〔Delayed〕The original disclosure in Japanese was released on May 9, 2014 at 15:00 (GMT+9)

May 9, 2014

Best Bridal Inc.
Consolidated Earnings Report for the Three Months ended March 31, 2014 (Japanese GAAP)

Stock listing: Tokyo Stock Exchange (First Section) Securities code: 2418

URL: http://www.bestbridal.co.jp/english/

Representative: Masayuki Tsukada, President and CEO

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Scheduled dates:

Filing of statutory quarterly financial report (*sihanki hokokusho*): May 14, 2014

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 Three Months ended March 31, 2014 (January 1, 2014 – March 31, 2014)

(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	%
Three months ended March 31, 2014	10,942	12.9	514	(8.3)	573	(10.5)	318	5.4
Three months ended March 31, 2013	9,687	10.5	560	62.4	640	47.6	301	260.0

Note: Comprehensive income: Three months ended March 31, 2014: 307 million yen (-36.2 %)
Three months ended March 31, 2013: 482 million yen (174.3 %)

	Net income per share	Diluted net income per share
	yen	yen
Three months ended March 31, 2014	6.51	5.81
Three months ended March 31, 2013	6.16	-

Note: Effective July 1, 2013, the Company conducted a 1:200 common stock split. Net income per share and diluted net income per share were calculated assuming that the stock split was effected at the beginning of the fiscal year ended December 31, 2013.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
March 31, 2014	54,759	24,725	45.2
December 31, 2013	53,968	24,668	45.7

Reference: Total equity: March 31, 2014: 24,725 million yen
December 31, 2013: 24,668 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, 2013	-	1,000.00	-	5.00	-
Year ending December 31, 2014	-				
Year ending December 31, 2014 (Forecast)		5.00	-	5.00	10.00

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

Effective July 1, 2013, the Company conducted a 1:200 common stock split. Without adjusting to the stock split, the year-end dividend per share for the fiscal year ended December 31, 2013 would be 1,000.00 yen, totaling the annual dividend per share of 2,000.00 yen.

3. Earnings Forecast for the Fiscal Year ending December 31, 2014 (January 1, 2014 – December 31, 2014)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income	
	million yen	%	million yen	%	million yen	%
Six months ending June 30, 2014	23,160	4.0	1,600	(38.4)	1,600	(40.4)
Year ending December 31, 2014	52,650	11.0	7,250	5.7	7,250	1.7

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

As has been announced in the Notice dated February 14, 2014 on the "Establishment of a Subsidiary, Company Split, and Partial Amendment of the Article of Incorporation in Connection with Transition to a Holding Company Structure," the Company will move to a holding company structure effective July 1, 2014. Hence, consolidated net income and net income per share are difficult to be reasonably projected at this moment and are therefore not presented herein.

*Notes

(1) Changes affecting the consolidation status of significant subsidiaries during the period: Yes

Newly consolidated: Best Bridal Inc. Successor Preparatory Company

Note: For details, please refer to "(1) Changes in Significant Subsidiaries" in Section "2. Other Information" on page 3.

(2) Use of accounting methods specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to "(2) Application of Specific Accounting Methods for the Preparation of Quarterly Financial Statements" in Section "2. Other Information" on page 3.

(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)

	March 31, 2014	December 31, 2013
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	131,512	131,512
	Three Months ended March 31, 2014	Three Months ended March 31, 2013
3) Average number of shares outstanding during the period	48,828,488	48,960,000

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

*** 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. 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 "(3) Earnings Forecast for the Fiscal Year ending December 31, 2014" in the section "1. Review of Consolidated Financial Results" on page 3 in the accompanying materials.

Accompanying Material – Contents

1. Review of Consolidated Financial Results

(1) Operating Results

In the first three months of the fiscal year ending December 31, 2014, the Japanese economy underwent a moderate recovery trend as signs of improvement in corporate earnings and the employment and wage environment were seen, with the help of the fiscal and financial stimulus measures by the government, as well as a last-minute rise in consumption before the increase in the consumption tax. However, the outlook remains uncertain as there are concerns towards the cooling of consumer sentiment following the increase in the consumption tax, increases in import costs as a result of the weak yen and high fuel costs, and a downturn in the global economy.

Amid this environment, the Best Bridal Group endeavored to increase sales and profitability by continually actively working towards creating new value in the bridal market and hotel market; creating high-quality, appealing outlets; and providing high value-added services in order to accurately respond to customer needs that are becoming more individualized and varied.

As a result of the above factors, the Group posted consolidated net sales of ¥10,942 million in the first quarter, an increase of 12.9% over the same period of the previous fiscal year. Operating income totaled ¥514 million, a year-on-year decrease of 8.3%, ordinary income amounted to ¥573 million, down 10.5%, and net income totaled ¥318 million, a 5.4% gain over the first quarter of the previous fiscal year.

The results for each business segment were as follows.

Note that the reporting segments have been changed, starting from the first quarter of the fiscal year ending December 31, 2014. In the comparisons with the first three months of the previous fiscal year below, the figures for the first three months of the previous fiscal year have been reclassified into the business segments following this change.

1. Domestic wedding business

Although the number of weddings held at Best Bridal's existing outlets decreased, sales increased during the first quarter of the fiscal year as a result of a steady growth in the number of budget weddings and family weddings that were held.

As a result, net sales in the domestic wedding business totaled ¥7,820 million, a year-on-year increase of 2.2%, and segment operating income was ¥1,071 million, an decrease of 11.2%.

2. Hotel business

During the first quarter of the fiscal year, operations proceeded favorably at Hotel InterContinental Tokyo Bay, for which renovations were completed during the previous fiscal year, and the acquired business The Strings by InterContinental Tokyo contributed to an increase in sales.

As a result, net sales in the hotel business totaled ¥2,455 million, a year-on-year increase of 69.5%, and the segment recorded an operating loss of ¥12 million, compared to an operating loss of ¥167 million during the same period of the previous fiscal year.

3. Overseas business

The number of weddings held in the first quarter of the fiscal year 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 ¥665 million, a year-on-year increase of 13.5%, while segment recorded an operating loss of ¥49 million, compared to an operating loss of ¥34 million during the same period of the previous fiscal year.

(2) Financial Condition

Assets, liabilities, and net assets
Assets at the end of the first quarter (March 31, 2014) totaled ¥54,759 million, an increase of ¥791 million from the end of the previous fiscal year (December 31, 2013). This was mainly due to a ¥698 million increase in tangible assets related to the new business acquisition, a ¥586 million increase in goodwill, and a ¥651 million increase in lease and guarantee deposits that was offset by a ¥1,675 million decrease in current assets.

Liabilities at the end of the first quarter totaled ¥30,034 million, ¥734 million more than at the end of the previous fiscal year. The increase in liabilities is attributable to a net increase of ¥1,434 million in long-term debt and bonds, an increase of ¥428 million in advances received, and an increase of ¥320 million in asset retirement obligations related to the new business acquisition, which was partially offset by a ¥1,540 million decrease in income taxes payable.

Net assets at the end of the first quarter totaled ¥24,725 million, an increase of ¥57 million from the end of the previous fiscal year. This increase was mainly due to the booking of ¥318 million in net income for the quarter, which outweighed the ¥244 million in dividends paid from retained earnings.

(3) Earnings Forecast for the Fiscal Year Ending December 31, 2014

There is no change to the consolidated earnings forecasts for the six months ending June 30, 2014 and for the year ending December 31, 2014 announced on February 14, 2014.

2. Other Information

(1) Changes in Significant Subsidiaries

In the first quarter of the current fiscal year, Best Bridal Inc. Successor Preparatory Company was newly established and added to the scope of consolidation. Though not being required statutorily, Ecpark Pte. Ltd., one of the principal non-consolidated subsidiaries, was now added to the scope of consolidation, as its comparative importance increased in view of the revised policy on Group consolidation.

(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 financial 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 financial year, and therefore the calculations are based on future earnings forecasts from the previous year and tax planning methods.

(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 three months ended March 31, 2014, 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 Policies, Estimates, and Retrospective Restatement

Not applicable.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(millions of yen)

	December 31, 2013	March 31, 2014
	Amount	Amount
Assets		
Current assets		
Cash and deposits	8,866	9,220
Accounts receivable - trade	476	629
Marketable securities	5,000	5,001
Merchandise	3	10
Raw materials and supplies	373	431
Other	3,216	1,540
Allowance for doubtful receivables	(41)	(42)
Total current assets	17,895	16,791
Fixed assets		
Tangible assets		
Buildings and structures, net	15,342	15,903
Land	4,757	4,761
Other, net	1,361	1,494
Total tangible assets	21,460	22,159
Intangible assets		
Goodwill	962	1,548
Other	191	186
Total intangible assets	1,153	1,735
Investments and other assets		
Lease and guarantee deposits	6,299	6,950
Other	7,103	7,070
Total investments and other assets	13,402	14,020
Total fixed assets	36,016	37,915
Deferred assets	56	52
Total assets	53,968	54,759

(millions of yen)

	December 31, 2013	March 31, 2014
	Amount	Amount
Liabilities		
Current liabilities		
Accounts payable - trade	2,189	2,196
Short-term debt	-	860
Current portion of long-term debt	2,709	2,645
Current portion of bonds	484	484
Income taxes payable	1,786	245
Advances received	968	1,397
Other	2,231	2,298
Total current liabilities	10,370	10,128
Fixed liabilities		
Bonds	1,106	914
Convertible bonds	5,000	5,000
Long-term debt	9,960	10,790
Provision for employees' retirement benefits	282	292
Provision for directors' retirement benefits	636	642
Asset retirement obligations	1,083	1,404
Other	861	862
Total fixed liabilities	18,929	19,905
Total liabilities	29,300	30,034
Net assets		
Shareholders' equity		
Capital stock	472	472
Capital surplus	634	634
Retained earnings	23,443	23,509
Treasury stock	(88)	(88)
Total shareholders' equity	24,461	24,527
Accumulated other comprehensive income		
Net unrealized gain on available-for-sale securities	88	87
Deferred gain (loss) on derivatives under hedge accounting	46	29
Foreign currency translation adjustments	71	81
Total accumulated other comprehensive income	206	197
Total net assets	24,668	24,725
Total liabilities and net assets	53,968	54,759

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

(millions of yen)

	Three months ended March 31, 2013	Three months ended March 31, 2014
	Amount	Amount
Net sales	9,687	10,942
Cost of sales	6,757	7,606
Gross profit	2,929	3,336
Selling, general and administrative expenses	2,368	2,821
Operating income	560	514
Non-operating income		
Interest income	16	18
Dividend income	19	27
Gain on investments in silent partnership	57	59
Gain on valuation of derivatives	46	-
Other	11	29
Total non-operating income	151	134
Non-operating expenses		
Interest expenses	67	53
Loss on valuation of derivatives	-	18
Other	3	3
Total non-operating expenses	71	75
Ordinary income	640	573
Extraordinary loss		
Loss on disposal of fixed assets	17	21
Total extraordinary loss	17	21
Income before income taxes and minority interests	623	551
Income taxes	321	235
Income before minority interests	301	316
Minority interests in income (loss)	-	(1)
Net income	301	318

Consolidated Statements of Comprehensive Income

(millions of yen)

	Three months ended March 31, 2013	Three months ended March 31, 2014
	Amount	Amount
Income before minority interests	301	316
Other comprehensive income		
Net unrealized gain on available-for-sale securities	53	(1)
Deferred gain (loss) on derivatives under hedge accounting	15	(16)
Foreign currency translation adjustments	103	9
Share of other comprehensive income of affiliates accounted for under the equity method	7	-
Total other comprehensive income	180	(8)
Comprehensive income	482	307
(Breakdown)		
Comprehensive income attributable to owners of the parent	482	307
Comprehensive income attributable to minority interests	-	-

(3) Notes on the Quarterly Financial Statements

(Note on the Going-concern Assumption)

Not applicable

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

Not applicable

(Segment Information)

I. Three months ended March 31, 2013 (January 1 to March 31, 2013)

1. Net sales and income/loss by reportable segment

(millions of yen)

	Reportable segment				Adjustments (note 1)	Amount recorded on consolidated statements of income (note 2)
	Domestic wedding business	Hotel business	Overseas business	Total		
Net sales						
Sales to outside customers	7,652	1,448	586	9,687	-	9,687
Inter-segment sales and transfers	69	28	0	97	(97)	-
Total	7,721	1,476	586	9,784	(97)	9,687
Segment income (loss)	1,207	(167)	(34)	1,004	(443)	560

Notes: 1. Minus 443 million yen adjustments for the segment loss includes 4 million yen elimination of inter-segment sales and 448 million yen corporate expenses that are not allocated to each reportable segment. The main component of these unallocated corporate expenses is SG&A expenses that are not attributable to reportable segments.

2. Segment income or 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. Three months ended March 31, 2014 (January 1 to March 31, 2014)

1. Net sales and income/loss by reportable segment

(millions of yen)

	Reportable segment				Adjustments (note 1)	Amount recorded on consolidated statements of income (note 2)
	Domestic wedding business	Hotel business	Overseas business	Total		
Net sales						
Sales to outside customers	7,820	2,455	665	10,942	-	10,942
Inter-segment sales and transfers	125	32	-	158	(158)	-
Total	7,946	2,488	665	11,100	(158)	10,942
Segment income (loss)	1,071	(12)	(49)	1,010	(495)	514

Notes: 1. Minus 495 million yen adjustments for the segment loss includes 12 million yen elimination of inter-segment sales and 508 million yen corporate expenses that are not allocated to each reportable segment. The main component of these unallocated corporate expenses is SG&A expenses that are not attributable to reportable segments.

2. Segment income or loss is adjusted to correspond with operating income reported on the quarterly consolidated statements of income for the corresponding period.

2. Change in Reportable Segment

Hotel business, which used to be classified as Domestic operations, has increased its importance in volume. Hence, from the first three months of the fiscal year ending December 31, 2014, the 2 reportable segments of “Domestic operations” and “Overseas operations” have been changed into 3 reportable segments of “Domestic wedding business,” “Hotel business” and “Overseas business.”

The above segment information for the first three months ended March 31, 2013 has been restated in accordance with the new reportable segment for the first three months of the fiscal year ending December 31, 2014.

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

(Significant Change in the amount of Goodwill)

Hotel business segment

Best Global, Inc., a consolidated subsidiary in the Company, acquired the business operation pertaining to the management of The Strings by InterContinental Tokyo, thereby increasing the related goodwill value by 618 million yen in the first quarter ended March 31, 2014.

4. Supplementary Information

Weddings Held, Orders Received, and Sales volume

1) Number of weddings held

	Three months ended March 31, 2013	Three months ended March 31, 2014	Year ended December 31, 2013
Segment	Number of weddings held (cases)	Number of weddings held (cases)	Number of weddings held (cases)
Domestic wedding business	2,005	2,143	9,857
Hotel business	147	183	758
Overseas business	565	585	2,932
Total	2,717	2,911	13,547

2) Orders received

	Three months ended March 31, 2013		Three months ended March 31, 2014		Year ended December 31, 2013	
Segment	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)	Orders received (cases)	Order backlog (cases)
Domestic wedding business	2,759	6,664	3,103	6,568	9,555	5,608
Hotel business	267	526	266	531	800	448
Overseas business	908	1,765	789	1,681	2,987	1,477
Total	3,934	8,955	4,158	8,780	13,342	7,533

3) Sales volume

	Three months ended March 31, 2013	Three months ended March 31, 2014	Year ended December 31, 2013
Segment	million yen	million yen	million yen
Domestic wedding business	7,652	7,820	37,392
Hotel business	1,448	2,455	7,139
Overseas business	586	665	2,894
Total	9,687	10,942	47,426

Notes:
1. Classification of reportable segments has been changed since the first three months ended March 31, 2014. The figures for the three months ended March 31, 2013 and for the full year ended December 31, 2013, have been readjusted to the new reportable segments.
2. Starting from the first three months ended March 31, 2014, those numbers of weddings held, order received and order backlogs at the facilities in partnership with the Company have newly been added, and therefore the figures for the three months ended March 31, 2013

and for the full year ended December 31, 2013, have been readjusted and reported accordingly.

3. Inter-segment transactions have been eliminated from the amounts shown above.
4. The above amounts do not include consumption tax.