



Briefing Materials on Consolidated Results
for the Second Quarter Ended September 30, 2010

I. Overview of Consolidated Results for the Six Months Ended September 30, 2010

I-1. Overview of Consolidated Results

(Millions of yen)

Item	Six Months Ended Sep. 2010	Six Months Ended Sep. 2009	Change
Net sales	24,137	24,876	Down 3.0%
Gross profit	15,934	16,294	Down 2.2%
Gross profit ratio	66.0%	65.5%	Up 0.5 points
Selling, general and administrative expenses	15,783	16,080	Down 1.8%
SG&A ratio	65.4%	64.6%	Up 0.8 points
Operating income	150	214	Down 29.7%
Operating income ratio	0.6%	0.9%	Down 0.3 points
Ordinary income	33	254	Down 87.0%
Ordinary income ratio	0.1%	1.0%	Down 0.9 points
Net income	-173	64	—

Six Months Ended Sep. 2010 (planned)*	Change
24,300	Down 0.7%
16,285	Down 2.2%
67.0%	Down 1.0 points
16,185	Down 2.5%
66.6%	Down 1.2 points
100	Up 50.0%
0.4%	Up 0.2 points
140	Down 76.4%
0.6%	Down 0.5 points
-100	—

* Announced at the beginning of the current fiscal year

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

(Millions of yen)

Item	Consolidated		Existing		Mielparque	
	Six Months Ended Sep. 2010	Six Months Ended Sep. 2009	Six Months Ended Sep. 2010	Six Months Ended Sep. 2009	Six Months Ended Sep. 2010	Six Months Ended Sep. 2009
Net sales	24,137	24,876	15,378	14,975	8,758	9,901
Gross profit	15,934	16,294	9,864	9,750	6,069	6,544
Gross profit ratio	66.0%	65.5%	64.1%	65.1%	69.3%	66.1%
Selling, general and administrative expenses	15,783	16,080	9,553	9,487	6,229	6,592
SG&A ratio	65.4%	64.6%	62.1%	63.4%	71.1%	66.6%
Operating income	150	214	310	262	-160	-48
Operating income ratio	0.6%	0.9%	2.0%	1.8%	-1.8%	-0.5%
Ordinary income	33	254	189	299	-156	-45
Ordinary income ratio	0.1%	1.0%	1.2%	2.0%	-1.8%	-0.5%

**II. Plan for the Year Ending March 2011
- Progress of the Business Policy -**

II-1. Basic Policy for the Year Ending March 2011

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 ■

In the year ending March 2011, we will be renewing our Medium-term Business Plan. Considering we were unable to meet initial targets for the last fiscal year, this year we will make a single-year plan to place priority on implementing structural reforms and resolving immediate issues.

Growth Strategy

- Growth strategy and investment involves selection and concentration ■

Through a growth strategy and investment involving selection and concentration, we will specialize on content that will contribute to a V-shaped recovery next fiscal year.

II-2. Business Policies for the Year Ending March 2011

Business Policies

Business Policy (1)

Recovery of competitiveness in main business

Business Policy (2)

Rebuilding Mielparque

Business Policy (3)

Growth strategy: Expansion of Asia strategy

II-3. Plan for the Year Ending March 2011

(Millions of yen)

Item	Plan for Year Ending Mar. 2011	Actual Performance in Year Ended Mar. 2010	Change
Net sales	53,100	52,082	Up 2.0%
Gross profit	35,400	34,180	Up 3.6%
Gross profit ratio	66.7%	65.6%	Up 1.1 points
Selling, general and administrative expenses	33,400	32,408	Up 3.1%
SG&A ratio	62.9%	62.2%	Up 0.7 points
Operating income	2,000	1,772	Up 12.8%
Operating income ratio	3.8%	3.4%	Up 0.4 points
Ordinary income	1,900	1,892	Up 0.4%
Ordinary income ratio	3.6%	3.6%	-
Net income	700	773	Down 9.5%
Dividends (full-year forecast)	30 yen	30 yen	-

* The results forecasts for ordinary income and net income were revised on October 29.

II-3. Plan for the Year Ending March 2011: Existing/Mielparque

Existing/Mielparque

(Millions of yen)

Item	Consolidated		Existing		Mielparque	
	Plan for Year Ending Mar. 2011	Actual Performance in Year Ended Mar. 2010	Plan for Year Ending Mar. 2011	Actual Performance in Year Ended Mar. 2010	Plan for Year Ending Mar. 2011	Actual Performance in Year Ended Mar. 2010
Net sales	53,100	52,082	33,661	31,892	19,439	20,191
Gross profit	35,400	34,180	22,264	20,920	13,136	13,261
Gross profit ratio	66.7%	65.6%	66.1%	65.6%	67.6%	65.7%
Selling, general and administrative expenses	33,400	32,408	20,464	19,329	12,936	13,079
SG&A ratio	62.9%	62.2%	60.8%	60.6%	66.5%	64.8%
Operating income	2,000	1,772	1,800	1,590	200	182
Operating income ratio	3.8%	3.4%	5.3%	5.0%	1.0%	0.9%
Ordinary income	1,900	1,892	1,684	1,707	216	185
Ordinary income ratio	3.6%	3.6%	5.0%	5.4%	1.1%	0.9%
Net income	700	773				

II-4. Business Policies

(1) Recovery of Competitiveness in Main Business

Policy	Recovery of competitiveness in main business
Practical measures	<p>[1] Steps to increase sales</p> <p>(1) Maintaining the number of customers</p> <p>(2) Increasing average spending on overseas weddings</p> <p>[2] Improved profitability.....Lowering of break-even point by implementing structural reforms centered on fixed expenses</p>

Plan Figures

	Six Months Ended Sep. 2009	Six Months Ended Sep. 2010	Change	(Millions of yen)	Target for Year Ending Mar. 2012
Net sales	14,975	15,378	Up 2.7%	Plan for Year Ending Mar. 2011 33,661	
Growth of net sales	—	Up 2.7%	—	Up 5.5%	
Gross profit	9,750	9,864	Up 1.2%	22,264	
Gross profit ratio	65.1%	64.1%	Down 1.0 point	66.1%	
Selling, general and administrative expenses	9,487	9,553	Up 0.7%	20,464	
SG&A ratio	63.4%	62.1%	Down 1.3 points	60.8%	
Operating income	262	310	Up 18.2%	1,800	
Operating income ratio	1.8%	2.0%	Up 0.2 points	5.3%	Return to 7% operating income ratio

* The figures for the year ended March 2009, the year ended March 2010 and the plan for the year ending March 2011 are actual and planned figures excluding Mielparque.

II-4. Business Policies

(1)-1 Recovery of Competitiveness in Main Business

Practical measures

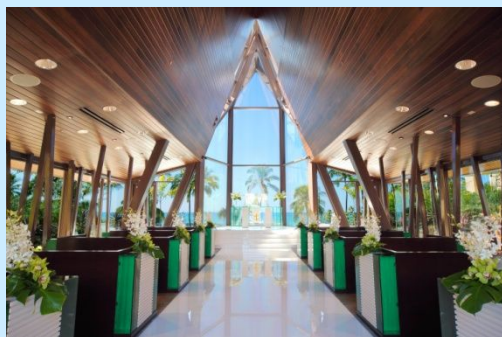
[1] Steps to increase sales.....(1) Maintaining the number of customers

1. Opening of new chapel in Hawaii

Honu Kai Lani at Ko Olina Place of Welina

Providing a Japanese level of quality in hospitality despite being in Hawaii

Open on November 1



Opening in the Ko Olina resort area

Site size: Approx. 9,200m²

Outline of facility:
Chapel, Greeting cottage,
3 banquet rooms and Ceremony garden

Wedding forecast:
2,000 couples/year

1. Improve appeal of facilities



Party space
with a maximum capacity of 26



A spacious wedding space

2. Increase quality of service to provide a Japanese level of hospitality quality



Assign a dedicated party master to all couples

2. Return of the benefits of yen appreciation campaign

Giveaway campaign resort wedding vouchers totaling ¥10 million



Resort wedding vouchers with a total value of ¥10 million provided to 114 couples chosen in a draw for use in designated Watabe Wedding chapels in Hawaii and Guam.

1st prize	¥1,000,000 x 2 couples
2nd prize	¥500,000 x 2 couples
3rd prize	¥200,000 x 10 couples
4th prize	¥50,000 x 100 couples

European Wedding Return of the benefits of yen appreciation campaign



The campaign offering up to ¥70,000 off in weddings held in two chapels in Europe

Paris, France	
The American Church in Paris	¥70,000 OFF
Regular price	¥418,000
→ Campaign price	¥348,000
Firenze, Italy	
Cappella di St. Peter	¥50,000 OFF
Regular price	¥368,000
→ Campaign price	¥318,000

II-4. Business Policies

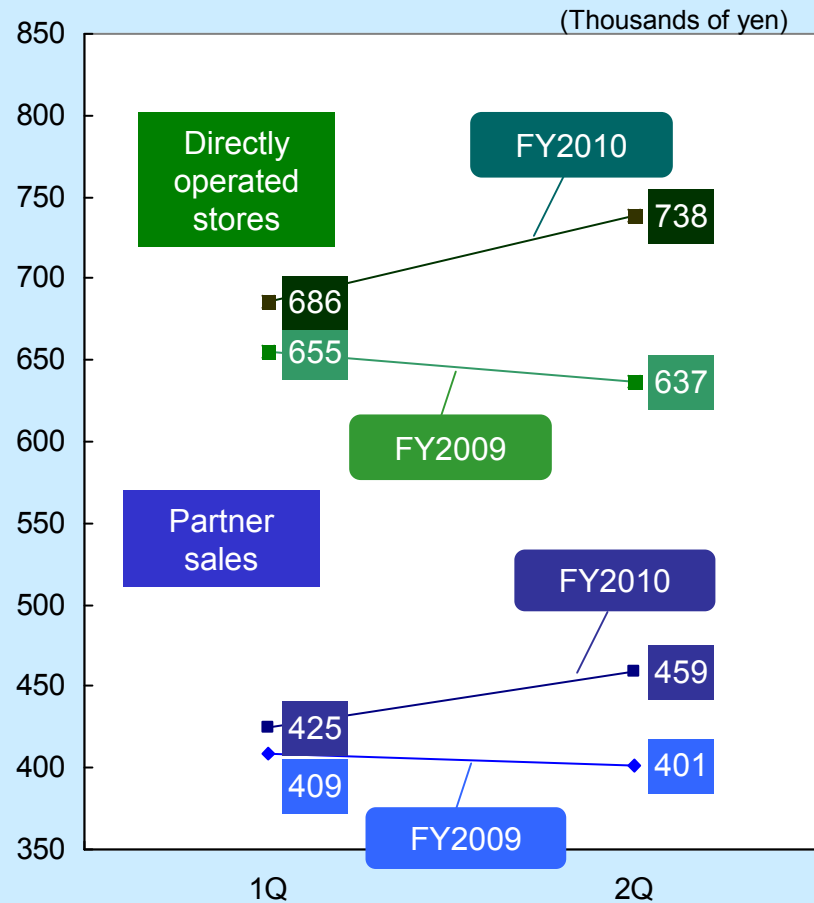
(1)-2 Recovery of Competitiveness in Main Business

Practical measures

- [1] Steps to increase sales
- (2) Increasing average spending on overseas weddings

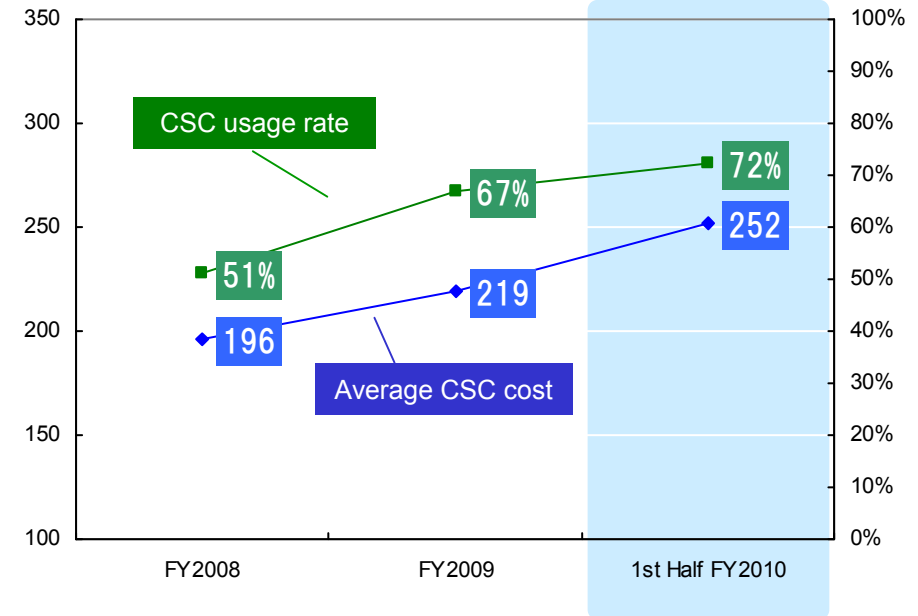
Increasing average spending on overseas weddings

Average spending is increasing owing to the effect of a measure for raise.



Target average spending:
¥511,000 → ¥530,000 (Up ¥19,000)

1. Improving customer support center functions

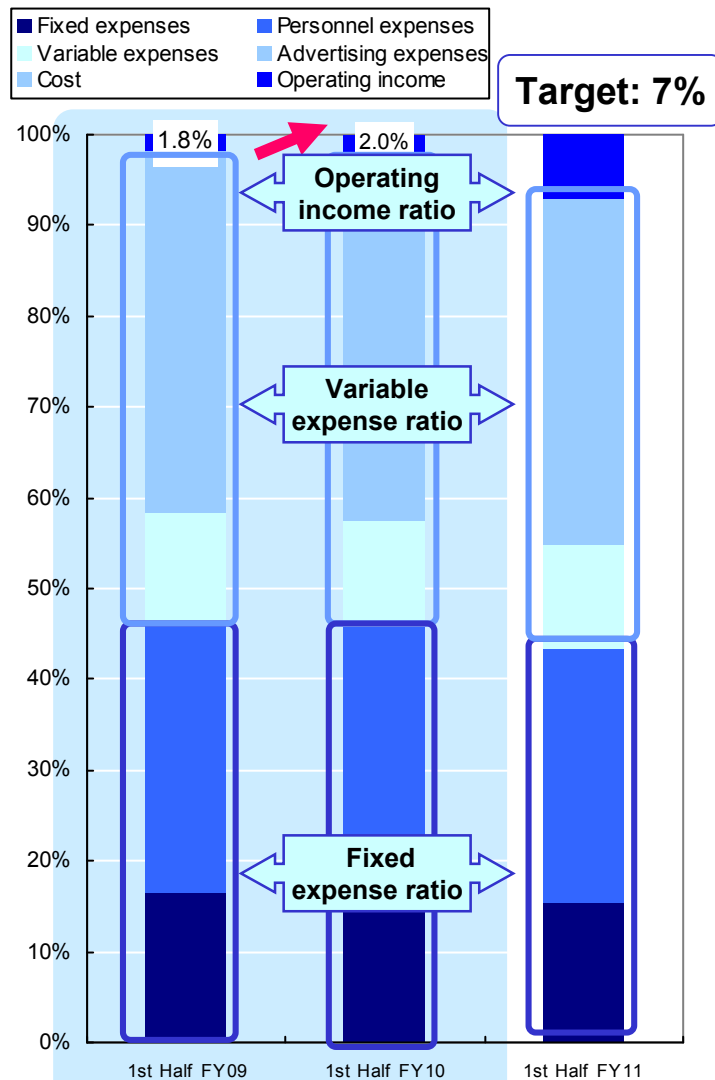


* CSC = Customer Support Center

II-4. Business Policies (1)-3 Recovery of Competitiveness in Main Business

Practical measures

[2] Improved profitability.....Lowering of break-even point by implementing structural reforms centered on fixed expenses



■ Reduction of variable expenses

[Progress in 2Q]

Variable expenses reduced by ¥90 million from the same period of the previous year

[Measures implemented]

Review of variable expense items such as business consignment expenses, transportation expenses and sample expenses

Target reduction of ¥100 million in year ending March 2012

■ Reduction of fixed expenses

[Progress in 2Q]

Fixed expense ratio
46.1% → 45.9% (Down 0.2 percentage points)

Target reduction of ¥500 million in year ending March 2012

■ Rent expenses

[Measures implemented]

- Consolidation of directly operated stores
 - Shinjuku Wedding Salon + Tachikawa Branch (December)
 - Consolidation of stores in the Nagoya area
- Consolidation of overseas stores
 - Gold Coast Branch closed (January 2009)
 - Cairns Branch relocated and consolidated (April)

■ Personal expenses

[Measures implemented]

- Reduction of personnel other than in new businesses
- Review of the ratio of direct to indirect personnel

II-4. Business Policies (2) Rebuilding Mielparque

Policy	Rebuilding Mielparque
Practical measures	[1] Steps to increase sales.....Restoring the number of customers [2] Improved profitability.....Lowering of break-even point by implementing structural reforms centered on fixed expenses
Plan Figures	

(Millions of yen)

	Six Months Ended Sep. 2009	Six Months Ended Sep. 2010	Change	Plan for Year Ending Mar. 2011	Target for Year Ending Mar. 2012
Number of customers	2,286	1,902	Down 16.8%	4,300	
Net sales	9,901	8,758	Down 11.5%	19,439	
Gross profit	6,544	6,069	Down 7.3%	13,136	
Gross profit ratio	66.1%	69.3%	Up 3.2 points	67.6%	
Selling, general and administrative expenses	6,592	6,229	Down 5.5%	12,936	
SG&A ratio	66.6%	71.1%		66.5%	
Operating income	-48	-160	—	200	
Operating income ratio	-0.5%	-1.8%		1.0%	Operating income ratio: 5%

II-4. Business Policies (2)-1 Rebuilding Mielparque

Practical measures

[1] Steps to increase sales.....(1) Restoring the number of customers

Plan for Year Ending March 2011

4,300 couples



Plan for Year Ending March 2012

5,000 couples

Greater attraction for customers

1. Redesigned website



Introduction of mechanisms for building the website as the core device for attracting customers

- Redesigned the pages of Osaka and Sendai in July
- Redesigned the pages of all facilities in October

2. Simultaneous renovation of Mielparque facilities



Chapel
at Mielparque-Yokohama



Bride's room
at Mielparque-Nagoya



Banquet room "Raffine"
at Mielparque-Matsuyama



Banquet room "Lienduheur"
at Mielparque-Kumamoto

Simultaneous renovation of 7 Mielparque facilities

Implementation period:
July – September

Facilities renovated:
2 chapels
4 banquet rooms
7 lobby and bride's rooms in total

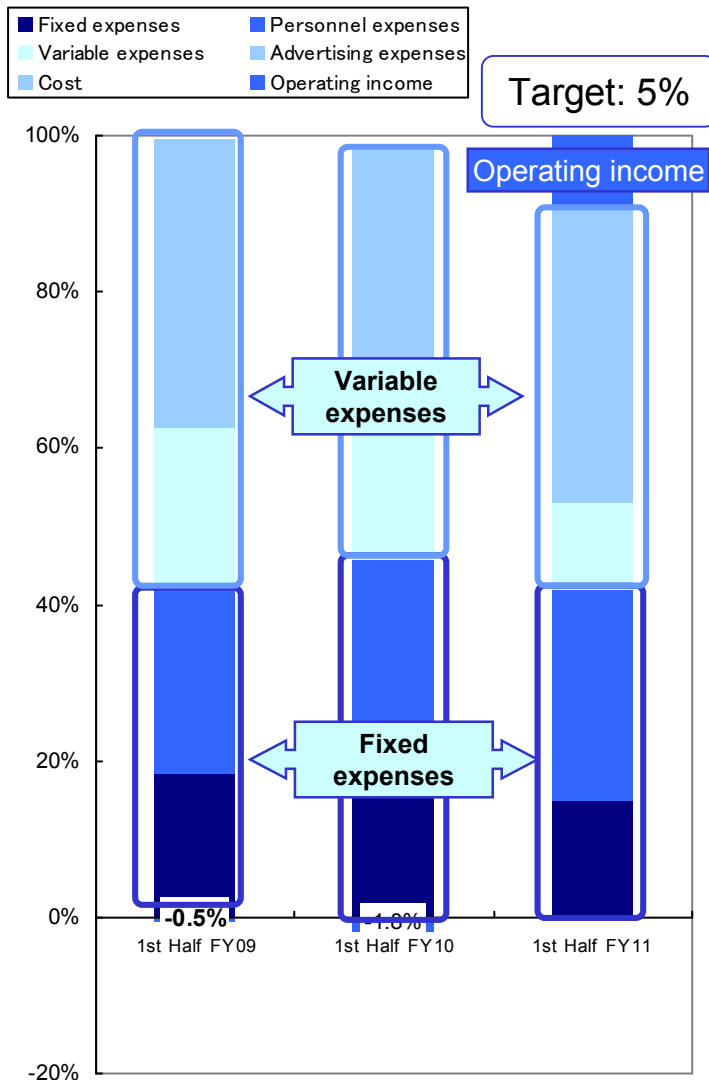
Improved closing rate

- Unification of customer questionnaires
- Survey of customer service by external researchers

II-4. Business Policies (2)-3 Rebuilding Mielparque

Practical measures

[2] Improved profitability Lowering of break-even point by reducing fixed expenses



Reduction of variable expenses

Target reduction of ¥100 million in year ending March 2012

Reduction of costs

[Progress in 2Q]
Cost percentage 33.9% → 30.7% (Down 3.2 percentage points)

[Measures implemented]

- Provision of video services (previously outsourced)
- Implementation of joint purchasing

Other variable expenses

[Progress in 2Q]
- Reduction of ¥170 million compared to the same period of the previous year due to review of business consignment expenses

Reduction of fixed expenses

Target reduction of ¥300 million in year ending March 2012

Reduced personal expenses

[Progress in 2Q]
- Personnel expenses reduced by ¥90 million compared to the same period of the previous year

[Measures implemented]

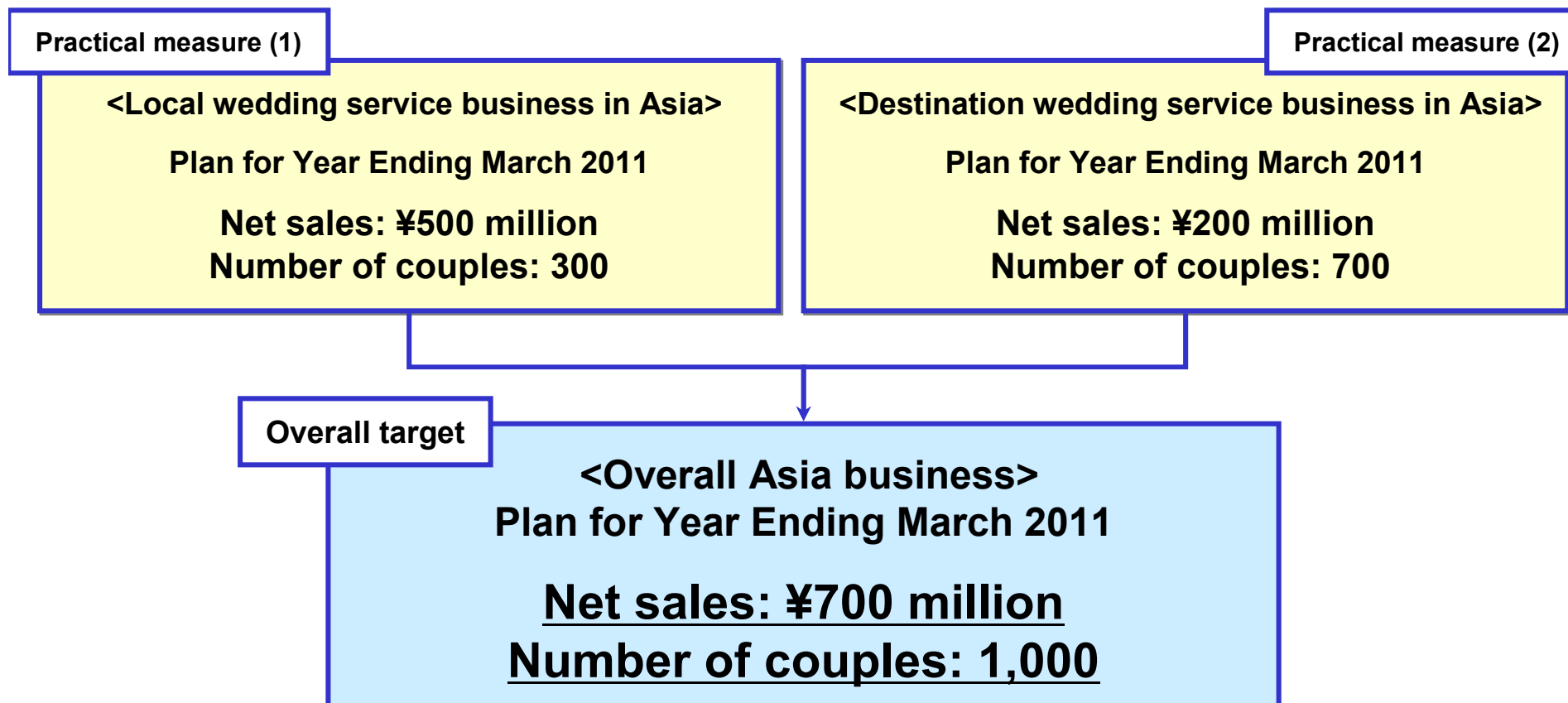
- Greater fluidity of regular serving staff
- Review of the personnel system

II-4. 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 [2] Expansion of the destination wedding service business in Asia

Plan Figures: Plan for the year ending March 2011



II-4. Business Policies (3)-1 Growth Strategy: Expansion of Asia Strategy

Practical measures

[1] Expansion of the local wedding service business in Asia

1. Renovation of Grace Hill

Reopened in September



Grace Hill

- Location: Taipei, Taiwan
- Site size: 5,030m²
- Outline of Facility:
 - 1 chapel, 4 banquet rooms, restaurant
- Plan for Year Ending March 2011
 - Number of couples: 300
 - Net sales: ¥500 million

Demand outstrip
number of wedding
forecasts



Renovation implemented to match growing demand and enthusiasm for video services

Facilities renovated:
1 chapel and 4 banquet rooms

Renovation expenses:
¥50 million



II-4. Business Policies

(3)-2 Growth Strategy: Expansion of Asia Strategy

Practical measures

[2] Expansion of the destination wedding service business in Asia

1. Opened “Watabe Wedding Shanghai Branch” comprehensive overseas wedding service store in Shanghai, China

Opened in September



Use as a base for providing information on overseas weddings in China and for responding to inquiries from partner companies expanding in China

“Watabe Wedding Shanghai Branch”

Location: Shanghai, China

First year’s target: 60 couples
(September –December)

2. Strengthening of tie-ups with travel agencies in Taiwan, Hong Kong and China



South East Travel Service’s Website

Strengthening of tie-ups with travel agencies in Taiwan, Hong Kong and China, such as major Taiwanese travel agency, South East Travel Service Co.,Ltd.*

* South East Travel Service Co., Ltd.

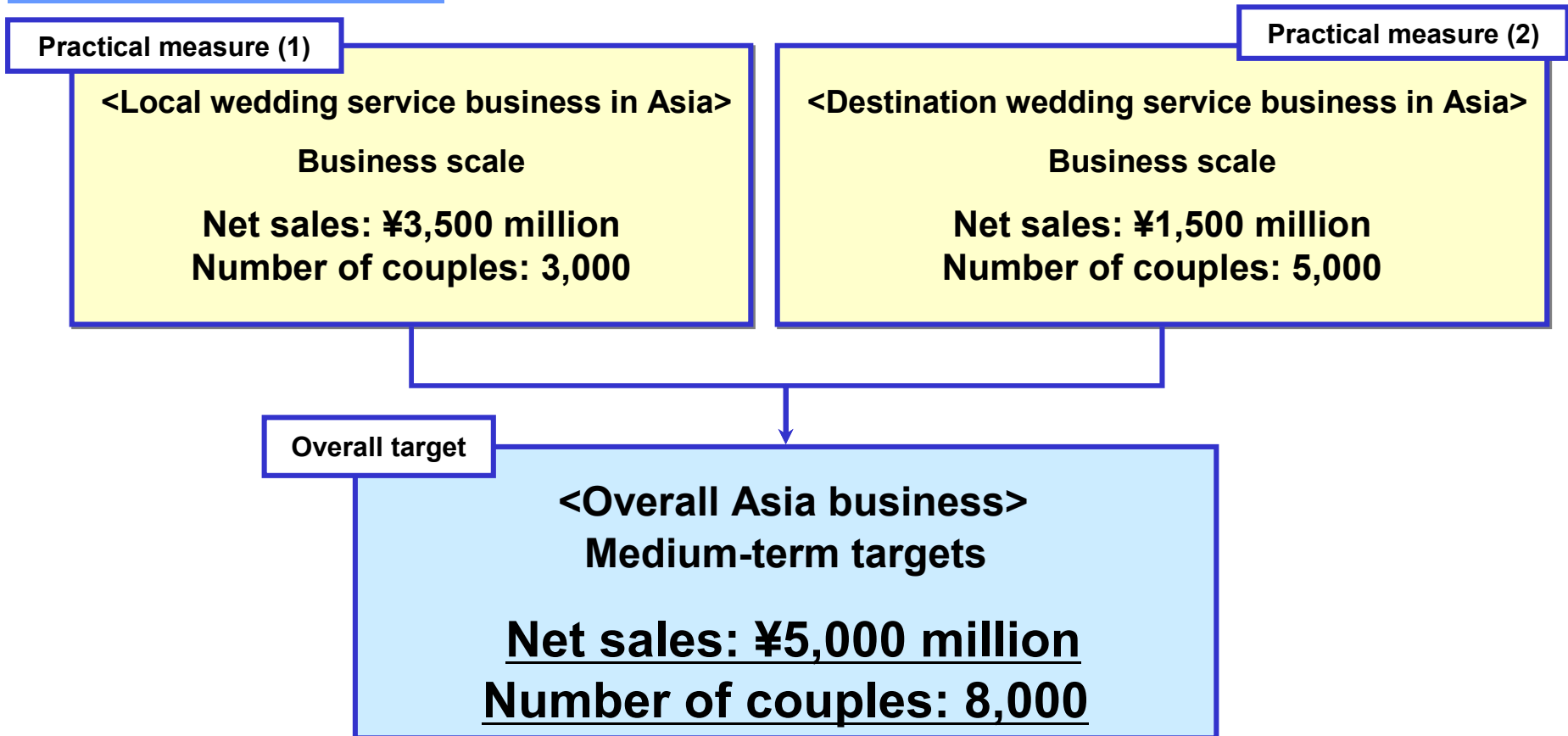
A major Taiwanese travel agent, founded in 1961. It has overseas branches in Japan, China and the United States, in addition to 19 branches in Taiwan, in addition

II-4. 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 [2] Expansion of the destination wedding service business in Asia

Medium-term targets



II-5. Efforts in the Second Half of the Year

1. Mielparque

Steps to increase sales

- Orders have exceeded those of the previous year for three consecutive months since August, and by strengthening efforts to have orders and use of our facilities in this fiscal year, we aim to move closer to the targeted number of couples.

Improvement of profitability

- Major cost reductions centered on variable expenses have already been implemented in the first half of the current year. The earnings plan will be achieved by keeping costs in the second half of the current year to the same level as the previous current year.

2. Existing

Steps to increase sales

- Overseas weddings (number of couples and average wedding spending) and Taiwan Grace Hill (number of couples) have exceeded the targets and will cover the decrease in Okinawa weddings.

Improvement of profitability

- Earnings plans will be achieved by keeping costs other than for new business to the same level as the previous year through the cost reductions provided by the yen appreciation.

II-5. Efforts in the Second Half of the Year

1. Sparking demand for resort weddings by increasing the appeal of wedding facilities and stores

November 1

Hawaii:
Honu Kai Lani at Ko Olina Place of Welina



December 12

Shinjuku, Tokyo:
Watabe Wedding Mirraza Shinjuku Branch



February
2011
(plan)

Ishigaki, Okinawa:
Crudesur Chapel (renovation)



2. Increasing share by opening new domestic facilities

September 17

Maebashi, Gunma:
Anniversary Court Racine



May 2011
(plan)

Meguro, Tokyo:
Chapel "Villa di grazia" at Meguro Gajoen



III. Overview of Consolidated Results for the Six Months Ended September 30, 2010

III-1. Overview of Consolidated Results (Mielparque/Existing)

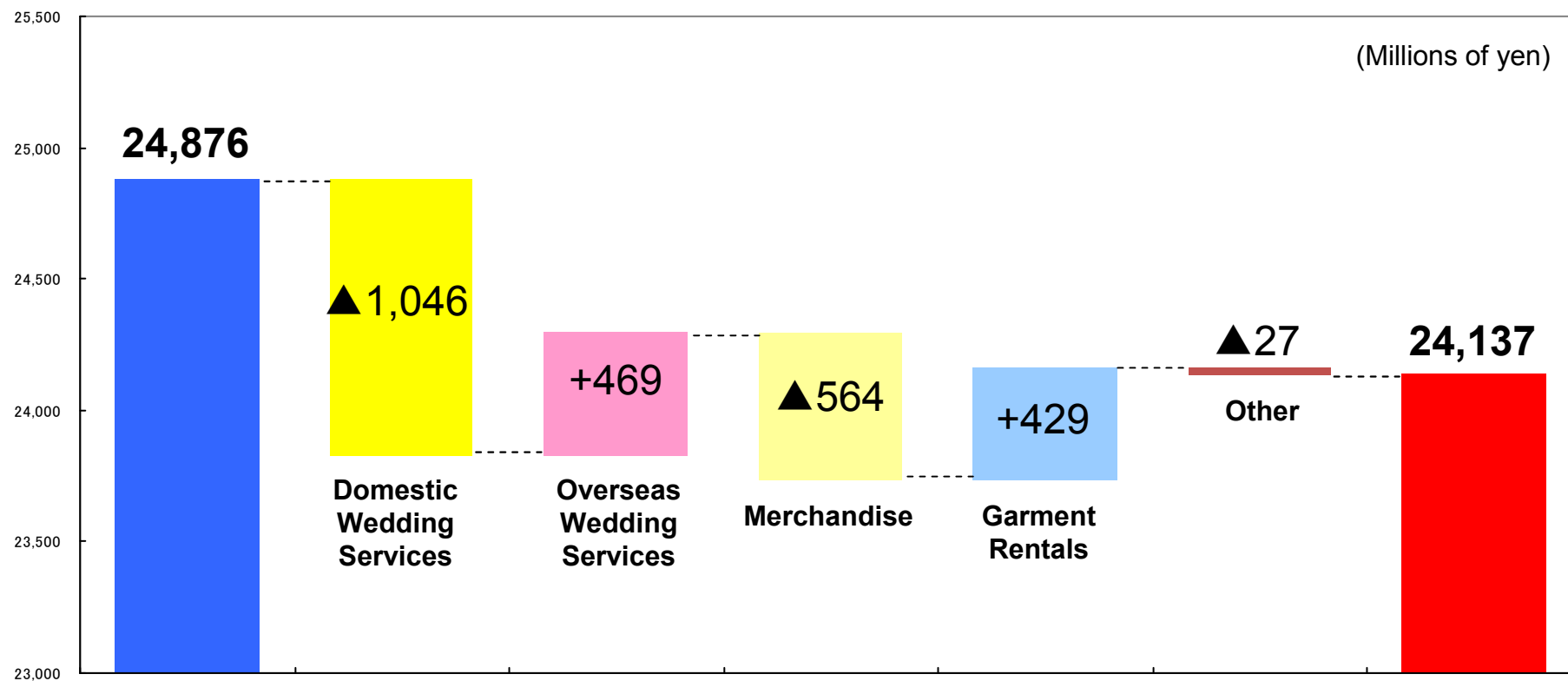
(Millions of yen)

Item	Consolidated		Existing		Mielparque	
	Six Months Ended Sep. 2010	Six Months Ended Sep. 2009	Six Months Ended Sep. 2010	Six Months Ended Sep. 2009	Six Months Ended Sep. 2010	Six Months Ended Sep. 2009
Net sales	24,137	24,876	15,378	14,975	8,758	9,901
Gross profit	15,934	16,294	9,864	9,750	6,069	6,544
Gross profit ratio	66.0%	65.5%	64.1%	65.1%	69.3%	66.1%
Selling, general and administrative expenses	15,783	16,080	9,553	9,487	6,229	6,592
SG&A ratio	65.4%	64.6%	62.1%	63.4%	71.1%	66.6%
Operating income	150	214	310	262	-160	-48
Operating income ratio	0.6%	0.9%	2.0%	1.8%	-1.8%	-0.5%
Ordinary income	33	254	189	299	-156	-45
Ordinary income ratio	0.1%	1.0%	1.2%	2.0%	-1.8%	-0.5%

III-2. Net Sales Factor Analysis (Year on Year)

■ Net sales fell by 3.0% year on year

Net sales for overseas weddings increased due to the opening of new facilities in Taiwan and an increase in the average spending for overseas weddings, but the number of couples in domestic weddings decreased



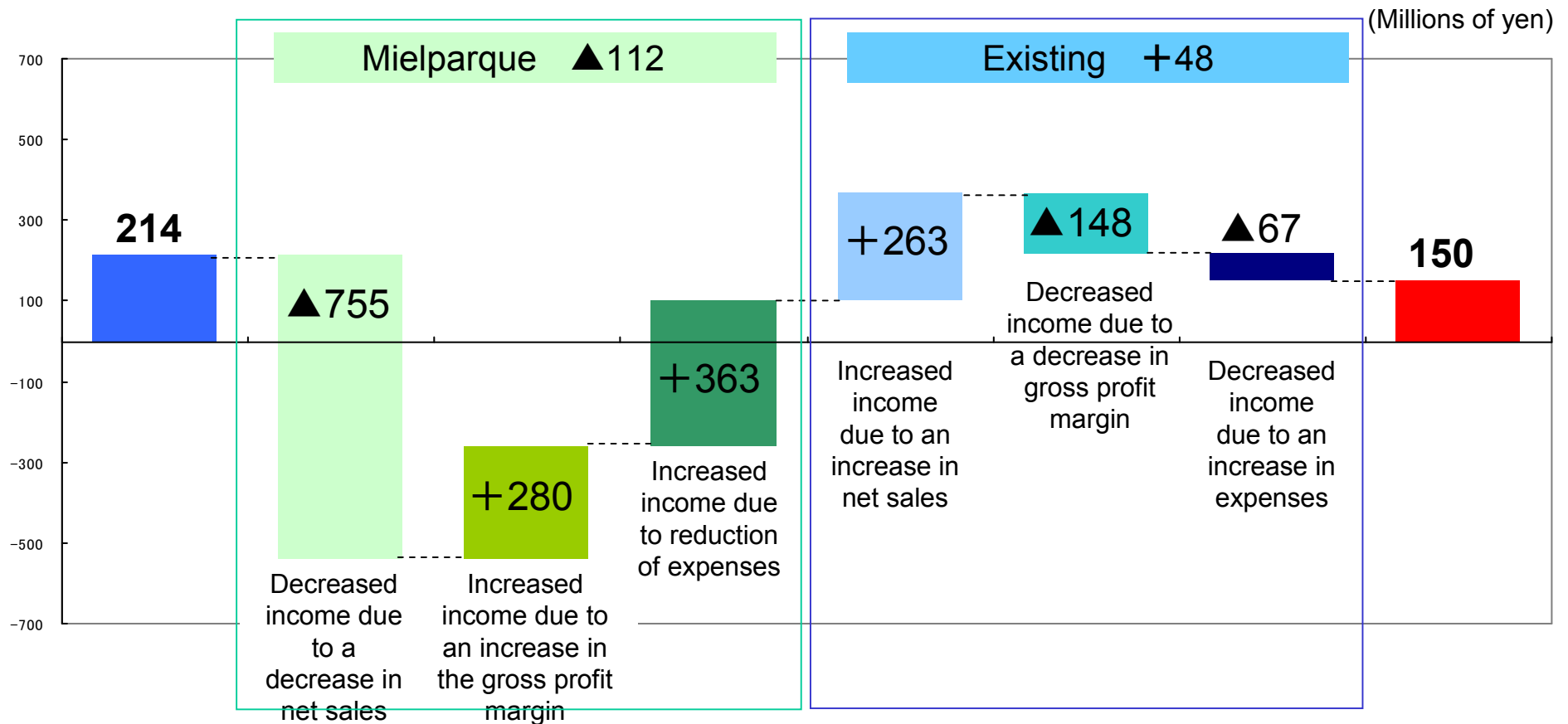
Six Months Ended Sep. 2009

Down ¥739 million

Six Months Ended Sep. 2010

III-3. Operating Income Factor Analysis (Year on Year)

■ Operating income fell 29.7% year on year



Six Months Ended Sep. 2009

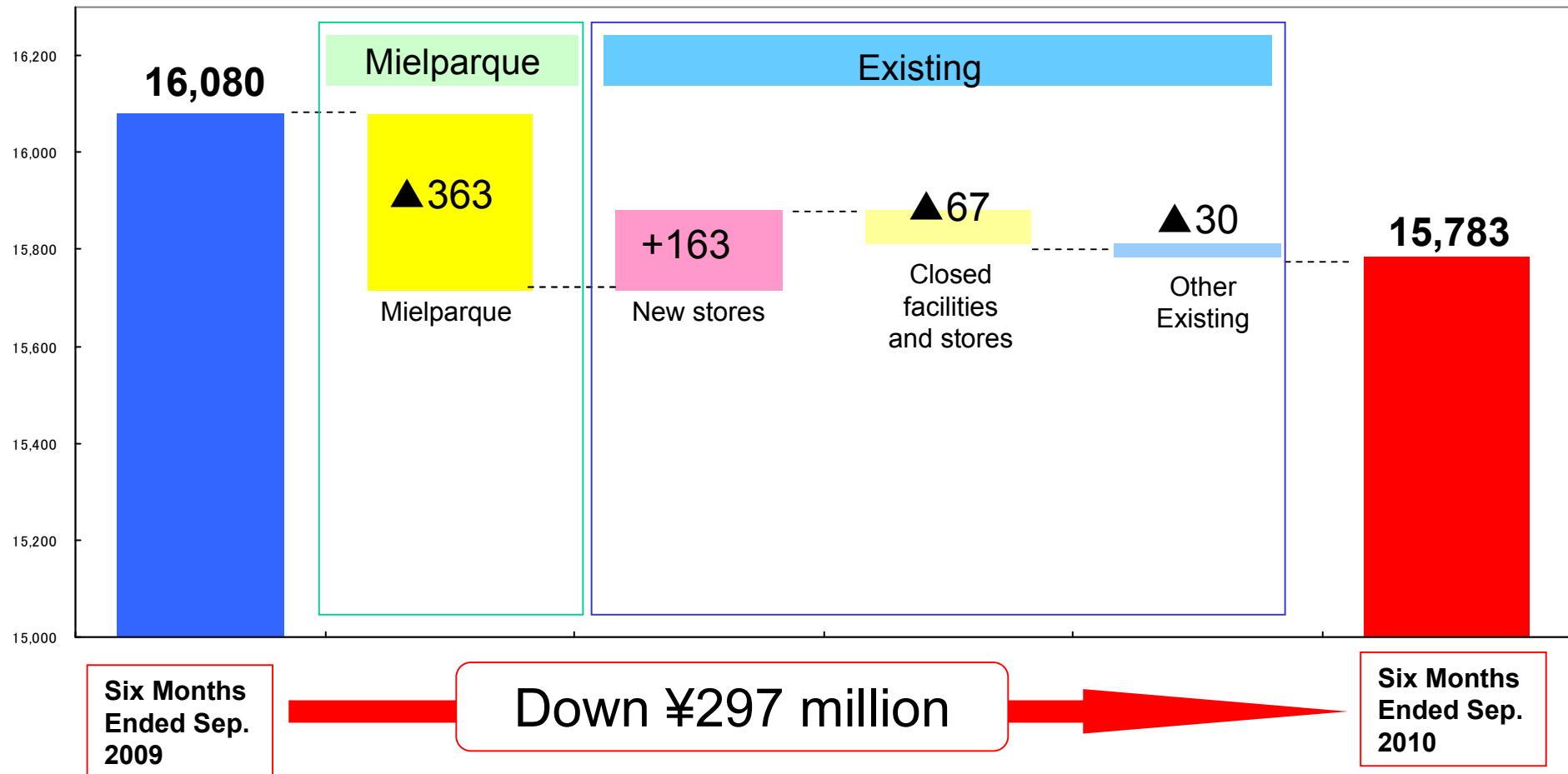
Down ¥64 million

Six Months Ended Sep. 2010

III-4. SG&A Factor Analysis (Year on Year)

■ **SG&A fell 1.8% year on year**

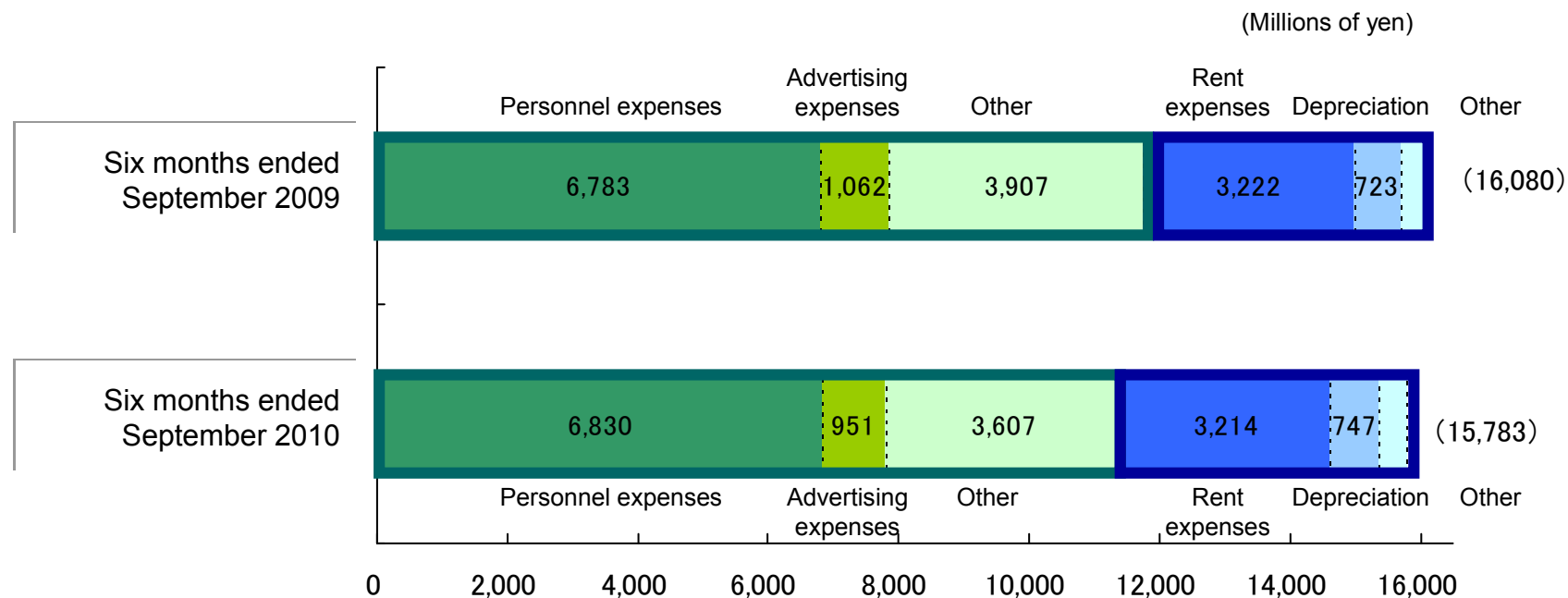
(Millions of yen)



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

Selling, general and administrative expenses

SG&A ratio
Six Months Ended Sep. 2009 **64.6%** → **Six Months Ended Sep. 2010** **65.4%** (Up 0.8 points year on year)



IV. Overview of the Six Months Ended September 30, 2010 by Business Category

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

(Millions of yen)

Net sales

Item	Six Months Ended Sep. 2010		Six Months Ended Sep. 2009		Change
Domestic Wedding Services	15,305	63.4%	16,351	65.7%	Down 6.4%
Overseas Wedding Services	4,324	17.9%	3,855	15.5%	Up 12.2%
Merchandise	1,769	7.3%	2,333	9.4%	Down 24.2%
Garment Rentals	2,278	9.4%	1,849	7.4%	Up 23.2%
Commissions	459	1.9%	486	2.0%	Down 5.5%
Net sales	24,137	100.0%	24,876	100.0%	Down 3.0%

Gross profit

		Gross Profit Rate		Gross Profit Rate	
Domestic Wedding Services	10,171	66.5%	10,727	65.6%	Up 0.9 points
Overseas Wedding Services	2,543	58.8%	2,375	61.6%	Down 2.8 points
Merchandise	1,058	59.8%	1,460	62.6%	Down 2.8 points
Garment Rentals	1,701	74.7%	1,244	67.3%	Up 7.4 points
Commissions	459	100.0%	486	100.0%	—
Net sales	15,934	66.0%	16,294	65.5%	Up 0.5 points

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

		Six Months Ended Sep. 2010	Six Months FY09	Change
Net sales from Domestic Wedding Services (Millions of yen)		15,305	16,351	Down 6.4%
	Number of customers (Couples)	5,620	6,068	Down 7.4%
	In-house chapel facilities	32	30	Up 6.7%
Gross profit from Domestic Wedding Services (Millions of yen)		10,171	10,727	Down 5.2%
	Gross profit ratio	66.5%	65.6%	Up 0.9 points
Mielparque *1	Number of customers (Couples)	1,902	2,286	Down 16.8%
	Average wedding spending (Thousands of yen)	2,193	2,170	Up 1.0%
Meguro Gajoen *1	Number of customers (Couples)	745	726	Up 2.6%
	Average wedding spending (Thousands of yen)	3,127	3,238	Down 3.4%
Resort weddings *2	Number of customers (Couples)	2,295	2,396	Down 4.2%
	Average wedding spending (Thousands of yen)	717	766	Down 6.4%
Including Okinawa *2	Number of customers (Couples)	1,876	1,980	Down 5.3%
	Average wedding spending (Thousands of yen)	759	806	Down 5.8%
Other	Number of customers (Couples)	678	660	Up 2.7%
	Average wedding spending (Thousands of yen)	2,406	2,204	Up 9.2%
New facilities	Number of customers (Couples)	65	0	+65
Closed facilities	Number of customers (Couples)	0	11	-11
Existing facilities	Number of customers (Couples)	5,555	6,057	-502

[Overview]

Net sales declined due to the decline in the number of customers for Mielparque and domestic resort weddings.

[Factors resulting in the decline in the number of customers]

■ Mielparque

The number of customers declined because our ability to attract customers decreased and so orders for weddings declined.

■ Resort weddings

The number of customers for Okinawa resort weddings declined due to the impact of the H1N1 influenza outbreak during the order period.

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

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

IV-3. Overview of P/L by Business Category Overseas Wedding Services (1) Japanese Market

	Six Months Ended Sep. 2010	Six Months Ended Sep. 2009	Change	
Net sales from Overseas Wedding Services (Millions of yen)	4,324	3,855	Up 12.2%	
Gross profit from Overseas Wedding Services (Millions of yen)	2,543	2,375	Up 7.1%	
Overseas Wedding Services Gross profit ratio	58.8%	61.6%	Down 2.8 points	
<hr/>				
Number of customers (Couples)	7,347	7,391	Down 0.6%	
Average spending per couple (Thousands of yen)	555	522	Up 6.3%	
<hr/>				
Number of customers	Hawaii	3,913	3,933	Down 0.5%
	Micronesia	2,166	2,070	Up 4.6%
	Oceania	425	530	Down 19.8%
	North America	84	102	Down 17.6%
	Europe	458	475	Down 3.6%
	Bali	301	278	Up 8.3%
	Other	0	3	—
	Total (Couples)	7,347	7,391	Down 0.6%
<hr/>				
Usage rate of in-house chapels	74.9%	74.7%	Up 0.2 points	

[Overview]

Net sales increased due to an increase in the average wedding spending.

[Factors resulting in an increase in the number of customers]

The number of customers recovered in Hawaii, Bali, and Micronesia due to the recovery of overseas travel demand.

[Factors resulting in an increase of average wedding spending]

Average wedding spending rose due to increased usage of customer support center and higher prices of items.

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

	Six Months Ended Sep. 2010	Six Months Ended Sep. 2009	Change
East Asia 'Local' wedding service business			
Grace Hill Net sales (Millions of yen)	246	—	—
Number of customers (Couples) *1	168	—	—
Average wedding spending (Thousands of yen) *1	1,418	—	—
East Asia Destination wedding service business *2			
Number of customers: from overseas to overseas (Couples)	108	35	+73
Number of customers: from overseas to domestic (Couples)	97	31	+66
Total (Couples)	205	66	+139

[Overview]

Net sales increased due to opening of Grace Hill and an increase in destination weddings

*1. The number of customers and the average wedding spending are the figures for the Wedding Division of Grace Hill. The net sales for Grace Hill are the total net sales from the Wedding Division and the Reception Division.

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

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

	Six Months Ended Sep. 2010	Six Months Ended Sep. 2010	Change
Net sales from Merchandise (Millions of yen)	1,769	2,333	Down 24.2%
Dresses sold (Avica, FR)	7,593	8,982	Down 15.5%
Average price of dresses sold (Avica, FR) (Thousands of yen)	166	184	Down 9.8%
Tuxedos sold (UOMO)	1,983	2,691	Down 26.3%
Average price of tuxedos sold (UOMO) (Thousands of yen)	79	79	—
Gross profit from Merchandise (Millions of yen)	1,058	1,460	Down 27.5%
Merchandise Gross profit ratio	59.8%	62.6%	Down 2.8 points

[Overview]

Net sales from merchandise decreased as more customers chose rental dresses over purchased dresses

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

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

Total dresses (sales and rentals)	11,423	10,666	Up 7.1%
Total dresses (sales and rentals) (Thousands of yen)	147	166	Down 11.4%

* Avica dresses: **Order system dresses**

- A system for tailoring new dresses to match the customer's body shape based on approximately 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

	Six Months Ended Sep. 2010	Six Months Ended Sep. 2009	Change
Revenue from Garment Rentals (Millions of yen)	2,278	1,849	Up 23.2%
Number of RS dresses sold	3,830	1,684	Up 127.4%
Average price of RS dresses sold (Thousands of yen)	110	68	Up 61.8%
Number of "Studio Photo Plan" sales	5,042	5,026	Up 0.3%
Average "Studio Photo Plan" price (Thousands of yen)	86	94	Down 8.5%
Gross profit from Garment Rentals (Millions of yen)	1,701	1,244	Up 36.7%
Garment Rentals Gross profit ratio	74.7%	67.3%	Up 7.4 points

[Overview]

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

* The number of Studio Photo Plan sales includes the number sold by Mielparque.

* 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**

V. Cash Flows, Capital Investment and Balance Sheets

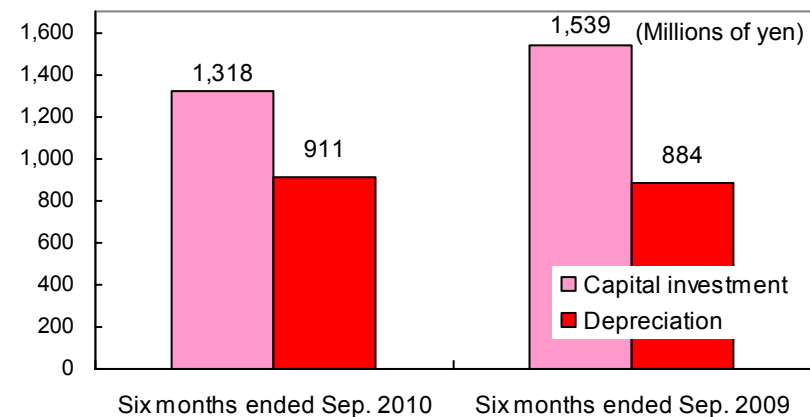
V-1. Cash Flows and Capital Investment

Cash Flows

(Millions of yen)

	Six Months Ended Sep. 2010	Six Months Ended Sep. 2009	Change
Net cash provided by operating activities	63	-299	+362
Net cash used in investing activities	-615	-1,463	+848
Net cash provided by (used in) financing activities	150	106	+43
Effect of exchange rate change on cash and cash equivalents	-87	-14	-73
Change in cash and cash equivalents	-488	-1,670	+1,182
Cash and cash equivalents at end of period	3,749	3,269	+479

Capital Investment and Depreciation



<Major capital investments>

- New chapel in Hawaii
- Remodeling of Mielparque facilities

V-2. Balance Sheets (Consolidated)

(Millions of yen)

	As of Sep. 30, 2010	As of Mar. 31, 2010			As of Sep. 30, 2010	As of Mar. 31, 2010	
Total current assets	8,801	8,401	+400	Total liabilities	10,875	10,887	-11
Cash and deposits	4,159	4,241	-81	Current liabilities	7,941	8,802	-860
Accounts receivable-trade	1,589	1,748	-158	Accounts payable-trade	1,700	1,874	-173
Other	3,052	2,411	+641	Short-term loans payable	999	909	+90
Total noncurrent assets	16,467	17,462	-995	Income taxes payable	0	517	-517
Property, plant and equipment	11,195	11,562	-367	Advances received	2,760	2,317	+442
Buildings and structures	5,687	6,104	-416	Other	2,480	3,182	-702
Other	5,507	5,458	+49	Noncurrent liabilities	2,934	2,085	+848
Intangible assets	1,017	1,436	-419	Long-term loans payable	1,767	1,533	+233
Investments and other assets	4,255	4,463	-208	Asset retirement obligations	619	-	+619
Guarantee deposits	3,594	3,692	-98	Other	548	552	-4
Other	660	770	-109	Net assets	14,393	14,976	-583
Total assets	25,269	25,864	-594	I. Shareholders' equity	15,770	16,092	-322
				Capital stock	4,176	4,176	-
				Capital surplus	4,038	4,038	-
				Retained earnings	7,556	7,878	-322
				II. Valuation and translation adjustments	-1,378	-1,120	-258
				III. Minority interests	1	4	-2
				Total liabilities and net assets	25,269	25,864	-594
				Equity ratio	57.0%	57.9%	Down 0.9%

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