



**Watabe Wedding Corporation**  
**Briefing Materials on Consolidated Results**  
**for FY2016**

# | Agenda

- 1 Consolidated Highlights** P4~13
  - Consolidated Performance by Business Segment
  - Consolidated Balance Sheets
  - Consolidated Cash flow statement
- 2 Management Policies for FY2017** P15~17
- 3 Business Activities** P19~37
- 4 FY2017 Consolidated Performance Forecast** P39~41
- 5 Appendix** P43~44



# ① Consolidated Highlights

# ■ FY2016: Summary

## Business Results

**Net sales: ¥43.9 billion, up 0.1% year on year**

**Operating profit: ¥1.0 billion, up 581.0%**

**Operating margin: 2.3%, up 2.0 percentage points**

**Profit: ¥0.12 billion, up 163.0%**

Although the number of wedding contracts fell, the ratio of gross profit to sales rose to 67.8% (up 2.3 percentage points year on year) due to increase in the unit price per couple and impact of exchange rates

Profit totaled ¥0.12 billion, due to factors such as an foreign exchange losses and loss on restructuring non-current assets, wedding halls and branches

**Resort weddings:** Number of wedding contracts down 5.5%, but the unit price per couple up 7.5%, underpinning 0.7% increase in segment sales

Endeavored to enhance the value appeal of resort weddings and curbed discounted sales mainly by offering reception parties upon return to Japan, which incorporate the unique characteristics of resort weddings, and by offering tailor-made dresses that can be worn at the resort as well as after returning to Japan.

**Hotel and domestic weddings:** The unit price per couple up 2.6%, despite 9.8% drop in number of wedding contracts but segment sales still dipped 0.4%





The unit price per guest and occupancy rate at Meguro Gajoen were favorable thanks to the renovation of guestrooms, and both number of wedding contracts and the unit price per couple increased in the wedding business thanks to new branding strategy.

For Mielparque, although the number of wedding contracts decreased year on year mainly due to the effect of 2016 Kumamoto Earthquake, occupancy rate remained high in the accommodation business due to the effect of guestroom renovations implemented in the previous fiscal year.

## Business Status

# Consolidated Highlights for FY2016









(Millions of yen)

Item	FY2015	FY2016	Year-on-year change
Net sales	43,882	 43,908	0.1%
Gross profit	28,727	29,769	3.5%
Gross profit ratio	65.5%	67.8%	2.3 pt
Selling, general and administrative	28,580	28,768	0.7%
SG&A ratio	65.1%	65.5%	0.4 pt
Operating income	146	 1,000	581.0%
Operating income ratio	0.3%	2.3%	2.0 pt
Ordinary income	208	 674	224.0%
Ordinary income ratio	0.5%	1.5%	1.0 pt
Profit attributable to owners of parent	46	 123	163.0%

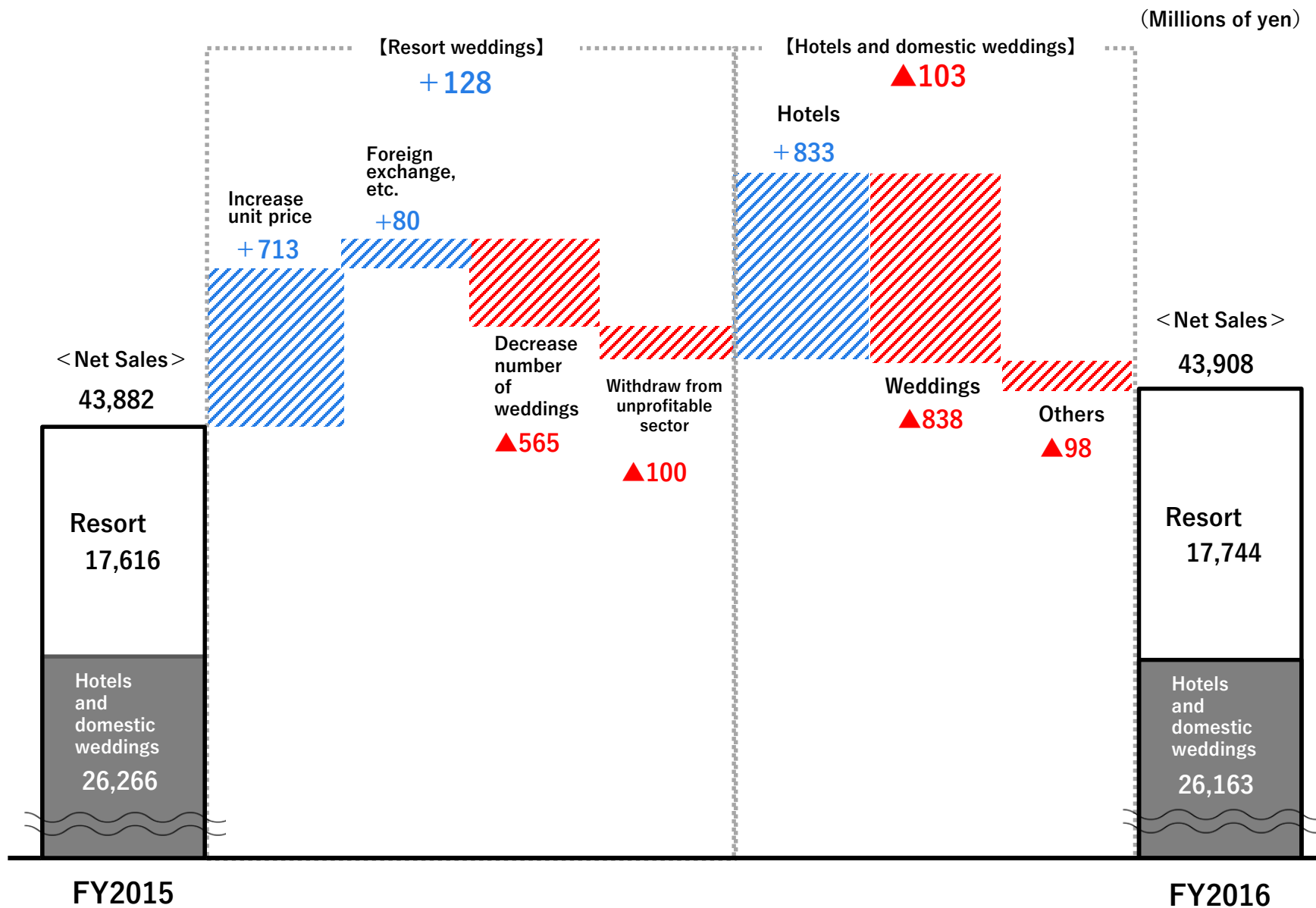
# Consolidated Performance by Business Segment

# Consolidated Performance by Business Segment

(Millions of yen)

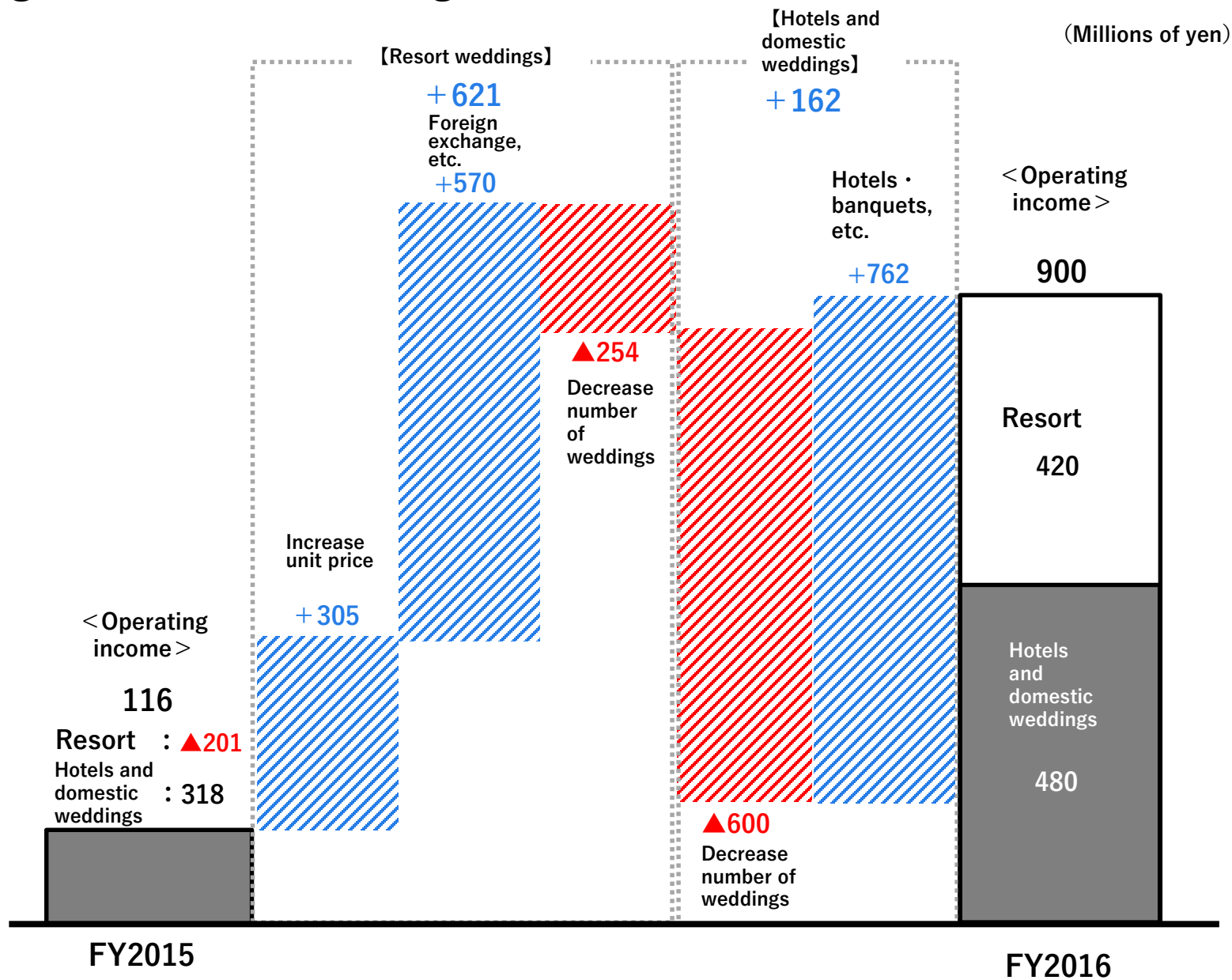
Item	Resort weddings		Hotels and domestic weddings		Adjustments	
	FY2015	FY2016	FY2015	FY2016	FY2015	FY2016
<b>Net sales*</b> <small>*Sales to customers</small>	17,616	 17,744 <small>+128</small>	26,266	 26,163 <small>▲103</small>	0	0
Segment income (loss)	 201	 420 <small>+621</small>	318	 480 <small>+162</small>	30	99
Segment income ratio	 1.1%	 2.4% <small>+3.5pt</small>	1.2%	 1.8% <small>+0.6pt</small>	-	-

# Changes in Net Sales by Consolidated Business Segment





# Changes in Consolidated Segment Income



# Consolidated Balance Sheets

# Consolidated Balance Sheets

(Millions of yen)

	FY2015	FY2016	Change
<b>Current assets</b>	9,329	➡ 9,460	131
Cash and deposits	5,311	➡ 5,436	125
<b>Non-current assets</b>	11,481	➡ 11,875	394
Property, plant and equipment	7,210	7,684	474
Intangible assets	573	1,003	430
Investments and other assets	3,697	↘ 3,187	▲510
<b>Total assets</b>	20,811	➡ 21,336	525

	FY2015	FY2016	Change
<b>Current liabilities</b>	8,376	➡ 8,959	583
Accounts payable-trade	1,433	1,549	116
Short-term loans payable	933	975	42
<b>Non-current liabilities</b>	2,091	↘ 1,836	▲255
Long-term loans payable	125	0	▲125
<b>Total liabilities</b>	10,468	➡ 10,796	328
<b>Net assets</b>	10,342	10,540	198
Retained earnings	2,504	➡ 2,578	74
<b>Total liabilities and net assets</b>	20,811	➡ 21,336	525

# Consolidated Cash flow statement

# Cash Flows

(Millions of yen)

Item	FY2015	FY2016
Net cash provided by (used in) operating activities	1,679	2,239
Net cash provided by (used in) investing activities	(380)	(1,838)
Net cash provided by (used in) financing activities	(356)	(147)
Effect of exchange rate change on cash and deposits	(133)	(128)
Net increase (decrease) in cash and deposits	809	124
Cash and deposits at beginning of period	4,497	5,307
Cash and deposits at end of period	5,307	5,431

## Major capital investments

### Watabe Wedding

- Resort wedding chapel openings (2 locations)
- Resort wedding chapel renovations (2 locations)
- Resort F&B facilities openings (2 salons)
- Salon/Studio openings and renovations
- Investments in new businesses

### Made facility improvements at Meguro Gajoen

- Restaurants and banquet room renovations

### Made facility improvements at Mielparque

- Guestroom renovations

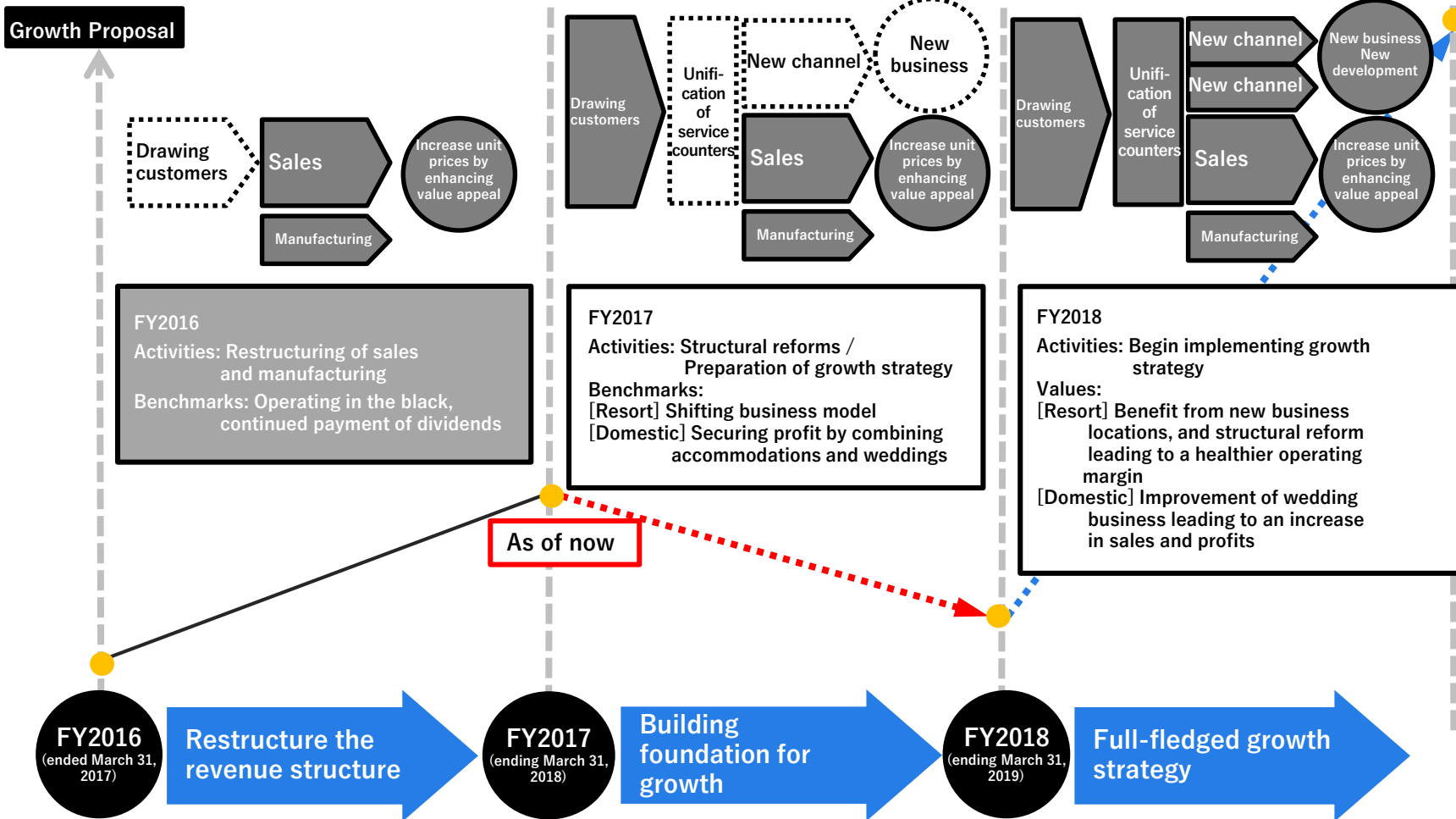
A woman in a long, flowing white dress is walking barefoot on a sandy beach. She is looking down and to the right. The background shows a calm sea with gentle waves lapping at the shore. In the distance, there are some small figures in the water and a hazy horizon under a sky filled with soft, white clouds. The overall mood is serene and peaceful.

# ② Management Policies for FY2017

# [Reference] Medium-term Management Vision~Roadmap

In FY2020 we will develop business with clear policies for each fiscal year while working toward being a global comprehensive lifestyle company

- Re-enhance the value appeal of *Rizokon* for restructuring the revenue structure in FY2016
- Prepare for growth strategy with a focus on investment while restructuring the business model in FY2017
- Begin full scale implementation of growth strategy and develop platforms as well as multiple brands and sales channels in FY2018



# Specific Measures to be Implemented in Resort Weddings in FY2017

## Enhance Directly Operated Sales Channels

### 1. Integrate each strategy for drawing customers, sales channels, and areas

Drawing customers: Enhance *Rizokon* brand and build a (Group's) digital platform

Bookings/Unit prices: Establish sales standards + strengthen organizational capabilities and structure

Understand needs and optimize business by unifying service counters that respond to inquiries

## Enhance Other Sales Channels

### 2. Agent sales + develop the third sales channel

Agent sales: Review commission strategy, create strategy for planned campaigns

Develop new sales channels

## New Brands New Business Areas

### 3. Start a new lineup of businesses

Review brand categories

## Area Re-development

### 4. Develop chapels in major areas

Develop new facilities in Hawaii/Guam/Okinawa

### 5. Ensure greater predominance in the Company's predominant areas

Matching sales channels with unique areas such as Bali and Kyoto



# Specific Measures to be Implemented in Hotel and Domestic Weddings in FY2017

## Meguro Gajoen

### 1. Re-branding to “Hotel Gajoen Tokyo”

Share the history and culture of Meguro Gajoen in Japan and overseas, and promote brand value

Accommodation: Plan to increase nights stayed and unit prices by increasing the number of guestrooms and through renovations

Promote the value of “cuisine” and draw customers by remodeling restaurants

Establish a reputation as the Luxury City Hotel

## Mielparque

### 2. Benefits from guestroom renovations, and strengthening of community-oriented business

Increase occupancy rate and unit price per guest through renovations

As a community hotel, attract local businesses to use the hotel as a location for banquets and conferences

## Related Businesses

### 3. Restructure the related businesses

Restructure the sales channels in East Asia

Restructure of activities in the photography market

Restructure anniversary business

Restructure travel business

A white wedding dress is hanging in front of window blinds. A white floral lei is draped over the dress. The scene is brightly lit, suggesting a sunny day.

## ③ Business Activities

# ■ 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—



## summary

**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

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>

## summary

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.

# ■ Hawaii: Venue Renovation in Ko Olina Area

Resort  
weddings  
business

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.



## summary

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

Name: Ko Olina Chapel at Aqua Marina

Address: 92-100 Waipahe Place Kapolei, Hawaii 96707

Capacity: 30 people

# ■ Hawaii: Original Products for Hotel Wedding

Resort  
weddings  
business

Announced original wedding products only available from the Company  
at “Halekulani” and “The Royal Hawaiian, A Luxury Collection Resort”

— Offering for those who desire a luxury wedding only possible at a high class hotel —



“Halekulani”  
House Terrace Wedding at Halekulani



“The Royal Hawaiian, A Luxury Collection Resort”  
Royal Hawaiian Wedding  
“Sweet Ocean Style Ocean Lawn”

## summary

### “Halekulani”

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

Name: House Terrace Wedding at Halekulani

Address: 2199 Kalia Rd, Honolulu, HI

Capacity: 80 people \*Depending on plan details

### “The Royal Hawaiian, A Luxury Collection Resort”

Opening: First ceremony scheduled to take place July 1, 2017

Name: Royal Hawaiian Wedding

“Sweet Ocean Style Ocean Lawn” / “Sweet Mode Style Helmore Garden”

Address: 92-100 Waipahe Place Kapolei, Hawaii 96707

Capacity: 70 people \*Depending on plan details

Acquired operating rights for “Michel’s at the Colony Surf,”  
famously known as the “most picturesque French restaurant in Waikiki”

— Now possible to offer services such as anniversary services after weddings —



MICHEL'S

## summary

---

Begin operations: From March 7, 2017

Name: Michel's at the Colony Surf

Address: 2895 Kalakaua Ave, Honolulu, HI 96815

# Guam: Facility Renovation

Resort  
weddings  
business

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—



## summary

**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

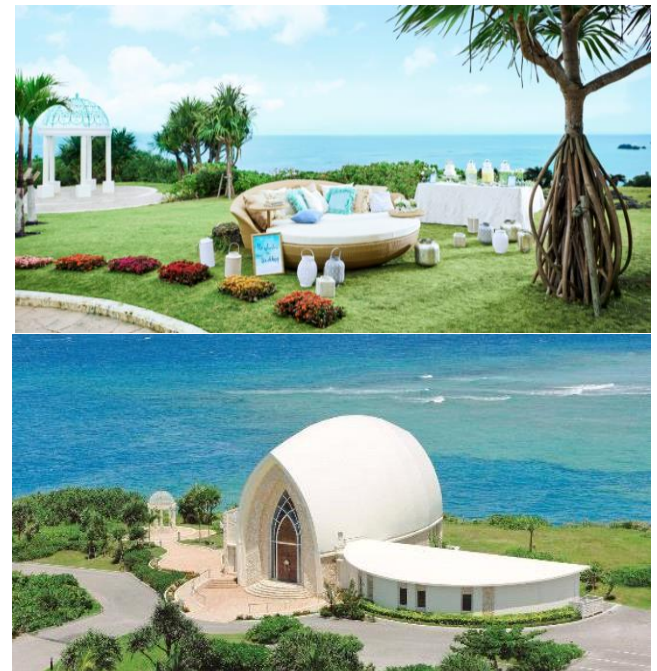
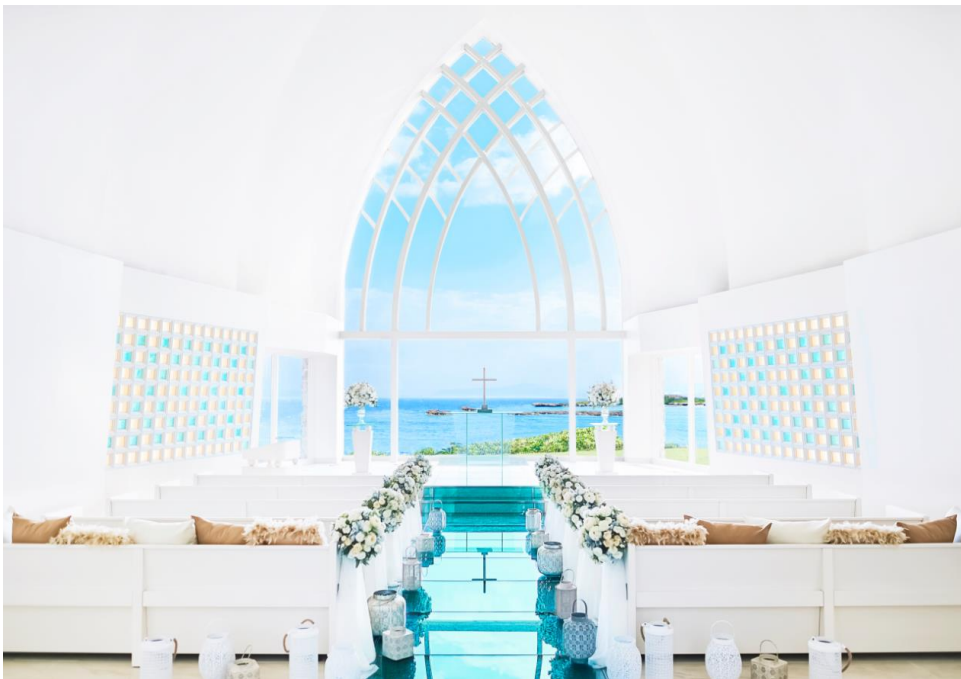


# ■ Okinawa: Facility Renovation at Onna Village

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—



## summary

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

**Name:** Aqualuce Chapel

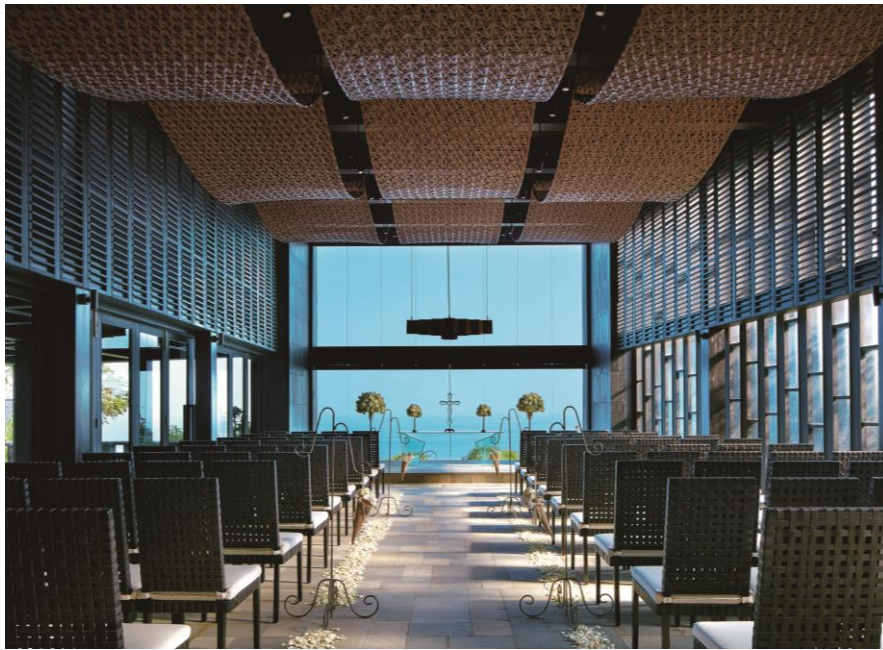
**Address:** 2260 Aza-Seragaki, Onna-son, Kunigami-gun, Okinawa (on premises of ANA InterContinental Manza Beach Resort)

**Capacity:** 60 people

## ■ Bali: New Venue Availability ①

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—



### summary

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

## ■ Bali: New Venue Availability ②

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—



### summary

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

# Rizokon: Enhance the Brand Power

Resort  
weddings  
business

Spread the word “*Rizokon*,” a registered trademark, around the world  
Created the “*Rizokon* BOOK” to communicate the appeal of “*Rizokon*”  
— Spreading the appeal of “*Rizokon*” through advertising by using the BOOK  
when materials are requested, at storefronts and at partner sales locations —

リゾ婚の幸せは、  
特別です。

リゾートウェディングの幸せは、特別です。  
いつもと違う空の下で、開放的な気持ちになれる旅先で、  
家族やゲストとの絆を深められる結婚式が、そこにあります。

ウタベウェディングの幸せは、特別です。  
貸衣裳から始まった60年の歴史と60万組以上の実績で、  
この国のリゾートウェディングを創りあげてきました。

私たちは、それを「リゾ婚」と呼んでいます。

これまでの人生でお世話になった人たちに、  
ゆっくりと感謝を伝えながら、みんなで一緒に幸せになれる。  
これからも「リゾ婚」から、多くの笑顔と絆が生まれますように。

ふたりにとって、大切な家族や友人たちにとって、  
それは、ずっとずっと消えない一日になります。



## summary

Availability: Scheduled to be used from July 2017

\*Scheduled to be used at Watabe Wedding Salons across Japan and at other partner sales locations

An industry first! Launched the new brand “EASY by WATABE WEDDING” in May  
Now possible to make reservations for resort weddings at three popular locations

for 80,000 yen or less using a smart phone 24 hours a day

— Offering new kinds of value such as “simple” and “affordable” for resort weddings,  
and designed for those who prefer to skip the wedding ceremony —



## summary

Taking reservations: From May 1, 2017  
URL: <https://www.watabe-wedding.co.jp/easy/>

# Enhancing Value of Resort Wedding Products ①

Resort  
weddings  
business

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—



## summary

---

Availability: From Wednesday, March 1, 2017

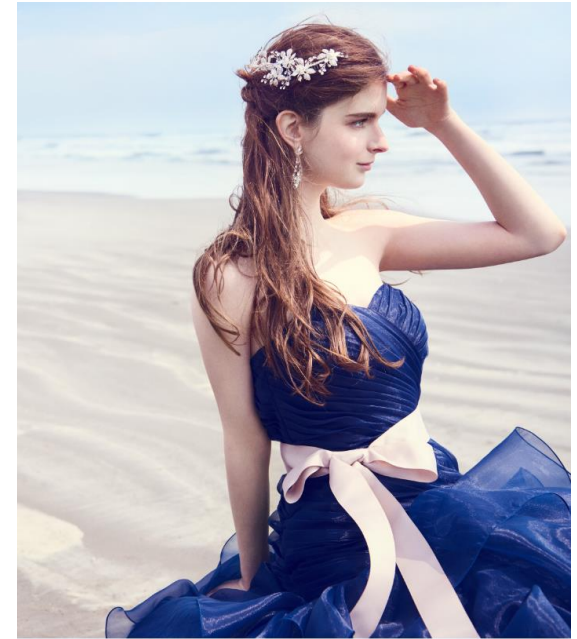
## Enhancing Value of Resort Wedding Products (2)

Resort  
weddings  
business

Newly offered colored gowns, which are uncommon at weddings in Hawaii,  
to change into at the reception, along with relevant services

Sales of ten different colored gowns in seven designs that have Hawaiian names

— The arrival of a wide range of colored gowns with colors and designs suited for a resort —



### summary

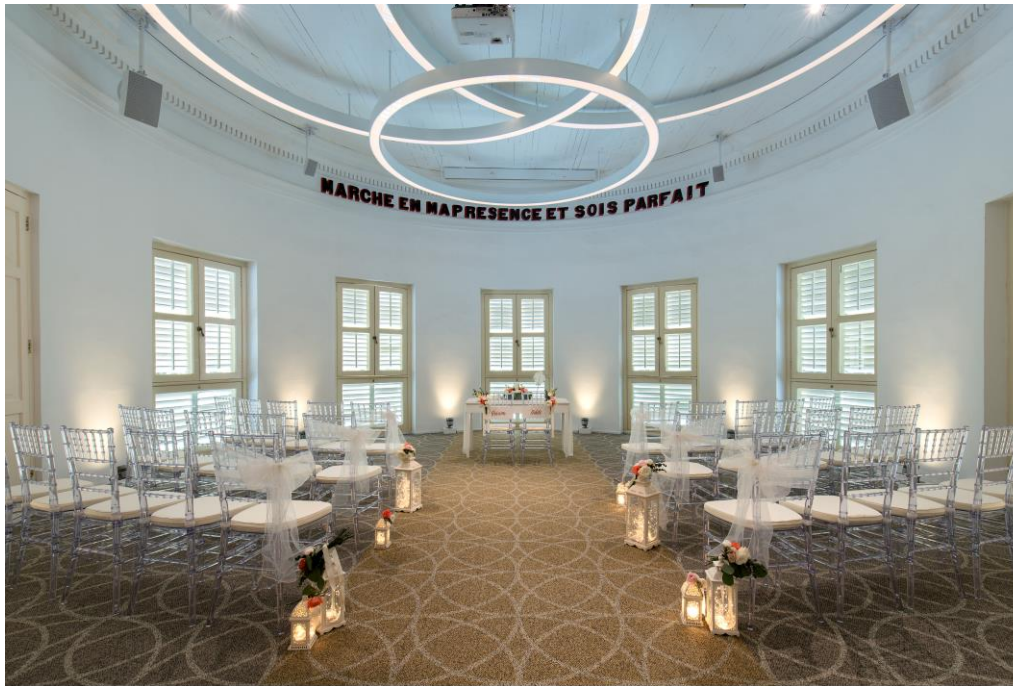
Availability: From May 14, 2017

# ■ Singapore: New Facility Opens

East asia  
business

## “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—



### summary

Opened: Tuesday, November 8, 2016

Name: Alcove at Caldwell House

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

Capacity: 100 people



After the 88th anniversary of its founding,  
Meguro Gajoen will start a new history as a hotel

On April 1, 2017, the name of the facility changed to “Hotel Gajoen Tokyo”  
— Re-branded as a globally renowned luxury hotel in Tokyo —



# ホテル 雅叙園 東京

## HOTEL GAJOEN TOKYO

### summary

---

Start of operations under new name: From April 1, 2017

Re-branding concept: “Tie Your Hearts in the Colors of Nippon.”

# ■ Meguro Gajoen: Guestroom Renovations

Hotel and  
domestic  
weddings

Renovated all guestrooms to be suites

Also created the *sakura* themed “Executive Lounge”

— Aiming for brand establishment as a multi-purpose hotel in response to the increase of foreigners visiting Japan and greater demand for accommodations —



Guestroom “Suite Room”



Executive Lounge / Top floor of the hotel (8th floor)

## summary

Guestroom Renovations: First stage opened September 2016 with 24 rooms on 7th floor / Second stage opened March 2017 with 13 rooms on 8th floor  
\*60 rooms in total, including the existing 23 rooms on 6th floor

Opening of Executive Lounge “OUKA”: March 1

# ■ Meguro Gajoen: Re-branding

Hotel and domestic weddings

Created the new wedding concept, “The happiness is colorful.”  
Wedding contracts and unit prices have been strong as a result of implementing brand strategies with the theme of Japanese “*wa*”  
— Realizing wedding ceremonies that are only possible at Meguro Gajoen with traditional beauty accumulated throughout history and with the spirit of hospitality —



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。

## summary

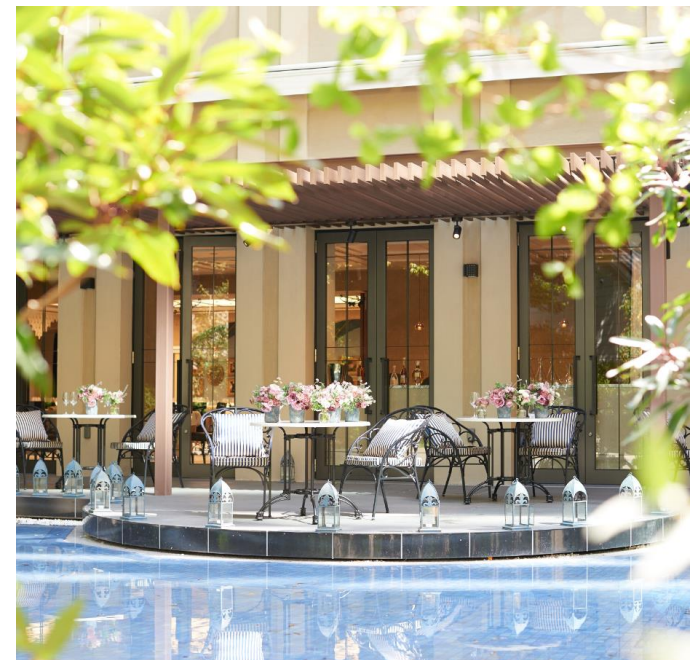
New concept introduced in April 2016

# ■ Meguro Gajoen: Restaurants

Hotel and  
domestic  
weddings

“Canoviano,” which serves popular all natural Italian cuisine, opened in May  
Appropriate for various situations such as group dining and receptions

— A spacious restaurant built into a mansion that is surrounded by greenery and water —



## summary

Opened: May 15, 2017

In addition to Hotel Mielparque in Tokyo and Osaka,  
Matsuyama and Yokohama carried out large-scale renovations in 2017  
— Contributed to improving average unit prices in Tokyo and Osaka.  
Renovations are scheduled in 2018 for Okayama and Hiroshima as well —



## summary

Completion date for renovation:

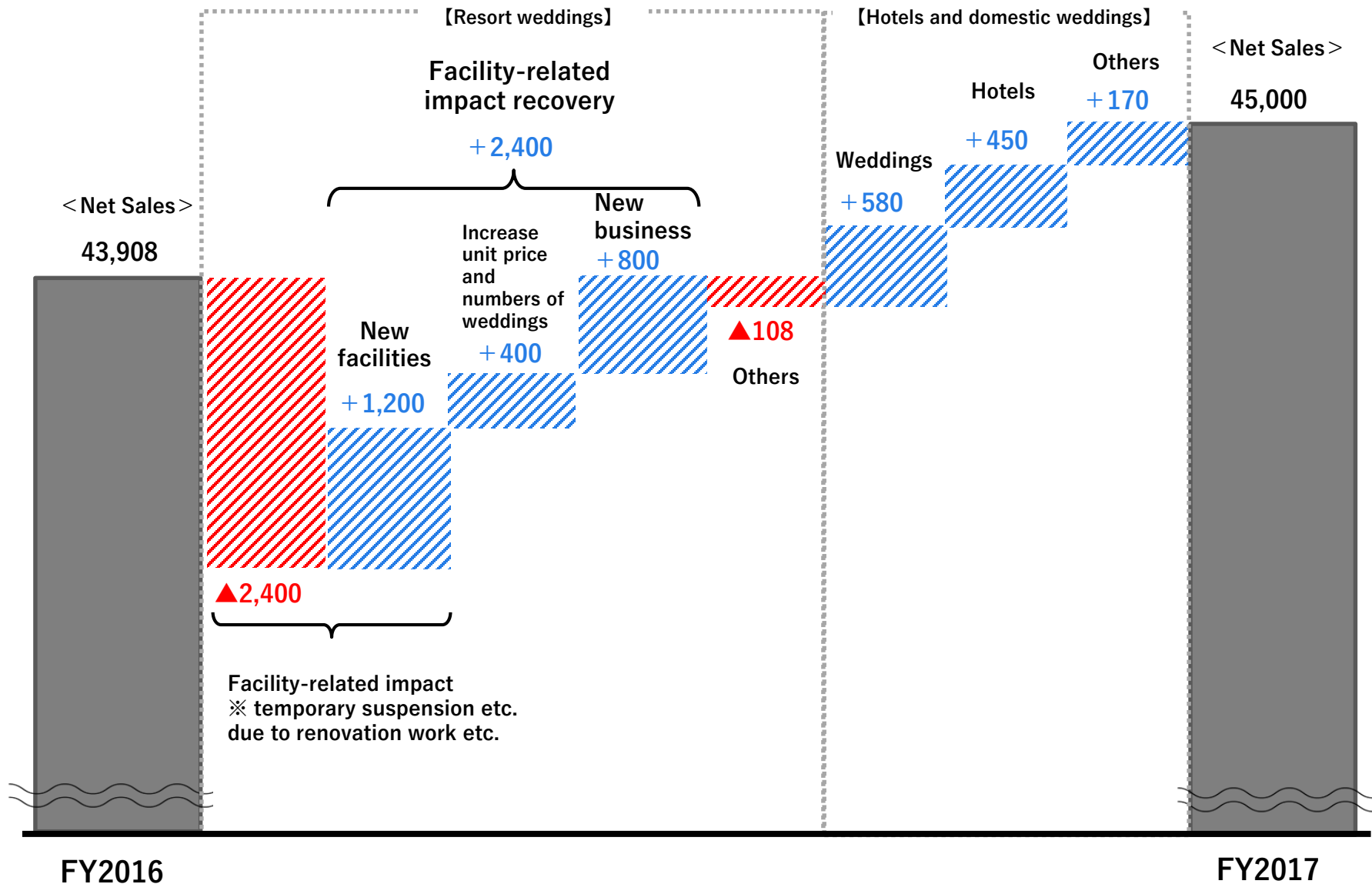
Tokyo: March 24, 2016 / Osaka: March 31, 2016 / Matsuyama: February 22, 2017 / Yokohama: March 17, 2017

A photograph of a wedding ceremony setup on a green lawn. In the foreground, several wooden chairs with white cushions and floral decorations are arranged in a semi-circle. To the right, a large, round floral arrangement of pink and white roses sits in a gold-colored vase on a tall, fluted pedestal. A ring of pink rose petals is laid out on the grass around the base of the pedestal. The background shows a lush garden with palm trees and other greenery.

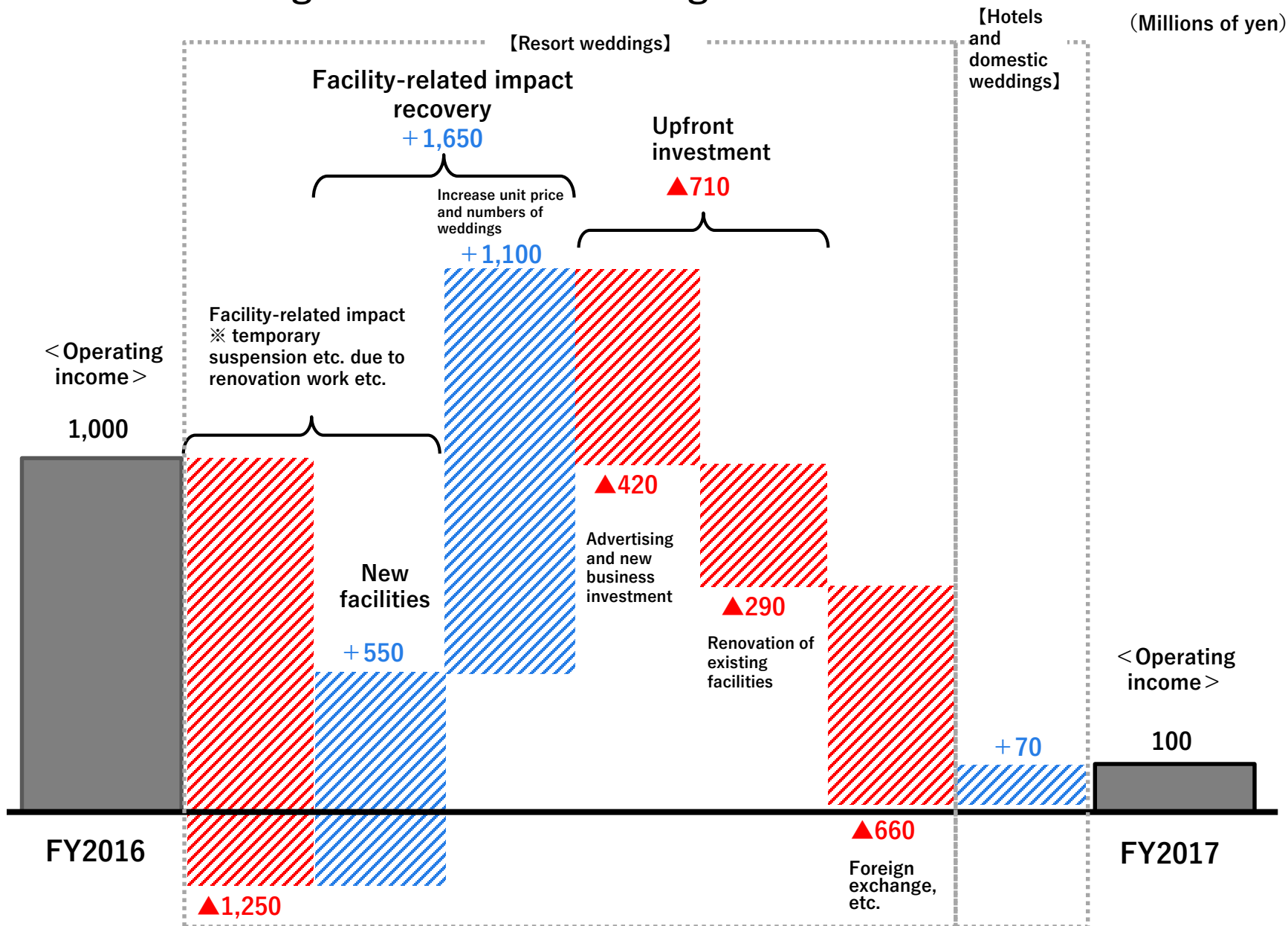
# ④ FY2017 Consolidated Performance Forecast

# Forecast of changes in Net Sales by Consolidated Business Segment

(Millions of yen)



# Forecast of changes in Consolidated Segment Income





## ■ FY2017 Consolidated Performance Forecast

(Millions of yen)

	FY2016	FY2017
Net sales	43,908	45,000
Operating income	1,000	100
Ordinary income	674	200
Profit attributable to owners of parent	123	100

A person is sitting on a blue patterned blanket outdoors. In front of them are several items: a black camera on a stack of books, a woven hat, a wide-brimmed hat, and two instant photos. The scene is lit with warm, golden light, suggesting late afternoon or early morning. The person's hands are resting on the blanket.

# 5 Appendix

# Watabe Wedding Group Network 【Overseas】

As of May 1, 2017

## <Hawaii>

- Honolulu Branch
- Kona Branch
- 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**
- Michel's at the Colony Surf **March 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>

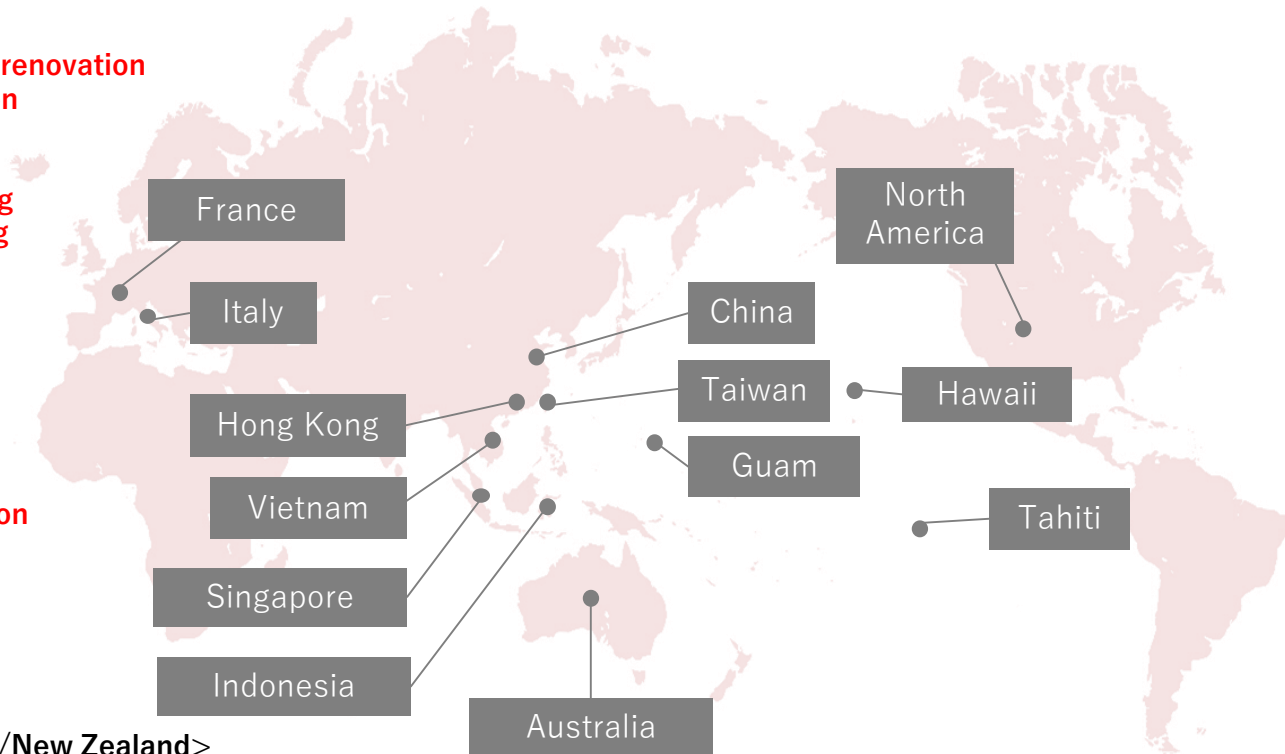
- Paris Branch
- Florence Branch

## <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>

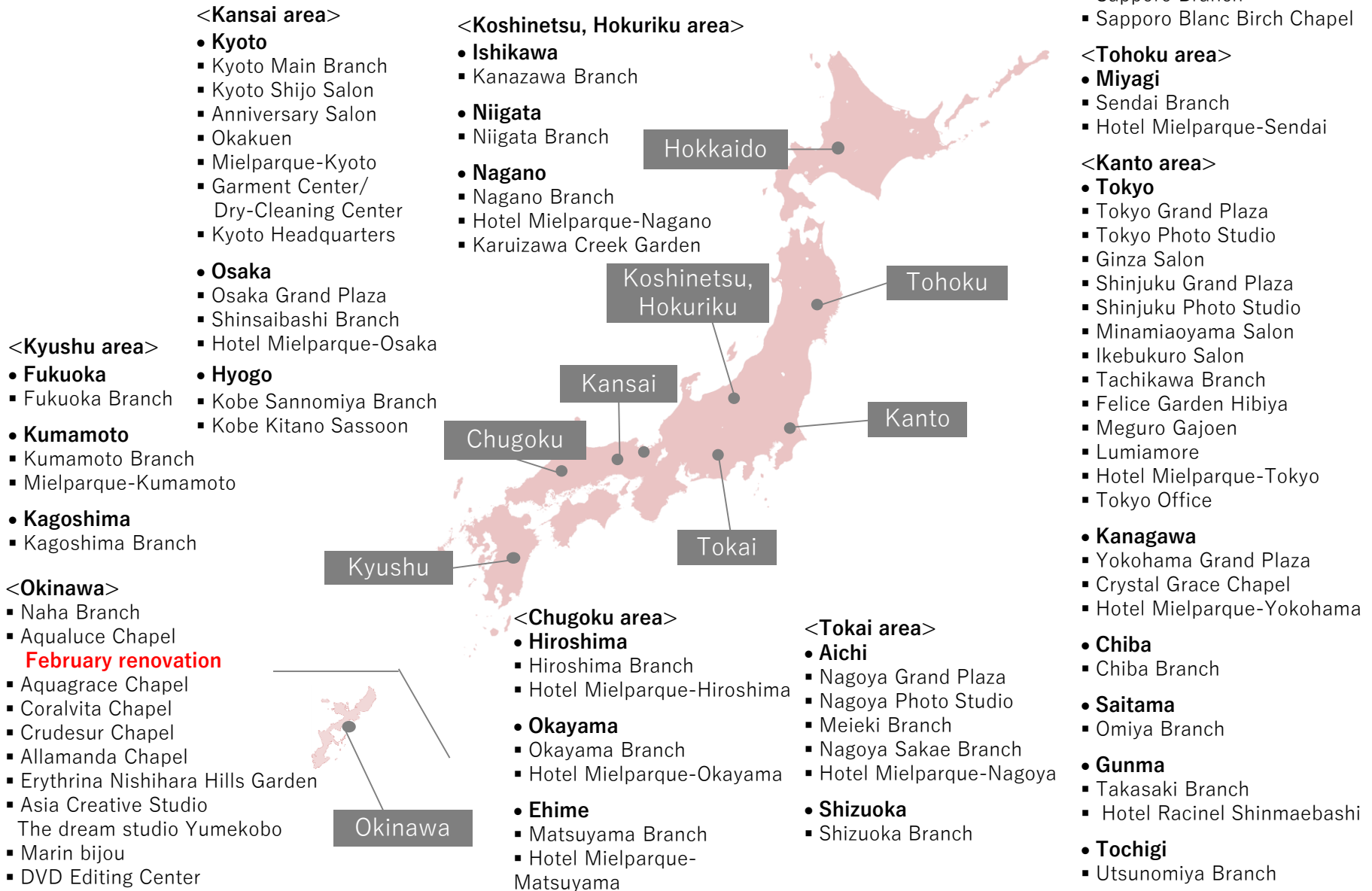
- Shanghai Branch
- Tuxedo-Making Facility
- Apparel center
- Bridal Goods Manufacturing Factory

## <Vietnam>

- Wedding Dressmaking Facility

# Watabe Wedding Group Network [Domestic]

As of May 1, 2017



# Contact Information

## Watabe Wedding Corporation

<Contact numbers for institutional investors>

TEL: +81-3-5202-4133

FAX: +81-3-5202-4144

<Contact numbers for individual investors>

TEL: +81-75-778-4111

FAX: +81-75-778-4177

This document is intended solely for use by Watabe Wedding Corporation for the purposes of presentation.

- ① Distribution or use of this document outside of the Company, or
- ② disclosure, duplication, photocopy, or any action in relation to the content of this document should not occur without the written and signed permission of Watabe Wedding Corporation.

The forward-looking statements contained in this document are based upon targets and estimates and do not constitute any guarantees or warranties. When using this document, please be aware that actual results may differ from forecasts.