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August 10, 2022

Tsukada Global Holdings Inc.
Consolidated Earnings Report for the Six Months ended June 30, 2022
(Japanese GAAP)

Stock listing: Tokyo Stock Exchange (Prime Market) Securities code: 2418

URL: <https://www.tsukada-global.holdings/en/>

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Scheduled dates:

Filing of statutory quarterly financial report (*shihanki hokokusho*): August 12, 2022

Dividend payout: -

Supplementary materials to quarterly financial results available: Yes

Quarterly earnings presentation held: Yes (targeted at institutional investors and analysts)

(Amounts rounded down to the nearest million yen)

1. Consolidated Performance for the Six Months ended June 30, 2022
(January 1, 2022 – June 30, 2022)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended June 30, 2022	22,539	71.7	(349)	-	1,338	-	2	-
Six months ended June 30, 2021	13,126	11.3	(5,518)	-	(5,007)	-	(4,452)	-

Note: Comprehensive income: Six months ended June 30, 2022: 941 million yen (- %) Six months ended June 30, 2021: (4,297) million yen (- %)

	Profit per share	Diluted profit per share
	yen	yen
Six months ended June 30, 2022	0.05	-
Six months ended June 30, 2021	(93.34)	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
June 30, 2022	87,758	21,291	24.0
December 31, 2021	90,901	20,641	22.5

Reference: Total equity: June 30, 2022: 21,063 million yen
December 31, 2021: 20,452 million yen

2. Dividends

	Dividend per share				
	End-Q1	End-Q2	End-Q3	Year-end	Annual total
	yen	yen	yen	yen	yen
Year ended December 31, 2021	-	0.00	-	0.00	0.00
Year ending December 31, 2022	-	0.00			
Year ending December 31, 2022 (Forecast)			-	0.00	0.00

Note: No revision has been made to the latest dividends forecast.

3. Earnings Forecast for the Fiscal Year ending December 31, 2022 (January 1, 2022– December 31, 2022)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending December 31, 2022	54,100	61.8	3,500	-	4,800	-	2,280	-	47.80

Note: No revision has been made to the latest earnings forecast.

*Notes

(1) Changes in significant subsidiaries during the period: None

(Changes in specific subsidiaries accompanying a change in scope of consolidation)

Newly Consolidated: None

Newly Deconsolidated: None

(2) Use of accounting methods specific to the preparation of quarterly consolidated financial statements:

Yes

Note: For details, please refer to “(4) Notes on Quarterly Consolidated Financial Statements

(Application of Specific Accounting Methods for the Preparation of Quarterly Consolidated

Financial Statements)” in section “2. Quarterly Consolidated Financial Statements and Main

Notes” on page 11 in the accompanying materials.

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

1) Changes in accordance with amendments to accounting standards, etc.: Yes

2) Changes other than noted in 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Shares issued (common stock)

	June 30, 2022	December 31, 2021
1) Number of shares issued at end of period (including treasury stock)	48,960,000	48,960,000
2) Number of shares held in treasury at end of period	1,259,834	1,259,834
	Six Months ended June 30, 2022	Six Months ended June 30, 2021
3) Average number of shares outstanding during the period	47,700,166	47,700,166

* Quarterly earnings reports are exempt from quarterly review conducted by certified public accountants or by audit firms.

***Appropriate Use of Earnings Forecast and Other Important Information**

(Cautionary Statement with Respect to Forward-Looking Statements)

Any forecasts and forward-looking statements given herein are based on information available as of this report's publication and on certain assumptions that are deemed reasonable. These forecasts are not guarantees of future performance, and actual results may differ from forecasts due to changes in the business environment. For the assumptions underlying the forecasts herein and other notice on the use of earnings forecasts, please refer to "(3) Earnings Forecast for the Fiscal Year ending December 31, 2022" in the section "1. Review of Consolidated Financial Results" on page 2 in the accompanying materials.

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1. Review of Consolidated Financial Results

(1) Operating Results

Operating Results and Analysis of Financial Condition

During the first six months of the fiscal year ending December 31, 2022, the Japanese economy showed signs of recovery, as evidenced by the lifting of priority measures to prevent the spread of COVID-19 infections. But the outlook remains uncertain due to supply chain disruptions caused by heightened geopolitical risks and soaring logistics costs and raw material prices.

In this environment, the Tsukada Global Holdings Group (“the Group”) focused on creating new value, developing high-quality and attractive outlets, providing high value-added services in the bridal, hotel, and wellness and relaxation (W&R) markets, and taking all possible measures to prevent coronavirus infections at all of its facilities.

The number of weddings held in the Hotel and Wedding businesses, overnight occupancy rates, and average charge per night in the Hotel business have been on a slow recovery trend, and spend per wedding was also expected to recover. However, due to the number of new COVID-19 cases rising and falling again in July 2022, the outlook remains clouded.

As a result, in the first six months of 2022, the Group posted consolidated net sales of ¥22,539 million (up 71.7% year on year). The Group recorded an operating loss of ¥349 million (compared with a loss of ¥5,518 million a year earlier), ordinary income of ¥1,388 million yen (compared with a loss of ¥5,007 million yen a year earlier) due to the receipt of various subsidies and foreign exchange gains from the sharp deterioration of the yen, and net income attributable to owners of the parent of ¥2 million (compared with a loss of ¥4,452 million a year earlier) due to an increase in tax expenses.

The results for each business segment were as follows.

1) Wedding business

During the first six months of fiscal 2022, a gradual recovery trend began after the priority measures to prevent a resurgence of COVID-19 infections were lifted in March. The number of weddings held increased sharply to 4,834 (up 71.6% year on year), and the segment posted a profit despite the slow recovery of spend per wedding.

As a result, net sales in the Wedding business totaled ¥15,086 million (up 89.7% year on year) and segment profit was ¥2,070 million (compared with a loss of ¥1,793 million a year earlier).

2) Hotel business

The number of hotel weddings held increased sharply to 778 (up 52.5% year on year) in the first six months of fiscal 2022. Overnight occupancy rates and average charge per night also recovered slowly as domestic customers and business demand began to gradually return. However, recovery was limited by the loss of demand from inbound tourists, and the segment posted a loss.

As a result, net sales in the Hotel business totaled ¥6,020 million (up 55.6% year on year) and the segment loss was ¥1,522 million (compared with a ¥2,729 million loss a year earlier).

3) W&R business

In the first six months of fiscal 2022, the number of visitors, net sales, and segment profit of the Beauty & Relax SPA-HERBS spa complex all exceeded those of the previous fiscal year, but the British-style Queensway reflexology salons struggled to attract customers, resulting in a small increase in segment sales and recovering profitability.

As a result, net sales in the W&R business totaled ¥1,450 million (up 10.4% year on year) and segment loss was ¥191 million (compared with a segment loss of ¥283 million a year earlier).

(2) Analysis of Financial Condition

1) Assets, Liabilities, and Net Assets

Total assets as of June 30, 2022, the end of the first six months of fiscal 2022, amounted to ¥87,758 million, a decrease of ¥3,142 million from the end of the previous fiscal year (December 31, 2021). This is mainly due to sales of investment securities and marketable securities, and a decrease of ¥1,031 million in Buildings and structures due to depreciation, respectively.

Total liabilities as of June 30, 2022 came to ¥66,467 million, a decrease of ¥3,792 million from the end of the previous fiscal year (December 31, 2021). The decrease mainly reflects an increase of ¥1,087 million from the issuance of bonds (including the current portion) offset by decreases of ¥3,437 million in long-term debt (including the current portion) and ¥2,419 million in Other under Current liabilities.

Net assets as of June 30, 2022 totaled ¥21,291 million, an increase of ¥649 million from the end of the previous fiscal year. This mainly reflects an increase of ¥513 million in Foreign currency translation adjustments due to exchange rate fluctuations.

2) Overview of Cash Flows

Cash and cash equivalents ("cash") as of June 30, 2022 totaled ¥16,608 million, an increase of ¥156 million from the end of the previous fiscal year. Cash flows and factors behind changes in the cash flows during the six months ended June 30, 2022, are as follows.

(Cash flows from operating activities)

Cash provided in operating activities totaled ¥2,160 million (cash used in the first half of the previous year was ¥1,915 million). The change is mainly attributable to a ¥1,301 million profit before income taxes and ¥1,761 million in depreciation and amortization.

(Cash flows from investing activities)

Cash provided by investing activities totaled ¥185 million, a decrease of 39.4% year on year. This is mainly attributable to a ¥1,101 million inflow from the sale of investment securities, which offset ¥644 million in payments for purchase of tangible assets to refurbish facilities/equipment.

(Cash flows from financing activities)

Cash used in financing activities totaled ¥2,372 million (cash provided in the first half of the previous year was ¥2,205 million). This chiefly reflects inflows of ¥6,000 million from long-term debt and ¥1,488 million from the issuance of bonds offset by ¥9,437 million used for repayments of long-term debt

(3) Earnings Forecast for the Fiscal Year Ending December 31, 2022

The consolidated results forecast for the first six months and full fiscal year ending December 31, 2022 was revised, taking into account the Company's performance and its progress during the first six months of fiscal 2022. For details about the forecast revision, please refer to the August 5, 2022 news release "Notice Regarding Revisions to Consolidated Earnings Forecasts for the Six Months Ending June 30, 2022 and the Fiscal Year Ending December 1, 2021."

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

	(millions of yen)	
	December 31, 2021	June 30, 2022
	Amount	Amount
Assets		
Current assets		
Cash and deposits	16,539	16,696
Accounts receivable - trade	1,000	920
Marketable securities	1,526	-
Merchandise	182	179
Raw materials and supplies	381	332
Other	1,192	1,191
Allowance for doubtful receivables	(31)	(28)
Total current assets	20,792	19,292
Fixed assets		
Tangible assets		
Buildings and structures, net	31,327	30,295
Land	12,276	12,923
Construction in progress	611	777
Other, net	1,633	1,497
Total tangible assets	45,847	45,493
Intangible assets		
Goodwill	1,732	1,560
Other	651	837
Total intangible assets	2,383	2,397
Investments and other assets		
Investment securities	6,361	5,773
Lease and guarantee deposits	7,369	7,306
Other	8,032	7,413
Allowance for doubtful receivables	(107)	(124)
Total investments and other assets	21,656	20,368
Total fixed assets	69,887	68,259
Deferred assets	221	206
Total assets	90,901	87,758

	(millions of yen)	
	December 31, 2021	June 30, 2022
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable - trade	1,726	1,766
Short-term debt	500	500
Current portion of long-term debt	11,291	6,842
Current portion of bonds	2,154	2,434
Income taxes payable	222	733
Advances received	2,788	3,851
Allowance for loss on shop closing	22	-
Asset retirement obligations	277	34
Other	5,543	3,123
Total current liabilities	24,525	19,286
Fixed liabilities		
Bonds	5,393	6,200
Long-term debt	33,528	34,540
Net defined benefit liability	393	421
Provision for directors' retirement benefits	914	933
Asset retirement obligations	4,529	4,544
Other	975	541
Total fixed liabilities	45,734	47,180
Total liabilities	70,260	66,467
Net assets		
Shareholders' equity		
Capital stock	472	472
Capital surplus	634	634
Retained earnings	20,933	20,643
Treasury stock	(892)	(892)
Total shareholders' equity	21,146	20,857
Accumulated other comprehensive income		
Net unrealized gain (loss) on available-for-sale securities	(38)	(68)
Deferred gain (loss) on derivatives under hedge accounting	(584)	(166)
Foreign currency translation adjustments	(64)	448
Remeasurements of defined benefit plan	(6)	(7)
Total accumulated other comprehensive income	(694)	205
Non-controlling interests	189	227
Total net assets	20,641	21,291
Total liabilities and net assets	90,901	87,758

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

	(millions of yen)	
	Six months ended June 30, 2021	Six months ended June 30, 2022
	Amount	Amount
Net sales	13,126	22,539
Cost of sales	12,672	15,918
Gross profit (loss)	454	6,620
Selling, general and administrative expenses	5,972	6,969
Operating income (loss)	(5,518)	(349)
Non-operating income		
Interest income	58	19
Gain on investments in silent partnership	94	71
Subsidy income	371	856
Foreign exchange gains	298	1,313
Other	113	55
Total non-operating income	936	2,317
Non-operating expenses		
Interest expenses	229	227
Loss on investments in capital	-	146
Share of loss of entities accounted for using equity method	100	28
Other	95	228
Total non-operating expenses	425	629
Ordinary income (loss)	(5,007)	1,338
Extraordinary income		
Gain on sales of fixed assets	0	0
Gain on sales of memberships	-	3
Total extraordinary income	0	3
Extraordinary loss		
Loss on disposal of fixed assets	24	0
Loss on sales of investment securities	-	34
Other	1	5
Total extraordinary loss	26	40
Profit (loss) before income taxes	(5,033)	1,301
Income taxes	(581)	1,296
Profit (loss)	(4,452)	4
Profit (loss) attributable to non-controlling interests	(0)	2
Profit (loss) attributable to owners of the parent	(4,452)	2

Consolidated Statements of Comprehensive Income

	(millions of yen)	
	Six months ended June 30, 2021	Six months ended June 30, 2022
	Amount	Amount
Profit (loss)	(4,452)	4
Other comprehensive income		
Net unrealized gain (loss) on available-for-sale securities	(4)	(30)
Deferred gain (loss) on derivatives under hedge accounting	(51)	418
Foreign currency translation adjustments	108	235
Remeasurements of defined benefit plan	(0)	(0)
Share of other comprehensive income of entities accounted for using equity method	102	313
Total other comprehensive income	154	936
Comprehensive income	(4,297)	941
(Breakdown)		
Comprehensive income attributable to owners of the parent	(4,309)	902
Comprehensive income attributable to non-controlling interests	11	38

(3) Consolidated Statements of Cash Flows

	(millions of yen)	
	Six months ended June 30, 2021	Six months ended June 30, 2022
	Amount	Amount
Cash flows from operating activities		
Profit (loss) before income taxes	(5,033)	1,301
Depreciation and amortization	1,833	1,761
Amortization of goodwill	171	171
Amortization of bond issuance expenses	19	26
Loss on disposal of fixed assets	24	0
Increase (decrease) in provision for directors' retirement benefits	20	19
Increase (decrease) in allowance for doubtful receivables	2	(2)
Increase (decrease) in net defined benefit liability	11	20
Interest and dividend income	(58)	(19)
Interest expenses	229	227
Share of loss (profit) of entities accounted for using equity method	100	28
(Gain) loss on investments in securities	(40)	62
(Gain) loss on sales of investment securities	-	34
(Gain) loss on sales of fixed assets	(0)	(0)
Shop closing expenses	1	1
(Gain) loss on investments in silent partnerships	(94)	(71)
Foreign exchange (gain) loss	(263)	(1,230)
(Increase) decrease in notes and accounts receivable - trade	255	81
(Increase) decrease in inventories	48	53
Increase (decrease) in notes and accounts payable - trade	(215)	21
Increase (decrease) in advances received	567	762
Increase (decrease) in other liabilities	(334)	(382)
Decrease/increase in consumption taxes receivable/payable	1,008	(398)
Other	4	138
Sub total	(1,739)	2,608
Interest and dividends received	56	84
Interest paid	(226)	(227)
Income taxes paid	(7)	(304)
Net cash provided by (used in) operating activities	(1,915)	2,160

	(millions of yen)	
	Six months ended June 30, 2021	Six months ended June 30, 2022
	Amount	Amount
Cash flows from investing activities		
Purchase of tangible assets	(385)	(644)
Proceeds from sales of tangible assets	0	0
Purchase of intangible assets	(14)	(212)
Proceeds from sales of investment securities	191	1,101
Purchase of affiliated companies' shares	(52)	-
Proceeds from withdrawal of investment in silent partnership	-	109
Lease and guarantee deposits	(26)	(331)
Collection of lease and guarantee deposits	642	396
Other	(48)	(234)
Net cash provided by (used in) investing activities	305	185
Cash flows from financing activities		
Net increase (decrease) in short-term debt	279	-
Proceeds from long-term debt	-	6,000
Repayments of long-term debt	(1,994)	(9,437)
Proceeds from issuance of bonds	-	1,488
Payments for redemption of bonds	(387)	(412)
Dividends paid to shareholders	(0)	(0)
Other	(102)	(11)
Net cash provided by (used in) financing activities	(2,205)	(2,372)
Foreign currency translation adjustments on cash and cash equivalents	25	183
Net increase (decrease) in cash and cash equivalents	(3,790)	156
Cash and cash equivalents, beginning of period	22,202	16,451
Cash and cash equivalents, end of period	18,412	16,608

(4) Notes on Quarterly Consolidated Financial Statements

(Note on the Going-concern Assumption)

Not applicable

(Note on Significant Changes in the Amount of Shareholders' Equity)

Not applicable

(Application of Specific Accounting Methods for the Preparation of Quarterly Consolidated Financial Statements)

(Simplified accounting methods)

1) Calculation method for depreciation of fixed assets

Depreciation expenses for assets to which the declining-balance method is applied are calculated by allocating a quarterly proportion of the amount for the full fiscal year.

2) Calculation method for deferred tax assets and deferred tax liabilities

Regarding judgments on the amount of recoverable deferred tax assets, the Company has determined that there have been no significant changes in the economic environment or emergence of temporary differences since the end of the previous fiscal year, and therefore the calculations are based on future earnings forecasts from the previous fiscal year and tax planning methods.

(Special accounting treatments)

Calculation of taxes

The Company calculates tax liabilities by producing a reasonable estimate of the effective tax rate after applying tax-effect accounting to profit (loss) before income taxes for the fiscal year, which encompasses the second quarter ended June 30, 2022, and then multiplying profit (loss) before income taxes by this estimated effective tax rate. In cases where this estimated effective tax rate cannot be used, the statutory effective tax rate is used.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and related guidelines have been applied from the beginning of the first quarter of fiscal 2022. In line with this, revenue is recognized upon the transfer of control for the promised goods or services to customers in an amount that reflects the consideration which they expect to receive in exchange for those goods or services.

The major changes due to the application of the Accounting Standard for Revenue Recognition, etc. are as follows.

1) Revenue recognition related to the Wedding business

Regarding the recognition of revenue related to the Wedding business, revenue had previously been recognized on the date on which the wedding ceremony or banquet was held, but from the beginning of the first quarter of fiscal 2022, the recognition method has been changed so that revenue is recognized for certain transactions at the point in time when the handover of the goods or the delivery of the goods has been completed.

2) Revenue recognition related to the Hotel business

Regarding the recognition of revenue related to the Hotel business, revenue had previously been recognized for each night stayed by the customer, but from the beginning of the first quarter of fiscal 2022, the recognition method has been changed so that revenue is recognized in line with the progress made in the provision of services.

3) Revenue recognition related to bonus points

Regarding the recognition of revenue related to the W&R business, bonus points awarded to customers at the time of sales had previously been recognized as selling, general and administrative expenses, but from the beginning of the first quarter of fiscal 2022, the recognition method has been changed so that they are recognized as performance obligations and the transaction price is allocated to the performance obligations based on the stand-alone selling price calculated considering the expected forfeiture rate, etc. of the bonus points.

In the application of the Accounting Standard for Revenue Recognition, etc., in accordance with the transitional treatment set forth in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospective application of the new accounting policies prior to the beginning of the first quarter of fiscal 2022 was added to or subtracted from retained earnings at the beginning of the first quarter of fiscal 2022. However, based on the method set forth in Paragraph 86 of the Accounting Standard for Revenue Recognition, the new accounting policies have not been retrospectively applied to the contracts in which almost all of the revenue amount had been recognized prior to the beginning of the first quarter of fiscal 2022 in accordance with the previous treatment. In addition, based on supplementary provision (1), Paragraph 86 of the Accounting Standard for Revenue Recognition, regarding contracts modified prior to the beginning of the first quarter of fiscal 2022, accounting treatment has been implemented based on the contract conditions made after reflecting all the modifications to the contracts, and the cumulative effects are added to or subtracted from retained earnings at the beginning of the first quarter of fiscal 2022.

As a result, for the six months ended June 30, 2022, net sales decreased by ¥11 million; cost of sales increased by ¥6 million; selling, general and administrative expenses decreased by ¥5 million; and operating income, ordinary income and profit before income taxes decreased by ¥12 million, respectively. In addition, the balance of retained earnings at the beginning of the year decreased by ¥291 million.

Additionally, based on the transitional treatment set forth in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, comparative information for the previous fiscal year has not been restated to reflect the new method of presentation. Furthermore, in accordance with the transitional treatment set forth in Paragraph 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020), information on the disaggregation of revenue arising from contracts with customers for the six months ended June 30, 2021 is not presented.

(Application of “Accounting Standard for Fair Value Measurement,” etc.)

The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and related guidelines have been applied from the beginning of the first quarter of fiscal 2022. In accordance with the transitional treatment set forth in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the new accounting policies set forth in the Accounting Standard for Fair Value Measurement, etc., have been prospectively applied. These changes have no impact on the quarterly consolidated financial statements.

(Additional Information)

There are no significant changes to the assumptions regarding the impacts of the COVID-19 pandemic stated under “Additional Information” of the Consolidated Earnings Report for the Fiscal Year ended December 31, 2021.

However, given the many uncertainties surrounding the impacts of the pandemic, the Group’s financial position and the operating results for the fiscal year ending December 31, 2022 could be significantly affected, in the event that social and economic activities stall due to the further spread of infections.

(Segment Information)

I. Six months ended June 30, 2021 (January 1 to June 30, 2021)

1. Net sales and income/loss by reportable segment

	Reportable segment				Adjustments (note 1)	(millions of yen)
	Wedding business	Hotel business	W&R business	Total		Amount recorded on consolidated statements of income (note 2)
Net sales						
Sales to outside customers	7,942	3,869	1,314	13,126	-	13,126
Inter-segment sales and transfers	630	116	17	764	(764)	-
Total	8,573	3,985	1,331	13,890	(764)	13,126
Segment income (loss)	(1,793)	(2,729)	(283)	(4,806)	(711)	(5,518)

Notes: 1. Minus 711 million yen adjustments for the segment income or loss include a 10 million yen elimination of inter-segment sales and minus 722 million yen in corporate expenses that are not allocated to each reportable segment. The main component of these unallocated corporate expenses is SG&A expenses that are not attributable to reportable segments.

2. Segment income or loss adjustments are based on operating income reported on the quarterly consolidated statements of income for the corresponding period.

2. Impairment loss on fixed assets or goodwill by reportable segment

Not applicable

II. Six months ended June 30, 2022 (January 1 to June 30, 2022)

1. Net sales and income/loss by reportable segment and information on the disaggregation of revenue

	Reportable segment				Adjustments (note 1)	(millions of yen)
	Wedding business	Hotel business	W&R business	Total		Amount recorded on consolidated statements of income (note 2)
Net sales						
Revenue from contracts with customers	15,012	6,020	1,450	22,483	-	22,483
Other revenue	55	-	-	55	-	55
Sales to outside customers	15,068	6,020	1,450	22,539	-	22,539
Inter-segment sales and transfers	904	445	13	1,363	(1,363)	-
Total	15,973	6,466	1,463	23,902	(1,363)	22,539
Segment income (loss)	2,070	(1,522)	(191)	356	(706)	(349)

- Notes: 1. Minus 706 million yen adjustments for the segment income or loss include a 41 million yen elimination of inter-segment sales and minus 747 million yen in corporate expenses that are not allocated to each reportable segment. The main component of these unallocated corporate expenses is general and administrative expenses that are not attributable to reportable segments.
2. Segment income or loss adjustments are based on operating income reported on the quarterly consolidated statements of income for the corresponding period.

2. Impairment loss on fixed assets or goodwill by reportable segment

Not applicable

3. Matters related to changes in reportable segments, etc.

(Application of Accounting Standard for Revenue Recognition, etc.)

As stated in Changes in Accounting Policies, due to changes in accounting treatment for revenue recognition as a result of the application of the Accounting Standard for Revenue Recognition, etc., similar changes have been made to the method of calculating segment income/loss. As a result of this change, for the six months ended June 30, 2022, net sales in the "Wedding business" increased by ¥2 million, while net sales in the "Hotel business" and the "W&R business" decreased by ¥10 million and ¥3 million, respectively.

(Revenue Recognition)

Information on the disaggregation of revenue from contracts with customers is as stated in "Notes on Quarterly Consolidated Financial Statements (Segment Information)".

3. Supplementary Information
(Weddings Held and Orders Received)

1) Number of weddings held

	Six months ended June 30, 2021	Six months ended June 30, 2022	Year ended December 31, 2021
Segment	Number of weddings held (cases)	Number of weddings held (cases)	Number of weddings held (cases)
Wedding business	2,817	4,834	7,084
Hotel business	510	778	1,259
Total	3,327	5,612	8,343

2) Wedding orders received

	Six months ended June 30, 2021		Six months ended June 30, 2022		Year ended December 31, 2021	
Segment	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)
Wedding business	3,625	7,146	5,421	7,594	7,753	7,007
Hotel business	661	1,329	842	1,285	1,302	1,221
Total	4,286	8,475	6,263	8,879	9,055	8,228