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WATABE WEDDING

**Briefing Materials on
Consolidated Results for FY2013**

Overview of Consolidated Results for FY2013

Overview of Consolidated Results

(Millions of yen)

Item	FY2012	FY2013	Year on Year
	Actual	Actual	Change
Net sales	49,295	47,710	Down 3.2%
Gross profit	33,203	31,256	Down 5.9%
Gross profit ratio	67.4%	65.5%	
Selling, general and administrative expenses	31,959	32,021	Up 0.2%
SG&A ratio	64.8%	67.1%	
Operating income	1,244	(765)	Down 161.5%
Operating income ratio	2.5%	-1.6%	
Ordinary income	1,351	(814)	Down 160.3%
Ordinary income ratio	2.7%	-1.7%	
Net income	560	(3,524)	Down 728.8%

1. Exchange Rates Effects

	Rates in FY2012	Rates in FY2013	Changes
U.S. dollar	83.1 yen	100.2 yen	121%
Chinese yuan	12.7 yen	15.9 yen	125%

2. Drop in Number of Weddings Handled

- Heightened competition (rival chapels built in Hawaii and Okinawa)

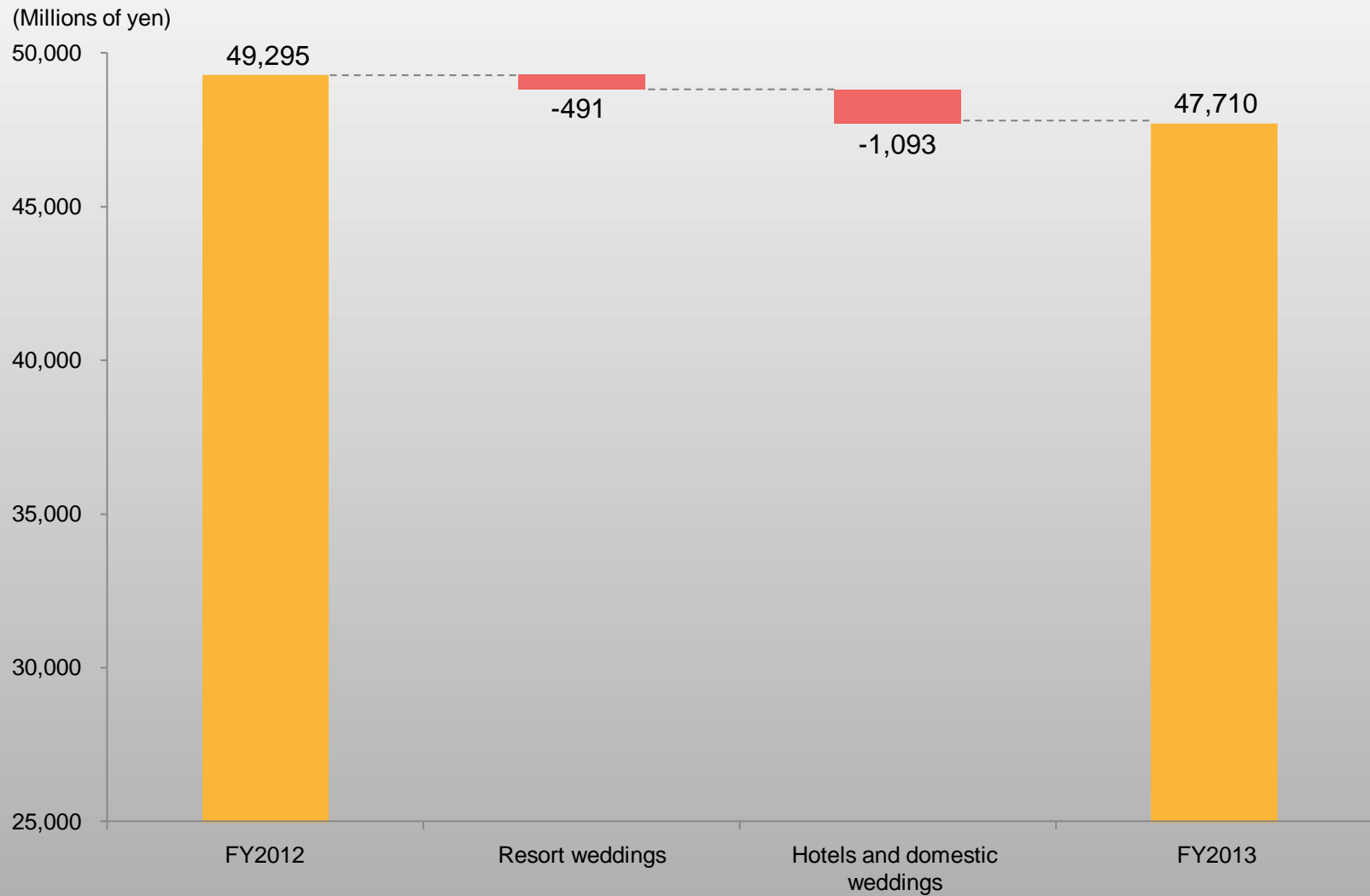
Overview by Business Segment

(Millions of yen)

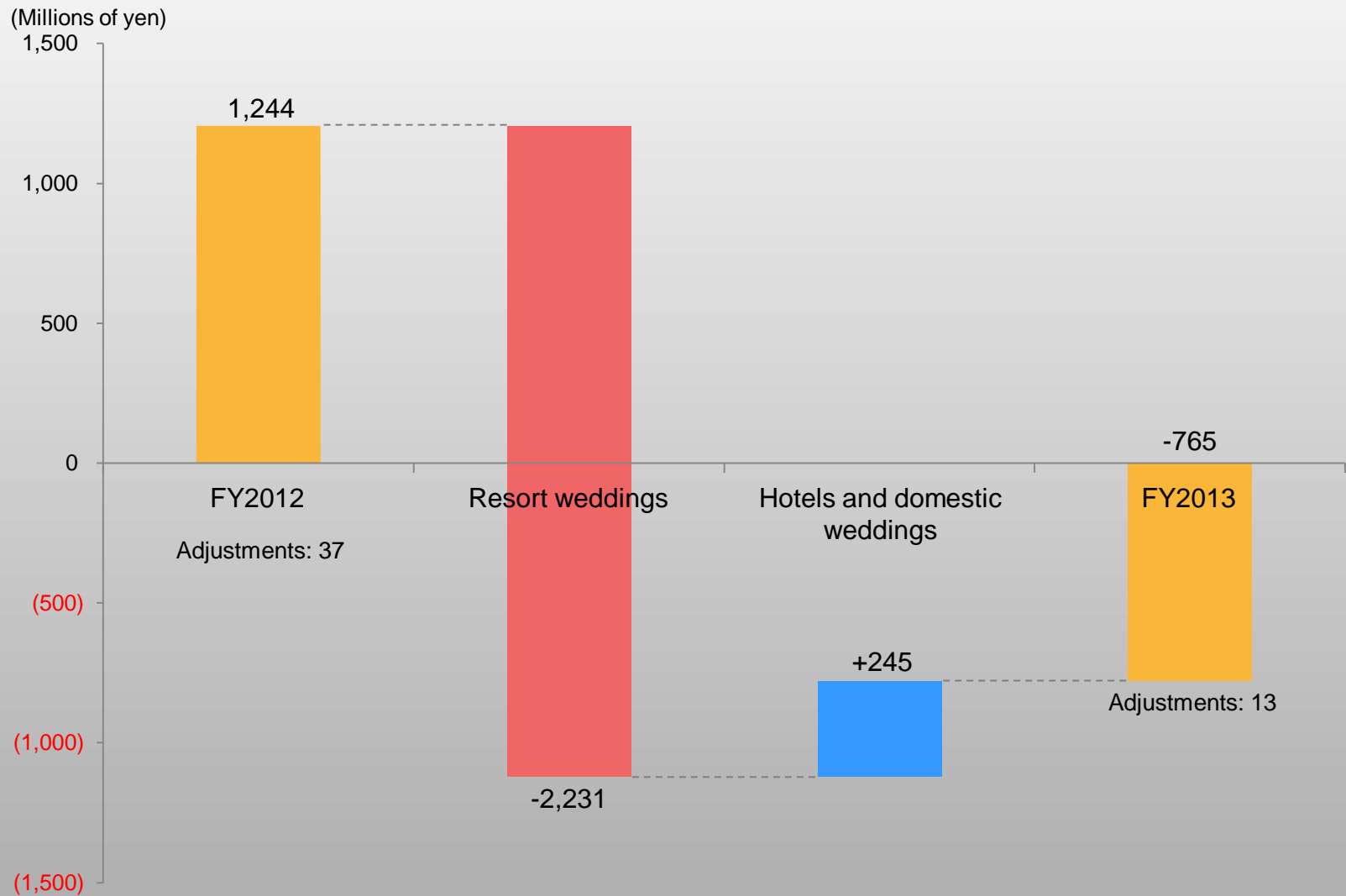
Item	Consolidated		Resort Weddings		Hotels and domestic weddings		Adjustments	
	FY2012	FY2013	FY2012	FY2013	FY2012	FY2013	FY2012	FY2013
Net sales	49,295	47,710	20,138	19,646	29,157	28,063	0	0
Segment income	1,244	(765)	1,109	(1,121)	96	342	37	13
Segment income ratio	3%	-2%	6%	-6%	0%	1%	—	—

Net sales: Sales to customers

Net Sales Factor Analysis



Segment Income Factor Analysis



Balance Sheets

ASSETS			(Millions of yen)	
	As of Mar. 31, 2013	As of Mar. 31, 2014	As of Mar. 31, 2013	As of Mar. 31, 2014
Current assets				
Cash and deposits	6,407	6,267		
Accounts receivable-trade	1,941	1,785		
Other	2,816	2,453		
Total current assets	11,164	10,505		
Non-current assets				
Property, plant and equipment				
Buildings and structures, net	5,178	4,335		
Other	4,170	3,657		
Total property, plant and equipment	9,348	7,992		
Intangible assets	781	854		
Investments and other assets				
Guarantee deposits	3,275	2,980		
Other	1,778	1,406		
Total investments and other assets	5,053	4,386		
Total non-current assets	15,183	13,233		
Total assets	26,348	23,739		
LIABILITIES				
Current liabilities				
Accounts payable-trade			2,009	1,813
Short-term loans payable (including current portion of long-term loans payable)			900	1,325
Advances received			2,012	2,322
Other			3,704	3,349
Total current liabilities			8,625	8,809
Non-current liabilities				
Long-term loans payable			700	1,075
Asset retirement obligations			573	442
Other			1,105	1,423
Total non-current liabilities			2,378	2,940
Total liabilities			11,004	11,750
NET ASSETS				
Shareholders' equity				
Capital stock			4,176	4,176
Capital surplus			4,038	4,038
Retained earnings			8,147	4,344
Treasury shares			(0)	(0)
Total shareholders' equity			16,361	12,558
Total other comprehensive income			(1,092)	(606)
Minority interests			75	37
Total net assets			15,344	11,989
Total liabilities and net assets			26,348	23,739

	FY2012	FY2013
ROA	2%	-14%
ROE	3.8%	-25.9%
Current ratio	129%	119%
Equity ratio	58.0%	50.3%

(Millions of yen)

Item	FY2012	FY2013
Net cash provided by operating activities	1,473	271
Net cash used in investing activities	(959)	(1,209)
Net cash provided by (used in) financing activities	(825)	443
Effect of exchange rate change on cash and cash equivalents	382	355
Net increase (decrease) in cash and cash equivalents	70	(139)
Cash and cash equivalents at beginning of period	6,332	6,403
Cash and cash equivalents at end of period	6,403	6,263

Major capital investments

- Opened new salons
 - Shinjuku salon consolidation
 - New salon in Minami-Aoyama
- Renovated local salons
- Undertook system development, upgrades
- Made facility improvements at Mielparque
- Made facility improvements at Meguro Gajoen

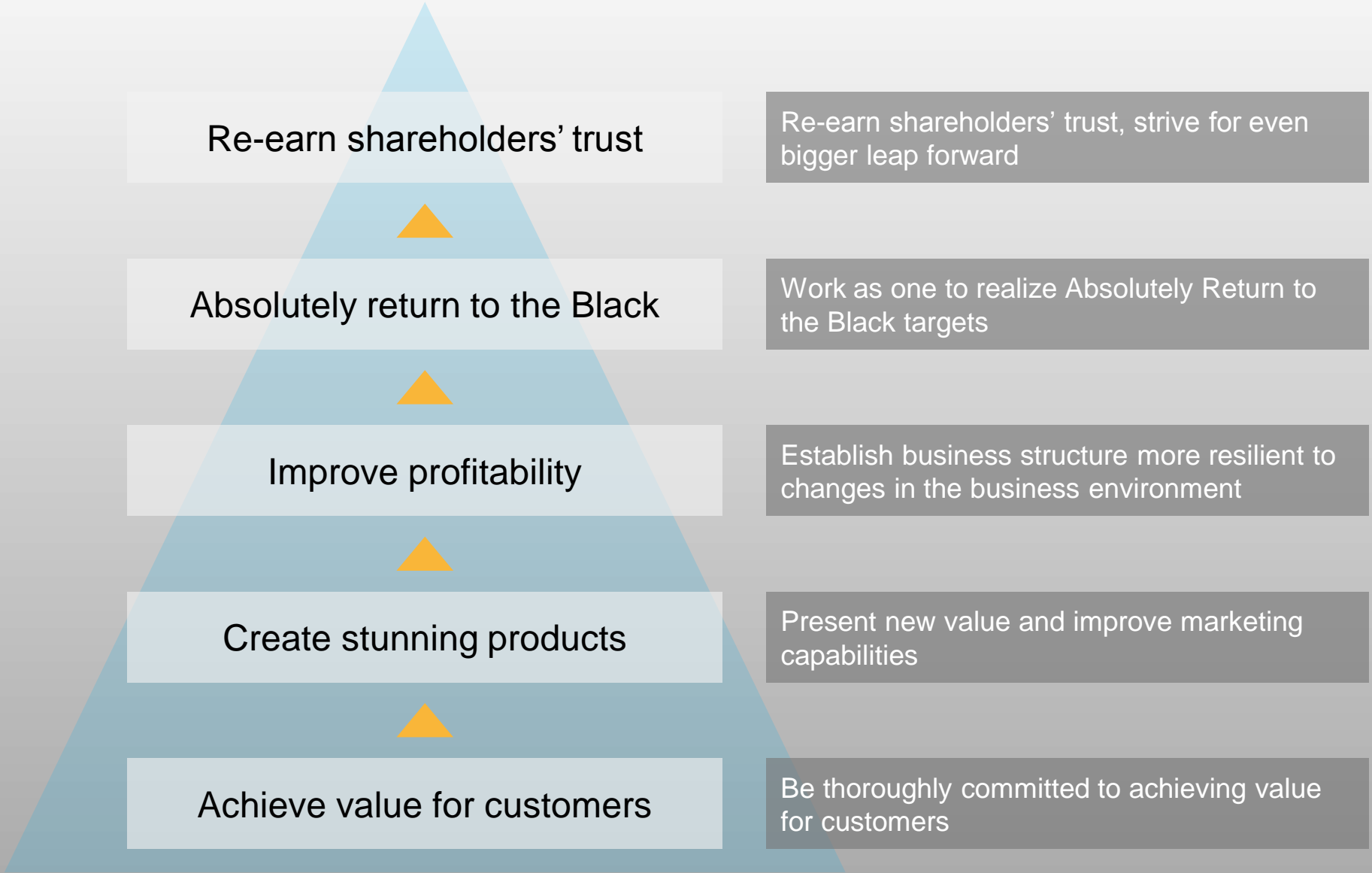
Business Strategies for FY2014

Absolutely Return to the Black

Consolidated Performance Forecast for FY2014

(Millions of yen)

	FY2013	FY2014	Change
Net sales	47,710	48,800	+1,090
Operating income	(765)	500	+1,265
Ordinary income	(814)	500	+1,314
Net income	(3,524)	200	+3,724
Net income per share (Yen)	(355.69)	20.18	+375.87



Re-earn shareholders' trust

Re-earn shareholders' trust, strive for even bigger leap forward

Absolutely return to the Black

Work as one to realize Absolutely Return to the Black targets

Improve profitability

Establish business structure more resilient to changes in the business environment

Create stunning products

Present new value and improve marketing capabilities

Achieve value for customers

Be thoroughly committed to achieving value for customers

1

Boost competitiveness of resort weddings business

2

Expand hotels and domestic weddings business

3

Develop business schemes in Asia and boost profitability

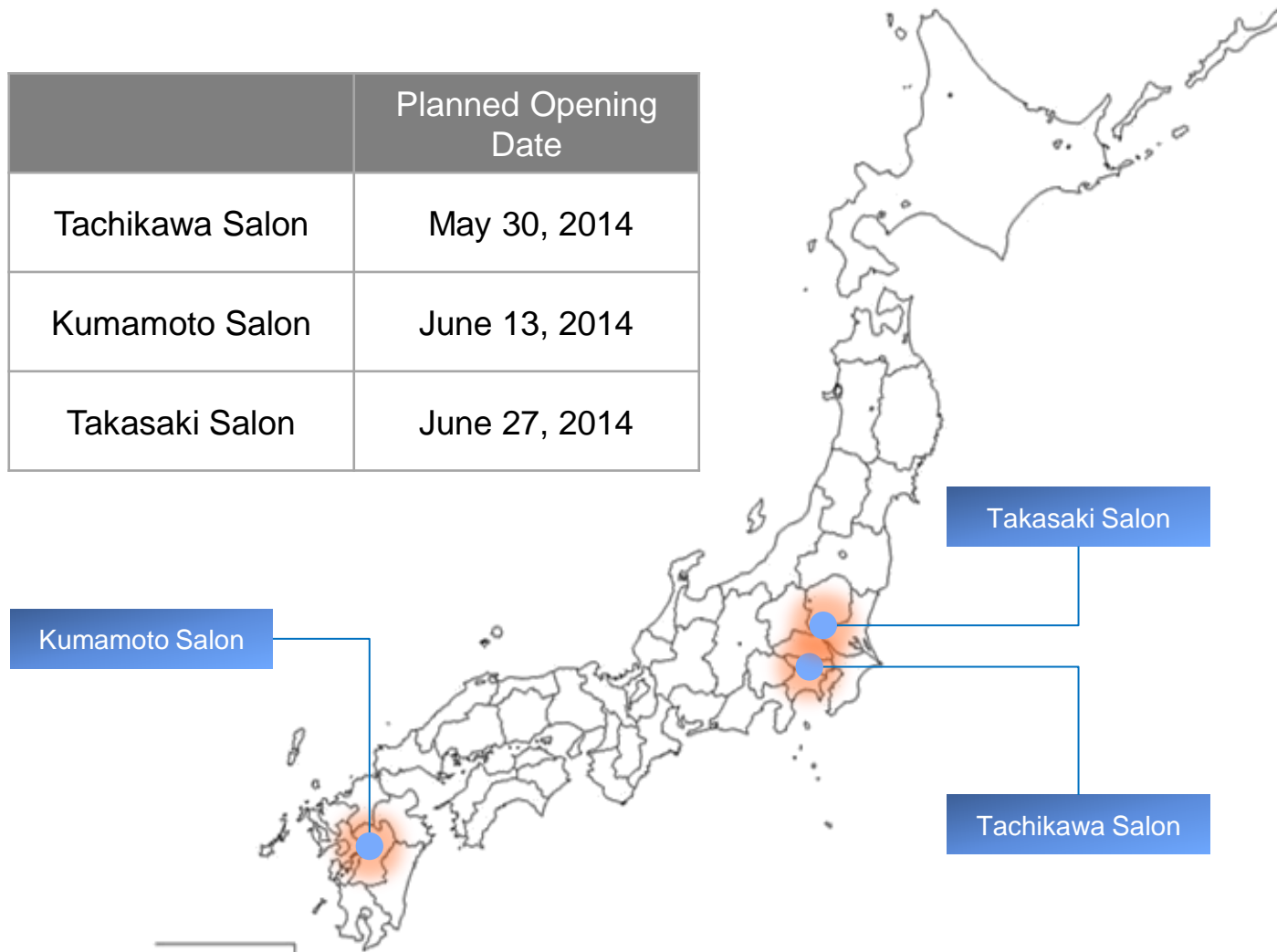
Boost Competitiveness of Resort Weddings Business

(Millions of yen)

Resort Weddings Business	FY2013 (Actual)	FY2014 (Target)	Year on Year
Net sales	19,646	20,300	103%
Segment income	(1,121)	100	—
Segment income ratio	-6%	0.5%	—

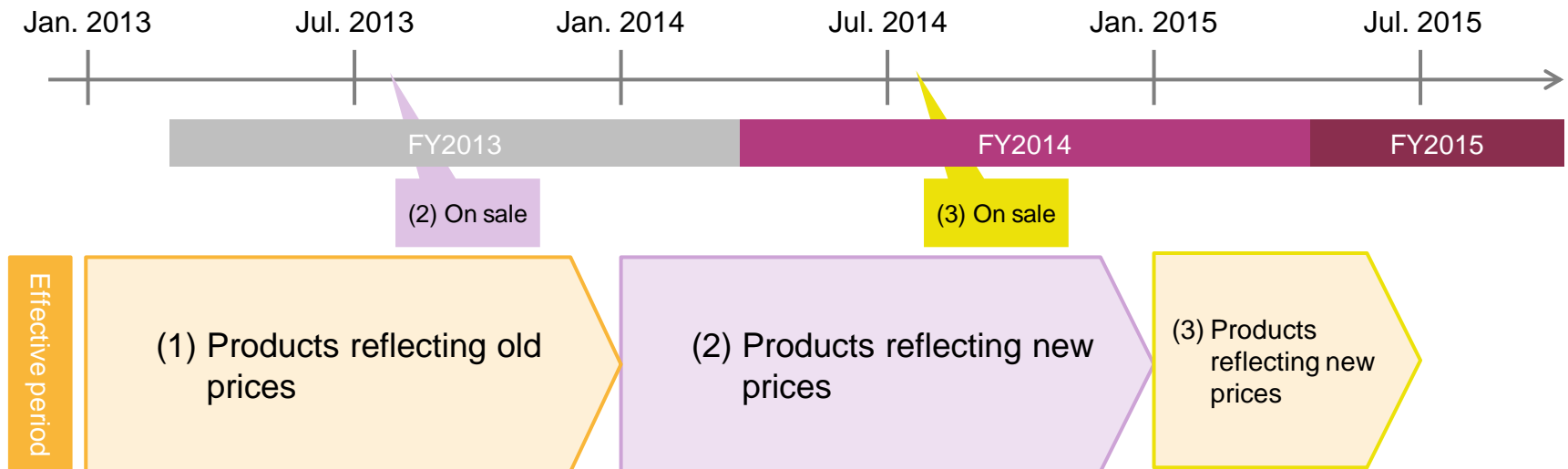
Expand sphere of activity and invigorate demand for resort weddings

	Planned Opening Date
Tachikawa Salon	May 30, 2014
Kumamoto Salon	June 13, 2014
Takasaki Salon	June 27, 2014



[Resort Weddings Business] Price Shifts Caused by Fluctuating Exchange Rates

Shorten product term and move toward structure that adapts to exchange rate risk



- Reflect fluctuating exchange rates in product prices
 - Increase prices when the yen moves down, and decrease prices when the yen moves up
- Change product term from one year to six months to expedite response to fluctuating exchange rates
- Continue to use forward exchange contracts to partially hedge against exchange rate risk

Weddings produced by Hinano Yoshikawa,
a fashion model and the Hawaii goodwill ambassador

HAWAII WEDDING

celebrated by
Hinano Yoshikawa

Plans built on inspiration from Hinano Yoshikawa for couples
marrying at the Ko Olina and Honu Kai Lani chapels.

alohina, a bridal gown designed by
Hinano Yoshikawa, is now on sale



Launched sales of ELLE MARIAGE, a dress created through collaborative efforts with ELLE

ELLE
MARIAGE

We continue to present fashion and lifestyle concepts that appeal to a wide base of trend-savvy enthusiasts, and debuted a wedding line ELLE MARIAGE under the popular ELLE brand that enjoys interest from women with a high sense of fashion.



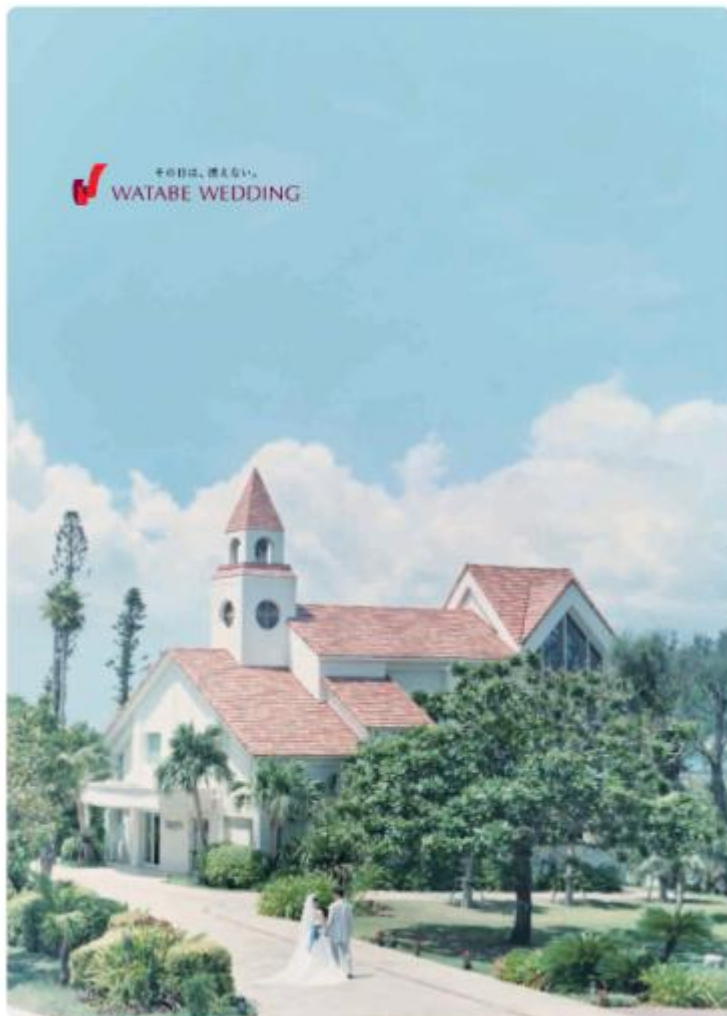
Highlight the value of a resort wedding and foster greater awareness of *Rizokon Heart*

式して、旅して、きちんとお披露目。

ハート
ハート



Churakon, adding new value to Okinawa resort weddings



ずっと、いっしょにいよう。そんな誓いに一番ふさわしい場所ってどこだろう？青い空、青い海、白い砂浜がまぶしい沖縄はどうだろう。この島には“長寿=長い寿”にまつわる伝統や食、習慣があふれてる。そんな沖縄で、ふたりの“長寿”を誓おう。参列してくれる両親や友達の“長い寿”も願おう。そう、ふたりとみんなの幸せが、ずっと続いていくことを願って。[長寿] [祝宴]

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[Resort Weddings Business] Summary

Place

- Salon restructuring, new salon openings
- Highly efficient salon operations

Price

- Measures to deal with exchange rate fluctuations
- Change term of products

Product

- Form alliances with celebrities
- Pursue collaborative activities with well-known brands

Promotion

- Form alliances with celebrities
- Encourage new perceptions about the value of a wedding
- Create appealing marketing campaigns

1

Boost competitiveness of resort weddings business

2

Expand hotels and domestic weddings business

3

Develop business schemes in Asia and boost profitability

Expand Hotels and Domestic Weddings Business

(Millions of yen)

	FY2013 (Actual)	FY2014 (Target)	Year on Year
Net sales	28,063	28,500	102%
Segment income	342	400	117%
Segment income ratio	1%	1%	-

[Meguro Gajoen] Enhance Banquet Business

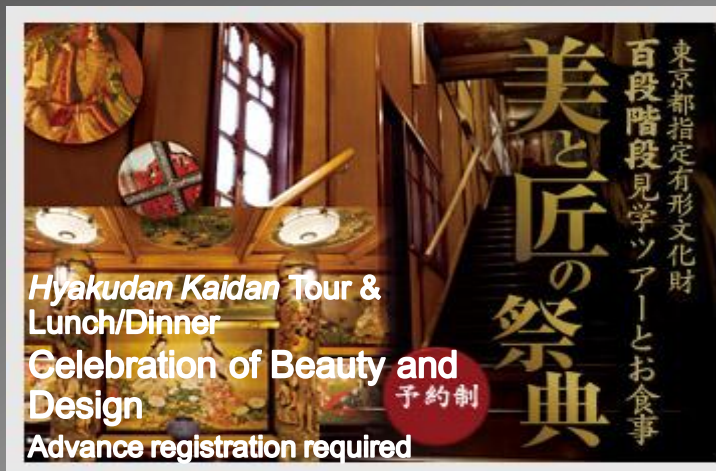
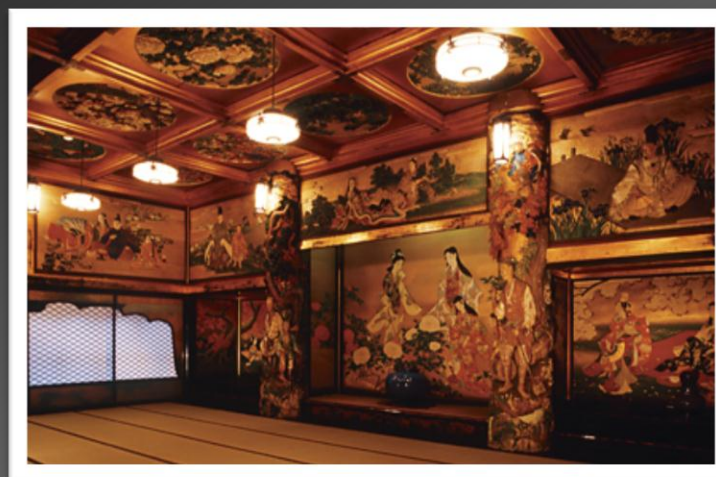
Renovate popular Chinese restaurant within complex and increase use for banquets



Renovate the Chinese restaurant *Shunyuki*, and strive to attract customers for evening banquets



Special Planned Event at Designated Tangible Cultural Asset of Tokyo “*Hyakudan Kaidan* (100-Step Staircase)”



Now taking orders for new collection of Mielparque original bridal gowns



An essential component of a bride's happy wedding day is her dress, especially if it is made just for her. Mielparque Premier Dress

A wedding day—when couples open a new door and embark on married life together. What kind of dress would be most cherished—just right for the life's most greatest moment?

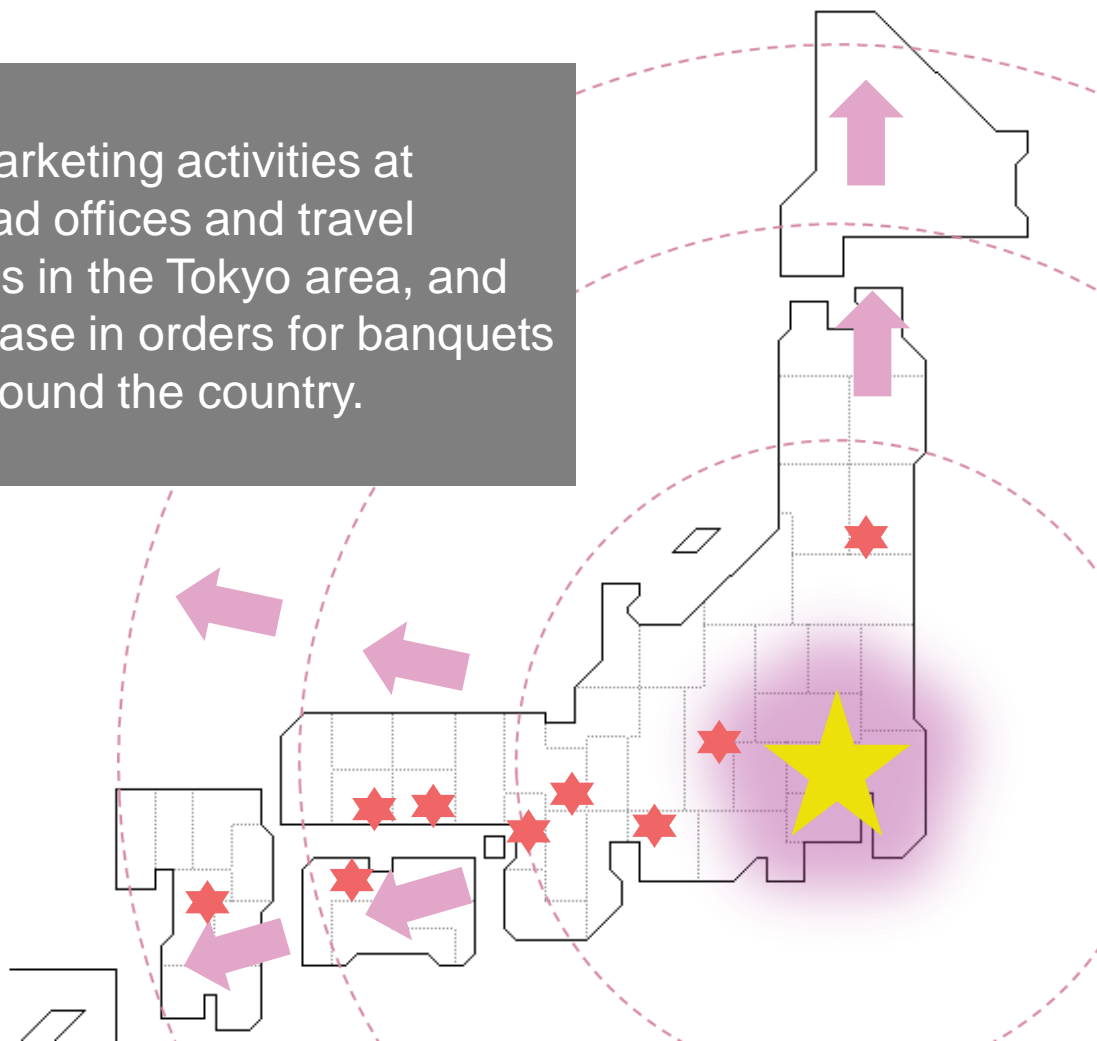
That is the brand-new dress made just for the bride. The custom-order Mielparque Premier Dress is made all the more special for each bride with three unique services that create memories to last a lifetime along with the happiness of wearing a dress just for her.

These special services are only possible because each dress is tailored specifically for each bride.

Brides need only a Mielparque Premier Dress for wedding day wishes to come true.

Establish Tokyo business center and reinforce banquet business

Undertake marketing activities at corporate head offices and travel agency offices in the Tokyo area, and elicit an increase in orders for banquets at facilities around the country.



★ Mielparque locations

1

Boost competitiveness of resort weddings business

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Develop business schemes in Asia and boost profitability

Strategic Expansion in Asia: Developing Business Schemes and Boosting Profitability

Establish product and operating structures matched to the needs of customers in Asia



Strategic Expansion in Asia: Developing Business Schemes and Boosting Profitability

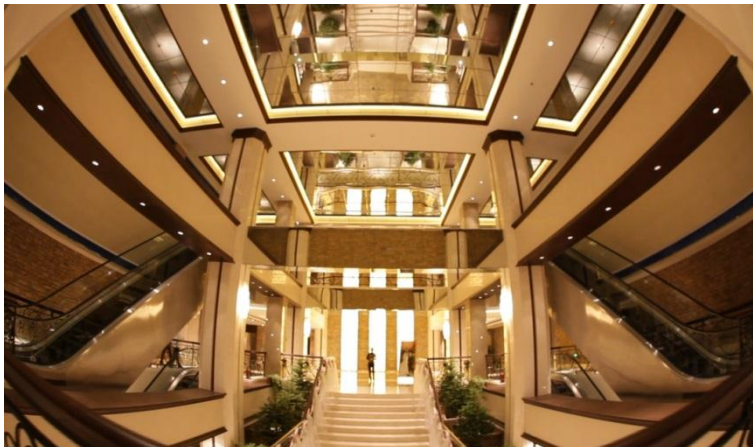
Raising our profile through active media promotion in Asia

Market	Category	Summary	Title	Chapel	Exposure for Watabe Wedding
Mainland China	Internet movie	Internet streaming distribution and promotion by Japan FM Network and China's Tencent Holdings Limited	[Traveler] Okinawa Rendez-vous	Aquagrace	<ul style="list-style-type: none"> Actress famous in China marries actor in Aquagrace chapel Scenes show chapel exterior and interior as well as the beach in front of the chapel
	TV program	Pretty girls' audition show on a Shanghai TV network, Travel episode in which the top 10 pretty girls visit places in Okinawa	Beach Honey	Aquagrace	<ul style="list-style-type: none"> One of the pretty girls and a male model get married in Aquagrace chapel Scenes show chapel exterior and interior as well as the beach in front of the chapel
	Movie	Mainland film by a well-known director who produced the movie "Red Cliff", Chinese version of love comedy "Sex & the City"	One Night Stud	Coralvita	<ul style="list-style-type: none"> An actor and actress get married in Coralvita chapel Only the chapel interior is shown (due to a typhoon on the day of filming)
Taiwan	TV drama	Drama in which main character (Taiwanese actress) is an overseas wedding planner at Watabe Wedding, with scenes shot at company facilities in Taiwan and Okinawa.	Marry or Not	Aquagrace	<ul style="list-style-type: none"> Views of chapel and Taiwan Grace Hill from the opening scene Actor and actress get married in Aquagrace chapel Main character, as a wedding planner, checks preparations inside the chapel before the ceremony Scene with Grace RCP hall used as a bride's room Main character, as a Watabe Wedding employee, uses company name tag and business card A scene of the company's morning gathering, the Watabe Wedding philosophy is described in Chinese
Hong Kong	TV program	Overseas travel program broadcast in four parts. Two teams present destinations to a Hong Kong actress who then decides which trip would be the most enjoyable to go on.	TVBOXNOW Tailor-made Tour	Aquagrace Marine bijou	<ul style="list-style-type: none"> Well-known Hong Kong actress gets married to a team member of her choosing in Aquagrace chapel At Marine bijou, team member who was not chosen waits in vain for the actress to appear Scenes show Aquagrace exterior and interior as well as the beach in front of the chapel Scenes show Marine bijou exterior and interior

Large-scale wedding complex opens in Harbin, China



Large-scale wedding complex opens in Harbin, China
Built Harbin Modern Attache Garden to secure local demand in China and develop the market further
First floor: 2,300m², second floor: 3,800m²
Ready for banquets of all sizes, with total capacity for about 1,000 people



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