



## **Briefing Materials on Consolidated Results for the First Half of Fiscal Year 2011**

# **I. Executive Summary**

# I. Executive Summary

## Earnings and Key Points for the First Half of FY2011:

	Consolidated Performance (Millions of yen)	Change (Millions of yen)	Forecast (Millions of yen)
<b>Net sales</b>	22,296	Down 7.6%	22,200
<b>Operating loss</b> (Operating income ratio)	-541 -2.4%	Operating income 150 —	-600 -2.7%
<b>Ordinary loss</b> (Ordinary income ratio)	-492 -2.2%	Ordinary income 30 —	-600 -2.7%
<b>Net loss</b>	-532	-173	-500

### ■ Net sales

The postponement and cancellation of weddings, accommodation bookings and banquets due to the occurrence of the Great East Japan Earthquake, and the suspension of operations in Mielparque Sendai and reduction in wedding bookings in March led to a reduction in revenue.

### ■ Operating loss

Efforts were made to reduce selling, general and administrative expenses through the implementation of structural reforms, but operating income decreased due to a decline in sales resulting from the effects of the Great East Japan Earthquake.

## **II. Basic Policy for Fiscal Year 2011**

## II-1. Basic Policy for Fiscal Year 2011

### Basic Policy

Work toward V-shaped recovery through improved profitability

### Improved Profitability

■ Place priority on resolving immediate issues in an effort to improve profitability ■

Our primary goal will be to achieve a V-shaped recovery in the fiscal year 2012, by countering the effects of the Great East Japan Earthquake to ensure earnings on par with the previous year, and by making this year one of refining our structural reforms

### Growth Strategy

■ Focus on investment in growth area centered on Asia ■

Specialize in investment in growth areas centered on Asia, and focus on content that contributes to a V-shaped recovery next fiscal year

## II-2. Plan for Fiscal Year 2011

(Millions of yen, %)

	FY2011 (Forecast)	FY2010	Change
<b>Net sales</b>	<b>50,400</b>	<b>50,555</b>	<b>Down 0.3%</b>
<b>Gross profit</b>	<b>33,404</b>	<b>33,482</b>	<b>Down 0.2%</b>
Gross profit ratio	<b>66.3%</b>	<b>66.2%</b>	<b>Up 0.1 pp</b>
<b>Selling, general and administrative expenses</b>	<b>32,204</b>	<b>32,097</b>	<b>Up 0.3%</b>
SG&A ratio	<b>63.9%</b>	<b>63.5%</b>	<b>Up 0.4 pp</b>
<b>Operating income</b>	<b>1,200</b>	<b>1,385</b>	<b>Down 13.4%</b>
Operating income ratio	<b>2.4%</b>	<b>2.7%</b>	<b>Down 0.3 pp</b>
<b>Ordinary income</b>	<b>1,200</b>	<b>1,345</b>	<b>Down 10.8%</b>
Ordinary income ratio	<b>2.4%</b>	<b>2.7%</b>	<b>Down 0.3 pp</b>
<b>Net income</b>	<b>460</b>	<b>176</b>	<b>Up 160.4%</b>

## II-2. Plan for First & Second Half of Fiscal Year 2011

(Millions of yen, %)

	First Half			Second Half		
	FY2011 (Forecast)	FY2010	Change	FY2011 (Forecast)	FY2010	Change
<b>Net sales</b>	<b>22,000</b>	<b>24,137</b>	Down 8.9%	<b>28,400</b>	<b>26,418</b>	Up 7.5%
<b>Operating income</b>	<b>-600</b>	<b>150</b>	—	<b>1,800</b>	<b>1,235</b>	Up 45.7%
Operating income ratio	-2.7%	0.6%	Down 3.3 pp	6.3%	4.7%	Up 1.6 pp
<b>Ordinary income</b>	<b>-600</b>	<b>33</b>	—	<b>1,800</b>	<b>1,312</b>	Up 37.2%
Ordinary income ratio	-2.7%	0.1%	Down 2.8 pp	6.3%	5.0%	Up 1.3 pp
<b>Net income</b>	<b>-500</b>	<b>-175</b>	—	<b>960</b>	<b>349</b>	Up 175.1%

## **II-3. Business Policies for Fiscal Year 2011**

### **Business Policies**

#### **Business Policy 1**

**Recovery from the Great East Japan Earthquake**

#### **Business Policy 2**

**Structural reform: Year of refining (omitted)**

#### **Business Policy 3**

**Growth strategy: Strategic expansion in Asia**



## **II-3. Business Policy 1**

### **Recovery from the Great East Japan Earthquake**

#### **Business Policies**

##### **Business Policy 1**

**Recovery from the Great East Japan Earthquake**

##### **Business Policy 2**

**Structural reform: Year of refining (omitted)**

##### **Business Policy 3**

**Growth strategy: Strategic expansion in Asia**

## II-3. Business Policy 1

# Recovery from the Great East Japan Earthquake

### Policy

### 1-1. Recovery of competitiveness in main business

### Forecast Figures

Occurrence of the  
Great East Japan  
Earthquake

(Millions of yen)

	FY2008	FY2009	FY2010	FY2011 (Forecast)
<b>Net sales</b>	<b>34,864</b>	<b>31,892</b>	<b>32,116</b>	<b>32,000</b>
Growth of net sales	Down 1.2%	Down 8.5%	Up 0.9%	Down 0.4%
<b>Gross profit</b>	<b>22,365</b>	<b>20,920</b>	<b>20,855</b>	<b>20,800</b>
Growth profit ratio	64.1%	65.6%	64.9%	65.0%
<b>Selling, general and administrative expenses</b>	<b>19,989</b>	<b>19,329</b>	<b>19,487</b>	<b>19,750</b>
SG&A ratio	57.3%	60.6%	60.7%	61.7%
<b>Operating income</b>	<b>2,375</b>	<b>1,590</b>	<b>1,368</b>	<b>1,050</b>
Operating income ratio	6.8%	5.0%	4.3%	3.3%

\* The figures for FY2008, FY2009 and the forecast for FY2011 are actual and forecast figures excluding Mielparque.

## II-3. Business Policy 1

### Recovery from the Great East Japan Earthquake

#### Policy

1-1. Recovery of competitiveness in main business

#### Measures

##### Watabe Wedding

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

(2) Measures aimed at increasing average amount spent per wedding

(3) Measures aimed at reducing fixed expenses through structural reforms

##### Meguro Gajoen

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

(2) Meet individual demand (other than weddings) aimed at a recovery in banquet demand

# II-3. Business Policy 1

## Recovery from the Great East Japan Earthquake

Policy

1-1. Recovery of competitiveness in main business

Watabe Wedding

(1) Measures aimed at recovery in number of weddings

### Meet demand for resort weddings

Main clients for resort weddings

**For couples who want an unforgettable wedding just by themselves at an affordable price.**

- Income: middle
- Average age: 31.6
- Wedding expenses: low-affordable

Wedding for Two

15%

Wedding with Loved Ones

33%

**For couples who want guests such as parents to enjoy a simple wedding.**

- Income: middle
  - Average age: 30.2
  - Wedding expenses: mid-range
- Prefer to have low cost, but want a certain level of service

Big Wedding

50%

**For couples who want to impress or who want a big wedding.**

- Income: high
- Average age: 29.6
- Wedding expenses: tend to be high

Average amount spent per wedding

Big Wedding:	¥2.3 million
Wedding with Loved Ones:	¥1.7 million
Wedding for Two:	¥1.3 million

Survey by Watabe Wedding N=694

## II-3. Business Policy 1

# Recovery from the Great East Japan Earthquake

### Policy

#### 1-1. Recovery of competitiveness in main business

##### 1) Measures aimed at recovery in number of weddings

- Meet demand for resort weddings -
  - Year-round operation of new chapel in Hawaii
  - Renovation of facilities aimed at couples who want a Big Wedding

#### Hawaii



Opened in  
Nov. 2010

Honu Kai Lani at Ko Olina Place of Welina

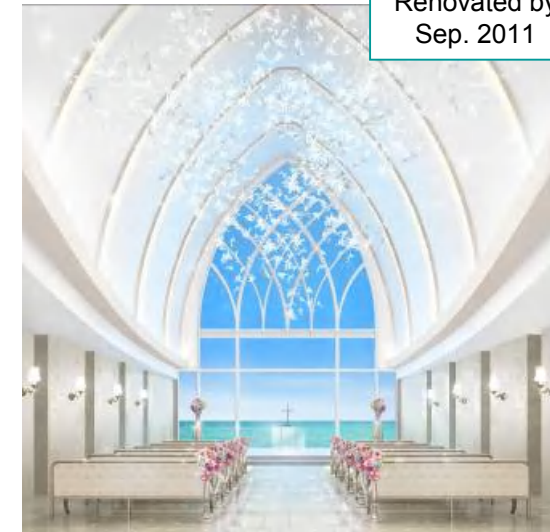
#### Guam



Renovated by  
Sep. 2011

Blue Aster

#### Okinawa



Renovated by  
Sep. 2011

Aquagrace Chapel

## II-3. Business Policy 1

# Recovery from the Great East Japan Earthquake

### Policy

### 1-1. Recovery of competitiveness in main business

#### (1) Measures aimed at recovery in number of weddings

- Meet demand for resort weddings -
- Refurbish directly operated stores - Target couples who want a Big Wedding -

#### Facilities



Mirraza Shinjuku Salon (Tokyo)

The concept is  
a traditional resort

Use of ACTUS furniture

Implemented in Shinjuku,  
Nagoya and Omiya

#### System



Touch panels and iPads for  
customer service

Customer service manuals  
for personnel

#### Hospitality



With Kids' Room @ Mirraza Shinjuku Salon

Consideration given to  
customers with children

Assignment of wedding  
concierges

# II-3. Business Policy 1

## Recovery from the Great East Japan Earthquake

### Policy

### 1-1. Recovery of competitiveness in main business

#### 1) Measures aimed at recovery in number of weddings

- Meet demand for resort weddings -
  - Attract the “no-wedding-ceremony” group of customers to resort weddings
- Meet demand for Wedding for Two -

The screenshot shows a website for 'おふたり婚 WEDDING & PHOTO PLAN'. It features a main banner for a 'WEDDING PLAN' with a couple in wedding attire. Below the banner, there are icons for '挙式' (Ceremony), 'ヘアメイク' (Hair/Makeup), 'ドレス' (Dress), and '撮影・データ' (Photography/Data). A text box indicates '対象期間：2011年11月30日までのお申込・挙式' (Target period: application and ceremony until November 30, 2011). Below this, there are navigation tabs for '海外' (Overseas) and '国内' (Domestic), with a list of countries including Hawaii, Guam, Taiwan, Australia, etc. The 'ハワイ' (Hawaii) tab is selected, showing details for 'ST. PETER'S EPISCOPAL CHURCH'. The church details include a description in Japanese, a price of '¥128,000' for the '挙式パッケージ代金' (Ceremony package fee), and a '16.00挙式限定' (16.00 ceremony limit) badge. There are also icons for '挙式', 'ヘアメイク', 'ドレス', and '撮影・データ' for the church package, and an 'アクセス' (Access) section with a description of the location.

### ■ ■ Key Points ■ ■

■ Affordable

■ Only sold on the Internet

■ Made easy by phone or e-mail applications

# II-3. Business Policy 1

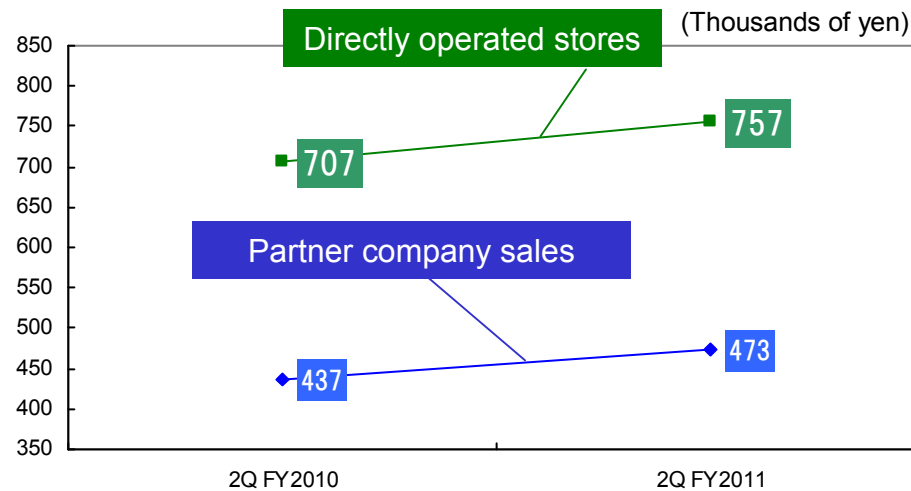
## Recovery from the Great East Japan Earthquake

Policy

1-1. Recovery of competitiveness in main business

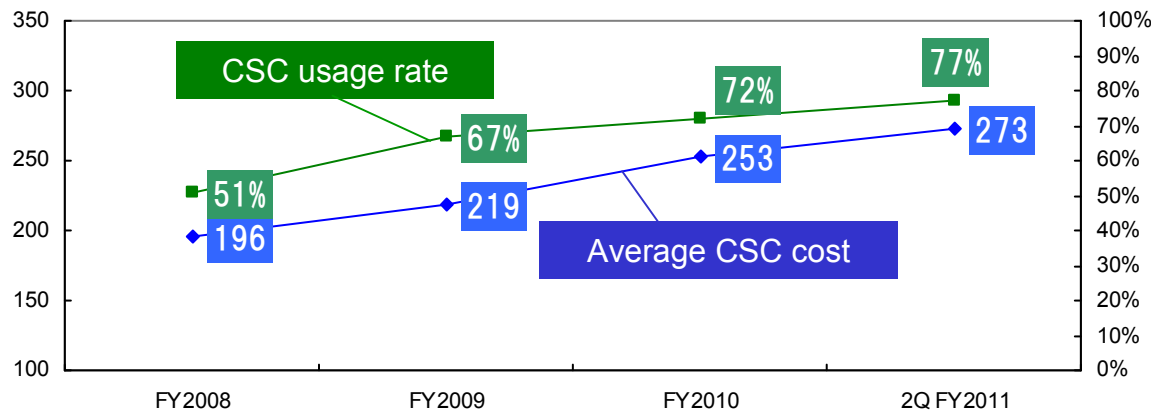
(2) Measures aimed at increasing average amount spent per wedding

- Strengthening customer support center (CSC) functions



■ ■ Key Point ■ ■

■ Train customer support personnel for partner companies' sales team





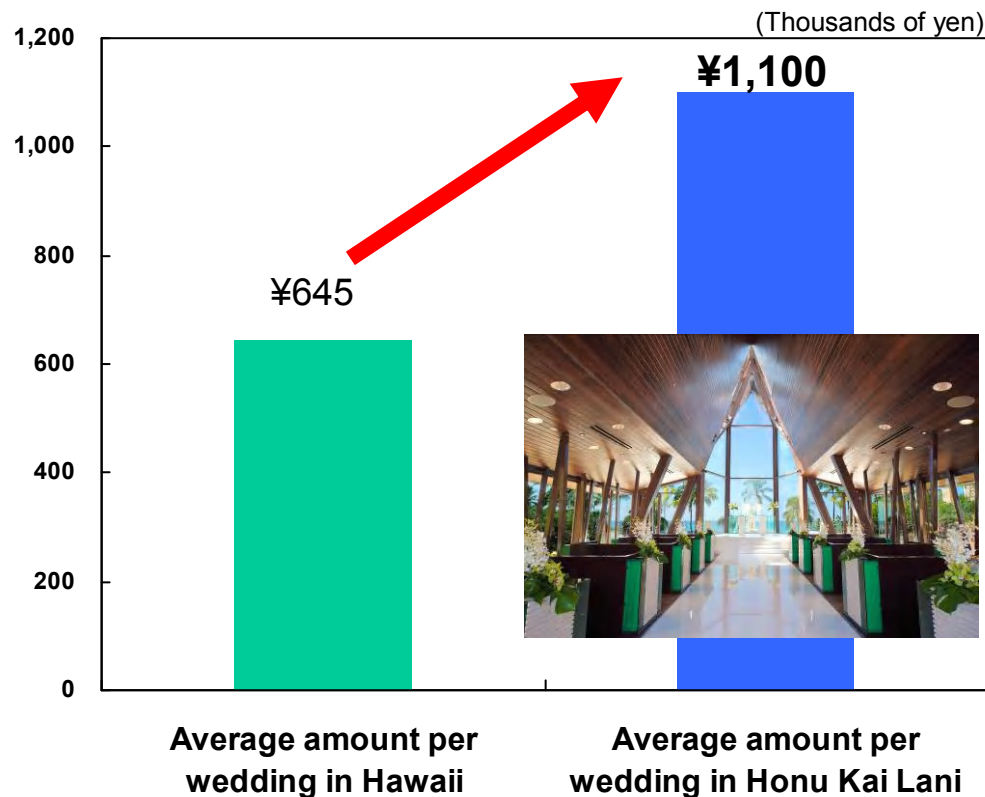
## II-3. Business Policy 1

# Recovery from the Great East Japan Earthquake

Policy

1-1. Recovery of competitiveness in main business

(2) Measures aimed at increasing average amount spent per wedding  
Year-round operation of Honu Kai Lani, our new facility in Hawaii



■ ■ Key Points ■ ■

■ Increase average amount spent per wedding through year-round operation of premium facilities

■ Target average amount spent on overseas wedding at ¥587,000 (¥20,000 more than the previous year)

## II-3. Business Policy 1

# Recovery from the Great East Japan Earthquake

### Policy

#### 1-1. Recovery of competitiveness in main business

##### (3) Measures aimed at reducing fixed expenses through structural reforms

Cost of structural reforms in FY2010: ¥70 million

Scheduled cost of structural reforms in FY2011: ¥240 million

#### (1) Consolidation of directly operated stores

Dec. 2010	Consolidation of the Tachikawa branch and Shinjuku Wedding Salon → Mirraza Shinjuku Salon
Jan. 2011	Consolidation of two branches in Nagoya
Jun. 2011	Consolidation of Omiya, Takasaki and Utsunomiya branches
Jun. 2011	Closure of Hamamatsu Branch
Nov. 2011	Closure of Shizuoka Branch

#### (2) Completion of transfer of dress manufacturing to Vietnam

## II-3. Business Policy 1

# Recovery from the Great East Japan Earthquake

Policy

1-1. Recovery of competitiveness in main business

Meguro Gajoen

(1) Measures aimed at recovery in number of weddings

### Opening of new chapel

Opened in  
May 2011



Villa di grazia

#### ■ ■ Key Points ■ ■

- Introduce new theme of close ties into ceremonies
- Open first stand-alone chapel in Meguro Gajoen
- Attract new customers to a new chapel in Meguro Gajoen, well-known for Japanese-style weddings

## II-3. Business Policy 1

# Recovery from the Great East Japan Earthquake

Policy

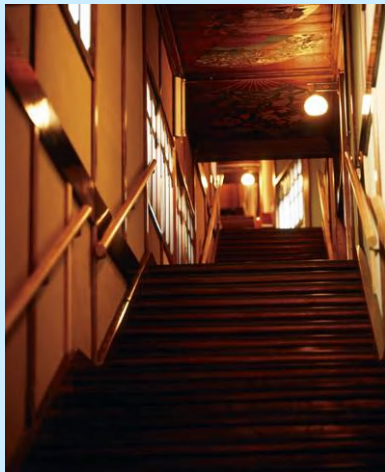
1-1. Recovery of competitiveness in main business

Meguro Gajoen

(2) Measures aimed at recovery in demand for banquets

Meet individual demand for ceremonies (other than weddings)

Events held at  
100-Step Staircase



Establish *SHUKUGASAI* brand



■ ■ Key Points ■ ■

■ Increase number of visitors through events at 100-Step Staircase

■ *SHUKUGASAI* (celebration) anniversary merchandise

## II-3. Business Policy 1

### Recovery from the Great East Japan Earthquake

Policy

1-2. Rebuilding of Mielparque

Forecast Figures

Reduced number of wedding bookings and occurrence of the Great East Japan Earthquake

(Millions of yen, %)

	FY2008	FY2009	FY2010	FY2011 (Target)
<b>Number of weddings</b>	<b>2,741</b>	<b>4,649</b>	<b>4,010</b>	<b>4,000</b>
<b>Net sales</b>	<b>11,541</b>	<b>20,190</b>	<b>18,438</b>	<b>18,400</b>
<b>Gross profit</b>	<b>7,493</b>	<b>13,261</b>	<b>12,627</b>	<b>12,604</b>
Gross profit ratio	64.9%	65.7%	68.5%	68.5%
<b>Selling, general and administrative expenses</b>	<b>7,093</b>	<b>13,078</b>	<b>12,610</b>	<b>12,454</b>
SG&A ratio	61.5%	64.8%	68.4%	67.7%
<b>Operating income</b>	<b>399</b>	<b>182</b>	<b>16</b>	<b>150</b>
Operating income ratio	3.5%	0.9%	0.1%	0.8%

## II-3. Business Policy 1 Recovery from the Great East Japan Earthquake

Policy

1-2. Rebuilding of Mielparque

Mielparque Sendai reopened on November 1



Complete refurbishing of the facility



Refurbished and reopened in October 2011  
Banquet room Socia

## **II-3. Business Policy 1**

### **Recovery from the Great East Japan Earthquake**

#### **Policy**

#### **1-2. Rebuilding of Mielparque**

#### **Measures**

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

(2) Strengthening of products

(3) Measures aimed at reducing fixed expenses through structural reforms

# II-3. Business Policy 1

## Recovery from the Great East Japan Earthquake

### Policy

### 1-2. Rebuilding of Mielparque

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

##### 1) Revamp attractiveness to customers

###### ■ Redesign of the Mielparque website

October 2010

Redesign of the Mielparque wedding website

April 2011

Launch of the Mielparque wedding mobile site

October 2011

Redesign of all Mielparque sites

Increased number of page views of the website  
Increased requests for information and reservations  
to visit facilities via the website





## II-3. Business Policy 1

# Recovery from the Great East Japan Earthquake

### Policy

### 1-2. Rebuilding of Mielparque

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

1) Revamp attractiveness to customers

#### ■ Refurbishment of facilities

Facility	Areas refurbished	Timing of refurbishment
Mielparque Sendai	Matsushima Chapel Foyer (4F) Banquet room Socia	August 2010 August 2010 December 2010 October 2011
Mielparque Tokyo	Bridal salon Shrine Chapel	December 2010 August 2011 September 2011
Mielparque Yokohama	Chapel Lobby (1F)	August 2010 August 2011
Mielparque Nagano	Banquet room Mille Clemence	January 2011
Mielparque Nagoya	Bride's room Garden chapel	June 2010 August 2011
Mielparque Osaka	Lobby counter (1F) Banquet room Soleil La'mage	August 2010 August 2011
Mielparque Okayama	Banquet room Akebono-no-ma Banquet room Nishiki-no-ma	July 2010 Completion scheduled in November 2011
Mielparque Matsuyama	Banquet room Raffine	August 2010
Mielparque Kumamoto	Banquet room Lienduheur Bridal salon Banquet room Ariake-no-ma	September 2010 February 2011 April 2011

## II-3. Business Policy 1

# Recovery from the Great East Japan Earthquake

### Policy

### 1-2. Rebuilding of Mielparque

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

2) Improved booking rate

January 2010: Allocation of dedicated staff from the Group

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

October 2010: Introduction of local staff from Watabe Wedding

Improved booking rate

## II-3. Business Policy 1

# Recovery from the Great East Japan Earthquake

### Policy

### 1-2. Rebuilding of Mielparque

#### (2) Strengthening of products

Improved gross margin ratio through synergy effects

##### (1) Internal manufacture of wedding dresses

■ In addition to the Avica 90 Watabe Wedding original dresses, Mielparque original dresses will also be produced

##### (2) Internal operation of photo studios

■ Studio operation completely internalized in 10 Mielparque locations from April 2009

■ Sale of original photo album products made at the Shanghai album factory

Strengthening of the Cuisine Division

##### (1) Introduction of special Mielparque menu

■ Released on September 1, 2011

Development of special menus for each location  
Release of a total of 20 dishes



Mielparque Nagoya

Bizen Chargrilled Nagoya Kochin Chicken Set

##### (2) Improvement of wedding menu

■ September 15, 2011

##### Wedding menu contest

A wedding menu contest was run by all Mielparque venues as an effort to evaluate, improve and commercialize the wedding cuisine

Gross margin ratio 65.7% in FY2009 → 69.1% in 2Q of FY2011

## II-3. Business Policy 1 Recovery from the Great East Japan Earthquake

### Policy

### 1-2. Rebuilding of Mielparque

#### (3) Measures to reduce fixed expenses through structural reforms

<b>Cost of structural reforms in FY2010:</b>	<b>¥630 million</b>
<b>Scheduled cost of structural reforms in FY2011:</b>	<b>¥280 million</b>

#### 1) Reduction of personnel expenses

- Review of full-time waitstaff
- Review of outsourcing agreements
- Reduction of personnel in head office and facilities
- Measures aimed at the elderly
- Review of personnel system, etc.

#### 2) Reduction of SG&A

- Review of outsourcing agreements
- Thorough management of departments' heating and lighting expenses, etc.

## **II-3. Business Policy 3**

### **Growth strategy: Strategic expansion in Asia**

#### **Business Policies**

##### **Business Policy 1**

**Recovery from the Great East Japan Earthquake**

##### **Business Policy 2**

**Structural reform: Year of refining (omitted)**

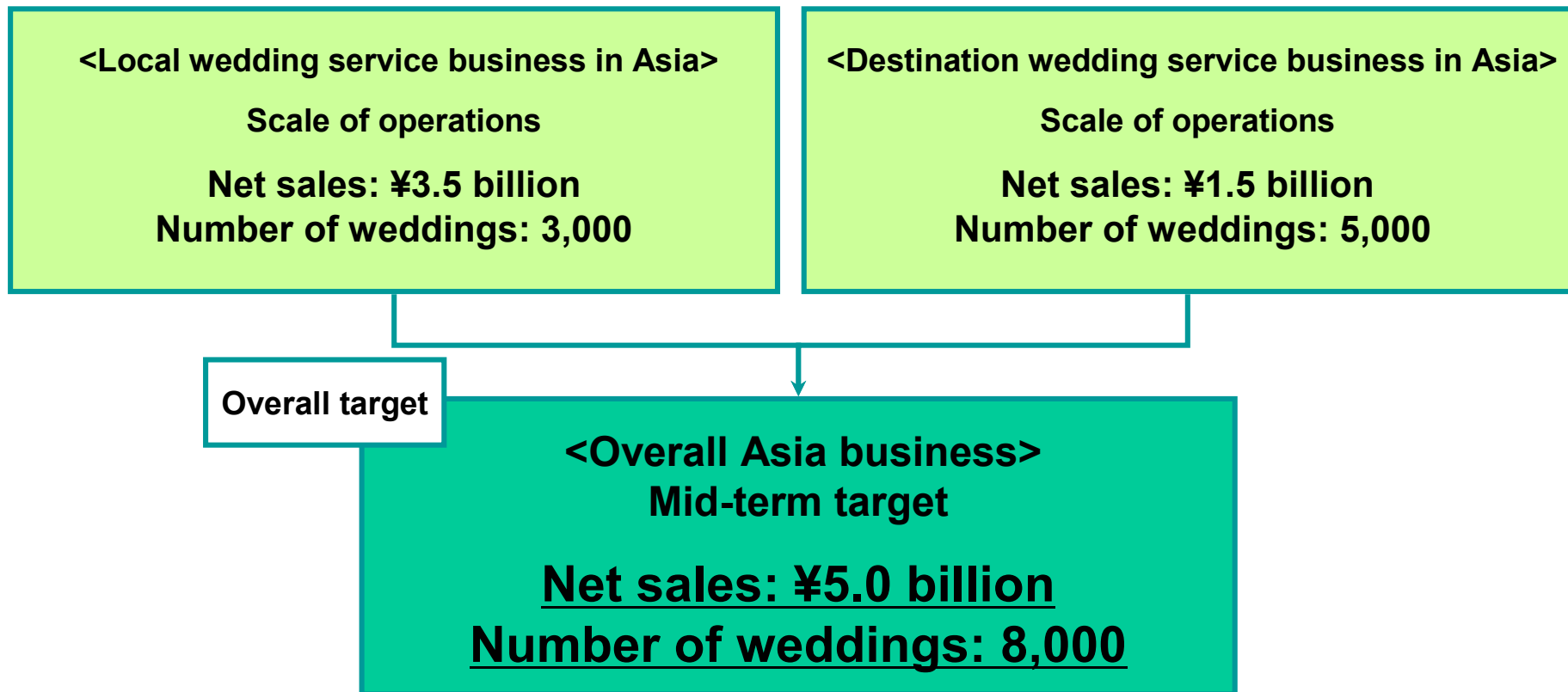
##### **Business Policy 3**

**Growth strategy: Strategic expansion in Asia**

## II-3. Business Policy 3

### Growth strategy: Strategic expansion in Asia

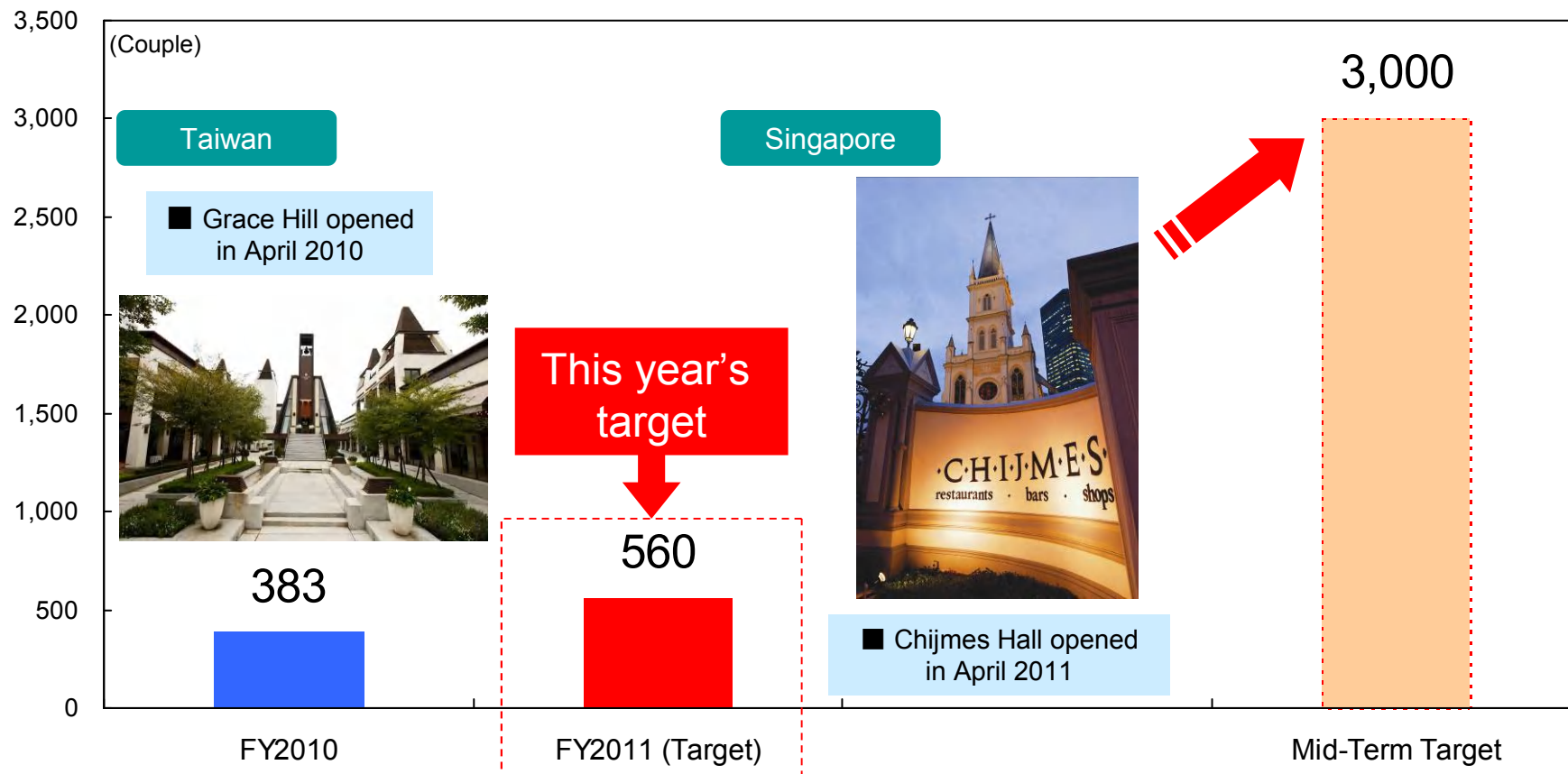
<b>Policy</b>	Growth strategy: Strategic expansion in Asia
<b>Measures</b>	[1] Expansion of the local wedding service business in Asia [2] Expansion of the destination wedding service business in Asia



## II-3. Business Policy 3

### Growth strategy: Strategic expansion in Asia

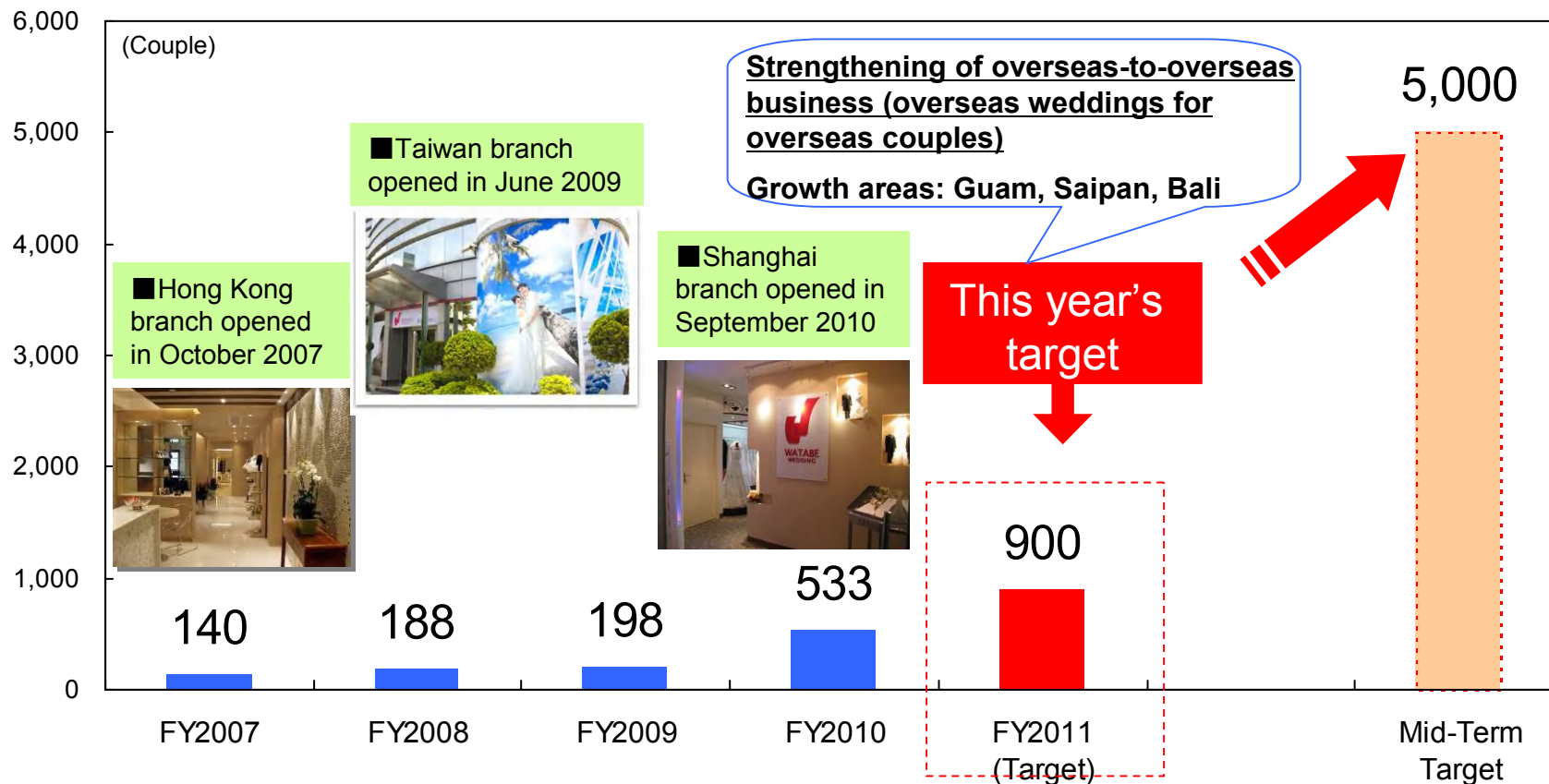
<b>Policy</b>	Growth strategy: Strategic expansion in Asia
<b>Measures</b>	[1] Expansion of the local wedding service business in Asia



## II-3. Business Policy 3

# Growth strategy: Strategic expansion in Asia

<b>Policy</b>	Growth strategy: Strategic expansion in Asia
<b>Measures</b>	[2] Expansion of the destination wedding service business in Asia



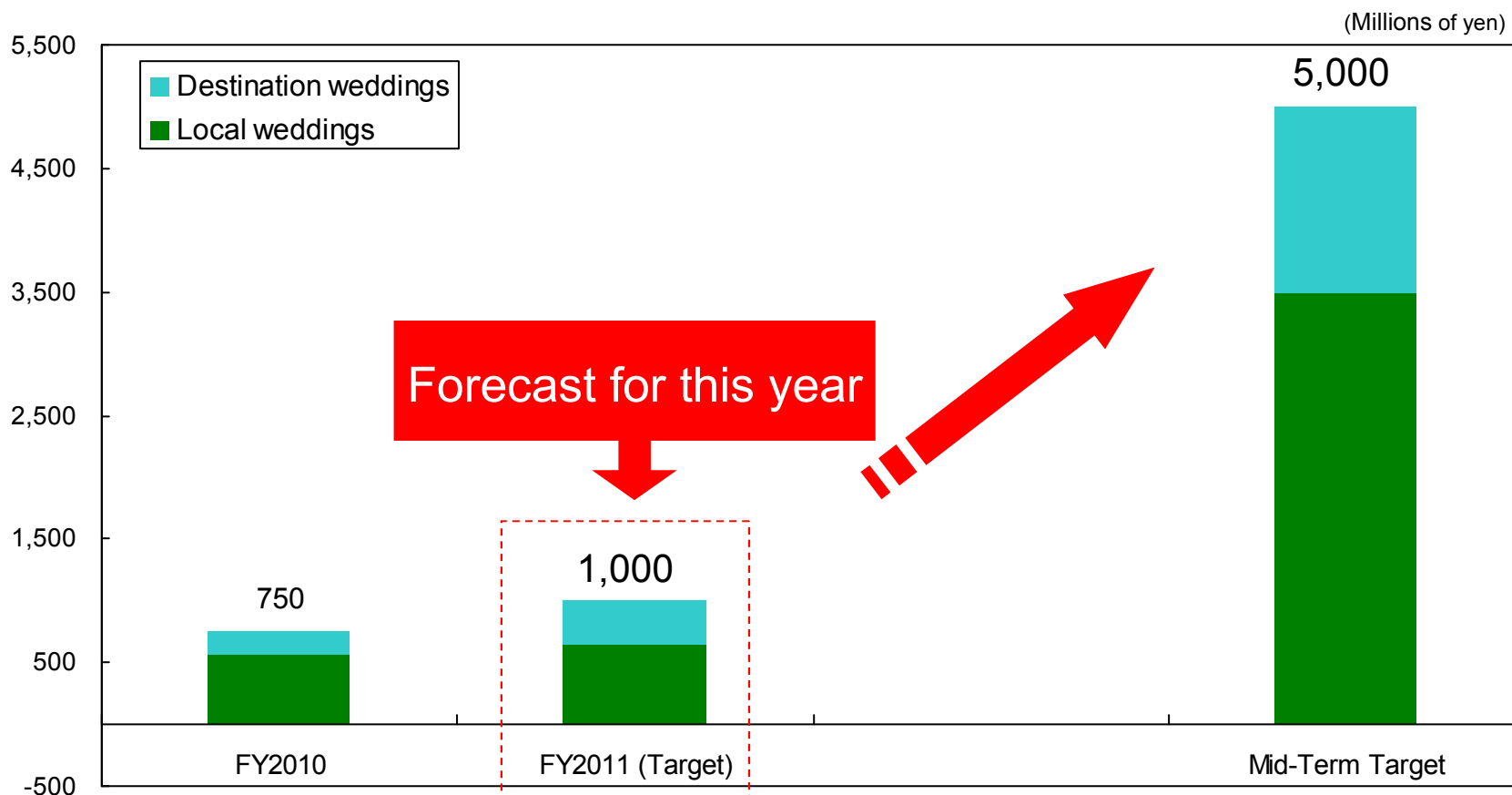


## II-3. Business Policy 3

### Growth strategy: Strategic expansion in Asia

Policy

Growth strategy: Strategic expansion in Asia



## II-3. Business Policy 3

### Growth strategy: Strategic expansion in Asia

# In China

(Projected figures)

Approx.  
**10 million**  
weddings

Approx.  
700 thousand  
weddings

Japan

Taiwan

Approx.  
260 thousand  
weddings

Approx.  
150 thousand  
weddings

Singapore



# In ASEAN countries

### **III. Overview of Consolidated Results for the First Half of Fiscal Year 2011**

## III-1. Overview of Consolidated Results

(Millions of yen, %)

	1H FY2011	1H FY2010	Change
<b>Net sales</b>	<b>22,296</b>	<b>24,137</b>	<b>-7.6%</b>
<b>Gross profit</b>	<b>14,921</b>	<b>15,934</b>	<b>-6.4%</b>
Gross profit ratio	<b>66.9%</b>	66.0%	<b>Up 0.9 pp</b>
<b>Selling, general and administrative expenses</b>	<b>15,462</b>	<b>15,783</b>	<b>-2.0%</b>
SG&A ratio	<b>69.4%</b>	65.4%	<b>Up 4.0 pp</b>
<b>Operating income</b>	<b>-541</b>	<b>150</b>	—
Operating income ratio	<b>-2.4%</b>	0.6%	<b>Down 3.0 pp</b>
<b>Ordinary income</b>	<b>-492</b>	<b>33</b>	—
Ordinary income ratio	<b>-2.2%</b>	0.1%	<b>Down 2.3 pp</b>
<b>Net income</b>	<b>-532</b>	<b>-173</b>	—

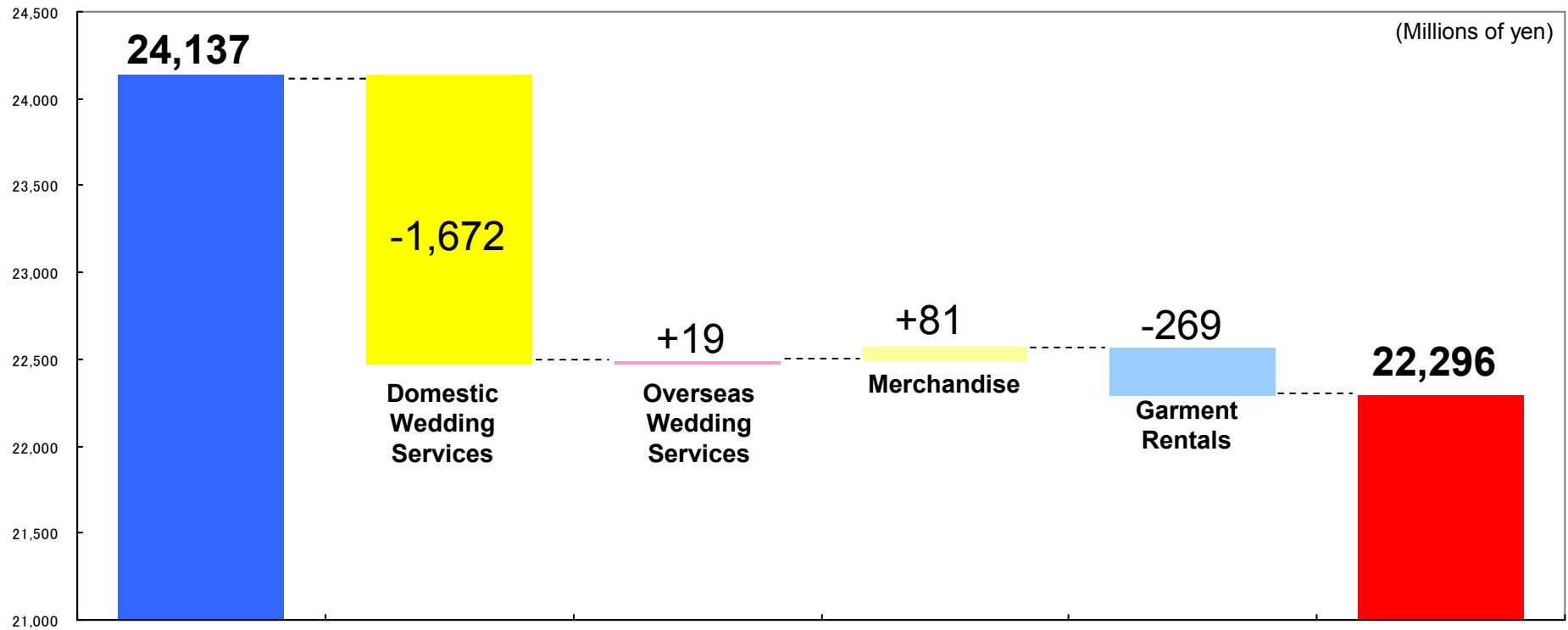
Target	Change
<b>22,000</b>	<b>Up 1.3%</b>
—	
—	
—	
<b>-600</b>	—
<b>-2.7%</b>	
<b>-600</b>	—
<b>-2.7%</b>	
<b>-500</b>	—

## III-2. Overview of Consolidated Results (Mielparque/Existing (other facilities))

(Millions of yen, %)

	Consolidated		Existing		Mielparque	
	1H FY2011	1H FY2010	1H FY2011	1H FY2010	1H FY2011	1H FY2010
Net sales	<b>22,296</b>	<b>24,137</b>	<b>14,313</b>	<b>15,378</b>	<b>7,983</b>	<b>8,758</b>
Gross profit	<b>14,921</b>	<b>15,934</b>	<b>9,401</b>	<b>9,864</b>	<b>5,520</b>	<b>6,069</b>
Gross profit ratio	<b>66.9%</b>	66.0%	<b>65.7%</b>	64.1%	<b>69.1%</b>	69.3%
Selling, general and administrative expenses	<b>15,462</b>	<b>15,783</b>	<b>9,574</b>	<b>9,553</b>	<b>5,888</b>	<b>6,229</b>
SG&A ratio	<b>69.4%</b>	65.4%	<b>66.9%</b>	62.1%	<b>73.8%</b>	71.1%
Operating income	<b>-541</b>	<b>150</b>	<b>-173</b>	<b>310</b>	<b>-368</b>	<b>-160</b>
Operating income ratio	<b>-2.4%</b>	0.6%	<b>-1.2%</b>	2.0%	<b>-4.6%</b>	-1.8%
Ordinary income	<b>-492</b>	<b>33</b>	<b>-146</b>	<b>189</b>	<b>-346</b>	<b>-156</b>
Ordinary income ratio	<b>-2.2%</b>	0.1%	<b>-1.0%</b>	1.2%	<b>-4.3%</b>	-1.8%

### III-3. Net Sales Factor Analysis (year on year)

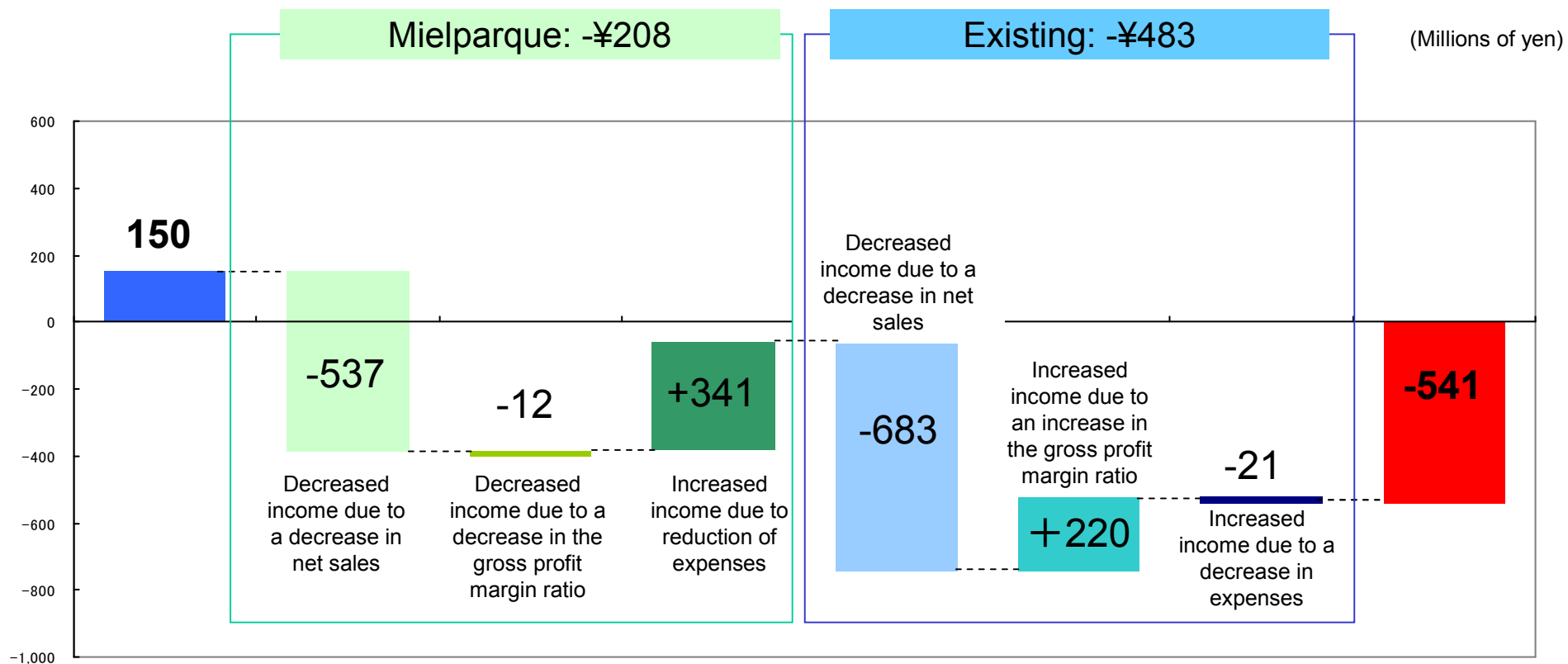


1H FY2010

Down ¥1,841 million

1H FY2011

# III-4. Operating Income Factor Analysis (year on year)



1H FY2010

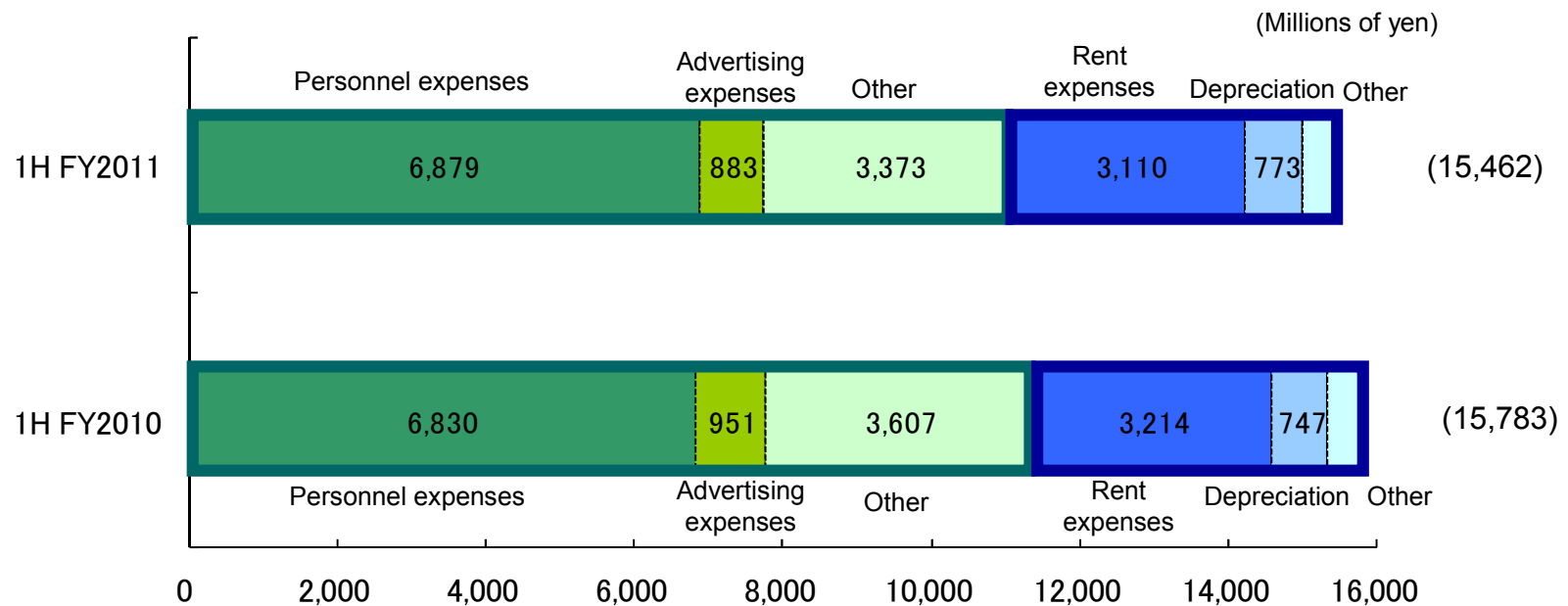
Down ¥691 million

1H FY2011

# III-5. Selling, General and Administrative Expenses (Changes in Expense Items)

## Selling, general and administrative expenses

SG&A ratio 1H FY2010: 65.4% → 1H FY2011: 69.3% (Up 3.9 percentage points year on year)





## **IV. Overview of the First Half of Fiscal Year 2011 by Business Category**

## IV-1. Overview of Profit/Loss by Business Category (year on year)

(Millions of yen, %)

### Net sales

	1H FY2011		1H FY2010		Change
Domestic Wedding Services	<b>13,633</b>	<b>61.1%</b>	<b>15,305</b>	<b>63.4%</b>	<b>Down 10.9%</b>
Overseas Wedding Services	<b>4,343</b>	<b>19.5%</b>	<b>4,324</b>	<b>17.9%</b>	<b>Up 0.4%</b>
Merchandise	<b>1,850</b>	<b>8.3%</b>	<b>1,769</b>	<b>7.3%</b>	<b>Up 4.6%</b>
Garment Rentals	<b>2,009</b>	<b>9.0%</b>	<b>2,278</b>	<b>9.4%</b>	<b>Down 11.8%</b>
Commissions	<b>459</b>	<b>2.1%</b>	<b>459</b>	<b>1.9%</b>	—
<b>Net sales</b>	<b>22,296</b>	<b>100.0%</b>	<b>24,137</b>	<b>100.0%</b>	<b>Down 7.6%</b>

### Gross profit

Domestic Wedding Services	<b>9,095</b>	<b>66.7%</b>	<b>10,171</b>	<b>66.5%</b>	<b>Up 0.2 pp</b>
Overseas Wedding Services	<b>2,732</b>	<b>62.9%</b>	<b>2,543</b>	<b>58.8%</b>	<b>Up 4.1 pp</b>
Merchandise	<b>1,074</b>	<b>58.1%</b>	<b>1,058</b>	<b>59.8%</b>	<b>Down 1.7 pp</b>
Garment Rentals	<b>1,560</b>	<b>77.6%</b>	<b>1,701</b>	<b>74.7%</b>	<b>Up 2.9 pp</b>
Commissions	<b>459</b>		<b>459</b>		
<b>Gross profit</b>	<b>14,921</b>	<b>66.9%</b>	<b>15,934</b>	<b>66.0%</b>	<b>Up 0.9 pp</b>

The cost of goods in the fiscal year 2010 has been changed to match this year's level.

## IV-2. Overview of Profit/Loss by Business Category Domestic Wedding Services

	1H FY2011	1H FY2010	Change
<b>Net sales from Domestic Wedding Services</b> (Millions of yen)	<b>13,633</b>	<b>15,305</b>	<b>Down 10.9%</b>
Number of weddings	<b>5,039</b>	<b>5,620</b>	<b>Down 10.3%</b>
In-house chapel facilities	<b>32</b>	<b>32</b>	—
<b>Gross profit from Domestic Wedding Services</b> (Millions of yen)	<b>9,095</b>	<b>10,171</b>	<b>Down 10.6%</b>
Gross profit ratio	<b>66.7%</b>	<b>66.5%</b>	<b>Up 0.2 pp</b>
<b>Mielparque*1</b>			
Number of weddings	<b>1,793</b>	<b>1,902</b>	<b>Down 5.7%</b>
Average amount spent per wedding (Thousands of yen)	<b>2,167</b>	<b>2,193</b>	Down 1.2%
<b>Meguro Gajoen*1</b>			
Number of weddings	<b>690</b>	<b>745</b>	<b>Down 7.4%</b>
Average amount spent per wedding (Thousands of yen)	<b>3,099</b>	<b>3,127</b>	Down 0.9%
<b>Resort weddings*2</b>			
Number of weddings	<b>1,971</b>	<b>2,197</b>	<b>Down 10.3%</b>
Average amount spent per wedding (Thousands of yen)	<b>767</b>	<b>802</b>	Down 4.3%
<b>Including weddings in Okinawa*2</b>			
Number of weddings	<b>1,515</b>	<b>1,778</b>	<b>Down 14.8%</b>
Average amount spent per wedding (Thousands of yen)	<b>836</b>	<b>865</b>	Down 3.3%
<b>Other</b>			
Number of weddings	<b>585</b>	<b>776</b>	<b>Down 24.6%</b>
Average amount spent per wedding (Thousands of yen)	<b>2,387</b>	<b>2,084</b>	Up 14.5%

### [Overview]

Revenue declined due to the postponement and cancellation of weddings, banquets and accommodation bookings, and the suspension of operations of Mielparque Sendai resulting from the Great East Japan Earthquake.

### [Mielparque]

The number of weddings declined due to wedding postponements and cancellations, and the suspension of operations of Mielparque Sendai as a result of the Great East Japan Earthquake.

### [Meguro Gajoen]

The number of weddings declined due to wedding postponements and cancellations as a result of the Great East Japan Earthquake.

### [Resort weddings]

The number of Okinawa resort weddings declined due to the launch of a new Okinawa chapel by a competitor.

\*1 The average amount spent per wedding in Wedding Division was used as the average amount for Mielparque and Meguro Gajoen.

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

## IV-3. Overview of Profit/Loss by Business Category Overseas Wedding Services (1) Japanese Market

	1H FY2011	1H FY2010	Change	
<b>Net sales from Overseas Wedding Services</b> (Millions of yen)	<b>4,343</b>	<b>4,324</b>	<b>Up 0.4%</b>	
<b>Gross profit from Overseas Wedding Services</b> (Millions of yen)	<b>2,732</b>	<b>2,543</b>	<b>Up 7.4%</b>	
Overseas Wedding Services Gross profit ratio	<b>62.9%</b>	<b>58.8%</b>	<b>Up 4.1 pp</b>	
Number of weddings	<b>7,160</b>	<b>7,347</b>	<b>Down 2.5%</b>	
Average spending per wedding (Thousands of yen)	<b>566</b>	<b>555</b>	<b>Up 2.0%</b>	
Number of weddings	<b>Hawaii</b>	<b>4,045</b>	<b>3,913</b>	<b>Up 3.4%</b>
	<b>Micronesia</b>	<b>1,940</b>	<b>2,166</b>	<b>Down 10.4%</b>
	<b>Oceania</b>	<b>325</b>	<b>425</b>	<b>Down 23.5%</b>
	<b>North America</b>	<b>123</b>	<b>84</b>	<b>Up 46.4%</b>
	<b>Europe</b>	<b>514</b>	<b>458</b>	<b>Up 12.2%</b>
	<b>Bali</b>	<b>213</b>	<b>301</b>	<b>Down 29.2%</b>
	<b>Total</b>	<b>7,160</b>	<b>7,347</b>	<b>Down 2.5%</b>
Usage rate of in-house chapels	<b>72.5%</b>	<b>71.9%</b>	<b>Up 0.6 pp</b>	

[Overview]

Although there were postponements and cancellations of weddings resulting from the impact of the Great East Japan Earthquake, net sales increased due to the effect of a new chapel beginning operation in Hawaii.

[Cause for the decline in the number of weddings]

The number of weddings declined due to wedding postponements and cancellations as a result of the impact of the Great East Japan Earthquake.

[Cause for the increase in the average amount spent per wedding]

A high average amount spent per wedding was maintained at the new Honu Kai Lani chapel that opened in Hawaii last year, and improved functionality of the customer support center led to an increase in the average amount spent per wedding.

## IV-3. Overview of Profit/Loss by Business Category Overseas Wedding Services (2) Progress in Asia

	1H FY2011	1H FY2010	Change
<b>Local wedding service business in Asia</b>			
Grace Hill Net sales (Millions of yen)	<b>277</b>	<b>238</b>	<b>Up 16.4%</b>
Number of weddings*1	<b>196</b>	<b>168</b>	<b>Up 16.7%</b>
Average amount spent per wedding (Thousands of yen)*1	<b>1,417</b>	<b>1,418</b>	<b>Down 0.1%</b>
<b>Destination wedding service business in Asia*2</b>			
Number of weddings: Overseas to overseas	<b>207</b>	<b>108</b>	<b>Up 91.6%</b>
Number of weddings: Overseas to domestic	<b>83</b>	<b>97</b>	<b>Down 14.4%</b>
Total	<b>290</b>	<b>205</b>	<b>Up 41.5%</b>

[Local wedding service business in Asia]

The number of weddings increased due to an increase in the number of weddings in Taiwan as a result of the Centennial of Taiwan.

[Destination wedding service business in Asia]

The number of weddings increased because of the heightened recognition of resort weddings in Taiwan and Hong Kong.

\*1 The number of weddings and the average amount spent per wedding are the figures for the Wedding Division of Grace Hill. Average amount spent per wedding at Grace Hill is calculated by dividing net sales by the number of weddings.

\*2 The number of weddings for the Destination wedding service business in Asia is the figure for the number of couples who traveled from Hong Kong, Taiwan and Shanghai.

## IV-4. Overview of Profit/Loss by Business Category Merchandise

	1H FY2011	1H FY2010	Change
<b>Net sales from Merchandise</b> (Millions of yen)	<b>1,850</b>	<b>1,769</b>	<b>Up 4.6%</b>
Avica* dresses sold	<b>7,086</b>	<b>7,593</b>	<b>Down 6.7%</b>
Average price of Avica dresses sold (Thousands of yen)	<b>184</b>	<b>166</b>	<b>Up 10.8%</b>
UOMO tuxedos sold	<b>1,998</b>	<b>1,983</b>	<b>Up 0.8%</b>
Average price of UOMO tuxedos sold (Thousands of yen)	<b>88</b>	<b>79</b>	<b>Up 11.4%</b>
<b>Gross profit from Merchandise</b> (Millions of yen)	<b>1,074</b>	<b>1,058</b>	<b>Up 1.5%</b>
Merchandise Gross profit ratio	<b>58.1%</b>	<b>59.8%</b>	<b>Down 1.7 pp</b>

[Overview]

The number of dresses sold decreased due to the decline in the number of weddings.

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

### (Reference) Total wedding dresses (Avica + RS)

Total dresses (sales and rentals)	<b>9,988</b>	<b>11,423</b>	<b>Down 12.6%</b>
Total dresses (sales and rentals) (Thousands of yen)	<b>165</b>	<b>147</b>	<b>Up 12.2%</b>

\* Avica: **Dress order system**

- A system for tailoring new dresses to match the customer's body shape based on over 90 designs and Japanese sizes ranging from 3 to 37.

## IV-5. Overview of Profit/Loss by Business Category Garment Rentals

	1H FY2011	1H FY2010	Change
<b>Revenue from Garment Rentals</b> (Millions of yen)	<b>2,009</b>	<b>2,278</b>	<b>Down 11.8%</b>
Number of RS* <sup>1</sup> dresses sold	<b>2,902</b>	<b>3,830</b>	<b>Down 24.2%</b>
Average price of RS dresses sold (Thousands of yen)	<b>121</b>	<b>110</b>	<b>Up 10.0%</b>
Number of Studio Photo Plan sales	<b>4,063</b>	<b>5,042</b>	<b>Down 19.4%</b>
Average Studio Photo Plan* <sup>2</sup> price (Thousands of yen)	<b>94</b>	<b>86</b>	<b>Up 9.3%</b>
<b>Gross profit from Garment Rentals</b> (Millions of yen)	<b>1,560</b>	<b>1,701</b>	<b>Down 8.3%</b>
Garment Rentals Gross profit ratio	<b>77.6%</b>	<b>74.7%</b>	<b>Up 2.9 pp</b>

[Overview]

Net sales from garment rentals decreased due to the decrease in the number of weddings and the closure of garment salons.

\*<sup>1</sup> RS: **Garment rental reservation system**

This is a rental system whereby the customer reserves a dress/tuxedo at a Watabe Wedding branch in Japan, and a dress/tuxedo of the same design and size is provided at the overseas branch.

\*<sup>2</sup> Studio Photo Plan: **Plan whereby photos are taken in a studio in advance (excluding Mielparque)**

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



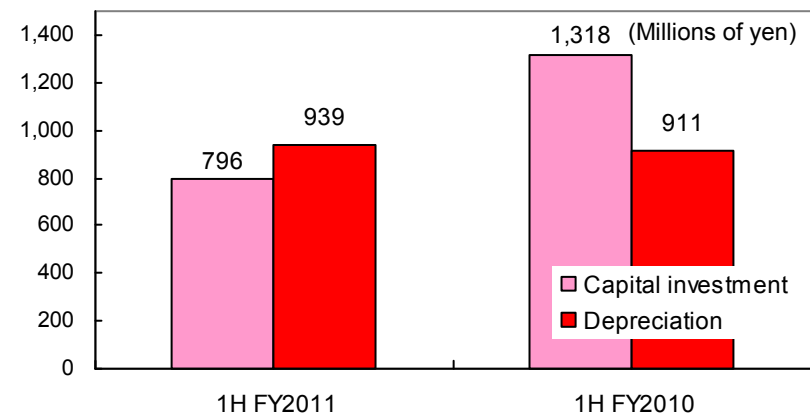
# V-1. Cash Flows and Capital Investment

## Cash Flows

(Millions of yen)

	1H FY2011	1H FY2010	Change
Net cash provided by operating activities	319	63	+256
Net cash used in investing activities	-540	-615	+75
Net cash provided by (used in) financing activities	-167	150	-317
Effect of exchange rate change on cash and cash equivalents	-72	-87	+15
Change in cash and cash equivalents	-460	-488	+28
Cash and cash equivalents at end of period	4,563	3,749	+814

## Capital Investment and Depreciation



### <Major capital investments>

- Refurbishment of the Guam and Okinawa chapels
- Remodeling of Mielparque facilities

## V-2. Balance Sheets (Consolidated)

(Millions of yen)

	As of Sep. 30, 2011	As of Mar. 31, 2011			As of Sep. 30, 2011	As of Mar. 31, 2011	
<b>Total current assets</b>	<b>8,891</b>	<b>9,035</b>	<b>-144</b>	<b>Total liabilities</b>	<b>10,777</b>	<b>10,552</b>	<b>+255</b>
Cash and deposits	4,567	5,028	-461	Current liabilities	7,885	7,759	+126
Accounts receivable-trade	1,650	1,504	+146	Accounts payable-trade	1,589	1,501	+87
Other	2,674	2,503	+170	Short-term loans payable	917	850	+66
<b>Total noncurrent assets</b>	<b>15,588</b>	<b>16,039</b>	<b>-451</b>	Provision for bonuses	0	413	-413
Property, plant and equipment	10,445	10,588	-143	Advances received	2,808	2,335	+473
Buildings and structures	5,902	5,961	-58	Other	2,569	2,659	-89
Other	4,542	4,626	-84	Noncurrent liabilities	2,892	2,793	+99
				Long-term loans payable	1,450	1,500	-50
Intangible assets	921	973	-52	Asset retirement obligations	561	542	+19
Investments and other assets	4,222	4,477	-255	Other	880	751	+130
Guarantee deposits	3,318	3,476	-157	<b>Net assets</b>	<b>13,702</b>	<b>14,523</b>	<b>-820</b>
Other	903	1,001	-98	I. Shareholders' equity	15,291	15,971	-680
<b>Total assets</b>	<b>24,479</b>	<b>25,075</b>	<b>-595</b>	Capital stock	4,176	4,176	—
				Capital surplus	4,038	4,038	—
				Retained earnings	7,077	7,757	-680
				II. Valuation and translation adjustments	-1,596	-1,453	-142
					7	4	+2
				III. Minority interests			
				<b>Total liabilities and net assets</b>	<b>24,479</b>	<b>25,075</b>	<b>-595</b>

<b>Equity ratio</b>	<b>55.9%</b>	<b>57.9%</b>	Down 2.0 pp
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## **VI. Reference Materials**

# VI-1. Plan for Fiscal Year 2011 (Mielparque/Existing)

(Millions of yen, %)

	Consolidated		Existing		Mielparque	
	FY2011 (Target)	FY2010	FY2011 (Target)	FY2010	FY2011 (Target)	FY2010
<b>Net sales</b>	<b>50,400</b>	<b>50,555</b>	<b>32,000</b>	<b>32,116</b>	<b>18,400</b>	<b>18,438</b>
<b>Gross profit</b>	<b>33,404</b>	<b>33,482</b>	<b>20,800</b>	<b>20,855</b>	<b>12,604</b>	<b>12,627</b>
Gross profit ratio	66.3%	66.2%	65.0%	64.9%	68.5%	68.5%
<b>Selling, general and administrative expenses</b>	<b>32,204</b>	<b>32,097</b>	<b>19,750</b>	<b>19,487</b>	<b>12,454</b>	<b>12,610</b>
SG&A ratio	63.9%	63.5%	61.7%	60.7%	67.7%	68.4%
<b>Operating income</b>	<b>1,200</b>	<b>1,385</b>	<b>1,050</b>	<b>1,368</b>	<b>150</b>	<b>16</b>
Operating income ratio	2.4%	2.7%	3.3%	4.3%	0.8%	0.1%
<b>Ordinary income</b>	<b>1,200</b>	<b>1,345</b>	<b>1,050</b>	<b>1,322</b>	<b>150</b>	<b>23</b>
Ordinary income ratio	2.4%	2.7%	3.3%	4.1%	0.8%	0.1%
<b>Net income</b>	<b>460</b>	<b>176</b>				

## VI-2. Plan for Fiscal Year 2011: Net Sales by Business Category

(Millions of yen, %)

	FY2011 (Plan)	FY2010	Change
<b>Domestic Wedding Services</b>	31,550	32,134	Down 1.8%
<b>Overseas Wedding Services</b>	10,000	9,046	Up 10.6%
<b>Merchandise</b>	3,600	3,646	Down 1.3%
<b>Garment Rentals</b>	4,300	4,772	Down 9.9%
<b>Commissions</b>	950	954	Down 0.4%
<b>Net sales</b>	<b>50,400</b>	<b>50,555</b>	<b>Down 0.3%</b>

## VI-3. Plan for Fiscal Year 2011: Number of Weddings

### Number of weddings (Target)

	FY2011 (Target)	FY2010	Change
<b>■ Domestic Wedding Services</b>			
<b>Number of weddings</b>	<b>11,300</b>	<b>11,561</b>	<b>-261</b>
Mielparque	4,000	4,010	-10
Meguro Gajoen	1,450	1,437	+13
Resort wedding	4,500	4,732	-232
Other	1,350	1,382	+32
<b>■ Overseas Wedding Services</b>			
<b>Number of weddings</b>	<b>15,500</b>	<b>14,960</b>	<b>+540</b>

## **VI-4. Plan for Fiscal Year 2011: Investment and Depreciation**

**Planned investment:  
Approx. ¥2.0 billion**

**Depreciation:  
Approx. ¥1.85 billion**

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