

Watabe Wedding Corporation

Briefing Materials on

Consolidated Results for FY2015



Overview of Consolidated Results

(Millions of yen)

Item	FY2014	FY2015	Year on year change
Net Sales	44,214	43,882	-0.8%
Gross profit	28,638	28,727	0.3%
Gross profit ratio	64.8%	65.5%	0.7pt
Selling, general and administrative expenses	29,335	28,580	-2.6%
SG&A ratio	66.3%	65.1%	-1.2pt
Operating income (loss)	(696)	146	842
Operating income ratio	-1.6%	0.3%	
Ordinary income (loss)	(411)	208	619
Ordinary income ratio	-0.9%	0.5%	
Profit (loss) attributable to owners of parent	(1,805)	46	1,851

Overview by Business Segment

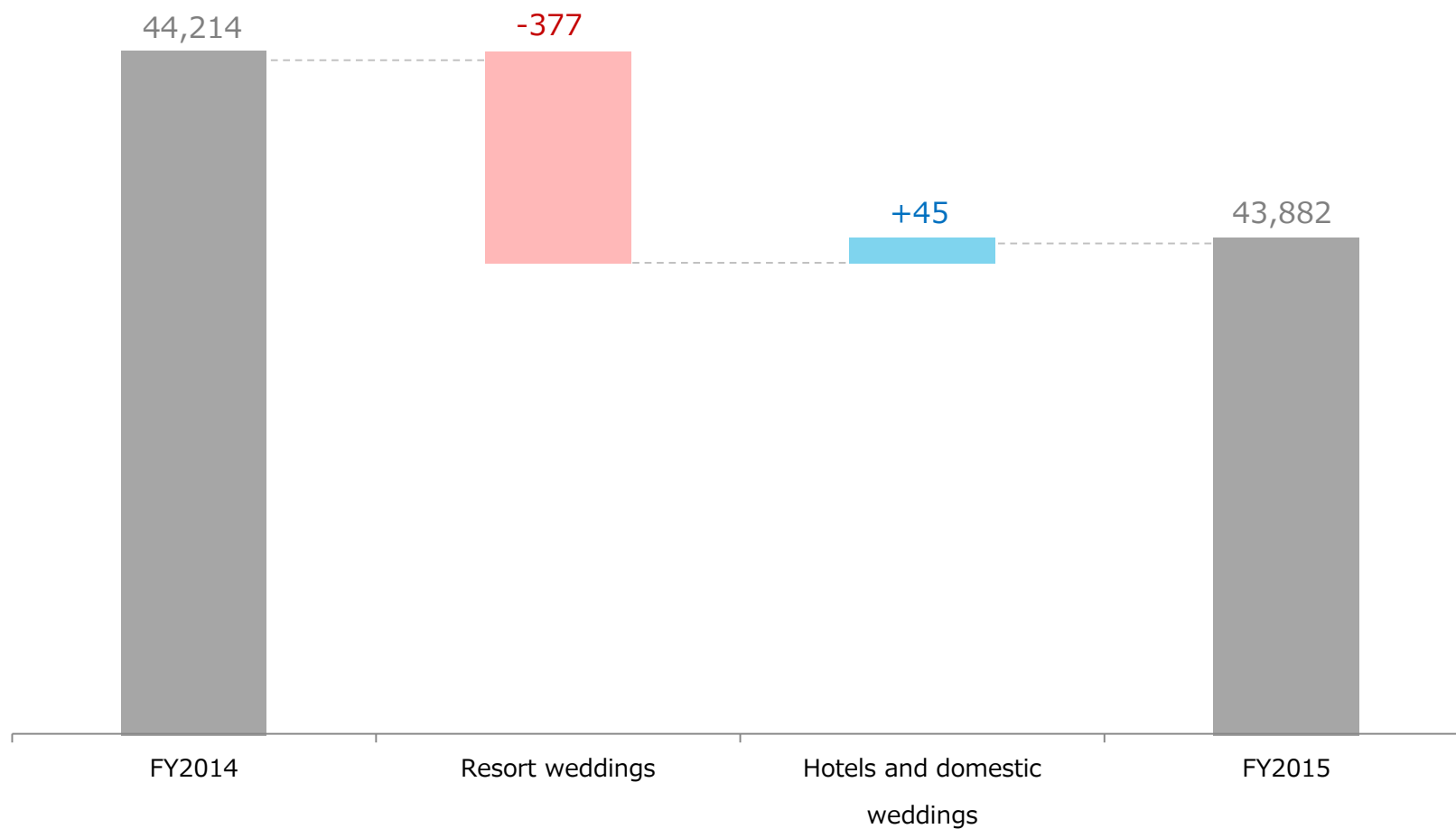
(Millions of yen)

Item	Consolidated		Resort weddings		Hotels and domestic weddings		Adjustments	
	FY2014	FY2015	FY2014	FY2015	FY2014	FY2015	FY2014	FY2015
Net sales	44,214	43,882	17,993	17,616	26,220	26,266	—	—
Operating income (loss)	(696)	146	(245)	(201)	(487)	318	36	30
Operating income ratio	-2%	0%	-1%	-1%	-2%	1%	—	—

Net sales: Sales to customers

Net Sales: Contributing Factors

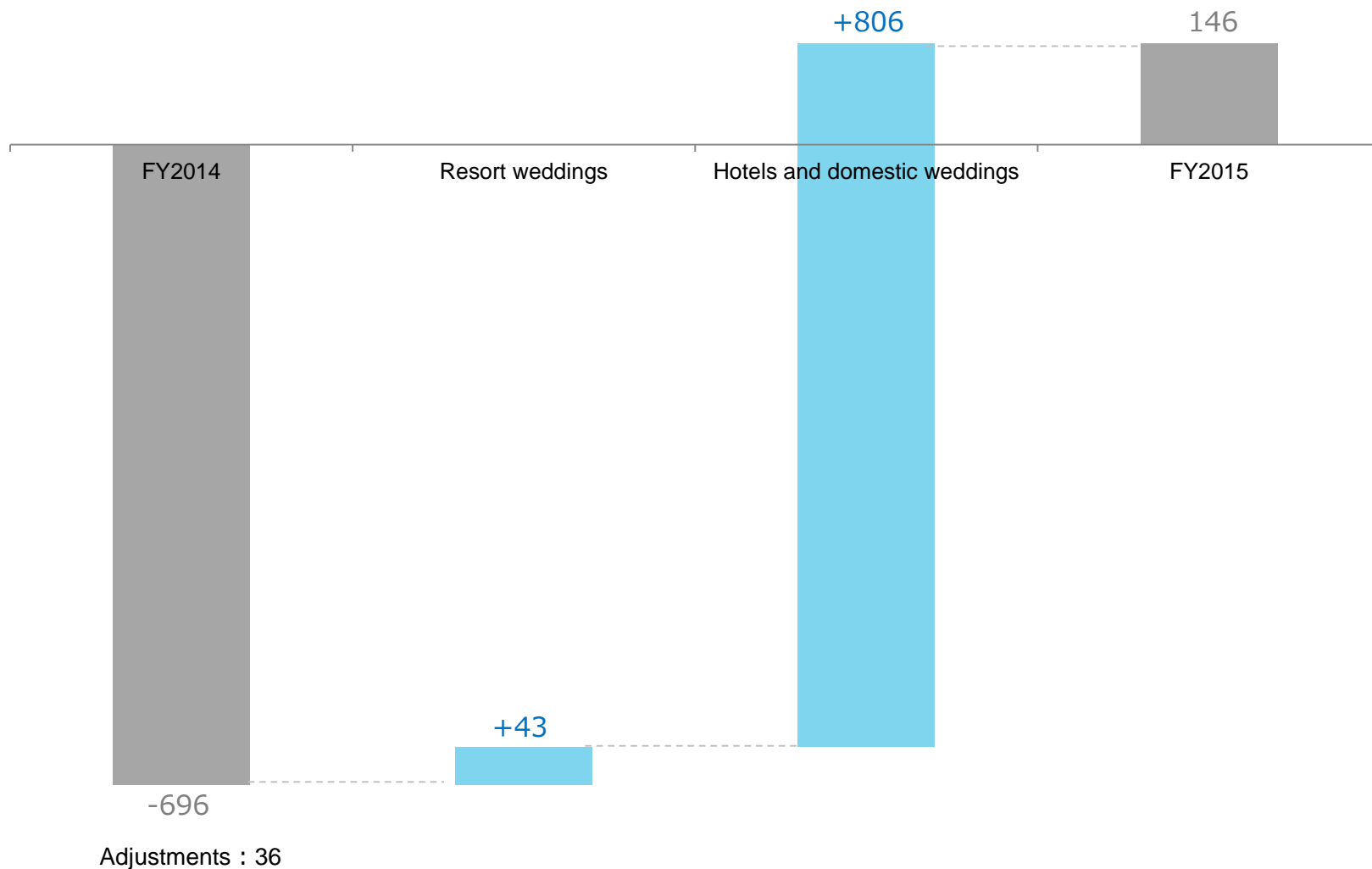
(Millions of yen)



Segment Income (Loss): Contributing Factors

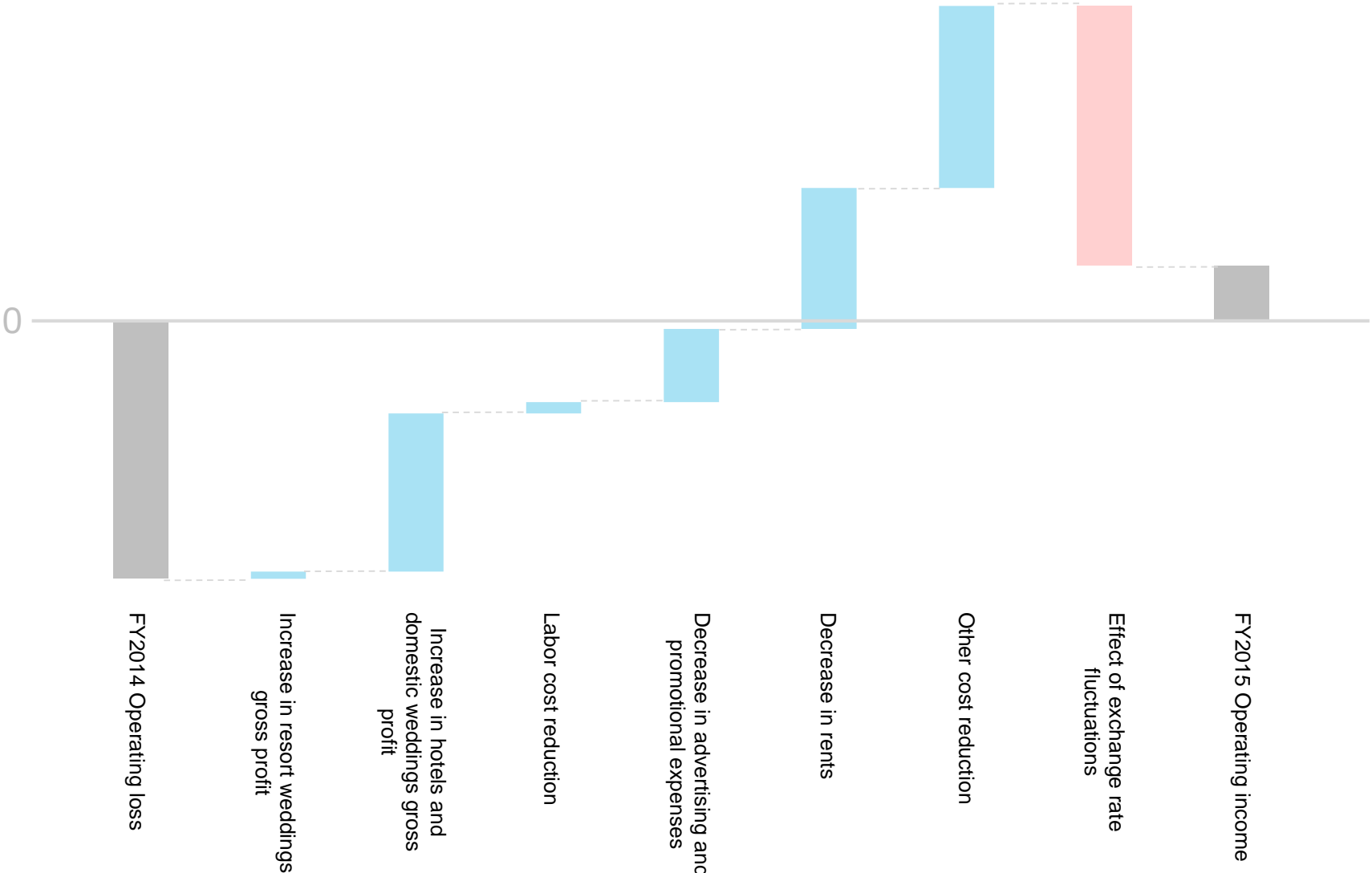
(Millions of yen)

Adjustments : 30



Operating Income (Loss): Contributing Factors

(Millions of yen)



Consolidated Balance Sheets



(Millions of yen)

ASSETS	As of Mar. 31, 2015	As of Mar. 31, 2016
Current assets		
Cash and deposits	4,502	5,311
Accounts receivable-trade	1,626	1,636
Other	2,503	2,382
Total current assets	8,631	9,329
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,236	3,990
Other	3,604	3,220
Total property, plant and equipment	7,840	7,210
Intangible assets	640	573
Investments and other assets		
Guarantee deposits	2,845	2,669
Other	774	1,028
Total investments and other assets	3,619	3,697
Total non-current assets	12,100	11,481
Total assets	20,732	20,811

LIABILITIES	As of Mar. 31, 2015	As of Mar. 31, 2016
Current liabilities		
Accounts payable-trade	1,532	1,433
Short-term loans payable	300	308
Advances received	2,363	2,208
Other	3,022	4,427
Total current liabilities	7,217	8,376
Non-current liabilities		
Long-term loans payable	750	125
Asset retirement obligations	579	586
Other	1,222	1,380
Total non-current liabilities	2,551	2,091
Total liabilities	9,769	10,468
NET ASSETS		
Shareholders' equity		
Capital stock	4,176	4,176
Capital surplus	4,038	4,038
Retained earnings	2,473	2,504
Treasury shares	0	0
Total shareholders' equity	10,687	10,718
Total other comprehensive income (loss)	223	(425)
Non-controlling interests	52	49
Total net assets	10,963	10,342
Total liabilities and net assets	20,732	20,811

(Millions of yen)

Item	FY2014	FY2015
Net cash provided by (used in) operating activities	558	1,679
Net cash provided by (used in) investing activities	(1,489)	(380)
Net cash provided by (used in) financing activities	(1,075)	(356)
Effect of exchange rate change on cash and cash equivalents	240	(133)
Net increase (decrease) in cash and cash equivalents	(1,765)	(809)
Cash and cash equivalents at beginning of period	6,263	4,497
Cash and cash equivalents at end of period	4,497	5,307

Major capital investments

- Watabe Wedding
 - Chapel openings and renovations (3 locations)
 - Salon openings (3 salons)
 - Salon renovations (1 salon)
- Made facility improvements at Mielparque
 - Guest room renovations (Tokyo, Osaka)
 - Reception room renovations (Yokohama)
- Made facility improvements at Meguro Gajoen
 - Reception room renovations

Business Activities in FY2015

July 24, 2015: Signed capital and business alliance agreement with Senshukai and Dears Brain



Watabe Wedding Group

Watabe Wedding
(resort wedding)
Meguro Gajoen (wedding hall)
Mielparque (hotel)
Crescendo Produce
(house wedding)
Tsudoie (hotel)

Capital and
business alliance



Senshukai Group

【Bridal Business】
Dears Brain
(house wedding)
PLANETWORK
(house wedding)

Seeking improved customer convenience and our market expansion, opened Utsunomiya Salon, Nagano Salon and Kyoto Shijo Salon, and renovated and reopened Kanazawa Salon

Opened on June 19, 2015

Nagano Salon



Opened on May 15, 2015

Utsunomiya Salon



Opened on March 25, 2016

Kanazawa Salon

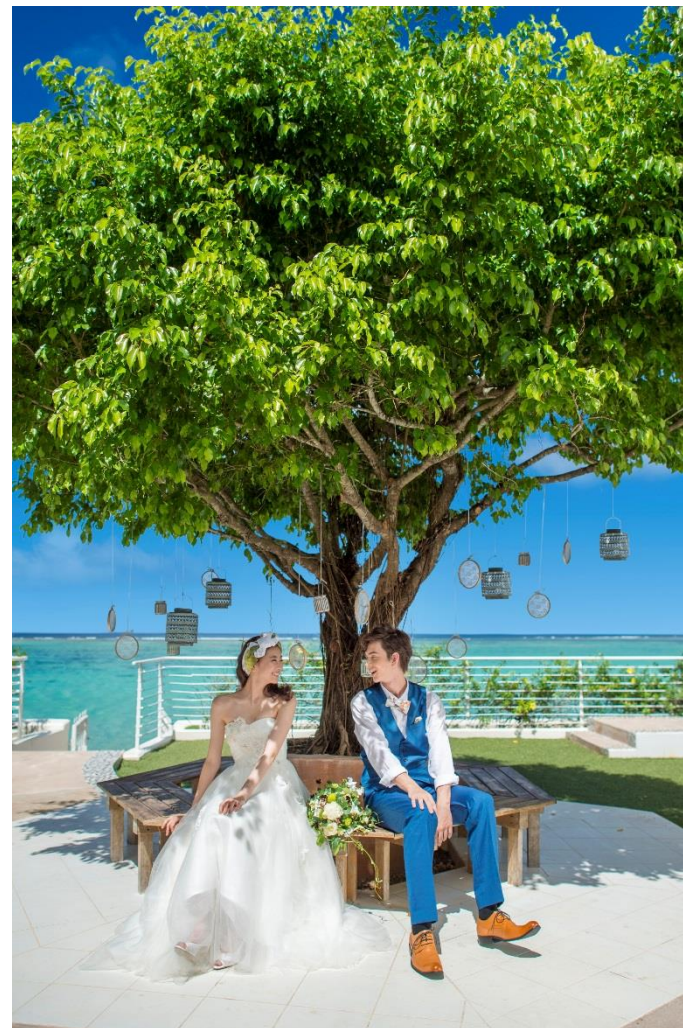


Opened on August 7, 2015

Kyoto Shijo Salon



“Luz de Amor Chapel,” a stand-alone chapel on the beach, opened in November 2015



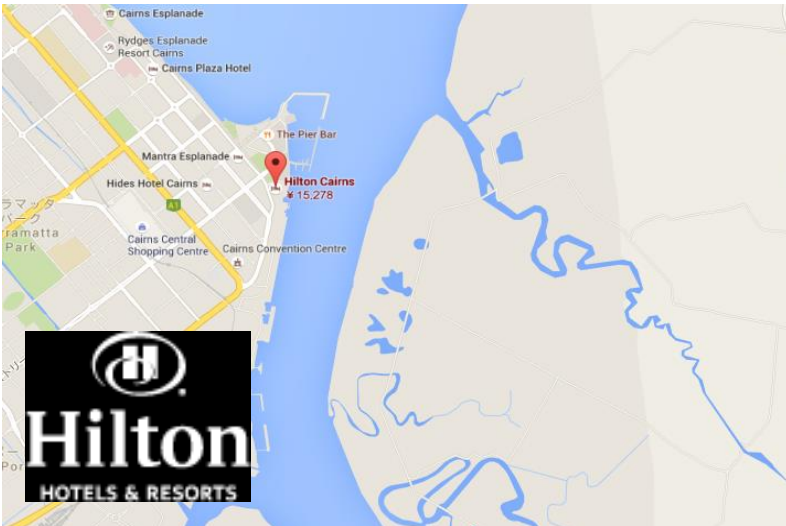
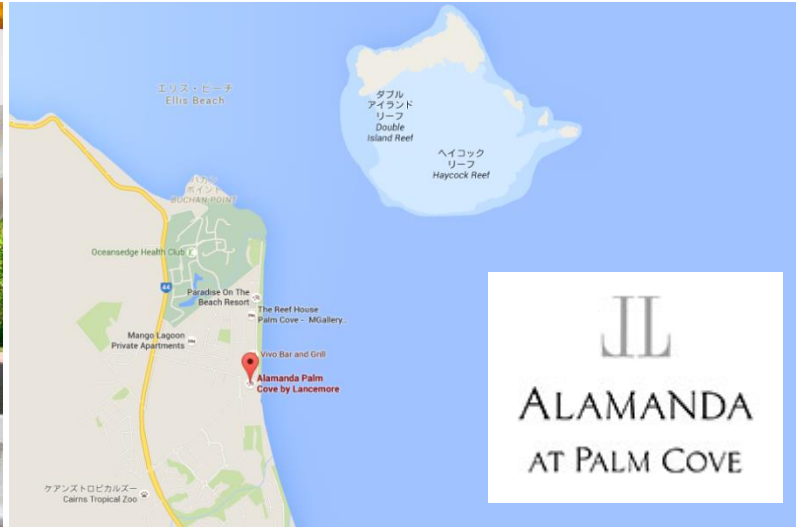
Hawaii: “The Akala Chapel” Opened in Honolulu

Chalk-white “The Akala Chapel” nestled within the Hilton Hawaiian Village Waikiki Beach Resort opened in February 2016

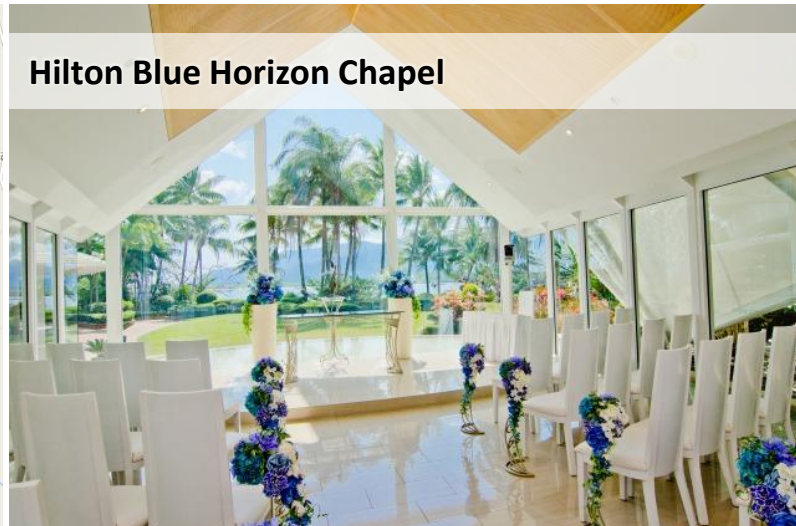


Two chapels in popular Cairns hotels began operations in January 2016

ALAMANDA Great Barrier Reef Chapel

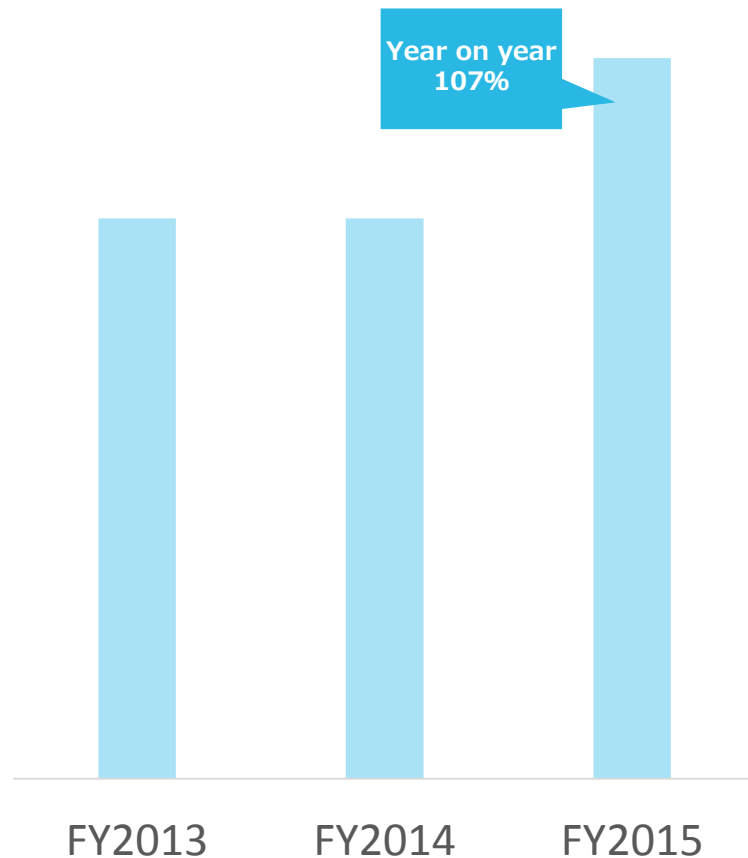


Hilton Blue Horizon Chapel



Tailwind market conditions and enhanced appeal of renovated guest rooms fueled favorable shift in accommodation and banquet.

Sales by Accommodation and Banquet Business



Hotel Mielparque Tokyo and Osaka Guest room Renovation



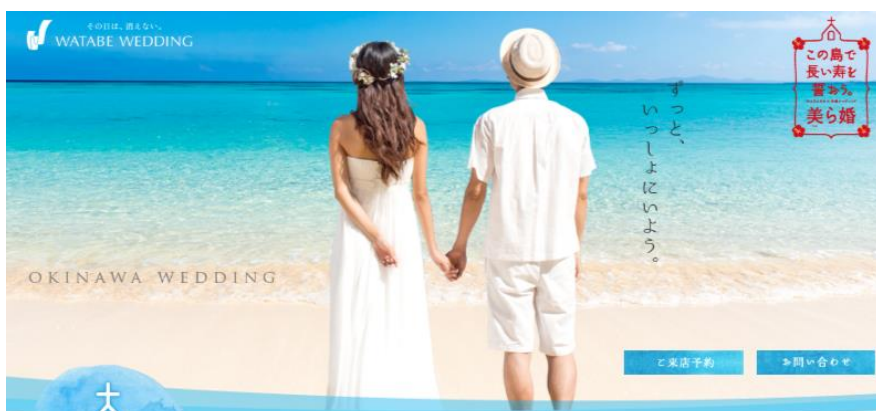
Business Activities in FY2016

Revitalized product lineup to meet the customer needs



Heightened efforts to promote Okinawa, a hugely popular resort wedding destination

Dedicated website launched



ずっと、いっしょにいよう。

そんな誓いが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、習慣があふれている。

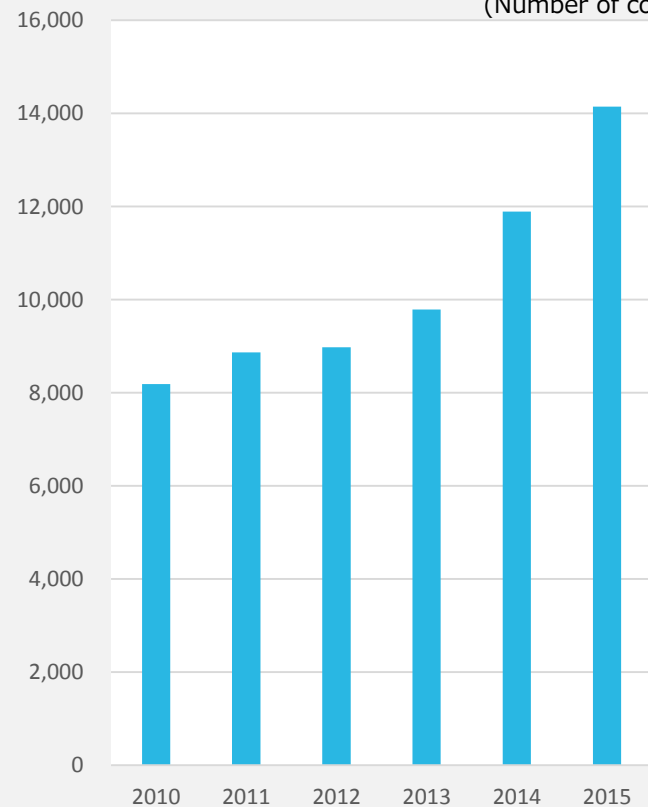
そんな沖縄で、ふたりの“長い寿”を誓おう。

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。

Okinawa Resort Weddings

(Number of couples)



* As announced by the Okinawa Convention & Visitors Bureau

New “alohina moe” bridal gown for the domestic market designed by Japanese fashion model and actress Hinano Yoshikawa



Promoted the concept of “Yes, again”—renewal of vows— as part of the pursuit of lifetime value

ABOUT VOW RENEWAL

人生を共に歩んできたご夫婦が、
再び愛を誓い合うロマンティックなセレモニー。
英語でバウは「誓い」、リニューアルとは「あらためて」という意味があり、
欧米では広く行われている習慣です。

結婚式では“*Yes I do.*”とこれからの愛を誓います。
バウ・リニューアルでは、その誓いをふたたび行うため、その言葉は

Yes, again.

とされています。

ふたたび誓い合うことで、
おふたりの絆も、より一層深いものになりますように…。



Established W&D Products, Ltd. through joint investment with Dears Brain



×



W&D Products, Ltd.

Underpinned by Watabe Wedding's manufacturing know-how and associated production capabilities, W&D Products, Ltd. was established to enhance our product appeal through the connection of sales networks across the different segments of the Watabe Group and Dears Brain, etc., and build a platform for the manufacturing business for OEMs domestically and overseas.

Renovation of Meguro Gajoen
Guest rooms and executive lounge were renovated to raise awareness of the facility's hotel operations



Consolidated Performance Forecast for FY2016

(Millions of yen)

	FY2015	FY2016	Year on year change
Net sales	43,882	44,500	+1%
Operating income	146	300	+104%
Ordinary income	208	300	+44%
Profit attributable to owners of parent	46	100	+113%

Watabe Wedding Corporation

<For institutional investors>

TEL: +81-3-5202-4166

FAX: +81-3-5202-4144

<For individual investors>

TEL: +81-75-778-4111

FAX: +81-75-778-4177

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