



## 2. Dividends

	Dividend per share				
	End-Q1	End-Q2	End-Q3	Year-end	Annual total
	yen	yen	yen	yen	yen
Year ended December 31, 2020	-	0.00	-	0.00	0.00
Year ending December 31, 2021	-	0.00	-		
Year ending December 31, 2021 (Forecast)				0.00	0.00

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

## 3. Earnings Forecast for the Fiscal Year ending December 31, 2021 (January 1, 2021 – December 31, 2021)

(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, 2021	32,500	19.9	(6,970)	-	(6,680)	-	(5,820)	-	(122.01)

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

### \*Notes

(1) Changes in significant subsidiaries during the period: None

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

Newly Consolidated: None      Newly Deconsolidated: None

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

Note: For details, please refer to “(3) 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 8 in the accompanying materials.

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

1) Changes in accordance with amendments to accounting standards, etc.: 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)

	September 30, 2021	December 31, 2020
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
	Nine Months ended September 30, 2021	Nine Months ended September 30, 2020
3) Average number of shares outstanding during the period	47,700,166	47,700,166

\* Quarterly earnings reports are exempt from quarterly reviews 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)

Any forecasts and forward-looking statements given herein are based on information available as of this report's publication and on certain assumptions that are deemed reasonable. These forecasts are not guarantees of future performance, and actual results may differ from forecasts due to changes in the business environment. For the assumptions underlying the forecasts herein and other notice on the use of earnings forecasts, please refer to "(3) Earnings Forecast for the Fiscal Year ending December 31, 2021" in the section "1. Review of Consolidated Financial Results" on page 3 in the accompanying materials.

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## 1. Review of Consolidated Financial Results

### (1) Operating Results

In the first nine months of the fiscal year ending December 31, 2021, the outlook for the Japanese economy remained uncertain owing largely to the resurgence of novel coronavirus infections, which significantly impacted economic activities and employment conditions, stagnant consumer spending and the absence of foreign tourists due to travel restrictions.

In this environment, the Tsukada Global Holdings Group (“the Group”) focused on creating new value, developing high-quality, appealing outlets, and providing high value-added services in the bridal, hotel, and wellness and relaxation (W&R) markets and on taking all possible measures to prevent coronavirus infections at all its facilities.

Although the fourth state of emergency declared due to the resurgence of novel coronavirus infections was lifted on September 30, 2021, it severely impacted second-half consolidated earnings results in all segments, owing to the postponement of weddings to the next fiscal year or beyond, the decline in the average number of guests per wedding, the downturn in hotel occupancy and restaurant customer numbers due to travel restrictions and sluggish growth in the number of people reactivating their frozen fitness club memberships.

As a result, in the first nine months of fiscal 2021, the Group posted consolidated net sales of ¥21,116 million (up 23.5% year on year). The Group continued to record significant losses, despite signs of a recovery from the same quarter of the previous fiscal year, with an operating loss of ¥7,413 million (compared with a loss of ¥10,879 million a year earlier) and an ordinary loss of ¥6,864 million (compared with a loss of ¥10,797 million a year earlier) due to the receipt of employment adjustment subsidies and various other subsidies for suspending operations and shortening operating hours. The net loss attributable to owners of the parent amounted to ¥5,877 million (compared with a loss of ¥8,717 million a year earlier).

The results for each business segment were as follows.

#### 1) Wedding business

In the first nine months of fiscal 2021, during virtually all of which Japan was under a state of emergency, sales of the wedding business appear to have bottomed out, with the number of weddings held increasing to 4,376 (up 42.0% year on year). However, the segment recorded a loss owing to a decline in profit margins from the decrease in the average number of guests per wedding.

As a result, net sales in the wedding business totaled ¥12,120 million (up 17.6% year on year) and segment loss was ¥2,705 million (compared with a loss of ¥4,515 million a year earlier).

#### 2) Hotel business

Segment sales increased in the first nine months of fiscal 2021 owing to the generation of a certain amount of income at some hotels during the Tokyo Olympics and an increase in the number of weddings held at the Group’s hotels to 761 (up 88.8% year on year), despite sluggish demand for corporate banquets, and declines in hotel occupancy and restaurant customer numbers, which were impacted by ongoing restrictions on overseas travel that have been in place since last year. However, the segment posted a loss as the overall

occupancy rate remained low due to the impact of the resurgence of novel coronavirus infections.

As a result, net sales in the hotel business came to ¥6,958 million (up 41.4% year on year), and segment loss totaled ¥3,298 million (compared with a loss of ¥4,416 million a year earlier).

### 3) W&R business

Segment sales increased in the first nine months of fiscal 2021 as customer traffic at British-style Queensway reflexology salons approached pre-pandemic levels despite some outlets having to respond to national government requests to suspend business operations, and other factors. The segment recorded a loss, however due to the lagging recovery in the number of members returning to Best Style Fitness comprehensive fitness club outlets.

As a result, the W&R business posted net sales of ¥2,037 million (up 8.5% year on year) and a segment loss of ¥373 million (compared with a loss of ¥611 million a year earlier).

## **(2) Analysis of Financial Conditions**

### **Assets, Liabilities, and Net Assets**

Total assets as of September 30, 2021, the end of the first nine months of fiscal 2021, amounted to ¥91,320 million, a decline of ¥8,494 million from the end of the previous fiscal year (December 31, 2020). The decrease mainly reflects a ¥6,006 million decline in cash and deposits owing mainly to the impact of debt repayments and a quarterly net loss attributable to owners of the parent and a ¥1,877 million decline in tangible assets due to depreciation.

Total liabilities as of September 30, 2021, came to ¥70,523 million, a decrease of ¥2,852 million from the end of the previous fiscal year. The decrease mainly reflects a decline of ¥3,009 million in long-term debt (including the current portion), which offset increases of ¥449 million in income tax payable and ¥340 million in advances received.

Net assets as of September 30, 2021, totaled ¥20,796 million, a decrease of ¥5,641 million from the end of the previous fiscal year. The decrease was primarily due to a ¥5,877 million decline in retained earnings owing mainly to the posting of a quarterly net loss attributable to owners of the parent.

### **(3) Earnings Forecast for the Fiscal Year Ending December 31, 2021**

The consolidated earnings forecast for the full fiscal year ending December 31, 2021 was revised taking into account the Company's performance and its progress during the first nine months of fiscal 2021. For details about the forecast revision please refer to the November 5, 2021 news release "Notice Regarding Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2021".

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

	(millions of yen)	
	December 31, 2020	September 30, 2021
	Amount	Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	22,291	16,284
Accounts receivable - trade	816	576
Marketable securities	1,471	1,549
Merchandise	107	192
Raw materials and supplies	481	360
Other	2,289	1,412
Allowance for doubtful receivables	(30)	(40)
<b>Total current assets</b>	<b>27,427</b>	<b>20,334</b>
<b>Fixed assets</b>		
Tangible assets		
Buildings and structures, net	35,128	33,395
Land	11,929	12,182
Construction in progress	505	548
Other, net	2,247	1,806
<b>Total tangible assets</b>	<b>49,811</b>	<b>47,933</b>
Intangible assets		
Goodwill	2,076	1,818
Other	641	617
<b>Total intangible assets</b>	<b>2,717</b>	<b>2,435</b>
Investments and other assets		
Investment securities	4,665	4,643
Lease and guarantee deposits	8,156	7,409
Other	6,976	8,434
Allowance for doubtful receivables	(99)	(105)
<b>Total investments and other assets</b>	<b>19,700</b>	<b>20,381</b>
<b>Total fixed assets</b>	<b>72,229</b>	<b>70,750</b>
<b>Deferred assets</b>	<b>156</b>	<b>235</b>
<b>Total assets</b>	<b>99,814</b>	<b>91,320</b>

	(millions of yen)	
	December 31, 2020	September 30, 2021
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	1,283	1,119
Short-term debt	1,789	2,061
Current portion of long-term debt	3,985	11,373
Current portion of bonds	774	2,189
Income taxes payable	32	481
Advances received	2,940	3,281
Allowance for loss on shop closing	275	56
Asset retirement obligations	445	287
Other	5,675	5,442
<b>Total current liabilities</b>	<b>17,201</b>	<b>26,292</b>
<b>Fixed liabilities</b>		
Bonds	6,947	5,535
Long-term debt	42,237	31,840
Net defined benefit liability	393	415
Provision for directors' retirement benefits	872	903
Asset retirement obligations	4,498	4,521
Other	1,224	1,014
<b>Total fixed liabilities</b>	<b>56,174</b>	<b>44,231</b>
<b>Total liabilities</b>	<b>73,376</b>	<b>70,523</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	472	472
Capital surplus	634	634
Retained earnings	27,070	21,192
Treasury stock	(892)	(892)
<b>Total shareholders' equity</b>	<b>27,284</b>	<b>21,406</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gain (loss) on available-for-sale securities	(43)	(52)
Deferred gain (loss) on derivatives under hedge accounting	(585)	(590)
Foreign currency translation adjustments	(382)	(144)
Remeasurements of defined benefit plan	(7)	(8)
<b>Total accumulated other comprehensive income</b>	<b>(1,018)</b>	<b>(796)</b>
<b>Non-controlling interests</b>	<b>171</b>	<b>185</b>
<b>Total net assets</b>	<b>26,437</b>	<b>20,796</b>
<b>Total liabilities and net assets</b>	<b>99,814</b>	<b>91,320</b>

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

	Nine months ended September 30, 2020	(millions of yen) Nine months ended September 30, 2021
	Amount	Amount
<b>Net sales</b>	17,103	21,116
Cost of sales	18,070	19,260
<b>Gross profit (loss)</b>	(966)	1,856
<b>Selling, general and administrative expenses</b>	9,912	9,270
<b>Operating income (loss)</b>	(10,879)	(7,413)
<b>Non-operating income</b>		
Interest income	115	87
Gain on investments in silent partnership	154	175
Subsidy income	585	508
Foreign exchange gains	-	358
Other	192	151
Total non-operating income	1,048	1,281
<b>Non-operating expenses</b>		
Interest expenses	320	343
Loss on investments in marketable securities	362	-
Other	284	388
Total non-operating expenses	966	732
<b>Ordinary income (loss)</b>	(10,797)	(6,864)
<b>Extraordinary income</b>		
Gain on sales of fixed assets	0	0
Reversal of allowance for doubtful receivables	197	-
Other	13	-
Total extraordinary income	211	0
<b>Extraordinary loss</b>		
Loss on disposal of fixed assets	12	24
Shop closing expenses	43	3
Impairment loss	102	-
Loss on valuation of investment securities	145	-
Loss on valuation of affiliated companies' shares	110	-
Other	79	-
Total extraordinary loss	492	28
<b>Profit (loss) before income taxes</b>	(11,077)	(6,892)
<b>Income taxes</b>	(2,356)	(1,014)
<b>Profit (loss)</b>	(8,721)	(5,877)
<b>Profit (loss) attributable to non-controlling interests</b>	(3)	0
<b>Profit (loss) attributable to owners of the parent</b>	(8,717)	(5,877)

## Consolidated Statements of Comprehensive Income

	Nine months ended September 30, 2020	(millions of yen) Nine months ended September 30, 2021
	Amount	Amount
<b>Profit (loss)</b>	(8,721)	(5,877)
<b>Other comprehensive income</b>		
Net unrealized gain (loss) on available-for-sale securities	85	(9)
Deferred gain (loss) on derivatives under hedge accounting	(91)	(5)
Foreign currency translation adjustments	(118)	131
Remeasurements of defined benefit plan	0	(0)
Share of other comprehensive income of entities accounted for using equity method	(52)	120
Total other comprehensive income	(176)	236
<b>Comprehensive income</b>	<b>(8,898)</b>	<b>(5,641)</b>
(Breakdown)		
Comprehensive income attributable to owners of the parent	(8,890)	(5,655)
Comprehensive income attributable to non-controlling interests	(7)	14

### **(3) Notes on Quarterly Consolidated Financial Statements**

#### **(Note on the Going-concern Assumption)**

Not applicable

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

Not applicable

#### **(Application of Specific Accounting Methods for the Preparation of Quarterly 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 profit (loss) before income taxes for the fiscal year, which encompasses the third quarter ended September 30, 2021 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)**

As of the second quarter of the current fiscal year, the Company had assumed that the pandemic would continue to impact the Group's performance until around the end of the current fiscal year. Although the state of emergency was lifted on September 30, 2021 as more than 70% of the population had been fully vaccinated and the number of new COVID-19 cases was declining, the typically cautious stance of Japanese consumers and the current personal consumption trends are expected to continue for the time being. Consequently, the Group now assumes that the impact of the pandemic on the Group's performance will continue until around the second quarter of the fiscal year ending December 31, 2022, and has accordingly made accounting estimates including judgments on the recoverability of deferred tax assets and the impairment of fixed assets.

However, given the many uncertainties surrounding the impact of the novel coronavirus outbreak, the Group's financial position and the operating results for the fiscal year ending December 31, 2021 could be significantly affected, in the event that social and economic activities stall due to further spread of infections.

**(Segment Information)**

[Segment Information]

## I. Nine months ended September 30, 2020 (January 1 to September 30, 2020)

## 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	10,305	4,921	1,877	17,103	-	17,103
Inter-segment sales and transfers	443	109	8	561	(561)	-
Total	10,748	5,031	1,885	17,665	(561)	17,103
Segment loss	(4,515)	(4,416)	(611)	(9,544)	(1,334)	(10,879)

Notes: 1. Minus 1,334 million yen adjustments for the segment loss include 47 million yen elimination of inter-segment sales and minus 1,381 million yen corporate expenses that are not allocated to each reportable segment. The main component of these unallocated corporate expenses is general and administrative expenses that are not attributable to reportable segments.

2. Segment loss adjustments are based on operating loss 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 nine months of the fiscal year ended December 31, 2020. Hence, the book value of these assets has been written down to the recoverable amount, and the resulting loss of 102 million yen has been reported as impairment loss under the extraordinary loss.

## (Significant change in the amount of goodwill)

In the "Wedding business" segment, as a result of acquiring the shares of Gloria Bridal Japan, Inc. and of its 2 subsidiaries, Gloria Bridal Japan, Inc. and its 4 subsidiaries have been included in the scope of consolidation, effective from the third quarter of the current fiscal year. The amount of goodwill increased by 864 million yen during the first nine months of the fiscal year ended December 31, 2020, as a result of these share acquisitions.

II. Nine months ended September 30, 2021 (January 1 to September 30, 2021)

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	12,120	6,958	2,037	21,116	-	21,116	
Inter-segment sales and transfers	792	194	26	1,013	(1,013)	-	
Total	12,913	7,152	2,064	22,130	(1,013)	21,116	
Segment loss	(2,705)	(3,298)	(373)	(6,376)	(1,037)	(7,413)	

Notes: 1. Minus 1,037 million yen adjustments for the segment loss include 25 million yen elimination of inter-segment sales and minus 1,062 million yen corporate expenses that are not allocated to each reportable segment. The main component of these unallocated corporate expenses is general and administrative expenses that are not attributable to reportable segments.

2. Segment loss adjustments are based on operating loss 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

	Nine months ended September 30, 2020	Nine months ended September 30, 2021	Year ended December 31, 2020
Segment	Number of weddings held (cases)	Number of weddings held (cases)	Number of weddings held (cases)
Wedding business	3,082	4,376	5,044
Hotel business	403	761	717
Total	3,485	5,137	5,761

2) Wedding orders received

	Nine months ended September 30, 2020		Nine months ended September 30, 2021		Year ended December 31, 2020	
Segment	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)
Wedding business	3,462	6,898	5,580	7,542	4,864	6,338
Hotel business	597	1,225	1,006	1,423	864	1,178
Total	4,059	8,123	6,586	8,965	5,728	7,516