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On **May 21, 2020**, Take & Give Needs Co., Ltd. announced earnings results for full-year FY03/20.

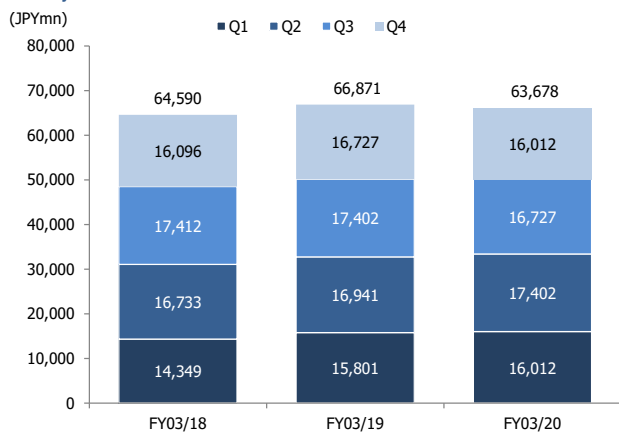
Cumulative (JPY mn)	FY03/19				FY03/20				FY03/20	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	% of FY	FY Est.
Sales	15,801	32,742	50,144	66,871	16,012	32,741	49,086	63,678	100.3%	63,500
YoY	10.1%	5.3%	3.4%	3.5%	1.3%	0.0%	-2.1%	-4.8%		-5.0%
Gross profit	9,923	20,713	31,585	42,173	10,049	20,632	30,982	40,330		
YoY	13.8%	8.8%	6.1%	5.8%	1.3%	-0.4%	-1.9%	-4.4%		
GPM	62.8%	63.3%	63.0%	63.1%	62.8%	63.0%	63.1%	63.3%		
SG&A expenses	9,066	18,429	27,723	37,892	9,195	18,417	27,334	36,750		
YoY	-1.4%	0.4%	0.3%	2.2%	1.4%	-0.1%	-1.4%	-3.0%		
SG&A ratio	57.4%	56.3%	55.3%	56.7%	57.4%	56.3%	55.7%	57.7%		
Operating profit	857	2,284	3,862	4,281	854	2,214	3,647	3,579	102.3%	3,500
YoY	-	234.4%	81.2%	53.7%	-0.4%	-3.1%	-5.6%	-16.4%		-18.2%
OPM	5.4%	7.0%	7.7%	6.4%	5.3%	6.8%	7.4%	5.6%		5.5%
Recurring profit	719	2,090	3,603	3,900	821	2,079	3,432	3,381	102.5%	3,300
YoY	-	325.7%	92.6%	56.7%	14.2%	-0.5%	-4.7%	-13.3%		-15.4%
RPM	4.6%	6.4%	7.2%	5.8%	5.1%	6.3%	7.0%	5.3%		5.2%
Net income	480	1,342	2,287	2,283	468	946	1,814	1,003	-	-
YoY	-	3627.8%	181.0%	157.1%	-2.5%	-29.5%	-20.7%	-56.1%		-
Net margin	3.0%	4.1%	4.6%	3.4%	2.9%	2.9%	3.7%	1.6%		-

Quarterly (JPY mn)	FY03/19				FY03/20			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	15,801	16,941	17,402	16,727	16,012	16,729	16,345	14,592
YoY	10.1%	1.2%	-0.1%	3.9%	1.3%	-1.3%	-6.1%	-12.8%
Gross profit	9,923	10,790	10,872	10,588	10,049	10,583	10,350	9,348
YoY	13.8%	4.6%	1.3%	5.0%	1.3%	-1.9%	-4.8%	-11.7%
GPM	62.8%	63.7%	62.5%	63.3%	62.8%	63.3%	63.3%	64.1%
SG&A expenses	9,066	9,363	9,294	10,169	9,195	9,222	8,917	9,416
YoY	-1.4%	2.3%	0.1%	7.8%	1.4%	-1.5%	-4.1%	-7.4%
SG&A ratio	57.4%	55.3%	53.4%	60.8%	57.4%	55.1%	54.6%	64.5%
Operating profit	857	1,427	1,578	419	854	1,360	1,433	-68
YoY	-	23.2%	9.0%	-35.9%	-0.4%	-4.7%	-9.2%	-
OPM	5.4%	8.4%	9.1%	2.5%	5.3%	8.1%	8.8%	-
Recurring profit	719	1,371	1,513	297	821	1,258	1,353	-51
YoY	-	29.6%	9.6%	-51.9%	14.2%	-8.2%	-10.6%	-
RPM	4.6%	8.1%	8.7%	1.8%	5.1%	7.5%	8.3%	-
Net income	480	862	945	-4	468	478	868	-811
YoY	-	97.3%	21.5%	-	-2.5%	-44.5%	-8.1%	-
Net margin	3.0%	5.1%	5.4%	-	2.9%	2.9%	5.3%	-

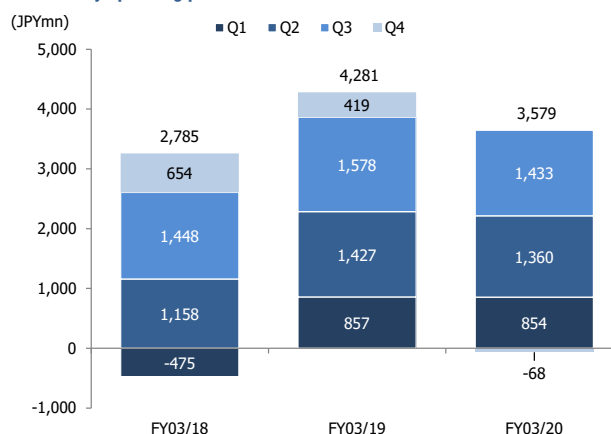
Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Quarterly sales



Quarterly operating profit



Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

By segment (cumulative) (JPYmn)	FY03/19				FY03/20			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	15,801	32,742	50,144	66,871	16,012	32,741	49,086	63,678
YoY	10.1%	5.3%	3.4%	3.5%	1.3%	0.0%	-2.1%	-4.8%
Domestic Wedding	13,151	26,566	41,376	54,259	13,399	26,488	40,584	51,145
YoY	11.2%	5.6%	3.6%	4.2%	1.9%	-0.3%	-1.9%	-5.7%
% of total sales	83.2%	81.1%	82.5%	81.1%	83.7%	80.9%	82.7%	80.3%
Overseas and Destination Wedding	2,216	5,397	7,627	11,174	2,227	5,469	7,322	11,106
YoY	5.3%	5.0%	5.1%	3.5%	0.5%	1.3%	-4.0%	-0.6%
% of total sales	14.0%	16.5%	15.2%	16.7%	13.9%	16.7%	14.9%	17.4%
Other	434	778	1,140	1,437	385	783	1,179	1,426
YoY	4.8%	0.1%	-11.6%	-15.1%	-11.3%	0.6%	3.4%	-0.8%
% of total sales	2.7%	2.4%	2.3%	2.1%	2.4%	2.4%	2.4%	2.2%
Operating profit	857	2,284	3,862	4,281	854	2,214	3,647	3,579
YoY	-	234.4%	81.2%	53.7%	-0.4%	-3.1%	-5.6%	-16.4%
Domestic Wedding	1,349	2,893	5,233	5,846	1,735	3,354	5,836	5,709
YoY	581.3%	99.0%	49.0%	48.2%	28.6%	15.9%	11.5%	-2.3%
OPM	10.3%	10.9%	12.6%	10.8%	12.9%	12.7%	14.4%	-
Overseas and Destination Wedding	10	403	39	389	-360	-199	-832	-256
YoY	-	68.6%	-	-35.4%	-	-	-	-
OPM	0.5%	7.5%	0.5%	3.5%	-	-	-	-
Other	-502	-1,012	-1,410	-1,954	-521	-941	-1,357	-1,874
YoY	-	-	-	-	-	-	-	-
OPM	-	-	-	-	-	-	-	-
By segment (quarterly) (JPYmn)	FY03/19				FY03/20			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Sales	15,801	16,941	17,402	16,727	16,012	16,729	16,345	14,592
YoY	10.1%	1.2%	-0.1%	3.9%	1.3%	-1.3%	-6.1%	-12.8%
Domestic Wedding	13,151	13,415	14,810	12,883	13,399	13,089	14,096	10,561
YoY	11.2%	0.6%	0.2%	6.0%	1.9%	-2.4%	-4.8%	-18.0%
% of total sales	83.2%	79.2%	85.1%	77.0%	83.7%	78.2%	86.2%	72.4%
Overseas and Destination Wedding	2,216	3,181	2,230	3,547	2,227	3,242	1,853	3,784
YoY	5.3%	4.7%	5.4%	0.1%	0.5%	1.9%	-16.9%	6.7%
% of total sales	14.0%	18.8%	12.8%	21.2%	13.9%	19.4%	11.3%	25.9%
Other	434	344	362	297	385	398	396	247
YoY	4.8%	-5.2%	-29.4%	-26.1%	-11.3%	15.7%	9.4%	-16.8%
% of total sales	2.7%	2.0%	2.1%	1.8%	2.4%	2.4%	2.4%	1.7%
Operating profit	857	1,427	1,578	419	854	1,360	1,433	-68
YoY	-	23.2%	9.0%	-35.9%	-0.4%	-4.7%	-9.2%	-
Domestic Wedding	1,349	1,544	2,340	613	1,735	1,619	2,482	-127
YoY	581.3%	22.9%	13.8%	41.6%	28.6%	4.9%	6.1%	-
OPM	10.3%	11.5%	15.8%	4.8%	12.9%	12.4%	17.6%	-
Overseas and Destination Wedding	10	393	-364	350	-360	161	-633	576
YoY	-	-2.0%	-	-	-	-59.0%	-	-
OPM	0.5%	12.4%	-	9.9%	-	5.0%	-	-
Other	-502	-510	-398	-544	-521	-420	-416	-517
YoY	-	-	-	-	-	-	-	-
OPM	-	-	-	-	-	-	-	-

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Note: Other includes corporate expenses.

Full-year FY03/20 results (out May 21, 2020)

Earnings summary

FY03/20 results (April 2019–March 2020)

- ▷ Sales: JPY63.7bn (-4.8% YoY)
- ▷ Operating profit: JPY3.6bn (-16.4% YoY)
- ▷ Recurring profit: JPY3.4bn (-13.3% YoY)
- ▷ Net income: JPY1.0bn (-56.1% YoY)

*Net income refers to net income attributable to owners of the parent.

- ▷ Wedding postponements by customers increased as a result of the declaration of a state of emergency by the Japanese government in response to the COVID-19 outbreak, along with requests by local governments for people to refrain from going out, as well as restrictions on overseas travel. Sales and profits were also affected by temporary facility closures nationwide. Sales fell by JPY2.6bn and profit declined by JPY1.4bn due to the COVID-19 outbreak.
- ▷ The company consulted with its accounting auditor on the recoverability of fixed assets for directly operated facilities and recorded an impairment loss of JPY1.4bn as an extraordinary loss.
- ▷ At the time of its Q3 results briefing on February 7, 2020, T&G made upward revisions to its FY03/20 forecast. The company had expected sales to fall short of initial forecast due to closures of unprofitable locations in the Domestic Wedding business and the impact from natural disasters (typhoon Hagibis) in 2019, but on the other hand, it had expected profits to exceed initial forecast thanks to sales of products with higher gross profit margins. T&G had anticipated profits to grow for the fifth consecutive year.

Results by segment

FY03/20 (April 2019–March 2020) results by segment are as follows.

Domestic Wedding business

- ▷ Segment sales: JPY51.1bn (-5.7% YoY). Wedding facilities have been closed temporarily from April 8, 2020, with restaurant facilities closed from March 31, 2020. The decline in sales due to the COVID-19 outbreak was JPY2.5bn.
- ▷ Segment profit: JPY5.7bn (-2.4% YoY). The decline in profit due to the COVID-19 outbreak was JPY1.3bn.
- ▷ Sales breakdown: Directly operated facilities generated sales of JPY45.8bn (-5.7% YoY), consulting services JPY1.5bn (-3.2% YoY), and other services (lodging, restaurants, etc.) JPY3.8bn (-7.0% YoY).
- ▷ Directly operated facilities: At end-FY03/20, the company had 64 facilities and 94 venues (67 facilities and 102 venues at end-FY03/19). The number of wedding orders was 11,596 (-7.5% YoY).
- ▷ Hotel business: Posted a 0.2% YoY increase in sales to JPY4.6bn. The company's hotels have been temporarily closed from March 30, 2020. The decrease in sales due to the COVID-19 outbreak was JPY157mn, and the decrease in profit was JPY137mn.
- ▷ Factors adversely impacting sales: Closure of facilities and the decline in the number of weddings (-7.6% YoY) due to the impact of the typhoon and the COVID-19 outbreak.
- ▷ Factors adversely impacting profits: Although operating profit margin was boosted by ongoing profit improvement measures, such as improvement in profitability as a result of the closure of unprofitable facilities and sales efforts for higher profitable products, this was offset by the impact of wedding postponements.
- ▷ According to the company, cancellations between the end of February and the end of April 2020 were just at 5%.

Performance

Cumulative (JPYmn)	FY03/18				FY03/19				FY03/20			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Domestic Wedding	11,829	25,162	39,946	52,096	13,151	26,566	41,376	54,259	13,399	26,488	40,584	51,145
YoY	-0.6%	6.0%	5.7%	5.1%	11.2%	5.6%	3.6%	4.2%	1.9%	-0.3%	-1.9%	-5.7%
Directly operated facilities	10,602	22,640	35,795	46,721	11,837	23,915	37,064	48,595	12,013	23,775	36,290	45,824
Domestic house wedding	10,126	21,052	-	43,075	10,765	21,653	33,487	43,954	10,833	21,409	32,605	41,175
TRUNK (HOTEL)	476	1,588	-	3,646	1,072	2,262	3,577	4,641	1,180	2,366	3,685	4,649
Number of weddings	2,749	5,804	9,131	11,988	3,086	6,207	9,562	12,537	3,070	6,073	9,214	11,596
Average spend (JPY'000)	3,851	3,989	4,007	3,892	3,827	3,846	3,871	3,868	3,910	3,911	3,935	3,947
Average visitor count	70.5	74.7	72.6	71.2	68.0	68.6	69.2	69.5	69.3	69.4	69.5	69.7
Consulting	343	784	1,272	1,637	354	713	1,179	1,587	430	829	1,223	1,535
Gross transaction value	500	975	1,416	1,673	325	649	1,080	2,410	1,692	3,168	4,714	
Number of weddings	145	306	460	563	117	242	387	707	403	771	1,121	
Other	883	1,784	2,879	3,738	914	1,936	3,131	4,071	955	1,883	3,069	

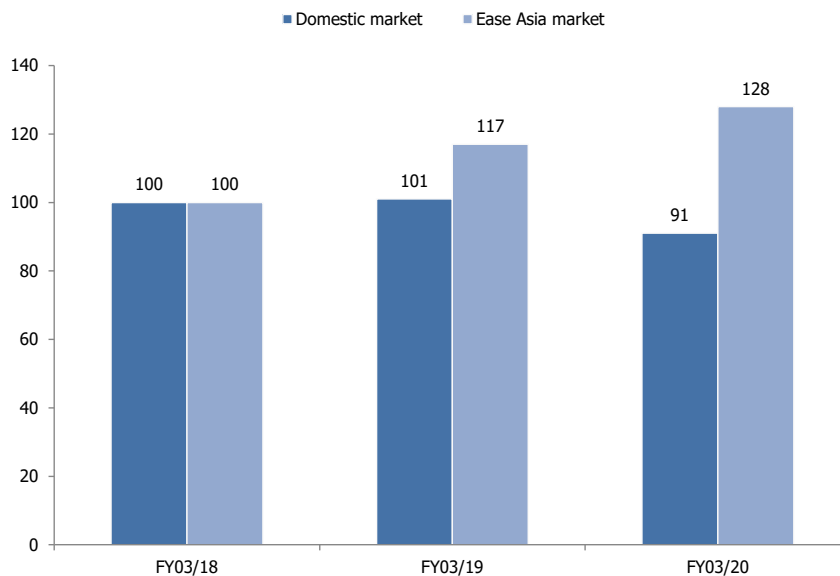
Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Overseas and Destination Wedding business

- ▷ Segment sales: JPY11.1bn (-0.6% YoY). The main reason for the decline in sales was a reduction in the number of destination weddings by Japanese customers.
- ▷ Segment loss: JPY256mn (segment profit of JPY389mn in FY03/19). Operating profit fell due to an increase in operating expenses following the opening of three directly operated wedding salons.
- ▷ Domestic market (Japanese customers): Sales counters and wedding facilities nationwide have been temporarily closed since April 8, 2020. The decline in sales as a result of a decrease in the number of wedding orders was JPY67mn.
- ▷ East Asian markets (Chinese, Taiwanese, and other customers): Since January 31, 2020, T&G facilities in East Asia, including China, have been temporarily closed. The number of weddings were up YoY thanks to an increase in the number of facilities.

Number of T&G weddings in the domestic and East Asian markets



Source: Shared Research based on company data

Note: FY03/18=100

Other businesses

Other businesses include the financial and credit business, such as wedding loans, and the childcare business, among others.

- ▷ Segment sales: JPY1.4bn (-0.8% YoY)
- ▷ Segment profit: JPY264mn (+23.4% YoY)

Full-year company forecast

(JPYmn)	FY03/18			FY03/19			FY03/20			FY03/21
	1H Act.	2H Act.	FY Act.	1H Act.	2H Act.	FY Act.	1H Act.	2H Est.	FY Est.	FY Est.
Sales	31,082	33,508	64,590	32,742	34,129	66,871	32,741	30,937	63,678	
YoY	7.7%	6.9%	7.3%	5.3%	1.9%	3.5%	0.0%	-9.4%	-4.8%	
Operating profit	683	2,102	2,785	2,284	1,997	4,281	2,214	1,365	3,579	
YoY	19.0%	12.7%	14.2%	234.4%	-5.0%	53.7%	-3.1%	-31.6%	-16.4%	
OPM	2.2%	6.3%	4.3%	7.0%	5.9%	6.4%	6.8%	4.4%	5.6%	
Recurring profit	491	1,998	2,489	2,090	1,810	3,900	2,079	1,302	3,381	
YoY	74.1%	9.9%	18.5%	325.7%	-9.4%	56.7%	-0.5%	-28.1%	-13.3%	
RPM	1.6%	6.0%	3.9%	6.4%	5.3%	5.8%	6.3%	4.2%	5.3%	
Net income	36	852	888	1,342	941	2,283	946	57	1,003	
YoY	2.9%	162.2%	146.7%	3627.8%	10.4%	157.1%	-29.5%	-93.9%	-56.1%	
Net margin	0.1%	2.5%	1.4%	4.1%	2.8%	3.4%	2.9%	0.2%	1.6%	

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

Full-year FY03/21 consolidated earnings forecast

T&G left its full-year FY03/21 forecast undetermined since it is difficult to make a reasonable assessment of the impact of the COVID-19 outbreak at this time. It will announce the forecast as soon as it is in a position to do so.

Although the order backlog in 2H FY03/20 was up 54% YoY, with a state of emergency in place in response to the COVID-19 outbreak, the impact of the closure of wedding facilities and wedding postponements has continued. At the time of FY03/20 results announcement, T&G indicated that when the COVID-19 outbreak will be contained remains unclear and it is difficult to forecast when its earnings will recover. Against this backdrop, the company anticipates that the business is likely to make a loss at the operating profit, recurring profit, and net income levels. In response to this, the company's approach is to conserve working capital, curtail SG&A expenses, and reorganize its overseas facilities to lower fixed costs.

Company forecast versus results

Results vs. Initial Est. (JPYmn)	FY03/11	FY03/12	FY03/13	FY03/14	FY03/15	FY03/16	FY03/17	FY03/18	FY03/19	FY03/20
	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.	Cons.
Sales (Initial Est.)	47,759	48,500	50,000	58,000	62,000	61,500	60,000	65,000	66,000	67,500
Sales (Results)	46,716	47,983	52,804	60,714	59,221	59,524	60,186	64,590	66,871	63,678
Results vs. Initial Est.	-2.2%	-1.1%	5.6%	4.7%	-4.5%	-3.2%	0.3%	-0.6%	1.3%	-5.7%
Operating profit (Initial Est.)	2,688	2,350	2,600	3,400	3,800	1,800	1,700	2,600	3,200	4,000
Operating profit (Results)	2,282	2,213	2,833	3,706	2,973	1,546	2,439	2,785	4,281	3,579
Results vs. Initial Est.	-15.1%	-5.8%	9.0%	9.0%	-21.8%	-14.1%	43.5%	7.1%	33.8%	-10.5%
Recurring profit (Initial Est.)	1,984	1,650	2,000	3,000	3,500	1,500	1,500	2,200	2,800	3,600
Recurring profit (Results)	1,541	1,588	2,459	3,342	2,784	1,377	2,100	2,489	3,900	3,381
Results vs. Initial Est.	-22.3%	-3.8%	23.0%	11.4%	-20.5%	-8.2%	40.0%	13.1%	39.3%	-6.1%
Net income (Initial Est.)	857	550	800	1,500	1,400	700	650	750	1,100	1,700
Net income (Results)	214	453	1,086	1,370	1,008	230	360	888	2,283	1,003
Results vs. Initial Est.	-75.0%	-17.6%	35.8%	-8.7%	-28.0%	-67.1%	-44.6%	18.4%	107.5%	-41.0%

Source: Shared Research based on company data

Note: Figures may differ from company materials due to differences in rounding methods.

This note is the most recent addition to the [full report](#).

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