/EBITDA Cur E	EV/Sales Cur E	Div yield Cur E	1M Chg	3M Chg	1YR Chg
BENEFIT ONE INC	2412	2,040	326.3	-0.9	1.5	35.0	42.7	38.2	37.7	37.5	37.2	34.9	14.3	24.0	7.8	1.8	-20.2	-40.0	-27.2
LINKBAL INC	6046	205	4.0	-1.0	-41.2	-59.3	-22.6	NA	NA	NA	NA	NA	2.4	NA	NA	NA	-7.2	-7.2	-29.6
IBJ INC (TP 1,300 Buy)	6071	718	30.2	-0.1	7.7	15.3	18.4	20.9	21.1	27.3	20.2	16.8	4.7	13.1	1.8	1.2	-9.1	-0.7	-22.0
RECRUIT HOLDINGS CO LTD	6098	4,747	8,050.7	-0.1	21.3	16.9	21.7	25.6	22.2	29.6	26.3	24.8	5.7	15.7	2.7	0.6	-11.8	-10.5	-5.3
NET MARKETING CO LTD	6175	649	9.7	-1.1	-25.2	7.9	13.9	NA	NA	23.2	NA	NA	3.1	NA	NA	NA	28.5	62.3	8.0
TAMENY INC	6181	95	2.4	-9.6	10.6	-9.7	NA	NA	NA	NA	NA	NA	9.6	NA	NA	NA	6.7	17.3	-39.5
Average				-2.1	-4.2	1.0	14.8	28.2	27.0	29.4	27.9	25.5	6.6	17.6	4.1	1.2	-2.2	3.5	-19.2
Median				-0.9	4.6	11.6	18.4	25.6	22.2	28.4	26.3	24.8	5.2	15.7	2.7	1.2	-8.2	-4.0	-24.6

Source: Bloomberg Finance LP data, Mita Securities Note: Forecasts are based on Bloomberg consensus. Shading indicates stocks covered by Mita Securities

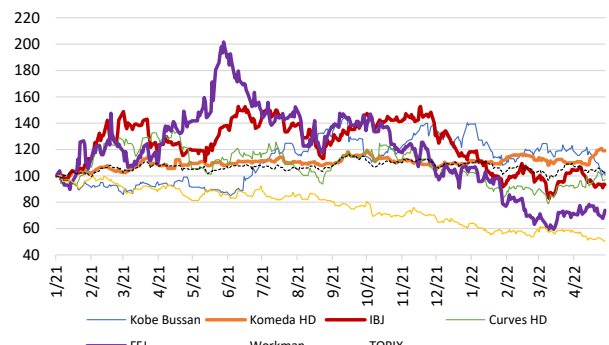
Comparison of stock price trends (reference)

Figure: Stock price trends for franchise business operators



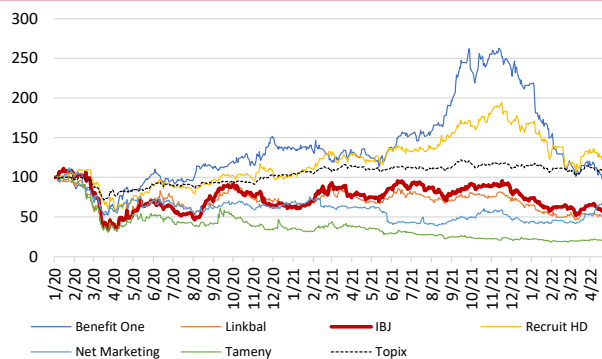
Source: Bloomberg Finance LP data, Mita Securities Note: Indexed 100 at the end of 2019

Figure: Stock price trends for franchise business operators



Source: Bloomberg Finance LP data, Mita Securities Note: Indexed 100 at the end of 2020

Figure: Stock price trends for matchmaking-related companies



Source: Bloomberg Finance LP data, Mita Securities Note: Indexed 100 at the end of 2019

## APPENDIX

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