

**Watabe Wedding Corporation**  
**Briefing Materials on Consolidated Results**  
**for the First Nine Months of FY2016**



I. Consolidated Highlights	P4–5
II. Consolidated Performance by Business Segment	P7–10
III. Consolidated Balance Sheets	P12
IV. Business Activities	P14–27
V. Group Network at a Glance	P28–29
VI. FY2016 Consolidated Performance Forecast	P31

# Consolidated Highlights for the First Nine Months of FY2016

## Business Results: First Nine Months

Net sales: ¥33.7 billion, down 0.1% year on year

Operating income: ¥1.5 billion, up 279%

Operating margin: 4.6%, up 3.4 percentage points

Thanks to an improved earnings structure and measures to address foreign exchange fluctuations, the ratio of gross profit to sales rose (up 3.9 percentage points year on year) and selling, general and administrative expenses decreased (down 1.3 percentage points year on year), leading to a healthier operating margin.

## Business Status

Resort weddings: Number of couples down 3.6%, but spending per couple up 5.6%, underpinning a 1.0% increase in segment sales.





Endeavored to raise product value of resort weddings, mainly by creating cherished memories with family through weddings and after-ceremony parties at destination resorts and by offering meet-the-newlyweds party services for friends and other guests upon the newlyweds' return to Japan. Domestic resort weddings saw higher spending per couple, which contributed nicely to overall segment results.

Hotel and domestic weddings: Spending per couple up 5.4%, despite 12.8% drop in number of couples, but segment sales still dipped 0.8%.

Took steps to reinforce banquet and accommodation operations along with mainstay wedding business and were rewarded with higher spending per guest at Meguro Gajoen, where guestrooms were recently renovated, and at Mielparque, which underwent renovations previously.







# Consolidated Highlights for the First Nine Months of FY2016

(Millions of yen)

Item	1Q-3Q FY2015	1Q-3Q FY2016	Year-on-year change
Net sales	33,808	 33,783	-0.1%
Gross profit	21,985	 22,838	3.9%
Gross profit ratio	65.0%	67.6%	2.6ppt
Selling, general and administrative expenses	21,576	 21,286	-1.3%
SG&A ratio	63.8%	63.0%	-0.8ppt
Operating income	409	 1,551	279.0%
Operating income ratio	1.2%	4.6%	3.4ppt
Ordinary income	570	1,269	122.3%
Ordinary income ratio	1.7%	3.8%	2.1ppt
Profit attributable to owners of parent	100	536	432.7%

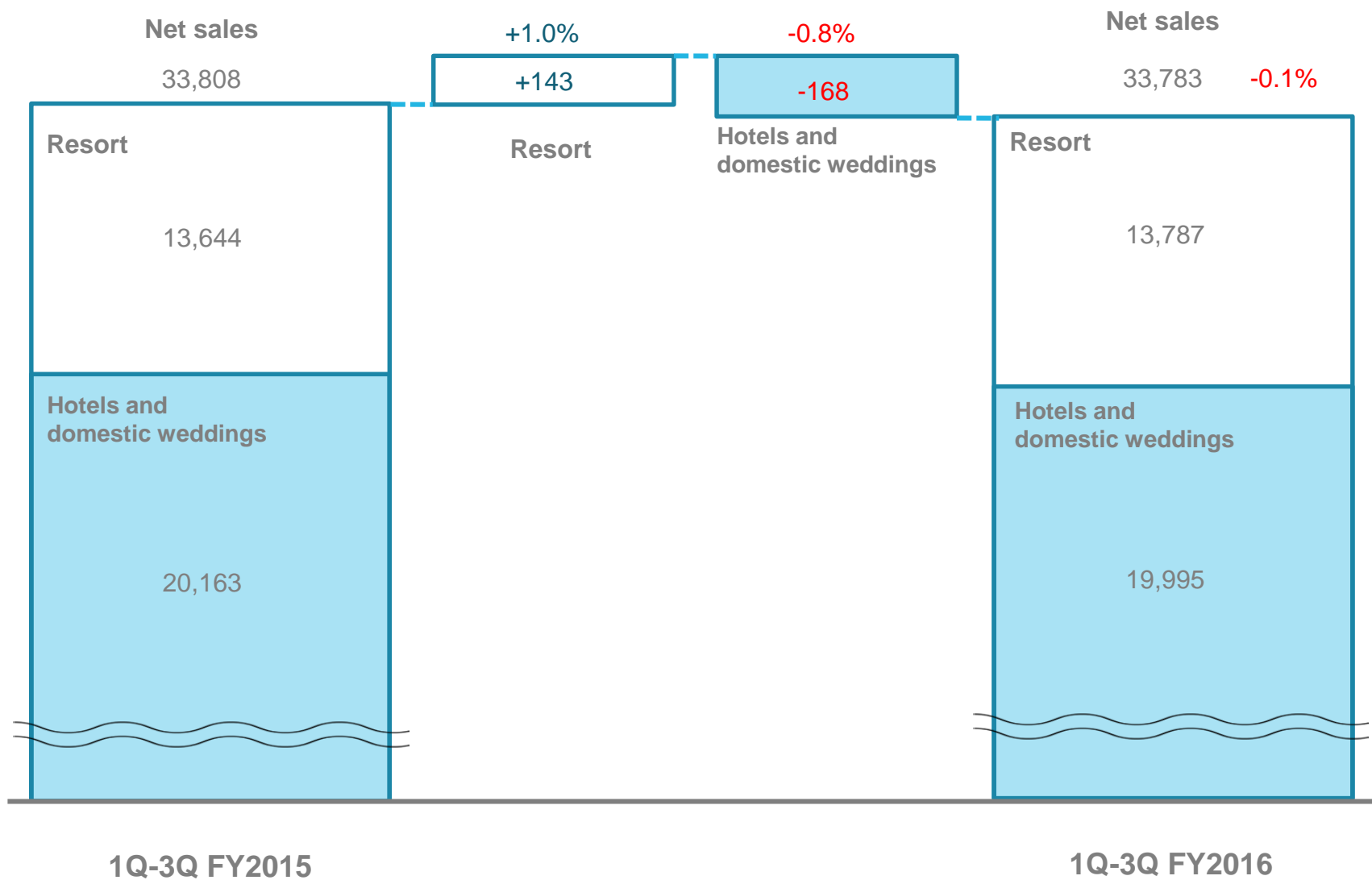
**Consolidated Performance  
by Business Segment  
for the First Nine Months of FY2016**

# Consolidated Performance by Business Segment

Item	Resort weddings		Hotels and domestic weddings		Adjustments	
	1Q-3Q FY2015	1Q-3Q FY2016	1Q-3Q FY2015	1Q-3Q FY2016	1Q-3Q FY2015	1Q-3Q FY2016
(Millions of yen)						
Net sales* *Sales to customers	13,644	 13,787 +143	20,163	 19,995 -168	0	0
Segment income (loss)	(96)	 795 +891	495	 668 +173	10	87
Segment income ratio	-0.7%	 5.8% +6.5ppt	2.5%	 3.3% +0.9ppt	—	—

# Changes in Net Sales by Consolidated Business Segment

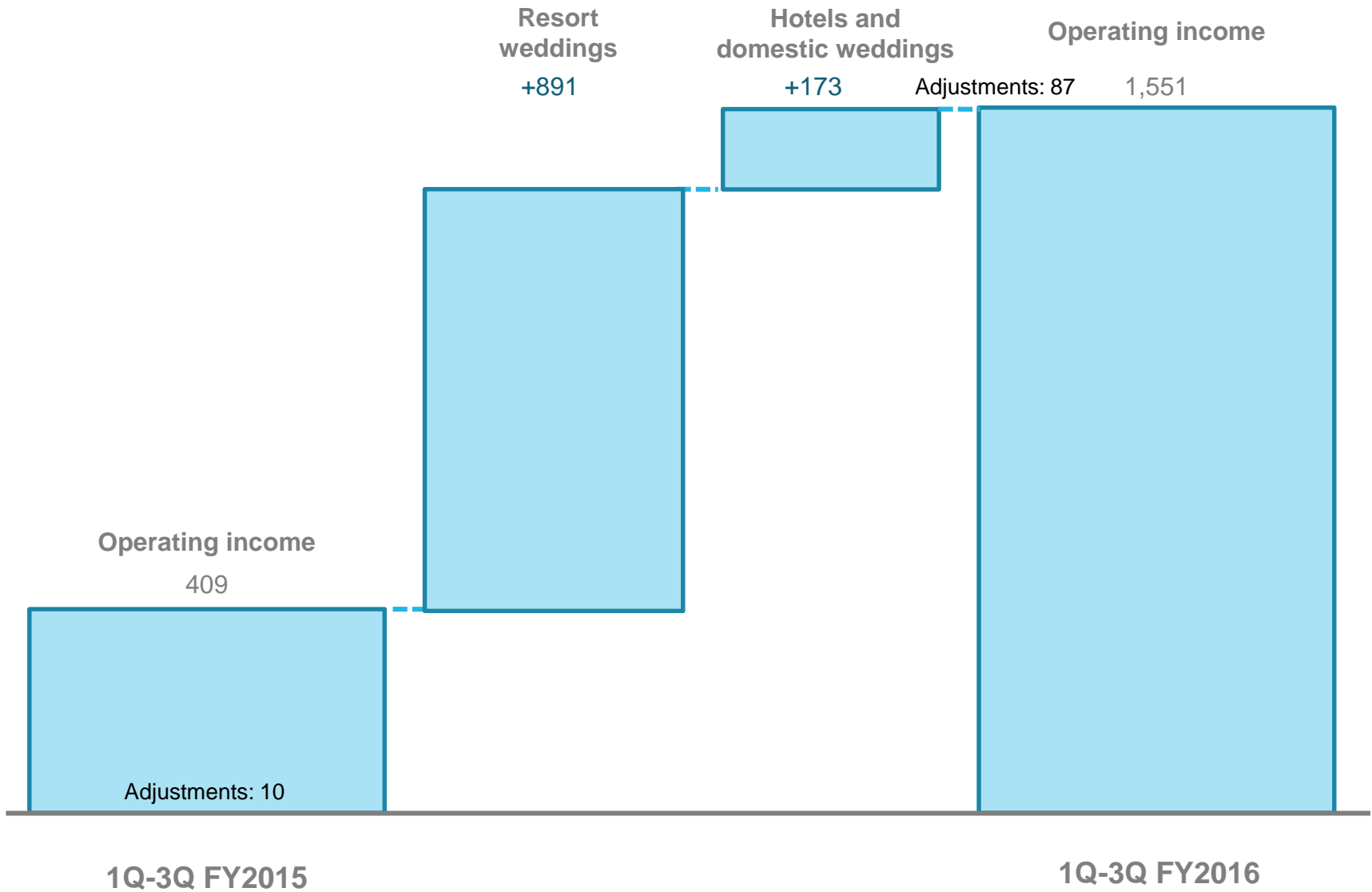
(Millions of yen)





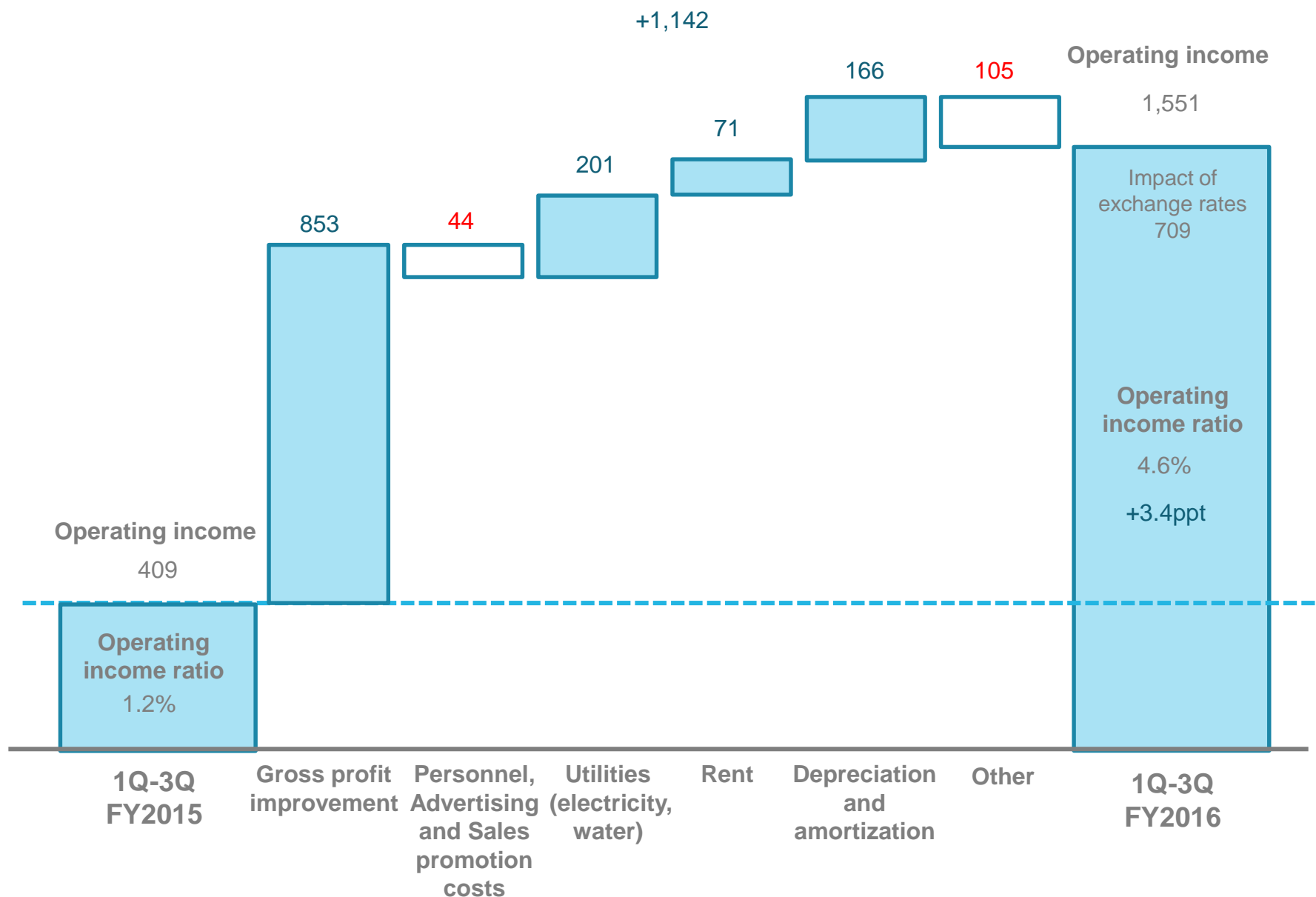
# Changes in Consolidated Segment Income

(Millions of yen)



# Changes in Consolidated Operating Income

(Millions of yen)



# Consolidated Balance Sheet Highlights for the First Nine Months of FY2016

# Consolidated Balance Sheets

(Millions of yen)

	As of Mar. 31, 2016	As of Dec. 31, 2016	Change
Current assets	9,329	9,192	↘ -137
Cash and deposits	5,311	5,630	↗ 319
Non-current assets	11,481	10,774	↘ -707
Property, plant and equipment	7,210	6,632	↘ -578
Intangible assets	573	512	-61
Investments and other assets	3,697	3,629	-68
<b>Total assets</b>	<b>20,811</b>	<b>19,967</b>	<b>-844</b>

	As of Mar. 31, 2016	As of Dec. 31, 2016	Change
Current liabilities	8,376	7,019	↘ -1,357
Accounts payable-trade	1,433	1,755	322
Short-term loans payable	933	325	↘ -608
Non-current liabilities	2,091	1,956	-135
Long-term loans payable	125	62	-63
<b>Total liabilities</b>	<b>10,468</b>	<b>9,065</b>	<b>-1,403</b>
Net assets	10,342	10,901	559
Retained earnings	2,504	2,991	↗ 487
<b>Total liabilities and net assets</b>	<b>20,811</b>	<b>19,967</b>	<b>-844</b>

**Business Activities**  
**in the First Nine Months of FY2016**

## Hawaii: New Facility Opens in Waikiki Area

Resort weddings  
business

Presenting Hawaii's only chapel with an unrestricted panoramic view,  
about 107m above ground

“Lani Le’a Chapel” to open in May 2017

—Bringing something more to Waikiki area facilities with a new chapel from which guests  
can enjoy an unprecedented view—



Opening: First ceremony scheduled to take place Monday, May 1, 2017

Name: Lani Le'a Chapel

Address: Hawaii Prince Hotel Waikiki Ala Moana Tower, 33rd Floor 100 Holomoana Street, Honolulu, Hawaii 96815

Capacity: 28 people

Note: Graphics are concept images.

# Hawaii: New Party Venue Opens in Downtown Area

Resort weddings  
business

Spirit of hospitality experienced through deliciously presented cuisine enjoyed in a luxurious atmosphere on the theme of “elite social club”

“The Banquet at Harbor Court”—opens April 2017

—Party venue delivers service quality at high level, comparable to that typical in Japan—



## **Party menu under supervision of well-known chef**

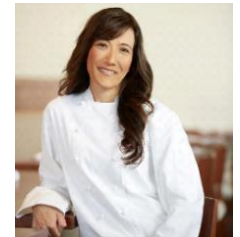
Party menu is under careful watch of husband-and-wife team Wade Ueoka and Michelle Karr-Ueoka, with executive chef and pastry chef experience, respectively, who run MW Restaurant, an upscale casual dining establishment that has garnered considerable attention in Honolulu.



MW RESTAURANT



Wade Ueoka



Michelle  
Karr-Ueoka

Opening: First ceremony scheduled to take place Friday, April 14, 2017

Name: The Banquet at Harbor Court

Address: 66 Queen Street, 3rd Floor, Harbor Court, Honolulu, HI

Capacity: 2–32 people

Note: Graphics are concept images.



### Opened in February 2017, “Ko Olina Chapel at Aqua Marina” better captures the appealing qualities of Ko Olina Resort

—Beautiful water vista and completely new interior on an aquamarine theme—



**Marketing chapel floral decorations and wedding bouquets produced by Michiko Yamanaka, designer and popular Instagrammer**

Began marketing MICHIKO YAMANAKA WEDDING STYLE chapel floral decorations and wedding bouquets with availability limited to customers of Ko Olina Chapel at Aqua Marina. Offering new wedding style for fashion-conscious brides with refined tastes.



Opening: First ceremony scheduled to take place Wednesday, February 1, 2017

Name: Ko Olina Chapel at Aqua Marina

Address: 92-100 Waipaha Place Kapolei, Hawaii 96707

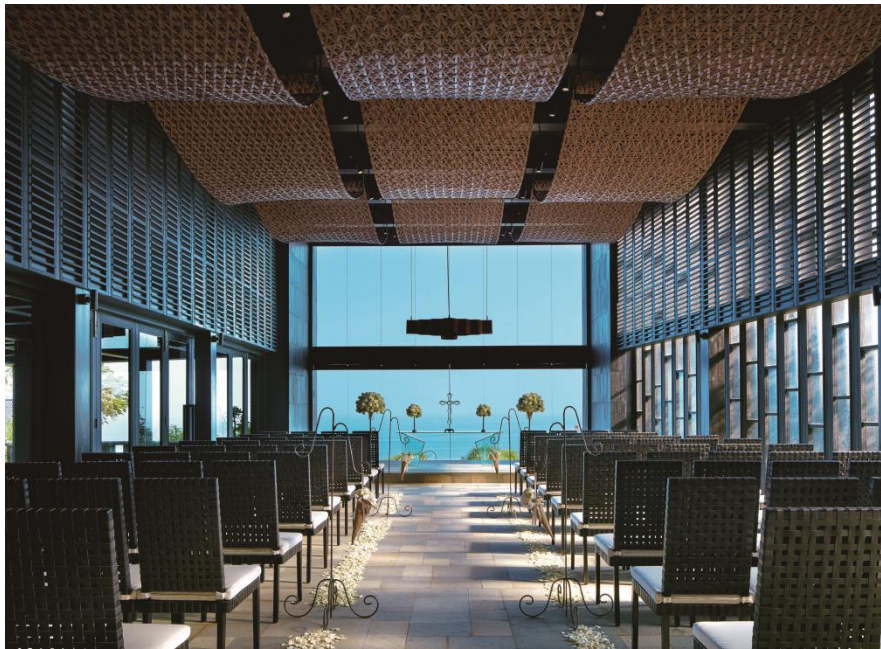
Capacity: 30 people

Note: Graphics are concept images.



Began marketing weddings in “THE BVLGARI CHAPEL” at BVLGARI RESORT BALI, in the Uluwatu district, as the only chapel in the world featuring BVLGARI-infused Italian design

—Marketing chapel on premises of luxury hotel. Meets demand from a discerning customer group keen for something totally different from any other place—



Opening: First ceremony scheduled to take place Monday, January 2, 2017

Name: THE BVLGARI CHAPEL

Address: Jalan Goa Lempeh Banjar Dinas Kangin, Uluwatu Bali 80364 (on premises of BULGARI RESORT BALI)

Capacity: 90 people

# Began marketing “Cliff Edge Cabana,” a new chapel boasting creative architecture utilizing beauty of form located at Alila Villas Uluwatu, the largest clifftop villa resort in Bali

—Marketing chapel on premises of luxury hotel. Meets demand from a discerning customer group keen for something totally different from any other place—



Opening: First ceremony scheduled to take place Monday, January 2, 2017

Name: Cliff Edge Cabana

Address: Jalan Belimbing Sari Banjar Tambiyak Desa Pecatu, Uluwatu Bali 80364 (on premises of Alila Villas Uluwatu)

Capacity: 130 people



Newly renovated “St. Probus Holy Chapel,” a stately structure atop a hill overlooking the ocean around Guam, reopened in January 2017

—Redesigned to give impression of more traditional chapel, exuding warmth of nature—



Opening: First ceremony scheduled to take place Monday, January 2, 2017

Name: St. Probus Holy Chapel

Address: 202 Hilton Road, Tumon Bay, Guam 96913 (on premises of Hilton Guam Resort & Spa)

Capacity: 60 people

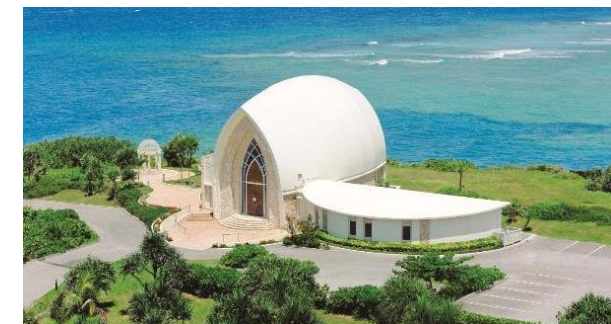
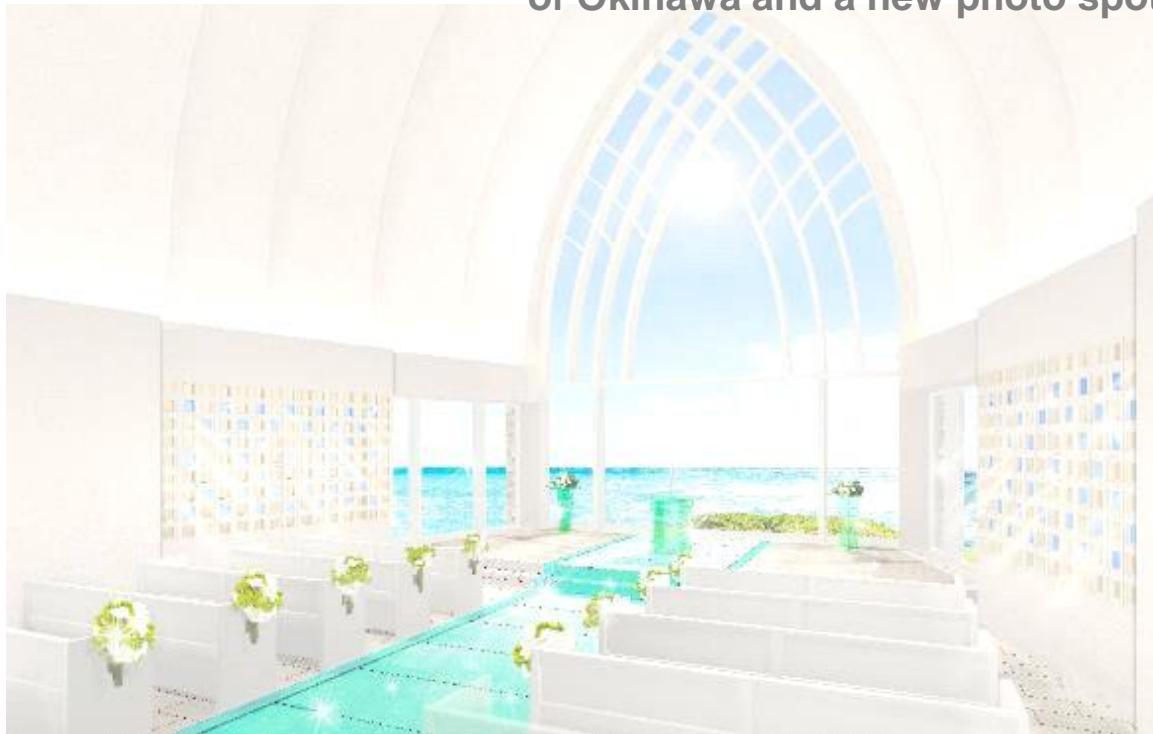
Note: Graphics are concept images.

## Okinawa: Facility Renovation at Onna Village

Resort weddings  
business

“Aqualuce Chapel,” a stand-alone chapel sitting on a hill looking out over “Churaumi,” the beautiful waters of Okinawa, is being renovated and will reopen in February 2017

—Seek to create place where bride and groom and their guests can better enjoy the resort atmosphere. Renovated building has wedding aisle that seems to extend into the beautiful waters of Okinawa and a new photo spot—



Opening: First ceremony scheduled to take place Saturday, February 11, 2017

Name: Aqualuce Chapel

Address: 2260 Aza-Seragaki, Onna-son, Kunigami-gun, Okinawa (on premises of ANA InterContinental Manza Beach Resort)

Capacity: 60 people

Note: Graphics are concept images.



Produced by MICHIKO YAMANAKA—dress produced by Michiko Yamanaka, designer and popular Instagrammer, debuted in March 2017  
—Presented to discerning brides-to-be as fashionable resort bridal gowns—



*Produced by*  
**MICHIKO**  
YAMANAKA

Availability: From Wednesday, March 1, 2017

### The Chipi Dress, designed from a bride's perspective, reflects input from model Chihiro Kondo

—Heightened awareness through social media, with posted and streamed content of the model wearing this dress at her own wedding in Hawaii—



Different combinations

Availability: From Saturday, May 7, 2016

**New under “alohina moe” brand produced by Hinano Yoshikawa—white  
bridal gowns in two designs and colored gowns in four designs**

**—Ideal for weddings at destination resorts and post-wedding parties upon return to Japan—**

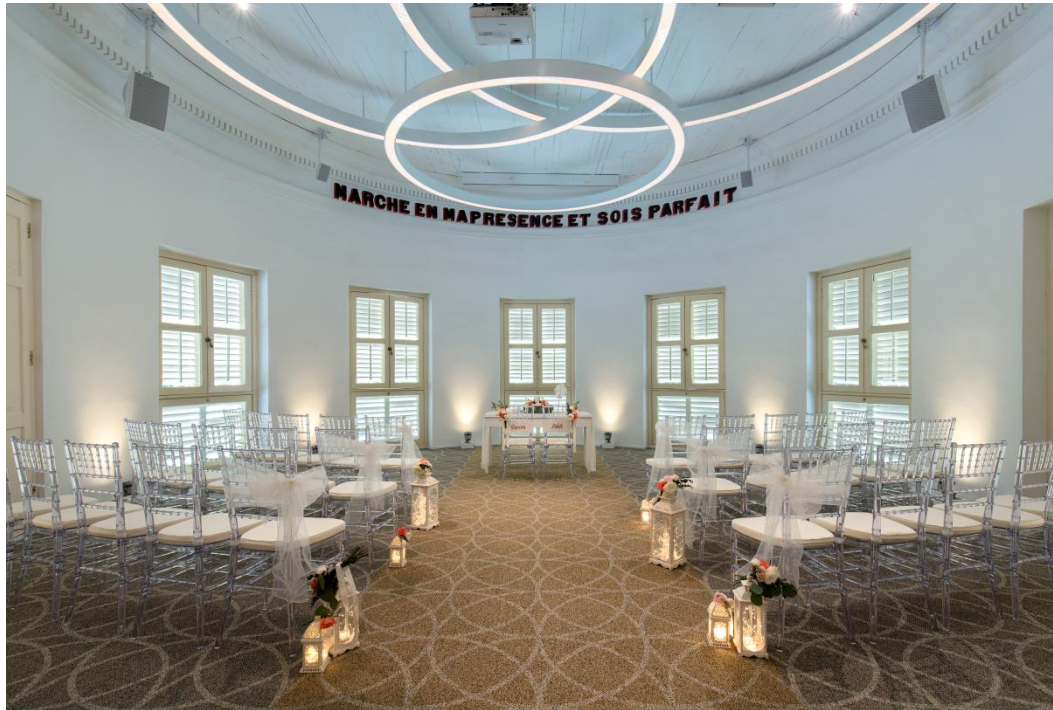


Availability: White bridal gowns, from Saturday, September 24, 2016; colored gowns, from Monday, October 10, 2016



## “Alcove at Caldwell House,” opened in November 2016 as second wedding venue in Singapore

—Small-scale venue enables response to trending local customer demand for more intimate ceremonies—



Opened: Tuesday, November 8, 2016

Name: Alcove at Caldwell House

Address: 30 Victoria Street #02-04/05, Singapore 187996

Capacity: 100 people



New wedding concept, unveiled to mark Meguro Gajoen's 88th anniversary, creates special days imbued with beautiful colors evoking happiness that produce brilliant, joyful, life-long memories —Apply experience built through close involvement in wedding celebrations of more than 220,000 couples to offer new wedding services and attract more customers—



## 幸せをよぶ、日本の彩り。

### The happiness is colorful.

古より、日本の大切な日はあざやかに彩られてきました。それはただ派手に着飾り、装飾をすることが目的ではありません。祝いにあつまったすべての人に幸せが訪れるように、心をこめて、色や柄を重ねていったのです。

吉祥を表す松や梅、扇の文様。

人々を守るアカ（赤）や、若さを願うもえぎ色（緑）。

純真さを表すシロ（白）は白無垢として、さらにはウエディングドレスとして今に引き継がれています。

日本の結婚式には、色の数だけ人を想う気持ちがあります。

だから、幸せはとてもカラフルなのです。

大切な日に、幸せをよぶ美しい彩りを。

人生に、色鮮やかで幸せな記憶を。

それが、この国で初めての総合結婚式場「目黒雅叙園」の誇りです。

First set of renovated guestrooms available for reservation in September

2016 all boast spaciouly relaxing suite specifications in Meguro Gajoen style

—Seek to establish Meguro Gajoen as full-facility hotel to capitalize on increasing in-bound visitors and rising demand for accommodations—

Theme : 和敬清心  
WA-KEI-SEI-SHIN

*Wakeiseishin:*

*Wa* is for *wago*—the spirit of mutual enjoyment, that is, harmony; *kei* represents a sense of respect for others; *sei* is for *seiketsu* (cleanliness) and *seiren* (integrity); and *shin* embodies a pledge to uphold Meguro Gajoen hospitality.



## Renovation plan

First stage: 24 rooms on 7th floor available for reservation in September 2016

Second stage: 13 rooms on 8th floor available for reservation in March 2017

\* Along with existing 23 rooms on 6th floor, aggregate room availability is 60.



***Hyakudan Kaidan* (100-Step Staircase) events at Meguro Gajoen well-received, drawing crowds. Number of guests at on-site restaurants also up, contributing favorably to net sales**

**—*Hyakudan Kaidan*, a Tokyo Metropolitan Government-designated tangible cultural asset, still popular—**



Events:

Shogo Kariyazaki Exhibition, October 1 - 16, 2016

Kaminote Nippon Exhibition, November 18 - December 25, 2016

# Watabe Wedding Group Network (Overseas)

## Resort weddings business

As of February 1, 2017

### <Hawaii>

- Honolulu Branch
- Kona Branch
- Ko Olina Chapel Place of Joy
- Ko Olina Chapel at Aqua Marina **February renovation**
- Aloha Ke Akua Chapel **February renovation**
- The AKALA Chapel
- Lani Le'a Chapel **May opening**
- The Banquet at Harbor Court **April opening**

### <North America>

- Las Vegas Branch

### <Guam/Saipan>

- Guam Branch
- Creative Studio Guam
- St. Probus Holy Chapel **February renovation**
- Blue Aster
- Luz de Amor Chapel
- Saipan Branch

### <Tahiti>

- Tahiti Branch

### <France/Italy/UK>

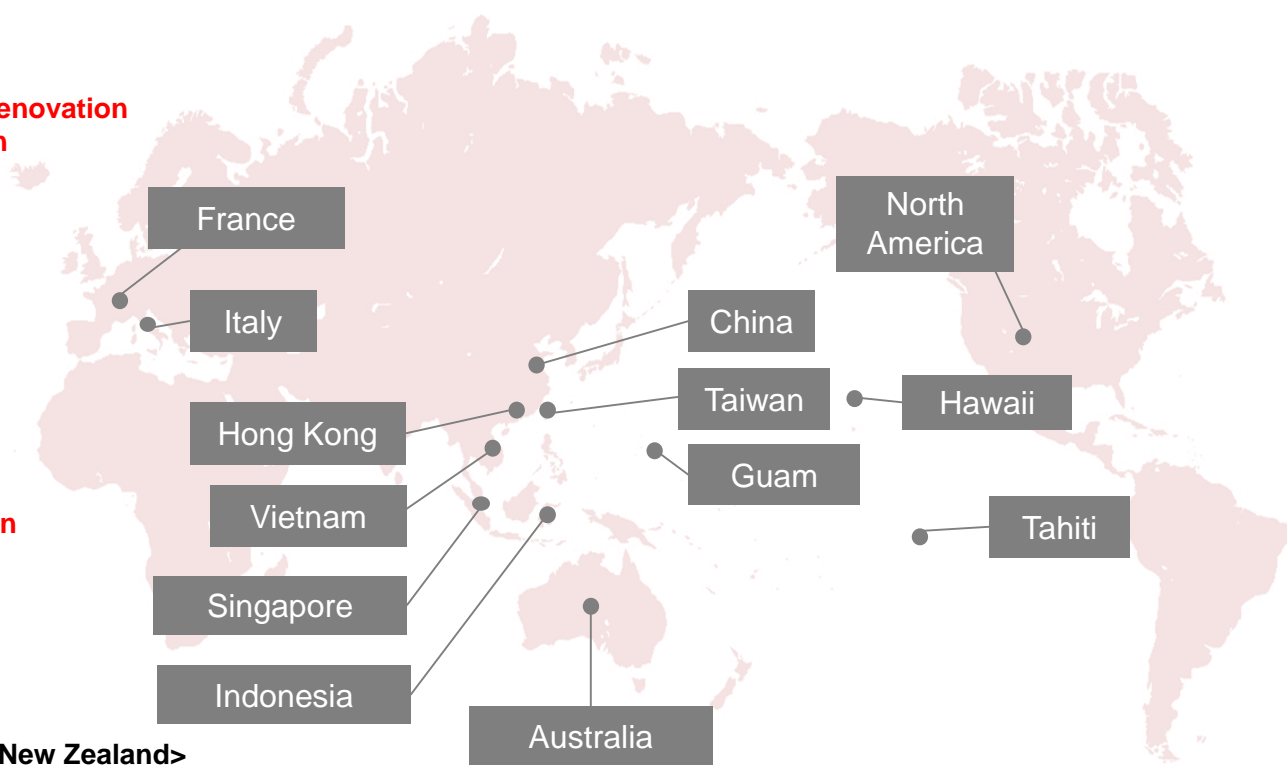
- Paris Branch
- Florence Branch

### <Australia/New Zealand>

- Gold Coast Branch
- Sydney Branch
- Cairns Branch
- Sanctuary Cove Chapel
- Alamanda Great Barrier Reef Chapel
- Hilton Blue Horizon Chapel

### <Indonesia>

- Bali Branch
- Ulu Shanti



### <Singapore>

- Chijmes Hall
- Alcove at Caldwell House

### <Taiwan>

- Taiwan Branch

### <Hong Kong>

- Hong Kong Branch
- W&D Products, Ltd.

### <China>

- Shanghai Branch
- Tuxedo-Making Facility
- Apparel center
- Bridal Goods Manufacturing Factory

### <Vietnam>

- Wedding Dressmaking Facility

# Watabe Wedding Group Network (Domestic)

As of February 1, 2017

## Resort weddings business

### <Kansai area>

- **Kyoto**
  - Kyoto Main Branch
  - Kyoto Shijo Salon
  - Anniversary Salon
  - Okakuen
  - Mielparque-Kyoto
  - Garment Center/ Dry-Cleaning Center
  - Kyoto Headquarters
- **Osaka**
  - Osaka Grand Plaza
  - Shinsaibashi Branch
  - Hotel Mielparque-Osaka
- **Hyogo**
  - Kobe Sannomiya Branch
  - Kobe Kitano Sassoon

### <Kyushu area>

- **Fukuoka**
  - Fukuoka Branch
- **Kumamoto**
  - Kumamoto Branch
  - Mielparque-Kumamoto
- **Kagoshima**
  - Kagoshima Branch

### <Okinawa>

- Naha Branch
- Aqualuce Chapel
- **February renovation**
- Aquagrace Chapel
- Coralvita Chapel
- Crudesur Chapel
- Allamanda Chapel
- Erythrina Nishihara Hills Garden
- Asia creativestudio The dream studio Yumekobo
- Marin bijou
- DVD Editing Center

### <Koshinetsu, Hokuriku area>

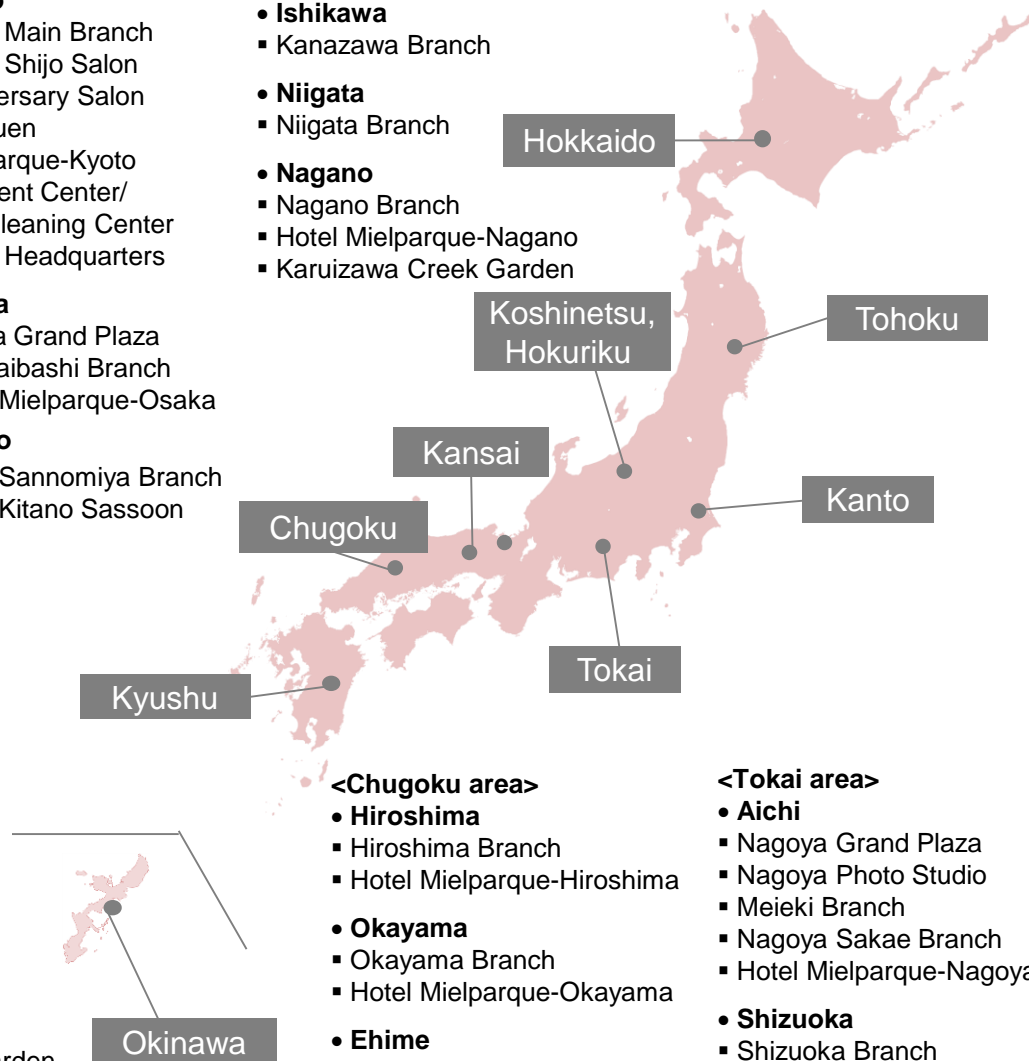
- **Ishikawa**
  - Kanazawa Branch
- **Niigata**
  - Niigata Branch
- **Nagano**
  - Nagano Branch
  - Hotel Mielparque-Nagano
  - Karuizawa Creek Garden

### <Chugoku area>

- **Hiroshima**
  - Hiroshima Branch
  - Hotel Mielparque-Hiroshima
- **Okayama**
  - Okayama Branch
  - Hotel Mielparque-Okayama
- **Ehime**
  - Matsuyama Branch
  - Hotel Mielparque-Matsuyama

### <Tokai area>

- **Aichi**
  - Nagoya Grand Plaza
  - Nagoya Photo Studio
  - Meieki Branch
  - Nagoya Sakae Branch
  - Hotel Mielparque-Nagoya
- **Shizuoka**
  - Shizuoka Branch



### <Hokkaido area>

- **Hokkaido**
  - Sapporo Branch
  - Sapporo Blanc Birch Chapel

### <Tohoku area>

- **Miyagi**
  - Sendai Branch
  - Hotel Mielparque-Sendai

### <Kanto area>

- **Tokyo**
  - Tokyo Grand Plaza
  - Tokyo Photo Studio
  - Ginza Salon
  - Shinjuku Grand Plaza
  - Shinjuku Photo Studio
  - Minamiaoyama Salon
  - Ikebukuro Salon
  - Tachikawa Branch
  - Felice Garden Hibiya
  - Meguro Gajoen
  - Lumiamore
  - Hotel Mielparque-Tokyo
  - Tokyo Office

### • Kanagawa

- Yokohama Grand Plaza
- Crystal Grace Chapel
- Hotel Mielparque-Yokohama

### • Chiba

- Chiba Branch

### • Saitama

- Omiya Branch

### • Gunma

- Takasaki Branch
- Hotel Racinel Shinmaebashi

### • Tochigi

- Utsunomiya Branch

**FY2016**

**Consolidated Performance Forecast**

# FY2016 Consolidated Performance Forecast

(Millions of yen)

	FY2015	FY2016	Year-on-year change
Net sales	43,882	44,500	+1%
Operating income	146	300	+104%
Ordinary income	208	300	+44%
Profit attributable to owners of parent	46	100	+113%

## Watabe Wedding Corporation

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