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For Immediate Release

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### Expected Q&A Regarding the Notice of Revised Financial Results Forecasts for the Fiscal Year Ending December 31, 2023

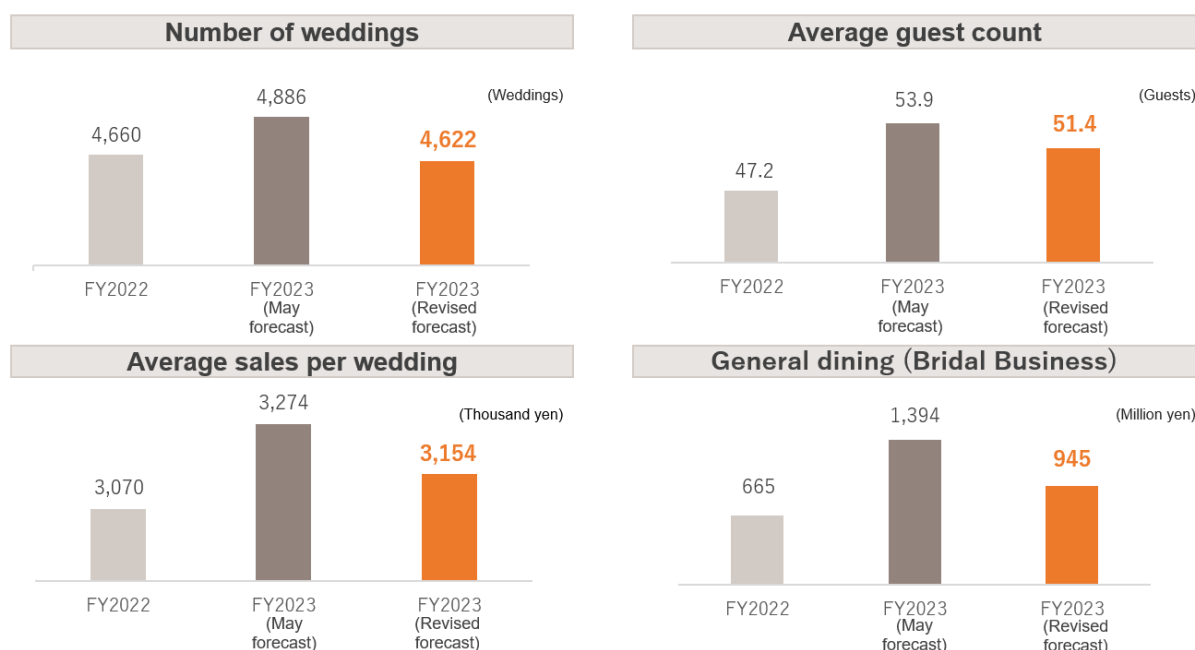
We prepared the following expected Q&A regarding the notice of revised financial results forecasts for the fiscal year ending December 31, 2023, which was disclosed today.

What is the background behind this downward revision to your full-year financial results forecast?

With respect to our consolidated financial results forecast for the fiscal year ending December 31, 2023, we had expected the impact of COVID-19 to be largely resolved due to the reclassification of COVID-19 as Class 5 under the Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Disease in May this year. However, in part due to reports in the press of a resurgence of infections described as the 9th wave from July onwards and an increase in the number of cases, there was an impact on each KPI, resulting in a decline in revenue. Also note that at each level of profit, significant reductions are expected due to fixed costs accounting for a higher percentage of revenue as a result of declining overall revenue, and we decided to revise our forecast financial results downward accordingly.

What is the outlook for the main KPIs that are the basis for your revised forecast, and what were the reasons for the revisions?

The outlook is as follows.



### 1. Number of weddings

We now project that 4,622 weddings will be performed, down 264 weddings from the previous forecast. From when the previous forecast was made up to October 31, 67 weddings were cancelled and 67 weddings have been postponed until the next fiscal year or later, attributable to changing circumstances of the parties involved, including COVID-19 infections.

The newly opened Okinawa venue was partially damaged during a typhoon that struck in early August and since it took around two months for complete restoration the opening sales promotional campaign was delayed, resulting in 40 less weddings than forecast. In the third quarter, the number of new visitors remained steady, but the rate of orders received declined due to increased competition at some existing facilities. This resulted in a shortfall in orders received for weddings to be performed during this year, and also had an impact.

### 2. Average guest count

We expect an average guest count of 51.4, down 2.5 guests from the previous forecast. This is due to the number of small weddings performed being greater than expected as a result of the ongoing effects of the COVID-19 pandemic.

### 3. Average sales per wedding

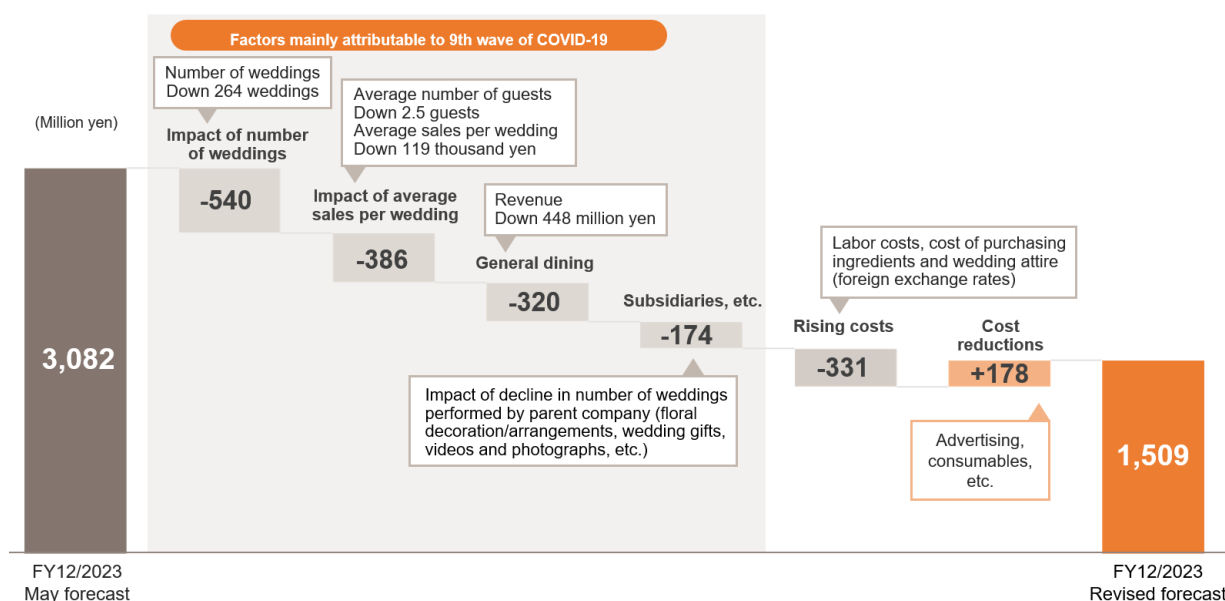
We now expect average sales per wedding of 3,154 thousand yen, down 119 thousand yen from the previous forecast. This is due to the aforementioned decline in average guest counts as well as a decline in average number of wedding attire changes in connection with the increase in the number of small weddings.

### 4. General Dining (Bridal Business)

We now project that general dining will be 945 million yen, down 448 million yen from the previous forecast. This is due to an ongoing situation in which many large corporate banquets are being postponed, and difficulties securing new orders.

In your revised forecast, what factors played into the revision to operating profit?

The factors behind the revised forecast for operating profit are as follows.



Primarily due to the effects of the 9th wave of COVID-19 infections, the number of weddings was down 264 from our forecasts resulting in a monetary impact of 540 million yen. The average number of guests was down 2.5, pushing average sales per wedding down by 119 thousand yen from our forecast, resulting in a monetary impact of 386 million yen. In addition general dining revenue fell 448 million yen short of forecasts, resulting in a monetary impact of 320 million yen. Subsidiaries also suffered a monetary impact of 174 million yen due to the number of weddings across Novarese overall falling below forecasts.

Soaring labor costs, costs of ingredients and utilities, and the effect of exchange rates when purchasing wedding attire had a combined monetary impact of 331 million yen. Regarding labor costs, we augmented personnel in order to accommodate the planned 4,886 weddings to be performed during this fiscal year, but due to the number of weddings falling short by 264, labor costs were high in proportion to that number. We believe that we will be able to absorb these labor costs to a certain extent due to the build-up of weddings to be performed in the next fiscal year.

Regarding sharply rising costs of ingredients, we have made price adjustments for the orders received from December 2022 onward, but the percentage of weddings performed this fiscal year after the price adjustments was 37.2%. In the next fiscal year almost 100% of weddings will be performed based on the adjusted prices. Due to the above factors, despite making efforts to reduce costs including advertising expenses and consumables, we project an operating profit of 1,509 million yen, down 51.0% from our previous forecast.

What is your outlook for quarterly PL with respect to the revised forecast?

The outlook is as follows.

First quarter (results): revenue of 3,330 million yen / operating loss of 383 million yen

Second quarter (results): revenue of 4,921 million yen / operating profit of 663 million yen

Third quarter (results): revenue of 3,907 million yen / operating loss of 174 million yen

Fourth quarter (forecast): revenue of 5,876 million yen / operating profit of 1,404 million yen

Weddings are popular in the spring and autumn when the weather is comfortable and there are many public holidays. For this reason, weddings tend to be weighted heavily towards the second quarter (April to June) and fourth quarter (October to December). Of these two periods, revenue and profit are set to grow significantly in the fourth quarter when the newly opened venue will be fully operational.

Is there a possibility that the results for the fiscal year ending December 31, 2023 could drop further below this latest revised forecast?

Each of the main KPIs that form the basis for this revised forecast have been calculated to reflect the results of weddings performed from October this year to the present, and the weddings that as of this time have finalized schedules to be held by the end of December this year. We have also redrafted our budget plans to conservatively incorporate some cancellations, postponements and sudden reductions in participating guests going forward. We will continue making every effort to ensure that the revised targets are achieved.

Please describe the background to what happened from when the second quarter financial results were announced which led to these significant revisions to forecast financial results.

We had expected that the impact of COVID-19 would almost be over during the third quarter, but largely due to media reports of a resurgence or “9th wave” of infections and an increase in cases from July onwards, some weddings continued to be cancelled or postponed, while the number of guests participating fell due to a higher percentage of small weddings. As a result, we recognized that there was a divergence from our previous forecasts in terms of the number of weddings and average guest counts in the current period. In terms of general dining there was also a slackening of demand for large-scale corporate banquets, and since we determined that it would take time for these numbers to recover, we took this opportunity to make revisions.

It seems that costs for the introduction of the shareholder benefits program will lead to an increase in SG&A expenses. Will you be able to continue with the program?

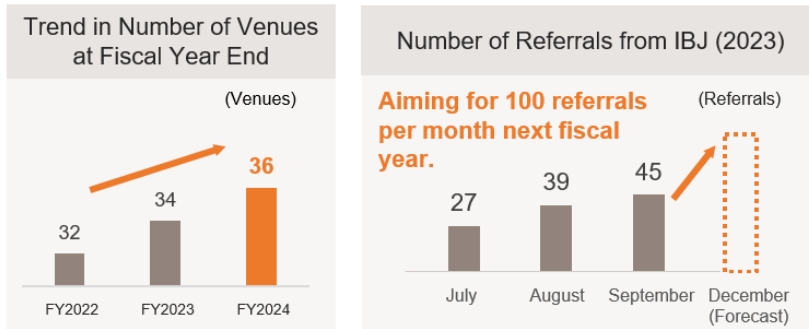
We expect to set aside a reserve for the introduction of the shareholder benefits program during this fiscal year. We believe this is a sustainable cost level in light of the Company’s profit level.

What measures will be implemented to improve financial results for the coming fiscal year ending December 31, 2024?

Specific key points of the measures we will implement are as follows.

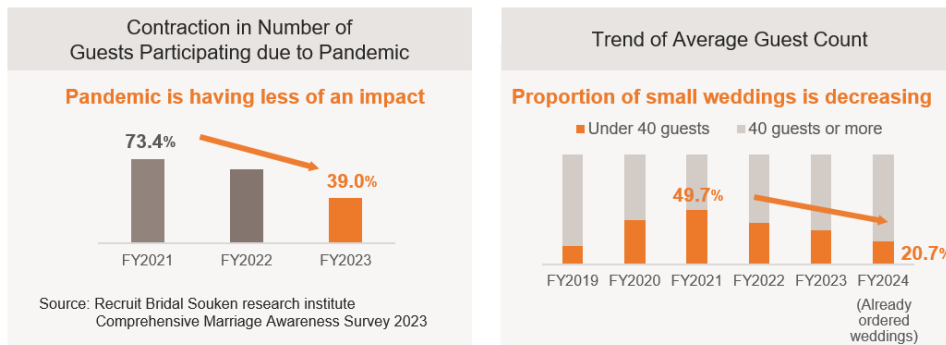
### 1. Number of weddings

The new venues opened in 2022 and 2023 have produced strong results and we have plans to open a further two venues in the next fiscal year. In addition, customer referrals from IBJ are in full swing, and in the next fiscal year we will aim for 100 couple referrals per month. In addition, we will work to increase the number of customers attracted by stepping up advertising efforts based on area marketing including social media and TV commercial advertising. At the same time, we will make improvements to the sales promotional tools used when dealing with new customers and enhance the education and training provided to wedding planners as measures to further improve order closure rates. In addition to the above measures, as cancellations and postponements due to the COVID-19 pandemic are definitely decreasing, we expect to see a rise in the number of weddings performed.



### 2. Average guest count

Since the average guest count steadily increased from the first half to the second half of 2023 for newly ordered weddings, for the weddings performed in 2024 we expect to see an increase compared with the current fiscal year. Also note that the percentage of small weddings with participants of 39 or less has decreased from 49.7% in 2021 to 20.7% for the ordered weddings to be performed in 2024.



### 3. Average sales per wedding

The price adjustments implemented in the current fiscal year to address sharply rising costs will contribute over the entire duration of the next fiscal year. In addition, we will endeavor to increase average sales per wedding by strengthening sales promotions for comprehensive bridal insurance, wedding attire for family members and related accessories.

### 4. General Dining (Bridal Business)

We will expand the venues offering beer garden and summer-only operation, as well as the venues providing lunch operations. In addition, we will increase the number of dedicated staff assigned to corporate banquets and endeavor to tap into the demand for corporate banquets including MICE.

### 5. External sales

Venues providing attire and new advertising agency agreements have steadily increased, and going forward we will also focus on external sales of new products, including wedding attire for family members and comprehensive bridal insurance.

### 6. Costs

We have been hiring the necessary staff including those required for newly opened venues by resuming the hiring of new graduates. Additionally with regard to sharply rising costs, as mentioned earlier we expect cost ratios to return to pre-inflation levels as a result of price adjustments.