



## 2. Dividends

	Dividend per share				
	End-Q1	End-Q2	End-Q3	Year-end	Annual total
	yen	yen	yen	yen	yen
Year ended December 31, 2012	-	1,000.00	-	1,000.00	2,000.00
Year ending December 31, 2013	-	1,000.00	-		
Year ending December 31, 2013 (Forecast)				5.00	-

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

Effective July 1, 2013, the Company conducted a 1:200 common stock split. The year-end dividend for the fiscal year ending December 31, 2013 (forecast) reflects the stock split.

## 3. Earnings Forecast for the Fiscal Year ending December 31, 2013 (January 1, 2013 – December 31, 2013)

(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, 2013	48,200	8.3	7,400	13.5	7,300	10.4	4,300	31.5	87.91

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

Effective July 1, 2013, the Company conducted a 1:200 common stock split. Net income per share for the fiscal year ending December 31, 2013 in the above earnings forecast reflects the stock split.

### \*Notes

- (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
- (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement
  - 1) Changes in accordance with amendments to accounting standards, etc.: Yes
  - 2) Changes other than noted in 1) above: None
  - 3) Changes in accounting estimates: Yes
  - 4) Retrospective restatement: None

(Note) This relates to Article 10-5 of the *Regulations on the Terminology, Format and Preparation of Quarterly Consolidated Financial Statements*. For details, please refer to “(3) Changes in Accounting Policy, Changes in Accounting Estimates, and Retrospective Restatement” in section “2. Other Information” on page 7 in the accompanying materials.

(4) Shares issued (common stock)

	September 30, 2013	December 31, 2012
1) Number of shares issued at end of period (including treasury stock)	48,960,000	48,960,000
2) Number of shares held in treasury at end of period	135,000	-
	Nine months ended September 30, 2013	Nine months ended September 30, 2012
3) Average number of shares outstanding during the period	48,946,649	48,960,000

Effective July 1, 2013, the Company conducted a 1:200 common stock split. The number of shares issued at end of period (common stock) was calculated assuming that the stock split was effected at the beginning of the fiscal year ended December 31, 2012.

**\* 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**

1. The above forecasts are based on information available as of this report's publication. Actual results 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, 2013" in the section "Review of Consolidated Financial Results" on page 6 in the accompanying materials.

2. Effective July 1, 2013, the Company conducted a 1:200 common stock split. The forecast of year-end dividend for the year ending December 31, 2013 and the forecast of net income per share for the fiscal year ending December 31, 2013 reflect the stock split.

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## **1. Review of Consolidated Financial Results**

### **(1) Operating Results**

In the first nine months of the fiscal year ending December 31, 2013, the Japanese economy showed signs of a self-sustaining recovery owing to yen depreciation, a rebound in stock prices, and an upturn in personal consumption fueled by the government's economic stimulus measures and the Bank of Japan's monetary easing policy. Overall, however, the outlook for the economy remained uncertain due to rising electric power and raw materials costs, as well as concerns about a possible downturn in overseas 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, the Group posted net sales of ¥32,945 million in the first nine months of the fiscal year, an increase of 8.4% over the same period of the previous fiscal year. Operating income totaled ¥3,362 million, a year-on-year increase of 11.8%, ordinary income amounted to ¥3,464 million, up 14.6% year on year, and net income totaled ¥1,895 million, up 43.0% year on year.

Results for each business segment were as follows.

#### **1) Domestic operations**

The completion of renovations at Hotel InterContinental Tokyo Bay and the successful start of such new businesses as budget weddings and family weddings contributed to higher sales in the Group's domestic operations in the nine months ended September 30, 2013. The sales increase was also supported by steady growth in the number of weddings held at existing outlets.

As a result, net sales in the domestic business totaled ¥30,896 million, a year-on-year increase of 8.9%, and segment income totaled ¥4,329 million, up 11.0% year on year.

#### **2) Overseas operations**

The number of weddings held and orders placed in the nine-month period was largely unchanged versus the same period of the previous fiscal year despite a moderate recovery in overall market conditions.

As a result, net sales in the overseas business totaled ¥2,048 million, a year-on-year increase of 1.3%, while segment income declined 85.5% year on year to ¥23 million.

### **(2) Financial Condition**

#### **Assets, Liabilities, and Net Assets**

Total assets at the end of the third quarter (September 30, 2013) amounted to ¥52,015 million, an increase of ¥3,634 million from the end of the previous fiscal year (December 31, 2012). This was largely the result of increases of ¥2,533 million in cash and deposits in conjunction with the issuance of convertible bonds, ¥300 million in marketable securities, and ¥790 million in other investments.

Liabilities at the end of the third quarter totaled ¥29,792 million, an increase of ¥2,226 million compared with the end of the previous fiscal year. This was mainly due to the ¥5,000 million issuance of convertible bonds and a ¥551 million increase in advances received, which

outweighed a ¥1,863 million decrease in income taxes payable and a net decrease of ¥1,032 million in borrowings and bonds.

Net assets at the end of the third quarter totaled ¥22,223 million, an increase of ¥1,407 million from the end of the previous fiscal year. This was mainly due to the booking of ¥1,895 million in net income for the nine months ended September 30, 2013, which outweighed ¥90 million in acquisition of treasury stock, and ¥489 million in dividends paid from retained earnings.

**(3) Earnings Forecast for the Fiscal Year Ending December 31, 2013**

There is no change to the consolidated earnings forecasts for the year ending December 31, 2013, which the Company announced on February 14, 2013.

## **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 fiscal 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, 2013, 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, the statutory effective tax rate is used.

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

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

In accordance with the revision of the Corporation Tax Act of Japan, the depreciation method for tangible assets acquired on or after January 1, 2013, has been changed to the method under the revised Act from the first quarter of this fiscal year.

The impact of this change on the Company's profits is minimal.

(Changes in accounting estimates)

In accordance with the completion of refurbishment of some buildings used under the tenancy agreement, the Best Bridal Group has reduced in the third quarter of the current fiscal year the estimated restitution cost expected to arise in the future.

As a consequence, operating income, ordinary income, and income before income taxes and minority interests for the nine months ended September 30, 2013, were ¥18 million higher compared with what they would have been under the previous accounting method.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(millions of yen)

	December 31, 2012	September 30, 2013
	Amount	Amount
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	11,314	13,847
Accounts receivable - trade	333	366
Marketable securities	-	300
Merchandise	39	3
Raw materials and supplies	327	350
Other	1,188	1,317
Allowance for doubtful receivables	(48)	(48)
<b>Total current assets</b>	<b>13,154</b>	<b>16,137</b>
<b>Fixed assets</b>		
Tangible assets		
Buildings and structures, net	16,247	15,664
Land	4,760	4,756
Other, net	1,216	1,295
<b>Total tangible assets</b>	<b>22,224</b>	<b>21,716</b>
Intangible assets		
Goodwill	1,042	982
Other	231	196
<b>Total intangible assets</b>	<b>1,273</b>	<b>1,178</b>
Investments and other assets		
Lease and guarantee deposits	5,827	6,263
Other	5,870	6,660
<b>Total investments and other assets</b>	<b>11,697</b>	<b>12,923</b>
<b>Total fixed assets</b>	<b>35,195</b>	<b>35,818</b>
<b>Deferred assets</b>	<b>32</b>	<b>59</b>
<b>Total assets</b>	<b>48,381</b>	<b>52,015</b>



	(millions of yen)	
	December 31, 2012	September 30, 2013
	Amount	Amount
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	2,157	2,081
Short-term debt	-	460
Current portion of long-term debt	3,191	2,942
Current portion of bonds	612	484
Income taxes payable	2,237	373
Advances received	942	1,494
Provision for loss on cancellation of rental contract	52	52
Other	2,527	2,283
<b>Total current liabilities</b>	<b>11,722</b>	<b>10,172</b>
<b>Fixed liabilities</b>		
Bonds	1,590	1,156
Convertible bonds	-	5,000
Long-term debt	11,230	10,549
Provision for employees' retirement benefits	268	276
Provision for directors' retirement benefits	594	626
Provision for loss on cancellation of rental contract	100	61
Asset retirement obligations	1,068	1,079
Other	992	871
<b>Total fixed liabilities</b>	<b>15,844</b>	<b>19,620</b>
<b>Total liabilities</b>	<b>27,566</b>	<b>29,792</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	472	472
Capital surplus	634	634
Retained earnings	19,729	21,136
Treasury stock	-	(90)
<b>Total shareholders' equity</b>	<b>20,836</b>	<b>22,152</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized gain on available-for-sale securities	41	52
Deferred gain (loss) on derivatives under hedge accounting	13	29
Foreign currency translation adjustments	(76)	(10)
<b>Total accumulated other comprehensive income</b>	<b>(21)</b>	<b>70</b>
<b>Total net assets</b>	<b>20,815</b>	<b>22,223</b>
<b>Total liabilities and net assets</b>	<b>48,381</b>	<b>52,015</b>

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

	(millions of yen)	
	Nine months ended September 30, 2012	Nine months ended September 30, 2013
	Amount	Amount
<b>Net sales</b>	30,400	32,945
Cost of sales	20,603	22,063
<b>Gross profit</b>	9,797	10,881
<b>Selling, general and administrative expenses</b>	6,789	7,519
<b>Operating income</b>	3,008	3,362
<b>Non-operating income</b>		
Interest income	41	47
Gain on investments in silent partnership	108	122
Foreign exchange gains	45	65
Other	102	144
Total non-operating income	297	380
<b>Non-operating expenses</b>		
Interest expenses	235	194
Loss on valuation of derivatives	29	75
Other	18	8
Total non-operating expenses	283	278
<b>Ordinary income</b>	3,021	3,464
<b>Extraordinary income</b>		
Gain on sales of fixed assets	0	0
Total extraordinary income	0	0
<b>Extraordinary loss</b>		
Shop closing expenses	-	6
Loss on disposal of fixed assets	74	36
Total extraordinary loss	74	42
<b>Income before income taxes and minority interests</b>	2,947	3,421
<b>Income taxes</b>	1,621	1,525
<b>Income before minority interests</b>	1,326	1,895
<b>Net income</b>	1,326	1,895

## Consolidated Statements of Comprehensive Income

(millions of yen)

	Nine months ended September 30, 2012	Nine months ended September 30, 2013
	Amount	Amount
<b>Income before minority interests</b>	1,326	1,895
<b>Other comprehensive income</b>		
Net unrealized gain on available-for-sale securities	30	10
Deferred gain (loss) on derivatives under hedge accounting	(3)	16
Foreign currency translation adjustments	(32)	45
Share of other comprehensive income of affiliates accounted for under the equity method	4	20
Total other comprehensive income	(0)	92
<b>Comprehensive income</b>	1,325	1,988
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,325	1,988
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

During the nine months ended September 30, 2013, the Company acquired 135,000 shares of its capital stock for ¥90 million based on the resolution made at the board of directors' meeting held on September 3, 2013. As a result, as of the end of the third quarter of the current fiscal year (September 30, 2013), treasury stock amounted to 135,000 shares worth ¥90 million.

### (5) Segment and Other Information

I. 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	3,900	159	4,060	(1,052)	3,008

Note: 1. The minus ¥1,052 million adjustment for segment income includes ¥11 million elimination of inter-segment sales and minus ¥1,064 million 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

II. Nine months ended September 30, 2013 (January 1 to September 30, 2013)

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	30,896	2,048	32,945	-	32,945
Inter-segment sales and transfers	5	0	5	(5)	-
Total	30,901	2,049	32,950	(5)	32,945
Segment income	4,329	23	4,352	(990)	3,362

Note: 1. The minus ¥990 million adjustment for segment income includes ¥11 million yen elimination of inter-segment sales and minus ¥1,002 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, 2012	Nine months ended September 30, 2013	Year ended December 31, 2012
Segment	Number of weddings held (cases)	Number of weddings held (cases)	Number of weddings held (cases)
Domestic operations	6,508	7,049	9,543
Overseas operations	2,097	2,092	2,974
Total	8,605	9,141	12,517

2) Orders received

	Nine months ended September 30, 2012		Nine months ended September 30, 2013		Year ended December 31, 2012	
Segment	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)
Domestic operations	8,166	7,120	7,535	6,682	10,277	6,196
Overseas operations	2,376	1,733	2,355	1,685	2,942	1,422
Total	10,542	8,853	9,890	8,367	13,219	7,618

3) Sales volume

	Nine months ended September 30, 2012	Nine months ended September 30, 2013	Year ended December 31, 2012
Segment	million yen	million yen	million yen
Domestic operations	28,378	30,896	41,633
Overseas operations	2,022	2,048	2,861
Total	30,400	32,945	44,494

Notes: 1. Inter-segment transactions have been eliminated from the amounts shown above.  
2. The above amounts do not include consumption tax.