



Watabe Wedding Corporation
Briefing Materials on Consolidated Results
for the First Three Months of FY2017

Agenda

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 - Consolidated Performance by Business Segment
 - Consolidated Balance Sheets
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① Consolidated Highlights

for the First Three Months of FY2017 : Summary

Business Results

Net sales: ¥11.4billion, up 3.7% year on year

Operating profit: ¥0.4billion, up 54.5%

Operating margin: 3.9%, up 1.3percentage points

Profit: ¥0.30 billion (¥0.01 billion in corresponding period of previous year)

Although the number of wedding contracts fell, the ratio of gross profit to sales rose to 68.7% (up 1.9 percentage points year on year) mainly due to increase in the unit price per couple and improved revenue structure.

Profit totaled ¥0.30 billion following ¥0.14 billion in income taxes and the limited impact of exchange rates in the first three months of FY2017.

Business Status





<Resort weddings> Number of wedding contracts down 9.9%, but the unit price per couple up 7.6%, underpinning 1.8% increase in segment sales

Although the number of wedding contracts decreased due to the current status of facilities in Hawaii (including temporary suspension of operations for renovations, etc.), unit price per couple improved following the opening of new facilities and product lineup enhancements. Sales at “Michel’s,” a restaurant in Hawaii, benefited from favorable operations. Revenue structure improved mainly as a result of the enhancement of local sales capabilities and strengthening of local operations including manufacturing.

<Hotel and domestic weddings> Number of wedding contracts down 12.6%, but the unit price per couple up 8.3%, underpinning 5.0% increase in segment sales

Sales increased following efforts to promote brand value of Hotel Gajoen Tokyo which included its re-branding, renovation of guestrooms, and construction of a new lounge. Opened “Canoviano,” an Italian restaurant, which contributed to sales primarily from weddings on the weekends and restaurant operations on weekdays. Sales increased mainly due to Mielparque’s return to normal operations which include the enhancement of the community-oriented banquet business, despite the impact of the 2016 Kumamoto Earthquake in the previous period. Guestroom unit prices improved with the beneficial effect of guestroom renovations.









Consolidated Highlights for the First Three Months of FY2017 (Millions of yen)

Item	1Q FY2016	1Q FY2017	Year-on-year change
Net sales	11,086	 11,493	3.7%
Gross profit	7,400	7,895	6.7%
Gross profit ratio	66.8%	68.7%	1.9
Selling, general and administrative expenses	7,111	7,448	4.7%
SG&A ratio	64.1%	64.8%	0.7
Operating income	289	 446	543.3%
Operating income ratio	2.6%	3.9%	1.3
Ordinary income	23	 459	-
Ordinary income ratio	0.2%	4.0%	3.8
Profit attributable to owners of parent	12	 302	-

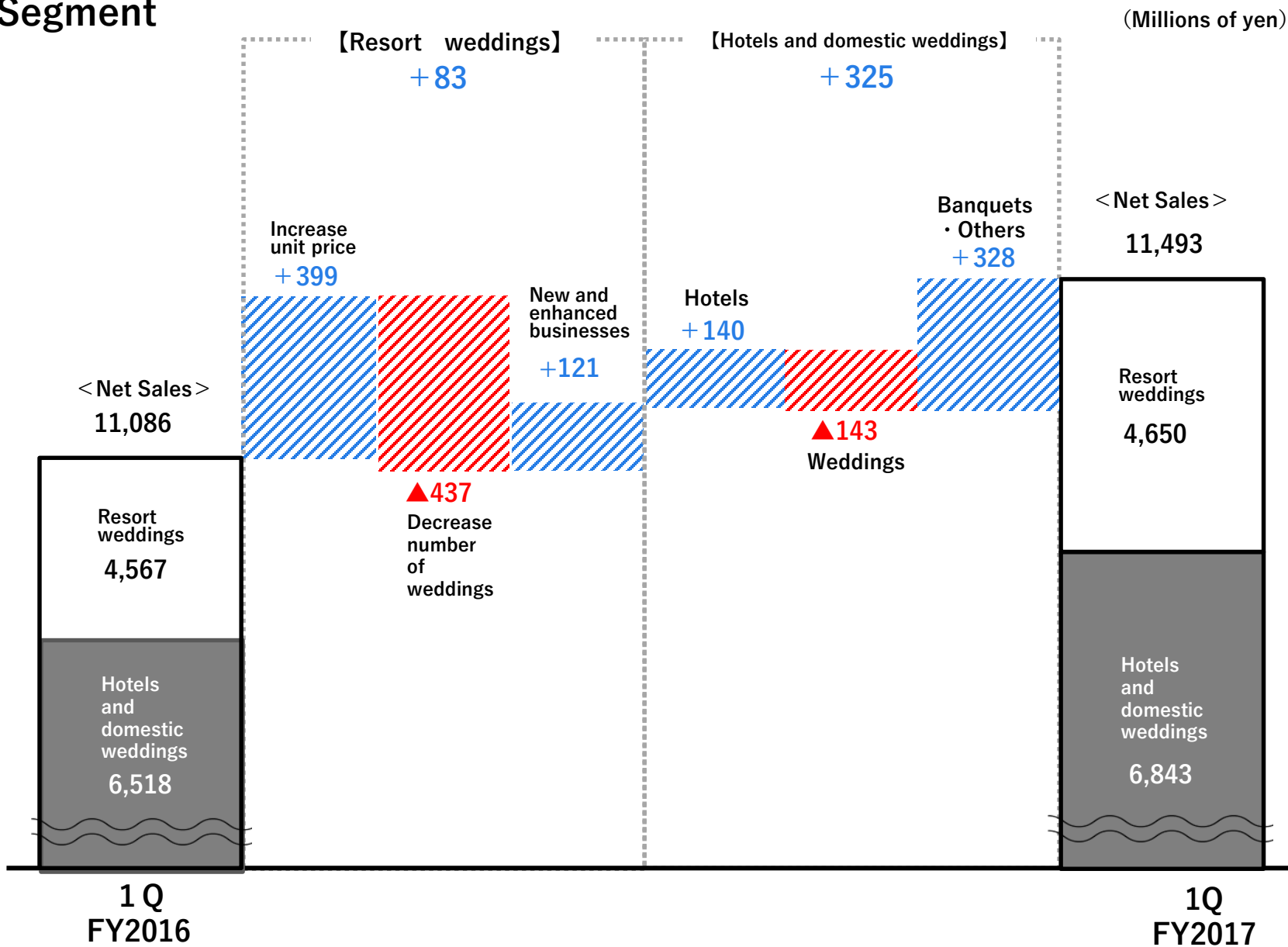
Consolidated Performance by Business Segment

Consolidated Performance by Business Segment

(Millions of yen)

Item	Resort weddings		Hotels and domestic weddings		Adjustments	
	1Q FY2016	1Q FY2017	1Q FY2016	1Q FY2017	1Q FY2016	1Q FY2017
Net sales* *Sales to customers	4,567	 +83 4,650	6,518	 +325 6,843	-	-
Segment income (loss)	 39	 +142 103	265	 +77 342	63	1
Segment income ratio	 0.9%	 3.1pt 2.2%	4.1%	 0.9pt 5.0%	-	-

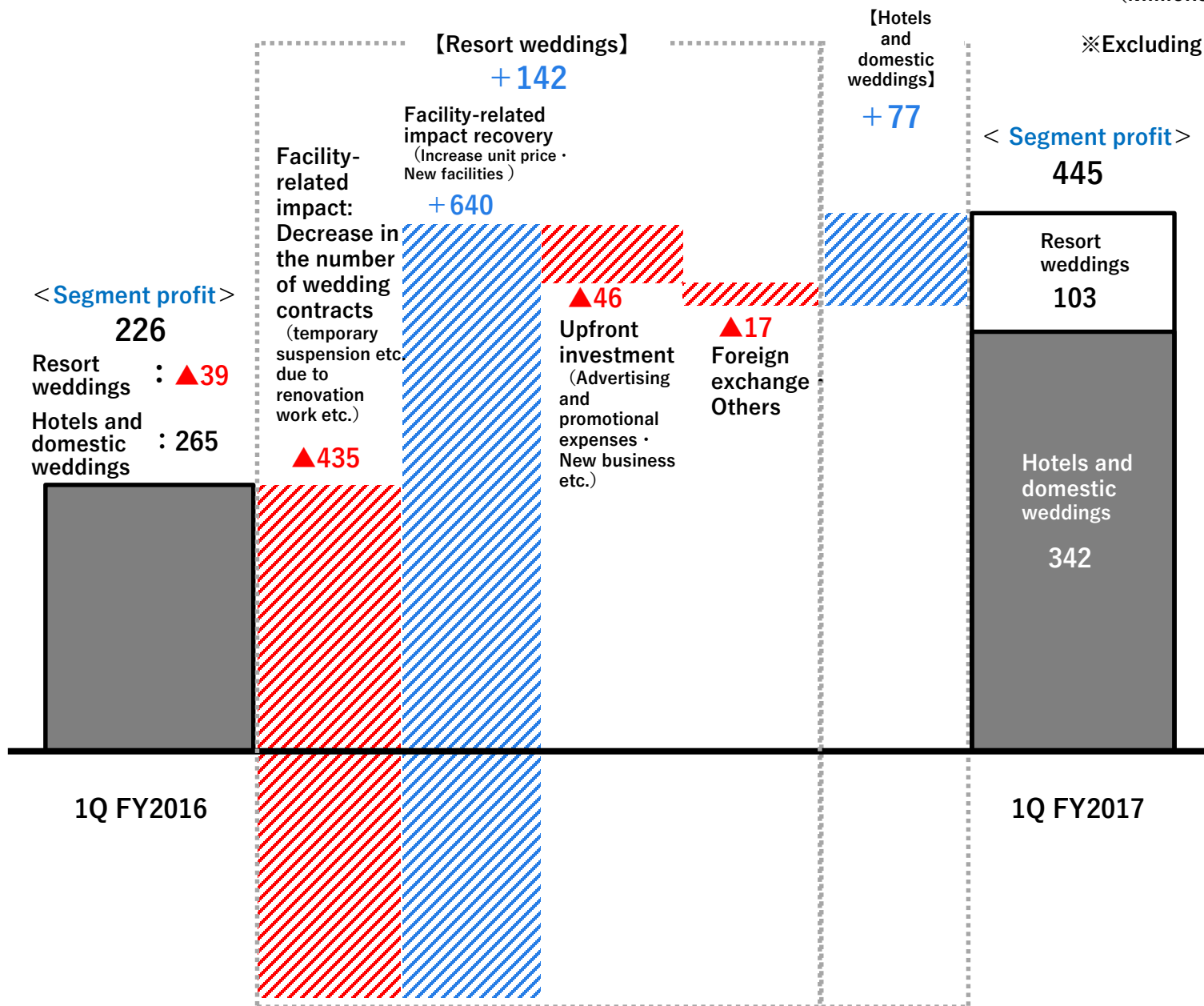
Changes in Net Sales by Consolidated Business Segment



Changes in Profit by Consolidated Business Segment

(Millions of yen)

※Excluding adjustment



Consolidated Balance Sheets

Consolidated Balance Sheets

(Millions of yen)

	FY2016	1Q FY2017	Change
Current assets	9,460	8,262	-1,198
Cash and deposits	5,436	4,316	-1,120
Non-current assets	11,875	12,561	686
Property, plant and equipment	7,684	8,217	533
Intangible assets	1,003	1,066	63
Investments and other assets	3,187	3,276	89
Total assets	21,336	20,823	-513

	FY2016	1Q FY2017	Change
Current liabilities	8,959	8,025	-934
Accounts payable-trade	1,549	1,477	-72
Short-term loans payable	975	1,229	254
Non-current liabilities	1,836	2,054	218
Asset retirement obligations	588	797	209
Total liabilities	10,796	10,079	-717
Net assets	10,540	10,744	204
Retained earnings	2,578	2,832	254
Total liabilities and net assets	21,336	20,823	-513

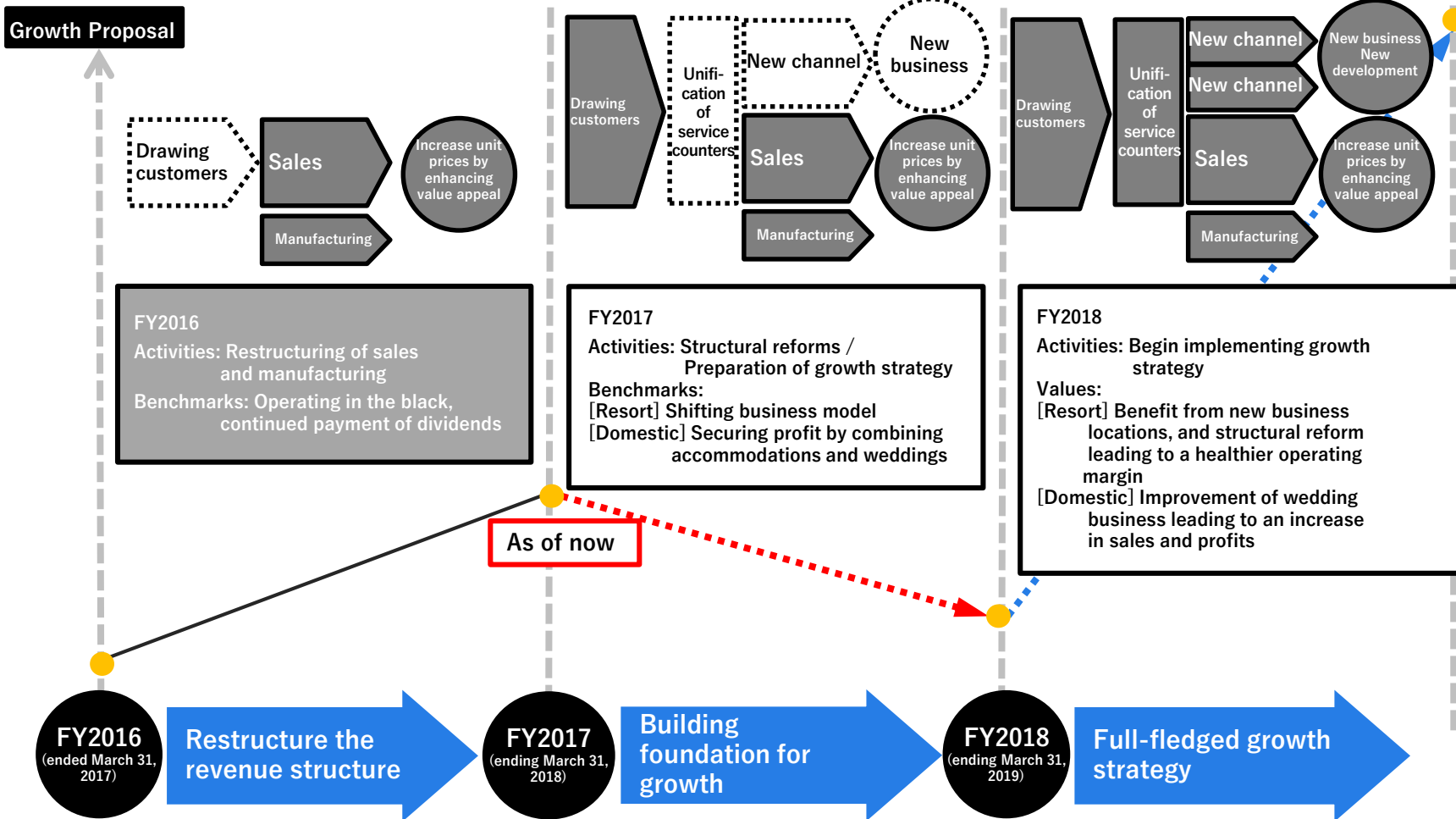
A woman in a long, flowing white dress is walking barefoot on a sandy beach. She is looking down and to the right. The background shows a calm sea with gentle waves lapping at the shore. In the distance, there are some small figures in the water and a hazy horizon under a sky filled with soft, white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

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

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

Start a new lineup of businesses

Launched the new *Rizokon* brand by category

- Simple and affordable “EASY by WATABE WEDDING,” a comprehensive online service.
- Custom-made “PLATINUM BIRTHY”

Area Re-development

Develop chapels in major areas

Develop new facilities in Hawaii/Guam/Okinawa

Ensure greater predominance of the Company in other areas

Strengthen development in other areas outside the major areas (Develop new sales channels • product development, etc.)

Specific Measures to be Implemented in Hotel and Domestic Weddings ,and Related Businesses in FY2017

Meguro Gajoen

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

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

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

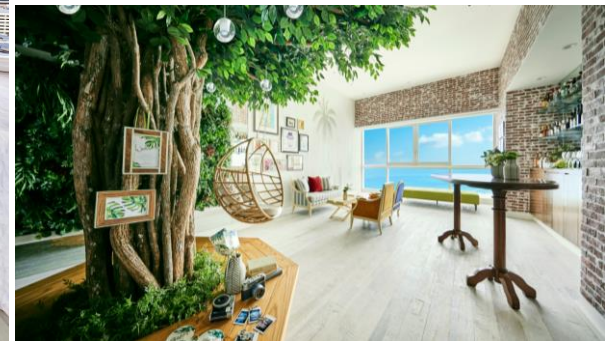
■ Hawaii: New Facility Opens in Waikiki Area

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

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

■ 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

Sales were brisk at “Michel’s at the Colony Surf,”
famously known as the “most picturesque French restaurant in Waikiki”

- Strengthen services that enrich lifestyles after weddings -



MICHEL'S

summary

Begin operations: From March 7, 2017

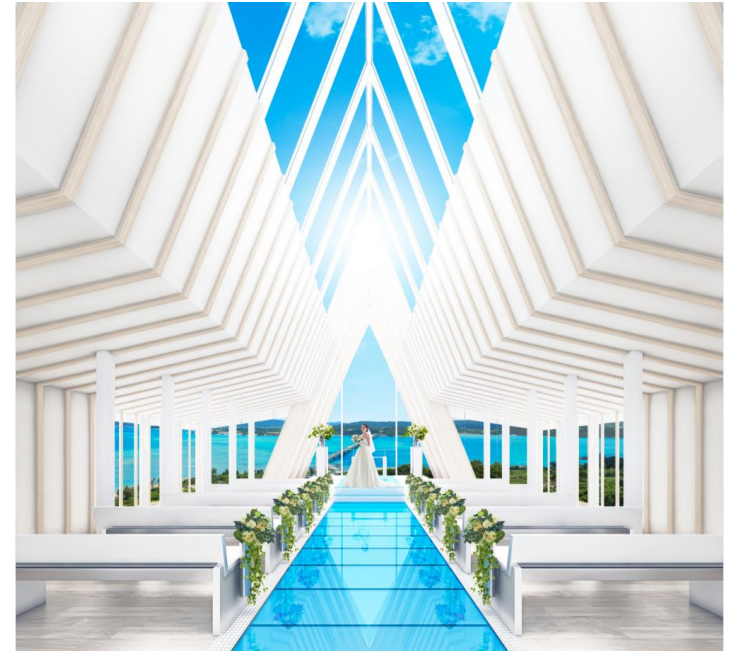
Name: Michel's at the Colony Surf

Address: 2895 Kalakaua Ave, Honolulu, HI 96815

■ Okinawa: New Facility Opens

Creating a new iconic wedding hall on an isolated island
that can be accessed by car from the main island
“Kouri Island Sky&Ocean Kyoukai” opens in Spring 2018

- Located on a romantic island once called the "island of love"-



summary

Opening : First ceremony scheduled to take place Spring 2018 / Taking reservations : From August 23, 2017

Name : Kouri Island Sky&Ocean Kyoukai

Address : Kouri Ocean Tower 538 Kouri, Nakijin-son, Kunigami-gun, Okinawa

Capacity : 40 people

Note: Graphics are concept images.

Guam: New Facility Opens

Resort
weddings
business

A pure white chapel encased in glass and surrounded by the sea and greenery.

“Promesa Chapel” will begin operations in January 2018

- Reservations are sold at reasonable prices only at outlets, such as travel agencies, that are in collaboration with the Company -



summary

Opening : First ceremony scheduled to take place January 2, 2018 / Taking reservations : From July 7, 2017

Name : Promesa Chapel

Address : 627B Pale San Vitores Road Tumon Guam 96913 USA

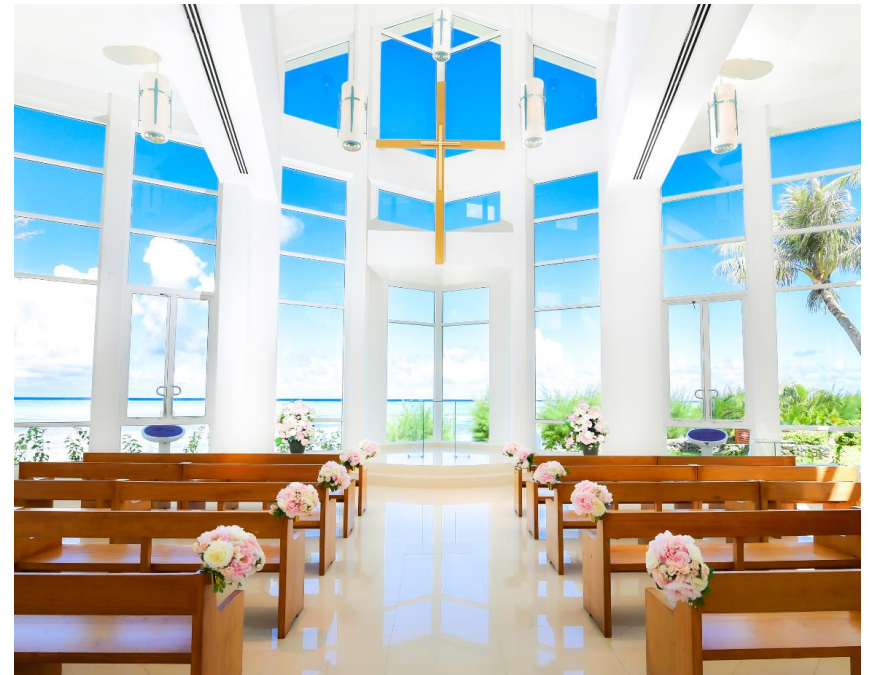
Capacity : 30 people

■ Saipan: New Facility Opens

Resort
weddings
business

A chapel with a striking triangular blue roof and large glass windows
“ST. ANGELO CHAPEL” will begin operations in January 2018

- Providing new value in the Saipan area by building an authentic chapel -



summary

Opening : First ceremony scheduled to take place January 2, 2018 / Taking reservations : July 18, 2017

Name : ST. ANGELO CHAPEL

Address : P.O.Box 5152 CHRB, Saipan, MP96950

Capacity : 45 people

Paris, Europe: New Venue Availability

Resort
weddings
business

Reserve a castle and gardens surrounded by four hectares of forest
Sales of reservations for “Château de Santeny” began in May 2017

- Meeting diversified needs by providing photogenic weddings that are only possible in Paris -



summary

Opening : First ceremony scheduled to take place January 4, 2018 / Taking reservations : From May 22, 2017

Name : Château de Santeny

Address : 2, Route de Marolles 94440 Santeny

Capacity : 12 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、みんなと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。



そこに置れる。
争ったことのない時間にも見守られて。
それが「リゾ婚」の幸せです。



家族と家族が、ひとつの新しい家族になる時、
ゲストの笑顔が、やがてはみんなになる。

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

■ Rizokon: Enhance the Brand Power ②

Resort
weddings
business

Set August 1 as “*Rizokon Day*”

Opened the “*Rizokon Café*” in Shibuya for limited time during August

- Created a display to advertise *Rizokon's* appeal, sold specially made cake, and more -



summary

”*Rizokon Café*”

Open : From August 1, 2017 to August 31, 2017

Opening hours : 11:00~23:00 (L.O. 22:00)

Location : Shibuya City Lounge (2F Shibuya LOFT 21-1 Udagawa-cho, Shibuya-ku, Tokyo)

Rizokon: New Brand

Resort
weddings
business

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 -

手軽に行って きちんと誓う

EASY

by WATABE WEDDING

EASY
by WATABE WEDDING

69,800 WEB限定
YEN~

手軽に行ってきちんと誓う

ご出発日の 90 日前~14 日前までお申込みOK!

選べる人気エリア

ハワイ アダム 伊勢

WEB限定商品のため、メールにてお問合せください。

EASYとは?
ABOUT

手軽に行って きちんと誓う

EASY
by WATABE WEDDING

結婚式は何か特別なことじゃない。
日常から離れた旅先でなら、尚のこと。
もっと手軽に、もっと簡単に。
まっすぐな気持ちで向き合い、愛を誓う。
ふたりのところを巡る結婚式トリップへ。

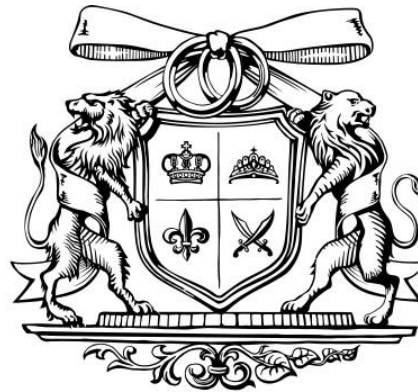
summary

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

Launched the new custom-made *Rizokon* brand

”PLATINUM BIRTHY” in August 2017

- Offering a comprehensive and original bridal story that includes the wedding, garments, travel, and reception after returning to Japan -



PLATINUM
BIRTHY

WATABE WEDDING 1953

summary

Accepting requests for pamphlets and inquiries: August 1, 2017

Opening of dedicated lounge : September 1, 2017 4F Nisso 25th Building 2-9-8 Shibuya, Shibuya-ku, Tokyo

URL : https://www.watabe-wedding.co.jp/platinum_birthy/

Enhancing Value of Resort Wedding Products

Resort
weddings
business

Offered garments that match customers' diversified needs with the new 2017 collection

Bridal gowns

Be a more elegant bride with a dress designed to match various *Rizokon* styles



"NOA"
The airy design, which is attractive at weddings in beach areas such as Hawaii, really stands out



"BELDAD"

A refined design recommended for high-quality and highly fashionable wedding ceremonies such as weddings at luxury resort facilities in Bali

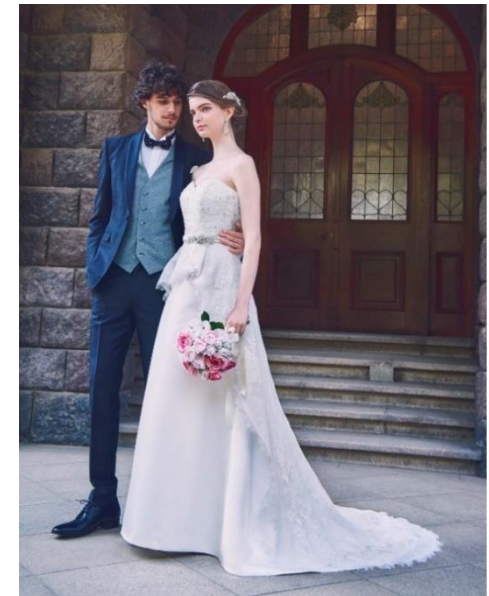
Colored gowns

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



Tuxedos

The latest tuxedo made with the casual tastes of *Rizokon* while keeping in touch with trends for men's suits



summary

New 2017 collection

- Bridal gowns Availability : From April 21, 2017
- Colored gowns Availability : From May 14, 2017
- Tuxedos Availability : From April 21, 2017

Opening of Photo Studio

Resort
weddings
business

A multi-purpose studio that meets diversified wedding photo needs

The “Watabe Wedding Tokyo/Shibakoen Photo Studio” opened in September 2017

- Watabe Wedding began subcontracting operations for Hotel Mielparque- Tokyo’s photo business -



summary

Opening : September 1, 2017

Taking reservations : From August 1, 2017

Address : 2F Hotel Mielparque-Tokyo 2-5-20 Shibakoen, Minato-ku, Tokyo

Note: Graphics are concept images.

■ Meguro Gajoen: Re-branding

Hotel and
domestic
weddings

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 newly built 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: Restaurants

Hotel and
domestic
weddings

“Canoviano,” which serves popular all natural Italian cuisine, opened in May
Offers restaurant weddings where guests are treated to specialty cuisine

- A restaurant built into a mansion that is appropriate for various situations such as group dining and receptions -



summary

Opened: May 15, 2017

Name : Ristorante “Canoviano”

Capacity : Inside 90 seats (1 private room) Outside 24 seats

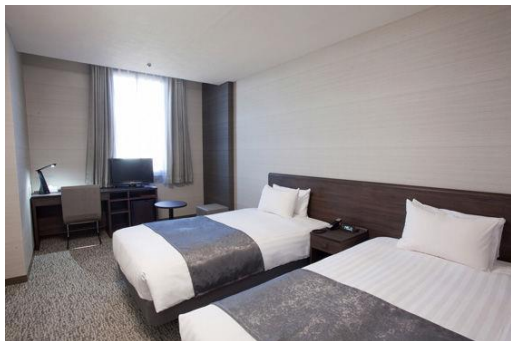
Opening hours [Weekdays] 11:30 - 14:30 (L.O.)/17:30 - 21:30 (L.O.) [Weekends & Holidays] 11:30 - 15:00 (L.O.)/17:30 - 21:30 (L.O.)

■ Mielparque: Renovations

Hotel and
domestic
weddings

Hotel Mielparque in Matsuyama and Yokohama carried out renovations,
which contributed to improving average unit prices

- Renovations are scheduled in 2018 for Okayama and Hiroshima as well -



summary

Completion date for renovation:

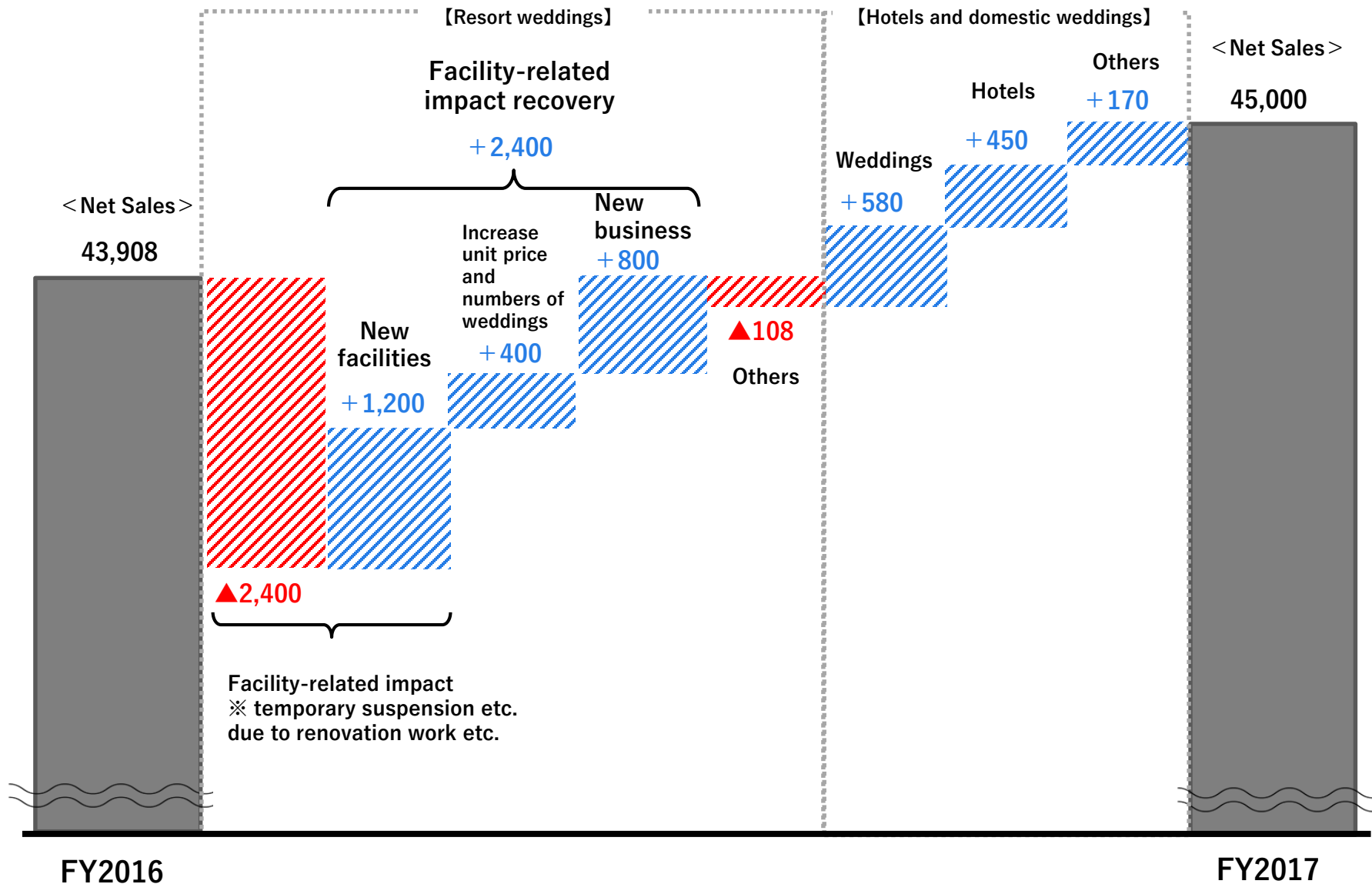
Matsuyama: February 22, 2017 / Yokohama: March 17, 2017 / Okayama March 1, 2018 (scheduled) /
Hiroshima March 9, 2018 (scheduled)

A photograph of an outdoor 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 lush greenery and palm trees under bright sunlight.

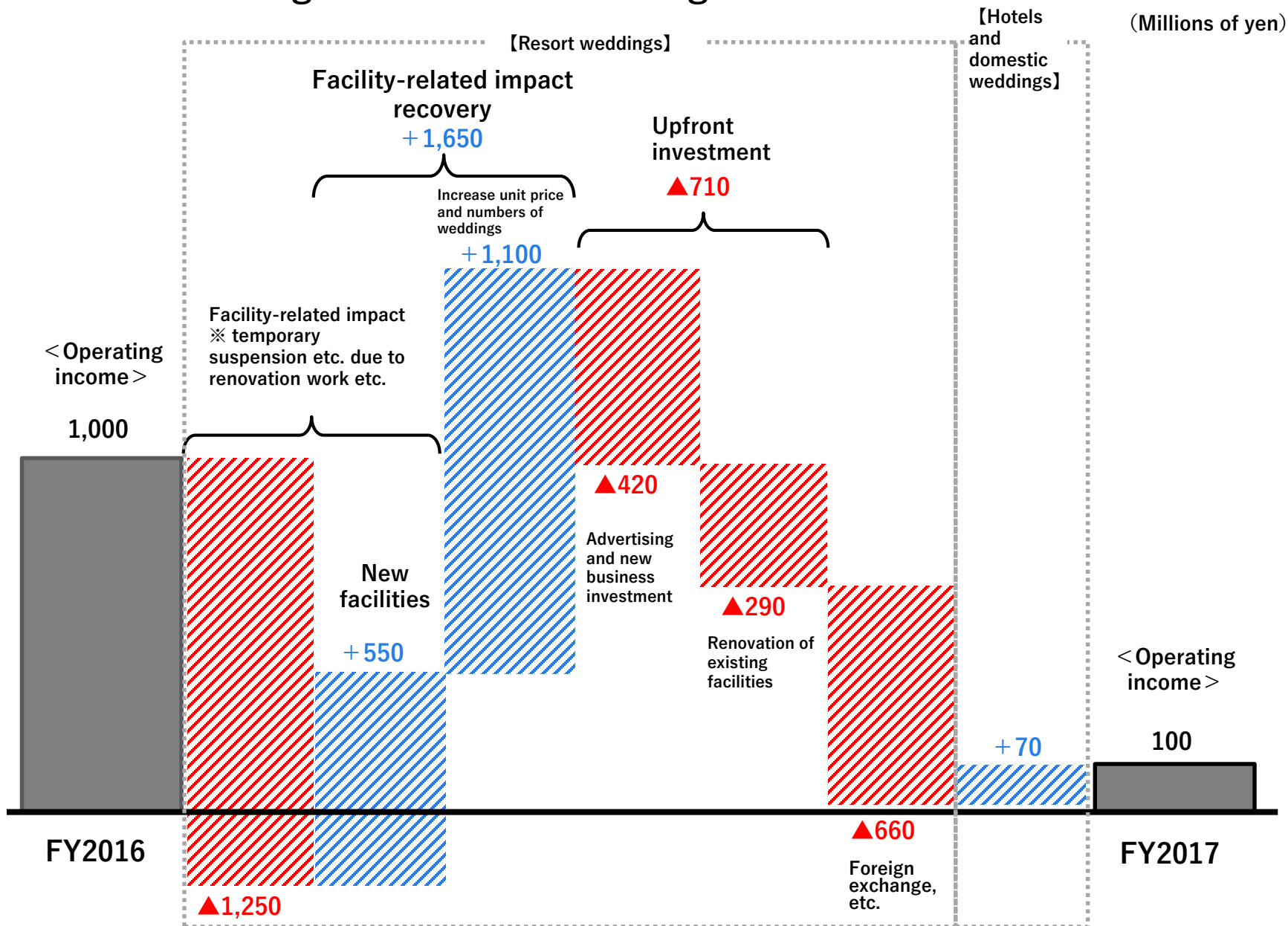
④ FY2017 Consolidated Performance Forecast

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

5 Appendix



Watabe Wedding Group Network 【Overseas】

As of Aug 1, 2017

<Hawaii>

- Honolulu Branch
- Kona Branch
- Lani Le'a Chapel **May opening**
- Ko Olina Chapel at Aqua Marina
- Aloha Ke Akua Chapel
- The AKALA Chapel
- 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
- Blue Aster
- Luz de Amor Chapel
- Saipan Branch

<Tahiti>

- Tahiti Branch

<France/Italy/UK>

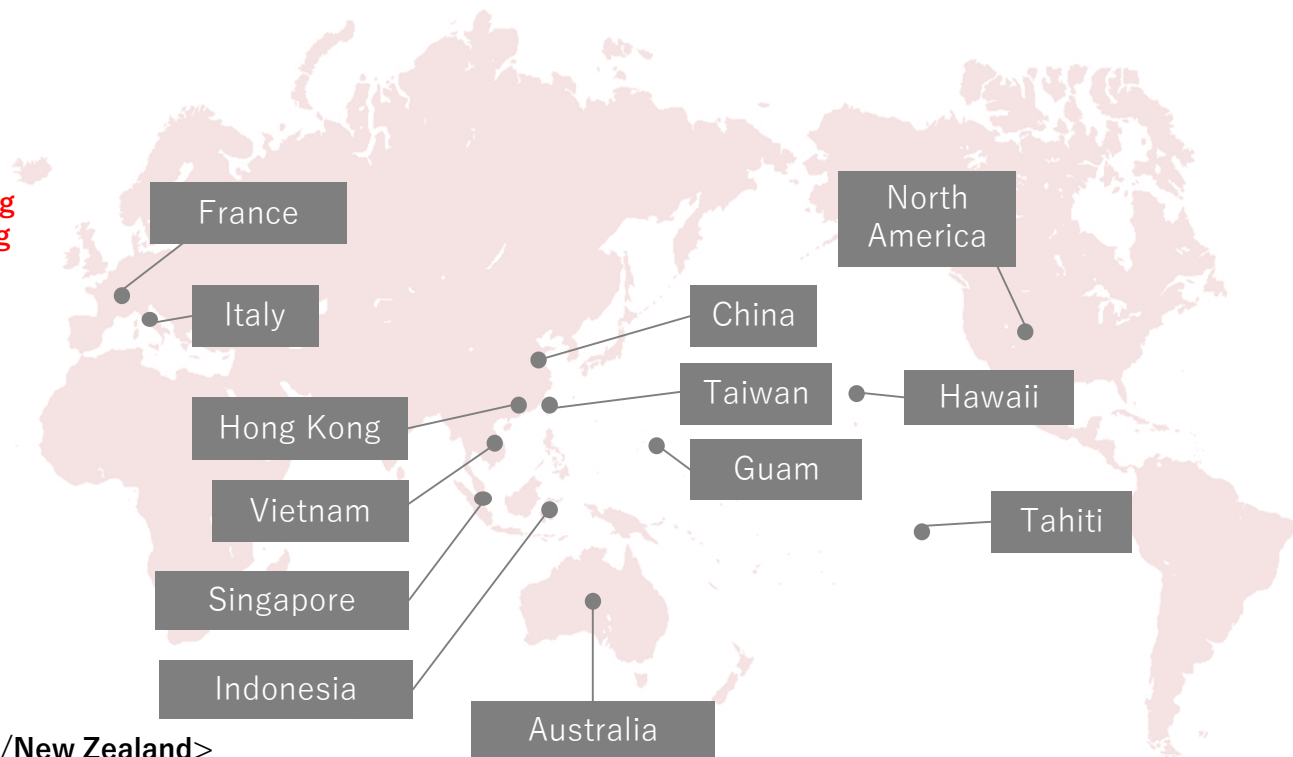
- Paris Branch
- Florence Branch

<Australia/New Zealand>

- 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>

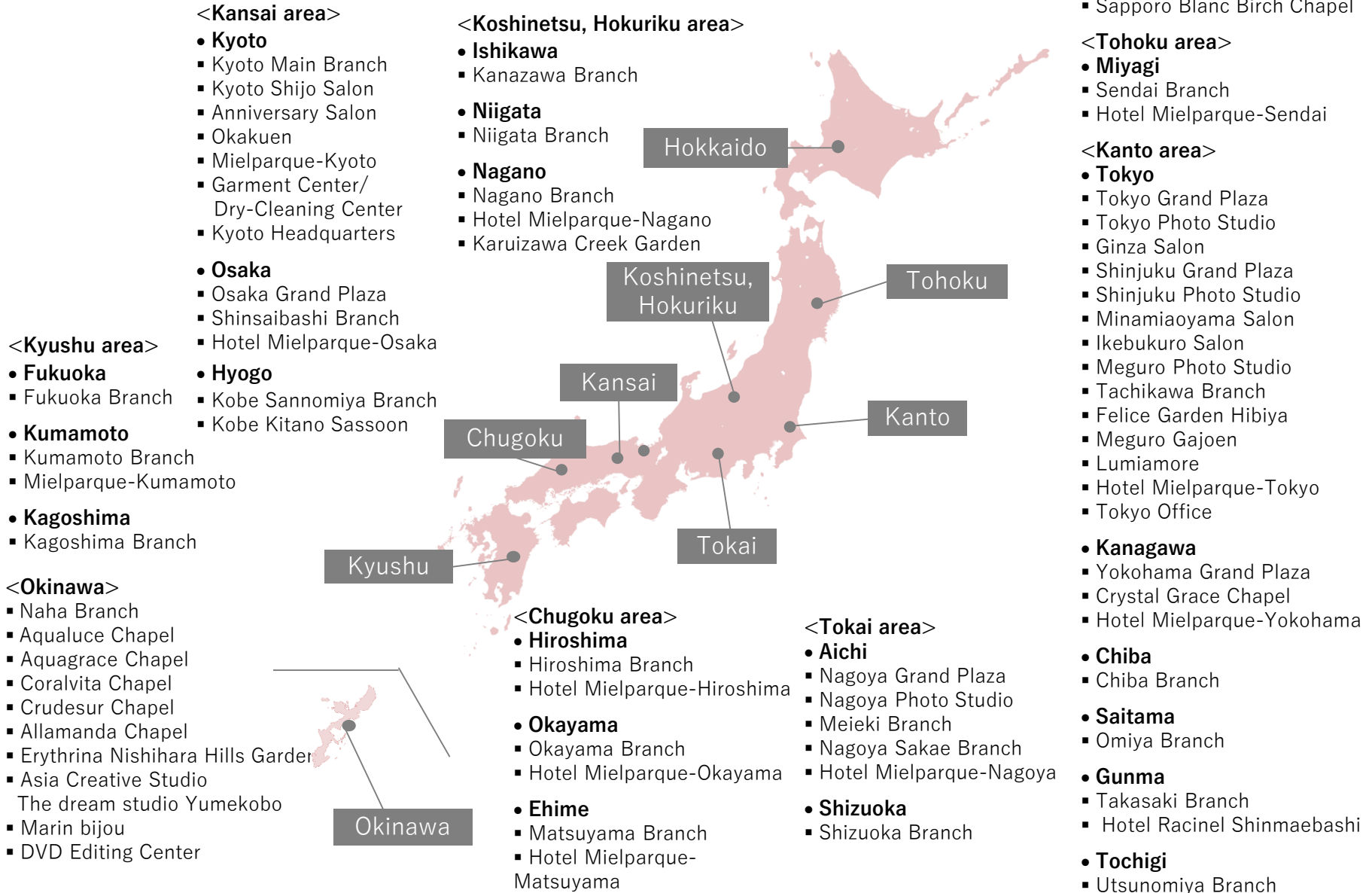
- Shanghai Branch
- Tuxedo-Making Facility
- Apparel center
- Bridal Goods Manufacturing Factory

<Vietnam>

- Wedding Dressmaking Facility

Watabe Wedding Group Network [Domestic]

As of Aug 1, 2017



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