

February 10, 2026

Tsukada Global Holdings Inc.
Consolidated Earnings Report for the Fiscal Year Ended December 31, 2025
(Japanese GAAP)

Stock listing: Tokyo Stock Exchange
 URL: <https://www.tsukada-global.holdings>
 Representative: Masayuki Tsukada, President and CEO
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 Scheduled date of annual general meeting of shareholders:
 Commence dividend payments:
 Filing securities report:
 Supplementary material on financial results: Yes
 Year-end earnings presentation held: Yes: (targeted at institutional investors and analysts)

Securities code: 2418

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March 30, 2026

March 31, 2026

March 25, 2026

(Amounts rounded down to the nearest million yen)

1. Consolidated Performance for the Fiscal Year Ended December 31, 2025 (January 1, 2025, to December 31, 2025)

(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, 2025	73,095	15.0	9,540	28.8	7,494	(3.0)	4,768	(7.4)
Year ended December 31, 2024	63,545	10.6	7,408	38.7	7,726	34.5	5,147	8.8

(Note) Comprehensive income For the fiscal year ended December 31, 2025: 5,588 million yen (1.9%)
 For the fiscal year ended December 31, 2024: 5,484 million yen (13.8%)

	Profit per share	Diluted earnings per share	Return on Equity	Return on Assets	Operating profit margin
	Yen	Yen	%	%	%
Year ended December 31, 2025	100.62	-	13.7	6.0	13.1
Year ended December 31, 2024	107.92	-	17.3	7.5	11.7

Reference: Equity in earnings (losses) of affiliates: Year ended December 31, 2025: (0) million yen
 Year ended December 31, 2024: (160) million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	Yen
December 31, 2025	140,138	39,792	26.6	785.95
December 31, 2024	111,711	34,030	28.9	675.73

Reference: Total equity December 31, 2025 37,212 million yen
 December 31, 2024 32,232 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	%	Yen
Year ended December 31, 2025	10,340	(7,258)	3,597	27,903
Year ended December 31, 2024	10,394	(11,132)	2,730	21,094

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			
	Yen	Yen	Yen	Yen	Yen	million yen	%	%
Year ended December 31, 2024	-	5.00	-	6.00	11.00	524	10.2	1.8
Year ended December 31, 2025	-	5.00	-	6.00	12.00	568	11.9	1.6
Year ending December 31, 2026 (Forecast)	-	6.00	-	7.00	14.00		11.0	

3. Earnings Forecast for the Fiscal Year Ending December 31, 2026 (January 1, 2026, to December 31, 2026)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2026	37,090	9.9	3,690	(4.7)	3,044	31.6	2,092	(52.3)	44.16
Year ending December 31, 2026	77,797	6.4	10,095	5.8	8,814	17.6	6,014	26.1	126.91

*Notes

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

Newly Consolidated: Three companies

(Company name) Victory Hotel Dunhill HN Investors LLC, Victory Dunhill Hotel Mezz LLC, and Victory Dunhill Hotel HN LLC

(2) 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

(3) Number of issued shares (common shares)

	Year ended December 31, 2025	Year ended December 31, 2024
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	1,613,534	1,259,834
3) Average number of shares outstanding during the period	47,391,633	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 6 in the accompanying materials.

(Presentation Handout Materials)

The Company has scheduled an earnings presentation targeted at institutional investors and analysts on February 16, 2026.

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, 2025, the Japanese economy was on a moderate recovery path, supported by a pick-up in capital investment and consumer spending, as well as signs of improvement in employment conditions. However, the outlook remains uncertain due to the presence of downside risks to the economy, such as rising consumer prices and U.S. trade policy, as well as the impact of volatility in foreign exchange markets.

Amidst this environment, the Tsukada Global Holdings Group (“the Group”) focused on creating new value, developing high-quality and attractive outlets, and providing high-value-added services in the bridal, hotel, and wellness and relaxation (W&R) markets. The Group also responded proactively to diversifying customer needs and worked to expand net sales and improve profitability.

In the Hotel business, the number of foreign visitors to Japan reached a record annual high of 42 million on a cumulative basis according to the December 2025 estimate (up 15.8% year on year; Japan National Tourism Organization, “Number of Foreign Visitors to Japan (Estimated for December 2025)”) and has continued to remain at a high level. As a result, domestic luxury hotels, including “Hotel InterContinental Tokyo Bay” (Minato-ku, Tokyo), remained stable on the whole. As for “Kaimana Beach Hotel” (Hawaii, U.S.) and “Kimpton Palladian Hotel” (Washington, U.S.), which were acquired last year, we worked to improve profitability by implementing further revenue management and cost control. In April 2025, the Company opened “ANA Holiday Inn Tokyo Bay” (Shinagawa-ku, Tokyo), its fifth facility in Japan, and acquired “W Hotel Dallas Victory” (Texas, U.S.) in May of the same year, focusing on expanding its business portfolio and strengthening its operating base in the U.S. market.

In the Wedding business, the number of weddings held was 9,387 (down 0.2% year on year), a slight decrease due to the closure of some facilities, but the average wedding price has been gradually recovering. On the other hand, the number of orders decreased to 8,880 (down 11.6% year on year) due to the impact of the closure of unprofitable stores and closures for renovations. In addition, the situation for overseas weddings remains difficult in some areas due to the slow recovery in the number of Japanese traveling overseas, partly as a result of unfavorable exchange rates.

In the W&R business, the closing of unprofitable outlets last year helped stabilize earnings and enabled us to return to profitability.

As a result, net sales for the current fiscal year were ¥73,095 million (up 15.0% year on year), and in terms of profits, operating income was ¥9,540 million (up 28.8% year on year), while ordinary income was ¥7,494 million (down 3.0% year on year) due to the recording of interest expenses of ¥1,526 million associated with increased interest-bearing debt. Additionally, under extraordinary income, we recorded a gain of ¥1,259 million related to the step acquisition of equity interests in Victory Dunhill Hotel HN LLC and others, the operating company of the previously mentioned W Hotel Dallas Victory, as well as a gain on bargain purchase of ¥1,033 million. Meanwhile, under extraordinary losses, the Company recorded a loss on valuation of investment securities of ¥2,571 million. This impairment loss was recognized after carefully reviewing the performance trends and business plans of certain investee companies and reassessing the fair value of the securities held. As a result, profit attributable to owners of the parent totaled ¥4,768 million, down 7.4% year on year.

(Consolidated Statement of Income)

	FY2024	FY2025	Change	Percentage change
Net sales (million yen)	63,545	73,095	9,550	15.0%
Operating income (million yen)	7,408	9,540	2,131	28.8%
Ordinary income (million yen)	7,726	7,494	(231)	(3.0%)
Profit attributable to owners of the parent (million yen)	5,147	4,768	(379)	(7.4%)
Net income per share (yen)	107.92	100.62	(7.30)	(6.8%)

Results by segment are as follows:

1) Wedding business

During the current fiscal year, the number of weddings performed decreased slightly to 9,387 (down 0.2% year on year) due to partial suspensions caused by store renovations and closure of stores. However, the average price per wedding continued its gradual recovery, resulting in an increase in net sales. In terms of profits, the recovery in the unit price of wedding services absorbed higher raw material prices, including energy costs and outsourcing costs.

As a result, net sales in the Wedding business totaled ¥38,800 million (up 8.6% year on year) and segment income was ¥7,314 million (up 26.5%).

2) Hotel business

During the current fiscal year, the number of hotel weddings held slightly decreased to 1,612 (down 1.8% year on year). However, the sales contribution of the two U.S. facilities acquired last year and the impact of the record-high number of foreign visitors to Japan contributed to steady occupancy rates and ADR (Average Daily Rate) at domestic luxury hotels. Meanwhile, the initial costs incurred for the ANA Holiday Inn Tokyo Bay, which opened in April of this year, pushed down the profit growth rate.

As a result, net sales in the Hotel business totaled ¥31,345 million (up 26.0% year on year), and segment income was ¥4,355 million (up 18.5% year on year).

3) W&R business

During the current fiscal year, the British-style reflexology salons “Queensway” were affected by the closure of unprofitable outlets implemented last year. However, the hot spring complex “Beauty & Relax SPA-HERB” ranked first in the “Nifty Onsen Annual Ranking” for the sixth consecutive year, and the number of visitors and food and beverage sales reached record highs, resulting in a slight increase in net sales. Segment income exceeded the same period last year due to the closure of unprofitable outlets.

As a result, net sales in the W&R business totaled ¥2,949 million (up 0.0% year on year) and segment income was ¥169 million (up 69.2% year on year).

(Segment Information)

(Millions of yen)

	FY2024	FY2025	Change	Percentage change
Net sales	63,545	73,095	9,550	15.0%
Wedding business	35,719	38,800	3,081	8.6%
Hotel business	24,877	31,345	6,468	26.0%
W&R business	2,948	2,949	0	0.0%
Segment income	7,408	9,540	2,131	28.8%
Wedding business	5,781	7,314	1,533	26.5%
Hotel business	3,673	4,355	681	18.5%
W&R business	100	169	69	69.2%
Company-wide expenses and others	(2,146)	(2,299)	(152)	-

(2) Analysis of Financial Condition

(Assets)

Total assets at the end of fiscal 2025 (December 31, 2025) amounted to ¥140,138 million, an increase of ¥28,426 million from the end of the previous fiscal year (December 31, 2024). This was mainly due to an increase of ¥26,728 million in buildings and structures related to the W Hotel Dallas Victory and ANA Holiday Inn Tokyo Bay, which were newly included in the scope of consolidation from the current fiscal year.

(Liabilities)

Total liabilities at the end of fiscal 2025 came to ¥100,345 million, an increase of ¥22,664 million from the end of the previous fiscal year. This was mainly due to an increase of ¥14,565 million in long-term debt (including the current portion) and an increase of ¥3,750 million in bonds payable (including the current portion) associated with the acquisition of the above two facilities.

(Net assets)

Total net assets at the end of fiscal 2025 totaled ¥39,792 million, an increase of ¥5,762 million from the end of the previous fiscal year. This was mainly due to an increase of ¥4,198 million in retained earnings due to the recording of profit attributable to owners of the parent among others.

(Consolidated Balance Sheet)

(Millions of yen)

	FY2024	FY2025	Change	Percentage change
Total assets	111,711	140,138	28,426	25.4%
Current assets	26,315	34,150	7,834	29.8%
Fixed assets	85,262	105,766	20,504	24.0%
Deferred assets	133	221	87	65.5%
Total liabilities	77,680	100,345	22,664	29.2%
Current liabilities	20,877	24,695	3,818	18.3%
Fixed liabilities	56,803	75,649	18,846	33.2%
Total net assets	34,030	39,792	5,762	16.9%

(3) Overview of Cash Flows

Cash and cash equivalents (“cash”) at the end of fiscal 2025 totaled ¥27,903 million, an increase of ¥6,808 million from the end of the previous fiscal year.

The status of cash flows and factors behind changes in the cash flows in fiscal 2025 are as follows:

(Cash flows from operating activities)

Cash provided by operating activities totaled ¥10,340 million (down 0.5% year on year). The change is mainly due to net income before income taxes of ¥7,139 million and depreciation and amortization of ¥4,171 million.

(Cash flows from investing activities)

Cash used in investing activities totaled ¥7,258 million (compared with ¥11,132 million a year earlier). This was mainly due to ¥3,459 million in purchases of property, plant and equipment associated with capital investment and ¥3,407 million in purchases of shares of subsidiaries resulting in a change in the scope of consolidation.

(Cash flows from financing activities)

Cash provided by financing activities totaled ¥3,597 million (up 31.7% year on year). This was mainly due to proceeds from long-term borrowings of ¥26,623 million and proceeds from issuance of bonds of ¥4,875 million, despite expenditures of ¥25,480 million for the repayment of long-term borrowings and ¥1,205 million for the redemption of bonds.

(Consolidated Statement of Cash Flows)

(Millions of yen)

	FY2024	FY2025	Change	Percentage change
Cash flows from operating activities	10,394	10,340	(53)	(0.5%)
Cash flows from investing activities	(11,132)	(7,258)	3,874	-
Cash flows from financing activities	2,730	3,597	866	31.7%
Cash and cash equivalents at end of period	21,094	27,903	6,808	32.3%

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

	FY2021	FY2022	FY2023	FY2024	FY2025
Equity ratio (%)	22.5	26.1	29.2	28.9	26.6
Equity ratio based on market value (%)	16.3	19.8	19.9	19.2	19.8
Cash flow to interest-bearing debt (years)	-	6.0	6.1	5.7	7.5
Interest coverage ratio (times)	-	16.2	16.0	13.3	6.7

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 Statement 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 Statement of Cash Flows is used for interest expenses.

3. The cash flow to interest-bearing debt ratio and interest coverage ratio for the fiscal year ended December 2021 are not stated because cash flows from operating activities were negative.

(4) Earnings Forecast for the Fiscal Year Ending December 31, 2026

For the Hotel business, although the number of foreign visitors to Japan remains uncertain due to travel restrictions and policy developments in China, the overall business environment is expected to remain generally favorable and there are signs of a recovery in personal consumption. As such, we expect the business to remain strong. Based on these factors, we expect that the currently strong occupancy rate and ADR in the Hotel business will remain stable. In addition, ARPW in the Wedding business, which has shown signs of recovery, is also expected to remain stable. However, the nationwide drop in the number of marriages and the declining birthrate continue to make it difficult to formulate earnings forecasts.

As for the Wedding business, we will work to strengthen our order base by expanding our wedding contract business and increasing the number of photo wedding stores, and we will also aim to improve the ARPW (Average Revenue per Wedding) and profitability by promoting value-creation-oriented management. In the Hotel business, we aim to expand our business area through collaboration with international brands, while also promoting enhanced profitability through strengthening our management structure and improving service quality.

Taking the above into account, for the fiscal year ending December 31, 2026, the Group forecasts consolidated net sales of ¥77,797 million (up 6.4% year on year), operating income of ¥10,095 million (up 5.8% year on year), ordinary income of ¥8,814 million (up 17.6% year on year), and profit attributable to owners of the parent of ¥6,014 million (up 26.1% 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, 2024	December 31, 2025
	Amount	Amount
Assets		
Current assets		
Cash and deposits	21,182	27,991
Accounts receivable - trade	2,040	2,745
Merchandise	181	173
Raw materials and supplies	483	565
Other	2,454	2,714
Allowance for doubtful receivables	(27)	(40)
Total current assets	26,315	34,150
Fixed assets		
Tangible assets		
Buildings and structures	69,137	95,866
Accumulated depreciation	(35,346)	(39,866)
Buildings and structures, net	33,790	55,999
Land	29,036	29,711
Construction in progress	622	1,010
Other	13,646	16,303
Accumulated depreciation	(11,504)	(13,596)
Other, net	2,142	2,706
Total tangible assets	65,592	89,428
Intangible assets		
Goodwill	789	523
Other	658	807
Total intangible assets	1,448	1,330
Investments and other assets		
Investment securities	4,673	1,432
Investments in affiliated companies	1,188	1,153
Lease and guarantee deposits	6,898	6,907
Deferred tax assets	4,542	3,476
Other	1,061	2,178
Allowance for doubtful receivables	(141)	(140)
Total investments and other assets	18,221	15,007
Total fixed assets	85,262	105,766
Deferred assets		
Bond issuance costs	131	171
Other	2	50
Total deferred assets	133	221
Total assets	111,711	140,138

	(millions of yen)	
	December 31, 2024	December 31, 2025
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable - trade	2,498	2,510
Current portion of long-term debt	8,513	10,915
Current portion of bonds	694	753
Income taxes payable	1,105	1,235
Advances received	3,616	3,928
Other	4,448	5,351
Total current liabilities	20,877	24,695
Fixed liabilities		
Bonds	4,014	7,706
Long-term debt	46,183	58,346
Net defined benefit liability	441	443
Provision for directors' retirement benefits	1,053	1,096
Asset retirement obligations	4,578	4,594
Other	531	3,463
Total fixed liabilities	56,803	75,649
Total liabilities	77,680	100,345
Net assets		
Shareholders' equity		
Capital stock	472	472
Capital surplus	634	634
Retained earnings	31,064	35,262
Treasury stock	(892)	(1,092)
Total shareholders' equity	31,277	35,276
Accumulated other comprehensive income		
Deferred gain (loss) on derivatives under hedge accounting	305	820
Foreign currency translation adjustments	648	1,115
Remeasurements of defined benefit plan	0	0
Total accumulated other comprehensive income	954	1,936
Non-controlling interests	1,798	2,580
Total net assets	34,030	39,792
Total liabilities and net assets	111,711	140,138

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

	(millions of yen)	
	Year ended December 31, 2024	Year ended December 31, 2025
	Amount	Amount
Net sales	63,545	73,095
Cost of sales	37,985	42,564
Gross profit (loss)	25,559	30,531
Selling, general and administrative expenses	18,151	20,991
Operating income	7,408	9,540
Non-operating income		
Interest income	167	120
Surrender value of insurance	170	-
Gain on investments in silent partnership	155	155
Foreign exchange gains	1,043	-
Other	83	274
Total non-operating income	1,620	551
Non-operating expenses		
Interest expenses	829	1,526
Share of loss of entities accounted for using equity method	160	-
Commissions paid	175	662
Loss on investments in capital	57	260
Other	81	147
Total non-operating expenses	1,303	2,597
Ordinary income	7,726	7,494
Extraordinary income		
Gain on sales of fixed assets	0	4
Gain on step acquisitions	1,058	1,259
Gain on bargain purchase	-	1,033
Other	-	122
Total extraordinary income	1,058	2,420
Extraordinary loss		
Loss on disposal of fixed assets	4	9
Loss on sales of fixed assets	1	1
Loss on valuation of investment securities	-	2,571
Impairment loss	844	31
Loss on store closures	240	71
Other	-	90
Total extraordinary loss	1,089	2,776
Profit (loss) before income taxes	7,694	7,139
Income taxes-current	1,639	1,746
Income taxes-deferred	959	837
Total income taxes	2,598	2,583
Profit (loss)	5,095	4,555
Loss attributable to non-controlling interests	(52)	(213)
Profit attributable to owners of the parent	5,147	4,768

Consolidated Statement of Comprehensive Income

	Year ended December 31, 2024	Year ended December 31, 2025
	Amount	Amount
Profit (loss)	5,095	4,555
Other comprehensive income		
Deferred gain (loss) on derivatives under hedge accounting	206	514
Foreign currency translation adjustments	184	519
Remeasurements of defined benefit plans	(1)	(0)
Total other comprehensive income	388	1,033
Comprehensive income	5,484	5,588
(Breakdown)		
Comprehensive income attributable to owners of the parent	5,513	5,749
Comprehensive income attributable to non-controlling interests	(28)	(160)

(3) Consolidated Statement of Changes in Net Assets

Year ended December 31, 2024 (From January 1, 2024, 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	Total accumulated other comprehensive income		
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

Year ended December 31, 2025 (From January 1, 2025, to December 31, 2025)

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of term	472	634	31,064	(892)	31,277
Changes during term					
Dividend of surplus			(570)		(570)
Profit attributable to owners of the parent			4,768		4,768
Purchase of treasury stock				(199)	(199)
Net changes in items other than shareholders' equity					
Total changes during term	-	-	4,198	(199)	3,998
Balance at end of term	472	634	35,262	(1,092)	35,276

	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	305	648	0	954	1,798	34,030
Changes during term						
Dividend of surplus						(570)
Profit attributable to owners of the parent						4,768
Purchase of treasury stock						(199)
Net changes in items other than shareholders' equity	514	467	(0)	981	782	1,763
Total changes during term	514	467	(0)	981	782	5,762
Balance at end of term	820	1,115	0	1,936	2,580	39,792

(4) Consolidated Statement of Cash Flows

	(millions of yen)	
	Year ended December 31, 2024	Year ended December 31, 2025
	Amount	Amount
Cash flows from operating activities		
Profit (loss) before income taxes	7,694	7,139
Depreciation and amortization	3,616	4,171
Impairment loss	844	31
Amortization of goodwill	277	266
Amortization of bond issuance expenses	21	65
Loss on disposal of fixed assets	4	9
Increase (decrease) in allowance for loss on shop closing	(260)	34
Increase (decrease) in provision for directors' retirement benefits	47	43
Increase (decrease) in allowance for doubtful receivables	(13)	13
Increase (decrease) in net defined benefit liability	26	3
Interest and dividend income	(167)	(120)
Interest expenses	829	1,526
Share of loss (profit) of entities accounted for using equity method	160	-
Commissions paid	175	662
(Gain) loss on sales of fixed assets	1	(3)
Loss on store closures	240	71
(Gain) loss on investments in silent partnerships	(155)	(155)
(Gain) loss on step acquisitions	(1,058)	(1,259)
Gain on bargain purchase	-	(1,033)
Net unrealized gains (losses) on investment securities	-	2,571
Foreign exchange gains (losses)	(726)	(293)
(Increase) decrease in notes and accounts receivable - trade	(272)	(571)
(Increase) decrease in inventories	(79)	(49)
Increase (decrease) in notes and accounts payable - trade	457	(51)
Increase (decrease) in advances received	376	(104)
Increase (decrease) in accrued consumption taxes	(98)	124
(Increase) decrease in other assets	816	170
Increase (decrease) in other liabilities	(533)	278
Other	(81)	258
Subtotal	12,141	13,799
Interest and dividends received	158	109
Interest paid	(783)	(1,551)
Income taxes paid	(1,122)	(2,016)
Cash flows from operating activities	10,394	10,340

	(millions of yen)	
	Year ended December 31, 2024	Year ended December 31, 2025
	Amount	Amount
Cash flows from investing activities		
Purchases of tangible assets	(10,430)	(3,459)
Proceeds from sales of tangible assets	0	5
Purchase of intangible assets	(70)	(231)
Purchase of investment securities	(1,196)	-
Proceeds from withdrawal of investment in silent partnership	190	190
Loans advanced	(228)	-
Proceeds from collection of loans	2,588	224
Payments for lease and guarantee deposits	(134)	(110)
Proceeds from collection of lease and guarantee deposits	247	48
Purchase of shares of subsidiaries resulting in changes in the scope of consolidation	(2,600)	(3,407)
Other	502	(518)
Cash flows from investing activities	<u>(11,132)</u>	<u>(7,258)</u>
Cash flows from financing activities		
Proceeds from long-term debt	18,813	26,623
Repayments of long-term debt	(14,693)	(25,480)
Proceeds from issuance of bonds	-	4,875
Payments for redemption of bonds	(994)	(1,205)
Dividends paid to shareholders	(476)	(570)
Purchases of treasury stock	-	(199)
Proceeds from non-controlling interests due to establishment of consolidated subsidiary	327	-
Other	(245)	(444)
Cash flows from financing activities	<u>2,730</u>	<u>3,597</u>
Foreign currency translation adjustments on cash and cash equivalents	185	129
Net increase (decrease) in cash and cash equivalents	<u>2,177</u>	<u>6,808</u>
Cash and cash equivalents at beginning of period	18,916	21,094
Cash and cash equivalents at end of period	<u>21,094</u>	<u>27,903</u>

(5) Notes on Consolidated Financial Statements

(Note on the Going-concern Assumption)

Not applicable

(Changes in Significant Subsidiaries During the Period)

Significant changes in the scope of consolidation

During the current fiscal year, the Company acquired additional equity interests in Victory Hotel Dunhill HN Investors LLC and its subsidiaries, Victory Dunhill Hotel Mezz LLC and Victory Dunhill Hotel HN LLC, and therefore these companies were newly included in the scope of consolidation.

(Changes in Accounting Policies)

(Application of “Accounting Standard for Current Income Taxes”)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, “Revised Accounting Standard 2022”) and others have been applied from the beginning of the current fiscal year.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter, “Revised Guidance 2022”). The change in accounting policy has no impact on the consolidated financial statements.

In addition, with regard to the amendments related to the review of the treatment in consolidated financial statements when profits or losses arising from the sale of subsidiary shares, etc. between consolidated companies are deferred for tax purposes, the Revised Application Guidelines 2022 have been applied from the beginning of the current fiscal year. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared after retrospective application. However, this change in accounting policy had no impact on the consolidated financial statements for the previous fiscal year.

(Changes in Presentation)

(Consolidated Statement of Income)

In the previous fiscal year, “Loss on investments in capital” (¥57 million in the previous fiscal year) was included in “Other” under “Non-operating expenses,” but since it exceeded 10% of the total amount of “Non-operating expenses,” it has been presented separately from the current fiscal year.

(Consolidated Statement of Cash Flows)

In the previous fiscal year, “Commissions paid” (¥175 million in the previous fiscal year) was included in “Other” under “Cash flows from operating activities.” However, due to its increased importance, it has been presented separately from the current fiscal year.

(Notes to Segment Information, etc.)

1. Overview of reportable segments

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,” which provides hotel wedding and banquet services and 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 provides wedding, banquet and accommodation services at "Hotel InterContinental Tokyo Bay," "The Strings by InterContinental Tokyo," "The Strings Hotel Nagoya," "Kimpton Shinjuku Tokyo" and "ANA Holiday Inn Tokyo Bay" in Japan. Additionally, overseas, the Group provides banquet and accommodation services at the Kaimana Beach Hotel, Kimpton Palladian Hotel, and W Hotel Dallas Victory.

The "W&R business" operates a British-style reflexology salon, "Queensway," with a high level of skills and sophisticated customer service expertise, 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, 2024 (January 1, 2024 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 adjustment of -¥2,146 million for the segment income includes elimination of inter-segment transactions of -¥17 million and -¥2,129 million yen in corporate expenses that are not allocated to individual reportable segments. The main component of these unallocated corporate expenses is general and administrative expenses that are not attributable to reportable segments.
 - (2) The adjustment for segment assets of ¥22,630 million comprises corporate assets that are not allocated to individual reportable segments. Unallocated corporate assets consist mainly of cash and deposits held by the Company which are not attributable to reportable segments.
 - (3) The adjustment for depreciation and amortization of ¥95 million comprises depreciation and amortization for corporate assets that are not allocated to individual reportable segments.
 - (4) The adjustment for increase in tangible and intangible assets of ¥216 million comprises investments in corporate assets that are not allocated to individual reportable segments.
2. Segment income (loss) is adjusted to correspond with operating income reported on the consolidated statements of income.

Year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

(Millions of yen)

	Reportable segment				Adjustments (Note) 1	Amount recorded on consolidate d financial statements (Note) 2
	Wedding business	Hotel business	W&R business	Total		
Net sales						
Revenue from contracts with customers	38,608	31,345	2,949	72,903	-	72,903
Other revenue	192	-	-	192	-	192
Sales to outside customers	38,800	31,345	2,949	73,095	-	73,095
Inter-segment sales and transfers	2,173	928	7	3,109	(3,109)	-
Total	40,974	32,273	2,957	76,205	(3,109)	73,095
Segment income	7,314	4,355	169	11,839	(2,299)	9,540
Segment assets	35,650	79,471	1,629	116,751	23,386	140,138
Other items						
Depreciation and amortization	1,553	2,414	137	4,105	65	4,171
Amortization of goodwill	1	265	-	266	-	266
Increase in tangible and intangible assets	1,668	29,449	49	31,167	89	31,256

(Notes) 1. Details of adjustments are as follows:

- (1) The adjustment of segment income of -¥2,299 million includes elimination of inter-segment transactions of 49 million yen and company-wide expenses of -¥2,348 million that cannot be allocated to individual reportable segments. The main component of these unallocated corporate expenses is general and administrative expenses that are not attributable to reportable segments.
- (2) The adjustment amount of segment assets, ¥23,386 million, is company-wide assets that are not allocated to individual reportable segments. Unallocated corporate

assets consist mainly of cash and deposits held by the Company which are not attributable to reportable segments.

- (3) The adjustment amount for depreciation expenses of ¥65 million is depreciation expenses related to company-wide assets that are not allocated to individual reportable segments.
 - (4) The adjustment of ¥89 million for the increase in tangible and intangible assets is the investment amount related to company-wide assets that are not allocated to each segment.
2. Segment income (loss) is adjusted to correspond with operating income reported on the consolidated statements of income.

4. Information on gain on bargain purchase by reportable segment

Fiscal year ended December 31, 2024 (From January 1, 2024, to December 31, 2024)

Not applicable

Fiscal year ended December 31, 2025 (From January 1, 2025, to December 31, 2025)

In the Hotel business, the Company acquired additional equity interests in Victory Hotel Dunhill HN Investors LLC and its subsidiaries, Victory Dunhill Hotel Mezz LLC and Victory Dunhill Hotel HN LLC, and as a result, these companies were newly included in the scope of consolidation from the current fiscal year. As a result, ¥1,033 million was recorded as a gain on bargain purchase.

(Revenue Recognition)

Information on the disaggregation of revenue from contracts with customers is as stated in “(Notes to Segment Information, etc.)” in “Notes on Quarterly Consolidated Financial Statements.”

(Per Share Information)

	Year ended December 31, 2024	Year ended December 31, 2025
Net assets per share	675.73 yen	785.95 yen
Profit per share	107.92 yen	100.62 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, 2024	Year ended December 31, 2025
Profit attributable to owners of the parent (millions of yen)	5,147	4,768
Amount not attributable to common stockholders (millions of yen)	-	-
Profit attributable to common stock of owners of the parent (millions of yen)	5,147	4,768
Average number of common stock outstanding during the term (shares)	47,700,166	47,391,633

(Significant Subsequent Events)

Not applicable

4. Other

- (1) Changes in Officers
Not applicable

- (2) Weddings Held and Orders Received

i) Number of weddings held

Segment	Year ended December 31, 2024	Year ended December 31, 2025
	Number of weddings held (cases)	Number of weddings held (cases)
Wedding business	9,404	9,387
Hotel business	1,641	1,612
Total	11,045	10,999

ii) Wedding orders received

Segment	Year ended December 31, 2024		Year ended December 31, 2025	
	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)
Wedding business	10,047	6,174	8,880	5,667
Hotel business	1,714	1,184	1,657	1,229
Total	11,761	7,358	10,537	6,896