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**Consolidated Financial Results  
for the Nine Months Ended December 31, 2020 [JGAAP]**

February 12, 2021

Listed on: TSE Mothers

Company Name:	Tameny Inc.	
Stock Code:	6181	
URL:	<a href="https://tameny.jp/en/">https://tameny.jp/en/</a>	
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Scheduled date to submit the Quarterly Securities Report:	February 12, 2021	
Scheduled date to commence dividend payments:	–	
Availability of supplementary briefing material on yearly results:	Available	
Scheduled date of Quarterly Results Briefing Session:	No	

(Figures are rounded down to the nearest million)

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2020**

**(April 1, 2020 to December 31, 2020)**

(1) Consolidated Results of Operations (cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Nine months ended:	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2020	3,100	(50.7)	(1,821)	-	(1,743)	-	(1,653)	-
December 31, 2019	6,295	101.1	146	(2.4)	130	(5.2)	88	10.9

(Note) Comprehensive income: Nine months ended December 31, 2020: ¥(1,651) million [ - % ]

Nine months ended December 31, 2019: ¥ 90 million [ 25.2% ]

	Net income per share	Diluted net income per share
Nine months ended:		
December 31, 2020	Yen (155.34)	Yen -
December 31, 2019	8.58	8.29

\* Diluted net income per share data for the nine months ended December 31, 2020 is not shown in the above table, because net income per share was negative although there are residual shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of: December 31, 2020	Millions of yen 5,164	Millions of yen (376)	% (7.3)
March 31, 2020	5,478	1,025	18.7

(Reference) Shareholders' equity: As of December 31, 2020: ¥ (377) million

As of March 31, 2020: ¥ 1,025 million

**2. Dividends**

	Annual dividends				
	Q1-end	Q2-end	Q3-end	Q4-end	Total
Fiscal year ended March 31, 2020	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00
Fiscal year ending March 31, 2021	-	0.00	-	-	-
Fiscal year ending March 31, 2021 (Forecast)			-	0.00	0.00

(Note) Revision to the most recently announced forecasted dividends: Not applicable

**3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021**

**(April 1, 2020 to March 31, 2021)**

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attribute to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year	4,760	(41.9)	(2,000)	-	(2,000)	-	(2,000)	-	(176.38)

(Note) Revision to the most recently announced forecasted financial results: Not Applicable

\* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2020

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Acquired: - (Company name) -, Disposed: 1, (Company name) Mation Inc.

Please refer to "Note regarding changes in significant subsidiaries during the nine months ended December 31, 2020" on P. 13 for detail.

(2) Specific accounting policies used in preparing quarterly consolidated financial statements: Yes

Please refer to "Application of the accounting method specific to quarterly consolidated financial statements" on P. 13 for detail.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement:

1) Changes in accounting policies due to revision of accounting standards:	Not applicable
2) Changes in accounting policies other than 1) above:	Not applicable
3) Changes in accounting estimates:	Not applicable
4) Retrospective restatement:	Not applicable

(4) Total number of shares issued (common shares)

1) Total number of shares issued at the end of the period (including treasury shares):

December 31, 2020:	12,122,000 shares
March 31, 2020:	10,714,800 shares

2) Total number of treasury shares at the end of the period:

December 31, 2020:	169,029 shares
March 31, 2020:	227,229 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2020:	10,646,076 shares
Nine months ended December 31, 2019:	10,316,466 shares

(Note) The number of treasury shares presented above includes the number of the Company's shares held by the trustee account under the "Share Benefit Trust (shares to be transferred to employee share ownership plan)", and the number of such treasury shares were 168,900 and 227,100 as of December 31, 2020 and March 31, 2020, respectively. In addition, 201,526 shares and 260,277 shares as of December 31, 2020 and December 31, 2019, respectively, held in the trustee accounts were deducted in calculating the average number of outstanding shares during the period presented above.

**\*Financial results announcement is not subject to quarterly review of the independent auditor.**

**\*Explanation for appropriate use of financial forecasts and other special notes**

The forecasts given in this document are based on the information currently available for the Company and certain reasonable assumptions set up by the Company. There is no guarantee the Company achieves these forecasted numbers. Actual results may differ from these forecasts by a variety of reasons.

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## 1. Summary of qualitative information on the financial results

### (1) Analysis of consolidated operating results for the nine months ended December 31, 2020

The Group create and provide unique services to meet the needs of the customers in the business of Matching, Casual Wedding, Tech, Lifestyle and Corporate Enterprise based on our corporate philosophy, "For your fine life."

In Q1-Q3 of FY 3/2021, both sales and profits decreased due to the impact of the novel coronavirus disease (COVID-19). On the other hand, the mainstay Matching Segment returned to profitability in Q2, and the profit margin improved significantly in Q3 due to efficient advertising, etc.

Selling, general and administrative expenses decreased by ¥330 million on a non-consolidated basis, despite an increase on a consolidated basis due to the addition of two new companies to the group in Q4 of FY 3/2020 and Q1 of FY 3/2021. To en-konkatsu agent inc., an equity-method affiliate of the Company, the Company transferred the contracted business of operating matching services of en-konkatsu agent inc. The Company recorded a gain on sale of businesses as extraordinary income amounting ¥100 million on a non-consolidated basis and ¥66 million on a consolidated basis after making consolidation adjustments.

As a result, the net sales for Q1-Q3 of FY 3/2021 were ¥3,100 million (-50.7% year-on-year ("YoY")), the operating loss was ¥1,821 million (the operating income for Q1-Q3 of FY 3/2020 was ¥146 million), ordinary loss was ¥1,743 million (the ordinary income for Q1-Q3 of FY 3/2020 was ¥130 million), and the net loss attributable to shareholders of the parent company was ¥1,653 million (the net income attributable to shareholders of the parent company for Q1-Q3 of FY 3/2020 was ¥88 million). EBITDA, one of the indices the Company focuses on, turned out to be ¥-1,504 million (¥486 million in Q1-Q3 of FY 3/2020).

In addition, for Q1-Q3 of FY 3/2021, net sales increased by 1.4% compared to the internal plan, largely in line with the plan.

The table below shows sales and profit/loss by reporting segment by quarter.

(millions of yen)	Q1-Q3 FY 3/2020	FY 3/2021			
		Q1	Q2	Q3	Q1-Q3
Matching Segment					
Net sales	2,719	614	759	748	2,121
Segment income (loss)	623	(26)	71	106	151
Casual Wedding Segment					
Net sales	3,360	62	221	576	860
Segment income (loss)	315	(541)	(225)	(164)	(931)
Other Segment					
Net sales	229	19	28	79	126
Segment income (loss)	43	(29)	(28)	0	(57)

(Note) From Q3 of FY 3/2021, we have changed the method of allocating selling, general and administrative expenses to each segment in order to more appropriately present the businesses. As a result, a portion of selling, general and administrative expenses that had been recorded in Casual Wedding Segment has been moved to Other Segment or the adjustment amount. The segment information for Q1-Q3 FY 3/2020 and Q1 and Q2 FY 3/2021 is based on the new allocation method. Please refer to "2. Quarterly consolidated financial statements and important notes (4) Note regarding the quarterly consolidated financial statements (Segment Information)" on P. 14 for detail.

We have been disclosing five business segments: "Matching Business," "Casual Wedding Business," "Tech Business," "Lifestyle Business," and "Corporate Enterprise Business" along with the reporting segments from Q1 of FY 3/2021. Initiatives by each business for Q1-Q3 of FY 3/2021 are as follows.

[Overview by business]

I . Matching Business

We are mainly engaged in operating a high value-added matching support agency and the planning, development and operation of matching parties.

In Q1-Q3 of FY 3/2021, our matching support agency began to recover in the second half of May, and sales of the fashion coordinate service for members were also strong. In addition, the number of new members increased year-on-year in Q3 due to the effective implementation of various campaigns while taking more focused approach on advertising. On the other hand, the number of participants in conventional matching parties decreased by 75.4% YoY due to voluntary restraint in holding parties. As a result, net sales decreased by 22.7% YoY to ¥2,002 million. The major initiatives are as follows.

i . Matching support agency (Partner Agent)

- Leveraging the strength of the No.1 ranked engagement rate\*
- Improved marketing and the use of female idol groups in advertisements resulted in the increased number of inquiries.
- The fashion coordinate service for members of matching support agency expanded in major cities nationwide. 702 sales were recorded from June to December.
- Partner Agent in Sendai opened, the number of new members from July to December was 193.
- Significant improvement in the number of unsubscribed members due to enhanced service quality, a decrease by 751 to 3,107 compared from the same period of last year.
- Decided to consolidate and close 2 branch locations (multiple locations in the same area).

\* According to research by BTC Corporation, April 2020

ii . Matching party (OTOCON, Partner Agent Party)

- Implemented measures to improve the profit margin of conventional matching parties. Decided to consolidate and close 8 locations (locations only for matching parties).
- Launched a new, high-quality matching party service that requires single status certificates to participate. The number of registered members from November to December exceeded 1,200.
- The number of referrals to our matching support agency decreased by 33.2% YoY to 310 due to a decrease in the number of parties held and party participants.

< Major indicator of Matching Business >

	Q1-Q3 FY 3/2020	FY 3/2021			
		Q1	Q2	Q3	Q1-Q3
Number of new members enrolled during the period	6,251	927	1,978	1,825	4,730
Number of members unsubscribed after engagement during the period	2,414	435	630	741	1,806
Engagement rate	27.6%	16.2%	23.5%	27.1%	22.3%
Number of existing members at the end of the period	11,464	10,606	10,949	10,890	10,890
Number of parties held	16,214	442	1,601	1,568	3,611
Number of party participants	179,100	5,506	19,779	18,853	44,138

(Notes) 1. The term "engagement" refers to the continuation of a relationship between two members who have met through our service with a view to marriage, and when we have confirmed the intentions of both members, the member will "unsubscribe after engagement".

2. The engagement rate is the percentage of members who have unsubscribed after engagement. Specifically, the engagement rate is calculated for the period from April 1 to March 31 of the year, using the following formula.

(Formula) Number of members unsubscribed after engagement during the period /  
Average number of existing members of the period

3. When calculating the engagement rate for Q1-Q3, the average number of existing members for Q1-Q3 is divided by 4 and then multiplied by 3 in order to conform to the above formula for the full year.

## II. Casual Wedding Business

We are mainly engaged in producing casual weddings (casual wedding ceremonies and receptions, small scale wedding ceremonies, pay-for-meal wedding parties, photo weddings, after-parties of weddings), which have become more popular in recent years.

In Q1-Q3 of FY 3/2021, the number of orders received and parties produced of Sma-Kon series started recovering from Q3, and the number of orders of photo weddings received and photos produced increased significantly from the same period of the previous year. On the other hand, a certain amount of time will be required for the recovery of Nijikai-Kun. As a result, net sales decreased by 73.8% YoY to ¥896 million. The major initiatives are as follows.

- i . Casual wedding receptions and after-parties of weddings (Sma-Kon series, Nijikai-Kun)
  - Creating new wedding styles and a strategic review on the profit structure.
  - Established a stable supply base of high-quality venues.
  - Launched MICRO WEDDING (small scale and high quality weddings).
  - Decided to consolidate and close 7 branch locations (3 locations merged with the ones of Matching Business, 2 locations merged into one, and 2 locations closed).
  - Optimal personnel allocation (reallocation of personnel to the matching and the photo wedding businesses)

## ii . Photo weddings (LUMINOUS)

- Expanding our product lineup and service area.
- Launched a location photo service at third party wedding venues in partnerships with ESCRIT INC., and guesthouses.
- Opened photo wedding studios in Higashi-Ginza and Nagoya, prepared to open in Fukuoka (opened in January 2021).
- Both the number of orders received and the number of photos produced increased. The number of orders received increased by 269.8% YoY, and the number of photos produced by 157.4% YoY.

### < Major indicator of Casual Wedding Business >

	Q1-Q3 FY 3/2020	FY 3/2021			
		Q1	Q2	Q3	Q1-Q3
(Number of orders)					
Sma-Kon series	1,128	138	163	301	602
Nijikai-Kun	2,869	198	216	223	637
LUMINOUS (photo wedding)	318	100	447	629	1,176
(Number of produce)					
Sma-Kon series	1,117	21	91	260	372
Nijikai-Kun	2,864	1	65	207	273
LUMINOUS (photo wedding)	359	64	334	526	924

(Notes) 1. As M Creative Works Inc. (currently Tamayu Art Works Inc.) has been added to the consolidated group since the end of March 2020, the number of LUMINOUS photos produced for Q1-Q3 FY 3/2020 is not included in the consolidated results for Q1-Q3 FY 3/2020.

## III. Tech Business

We are engaged in planning, developing and providing the matching and wedding tech services using IT and technology.

In Q1-Q3 of FY 3/2021, the number of member companies of CONNECT-ship has increased to 12, and the number of initial meetings arranged via our CONNECT-ship in Q3 exceeded that of the same period last year. In addition, with regards to the online matching, we focused on expanding our service lineup to meet a wide range of needs. To en-konkatsu agent inc., the Company transferred the contracted business of operating matching services of en-konkatsu agent inc., in Q3. As a result, net sales decreased by 14.3% YoY to ¥134 million. The major initiatives are as follows.

### i . Member mutual introduction platform (CONNECT-ship)

- Promoting expansion of the member company and user bases, as well as assistance for increased number of successful initial meetings.
- "S-marriage" (operated by SE Mobile and Online Co., Ltd.) and "Marriage Office Digi2" (operated by DG2 Co., Ltd.) joined as the member of CONNECT-ship.

- Introduced a proprietary online initial-meeting system that frees up users from location restrictions.
- The number of users of CONNECT-ship has reached a record high, with 30,303 users at the end of December 2020.

ii . Matching apps (Sma-Kon date, Sma-Kon Enmusubi Members, Sma-Kon Enmusubi)

- Put our focus on creating new place to meet a potential partner using IT and technology.
- Launched a completely free matching app, Sma-Kon date.
- Launched Sma-Kon Enmusubi Members, the matching support agency that combines circle activities and online matching support.
- Prepared for, and actually launched in January 2021, the Sma-Kon Enmusubi app, the self-contained matching support agency app, leveraging the extensive services of our matching support agency and the CONNECT-ship database.

<Major indicator of Tech Business>

	Q1-Q3 FY 3/2020	FY 3/2021			
		Q1	Q2	Q3	Q1-Q3
Users of CONNECT-ship (at the end of the period)	29,580	28,146	30,093	30,303	30,303
Initial meetings via CONNECT-ship	234,766	54,928	77,582	79,780	212,290
Member companies	10	10	11	12	12

IV. Lifestyle Business

We aim to provide services (insurance, finance, real estate, etc.) to contribute to people's improved quality of life.

In Q1-Q3 of FY 3/2021, we expanded our business reach of insurance sales by utilizing online services. In addition, we strengthened collaboration with the leading companies which have a wide range of financial products in order for us to expand our service line-up. As a result, net sales increased by 49.5% YoY to ¥30 million. The major initiatives are as follows.

i . Sales of insurance, finance, real estate, etc.

- Focus on establishing a business platform to expand service products (including insurance in general, finance and real estate) and sales to external customers.
- Invited a member with knowledge and established the Lifestyle Business Division.
- Started online insurance sales as part of measures to expand service area.
- Formed a business partnership with Broad-minded Co., Ltd., and started providing financial partner services to our customers as part of measures to expand service products.
- Holding regular seminars on asset accumulation for a fee.
- Develop Group CRM (Customer Relationship Management,).

## V. Corporate Enterprise Business

We are engaged in producing corporate events such as employee meetings, and sales of matching support systems to local governments.

In Q1-Q3 of FY 3/2021, the corporate event produce business reached to a full scale using online events, and the number of orders received exceeded the previous year. In supporting local governments' matching initiatives, we actively made proposals on introduction of our AI assisted matching support system "parms", and proposals on contracts for matching events. As for the corporate event produce, events are concentrated in Q3 and thereafter, net sales decreased by 38.3% YoY to ¥56 million. The major initiatives are as follows.

### i . Corporate event produce (Evemon)

- Responding to the needs of new style corporate events
- Online event service for corporate customers was launched.
- We have received multiple orders from major corporations and government agencies, the number of orders increased by 25.8% YoY.
- Events are concentrated in Q3 and thereafter.

### ii . Supporting local governments' matching project

- Strengthening proposal activities to local governments.
- Our AI assisted matching support system "parms", has been accepted by Fukui Prefecture in November 2020 and Ibaraki Prefecture in March 2021.
- Contracted by Hyogo and Miyazaki Prefectures to operate their matching events.

#### < Major indicator of Corporate Enterprise Business >

	Q1-Q3 FY 3/2020	FY 3/2021			
		Q1	Q2	Q3	Q1-Q3
Number of Evemon orders	97	5	67	50	122
Number of Evemon produce	81	2	4	35	41

#### (2) Analysis of financial position

##### (Assets)

Total assets decreased by ¥313 million from the end of the FY 3/2020 to ¥5,164 million.

Current assets decreased by ¥502 million from the end of FY 3/2020 to ¥1,497 million. This was mainly due to ¥436 million decrease in cash and deposits and ¥66 million decrease in trade accounts receivable.

Non-current assets increased by ¥189 million from the end of FY 3/2020 to ¥3,666 million. This was mainly due to ¥561 million increase in goodwill and ¥450 million decrease in Long-term loans receivable.

(Liabilities)

Total liabilities increased by ¥1,088 million from the end of FY 3/2020 to ¥5,541 million.

Current liabilities increased by ¥433 million from the end of FY 3/2020 to ¥2,306 million. This was mainly due to ¥248 million increase in current portion of long-term borrowings.

Non-current liabilities increased by ¥655 million from the end of FY 3/2020 to ¥3,234 million. This was mainly due to ¥678 million increase in long-term borrowings.

(Net assets)

Total net assets decreased by ¥1,401 million from the end of FY 3/2020 to ¥-376 million. This was mainly due to the net loss attributable to shareholders of ¥1,653 million.

(3) Forecasted consolidated financial results and other forward-looking information

As a result of the declaration of a state of emergency on January 7, 2021, a part of prospect users of our Matching Business postponed their enrollment. The Casual Wedding Business had postponements on a part of the scheduled wedding receptions and after-parties. As a result, we expect the financial result of Q4 to fall short of our internal plan to a certain extent, however, we expect the deviation in terms of sales from the previous forecast released in the "Consolidated Financial Results for the Six Months Ended September 30, 2020" dated as of November 13, 2020 to be within the 10% range.

With regards to the medium-term business plan, we have announced a three-year medium-term business plan starting from FY 3/2022. As we are already started initiatives on improving profit margins of existing businesses and reviewing our business portfolio, we believe that we will be able to achieve a certain level of profitability from the next fiscal year onward regardless of the expansion or convergence of COVID-19. For this reason, there is no change in the net sales and operating income plan announced in the "Three-Year Medium-Term Business Plan" on November 13, 2020.

<The three-year medium-term management plan (performance target)>

	FY 3/2022	FY 3/2023	FY 3/2024
Net sales	¥8.8 billion	¥12.2 billion	¥14.7 billion
Operating income	¥0.5 billion	¥1.5 billion	¥2.7 billion
Operating income ratio	5.6%	13.0%	18.6%

2. Quarterly consolidated financial statements and important notes

(1) Quarterly consolidated balance sheets

(Unit: Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	1,040,866	604,634
Accounts receivable - trade	682,585	615,910
Other	315,727	308,660
Allowance for doubtful accounts	(39,223)	(31,461)
<b>Total current assets</b>	<b>1,999,955</b>	<b>1,497,743</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings	446,031	569,256
Tools, furniture and fixtures	96,776	140,431
Other	42,511	51,630
<b>Total property, plant and equipment</b>	<b>585,319</b>	<b>761,318</b>
Goodwill and other intangibles		
Software	278,411	259,441
Software in progress	128,017	207,633
Goodwill	1,005,949	1,567,000
<b>Total goodwill and other intangibles</b>	<b>1,412,378</b>	<b>2,034,075</b>
Investments and other assets		
Investment securities	133,850	136,494
Leasehold deposits	550,530	530,044
Long-term loans receivable	578,000	127,664
Allowance for doubtful accounts	-	(105,128)
Other	217,531	182,201
<b>Total investments and other assets</b>	<b>1,479,912</b>	<b>871,276</b>
<b>Total non-current assets</b>	<b>3,477,610</b>	<b>3,666,670</b>
<b>Deferred assets</b>	<b>685</b>	<b>471</b>
<b>Total assets</b>	<b>5,478,251</b>	<b>5,164,885</b>

(Unit: Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	80,881	42,903
Short-term borrowings	705,000	720,000
Current portion of bonds payable	40,000	40,000
Current portion of long-term borrowings	623,520	871,749
Accounts payable - other	205,852	241,052
Income taxes payable	36,466	15,798
Other provisions	8,107	11,863
Other	173,560	363,248
<b>Total current liabilities</b>	<b>1,873,388</b>	<b>2,306,615</b>
<b>Non-current liabilities</b>		
Long-term bonds	60,000	40,000
Long-term borrowings	2,266,960	2,944,988
Asset retirement obligations	212,857	197,688
Other	39,293	51,714
<b>Total non-current liabilities</b>	<b>2,579,111</b>	<b>3,234,390</b>
<b>Total liabilities</b>	<b>4,452,499</b>	<b>5,541,006</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	263,770	370,904
Capital surplus	226,182	333,316
Retained earnings	669,118	(984,615)
Treasury shares	(131,398)	(97,739)
<b>Total shareholders' equity</b>	<b>1,027,672</b>	<b>(378,135)</b>
<b>Accumulated other comprehensive income</b>		
Unrealized holding gains (losses) on available-for-sale securities	(1,920)	723
<b>Total accumulated other comprehensive income</b>	<b>(1,920)</b>	<b>723</b>
<b>Share warrants</b>	<b>-</b>	<b>1,290</b>
<b>Total net assets</b>	<b>1,025,751</b>	<b>(376,120)</b>
<b>Total liabilities and net assets</b>	<b>5,478,251</b>	<b>5,164,885</b>

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income  
 Quarterly consolidated statements of income

(Unit: Thousands of yen)

	Nine months ended December 31, 2019 (April 1, 2019 – December 31, 2019)	Nine months ended December 31, 2020 (April 1, 2020 – December 31, 2020)
Net sales	6,295,267	3,100,567
Cost of sales	2,052,081	615,493
Gross profit	4,243,186	2,485,074
Selling, general and administrative expenses	4,096,744	4,306,769
Operating income (loss)	146,441	(1,821,694)
Non-operating income		
Guarantee commission received	10,656	8,288
Insurance claim income	15,402	97,924
Subsidy income	10,000	-
Other	10,130	26,268
Total non-operating income	46,189	132,481
Non-operating expenses		
Interest expenses	22,612	28,108
Share of loss of entities accounted for using equity method	24,975	24,420
Other	14,484	1,778
Total non-operating expenses	62,071	54,307
Ordinary income (loss)	130,559	(1,743,520)
Extraordinary income		
Gain on sales of businesses	44,716	66,700
Compensation received	16,000	-
Other	-	90
Total extraordinary income	60,716	66,790
Extraordinary loss		
Loss on sales and retirement of non-current assets	291	-
Impairment loss	18,213	-
Loss on special investigation	13,753	-
Other	18,797	-
Total extraordinary losses	51,054	-
Net income (loss) before income taxes	140,220	(1,676,729)
Income taxes	51,730	(22,995)
Net income (loss)	88,490	(1,653,734)
Loss attributable to non-controlling interests	-	-
Net income (loss) attributable to owners of parent	88,490	(1,653,734)

Quarterly consolidated statements of comprehensive income

(Unit: Thousands of yen)

	Nine months ended December 31, 2019 (April 1, 2019 – December 31, 2019)	Nine months ended December 31, 2020 (April 1, 2020 – December 31, 2020)
Net income (loss)	88,490	(1,653,734)
Other comprehensive income		
Valuation difference on available-for-sale securities	2,155	2,644
Total other comprehensive income	2,155	2,644
Comprehensive income	90,646	(1,651,089)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	90,646	(1,651,089)
Comprehensive income attributable to non-controlling interests	-	-

(4) Note regarding the quarterly consolidated financial statements

(Note regarding the operation of the company as a going concern)

No relevant items

(Note regarding occurrence of significant change in amount of shareholders' equity)

Significant change in shareholders' equity

Due to exercise of share warrants, during the current third quarter consolidated financial period, share capital increased by ¥107 million, and capital surplus increased by ¥107 million. Share capital and capital surplus as of the end of the current third quarter consolidated financial period were ¥370 million and ¥333 million, respectively.

(Note regarding changes in significant subsidiaries during the nine months ended December 31, 2020)

Mation Inc., the consolidated subsidiary and the specified subsidiary of the parent, has been excluded from the scope of consolidation from the first quarter of the current consolidated financial period as it disappeared as a result of the merger into the parent on October 1, 2020.

(Application of the accounting method specific to quarterly consolidated financial statements)

(Calculation of taxes)

Tax expenses are calculated by multiplying the profit before income taxes for the quarter by the effective tax rates reasonably estimated to be applicable to the profit before income taxes for the fiscal year which includes Q3 FY 3/2021.

However, in the event that calculating tax expenses using the estimated effective tax rate would result in significantly unreasonable results, the amount of income or loss before income taxes multiplied by the effective statutory tax rate is adjusted for collectability of deferred tax assets.

(Additional information)

(Impact of COVID-19)

Given the spread of COVID-19, the Japanese government has declared a state of emergency and local governments have requested people to refrain from going out home, which has resulted in a temporary decline in the number of new members for Matching Business and the postponement and cancellation of weddings receptions and after-parties of weddings for Casual Wedding Business, resulting in a significant decline in sales in Q1 and Q2 of FY 3/2021.

On the other hand, during Q3 of FY 3/2021, there has been a noticeable recovery in the matching business, and the casual wedding business had increased number of wedding receptions and after-parties of weddings actually held, and the orders for photo weddings increased.

As a result of the declaration of a state of emergency on January 7, 2021, a part of prospect users of our Matching Business postponed their enrollment. The Casual Wedding Business had postponements on a part of the scheduled in wedding receptions and after-parties. As a result, we expect the financial result of Q4 to fall short to a certain extent, however, we expect the deviation in terms of sales from the previous forecast released in the "Consolidated Financial Results for the Six Months Ended September 30, 2020" dated as of November 13, 2020 to be within the 10% range.

Based on these circumstances, we have made accounting estimates including impairment losses on fixed assets and other items.

(Change in presentation of cost of sales and selling, general and administrative expenses)

From Q3 of FY 3.2021, we classify certain personnel expenses and rent of branch locations as selling, general and administrative expenses, which were previously presented as cost of sales. As a result, the income statement for Q3 of 3/2020 has been restated to reflect these changes.

We believe this presentation more appropriately reflect the current business operations because we started sharing resources such as personnel and store facilities across the business units for various purposes in order for more efficiency, and it has become difficult to clearly distinguish cost of sales from selling, general and administrative expenses.

(Segment information)

1) For the nine months cumulative ended December 31, 2019 (April 1, 2019 – December 31, 2019)

i.) Information regarding net sales and operating income or loss by the reporting segments

(Thousands of yen)

	Reporting segments				Adjustment (Note 2)	Amount in the quarterly consolidated statements of income (Note 3)
	Matching Segment	Casual Wedding Segment (Note 1)	Other Segment	Total		
Net sales						
Net sales to external customers	2,718,640	3,359,023	217,602	6,295,267	-	6,295,267
Intersegment net sales and transfer	1,050	1,165	12,120	14,336	(14,336)	-
Total	2,719,691	3,360,188	229,723	6,309,603	(14,336)	6,295,267
Segment income (loss)	623,734	315,121	43,210	982,065	(835,623)	146,441

(Notes) 1. Casual Wedding Segment includes ¥43,049 thousand of amortization of goodwill.

2. ¥ (835,623) thousand for adjustments of segment income (loss) include corporate expenses not allocated to each reporting segment. Corporate expenses are mainly general and administrative expenses not attributable to each reporting segment.
3. Segment income (loss) is adjusted to operating income on the quarterly consolidated statement of income.

ii.) Matters related to changes in the allocation method of reporting segments, etc.

From Q3 of FY 3/2021, we have changed the method of allocating selling, general and administrative expenses to each segment in order to more appropriately represent the business. As a result, a portion of selling, general and administrative expenses that had been recorded in Casual Wedding Segment has been included in Other Segment or the adjustment amount.

The segment information for Q3 FY 3/2020 is based on the new allocation method.

iii.) Information on impairment loss on fixed assets, goodwill, etc. by reporting segment

In Matching Segment, an impairment loss of software has been recorded. The amount of such impairment loss was ¥2,197 thousand for Q1-Q3 of FY 3/2020.

2) For the nine months cumulative ended December 31, 2020 (April 1, 2020 – December 31, 2020)

i.) Information regarding net sales and operating income or loss by the reporting segments

(Thousands of yen)

	Reporting segments				Adjustment (Note 2)	Amount in the quarterly consolidated statements of income (Note 3)
	Matching Segment	Casual Wedding Segment (Note 1)	Other Segment	Total		
Net sales						
Net sales to external customers	2,121,557	857,636	120,621	3,099,816	751	3,100,567
Intersegment net sales and transfer	-	2,398	6,228	8,626	(8,626)	-
Total	2,121,557	860,034	126,850	3,108,442	(7,875)	3,100,567
Segment income (loss)	(151,866)	(931,912)	(57,792)	(837,838)	(983,856)	(1,821,694)

(Notes) 1. Casual Wedding Segment includes ¥114,658 thousand of amortization of goodwill.

2. ¥ (983,856) thousand for adjustments of segment income (loss) include corporate expenses not allocated to each reporting segment. Corporate expenses are mainly general and administrative expenses not attributable to each reporting segment.
3. Segment income (loss) is adjusted to operating income on the quarterly consolidated statement of income.

ii.) Matters related to changes in the allocation method of reporting segments, etc.

From Q3 of FY 3/2021, we have changed the method of allocating selling, general and administrative expenses to each segment in order to more appropriately represent the business. As a result, a portion of selling, general and administrative expenses that had been recorded in Casual Wedding Segment has been included in Other Segment or the adjustment amount.

The segment information for Q3 FY 3/2020 is based on the new allocation method.

iii.) Information on impairment loss on fixed assets, goodwill, etc. by reporting segment

As a result of the acquisition of pma Inc., (currently Tameny Party Agent Inc.) on April 1, 2020 and making it a new consolidated subsidiary, goodwill in Casual Wedding Segment increased ¥675,709 thousand.

(Significant subsequent events)

No relevant items

### 3. Others

#### Significant conditions that lead to substantial doubt about a going concern

Given the spread of COVID-19, the Japanese government has declared a state of emergency and local governments have requested to refrain from going out home, which has resulted in a temporary decline in the number of new members for Matching Business and the postponement or cancellation of wedding receptions and after-parties of weddings for Casual Wedding Business and the net sales decreased significantly from Q1 to Q2 of FY 3/2021. As a result, the net sales for Q1-Q3 of FY 3/2021 were ¥3,100 million(-50.7% YoY), the operating loss was ¥1,821 million (the operating income for Q1-Q3 of FY 3/2020 was ¥146 million), ordinary loss was ¥1,743 million (the ordinary income for Q1-Q3 of FY 3/2020 was ¥130 million), and the net loss attributable to shareholders of the parent company was ¥1,653 million (the net income attributable to shareholders of the parent company for Q1-Q3 of FY 3/2020 was ¥88 million), and consolidated net assets as of December 31, 2020 were negative ¥376 million. These situations pose a substantial doubt about the Company's ability to continue as a going concern.

Nevertheless, we have been conducting a strategic review on business portfolio and concentrating management resources on areas where demand is expected to grow in the future, and work to reduce fixed costs in other areas. Specifically, we are consolidating and closing branch locations, optimizing personnel allocation, and improving operational efficiency through implementing IT systems. In addition, as announced in the "Notice of Issuance of the 8th and the 9th Stock Warrants (with an Exercise Price Adjustment Clause) and Execution of a Purchase Agreement for Stock Warrants (Commit Issue)" dated as of November 13, 2020, we have been raising funds through the issuance of stock warrants through third party allotment to fund working capital, systems and growth investment as well as improvement of the financial position.

In our overall business, there has been a noticeable recovery in Matching Business. In Casual Wedding Business, the number of people holding wedding receptions and after-parties of weddings is slowly increasing and we have been receiving overwhelming amount orders for photo weddings. As a result of the declaration of a state of emergency on January 7, 2021, a part of prospect users of our Matching Business postponed their enrollment. The Casual Wedding Business had postponements on a part of the scheduled wedding receptions and after-parties. As a result, we expect the financial result of Q4 to fall short of our internal plan to a certain extent, however, we expect the deviation in terms of sales from the previous forecast released in the "Consolidated Financial Results for the Six Months Ended September 30, 2020" dated as of November 13, 2020 to be within the 10% range.

Taking all these factors into account, since we are in the situation that the current working capital funding requirements can be sufficiently secured, we believe that there are no uncertainties around the company's ability to continue as a going concern.