

Briefing Materials on Consolidated Results for the First Nine Months of Fiscal Year 2014



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WATABE WEDDING

Overview of Consolidated Results for the First Nine Months of FY2014

Overview of Consolidated Results

(Millions of yen)

| Item | 1Q-3Q FY2013 | 1Q-3Q FY2014 | Year on year change |
|---|-----------------|-----------------|------------------------|
| Net sales | 36,299 | 34,064 | Down 6.2% |
| Gross profit | 23,659 | 22,073 | Down 6.7% |
| Gross profit ratio | 65.2% | 64.8% | — |
| Selling, general and administrative expenses | 24,298 | 22,196 | Down 8.7% |
| SG&A ratio | 66.9% | 65.2% | — |
| Operating income (loss) | (639) | (122) | — |
| Operating income ratio | -1.8% | -0.4% | — |
| Ordinary income (loss) | (709) | 153 | — |
| Ordinary income ratio | -2.0% | 0.4% | — |
| Net income (loss) | (656) | (486) | — |

Overview by Business Segment

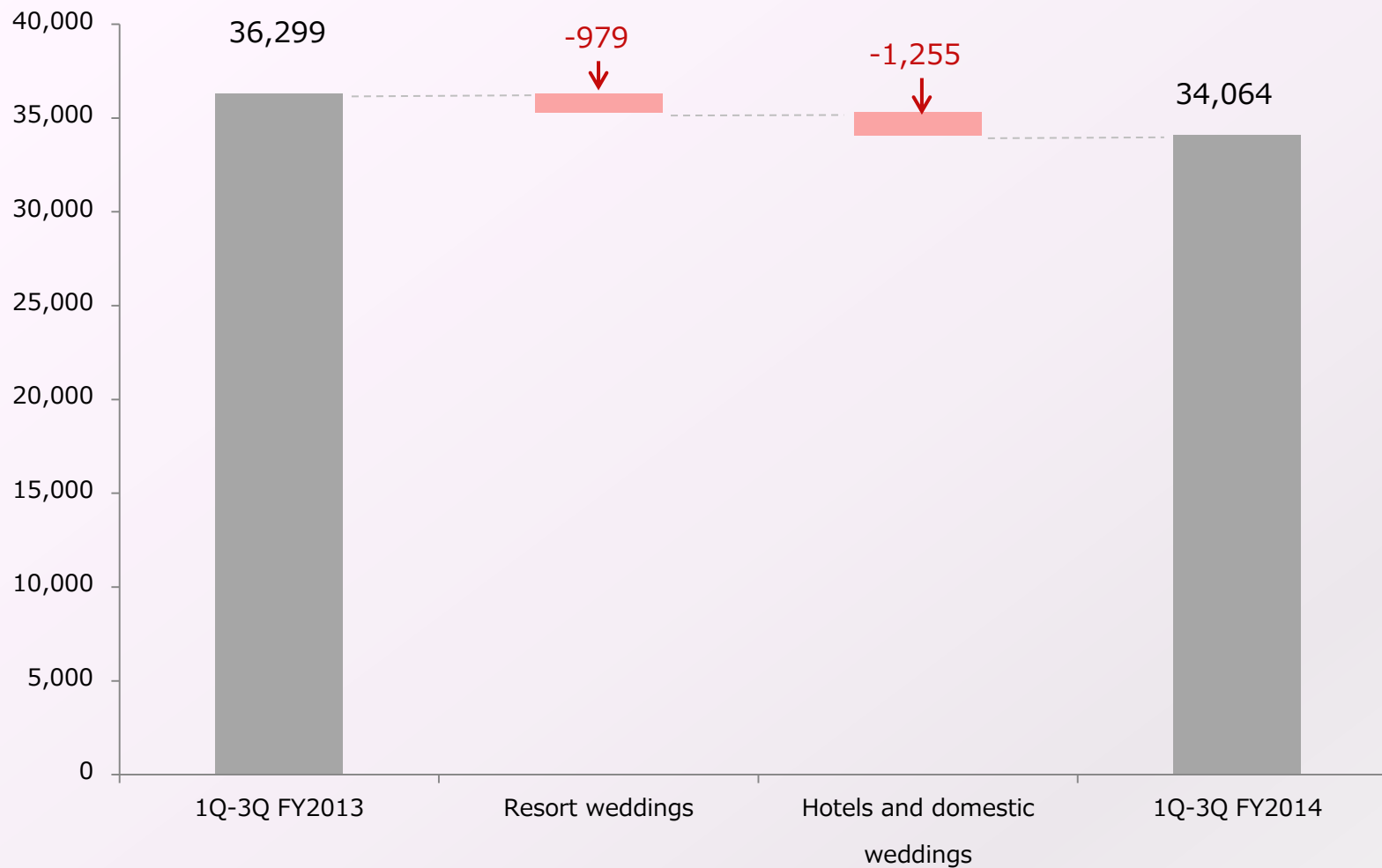
(Millions of yen)

| Item | Consolidated | | Resort weddings | | Hotels and domestic weddings | | Adjustments | |
|-----------------------------------|--------------|--------------|-----------------|--------------|------------------------------|--------------|--------------|--------------|
| | 1Q-3Q FY2013 | 1Q-3Q FY2014 | 1Q-3Q FY2013 | 1Q-3Q FY2014 | 1Q-3Q FY2013 | 1Q-3Q FY2014 | 1Q-3Q FY2013 | 1Q-3Q FY2014 |
| Net sales (Sales to customers) | 36,299 | 34,064 | 14,975 | 13,995 | 21,324 | 20,069 | 0 | 0 |
| Operating income (loss) | (639) | (122) | (942) | 92 | 301 | (244) | 1 | 29 |
| Operating income ratio | -2% | -0% | -6% | 1% | 1% | -1% | — | — |

Net sales: Sales to customers

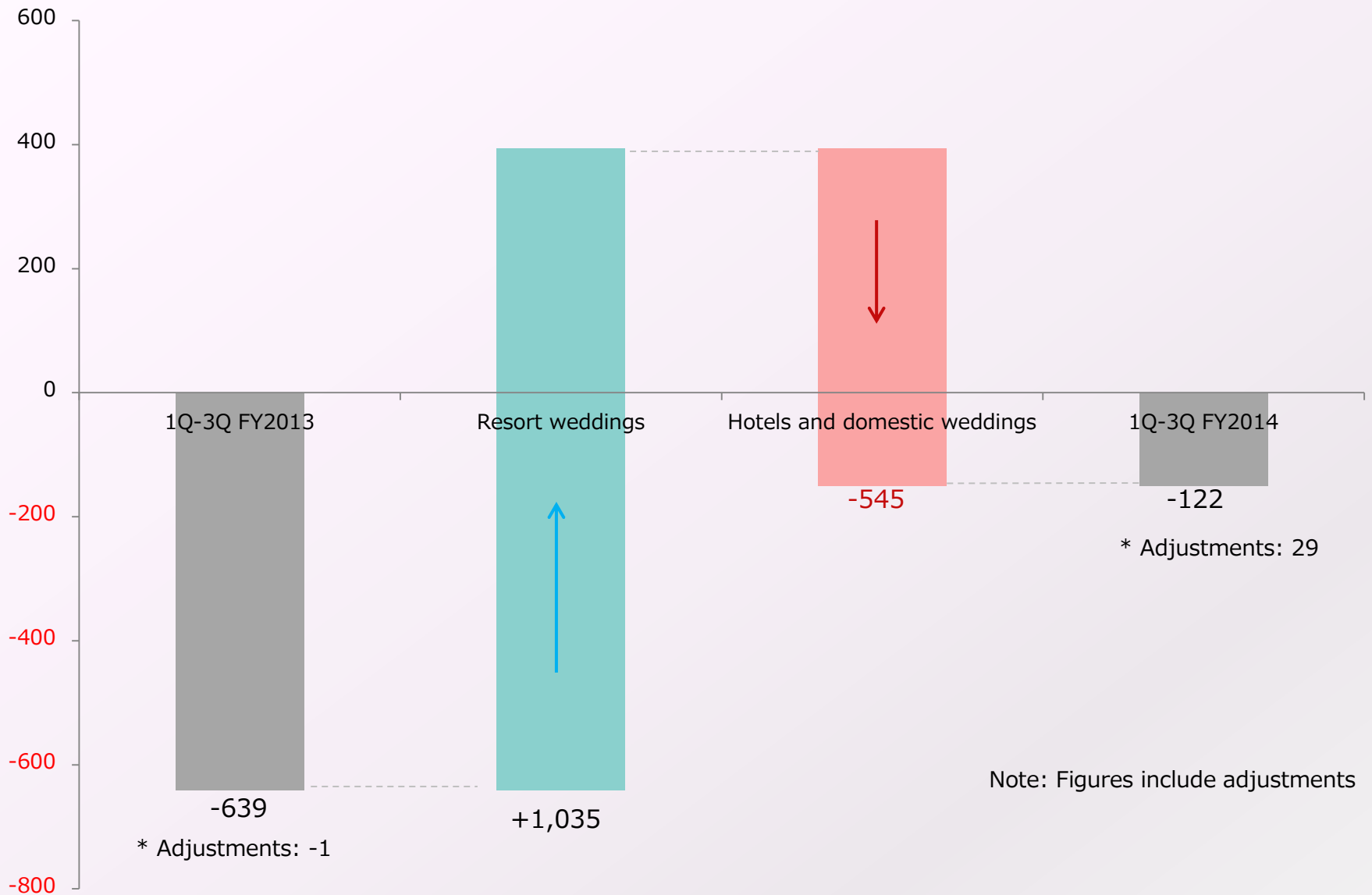
Net Sales Factor Analysis

(Millions of yen)



Segment Income Factor Analysis

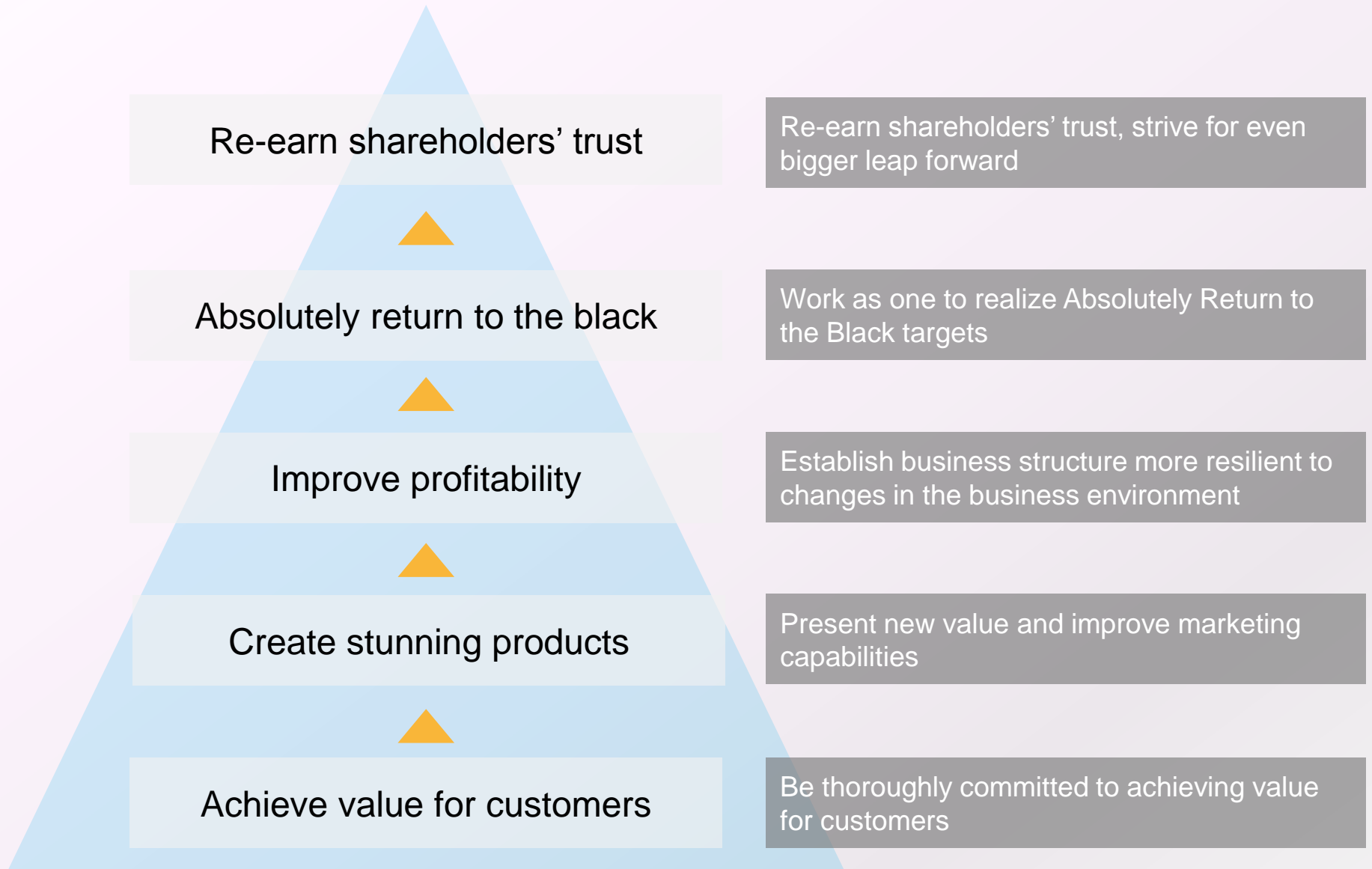
(Millions of yen)



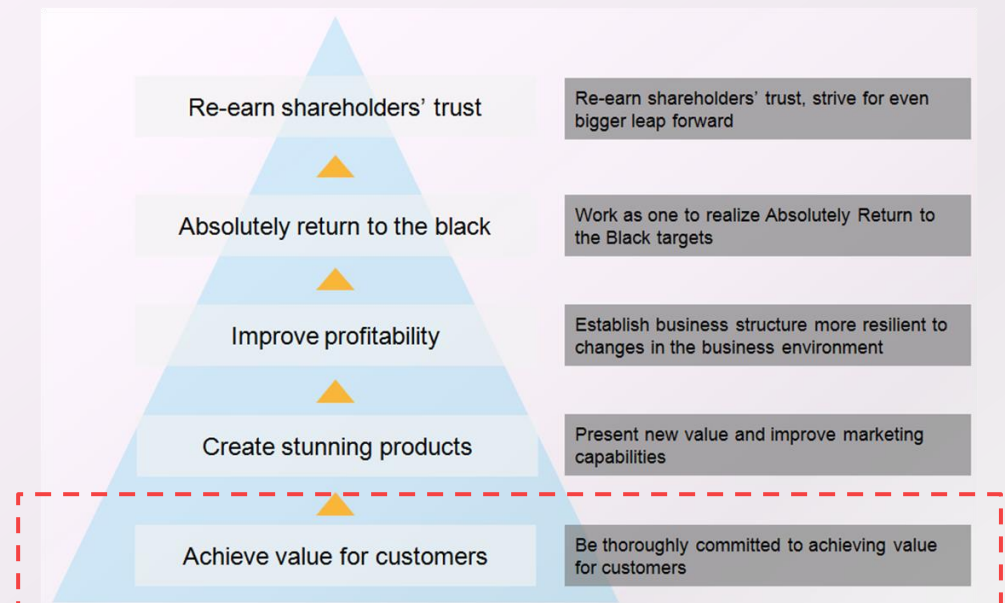
Consolidated Balance Sheets

| ASSETS | As of Mar. 31, 2014 | As of Dec. 31, 2014 | LIABILITIES | As of Mar. 31, 2014 | As of Dec. 31, 2014 |
|-------------------------------------|---------------------------|---------------------------|---|---------------------------|---------------------------|
| Current assets | | | Current liabilities | | |
| Cash and deposits | 6,267 | 5,206 | Accounts payable-trade | 1,813 | 1,867 |
| Accounts receivable-trade | 1,785 | 1,667 | Short-term loans payable | 1,325 | 1,125 |
| Other | 2,453 | 2,790 | Advances received | 2,322 | 1,912 |
| Total current assets | 10,505 | 9,663 | Other | 3,349 | 2,950 |
| Non-current assets | | | Total current liabilities | 8,809 | 7,854 |
| Property, plant and equipment | | | Non-current liabilities | | |
| Buildings and structures, net | 4,335 | 4,386 | Long-term loans payable | 1,075 | 812 |
| Other | 3,657 | 3,754 | Asset retirement obligations | 442 | 575 |
| Total property, plant and equipment | 7,992 | 8,140 | Other | 1,423 | 1,384 |
| Intangible assets | 854 | 684 | Total non-current liabilities | 2,940 | 2,771 |
| Investments and other assets | | | Total liabilities | 11,750 | 10,625 |
| Guarantee deposits | 2,980 | 2,938 | NET ASSETS | | |
| Other | 1,406 | 1,186 | Shareholders' equity | | |
| Total investments and other assets | 4,386 | 4,124 | Capital stock | 4,176 | 4,176 |
| Total non-current assets | 13,233 | 12,949 | Capital surplus | 4,038 | 4,038 |
| Total assets | 23,739 | 22,613 | Retained earnings | 4,344 | 3,792 |
| | | | Treasury shares | (0) | (0) |
| | | | Total shareholders' equity | 12,558 | 12,006 |
| | | | Total other comprehensive income (loss) | (606) | (69) |
| | | | Minority interests | 37 | 51 |
| | | | Total net assets | 11,989 | 11,987 |
| | | | Total liabilities and net assets | 23,739 | 22,613 |

Business Strategies for FY2014



Achieve Value for Customers

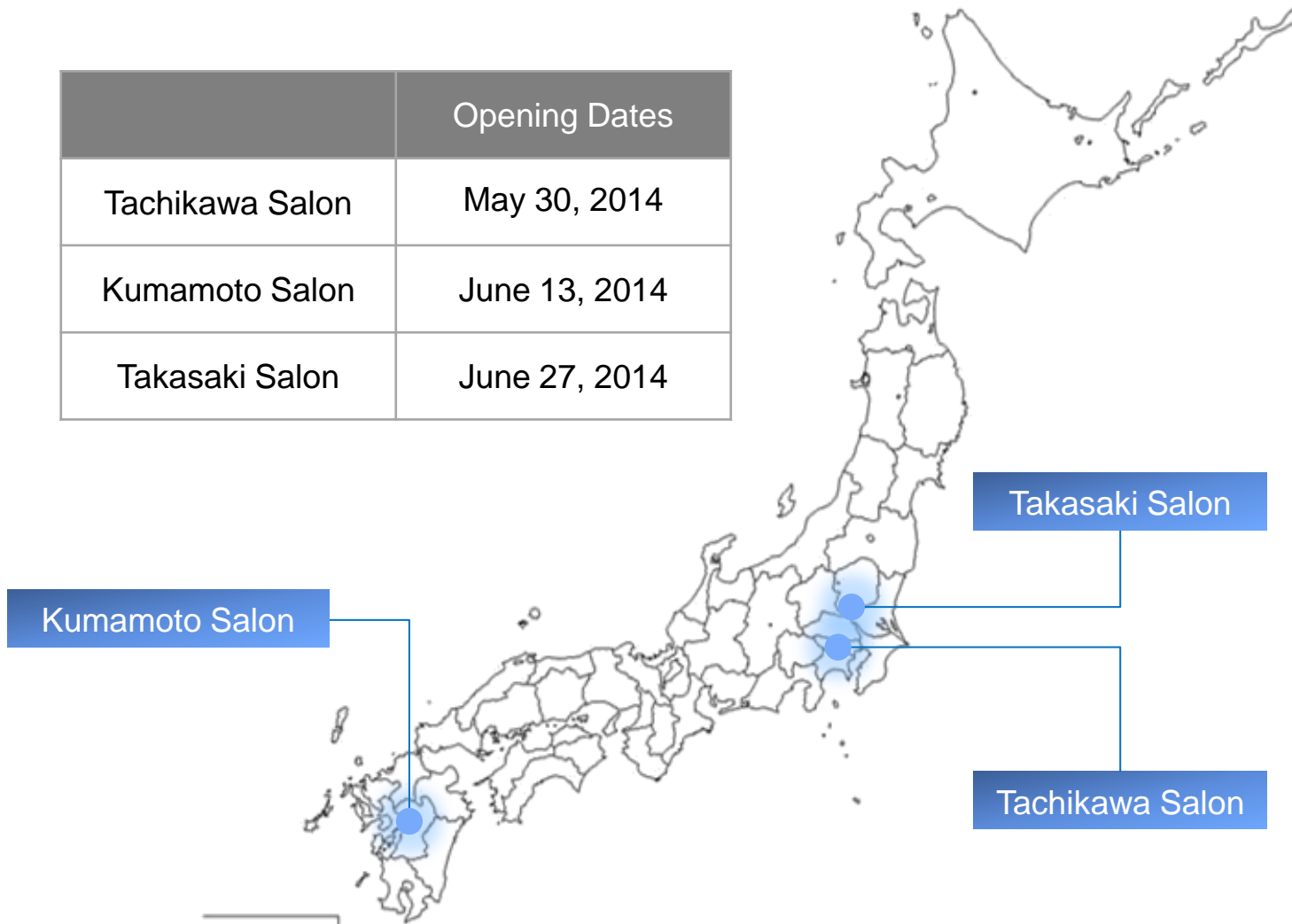


[Resort Weddings Business]

Salon Restructuring — Open Locations with Regional Emphasis

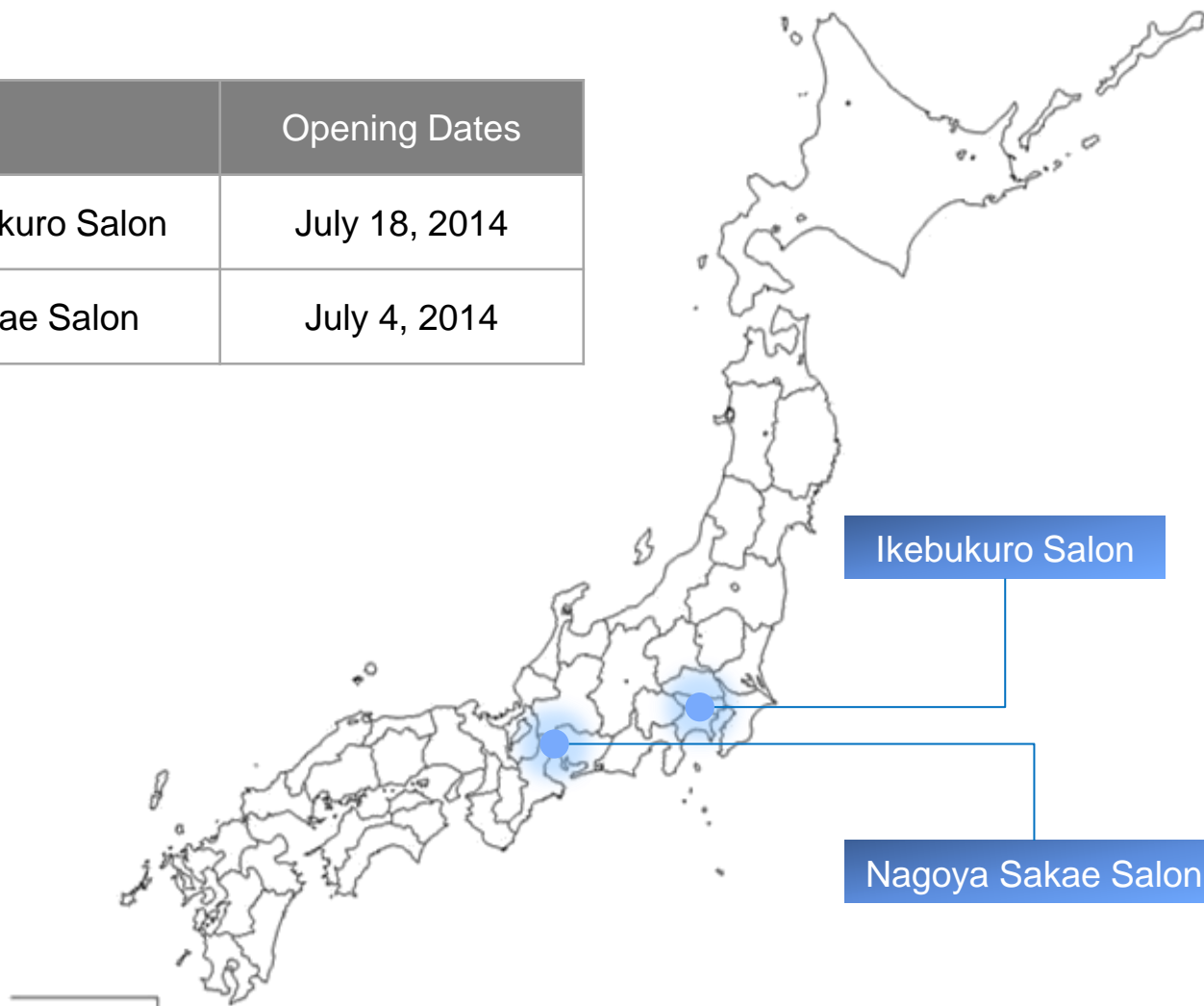
Expand sphere of activity and invigorate demand for resort weddings

| | Opening Dates |
|-----------------|---------------|
| Tachikawa Salon | May 30, 2014 |
| Kumamoto Salon | June 13, 2014 |
| Takasaki Salon | June 27, 2014 |



Expand sphere of activity and invigorate demand for resort weddings

| | Opening Dates |
|-----------------|---------------|
| Ikebukuro Salon | July 18, 2014 |
| Sakae Salon | July 4, 2014 |



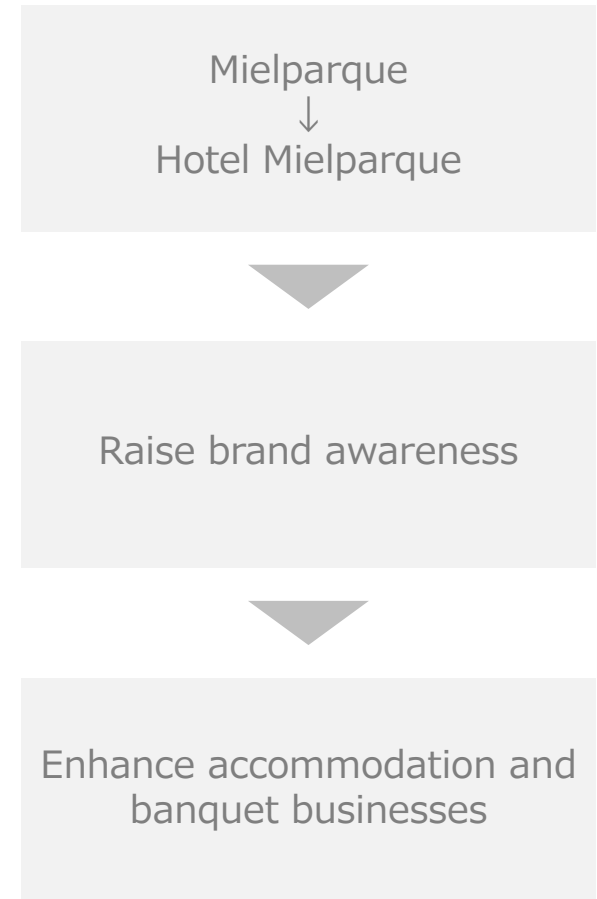
Opening of the newly designed *Shunyuki*, Meguro Gajoen's main dining hall

We offer privacy and comfort in a traditional Chinese setting with partitioned dining areas and Meguro Gajoen's original rotating table trays.



Rename all 10 locations of the newly branded Hotel Mielparque

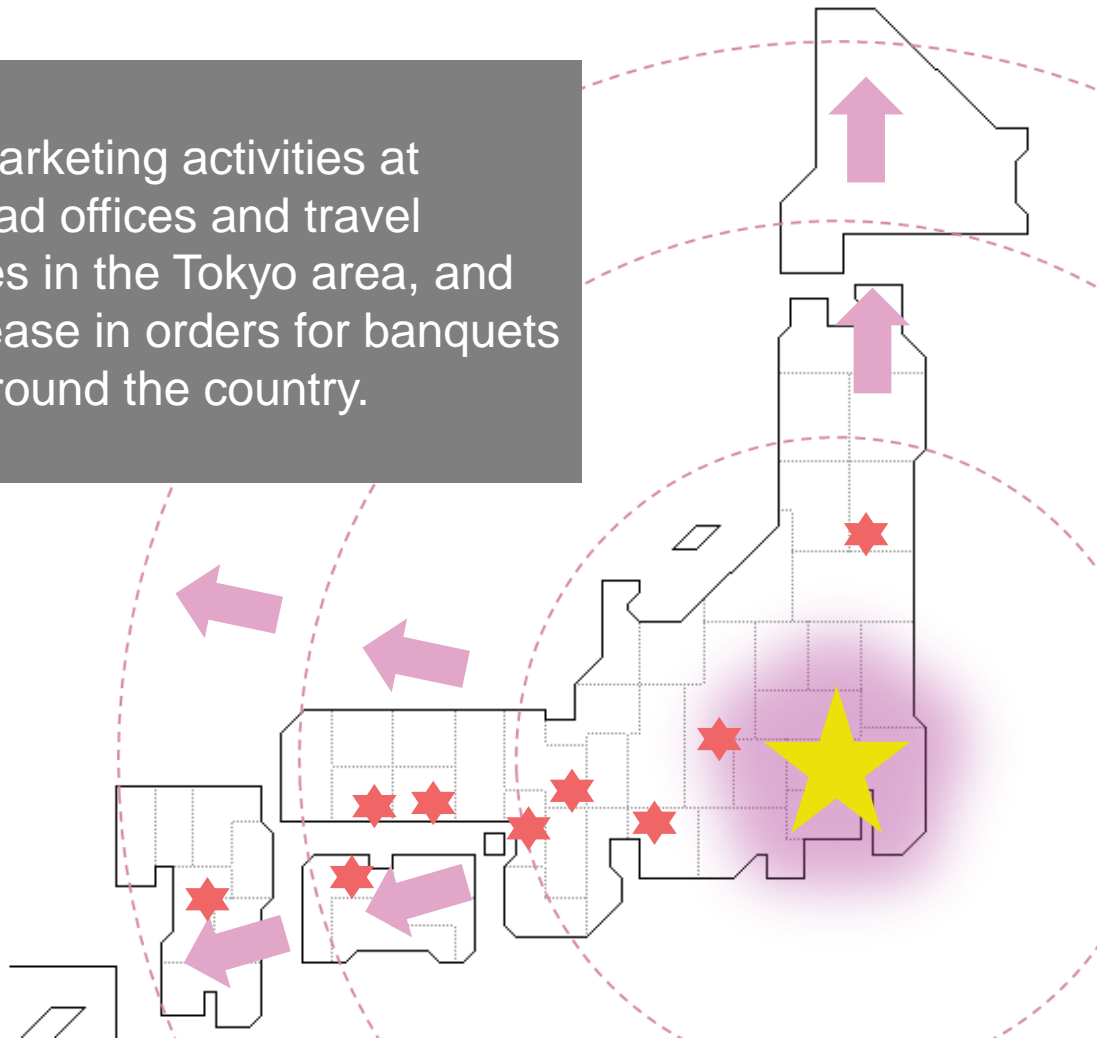
Hotel Mielparque Sendai
Hotel Mielparque Tokyo
Hotel Mielparque Yokohama
Hotel Mielparque Nagano
Hotel Mielparque Nagoya
Hotel Mielparque Osaka
Hotel Mielparque Okayama
Hotel Mielparque Hiroshima
Hotel Mielparque Matsuyama
Hotel Mielparque Kumamoto



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.

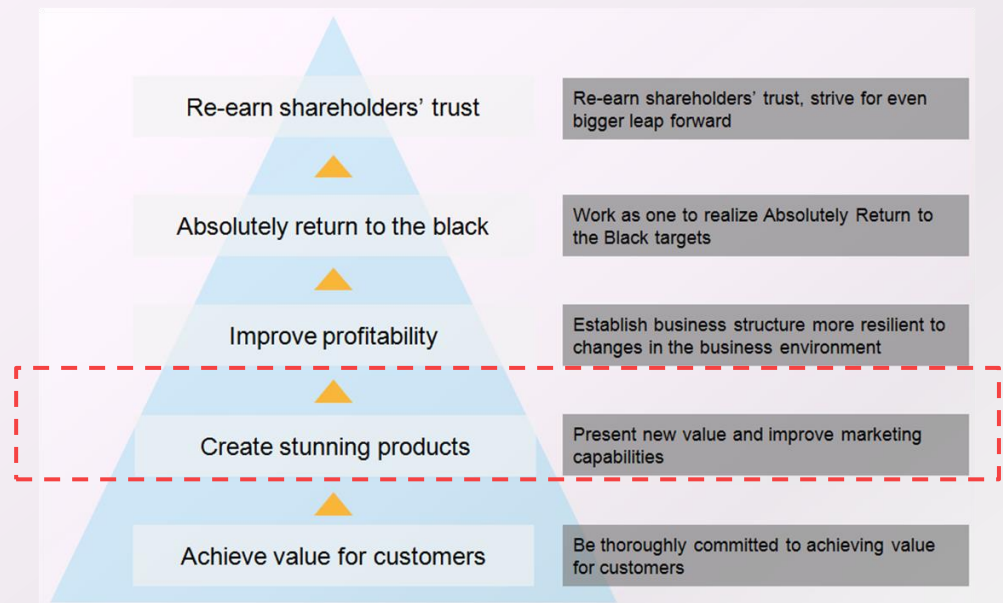
★ Mielparque locations



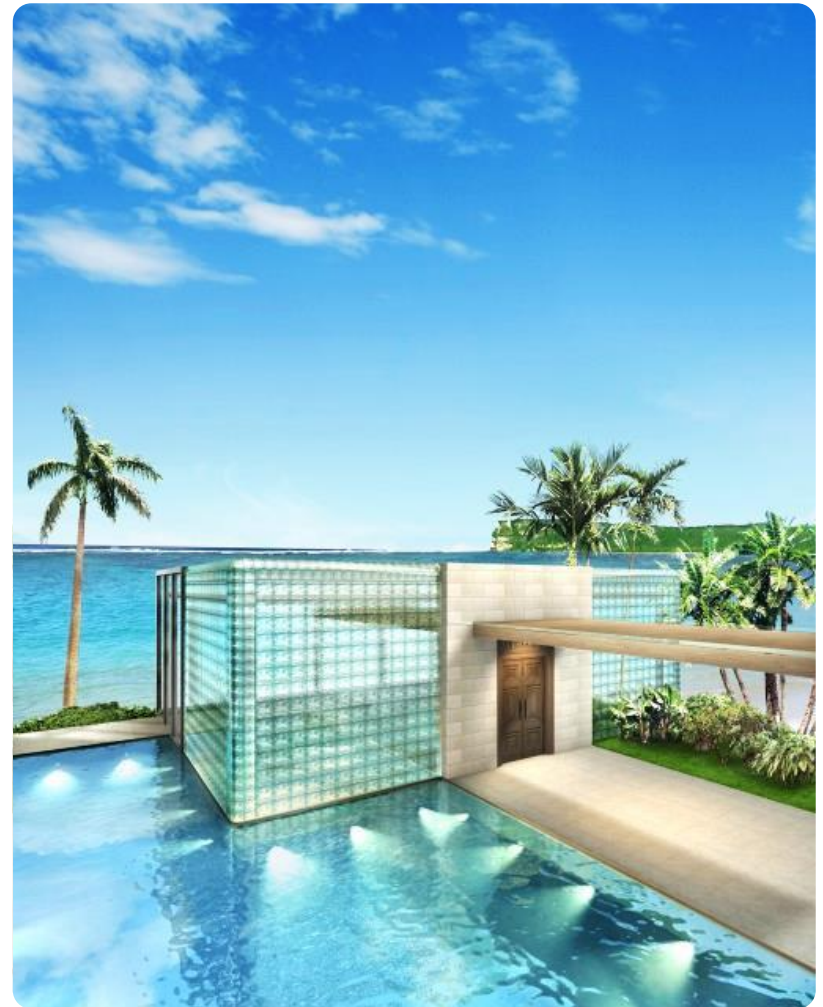
Establish product and operating structures matched to the needs of customers in Asia



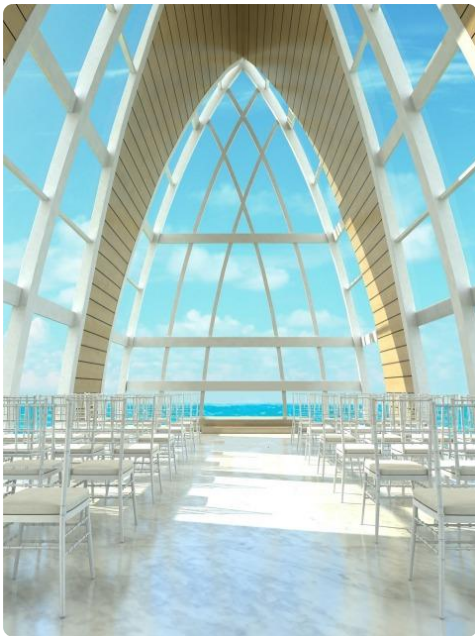
Create Stunning Products



Our new chapel “Luz de Amor Chapel” coming to Guam next autumn



Offering exclusive sales of collaborative wedding packages with The Ritz-Carlton, Bali



alohina, a bridal gown designed by Hinano Yoshikawa

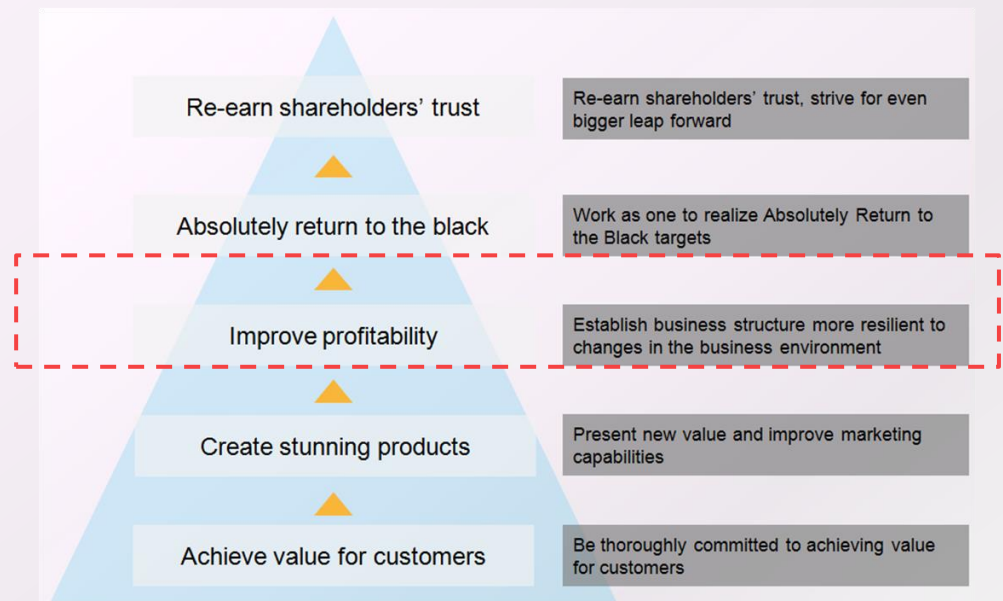
“*alohina*” is a bridal gown brand designed by Japanese fashion model and actress Hinano Yoshikawa for resort weddings. The brand’s name was created by combining the Hawaiian word for “shiny, bright sky,” *alohilani*, and Ms. Yoshikawa’s first name, Hinano.



Newly redesigned wedding album series

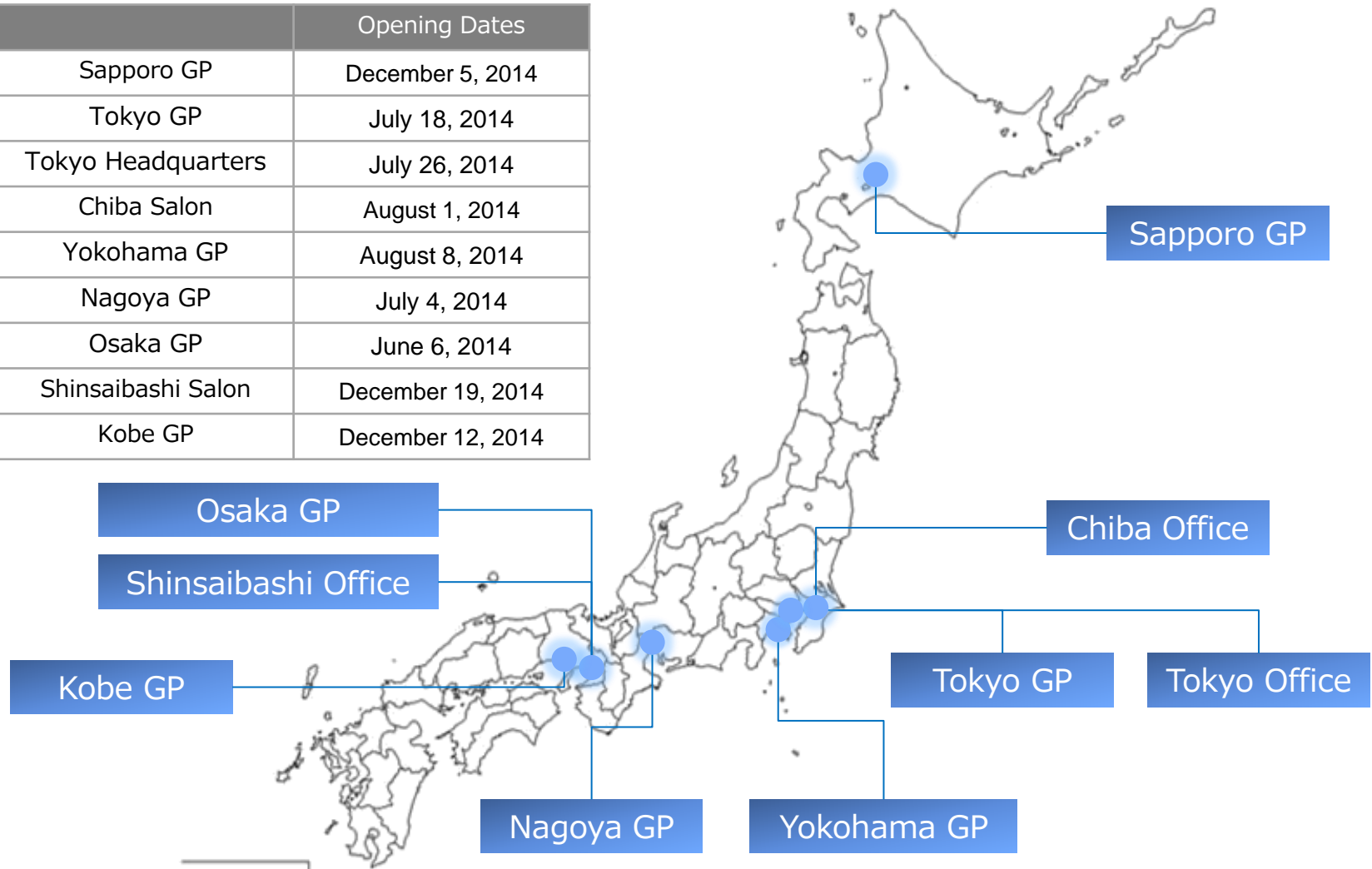


Improve Profitability



Expand sphere of activity and invigorate demand for resort weddings

| | Opening Dates |
|--------------------|-------------------|
| Sapporo GP | December 5, 2014 |
| Tokyo GP | July 18, 2014 |
| Tokyo Headquarters | July 26, 2014 |
| Chiba Salon | August 1, 2014 |
| Yokohama GP | August 8, 2014 |
| Nagoya GP | July 4, 2014 |
| Osaka GP | June 6, 2014 |
| Shinsaibashi Salon | December 19, 2014 |
| Kobe GP | December 12, 2014 |



Consolidated Results Forecast for FY2014

| | FY2014 Forecast | FY2013 Results | Change |
|-------------------------|--------------------|-------------------|--------|
| Net sales | 45,600 | 47,710 | -2,110 |
| Operating income (loss) | 100 | (765) | 865 |
| Ordinary income (loss) | 130 | (814) | 944 |
| Net income (loss) | (100) | (3,524) | 3,424 |

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