



Briefing Materials on Consolidated Results of the Year Ended March 31, 2011

I. Executive Summary

I-1. Executive Summary: Performance in the Year Ended March 2011

Earnings and Key Points in the Year Ended March 2011 :

| (Consolidated Performance) | Performance (Millions of yen) | Change | Comparison with Revised Plan |
|---|----------------------------------|-------------------------------|-------------------------------|
| Net sales | 50,555 | Down 2.9% | Down 4.8% |
| Operating income (Operating income ratio) | 1,385 2.7% | Down 21.9% Down 0.7 points | Down 30.8% Down 1.1 points |
| Ordinary income (Ordinary income ratio) | 1,345 2.7% | Down 28.9% Down 0.9 points | Down 29.2% Down 0.9 points |
| Net income | 176 | Down 77.2% | Down 74.9% |

■ Net sales

The postponement and cancellation of weddings, accommodation bookings and receptions due to the occurrence of the Great East Japan Earthquake, and fewer couples booking the Mielparque facilities led to a reduction in revenue.

■ Operating income

Operating income declined by 415 million yen, or 21.9%, compared to the previous year, due to the decline in net sales caused by the Great East Japan Earthquake.

I-2. Executive Summary: Plan for the Year Ending March 2012

Plan and Key Points in the Year Ending March 2012 :

| (Consolidated Performance) | Plan for Year Ending March 2012 (Millions of yen) | Year Ended March 2011 | Change |
|---|--|-----------------------|-------------------------------|
| Net sales | 50,400 | 50,555 | Down 0.3% |
| Operating income (Operating income ratio) | 1,200 2.4% | 1,385 2.7% | Down 13.4% Down 0.3 points |
| Ordinary income (Ordinary income ratio) | 1,200 2.4% | 1,345 2.7% | Down 10.8% Down 0.3 points |
| Net income | 460 | 176 | Up 160.4% |

■ Key Point

The effects of the Great East Japan Earthquake, such as the postponement and cancellation of weddings, receptions and accommodation bookings, are expected to continue, thus we will secure earnings on par with the previous year by taking steps to recover from the impact and continue to implement the structural reforms we instituted during the previous fiscal year.

II. Impact of the Great East Japan Earthquake

II-1 Impact of the Great East Japan Earthquake

1. Reduced net sales due to the postponement and cancellation of weddings, accommodation bookings and receptions

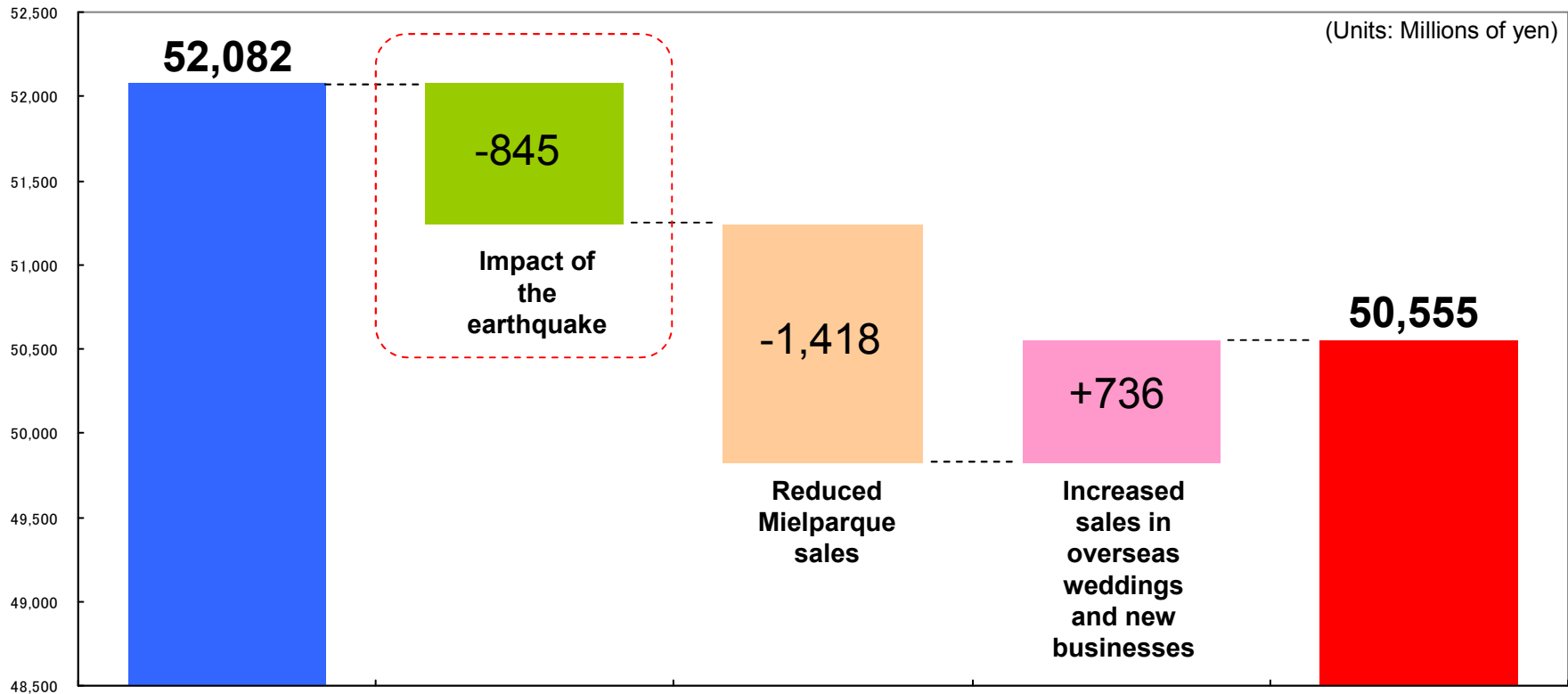
2. Suspension of operation of certain facilities and stores in East Japan

3. Reduced wedding bookings in March

4. Occurrence of extraordinary loss

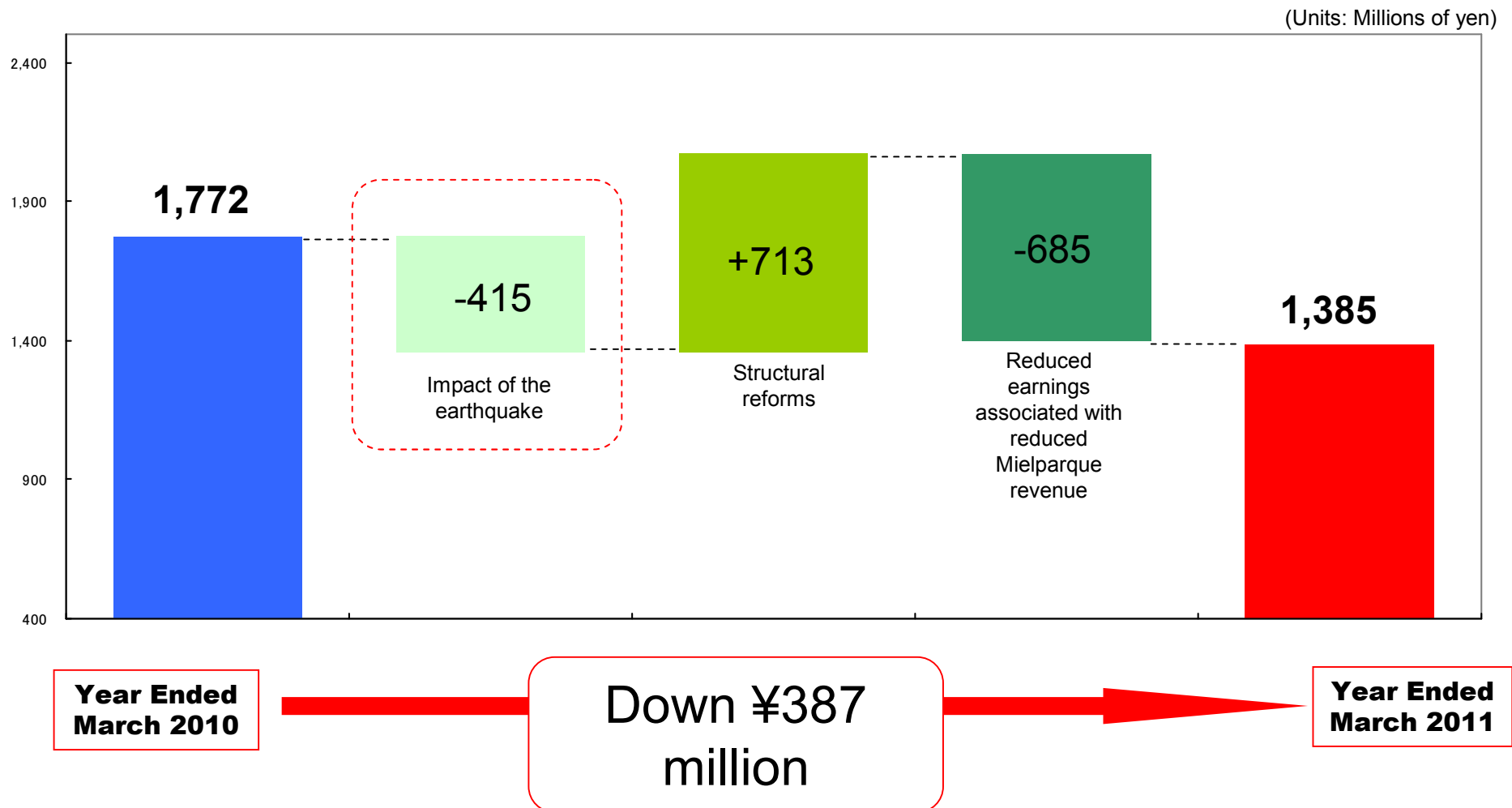
II-2. Impact of the Great East Japan Earthquake – Impact to the Year Ended March 2011 (Net Sales)

Net sales decreased by 845 million yen due to the postponement and cancellation of weddings, receptions and accommodation bookings resulting from the effects of the Great East Japan Earthquake.



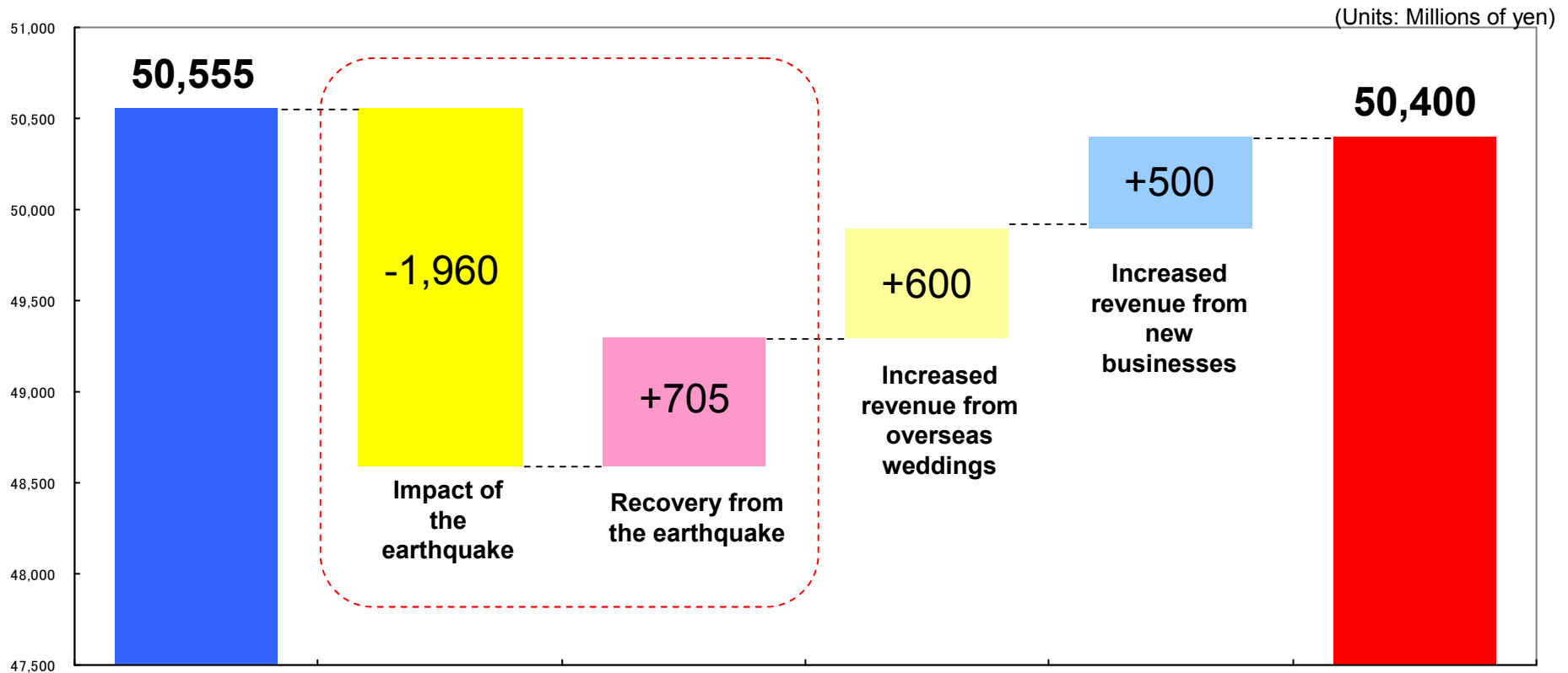
II-2. Impact of the Great East Japan Earthquake – Impact to the Year Ended March 2011 (Operating Income)

Although operating income largely remained on track due to reduced expenses, operating income declined by 415 million yen due to the impact of the earthquake.



II-3. Impact of the Great East Japan Earthquake – Potential Impact to the Year Ending March 2012 (Net Sales)

As the impact of the Great East Japan Earthquake is expected to amount to 1,960 million yen, we will secure net sales on par with the previous year through measures aimed at recovery from the earthquake, revenue-raising measures for overseas weddings, and new businesses.



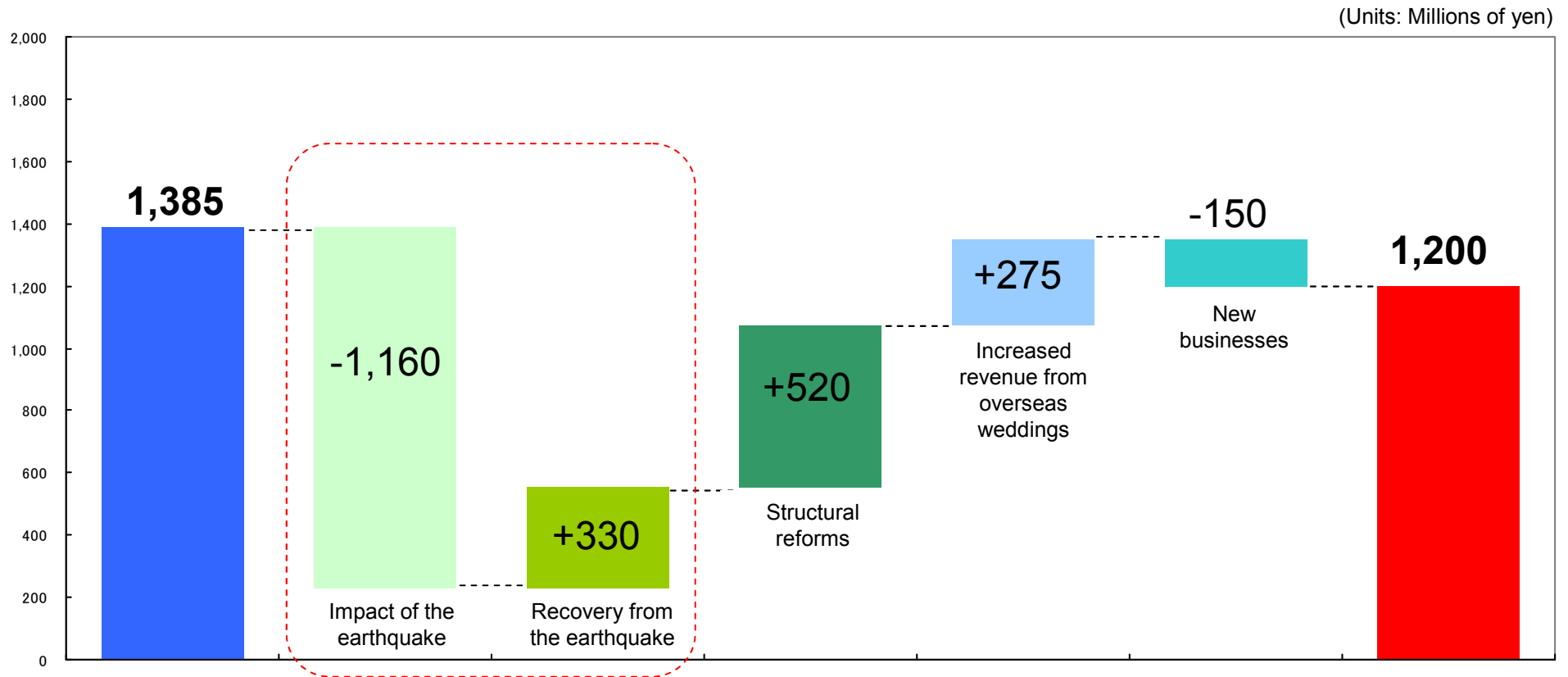
**Year Ended
March 2011**

**Down ¥155
million**

**Plan for Year
Ending March 2012**

II-3. Impact of the Great East Japan Earthquake – Potential Impact to the Year Ending March 2012 (Operating Income)

As the impact of the earthquake on operating income is expected to amount to 1,160 million yen, we will take steps to recover from the effect of the earthquake and carry out structural reforms so as to secure operating income on par with the previous year.



**Year Ended
March 2011**

**Down ¥185
million**

**Plan for Year
Ending March 2012**

III. Overview of Consolidated Results of the Year Ended March 2011

III-1. Overview of Consolidated Results

(Units: Millions of yen)

| Item | Year Ended March 2011 | Year Ended March 2010 | Change |
|---|--------------------------|--------------------------|----------------------------|
| Net sales | 50,555 | 52,082 | Down 2.9% |
| Gross profit | 33,482 | 34,180 | Down 2.0% |
| Gross profit ratio | 66.2% | 65.6% | Down 0.6 points |
| Selling, general and administrative expenses | 32,097 | 32,408 | Down 1.0% |
| SG&A ratio | 63.5% | 62.2% | Up 1.3 points |
| Operating income | 1,385 | 1,772 | Down 21.9% |
| Operating income ratio | 2.7% | 3.4% | Down 0.7 points |
| Ordinary income | 1,345 | 1,892 | Down 28.9% |
| Ordinary income ratio | 2.7% | 3.6% | Down 0.9 points |
| Net income | 176 | 773 | Down 77.2% |

| Plan for Year Ended March 2011 | Difference |
|-----------------------------------|----------------------------|
| 53,100 | Down 4.8% |
| 35,400 | Down 5.4% |
| 66.7% | Down 0.5 points |
| 33,400 | Down 3.9% |
| 62.9% | Up 0.6 points |
| 2,000 | Down 30.8% |
| 3.8% | Down 1.1 points |
| 1,900 | Down 29.2% |
| 3.6% | Down 0.9 points |
| 700 | Down 74.9% |

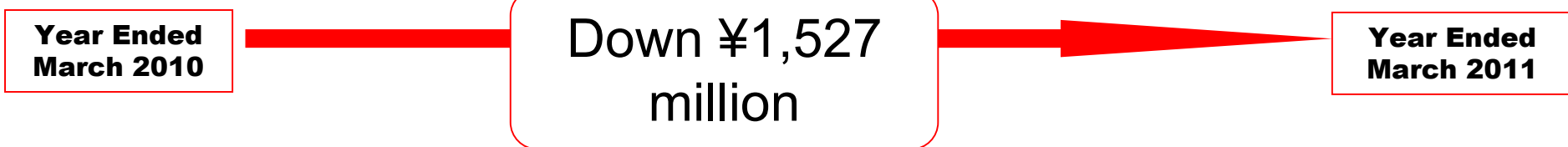
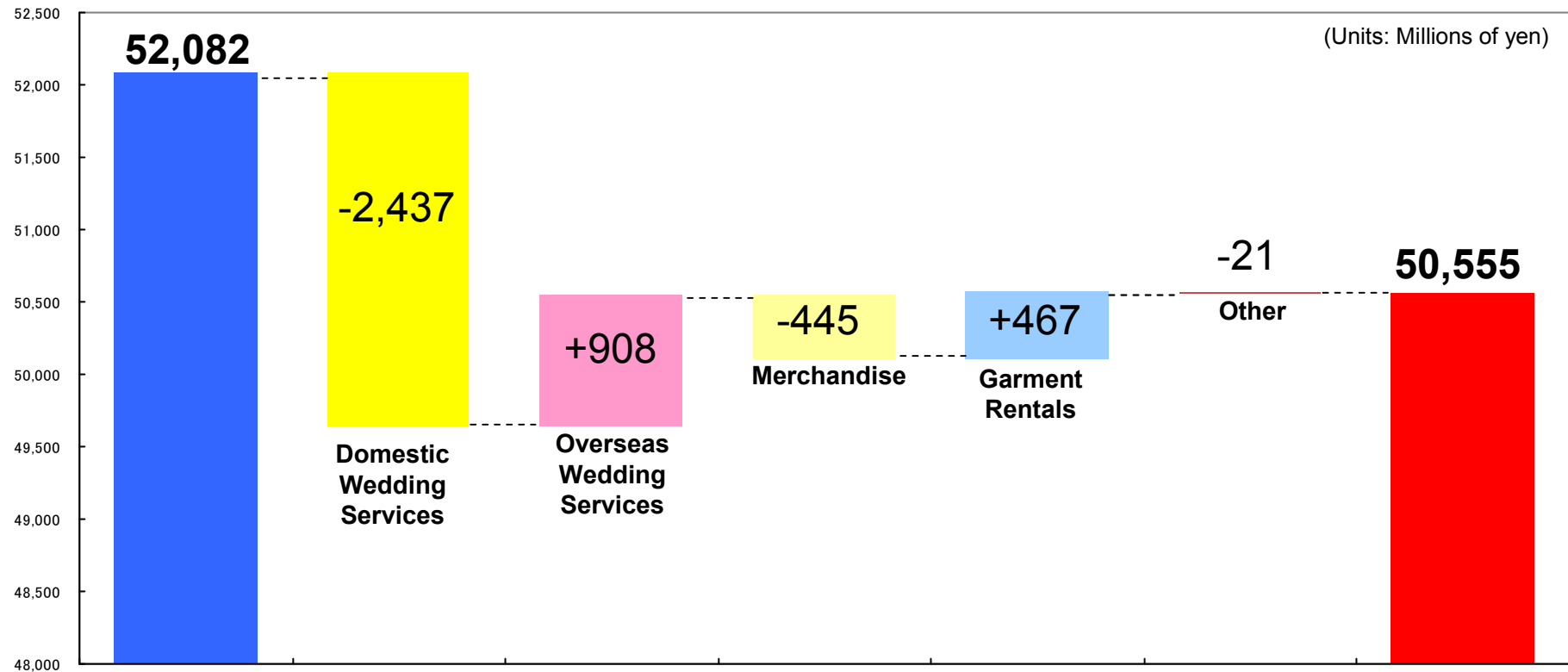
III-2. Overview of Consolidated Results (Mielparque/Existing)

(Units: Millions of yen)

| Item | Consolidated | | Existing | | Mielparque | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Year Ended March 2011 | Year Ended March 2010 | Year Ended March 2011 | Year Ended March 2010 | Year Ended March 2011 | Year Ended March 2010 |
| Net sales | 50,555 | 52,082 | 32,116 | 31,892 | 18,438 | 20,190 |
| Gross profit | 33,482 | 34,180 | 20,855 | 20,919 | 12,627 | 13,261 |
| Gross profit ratio | 66.2% | 65.6% | 64.9% | 65.6% | 68.5% | 65.7% |
| Selling, general and administrative expenses | 32,097 | 32,408 | 19,487 | 19,329 | 12,610 | 13,078 |
| SG&A ratio | 63.5% | 62.2% | 60.7% | 60.6% | 68.4% | 64.8% |
| Operating income | 1,385 | 1,772 | 1,368 | 1,590 | 16 | 182 |
| Operating income ratio | 2.7% | 3.4% | 4.3% | 5.0% | 0.1% | 0.9% |
| Ordinary income | 1,345 | 1,892 | 1,322 | 1,707 | 23 | 185 |
| Ordinary income ratio | 2.7% | 3.6% | 4.1% | 5.4% | 0.1% | 0.9% |
| Net income | 176 | 773 | | | | |

III-3. Net Sales Factor Analysis (YoY)

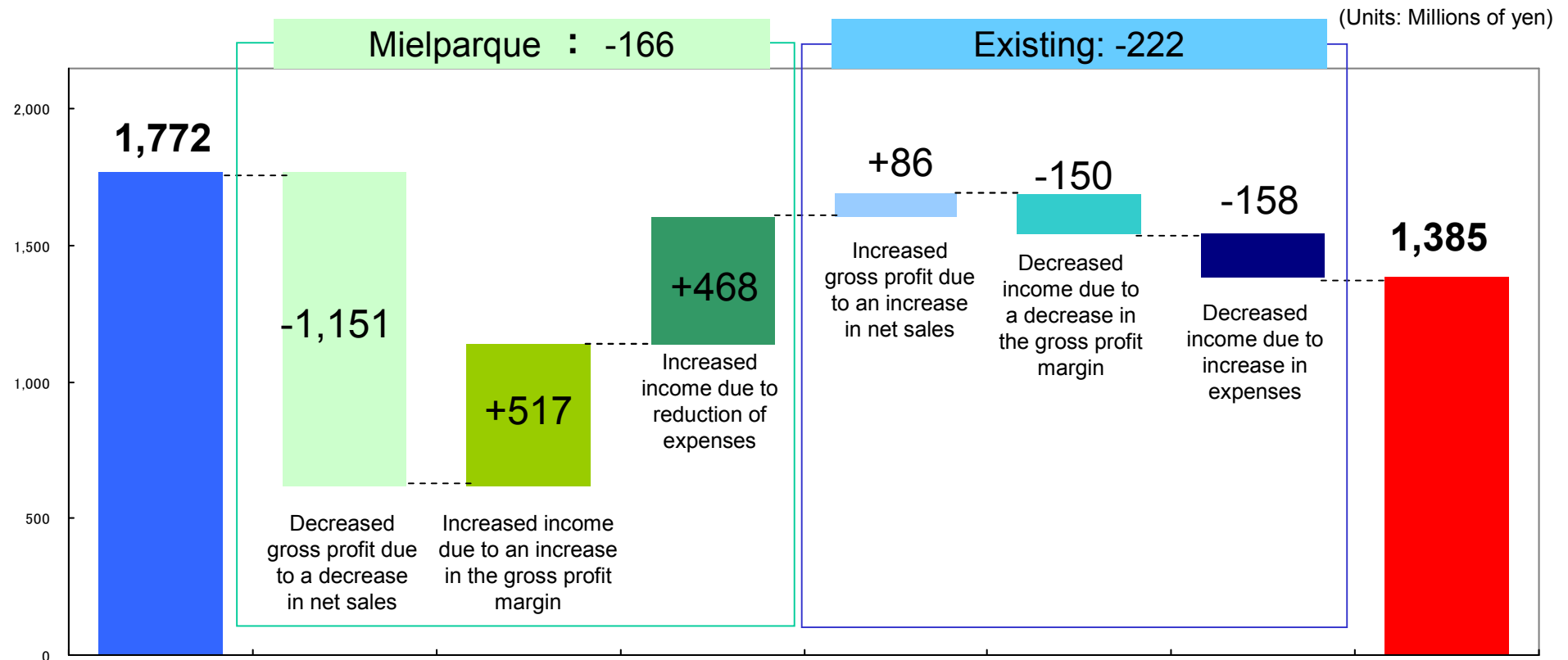
Revenue from domestic weddings decreased due to postponements and cancellations resulting from the earthquake, and a reduction in the number of weddings held in Mielparque facilities.



III-4. Operating Income Factor Analysis (YoY)

Mielparque: By increasing our gross profit margin through the internalization of processes and by reducing expenses through structural reforms, we limited decline in income caused by lower net sales.

Existing: The increase in net sales was set back by the occurrence of the earthquake, and we were unable to recover the decrease in income because of increased expenses, etc.



**Year Ended
March 2010**

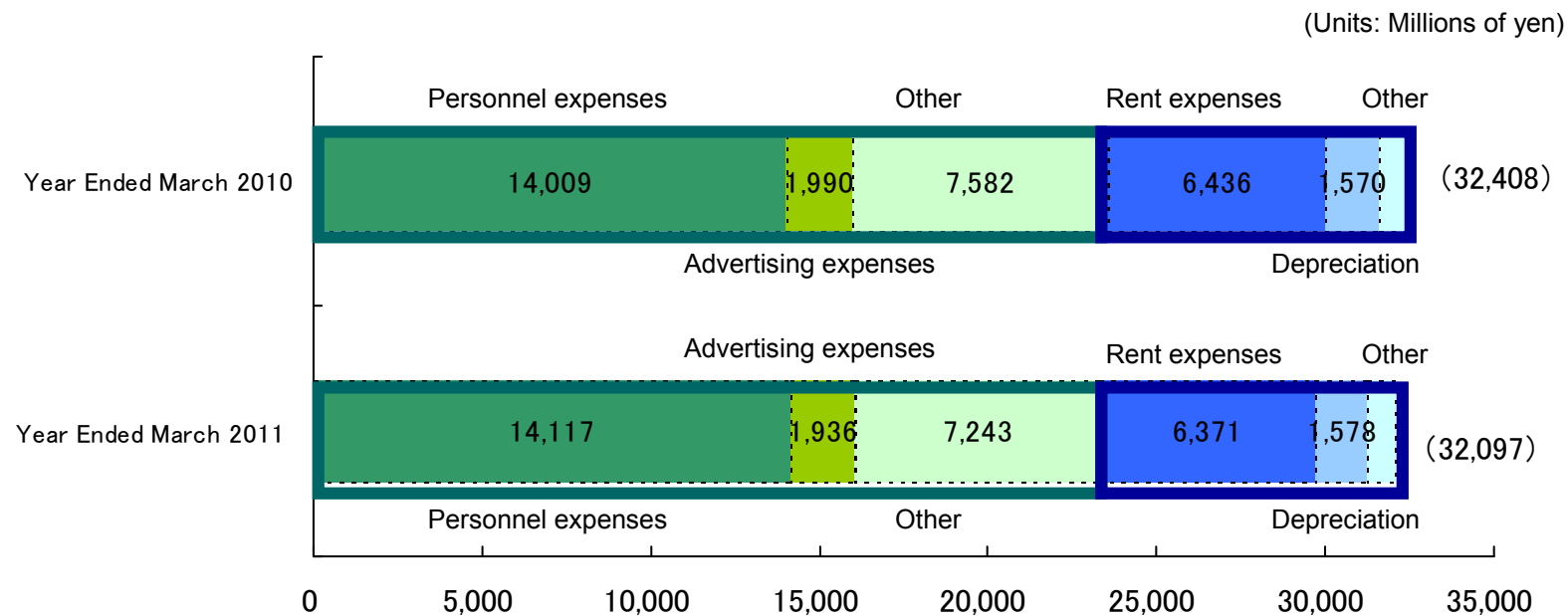
**Down ¥387
million**

**Year Ended
March 2011**

III-5. Selling, General and Administrative Expenses (Changes by Item)

Selling, general and administrative expenses

SG&A ratio Year Ended March 2010 62.2% → Year Ended March 2011 63.5% (Up 1.3 points YoY)



IV. Overview of the Year Ended March 2011 by Business Category

IV -1. Overview of P/L by Business Category (YoY)

(Units: Millions of yen)

Net sales

| Item | Year Ended March 2011 | | Year Ended March 2010 | | Change |
|---------------------------|--------------------------|---------------|--------------------------|---------------|------------------|
| | | Percentage | | Percentage | |
| Domestic Wedding Services | 32,134 | 63.6% | 34,571 | 66.4% | Down 7.0% |
| Overseas Wedding Services | 9,046 | 17.9% | 8,137 | 15.6% | Up 11.2% |
| Merchandise | 3,646 | 7.2% | 4,092 | 7.8% | Down 10.9% |
| Garment Rentals | 4,772 | 9.4% | 4,304 | 8.3% | Up 10.9% |
| Commissions | 954 | 1.9% | 976 | 1.9% | Down 2.2% |
| Net sales | 50,555 | 100.0% | 52,082 | 100.0% | Down 2.9% |

Gross profit

| | Year Ended March 2011 | Gross profit ratio | Year Ended March 2010 | Gross profit ratio | |
|---------------------------|--------------------------|-----------------------|--------------------------|--------------------|----------------------|
| Domestic Wedding Services | 21,241 | 66.1% | 22,638 | 65.5% | Up 0.6 points |
| Overseas Wedding Services | 5,474 | 60.5% | 5,029 | 61.8% | Down 1.3 points |
| Merchandise | 2,260 | 62.0% | 2,549 | 62.3% | Down 0.3 points |
| Garment Rentals | 3,551 | 74.4% | 2,986 | 69.4% | Up 5.0 points |
| Commissions | 954 | | 976 | | |
| Gross profit | 33,482 | 66.2% | 34,180 | 65.6% | Up 0.6 points |

IV- 2. Overview of P/L by Business Category

Domestic Wedding Services

| | | Year Ended March 2011 | Year Ended March 2010 | |
|---|---|-----------------------|-----------------------|---------------|
| Net sales from Domestic Wedding Services (Millions of yen) | | 32,134 | 34,571 | Down 7.0% |
| | Number of customers (Couples) | 11,561 | 12,483 | Down 7.4% |
| | In-house chapel facilities | 32 | 30 | Up 6.7% |
| Gross profit from Domestic Wedding Services (Millions of yen) | | 22,241 | 22,638 | Down 6.2% |
| | Gross profit ratio | 66.1% | 65.5% | Up 0.6 points |
| Mielparque*1 | Number of customers (Couples) | 4,010 | 4,649 | Down 13.7% |
| | Average amount spent per wedding (Thousands of yen) | 2,209 | 2,183 | Up 1.2% |
| Meguro Gajoen*1 | Number of customers (Couples) | 1,437 | 1,571 | Down 8.5% |
| | Average amount spent per wedding (Thousands of yen) | 3,221 | 3,212 | Up 0.3% |
| Resort weddings *2 | Number of customers (Couples) | 4,732 | 4,925 | Down 3.9% |
| | Average amount spent per wedding (Thousands of yen) | 800 | 803 | Down 0.4% |
| Including weddings in Okinawa*2 | Number of customers (Couples) | 4,022 | 4,186 | Down 3.9% |
| | Average amount spent per wedding (Thousands of yen) | 839 | 840 | Down 0.1% |
| Other | Number of customers (Couples) | 1,382 | 1,338 | Up 3.3% |
| | Average amount spent per wedding (Thousands of yen) | 2,454 | 2,387 | Up 2.8% |
| New facilities | Number of customers (Couples) | 123 | 0 | +123 |
| Closed facilities | Number of customers (Couples) | 0 | 11 | -11 |
| Existing facilities | Number of customers (Couples) | 11,438 | 12,472 | -1,034 |

[Overview]

Revenue declined due to the postponement and cancellation of weddings, receptions and accommodation bookings resulting from the Great East Japan Earthquake, and a decrease in the number of weddings held at Mielparque facilities.

[The Impact of the Great East Japan Earthquake]

360M yen: Postponement and cancellation of weddings

(Postponement or cancellation by 110 couples)

300M yen: Cancellation of receptions and accommodation bookings

45M yen: Suspension of operations of Mielparque Sendai

[Reduced Mielparque Bookings]

Of the 4,300 weddings planned, 4,010 weddings were carried out

■ Cause: Delay in implementing measures to recover bookings

*1. The average amount spent per wedding in Wedding Division was used as the average amount for Mielparque and Meguro Gajoen.

*2. A change has been made to the method used to calculate the average amount in Okinawa. The previous year's average amount has been recalculated to accommodate the change.

IV- 3. Overview of P/L by Business Category

Overseas Wedding Services (1) – Japanese Market

| | Year Ended March 2011 | Year Ended March 2010 | Change |
|--|-----------------------|-----------------------|------------------------|
| Net sales from Overseas Wedding Services (Millions of yen) | 9,046 | 8,137 | Up 11.2% |
| Gross profit from Overseas Wedding Services (Millions of yen) | 5,474 | 5,059 | Up 8.9% |
| Overseas Wedding Services Gross profit ratio | 60.5% | 61.8% | Down 1.3 points |

| | | | |
|---|---------------|---------------|------------------|
| Number of customers (Couples) | 14,960 | 15,914 | Down 6.0% |
| Average spending per couple (Thousands of yen) | 567 | 511 | Up 10.9% |

| | | | | |
|--------------------------------|------------------------|---------------|---------------|-------------------|
| Number of customers | Hawaii | 7,900 | 8,609 | Down 8.2% |
| | Micronesia | 4,711 | 4,608 | Up 2.2% |
| | Oceania | 903 | 1,180 | Down 23.5% |
| | North America | 164 | 177 | Down 7.3% |
| | Europe | 800 | 816 | Down 2.0% |
| | Bali | 482 | 521 | Down 7.5% |
| | Other | 0 | 3 | - |
| | Total (Couples) | 14,960 | 15,914 | Down 6.0% |
| Usage rate of in-house chapels | 72.9% | 78.7% | | |

[Overview]

The increase in average amount spent per wedding and the operation of our new facilities in Taiwan led to an increase in net sales.

[The Impact of the East Japan Great Earthquake]

140M yen: Postponement and cancellation of weddings

(Postponement or cancellation by 130 couples)

[Factors resulting in an increase in the average amount spent per wedding]

The average amount spent per wedding increased as a result of increased usage of the Customer Support Center.

IV- 3. Overview of P/L by Business Category Overseas Wedding Services (2) - Progress in Asia Business

| | Year Ended March 2011 | Year Ended March 2010 | Change |
|---|-----------------------|-----------------------|-------------|
| Asia 'Local' wedding service business | | | |
| Grace Hill Net sales (Millions of yen) | 564 | — | — |
| Number of customers (Couples) *1 | 383 | — | — |
| Average amount spent per wedding (Thousands of yen) *1 | 1,474 | — | — |
| Asia Destination wedding service business *2 | | | |
| Number of customers: from overseas to overseas (Couples) | 317 | 112 | +205 |
| Number of customers: from overseas to domestic (Couples) | 216 | 86 | +130 |
| Total (Couples) | 533 | 198 | +335 |

[Overview]

Net sales increased, thanks to the operation of our new facilities (Grace Hill) in Taiwan.

*1. The number of customers and the average amount spent per wedding are the figures for the Wedding Division of Grace Hill. Average amount spent per wedding at Grace Hill is calculated by dividing net sales by the number of customers.

*2. The number of couples for the destination wedding service business in Asia is the figure for the number of customers traveled from Hong Kong, Taiwan and Shanghai.

IV-4. Overview of P/L by Business Category Merchandise

| | Year Ended March 2011 | Year Ended March 2010 | Change |
|---|--------------------------|--------------------------|----------------------------|
| Net sales from Merchandise (Millions of yen) | 3,646 | 4,092 | Down 10.9% |
| Dresses sold (Avica, FR) | 15,223 | 16,410 | Down 7.2% |
| Average price of dresses sold (Avica, FR) (Thousands of yen) | 172 | 177 | Down 2.8% |
| Tuxedos sold (UOMO) | 4,856 | 4,932 | Down 1.5% |
| Average price of tuxedos sold (UOMO) (Thousands of yen) | 85 | 78 | Up 9.0% |
| Gross profit from Merchandise (Millions of yen) | 2,260 | 2,549 | Down 11.4% |
| Merchandise Gross profit ratio | 62.0% | 62.3% | Down 0.3 points |

[Overview]

Thanks to adding a popular line of rental dresses, customer transactions shifted from purchases to rentals.

* The number of dresses sold includes those sold by Mielparque and Meguro Gajoen, but the net sales are included in domestic wedding services net sales.

(Reference) Total Wedding Dresses (Avica + FR + RS)

| | | | |
|---|---------------|---------------|------------------|
| Total dresses (sales and rentals) | 22,688 | 22,389 | Up 1.3% |
| Total dresses (sales and rentals) (Thousands of yen) | 152 | 155 | Down 1.9% |

* Avica dresses: **Order system dresses**

- A system for tailoring new dresses to match the customer's body shape based on over 90 designs and Japanese sizes ranging from 3 to 37.

* FR dresses: **Dress first rental**

- A system in which customers pick up a new dress at the store or facility where the wedding is held based on the garments chosen at a store near home.

IV-5. Overview of P/L by Business Category

Garment Rentals

| | Year Ended March 2011 | Year Ended March 2010 | Change |
|---|--------------------------|--------------------------|----------------------|
| Revenue from Garment Rentals (Millions of yen) | 4,772 | 4,304 | Up 10.9% |
| Number of RS dresses sold | 7,465 | 5,979 | Up 24.9% |
| Average price of RS dresses sold (Thousands of yen) | 111 | 96 | Up 15.6% |
| Number of "Studio Photo Plan" sales | 9,859 | 10,463 | Down 5.8% |
| Average "Studio Photo Plan" price (Thousands of yen) | 92 | 87 | Down 0.6% |
| Gross profit from Garment Rentals (Millions of yen) | 3,551 | 2,986 | Up 18.9% |
| Garment Rentals Gross profit ratio | 74.4% | 69.4% | Up 5.0 points |

[Overview]

We have enhanced our highly popular lineup in rental dresses so the number of dresses rented increased.

* RS: **Garment rental reservation system**

- This is a rental system in which the customer reserves a dress/tuxedo at Watabe Wedding stores in Japan, and a dress/tuxedo of the same design and size is provided at the overseas store.

* Studio Photo Plan: **Plan where photos are taken in a studio in advance (excluding Mielparque)**

V. Cash Flows, Capital Investment and Balance Sheets

V-1. Cash Flows and Capital Investment

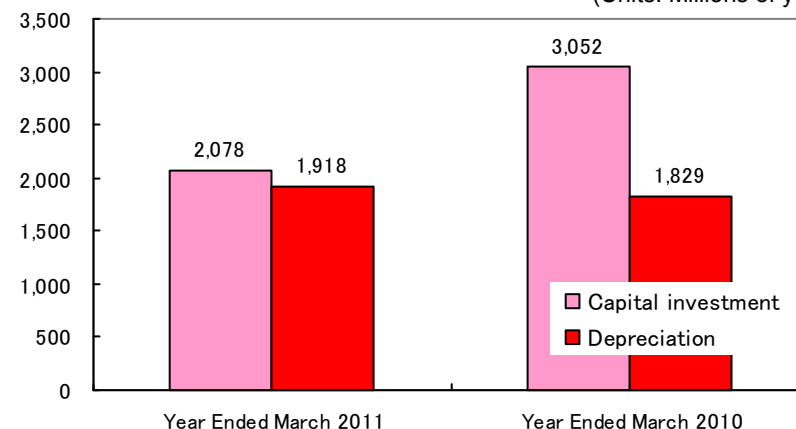
Cash Flows

(Millions of yen)

| | Year Ended March 2011 | Year Ended March 2010 | Change |
|---|--------------------------|--------------------------|--------|
| Net cash provided by operating activities | 1,922 | 2,067 | -144 |
| Net cash used in investing activities | -577 | -3,106 | +2,528 |
| Net cash provided by (used in) financing activities | -436 | 326 | -763 |
| Effect of exchange rate change on cash and cash equivalents | -121 | 9 | -131 |
| Net increase in cash and cash equivalents | 786 | -702 | +1,489 |
| Cash and cash equivalents at end of period | 5,024 | 4,237 | +786 |

Capital Investment and Depreciation

(Units: Millions of yen)



<Major capital investments>

- New chapel in Hawaii
- Remodeling of Mielparque facilities
- Opening of new facility in Gunma

Others

V-2. Balance Sheets (Consolidated)

(Millions of yen)

| | As of Mar. 31, 2011 | As of Mar. 31, 2010 | | | As of Mar. 31, 2011 | As of Mar. 31, 2010 | |
|--------------------------------|------------------------|------------------------|---------------|---|------------------------|------------------------|-------------|
| Total current assets | 9,035 | 8,401 | +634 | Total liabilities | 10,552 | 10,887 | -335 |
| Cash and deposits | 5,028 | 4,241 | +786 | Current liabilities | 7,759 | 8,802 | -1,042 |
| Accounts receivable-trade | 1,504 | 1,748 | -244 | Accounts payable-trade | 1,501 | 1,874 | -373 |
| Other | 2,503 | 2,411 | +91 | Short-term loans payable | 850 | 909 | -59 |
| Total noncurrent assets | 16,039 | 17,462 | -1,422 | Income taxes payable | 413 | 517 | -104 |
| Property, plant and equipment | 10,588 | 11,562 | -974 | Advances received | 2,335 | 2,317 | +17 |
| Buildings and structures | 5,961 | 6,104 | -142 | Other | 2,659 | 3,182 | -523 |
| Other | 4,626 | 5,458 | -831 | Noncurrent liabilities | 2,793 | 2,085 | +707 |
| Intangible assets | 973 | 1,436 | -463 | Long-term loans payable | 1,500 | 1,533 | -33 |
| Investments and other assets | 4,477 | 4,463 | +14 | Asset retirement obligations | 542 | — | +542 |
| Guarantee deposits | 3,476 | 3,692 | -216 | Other | 751 | 552 | +199 |
| Other | 1,001 | 770 | +230 | Net assets | 14,523 | 14,976 | -453 |
| Total assets | 25,075 | 25,864 | -788 | I. Shareholders' equity | 15,971 | 16,092 | -120 |
| | | | | Capital stock | 4,176 | 4,176 | — |
| | | | | Capital surplus | 4,038 | 4,038 | — |
| | | | | Retained earnings | 7,757 | 7,878 | -120 |
| | | | | II. Valuation and translation adjustments | -1,453 | -1,120 | -333 |
| | | | | III. Minority interests | 4 | 4 | — |
| | | | | Total liabilities and net assets | 25,075 | 25,864 | -788 |

| | | | |
|--------------|-------|-------|---|
| Equity ratio | 57.9% | 57.9% | — |
|--------------|-------|-------|---|

VI. Basic Policy for the Year Ending March 2012

VI-1. Plan for Year Ending March 2012

(Units: Millions of yen)

| Item | Plan for Year Ending March 2012 | Year Ending March 2011 | Change |
|---|---------------------------------|------------------------|-------------------|
| Net sales | 50,400 | 50,555 | Down 0.3% |
| Gross profit | 33,404 | 33,482 | Down 0.2% |
| Gross profit ratio | 66.3% | 66.2% | Up 0.1 points |
| Selling, general and administrative expenses | 32,204 | 32,097 | Up 0.3% |
| SG&A ratio | 63.9% | 63.5% | Up 0.4 points |
| Operating income | 1,200 | 1,385 | Down 13.4% |
| Operating income ratio | 2.4% | 2.7% | Down 0.3 points |
| Ordinary income | 1,200 | 1,345 | Down 10.8% |
| Ordinary income ratio | 2.4% | 2.7% | Down 0.3 points |
| Net income | 460 | 176 | Up 160.4% |

VI-2. Basic Policy for the Year Ending March 2012

Basic Policy

Work toward a V-shaped recovery through improved profitability

Improved Profitability

- Place priority on resolving immediate issues in an effort to improve profitability ■

Our primary goal will be to achieve a V-shaped recovery in the year ending March 2013, by countering the effects of the Great East Japan Earthquake to ensure earnings on par with the previous year, and by making this year achieving one of refining our structural reforms

Growth Strategy

- Focus on investment in growth area centered on Asia ■

Specialize in investment in growth areas centered on Asia, and specialize on content that contributes to a V-shaped recovery next fiscal year

VI-3. Business Policies for the Year Ending March 2012

Business Policies

Business Policy 1

**Recovery from the Great East Japan
Earthquake**

Business Policy 2

Structural reform: Year of refining

Business Policy 3

**Growth strategy: Expansion of Asia
strategy**

VII. Business Policies for the Year Ending March 2012

VII-1. Business Policies

1. Recovery from the Great East Japan Earthquake

Business Policies

Business Policies 1

Recovery from the Great East Japan Earthquake

Business Policies 2

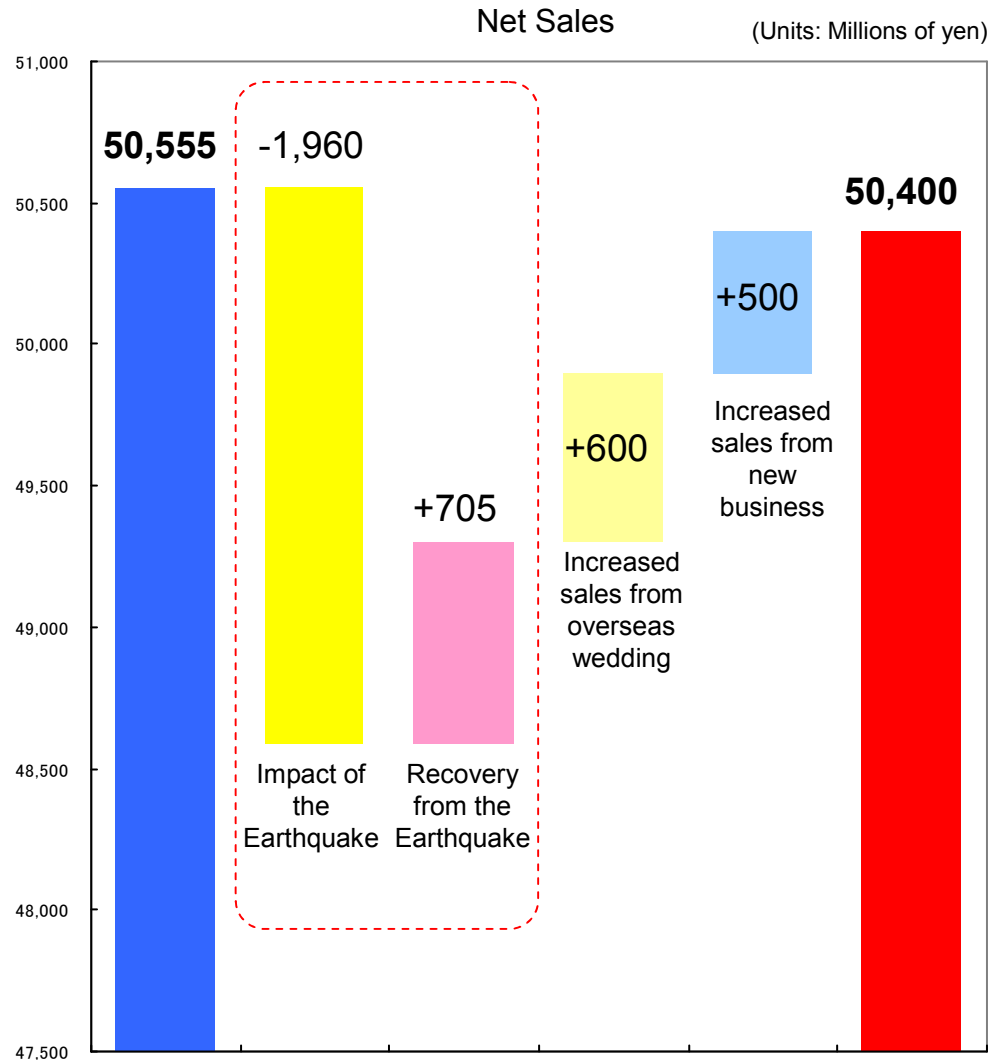
Structural reform: Year of refining

Business Policies 3

Growth strategy: Expansion of Asia strategy

VII-1. Business Policies

1. Recovery from the Great East Japan Earthquake



Result for
Year Ended
March 2011

Plan for
Year Ending
March 2012

Impact

¥330M: Postponement and cancellation of weddings

¥340M: Postponement and cancellation of receptions and accommodation bookings

¥320M: Suspension of operations of Mielparque Sendai

¥970M: Reduced wedding bookings in March

VII-1. Business Policies

1. Recovery from the Great East Japan Earthquake

Practical Measures

1. Measures aimed at recovery in numbers of weddings

2. Measures aimed at recovery in sales through increase in the average amount spent per wedding

3. Measures aimed at recovery in numbers of receptions and accommodation demand

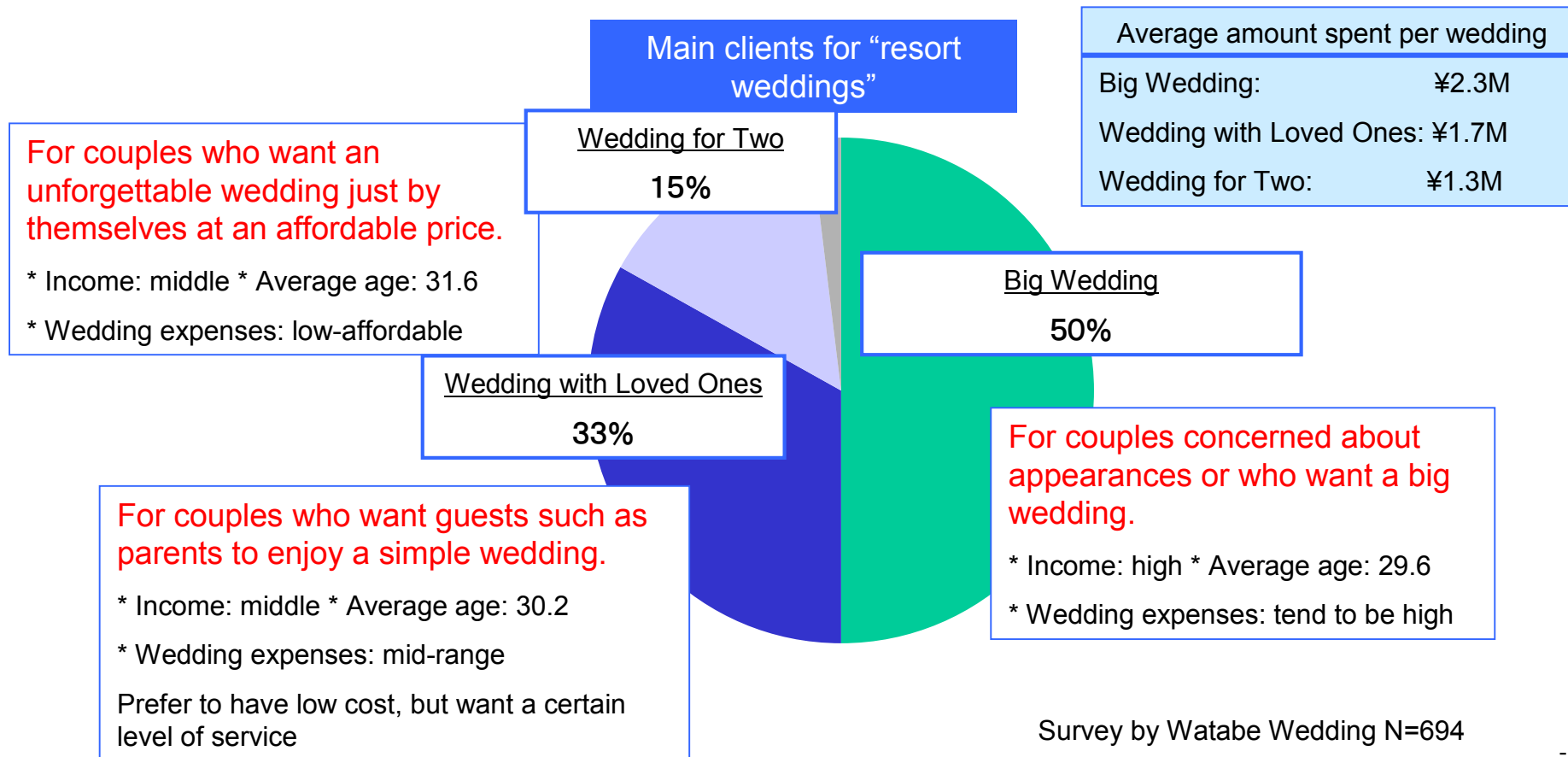
VII-1. Business Policies

1. Recovery from the Great East Japan Earthquake

Watabe Wedding

1. Measures aimed at recovery in numbers of weddings

Meet demand for “resort weddings”



Survey by Watabe Wedding N=694

VII-1. Business Policies

1. Recovery from the Great East Japan Earthquake

Watabe Wedding

1. Measures aimed at recovery in numbers of weddings - Meet demand for “resort weddings” -
 - Effect of year-round operation of new chapel in Hawaii
 - Renovation of facilities aimed at couples who want big weddings

Hawaii

Opened in
Nov. 2010



“Honu Kai Lani at Ko Olina Place of Welina”

Guam

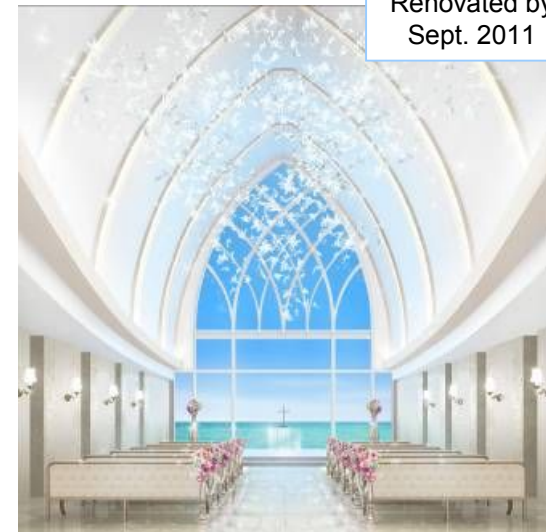
Renovated by
Sep. 2011



“Blue Aster”

Okinawa

Renovated by
Sept. 2011



“Aquagrace Chapel”

VII-1. Business Policies

1. Recovery from the Great East Japan Earthquake

Watabe Wedding

- 1. Measures aimed at recovery in number of weddings - Meet demand for “resort weddings” -
 - Refurbishing directly operated stores – Targeting people who want a Big Wedding

Facilities



Tokyo: Mirraza Shinjuku Salon

The concept is a “Traditional Resort”

Use of ACTUS furniture
Implemented in Shinjuku
and Nagoya

System



Implementation of touch
panels and iPads for customer
service

Manuals for customer
service processes

Hospitality



With Kids Room @ Mirraza Shinjuku Salon

Consideration given to
customers with children

Assignment of wedding
concierges

VII-1. Business Policies

1. Recovery from the Great East Japan Earthquake

Watabe Wedding

1. Measures aimed at recovery in numbers of weddings - Meet demand for “resort weddings” -
 - Attract the “No Wedding” group of customers to resort weddings
 - Meet demand for “Wedding for Two” -

The screenshot shows the Watabe Wedding website's navigation menu and a promotional banner. The navigation menu includes: > カンタン見積ガイド, > ウェディングガイド, > 店舗案内, > 会社情報, > モバイルサイト, and キャンペーン. The main menu has four items: リゾートウェディング (RESORT WEDDING), 国内挙式・披露宴 (WEDDING & PARTY), ドレス&タキシード・和装 (DRESS & TUXEDO), and ウェディングフォト (WEDDING PHOTO). The breadcrumb trail is: HOME > キャンペーン情報 > 【期間限定】おふたり婚～絆 KIZUNA～ Wedding & Photo Plan. The main banner features a bride and groom in a white dress and suit, with text: シンプルな挙式やフォトウェディング。おふたりやご家族だけでつましやかに。 おふたり婚～絆 KIZUNA～ Wedding & Photo Plan. Below the banner are two buttons: おふたり婚 KIZUNA Wedding and フォトプラン Photo Plan. A yellow banner indicates the period: 期間限定 4月21日(木)～6月30日(木)まで期間限定発売. At the bottom, the text 'おふたり婚～絆 KIZUNA～ Wedding & Photo Plan' is repeated, followed by a 'Point' button.

- ■ Key Points ■ ■
- Affordable
- Only sold on the Internet
- Applications made easy by phone or e-mail

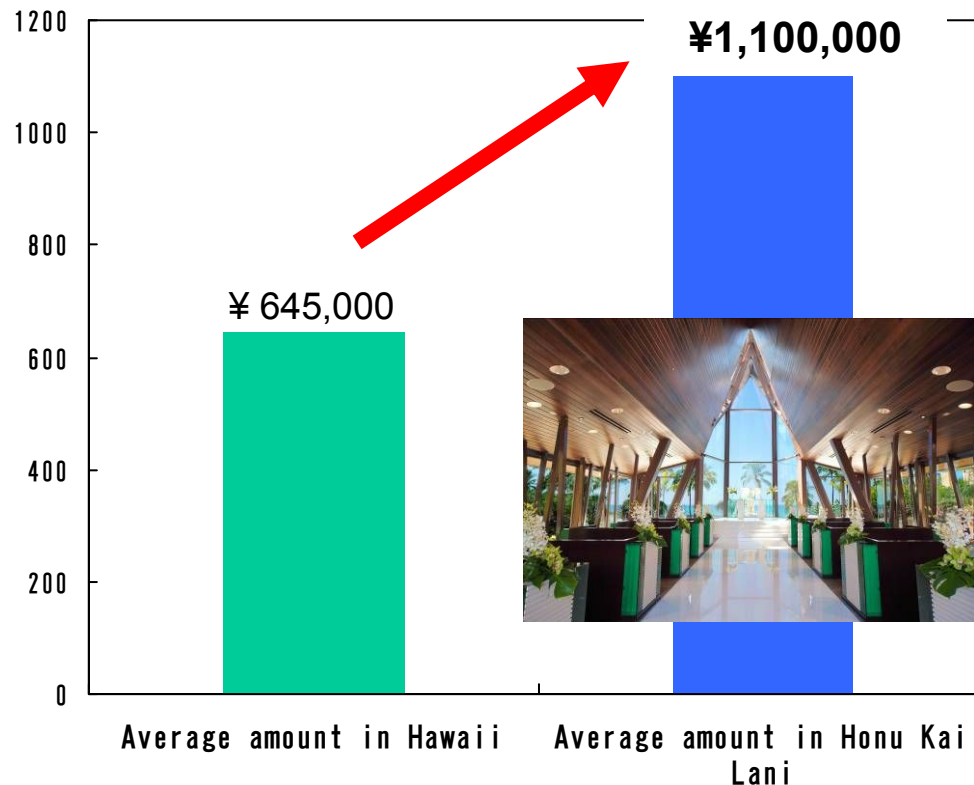
VII-1. Business Policies

1. Recovery from the Great East Japan Earthquake

Watabe Wedding

2. Measures aimed at increasing average amount spent per wedding

Year-round operation of Honu Kai Lani, our new facility in Hawaii



■ ■ Key Points ■ ■

■ Increased average amount spent per wedding through year-round operation of facilities with higher average amount

■ Target for average amount spent on overseas wedding services

587,000 yen (20,000 yen more than the previous year)

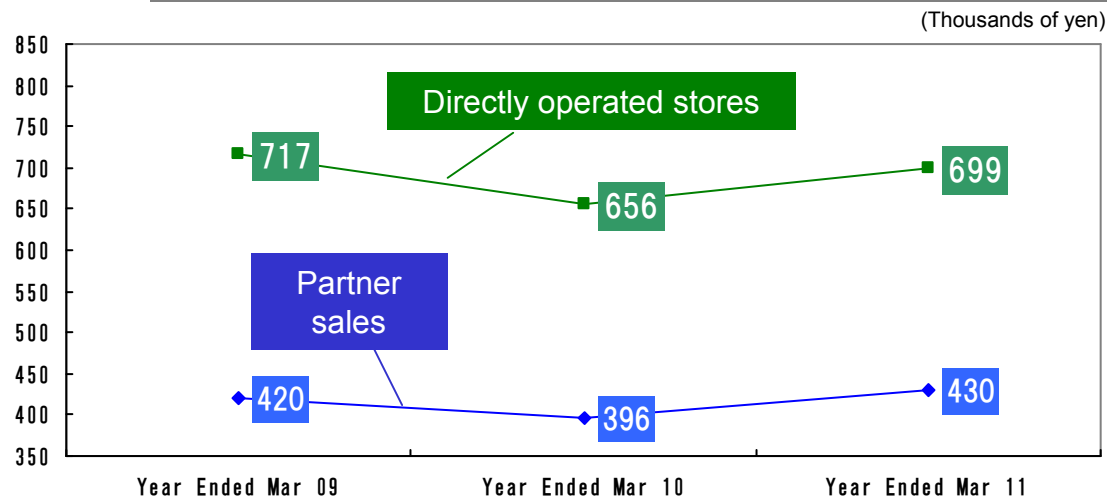
VII-1. Business Policies

1. Recovery from the Great East Japan Earthquake

Watabe Wedding

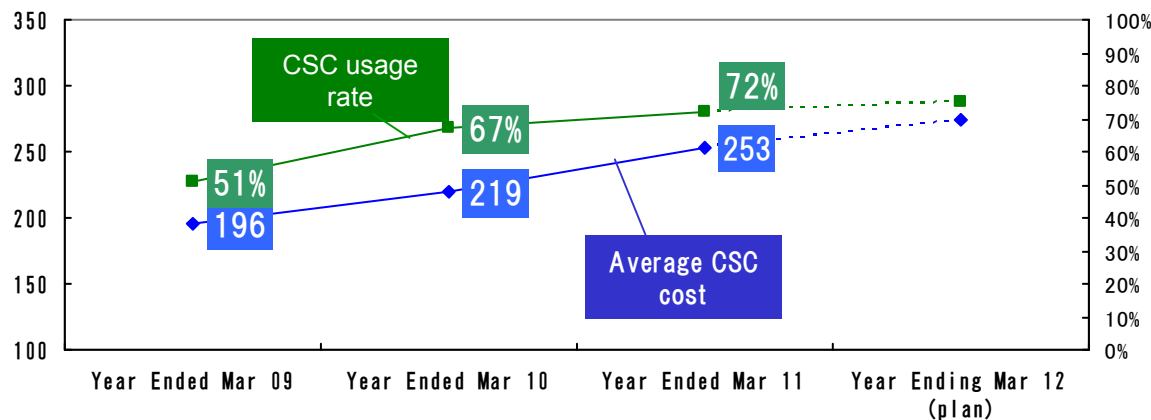
2. Measures aimed at increasing average amount spent per wedding

- Strengthening customer support center functions



■ ■ Key Point ■ ■

■ Developing customer support personnel for partner sales



VII-1. Business Policies

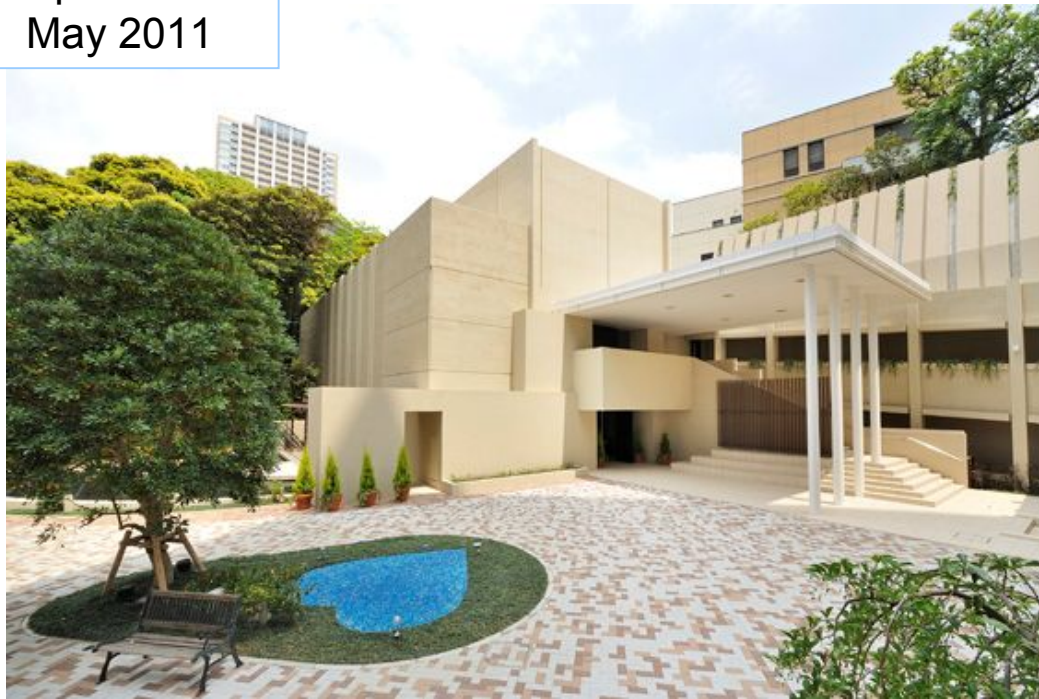
1. Recovery from the Great East Japan Earthquake

Meguro Gajoen

1. Measures aimed at recovery in numbers of weddings

Operation of new chapel

Opened in
May 2011



“Villa di grazia”

■ ■ Key Points ■ ■

- Opened the first stand-alone chapel in Meguro Gajoen
- Attract new customers by introducing a new chapel in Meguro Gajoen, which has a solid reputation for “Japanese” weddings

VII-1. Business Policies

1. Recovery from the Great East Japan Earthquake

Meguro Gajoen

2. Measures aimed at recovery in demand for receptions

Attracting individual demand

Events held at “100-step staircase”



Establish “Shukugasai” brand



■ ■ Key Points ■ ■

■ Increase number of visitors through events centered on “100-step staircase”

■ “Shukugasai” anniversary merchandise

VII-1. Business Policies

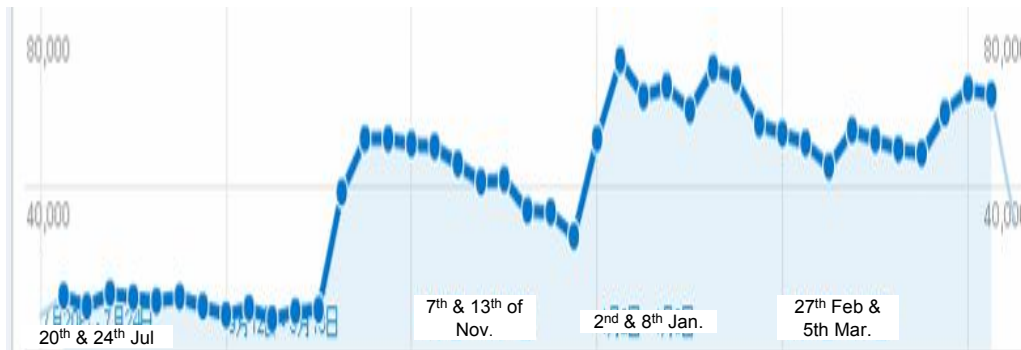
1. Recovery from the Great East Japan Earthquake

Mielparque

1. Measures aimed at recovery in numbers of weddings

- Increase ability to attract customers by overhauling the bridal website

Mielparque Website Page Views



■ ■ Key Points ■ ■

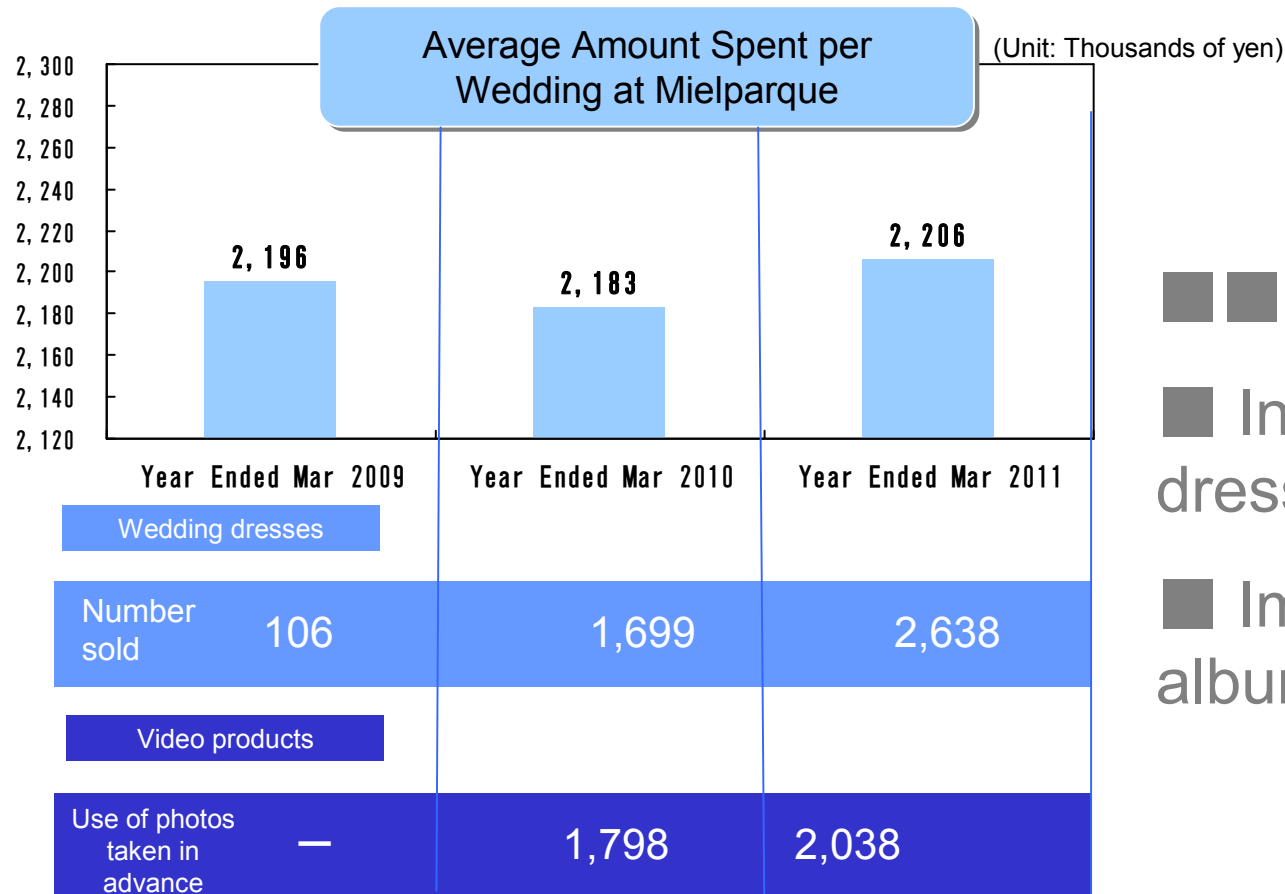
- Creation of mobile site
- Increased contacts via the Web

VII-1. Business Policies

1. Recovery from the Great East Japan Earthquake

Mielparque

2. Measures aimed at maintaining average amount spent per wedding
 - Upselling through more appealing bridal content



■ ■ Key Points ■ ■

■ Increased ratio of dresses sold

■ Implementation of new album products

VII-1. Business Policies

1. Recovery from the Great East Japan Earthquake

Mielparque

2. Measures aimed at recovery in numbers of receptions and accommodation demand

Attracting demand among general public

Measures aimed at recovery in demand for receptions

- Use of the Meguro Gajoen “Shukugasai” brand in Mielparque facilities

Measures aimed at recovery in accommodation demand

Restore occupancy rates to 70%

- Implement measures to increase occupancy rates
 - > Expand the number of market channels



VII-1. Business Policies

1. Recovery from the Great East Japan Earthquake

Planned number of customers

(Unit: couples)

| | Plan for Year Ending March 2012 | Year Ended March 2011 | Change |
|--|------------------------------------|--------------------------|-------------|
| ■ Domestic wedding services | | | |
| Number of domestic wedding services | 11,300 | 11,561 | -261 |
| Mielparque | 4,000 | 4,010 | -10 |
| Meguro Gajoen | 1,450 | 1,437 | +13 |
| Resort weddings | 4,500 | 4,732 | -232 |
| Other | 1,350 | 1,382 | +32 |
| ■ Overseas wedding services | | | |
| Number of overseas wedding services | 15,500 | 14,960 | +540 |

VII-2. Business Policies

2. Improve profitability through structural reforms

Business Policies

Business
Policies 1

Recovery from the Great East Japan
Earthquake

Business
Policies 2

Structural Reform: Year of refining

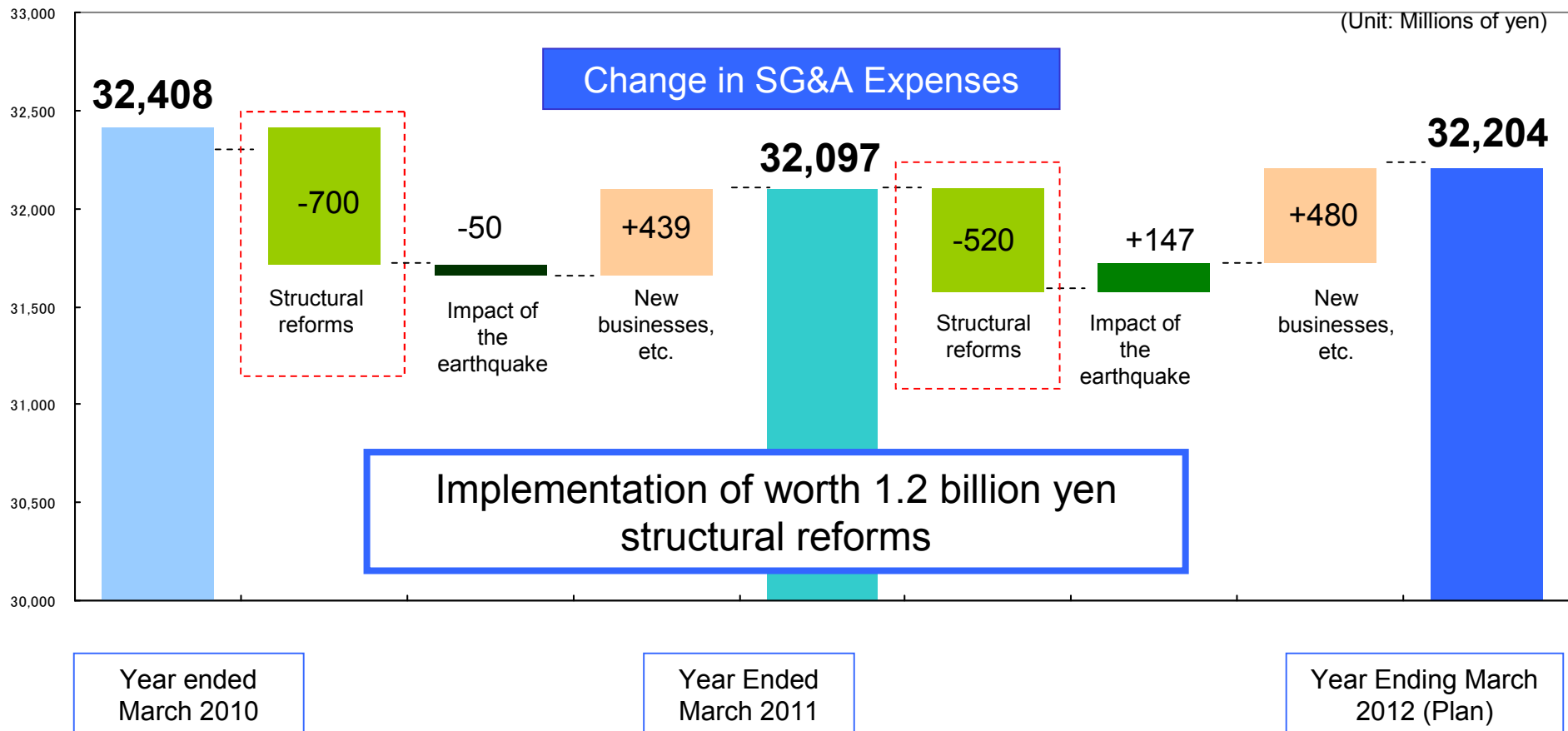
Business
Policies 3

Growth strategy: Expansion of Asia
strategy

VII-2. Business Policies

2. Improve profitability through structural reforms

| Policy | Improve profitability through structural reforms |
|--------------------|--|
| Practical Measures | <ol style="list-style-type: none"> 1 Lowering of break-even point by reducing fixed expenses 2 Conversion of fixed expenses to variable expenses |



VII-2. Business Policies

2. Improve profitability through structural reforms

Existing

| | |
|---|-----------------|
| Value of structural reforms implemented for FY 2010 : | 70 million yen |
| Scheduled value of structural reforms for FY 2011: | 240 million yen |

1 Consolidation of directly operated stores

- Dec. 2010 Consolidation of Tachikawa and Shinjuku wedding salons → “Mirraza Shinjuku”
- Jan. 2011 Consolidation of two stores in Nagoya
- Jun. 2011 Consolidation of Omiya, Takasaki and Utsunomiya stores
- Jun. 2011 Closure of the Hamamatsu store
- Nov. 2011 Closure of the Shizuoka store

2 Completion of transfer of dress production to Vietnam

VII-2. Business Policies

2. Improve profitability through structural reforms

Mielparque

Value of structural reforms implemented for FY 2010: 630 million yen

Scheduled value of structural reforms for FY 2011 : 280 million yen

1 Review of personnel expenses

- Review of full-time wait-staff
- Review of outsourcing agreements
- Reduction of personnel in head office and facilities
- Measures aimed at the elderly
- Review of personnel system, etc.

2 Review of SG&A

- Review of outsourcing agreements
- Thorough management of departments using heating and lighting expenses

VII-3. Business Policies

3. Growth Strategy: Expansion of Asia Strategy

Business Policies

Business
Policies 1

Recovery from the Great East Japan
Earthquake

Business
Policies 2

Structural Reform: Year of refining

Business
Policies 3

**Growth strategy: Expansion of Asia
strategy**

VII-3. Business Policies

3. Growth Strategy: Expansion of Asia Strategy

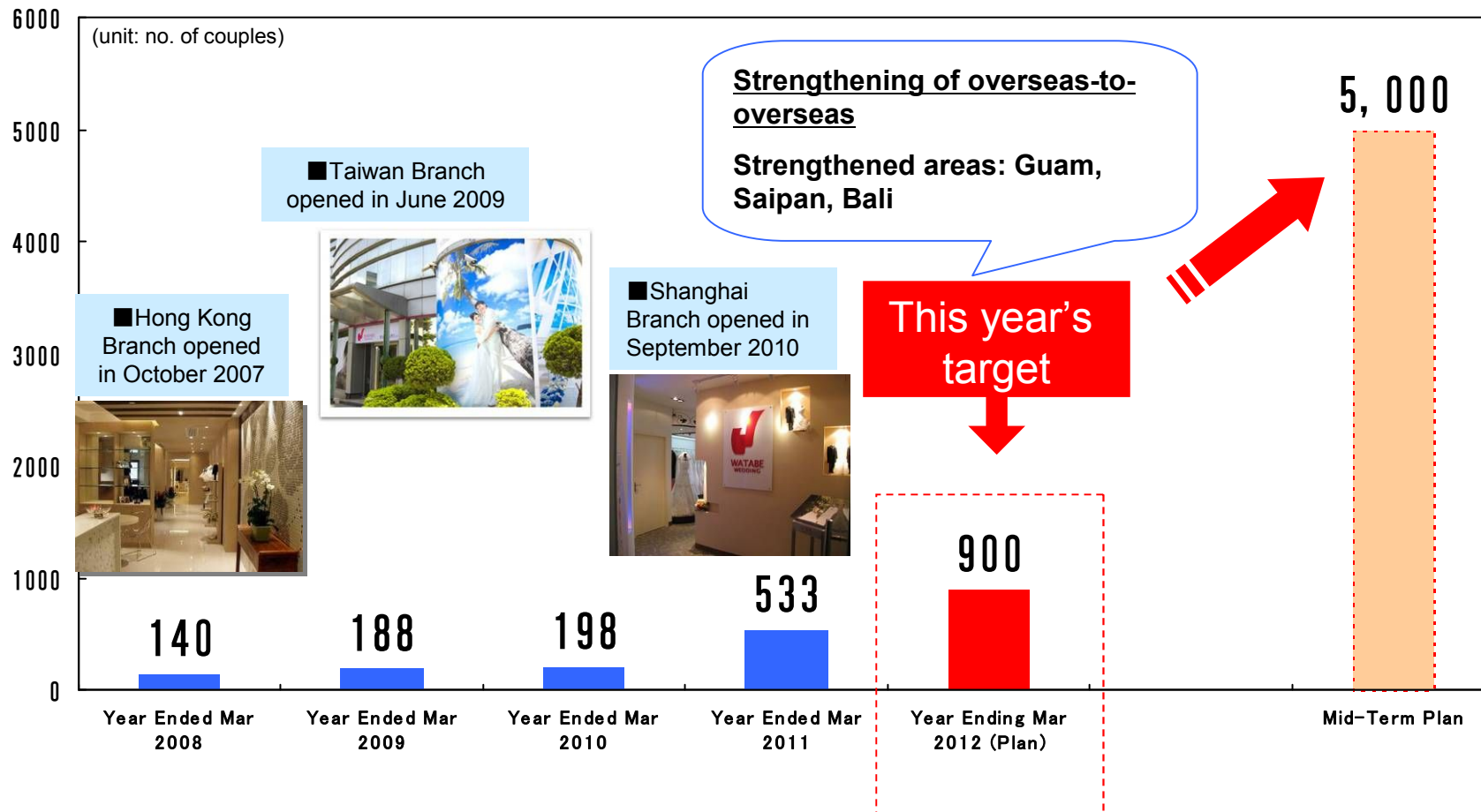
| | |
|---------------------------|---|
| Policy | Growth strategy: Expansion of Asia strategy |
| Practical Measures | [1] Expansion of the local wedding service business in Asia |



VII-3. Business Policies

3. Growth Strategy: Expansion of Asia Strategy

| | |
|--------------------------|---|
| Policy | Growth strategy: Expansion of Asia strategy |
| Practical Measure | [2] Expansion of the destination wedding service business in Asia |



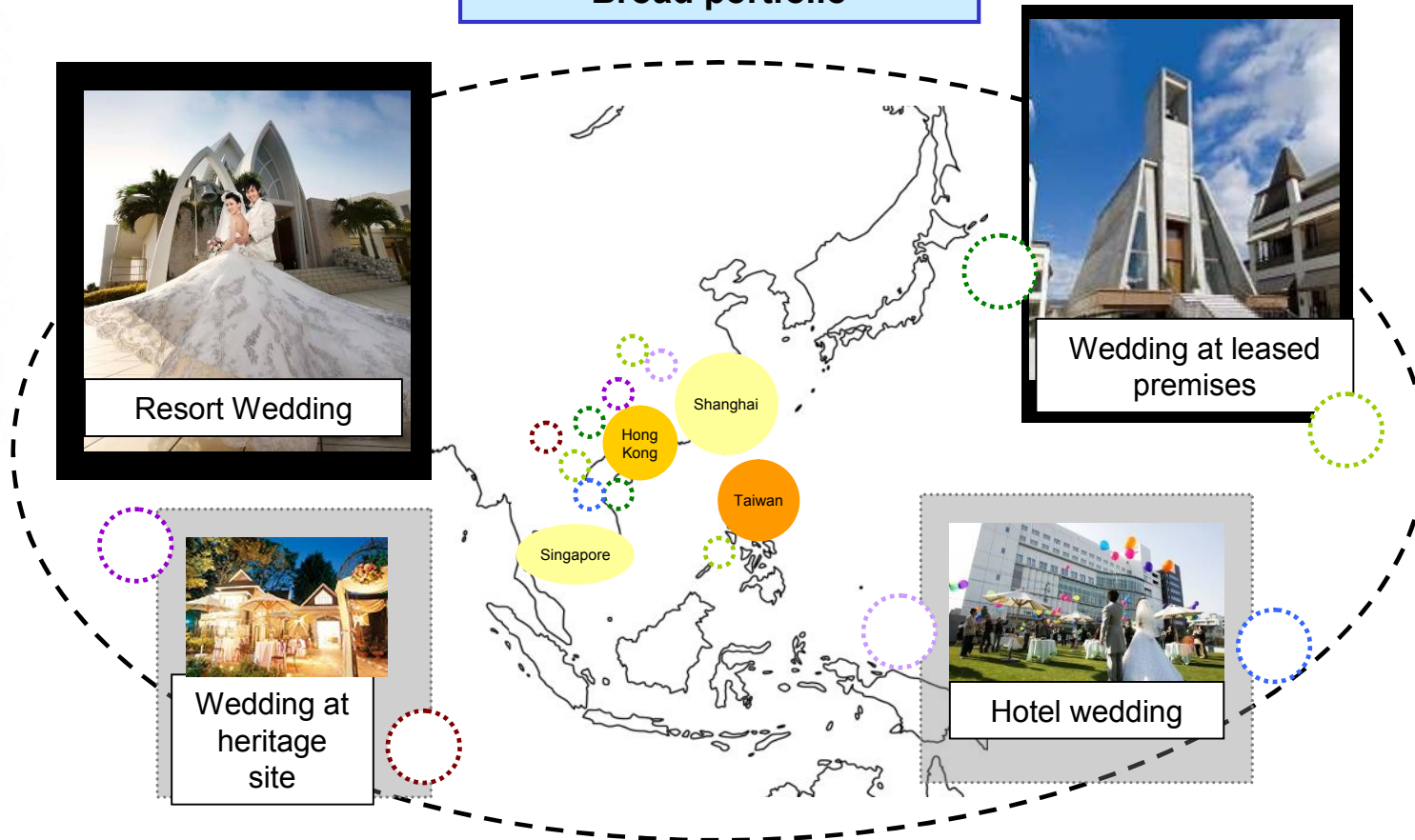
VII-3. Business Policies

3. Growth Strategy: Expansion of Asia Strategy

Avoid using single business model in order to diversify risk

Benefit from broad portfolio operated from Japan

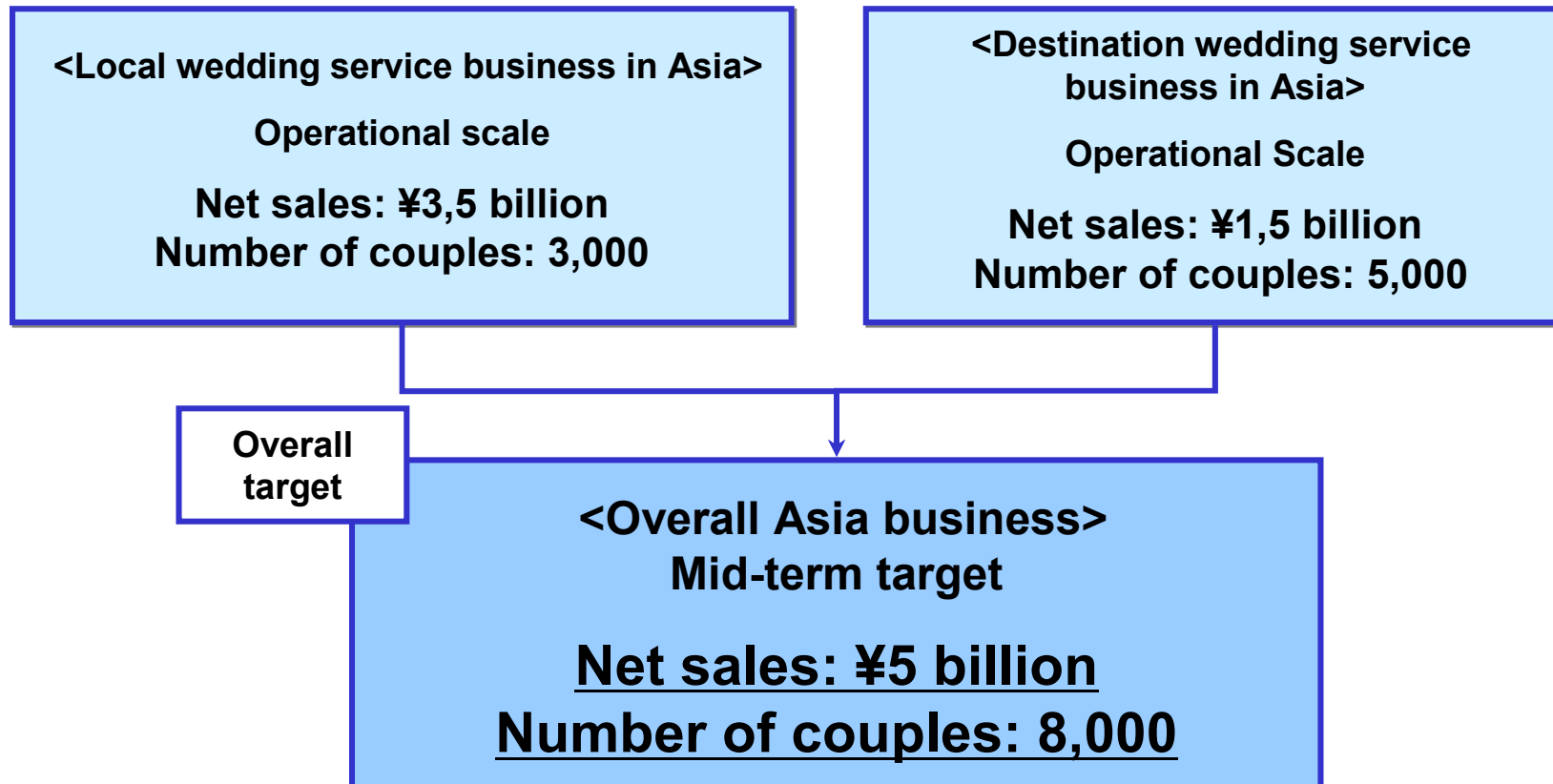
Watabe Wedding Group
Broad portfolio



VII-3. Business Policies

3. Growth Strategy: Expansion of Asia Strategy

| | |
|--------------------------|--|
| Policy | Growth strategy: Expansion of Asia strategy |
| Practical Measure | [1] Expansion of the local wedding service business in Asia [2] Expansion of the destination wedding service business in Asia |



Create Family Bonds and Once-in-a-Lifetime Memories



VIII. FY 2011 Reference Materials

VIII-1. Plan for the Year Ending March 2012 (Mielparque/Existing)

(Units: Millions of yen)

| Item | Consolidated | | Existing | | Mielparque | |
|--|-----------------------------|---------------------|-----------------------------|---------------------|-----------------------------|---------------------|
| | Year Ending Mar 2012 (Plan) | Year Ended Mar 2011 | Year Ending Mar 2012 (Plan) | Year Ended Mar 2011 | Year Ending Mar 2012 (Plan) | Year Ended Mar 2011 |
| Net sales | 50,400 | 50,555 | 32,000 | 32,116 | 18,400 | 18,438 |
| Gross profit | 33,404 | 33,482 | 20,800 | 20,855 | 12,604 | 12,627 |
| Gross profit ratio | 66.3% | 66.2% | 65.0% | 64.9% | 68.5% | 68.5% |
| Selling, general and administrative expenses | 32,204 | 32,097 | 19,750 | 19,487 | 12,454 | 12,610 |
| SG&A ratio | 63.9% | 63.5% | 61.7% | 60.7% | 67.7% | 68.4% |
| Operating income | 1,200 | 1,385 | 1,050 | 1,368 | 150 | 16 |
| Operating income ratio | 2.4% | 2.7% | 3.3% | 4.3% | 0.8% | 0.1% |
| Ordinary income | 1,200 | 1,345 | 1,050 | 1,322 | 150 | 23 |
| Ordinary income ratio | 2.4% | 2.7% | 3.3% | 4.1% | 0.8% | 0.1% |
| Net income | 460 | 176 | | | | |

VIII-2. Plan for the Year Ending March 2012: Net Sales by Segment

(Units: Millions of yen)

| | Item | Plan for the Year Ending March 2012 | Year Ended March 2011 | |
|--|------------------------------|---|--------------------------|------------------|
| | Domestic Wedding Services | 31,550 | 32,134 | Down 1.8% |
| | Overseas Wedding Services | 10,000 | 9,046 | Up 10.6% |
| | Merchandise | 3,600 | 3,646 | Down 1.3% |
| | Garment Rentals | 4,300 | 4,772 | Down 9.9% |
| | Commissions | 950 | 954 | Down 0.4% |
| | Net sales | 50,400 | 50,555 | Down 0.3% |

VIII-3. Plan for the Year Ending March 2012: Investment & Depreciation

| | |
|----------------------------|------------------------------|
| Planned Investment: | Approx. ¥2 billion |
| Depreciation: | Approx. ¥1.85 billion |

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