〔Delayed〕The original disclosure in Japanese was released on November 11, 2016 at 15:00 (GMT+9)

November 11, 2016

Tsukada Global Holdings Inc.
Consolidated Earnings Report for the Nine Months ended September 30, 2016 (Japanese GAAP)

Stock listing: Tokyo Stock Exchange (First Section) Securities code: 2418
URL: http://www.tsukada-global.holdings/en/
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Scheduled dates:
Filing of statutory quarterly financial report(*shihanki hokokusho*): November 14, 2016
Dividend payout: -
Supplementary materials to quarterly financial results available: No
Quarterly earnings presentation held: No

(Amounts rounded down to the nearest million yen)

1. Consolidated Performance for the Nine Months ended September 30, 2016 (January 1, 2016 – September 30, 2016)

(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	%
Nine months ended September 30, 2016	38,829	2.5	842	(70.3)	273	(90.4)	(141)	-
Nine months ended September 30, 2015	37,875	8.9	2,835	12.2	2,857	6.5	1,831	15.1

Note: Comprehensive income: Nine months ended September 30, 2016: (845) million yen (- %)
Nine months ended September 30, 2015: 1,410 million yen (-13.6 %)

	Profit per share	Diluted profit per share
	yen	yen
Nine months ended September 30, 2016	(2.93)	-
Nine months ended September 30, 2015	37.51	33.48

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
September 30, 2016	81,953	31,260	36.6
December 31, 2015	80,327	31,807	39.6

Reference: Total equity: September 30, 2016: 30,031 million yen
December 31, 2015: 31,807 million yen
Total equity =Shareholders' equity plus total accumulated other comprehensive income.

2. Dividends

	Dividend per share				
	End-Q1	End-Q2	End-Q3	Year-end	Annual total
	yen	yen	yen	yen	yen
Year ended December 31, 2015	-	5.00	-	5.00	10.00
Year ending December 31, 2016	-	5.00	-		
Year ending December 31, 2016 (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, 2016 (January 1, 2016 – December 31, 2016)

(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, 2016	56,800	5.6	4,300	(20.3)	3,700	(31.9)	2,200	(43.3)	45.63

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

*Notes

(1) Changes affecting the consolidation status of significant subsidiaries during the period: Yes

Newly consolidated: 2 Subsidiaries (Best Resort LLC and BT KALAKAUA, LLC)

Newly deconsolidated: None

Note: For details, please refer to "(1) Changes in Significant Subsidiaries" in Section "2. Other Information" on page 4.

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

Note: For details, please refer to "(2) Application of Specific Accounting Methods for the Preparation of Quarterly Financial Statements" in Section "2. Other Information" on page 4.

(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)

	September 30, 2016	December 31, 2015
1) Number of shares issued at the end of the period (including treasury stock)	48,960,000	48,960,000
2) Number of shares held in treasury stock at the end of the period	922,734	131,534
	Nine Months ended September 30, 2016	Nine Months ended September 30, 2015
3) Average number of shares outstanding during the period	48,212,951	48,828,466

*** Quarterly Review Status**

This report is exempt from the review requirements of Japan's Financial Instruments and Exchange Act. As of this report publication, a review of the consolidated quarterly financial statements in accordance with the Act is underway.

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

The above forecasts are based on information available as of this report's publication and on certain assumptions that are deemed reasonable. 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, 2016" in the section "1. Review of Consolidated Financial Results" on page 3 in the accompanying materials.

Accompanying Material – Contents

1. Review of Consolidated Financial Results

(1) Operating Results

In the first nine months of the fiscal year ending December 31, 2016, the Japanese economy displayed a moderate recovery trend, supported by the economic and monetary policies of government and the Bank of Japan. Nonetheless, the future outlook remains clouded by slower growth of emerging economies, including China, and by uncertainties in the global economy, including concerns about the impact of the United Kingdom's exit from the European Union.

Amid this environment, the Tsukada Global Holdings Group endeavored to increase sales and profitability by continuing to its constant effort to create new value in the bridal, hotel and relaxation markets and by creating high-quality, appealing outlets and providing high value-added services that accurately respond to customers' increasingly individualized and diversifying needs.

As a result of the above efforts, Tsukada Global Holdings Inc. ("the Company") posted consolidated net sales of ¥38,829 million in the first nine months of the current fiscal year (an increase of 2.5% from the same period of the previous fiscal year). This positive result largely reflects the contribution of a newly opened hotel, which offset a lower sales at the wedding business, where changes in the market environment depressed the number of weddings held and the average unit price for such events.

Owing to the lower sales at the wedding business and an increase in costs related to starting up new businesses, operating income in the first nine months of 2016 fell 70.3% year on year to ¥842 million. Ordinary income totaled ¥273 million, 90.4% less than a year earlier owing to a sharp rise in non-operating expenses, including a ¥270 million loss on valuation of derivatives and a foreign exchange loss of ¥593 million owing to the sharp appreciation of the yen, which resulted in a valuation loss on U.S.-dollar denominated loans extended by subsidiaries. The net loss attributable to owners of the parent came to ¥141 million (compared with net income of ¥1,831 million a year earlier).

Results for each business segment were as follows.

The Company has changed its reportable business segments, starting from the first quarter of current fiscal year. The year-on-year comparisons presented below are based on figures for the same period of the previous fiscal year adjusted for the change in reportable business segments.

1) Wedding business

In the first nine months of the current fiscal year, wedding business sales fell year on year amid declines in the number of weddings held and the average unit price for such events both in Japan and overseas. However, orders received for guest house wedding in Japan were strong.

As a result, net sales in the wedding business totaled ¥24,093 million (down 7.2% year on year), and segment operating income was to ¥2,565 million (down 29.2%).

2) Hotel business

During the first three quarters of fiscal 2016, the hotel business was boosted by the contribution from The Strings Hotel Nagoya, which opened in November 2015 and continues to enjoy steady increases in the number of weddings held and orders received. Sales at previously existing hotels were also up year on year, with overnight guest occupancy numbers supported by a steady flow of foreign visitors to Japan.

As a result, net sales in the hotel business reached ¥12,516 million (up 29.7% year on year).

Segment operating income totaled ¥101 million (down 58.7%).

3) W&R business (Wellness & relaxation business)

In May 2016, the W&R business opened a new spa complex—Beauty & Relax SPA-HERBS. However, the temporary closing of certain existing salons depressed overall sales during the first three quarters of fiscal 2016.

As a result, net sales in the W&R business totaled ¥2,219 million (down 1.5% year on year). The segment posted an operating loss of ¥349 million (compared with an income of ¥119 million a year earlier).

(2) Analysis of Financial Condition

Assets, Liabilities, and Net Assets

Total assets at the end of the third quarter (September 30, 2016) amounted to ¥81,953 million, an increase of ¥1,626 million from the end of the previous fiscal year (December 31, 2015). The change reflects a ¥6,631 million increase in tangible fixed assets, which more than offset a ¥3,395 million decline in cash and deposits and a ¥1,003 million reduction in investment securities.

Liabilities at the end of the third quarter totaled ¥50,693 million, an increase of ¥2,173 million from the end of the previous fiscal year. The increase in liabilities is chiefly attributable to a ¥3,379 million increase in bonds and other debt, as well as a ¥1,100 million increase in advances received. Those increases in liabilities outweighed a ¥1,507 million reduction in other current liabilities and a ¥970 million decrease in income taxes payable.

Net assets at the end of the third quarter totaled ¥31,260 million, ¥547 million less than at the end of the previous fiscal year. The change mainly reflects a ¥1,228 million increase in non-controlling interests, a ¥562 million increase in treasury stock, a ¥632 million decrease in retained earnings, and a ¥500 million reduction in foreign currency translation adjustments.

(3) Earnings Forecast for the Fiscal Year Ending December 31, 2016

There is no change to the consolidated earnings forecasts for the year ending December 31, 2016, that the Company reported in its second quarter Consolidated Earnings Report dated August 12, 2016.

2. Other Information

(1) Changes in Significant Subsidiaries

Effective from the second quarter (ended June 30, 2016) of the current financial year, Best Resort LLC and BT KALAKAUA, LLC have been newly added to the scope of consolidation as their importance has increased.

(2) Application of Specific Accounting Methods for the Preparation of Quarterly 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 financial year.

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

Regarding judgments on the amount of recoverable deferred tax assets, calculations are based on future earnings forecasts and tax planning made in the preceding consolidated financial year, in cases where there are no significant changes in the economic environment or emergence of temporary differences since the end of the previous financial year.

(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 before income taxes for the fiscal year, which encompasses the third quarter ended September 30, 2016, and then multiplying profit 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.

(3) Changes in Accounting Policy, Changes in Accounting Estimates, and Retrospective Restatement

(Application of Accounting Standard for Business Combinations, etc.)

Effective from the first quarter ended March 31, 2016 of the current consolidated financial year, “Accounting Standard for Business Combinations” (ASBJ Statement No. 21 of September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 of September 13, 2013), and “Accounting Standard for Business Divestiture” (ASBJ Statement No.7 of September 13, 2013), etc. have been applied. As a result, differences caused by change in the Company’s equity in the subsidiaries and affiliates with controlling interests shall now be adjusted in its capital surplus, and acquisition-related expenses shall now be changed to be reported as expenses incurred during the consolidated financial year in which said acquisition takes place. Furthermore, as to business combinations taking place since the beginning of the first quarter ended March 31, 2016 and onwards, finalization and restatement of the provisional accounting treatment of the amount of the acquisition cost allocation shall now be changed to be reflected in the relevant quarterly consolidated financial period, where the date of said business combination actually falls. Additionally, the presentation has been changed in the net profit for the period, etc. and also from minority interests to non-controlling interests. For the sake of reflecting these changes in the said presentation, restatement has been made in the consolidated financial statements for the first nine months of the preceding financial year ended September 30, 2015, and for the preceding full consolidated financial year ended December 31, 2015.

The implementation of Accounting Standard for Business Combinations and its related standards is subject to the transitional treatments stipulated in the provisions of Article 58-2 (4) of Accounting Standard for Business Combinations, Article 44-5 (4) of Accounting Standard for Consolidated Financial Statements and of Article 57-4 (4) of Accounting Standard for Business Divestitures, and has been and will be under way since the beginning of the first quarter ended March 31, 2016 of the current financial year and going forward.

The effect of these changes on the financial statements for the first nine months ended September 30, 2016 is immaterial.

(Application of Practical Solution on a Change in Depreciation Method due to Tax Reform 2016)

In accordance with the revision to the Corporation Tax Act, the Company and its domestic consolidated subsidiaries have applied the "Practical Solution on a Change in Depreciation Method due to Tax Reform 2016" (ASBJ Practical Issues Task Force No.32 of June 17, 2016), effective from the second quarter ended June 30, 2016, and have changed the depreciation method for facilities attached to buildings and structures acquired on and after April 1, 2016, from the declining balance method to the straight line method.

The effect of this change on the financial statements for the first nine months ended September 30, 2016 is immaterial.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of yen)

	December 31, 2015	September 30 2016
	Amount	Amount
Assets		
Current assets		
Cash and deposits	17,589	14,194
Accounts receivable - trade	879	774
Marketable securities	362	-
Merchandise	33	108
Raw materials and supplies	569	488
Other	2,491	2,609
Allowance for doubtful receivables	(55)	(59)
Total current assets	21,870	18,116
Fixed assets		
Tangible assets		
Buildings and structures, net	21,847	23,957
Land	14,854	19,397
Other, net	2,452	2,429
Total tangible assets	39,154	45,785
Intangible assets		
Goodwill	2,538	2,338
Other	181	239
Total intangible assets	2,719	2,577
Investments and other assets		
Investment securities	4,285	3,282
Lease and guarantee deposits	8,362	8,225
Other	3,836	3,862
Total investments and other assets	16,485	15,370
Total fixed assets	58,358	63,733
Deferred assets	97	103
Total assets	80,327	81,953

(millions of yen)

	December 31, 2015	September 30, 2016
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable - trade	2,258	2,322
Short-term debt	-	240
Current portion of long-term debt	2,857	7,076
Current portion of bonds	724	824
Income taxes payable	1,369	399
Advances received	1,131	2,232
Other	4,492	2,985
Total current liabilities	12,834	16,079
Fixed liabilities		
Bonds	3,558	3,769
Convertible bonds with stock acquisition rights	5,000	5,000
Long-term debt	23,227	21,836
Net defined benefit liability	331	329
Provision for directors' retirement benefits	691	693
Asset retirement obligations	2,139	2,334
Other	736	650
Total fixed liabilities	35,685	34,614
Total liabilities	48,519	50,693
Net assets		
Shareholders' equity		
Capital stock	472	472
Capital surplus	634	634
Retained earnings	30,630	29,997
Treasury stock	(88)	(650)
Total shareholders' equity	31,648	30,453
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	(28)	(107)
Foreign currency translation adjustments	190	(310)
Remeasurements of defined benefit plan	(2)	(3)
Total accumulated other comprehensive income	158	(422)
Non-Controlling interests	-	1,228
Total net assets	31,807	31,260
Total liabilities and net assets	80,327	81,953

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(millions of yen)

	Nine months ended September 30, 2015	Nine months ended September 30, 2016
	Amount	Amount
Net sales	37,875	38,829
Cost of sales	25,571	27,720
Gross profit	12,304	11,109
Selling, general and administrative expenses	9,469	10,266
Operating income	2,835	842
Non-operating income		
Interest income	63	39
Dividend income	44	29
Gain on sales of marketable securities	43	-
Gain on investments in silent partnership	130	152
Gain on redemption of investment securities	-	122
Other	78	183
Total non-operating income	359	527
Non-operating expenses		
Interest expenses	167	182
Loss on valuation of derivatives	66	270
Foreign exchange loss	85	593
Other	18	49
Total non-operating expenses	337	1,096
Ordinary income	2,857	273
Extraordinary Income		
Gain on sales of fixed assets	1	1
Reversal gains of provisions for directors' retirement benefits	-	14
Reversal gains of provisions for shop closing expenses	-	4
Total extraordinary income	1	20
Extraordinary loss		
Loss on sales of fixed assets	30	-
Loss on disposal of fixed assets	16	56
Loss on sales of investment securities	-	117
Provision for loss on liquidation of subsidiaries/affiliates	18	-
Other	30	2
Total extraordinary loss	95	177
Profit before income taxes	2,762	116
Income taxes	931	267
Profit (loss) for the period	1,831	(150)
(Loss) attributable to non-controlling interests	-	(9)
Profit (loss) attributable to owners of the parent	1,831	(141)

Consolidated Statements of Comprehensive Income

(millions of yen)

	Nine months ended September 30, 2015	Nine months ended September 30, 2016
	Amount	Amount
Profit (loss) for the period	1,831	(150)
Other comprehensive income		
Net unrealized gain on available-for-sale securities	(253)	(78)
Deferred gain (loss) on derivatives under hedge accounting	(7)	-
Foreign currency translation adjustments	(160)	(614)
Remeasurements of defined benefit plan	0	(0)
Total other comprehensive income	(420)	(694)
Comprehensive income	1,410	(845)
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,410	(721)
Comprehensive income attributable to non-controlling interests	-	(123)

(3) Notes on the Financial Statements

(Note on the Going-concern Assumption)
Not applicable

(Note on Significant Changes in the Amount of Shareholders' Equity)
In accordance with the resolution of the Board of Directors' meeting of February 16, 2016, the Company acquired 791,200 shares of its own shares. Consequently, the Company's treasury stock increased by 562 million yen in the third quarter ended September 30, 2016, totaling 650 million yen of treasury stock as at the end of the first nine months ended September 30, 2016.

(Segment and Other Information)
[Segment Information]

I. Nine months ended September 30, 2015 (January 1 to September 30, 2015)

1. Net sales and income/loss by reportable segment

(millions of yen)

	Reportable segment				Adjustments (note 1)	Amount recorded on consolidated statements of income (note 2)
	Wedding business	Hotel business	W&R business	Total		
Net sales						
Sales to outside customers	25,968	9,654	2,253	37,875	-	37,875
Inter-segment sales and transfers	617	184	-	802	(802)	-
Total	26,586	9,838	2,253	38,678	(802)	37,875
Segment income	3,623	244	119	3,987	(1,152)	2,835

Notes:
1. Minus 1,152 million yen adjustments for the segment income include 7 million yen elimination of inter-segment sales and minus 1,160 million yen corporate expenses that are not allocated to each reportable segment. The main component of these unallocated corporate expenses is SG&A expenses that are not attributable to reportable segments.
2. Segment income adjustments are based on operating income reported on the quarterly consolidated statements of income for the corresponding period.

2. Impairment loss on fixed assets or goodwill by reportable segment
Not applicable.

II. Nine months ended September 30, 2016 (January 1 to September 30, 2016)

1. Net sales and income/loss by reportable segment

(millions of yen)

	Reportable segment					
	Wedding business	Hotel business	W&R business	Total	Adjustments (note 1)	Amount recorded on consolidated statements of income (note 2)
Net sales						
Sales to outside customers	24,093	12,516	2,219	38,829	-	38,829
Inter-segment sales and transfers	877	301	0	1,178	(1,178)	-
Total	24,970	12,817	2,219	40,008	(1,178)	38,829
Segment income (loss)	2,565	101	(349)	2,317	(1,474)	842

Notes: 1. Minus 1,474 million yen adjustments for the segment income or loss include 15 million yen elimination of inter-segment sales and minus 1,490 million yen corporate expenses that are not allocated to each reportable segment. The main component of these unallocated corporate expenses is SG&A expenses that are not attributable to reportable segments.
2. Segment income or loss adjustments are based on operating income reported on the quarterly consolidated statements of income for the corresponding period.

2. Change in Reportable Segment
(Change in classification of reportable segments)

The Group's classification of reportable segments used to consist of 4 reportable segments, i.e. "Domestic wedding business," "Hotel business," "Overseas business," and "W&R business (Wellness & Relaxation business)." Effective from the first quarter of the current fiscal year, however, these 4 segments have been reclassified into the 3 segments of "Wedding business," "Hotel business," and "W&R business," having combined the "Domestic wedding business" with the "Overseas business" into the segment of "Wedding business."

This is in line with the change in the Group's organizational structure, aiming at a further growth of wedding business in the global markets.

The segment information for the first nine months of the preceding consolidated fiscal year has been restated accordingly, reflecting this segment change.

3. Impairment loss on fixed assets or goodwill by reportable segment
Not Applicable.

4. Supplementary Information

Weddings Held, Orders Received, and Sales volume

1) Number of weddings held

	Nine months ended September 30, 2015	Nine months ended September 30, 2016	Year ended December 31, 2015
Segment	Number of weddings held (cases)	Number of weddings held (cases)	Number of weddings held (cases)
Wedding business	8,698	7,925	12,253
Hotel business	855	1,262	1,271
Total	9,553	9,187	13,524

Note: Classification of reportable segments has been changed since the first three months ended March 31, 2016. The figures for the first nine months ended September 30, 2015 and for the full year ended December 31, 2015, have been readjusted to the new reportable segments.

2) Wedding orders received

	Nine months ended September 30, 2015		Nine months ended September 30, 2016		Year ended December 31, 2015	
Segment	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)
Wedding business	9,145	7,129	9,191	7,282	11,587	6,016
Hotel business	1,301	1,271	1,417	1,397	1,688	1,242
Total	10,446	8,400	10,608	8,679	13,275	7,258

Note: Classification of reportable segments has been changed since the first three months ended March 31, 2016. The figures for the first nine months ended September 30, 2015 and for the full year ended December 31, 2015, have been readjusted to the new reportable segments.

3) Sales volume

	Nine months ended September 30, 2015	Nine months ended September 30, 2016	Year ended December 31, 2015
Segment	million yen	million yen	million yen
Wedding business	25,968	24,093	37,071
Hotel business	9,654	12,516	13,778
W&R business	2,253	2,219	2,954
Total	37,875	38,829	53,804

Notes: 1. Classification of reportable segments has been changed since the first three months ended March 31, 2016. The figures for the first nine months ended September 30, 2015 and for the full year ended December 31, 2015, have been readjusted to the new reportable segments.

2. Inter-segment transactions have been eliminated from the amounts shown above.

3. The above amounts do not include consumption tax.