

February 12, 2025

Tsukada Global Holdings Inc.
Consolidated Earnings Report for the Fiscal Year Ended December 31, 2024
(Japanese GAAP)

Stock listing: Tokyo Stock Exchange
 URL: <https://www.tsukada-global.holdings>
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 Scheduled dates: Annual general meeting of shareholders:
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 Year-end earnings presentation held: Yes: (targeted at institutional investors and analysts)

Securities code: 2418

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March 28, 2025

March 31, 2025

March 28, 2025

(Amounts rounded down to the nearest million yen)

1. Consolidated Performance for the Fiscal Year Ended December 31, 2024
(January 1, 2024 – December 31, 2024)

(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	%
Year ended December 31, 2024	63,545	10.6	7,408	38.7	7,726	34.5	5,147	8.8
Year ended December 31, 2023	57,474	11.2	5,341	79.5	5,742	20.7	4,730	215.6

(Note) Comprehensive income: Year ended December 31, 2024: 5,484 million yen (13.8%)
 Year ended December 31, 2023: 4,819 million yen (76.1%)

	Profit per share	Diluted profit per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Year ended December 31, 2024	107.92	-	17.3	7.5	11.7
Year ended December 31, 2023	99.16	-	18.9	6.4	9.3

Reference: Equity in earnings (losses) of affiliates: Year ended December 31, 2024: (160) million yen
 Year ended December 31, 2023: (173) million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	Yen
December 31, 2024	111,711	34,030	28.9	675.73
December 31, 2023	93,154	27,428	29.2	570.16

Reference: Total equity: December 31, 2024: 32,232 million yen
 December 31, 2023: 27,196 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	million yen	million yen	million yen	million yen
Year ended December 31, 2024	10,394	(11,132)	2,730	21,094
Year ended December 31, 2023	8,075	(11,764)	1,169	18,916

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Rate of total dividend to net assets (consolidated)
	End-Q1	End-Q2	End-Q3	Year-end	Annual total			
Year ended December 31, 2023	Yen -	Yen 5.00	Yen -	Yen 5.00	Yen 10.00	million yen 477	% 10.1	% 1.9
Year ended December 31, 2024	-	5.00	-	6.00	11.00	524	10.2	1.8
Year ending December 31, 2025 (Forecast)	-	6.00	-	6.00	12.00		10.9	

3. Earnings Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 – December 31, 2025)

(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
Six months ending June 30, 2025	33,778	18.3	3,086	32.4	2,527	(23.2)	1,596	(47.4)	33.47
Year ending December 31, 2025	70,954	11.7	8,800	18.8	7,869	1.9	5,268	2.3	110.45

*Notes

(1) Changes in significant subsidiaries during the period: Yes

Newly Consolidated: Five companies

(Company name) BT KALAKAUA, LLC, TGH-GEM LP, TGH Palladian LP, TGH-GEM Glass House LP, and a silent partnership operated by a limited liability company, Hotel Tennozu SPC

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

1) Changes in accordance with amendments to accounting standards, etc. : None

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

3) Changes in accounting estimates : None

4) Retrospective restatement : None

(3) Shares issued (common stock)

	Year ended December 31, 2024	Year ended December 31, 2023
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
3) Average number of shares outstanding during the period	47,700,166	47,700,166

* This Earnings Report is exempt from auditing 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 “(4) Earnings Forecast for the Fiscal Year Ending December 31, 2025” in the section “1. Review of Consolidated Financial Results” on page 5 in the accompanying materials.

(Presentation Handout Materials)

The Company has scheduled an earnings presentation targeted at institutional investors and analysts on February 17, 2025.

The presentation handout materials will be posted on the Company’s website immediately after the event.

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1. Review of Consolidated Financial Results

(1) Operating Results

In the fiscal year ended December 31, 2024, the Japanese economy was on a moderate recovery path helped by the effects of various government policies, including improvements in corporate earnings, employment, and income, as well as the promotion of a growth-oriented economy driven by wage increases and investment. However, the outlook remains uncertain, as concerns about a downturn in overseas economies such as the continued high interest rate levels in the U.S. and Europe and the continued stagnation of the real estate market in China pose a risk of depressing our country's economy.

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 cumulative total number of foreign visitors to Japan was 36 million in 2024 (up 15.6% from 2019: Japan National Tourism Organization “Number of Foreign Visitors to Japan (December 2024 and annual estimate)”), remaining at a high level. These factors led to an upturn in the overnight occupancy rate and average charge per night, which remained stable in general. In June 2024, the Company acquired a portion of the equity interest in BT KALAKAUA, LLC, which operates the Kaimana Beach Hotel in Honolulu, Hawaii, and made it a consolidated subsidiary, and in November 2024 acquired Kimpton Palladian Hotel in Seattle, Washington, both in the U.S., working to expand its business area and earnings in the future. In the Wedding businesses, the number of orders received slightly increased to 10,047 (up 0.3% from the same period of the previous fiscal year), and the spend per wedding, which had been lagging behind, recovered moderately. However, due to the stagnation in the number of Japanese traveling overseas due to the continued depreciation of the yen, some overseas wedding services continue to face challenging conditions. Moreover, in the W&R business, we have worked to strengthen our future profit base by closing unprofitable outlets which are slow to recover from the COVID-19 pandemic and improving business efficiency.

As a result, in the fiscal year ended December 31, 2024, the Group posted consolidated net sales of ¥63,545 million (up 10.6% year on year) and operating income of ¥7,408 million (up 38.7% year on year). In addition, ordinary income came to ¥7,726 million (up 34.5% year on year) due to an increase in foreign exchange gains by ¥978 million that were recorded as non-operating income in the fourth quarter due to the impact of rapid exchange rate fluctuations. Profit attributable to owners of the parent was ¥5,147 million (up 8.8% year on year) due to the posting of ¥1,058 million in gain on step acquisitions as stated above under extraordinary income where the Company acquired a portion of the equity interest in BT KALAKAUA, LLC, and made it a consolidated subsidiary.

The results for each business segment were as follows.

1) Wedding business

In fiscal 2024, the number of hotel weddings held fell to 9,404 (down 10.1% year on year) due to the closure of unprofitable outlets, but spend per wedding recovered year on year and thus net sales increased. On the profit side, although there were increases in energy costs and raw material prices, these were absorbed by curbing discount sales, resulting in higher profits.

As a result, net sales in the Wedding business totaled ¥35,719 million (up 4.3% year on year) and segment profit was ¥5,781 million (up 17.3% year on year).

2) Hotel business

The number of hotel weddings held declined slightly to 1,641 (down 3.9% year on year) in fiscal 2024. The overnight occupancy rate and average charge per night remained firm due to an increase in the number of foreign visitors to Japan as well as the steady recovery in corporate banquets and MICE-related events which had declined due to the impact of COVID-19.

As a result, net sales in the Hotel business totaled ¥24,877 million (up 22.5% year on year) and segment profit was ¥3,673 million (up 53.9% year on year).

3) W&R business

In fiscal 2024, the closure of unprofitable outlets of the British-style Queensway reflexology salons was promoted to strengthen our future profit base and streamline the business. In fiscal 2024, the Beauty & Relax SPA-HERBS spa complex was ranked first nationwide for the fifth consecutive year in the “Nifty Onsen Annual Ranking,” and the number of visitors and food and beverage sales reached record highs, which drove net sales and segment profit to exceed the levels of the previous fiscal year.

As a result, net sales in the W&R business totaled ¥2,948 million (up 0.5% year on year) and segment profit was ¥100 million (compared with a loss of ¥113 million a year earlier).

(2) Analysis of Financial Condition

(Assets)

Total assets at the end of fiscal 2024 (December 31, 2024) amounted to ¥111,711 million, an increase of ¥18,557 million from the end of the previous fiscal year (December 31, 2023). This was mainly due to an increase of ¥12,262 million in land and ¥5,995 million in buildings and structures, respectively, as a result of BT KALAKAUA, LLC becoming a consolidated subsidiary and acquisition of fixed assets by a newly established subsidiary.

(Liabilities)

Total liabilities at the end of fiscal 2024 came to ¥77,680 million, an increase of ¥11,954 million from the end of the previous fiscal year. This was mainly due to an increase of ¥11,187 million in long-term debt (including current portion) associated with the acquisition of land and other fixed assets.

(Net assets)

Total net assets at the end of fiscal 2024 totaled ¥34,030 million, an increase of ¥6,602 million from the end of the previous fiscal year. This was mainly due to an increase of ¥4,670 million in retained earnings and ¥1,566 million in non-controlling interests due to the recording of profit attributable to owners of the parent among others. As a result, the equity ratio was 28.9%, an improvement of 0.3 percentage points from the end of the previous fiscal year (December 31, 2023).

(3) Overview of Cash Flows

Cash and cash equivalents (“cash”) at the end of fiscal 2024 totaled ¥21,094 million, an increase of ¥2,177 million from the end of the previous fiscal year.

Cash flows and factors behind changes in the cash flows in fiscal 2024 are as follows.

(Cash flows from operating activities)

Cash provided by operating activities totaled ¥10,394 million (up 28.7% year on year). The change is mainly due to profit before income taxes of ¥7,694 million and depreciation and amortization of ¥3,616 million.

(Cash flows from investing activities)

Cash used in investing activities totaled ¥11,132 million (compared with cash used in investing activities of ¥11,764 million a year earlier). This was mainly due to ¥10,430 million in purchase of tangible assets associated with capital investment and ¥2,600 million in purchase of subsidiaries' shares resulting in a change in the scope of consolidation.

(Cash flows from financing activities)

Cash provided by financing activities totaled ¥2,730 million (up 133.5% year on year). This chiefly reflects inflows of ¥18,813 million from proceeds from long-term debt, which offset outflows of ¥14,693 million for repayments of long-term debt and ¥994 million in payments for redemption of bonds.

Changes in the Group's cash flow-related indicators are as follows.

	FY2020	FY2021	FY2022	FY2023	FY2024
Equity ratio (%)	26.3	22.5	26.1	29.2	28.9
Equity ratio based on market value (%)	12.3	16.3	19.8	19.9	19.2
Cash flow to interest-bearing debt (years)	-	-	6.0	6.1	5.7
Interest coverage ratio (times)	-	-	16.2	16.0	13.3

Notes:

Equity ratio: Total equity/Total assets

Equity ratio based on market value: Market valuation/Total assets

Cash flow to interest-bearing debt: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest expenses

1. All indicators are calculated based on consolidated figures.
2. Cash flows from operating activities in the Consolidated Statements of Cash Flows are used for operating cash flow. Interest-bearing debt includes all liabilities recorded on the Consolidated Balance Sheets on which interest is paid. Interest paid in the Consolidated Statements of Cash Flows is used for interest expenses.
3. The cash flow to interest-bearing debt and interest coverage ratio for FY2020 and FY2021 are not stated because cash flows from operating activities were negative.

(4) Earnings Forecast for the Fiscal Year Ending December 31, 2025

Regarding the consolidated results forecast for the fiscal year ending December 31, 2025, the number of foreign visitors to Japan and private consumption are expected to remain strong. Based on these assumptions, we expect a gradual pickup in the spend per wedding, which has been slow in recovery, and a steady increase in the overnight occupancy rate and average charge per night. However, given the uncertainty around the recovery in the number of overseas weddings due to the continued depreciation of the yen as well as rapid fluctuations in exchange rates, it is still difficult to forecast the Group's performance figures.

As part of the measures we are focusing on, in the Wedding business, we will promote the expansion of the contract wedding business with wedding reception halls operated by other companies in the industry, while in the Studio Photo Park Business, we will promote photo weddings by opening new outlets and work to further increase the number of weddings handled. In the Hotel business, in cooperation with international brands, we will aim to expand our business areas and explore new investment opportunities, while also optimizing the balance between overnight occupancy rates and average charge per night by controlling prices in line with regional demand, leading to maximized profits.

Taking the above into account, for the fiscal year ending December 31, 2025, the Group forecasts consolidated net sales of ¥70,954 million (up 11.7% year on year), operating income of ¥8,800 million (up 18.8% year on year), ordinary income of ¥7,869 million (up 1.9% year on year), and profit attributable to owners of the parent of ¥5,268 million (up 2.3% year on year).

2. Basic Views on Adoption of Accounting Standards

The Group's financial statements are prepared in accordance with the accounting principles generally accepted in Japan (Japanese GAAP) for the time being, in consideration of the comparability between periods as well as with other companies. As to the possible future adoption of the International Financial Reporting Standards (IFRS), the Group will take appropriate measures going forward, taking various global and Japanese circumstances into consideration.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

	(millions of yen)	
	December 31, 2023	December 31, 2024
	Amount	Amount
Assets		
Current assets		
Cash and deposits	19,005	21,182
Accounts receivable - trade	1,705	2,040
Merchandise	161	181
Raw materials and supplies	390	483
Other	4,029	2,454
Allowance for doubtful receivables	(40)	(27)
Total current assets	25,249	26,315
Fixed assets		
Tangible assets		
Buildings and structures	60,304	69,137
Accumulated depreciation	(32,509)	(35,346)
Buildings and structures, net	27,795	33,790
Land	16,774	29,036
Construction in progress	743	622
Other	11,166	13,646
Accumulated depreciation	(9,998)	(11,504)
Other, net	1,168	2,142
Total tangible assets	46,481	65,592
Intangible assets		
Goodwill	745	789
Other	877	658
Total intangible assets	1,622	1,448
Investments and other assets		
Investment securities	4,806	4,673
Investments in affiliated companies	1,223	1,188
Lease and guarantee deposits	7,051	6,898
Deferred tax assets	5,544	4,542
Other	1,147	1,061
Allowance for doubtful receivables	(128)	(141)
Total investments and other assets	19,644	18,221
Total fixed assets	67,747	85,262
Deferred assets		
Bond issuance costs	153	131
Other	3	2
Total deferred assets	157	133
Total assets	93,154	111,711

	(millions of yen)	
	December 31, 2023	December 31, 2024
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable - trade	1,947	2,498
Current portion of long-term debt	7,118	8,513
Current portion of bonds	994	694
Income taxes payable	615	1,105
Advances received	3,080	3,616
Allowance for loss on shop closing	260	-
Other	4,296	4,448
Total current liabilities	18,312	20,877
Fixed liabilities		
Bonds	4,709	4,014
Long-term debt	36,391	46,183
Net defined benefit liability	409	441
Provision for directors' retirement benefits	1,005	1,053
Asset retirement obligations	4,549	4,578
Other	348	531
Total fixed liabilities	47,413	56,803
Total liabilities	65,726	77,680
Net assets		
Shareholders' equity		
Capital stock	472	472
Capital surplus	634	634
Retained earnings	26,393	31,064
Treasury stock	(892)	(892)
Total shareholders' equity	26,606	31,277
Accumulated other comprehensive income		
Deferred gain (loss) on derivatives under hedge accounting	99	305
Foreign currency translation adjustments	488	648
Remeasurements of defined benefit plan	2	0
Total accumulated other comprehensive income	589	954
Non-controlling interests	231	1,798
Total net assets	27,428	34,030
Total liabilities and net assets	93,154	111,711

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

	(millions of yen)	
	Year ended December 31, 2023	Year ended December 31, 2024
	Amount	Amount
Net sales	57,474	63,545
Cost of sales	35,818	37,985
Gross profit (loss)	21,655	25,559
Selling, general and administrative expenses	16,314	18,151
Operating income	5,341	7,408
Non-operating income		
Interest income	183	167
Surrender value of insurance	-	170
Gain on investments in silent partnership	151	155
Foreign exchange gains	596	1,043
Other	228	83
Total non-operating income	1,159	1,620
Non-operating expenses		
Interest expenses	511	829
Share of loss of entities accounted for using equity method	173	160
Commissions paid	1	175
Other	72	138
Total non-operating expenses	758	1,303
Ordinary income	5,742	7,726
Extraordinary income		
Compensation income	700	-
Gain on sales of fixed assets	0	0
Gain on step acquisitions	-	1,058
Gain on reversal of asset retirement obligations	146	-
Total extraordinary income	846	1,058
Extraordinary loss		
Loss on disposal of fixed assets	75	4
Loss on sales of fixed assets	4	1
Impairment loss	175	844
Shop closing expenses	65	240
Provision of allowance for loss on shop closing	260	-
Other	14	-
Total extraordinary loss	595	1,089
Profit (loss) before income taxes	5,993	7,694
Income taxes-current	1,071	1,639
Income taxes-deferred	195	959
Total income taxes	1,266	2,598
Profit (loss)	4,727	5,095
Loss attributable to non-controlling interests	(2)	(52)
Profit attributable to owners of the parent	4,730	5,147

Consolidated Statements of Comprehensive Income

	Year ended December 31, 2023	Year ended December 31, 2024
	Amount	Amount
Profit (loss)	4,727	5,095
Other comprehensive income		
Deferred gain (loss) on derivatives under hedge accounting	(72)	206
Foreign currency translation adjustments	39	184
Remeasurements of defined benefit plan	8	(1)
Share of other comprehensive income of entities accounted for using equity method	115	-
Total other comprehensive income	91	388
Comprehensive income	4,819	5,484
(Breakdown)		
Comprehensive income attributable to owners of the parent	4,806	5,513
Comprehensive income attributable to non-controlling interests	12	(28)

(3) Consolidated Statements of Changes in Net Assets

Year ended December 31, 2023 (January 1 to December 31, 2023)

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of term	472	634	22,140	(892)	22,353
Changes during term					
Dividend of surplus			(477)		(477)
Profit attributable to owners of the parent			4,730		4,730
Net changes in items other than shareholders' equity					
Total changes during term	-	-	4,253	-	4,253
Balance at end of term	472	634	26,393	(892)	26,606

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plan	Total accumulated other comprehensive income		
Balance at beginning of term	171	347	(5)	513	219	23,086
Changes during term						
Dividend of surplus						(477)
Profit attributable to owners of the parent						4,730
Net changes in items other than shareholders' equity	(72)	140	8	76	12	89
Total changes during term	(72)	140	8	76	12	4,342
Balance at end of term	99	488	2	589	231	27,428

Year ended December 31, 2024 (January 1 to December 31, 2024)

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of term	472	634	26,393	(892)	26,606
Changes during term					
Dividend of surplus			(477)		(477)
Profit attributable to owners of the parent			5,147		5,147
Net changes in items other than shareholders' equity					
Total changes during term	-	-	4,670	-	4,670
Balance at end of term	472	634	31,064	(892)	31,277

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasurements of defined benefit plan	Remeasurements of defined benefit plan		
Balance at beginning of term	99	488	2	589	231	27,428
Changes during term						
Dividend of surplus						(477)
Profit attributable to owners of the parent						5,147
Net changes in items other than shareholders' equity	206	160	(1)	365	1,566	1,931
Total changes during term	206	160	(1)	365	1,566	6,602
Balance at end of term	305	648	0	954	1,798	34,030

(4) Consolidated Statements of Cash Flows

	(millions of yen)	
	Year ended December 31, 2023	Year ended December 31, 2024
	Amount	Amount
Cash flows from operating activities		
Profit (loss) before income taxes	5,993	7,694
Depreciation and amortization	3,666	3,616
Impairment loss	175	844
Amortization of goodwill	298	277
Amortization of bond issuance expenses	29	21
Loss on disposal of fixed assets	75	4
Increase (decrease) in allowance for loss on shop closing	197	(260)
Increase (decrease) in provision for directors' retirement benefits	51	47
Increase (decrease) in allowance for doubtful receivables	(12)	(13)
Increase (decrease) in net defined benefit liability	7	26
Interest and dividend income	(183)	(167)
Interest expenses	511	829
Share of loss (profit) of entities accounted for using equity method	173	160
(Gain) loss on sales of fixed assets	4	1
Shop closing expenses	65	240
(Gain) loss on investments in silent partnerships	(151)	(155)
Compensation income	(700)	-
(Gain) loss on step acquisitions	-	(1,058)
Foreign exchange (gain) loss	(550)	(726)
(Increase) decrease in notes and accounts receivable - trade	(224)	(272)
(Increase) decrease in inventories	(2)	(79)
Increase (decrease) in notes and accounts payable - trade	(161)	457
Increase (decrease) in advances received	(36)	376
Increase (decrease) in accrued consumption taxes	(443)	(98)
(Increase) decrease in other assets	75	816
Increase (decrease) in other liabilities	128	(533)
Other	1	93
Sub total	8,989	12,141
Interest and dividends received	185	158
Interest paid	(505)	(783)
Proceeds from compensation	700	-
Income taxes paid	(1,295)	(1,122)
Net cash provided by (used in) operating activities	8,075	10,394

	(millions of yen)	
	Year ended December 31, 2023	Year ended December 31, 2024
	Amount	Amount
Cash flows from investing activities		
Purchase of tangible assets	(8,976)	(10,430)
Proceeds from sales of tangible assets	1	0
Purchase of intangible assets	(6)	(70)
Purchase of investment securities	(253)	(1,196)
Proceeds from withdrawal of investment in silent partnership	189	190
Loans receivable	(2,400)	(228)
Collection of loans receivable	0	2,588
Lease and guarantee deposits	(552)	(134)
Collection of lease and guarantee deposits	569	247
Purchase of subsidiaries' shares resulting in change in the scope of consolidation	-	(2,600)
Other	(335)	502
Net cash provided by (used in) investing activities	<u>(11,764)</u>	<u>(11,132)</u>
Cash flows from financing activities		
Proceeds from long-term debt	10,220	18,813
Repayments of long-term debt	(7,539)	(14,693)
Payments for redemption of bonds	(964)	(994)
Dividends paid to shareholders	(476)	(476)
Proceeds from non-controlling interests due to establishment of consolidated subsidiary	-	327
Other	(70)	(245)
Net cash provided by (used in) financing activities	<u>1,169</u>	<u>2,730</u>
Foreign currency translation adjustments on cash and cash equivalents	287	185
Net increase (decrease) in cash and cash equivalents	<u>(2,232)</u>	<u>2,177</u>
Cash and cash equivalents, beginning of period	21,149	18,916
Cash and cash equivalents, end of period	18,916	21,094

(5) Notes on Consolidated Financial Statements

(Note on the Going-concern Assumption)

Not applicable

(Changes in Significant Subsidiaries During the Period)

1. Significant changes in the scope of consolidation

In fiscal 2024, BT KALAKAUA, LLC, which was an equity method affiliate, was removed from the scope of equity method application and included in the scope of consolidation after the Company acquired a portion of the equity interest in it. In addition, TGH-GEM LP, TGH-GEM Glass House LP and TGH Palladian LP are included in the scope of consolidation as they were newly established, and a silent partnership operated by a limited liability company, Hotel Tennozu SPC LLC, is also included in the scope of consolidation due to investment.

2. Significant change in scope of equity method application

In fiscal 2024, BT KALAKAUA, LLC, which was an equity method affiliate, was removed from the scope of equity method application after the Company acquired a portion of the equity interest in it.

(Changes in Presentation)

(Consolidated Balance Sheets)

Investments in affiliated companies, which were included in "Investment securities" under "Investments and other assets" in the fiscal year ended December 31, 2023, are presented as "Investments in affiliated companies" from the fiscal year ended December 31, 2024 (¥1,223 million in fiscal 2023) in order to present the actual status of investments more appropriately. To reflect this change in presentation, the consolidated financial statements for fiscal 2023 have been reclassified.

(Consolidated Statements of Income)

"Subsidy income," which was included in "Non-operating income" in the fiscal year ended December 31, 2023 (¥20 million in fiscal 2023) is included in "Other" under "Non-operating income" from the fiscal year ended December 31, 2024, due to its lack of materiality in terms of amount.

"Commissions paid," which were included in "Other" under "Non-operating expenses" in the fiscal year ended December 31, 2023 (¥1 million in fiscal 2023), exceeded 10/100 of the total amount of "Non-operating expenses," and is therefore presented separately from the fiscal year ended December 31, 2024.

(Segment Information)

1. Overview of reportable segment

The Group's reportable segments are components of the Group for which separate financial information is available. These segments are subject to periodic examinations to enable the Company's board of directors to decide how to allocate resources and assess performance.

The Group's operations are classified into three reportable segments: the "Wedding business" that provides services such as planning and operation related to wedding ceremonies and banquets in Japan and overseas, the "Hotel business" that offers the management of hotel weddings and banquets, and provision of hotel accommodation services, and the "W&R business" that provides reflexology services and management of a spa complex and a comprehensive fitness club.

The "Wedding business" comprises outlet management in Japan and sales to customers, provision of food and drinks at wedding banquets, dress rental and beauty care services, as well as management of wedding venues and operations for weddings and banquets in Hawaii and Bali, mainly for customers who book through the Group's sales salons in Japan.

The "Hotel business" offers the management of hotel weddings and banquets, and provision of hotel accommodation services at the "Hotel InterContinental Tokyo Bay," "The Strings by InterContinental Tokyo," "The Strings Hotel Nagoya," and at "Kimpton Shinjuku Tokyo." In addition, the Company started offering banquet and accommodation services at the "Kaimana Beach Hotel" and the "Kimpton Palladian Hotel" from fiscal 2024.

The “W&R business” operates a British-style reflexology salon, “Queensway,” with a high level of skills and sophisticated know-how of attending to customers, as well as managing a spa complex, “Beauty & Relax SPA-HERBS,” and “BEST STYLE FITNESS” comprehensive fitness clubs.

2. Calculation of net sales, income/loss, assets, and other items by reportable segment
Accounting methods applied in the reportable business segments are in accordance with the accounting policies that are adopted for the preparation of consolidated financial statements. Reportable segment income is based on operating income.
Intersegment sales and transfers are based on market price.
3. Net sales, income/loss, assets, and other items by reportable segment and information on disaggregation of revenue

Year ended December 31, 2023 (January 1 to December 31, 2023)

(millions of yen)

	Reportable segment				Adjustments (note 1)	Amount recorded on consolidated financial statements (note 2)
	Wedding business	Hotel business	W&R business	Total		
Net sales						
Revenue from contracts with customers	34,184	20,301	2,933	57,418	-	57,418
Other revenue	55	-	-	55	-	55
Sales to outside customers	34,240	20,301	2,933	57,474	-	57,474
Inter-segment sales and transfers	2,056	1,012	32	3,101	(3,101)	-
Total	36,297	21,313	2,966	60,576	(3,101)	57,474
Segment income (loss)	4,929	2,386	(113)	7,201	(1,860)	5,341
Segment assets	35,850	32,766	1,985	70,602	22,552	93,154
Other items						
Depreciation and amortization	1,758	1,709	141	3,609	57	3,666
Amortization of goodwill	58	128	111	298	-	298
Increase in tangible and intangible assets	8,451	304	46	8,802	177	8,980

Notes: 1. Details of adjustments are as follows:

- (1) The minus 1,860 million yen adjustment for segment income (loss) includes a 23 million yen elimination of inter-segment sales and minus 1,883 million yen of 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) The 22,552 million yen adjustment for segment assets comprises corporate assets that are not allocated to each reportable segment. Unallocated corporate assets consist mainly of cash and deposits held by the Company which are not attributable to reportable segments.
- (3) The 57 million yen adjustment for depreciation and amortization comprises depreciation/amortization for corporate assets that are not allocated to each reportable segment.
- (4) The 177 million yen adjustment for increase in tangible and intangible assets comprises investments in corporate assets that are not allocated to each reportable segment.

2. Segment income (loss) is adjusted to correspond with operating income reported on the consolidated statements of income.

Year ended December 31, 2024 (January 1 to December 31, 2024)

(millions of yen)

	Reportable segment				Adjustments (note 1)	Amount recorded on consolidated financial statements (note 2)
	Wedding business	Hotel business	W&R business	Total		
Net sales						
Revenue from contracts with customers	35,538	24,877	2,948	63,364	-	63,364
Other revenue	180	-	-	180	-	180
Sales to outside customers	35,719	24,877	2,948	63,545	-	63,545
Inter-segment sales and transfers	2,084	931	10	3,026	(3,026)	-
Total	37,803	25,808	2,959	66,571	(3,026)	63,545
Segment income	5,781	3,673	100	9,555	(2,146)	7,408
Segment assets	35,163	52,164	1,753	89,081	22,630	111,711
Other items						
Depreciation and amortization	1,576	1,809	134	3,520	95	3,616
Amortization of goodwill	50	196	30	277	-	277
Increase in tangible and intangible assets	2,590	22,235	19	24,845	216	25,062

Notes: 1. Details of adjustments are as follows:

- (1) The minus 2,146 million yen adjustment for the segment income includes a minus 17 million yen elimination of inter-segment sales and minus 2,129 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) The 22,630 million yen adjustment for segment assets comprises corporate assets that are not allocated to each reportable segment. Unallocated corporate assets consist mainly of cash and deposits held by the Company which are not attributable to reportable segments.
 - (3) The 95 million yen adjustment for depreciation and amortization comprises depreciation and amortization for corporate assets that are not allocated to each reportable segment.
 - (4) The 216 million yen adjustment for increase in tangible and intangible assets comprises investments in corporate assets that are not allocated to each reportable segment.
2. Segment income (loss) is adjusted to correspond with operating income reported on the consolidated statements of income.

(Per Share Information)

	Year ended December 31, 2023	Year ended December 31, 2024
Net assets per share	570.16 yen	675.73 yen
Profit per share	99.16 yen	107.92 yen

Notes: 1. Diluted profit per share is not disclosed as there were no dilutive shares.

2. The calculation base for profit (loss) per share is as follows:

	Year ended December 31, 2023	Year ended December 31, 2024
Profit attributable to owners of the parent (millions of yen)	4,730	5,147
Amount not attributable to common stockholders (millions of yen)	-	-
Profit attributable to common stock of owners of the parent (millions of yen)	4,730	5,147
Average number of common stock outstanding during the term (shares)	47,700,166	47,700,166

(Significant Subsequent Events)

Not applicable

4. Other

(1) Changes in Officers

Not applicable

(2) Weddings Held and Orders Received

1) Number of weddings held

	Year ended December 31, 2023	Year ended December 31, 2024
Segment	Number of weddings held (cases)	Number of weddings held (cases)
Wedding business	10,462	9,404
Hotel business	1,708	1,641
Annual total	12,170	11,045

2) Wedding orders received

	Year ended December 31, 2023		Year ended December 31, 2024	
Segment	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)
Wedding business	10,013	5,531	10,047	6,174
Hotel business	1,699	1,111	1,714	1,184
Annual total	11,712	6,642	11,761	7,358