

2. Dividends

	Dividend per share				
	End-Q1	End-Q2	End-Q3	Year-end	Annual total
	yen	yen	yen	yen	yen
Year ended December 31, 2022	-	0.00	-	5.00	5.00
Year ending December 31, 2023	-	5.00			
Year ending December 31, 2023 (Forecast)			-	5.00	10.00

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

3. Earnings Forecast for the Fiscal Year ending December 31, 2023 (January 1, 2023– December 31, 2023)

(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, 2023	58,300	12.8	4,738	59.2	4,771	0.3	3,950	163.6	82.81

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, 2023	December 31, 2022
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, 2023	Six Months ended June 30, 2022
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, 2023" in the section "1. Review of Consolidated Financial Results" on page 4 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, 2023, the Japanese economy as a whole was on a moderate recovery due to the impact of the reclassification of COVID-19 to Class 5, while the effects of various government policies became apparent, including a pickup in consumer spending and private-sector capital expenditures. However, the outlook remains uncertain due to supply chain disruptions caused by heightened geopolitical risks and soaring energy and raw material costs.

Amidst 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 on accurately responding to diversifying customer needs, and thereby strived to expand net sales and to improve profitability.

In the Hotel business, the number of domestic travelers rose as a result of the reclassification of COVID-19 to Class 5. And thanks to the lifting of travel restrictions, the number of foreign visitors to Japan exceeded 2 million (Japan National Tourism Organization, “Number of Foreign Visitors to Japan (June 2023 estimate)”), a recovery to 72.0% of the figure for June 2019. These factors led to an upturn in the overnight occupancy rate and average charge per night, which remained stable. In addition, the number of weddings held in the Wedding business and the Hotel business is returning to normal, as postponements due to COVID-19, which had been frequent until last year, have largely disappeared. However, the outlook is difficult to predict, as the recovery in the spend per wedding stalled due to the increase in the number of small weddings.

As a result, in the first six months of fiscal 2023, the Group posted consolidated net sales of ¥26,842 million (up 19.1% year on year) and operating income was ¥1,418 million (compared with a loss of ¥349 million a year earlier). Due to foreign exchange gains of ¥789 million recorded in non-operating income, ordinary income was ¥2,165 million (up 61.8% year on year), and profit attributable to owners of the parent was ¥2,036 million (compared with ¥2 million a year earlier).

The results for each business segment were as follows.

1) Wedding business

In the first six months of fiscal 2023, the number of weddings held rose slightly to 4,899 (up 1.3% year on year), and net sales in the Wedding business also increased modestly year on year. However, there was stagnation in the recovery in the spend per wedding due to an increase in the number of small weddings, and such circumstances led to a decline in profitability and thus segment profit decreased year on year though still recorded a profit.

As a result, net sales in the Wedding business totaled ¥16,067 million (up 6.6% year on year) and segment profit was ¥1,664 million (down 19.6%).

2) Hotel business

The number of hotel weddings held climbed slightly to 791 (up 1.7%) in the first six months of fiscal 2023. The overnight occupancy rate and average charge per night remained firm due to an increase in the number of domestic travelers and the number of foreign visitors to Japan. Inbound tourism related-demand, which had declined sharply, is gradually recovering.

As a result, net sales in the Hotel business totaled ¥9,334 million (up 55.0% year on year) and segment profit was ¥767 million (compared with a loss of ¥1,522 million a year earlier).

3) W&R business

In the first six months of the fiscal 2023, the Beauty & Relax SPA-HERBS spa complex was selected as first place nationwide in the “Nifty Onsen Annual Ranking” which drove the number of visitors, net sales, and segment profit to exceed the levels of the previous fiscal year. However, the segment net sales declined slightly mainly due to the difficulty in increasing the number of therapists and the closure of unprofitable outlets for the British-style Queensway reflexology salons, resulting in a segment loss, although profitability is on an uptrend.

As a result, net sales in the W&R business totaled ¥1,440 million (down 0.7% year on year) and segment loss was ¥95 million (compared with a loss of ¥191 million a year earlier).

(2) Analysis of Financial Condition

1) Assets, Liabilities, and Net Assets

Total assets as of June 30, 2023, the end of the first six months of fiscal 2023, amounted to ¥86,105 million, a decrease of ¥1,366 million from the end of the previous fiscal year (December 31, 2022). This was mainly due to an increase of ¥2,634 million in other current assets offset by a ¥3,083 million decrease in cash and deposits due to repayment of interest-bearing debt and tax payments.

Total liabilities as of June 30, 2023 came to ¥61,269 million, a decrease of ¥3,116 million from the end of the previous fiscal year (December 31, 2022). This was mainly due to a decrease of ¥835 million in other current liabilities due to consumption tax payments and a decrease of ¥1,380 million in long-term debt (including the current portion) due to repayment.

Total net assets as of June 30, 2023 amounted to ¥24,835 million, an increase of ¥1,749 million from the end of the previous fiscal year (December 31, 2022). This was mainly due to an increase of ¥1,798 million in retained earnings due to the recording of profit attributable to owners of the parent. As a result, the equity ratio was 28.6%, an improvement of 2.5 percentage points from the end of the previous fiscal year (December 31, 2022).

2) Overview of Cash Flows

Cash and cash equivalents (“cash”) as of June 30, 2023 totaled ¥18,065 million, a decrease of ¥3,083 million from the end of the previous fiscal year (December 31, 2022).

Cash flows and factors behind changes in the cash flows during the six months ended June 30, 2023, are as follows.

(Cash flows from operating activities)

Cash provided by operating activities totaled ¥2,157 million (down 0.2% year on year). The change is mainly attributable to income taxes paid of ¥832 million and a decrease in consumption taxes payable of ¥822 million, which was offset by profit before income taxes of ¥2,768 million and depreciation and amortization of ¥1,814 million.

(Cash flows from investing activities)

Cash used in investing activities totaled ¥3,391 million (compared with cash provided by investing

activities of ¥185 million a year earlier). This was mainly due to ¥1,197 million in purchase of tangible assets to refurbish facilities/equipment and ¥2,320 million in loan advances.

(Cash flows from financing activities)

Cash used in financing activities totaled ¥2,123 million (compared with ¥2,372 million a year earlier). This chiefly reflects inflows of ¥3,320 million from proceeds from long-term debt, which was offset by outflows of ¥4,700 million from repayments of long-term debt and ¥467 million in payments for redemption of bonds.

(3) Earnings Forecast for the Fiscal Year Ending December 31, 2023

The consolidated results forecast for the first six months and full fiscal year ending December 31, 2023 was revised, taking into account the Company's performance and its progress during the first six months of fiscal 2023. For details about the forecast revision, please refer to the August 4, 2023 news release "Notice Regarding Revisions to Consolidated Earnings Forecasts for the Six Months Ending June 30, 2023 and the Fiscal Year Ending December 31, 2023."

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

	December 31, 2022	June 30, 2023
	Amount	Amount
(millions of yen)		
Assets		
Current assets		
Cash and deposits	21,238	18,154
Accounts receivable - trade	1,479	1,258
Merchandise	166	172
Raw materials and supplies	381	364
Other	1,360	3,995
Allowance for doubtful receivables	(37)	(38)
Total current assets	24,588	23,907
Fixed assets		
Tangible assets		
Buildings and structures, net	29,083	28,962
Land	9,544	9,621
Construction in progress	1,007	639
Other, net	1,496	1,437
Total tangible assets	41,131	40,660
Intangible assets		
Goodwill	1,157	1,008
Other	1,020	982
Total intangible assets	2,177	1,990
Investments and other assets		
Investment securities	5,599	6,032
Lease and guarantee deposits	7,211	7,095
Other	6,703	6,385
Allowance for doubtful receivables	(121)	(131)
Total investments and other assets	19,392	19,382
Total fixed assets	62,702	62,033
Deferred assets	181	164
Total assets	87,472	86,105

	December 31, 2022	(millions of yen) June 30, 2023
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable - trade	2,101	1,725
Current portion of long-term debt	7,106	7,051
Current portion of bonds	964	994
Income taxes payable	839	527
Advances received	3,107	3,273
Allowance for loss on shop closing	62	-
Asset retirement obligations	47	34
Other	4,300	3,464
Total current liabilities	18,530	17,071
Fixed liabilities		
Bonds	5,703	5,206
Long-term debt	33,722	32,397
Net defined benefit liability	407	426
Provision for directors' retirement benefits	953	984
Asset retirement obligations	4,535	4,566
Other	532	616
Total fixed liabilities	45,855	44,197
Total liabilities	64,386	61,269
Net assets		
Shareholders' equity		
Capital stock	472	472
Capital surplus	634	634
Retained earnings	22,140	23,938
Treasury stock	(892)	(892)
Total shareholders' equity	22,353	24,151
Accumulated other comprehensive income		
Deferred gain (loss) on derivatives under hedge accounting	171	(102)
Foreign currency translation adjustments	347	554
Remeasurements of defined benefit plan	(5)	(6)
Total accumulated other comprehensive income	513	445
Non-controlling interests	219	238
Total net assets	23,086	24,835
Total liabilities and net assets	87,472	86,105

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

	(millions of yen)	
	Six months ended June 30, 2022	Six months ended June 30, 2023
	Amount	Amount
Net sales	22,539	26,844
Cost of sales	15,918	17,412
Gross profit (loss)	6,620	9,430
Selling, general and administrative expenses	6,969	8,012
Operating income (loss)	(349)	1,418
Non-operating income		
Interest income	19	62
Gain on investments in silent partnership	71	70
Gain on investments in capital	-	56
Subsidy income	856	17
Foreign exchange gains	1,313	789
Other	55	94
Total non-operating income	2,317	1,090
Non-operating expenses		
Interest expenses	227	251
Loss on investments in capital	146	-
Share of loss of entities accounted for using equity method	28	44
Other	228	47
Total non-operating expenses	629	343
Ordinary income (loss)	1,338	2,165
Extraordinary income		
Compensation income	-	700
Gain on sales of fixed assets	0	0
Gain on sales of memberships	3	-
Total extraordinary income	3	700
Extraordinary loss		
Loss on disposal of fixed assets	0	51
Shop closing expenses	1	41
Loss on sales of investment securities	34	-
Other	3	4
Total extraordinary loss	40	97
Profit (loss) before income taxes	1,301	2,768
Income taxes	1,296	732
Profit (loss)	4	2,035
Profit (loss) attributable to non-controlling interests	2	(1)
Profit (loss) attributable to owners of the parent	2	2,036

Consolidated Statements of Comprehensive Income

	(millions of yen)	
	Six months ended June 30, 2022	Six months ended June 30, 2023
	Amount	Amount
Profit (loss)	4	2,035
Other comprehensive income		
Net unrealized gain (loss) on available-for-sale securities	(30)	-
Deferred gain (loss) on derivatives under hedge accounting	418	(273)
Foreign currency translation adjustments	235	73
Remeasurements of defined benefit plan	(0)	(0)
Share of other comprehensive income of entities accounted for using equity method	313	154
Total other comprehensive income	936	(47)
Comprehensive income	941	1,988
(Breakdown)		
Comprehensive income attributable to owners of the parent	902	1,969
Comprehensive income attributable to non-controlling interests	38	19

(3) Consolidated Statements of Cash Flows

	(millions of yen)	
	Six months ended June 30, 2022	Six months ended June 30, 2023
	Amount	Amount
Cash flows from operating activities		
Profit (loss) before income taxes	1,301	2,768
Depreciation and amortization	1,761	1,814
Amortization of goodwill	171	149
Amortization of bond issuance expenses	26	18
Loss on disposal of fixed assets	0	51
Increase (decrease) in provision for directors' retirement benefits	19	30
Increase (decrease) in allowance for doubtful receivables	(2)	(45)
Increase (decrease) in net defined benefit liability	20	12
Interest and dividend income	(19)	(62)
Interest expenses	227	251
Share of loss (profit) of entities accounted for using equity method	28	44
(Gain) loss on investments in securities	62	-
(Gain) loss on sales of investment securities	34	-
(Gain) loss on sales of fixed assets	(0)	4
Shop closing expenses	1	41
(Gain) loss on valuation of derivatives	-	1
(Gain) loss on investments in silent partnerships	(71)	(70)
Compensation income	-	(700)
Foreign exchange (gain) loss	(1,230)	(722)
(Increase) decrease in notes and accounts receivable - trade	81	222
(Increase) decrease in inventories	53	11
Increase (decrease) in notes and accounts payable - trade	21	(382)
Increase (decrease) in advances received	762	146
Increase (decrease) in other liabilities	(382)	(91)
Decrease/increase in consumption taxes receivable/payable	(398)	(822)
Other	138	(192)
Sub total	2,608	2,477
Interest and dividends received	84	60
Interest paid	(227)	(248)
Proceeds from compensation	-	700
Income taxes paid	(304)	(832)
Net cash provided by (used in) operating activities	2,160	2,157

	(millions of yen)	
	Six months ended June 30, 2022	Six months ended June 30, 2023
	Amount	Amount
Cash flows from investing activities		
Purchase of tangible assets	(644)	(1,197)
Proceeds from sales of tangible assets	0	1
Purchase of intangible assets	(212)	(4)
Proceeds from sales of investment securities	1,101	-
Purchase of affiliated companies' shares	-	(54)
Proceeds from withdrawal of investment in silent partnership	109	90
Loans receivable	-	(2,320)
Lease and guarantee deposits	(331)	(155)
Collection of lease and guarantee deposits	396	272
Other	(234)	(22)
Net cash provided by (used in) investing activities	185	(3,391)
Cash flows from financing activities		
Proceeds from long-term debt	6,000	3,320
Repayments of long-term debt	(9,437)	(4,700)
Proceeds from issuance of bonds	1,488	-
Payments for redemption of bonds	(412)	(467)
Dividends paid to shareholders	(0)	(238)
Other	(11)	(38)
Net cash provided by (used in) financing activities	(2,372)	(2,123)
Foreign currency translation adjustments on cash and cash equivalents	183	274
Net increase (decrease) in cash and cash equivalents	156	(3,083)
Cash and cash equivalents, beginning of period	16,451	21,149
Cash and cash equivalents, end of period	16,608	18,065

(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, 2023, 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 "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021, hereinafter the "Fair Value Measurement Guidance") has been applied from the beginning of the first quarter of the fiscal year ending December 31, 2023. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Fair Value Measurement Guidance, the new accounting policy prescribed by the Fair Value Measurement Guidance has been applied prospectively. This application has no impact on the quarterly consolidated financial statements.

(Segment Information)

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

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

	Reportable segment					(millions of yen)
	Wedding business	Hotel business	W&R business	Total	Adjustments (note 1)	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. The minus 706 million yen adjustment for the segment income (loss) includes 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 (loss) is adjusted to correspond with operating income reported on the quarterly consolidated statements of income.

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

Not applicable

II. Six months ended June 30, 2023 (January 1 to June 30, 2023)

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	16,051	9,334	1,440	26,826	-	26,826
Other revenue	16	-	-	16	-	16
Sales to outside customers	16,067	9,334	1,440	26,842	-	26,842
Inter-segment sales and transfers	943	477	14	1,435	(1,435)	-
Total	17,010	9,811	1,455	28,277	(1,435)	26,842
Segment income (loss)	1,664	767	(95)	2,336	(918)	1,418

Notes: 1. The minus 918 million yen adjustment for the segment income (loss) includes an 11 million yen elimination of inter-segment sales and minus 930 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 (loss) is adjusted to correspond with operating income (loss) reported on the quarterly consolidated statements of income.

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

Not applicable

(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, 2022	Six months ended June 30, 2023	Year ended December 31, 2022
Segment	Number of weddings held (cases)	Number of weddings held (cases)	Number of weddings held (cases)
Wedding business	4,834	4,899	10,837
Hotel business	778	791	1,660
Total	5,612	5,690	12,497

2) Wedding orders received

	Six months ended June 30, 2022		Six months ended June 30, 2023		Year ended December 31, 2022	
Segment	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)
Wedding business	5,421	7,594	5,758	6,839	9,810	5,980
Hotel business	842	1,285	1,108	1,437	1,559	1,120
Total	6,263	8,879	6,866	8,276	11,369	7,100