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August 8, 2019

Tsukada Global Holdings Inc.
Consolidated Earnings Report for the Six Months ended June 30, 2019
(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 (*sihanki hokokusho*): August 14, 2019

Dividend payout: September 2, 2019

Supplementary materials to quarterly financial results available: Yes

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

(Amounts rounded down to the nearest million yen)

1. Consolidated Performance for the Six Months ended June 30, 2019
(January 1, 2019 – June 30, 2019)

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

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of the parent | |
|--------------------------------|-------------|-----|------------------|-------|-----------------|-------|---|-------|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Six months ended June 30, 2019 | 29,071 | 3.9 | 2,261 | 110.1 | 2,014 | 102.1 | 1,289 | 119.2 |
| Six months ended June 30, 2018 | 27,992 | 7.0 | 1,076 | 43.0 | 996 | 44.1 | 588 | 269.3 |

Note: Comprehensive income: Six months ended June 30, 2019: 885 million yen (- %)
Six months ended June 30, 2018: (81) million yen (- %)

| | Profit per share | Diluted profit per share |
|--------------------------------|------------------|--------------------------|
| | yen | yen |
| Six months ended June 30, 2019 | 27.04 | - |
| Six months ended June 30, 2018 | 12.34 | 12.19 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|-------------------|--------------|-------------|--------------|
| | million yen | million yen | % |
| June 30, 2019 | 88,713 | 36,225 | 40.8 |
| December 31, 2018 | 90,841 | 37,081 | 39.1 |

Reference: Total equity: June 30, 2019 36,225 million yen
December 31, 2018: 35,548 million yen

Total equity = Shareholders' equity plus total accumulated other comprehensive income.

Note: "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of

Japan (ASBJ) Statement No. 28, February 16, 2018) have been applied, effective from the first three months of the fiscal year ending December 31, 2019. Figures in the financial position as of December 31, 2018 were retroactively restated in accordance with said ASBJ amendments.

2. Dividends

| | Dividend per share | | | | |
|--|--------------------|--------|--------|----------|--------------|
| | End-Q1 | End-Q2 | End-Q3 | Year-end | Annual total |
| | yen | yen | yen | yen | yen |
| Year ended December 31, 2018 | - | 5.00 | - | 5.00 | 10.00 |
| Year ending December 31, 2019 | - | 5.00 | | | |
| Year ending December 31, 2019 (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, 2019 (January 1, 2019 – December 31, 2019)

(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, 2019 | 63,000 | 4.7 | 5,500 | 4.8 | 5,560 | 5.8 | 3,100 | 27.9 | 64.99 |

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

*Notes

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

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

Newly Consolidated: BEST LIFE STYLE Inc.

Newly Deconsolidated: BT KALAKAUA, LLC

Note: For details, please refer to "(4) Notes on Quarterly Consolidated Financial Statements (Changes in Significant Subsidiaries for the Six Months Ended June 30, 2019)" in section "2. Quarterly Consolidated Financial Statements and Main Notes" on page 11 in the accompanying materials.

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

Note: For details, please refer to "(4) Notes on Quarterly Consolidated Financial Statements (Application of Specific Accounting Methods for the Preparation of Quarterly Financial Statements)" under "2. Quarterly Consolidated Financial Statements and Main Notes" on page 11 in the accompanying material.

(3) 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

(4) Shares issued (common stock)

| | June 30, 2019 | December 31, 2018 |
|---|-----------------------------------|-----------------------------------|
| 1) Number of shares issued at end of period (including treasury stock) | 48,960,000 | 48,960,000 |
| 2) Number of shares held in treasury at end of period | 1,259,834 | 1,259,834 |
| | Six Months ended June 30, 2019 | Six Months ended June 30, 2018 |
| 3) Average number of shares outstanding during the period | 47,700,166 | 47,700,166 |

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

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

(Cautionary Statement with Respect to Forward-Looking Statements)

The above forecasts are based on information available as of this report's publication and on certain assumptions that are deemed reasonable. These forecasts are not guarantees of future performance, and actual results may differ from forecasts due to changes in the business environment. For the assumptions underlying the forecasts herein and other notice on the use of earnings forecasts, please refer to "(3) Earnings Forecast for the Fiscal Year ending December 31, 2019" in the section "1. Review of Consolidated Financial Results" on page 4 in the accompanying materials.

Accompanying Material – Contents

| | |
|--|----|
| 1. Review of Consolidated Financial Results | 2 |
| (1) Operating Results | 2 |
| (2) Analysis of Financial Condition | 3 |
| (3) Earnings Forecast for the Fiscal Year ending December 31, 2019 | 4 |
| 2. Quarterly Consolidated Financial Statements and Main Notes | 5 |
| (1) Consolidated Balance Sheets | 5 |
| (2) Consolidated Statements of Income and Comprehensive Income | 7 |
| Consolidated Statements of Income | 7 |
| Consolidated Statements of Comprehensive Income | 8 |
| (3) Consolidated Statements of Cash Flows | 9 |
| (4) Notes on Quarterly Consolidated Financial Statements | 11 |
| (Note on the Going-concern Assumption) | 11 |
| (Note on Significant Changes in the Amount of Shareholders' Equity) | 11 |
| (Changes in Significant Subsidiaries for the Six Months Ended June 30, 2019) | 11 |
| (Application of Specific Accounting Methods for the Preparation of Quarterly Financial Statements) | 11 |
| (Additional Information) | 11 |
| (Segment Information) | 12 |
| 3. Supplementary Information | 14 |
| (Weddings Held and Orders Received) | 14 |

1. Review of Consolidated Financial Results

(1) Operating Results

In the first six months of the fiscal year ending December 31, 2019, despite uncertainties pertaining to the global economy and trade issues, the Japanese economy stayed on its moderate recovery track, with an improvement in employment conditions and corporate earnings and an upturn in personal spending.

In this environment, the Tsukada Global Holdings Group (“the Group”) endeavored to expand sales and enhance profitability by accurately responding to customers’ increasingly individualized and diversifying needs in the bridal, hotel, and wellness and relaxation (W&R) markets while working to create new value, develop high-quality, appealing outlets, and provide high value-added services.

During the quarter, the Group focused in its hotel business on creation of new values and further enhancement of hospitality quality in anticipation of the 2020 Olympic and Paralympic Games in Tokyo. For example, we continued with preparations for the opening of Kimpton Hotel Shinjuku, Tokyo (provisional name), began working on a major refurbishment of The Strings by InterContinental Tokyo (Shinagawa, Tokyo) and refurbishment and rebranding of The Strings Hotel Yagoto Nagoya (Showa, Nagoya, Aichi Prefecture).

In the wedding business, we increased internal handling of mainstay products of our wedding business, such as photographs, videos, audio, and floral decorations, and promoted expansion of external sales of these bridal contents to broaden future revenue and business areas.

As a result of these efforts, in the first six months of 2019, Tsukada Global Holdings Inc. (“the Company”) posted consolidated net sales of ¥29,071 million (up 3.9% year on year). The Company recorded operating income of ¥2,261 million (up 110.1%), ordinary income of ¥2,014 million (up 102.1%) and net income attributable to owners of the parent amounted to ¥1,289 million (up 119.2%), showing significant profit increases at all levels.

The results for each business segment were as follows.

1) Wedding business

In the first six months of fiscal 2019, the wedding business achieved sales growth supported by an increase in the number of weddings in Japan (the business’s core area) and strong spend per wedding figures. Segment income also grew largely due to the Company’s pursuit of increased internal handling of the various materials related to wedding ceremonies, such as photographs, videos, audio, and floral decorations.

As a result, net sales in the wedding business totaled ¥18,378 million (up 5.7% year on year) and segment income totaled ¥2,943 million (up 61.0%).

2) Hotel business

During the period under review, segment sales declined slightly due to the impact of the decline in the number of weddings held at our hotels, while the hotels’ overnight occupancy rates and average charge per night remained solid. Segment income increased thanks to an improvement in profit margins resulting from promotion of increased internal handling of mainstay wedding-related products as in the wedding business, which more than offset

expenses connected with preparing for the opening of Kimpton Hotel Shinjuku, Tokyo (provisional name).

As a result, net sales in the hotel business came to ¥8,745 million (down 0.0% year on year), and segment income totaled ¥328 million (up 7.7%).

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

Sales of the segment increased due to the impact of full-year operation of the Best Style Fitness Kaihin Makuhari comprehensive fitness club that opened in December 2018.

However, the segment posted an operating loss mainly owing to a delay in increasing membership of some of its other comprehensive fitness club outlets.

As a result, the W&R business posted net sales of ¥1,947 million (up 4.6% year on year) and an operating loss of ¥174 million (compared with a loss of ¥245 million a year earlier).

(2) Analysis of Financial Condition

1) Assets, Liabilities, and Net Assets

Total assets as of June 30, 2019, the end of the first six months of fiscal 2019, amounted to ¥88,713 million, a decline of ¥2,127 million from the end of the previous fiscal year (December 31, 2018). The decline mainly reflects declines of ¥3,439 million in buildings and structures and ¥5,840 million in land as a result of exclusion from consolidation of former consolidated subsidiary BT KALAKAUA, LLC due to a reduced equity stake following partial divestment. These offset a ¥2,490 million increase in cash and deposits mainly due to fund procurement, and a ¥4,201 million increase in other tangible assets (mainly construction in progress) in connection with construction of Kimpton Hotel Shinjuku, Tokyo (provisional name).

Total liabilities as of June 30, 2019, came to ¥52,488 million, a decline of ¥1,271 million from the end of the previous fiscal year. This is attributable to the abovementioned exclusion of a subsidiary from consolidation, and declines of ¥486 million in income taxes payable and ¥1,404 million in long-term debt (including the current portion) due to repayment, which together offset a ¥905 million increase in bonds (including the current portion) due to fund procurement.

Net assets as of June 30, 2019, totaled ¥36,225 million, ¥856 million less than at the end of the previous fiscal year. The major changes are a ¥1,533 million decline in non-controlling interests due to the exclusion of a subsidiary from consolidation and an increase of ¥1,051 million in retained earnings mainly due to the recording of quarterly profit attributable to owners of the parent.

2) Cash flow

Cash and cash equivalents ("cash") at the end of the first half totaled ¥26,600 million, ¥2,482 million more than at the end of the previous fiscal year.

Cash flows and factors behind changes in the cash flows during the six months ended June 30, 2019, are as follows.

(Operating Cash Flow)

Cash provided by operating activities totaled ¥2,240 million, a decline of 19.2% from the first half of the previous fiscal year. This is largely ascribed to ¥1,515 million in depreciation

and amortization and ¥2,221 million in profit before income taxes, which offset the impact of ¥1,468 million in income taxes paid.

(Investing Cash Flow)

Cash used in investing activities totaled ¥3,964 million (cash provided in the first half of the previous year was ¥3,752 million). This is mainly attributable to ¥4,835 in payments for purchase of tangible assets, which was partly offset by ¥771 million in proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation.

(Financing Cash Flow)

Cash provided by financing activities totaled ¥4,281 million (cash used in the first half of the previous year was ¥3,187 million). This chiefly reflects ¥5,800 million in proceeds from long-term debt and ¥1,195 million in proceeds from issuance of bonds, which offset ¥1,654 million yen in repayments of long-term debt, ¥525 million in repayments to non-controlling interests, and ¥295 million in payments for redemption of bonds.

(3) Earnings Forecast for the Fiscal Year Ending December 31, 2019

Changes to the Company's forecast for full-year earnings for the fiscal year ending December 31, 2019, based on the results for the first six months of the year, were announced on August 8, 2019 in a corporate news release entitled "Notice Concerning Differences between Earnings Forecasts and Actual Results for the Six Months Ended June 30, 2019." Changes in the market environment are anticipated, and the Company will release any revisions to its earnings forecasts in a timely manner should this become necessary.

2. Quarterly Consolidated Financial Statements and Main Notes
(1) Consolidated Balance Sheets

| | December 31, 2018 | (millions of yen) June 30 2019 |
|---|-------------------|-----------------------------------|
| | Amount | Amount |
| Assets | | |
| Current assets | | |
| Cash and deposits | 24,206 | 26,696 |
| Accounts receivable - trade | 1,281 | 1,277 |
| Marketable securities | 289 | 198 |
| Merchandise | 127 | 124 |
| Raw materials and supplies | 490 | 474 |
| Other | 1,136 | 1,308 |
| Allowance for doubtful receivables | (24) | (22) |
| Total current assets | 27,506 | 30,057 |
| Fixed assets | | |
| Tangible assets | | |
| Buildings and structures, net | 25,361 | 21,922 |
| Land | 15,553 | 9,712 |
| Other, net | 3,695 | 7,897 |
| Total tangible assets | 44,610 | 39,532 |
| Intangible assets | | |
| Goodwill | 1,738 | 1,609 |
| Other | 184 | 185 |
| Total intangible assets | 1,922 | 1,794 |
| Investments and other assets | | |
| Investment securities | 2,557 | 4,172 |
| Lease and guarantee deposits | 8,152 | 8,062 |
| Other | 6,138 | 5,150 |
| Allowance for doubtful receivables | (206) | (211) |
| Total investments and other assets | 16,641 | 17,173 |
| Total fixed assets | 63,174 | 58,500 |
| Deferred assets | 160 | 155 |
| Total assets | 90,841 | 88,713 |

| | December 31, 2018 | (millions of yen) June 30, 2019 |
|--|-------------------|------------------------------------|
| | Amount | Amount |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 2,437 | 2,167 |
| Current portion of long-term debt | 3,172 | 4,363 |
| Current portion of bonds | 590 | 609 |
| Income taxes payable | 1,313 | 826 |
| Advances received | 1,884 | 2,293 |
| Other | 4,381 | 4,173 |
| Total current liabilities | 13,778 | 14,433 |
| Fixed liabilities | | |
| Bonds | 3,125 | 4,010 |
| Long-term debt | 32,614 | 30,019 |
| Net defined benefit liability | 302 | 301 |
| Provision for directors' retirement benefits | 784 | 810 |
| Asset retirement obligations | 2,391 | 2,403 |
| Other | 762 | 509 |
| Total fixed liabilities | 39,981 | 38,054 |
| Total liabilities | 53,759 | 52,488 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 472 | 472 |
| Capital surplus | 634 | 634 |
| Retained earnings | 35,849 | 36,900 |
| Treasury stock | (892) | (892) |
| Total shareholders' equity | 36,063 | 37,114 |
| Accumulated other comprehensive income | | |
| Net unrealized gain on available-for-sale securities | (142) | (110) |
| Deferred gain (loss) on derivatives under hedge accounting | (249) | (531) |
| Foreign currency translation adjustments | (118) | (241) |
| Remeasurements of defined benefit plan | (4) | (5) |
| Total accumulated other comprehensive income | (514) | (889) |
| Non-controlling interests | 1,533 | - |
| Total net assets | 37,081 | 36,225 |
| Total liabilities and net assets | 90,841 | 88,713 |

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

| | Six months ended June 30, 2018 | (millions of yen) Six months ended June 30, 2019 |
|---|--------------------------------------|---|
| | Amount | Amount |
| Net sales | 27,992 | 29,071 |
| Cost of sales | 19,697 | 19,329 |
| Gross profit | 8,295 | 9,742 |
| Selling, general and administrative expenses | 7,218 | 7,480 |
| Operating income | 1,076 | 2,261 |
| Non-operating income | | |
| Interest income | 15 | 13 |
| Dividend income | 2 | - |
| Gain on investments in silent partnership | 71 | 73 |
| Real estate rental income | 112 | 175 |
| Other | 21 | 39 |
| Total non-operating income | 222 | 302 |
| Non-operating expenses | | |
| Interest expenses | 108 | 265 |
| Loss on valuation of derivatives | 0 | - |
| Foreign exchange loss | 112 | 117 |
| Other | 79 | 166 |
| Total non-operating expenses | 302 | 549 |
| Ordinary income | 996 | 2,014 |
| Extraordinary Income | | |
| Gain on sales of fixed assets | 492 | 23 |
| Gain on sales of shares of subsidiaries | - | 208 |
| Total extraordinary gain | 492 | 231 |
| Extraordinary loss | | |
| Loss on disposal of fixed assets | 36 | 5 |
| Shop closing expenses | 54 | 2 |
| Impairment loss | 180 | - |
| Loss on redemption of investment securities | - | 12 |
| Provision of allowance for doubtful receivables | 3 | 5 |
| Other | 8 | 0 |
| Total extraordinary loss | 282 | 25 |
| Profit before income taxes | 1,206 | 2,221 |
| Income taxes | 603 | 962 |
| Profit | 602 | 1,259 |
| Profit attributable to non-controlling interests | 14 | (30) |
| Profit attributable to owners of the parent | 588 | 1,289 |

Consolidated Statements of Comprehensive Income

| | Six months ended June 30, 2018 | (millions of yen) Six months ended June 30, 2019 |
|---|--------------------------------------|---|
| | Amount | Amount |
| Profit | 602 | 1,259 |
| Other comprehensive income | | |
| Net unrealized gain on available-for-sale securities | (55) | 32 |
| Deferred gain (loss) on derivatives under hedge accounting | (209) | (282) |
| Foreign currency translation adjustments | (419) | (91) |
| Remeasurements of defined benefit plan | 0 | (1) |
| Share of other comprehensive income of entities accounted for using equity method | - | (30) |
| Total other comprehensive income | (684) | (374) |
| Comprehensive income | (81) | 885 |
| (Breakdown) | | |
| Comprehensive income attributable to owners of the parent | (60) | 915 |
| Comprehensive income attributable to non-controlling interests | (20) | (30) |

(3) Consolidated Statements of Cash Flows

| | (millions of yen) | |
|---|--------------------------------------|--------------------------------------|
| | Six months ended June 30, 2018 | Six months ended June 30, 2019 |
| | Amount | Amount |
| Cash flows from operating activities | | |
| Profit before income taxes | 1,206 | 2,221 |
| Depreciation and amortization | 1,605 | 1,515 |
| Impairment loss | 180 | - |
| Amortization of goodwill | 133 | 133 |
| Amortization of bond issuance expenses | 10 | 9 |
| Loss on disposal of fixed assets | 36 | 5 |
| Loss (gain) on valuation of derivatives | 0 | (5) |
| Loss (gain) on redemption of securities | - | 12 |
| Loss (gain) on sales of shares of subsidiaries | - | (208) |
| Increase (decrease) in allowance for loss on shop closing | (0) | (15) |
| Increase (decrease) in allowance for doubtful receivables | 2 | 3 |
| Increase (decrease) in net defined benefit liability | (48) | (2) |
| Increase (decrease) in provision for directors' retirement benefits | 25 | 26 |
| Interest and dividend income | (18) | (13) |
| Interest expenses | 108 | 265 |
| (Gain) loss on investments in silent partnership | (71) | (73) |
| Foreign exchange (gain) loss | 79 | 116 |
| (Gain) loss on sales of fixed assets | (492) | (23) |
| Shop closing expenses | 54 | 2 |
| (Increase) decrease in notes and accounts receivable - trade | (118) | 0 |
| (Increase) decrease in inventories | 51 | 19 |
| Increase (decrease) in notes and accounts payable - trade | 23 | (269) |
| Increase (decrease) in advances received | 458 | 409 |
| Increase (decrease) in other liabilities | 758 | (37) |
| Other | 227 | (128) |
| Sub total | 4,215 | 3,964 |
| Interest and dividends received | 8 | 4 |
| Interest paid | (106) | (259) |
| Income taxes paid | (1,345) | (1,468) |
| Net cash provided by (used in) operating activities | 2,771 | 2,240 |

(millions of yen)

| | Six months ended June 30, 2018 Amount | Six months ended June 30, 2019 Amount |
|--|--|--|
| Cash flows from investing activities | | |
| Purchase of tangible assets | (2,619) | (4,835) |
| Proceeds from sales of tangible assets | 6,243 | 24 |
| Purchase of intangible assets | (27) | (42) |
| Proceeds from sales of investment securities | 36 | 110 |
| Proceeds from withdrawal of investment in silent partnership | 45 | 36 |
| Loans receivable | (11) | (13) |
| Lease and guarantee deposits | (107) | (39) |
| Collection of lease and guarantee deposits | 174 | 47 |
| Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation | - | 771 |
| Other | 18 | (24) |
| Net cash provided by (used in) investing activities | 3,752 | (3,964) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term debt | (8,100) | - |
| Proceeds from long-term debt | 8,020 | 5,800 |
| Repayments of long-term debt | (2,634) | (1,654) |
| Proceeds from issuance of bonds | 201 | 1,195 |
| Payments for redemption of bonds | (449) | (295) |
| Repayments to non-controlling interests | - | (525) |
| Dividends paid to non-controlling interests | (31) | - |
| Dividends paid to shareholders | (238) | (238) |
| Other | 45 | - |
| Net cash provided by (used in) financing activities | (3,187) | 4,281 |
| Foreign currency translation adjustments on cash and cash equivalents | (17) | (74) |
| Net increase (decrease) in cash and cash equivalents | 3,319 | 2,482 |
| Cash and cash equivalents, beginning of period | 14,896 | 24,117 |
| Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation | (154) | - |
| Cash and cash equivalents, end of period | 18,062 | 26,600 |

(4) Notes on Quarterly Consolidated Financial Statements

(Note on the Going-concern Assumption)

Not applicable

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

Not applicable

(Changes in Significant Subsidiaries for the Six Months Ended June 30, 2019)

BEST LIFE STYLE Inc. has been added to the scope of consolidation, due to its establishment during the second quarter ended June 30, 2019 of the current fiscal year. Additionally, due to the Company having sold a portion of its shareholding, BT KALAKAUA, LLC has been excluded from the scope of consolidation and has consequently been made an equity method affiliate from the end of the second quarter ended June 30, 2019 of the current fiscal year.

(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 fiscal year.

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

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

(Special accounting treatments)

Calculation of taxes

The Company calculates tax liabilities by producing a reasonable estimate of the effective tax rate after applying tax-effect accounting to income before income taxes for the fiscal year, which encompasses the second quarter ended June 30, 2019, and then multiplying profit (loss) before income taxes by this estimated effective tax rate. In cases where this estimated effective tax rate cannot be used, the statutory effective tax rate is used.

(Additional Information)

(Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting")

"Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28 of February 16, 2018) have been applied, effective from the first three months of the fiscal year ending December 31, 2019. Accordingly, deferred tax assets are shown under the heading of investments and other assets, while deferred tax liabilities are shown under the heading of fixed liabilities.

(Segment Information)

[Segment Information]

I. Six months ended June 30, 2018 (January 1 to June 30, 2018)

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 | 17,383 | 8,748 | 1,861 | 27,992 | - | 27,992 |
| Inter-segment sales and transfers | 631 | 155 | 0 | 786 | (786) | - |
| Total | 18,014 | 8,903 | 1,861 | 28,779 | (786) | 27,992 |
| Segment income (loss) | 1,827 | 305 | (245) | 1,887 | (810) | 1,076 |

- Notes:
1. Minus 810 million yen adjustments for the segment income or loss include 32 million yen elimination of inter-segment sales and minus 843 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. Impairment loss on fixed assets or goodwill by reportable segment

(Significant impairment loss on fixed assets)

As decreased profitability has remained in some fixed assets held in the "Wedding business" segment, the Company has concluded that the recovery of the investment in these assets could not likely be made during the course of the first six months of the fiscal year ending December 31, 2018. Hence, the book value of these assets has been written down to the recoverable amount, and the resulting loss of 180 million yen has been reported as impairment loss under the extraordinary loss.

II. Six months ended June 30, 2019 (January 1 to June 30, 2019)

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 | 18,378 | 8,745 | 1,947 | 29,071 | - | 29,071 | |
| Inter-segment sales and transfers | 753 | 156 | 5 | 915 | (915) | - | |
| Total | 19,132 | 8,901 | 1,953 | 29,987 | (915) | 29,071 | |
| Segment income (loss) | 2,943 | 328 | (174) | 3,097 | (835) | 2,261 | |

- Notes:
1. Minus 835 million yen adjustments for the segment income or loss include 65 million yen elimination of inter-segment sales and minus 901 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. Impairment loss on fixed assets or goodwill by reportable segment

Not applicable.

3. Supplementary Information
(Weddings Held and Orders Received)

1) Number of weddings held

| | Six months ended June 30, 2018 | Six months ended June 30, 2019 | Year ended December 31, 2018 |
|------------------|------------------------------------|------------------------------------|------------------------------------|
| Segment | Number of weddings held (cases) | Number of weddings held (cases) | Number of weddings held (cases) |
| Wedding business | 6,089 | 5,909 | 12,806 |
| Hotel business | 797 | 788 | 1,712 |
| Total | 6,886 | 6,697 | 14,518 |

2) Wedding orders received

| | Six months ended June 30, 2018 | | Six months ended June 30, 2019 | | Year ended December 31, 2018 | |
|------------------|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------|---------------------------------|-----------------------------|
| Segment | Orders received (cases) | Order backlog (cases) | Orders received (cases) | Order backlog (cases) | Orders received (cases) | Order backlog (cases) |
| Wedding business | 7,325 | 8,185 | 6,826 | 8,036 | 12,976 | 7,119 |
| Hotel business | 940 | 1,259 | 877 | 1,268 | 1,775 | 1,179 |
| Total | 8,265 | 9,444 | 7,703 | 9,304 | 14,751 | 8,298 |