

TAKE and GIVE NEEDS
Consolidated Financial Statements
For the Fiscal Year Ended March 31,2020

Tokyo, May 21, 2020

Stock Code : 4331 TSE 1st Section
 Representative : Kenji Iwase, Representative Director ,President
 Contact : Masahiro Tanida, Director
 TEL : +81-(0)3-3471-6806
 URL : <https://www.tgn.co.jp/company/english/company/>

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.31,2020 | 63,678 | △4.8 | 3,579 | △16.4 | 3,381 | △13.3 | 1,003 | △56.1 | 77.46 |
| Mar.31,2019 | 66,871 | 3.5 | 4,281 | 53.7 | 3,900 | 56.7 | 2,283 | 157.1 | 176.33 |

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

Comprehensive income

Fiscal year ended March 31,2020 : 935 million yen

Fiscal year ended March 31,2019 :2,234 million yen

(2) Financial Position

| | Total Assets | Net Assets | Equity Ratio |
|-------------|--------------|------------|--------------|
| | JPY mn | JPY mn | % |
| Mar.31,2020 | 58,197 | 23,797 | 40.6 |
| Mar.31,2019 | 57,130 | 23,181 | 40.2 |

(Reference) Shareholders' equity

Fiscal year ended March 31,2020 : 23,611 million yen

Fiscal year ended March 31,2019 : 22,948 million yen

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

Forecast for consolidated results for the fiscal year ending March 31,2021 is not indicated as it is difficult to reasonably calculate of the impact of COVID-19 on operating results at this point in time.

2. Note

(1) Significant changes in scope of consolidation(changes in scope of consolidation of specifies subsidiaries): No

(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)
- [2] Number of shares of treasury stock
- [3] Number of average shares outstanding
during April 1,2019-Mar.31,2020

| | | | |
|--------------------------|----------------------|---------------------------|----------------------|
| As of Mar. 31,2020 | 13,059,330 Shares | As of March 31,2019 | 13,059,330 Shares |
| As of Mar. 31,2020 | 104,412 Shares | As of March 31,2019 | 107,650 Shares |
| As of Mar. 31,2020 | 12,954,517 Shares | As of Mar. 31,2019 | 12,952,310 Shares |

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

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

Contents

| | |
|---|----|
| 1. Consolidated Financial Results | 1 |
| (1) Results of Operations | 1 |
| (2) Financial Position | 1 |
| (3) Forecast for the year ending March 31, 2021 | 1 |
| 2. Note | 2 |
| 3. Consolidated Financial Statements | 4 |
| (1) Consolidated balance sheet | 4 |
| (2) Consolidated statement of income and comprehensive income | 6 |
| (3) Consolidated Statement of changes in shareholders' equity | 8 |
| (4) Consolidated statement of cash flows | 10 |

3 .Consolidated Financial Statements

(1) Consolidated balance sheet

Million yen, rounded down

| | As of Mar.31, 2019 | As of Mar.31, 2020 |
|--|--------------------|--------------------|
| ASSETS | | |
| Current assets | | |
| Cash and deposits | 6,782 | 6,455 |
| Trade accounts receivable..... | 842 | 642 |
| Trade loans receivable | 3,287 | 2,774 |
| Merchandise | 203 | 174 |
| Supplies | 42 | 90 |
| Prepaid expenses | 925 | 1,049 |
| Other current assets | 659 | 309 |
| Allowance for doubtful accounts | △96 | △68 |
| Total current assets..... | 12,647 | 11,428 |
| Fixed assets | | |
| Tangible fixed assets | | |
| Buildings and structures | 35,084 | 35,260 |
| Accumulated depreciation and accumulated impairment loss | △16,878 | △17,973 |
| Buildings and structures (net) | 18,205 | 17,286 |
| Machinery and vehicles | 183 | 123 |
| Accumulated depreciation and accumulated impairment loss | △171 | △111 |
| Machinery and vehicles (net) | 12 | 11 |
| Furniture, tools and fixtures | 6,648 | 7,333 |
| Accumulated depreciation and accumulated impairment loss | △5,241 | △6,025 |
| Furniture, tools and fixtures (net) | 1,407 | 1,307 |
| Land..... | 11,207 | 15,284 |
| Lease assets..... | 4,571 | 4,460 |
| Accumulated depreciation and accumulated impairment loss | △1,164 | △1,550 |
| Lease assets (net) | 3,406 | 2,910 |
| Construction in progress | 92 | 324 |
| Total tangible fixed assets..... | 34,331 | 37,124 |
| Intangible fixed assets | | |
| Goodwill | 121 | 101 |
| Other..... | 677 | 361 |
| Total intangible fixed assets | 798 | 462 |
| Investment and other assets | | |
| Investment securities | 21 | 21 |
| Long-term loans..... | 168 | 134 |
| Long-term prepaid expenses | 184 | 166 |
| Deferred tax assets..... | 2,920 | 3,188 |
| Security deposits | 6,113 | 5,808 |
| Other..... | 128 | 127 |
| Allowance for doubtful accounts | △183 | △193 |
| Total investment and other assets | 9,352 | 9,182 |
| Total fixed assets | 44,483 | 46,769 |
| Total Assets..... | 57,130 | 58,197 |

Million yen, rounded down

| | As of Mar.31, 2019 | As of Mar.31, 2020 |
|---|--------------------|--------------------|
| LIABILITIES | | |
| Current liabilities | | |
| Trade accounts payable | 2,594 | 1,313 |
| Short-term borrowings | 990 | 2,330 |
| Current portion of long-term borrowings | 5,741 | 5,554 |
| Accounts payable - other | 2,992 | 2,101 |
| Accrued income taxes | 736 | 814 |
| Accrued bonuses | 702 | 695 |
| Provision for Share-based compensation | - | 3 |
| Other current liabilities | 3,327 | 3,361 |
| Total current liabilities..... | 17,084 | 16,175 |
| Long-term liabilities | | |
| Long-term borrowings..... | 10,994 | 12,741 |
| Long-term leased asset impairment account..... | 22 | - |
| Long-term lease obligations..... | 3,730 | 3,462 |
| Asset retirement obligations | 1,202 | 1,284 |
| Other | 914 | 736 |
| Total long-term liabilities..... | 16,864 | 18,225 |
| Total Liabilities..... | 33,949 | 34,400 |
| NET ASSETS | | |
| Shareholders' equity | | |
| Capital | 5,264 | 5,264 |
| Capital surplus | 5,208 | 5,208 |
| Retained earnings..... | 12,568 | 13,246 |
| Treasury shares..... | △218 | △211 |
| Total shareholders' equity..... | 22,822 | 23,507 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 0 | △0 |
| Deferred gains or losses on hedges..... | 0 | 22 |
| Foreign exchange adjustment account..... | 125 | 81 |
| Total accumulated other comprehensive income..... | 125 | 104 |
| Subscription rights to shares | 6 | 6 |
| Non-controlling interests..... | 226 | 180 |
| Total Net Assets..... | 23,181 | 23,797 |
| Total Liabilities and Net Assets..... | 57,130 | 58,197 |

(2) Consolidated statement of income and comprehensive income

| | <i>Million yen, rounded down</i> | |
|---|----------------------------------|--------------------|
| | As of Mar.31, 2019 | As of Mar.31, 2020 |
| Net sales..... | 66,871 | 63,678 |
| Cost of sales..... | 24,697 | 23,348 |
| Gross profit..... | 42,173 | 40,330 |
| Selling, general and administrative expenses..... | 37,892 | 36,750 |
| Operating income..... | 4,281 | 3,579 |
| Non-operating income | | |
| Interest income..... | 4 | 3 |
| Insurance income..... | 18 | 80 |
| Reversal of allowance for doubtful accounts..... | 17 | 1 |
| Refunded consumption taxes..... | 10 | - |
| Gain on Reversal of Asset Retirement Obligations..... | - | 29 |
| Other..... | 61 | 41 |
| Total non-operating income..... | 112 | 157 |
| Non-operating expenses | | |
| Interest expense for borrowings..... | 344 | 336 |
| Foreign exchange losses..... | 91 | 3 |
| Other..... | 57 | 14 |
| Total non-operating expenses..... | 493 | 355 |
| Ordinary income..... | 3,900 | 3,381 |
| Extraordinary loss | | |
| Impairment loss..... | 615 | 1,419 |
| Occasional loss..... | - | 39 |
| Loss on cancellation of leasehold contracts..... | 216 | - |
| Other..... | 24 | - |
| Total extraordinary loss..... | 856 | 1,458 |
| Profit before income taxes..... | 3,044 | 1,923 |
| Total income taxes..... | 753 | 963 |
| Profit..... | 2,291 | 959 |
| Profit attributable to non-controlling interests..... | 7 | △44 |
| Profit attributable to owners of parent..... | 2,283 | 1,003 |

Consolidated statement of comprehensive income*Million yen, rounded down*

| | As of Mar.31, 2019 | As of Mar.31, 2019 |
|--|--------------------|--------------------|
| Profit | 2,291 | 959 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities..... | 0 | △0 |
| Deferred gains or losses on hedges | △37 | 24 |
| Foreign exchange adjustment account | △19 | △47 |
| Total other comprehensive income..... | △56 | △23 |
| Comprehensive income | 2,234 | 935 |
| Comprehensive income attributable to | | |
| Owners of the parent | 2,225 | 981 |
| Non-controlling interests | 8 | △45 |

(3) Consolidated Statement of changes in shareholders' equity

Fiscal Year ended March 31, 2019

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 | 10,478 | △215 | 20,735 |
| Changes during the period | | | | | |
| Dividends from surplus | | | △194 | | △194 |
| Profit attributable to owners of parent | | | 2,283 | | 2,283 |
| Acquisition of treasury shares | | | | △2 | △2 |
| Disposal of treasury shares | | | △0 | 0 | 0 |
| Net changes of items other than shareholders' equity | | | | | |
| Total changes during the period | - | - | 2,089 | △2 | 2,086 |
| Balance at end of the period | 5,264 | 5,208 | 12,568 | △218 | 22,822 |

| | 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 | 34 | 143 | 177 | 7 | 216 | 21,136 |
| Changes during the period | | | | | | | |
| Dividends from surplus | | | | | | | △194 |
| Profit attributable to owners of parent | | | | | | | 2,283 |
| Acquisition of treasury shares | | | | | | | △2 |
| Disposal of treasury shares | | | | | | | 0 |
| Net change of items other than shareholders' equity | 0 | △34 | △17 | △51 | △0 | 9 | △42 |
| Total changes during the period | △0 | △34 | △17 | △51 | △0 | 9 | 2,044 |
| Balance at end of the period | 0 | 0 | 125 | 125 | 6 | 226 | 23,181 |

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 |

(4)Consolidated statement of cash flows*Million yen, rounded down*

| | FY ended March 31, 2019 | FY ended March 31, 2020 |
|---|----------------------------|----------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 3,044 | 1,923 |
| Depreciation and amortization | 3,001 | 3,045 |
| Impairment loss..... | 615 | 1,419 |
| Occasional loss | - | 39 |
| Amortization of goodwill | 30 | 32 |
| Loss on cancellation of leasehold contracts..... | 216 | - |
| Consumption taxes refund | △10 | - |
| Netting of security deposits and lease fees..... | 205 | 159 |
| Increase (decrease) in accrued bonuses | 185 | △6 |
| Increase (decrease) in allowance for doubtful accounts | 31 | △17 |
| Increase (decrease) in provision for share-based executive compensation . | - | 3 |
| Interest and dividends received | △4 | △3 |
| Gain on Reversal of Asset Retirement Obligations | - | △29 |
| Insurance income..... | △18 | △80 |
| Interest expense | 344 | 336 |
| Decrease (increase) in operating loans receivable | △631 | 513 |
| Decrease (increase) in accounts receivable | △126 | 199 |
| Increase (decrease) in accounts payable | 257 | △1,279 |
| Decrease (increase) in prepaid expenses..... | △83 | △124 |
| Increase (decrease) in accounts payable | 522 | △729 |
| Increase (decrease) in advances received | △84 | 97 |
| Other..... | △117 | 130 |
| Sub-total | 7,378 | 5,628 |
| Interest and dividends received | 4 | 3 |
| Payments for occasional loss | - | △30 |
| Interest paid | △343 | △337 |
| Insurance income | 18 | 80 |
| Consumption taxes refund | 530 | 5 |
| Income taxes paid..... | △1,139 | △1,090 |
| Net cash provided by operating activities | 6,449 | 4,259 |

| | <i>Million yen, rounded down</i> | |
|---|----------------------------------|----------------------------|
| | FY ended March 31, 2019 | FY ended March 31, 2020 |
| Cash flows from investing activities | | |
| Loss (gain) on trust deposits | - | △163 |
| Purchase of software | △246 | △73 |
| Purchase of property, plant and equipment | △2,359 | △7,261 |
| Sales of property, plant and equipment | - | 300 |
| Purchase of shares of subsidiaries and associates | △6 | - |
| Payments for transfer of business | - | △20 |
| Proceeds from collection of loans | 64 | 35 |
| Payments into security deposits | △259 | △78 |
| Proceeds from collection of security deposits | 360 | 223 |
| Others | △42 | - |
| Net cash used in investing activities | △2,488 | △7,038 |

| | <i>Million yen, rounded down</i> | |
|---|----------------------------------|----------------------------|
| | FY ended March 31, 2019 | FY ended March 31, 2020 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | △320 | 1,340 |
| Income from long-term borrowings | 4,090 | 7,500 |
| Repayment of long-term borrowings | △5,257 | △5,939 |
| Purchase of treasury shares | △2 | △0 |
| Dividends paid | △194 | △323 |
| Repayment of lease obligations | △271 | △282 |
| Net cash provided by financing activities | △1,956 | 2,293 |
| Effect of exchange rate changes on cash and cash equivalents..... | △5 | △5 |
| Increase (decrease) in cash and cash equivalents | 1,998 | △490 |
| Cash and cash equivalents at beginning of period | 4,556 | 6,568 |
| Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation | 13 | - |
| Cash and cash equivalents at end of period | 6,568 | 6,078 |