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Best Bridal, Inc.
President and CEO Masayuki Tsukada
TSE Mothers Code: 2418
For information, contact:
Manager, Management Planning Department Mitsuo Shigeta
Tel: 03 (5464) 0081
<http://www.bestbridal.co.jp>

Notice Concerning First Outlet under Hotel Restructuring Proposal

Best Bridal has decided to open a new outlet at 102-9 Yagotohonmachi, Showa-ku, Nagoya (former site of Yagoto Mulberry Hotel), provisionally named Bridal Stage Yagoto Premium Hotel & Spa, as detailed below. The outlet is scheduled to open in spring 2007.

Bridal Stage Yagoto Premium Hotel & Spa (provisional name) is the first large-scale renovation activity by the firm, within our business to revitalize existing hotels.

The construction of new hotels in the major cities is intensifying competition, forcing existing hotels to construct new facilities to draw customers and rework their promotional strategies. Guest house weddings are enjoying strong market growth in the bridal market in recent years, but the recent activity in the real estate business has resulted in rising land acquisition costs. Recognizing this situation, Best Bridal has decided to engage in the large-scale renovation of an existing hotel to further develop our strategy to penetrate the metropolitan areas. The above-mentioned outlet will make it possible to minimize investment by utilizing existing hotel structures, while the application of our expertise in operations and the creation of interior and exterior facilities will result in a facility offering an "at-home" wedding atmosphere totally different from conventional hotel weddings, and allow us to provide guests with the highest hospitality. By integrating beauty production (centered on bridal), hotel and restaurant functions we will be able to provide total service from initial application to wedding ceremony, realizing a new type of hotel business that is compatible with our management concept of continuing to create new value through guest house weddings offering the latest and highest-quality service, unfettered by existing preconceptions. Implementation details are still under consideration.

We celebrated our tenth anniversary in October 2005, and accelerated our outlet development program to support new growth, including (1) Omiya Outlet: Three guest houses opened in March 2006, (2) Kita-Aoyama Outlet: Two guest offices opened in May 2006, (3) Ichigaya Outlet: one guest house opened in May 2006, (4) Nagoya Marunouchi Outlet: One guest house to open in fall 2006, and (5) Shinsaibashi Outlet: Two guest houses to open in fall 2006. All operations are designed to enjoy high usage ratios from opening to promptly recover invested capital, and promote the steady and sound advancement of our growth strategy.