

Watabe Wedding Corporation

Briefing Materials on Consolidated Results for FY2012

I. Overview of Consolidated Results for FY2012

I-1. Overview of Consolidated Results

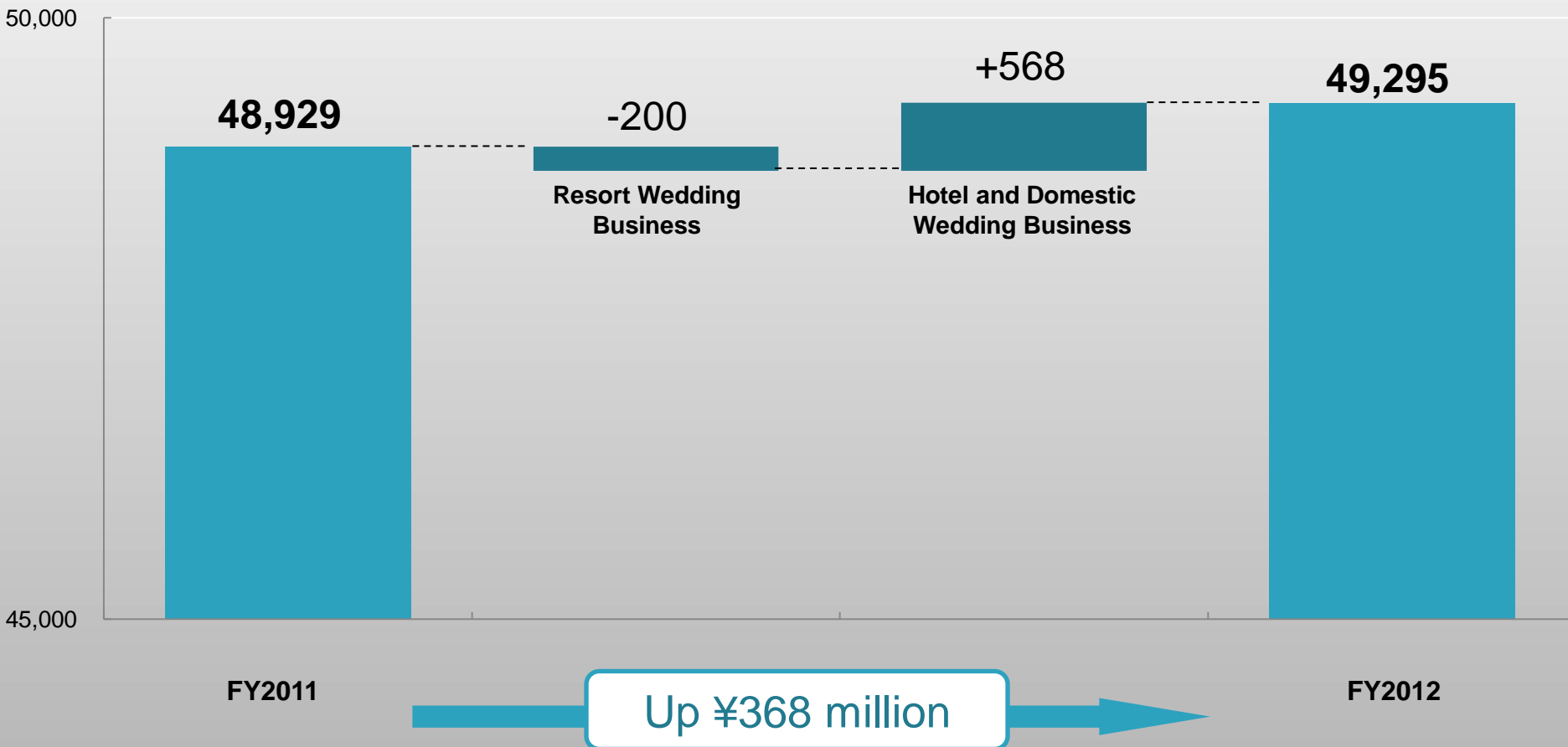


(Millions of yen)

Item	FY2012 Actual	FY2011 Actual	Change Year on year	FY2012 Target
Net sales	49,295	48,929	0.7%	50,600
Gross profit	33,203	32,820	1.2%	33,830
Gross profit ratio	67.4%	67.1%	Up 0.3 pp	66.9%
Selling, general and administrative expenses	31,959	31,579	1.2%	32,330
SG&A ratio	64.8%	64.5%	Up 0.3 pp	63.9%
Operating income	1,244	1,241	0.3%	1,500
Operating income ratio	2.5%	2.5%	—	3.0%
Ordinary income	1,351	1,423	-5.1%	1,550
Ordinary income ratio	2.7%	2.9%	Down 0.2 pp	3.0%
Net income	560	423	32.3%	700

I-2. Net Sales Factor Analysis (year on year)

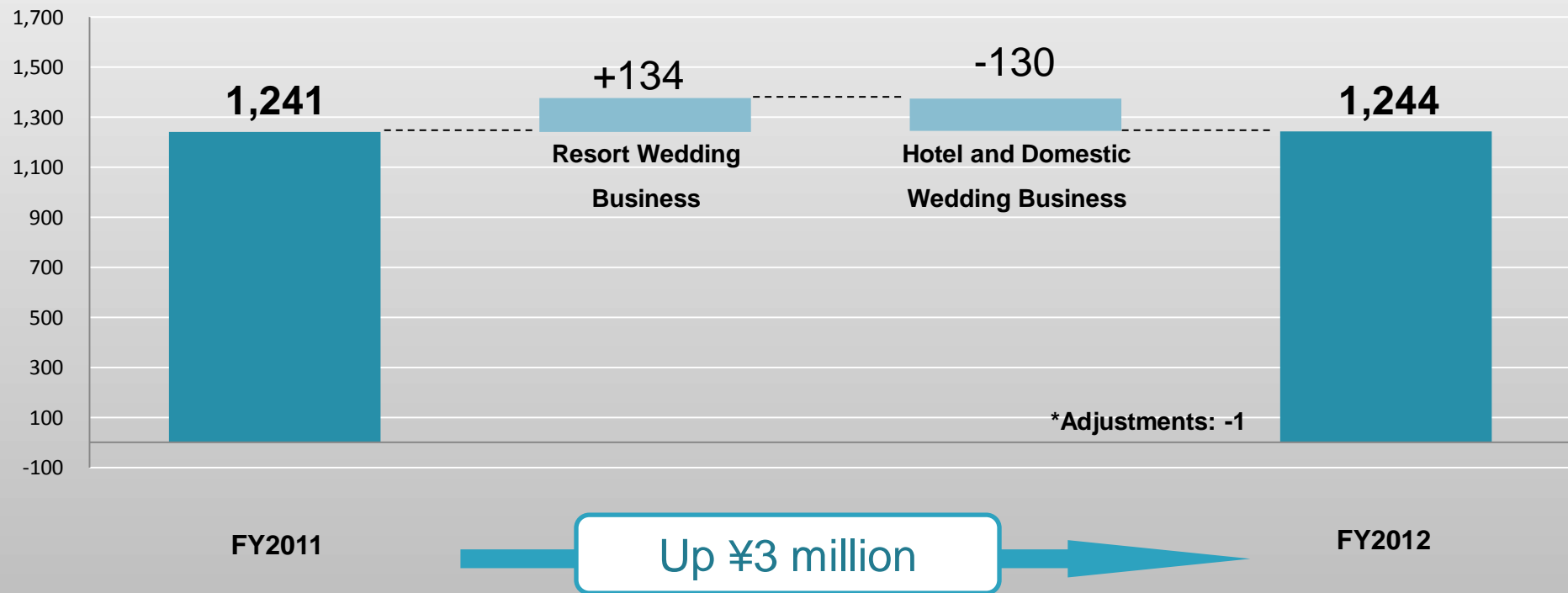
(Millions of yen)



I-3. Operating Income Factor Analysis (year on year)



(Millions of yen)



II. Overview of FY2012 by Business Segment

II-1. Overview by Business Segment



(Millions of yen)

Item	Consolidated							
			Resort weddings		Hotels and domestic weddings		Adjustments	
	FY2012	FY2011	FY2012	FY2011	FY2012	FY2011	FY2012	FY2011
Net sales (Sales to customers)	49,295	48,929	20,138	20,338	29,157	28,590	0	0
Operating income	1,244	1,241	1,109	975	96	227	37	38

II-2. Overview by Business Segment Resort Wedding Business



		FY2012	FY2011	Change
Net sales (Millions of yen) (Sales to customers)		20,138	20,338	-1.0%
Profit by business segment (Millions of yen)		1,109	975	13.8%
Profit ratio (%)		5.5%	4.8%	Up 0.7 pp
Number of weddings (Resort wedding business)		19,510	19,932	-2.1%
Resort wedding business for Japanese couples (Number of weddings)		17,281	18,052	-4.3%
Overseas resort weddings	Number of weddings	14,051	14,437	-2.7%
	Average amount spent per wedding (Thousands of yen)	586	568	+3.2%
Domestic resort weddings	Number of weddings	3,230	3,615	-10.7%
	Average amount spent per wedding (Thousands of yen)	622	644	-3.4%
Other*	Number of weddings	748	604	23.8%
Wedding business in Asia (Number of weddings)		1,481	1,276	16.1%
Resort weddings in Asia (Number of weddings)		941	797	18.1%
	Resort weddings in Asia (Overseas) (Number of weddings)	610	535	14.0%
	Resort weddings in Asia (Domestic) (Number of weddings)	331	262	26.3%
Local weddings in Asia (Number of weddings)		540	479	12.7%

*Felice Garden Hibiya, Hilton Odawara Resort & Spa, etc.

II-3. Overview by Business Segment

Hotel and Domestic Wedding Business



		FY2012	FY2011	Change
Net sales (Millions of yen) (Sales to customers)		29,157	28,590	2.0%
Profit by business segment (Millions of yen)		96	227	-57.7%
Profit ratio (%)		0.3%	0.8%	Down 0.5 pp
Total domestic wedding services (Number of weddings)		6,485	6,490	-0.1%
Mielparque	Number of weddings	4,128	4,050	1.9%
	Average amount spent per wedding (Thousands of yen)	2,050	2,188	-6.3%
Meguro Gajoen	Number of weddings	1,494	1,544	-3.2%
	Average amount spent per wedding (Thousands of yen)	3,195	3,115	2.6%
Other	Number of weddings	863	896	-3.7%

III. Cash Flows and Capital Investment and Balance Sheets

III-1. Cash Flows and Capital Investment

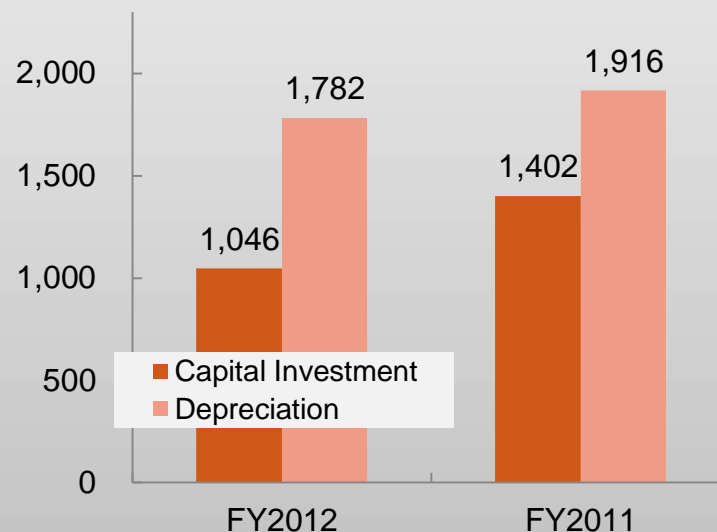
Cash Flows

(Millions of yen)

	FY2012	FY2011	Change
Net cash provided by operating activities	1,473	2,974	- 1,500
Net cash used in investing activities	-959	-1,033	+74
Net cash used in financing activities	-825	-588	-236
Effect of exchange rate change on cash and cash equivalents	382	-44	+426
Net increase in cash and cash equivalents	70	1,307	-1,236
Cash and cash equivalents at end of period	6,403	6,332	+70

Capital Investment and Depreciation

(Millions of yen)



<Major capital investments>

- Mainly upgrades to wedding facilities in Hawaii and Guam

III-2. Balance Sheets (Consolidated)



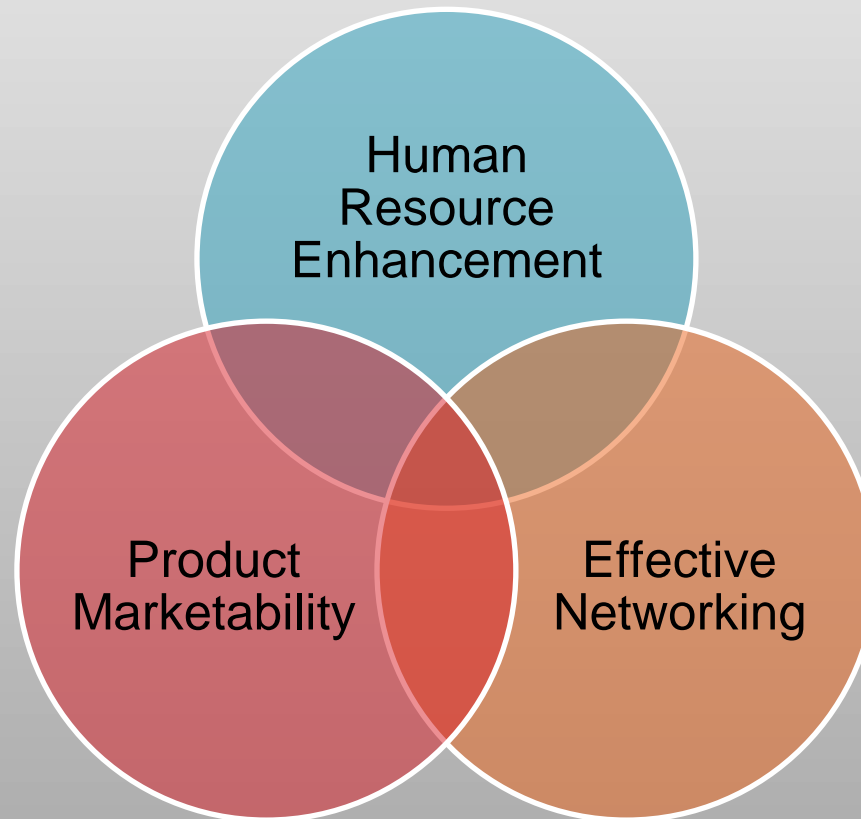
(Millions of yen)

	As of Mar. 31, 2013	As of Mar. 31, 2012	Change		As of Mar. 31, 2013	As of Mar. 31, 2012	Change
Total current assets	11,164	10,208	+955	Total liabilities	11,004	10,944	59
Cash and deposits	6,407	6,336	+71	Current liabilities	8,625	8,235	389
Accounts receivable-trade	1,941	1,812	+128	Accounts payable-trade	2,009	2,044	-34
Other	2,816	2,060	+756	Short-term loans payable	900	900	-
Total noncurrent assets	15,183	15,366	-182	Income taxes payable	202	307	-104
Property, plant and equipment	9,348	10,090	-741	Advances received	2,012	2,172	-160
Buildings and structures	5,178	5,732	-554	Other	3,500	2,811	+688
Other	4,170	4,358	-187	Noncurrent liabilities	2,378	2,708	-329
Intangible assets	781	901	-120	Long-term loans payable	700	1,200	-500
Investments and other assets	5,053	4,374	+679	Asset retirement obligations	573	567	+5
Guarantee deposits	3,275	3,278	-3	Other	1,105	940	+164
Other	1,778	1,095	+682	Net assets	15,344	14,630	+713
Total assets	26,348	25,575	+773	I. Shareholders' equity	16,361	16,098	+263
				Capital stock	4,176	4,176	-
				Capital surplus	4,038	4,038	-
				Retained earnings	8,147	7,884	+263
				II. Valuation and translation adjustments	- 1,092	-1,510	+417
					75	43	+32
				III. Minority interests			
				Total liabilities and net assets	26,348	25,575	+773
				Equity ratio	58.0%	57.0%	Up 1.0 pp

IV. Basic Policy for FY2013

Basic Policy

Building foundation for stable and ongoing profits



IV-2. Plan for FY2013

(Millions of yen)

Item	FY2013 Target	FY2012	Change
Net sales	51,000	49,295	+3.5%
Operating income	1,000	1,244	-19.6%
Operating income ratio	2.0%	2.5%	Down 0.5 pp
Ordinary income	1,000	1,351	-26.0%
Ordinary income ratio	2.0%	2.7%	Down 0.7 pp
Net income	400	560	-28.6%

Business Policies

Business Policy 1

Resort Wedding Business:

Offering a new style of resort wedding, *Rizokon*, and strengthening sales network

Business Policy 2

Hotel and Domestic Wedding Business:

Improving product marketability to attract prospective customers

Business Policy 3

Strategic Expansion in Asia:

Developing business schemes and boosting profitability

Business Policies

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IV-3. Business Policy 1 Resort Wedding Business



Business Policy

Offering a new style of resort wedding, *Rizokon*, and strengthening sales network

Although net sales are expected to increase, reflecting newly enhanced wedding styles and new chapel availability, profits are likely to decrease due to the sharp depreciation of the yen.

	FY2013	FY2012	Change
Net sales (Millions of yen) (Sales to customers)	22,000	20,138	9.2%
Profit by business segment (Millions of yen)	400	1,109	-63.9%
Profit ratio (%)	1.8%	5.5%	Down 3.7 pp
Resort Wedding Business for Japanese couples (Number of weddings)	18,900	17,281	9.4%

Business Policy

Offering a new style of resort wedding, *Rizokon*, and strengthening sales network

1. Offering a new style of resort wedding, *Rizokon*

■ Promoting *Rizokon Heart*



リゾートで家族と。国内でみんなと。

リゾ婚 

IV-3. Business Policy 1 Resort Wedding Business

Business Policy

Offering a new style of resort wedding, *Rizokon*, and strengthening sales network

1. Offering a new style of resort wedding, *Rizokon*



Taking reservations from February 1, 2013 for Watabe Wedding Limited Plan at **Royal Hawaiian Hotel**, a luxury resort hotel in Hawaii



Business Policy

Offering a new style of resort wedding, *Rizokon*, and strengthening sales network

1. Offering a new style of resort wedding, *Rizokon*

■ Enhance product appeal of resort weddings

■ Introducing products in collaboration with well-known companies

WATABE WEDDING produced by BEAMS



MERCURYDUO
WATABE WEDDING SELECTION



IV-3. Business Policy 1 Resort Wedding Business

Business Policy

Offering a new style of resort wedding, *Rizokon*, and strengthening sales network

2. Strengthening sales network

■ New chapel to opened

New chapel on the island of Bali to open in autumn 2013



Business Policies

Business Policy 1

Resort Wedding Business:
Offering a new style of resort wedding, *Rizokon*,
and strengthening sales network

Business Policy 2

Hotel and Domestic Wedding Business:
Improving product marketability to attract
prospective customers

Business Policy 3

Strategic Expansion in Asia:
Developing business schemes and boosting
profitability

IV-3. Business Policy 2

Hotel and Domestic Wedding Business



Business Policy

Improving product marketability to attract prospective customers

Higher profits are expected upon review of revenue structure of unprofitable businesses.

		FY2013	FY2012	Change
Net sales (Millions of yen) (Sales to customers)		29,000	29,157	-0.5%
Profit by business segment (Millions of yen)		600	96	525.0%
Profit ratio (%)		2.1%	0.3%	Up 1.8 pp
Total domestic wedding services (Number of weddings)		6,150	6,485	-5.2%
	Mielparque (Number of weddings)	4,050	4,128	-1.9%
	Meguro Gajoen (Number of weddings)	1,500	1,494	0.4%
	Other (Number of weddings)	600	863	-30.5%

IV-3. Business Policy 2

Hotel and Domestic Wedding Business

Business Policy

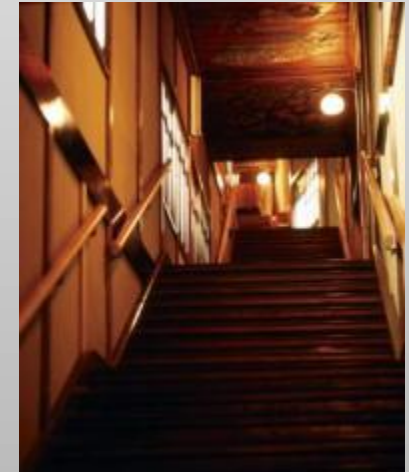
Improving product marketability to attract prospective customers

Meguro Gajoen

- Debut of new bridal plan marking 85th anniversary of Meguro Gajoen



Fully independent chapel
opened in May 2011:
Villa di Grazia



Designated tangible
cultural property of Tokyo:
Hyakudan Kaidan
(100-Step Staircase)

IV-3. Business Policy 2

Hotel and Domestic Wedding Business

Business Policy

Improving product marketability to attract prospective customers

Mielparque



Business Policies

Business Policy 1

Resort Wedding Business:

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Strategic Expansion in Asia:

Developing business schemes and boosting profitability

Business Policy

Developing business schemes and boosting profitability

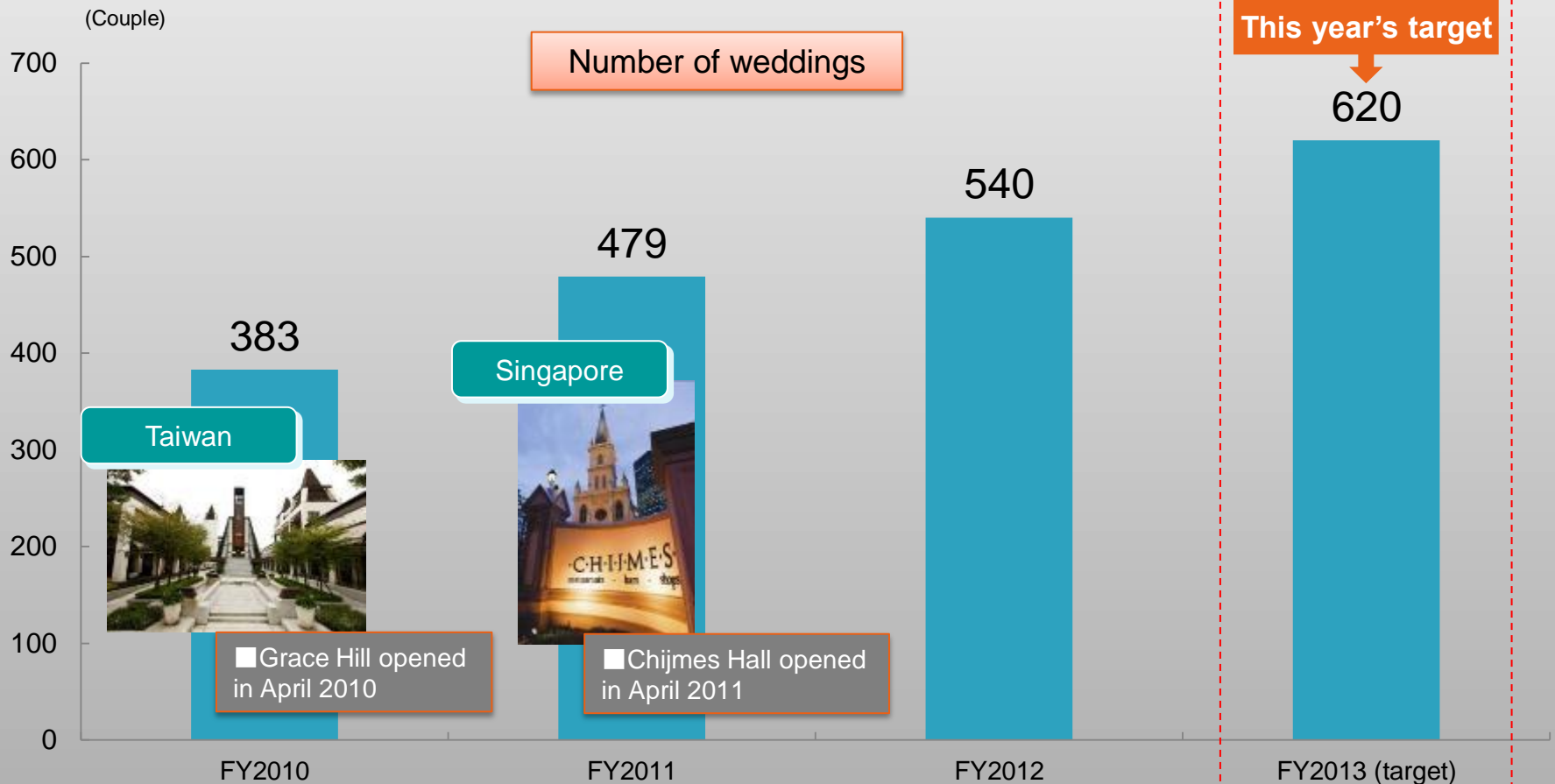
Improve profitability in existing businesses and expand operations in Asia, leading to further growth

		FY2013	FY2012	
Wedding business in Asia (Number of weddings)		1,560	1,481	5.3%
Resort weddings in Asia (Number of weddings)		940	941	-0.1%
Local weddings in Asia (Number of weddings)		620	540	14.8%

Business Policy

Developing business schemes and boosting profitability

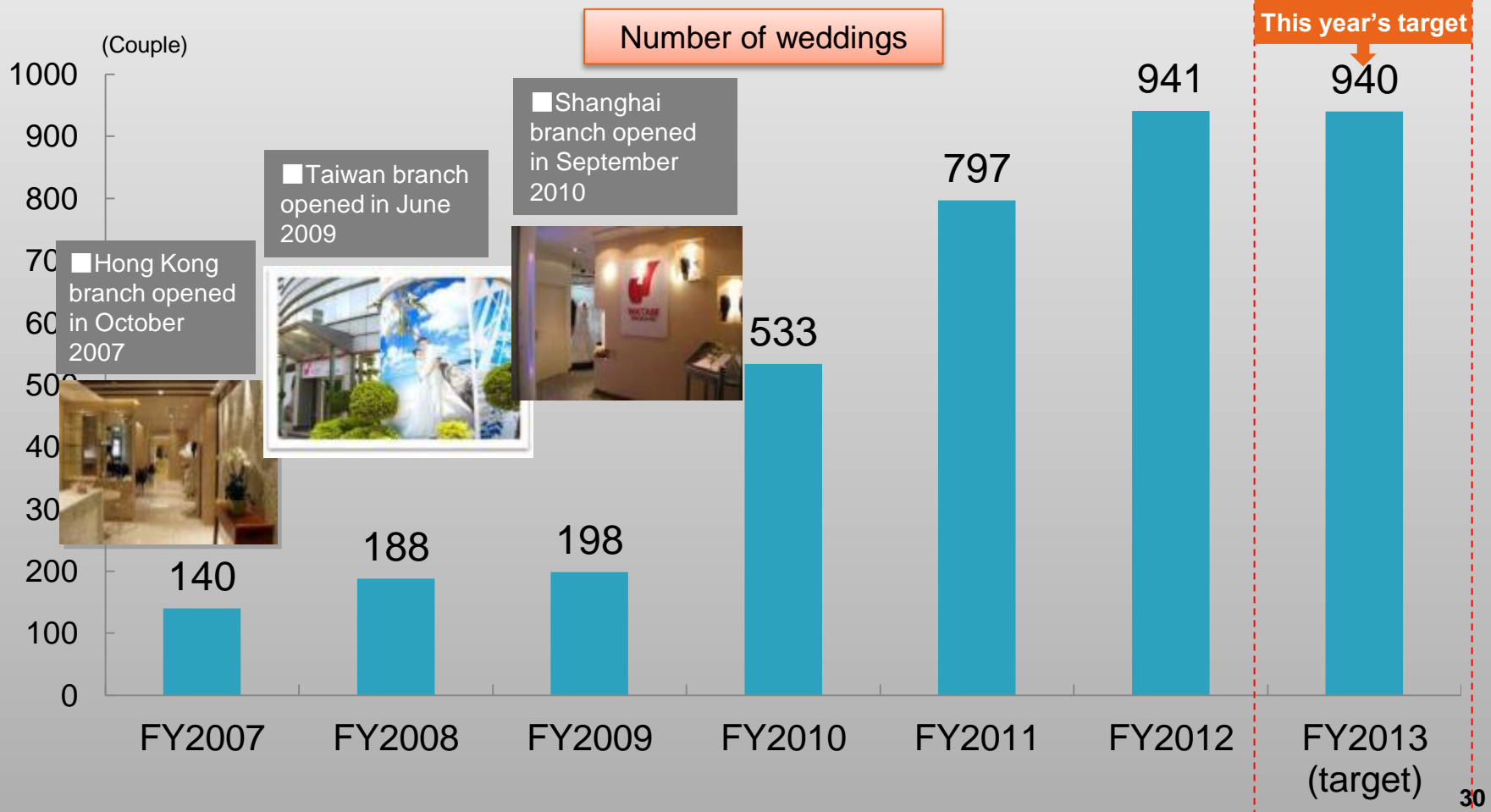
Local weddings in Asia



Business Policy

Developing business schemes and boosting profitability

Resort weddings in Asia



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