

2. Dividends

	Dividend per share				
	End-Q1	End-Q2	End-Q3	Year-end	Annual total
	yen	yen	yen	yen	yen
Year ended December 31, 2016	-	5.00	-	5.00	10.00
Year ending December 31, 2017	-	5.00			
Year ending December 31, 2017 (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, 2017 (January 1, 2017 – December 31, 2017)

(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, 2017	60,600	9.5	4,300	22.3	4,500	25.0	2,800	43.4	58.70

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

*Notes

(1) Changes affecting the consolidation status of significant subsidiaries during the period: None

(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 10 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, 2017	December 31, 2016
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, 2017	Six Months ended June 30, 2016
3) Average number of shares outstanding during the period	47,700,166	48,689,871

*** Quarterly Earnings Report is exempt from the review requirements.**

***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, 2017" 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 six months of the fiscal year ending December 31, 2017, the Japanese economy remained on a modest recovery track, thanks to the improvement in personal spending, corporate earnings and employment situation due to the favorable impact of the government's various economic policies. That said, the future outlook remains unclear given the uncertainties over the direction of the Chinese and other Asian economies and policies.

In this environment, the Group endeavored to increase sales and profitability by accurately responding to increasingly individualized and diversifying customer needs in the bridal, hotel, and wellness and relaxation (W&R) markets while working to create new value in these markets, to develop high-quality, extremely appealing outlets, and to provide high value-added services.

Based on this policy, the Company has taken steps to expand its earnings and geographical operating areas with its first foray into Okinawa Prefecture and preparations for the opening of its new outlet "The Strings Omotesando" (Minato Ward, Tokyo) and comprehensive fitness club "Best Style Fitness" (Urayasu, Chiba Prefecture) in its W&R business.

As a result of these efforts, in the first six months of the fiscal year ending December 31, 2017, Tsukada Global Holdings Inc. ("the Company") posted consolidated net sales of ¥26,171 million (up 1.0% year on year). The company posted an operating income of ¥753 million (up 112.2% from a year earlier), ordinary income of ¥691 million (compared with a loss of ¥269 million a year earlier) and net income of ¥159 million (versus a loss of ¥389 million a year earlier) attributable to owners of the parent in the period under review

The results for each business segment were as follows.

a. Wedding business

In the first six months of fiscal 2017, sales fell slightly owing to a decline from the previous year in the number of weddings held at our guesthouses, a core business. However, income in this segment rose from the impact of cost-cutting measures implemented last year.

As a result, net sales in the wedding business were ¥15,952 million (down 0.5% year on year), and segment operating income was ¥1,616 million (up 7.6% from a year earlier).

b. Hotel business

In the first six months of fiscal 2017, sales of the hotel business rose, despite a slight decrease in the number of weddings held, underpinned by the generally steady increases in the overnight accommodation occupancy rate and average customer spend. Income in the segment rose in the absence of outlet-opening expenses and due to the effect of our cost-cutting efforts.

As a result, net sales in the hotel business reached ¥8,533 million (up 0.3% year on year), while segment operating income totaled ¥240 million (up 32.5% from a year earlier).

c. W&R business (Wellness & Relaxation business)

In the first six months of fiscal 2017, sales increased reflecting the full six-month term operation of the spa complex - Beauty & Relax SPA-HERBS.

As a result, net sales in the W&R business came to ¥1,685 million (up 22.9% year on year), while segment operating loss totaled ¥235 million (versus a segment loss of ¥269 million a year earlier).

(2) Analysis of Financial Condition

1) Assets, Liabilities, and Net Assets

Total assets at the end of the first half of fiscal year 2017 (June 30, 2017) amounted to ¥84,039 million, a decrease of ¥713 million from the end of the previous fiscal year (December 31, 2016). The decline is chiefly attributable to a ¥596 million decrease in tangible assets and ¥154 million decline in intangible assets, owing to depreciation and amortization expenses as well as an impairment loss.

Liabilities at the end of the first six months of the fiscal year came to ¥50,163 million, a decrease of ¥361 million compared with the end of the previous fiscal year. The decline reflects a decrease of ¥424 million in income taxes payable and a ¥413 million decline in other current liabilities partly due to a decrease in accounts payable, which eclipsed the impact of a net increase of ¥460 million in advances received.

Net assets at the end of the first half totaled ¥33,876 million, ¥352 million less than at the end of the previous fiscal year. The change is largely attributable to a decrease of ¥79 million in retained earnings owing to ¥238 million in year-end dividends paid to shareholders in the previous fiscal year and a reduction of ¥195 million in foreign currency translation adjustments which offset ¥159 million in profit attributable to owners of the parent.

2) Cash flow

Cash and cash equivalents (“cash”) at the end of the first half totaled ¥15,360 million, ¥20 million less 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, 2017, are as follows.

(Operating Cash Flow)

Cash provided by operating activities totaled ¥1,955 million, an increase of 34.6% from the first half of the previous fiscal year. This is largely ascribed to ¥1,660 million in depreciation and amortization expenses, ¥531 million in profit before income tax, and a ¥466 million increase in advances received which offset the impact of ¥1,130 million in income taxes paid.

(Investing Cash Flow)

Cash used in investing activities totaled ¥1,678 million, a decrease of 79.7% from the same period of the previous fiscal year. The decline is mainly attributable to the ¥1,651 million purchase of tangible assets.

(Financing Cash Flow)

Cash used in financing activities totaled ¥238 million (cash acquired in the first half of the previous year was ¥3,974 million). This chiefly reflects ¥5,995 million in repayments of long-term debt, ¥412 million in payments for the redemption of bonds and ¥238 million in dividends paid to shareholders, which eclipsed the impact of ¥5,943 million in net proceeds from long-term debt and ¥488 million in proceeds from issuance of bonds.

(3) Earnings Forecast for the Fiscal Year ending December 31, 2017

Changes to the Company’s forecast for full-year earnings for the fiscal year ending December 31, 2017, based on the results for the first six months of the year, were announced on August 7, 2017 in a corporate news release entitled “Revision of Consolidated Results Forecast for the First Six Months”. Going forward, changes in the market environment are expected, and the Company will release any revisions to its earnings forecasts that result from these changes in a timely manner.

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

	December 31, 2016	June 30, 2017
	Amount	Amount
(millions of yen)		
Assets		
Current assets		
Cash and deposits	15,468	15,448
Accounts receivable - trade	966	867
Marketable securities	-	142
Merchandise	114	103
Raw materials and supplies	506	565
Other	2,008	2,144
Allowance for doubtful receivables	(64)	(40)
Total current assets	19,000	19,230
Fixed assets		
Tangible assets		
Buildings and structures, net	23,597	22,972
Land	21,156	20,804
Other, net	2,585	2,965
Total tangible assets	47,338	46,742
Intangible assets		
Goodwill	2,271	2,138
Other	272	250
Total intangible assets	2,543	2,388
Investments and other assets		
Investment securities	3,058	2,936
Lease and guarantee deposits	8,649	8,678
Other	4,062	3,963
Total investments and other assets	15,771	15,578
Total fixed assets	65,653	64,710
Deferred assets	98	98
Total assets	84,752	84,039

	December 31, 2016	June 30, 2017
	Amount	Amount
(millions of yen)		
Liabilities		
Current liabilities		
Accounts payable - trade	2,362	2,270
Current portion of long-term debt	13,062	9,767
Current portion of bonds	824	886
Income taxes payable	1,112	687
Advances received	1,336	1,797
Other	3,366	2,953
Total current liabilities	22,065	18,362
Fixed liabilities		
Bonds	3,684	3,710
Convertible bonds with stock acquisition rights	5,000	5,000
Long-term debt	15,747	18,990
Net defined benefit liability	332	359
Provision for directors' retirement benefits	702	720
Asset retirement obligations	2,339	2,359
Other	652	660
Total fixed liabilities	28,459	31,800
Total liabilities	50,524	50,163
Net assets		
Shareholders' equity		
Capital stock	472	472
Capital surplus	634	634
Retained earnings	32,090	32,011
Treasury stock	(892)	(892)
Total shareholders' equity	32,304	32,225
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	(58)	(70)
Foreign currency translation adjustments	376	180
Remeasurements of defined benefit plan	(3)	(4)
Total accumulated other comprehensive income	313	105
Non-controlling interests	1,610	1,545
Total net assets	34,228	33,876
Total liabilities and net assets	84,752	84,039

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

	Six months ended June 30, 2016	(millions of yen) Six months ended June 30, 2017
	Amount	Amount
Net sales	25,910	26,171
Cost of sales	18,574	18,275
Gross profit	7,336	7,895
Selling, general and administrative expenses	6,981	7,142
Operating income	354	753
Non-operating income		
Interest income	30	17
Dividend income	18	13
Gain on investments in silent partnership	74	80
Gain on redemption of investment securities	122	-
Real estate rental income	36	122
Foreign exchange gains	-	54
Other	44	41
Total non-operating income	326	329
Non-operating expenses		
Interest expenses	124	115
Loss on valuation of derivatives	256	195
Foreign exchange loss	539	-
Other	29	79
Total non-operating expenses	950	390
Ordinary income or (loss)	(269)	691
Extraordinary Income		
Gain on sales of fixed assets	0	0
Reversal gains of provisions for directors' retirement benefits	14	-
Reversal gains of provisions for shop closing expenses	3	-
Total extraordinary gain	17	0
Extraordinary loss		
Loss on disposal of fixed assets	48	10
Shop closing expenses	1	0
Loss on sales of investment securities	117	-
Impairment loss	-	149
Total extraordinary loss	167	160
Profit (loss) before income taxes	(419)	531
Income taxes	(15)	358
Profit (loss)	(404)	173
Profit (loss) attributable to non-controlling interests	(15)	13
Profit (loss) attributable to owners of the parent	(389)	159

Consolidated Statements of Comprehensive Income

	Six months ended June 30, 2016	(millions of yen) Six months ended June 30, 2017
	Amount	Amount
Profit (loss)	(404)	173
Other comprehensive income		
Net unrealized gain on available-for-sale securities	(78)	(11)
Foreign currency translation adjustments	(516)	(257)
Remeasurements of defined benefit plan	(0)	(0)
Total other comprehensive income	(596)	(270)
Comprehensive income	(1,000)	(96)
(Breakdown)		
Comprehensive income attributable to owners of the parent	(894)	(48)
Comprehensive income attributable to non-controlling interests	(106)	(48)

(3) Consolidated Statements of Cash Flows

	(millions of yen)	
	Six months ended June 30, 2016	Six months ended June 30, 2017
	Amount	Amount
Cash flows from operating activities		
Profit (loss) before income taxes	(419)	531
Depreciation and amortization	1,724	1,660
Amortization of goodwill	133	133
Amortization of bond issuance expenses	10	11
Loss on disposal of fixed assets	48	10
Loss (gain) on valuation of derivatives	256	195
Loss (gain) on redemption of investment securities	(122)	-
Loss (gain) on sales of investment securities	117	-
Increase (decrease) in allowance for doubtful receivables	0	(23)
Increase (decrease) in net defined benefit liability	20	26
Increase (decrease) in provision for directors' retirement benefits	(6)	18
Interest and dividend income	(48)	(30)
Interest expenses	124	115
(Gain) loss on investments in silent partnership	(74)	(80)
Foreign exchange (gain) loss	517	(57)
Impairment loss	-	149
(Increase) decrease in notes and accounts receivable - trade	23	13
(Increase) decrease in inventories	21	(47)
Increase (decrease) in notes and accounts payable - trade	(124)	(68)
Increase (decrease) in advances received	551	466
Increase (decrease) in other liabilities	(228)	(304)
Other	355	456
Sub total	2,881	3,177
Interest and dividends received	44	22
Interest paid	(125)	(114)
Income taxes paid	(1,347)	(1,130)
Net cash provided by (used in) operating activities	1,452	1,955

	Six months ended June 30, 2016	Six months ended June 30, 2017
	Amount	Amount
Cash flows from investing activities		
Purchase of tangible assets	(8,958)	(1,651)
Purchase of intangible assets	(82)	(26)
Purchase of investment securities	(300)	(257)
Proceeds from sales of investment securities	493	26
Proceeds from redemption of investment securities	436	-
Proceeds from withdrawal of investment in silent partnership	311	279
Loans receivable	(106)	(20)
Collection of loans receivable	1	39
Lease and guarantee deposits	(155)	(111)
Collection of lease and guarantee deposits	175	4
Purchase of long-term prepaid expenses	(49)	(0)
Other	(23)	40
Net cash provided by (used in) investing activities	(8,256)	(1,678)
Cash flows from financing activities		
Proceeds from long-term debt	4,200	5,943
Repayments of long-term debt	(1,575)	(5,995)
Proceeds from issuance of bonds	977	488
Payments for redemption of bonds	(362)	(412)
Purchase of treasury stock	(307)	-
Dividends paid to non-controlling interests	-	(16)
Dividends paid to shareholders	(244)	(238)
Proceeds from stock issuance to non-controlling interests	1,335	-
Purchase of subsidiaries' shares not resulting in change in scope of consolidation	(44)	-
Other	(4)	(7)
Net cash provided by (used in) financing activities	3,974	(238)
Foreign currency translation adjustments on cash and cash equivalents	(65)	(58)
Net increase (decrease) in cash and cash equivalents	(2,895)	(20)
Cash and cash equivalents, beginning of period	17,863	15,380
Increase in cash and cash equivalents, resulting from new consolidation of a subsidiary	249	-
Cash and cash equivalents, end of period	15,218	15,360

(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

(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, 2017, 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 the Implementation Guidance on Recoverability of Deferred Tax Assets)

The Company has applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (ASB Guidance No 26, March 28, 2016), effective from the three months ended March 31, 2017.

(Segment Information)

[Segment Information]

I. Six months ended June 30, 2016 (January 1 to June 30, 2016)

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	16,027	8,512	1,371	25,910	-	25,910
Inter-segment sales and transfers	605	203	-	808	(808)	-
Total	16,632	8,716	1,371	26,719	(808)	25,910
Segment income (loss)	1,502	181	(269)	1,415	(1,060)	354

Notes: 1. Minus 1,060 million yen adjustments for the segment income or loss include 11 million yen elimination of inter-segment sales and minus 1,071 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.

II. Six months ended June 30, 2017 (January 1 to June 30, 2017)

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	15,952	8,533	1,685	26,171	-	26,171
Inter-segment sales and transfers	591	142	-	734	(734)	-
Total	16,544	8,676	1,685	26,905	(734)	26,171
Segment income (loss)	1,616	240	(235)	1,622	(869)	753

- Notes:
1. Minus 869 million yen adjustments for the segment income or loss include 14 million yen elimination of inter-segment sales and minus 884 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” and “W&R business” segments, 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, 2017. Hence, the book value of these assets has been written down to the recoverable amount, while the resulting extraordinary loss has been reported as impairment loss. Accordingly, the impairment loss of 139 million yen in the “Wedding business” segment and 10 million yen in the “W&R business” segment has been reported respectively in the first six months of the fiscal year ending December 31, 2017.

3. Supplementary Information
Weddings Held and Orders Received

1) Number of weddings held

	Six months ended June 30, 2016	Six months ended June 30, 2017	Year ended December 31, 2016
Segment	Number of weddings held (cases)	Number of weddings held (cases)	Number of weddings held (cases)
Wedding business	5,269	5,367	11,401
Hotel business	862	843	1,799
Total	6,131	6,210	13,200

2) Wedding orders received

	Six months ended June 30, 2016		Six months ended June 30, 2017		Year ended December 31, 2016	
Segment	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)
Wedding business	6,324	7,071	6,823	7,634	11,563	6,178
Hotel business	959	1,339	957	1,371	1,814	1,257
Total	7,283	8,410	7,780	9,005	13,377	7,435