

3. Consolidated Results Forecast for Year Ending March 31, 2013

	<u>Full year</u>
	<i>(Millions of yen)</i>
Net sales	50,600
Operating income	1,500
Ordinary income	1,550
Net income	700
Net income, basic per share (yen)	70.64

(Note) Revision of consolidated results forecast that has been disclosed lastly: None

* Notes

- (1) Changes in significant subsidiaries during the period under review (changes in specific subsidiaries involving a change in the scope of consolidation): None
- (2) Application of specific accounting procedures for preparation of the quarterly consolidated financial statements:
Yes
(Note) Refer to “2. Summary Information (Notes) (2) Application of Special Accounting Treatment Peculiar to Quarterly Consolidated Financial Statement Preparation” on page 5 of the attached material for further details.
- (3) Changes in accounting policies or estimates and retrospective restatements
 - (i) Any change arising from revision of accounting standards: Yes
 - (ii) Any change arising from factors other than (i) above: None
 - (iii) Changes in accounting estimates: Yes
 - (iv) Retrospective restatements: None(Note) Article 10-5 of the “Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements” is applied. For details, please refer to “2. Summary Information (Notes) (3) Changes in Accounting Policies or Estimates and Retrospective Restatements” on page 5 of the attached material.
- (4) Number of shares issued (common stock)
 - (i) Number of issued shares at end of period (including treasury stock)
9,909,400 shares as of December 31, 2012
9,909,400 shares as of March 31, 2012
 - (ii) Number of shares of treasury stock at end of period
326 shares as of December 31, 2012
309 shares as of March 31, 2012
 - (iii) Average number of shares during the period
9,909,076 shares for the nine months ended December 31, 2012
9,909,091 shares for the nine months ended December 31, 2011

* Presentation regarding status of quarterly review procedures

Although the consolidated financial results presented herein are not subject to the quarterly review procedure specified by the Financial Instruments and Exchange Act, the review procedure for quarterly consolidated financial statements specified by the Financial Instruments and Exchange Act has been completed at the time of the release of this document.

* Explanations regarding appropriate use of the operating results forecast and other noteworthy points (Note concerning forward-looking statements)

The forecasts given in this document are based on data available at the time of the release of this document and assumptions that are deemed reasonable; they are not meant to be a commitment by the Company. Actual results may differ substantially due to a number of factors. For conditions assumed for operating results forecasts and precautions when using operating results forecasts, and the like, please refer to “1. Qualitative Information on Quarterly Financial Results (3) Qualitative Information on Consolidated Results Forecast” on page 4 of the attached material.

○ Contents of the Attached Material

1. Qualitative Information on Quarterly Financial Results	4
(1) Qualitative Information on Consolidated Operating Results	4
(2) Qualitative Information on Consolidated Financial Position.....	4
(3) Qualitative Information on Consolidated Results Forecast.....	4
2. Summary Information (Notes)	5
(1) Changes in Significant Subsidiaries during the Nine Months Ended December 31, 2012.....	5
(2) Application of Special Accounting Treatment Peculiar to Quarterly Consolidated Financial Statement Preparation	5
(3) Changes in Accounting Policies or Estimates and Retrospective Restatements	5
3. Additional Information	5
4. Consolidated Financial Statements	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
Consolidated Statements of Income for the Nine Months Ended December 31, 2012	8
Consolidated Statements of Comprehensive Income for the Nine Months Ended December 31, 2012	9
(3) Notes on the Going Concern Assumption.....	10
(4) Notes in the Case of a Dramatic Fluctuation in the Amount of Shareholders' Equity	10
(5) Segment Information.....	10

1. Qualitative Information on Quarterly Financial Results

Forward-looking items given in this document are judgments of the Watabe Wedding Group (the “Group”, the Company and its consolidated subsidiaries) as of the last day of the quarter under review.

(1) Operating Results

Looking at the operating results during the nine months ended December 31, 2012, in the resort wedding business segment, we returned to our origins, concentrated resources into the resort wedding business, and endeavored to increase recognition. We proposed “*Rizokon Heart*” to couples as a new style of wedding that combines a wedding ceremony at a resort with a wedding party in Japan, with the aim of offering new values that place emphasis on the family ties. Furthermore, in the growing Asian market, full-year operation of the Chijmes Hall, a cultural heritage site in Singapore, led to an increase in both the number of weddings and wedding unit price.

Regarding hotel and domestic weddings, we made efforts to increase orders by operating the Mielparque-Sendai throughout the past year—which had to be closed after the Great East Japan Earthquake—as well as through sales of the 85th anniversary plan at Meguro Gajoen.

As a result of the above, consolidated results were as follows; Net sales increased by 2.2% year on year to ¥37,612 million, operating income increased by 19.8% to ¥1,117 million, ordinary income grew by 18.4% to ¥1,263 million, and net income increased by 174.8% to ¥591 million.

Segment performance after elimination of intersegment transactions is as follows.

1) Resort weddings

While the number of weddings by Non-Japanese Asian couples rose, resort weddings by Japanese couples saw a slight drop, and net sales decreased by 0.6% year on year to ¥15,509 million. However, operating income increased by 41.7% year on year to ¥1,097 million due to a reduction in fixed costs.

2) Hotels and domestic weddings

Having recovered from the impact of the Great East Japan Earthquake, net sales increased by 4.2% year on year to ¥22,103 million, but operating loss was ¥3 million (¥130 million of operating income in the same period of the previous year) due to an increase in fixed costs.

(2) Qualitative Information on Consolidated Financial Position

Assets, Liabilities, and Net Assets

Current assets of the Group at the end of the quarter under review stood at ¥10,979 million, ¥770 million more than at the end of the previous fiscal year. This is mainly due to an increase in other current assets including deferred tax assets. Noncurrent assets amounted to ¥14,955 million, ¥410 million less than at the end of the previous fiscal year, largely because of decreases in property, plant and equipment as well as intangible assets. As a result, total assets were up ¥360 million from the end of the previous fiscal year, to ¥25,935 million.

Current liabilities at the end of the quarter under review stood at ¥8,532 million, ¥296 million more than at the end of the previous fiscal year. This is primarily due to an increase in other current liabilities including accounts payable—other. Noncurrent liabilities were ¥2,367 million, ¥341 million less than at the end of the previous fiscal year. As a result, total liabilities shrank ¥44 million from the end of the previous fiscal year, to ¥10,899 million.

The balance of net assets settled at ¥15,035 million, up ¥404 million from the end of the previous fiscal year. This was attributed to net income of ¥591 million, a ¥294 million increase in retained earnings resulting from payment of cash dividends amounting to ¥297 million, and a ¥90 million increase in foreign currency translation adjustment.

(3) Qualitative Information on Consolidated Results Forecast

At the current time, we are not making changes to the consolidated results forecast that was announced on May 7, 2012.

2. Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Nine Months Ended December 31, 2012

Not applicable

(2) Application of Special Accounting Treatment Peculiar to Quarterly Consolidated Financial Statement Preparation

We calculate tax expenses by making a reasonable estimate of the effective tax rate after the application of tax-effect accounting to income before income taxes for the fiscal year that includes this third quarter ended December 31, 2012, and then multiplying net income before taxes by the estimated effective tax rate.

(3) Changes in Accounting Policies or Estimates and Retrospective Restatements

(Change in Depreciation Method)

Following the revision of the Corporation Tax Act, the Company and its consolidated subsidiaries in Japan changed their depreciation method to one based on the revised Corporation Tax Act for property, plant, and equipment acquired on and after April 1, 2012, starting from the first quarter of the fiscal year ending March 31, 2013.

The impact of the above change on operating income, ordinary income, and income before income taxes in the quarter under review is minimal.

3. Additional Information

Watabe Enterprise Corporation, a consolidated subsidiary of the Company, is scheduled to terminate its lease contract as of March 2013. The Company has recorded losses of ¥844 million expected from the termination of the contract as a business restructuring loss under extraordinary loss in the quarter under review.

Related deferred tax assets of ¥733 million have been recorded; therefore, the impact on net income will amount to a loss of ¥111 million.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	FY2011 (As of March 31, 2012)	3 rd Quarter of FY2012 (As of December 31, 2012)
ASSETS		
Current assets		
Cash and deposits	6,336	6,500
Accounts receivable-trade	1,812	1,552
Merchandise and finished goods	168	221
Work in process	33	20
Raw materials and supplies	545	545
Other	1,345	2,168
Allowance for doubtful accounts	(32)	(29)
Total current assets	10,208	10,979
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	5,732	5,268
Land	2,603	2,604
Other, net	1,755	1,628
Total property, plant and equipment	10,090	9,502
Intangible assets	901	799
Investments and other assets		
Guarantee deposits	3,278	3,270
Other	1,134	1,421
Allowance for doubtful accounts	(39)	(38)
Total investments and other assets	4,374	4,653
Total Noncurrent assets	15,366	14,955
Total assets	25,575	25,935

(Millions of yen)

	FY2011 (As of March 31, 2012)	3 rd Quarter of FY2012 (As of December 31, 2012)
LIABILITIES		
Current liabilities		
Accounts payable-trade	2,044	1,911
Short-term loans payable	900	1,200
Income taxes payable	307	90
Advances received	2,172	1,855
Provision for bonuses	456	258
Other	2,354	3,215
Total current liabilities	8,235	8,532
Noncurrent liabilities		
Long-term loans payable	1,200	700
Provision for retirement benefits	416	559
Asset retirement obligations	567	587
Other	524	520
Total noncurrent liabilities	2,708	2,367
Total liabilities	10,944	10,899
NET ASSETS		
Shareholders' equity		
Capital stock	4,176	4,176
Capital surplus	4,038	4,038
Retained earnings	7,884	8,178
Treasury stock	(0)	(0)
Total shareholders' equity	16,098	16,392
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	22	20
Deferred gains or losses on hedges	22	19
Revaluation reserve for land	(903)	(903)
Foreign currency translation adjustment	(652)	(562)
Total valuation and translation adjustments	(1,510)	(1,424)
Minority interests	43	67
Total net assets	14,630	15,035
Total liabilities and net assets	25,575	25,935

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income for the Nine Months Ended December 31, 2012)

(Millions of yen)

	Nine Months of FY2011 (From April 1, 2011 to December 31, 2011)	Nine Months of FY2012 (From April 1, 2012 to December 31, 2012)
Net sales	36,809	37,612
Cost of sales	12,231	12,340
Gross profit	24,577	25,272
Selling, general and administrative expenses	23,644	24,155
Operating income	932	1,117
Non-operating income		
Rent income	43	43
Compensation income	49	38
Other	114	126
Total non-operating income	206	208
Non-operating expenses		
Interest expenses	19	13
Commission fee	23	23
Other	29	25
Total non-operating expenses	73	62
Ordinary income	1,066	1,263
Extraordinary income		
Gain on sales of investment securities	70	—
Other	15	—
Total extraordinary income	85	—
Extraordinary loss		
Loss on disaster	143	—
Loss on abolishment of tax-qualified pension plan	142	—
Restructuring loss	128	844
Other	52	64
Total extraordinary losses	466	908
Income before income taxes	684	354
Income taxes	453	(228)
Income before minority interests	231	583
Minority interests in income (loss)	15	(8)
Net income	215	591

(Consolidated Statements of Comprehensive Income for the Nine Months Ended December 31, 2012)

(Millions of yen)

	Nine Months of FY2011 (From April 1, 2011 to December 31, 2011)	Nine Months of FY2012 (From April 1, 2012 to December 31, 2012)
Income before minority interests	231	583
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	(1)
Deferred gains or losses on hedges	(26)	(2)
Revaluation reserve for land	3	—
Foreign currency translation adjustment	(163)	90
Share of other comprehensive income of associates accounted for using equity method	(2)	1
Total other comprehensive income	(190)	88
Comprehensive income	40	671
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	25	678
Comprehensive income attributable to minority interests	14	(6)

(3) Notes on the Going Concern Assumption
Not applicable

(4) Notes in the Case of a Dramatic Fluctuation in the Amount of Shareholders' Equity
Not applicable

(5) Segment Information

I. Nine Months Ended December 31, 2011 (April 1, 2011 to December 31, 2011)

1. Information about Net Sales and Amount of Income or Loss in Each Reporting Segment

(Millions of yen)

	Reporting segments		Total	Adjustments (Note 1)	Amount recorded in the Quarterly Consolidated Statements of Income (Note 2)
	Resort weddings	Hotels and domestic weddings			
Net sales					
Sales to customers	15,606	21,203	36,809	—	36,809
Intersegment sales and transfers	4,766	145	4,911	(4,911)	—
Total	20,372	21,348	41,721	(4,911)	36,809
Segment income	774	130	904	28	932

Notes: 1. Adjustments of segment income totaling ¥28 million include elimination of intersegment transactions amounting to ¥9 million, and adjustments of inventories and others amounting to ¥18 million.

2. Segment income is adjusted with the operating income in the Consolidated Statements of Income.

2. Information about Impairment Loss for Noncurrent Assets or Goodwill, etc. in Each Reporting Segment
Not applicable

II. Nine Months Ended December 31, 2012 (April 1, 2012 to December 31, 2012)

1. Information about Net Sales and Amount of Income or Loss in Each Reporting Segment

(Millions of yen)

	Reporting segments		Total	Adjustments (Note 1)	Amount recorded in the Quarterly Consolidated Statements of Income (Note 2)
	Resort weddings	Hotels and domestic weddings			
Net sales					
Sales to customers	15,509	22,103	37,612	—	37,612
Intersegment sales and transfers	4,731	138	4,870	(4,870)	—
Total	20,241	22,241	42,482	(4,870)	37,612
Segment income (loss)	1,097	(3)	1,094	23	1,117

Notes: 1. Adjustments of segment income (loss) totaling ¥23 million include elimination of intersegment transactions amounting to ¥20 million, and adjustments of inventories and others amounting to ¥2 million.

2. Segment income (loss) is adjusted with the operating income in the Consolidated Statements of Income.

2. Information about the Impairment Loss for Noncurrent Assets or Goodwill, etc. in Each Reporting Segment
Not applicable