

TAKE and GIVE NEEDS
Consolidated Financial Statements
For the Fiscal Year Ended March 31,2021

Tokyo, May 13, 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
Mar.31,2021	20,044	△68.5	△11,191	—	△11,687	—	△16,214	—	△1,250.73
Mar.31,2020	63,678	△4.8	3,579	△16.4	3,381	△13.3	1,003	△56.1	77.46

Note “%” indicates the year-on-year percentage change
Comprehensive income
Fiscal year ended March 31,2021 : △16,339 million yen
Fiscal year ended March 31,2020 : 935 million yen

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	JPY mn	JPY mn	%
Mar.31,2021	48,578	7,237	14.9
Mar.31,2020	58,197	23,797	40.6

(Reference) Shareholders' equity
Fiscal year ended March 31,2021 : 7,237 million yen
Fiscal year ended March 31,2020 : 23,611 million yen

(3) Forecast for the year ending March 31, 2022

	Total sales		Operating profit		Recurring profit		Net income attributable to owners of the parent		EPS
	JPY mn	%	JPY mn	%	JPY mn	%	JPY mn	%	JPY
Six months ending Sep.30,2021	19,500 ~20,000	215.3 ~223.4	△650 ~△300	—	△950 ~△600	—	△900 ~△550	—	△80.97 ~△42.41
Year ending Mar. 31,2022	42,000 ~45,000	109.5 ~124.5	600 ~2,500	—	0 ~1,900	—	△700 ~800	—	△53.98 ~61.69

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) 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

- (3) Number of shares issued(common stock)

[1] Number of shares issued (including treasury stock)	As of Mar.31,2021	13,059,330 Shares	As of Mar.31,2020	13,059,330 Shares
[2] Number of shares of treasury stock	As of Mar.31,2021	91,612 Shares	As of Mar.31,2020	104,412 Shares
[3] Number of average shares outstanding during April 1,2020- Mar.31,2021	As of Mar.31,2021	12,964,402 Shares	As of Mar.31,2020	12,954,517 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".

○ Dividends on Class Shares

The following shows breakdown of dividends per share on Class Preferred Shares with different rights from those of common shares.

Class 1 Preferred Shares	Dividends per Share(JPY)				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-End	Annual
	JPY	JPY	JPY	JPY	JPY
Year ended Mar.31,2020	—	—	—	—	—
Year ended Mar.31,2021	—	—	—	—	—
Year ending Mar.31,2022 (Forecast)	—	44,000.00		44,000.00	88,000.00

Class 2 Preferred Shares	Dividends per Share(JPY)				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-End	Annual
	JPY	JPY	JPY	JPY	JPY
Year ended Mar.31,2020	—	—	—	—	—
Year ended Mar.31,2021	—	—	—	—	—
Year ending Mar.31,2022 (Forecast)	—	15,000.00		15,000.00	30,000.00

The above Class 1 and Class 2 Preferred Shares were issued on Apr.20,2021.

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3 .Consolidated Financial Statements

(1) Consolidated balance sheet

Million yen, rounded down

	As of Mar.31,2020	As of Mar.31, 2021
ASSETS		
Current assets		
Cash and deposits	6,455	4,594
Trade accounts receivable	642	218
Trade loans receivable	2,774	1,936
Merchandise	174	163
Supplies	90	57
Prepaid expenses	1,049	529
Other current assets	309	532
Allowance for doubtful accounts	△68	△118
Total current assets	11,428	7,912
Fixed assets		
Tangible fixed assets		
Buildings and structures	35,260	31,739
Accumulated depreciation and accumulated impairment loss	△17,973	△18,108
Buildings and structures (net)	17,286	13,631
Machinery and vehicles	123	110
Accumulated depreciation and accumulated impairment loss	△111	△108
Machinery and vehicles (net)	11	1
Furniture, tools and fixtures	7,333	6,343
Accumulated depreciation and accumulated impairment loss	△6,025	△5,626
Furniture, tools and fixtures (net)	1,307	717
Land	15,284	15,042
Lease assets	4,460	4,436
Accumulated depreciation and accumulated impairment loss	△1,550	△1,764
Lease assets (net)	2,910	2,671
Construction in progress	324	149
Total tangible fixed assets	37,124	32,214
Intangible fixed assets		
Goodwill	101	60
Other	361	195
Total intangible fixed assets	462	256
Investment and other assets		
Investment securities	21	105
Long-term loans	134	116
Long-term prepaid expenses	166	96
Deferred tax assets	3,188	3,131
Security deposits	5,808	4,811
Other	127	83
Allowance for doubtful accounts	△193	△150
Total investment and other assets	9,182	8,194
Total fixed assets	46,769	40,665
Total Assets	58,197	48,578

	<i>Million yen, rounded down</i>	
	As of Mar.31, 2020	As of Mar.31, 2021
LIABILITIES		
Current liabilities		
Trade accounts payable	1,313	1,092
Short-term borrowings	2,330	11,105
Current portion of long-term borrowings	5,554	4,689
Accounts payable - other	2,101	1,802
Accrued income taxes	814	102
Accrued bonuses	695	416
Provision for Share-based compensation	3	3
Other current liabilities	3,361	3,132
Total current liabilities	16,175	22,345
Long-term liabilities		
Long-term borrowings	12,741	13,992
Long-term lease obligations	3,462	3,202
Asset retirement obligations	1,284	1,194
Other	736	606
Total long-term liabilities	18,225	18,995
Total Liabilities	34,400	41,340
NET ASSETS		
Shareholders' equity		
Capital	5,264	5,264
Capital surplus	5,208	5,217
Retained earnings	13,246	△3,118
Treasury shares	△211	△184
Total shareholders' equity	23,507	7,178
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△0	58
Deferred gains or losses on hedges	22	—
Foreign exchange adjustment account	81	—
Total accumulated other comprehensive income	104	58
Subscription rights to shares	6	—
Non-controlling interests	180	—
Total Net Assets	23,797	7,237
Total Liabilities and Net Assets	58,197	48,578

(2) Consolidated statement of income and comprehensive income

	<i>Million yen, rounded down</i>	
	As of Mar.31,2020	As of Mar.31, 2021
Net sales	63,678	20,044
Cost of sales	23,348	7,265
Gross profit	40,330	12,778
Selling, general and administrative expenses	36,750	23,969
Operating income	3,579	△11,191
Non-operating income		
Interest income	3	2
Insurance income	80	16
Compensation income	—	25
Foreign exchange gains	—	2
Reversal of allowance for doubtful accounts	1	—
Gain on Reversal of Asset Retirement Obligations	29	—
Other	41	25
Total non-operating income	157	72
Non-operating expenses		
Interest expense for borrowings	336	373
Provision of allowance for doubtful accounts	—	58
Foreign exchange losses	3	—
Commission fee	—	113
Other	14	22
Total non-operating expenses	355	568
Ordinary income	3,381	△11,687
Extraordinary income		
Gain on sales of subsidiaries and affiliates' stocks	—	715
Subsidy income	—	1,897
Total extraordinary income	—	2,613
Extraordinary loss		
Loss on temporary closure due to the effect of COVID-19	—	2,443
Impairment loss	1,419	2,426
Loss on sales of subsidiaries and affiliates' stocks	—	1,096
Loss on liquidation of business	—	739
Occasional loss	39	—
Other	—	68
Total extraordinary loss	1,458	6,773
Profit before income taxes	1,923	△15,847
Income taxes-current	1,179	398
Income taxes-deferred	△215	38
Total income taxes	963	436
Net Profit	959	△16,284
Profit attributable to non-controlling interests	△44	△69
Net Profit attributable to owners of parent	1,003	△16,214

Consolidated statement of comprehensive income

	<i>Million yen, rounded down</i>	
	As of Mar.31, 2020	As of Mar.31, 2021
Net Profit	959	△ 16,284
Other comprehensive income		
Valuation difference on available-for-sale securities	△0	58
Deferred gains or losses on hedges	24	△24
Foreign exchange adjustment account	△47	△88
Total other comprehensive income	△23	△54
Comprehensive income	935	△ 16,339
Comprehensive income attributable to		
Owners of the parent	981	△ 16,260
Non-controlling interests	△45	△78

(3) Consolidated Statement of changes in shareholders' equity

Fiscal Year ended March 31, 2020

Million yen, rounded down

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the period	5,264	5,208	12,568	△218	22,822
Changes during the period					
Dividends from surplus			△323		△323
Profit attributable to owners of parent			1,003		1,003
Acquisition of treasury shares				△0	△0
Disposal of treasury shares			△2	7	5
Net changes of items other than shareholders' equity					
Total changes during the period	—	—	677	6	684
Balance at end of the period	5,264	5,208	13,246	△211	23,507

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interest	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign exchange adjustment account	Total accumulated other comprehensive income			
Balance at beginning of the period	0	0	125	125	6	226	23,181
Changes during the period							
Dividends from surplus							△323
Profit attributable to owners of parent							1,003
Acquisition of treasury shares							△0
Disposal of treasury shares							5
Net change of items other than shareholders' equity	△0	22	△43	△21	—	△45	△67
Total changes during the period	△0	22	△43	△21	—	△45	616
Balance at end of the period	△0	22	81	104	6	180	23,797

Million yen, rounded down

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of the period	5,264	5,208	13,246	△211	23,507
Changes during the period					
Dividends from surplus			△129		△129
Profit attributable to owners of parent			△16,214		△16,214
Acquisition of treasury shares				△0	△0
Disposal of treasury shares			△20	27	6
Capital increase of consolidated subsidiaries		9			9
Net changes of items other than shareholders' equity					
Total changes during the period	—	9	△16,364	26	△16,328
Balance at end of the period	5,264	5,217	△3,118	△184	7,178

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interest	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign exchange adjustment account	Total accumulated other comprehensive income			
Balance at beginning of the period	△0	22	81	104	6	180	23,797
Changes during the period							
Dividends from surplus							△129
Profit attributable to owners of parent							△16,214
Acquisition of treasury shares							△0
Disposal of treasury shares							6
Capital increase of consolidated subsidiaries							9
Net change of items other than shareholders' equity	58	△22	△81	△45	△6	△180	△231
Total changes during the period	58	△22	△81	△45	△6	△180	△16,560
Balance at end of the period	58	—	—	58	—	—	7,237

(4) Consolidated statement of cash flows

	<i>Million yen, rounded down</i>	
	FY ended March 31, 2020	FY ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	1,923	△15,847
Depreciation and amortization	3,045	2,040
Impairment loss	1,419	2,426
Occasional loss	39	—
Amortization of goodwill	32	30
Loss on temporary closure due to the effect of COVID-19	—	2,443
Loss on liquidation of business	—	739
Netting of security deposits and lease fees	159	151
Increase (decrease) in accrued bonuses	△6	△277
Increase (decrease) in allowance for doubtful accounts	△17	49
Increase (decrease) in provision for share-based executive compensation	3	△0
Gain on sales of subsidiaries and affiliates' stocks	—	380
Compensation income	—	△1,897
Interest and dividends received	△3	△2
Gain on Reversal of Asset Retirement Obligations	△29	—
Insurance income	△80	△16
Non-operating commission fee	—	113
Interest expense	336	373
Decrease (increase) in operating loans receivable	513	838
Decrease (increase) in accounts receivable	199	393
Increase (decrease) in accounts payable	△1,279	△194
Decrease (increase) in prepaid expenses	△124	296
Increase (decrease) in accounts payable	△729	197
Increase (decrease) in advances received	97	337
Other	130	△1,083
Sub-total	5,628	△8,505
Interest and dividends received	3	2
Payments for occasional loss	△30	—
Payments for loss on temporary closure due to the effect of COVID-19	—	△2,092
Interest paid	△337	△383
Insurance income	80	16
Subsidy income	—	1,897
Consumption taxes refund	5	—
Income taxes paid	△1,090	△648
Net cash provided by operating activities	4,259	△9,713

	<i>Million yen, rounded down</i>	
	FY ended March 31, 2020	FY ended March 31, 2021
Cash flows from investing activities		
Loss (gain) on trust deposits	△163	△14
Purchase of software	△73	△10
Purchase of property, plant and equipment	△7,261	△1,187
Sales of property, plant and equipment	300	0
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	—	△1,658
Payments for transfer of business	△20	—
Payments of loans receivable	—	△470
Proceeds from collection of loans	35	263
Payments into security deposits	△78	△109
Proceeds from collection of security deposits	223	166
Others	—	△39
Net cash used in investing activities	△7,038	△3,059

	<i>Million yen, rounded down</i>	
	FY ended March 31, 2020	FY ended March 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,340	10,076
Income from long-term borrowings	7,500	6,736
Repayment of long-term borrowings	△5,939	△5,418
Proceeds from sales of treasury shares	—	6
Purchase of treasury shares	△0	△0
Payment for non-operating commission fee	—	△113
Proceeds from share issuance to non-controlling shareholders	—	9
Dividends paid	△323	△129
Repayment of lease obligations	△282	△266
Net cash provided by financing activities	2,293	10,902
Effect of exchange rate changes on cash and cash equivalents	△5	△4
Increase (decrease) in cash and cash equivalents	△490	△1,874
Cash and cash equivalents at beginning of period	6,568	6,078
Cash and cash equivalents at end of period	6,078	4,203

4 .Significant subsequent events

The Company issued the Class 1 and the Class 2 Preferred Shares through third-party allotment, and reduced capital and capital reserve, under the resolution of the Extraordinary General Meeting of Shareholders 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 annual 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. It should not be dilute the value of 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 annual 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 reduced the amount of capital and capital reserve, and transferred 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 reduced its capital by JPY 4,764 mn (from JPY 6,764mn after the third-party allotment to JPY 2,000mn) and reduced its capital reserve by JPY 5,210 mn (from JPY 6,710mn after the third-party allotment to JPY 1,500mn) and transferred 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

4. Other significant matters

This is a transfer between accounting items in the "Net Assets" of the balance sheet. There is no change in the amount of net assets.