



その日は、消えない。

WATABE WEDDING

Briefing Materials on Consolidated Results for
the First Half of Fiscal Year 2013

I. Overview of Consolidated Results for the First Half of FY2013

Overview of Consolidated Results

(Millions of yen)

Item	1Q-2Q FY2013 (Actual)	1Q-2Q FY2012 (Actual)	Year on Year Change
Net sales	22,575	23,276	Down 3.0%
Gross profit	14,683	15,664	Down 6.3%
Gross profit ratio	65.0%	67.3%	Down 2.3pp
Selling, general and administrative expenses	16,146	15,978	Up 1.0%
SG&A ratio	71.5%	68.6%	Up 2.9pp
Operating income	-1,463	-314	—
Operating income ratio	-6.5%	-1.3%	Down 5.2pp
Ordinary income	-1,548	-225	—
Ordinary income ratio	-6.9%	-1%	Down 5.9pp
Net income	-1,168	-184	—

Net Sales Factor Analysis (Year on Year)

(Millions of yen)



Operating Income Factor Analysis (Year on Year)

(Millions of yen)



Overview by Business Segment

(Millions of yen)

Item	Consolidated							
			Resort weddings		Hotels and domestic weddings		Adjustments	
	1Q-2Q FY2013	1Q-2Q FY2012	1Q-2Q FY2013	1Q-2Q FY2012	1Q-2Q FY2013	1Q-2Q FY2012	1Q-2Q FY2013	1Q-2Q FY2012
Net sales (Sales to customers)	22,575	23,276	9,142	9,663	13,433	13,612	—	—
Operating income	-1,463	-314	-1,130	332	-326	-651	-5	4
Operating income ratio	-6%	-1%	-12%	3%	-2%	-5%	—	—

Number of Weddings by Business Segment and Area

Number of wedding contracts		1Q-2Q FY2013	1Q-2Q FY2012	Year on Year
Resort weddings	Hawaii	3,742	4,015	93%
	Other	4,092	4,469	92%
	Total	7,834	8,484	92%
Hotels and domestic weddings	Meguro Gajoen	936	982	95%
	Mielparque	2,027	1,921	106%
	Other	62	122	51%
	Total	2,963	2,903	102%

Cost of a Wedding by Business Segment and Area

Average amount spent per wedding		1Q-2Q FY2013	1Q-2Q FY2012	Year on Year
Resort weddings	Hawaii	646	609	106%
	Other	483	493	98%
	Total	576	559	103%
Hotels and domestic weddings	Meguro Gajoen	3,120	3,006	104%
	Mielparque	1,912	2,082	92%
	Other	2,625	2,604	101%
	Total	2,301	2,407	96%

Cash Flows and Capital Investment

(Millions of yen)

	1Q-2Q FY2012	1Q-2Q FY2013	Change
Net cash provided by (used in) operating activities	19	-1,625	-1,644
Net cash provided by (used in) investing activities	-417	-470	-53
Net cash provided by (used in) financing activities	-393	770	-1,163
Effect of exchange rate change on cash and cash equivalents	-24	215	-239
Net increase (decrease) in cash and cash equivalents	-816	-1,109	-293
Cash and cash equivalents at end of period	5,516	5,294	-222

Major capital investments

(Millions of yen)

	Investment amount
Shinjuku salon renewal	90
Fukuoka salon renewal	30
IT system construction	260

Balance Sheets (Consolidated)

(Millions of yen)	As of Mar. 31, 2013	As of Sep. 30, 2013	As of Mar. 31, 2013	As of Sep. 30, 2013
ASSETS			LIABILITIES	
Current assets			Current liabilities	
Cash and deposits	6,407	5,298	Accounts payable-trade	2,009 1,709
Accounts receivable-trade	1,941	1,799	Short-term loans payable	900 1,350
Other	2,814	3,601	Advances received	2,012 2,546
Total current assets	11,164	10,699	Other	3,701 2,427
Noncurrent assets			Total Current liabilities	8,625 8,033
Property, plant and equipment			Noncurrent liabilities	
Buildings and structures, net	5,178	5,140	Long-term loans payable	700 1,200
Other	4,170	4,072	Asset retirement obligations	573 605
Total property, plant and equipment	9,348	9,213	Other	1,104 1,173
Intangible assets	781	831	Total noncurrent liabilities	2,377 2,978
Investments and other assets			Total liabilities	11,004 11,011
Guarantee deposits	3,275	2,977	NET ASSETS	
Other	1,778	1,716	Shareholders' equity	
Total investments and other assets	5,053	4,693	Capital stock	4,176 4,176
Total noncurrent assets	15,183	14,738	Capital surplus	4,038 4,038
Total assets	26,348	25,437	Retained earnings	8,147 6,830
			Treasury stock	(0) (0)
			Total shareholders' equity	16,361 15,044
			Valuation and translation adjustments	(1,092) (691)
			Minority interests	75 73
			Total net assets	15,344 14,426
			Total liabilities and net assets	26,348 25,437

Full-Year Results Forecast

(Millions of yen)	FY2013 Full year (Forecast)	FY2012 Full year (Actual)	Change
Net sales	47,600	49,295	-1,695
Operating income	(1,300)	1,244	-2,544
Ordinary income	(1,500)	1,351	-2,851
Net income	(1,900)	560	-2,460

Net sales results forecast

[Key factors]

- Lower share due to increasing prominence of rival companies
- Drop in sales of wedding-related garment

Operating income results forecast

[Key factors]

- Impact from sudden fluctuations in foreign exchange
- Investment specifically in advertising aimed at boosting brand power in conjunction with the 60th anniversary
- One-time loss resulting from restructuring of the wedding salon network

II. Business Strategy for FY2013

Business Strategy 1

Resort Wedding Business:

- Offering a new style of resort wedding, *Rizokon*, and enhancing promotional activities
- Strengthening sales network

Business Strategy 2

Hotel and Domestic Wedding Business:

- Improving product marketability to attract prospective customers

Business Strategy 3

Strategic Expansion in Asia:

- Developing business schemes and boosting profitability

Offering a new style of resort wedding, *Rizokon*, and enhancing promotional activities
Strengthening sales network

(Millions of yen)

Item	Resort weddings	
	FY2013 Full year (Forecast)	FY2012 Full year (Actual)
Net sales	19,100	20,138
Operating income	-1,800	1,109
Operating income ratio	-9%	6%

In this fiscal year, we are earnestly implementing measures to boost brand power and strengthen promotional activities, and we are seeing a higher ratio of resort weddings, according to the 2013 survey on wedding trends by the bridal magazine Zexy. Noteworthy developments, such as salon restructuring under our sales network expansion strategy and the opening of new chapels, have drawn attention and attracted more customers.

However, the majority of these sales opportunities will not have an impact on business results until next fiscal year or later, therefore, the number of wedding contracts for the current fiscal year will likely fall below that of the previous fiscal year.

Also, given the one-time loss resulting from restructuring of the wedding salon network and uncertainty over fluctuating exchange rates, the full-year results forecast announced earlier will be revised.

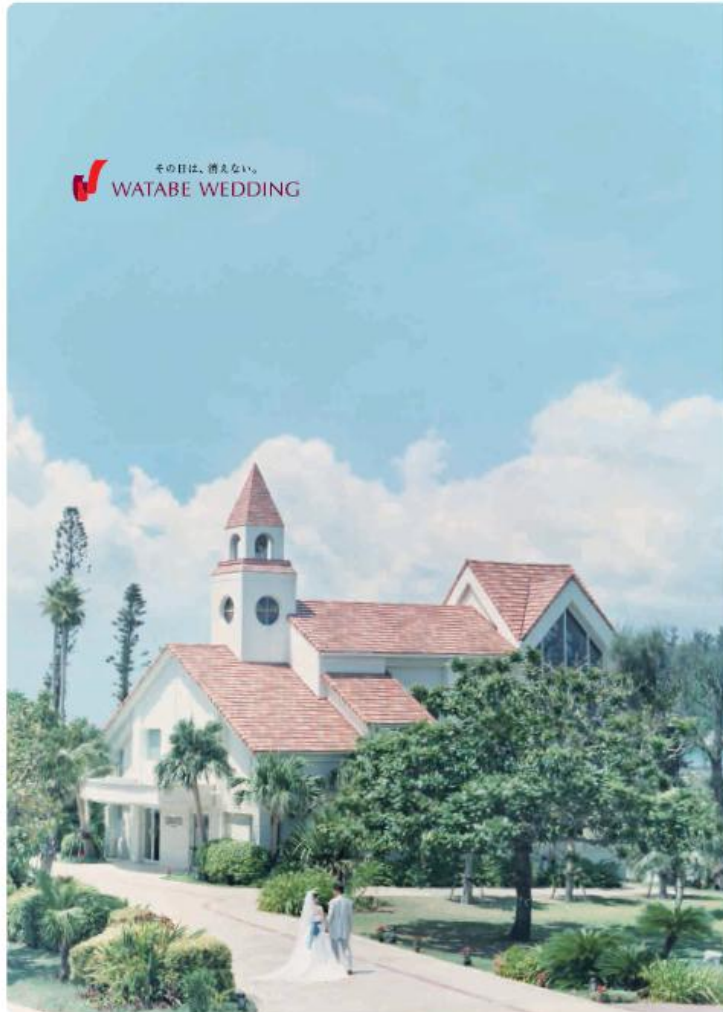
Rizokon Heart, adding new value to wedding ceremonies

式して、旅して、きちんとお披露目。

リゾート婚 
ハート



Churakon, adding new value to Okinawa resort weddings



ずっと、いっしょにいよう。そんな誓い
に一番ふさわしい場所ってどこだ
ろう？青い空、青い海、白い砂浜が
まぶしい沖縄はどうだろう。この島
には“長寿=長い寿”にまつわる
伝統や食、習慣があふれている。
そんな沖縄で、ふたりの“長寿”を
誓おう。参列してくれる両親や友達
の“長い寿”も願おう。そう、ふたりと
みんなの幸せが、ずっと続いていく
ことを願って。【美ら婚】 祝賀

0120-41-2141 www.watabe-wedding.co.jp



Weddings produced by Hinano Yoshikawa, a fashion model and Hawaii Tourism Authority's romance goodwill ambassador

HAWAII WEDDING

celebrated by
Hinano Yoshikawa

Plans built on inspiration from Hinano Yoshikawa for couples marrying at the Ko Olina and Honu Kai Lani chapels.

alohina, a dress designed by Hinano Yoshikawa, is now on sale



New chapels open in Bali and Okinawa

Bali: Ulu Shanti
(At the Royal Santrian Luxury Beach Villas)



Okinawa: Marine Bijou
(at Kise Beach, on the main island of Okinawa)



A new salon was opened and other salons were redesigned and reopened, under a strategy to enhance the sales network

Minami-aoyama Salon

Newly
OPEN

A new convenient location, one minute from Omotesando station



Shinjuku Salon

Renewal

A wedding plan and wedding wear salon combined for convenience



Fukuoka Salon

Renewal

Relocated to Tenjin station, an accessible commercial hub



Expanded weddings bookings through the 60th anniversary campaign

ワタベウェディング 60th Anniversary Campaign
創業60周年
ありがとうキャンペーン

ドレスにこだわり編

プラン内容

ここがポイント!!

- レンタルドレス上限なし (¥80,000~¥367,500)
- レンタルタキシード上限なし (¥58,000~¥113,400)
- 教会使用料
- 牧師(またはセレモニーマスター)への謝礼
- 音楽奏者への謝礼
- チャペルでの介添え(海外では通訳業務)
- 結婚証明書(法的な効力はありません)
- 生花ブーケ&ブートニア
- チャペルまでのカップル送迎車(海外チャペルのみ)

☆レンタルドレス
☆レンタルタキシード
\選び放題!

写真にこだわり編

プラン内容

いさらに!!

- アルバム「ノヴェル」(24ページ/40カット)
- 教会使用料
- 牧師(またはセレモニーマスター)への謝礼
- 音楽奏者への謝礼
- チャペルでの介添え(海外では通訳業務)
- 結婚証明書(法的な効力はありません)
- 生花ブーケ&ブートニア
- チャペルまでのカップル送迎車(海外チャペルのみ)

☆密着フォト追加
100カット
ドキュメント+ロケ撮影付

憧れの海見え人気チャペル編

プラン内容

- 教会使用料
- 音楽奏者への謝礼
- 結婚証明書(法的な効力はありません)
- 牧師(またはセレモニーマスター)への謝礼
- チャペルでの介添え(海外では通訳業務)
- 生花ブーケ&ブートニア
- チャペルまでのカップル送迎車(海外チャペルのみ)
- ローズマリー衣裳プラン
- ご新婦様ヘアセットメイク

Anniversary Campaign

ワタベウェディング
創業60周年
ありがとうキャンペーン

通常価格の
最大 **68%**
OFF

人気の海外・国内リゾートチャペルが通常価格の最大68%OFF!!

- Hawaii
- Guam
- Europe
- U.S.A.
- Australia
- Bali
- Tahiti
- Okinawa
- etc...

お申込み期間: 2013.10 ~ 2014.3/25

挙式期間: 2013.10 ~ 2014.3/31

その他多数の特別プランをご用意いたしました!

Participated in TOKYO GIRLS COLLECTION, the biggest fashion event ever

TOKYO GIRLS COLLECTION

by *girlswalker.com*

2013 AUTUMN / WINTER



その日は、消えない。

WATABE WEDDING

TOKYO GIRLS COLLECTION

Biggest fashion event in history showcases to the world what's trendy in fashion in Japan right now

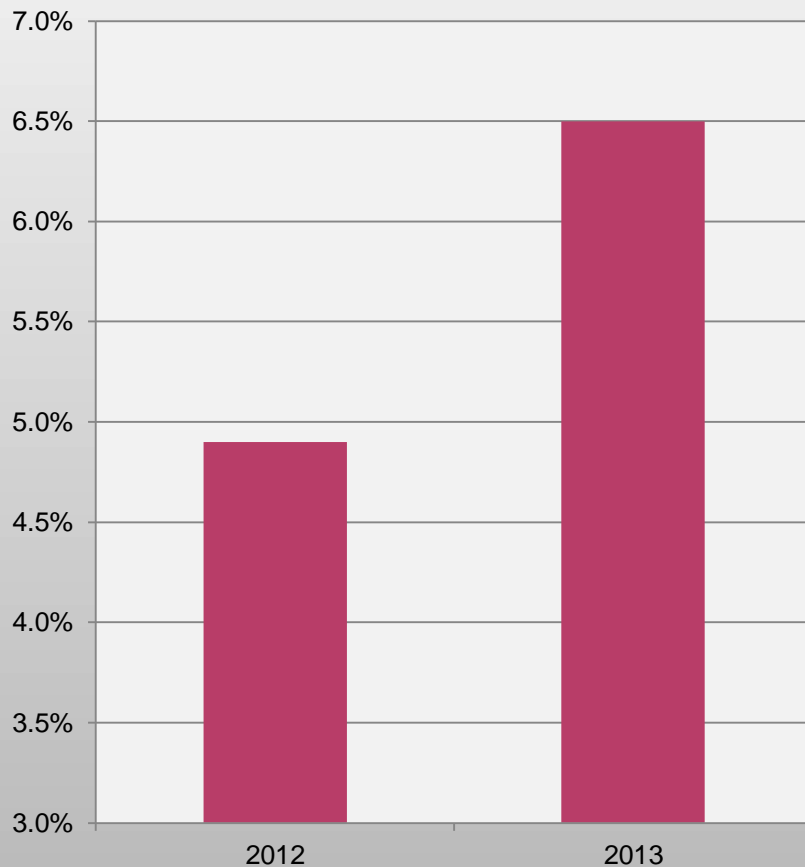
Seeking to boost the profile of resort weddings and foster greater interest in resort wedding plans, we unveiled *alohina*, a dress created by Hinano Yoshikawa, and promoted her original wedding plans.

An incredibly long line snaked its way to the Watabe Wedding booth, where visitors had their picture taken against a backdrop of the chapel setting created by Hinano Yoshikawa. The concept was a fabulous success.

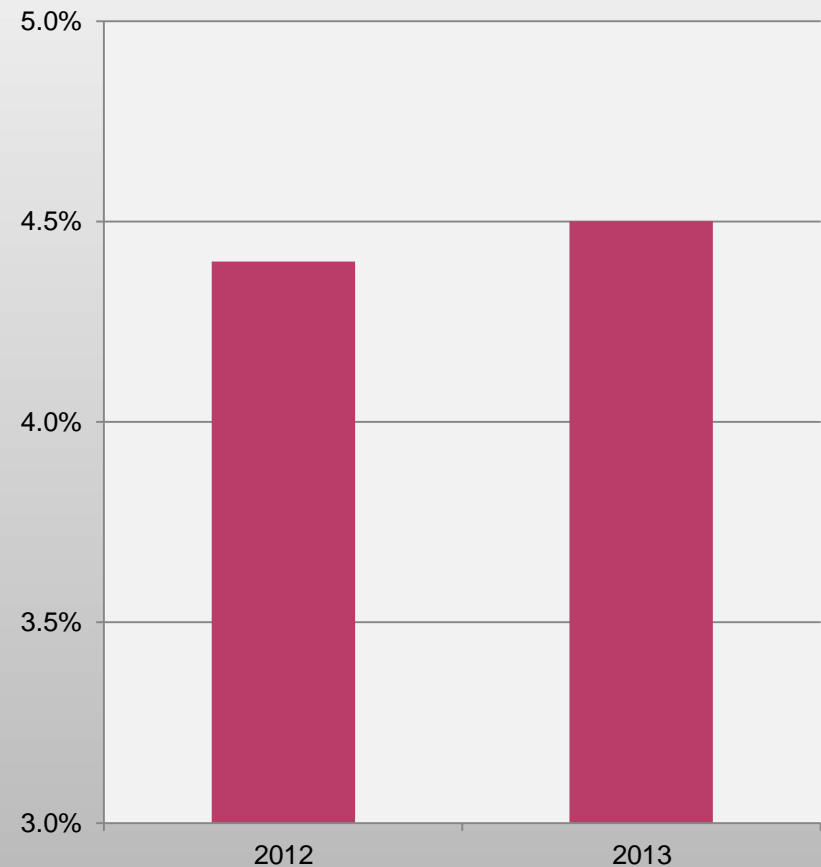


Overseas and Domestic Wedding Ratio

Overseas Resort Wedding Ratio



Domestic Resort Wedding Ratio



Source: Survey on trends by bridal magazine Zexy 2012/2013

Business Strategy 1

Resort Wedding Business:

- Offering a new style of resort wedding, *Rizokon*, and enhancing promotional activities
- Strengthening sales network

Business Strategy 2

Hotel and Domestic Wedding Business:

- Improving product marketability to attract prospective customers

Business Strategy 3

Strategic Expansion in Asia:

- Developing business schemes and boosting profitability

Business Strategy 2

Hotel and Domestic Wedding Business

Improving product marketability to attract prospective customers

(Millions of yen)

Item	Hotels and domestic weddings	
	FY2013 Full year (Forecast)	FY2012 Full year (Actual)
Net sales	28,500	29,157
Operating income	500	96
Operating income ratio	2%	0.3%

Operating income will improve year on year through the promotion of new measures.

Further efforts to strengthen product marketability will draw more prospective customers and support increased sales.

Meguro Gajoen: Venue for AmebaGG Party “Beauty Ranking”



Held an event attracting 400 popular female bloggers. Released a ranking of dresses recommended by wedding attire planners at Meguro Gajoen. When models appeared on the stage in gorgeous wedding dresses incorporating Japanese cloth into the designs, the hall became full of excitement of the female bloggers.





Meguro Gajoen: Campaigns and new products to celebrate the 85th anniversary of this time-honored venue for weddings and banquets



Wedding plan with special options during 85th anniversary

Sales of the 85th anniversary wedding plan of Meguro Gajoen
Launched a special basic package for the 85th anniversary as well as wedding campaigns with photograph and dress privileges
Drawing more customers and realizing higher sales, thanks to attractive product development and the effectiveness of the campaigns

Meeting diverse needs
Launched *Hanatsudoi* Stylish Package
Concept = MODERN JAPANESE
Various layouts created with packages of components, such as interior designing and equipment setups including a head table, that can be easily added or removed from the arrangement as required



Meguro Gajoen: Special Planned Event at Designated Tangible Cultural Asset of Tokyo “*Hyakudan Kaidan* (100-Step Staircase)”

利休にたずねよ × Meguro Gajoen *Hyakudan Kaidan*

Will hold a special planned event (November 26, 2013 - January 13, 2014) recreating the world view of the movie “*Rikyu ni Tazuneyo*” (English title: “Ask This of Rikyu”), which won the Best Artistic Contribution Award at the 37th Montreal World Film Festival.

This exhibition utilizes the rooms of *Hyakudan Kaidan*—a cultural asset—as a backdrop to showcase everything from the precious costumes worn by magnificent casts in the theater production to props, video pictures and panel-based reference materials and music.

The event enables visitors to connect with the world described in “Ask This of Rikyu.”



Mielparque: Now taking orders for new collection of Mielparque original wedding dresses



An essential component of a bride's happy wedding day is her dress, especially if it is made just for her.
Mielparque Premier Dress

A wedding day—when couples open a new door and embark on married life together. What kind of dress would be most cherished—just right for the life's most greatest moment?

That is the brand-new dress made just for the bride. The custom-order Mielparque Premier Dress is made all the more special for each bride with three unique services that create memories to last a lifetime along with the happiness of wearing a dress just for her.

These special services are only possible because each dress is tailored specifically for each bride. Brides need only a Mielparque Premier Dress for wedding day wishes to come true.

Business Strategy 1

Resort Wedding Business:

- Offering a new style of resort wedding, *Rizokon*, and enhancing promotional activities
- Strengthening sales network

Business Strategy 2

Hotel and Domestic Wedding Business:

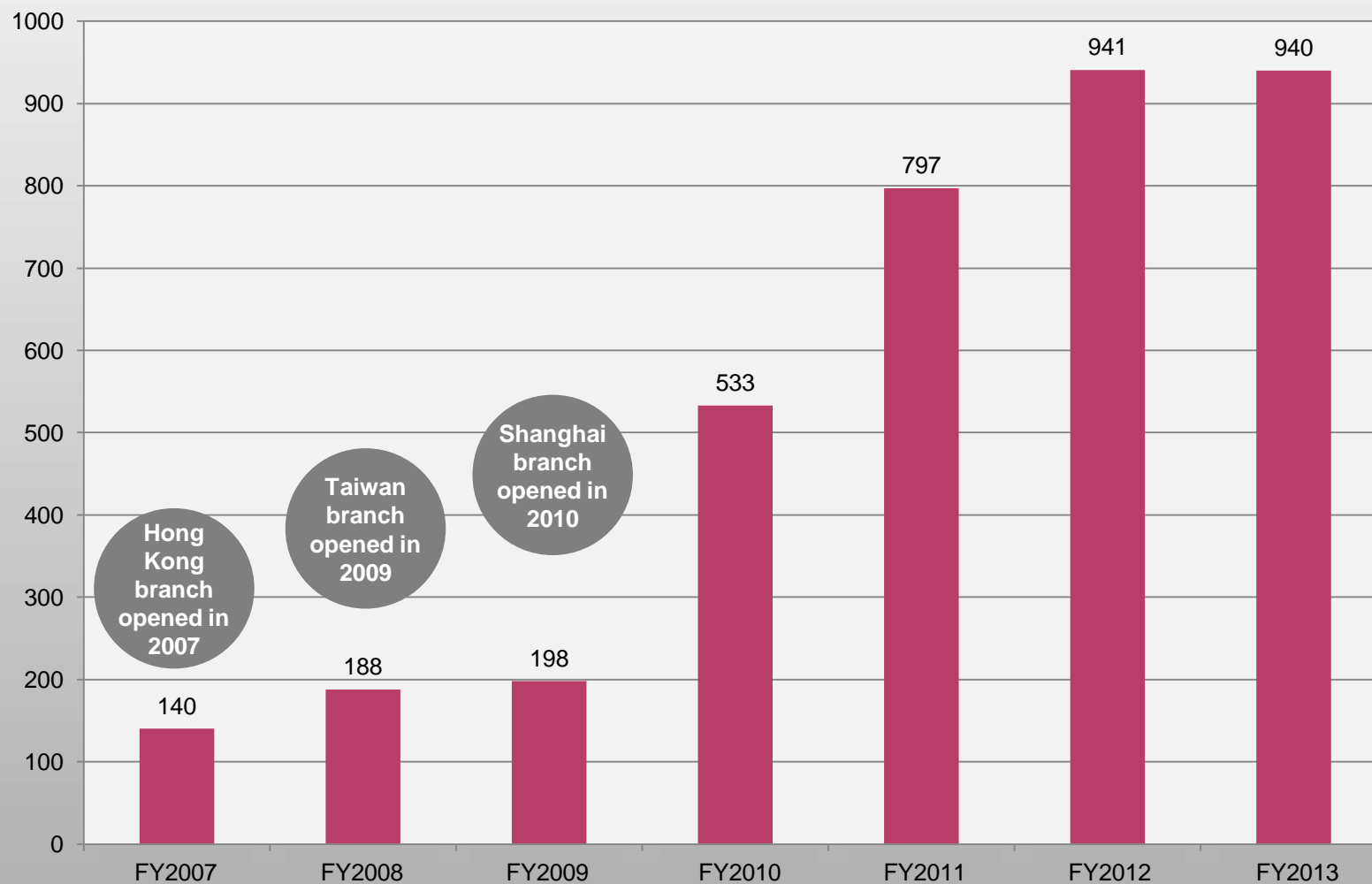
- Improving product marketability to attract prospective customers

Business Strategy 3

Strategic Expansion in Asia:

- Developing business schemes and boosting profitability

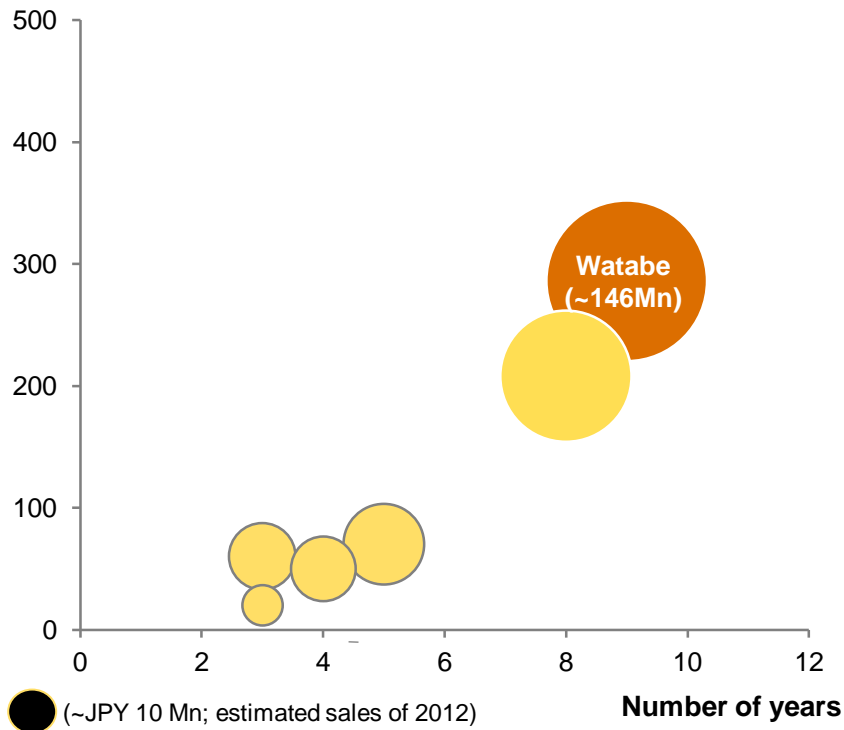
Resort wedding sales up across Asia



Enjoying top shares in key markets of Taiwan and Hong Kong

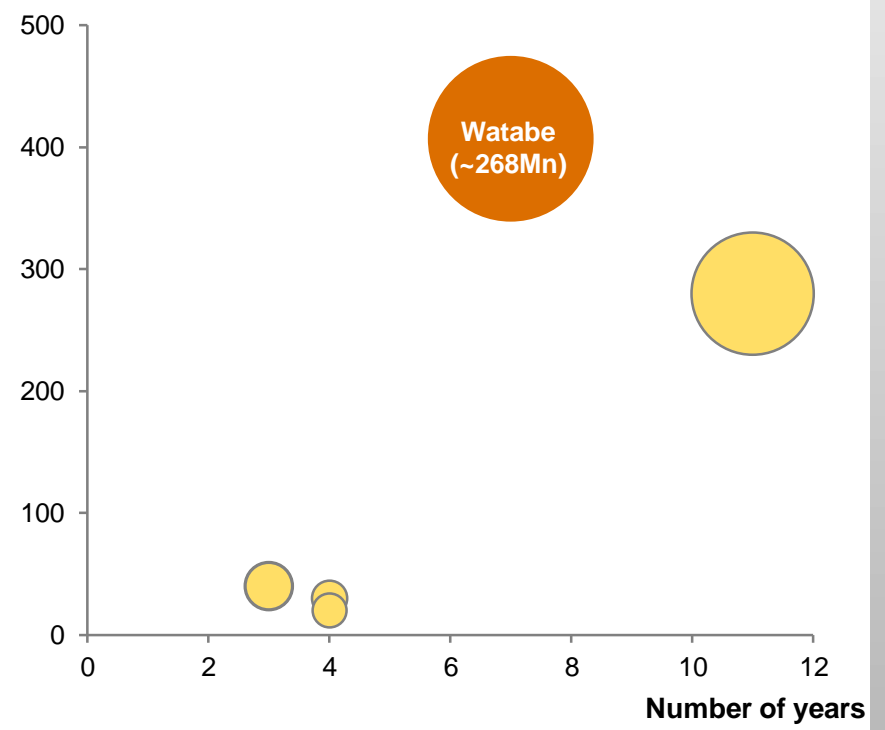
Taiwan DST Wedding Market

Number of weddings: 2012



Hong Kong DST Wedding Market

Number of weddings: 2012



Going forward, we aim to boost profitability while contributing to growth of the Asian DST wedding market.

Strategic Expansion in Asia: Developing business schemes and boosting profitability

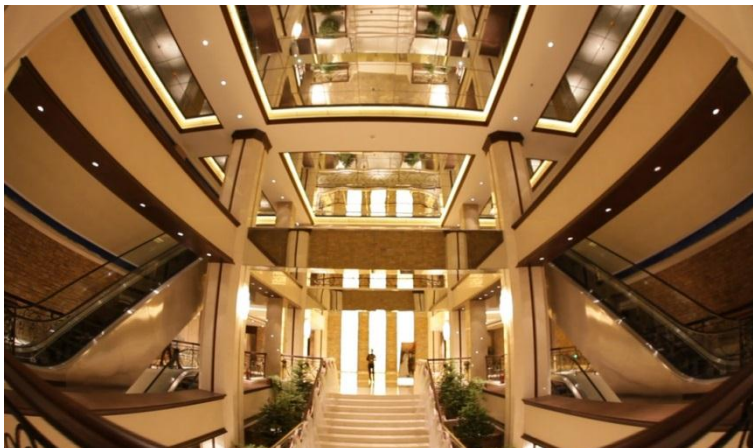
Raising our profile through active media promotion in Asia

Market	Category	Summary	Title	Chapel	Exposure for Watabe Wedding
Mainland China	Internet movie	Internet streaming distribution and promotion by Japan FM Network and China's Tencent Holdings Limited	【Traveler】 Okinawa Rendez-vous	Aquagrace	<ul style="list-style-type: none"> Actress famous in China marries actor in Aquagrace chapel Scenes show chapel exterior and interior as well as the beach in front of the chapel
	TV program	Pretty girls' audition show on a Shanghai TV network, Travel episode in which the top 10 pretty girls visit places in Okinawa	Beach Honey	Aquagrace	<ul style="list-style-type: none"> One of the pretty girls and a male model get married in Aquagrace chapel Scenes show chapel exterior and interior as well as the beach in front of the chapel
	Movie	Mainland film by a well-known director who produced the movie "Red Cliff", Chinese version of love comedy "Sex & the City"	One Night Stud	Coralvita	<ul style="list-style-type: none"> An actor and actress get married in Coralvita chapel Only the chapel interior is shown (due to a typhoon on the day of filming)
Taiwan	TV drama	Drama in which main character (Taiwanese actress) is an overseas wedding planner at Watabe Wedding, with scenes shot at company facilities in Taiwan and Okinawa.	Marry or Not	Aquagrace	<ul style="list-style-type: none"> Views of chapel and Taiwan Grace Hill from the opening scene Actor and actress get married in Aquagrace chapel Main character, as a wedding planner, checks preparations inside the chapel before the ceremony Scene with Grace RCP hall used as a bride's room Main character, as a Watabe Wedding employee, uses company name tag and business card A scene of the company's morning gathering, the Watabe Wedding philosophy is described in Chinese
Hong Kong	TV program	Overseas travel program broadcast in four parts. Two teams present destinations to a Hong Kong actress who then decides which trip would be the most enjoyable to go on.	TVBOXNOW Tailor-made Tour	Aquagrace Marine bijou	<ul style="list-style-type: none"> Well-known Hong Kong actress gets married to a team member of her choosing in Aquagrace chapel At Marine bijou, team member who was not chosen waits in vain for the actress to appear Scenes show Aquagrace exterior and interior as well as the beach in front of the chapel Scenes show Marine bijou exterior and interior

Large-scale wedding complex opens in Harbin, China



Large-scale wedding complex opens in Harbin, China
Built Harbin Modern Attache Garden to secure local demand in China and develop the market further
First floor: 2,300m², second floor: 3,800m²
Ready for banquets of all sizes, with total capacity for about 1,000 people



Notice Regarding Revision of Financial Results Forecast

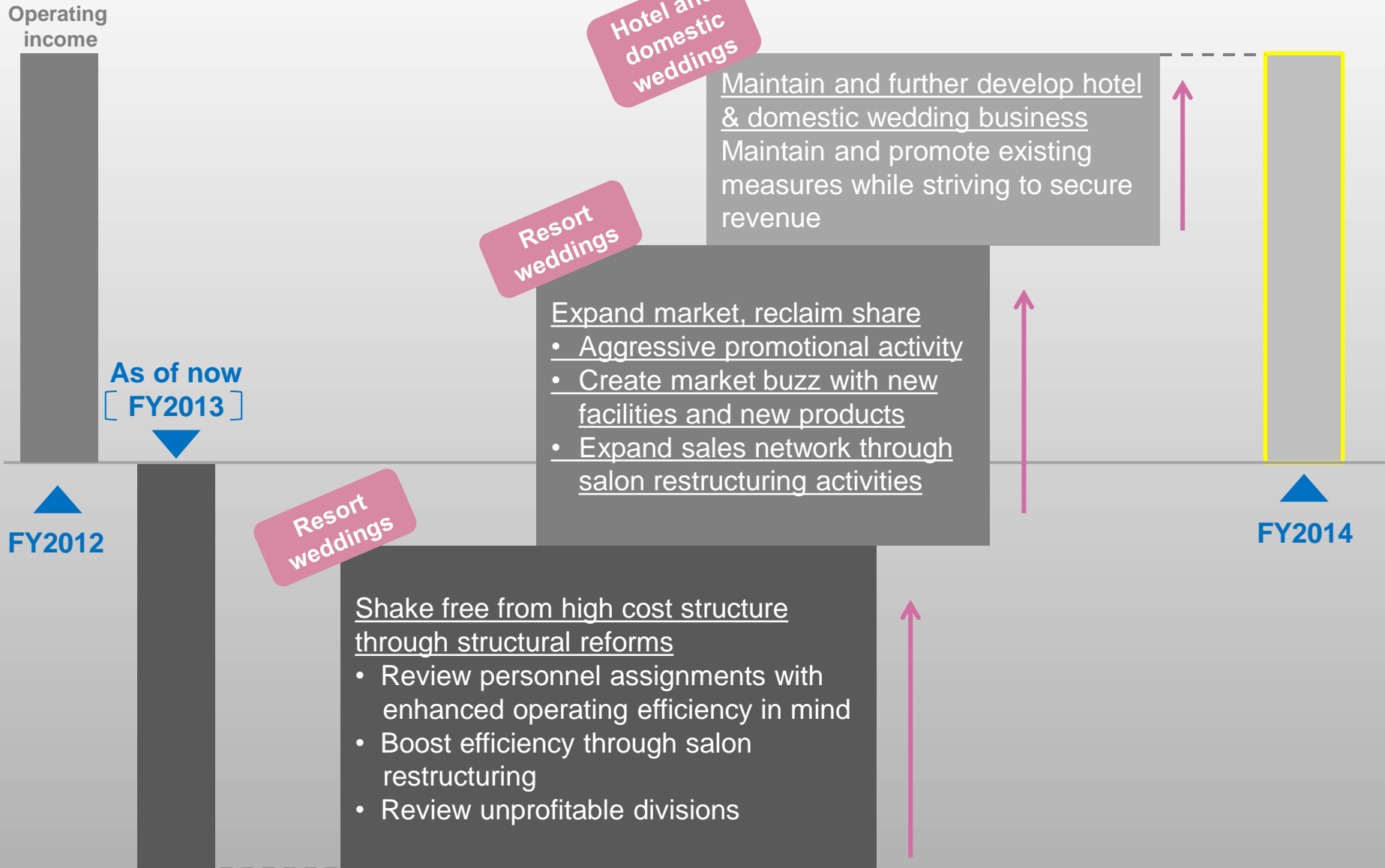
	Net sales	Operating income	Ordinary income	Net income	Net income per share
(Unit)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Yen)
Previous forecast (A)	51,000	1,000	1,000	400	40.37
Current forecast (B)	47,600	(1,300)	(1,500)	(1,900)	(191.74)
Change (B-A)	-3,400	-2,300	-2,500	-2,300	
Change (%)	-6.7	-	-	-	
(Ref.) FY2012 (Actual)	49,295	1,244	1,351	560	56.56

* The forecasts above are based on data available at the time of the release of this document, and actual results may differ due to a number of factors in the future.

- **A decline in the number of wedding contracts due to intensifying market competition**
 - Impacted mainly by newly built wedding facilities in Hawaii and Okinawa by rival companies
- **Impact of yen depreciation**

US dollar	Earlier prediction	\$1 = ¥ 95
	Current prediction	\$1 = ¥ 100
China renminbi	Earlier prediction	¥1 = ¥ 15.0
	Current prediction	¥1 = ¥ 15.5
- **One-time loss mainly due to salon restructuring**
 - Salon restructuring activities executed with customer convenience in mind as well as the pursuit of greater operating efficiency
- **Advertising expenses were up, owing to efforts aimed at raising brand power and reinforcing promotional activities**
 - Although we have attracted more customers, most requests and orders will not be accounted for until next fiscal year

Scenario Heading into Next Fiscal Year (FY2014)



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