

**TAKE and GIVE NEEDS**  
**Consolidated Financial Statements**  
**for the Third Quarter of Fiscal Year ending March 31,2021**

Tokyo, Feb. 10, 2021

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**1. Consolidated Financial Results**

(Millions of yen: amounts are rounded down to nearest million yen)

(1) Results of Operations

	Total sales		Operating Profit		Recurring profit		Net income attributable to owners of the parent		EPS
	JPY mn	%	JPY mn	%	JPY mn	%	JPY mn	%	JPY
Dec.31,2020	14,348	△70.8	△8,780	-	△9,135	-	△13,156	-	△1,014.92
Dec.31,2019	49,086	△2.1	3,647	△5.6	3,432	△4.7	1,814	△20.7	140.04

Note “%” indicates the year-on-year percentage change

Comprehensive income

3Q/FY ending March 31,2021 : △13,339 million yen

3Q/FY ended March 31,2020 : 1,672 million yen

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	JPY mn	JPY mn	JPY mn
Dec.31,2020	51,284	10,239	20.0
Mar.31,2020	58,197	23,797	40.6

Reference Shareholders' equity

3Q/FY ending March 31,2021 : 10,239 million yen

FY ended March 31,2020 : 23,611 million yen

(3) Forecast for the year ending March 31, 2021

	Total sales		Operating profit		Recurring profit		Net income attributable to owners of the parent		EPS
	JPY mn	%	JPY mn	%	JPY mn	%	JPY mn	%	JPY
Year ending Mar. 31,2021	18,500 ~20,000	△70.9 ~△69.6	△13,000 ~△12,000	-	△13,500 ~△12,500	-	△18,500 ~△17,000	-	△1,427.11 ~△1,311.40

Revision to Consolidated Financial Forecast for FY ending March 31,2021:No

## 2. Note

(1) Significant changes in scope of consolidation(changes in scope of consolidation of specifies subsidiaries): Yes  
Newly consolidated : None  
Excluded from the scope of consolidation : ARLUIS WEDDING(GUAM) CORPORATION

(2) Application of accounting treatment peculiar to quarterly consolidated financial statement preparation: Yes

(3) Changes in accounting policies and accounting estimates

[1] Changes in accounting policies by the revision of accounting standard: No

[2] Changes in accounting policies other than those in [1]: No

[3] Changes in accounting estimates: No

[4] Restatement: No

(4) Number of shares issued(common stock)

[1] Number of shares issued  
(including treasury stock)

[2] Number of shares of treasury stock

[3] Number of average shares outstanding  
during April 1,2020-Dec.31,2020

As of Dec. 31,2020	13,059,330 Shares	As of March 31,2020	13,059,330 Shares
As of Dec. 31,2020	91,442 Shares	As of March 31,2020	104,412 Shares
As of Dec. 31,2020	12,963,287 Shares	As of Dec. 31,2019	12,954,389 Shares

\*This consolidated financial report is not subject to review procedures by certified public accountants or an audit firm.

\*Note to forecasts on the consolidated results of operations and other items.

Descriptions regarding the future are estimated based on the information that the Company is able to obtain at the present point in time and assumptions which are deemed to be reasonable. However, actual results may be different due to various factors.

\*Supplementary materials on financial results can be found on the website"TDnet".

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### 3. Consolidated Financial Statements

#### (1) Consolidated balance sheet

	<i>Million yen, rounded down</i>	
	As of Mar.31, 2020	As of Dec.31, 2020
<b>ASSETS</b>		
Current assets		
Cash and deposits	6,455	6,024
Trade accounts receivable	642	314
Trade loans receivable	2,774	2,069
Merchandise	174	140
Supplies	90	53
Prepaid expenses	1,049	328
Other current assets	309	776
Allowance for doubtful accounts	△68	△189
Total current assets	11,428	9,519
Fixed assets		
Tangible fixed assets		
Buildings and structures	35,260	31,951
Accumulated depreciation and accumulated impairment loss	△17,973	△17,237
Buildings and structures (net)	17,286	14,713
Machinery and vehicles	123	110
Accumulated depreciation and accumulated impairment loss	△111	△107
Machinery and vehicles (net)	11	2
Furniture, tools and fixtures	7,333	6,357
Accumulated depreciation and accumulated impairment loss	△6,025	△5,496
Furniture, tools and fixtures (net)	1,307	861
Land	15,284	15,042
Lease assets	4,460	4,436
Accumulated depreciation and accumulated impairment loss	△1,550	△1,704
Lease assets (net)	2,910	2,732
Construction in progress	324	119
Total tangible fixed assets	37,124	33,472
Intangible fixed assets		
Goodwill	101	68
Other	361	219
Total intangible fixed assets	462	287
Investment and other assets		
Investment securities	21	20
Long-term loans	134	120
Long-term prepaid expenses	166	121
Deferred tax assets	3,118	2,920
Security deposits	5,808	4,892
Other	127	83
Allowance for doubtful accounts	△193	△155
Total investment and other assets	9,182	8,005
Total fixed assets	46,769	41,765
Total Assets	58,197	51,284

Million yen, rounded down

	As of Mar.31, 2020	As of Dec. 31,2020
<b>LIABILITIES</b>		
Current liabilities		
Trade accounts payable	1,313	777
Short-term borrowings	2,330	11,143
Current portion of long-term borrowings	5,554	4,755
Accounts payable - other	2,101	2,025
Accrued income taxes	814	71
Accrued bonuses	695	236
Provision for Share Based Remuneration	3	1
Other current liabilities	3,361	2,933
Total current liabilities	16,175	21,944
Long-term liabilities		
Long-term borrowings	12,741	13,925
Long-term lease obligations	3,462	3,268
Asset retirement obligations	1,284	1,192
Other	736	713
Total long-term liabilities	18,225	19,100
Total liabilities	34,400	41,044
<b>NET ASSETS</b>		
Shareholders' equity		
Capital	5,264	5,264
Capital surplus	5,208	5,217
Retained earnings	13,246	△57
Treasury shares	△211	△184
Total shareholders' equity	23,507	10,239
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△0	-
Deferred gains or losses on hedges	22	-
Foreign exchange adjustment account	81	-
Total accumulated other comprehensive income	104	-
Subscription rights to shares	6	-
Non-controlling interests	180	-
Total Net Assets	23,797	10,239
Total Liabilities and Net Assets	58,197	51,284

## (2) Consolidated statement of income and comprehensive income

	<i>Million yen, rounded down</i>	
	As of Dec.31, 2019	As of Dec.31, 2020
Net sales	49,086	14,348
Cost of sales	18,104	5,134
Gross profit	30,982	9,214
Selling, general and administrative expenses	27,334	17,994
Operating income	3,647	△8,780
Non-operating income		
Interest income	3	2
Insurance income	38	15
Compensation income	-	25
Foreign exchange gains	-	2
Other	23	16
Total non-operating income	64	62
Non-operating expenses		
Interest expense for borrowings	252	281
Provision of allowance for doubtful accounts	-	120
Foreign exchange losses	20	-
Other	6	16
Total non-operating expenses	279	418
Ordinary income	3,432	△9,135
Extraordinary gains		
Gain on sales of subsidiaries and affiliates' stocks	-	715
Subsidy income	-	1,684
Total extraordinary gains	-	2,400
Extraordinary loss		
Loss on temporary closure due to the effect of COVID-19	-	2,443
Impairment loss	476	1,464
Loss on sales of stocks of subsidiaries and affiliates	-	1,096
Loss on liquidation of business	-	739
Nonrecurring loss	40	-
Other	-	68
Total extraordinary loss	516	5,812
Net Profit before income taxes	2,915	△12,547
Total income taxes	1,155	678
Net Profit	1,760	△13,226
Net Profit attributable to non-controlling interests	△53	△69
Net Profit attributable to owners of parent	1,814	△13,156

## Consolidated statement of comprehensive income

*Million yen, rounded down*

	As of Dec.31, 2019	As of Dec.31, 2020
Profit	1,760	△13,226
Other comprehensive income		
Valuation difference on available-for-sale securities	△0	0
Deferred gains or losses on hedges	△12	△24
Foreign exchange adjustment account	△75	△88
Total other comprehensive income	△88	△113
Comprehensive income	1,672	△13,339
Comprehensive income attributable to		
Owners of the parent	1,732	△13,260
Non-controlling interests	△60	△78

(3) Notes on consolidated financial statements

(Note on going concern's premise)

Not applicable

(Significant changes in shareholder's equity)

Not applicable

(Application of accounting treatment peculiar to quarterly consolidated financial statement preparation)

(Calculation of taxes)

Taxes are calculated by multiplying profit before income taxes for the third-quarter period under review by the reasonably estimated effective tax rate subsequent to the application of tax effect accounting to the profit income before income taxes for the current consolidated fiscal year ending March 31, 2021 including the third quarter under review.

(Significant subsequent events)

The Company resolved at its board of directors meeting held on February 10, 2021 to issue the Class 1 and the Class 2 Preferred Shares through third-party allotment, and reduction of capital and capital reserve, subject to final approval at the Extraordinary General Meeting of Shareholders scheduled on March 30, 2021.

(1) Class 1 Preferred Shares

(1) Payment date	April 20, 2021
(2) Number of new shares issued	2,000 Class 1 Preferred Shares
(3) Amount to be paid	JPY 1,000,000 per share
(4) Total proceeds	JPY 2,000,000,000
(5) Method of offering	Third-party allotment to The Norinchukin Bank
(6) The amount of capital to be increased	JPY 1,000,000,000
(7) The amount of capital reserve to be increased	JPY 1,000,000,000
(8) Other	<p>-The holders of class 1 preferred shares are entitled to receive dividends of JPY88,000 per share.</p> <p>-If the total amount of dividends paid for the holders of class 1 preferred shares in one business year, is short of the amount of class 1 preferred dividends for such business year, the shortfall will be carried over to the following business year and after and cumulative.</p> <p>-Class 1 preferred share shall be ranked 1st in respect of the payment of preferred dividends.</p> <p>-The holders of class 1 preferred do not have voting rights in General Meeting of Shareholders of the Company.</p> <p>-The Company may acquire all issued class 1 preferred at any time from April 1, 2026, and the Company shall deliver the common shares to the holders of class 1 preferred in exchange for acquiring the class 1 preferred shares.</p> <p>-The holders of class 1 preferred shares do not have put options, the consideration for which in common shares.</p>



(2) Class 2 Preferred Shares

(1) Payment date	April 20,2021
(2) Number of new shares issued	1,000 Class 2 Preferred Shares
(3) Amount to be paid	JPY 1,000,000 per share
(4) Total proceeds	JPY 1,000,000,000
(5) Method of offering	Third-party allotment to Tsunagu Investments.
(6) The amount of capital to be increased	JPY 500,000,000
(7) The amount of capital reserve to be increased	JPY 500,000,000
(8) Other	<p>-The holders of Class 2 Preferred Shares are entitled to receive dividends of JPY30,000 per share.</p> <p>-If the total amount of dividends paid for the holders of class 2 preferred share in one business year, is short of the amount of class 2 preferred dividends for such business year, the shortfall will be carried over to the following business year and after and cumulative.</p> <p>-Class 2 preferred share shall be ranked 2nd in respect of the payment of preferred dividends.</p> <p>-The holders of class 2 preferred do not have voting rights in General Meeting of Shareholders of the Company.</p> <p>-The Company may acquire all issued class 2 preferred at any time from April 1,2026,and the Company shall deliver the common shares to the holders of class 2 preferred in exchange for acquiring the class 2 preferred shares.</p> <p>-The holders of class 2 preferred may, in accordance with laws and regulations, request at any time from April 1,2023 to March 31,2026 that the Company acquire all or a part of their class 2 preferred shares, and the Company shall deliver the common shares to the holders of class 2 preferred in exchange for acquiring the class 2 preferred.</p>

(3) Use of funds

1. In the Domestic Wedding segment, upgrade chapels and banquet halls to improve operating profit.
2. In the Domestic Wedding segment, repair expenses, purchasing costs of wedding dresses and system software development investment.

(4) Reduction of capital and capital reserve

1. Purpose of reduction of capital and capital reserve

With the aim to improve financial conditions and to secure the future flexibility of capital policy, the Company shall reduce the amount of capital and capital reserve, and transfer the reduced amount to other capital surplus, pursuant to Article 447, paragraph (1) and 448, paragraph (1) of the Companies Act,

2. Details of reduction of capital and capital reserve

The Company shall reduce its capital by JPY 4,764 mn (from JPY 6,764mn after the third-party allotment to JPY 2,000mn) and reduce its capital reserve by JPY 5,210 mn (from JPY 6,710mn after the third-party allotment to JPY 1,500mn) and shall transfer all the reduced amount to other capital surplus.

3. Date of reduction of capital and capital reserve

Resolution of the Board of Directors meeting:	February 10, 2021
Date of Public Notice for Objection by Creditors:	March 9, 2021
Resolution of the general meeting of shareholders:	March 30, 2021
Final Date for Objection by Creditors:	April 9, 2021
Effective Date:	April 20, 2021