



**Briefing Materials on Consolidated Results  
for the First Half of Fiscal Year 2012**

# **I. Overview of Consolidated Results for the First Half of Fiscal Year 2012**

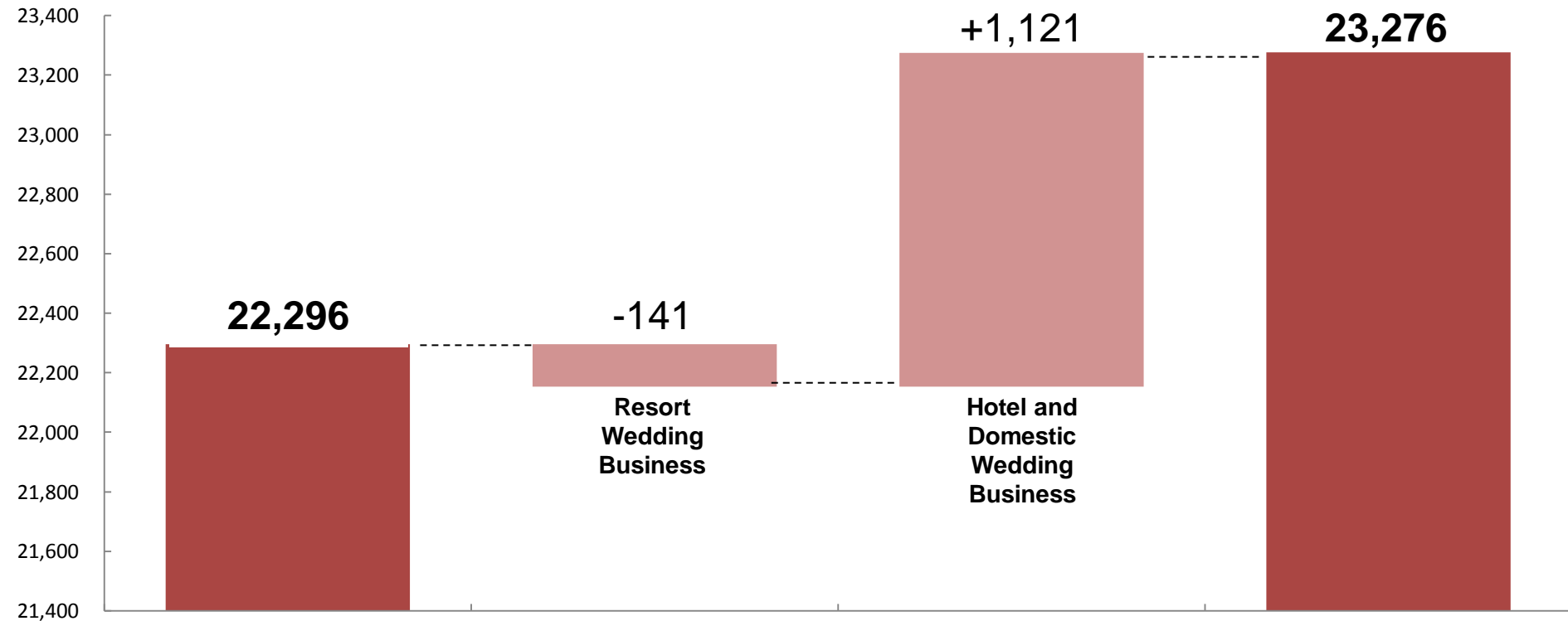
# I-1. Overview of Consolidated Results

(Millions of yen)

Item	First Half FY2012	First Half FY2011	Change
Net sales	23,276	22,296	Up 4.4%
Gross profit	15,664	14,921	Up 5.0%
Gross profit ratio	67.3%	66.9%	Up 0.4 pp
Selling, general and administrative expenses	15,978	15,462	Up 3.3%
SG&A ratio	68.6%	69.4%	Down 0.8 pp
Operating income	-314	-541	
Operating income ratio	-1.3%	-2.4%	Up 1.1 pp
Ordinary income	-225	-492	
Ordinary income ratio	-1.0%	-2.2%	Up 1.2 pp
Net income	-184	-532	

# I-2. Net Sales: Analysis of Change (year on year)

(Millions of yen)



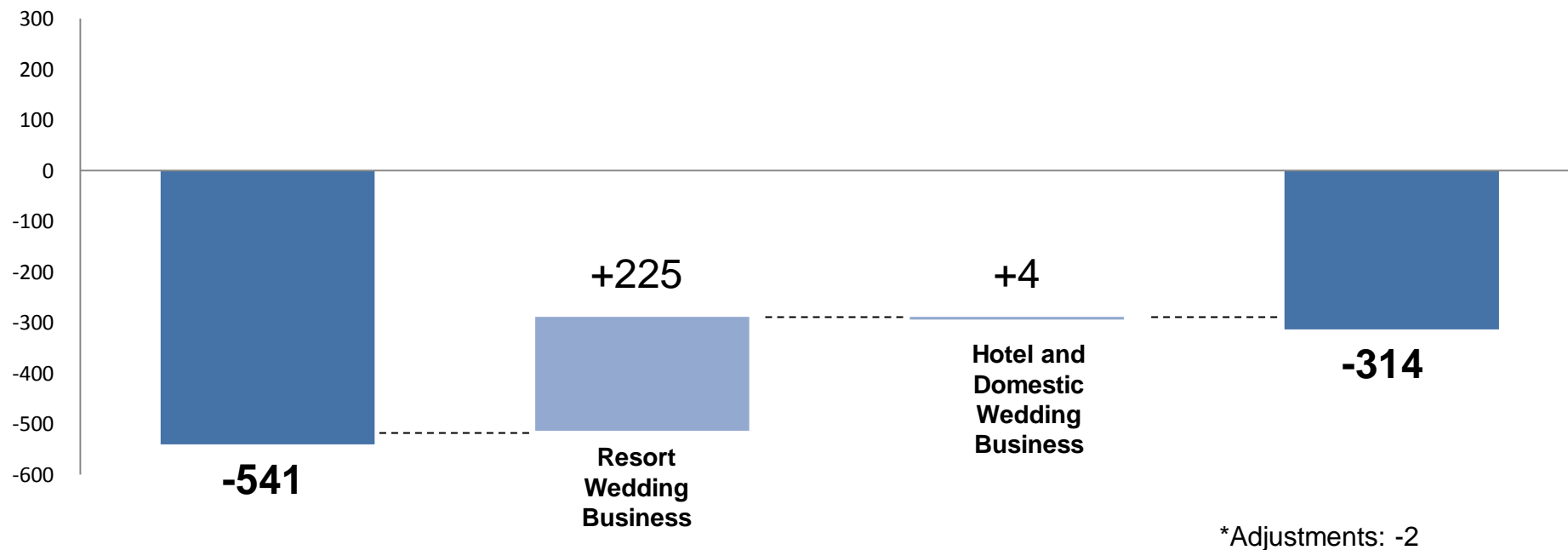
1H  
FY2011

Up ¥980 million

1H  
FY2012

# I-3. Operating Income: Analysis of Change (year on year)

(Millions of yen)



1H  
FY2011

Up ¥227 million

\*Adjustments: -2

1H  
FY2012

## **II. Overview of the First Half of Fiscal Year 2012 by Business Segment**

# II-1. Overview by Business Segment

(Millions of yen)

Item	Consolidated							
			Resort weddings		Hotels and domestic weddings		Adjustments	
	1H FY2012	1H FY2011	1H FY2012	1H FY2011	1H FY2012	1H FY2011	1H FY2012	1H FY2011
Net sales (Sales to customers)	23,276	22,296	9,663	9,805	13,612	12,491	0	0
Operating income	-314	-541	332	107	-651	-655	4	6

## II-2. Overview by Business Segment Hotel and Domestic Wedding Business

		1H FY2012	1H FY2011	Change
Net sales (Millions of yen) (Sales to customers)		9,663	9,805	Down 1.4%
Profit by business segment (Millions of yen)		332	107	Up 208.9%
Profit ratio (%)		3.4%	1.1%	Up 2.3 pp
Number of weddings (Resort wedding business)		9,505	9,513	Down 0.1%
Resort wedding business for Japanese couples (Number of weddings)		8,483	8,733	Down 2.9%
Overseas resort weddings	Number of weddings	6,909	6,953	Down 0.6%
	Average amount spent per wedding (Thousands of yen)	583	573	Up 1.7%
Domestic resort weddings	Number of weddings	1,574	1,780	Down 11.6%
	Average amount spent per wedding (Thousands of yen)	595	621	Down 4.2%
Other*		366	291	Up 25.8%
Wedding business in Asia (Number of weddings)		656	489	Up 34.2%
Resort weddings in Asia (Number of weddings)		440	290	Up 51.7%
	Resort weddings in Asia (Overseas) (Number of weddings)	268	207	Up 29.5%
	Resort weddings in Asia (Domestic) (Number of weddings)	172	83	Up 107.2%
Local weddings in Asia (Number of weddings)		216	199	Up 8.5%

\*Felice Garden Hibiya, Hilton Odawara Resort & Spa, etc.



## II-3. Overview by Business Segment

### Hotel and Domestic Wedding Business

		1H FY2012	1H FY2011	Change
Net sales (Millions of yen) (Sales to customers)		13,612	12,491	Up 9.0%
Profit by business segment (Millions of yen)		-651	-655	—
Profit ratio (%)		-4.8%	-5.2%	Up 0.5 pp
Total domestic wedding services (Number of weddings)		3,025	2,885	Up 4.9%
Mielparque	Number of weddings	1,921	1,793	Up 7.1%
	Average amount spent per wedding (Thousands of yen)	2,082	2,167	Down 3.9%
Meguro Gajoen	Number of weddings	710	690	Up 2.9%
	Average amount spent per wedding (Thousands of yen)	3,150	3,099	Up 1.6%
Other	Number of weddings	394	402	Down 2.0%

# **III. Cash Flows and Capital Investment and Balance Sheets**

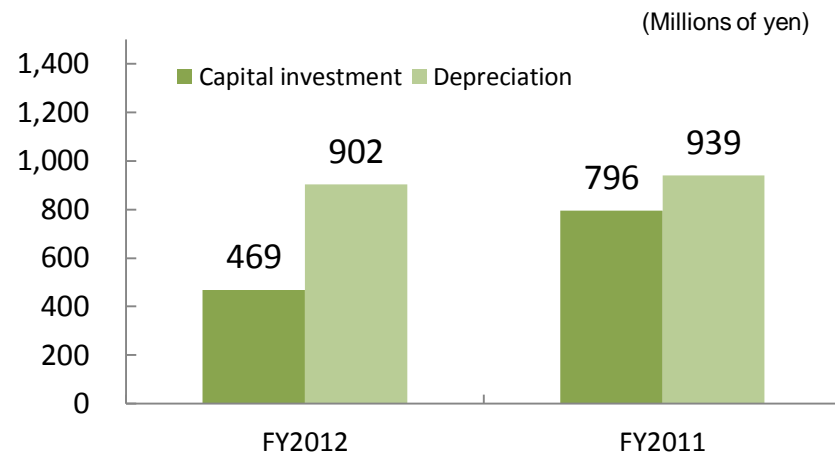
# III-1. Cash Flows and Capital Investment

## Cash Flows

(Millions of yen)

	1H FY2012	1H FY2011	Change
Net cash provided by operating activities	19	319	-300
Net cash used in investing activities	-417	-540	+123
Net cash used in financing activities	-393	-167	-226
Effect of exchange rate change on cash and cash equivalents	-24	-72	+48
Net decrease in cash and cash equivalents	-816	-460	-356
Cash and cash equivalents at end of period	5,516	4,563	+953

## Capital Investment and Depreciation



### <Main capital investment>

- Primarily renovations/upgrades to wedding ceremony facilities in Hawaii and Guam

## III-2. Balance Sheets (Consolidated)

(Millions of yen)

	As of Sep. 30, 2012	As of Mar. 31, 2012	Change		As of Sep. 30, 2012	As of Mar. 31, 2012	Change
Total current assets	<b>9,645</b>	10,208	<b>-563</b>	Total liabilities	<b>10,416</b>	10,944	<b>-528</b>
Cash and deposits	5,519	6,336	-816	Current liabilities	7,864	8,235	-370
Accounts receivable-trade	1,753	1,812	-58	Accounts payable-trade	1,714	2,044	-330
Other	2,372	2,060	+312	Short-term loans payable	900	900	—
Total noncurrent assets	<b>15,008</b>	15,366	<b>-357</b>	Income taxes payable	0	307	-307
Property, plant and equipment	9,653	10,090	-437	Advances received	2,712	2,172	+540
Buildings and structures	5,400	5,732	-331	Other	2,537	2,811	-273
Other	4,252	4,358	-106	Noncurrent liabilities	2,551	2,708	-157
Intangible assets	811	901	-90	Long-term loans payable	950	1,200	-250
Investments and other assets	4,544	4,374	+170	Asset retirement obligations	579	567	+11
Guarantee deposits	3,251	3,278	-26	Other	1,022	940	+81
Other	1,292	1,095	+196	Net assets	<b>14,238</b>	14,630	<b>-392</b>
Total assets	<b>24,654</b>	25,575	<b>-920</b>	I. Shareholders' equity	15,765	16,098	-333
				Capital stock	4,176	4,176	—
				Capital surplus	4,038	4,038	—
				Retained earnings	7,551	7,884	-333
				II. Valuation and translation adjustments	-1,589	-1,510	-78
					62	43	19
				III. Minority interests			
				Total liabilities and net assets	<b>24,654</b>	25,575	<b>-920</b>
				Equity ratio	<b>57.5%</b>	<b>57.0%</b>	Up 0.5 pp

## **IV. Basic Policy for Fiscal Year 2012**

# IV-1. Basic Policy for Fiscal Year 2012

## Basic Policy

**Expand revenue to the fullest degree possible by drawing on the commitment of personnel who know the true meaning of hospitality.**

## Improved Profitability

- **Concentrate management resources into the resort wedding business** ■

**Concentrate management resources into the resort wedding business, where the market presents room for growth, and then strive to increase sales through a strategy to realize a recovery in the number of wedding bookings and boost profits through enhanced personnel efficiency.**

## Growth Strategy

- **Focus on investment in growth area centered on Asia** ■

**Maintain steady investment in growth areas in Asia to underpin medium- to long-term corporate growth strategy.**

## IV-2. Plan for Fiscal Year 2012

(Millions of yen)

Item	FY2012 (Forecast)	FY2011	Change
Net sales	50,600	48,929	Up 3.4%
Gross profit	33,830	32,820	Up 3.1%
Gross profit ratio	66.9%	67.1%	Down 0.2 pp
Selling, general and administrative expenses	32,330	31,579	Up 2.4%
SG&A ratio	63.9%	64.5%	Down 0.6 pp
Operating income	1,500	1,241	Up 20.9%
Operating income ratio	3.0%	2.5%	Up 0.5 pp
Ordinary income	1,550	1,423	Up 8.9%
Ordinary income ratio	3.0%	2.9%	Up 0.1 pp
Net income	700	423	Up 65.1%

## IV-3. Business Policies for Fiscal Year 2012

### Business Policies

#### Business Policy 1

#### **Resort Wedding Business:**

Return to starting point — recovery in the number of wedding bookings and raise business efficiency

#### Business Policy 2

#### **Hotel and Domestic Wedding Business:**

Recovery from the Great East Japan Earthquake

#### Business Policy 3

**Growth strategy: Strategic expansion in Asia**



## IV-3. Business Policies for Fiscal Year 2012

### Business Policies

#### Business Policy 1

#### **Resort Wedding Business:**

Return to starting point — recovery in the number of wedding bookings and raise business efficiency

#### Business Policy 2

#### Hotel and Domestic Wedding Business:

Recovery from the Great East Japan Earthquake

#### Business Policy 3

Growth strategy: Strategic expansion in Asia

# IV-3. Business Policy 1 Resort Wedding Business

## Business Policy

Return to starting point — recovery in the number of wedding bookings and raise business efficiency

**We will concentrate management resources into the resort wedding business to reverse the downward trend in the number of weddings handled and also strive to improve profitability by boosting personnel efficiency.**

		FY2012	FY2011	
Net sales (Millions of yen) (Sales to customers)		20,916	20,338	Up 2.8%
Profit by business segment (Millions of yen)		1,110	975	Up 13.8%
Profit ratio (%)		5.3%	4.8%	Up 0.5 pp
Resort Wedding Business for Japanese couples	(Number of weddings)	18,000	18,052	—
	Overseas resort weddings (Number of weddings)	14,500	14,437	Up 0.4%
	Domestic resort weddings (Number of weddings)	3,500	3,615	Down 3.2%

# IV-3. Business Policy 1 Resort Wedding Business

## Business Policy

Return to starting point — recovery in the number of wedding bookings and raise business efficiency

1. Measures aimed at a recovery in the number of wedding bookings

## ■ Renovate/upgrade chapels in major areas

### Refurbished Aloha Ke Akua Chapel in Hawaii

Theme: Spiritual Wedding Resort in Hawaii



### Refurbished St. Probus Holy Chapel and Te Quiero Banquet Room in Guam

Theme: Tropical Garden & Beach Resort Wedding



# IV-3. Business Policy 1 Resort Wedding Business

## Business Policy

Return to starting point — recovery in the number of wedding bookings and raise business efficiency

### 1. Measures aimed at a recovery in the number of wedding bookings

## ■ Enhance product appeal of resort weddings

### ■ Resort weddings in Okinawa

Created wedding menu in collaboration with renowned chef Hal Yamashita



### ■ Wedding dresses

Announced new collection of wedding dresses by famous Italian designer



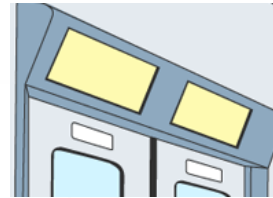
# IV-3. Business Policy 1 Resort Wedding Business

Business Policy

Return to starting point — recovery in the number of wedding bookings and raise business efficiency

1. Measures aimed at a recovery in the number of wedding bookings

■ Implement promotional approaches matched to seasonal demand



facebook

## **IV-3. Business Policy 1 Resort Wedding Business**

### **Business Policy**

**Return to starting point — recovery in the number of wedding bookings and raise business efficiency**

### **2. Making management structure more efficient**

- **Boost efficiency at directly operated stores**
- **Boost efficiency of local operating structures**
- **Boost efficiency of personnel**
- **Shift all dress manufacturing operations to factory in Vietnam**



## IV-3. Business Policy 2

### Hotel and Domestic Wedding Business

#### Business Policies

##### Business Policy 1

##### Resort Wedding Business:

Return to starting point — recovery in the number of wedding bookings and raise business efficiency

##### Business Policy 2

**Hotel and Domestic Wedding Business:**  
Recovery from the Great East Japan Earthquake

##### Business Policy 3

Growth strategy: Strategic expansion in Asia

## IV-3. Business Policy 2 Hotel and Domestic Wedding Business

### Business Policy

### Recovery from the Great East Japan Earthquake

**Establish tone for higher sales and higher income based on full-year of business activity at Mielparque Sendai, which reopened in November 2011, and full-year results from new facilities in operation at Meguro Gajoen, which opened last year.**

		FY2012	FY2011	Change
Net sales (Millions of yen) (Sales to customers)		29,681	28,590	Up 3.8%
Profit by business segment (Millions of yen)		390	227	Up 71.8%
Profit ratio (%)		1.3%	0.8%	Up 0.5 pp
Total domestic wedding services (Number of weddings)		7,300	7,094	Up 2.9%
	Mielparque (Number of weddings)	4,200	4,050	Up 3.7%
	Meguro Gajoen (Number of weddings)	1,550	1,544	Up 0.4%
	Other (Number of weddings)	1,550	1,500	Up 3.3%



# IV-3. Business Policy 2

## Hotel and Domestic Wedding Business

Business Policy

Recovery from the Great East Japan Earthquake

### 1-1. Mielparque ~Wedding Business~

#### ■ Mielparque Sendai marks full year of operations



■ A year that saw recovery from the Great East Japan Earthquake and the success of structural reforms

- Mielparque Sendai reopened on November 1, 2011

# IV-3. Business Policy 2 Hotel and Domestic Wedding Business

Business Policy

Recovery from the Great East Japan Earthquake

1-2. Mielparque ~Hotel Business~

## ■ Signed Non-Brand Franchise Agreement with Solare Hotels & Resorts



- Alliance draws on merits of scale in hotel operations
- Cooperative efforts among Mielparque Sendai, Mielparque Nagoya and Mielparque Hiroshima
- Boost overnight stays by Mielparque customers

# IV-3. Business Policy 2

## Hotel and Domestic Wedding Business

Business Policy

Recovery from the Great East Japan Earthquake

1-3. Mielparque ~Strategy for banquet~

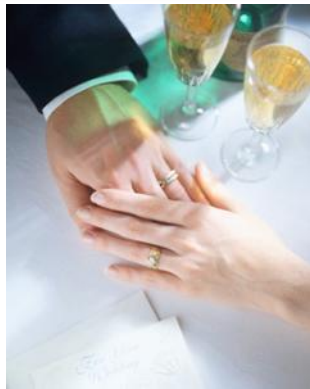
### ■ Promote Meguro Gajoen *Shukugasai* brand at Mielparque facilities

On April 1, we launched five plans, each spotlighting one of life's joyous moments or a special time of appreciation

Gratitude and Remembrance Plan



Wedding Anniversary Plan



Children's Milestones Plan



Setting out on a New Road Plan



Birthday Plan



# IV-3. Business Policy 2

## Hotel and Domestic Wedding Business

Business Policy

Recovery from the Great East Japan Earthquake

### 2-1. Meguro Gajoen ~Strategy for wedding~

■ Time to spotlight the impact of our services at our new chapel and wedding-related facilities during the year

Opened in May 2011  
Villa di Grazia



Opened in April 2012  
Café and bar Yui-An



- Stand-alone chapel Villa di Grazia, which opened in May 2011, marked a full year of wedding activity



# IV-3. Business Policy 2

## Hotel and Domestic Wedding Business

Business Policy

Recovery from the Great East Japan Earthquake

2-1. Meguro Gajoen ~Strategy for wedding~

### ■ Debut of new bridal plan marking 85th anniversary of Meguro Gajoen



- Advance sales of the 85th Anniversary Plan, a special plan to commemorate the 85th anniversary of Meguro Gajoen in 2013, began in August 2012

- The 85th Anniversary Plan is offered at the six Meguro Gajoen Group facilities.

# IV-3. Business Policy 2 Hotel and Domestic Wedding Business

Business Policy

Recovery from the Great East Japan Earthquake



2-2. Meguro Gajoen ~Strategy for banquet~

■ Attract more visitors through events at *Hyakudan Kaidan* (100-Step Staircase), designated a tangible cultural property of Tokyo  
- Held three promotional events at the 100-Step Staircase during the first half

Puppet maker and master Jusaburo Tsujimura and Taira no Kiyomori - *The Tale of Heike Chronicles* -

Allure of Meguro Gajoen art exhibition

KIMONO Exhibition at the 100-Step Staircase, presented by *Fujingaho* and *Utsukushii Kimono*

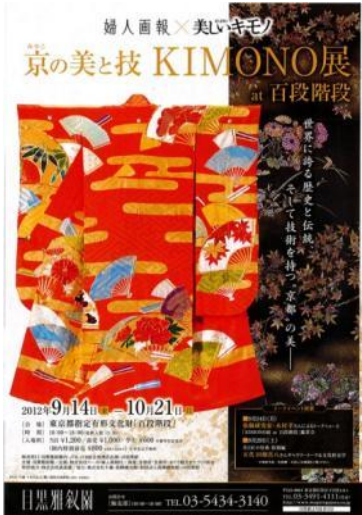
The art of Shogo Kariyazaki, floral arrangement artist  
Exhibition: *Floral Renaissance*

Part I: "Mystery Surrounding Kiyomori's Birth"  
Mar. 16 - Apr. 22, 2012  
Part II: "The Fall of the Taira Clan"  
Apr. 23 - May 20, 2012

Jun. 1 - Aug. 19, 2012

Sep. 14 - Oct. 21, 2012

Nov. 1 - Nov. 18, 2012



## IV-3. Business Policy 3

### Growth strategy: Strategic expansion in Asia

#### Business Policies

##### Business Policy 1

##### Resort Wedding Business:

Return to starting point — recovery in the number of wedding bookings and raise business efficiency

##### Business Policy 2

##### Hotel and Domestic Wedding Business:

Recovery from the Great East Japan Earthquake

##### Business Policy 3

**Growth strategy: Strategic expansion in Asia**

## IV-3. Business Policy 3

### Growth strategy: Strategic expansion in Asia

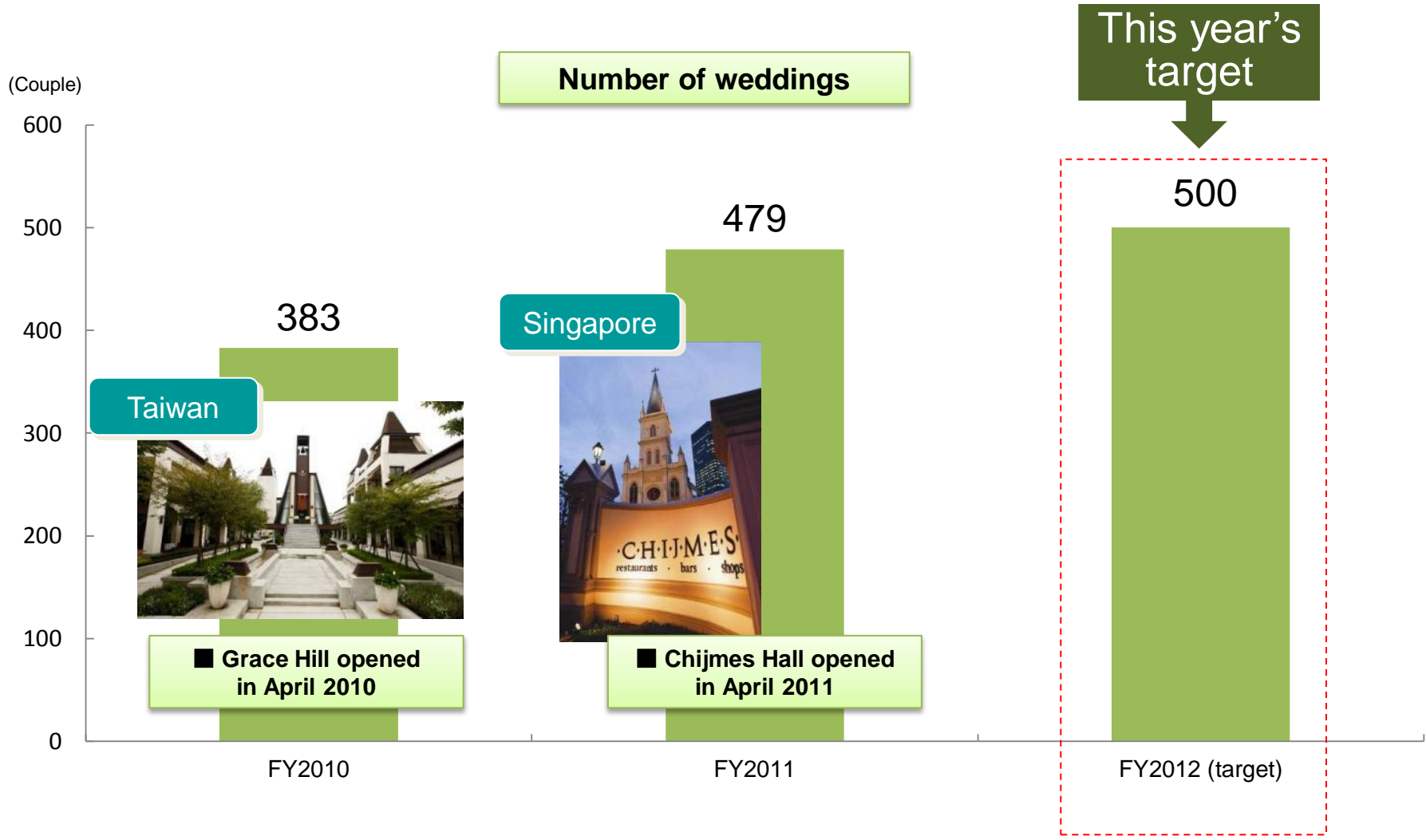
Ensure revenue through stable activities in existing businesses and promote energetic expansion measures geared to the next stage of corporate growth.

		FY2012	FY2011	
Wedding business in Asia (Number of weddings)		1,400	1,276	Up 9.7%
	Resort weddings in Asia (Number of weddings)	900	797	Up 12.9%
	Resort weddings in Asia (Overseas) (Number of weddings)	600	535	Up 12.1%
	Resort weddings in Asia (Domestic) (Number of weddings)	300	262	Up 14.5%
	Local weddings in Asia (Number of weddings)	500	479	Up 4.4%



# IV-3. Business Policy 3 Growth strategy: Strategic expansion in Asia

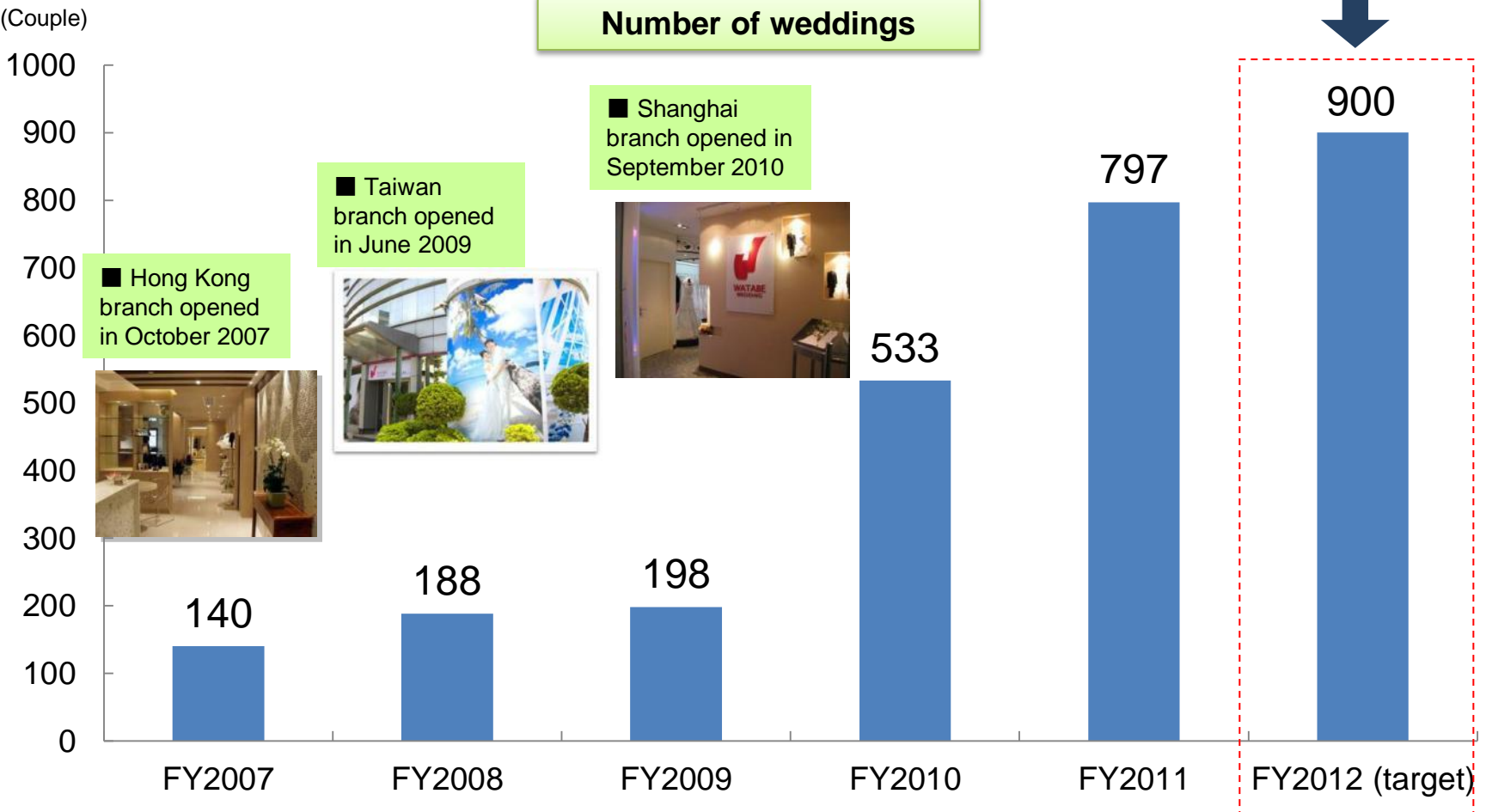
Local Weddings in Asia



# IV-3. Business Policy 3

## Growth strategy: Strategic expansion in Asia

Resort Weddings in Asia



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