

Long Term Business Policy

EVOL2030

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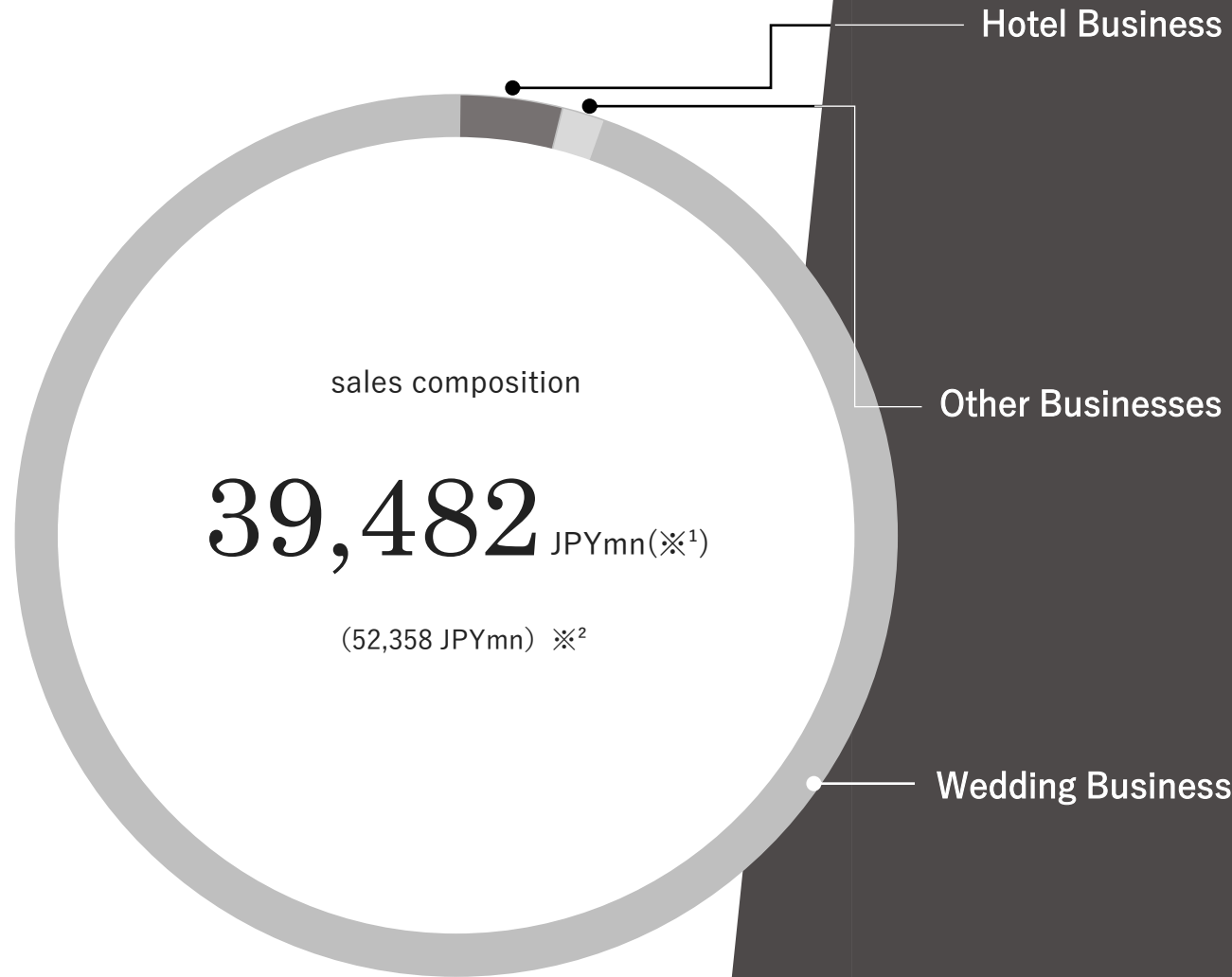
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Overview of T&G Group



Developing boutique hotel market as a pioneer

3,228 JPYmn **8.2%**
(4,649 JPYmn 8.9%) ※²

Marriage-related business (Honeymoon · Financing services)

435 JPYmn **1.1%**
(1,426 JPYmn 2.7%) ※²

Pioneered house wedding Market. Leading company of this field.

35,818 JPYmn **90.7%**
(46,282 JPYmn 88.4%) ※²

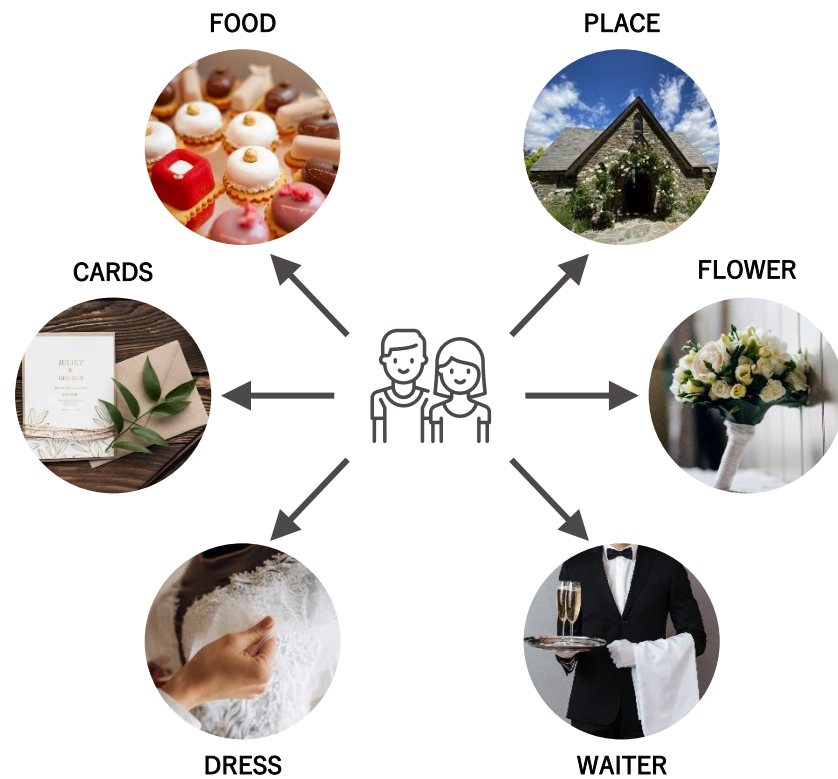
※¹ FY03/2022 results

※² FY03/2020 results (before the COVID-19 pandemic)

Differences between Japanese and foreign wedding market. In Japan total sales of wedding items are provided by the company that manages a wedding hall.

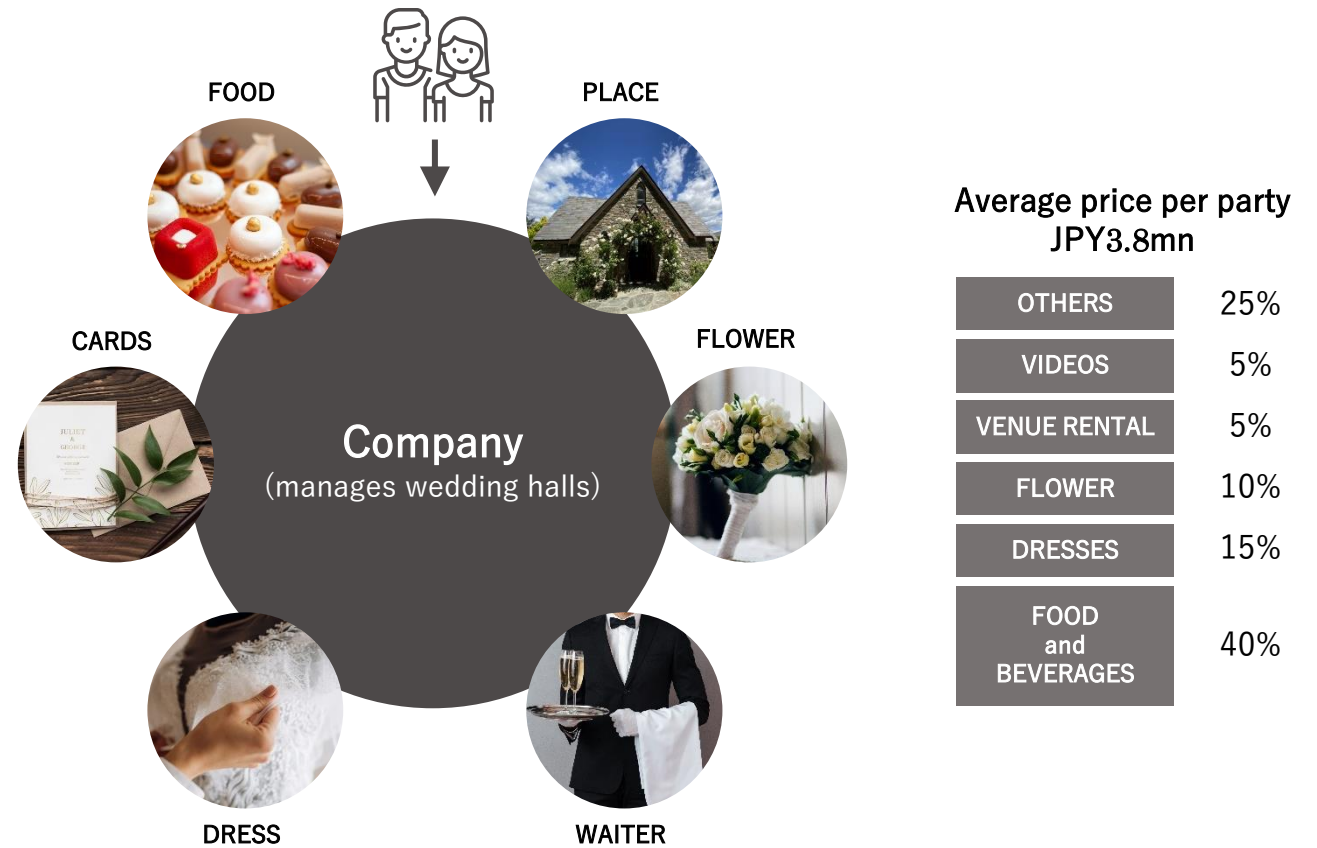
Western countries

Couples choose each vendor such as flower designer, catering, etc. They pay the cost to each vendor.



Japan

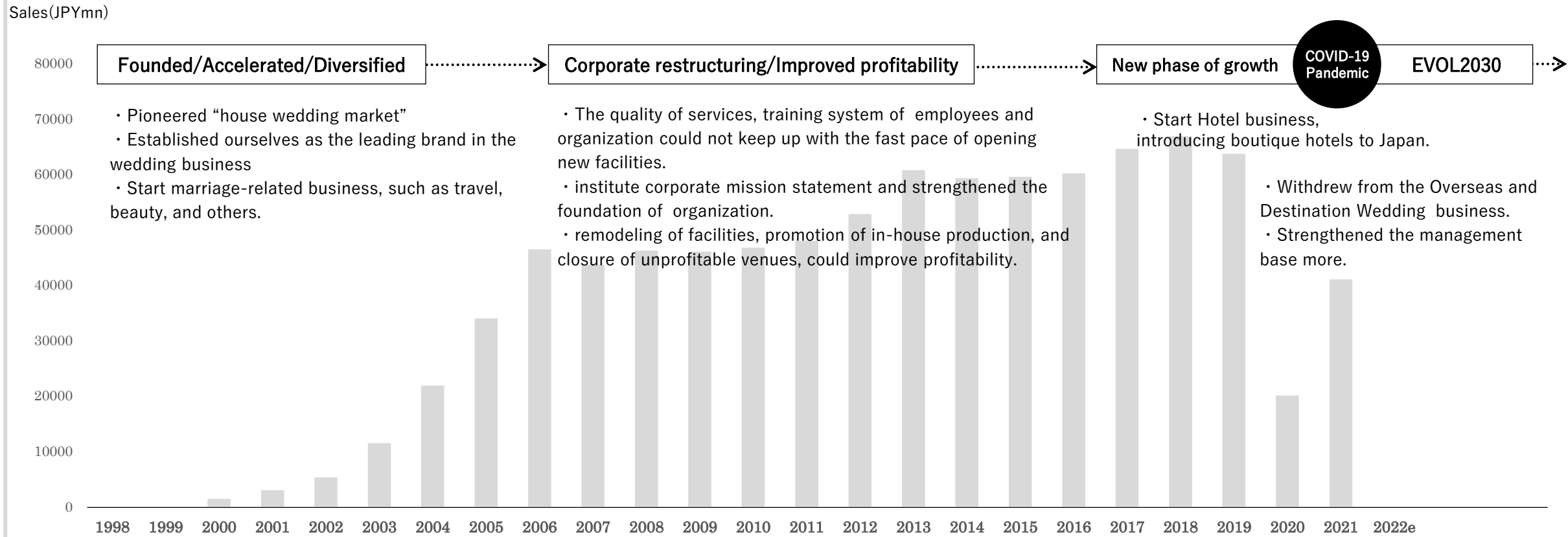
Couples choose wedding hall and the company that manages the hall arranges all kinds of wedding items. Couples pay to the company.



Brought innovation to the existing traditional wedding industry, and cultivated know-how, how to develop new markets.

Know as much about importance of corporate mission statement and the foundation of organization. "Selection and Concentration" resulted in clarification of strengths.

Draw up our strategies "developing new markets" based on our strengthened foundation, and management resources.



EVOL2030 Corporate Vision

PURPOSE



Jump-Start JAPAN with innovation in the Hospitality Industry

Through the COVID-19 pandemic ,we reconfirmed
“the true value of spending time with family and friends and empathizing with each other”.

We are willing to give everyone such a beautiful time with our creativity and outstanding service.

T&G Group has already brought innovation to the Wedding industry and given customers such a beautiful time. And we have grown to one of the leading companies in this field.
Now we rethink deeply what kind of innovation we should bring next to the society.

It remains a pressing issue for the Hospitality Industry in Japan that there are few value-added hotels competitive in the global market.
To really be a “ Tourism-Oriented Country ”, now is the time to innovate.

T&G Group is ready to bring innovation to the Hospitality Industry and make Japan to be a second to none in the tourism. We are excited to jump-start JAPAN.

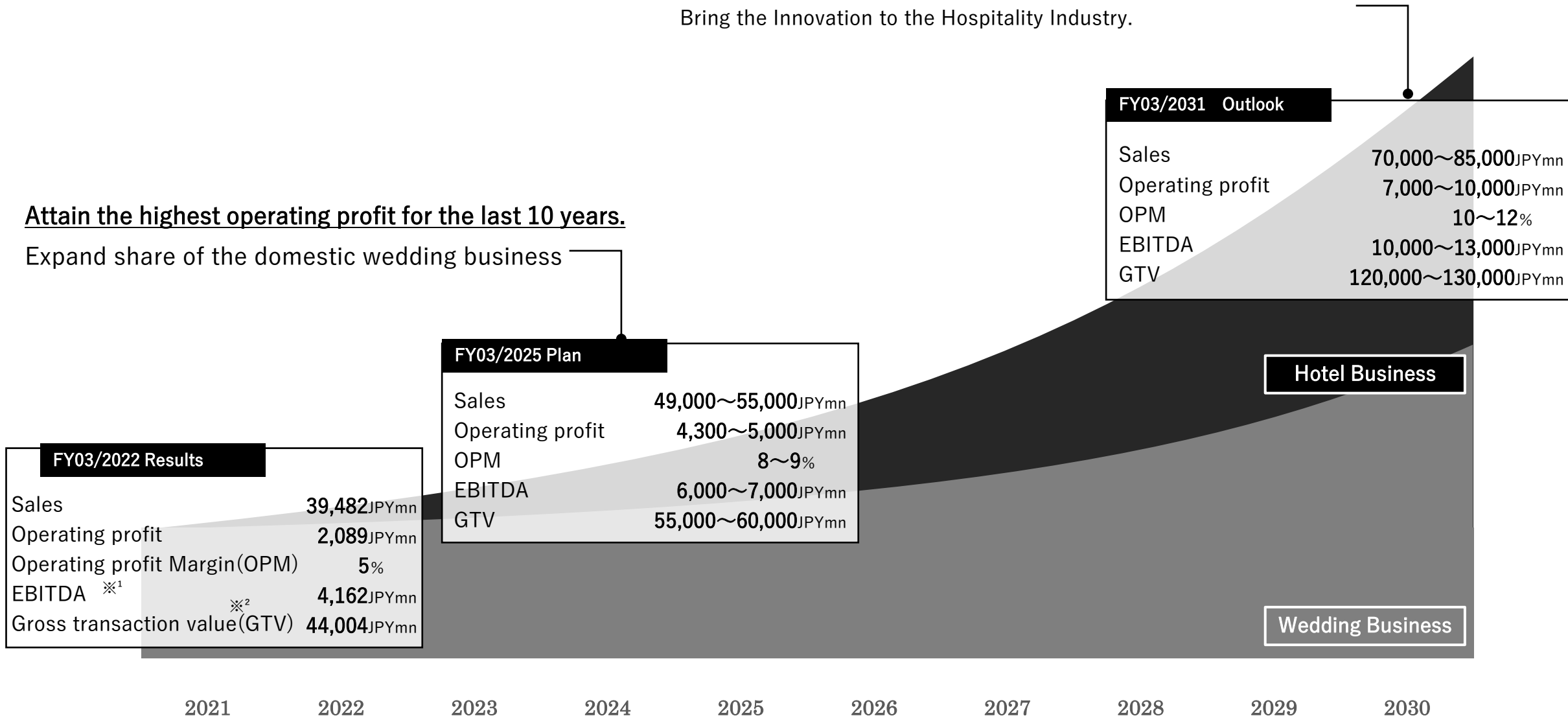
Improve profitability, Create boutique hotel market

Bring the Innovation to the Hospitality Industry.

Attain the highest operating profit for the last 10 years.

Expand share of the domestic wedding business

Corporate Vision

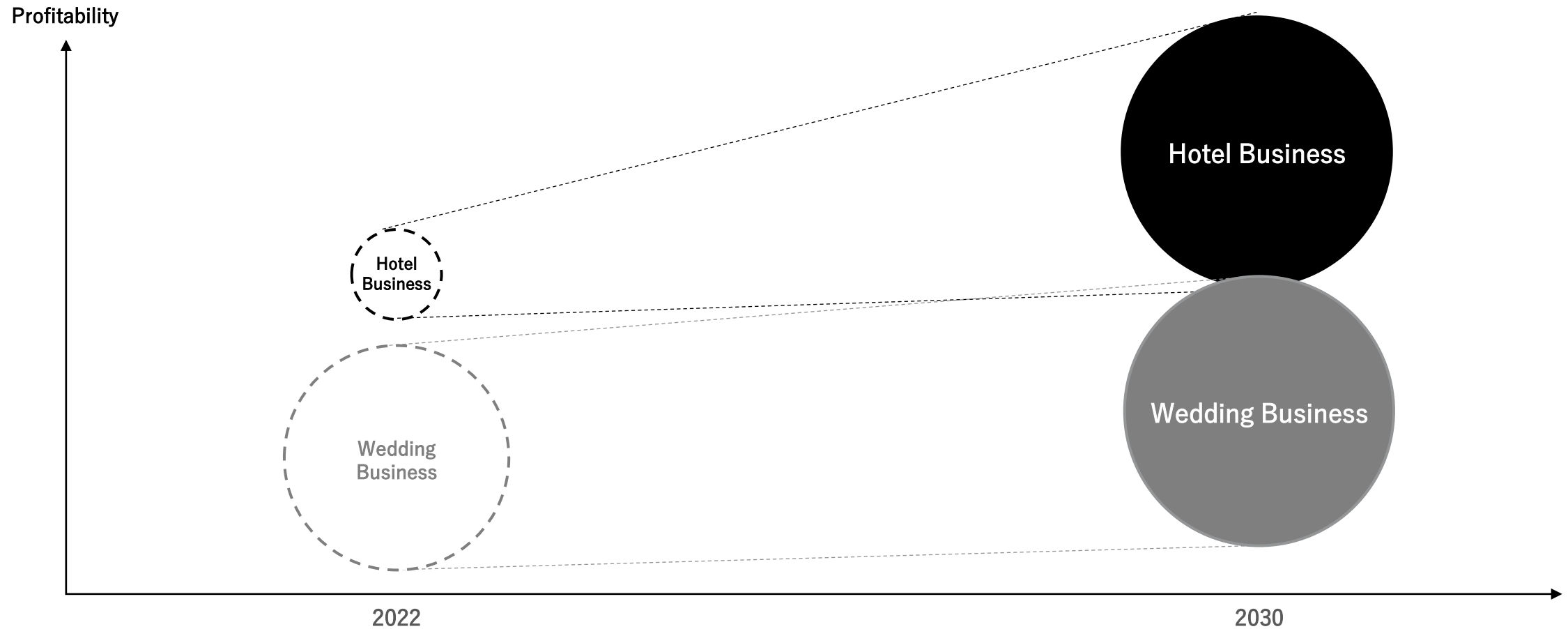


※¹ EBITDA = Operating Profit + Depreciation

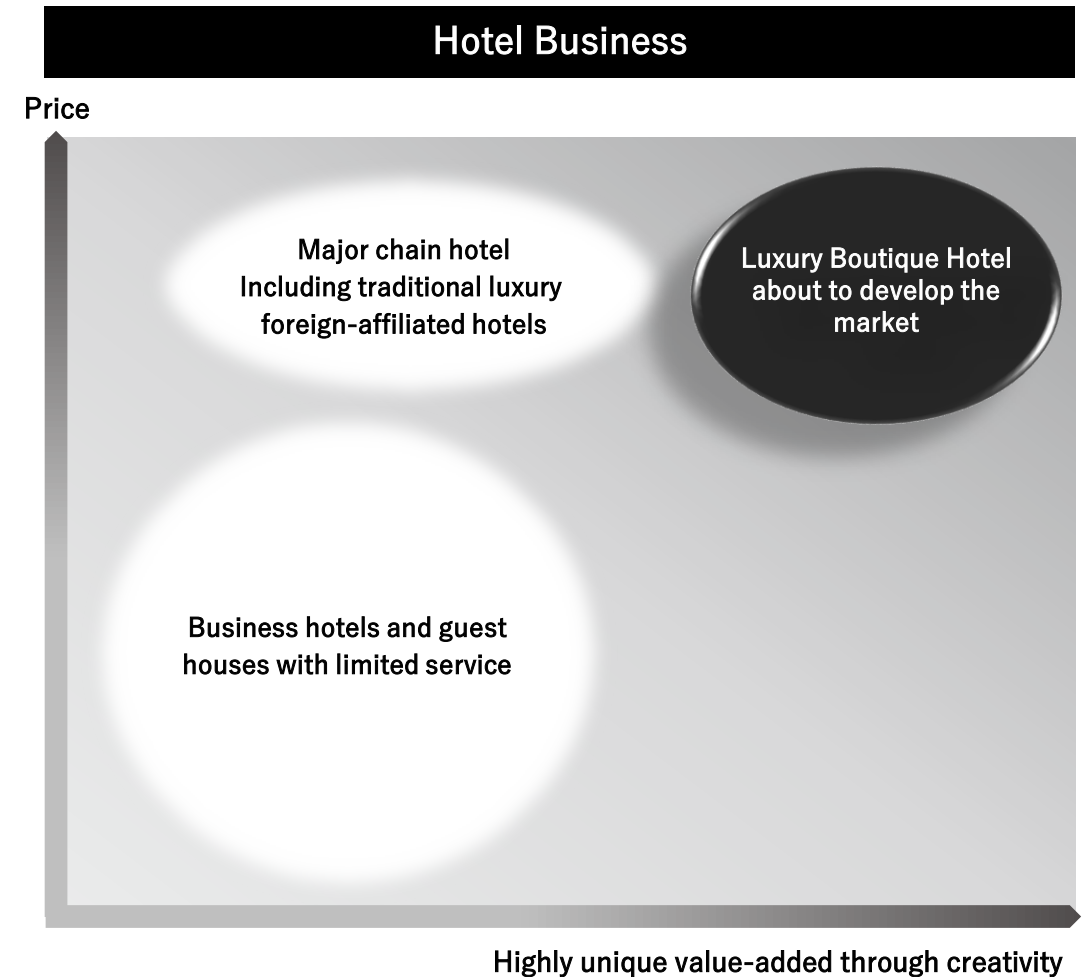
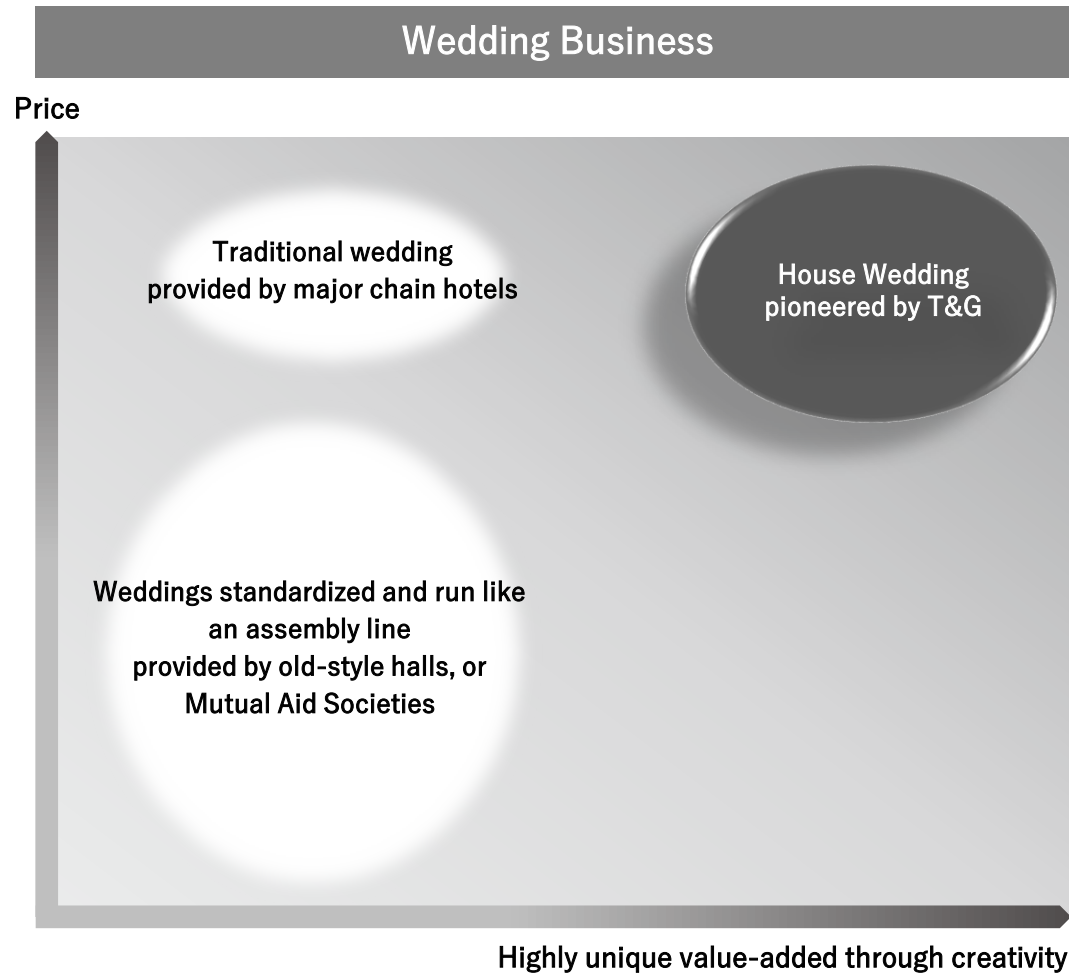
※² Gross transaction value = Sales + Sales of weddings held at the alliance partners' hotels or restaurants.

Value Creation Strategy

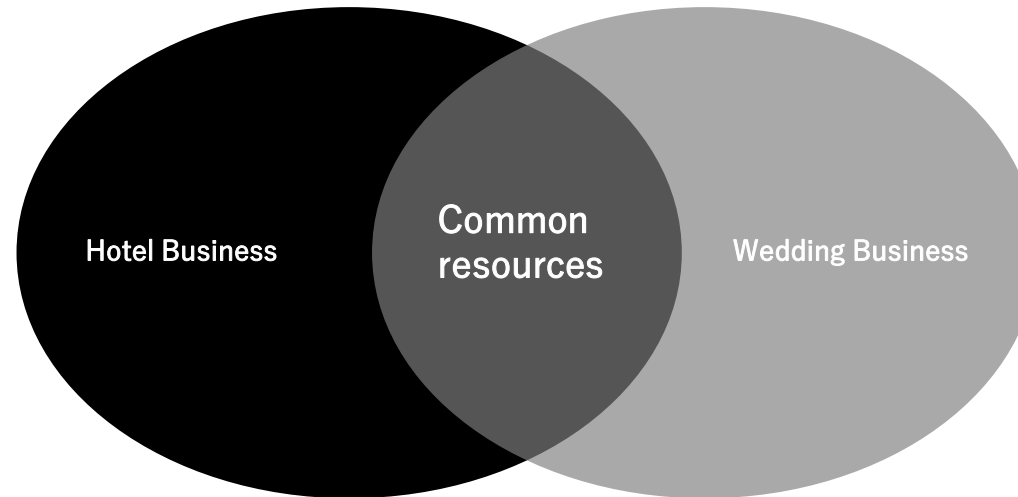
- Expand profits for the entire group by stretching the high-margin hotel business as a growth driver. In the wedding business, generate profits as a cash cow by expanding the market share ,
- In both the hotel business and the wedding business, focus on the Asset-light strategy in opening new stores, such as management contract or alliance tie-ups with fund providers.
- Regarding the hotel business, we aim to create a “Boutique hotel market”. Boutique hotels are already common in North America and Europe in a high price range, and each has a unique concepts and sophisticated design and décor.
- We develop boutique hotels with high originality and sustainability activities.



- In the wedding business, T&G has been good at high unit price areas with highly unique value-added service such as “exclusive use of facilities” “customized”. We aim for the same positioning in the hotel business as well.
- In the Japanese hotel market, hotels for “just stay” with manual operation is increasing in number, and their unit price is lower than the overseas level. We will create high value-added boutique hotel with creativity and achieve high RevPAR.



- The hotel business has many elements in common with the wedding business.

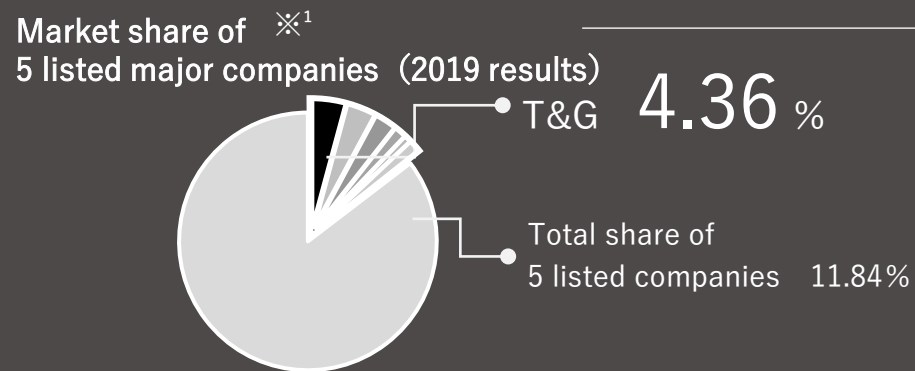


Strength	Specific explanation
High quality , High unit price	In the wedding business, T & G has focused on high-quality products and operation design and has achieved high unit prices above the market average. The know-how will also be applied to the hotel business.
Personal System	T&G has a well-developed training curriculum for human resources, which is the source of services, and a personnel system to prevent the outflow of employees. By using these existing systems, we believe that it will be possible to provide a stable supply of human resources to the hotel business.
Extensive experience of management contract	We have a lot of experience in undertaking wedding management for foreign-affiliated star hotels and well-known Japanese hotels. Then, we are familiar with strategic design to create a win-win situation and can make various proposals for future hotel management contracts.
Customer base	T&G has a cumulative total of more than 100,000 sets of marketing data for customers who desire high-quality and high-priced weddings. The customer base can also be used in hotel marketing strategies.

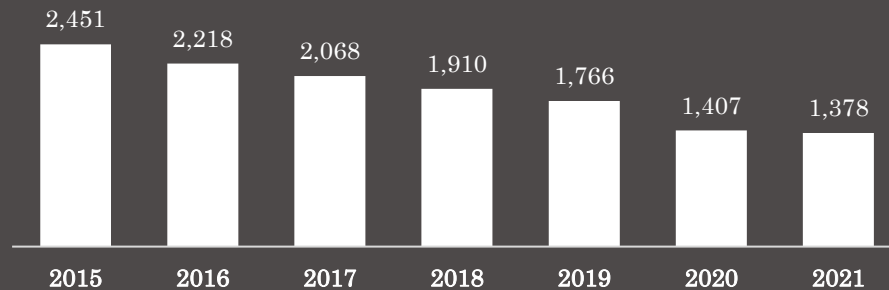
Business Strategies by Segment

- The wedding market is not oligopolistic. There have been many small businesses.
- In recent years, small or medium-sized players are decreasing in number. Gradual integrating is under way.

Market Environment



Changes in the No. of players posted on wedding magazines ※²



※¹ Yano Research Institute Ltd. 「Wedding Industry」 (2020-2021)
Financial statement of each company (2019)

※² T&G based on counting number of players on wedding magazines

Key Strategy

01

Expand Market share in an asset-light way, such as consulting contract or change of operator of existing wedding facilities.

02

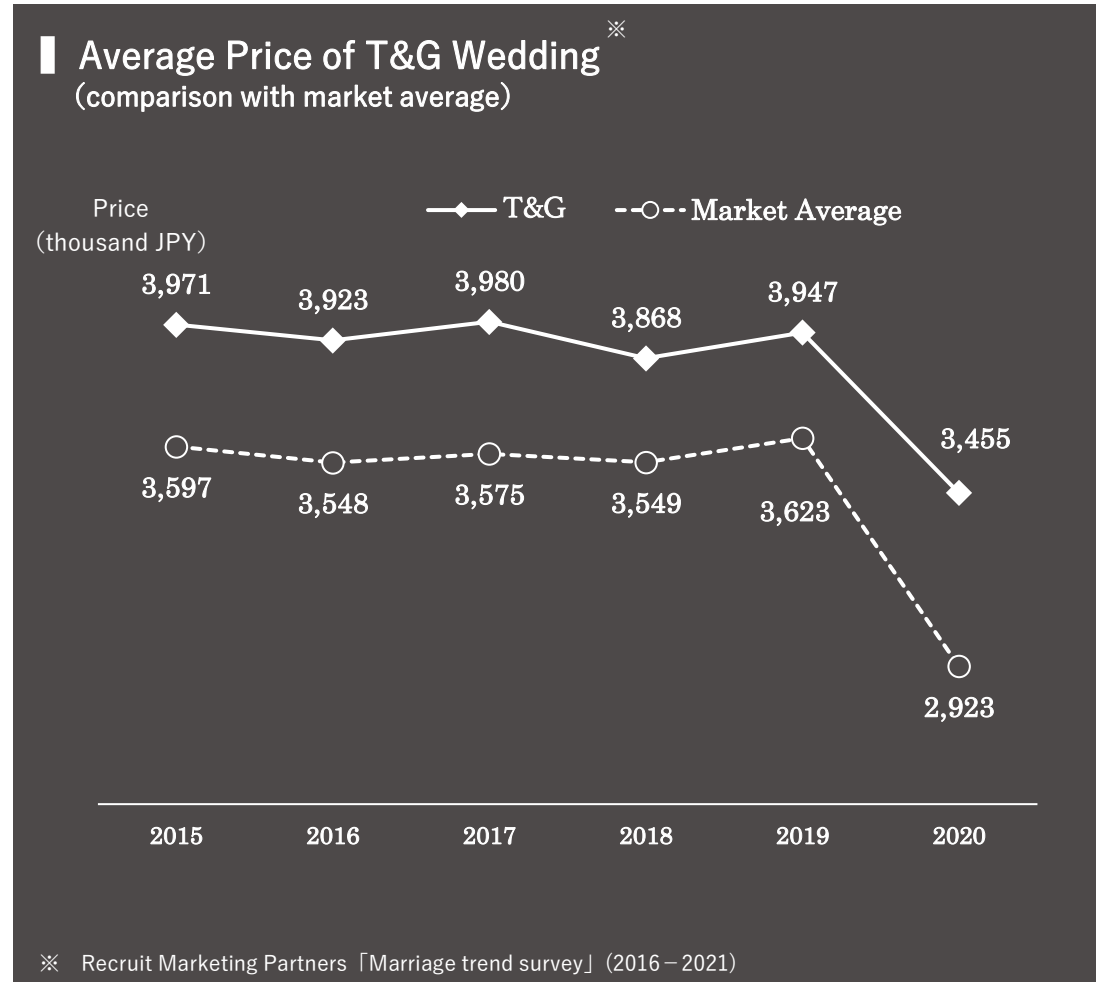
Increase creativity furthermore and Maintaining and improving high quality and high-priced models

03

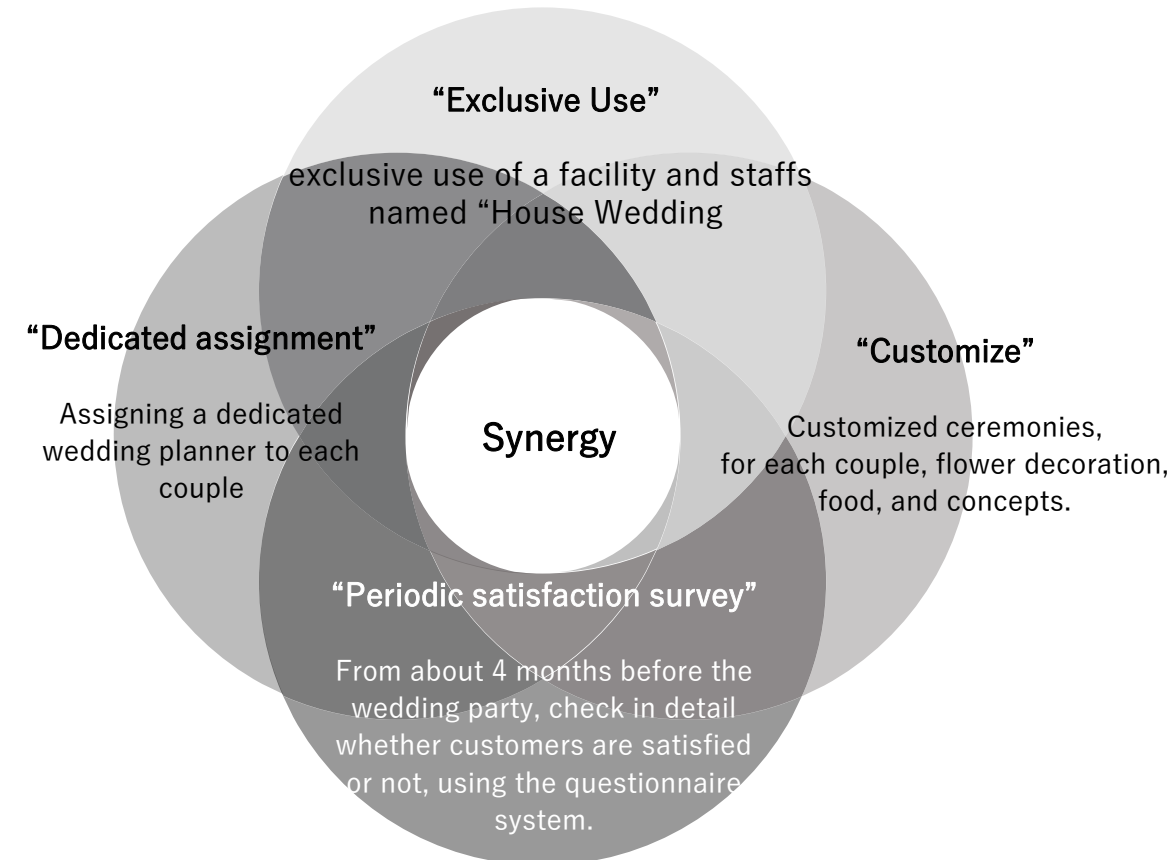
Reducing costs such as advertising and labor costs, Continuously improve profitability by promoting In-house product and other measures

Strength | Know-how to achieve high quality and high unit price

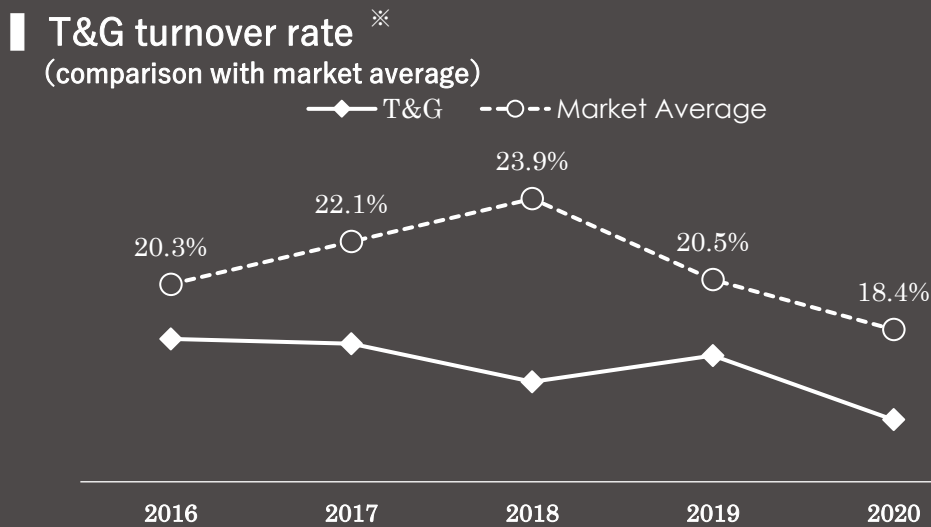
- T&G continues to achieve higher unit prices than the market average.
- Through marketing for customers who choose high-quality and high-priced wedding, we have accumulated know-how in service or product design that captures these customer's demand.



Our original know-how



- Service comes from human resources. In addition to OJT, T&G has its own training curriculum including Off-JT.
- We maintain high employee satisfaction through a system that allows employees to choose their own career and an annual big award ceremony.
- As a results, our turnover rate is lower than the market average, and we can prevent the outflow of know-how.



※ Ministry of Health, Labour and Welfare 「Results of the survey on employment trends」 Industry-specific resignation (life related services) (2016-2020)

Results of employee Satisfaction Survey

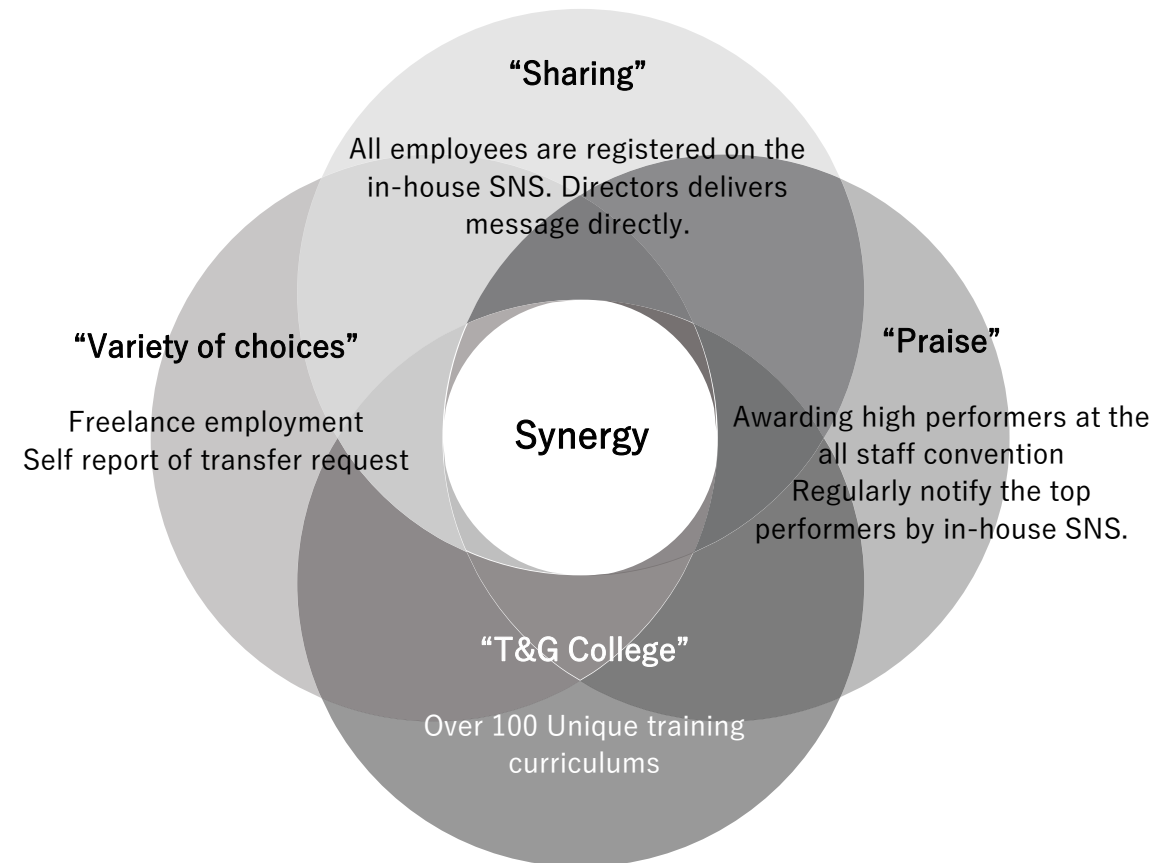


In the Survey “Best Companies to Work for” conducted by Great Place To Work®, we win a prize every year.

2019	9th
2020	8th
2021	12th
2022	12th

Large-scale Div.(more than 1,000 employees)
about 500 companies participates every year

Our original system



Strength | Head office functions as the leading brand

- Our competitors are small-scale enterprises in each geographical area, because the wedding market is far from oligopoly.
- T&G with nationwide operations, has the head office functions and provide training curriculum, recruiting, marketing information to each venue.

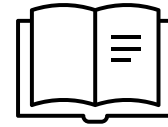
T&G TAKE and GIVE NEEDS



Design capacity of facilities



Merchandising function



HR development programs



Advertising strategy



Recruitment



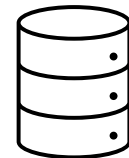
Alliance with a multiple of suppliers



IT system



HR system



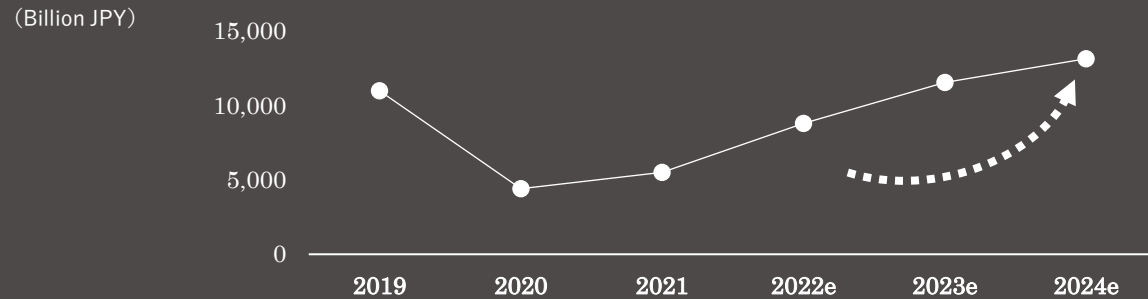
Marketing Information

Hotel Business Strategy

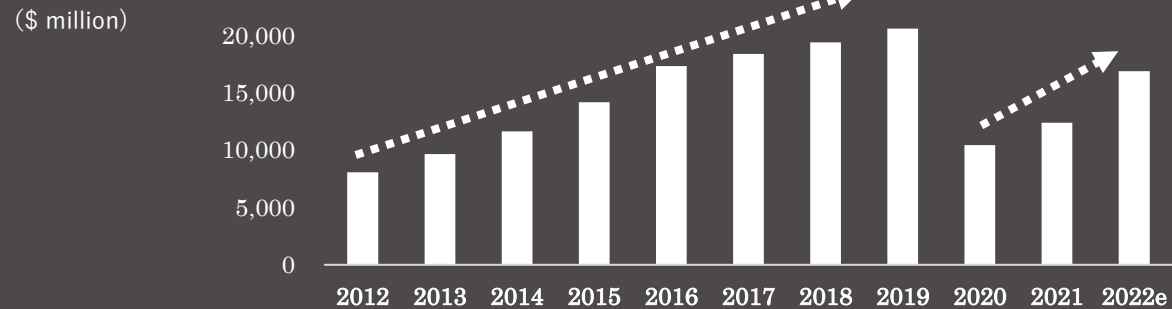
- As a backdrop of recovery of tourism demand and the increase in the number visitors to Japan from the Asian region, investment in domestic hotels by foreign-affiliated funds has also increased in recent years.
- With the diversification of values, the number of people who prefer high-priced hotels with high uniqueness and value-added service has increased, and the size of the boutique hotel market in the United States has grown rapidly showing +36.1% jump from 2021 to 2022.
- There are still few boutique hotels in Japan, and T&G Group takes this opportunity to create a "boutique hotel market" in Japan.

Market Environment

Japan Travel Market Forecast ^{※1}



Boutique Hotel Market in US ^{※2}



※1 World leadingTourism Survey Phocuswright (US) 「Japan Travel Market Report」 (2021)

※2 IBIS World 「Hotels & Motels in the US」 「Boutique Hotels in the US」 (2021)

Key Strategy

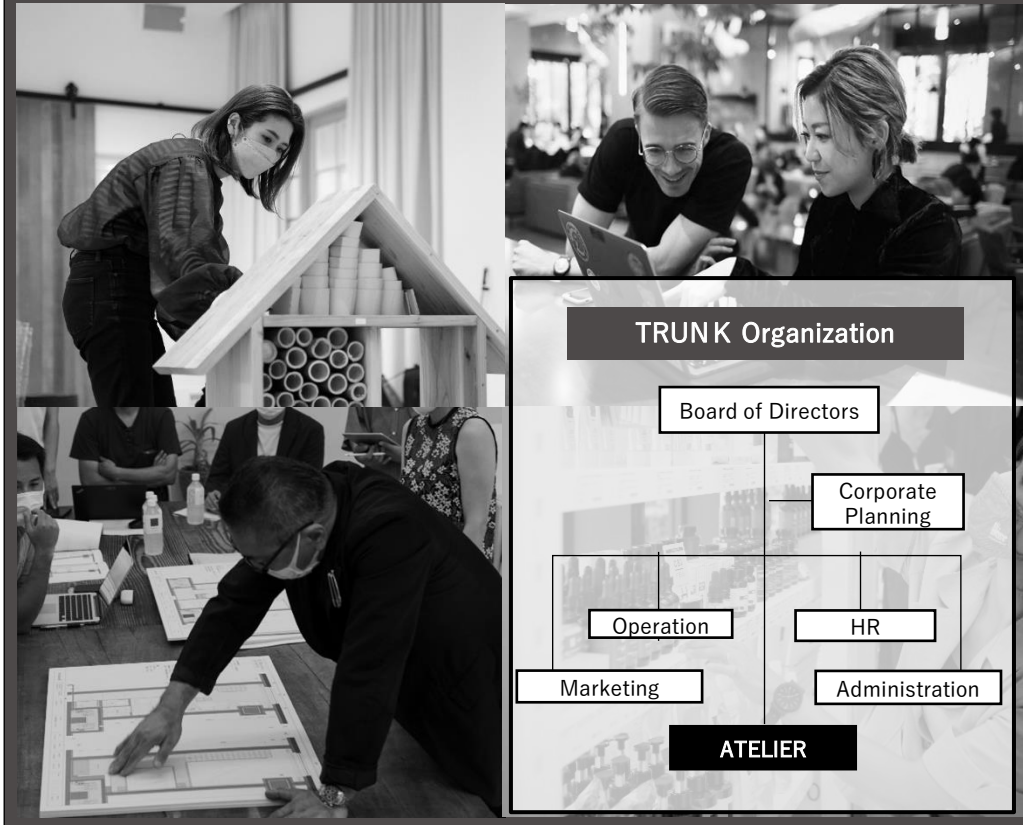
- 01 | Focus on Asset-light strategy
Opening stores through management contract or tie-ups with funds
- 02 | Creating high value-added hotel with creativity
Achieve high RevPAR
- 03 | Focus of making an organization with high
Employee engagement

Strength | "TRUNK ATELIER" that realize creativity

- Foreign-affiliated luxury hotels or domestic business hotels often outsource the design of products and interiors.
- We have in-house productions of functions called "TRUNK ATELIER" for all creative direction, from interior decoration to products. It makes it possible to create high value-added Boutique Hotel.

TRUNK ATELIER

We employ creators in various fields such as architectural designers and content creators. So, comprehensive direction is available, including hotel interiors, amenities, and logos.



Evaluation results for TRUNK (HOTEL) creativity

Even now, several years after its opening, it still receives a worldwide award every year. Our creativity is globally recognized.

- Conde Nast Traveler Hot List 2018
- Travel + Leisure It List 2018
- The 2018 Platinum List
- 2018 Hemispheres The Best New Hotels
- 2018 MONOCLE Travel Top 50
- AHEAD Asia2018 THE NEW CONCEPT OF THE YEAR AWARD
- 2019 Marco Polo Club Member's Choice Awards
- 2019 Wallpaper* 「The Best Urban Hotels」
- 2020 OPAL Award (OUTSTANDING PROPERTY AWARD LONDON)
- 2020 Jetsetter Best of the Best Awards
- 2020 International Design Awards
- 2020 DEPARTURES The Legend Awards
- 2020 Architectural Digest Great Design Awards
- 2020 The 16th Annual HD Awards
- 2020 LIV HOSPITALITY DESIGN AWARDS
- 2021 The 15th ANNUAL WORLD LUXURY HOTEL AWARDS
- 2021 Travel & Hospitality Awards



- With special attention to Sustainability, we actively incorporate sustainable products, services and many sorts of things on hotel operation.
- We offer new kind of high value-added hotels.

May 2017, Open | TRUNK (HOTEL)

TRUNK(HOTEL) is the transmission point of a new style of social contribution called “Socializing”. “Socializing” is to live true to yourself, without undue pressure, but with a life-sized social purpose.



▲Eco-Friendly

The bicycles rented out by Hotel are brimming with vintage style. But not only that, they are rebuilt by TRUNK’s art director using parts from abandoned bicycles, said to number around 55,000 a year in Tokyo alone.



▲Diversity

Outsider art is art created made by artists with mental or some kind of disabilities. TRUNK(HOTEL) has displayed outsider art on its premises since its opening.



▲Health

We decide many of the ingredients we serve to guests at restaurants, for example, organically-grown vegetables from “Ome Farm”, an organic farm located in Ome City, Tokyo, and honey sourced from hives in Shibuya, all to help aid in the prevention of global warming.

▶Regional Contribution▶

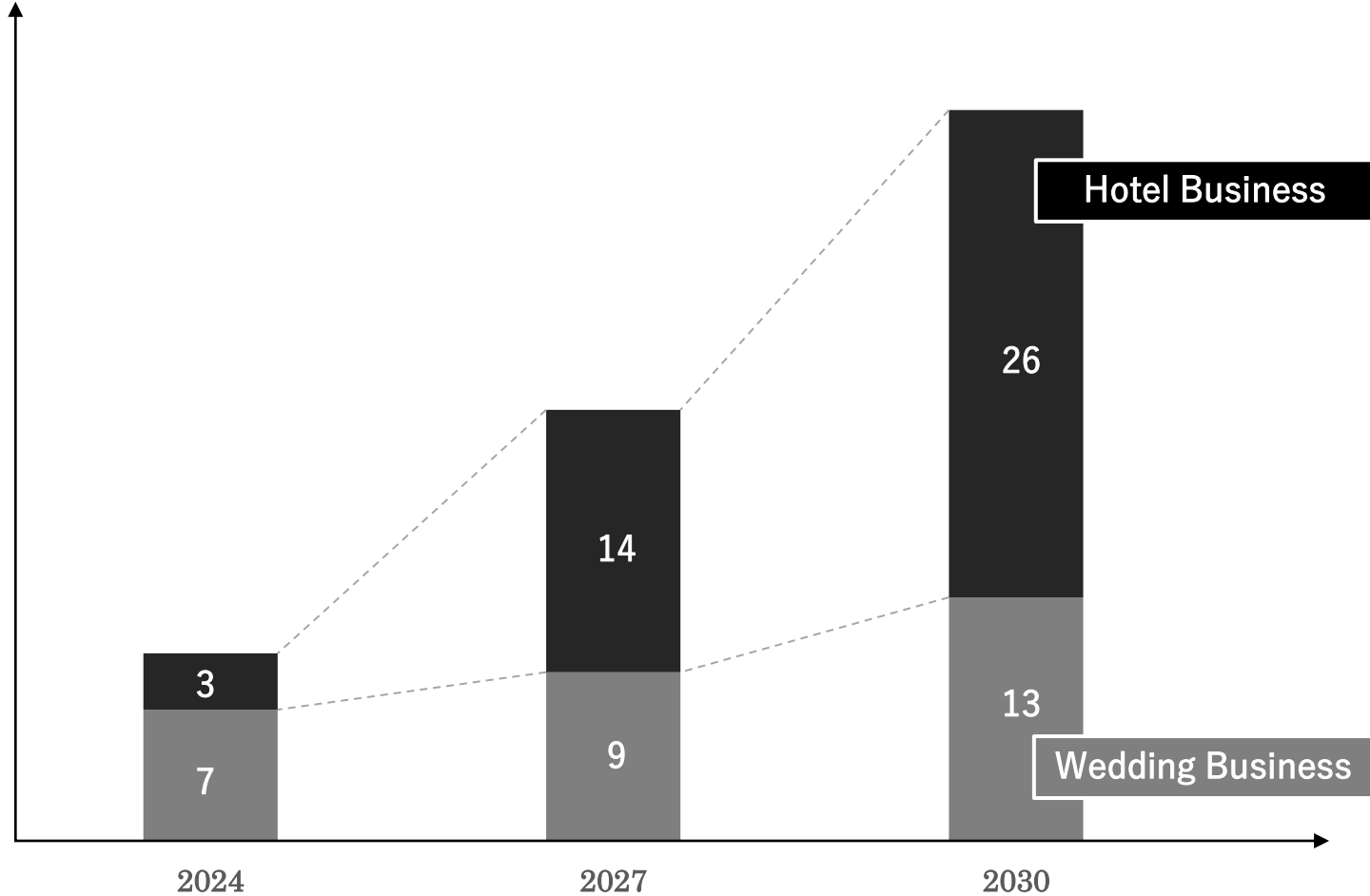
Shibuya Marufuku is a continuing employment support facility for people with disabilities. Its healthy, handmade bread made with carefully selected domestic ingredients.



◀Support Cultural Activities

Tosa Tengujoshi is Japanese washi paper and known as the thinnest handmade paper in the world. To further explore its possibilities, the brothers have inherited the outstanding traditional techniques and spirit of their grandfather, an official Living National Treasure create genuine washi paper from Tosa mulberry trees. Their artwork is displayed in the hall.

(Number of facilities)



Hotel Business

- 2023 Contracted TRUNK(HOTEL) YOYOGI PARK
-
-
-
-
-
- 2027 Contracted (location remains unpublicized)
- 2028 Contracted (location remains unpublicized)

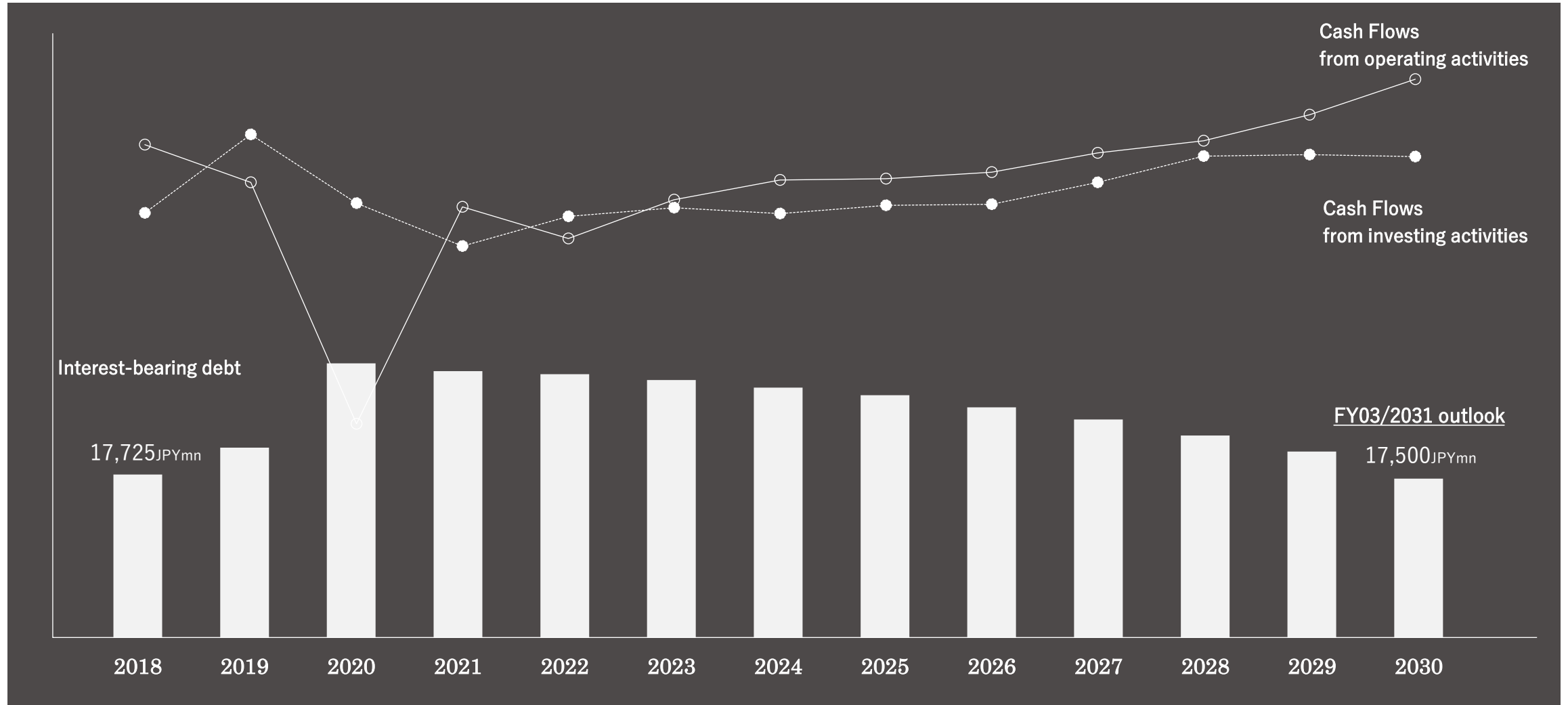
These hotels contracted before COVID-19 pandemic, are required the initial investment.
 We have already made financial planning with these points.
 We will determine further store openings on asset-light strategy.

Wedding Business

- 2022 Contracted Grand Park Hotel (Hokkaido-Otaru)
-
-
-
-

And More

- Pare down total interest-bearing debt to the same level as FY03/2018 before the outbreak of the COVID-19 pandemic.
- Basic policy to fund investments from OPCF.



FY03/2031 outlook

- T&G Group are an early adopter of ESG initiatives.
- These activities have contributed to corporate branding and also enhanced enterprise value.
- We continue working and plan to make disclosure of ESG situation regularly.



A flower market is held every Monday with a long line. Flowers from wedding events at the hotel which are normally thrown out, are upcycled and sold in beautiful bouquets.



Made with organic herbs grown in Japan at a JAS certified organic farm in Mishima, Shizuoka Prefecture, our series of toiletries exceeds the highest international quality standard.



Our beanbags in the terrace are mad from upcycled sails that were used for many years on actual sailboats. You'll find listed on the body of the bean bag the ship that used the sail, the harbor where it moored, and what not.

Thousands of origami cranes are sent to Hiroshima from all throughout Japan and all over the world. The city receives the million paper cranes every year, and together they weigh some ten tons. Our folding fans are created with a material made from the upcycled paper cranes.



Our flip flops provided to guests staying at our hotel are durable enough for an extended period of use: they are not disposable slippers.



All the straws and shopping bags are now made from fully biodegradable materials. While offering the same durability as conventional plastics, these materials return to the earth and are reabsorbed into nature, and can therefore play a part in preventing global warming.



Wine cork from Wedding party has been collected and recycled to the "knife holder" by the support facility for people with disabilities. T&G Group buys them and reuses.



Our coffee mugs, Eco Mark certified products are jointly developed with Green Life 21 Project of Gifu Prefecture, a company striving to create products with low environmental impact. Chinaware once used in restaurants and schools is recycled into a new material.



All the beds in our guestrooms incorporate frames made from reused natural wood.

Classification evaluation system for Energy saving T&G group has been classified S(Excellent Business)

Ministry of Economy, Trade and Industry checks the contents of the submitted periodic reports and classifies the businesses into S(excellent businesses) ,A(expected to make further efforts),B(stagnation businesses) .T&G is classified "S" in FY2021.

Climate Change Engagement Working on TCFD Recommendations

Due to the nature of our business, although the CO2 emissions at the manufacturing stage are light ,T&G Group work actively on global climate change issues,by waste reduction, reduction of electricity consumption, and other activities like the examples above, and disclose facts on TCFD.

Diversity



Employment of people with disabilities
 Since 2007, we have been continuing employment of people with severe disabilities. In recent years, our activity is highly regarded by JICA, and they came to inspection.



Athlete Ambassador
 Chihiro Igarashi who has participated in the Olympics twice as a representative of Japan, joined T&G Group in 2018. We promote sports and culture through diverse employments.



Hiring no-Japanese
 T&G group has a diverse mix of employees (more than 20 countries or birth) who combine to create our distinct identity

Collaboration of LGBTQ events

For example, Tokyo Rainbow Pride, T&G Group actively participate and hold an original event with support groups for LGBTQ.



Partnership Oath System
 T&G Group has official system for LGBTQ employees. We approve the same-sex partner as his or her family, and they receive benefits equally.



Marriage equality for business
 T&G Group have expressed our support for marriage equality, which is a campaign by three no-profit organizations operating in Japan to visualize companies that support marriage equality.



And More

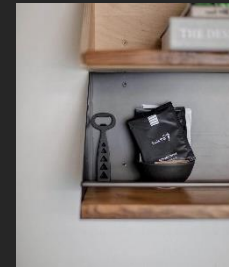
Contribution to Local Community/Promotion of Culture



Kids Project
 As the leading company expanding nationwide, T&G Group are always conscious of contributing to the local community. Since 2015, we have been implementing hands-on programs at wedding venues which provide children with opportunities to learn about "food loss problems", "fun to work", and "gratitude to their families".

Promotion of Japanese Culture

Partnering with steteco.com, the world's first steteco research lab dedicated to reviving and reinterpreting steteco culture, we've created a pair of Japan-made steteco pants original to the hotel to be used as stylish and relaxing loungewear.



Joint with regional Stores

The select coffee at the hotel was developed jointly with Double Tall Café, a venerable coffee shop in Shibuya that roasts its own beans. A part of proceeds are donated to the Shibuya City Council of Social Welfare.

Support for Producers and Domestic Ingredients

Domestic wines, which are highly evaluated in Japan and overseas, have problems with successors, sales channels, and recognition. To solve the problem, we aim to increase the domestic ratio of wine provided at weddings from the current 30% to 100% in 10 years. and contribute to the spread of domestic wine.



Directors/Board of Directors



No. of Directors
Male 6 Female 2

※¹



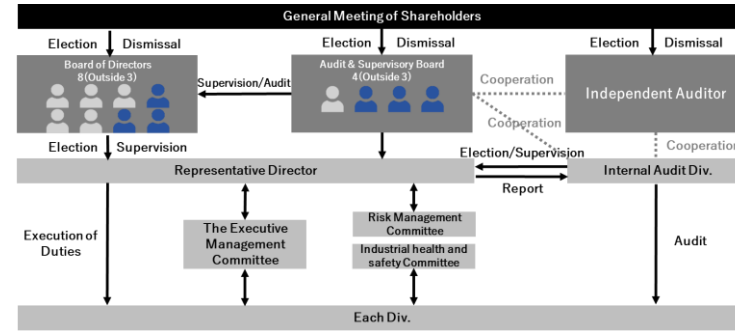
Directors Composition
Inside 5 Outside 3

※¹



Outside Director's participation ratio
100%

※²



T&G strives for maintaining and raising an appropriate governance for the Prime Market(Tokyo SE). We have advisory committee which consults the nomination and remuneration of directors for enhancing the transparency and fairness of the Board of Directors.

※¹ Including candidates at the shareholder's meeting scheduled on Jun. 2022.

※² FY2020 results

Empowering Women Promotion



No. of Division Managers
Male 14 Female 7

※² FY2021 results



% of employees taking childcare leave
Female 100%



% of attendee of Management Training
Male 43% Female 57%



T&G selects candidates for management training without distinction of sex and offers diversified employment patterns for balancing a career and a family. As it turned out, the No. of female Division Managers has been increasing.

Compliance /Risk Management



% of problems on compliance disseminated to Directors directly
100%

※³ Result from Grate Place to Work® JAPAN's survey

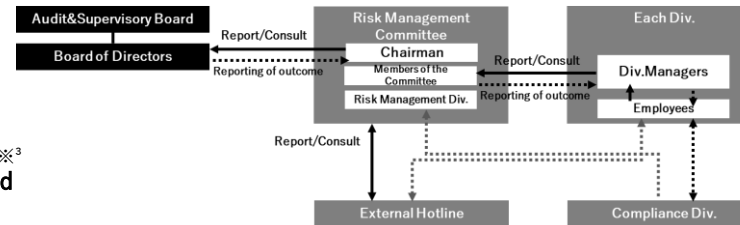


% of participation on compliance trainings
100%



% of employees who responded they think "T&G is equitable"
86%

(average of large enterprises 82%)



"Risk Management Committee" for discussions on future risk or compliance is regularly hold. Directors join in this Committee and assess the situation accurately. T&G set up external hotline for employees to report violations or suspected risks on compliance or other problems in private.

Management Message

Over the last two years with COVID-19 Pandemic, we have overcome many unprecedented challenges. Because we have always innovated and pioneered the future with our own hands, now I decided to take on the challenge of a new business, taking this crisis as a trigger. As globalization accelerates, we are growing with more competitive edge into a stronger company that will support the Japanese economy in the future.

From now on, we focus on the Hotel Business by utilizing the strength we have cultivated. I believe that we can be a game changer in the Tourism Business more to say Hospitality Industry, which is one of a pillar of Japan's economic growth and continue to create new values.



Representative Director,
Chairman
Yoshitaka Nojiri

A crisis reveals actual value. That's why I have made management decisions during the pandemic based on the philosophy, not on the immediate pursuit of profits. As a result, T&G Group has captured more credibility of customers and employees and recovered business performance significantly. The market environment has changed drastically due to the Pandemic. On the other hand, there are also new opportunities. We are sure to continue to be a leading company with growth and stable profit generation. In addition, aiming for a bigger leap, we will take on the challenge of the hotel business in earnest with high-quality and high value-added services.



Representative Director,
President
Kenji Iwase

TAKE and GIVE NEEDS Co.,Ltd.

Date of establishment	October 19,1998
Capital	2,000 million yen
Stock listings	Prime (Tokyo Stock Exchange #4331)
Representative Director	Representative Director, Chairman Yoshitaka Nojiri Representative Director, President Kenji Iwase
Head Office	2-3-12 Higashi-Shinagawa, Shinagawa-Ku, Tokyo 140-0002

Subsidiaries

Hotel	TRUNK Co.,Ltd.
Travel (Licensed with the Ministry of Transport of Japan as a Travel agency, License No.1801)	Anniversary Travel Co.,Ltd.
Finance (Registered in Tokyo, License No.29616)	LIFE ANGEL Co.,Ltd.
Nursery	And company Co.,Ltd.
Others	Dressmore Co.,Ltd. GENTLE Co.,Ltd.

Locations

Directly operated wedding facilities	63facilities (93 venues)
Others (including partnerships)	11facilities



Key financial data

	FY03/2012	FY03/2013	FY03/2014	FY03/2015	FY03/2016	FY03/2017	FY03/2018	FY03/2019	FY03/2020	FY03/2021	FY03/2022
Income Statement (JPYmn)											
Sales	47,983	52,804	60,788	59,221	59,524	60,186	64,590	66,871	63,678	20,044	39,482
Operating profit	2,212	2,832	3,706	2,973	1,545	2,439	2,785	4,281	3,579	-11,191	2,089
<i>(Operating profit margin)</i>	4.6%	5.4%	6.1%	5.0%	2.6%	4.1%	4.3%	6.4%	5.6%	—	5.3%
Recurring profit	1,588	2,459	3,333	2,784	1,377	2,100	2,489	3,900	3,381	-11,687	1,548
Net income	453	1,086	1,358	1,008	230	360	888	2,283	1,003	-16,214	1,877
Balance Sheet (JPYmn)											
Total Assets	43,390	46,510	48,282	48,091	49,286	52,176	56,025	57,130	58,197	48,578	54,032
Total interest-bearing debt	17,653	17,630	15,666	16,186	17,015	19,433	19,212	17,725	20,625	29,786	28,329
Cash Flow (JPYmn)											
Cash flow from operating activities	3,687	3,870	5,646	1,825	3,731	4,129	4,139	6,449	4,259	-9,713	6,652
Cash flow from investing activities	-880	-2,197	-1,769	-2,477	-5,471	-5,155	-6,708	-2,488	-7,038	-3,050	-401
Cash flow from financing activities	-1,828	-2,377	-2,537	126	476	2,092	2,408	-1,956	2,293	10,893	1,014
Profitability (%)											
ROA(RP-based)	1.0	2.4	2.9	2.1	0.5	0.7	1.6	4.0	1.7	—	3.5
ROE	2.7	6.3	7.4	5.1	1.1	1.8	4.3	10.4	4.3	—	15.9
Per Share (JPY)											
EPS	34.8	83.2	104.7	77.8	17.8	27.8	68.6	176.3	77.4	-1,250.7	128.8
EBITDA (JPYmn)											
EBITDA (OPM+Depreciation)	3,535	4,255	5,649	4,970	3,846	4,874	5,820	7,312	6,627	-9,121	4,191
KPI											
Number of weddings	10,543	11,494	13,408	13,385	13,191	12,921	12,551	13,244	12,963	5,059	11,371
Average spend (JPY'000)	3,975	4,019	4,093	4,017	3,971	3,923	3,980	3,868	3,947	3,455	3,575
TRUNK (HOTEL) RevPAR	—	—	—	—	—	—	44,577	51,943	50,355	—	—

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Forward-looking statement

The future information, such as the earnings forecast, written in this document is based upon the currently available information, which involves risks and uncertainties. There can be no assurance that forward-looking statements will prove accurate or achieved, as actual results may differ materially from those anticipated in such statements.

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