

Financial Results for the Nine-month Period Ended September 30, 2023

NOVARESE, Inc. [TSE Standard Market: 9160]



CONTENTS

01

Revision of Financial Results Forecasts for the Fiscal Year Ending December 31, 2023

02

Summary of Financial Results for Nine Months FY12/2023

03

Initiatives for FY12/2023

This document is intended to provide information about the business performance and future business strategies of NOVARESE, Inc. (the "Company"), and it is not intended as a solicitation of investment in securities issued by the Company.

The data disclosed in this document are based on judgments and information available as of the date of publication. Please note that the forecasts and outlooks discussed in this document contain uncertainties due to the nature of the Group's businesses, which are strongly influenced by customer preferences, social conditions, economic situations and other factors.

CONTENTS

01

Revision of Financial
Results Forecasts for
the Fiscal Year Ending
December 31, 2023

02

Summary of Financial
Results for Nine
Months FY12/2023

03

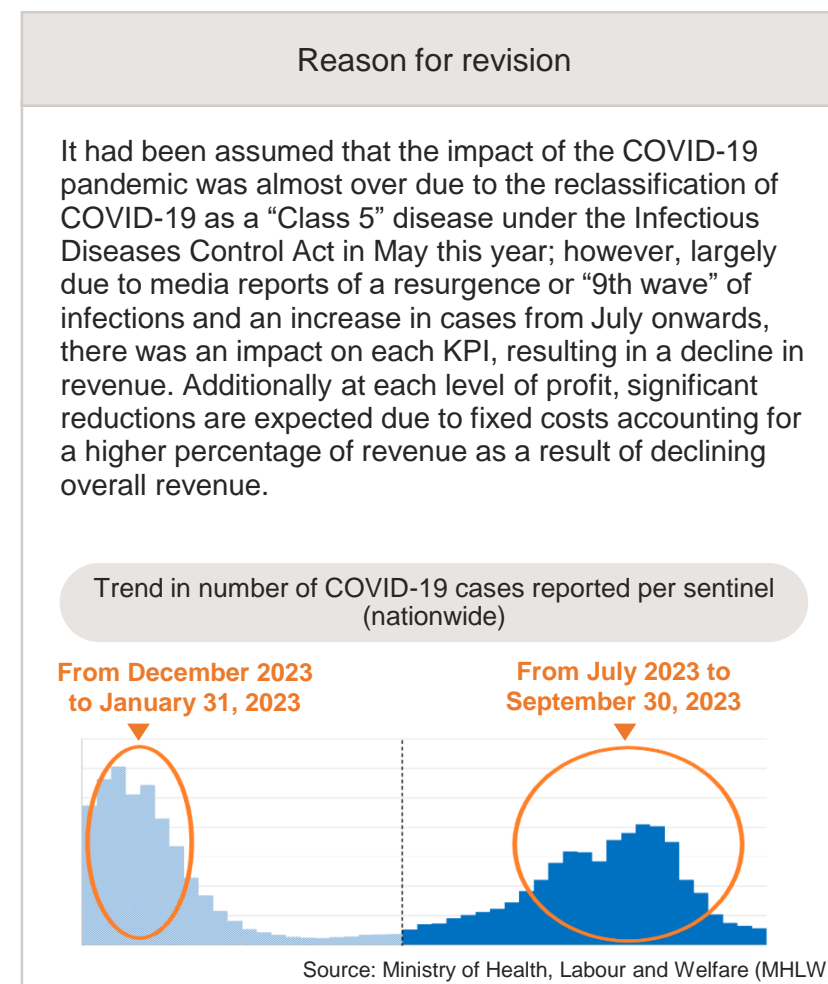
Initiatives for FY12/2023

Revision of Financial Results Forecasts for the Fiscal Year Ending December 31, 2023

Financial results forecasts were revised, mainly due to the occurrence of wedding cancellations and postponements under the impact of the 9th wave of COVID-19 and a higher-than-expected proportion of small weddings.

	FY12/2022 full-year results	FY12/2023 May forecast (A)	FY12/2023 revised forecast	Change (B-A)	Change (%)
Revenue	17,222	20,114	18,035	-2,078	-10.3%
Gross profit	10,142	11,734	10,009	-1,725	-14.7%
Selling, general and administrative expenses	7,663	8,705	8,564	-141	-1.6%
Operating profit	2,775	3,082	1,509	-1,572	-51.0%
Operating profit margin	16.1%	15.3%	8.4%	-6.9pt	—
Profit before income taxes	2,485	2,777	1,202	-1,574	-56.7%
Profit attributable to owners of the parent	1,656	1,860	855	-1,004	-54.0%
(For reference) EBITDA*	4,874	5,307	3,847	-1,459	-27.5%
Wedding Production Division Number of weddings	4,660	4,886	4,622	-264	-5.4%

*EBITDA: Operating profit + Depreciation and amortization



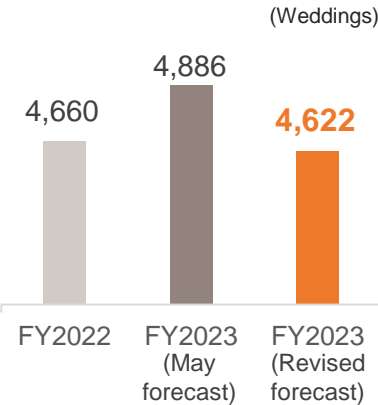
Revision of Financial Results Forecasts for the Fiscal Year Ending December 31, 2023 (KPI Assumptions)

An insufficient number of weddings performed and delay in the recovery of average guest count and general dining due to waves of COVID-19 are the main causes of the difference between the forecasts and actual results.

Number of weddings

Down 264 weddings from previous forecast

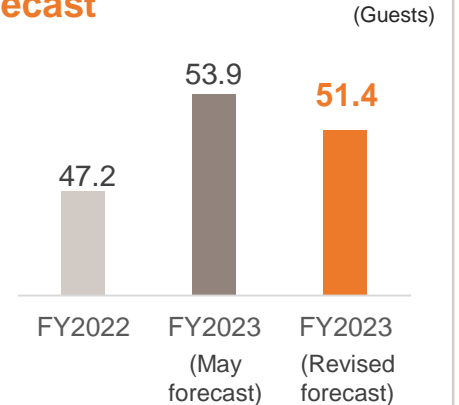
- Since the previous forecast, 67 wedding parties have been cancelled and 67 weddings have been postponed until next fiscal year or later due to the COVID-19 pandemic.
- The Okinawa venue that opened in July will have 40 weddings less than forecast after the opening sales promotional campaign was delayed due to a typhoon in August.
- 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, resulting in a shortfall in orders received for weddings to be performed during this year.



Average guest count

Down 2.5 guests from previous forecast

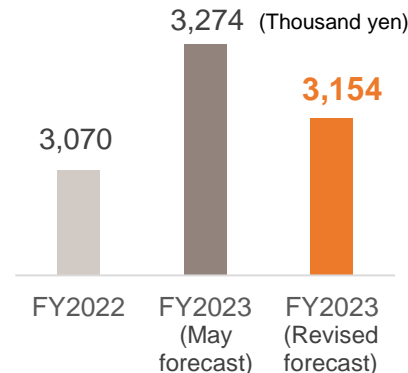
- Due to the ongoing effects of the COVID-19 pandemic the proportion of small weddings performed is greater than expected.



Average sales per wedding

Down 119 thousand yen from previous forecast

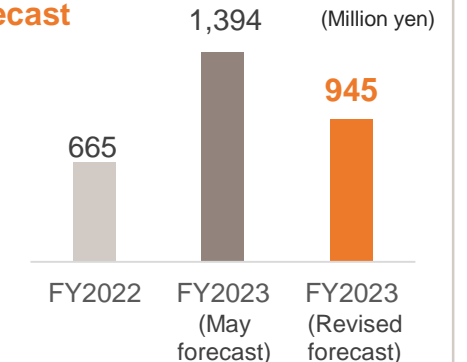
- Due to the ongoing effects of the COVID-19 pandemic the proportion of small weddings performed is greater than expected.
- As a result of the above, the average number of wedding attire changes is lower than forecast.



General dining (Bridal Business)

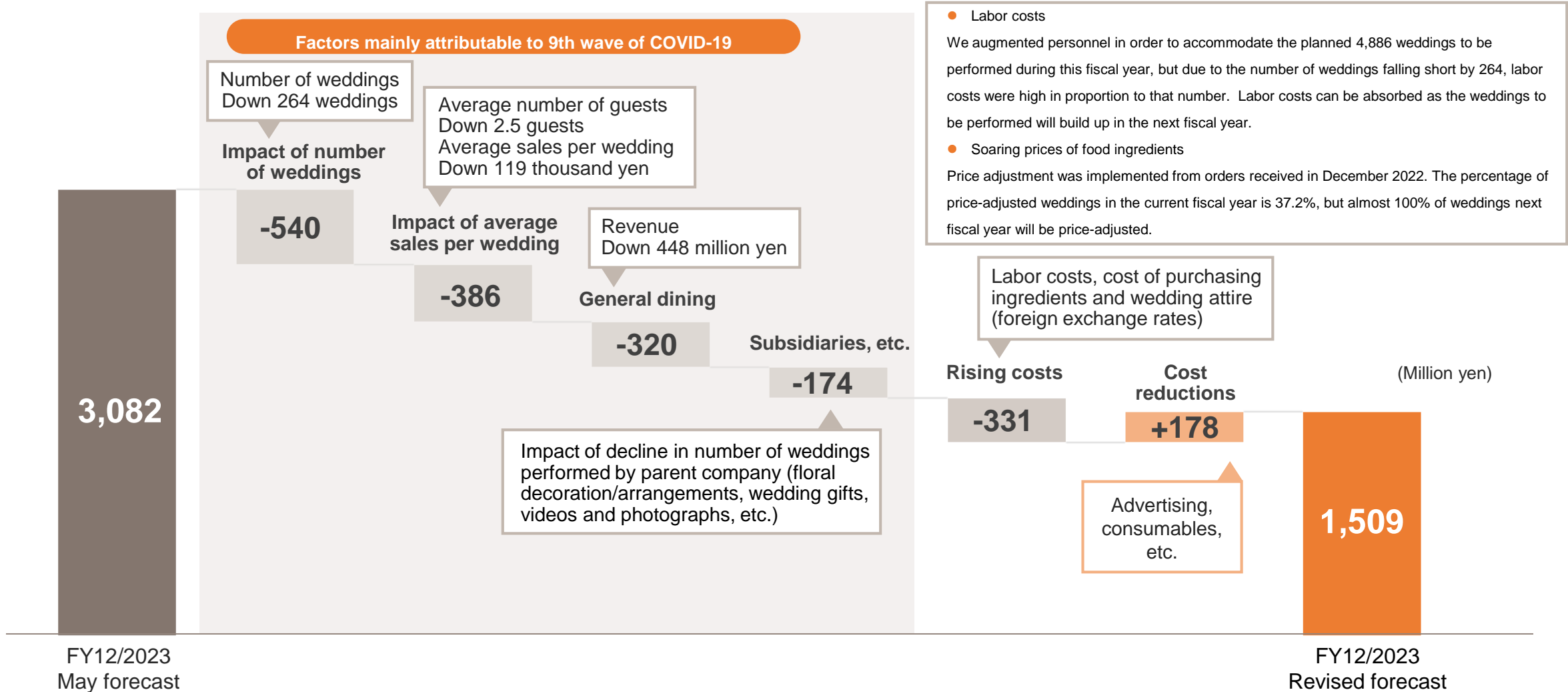
Down 448 million yen from previous forecast

- Securing orders for large corporate banquets is proving difficult
- Due to an increase in small weekday weddings, there are fewer schedules with the time for a banquet.



Revision of Financial Results Forecasts for the Fiscal Year Ending December 31, 2023 (Operating Profit Variance Analysis)

Operating profit will also be lower than forecast, mainly due to declines in the number of weddings and average sales per wedding.



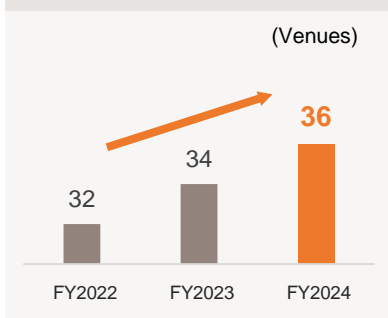
01



Number of weddings

- Orders received for venues opened in 2022 and 2023 (Wakayama, Miyazaki and Okinawa) are strong.
- Next fiscal year, new venues will be opened in Sendai in July and in Fukushima in autumn.
- Referrals from IBJ are in full swing. Aiming for 100 couple referrals per month next fiscal year.
- Cancellations and postponements due to COVID-19 are steadily falling.
- Plan to resume marketing and sales promotion events that were suspended due to the pandemic.

Trend in Number of Venues at Fiscal Year End



Number of Referrals from IBJ (2023)



02

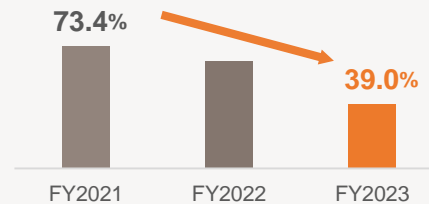


Average guest count

- The average guest count at weddings newly ordered in 2023 has steadily increased from the first half through the second half.
- The average guest count at weddings performed in 2024 is expected to be higher than this fiscal year's average.

Contraction in Number of Guests Participating due to Pandemic

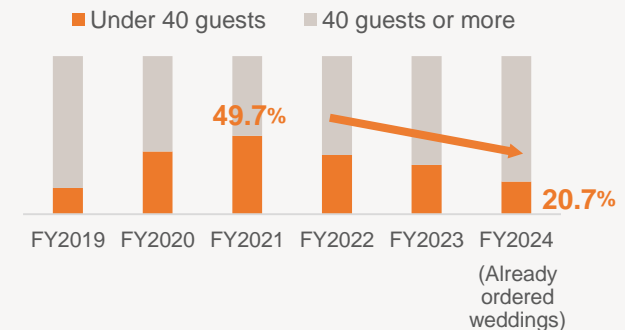
Pandemic is having less of an impact



Source: Recruit Bridal Souken research institute
Comprehensive Marriage Awareness Survey 2023

Trend of Average Guest Count

Proportion of small weddings is decreasing



* A small wedding is a wedding ceremony and reception with under 40 participating guests

03



Average sales per wedding

- The price adjustments to reflect higher costs made this fiscal year will contribute on a full-year basis next fiscal year.
- Introduced bridal comprehensive insurance in October this fiscal year.
- Stepping up promotion of wedding attire for family members.
- Expanding and strongly promoting wedding attire accessories.

04



General dining (Bridal Business)

- Expanding beer garden/summer season only operation (from 10 venues this fiscal year to 17 venues next fiscal year)
- Holding regular restaurant events (launched in September this fiscal year)
- Expanding weekday lunchtime operation (from 5 venues this fiscal year to 10 venues next fiscal year)
- Increasing staff dedicated to winning orders for corporate banquets

05



External sales

- Increased venues with wedding attire partners (new agreements signed this fiscal year: 3 companies/14 venues).
- Transferred business of wedding attire for family members to Andyou, Inc., a subsidiary of the Company specializing in external sales.
- Granted comprehensive bridal insurance sales agent license.
- Increased advertising agency agreements (new agreements signed this fiscal year: 18 companies/27 venues).

06



Costs

- Resumed recruitment of new graduates to hire necessary staff, including staff for newly opened venues.
- The cost ratio is expected to return to the pre-inflation shock level as a result of price adjustments.

Shareholder Incentive Program

As of December 31, 2023, we will introduce the following new benefits for shareholders who own 100 or more shares of the Company's stock:

Number of shares held	Shareholders with less than 3 years of continuous ownership	Shareholders with 3 years or more of continuous ownership
100 to 499 shares	<ul style="list-style-type: none"> ● Special Gift (Food, equivalent to 2,000 yen) ● Broth Dining Discount Vouchers (20% off the price of meals) – 2 vouchers 	<ul style="list-style-type: none"> ● Special Gift (Food, equivalent to 2,000 yen) ● Broth Dining Discount Vouchers (20% off the price of meals) – 4 vouchers
500 to 999 shares	<ul style="list-style-type: none"> ● Web-based Catalog Gift (equivalent to 3,500 yen) ● Broth Dining Discount Vouchers (20% off the price of meals) – 2 vouchers 	<ul style="list-style-type: none"> ● Web-based Catalog Gift (equivalent to 3,500 yen) ● Broth Dining Discount Vouchers (20% off the price of meals) – 4 vouchers
1,000 to 4,999 shares	<ul style="list-style-type: none"> ● Web-based Catalog Gift (equivalent to 5,000 yen) ● Broth Dining Discount Vouchers (20% off the price of meals) – 2 vouchers 	<ul style="list-style-type: none"> ● Web-based Catalog Gift (equivalent to 5,000 yen) ● Broth Dining Discount Vouchers (20% off the price of meals) – 4 vouchers
5,000 to 9,999 shares	<ul style="list-style-type: none"> ● Web-based Catalog Gift (equivalent to 10,000 yen) ● Broth Dining Discount Vouchers (20% off the price of meals) – 2 vouchers 	<ul style="list-style-type: none"> ● Web-based Catalog Gift (equivalent to 10,000 yen) ● Broth Dining Discount Vouchers (20% off the price of meals) – 4 vouchers
10,000 or more shares	<ul style="list-style-type: none"> ● Web-based Catalog Gift (equivalent to 20,000 yen) ● Broth Dining Discount Vouchers (20% off the price of meals) – 2 vouchers 	<ul style="list-style-type: none"> ● Web-based Catalog Gift (equivalent to 20,000 yen) ● Broth Dining Discount Vouchers (20% off the price of meals) – 4 vouchers

(Web-based catalog gift image)



(Broth Dining-operated restaurants)



Dividend payout ratio

NOVARESE regards the return of profits to shareholders as an important management issue. However, at this point, there is an insufficient surplus from which to pay dividends. We will make every effort to steadily move forward with our business activities and to pay dividends as soon as possible.

CONTENTS

01

Revision of Financial Results Forecasts for the Fiscal Year Ending December 31, 2023

02

Summary of Financial Results for Nine Months FY12/2023

03

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Revenue

12,158 million yen

YoY +8.6%

Operating profit

104 million yen

YoY -91.3 %

Loss attributable to owners of the parent

-91 million yen

YoY – %

Number of weddings*

3,083 weddings

YoY +0.7%

Average guest count*

50.7 guests

YoY +11.0%

Average sales per wedding*

3,148 thousand yen

YoY +3.5%

* For the number of weddings, the calculation includes weddings and receptions with a budget of over one million yen, including at the Kiranah Resort Okinawa.

* For the average guest count and average sales per wedding, the calculations exclude the Kiranah Resort Okinawa.

Although revenue is higher as a result of recovery in the average guest count and average sales per wedding, higher costs could not be absorbed mainly due to the scaling-back of COVID subsidies, and profits are lower.

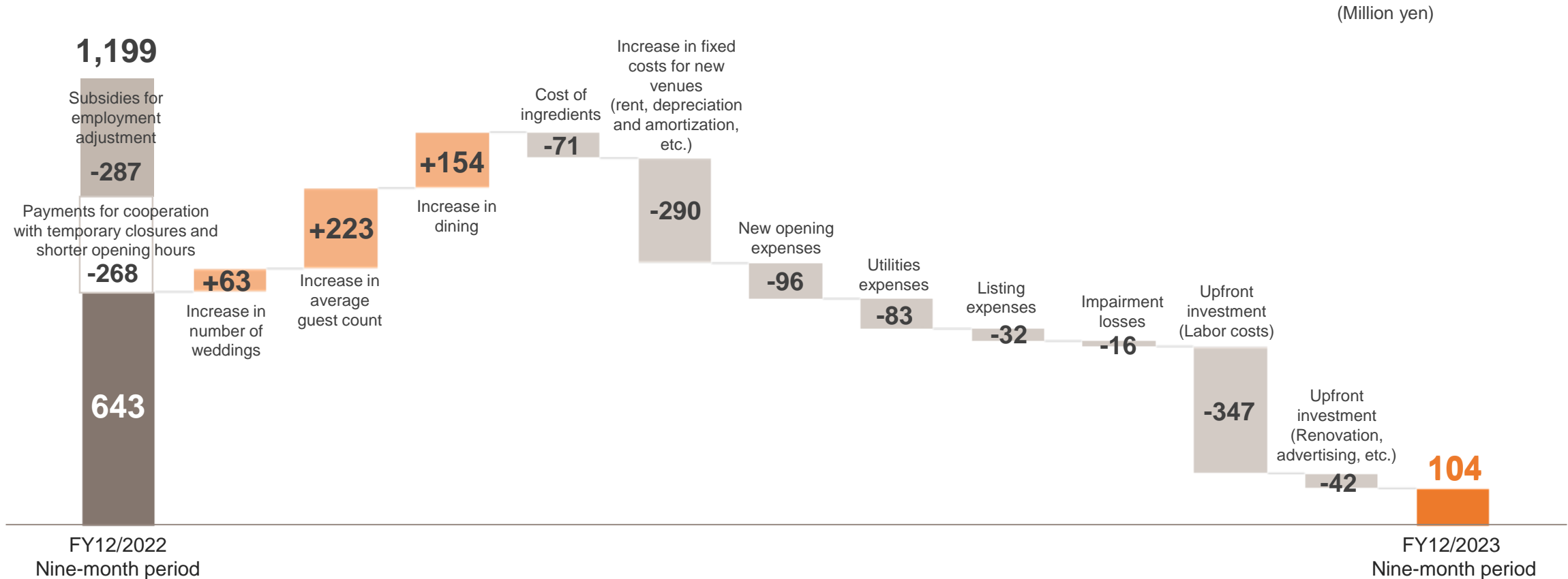
(Million yen)	FY12/2022 Nine-month period	FY12/2023 Nine-month period	Change	Change (%)
Revenue	11,196	12,158	+961	+8.6%
Gross profit	6,489	6,581	+91	+1.4%
Selling, general and administrative expenses	5,608	6,444	+836	+14.9%
Operating profit	1,199	104	-1,094	-91.3%
Operating profit margin	10.7%	0.9%	-9.8pt	—
Profit (loss) before income taxes	981	-126	-1,108	—
(For reference) EBITDA*	2,749	1,841	-908	-33.0%
Profit (Loss) attributable to owners of the parent	661	-91	-752	—

POINT
<ul style="list-style-type: none"> ● Revenue <ul style="list-style-type: none"> ✓ Increase in average guest count ✓ Increase in restaurant footfall ● Cost of sales <ul style="list-style-type: none"> ✓ Higher utilities expense ✓ Scaling-back of subsidies for employment adjustments (Restaurant Business) ✓ Higher labor costs (Restaurant Business) ● Selling, general and administrative expenses <ul style="list-style-type: none"> ✓ Increase in new opening expenses ✓ Upfront investment for sustainable growth in coming fiscal years (refurbishment costs, advertising expenses, recruitment expenses, labor costs, etc.) ✓ Scaling-back of subsidies for employment adjustments (Other businesses) ✓ Higher fixed costs associated with increase in number of venues (depreciation and amortization, rent) ✓ Impairment loss on non-current assets at some venues

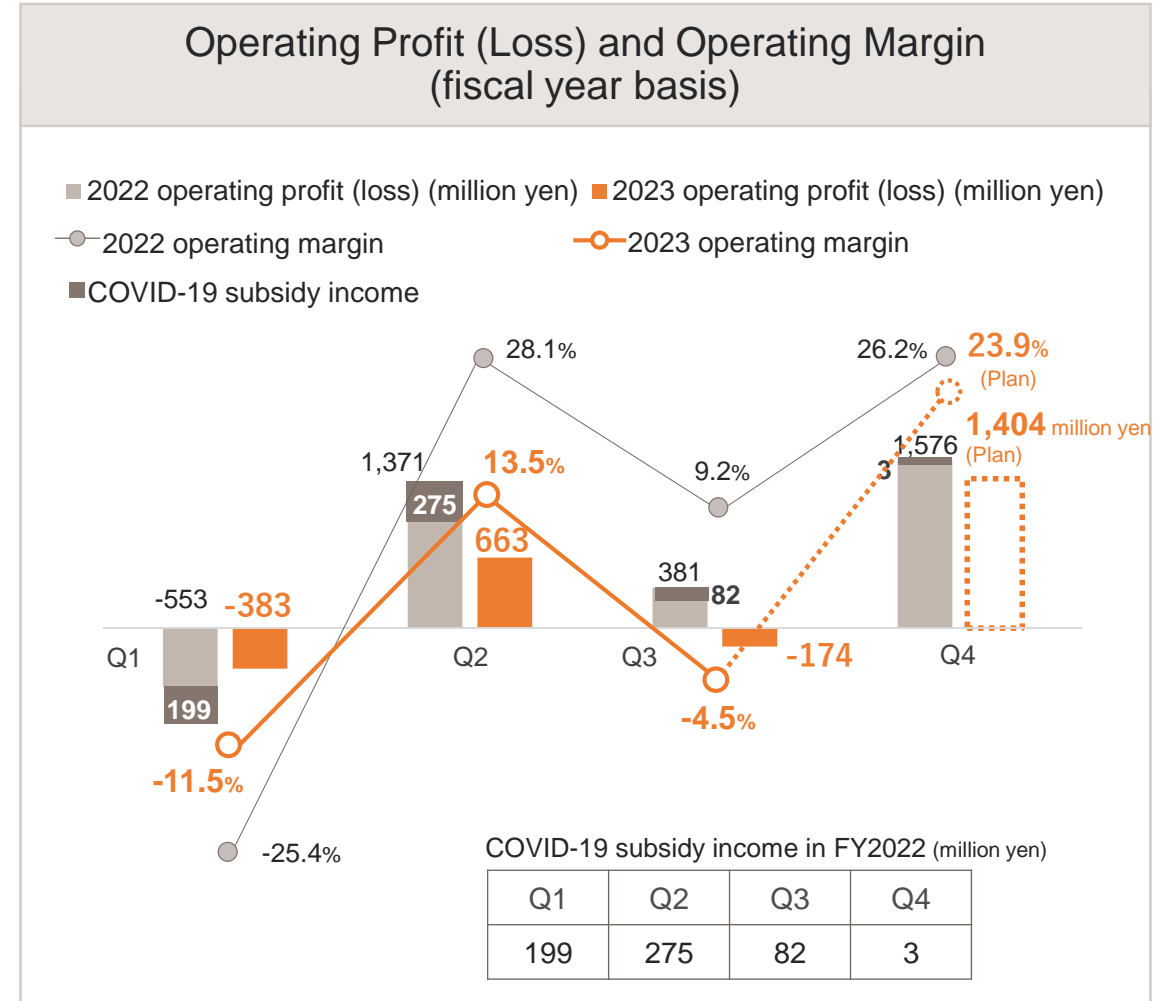
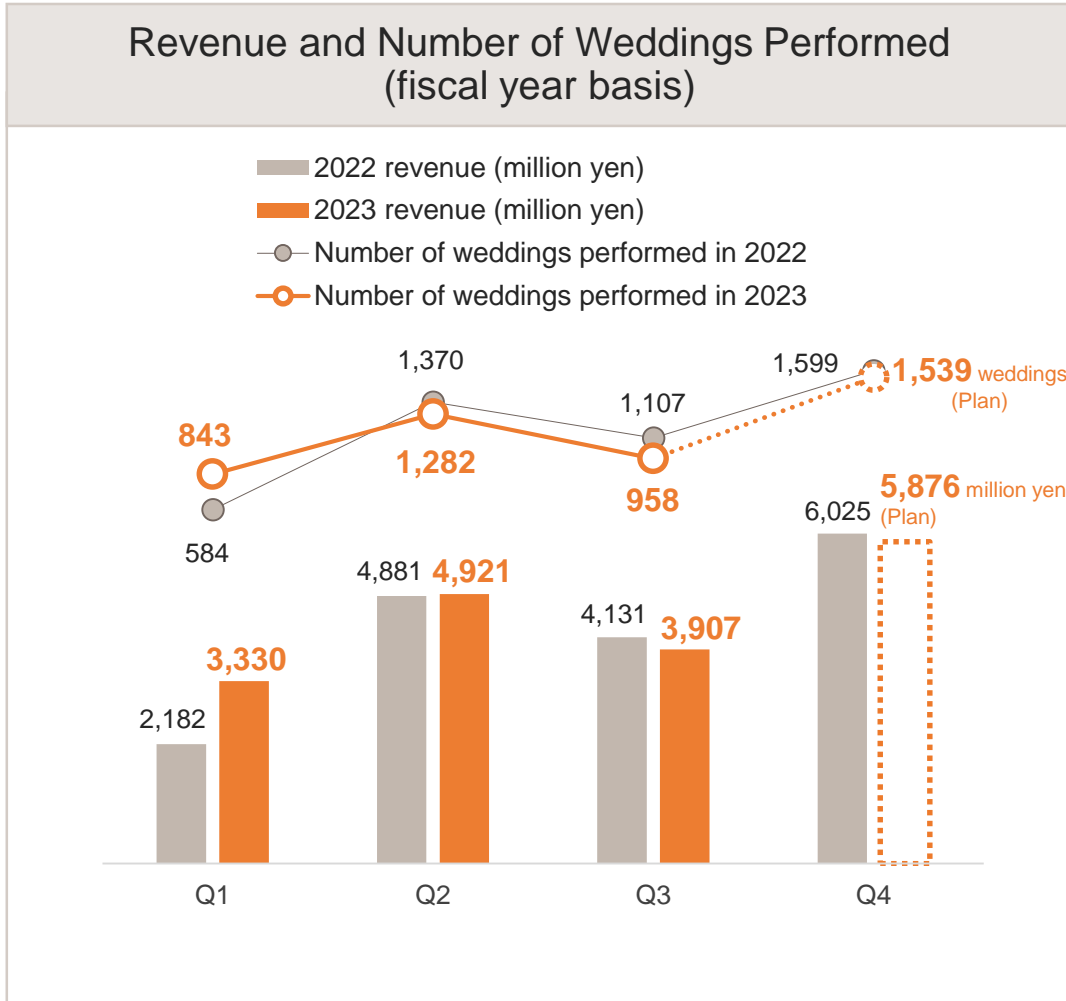
*EBITDA: Operating profit + Depreciation and amortization

Operating Profit Variance Analysis (Consolidated)

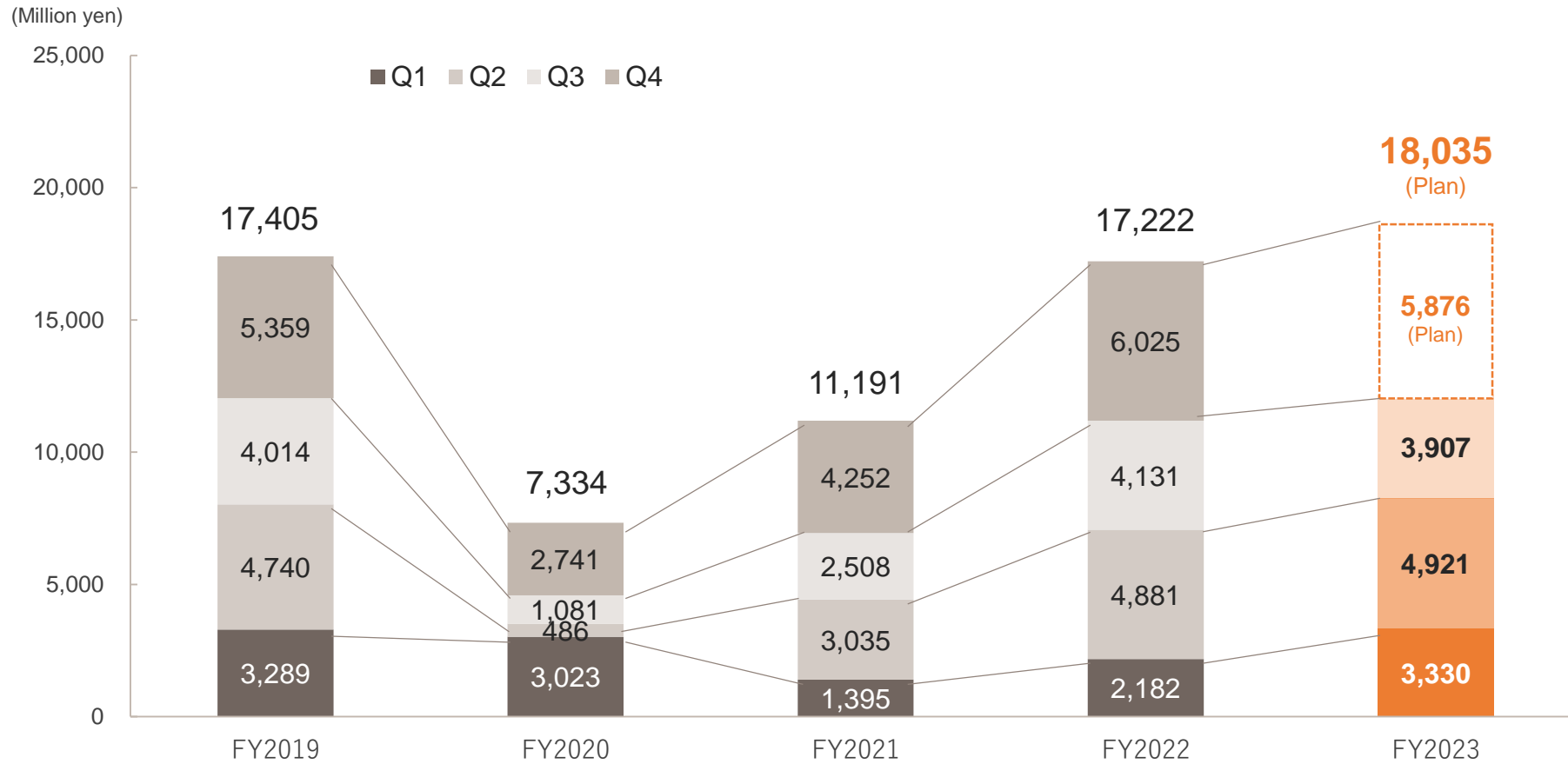
Operating profit is down due to the scaling-back of COVID-19 subsidies and upfront investments for sustainable growth; however, initiatives such as bulk buying based on a capital alliance agreement with a beverage manufacturer and adjustment of selling prices are being implemented in response to rising costs.



Since weddings are often held in the spring and autumn due to the comfortable weather and large number of public holidays, Q2 and Q4 account for a large proportion of total revenue and operating profit. Especially in Q4 when the newly opened venue will be fully operational, significant growth is expected.

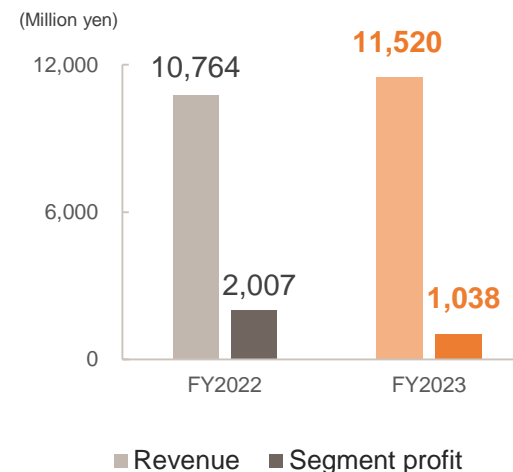


Revenue is projected to be higher than pre-COVID levels as a result of recovery in the average guest count and average sales per wedding.



Overview by Segment (Consolidated)

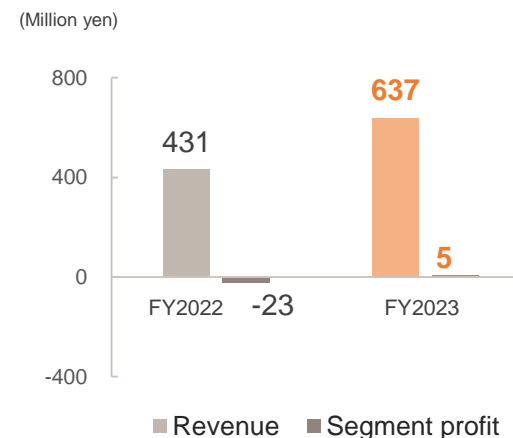
Bridal business (Million yen)	FY12/2022 Nine-month period	FY12/2023 Nine-month period	Change	Change (%)
Revenue	10,764	11,520	+755	+7.0%
Segment profit	2,007	1,038	-968	-48.3%
Segment profit margin	18.7%	9.0%	-9.6pt	—



POINT

Revenue increased, reflecting the full-year operation of one new venue opened the previous fiscal year and the opening of two new venues in April and July of this fiscal year as well. However, segment profit is lower due to factors such as expenses incurred for new venue openings and higher utilities expenses, labor costs that reflect the absence of COVID-19 subsidies (490 million yen) such as the subsidies for employment adjustment received last fiscal year, and impairment losses on non-current assets at some venues.

Restaurant business (Million yen)	FY12/2022 Nine-month period	FY12/2023 Nine-month period	Change	Change (%)
Revenue	431	637	+205	+47.6%
Segment profit (loss)	-23	5	+28	—
Segment profit margin	—	0.8%	—	—



POINT

The segment posted a profit of 5 million yen, reflecting the full-year operation of SHARI AKASAKA opened the previous fiscal year, the reclassification of COVID-19 as a Class 5 disease, and an increase in footfall during the summer holiday period.

Segment revenue increased in the Wedding Production and Restaurant divisions as a result of recovery in average guest count and average sales per wedding.

(Million yen)	FY12/2022 Nine-month period	FY12/2023 Nine-month period	YoY change	Change (%)
Bridal business	10,764	11,520	+755	+7.0%
Wedding Production Division	5,265	5,593	+328	+6.2%
Dress and Costume Division	2,417	2,360	-57	-2.4%
In-house	2,114	2,085	-29	-1.4%
External	303	274	-28	-9.5%
Restaurant Division	3,081	3,567	+485	+15.8%
Wedding banquet	2,664	2,931	+266	+10.0%
General dining	416	636	+219	+52.6%
Restaurant business	431	637	+205	+47.6%

POINT
<ul style="list-style-type: none"> ● Wedding Production Division <ul style="list-style-type: none"> ✓ Revenue increased as a result of recovery in average guest count and average sales per wedding. ● Dress and Costume Division <ul style="list-style-type: none"> ✓ Revenue decreased as the number of customers for both in-house and external arrangements declined. ● Restaurant Division (Bridal Business) <ul style="list-style-type: none"> ✓ Revenue from wedding banquet services rose due to recovery in the average guest count. ✓ Revenue from general dining services increased as a result of events and other activities.

Note: In-house refers to the rental and sale of attire intended for use in weddings and receptions held at our facilities, while External refers to attire intended for use at facilities operated by other companies and our affiliated venues.

| Average guest count recovered steadily, resulting in an increase in average sales per wedding.

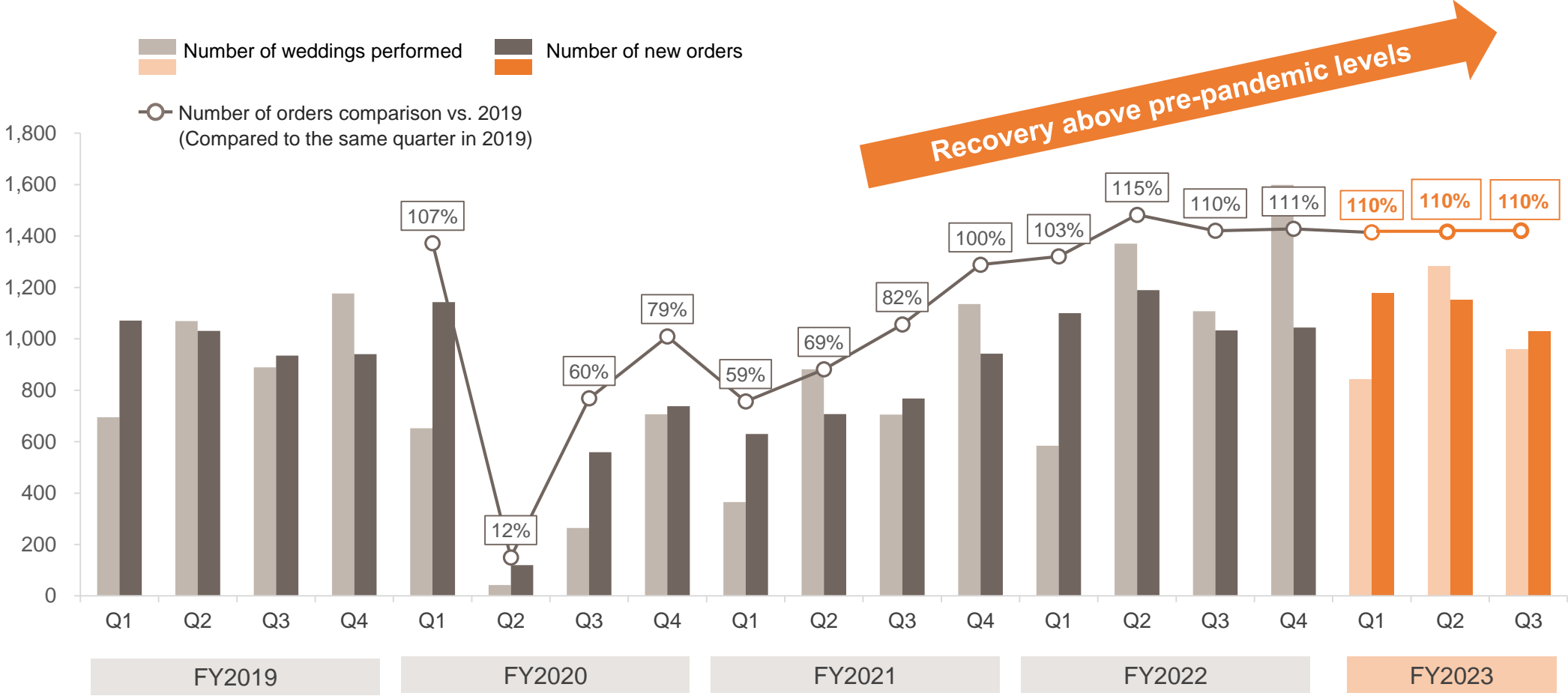
	FY12/2022 Nine-month period	FY12/2023 Nine-month period	YoY change	Change (%)
Revenue (million yen)	5,265	5,593	+328	+6.2%
Number of facilities	31	34	+3	—
Number of weddings	3,061	3,083	+22	+0.7%
Number of orders received	3,322	3,358	+36	+1.1%
Number of back orders	3,714	3,434	-280	-7.5%
Average guest count	45.7	50.7	+5.0	+11.0%
Average sales per wedding (in thousands of yen)	3,041	3,148	+107	+3.5%

- ※ For the number of facilities, number of weddings, number of orders received, number of back orders, average guest count, and average sales per wedding, the figures represent the domestic results.
- ※ For the number of weddings, number of orders received, and number of back orders, the calculations include weddings and receptions with a budget of at least one million yen, including at the Kiranah Resort Okinawa.
- ※ For the average guest count and average sales per wedding, the calculations exclude the Kiranah Resort Okinawa.

POINT

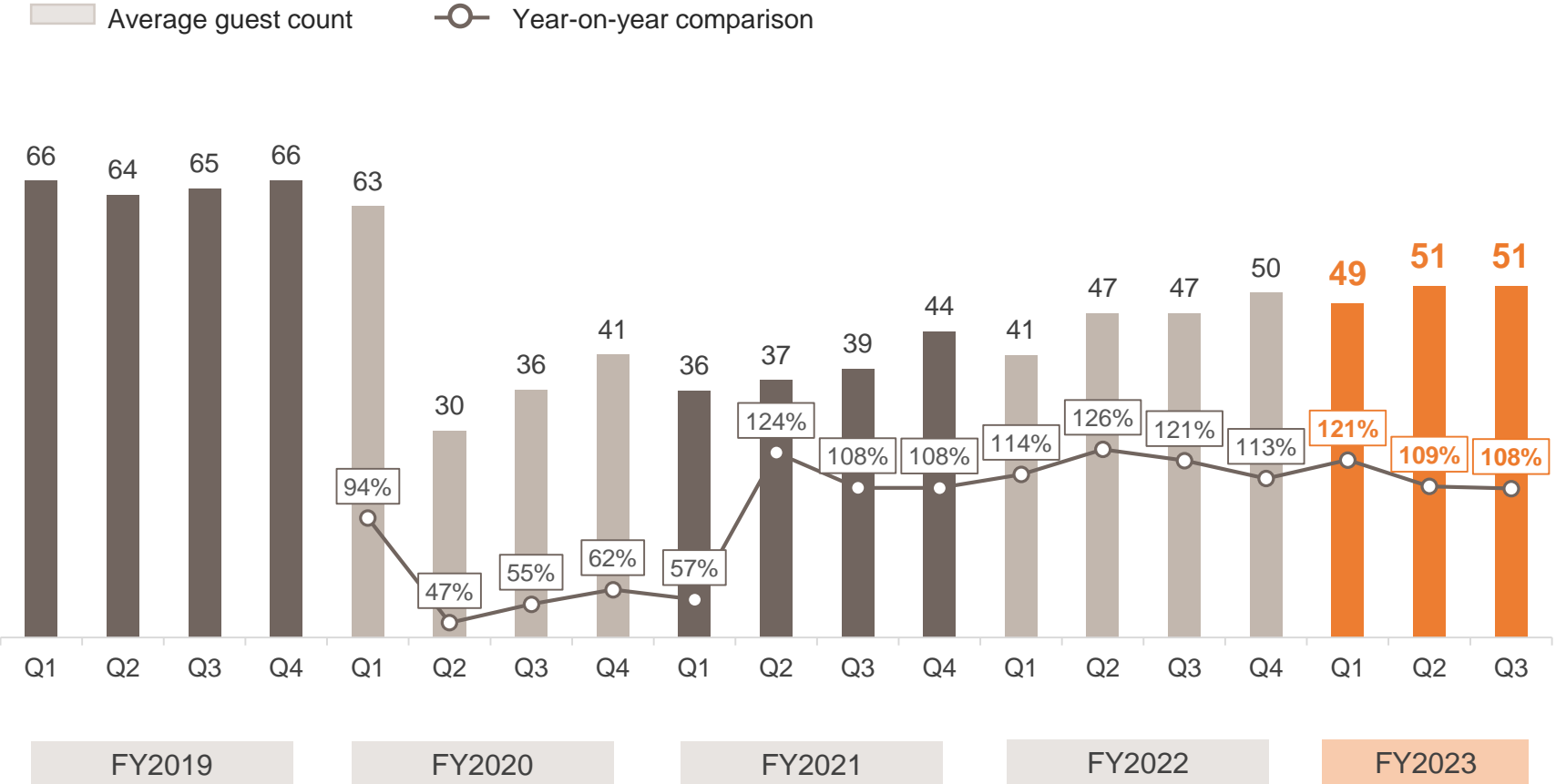
- **Number of orders received**
 - ✓ Up despite intensified competition at some existing facilities, thanks to the steady performance of facilities opened in the previous and current fiscal years.
 - ✓ We aim to attract more customers by leveraging referrals from IBJ, Inc. starting from Q4, marriage counseling services, and social media advertising.
 - ✓ To improve order closure rates, we will use additional promotional tools to acquire new customers and reinforce education and training.
- **Number of back orders**
 - ✓ Up 3.7 points from the end of Q2 of this fiscal year, but down year on year. This was because many weddings that had been postponed due to COVID-19 took place during Q4 of the previous fiscal year and in the 1H of the current fiscal year.
- **Average guest count**
 - ✓ Recovered to approx. 80% of the pre-pandemic level (Q3 FY12/2019). The recovery is expected to continue in the upcoming fiscal year.
- **Average sales per wedding**
 - ✓ We aim to increase the average sales per wedding by developing complementary products, improving sales promotion tools, reviewing pricing and other efforts.

The number of weddings performed and orders dropped significantly during the COVID-19 pandemic but are now surpassing the levels before the pandemic.



Average Guest Count Trend

The average guest count dropped during the COVID-19 pandemic but is steadily recovering.



The number of guests invited or participating declined during the pandemic.

The impact of the pandemic on the decline

Year	Percentage
2021	73.4%
2022	-
2023	39.0%

Survey respondents: Individuals who held their wedding ceremony and reception from April of the previous year to March of the year of the survey. (e.g., The 2023 data includes events held from April 2022 to March 2023)

Source: Wedding Awareness Survey 2023
Conducted by Recruit Bridal Research)

While revenue decreased due to a reduction in the number of customers, we aim to increase revenue supported by the growth in the number of affiliated venues.

	FY12/2022 Nine-month period	FY12/2023 Nine-month period	YoY change	Change (%)
Revenue (million yen)	2,417	2,360	-57	-2.4%
Number of facilities	21	23	+2	—
Number of customers	3,538	3,474	-64	-1.8%
In-house	2,998	2,985	-13	-0.4%
External	540	489	-51	-9.4%
Number of orders received	3,723	3,783	+60	+1.6%
Number of back orders	3,253	2,986	-267	-8.2%

Note: In-house refers to the rental and sale of attire intended for use in weddings and receptions held at our facilities, while External refers to attire intended for use at facilities operated by other companies and our affiliated venues.

POINT

● Number of customers

- ✓ In-house: Slightly down year on year because the previous term included wedding attire used for special photo weddings implemented as a pandemic countermeasure.
- ✓ External: Down year on year due to a decrease in referrals from some venues.
- ✓ The successful exploration of new affiliated venues has resulted in an increase of 14 venues this fiscal year. Additionally, there are plans to enhance referral tools and redesign plans for existing venues, all aimed at increasing the number of referrals.
- ✓ We will expand our product lineup to increase order closure rates.

● Number of back orders

- ✓ Down year on year because many weddings that had been postponed due to COVID-19 took place during Q4 of the previous fiscal year and 1H of the current fiscal year.

● To increase average sales per wedding

- ✓ Promote Japanese wedding attire.
- ✓ Expand the range of accessories.
- ✓ Increase orders for pre-wedding photoshoots.
- ✓ Promote wedding attire for family members (e.g., swallow-tailed suits, formal kimonos).

Balance Sheet and Cash Flow Statement (Consolidated)

(Million yen)	2022/Q4	2023/Q3	YoY change
Current assets	3,522	2,603	-918
Cash and cash equivalents	2,803	1,767	-1,035
Non-current assets	28,458	29,712	+1,254
Property, plant and equipment, net	14,718	15,829	+864
Goodwill	11,203	11,203	0
Intangible assets, net	68	65	-2
Deferred tax assets	1,506	1,569	+62
Total assets	31,980	32,316	+335
Current liabilities	17,893	8,771	-9,122
Trade and other payables	1,358	1,455	+96
Borrowings	13,068	3,948	-9,120
Other financial liabilities	902	981	+78
Non-current liabilities	6,852	16,408	+9,555
Borrowings	1,058	10,356	+9,297
Other financial liabilities	4,586	4,741	+155
Total liabilities	24,746	25,179	+433
Total equity	7,234	7,137	-97
Total liabilities and equity	31,980	32,316	+335

(Million yen)	2022/Q3	2023/Q3	YoY change
Cash flows from operating activities	3,081	1,381	-1,699
Cash flows from investing activities	-631	-1,841	-1,210
Cash flows from financing activities	-948	-575	+372
Effect of exchange rate changes on cash and cash equivalents	2	0	-1
Net increase (decrease) in cash and cash equivalents	1,503	-1,035	-2,538
Cash and cash equivalents at beginning of period	2,246	2,803	+556
Cash and cash equivalents at end of period	3,750	1,767	-1,982

POINT	
● Cash flows from operating activities	
✓ Depreciation	+1,736 million yen
● Cash flows from investing activities	
✓ Purchase of property, plant and equipment related to newly opened venues and existing venues	-1,765 million yen
● Cash flows from financing activities	
✓ Increase in short-term borrowings	+683 million yen
✓ Proceeds from long-term borrowings	+11,746 million yen
✓ Repayments of current portion of long-term borrowings	-12,318 million yen
✓ Repayments of lease liabilities	-686 million yen

Forecast for the Fiscal Year Ending December 31, 2023 (Consolidated)

| Revenue growth on the back of recovery in the average guest count is forecast.

(Million yen)	FY12/2022 Full-year	FY12/2023 Three-month period result	FY12/2023 Six-month period result	FY12/2023 Nine-month period result	FY12/2023 Full-year forecast (After revision)	Full year increase/ decrease	Change (%)
Revenue	17,222	3,330	8,251	12,158	18,035	+812	+4.7%
Gross profit	10,142	1,691	4,539	6,581	10,009	-132	-1.3%
Selling, general and administrative expenses	7,663	2,071	4,237	6,444	8,564	+900	+11.7%
Operating profit (loss)	2,775	-383	279	104	1,509	-1,266	-45.6%
Operating profit margin	16.1%	-11.5%	3.4%	0.9%	8.4%	-7.7pt	—
Profit (loss) before income taxes	2,485	-480	121	-126	1,202	-1,282	-51.6%
Profit (loss) attributable to owners of the parent	1,656	-323	71	-91	855	-800	-48.3%
(For reference) EBITDA*	4,867	164	1,414	1,841	3,847	-1,026	-21.1%
Wedding Production Division Number of weddings	4,660	843	2,125	3,083	4,622	-38	-0.8%

*EBITDA: Operating profit + Depreciation and amortization

CONTENTS

01

Revision of Financial Results Forecasts for the Fiscal Year Ending December 31, 2023

02

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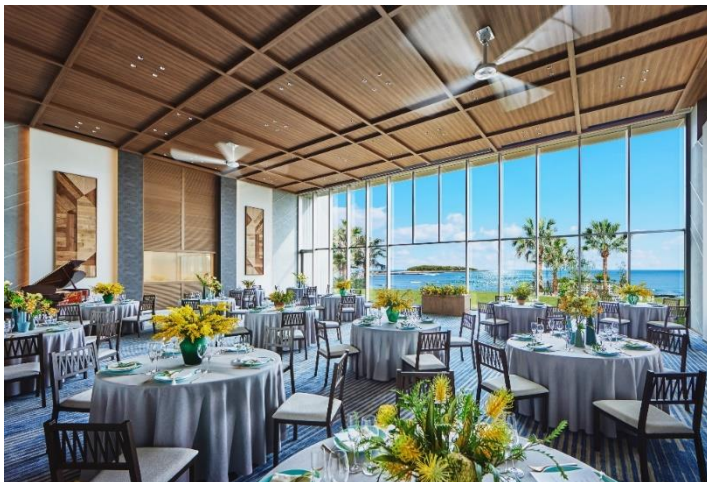
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Initiatives for FY12/2023

Month/year of opening	Type of facility	Name	Number of banquet halls	Guest capacity	Location
April 2023	Guesthouse	Amandan Blue Aoshima	1	154	Miyazaki-shi, Miyazaki
July 2023	Guesthouse	Southern Chapel Kiranah Resort Okinawa	2	26 / 36	Shimajiri-gun, Okinawa
Scheduled for the first half of 2024	Dress shop	Novarese Sendai	—	—	Aoba-ku, Sendai-shi, Miyagi
Scheduled for July 2024	Guesthouse	SEIRYUSO	1	130	Aoba-ku, Sendai-shi, Miyagi
Scheduled for fall 2024	Guesthouse	TBD	1	142	Fukushima-shi, Fukushima

Number of domestic locations			Number of international locations	Total
Guesthouse	Dress shop	Restaurant	Photo wedding and spa business	
36	24	7	1	68

Including planned openings



Amandan Blue Aoshima

Location: 3-1-43 Aoshima, Miyazaki-shi, Miyazaki prefecture

Opened: April 2023

Facilities: 1 chapel (100 people), 1 banquet hall (154 people)

- An entry into the hot Aoshima area, where a large commercial facility has recently opened.
- This new two-story structure made of steel, occupying a total floor space of approx. 1,376 square meters, is set on land with an area of approx. 4,885 square meters.
- The wedding facility faces the Pacific Ocean. Many parts of the building have spectacular views of the ocean and Aoshima, a famous holy island. The banquet hall on the seaside features an entire glass wall window which is 6 meters high and around 16 meters wide.
- For the first time in about 10 years (according to Recruit), a new wedding facility has opened in Miyazaki. The Preparatory Office has been receiving orders steadily since its opening.



Southern Chapel Kiranah Resort Okinawa

Location: 534 Hanashiro, Yaesecho, Shimajiri-gun,
Okinawa prefecture (Inside The Southern Links Resort)

Opened: July 2023

Facilities: 1 chapel (42 people),
2 banquet halls (36 people, 26 people)

- A new wedding complex, consisting of a chapel and a banquet hall, built on approx. 10,000 square meters of land in the southern part of Okinawa's main island, which is leased from Accordia Golf Co., Ltd. (single-story construction with a total floor area of approx. 1,069 square meters.)
- Proudly situated on a high hill on the southernmost tip of the main island, overlooking the Pacific Ocean, the wedding venue offers a prime location with a 180-degree view of the ocean. Its excellent location is further underscored by its great convenience, as it is roughly a 30-minute drive from Naha Airport.
- This expansion into Okinawa marks our entry into the comprehensive domestic resort wedding business, which includes travel services.



SEIRYUSO

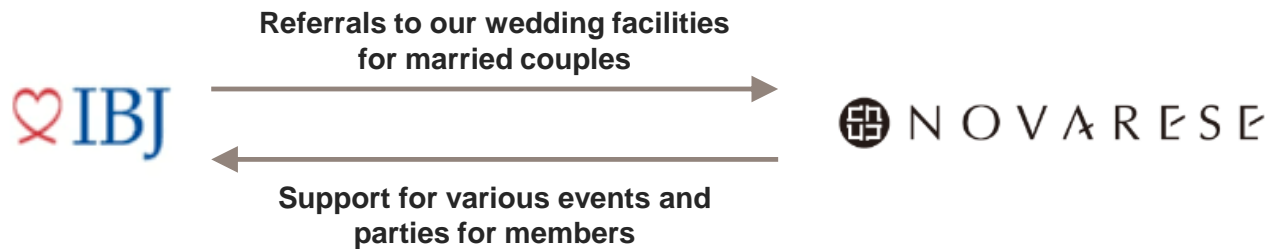
Location: 22-20 Otamayashita, Aoba-ku, Sendai-shi, Miyagi prefecture

Opening: Scheduled for July 2024

Facilities: 1 chapel (100 people), 1 banquet hall (130 people)

- A 10-minute drive from JR Sendai Station.
- Built on the former site of the renowned ryokan Tenryukaku, beloved by prominent figures in politics, business and the entertainment industry.
- Located on a hill adjacent to the mausoleum of Date Masamune, Zuihoden, offering a stunning view of its surroundings of cedar-lined paths, Aobayama to the west of Sendai plain, and the Hirose River running through the center of the city.
- A modern interior that incorporates Western touches with Japanese style, using a lot of wood and contemporary design and materials throughout.

- | With the signing of the capital and business partnership agreement in May 2023, the Company started receiving guests from IBJ in July.
- | We aim to send 100 couples per month to our wedding facilities by the end of next fiscal year by strengthening the partnership with IBJ.



About IBJ, Inc.

- A nationwide presence in the marriage counseling service as its core business
- Number of married couples per year: 13,022 (forecast for FY2023)
- Number of marriage counseling offices: 4,050 (as of September 30, 2023)
- Our stake in IBJ: 6.13% (as of September 19, 2023)

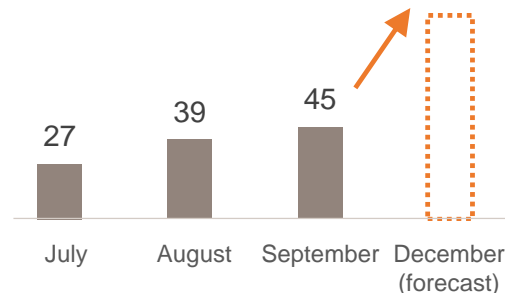
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Referrals to Wedding Facilities

- IBJ introduces about 13,000 couples who successfully married through more than 4,000 IBJ affiliated agencies to our wedding facilities.
- We expect an increase in referrals to our wedding facilities in the fourth quarter of this fiscal year.



Number of Referrals from IBJ (2023)



02

Referrals to Restaurants

- Our restaurants are available to host IBJ's matchmaking events, which take place more than 60,000 times a month.
- Broth Dining operated restaurants will be available as part of IBJ's shareholder benefit program starting from March 2024.

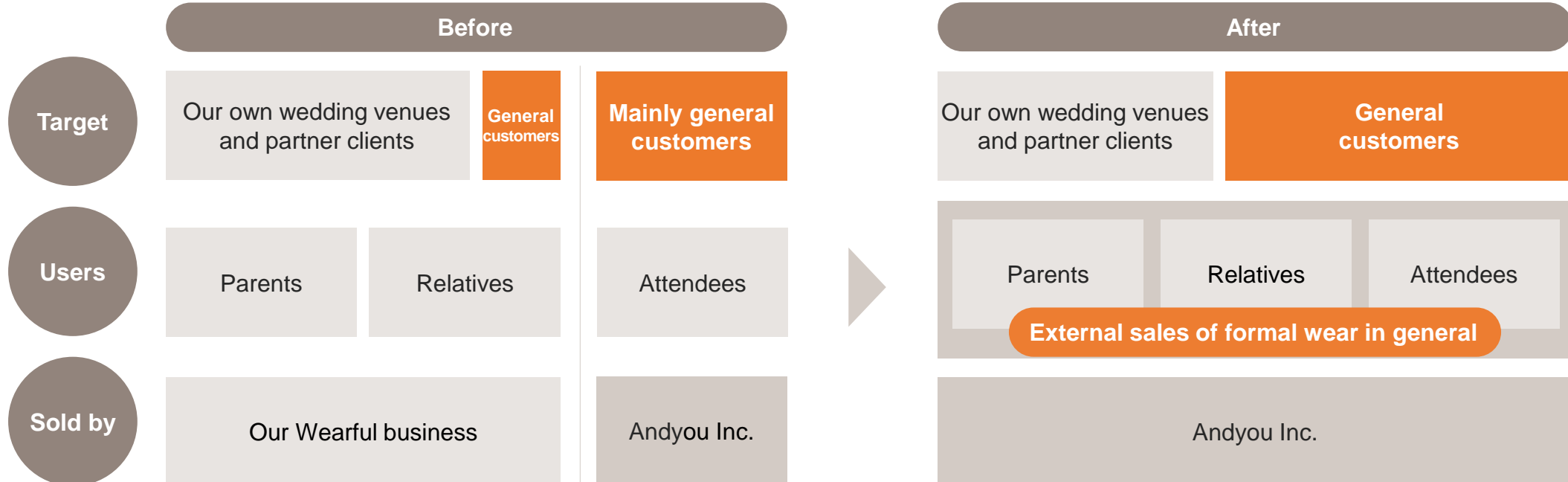
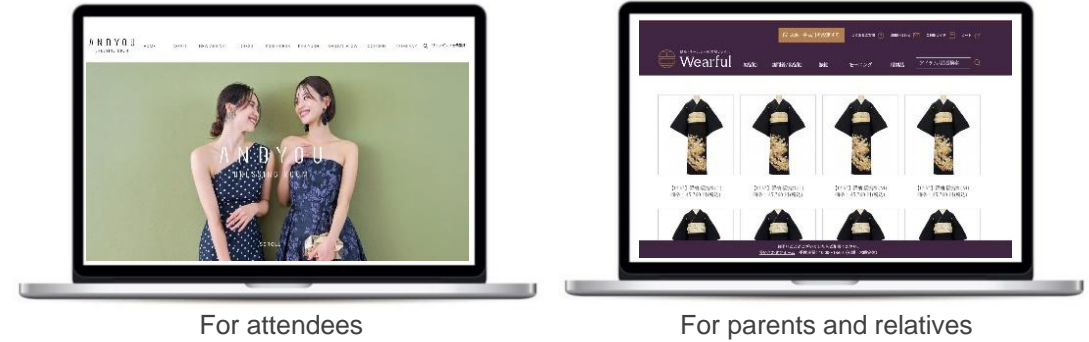


Enhancement of External Sales Business (1)/Integration of Formal Wear Business

Transfer of parent and family attire rental business to a subsidiary: Strengthening external costume sales and streamlining workforce and workflow

In October 2023, the Wearful business, which mainly provides attire rental services for parents and relatives of marrying couples (customers), was transferred to Andyou Inc., a costume rental company for attendees with expertise in acquiring external customers through social media.

By consolidating the two highly related businesses into the subsidiary, we aim to streamline our workforce and operational processes. Additionally, this strategic move strengthens our external sales business, which manages a portfolio of 1,200 formal wear outfits.



Enhancement of External Sales Business

(2)/Introduction of Bridal Comprehensive Insurance

▮ Began selling insurance to our customers and external clients in October 2023, as sales agent of Associa Small Amount and Short Term Insurance Inc.

Yoki Hi no Tame ni (“For a Happy Wedding Day”) comprehensive bridal insurance provides coverage of up to 8.5 million yen (with a premium of 56,000 yen). This insurance provides financial protection when a wedding needs to be canceled or postponed because of hospitalization due to injury or illness affecting the bride, groom or their parents. This insurance is sold by our subsidiary, Timeless Inc., which specializes in selling wedding-related items and coordination systems to hotels, wedding venues and other event management companies. Leveraging their strength in external sales, we aim to offer this insurance to customers of other companies in the wedding industry, creating a new source of revenue.

Cancellation coverage up to the wedding ceremony

- Death of the insured or a family member



- Hospitalization of the insured or family member for 7 days or more



- Hospitalization on the day of the ceremony and doctor’s recommendation to postpone



- Natural disasters (earthquakes, typhoons, fires, etc.)



- Severe weather warnings (heavy rain, snow, etc.)



Compensation on the day of the ceremony

- Damage or defacement of facilities and equipment of the wedding venue



- Damage to rental costumes



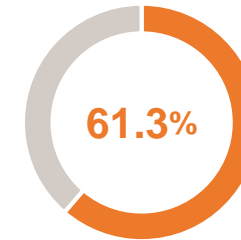
- Emergency medical treatment of invited guests during the ceremony



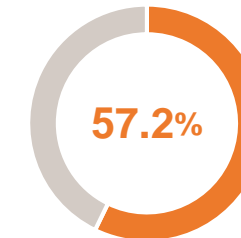
- Hospitalization of the groom or bride after the ceremony on the day of the wedding



Know about bridal insurance



Have purchased or plan to purchase bridal insurance



Source: Original Life, Inc.
 Survey period: July 11, 2023 to July 18, 2023
 Subjects: Brides who got married in 2021 or later and brides-to-be preparing for weddings
 Number of Responses: 1,097

| Donation and installation of playground equipment in areas affected by the Great East Japan Earthquake

In July 2023, we visited Soma City Yamakami Elementary School in Soma, Fukushima prefecture to donate and install outdoor playground equipment that had been lost as a result of the Great East Japan Earthquake. To gain a deeper understanding of the thoughts and experiences of the students, teachers, and others affected by the disaster, we also participated in the Soma City Reconstruction Tour.



Project Overview

- Date: July 18 and 19, 2023
- Participants: 16
- Location: Soma City Yamakami Elementary School, Soma City Disaster Prevention Stockpile Warehouse “Soma Hyorogura,” Soma Idobata Nagaya (disaster public housing), Matsukawaura river mouth, Soma City Memorial Hall
- Supported by: Nonprofit organization Playground of Hope



Rock your life

We want to be a company that provides vitality to society.

For inquiries, please contact: Public Relations Office, NOVARESE, Inc. (ir@novarese.co.jp)