

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2017
(Based on Japanese GAAP)**

July 31, 2017

Company name: Watabe Wedding Corporation
 Stock exchange listing: Tokyo
 Stock code: 4696 URL <http://www.watabe-wedding.co.jp>
 Representative: Executive President, Representative Director Nobuaki Hanafusa
 General Manager of Group Administration
 Inquiries: Division Chikaomi Hiraki TEL 075-778-4111
 Scheduled date to file Quarterly Securities Report: August 1, 2017
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2017 (from April 1, 2017 to June 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------|-----------------|-------|------------------|------|-----------------|--------|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three months ended June 30, 2017 | 11,493 | 3.7 | 446 | 54.5 | 459 | – | 302 | – |
| Three months ended June 30, 2016 | 11,086 | (2.3) | 289 | – | 23 | (83.6) | 12 | – |

| | Earnings per share | Diluted earnings per share |
|----------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Three months ended June 30, 2017 | 30.57 | – |
| Three months ended June 30, 2016 | 1.23 | – |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2017 | 20,823 | 10,744 | 51.3 |
| As of March 31, 2017 | 21,336 | 10,540 | 49.1 |

2. Cash dividends

| | Annual dividends per share | | | | |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Year ended March 31, 2017 | – | 0.00 | – | 5.00 | 5.00 |
| Year ending March 31, 2018 | – | – | – | – | – |
| Year ending March 31, 2018 (Forecast) | – | – | – | – | – |

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|-----------|-----------------|-----|------------------|--------|-----------------|--------|---|--------|--------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 45,000 | 2.5 | 100 | (90.0) | 200 | (70.4) | 100 | (19.1) | 10.09 |

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

| | | | |
|---------------------|------------------|----------------------|------------------|
| As of June 30, 2017 | 9,909,400 shares | As of March 31, 2017 | 9,909,400 shares |
|---------------------|------------------|----------------------|------------------|

Number of treasury shares at the end of the period

| | | | |
|---------------------|------------|----------------------|------------|
| As of June 30, 2017 | 451 shares | As of March 31, 2017 | 451 shares |
|---------------------|------------|----------------------|------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|----------------------------------|------------------|----------------------------------|------------------|
| Three months ended June 30, 2017 | 9,908,949 shares | Three months ended June 30, 2016 | 9,909,074 shares |
|----------------------------------|------------------|----------------------------------|------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2017 | As of June 30, 2017 |
|-------------------------------------|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 5,436 | 4,316 |
| Accounts receivable - trade | 1,580 | 1,670 |
| Merchandise | 276 | 270 |
| Raw materials and supplies | 398 | 397 |
| Other | 1,784 | 1,621 |
| Allowance for doubtful accounts | (15) | (14) |
| Total current assets | 9,460 | 8,262 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Costumes for rent, net | 147 | 148 |
| Buildings and structures, net | 4,012 | 4,927 |
| Furniture and fixtures, net | 999 | 1,069 |
| Land | 1,893 | 1,893 |
| Other, net | 630 | 178 |
| Total property, plant and equipment | 7,684 | 8,217 |
| Intangible assets | | |
| Goodwill | 507 | 595 |
| Other | 496 | 471 |
| Total intangible assets | 1,003 | 1,066 |
| Investments and other assets | | |
| Guarantee deposits | 2,666 | 2,767 |
| Other | 524 | 513 |
| Allowance for doubtful accounts | (3) | (3) |
| Total investments and other assets | 3,187 | 3,276 |
| Total non-current assets | 11,875 | 12,561 |
| Total assets | 21,336 | 20,823 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 1,549 | 1,477 |
| Short-term loans payable | 975 | 1,229 |
| Advances received | 2,466 | 2,542 |
| Provision for bonuses | 626 | 288 |
| Other | 3,341 | 2,488 |
| Total current liabilities | 8,959 | 8,025 |
| Non-current liabilities | | |
| Net defined benefit liability | 1,050 | 1,047 |
| Asset retirement obligations | 588 | 797 |
| Other | 197 | 209 |
| Total non-current liabilities | 1,836 | 2,054 |
| Total liabilities | 10,796 | 10,079 |

(Millions of yen)

| | As of March 31, 2017 | As of June 30, 2017 |
|---|----------------------|---------------------|
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 4,176 | 4,176 |
| Capital surplus | 4,038 | 4,038 |
| Retained earnings | 2,578 | 2,832 |
| Treasury shares | (0) | (0) |
| Total shareholders' equity | 10,792 | 11,046 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 19 | 21 |
| Deferred gains or losses on hedges | 25 | 18 |
| Revaluation reserve for land | (903) | (903) |
| Foreign currency translation adjustment | 514 | 475 |
| Remeasurements of defined benefit plans | 36 | 26 |
| Total accumulated other comprehensive income | (308) | (362) |
| Non-controlling interests | 55 | 61 |
| Total net assets | 10,540 | 10,744 |
| Total liabilities and net assets | 21,336 | 20,823 |

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

| | Three months ended June 30, 2016 | Three months ended June 30, 2017 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 11,086 | 11,493 |
| Cost of sales | 3,685 | 3,598 |
| Gross profit | 7,400 | 7,895 |
| Selling, general and administrative expenses | 7,111 | 7,448 |
| Operating profit | 289 | 446 |
| Non-operating income | | |
| Foreign exchange gains | – | 38 |
| Other | 25 | 26 |
| Total non-operating income | 25 | 64 |
| Non-operating expenses | | |
| Foreign exchange losses | 282 | – |
| Expenses of inactive noncurrent assets | – | 47 |
| Other | 8 | 5 |
| Total non-operating expenses | 291 | 52 |
| Ordinary profit | 23 | 459 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 41 | 2 |
| Gain on sales of shares of subsidiaries and associates | 60 | – |
| Total extraordinary income | 102 | 2 |
| Extraordinary losses | | |
| Loss on sales and retirement of non-current assets | 34 | 1 |
| Loss on restructuring wedding halls and branches | 35 | 11 |
| Other | 2 | – |
| Total extraordinary losses | 72 | 12 |
| Profit before income taxes | 53 | 449 |
| Income taxes | 37 | 140 |
| Profit | 16 | 308 |
| Profit attributable to non-controlling interests | 3 | 5 |
| Profit attributable to owners of parent | 12 | 302 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Three months ended June 30, 2016 | Three months ended June 30, 2017 |
|--|-------------------------------------|-------------------------------------|
| Profit | 16 | 308 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (13) | 1 |
| Deferred gains or losses on hedges | (173) | (7) |
| Foreign currency translation adjustment | (240) | (39) |
| Remeasurements of defined benefit plans, net of tax | (0) | (10) |
| Share of other comprehensive income of entities accounted for using equity method | (3) | (0) |
| Total other comprehensive income | (430) | (54) |
| Comprehensive income | (414) | 254 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (414) | 248 |
| Comprehensive income attributable to non-controlling interests | (0) | 5 |