TAKE and GIVE NEEDS
Consolidated Financial Report
for the 3Q fiscal year ending March 31,2019

Tokyo, February 8, 2019

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
December 31,2018	50,144	3.4	3,862	81.2	3,603	92.5	2,287	181.0	176.63
December 31,2017	48,494	7.6	2,131	1.6	1,871	11.3	814	11.8	62.84

Note
"%" indicates the year-on-year percentage change
Comprehensive income 3Q/FY ending March 31,2019: 2,250million yen
3Q/FY ended March 31,2018: 750million yen

(2) Financial Position

	Total Assets	Net Assets	Equity Ratio
	JPY mn	JPY mn	JPY mn
December 31,2018	55,975	23,197	41.1
March 31,2018	56,025	21,136	37.3

Reference
Shareholders' equity 3Q/ FY ending March 31,2019: 22,981million yen
FY ended March 31,2018: 20,913million yen

(3) Forecast for the year ending March 31, 2019

	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 March.31,2019	66,500	3.0	3,800	36.4	3,400	36.6	1,400	57.6	108.09

2. Note

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

(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)	As of December 31,2018	13,059,330 Shares	As of March 31,2018	13,059,330 Shares
[2] Number of shares of treasury stock	As of December 31,2018	107,470 Shares	As of March 31,2018	106,200 Shares
[3] Number of average shares outstanding during April-December	As of December 31,2018	12,952,490 Shares	As of December 31,2017	12,954,303 Shares

*This quarterly consolidated financial report is not subject to quarterly 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".

*From the financial report (for 2Q FY ending March 31,2019), the Company modified the date recording method.(from Japanese calendar to Christian calendar)

Contents

1. Consolidated Financial Results 1

(1) Results of Operations 1
(2) Financial Position 1
(3) Forecast for the year ending March 31, 2019 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 comprehensive income 7

3 .Consolidated Financial Statements

(1) Consolidated balance sheet

Million yen, rounded down

	As of Dec.31, 2018	As of Mar.31, 2018
ASSETS		
Current assets		
Cash and deposits	5,700	4,769
Trade accounts receivable	1,066	716
Trade loans receivable	2,526	2,656
Merchandise	212	219
Supplies	41	65
Prepaid expenses	864	835
Other current assets	1,014	888
Allowance for doubtful accounts	(63)	(58)
Total current assets	11,363	10,093
Fixed assets		
Tangible fixed assets		
Buildings and structures	34,464	33,765
Accumulated depreciation and accumulated impairment loss	(16,134)	(15,114)
Buildings and structures (net)	18,330	18,651
Machinery and vehicles	182	182
Accumulated depreciation and accumulated impairment loss	(168)	(163)
Machinery and vehicles (net)	14	19
Furniture, tools and fixtures	6,417	6,018
Accumulated depreciation and accumulated impairment loss	(5,068)	(4,575)
Furniture, tools and fixtures (net)	1,348	1,442
Land	11,156	11,153
Lease assets	4,579	4,514
Accumulated depreciation and accumulated impairment loss	(1,092)	(852)
Lease assets (net)	3,486	3,661
Construction in progress	162	109
Total tangible fixed assets	34,498	35,037
Intangible fixed assets		
Goodwill	129	151
Other	719	735
Total intangible fixed assets	848	887
Investment and other assets		
Investment securities	21	31
Long-term loans	300	338
Long-term prepaid expenses	195	342
Deferred tax assets	2,759	2,743
Security deposits	6,181	6,757
Other	153	142
Allowance for doubtful accounts	(348)	(347)
Total investment and other assets	9,264	10,007
Total fixed assets	**44,611**	**45,932**
Total Assets	**55,975**	**56,025**

Million yen, rounded down

	As of Dec.31, 2018	As of Mar.31, 2018
LIABILITIES		
Current liabilities		
Trade accounts payable	1,823	2,339
Short-term borrowings	2,450	1,310
Current portion of long-term borrowings	5,498	4,990
Accounts payable - other	2,024	2,294
Accrued income taxes	831	937
Accrued bonuses	289	516
Provision for loss on store closing	-	72
Other current liabilities	3,271	3,135
Total current liabilities	16,188	15,597
Long-term liabilities		
Long-term borrowings	10,612	12,912
Long-term leased asset impairment account	32	149
Long-term lease obligations	3,801	3,956
Asset retirement obligations	1,195	1,219
Other	947	1,053
Total long-term liabilities	16,589	19,291
Total Liabilities	**32,778**	**34,889**
NET ASSETS		
Shareholders' equity		
Capital	5,264	5,264
Capital surplus	5,208	5,208
Retained earnings	12,572	10,478
Treasury shares	(218)	(215)
Total shareholders' equity	22,826	20,735
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(0)
Deferred gains or losses on hedges	27	34
Foreign exchange adjustment account	128	143
Total accumulated other comprehensive income	155	177
Subscription rights to shares	**7**	**7**
Non-controlling interests	**208**	**216**
Total Net Assets	**23,197**	**21,136**
Total Liabilities and Net Assets	**55,975**	**56,025**

(2) Consolidated statement of income and comprehensive income

Million yen, rounded down

	As of Dec.31, 2018	As of Dec.31, 2017
Net sales	50,144	48,494
Cost of sales	18,558	18,730
Gross profit	31,585	29,763
Selling, general and administrative expenses	27,723	27,631
Operating income	3,862	2,131
Non-operating income		
Interest income	3	4
Insurance income	18	-
Refunded consumption taxes	10	-
Other	27	35
Total non-operating income	60	39
Non-operating expenses		
Interest expense for borrowings	260	284
Foreign exchange losses	22	5
Other	36	9
Total non-operating expenses	319	299
Ordinary income	3,603	1,871
Extraordinary gains		
Gain on sales of fixed assets		0
Gain on liquidation of subsidiaries and associates	-	31
Total extraordinary gains	-	32
Extraordinary loss		
Loss on retirement of fixed assets	-	88
Impairment loss		44
Provision of allowance for loss on store closing	-	72
Provision of allowance for doubtful accounts	-	99
Loss on cancellation of leasehold contracts	241	-
Other	19	15
Total extraordinary loss	260	319
Profit before income taxes	3,342	1,584
Total income taxes	1,067	788
Profit	2,274	795
Profit attributable to non-controlling interests	(12)	(18)
Profit attributable to owners of parent	**2,287**	**814**

(3) **Consolidated statement of comprehensive income**

Million yen, rounded down

	As of Dec.31, 2018	As of Dec.31, 2017
Profit	2,274	795
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Deferred gains or losses on hedges	(8)	7
Foreign exchange adjustment account	(16)	(52)
Other	(24)	(45)
Total other comprehensive income	2,250	750
Comprehensive income		
Comprehensive income attributable to		
Owners of the parent	2,265	771
Non-controlling interests	(15)	(21)