



November 14, 2023

For Immediate Release

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Notice of Revisions to Full-Year Earnings Forecasts

NOVARESE, Inc. (the “Company”) hereby announces that, in view of the latest performance trends and other factors, it resolved at a meeting of the Board of Directors held on November 14, 2023 to revise the business forecast for the fiscal year ending December 31, 2023 (January 1, 2023 to December 31, 2023) released on May 26, 2023. Details are as follows.

1. Revision of the Consolidated Business Result Forecast for FY2021 (from January 1 to December 31, 2023)

	Revenue	Operating profit	Profit before income taxes	Net Income Attributable to Owners of the Parent	Basic earnings per share
Previously announced forecast (A)	20,114	3,082	2,777	1,860	74.43 yen
Revised forecast (B)	18,035	1,509	1,202	855	34.24 yen
Change (B - A)	-2,078	-1,572	-1,574	-1,004	-40.19 yen
Change (%)	-10.3%	-51.0%	-56.7%	-54.0%	-54.0%
(For reference) Consolidated results for the previous fiscal year (FY12/2022)	17,222	2,775	2,485	1,656	66.27 yen

- (Note)
1. The NOVARESE Group prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).
 2. Basic net income per share for the previous consolidated fiscal year (fiscal year ended December 31, 2022) was computed based on the average number of shares outstanding during the period. Basic net income per share for the consolidated fiscal year ending December 31, 2023 (forecast) was computed based on the projected average number of shares outstanding during the period.
 3. The Company conducted 1 to 200 share split on May 25, 2023. The above calculations of basic net income per share were based on the assumption that the said share split was conducted at the beginning of the fiscal year ended December 31, 2022.

2. Reason for the revision

Regarding 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, some wedding parties were still cancelled or delayed-> 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. The performance of each KPI against forecasts and the factors at play are as follows.

Performance of each KPI against forecasts

	Number of weddings (Weddings)	Average guest count (Guests)	Average sales per wedding (Thousand yen)	General dining (Million yen)
Previously announced forecast (A)	4,886	53.9	3,274	1,394
Revised forecast (B)	4,622	51.4	3,154	945
Change (B - A)	-264	-2.5	-119	-448
Change (%)	-5.4%	-4.6%	-3.6%	-32.2%
(Reference) Actual results for previous fiscal year (Fiscal year ended December 31, 2022)	4,660	47.2	3,070	665

(1) Number of weddings

We project 4,622 weddings, 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 due to 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

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.