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November 9, 2012

Best Bridal Inc.
Consolidated Earnings Report for the Nine Months ended September 30, 2012
(Japanese GAAP)

Stock listing: Tokyo Stock Exchange (First Section) Securities code: 2418
 URL: <http://www.bestbridal.co.jp/english/>
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 Scheduled dates:
 Filing of statutory quarterly financial report (*sihanki hokokusho*): November 12, 2012
 Dividend payout: -
 Supplementary materials to quarterly financial results available: No
 Quarterly earnings presentation held: No

(Amounts rounded down to the nearest million yen)

1. Consolidated Performance for the Nine Months ended September 30, 2012
(January 1, 2012 – September 30, 2012)

(1) Consolidated Operating Results (percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine Months ended September 30, 2012	30,400	7.1	3,008	1.7	3,021	7.7	1,326	44.3
Nine Months ended September 30, 2011	28,390	6.3	2,958	(31.4)	2,804	(31.8)	919	(58.9)

Note: Comprehensive income: Nine Months ended September 30, 2012: 1,325 million yen (47.0 %)
 Nine Months ended September 30, 2011: 901 million yen (- %)

	Net income per share	Diluted net income per share
	yen	yen
Nine Months ended September 30, 2012	5,416.99	-
Nine Months ended September 30, 2011	3,755.11	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
September 30, 2012	46,253	18,661	40.3
December 31, 2011	47,382	17,825	37.6

Reference: Total equity: September 30, 2012: 18,661 million yen
 December 31, 2011: 17,825 million yen

Total equity=Shareholders' equity plus total accumulated other comprehensive income.

2. Dividends

	Dividend per share				
	End-Q1	End-Q2	End-Q3	Year-end	Annual total

	yen	yen	yen	yen	yen
Year ended December 31, 2011	-	1,000.00	-	1,000.00	2,000.00
Year ending December 31, 2012	-	1,000.00	-		
Year ending December 31, 2012 (Forecast)				1,000.00	2,000.00

Note: No revision has been made to the latest dividends forecast.

3. Earnings Forecast for the Fiscal Year ending December 31, 2012 (January 1, 2012 – December 31, 2012)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending December 31, 2012	43,100	3.3	7,050	10.2	6,900	10.9	3,850	44.2	15,727.12

Note: No revision has been made to the latest earnings forecast.

*Notes

- (1) Changes affecting the consolidation status of significant subsidiaries during the period: None
- (2) Use of accounting methods specific to preparation of quarterly consolidated financial statements:
Yes
*For details see, "Application of Specific Accounting Methods for the Preparation of Quarterly Financial Statements" on page 6
- (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement
 - 1) Changes in accordance with amendments to accounting standards, etc.: None
 - 2) Changes other than noted in 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Shares issued (common stock)

	September 30, 2012	December 31, 2011
1) Number of shares issued at end of period (including treasury stock)	244,800	244,800
2) Number of shares held in treasury at end of period	-	-
	Nine Months ended September 30, 2012	Nine Months ended September 30, 2011
3) Average number of shares outstanding during the period	244,800	244,800

*** Quarterly Review Status**

This report is exempt from the review requirements of Japan's Financial Instruments and Exchange Act.

As of this report publication, a review of the consolidated quarterly financial statements in accordance with the Act is underway.

***Appropriate Use of Earnings Forecast and Other Important Information**

- The above forecasts are based on information available as of this report's publication. Best Bridal makes no assurances as to the actual results, which may differ from forecasts due to changes in the business environment. For the assumptions underlying the forecasts herein and other notice on the use of earnings forecasts, please refer to "Earnings Forecast for the Fiscal Year ending December 31, 2012" on page 5 in the accompanying material.

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Review of Consolidated Financial Results

(1) Operating Results

During the first nine months of the fiscal year ending December 31, 2012 (January 1, 2012 – September 30, 2012), the Japanese economy showed signs of recovery from the standstill caused by the Great East Japan Earthquake, with reconstruction-related demand providing the main stimulus. The economic outlook remained clouded, however, due to the European debt crisis, protracted yen appreciation, and a slowdown in the economic growth of newly emerging economies.

In this environment, the Best Bridal Group endeavored to increase sales and profitability by continually creating new value in the guest house and wedding business through high-quality, appealing outlets and value-added services, and by taking proactive efforts to enhance business efficiency.

As a result of the above factors, net sales for the nine months ended September 30, 2012 increased 7.1% over the same period of the previous fiscal year to ¥30,400 million, operating income increased 1.7% year on year to ¥3,008 million, ordinary income increased 7.7% year on year to ¥3,021 million, and net income increased 44.3% year on year to ¥1,326 million.

The following are results by business segment.

1) Domestic Operations

The addition of Omiya-Rikyu and consolidation of Hospitality Network Corporation in the previous fiscal year, contributed to higher year-on-year sales in the domestic business during the nine months ended September 30, 2012. On an existing-outlet basis, sales increased as the number of weddings and orders grew steadily.

As a result, net sales in the domestic business for the nine months ended September 30, 2012 totaled ¥28,378 million, an increase of 7.5% over the same period of the previous fiscal year, and the segment's operating income totaled ¥3,900 million, a year-on-year increase of 6.6%.

2) Overseas Operations

The number of weddings and orders increased during the nine months ended September 30, 2012 compared with the same period of the previous fiscal year as the overall market showed a moderate recovery and the Group strengthened its sales foundation.

Overseas business net sales totaled ¥2,022 million, a year-on-year increase of 1.1%, and operating income for the segment totaled ¥159 million, a year-on-year increase of 67.5%.

(2) Financial Condition

Assets, Liabilities, and Net Assets

Assets at the end of the third quarter (September 30, 2012) totaled ¥46,253 million, a decrease of ¥1,128 million compared with the end of the previous fiscal year (December 31, 2011) due mainly to a ¥731 million decline in cash and deposits.

Liabilities at the end of the third quarter totaled ¥27,592 million, a decrease of ¥1,964 million from the end of the previous fiscal year. Although advances received increased by ¥204 million, there was a net decline of ¥807 million in debt and bonds, and a ¥1,669 million decline in income taxes payable.

Net assets at the end of the third quarter totaled ¥18,661 million, an increase of ¥835 million compared with the end of the previous fiscal year. The increase was due mainly to the booking of ¥1,326 million in quarterly net income, which outweighed ¥489 million in dividends paid from retained earnings.

(3) Earnings Forecast for the Fiscal Year ending December 31, 2012

There is no change to the consolidated earnings forecast for the fiscal year ending December 31, 2012, which was announced on February 13, 2012.

2. Other Information

(1) Changes in Significant Subsidiaries

Not applicable.

(2) Application of Specific Accounting Methods for the Preparation of Quarterly Financial Statements (Simplified accounting methods)

1) Calculation method for depreciation of fixed assets

Depreciation expenses for assets to which the declining-balance method is applied are calculated by allocating a quarterly proportion of the amount for the full fiscal year.

2) Calculation method for deferred tax assets and deferred tax liabilities

Regarding judgments on the amount of recoverable deferred tax assets, the Company has determined that there have been no significant changes in the economic environment or emergence of temporary differences since the end of the previous fiscal year, and therefore the calculations are based on future earnings forecasts and tax planning methods from the previous year.

(Special accounting treatments)

Calculation of taxes

The Company calculates tax liabilities by producing a reasonable estimate of the effective tax rate after applying tax-effect accounting to income before income taxes and minority interests for the fiscal year, which encompasses the nine months ended September 30, 2012, and then multiplying income (loss) before income taxes and minority interests by this estimated effective tax rate. In cases where this estimated effective tax rate cannot be used, however, the statutory effective tax rate is used.

(3) Changes in Accounting Policy, Changes in Accounting Estimates, and Retrospective Restatement

Not applicable.

(4) Additional Information

Accounting Standard for Accounting Changes and Error Corrections and Guidance on Accounting Standard for Accounting Changes and Error Corrections

The Company has adopted the *Accounting Standard for Accounting Changes and Error Corrections* (Accounting Standards Board of Japan (ASBJ) Statement No. 24, issued December 4, 2009) and *Guidance on Accounting Standard for Accounting Changes and Error Corrections* (ASBJ Guidance No. 24, issued December 24, 2009) for any accounting changes or error corrections which occur on or after the start of the first quarter of the fiscal year ending December 31, 2012.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of yen)

	December 31, 2011	September 30, 2012
	Amount	Amount
Assets		
Current assets		
Cash and deposits	10,640	9,909
Accounts receivable - trade	273	296
Merchandise	47	39
Raw materials and supplies	312	292
Other	1,090	1,197
Allowance for doubtful receivables	(32)	(41)
Total current assets	12,332	11,694
Fixed assets		
Tangible assets		
Buildings and structures, net	16,867	16,155
Land	4,560	4,749
Other, net	930	1,144
Total tangible assets	22,358	22,050
Intangible assets		
Goodwill	1,124	1,062
Other, net	245	237
Total intangible assets	1,370	1,300
Investments and other assets		
Lease and guarantee deposits	5,705	5,777
Other	5,572	5,395
Total investments and other assets	11,278	11,173
Total fixed assets	35,007	34,524
Deferred assets	42	34
Total assets	47,382	46,253

	(millions of yen)	
	December 31, 2011	September 30, 2012
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable - trade	1,966	2,034
Short-term debt	-	460
Current portion of long-term debt	3,408	3,260
Current portion of bonds	640	612
Income taxes payable	2,226	557
Advances received	1,288	1,493
Provision for loss on cancellation of rental contract	52	52
Other	2,304	2,451
Total current liabilities	11,886	10,921
Fixed liabilities		
Bonds	2,202	1,640
Long-term debt	12,049	11,520
Provision for employees' retirement benefits	218	266
Provision for directors' retirement benefits	374	584
Provision for loss on cancellation of rental contract	152	113
Asset retirement obligations	1,048	1,075
Other	1,623	1,471
Total fixed liabilities	17,669	16,671
Total liabilities	29,556	27,592
Net assets		
Shareholders' equity		
Capital stock	472	472
Capital surplus	634	634
Retained earnings	16,949	17,785
Total shareholders' equity	18,056	18,892
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	(31)	(0)
Deferred gain (loss) on derivatives under hedge accounting	(8)	(12)
Foreign currency translation adjustments	(190)	(218)
Total accumulated other comprehensive income	(230)	(231)
Total net assets	17,825	18,661
Total liabilities and net assets	47,382	46,253

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

	Nine Months ended September 30, 2011	(millions of yen) Nine Months ended September 30, 2012
	Amount	Amount
Net sales	28,390	30,400
Cost of sales	19,673	20,603
Gross profit	8,716	9,797
Selling, general and administrative expenses	5,758	6,789
Operating income	2,958	3,008
Non-operating income		
Interest income	31	41
Gain on investments in silent partnership	125	108
Foreign exchange gains	-	45
Equity in earnings of affiliates	10	-
Other	104	102
Total non-operating income	272	297
Non-operating expenses		
Interest expenses	265	235
Equity in losses of affiliates	-	10
Foreign exchange losses	129	-
Other	31	37
Total non-operating expenses	426	283
Ordinary income	2,804	3,021
Extraordinary income		
Gain on sales of fixed assets	1	0
Gain on sales of business	47	-
Reversal of provision for employees' retirement benefits	11	-
Reversal of provision for shop closing expenses	3	-
Total extraordinary income	64	0
Extraordinary loss		
Loss on disposal of fixed assets	8	74
Effect of adoption of new accounting standards for asset retirement obligations	446	-
Loss on phased acquisition	96	-
Total extraordinary loss	551	74
Income before income taxes and minority interests	2,317	2,947
Income taxes	1,398	1,621
Income before minority interests	919	1,326
Net income	919	1,326

Consolidated Statements of Comprehensive Income

(millions of yen)

	Nine Months ended September 30, 2011	Nine Months ended September 30, 2012
	Amount	Amount
Income before minority interests	919	1,326
Other comprehensive income		
Net unrealized gain on available-for-sale securities	(24)	30
Deferred gain (loss) on derivatives under hedge accounting	40	(3)
Foreign currency translation adjustments	(22)	(32)
Share of other comprehensive income of affiliates accounted for under the equity method	(11)	4
Total other comprehensive income	(17)	(0)
Comprehensive income	901	1,325
(Breakdown)		
Comprehensive income attributable to owners of the parent	901	1,325
Comprehensive income attributable to minority interests	-	-

(3) Note on the Going-concern Assumption

Not applicable

(4) Note on Significant Changes in the Amount of Shareholders' Equity

Not applicable

(5) Segment Information

I. Nine Months ended September 30, 2011 (January 1 to September 30, 2011)

1. Net sales and income/loss by reportable segment

	Reportable segment			Adjustments (note 1)	(millions of yen) Amount recorded on consolidated statements of income (note 2)
	Domestic operations	Overseas operations	Total		
Net sales					
Sales to outside customers	26,390	1,999	28,390	-	28,390
Inter-segment sales and transfers	5	10	15	(15)	-
Total	26,395	2,009	28,405	(15)	28,390
Segment income	3,658	95	3,753	(795)	2,958

Note: 1. The minus 795 million yen adjustment for segment income includes 12 million yen elimination of inter-segment sales and minus 807 million yen of unallocated corporate expenses. The main component of these unallocated corporate expenses is SG&A expenses that are not attributable to reportable segments.
2. Segment income (loss) adjustments are based on operating income reported on the quarterly consolidated statements of income for the corresponding period.

2. Impairment loss on fixed assets or goodwill by reportable segment

Not applicable

II. Nine Months ended September 30, 2012 (January 1 to September 30, 2012)

1. Net sales and income/loss by reportable segment

	Reportable segment			Adjustments (note 1)	(millions of yen) Amount recorded on consolidated statements of income (note 2)
	Domestic operations	Overseas operations	Total		
Net sales					
Sales to outside customers	28,378	2,022	30,400	-	30,400
Inter-segment sales and transfers	5	0	5	(5)	-
Total	28,384	2,022	30,406	(5)	30,400
Segment income (loss)	3,900	159	4,060	(1,052)	3,008

Note: 1. The minus 1,052 million yen adjustment for segment income includes 11 million yen elimination of inter-segment sales and minus 1,064 million yen of unallocated corporate expenses. The main component of these unallocated corporate expenses is SG&A expenses that are not attributable to reportable segments.

2. Segment income adjustments are based on operating income reported on the quarterly consolidated statements of income for the corresponding period.

2. Impairment loss on fixed assets or goodwill by reportable segment
Not applicable

4. Supplementary Information

Weddings Held, Orders Received, and Sales volume

1) Number of weddings held

	Nine Months ended September 30, 2011	Nine Months ended September 30, 2012	Year ended December 31, 2011
Segment	Number of weddings held (cases)	Number of weddings held (cases)	Number of weddings held (cases)
Domestic operations	5,779	6,508	8,478
Overseas operations	2,026	2,097	2,768
Total	7,805	8,605	11,246

2) Orders received

	Nine Months ended September 30, 2011		Nine Months ended September 30, 2012		Year ended December 31, 2011	
Segment	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)
Domestic operations	6,479	6,044	8,166	7,120	8,596	5,462
Overseas operations	2,206	1,572	2,376	1,733	2,830	1,454
Total	8,685	7,616	10,542	8,853	11,426	6,916

3) Sales volume

	Nine Months ended September 30, 2011	Nine Months ended September 30, 2012	Year ended December 31, 2011
Segment	million yen	million yen	million yen
Domestic operations	26,390	28,378	38,986
Overseas operations	1,999	2,022	2,755
Total	28,390	30,400	41,741

Notes: 1. Inter-segment transactions have been eliminated from the amounts shown above.

2. The above amounts do not include consumption tax.