

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 yen
	million yen	%	million yen	%	million yen	%	million yen	%	
For the 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.

4. Other Information

(1) Changes affecting the consolidation status of significant subsidiaries during the period: None

(2) Use of accounting methods specific to the 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)

	June 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	-	-
	Six months ended June 30, 2012	Six months ended June 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 6 in the accompanying material.

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1. Review of Consolidated Financial Results

(1) Operating Results

In the first six months of the fiscal year ending December 31, 2012 (January 1, 2012 – June 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 overall economic outlook remains clouded, however, due to the deterioration of the export environment as a result of the European debt crisis and prolonged yen appreciation, as well as the effect of restrictions on power supplies and the long-term deflationary economic environment.

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, the Group posted consolidated net sales of ¥20,369 million in the six months ended June 30, 2012, an increase of 9.1% over the same period of the previous fiscal year. Operating income totaled ¥2,203 million, a year-on-year increase of 17.1%, ordinary income totaled ¥2,204 million, a year-on-year increase of 19.0%, and net income totaled ¥999 million, an increase of 81.4% compared with the same period of the previous fiscal year.

The following are results by business segment.

1. Domestic operations

The addition of Omiya-Rikyu and the consolidation of Hospitality Network Corporation in the previous fiscal year contributed to higher sales in the domestic business. On an existing-outlet basis, weddings and orders increased steadily over the same period of the previous fiscal year.

As a result, net sales in the domestic business for the six months ended June 30, 2012 totaled ¥19,011 million, an increase of 9.4% over the same period of the previous fiscal year, and the segment's operating income totaled ¥2,858 million, a year-on-year increase of 20.9%.

2. Overseas operations

The number of weddings and orders increased in the six months ended June 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.

As a result, overseas business net sales for the six-month period totaled ¥1,358 million, an increase of 4.6% over the same period of the previous fiscal year, and operating income totaled ¥106 million, an increase of 83.3% over same period of the previous fiscal year.

(2) Financial Condition

1) Assets, liabilities, and net assets

Assets at the end of the second quarter (June 30, 2012) totaled ¥45,875 million, a decline of ¥1,506 million compared with the end of the previous fiscal year due mainly to a decrease of ¥1,130 million in cash and cash equivalents.

Liabilities at the end of the second quarter totaled ¥27,285 million, a decrease of ¥2,271 million from the end of the previous fiscal year. This was mainly attributable to a net decrease of ¥1,093 million in long-term debt and bonds and a decrease of ¥1,228 million in income taxes payable.

Net assets at the end of the second quarter totaled ¥18,590 million, an increase of ¥764 million compared with the end of the previous fiscal year. The main factors were ¥244 million in dividends paid from retained earnings and the booking of ¥999 million in net income.

2) Cash Flow

Cash and cash equivalents ("cash") at the end of the second quarter declined by ¥1,130 million from the end of the previous fiscal year to ¥9,401 million. Cash flows and factors behind changes in the cash flows during the six months ended June 30, 2012 are explained below.

(Operating Cash Flow)

Cash generated from operating activities totaled ¥900 million, an increase of 762.8% from the same period of the previous fiscal year. The main factors were ¥2,202 million in income before income taxes and minority interests and ¥1,194 million in depreciation expenses, the sum of which was partially offset by ¥2,449 million in income taxes paid.

(Investing Cash Flow)

Cash used in investing activities totaled ¥703 million, a decrease of 71.7% from the same period of the previous fiscal year, as outflows such as ¥983 million for the purchase of property, plant, and equipment outweighed inflows such as ¥317 million from the sale of investment securities.

(Financing Cash Flow)

Cash used in financing activities totaled ¥1,323 million, compared with ¥2,469 million in cash provided in the same period of the previous fiscal year. There was a net decrease of ¥1,073 million in debt and bonds and an outflow of ¥244 million for the payment of dividends.

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

There is no change to the full-year consolidated earnings forecasts 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 six months ended June 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	June 30, 2012
	Amount	Amount
Assets		
Current assets		
Cash and deposits	10,640	9,510
Accounts receivable - trade	273	309
Merchandise	47	40
Raw materials and supplies	312	298
Other	1,090	1,263
Allowance for doubtful receivables	(32)	(40)
Total current assets	12,332	11,381
Fixed assets		
Tangible assets		
Buildings and structures, net	16,867	16,396
Land	4,560	4,752
Other, net	930	1,067
Total tangible assets	22,358	22,216
Intangible assets		
Goodwill	1,124	1,082
Other, net	245	234
Total intangible assets	1,370	1,317
Investments and other assets		
Lease and guarantee deposits	5,705	5,750
Other	5,572	5,172
Total investments and other assets	11,278	10,922
Total fixed assets	35,007	34,456
Deferred assets	42	37
Total assets	47,382	45,875

	December 31, 2011	(millions of yen) June 30, 2012
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable - trade	1,966	1,941
Current portion of long-term debt	3,408	3,338
Current portion of bonds	640	636
Income taxes payable	2,226	998
Advances received	1,288	1,331
Provision for loss on cancellation of rental contract	52	52
Other	2,304	2,129
Total current liabilities	11,886	10,426
Fixed liabilities		
Bonds	2,202	1,886
Long-term debt	12,049	11,345
Provision for employees' retirement benefits	218	230
Provision for directors' retirement benefits	374	574
Provision for loss on cancellation of rental contract	152	126
Asset retirement obligations	1,048	1,071
Other	1,623	1,623
Total fixed liabilities	17,669	16,858
Total liabilities	29,556	27,285
Net assets		
Shareholders' equity		
Capital stock	472	472
Capital surplus	634	634
Retained earnings	16,949	17,704
Total shareholders' equity	18,056	18,811
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	(31)	(13)
Deferred gain (loss) on derivatives under hedge accounting	(8)	(9)
Foreign currency translation adjustments	(190)	(198)
Total accumulated other comprehensive income	(230)	(220)
Total net assets	17,825	18,590
Total liabilities and net assets	47,382	45,875

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

	(millions of yen)	
	Six Months ended June 30, 2011	Six Months ended June 30, 2012
	Amount	Amount
Net sales	18,673	20,369
Cost of sales	12,989	13,651
Gross profit	5,683	6,717
Selling, general and administrative expenses	3,801	4,514
Operating income	1,882	2,203
Non-operating income		
Interest income	20	27
Gain on investments in silent partnership	58	44
Foreign exchange gains	-	34
Surrender value of insurance	-	49
Equity in gains of affiliates	13	-
Other	86	30
Total non-operating income	179	186
Non-operating expenses		
Interest expenses	171	159
Equity in losses of affiliates	-	4
Foreign exchange losses	8	-
Other	29	22
Total non-operating expenses	209	185
Ordinary income	1,852	2,204
Extraordinary income		
Gain on sales of fixed assets	-	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	62	0
Extraordinary loss		
Loss on disposal of fixed assets	7	2
Effect of adoption of new accounting standards for asset retirement obligations	446	-
Loss on phased acquisition	96	-
Total extraordinary loss	550	2
Income before income taxes and minority interests	1,364	2,202
Income taxes	813	1,202
Income before minority interests	551	999
Net income	551	999

Consolidated Statements of Comprehensive Income

	(millions of yen)	
	Six Months ended June 30, 2011	Six Months ended June 30, 2012
	Amount	Amount
Income before minority interests	551	999
Other comprehensive income		
Net unrealized gain on available-for-sale securities	6	18
Deferred gain (loss) on derivatives under hedge accounting	54	(0)
Foreign currency translation adjustments	14	(10)
Share of other comprehensive income of affiliates accounted for under the equity method	5	2
Total other comprehensive income	80	9
Comprehensive income	631	1,009
(Breakdown)		
Comprehensive income attributable to owners of the parent	631	1,009
Comprehensive income attributable to minority interests	-	-

(3) Consolidated Statements of Cash Flows

	(millions of yen)	
	Six months ended June 30, 2011	Six months ended June 30, 2012
	Amount	Amount
Cash flows from operating activities		
Income before income taxes and minority interests	1,364	2,202
Depreciation and amortization	1,213	1,194
Effect of adoption of new accounting standards for asset retirement obligations	446	—
Amortization of goodwill	40	42
Amortization of bonds issuance expenses	3	4
Loss on disposal of fixed assets	7	2
(Gain) loss on phased acquisition	96	-
(Gain) loss on sales of business	(47)	-
Increase (decrease) in allowance for doubtful receivables	5	8
Increase (decrease) in provision for employees' retirement benefits	(16)	11
Increase (decrease) in provision for directors' retirement benefits	15	200
Increase (decrease) in provision for loss on cancellation of rental contract	(26)	(26)
Interest and dividend income	(28)	(28)
Interest expenses	171	159
Foreign exchange (gains) losses	(19)	(40)
Equity in (earnings) losses of affiliates	(13)	4
(Gain) loss on investments in silent partnership	(58)	(44)
(Increase) decrease in notes and accounts receivable - trade	44	(36)
(Increase) decrease in inventories	124	20
Increase (decrease) in notes and accounts payable - trade	(158)	(25)
Increase (decrease) in advances received	823	43
Increase (decrease) in other liabilities	(1,782)	(16)
Other - net	284	(186)
Sub total	2,491	3,488
Interest and dividends received	24	24
Interest paid	(171)	(162)
Income taxes paid	(2,239)	(2,449)
Net cash provided by (used in) operating activities	104	900
Cash flows from investing activities		
Purchase of tangible assets	(2,777)	(983)

Purchase of intangible assets	(37)	(41)
Proceeds from sales of investment securities	105	317
Proceeds from purchase of stocks of subsidiaries resulting in change of consolidation	292	-
Loans receivable	(54)	(85)
Collection of loans receivable	48	160
Lease and guarantee deposits	(146)	(125)
Collection of lease and guarantee deposits	64	45
Other - net	17	8
Net cash provided by (used in) investing activities	(2,487)	(703)
Cash flows from financing activities		
Net increase (decrease) in short-term debt	(484)	-
Proceeds from long-term debt	3,620	1,000
Repayments of long-term debt	(2,033)	(1,753)
Proceeds from issuance of bonds	1,963	-
Payments for redemption of bonds	(178)	(320)
Dividends paid to shareholders	(413)	(244)
Other - net	(5)	(4)
Net cash provided by (used in) financing activities	2,469	(1,323)
Foreign currency translation adjustments on cash and cash equivalents	5	(4)
Net increase (decrease) in cash and cash equivalents	91	(1,130)
Cash and cash equivalents, beginning of period	8,473	10,532
Cash and cash equivalents, end of period	8,565	9,401

(4) Notes on the Going-concern Assumption

Not applicable

(5) Notes on Significant Changes in the Amount of Shareholders' Equity

Not applicable

(6) Segment Information

I. Six Months ended June 30, 2011 (January 1 to June 30, 2011)

1. Net sales and income/loss by reportable segment

	Reportable segment			Adjustments (note 1)	(millions of yen)
	Domestic operations	Overseas operations	Total		Amount recorded on consolidated statements of income (note 2)
Net sales					
Sales to outside customers	17,375	1,297	18,673	-	18,673
Inter-segment sales and transfers	2	7	10	(10)	-
Total	17,378	1,305	18,683	(10)	18,673
Segment income	2,364	58	2,422	(540)	1,882

Note: 1. The minus 540 million yen adjustment for segment income includes 8 million yen elimination of inter-segment sales and minus 548 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. Six Months ended June 30, 2012 (January 1 to June 30, 2012)

1. Net sales and income/loss by reportable segment

	Reportable segment			Adjustments (note 1)	(millions of yen)
	Domestic operations	Overseas operations	Total		Amount recorded on consolidated statements of income (note 2)
Net sales					
Sales to outside customers	19,011	1,358	20,369	-	20,369
Inter-segment sales and transfers	3	0	3	(3)	-
Total	19,014	1,358	20,373	(3)	20,369
Segment income (loss)	2,858	106	2,964	(761)	2,203

Note: 1. The minus 761 million yen adjustment for segment income includes 7 million yen elimination of inter-segment sales and minus 769 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

	Six Months ended June 30, 2011	Six Months ended June 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	3,797	4,317	8,478
Overseas operations	1,340	1,393	2,768
Total	5,137	5,710	11,246

2) Orders received

	Six Months ended June 30, 2011		Six Months ended June 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	4,587	6,134	5,785	6,930	8,596	5,462
Overseas operations	1,577	1,629	1,666	1,727	2,830	1,454
Total	6,164	7,763	7,451	8,657	11,426	6,916

3) Sales volume

	Six Months ended June 30, 2011	Six Months ended June 30, 2012	Year ended December 31, 2011
Segment	Amount	Amount	Amount
Domestic operations	17,375	19,011	38,986
Overseas operations	1,297	1,358	2,755
Total	18,673	20,369	41,741

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

2. The above amounts do not include consumption tax.