



Financial Results for the Fiscal Year Ended December 2023

NOVARESE, Inc. [TSE Standard Market: 9160]

CONTENTS

01

Summary of the Full-Year Financial Results for the Fiscal Year Ended December 31, 2023

02

Financial Forecasts for the Fiscal Year Ending December 31, 2024

03

Key Initiatives for the Fiscal Year Ending December 31, 2024

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CONTENTS

01

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02

Financial Forecasts for the Fiscal Year Ending December 31, 2024

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Summary of the Full-Year Financial Results for the Fiscal Year Ended December 31, 2023

Revenue

18,265 million yen

YoY +6.1%
Vs. plan +1.3%

Operating profit

1,539 million yen

YoY -44.5%
Vs. plan +2.0%

Profit attributable to owners of the parent

942 million yen

YoY -43.1%
Vs. plan +10.1%

Number of weddings *

4,629 weddings

YoY -0.7%
Vs. plan +0.2%

Average guest count *

51.8 guests

YoY +9.8%
Vs. plan +0.8%

Average sales per wedding *

3,170 thousand yen

YoY +1.7%
Vs. plan +0.5%

- 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.

Consolidated Statement of Income

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

All profit levels increased compared to the forecast announced on November 14, 2023.

(Million yen)	FY12/2022 4Q YTD	FY12/2023 4Q YTD	Change	Change (%)	FY12/2023 4Q YTD plan Announced on November 2023	Vs. plan
Revenue	17,222	18,265	+1,042	+6.1%	18,035	+1.3%
Gross profit	10,142	10,184	+42	+0.4%	10,009	+1.7%
Selling, general and administrative expenses	7,663	8,621	+957	+12.5%	8,564	+0.7%
Operating profit	2,775	1,539	-1,236	-44.5%	1,509	+2.0%
Operating profit margin	16.1%	8.4%	-7.7pt	—	8.4%	—
Profit before income taxes	2,485	1,230	-1,254	-50.5%	1,202	+2.3%
Profit attributable to owners of the parent	1,656	942	-714	-43.1%	855	+10.1%
(For reference) EBITDA*	4,874	3,884	-990	-20.3%	3,847	+0.9%

Results for the fiscal year ended December 31, 2023 / POINT

● Revenue

- ✓ Increase in average number of guests and average sales per wedding
- ✓ Increase in banquets and general dining at wedding facilities
- ✓ Increase in restaurant footfall

● Cost of sales

- ✓ Higher utilities expense
- ✓ Scaling-back of subsidies for employment adjustments (Restaurant Business)
- ✓ Higher labor costs (Restaurant Business)

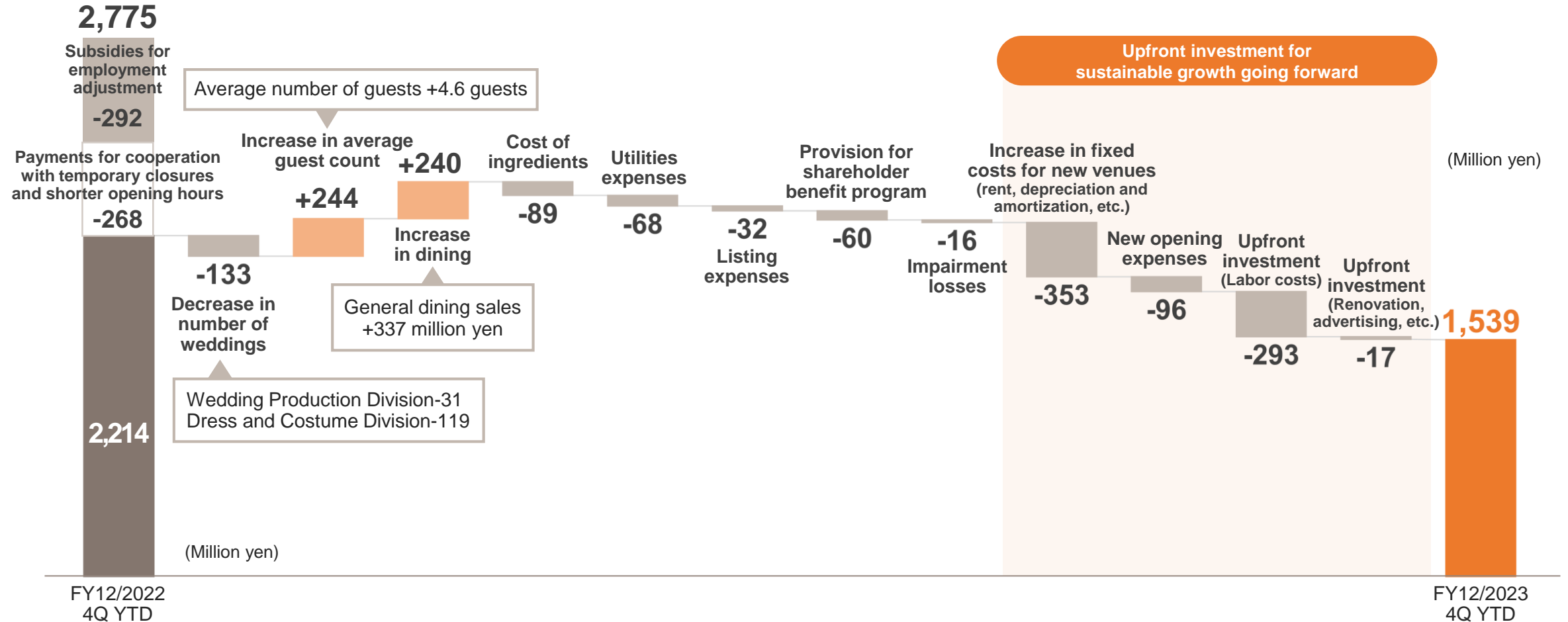
● Selling, general and administrative expenses

- ✓ Increase in new opening expenses
- ✓ Upfront investment for sustainable growth from 2024 onward (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 losses incurred on fixed assets in some venues

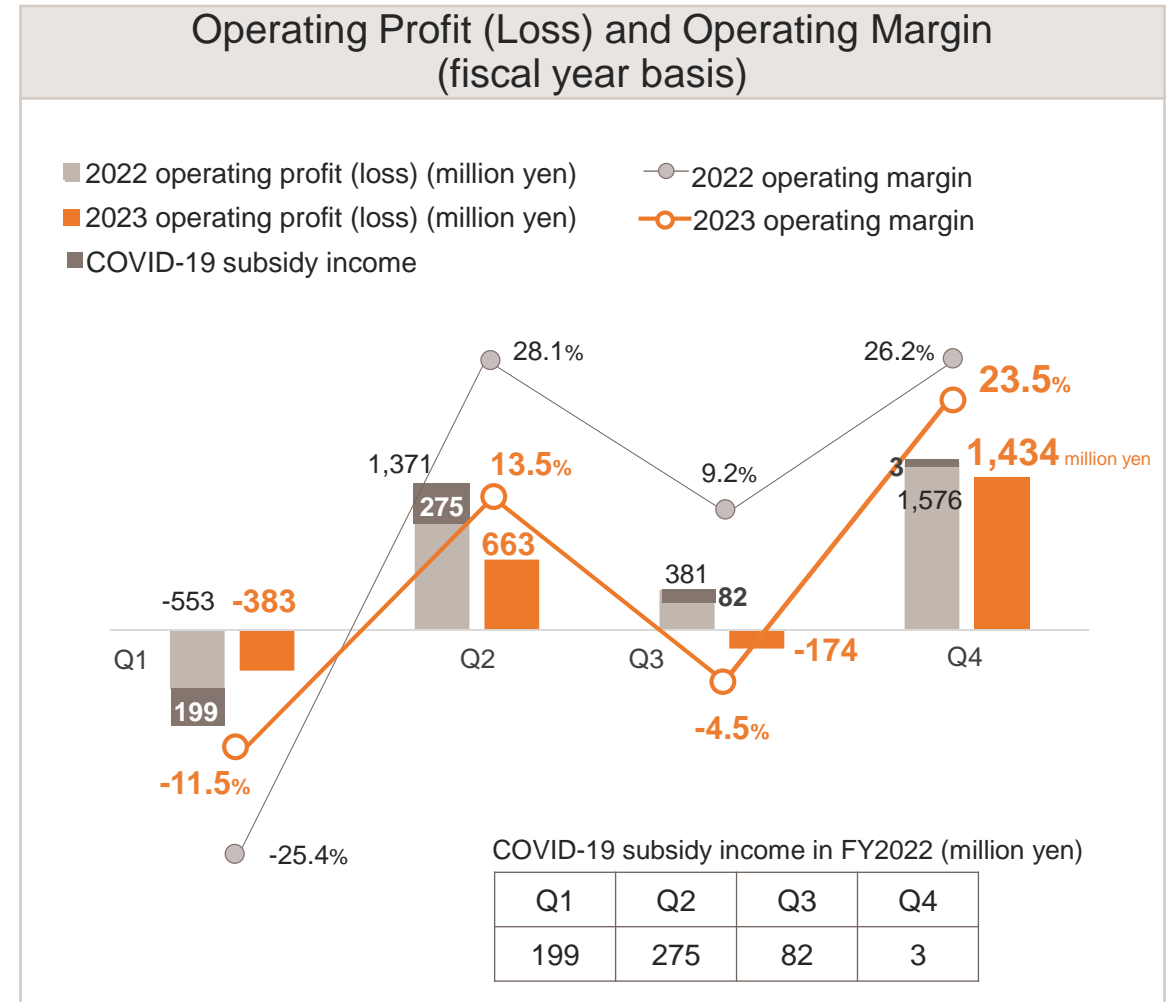
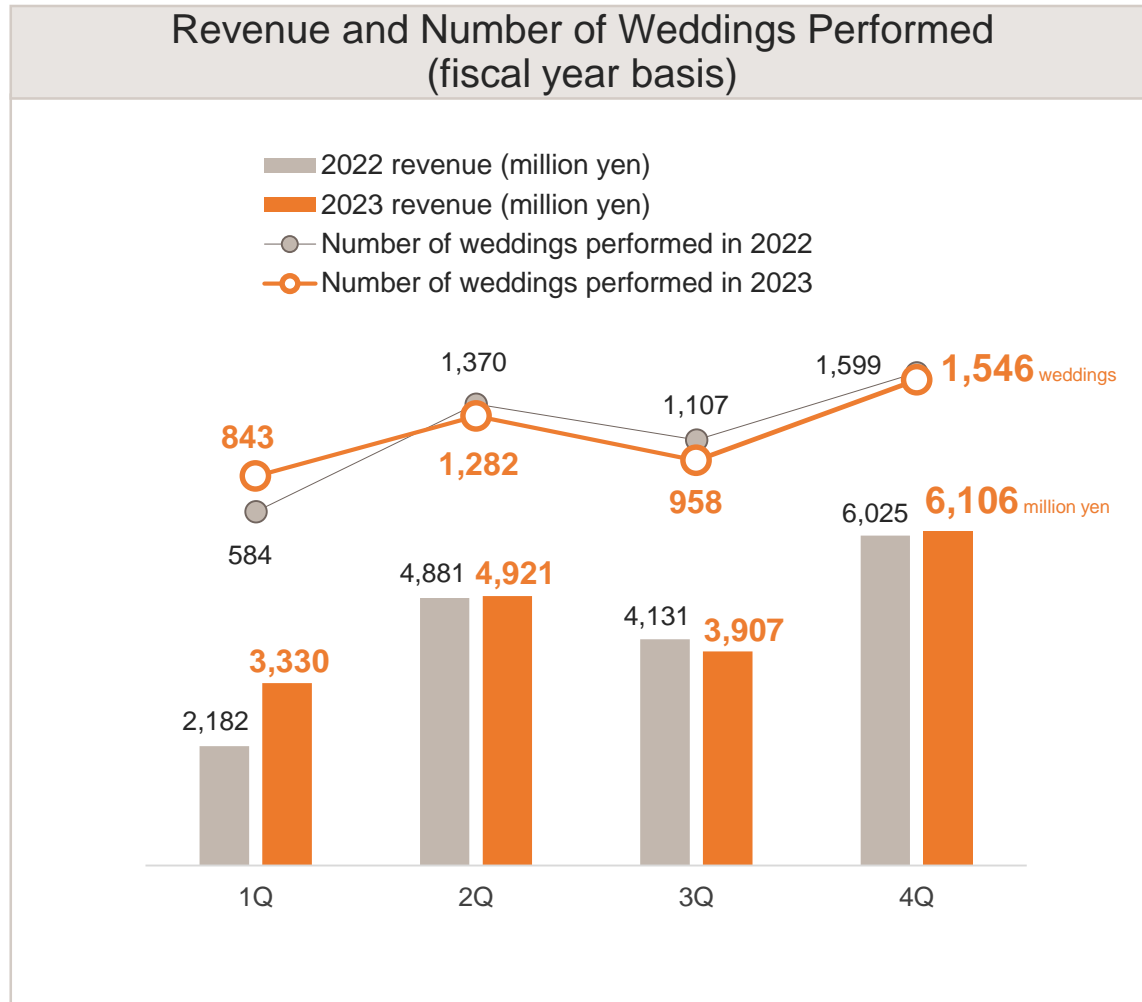
*EBITDA: Operating profit + Depreciation and amortization

Operating Profit Variance Analysis (Consolidated)

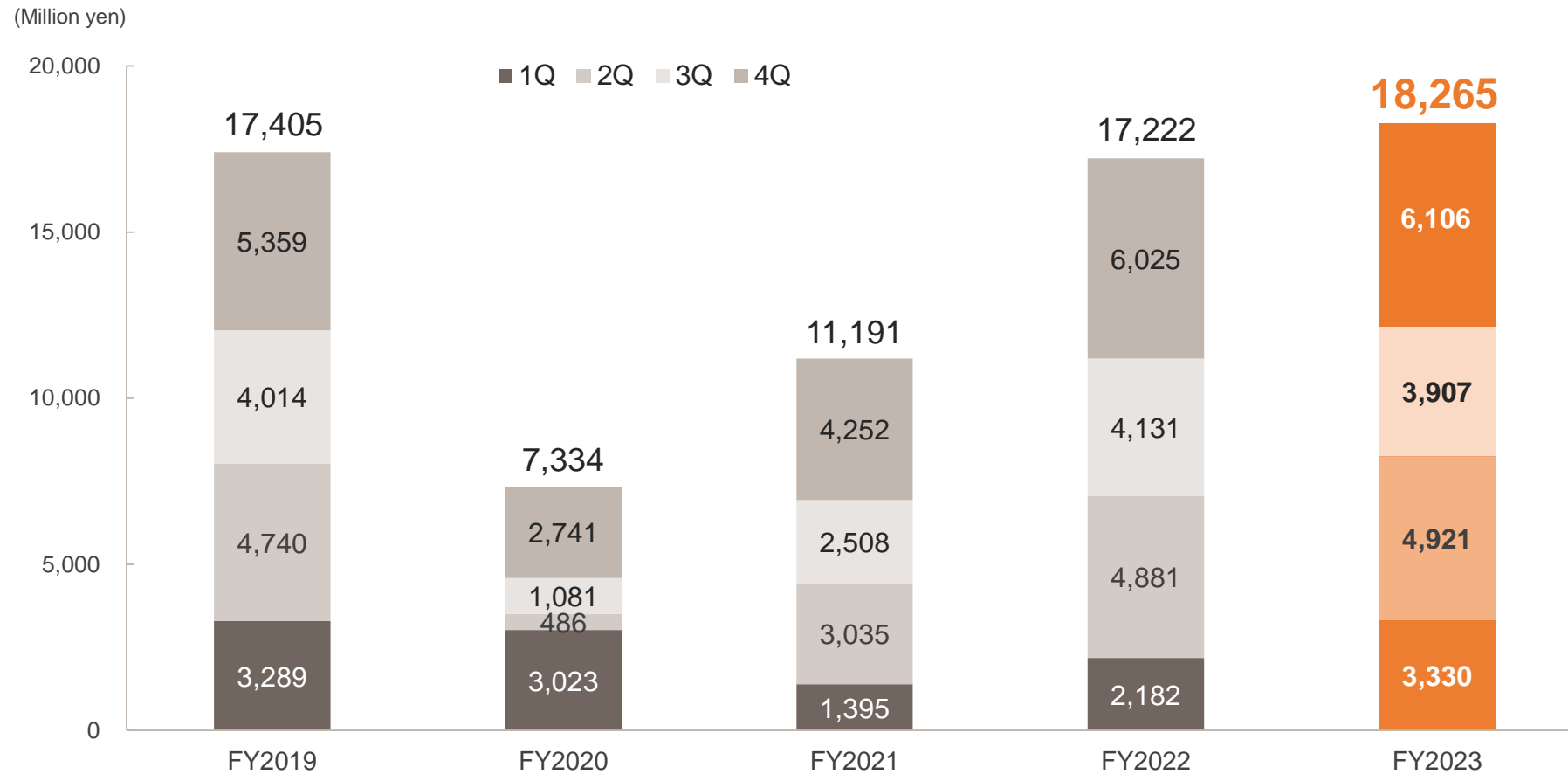
Despite a decrease in operating profit due to the reduction in COVID subsidies and upfront investments for sustainable growth, the effects of adjustments in sales prices were gradually becoming apparent.



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 achieved.

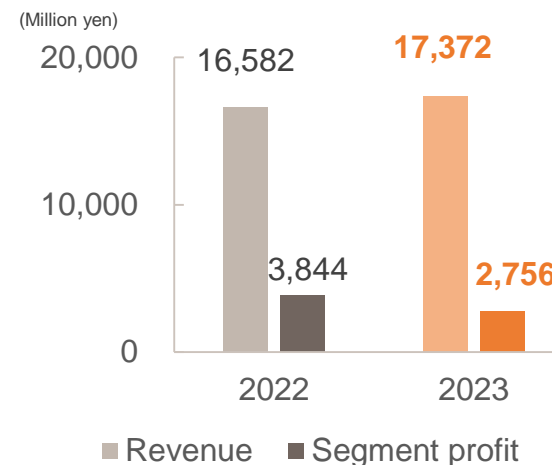


Revenue surpassed the pre-pandemic level thanks to the recovery in the average guest count and the average sales per wedding.



Overview by Segment (Consolidated)

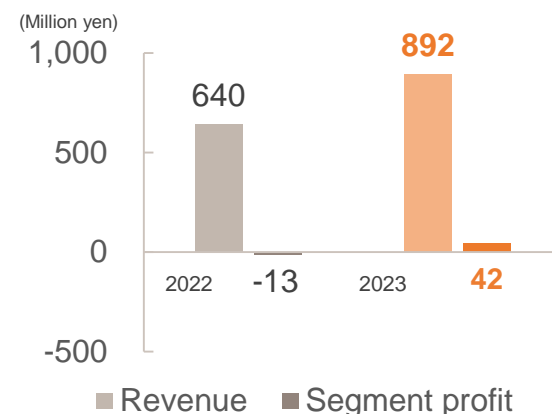
Bridal business (Million yen)	FY12/2022 4Q YTD	FY12/2023 4Q YTD	Change	Change (%)
Revenue	16,582	17,372	+790	+4.8%
Segment profit	3,844	2,756	-1,087	-28.3%
Segment profit margin	23.2%	15.9%	-7.3pt	—



POINT

Revenue increased due to the full-year operation of the venue that opened in 2022, along with the addition of other venues in April and July of 2023. 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 (496 million yen) such as the subsidies for employment adjustment received in 2022, and impairment losses on non-current assets at some venues.

Restaurant business (Million yen)	FY12/2022 4Q YTD	FY12/2023 4Q YTD	Change	Change (%)
Revenue	640	892	+252	+39.4%
Segment profit (loss)	-13	42	+56	—
Segment profit margin	—	4.8%	—	—



POINT

Despite the lack of COVID subsidies, segment profit was positive at 42 million yen. This was attributed to the full-year operation of SHARI AKASAKA, which opened in 2022, the reclassification of COVID-19 to Class 5, and higher sales at existing facilities mainly due to an increase in inbound demand.

Consolidated Revenue by Segment

Segment revenue increased in the Wedding Production and Restaurant Divisions compared to 2022, as the average guest count, average sales per wedding, and revenue from general dining services are all trending upwards.

(Million yen)	FY12/2022 4Q YTD	FY12/2023 4Q YTD	Change	Change (%)
Bridal business	16,582	17,372	+790	+4.8%
Wedding Production Division	8,099	8,364	+265	+3.3%
Dress and Costume Division*	3,639	3,520	-119	-3.3%
In-house	3,188	3,126	-62	-2.0%
External	451	394	-57	-12.7%
Restaurant Division	4,843	5,488	+644	+13.3%
Wedding banquet	4,177	4,484	+306	+7.4%
General dining	665	1,003	+337	+50.7%
Restaurant business	640	892	+252	+39.4%

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"> ✓ In-house: In 2022, slightly down year on year because the previous term included wedding attire used for special photo weddings implemented as a pandemic countermeasure. ● 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 with a recovery in banquets and the success of hosting events. ● Restaurant Business <ul style="list-style-type: none"> ✓ Revenue increased due to the full-year operation of the venue that opened in 2022, as well as an increase in inbound demand.

* 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 4Q YTD	FY12/2023 4Q YTD	YoY change	Change (%)
Revenue (million yen)	8,099	8,364	+265	+3.3%
Number of facilities	32	34	+2	—
Number of weddings	4,660	4,629	-31	-0.7%
Number of orders received	4,366	4,323	-43	-1.0%
Number of back orders	3,159	2,853	-306	-9.7%
Average guest count	47.2	51.8	+4.6	+9.8%
Average sales per wedding (in thousands of yen)	3,116	3,170	+54	+1.7%

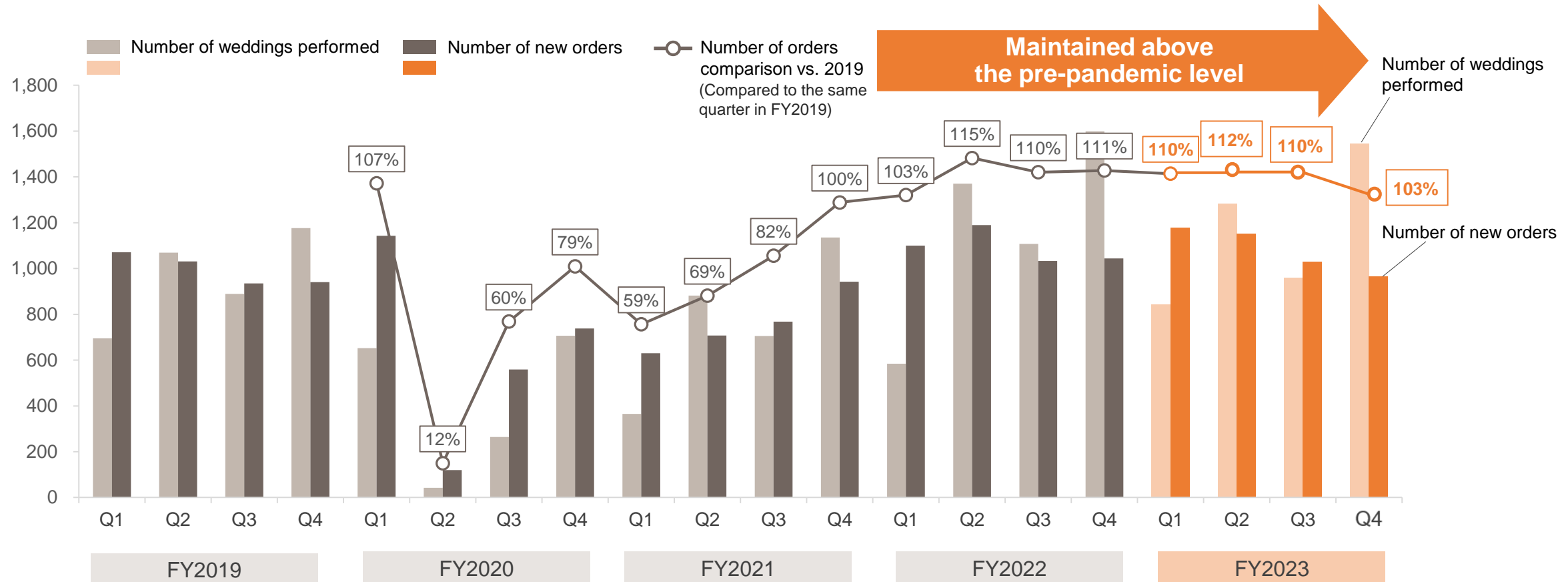
- For the number of facilities, number of weddings, number of orders received, number of back orders, average guest count, and average sales per wedding, the figures represent the domestic results.
- For the number of weddings, number of orders received, and number of back orders, the calculations include 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**
 - ✓ Slightly down due to intensified competition at some existing facilities, despite the steady performance at facilities opened in 2022 and 2023.
 - ✓ Aimed to attract more customers through renovations, collaborating with IBJ, Inc., offering marriage counseling services, and increasing advertisements on social media.
 - ✓ To improve order closure rates, we will use additional promotional tools to acquire new customers and reinforce education and training.
- **Number of back orders**
 - ✓ Down from 2022 because many weddings that had been postponed due to COVID-19 took place in 2Q YTD 2023, coupled with challenges in receiving orders in 2H 2023.
- **Average guest count**
 - ✓ Recovered to approx. 80% of the pre-pandemic level (4Q YTD FY12/2019). The recovery is expected to continue in FY2024.
- **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.

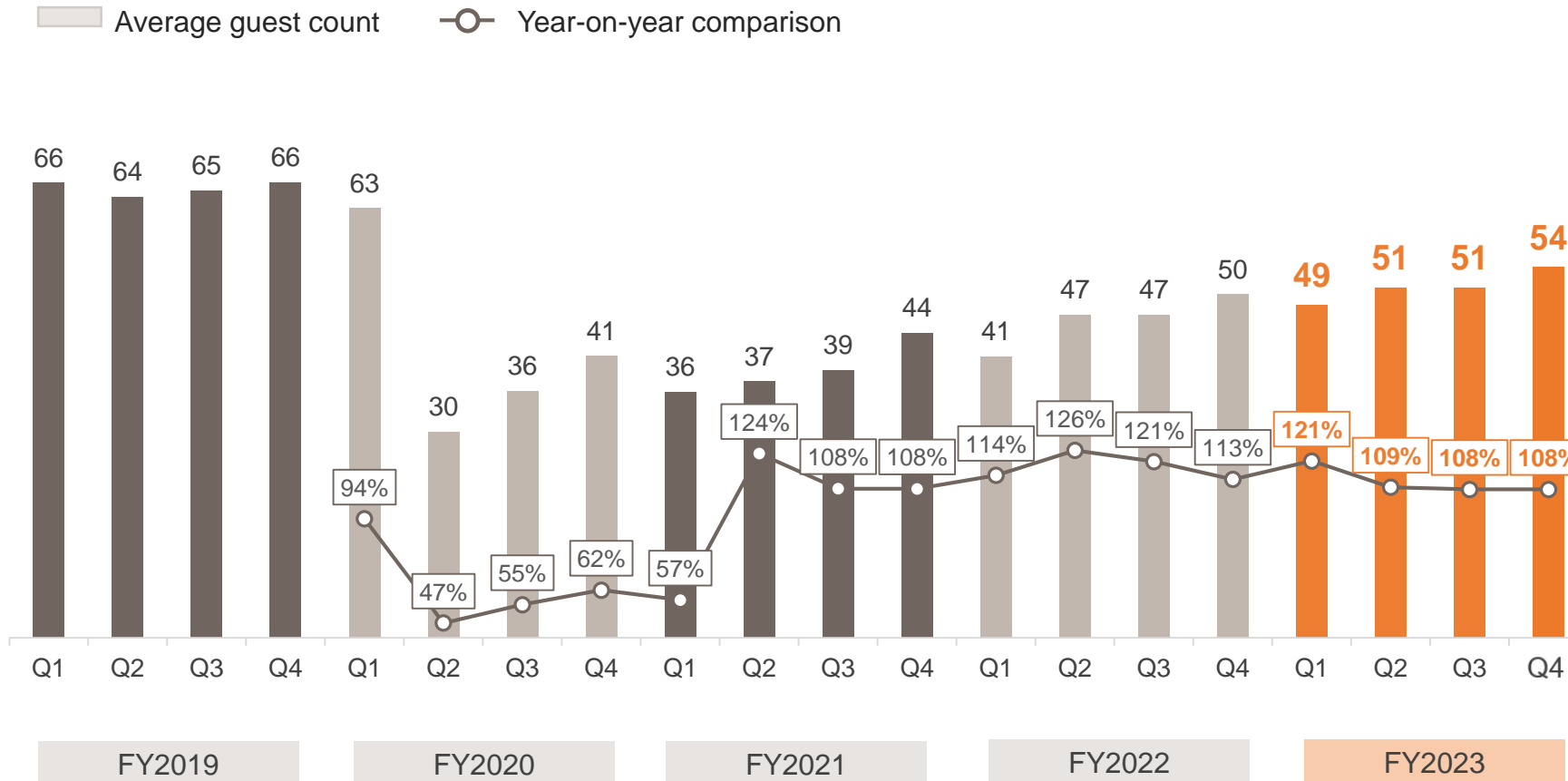
Changes in Orders Received and Number of Weddings

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



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.

Pandemic is having less of an impact

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)

Revenue decreased due to a reduction in the number of customers. Aimed to increase revenue by adding more affiliated venues and intensifying our efforts to promote complementary products.

	FY12/2022 4Q YTD	FY12/2023 4Q YTD	YoY change	Change (%)
Revenue (million yen)	3,639	3,520	-119	-3.3%
Number of facilities	22	23	+1	—
Number of customers*	5,370	5,179	-191	-3.6%
In-house	4,561	4,470	-91	-2.0%
External	809	709	-100	-12.4%
Number of orders received	4,979	4,892	-87	-1.8%
Number of back orders	2,677	2,390	-287	-10.7%

* 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 year 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.
- ✓ Added 15 affiliated venues during FY2023. There are plans to enhance referral tools and redesign plans for existing venues, all aimed at increasing the number of referrals.
- ✓ Expanded our product range and provided additional education and training for our staff to increase order closure rates.

● Number of back orders

- ✓ Down from 2022 because many weddings that had been postponed due to COVID-19 took place in 2Q YTD 2023, coupled with challenges in receiving orders in Wedding Production Division in 2H 2023.

● To increase average sales per wedding

- ✓ Expanding and strongly promoting the lineup of wedding attire 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/Q4	YoY change
Current assets	3,522	2,524	-998
Cash and cash equivalents	2,803	1,719	-1,084
Non-current assets	28,458	29,777	+1,319
Property, plant and equipment, net	14,718	15,820	+1,102
Goodwill	11,203	11,203	0
Intangible assets, net	68	71	+3
Deferred tax assets	1,506	1,630	+123
Total assets	31,980	32,301	+320
Current liabilities	17,893	8,177	-9,716
Trade and other payables	1,358	1,427	+68
Borrowings	13,068	3,399	-9,668
Other financial liabilities	902	982	+80
Non-current liabilities	6,852	15,945	+9,093
Borrowings	1,058	9,688	+8,630
Other financial liabilities	4,586	4,937	+351
Total liabilities	24,746	24,123	-622
Total equity	7,234	8,177	+943
Total liabilities and equity	31,980	32,301	+320

(Million yen)	2022/Q4	2023/Q4	YoY change
Cash flows from operating activities	4,620	2,996	-1,623
Cash flows from investing activities	-1,340	-2,034	-694
Cash flows from financing activities	-2,725	-2,044	+681
Effect of exchange rate changes on cash and cash equivalents	2	-1	-3
Net increase (decrease) in cash and cash equivalents	556	-1,084	-1,640
Cash and cash equivalents at beginning of period	2,246	2,803	+556
Cash and cash equivalents at end of period	2,803	1,719	-1,084

POINT	
● Cash flows from operating activities	
✓ Depreciation	+2,344 million yen
● Cash flows from investing activities	
✓ Purchase of property, plant and equipment related to newly opened venues and existing venues	-1,102 million yen
● Cash flows from financing activities	
✓ Increase in short-term borrowings	+58 million yen
✓ Proceeds from long-term borrowings	+11,946 million yen*
✓ Repayments of current portion of long-term borrowings	-13,129 million yen*
✓ Repayments of lease liabilities	-919 million yen
* Including an increase/decrease in borrowings due to refinancing	

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Forecast for the Fiscal Year Ending December 31, 2024 (Consolidated)

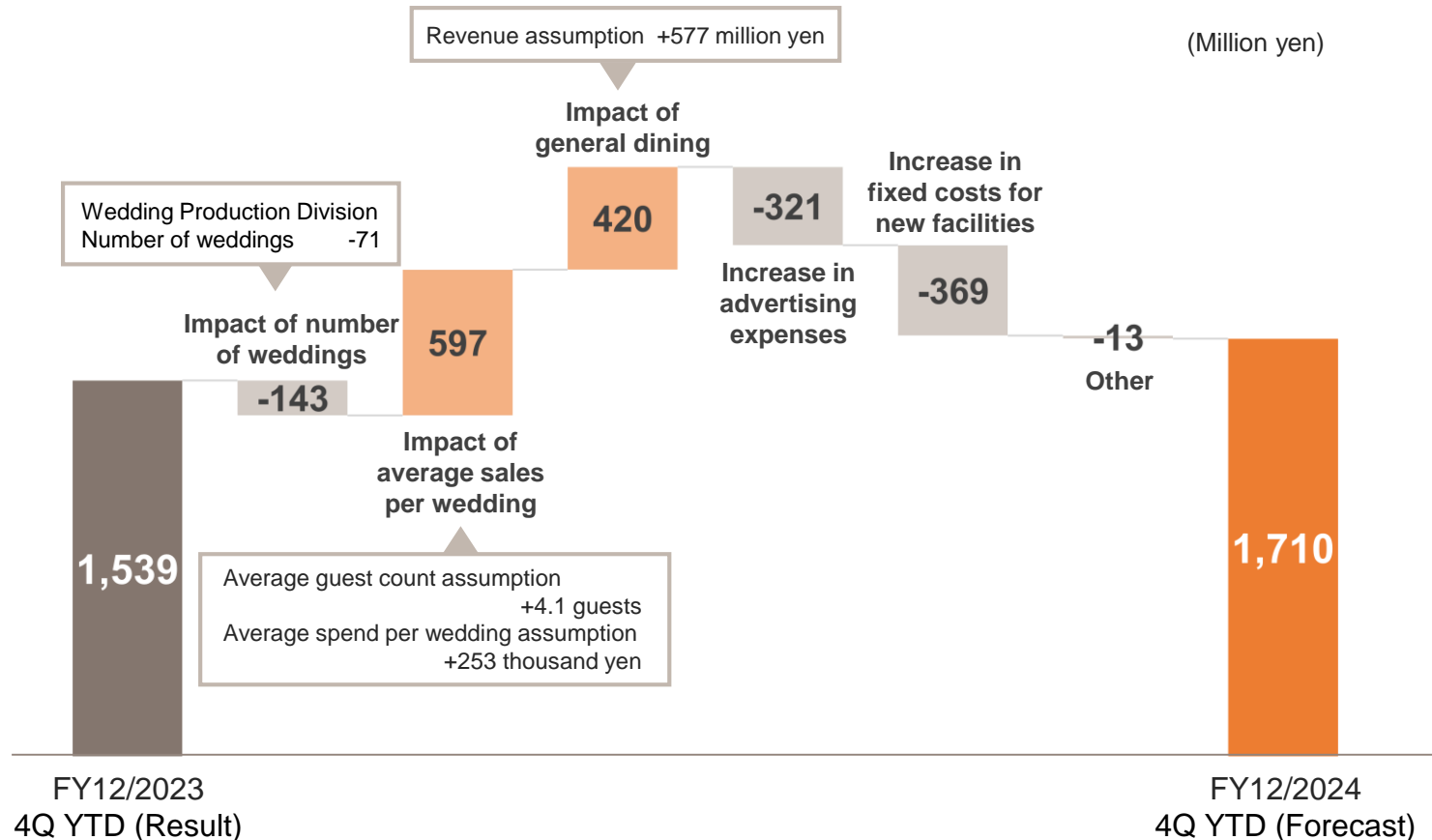
We expect an increase in revenue and profit due to a recovery in average sales per wedding and our focused efforts to strengthen the Restaurant Division within the Bridal Business and the Restaurant Business.

(Million yen)	2Q (YTD)				Full year			
	FY12/2023 Year-on-Year Result	FY12/2024 Forecast	Change	Change (%)	FY12/2023 Result	FY12/2024 Forecast	Full year increase/ decrease	Change (%)
Revenue	8,251	8,653	+402	+4.9%	18,265	19,576	+1,310	+7.2%
Gross profit	4,539	4,656	+117	+2.6%	10,184	10,906	+772	+7.1%
Selling, general and administrative expenses	4,237	4,648	+410	+9.7%	8,621	9,287	+665	+7.7%
Operating profit	279	92	-186	-66.8%	1,539	1,710	+170	+11.1%
Operating profit margin	3.4%	1.1%	-2.3pt	—	8.4%	8.7%	+0.3pt	—
Profit (loss) before income taxes (loss)	121	-95	-217	—	1,230	1,361	+130	+10.6%
Profit (loss) attributable to owners of the parent	71	-64	-135	—	942	943	+0	+0.1%
(For reference) EBITDA*	1,414	1,283	-131	-9.3%	3,884	4,169	+285	+7.3%
Wedding Production Division Number of weddings	2,125	2,004	-121	-5.7%	4,629	4,558	-71	-1.5%

* EBITDA: Operating profit + Depreciation and amortization

Forecast of Operating Profit Variance Analysis for the Fiscal Year Ending December 31, 2024 (Consolidated)

Despite increased ad placement and higher fixed costs for new facilities, costs will be absorbed by an increase in average sales per wedding and general dining sales growth, and operating profit is expected to increase.



POINT

● Revenue

- ✓ Increase in average sales per wedding
An increase in average sales per wedding and revenue growth are anticipated due to the effect of price adjustments made from last year and recovery in the average guest count.
- ✓ Increase in dining
Higher revenue is forecast on the expectation of increased restaurant operation and a recovery in demand for wedding banquets since the second half of last year.

● Expenses

- ✓ Advertising expenses
Advertising expenses are expected to be higher than last year due to the implementation of advertising strategies to win more orders in light of the competitive environment.
- ✓ Fixed costs for new facilities
Fixed costs such as personnel expenses, rent, and depreciation and amortization are expected to increase, reflecting the full-year operation of facilities in Miyazaki and Okinawa and the planned opening of facilities in Sendai and Fukushima.

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Focus on bolstering the business foundations and improving profitability and human capital value to maximize customer experience value and achieve sustainable growth

01

Enhancing the revenue base

- Implement dynamic and strategic renovations of existing facilities in parallel with continuous new openings.
- Extend our restaurant operations to increase the use of our wedding facilities on weekdays and raise awareness.
- Develop and promote products that meet the diversifying needs of customers.
- Expand advertising through a media mix utilizing social media.
- Expand the business foundation of the Restaurant Business.



02

Enhancing profitability

- Improve meeting efficiency and customer satisfaction with digital transformation initiatives.
- Optimize staffing in the Bridal Business.
- Promote sales of high-quality, high-value-added products.
- Reduce costs through price adjustments made last year.



03

Maximizing the value of human capital

- Encourage human resources policies that align with management strategies, reflecting the business's view of human resources as its most critical asset.



| This fiscal year, we will open 2 wedding facilities, 1 dress shop, and 2 restaurants to further expand our revenue base.

Month/year of opening	Type of facility	Name	Number of banquet halls/fitting rooms	Guest capacity	Location
February 17, 2024	Dress shop	Novarese Sendai	3	—	Aoba-ku, Sendai-shi, Miyagi
Scheduled for June 2024	Restaurant	(Tentative name) Kappo SHARI	—	TBD	Naka-ku, Hiroshima-shi
Scheduled for July 2024	Guesthouse (Wedding facility)	SEIRYUSO	1	130	Aoba-ku, Sendai-shi, Miyagi
Scheduled for September 2024	Guesthouse (Wedding facility)	Amandan Aisle	1	142	Fukushima-shi, Fukushima
Scheduled for December 2024	Restaurant	Name TBD	—	TBD	Naniwa-ku, Osaka-shi
Scheduled for 2026	Dress shop	Name TBD	TBD	—	Toyama-shi, Toyama
Scheduled for April 2026	Guesthouse (Wedding facility)	(Tentative name) Amandan Bridge	1	120	Toyama-shi, Toyama

Number of domestic locations			Number of international locations	Total
Guesthouse (Wedding facility)	Dress shop	Restaurant	Photo wedding and spa business	
37 (+3)	25 (+2)	9 (+2)	1	72 (+7)

* Including those scheduled to open in 2026. Figures in parentheses are in comparison with the fiscal year ending December 31, 2023.



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 Zuihoden, the mausoleum of Date Masamune, the founder of Sendai domain, 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.



Amandan Aisle

Location: 6-62-1 Nodamachi, Fukushima-shi,
Fukushima prefecture

Opening: Scheduled for September 2024

Facilities: 1 chapel (100 people),
1 banquet hall (142 people)



- A 7-minute drive from JR Fukushima Station.
- Located along the Arakawa River, offering a prime location with a splendid view of the famous cherry blossoms in Arakawa Sakura-zutsumi Park.
- A single-story building with a modern Japanese concept, emphasizing vertical and horizontal lines with wood incorporated for the ceilings and walls.
- Entirely glass-walled on the landscape side to take advantage of the spectacular views of Mt. Adatara and Mt. Azuma-Kofuji.



(Tentative name) Amandan Bridge

Location: Kureha-cho, Toyama-shi, Toyama

Opening: Scheduled for April 2026

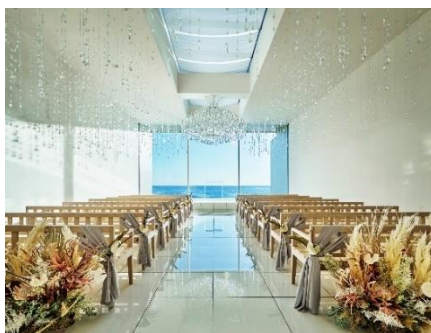
Facilities: 1 chapel (100 people),
1 banquet hall (120 people)

- 11 minutes by car from Toyama Station
- Our corporate group, including our company, has been selected as the designated installer for the Kureha Hills Footpath Bridge and Surrounding Plaza Park-Private Finance Initiative (Park-PFI) of Toyama City.
- The Kureha Hills Footpath Bridge is a suspension bridge that connects Kureha Mountain Park to Shiroyama Park, using the 19,680 square meter plaza of the former Toyama Kanko Hotel site.
- The location offers a variety of scenic pleasures, including views of Toyama Bay and the Shin-Minato Ohashi Bridge, as well as the Tateyama Mountain Range from the connecting bridge.

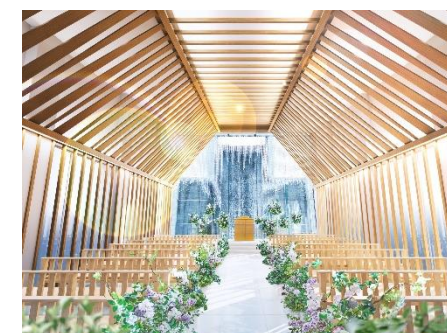
Through a series of renovations, we aim to improve customer satisfaction and attract more customers and orders.

Category	Facilities	Renovation details	Investment per facility
Wedding facility	<ul style="list-style-type: none"> ● Okayama Monolith (Okayama) ● Niigata Monolith (Niigata) ● Himeji Monolith (Hyogo) ● Amandan Rise (Shizuoka) ● Utsunomiya Monolith (Tochigi) 	Mainly for chapel	10-30 million yen
	<ul style="list-style-type: none"> ● Tenjin Monolith (Fukuoka) 	Mainly for banquet	
Dress shop	<ul style="list-style-type: none"> ● Ecrú Spouse Koriyama (Fukushima) 	Addition of fitting rooms, dress racks, etc.	
Wedding facility	<ul style="list-style-type: none"> ● Former Sakuranomiya Public Hall (Osaka) ● Flairge Dalliance (Shiga) ● Mitakiso (Hiroshima) 	Replacement of furniture, re-carpeting, etc.	Less than 10 million yen

Renovation Result (1) Amandan Sail (Chiba)/2023



Renovation Result (2) Okayama Monolith (Okayama)/2024



Amandan Blue Aoshima receives the Miyazaki City Landscape Award, Commercial Facilities Category, Grand Prize. This marks the 23rd architectural award received by the Company.

- Opened in April 2023
- The building was recognized for its harmony with Miyazaki City's rich natural environment and contribution to the formation of an excellent landscape.
- For the first time in about 10 years (according to Recruit), a new wedding facility has opened in Miyazaki, and orders have been received steadily since the opening.



Major Awards

2008	IES Illumination Awards (North America Illuminating Engineering Society)	Kitayama Monolith (Kyoto)
2009	BEST STORE OF THE YEAR	Takasaki Monolith (Gunma)
2010	JCD Design Award 100 selections	Himeji Monolith (Hyogo)
2010	Hiroshima Urban Development Design Award	Mitakiso (Hiroshima)
2011	BELCA Awards (Long Life Category)	Ashiya Monolith (Hyogo)
2012	Odor and Scent Environment Association Award, sponsored by the Ministry of the Environment	Former Sakuranomiya Public Hall (Osaka)
2013	AACA Award	James House (Hyogo)
2014	Japan Federation of Architects & Building Engineers Associations Award for Excellence	James House (Hyogo)
2014	Osaka Urban Landscape Architecture Award	Former Sakuranomiya Public Hall (Osaka)
2014	Good Design Award	Former Sakuranomiya Public Hall (Osaka)
2016	BELCA Awards (Long Life Category)	James House (Hyogo)

| We will extend our restaurant operations to increase the use of our wedding facilities on weekdays and raise awareness.

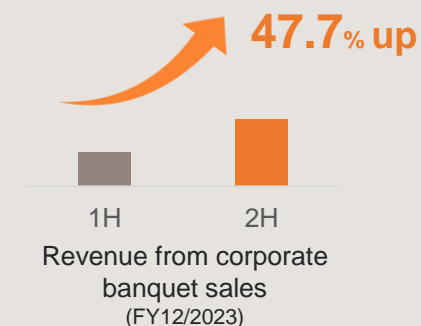
Organize Regular Events



- Regularly hold photogenic events that take advantage of our extraordinary settings.
- Sweets events will be held at 24 stores for 38 days from February to March 2024, with 4,652 reservations already made (as of February 9, 2024).

Assign Dedicated Corporate Banquet Staff

- Start a partnership with travel agencies specializing in affluent clients from Europe, North America and Australia.
- Offer a one-stop service from inquiry to proposal and execution.



Host IBJ's Marriage Hunting Parties

- Our wedding venues are available to host IBJ's matchmaking events, which take place more than 60,000 times a month.
- Produce and operate marriage hunting parties for IBJ's members.

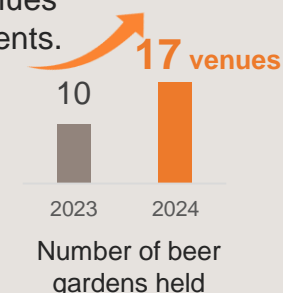
Expand Lunch Operations

- Increase the number of facilities that are open during lunchtime.



Expand Beer Garden Business

- Expand the number of venues and the duration of the events.







Reinforcement of the Foundation of the Restaurant Business

(Key Initiatives for the Fiscal Year Ending December 31, 2024)

01 Reinforcement of Revenue Base



With inbound demand and corporate use on the road to recovery, we aim to open new restaurants and further increase sales at existing restaurants.

Brand name	SHARI	Serafina NEW YORK	MITAKI	CRAFT
				
Genre	Japanese	Italian	Teppanyaki	Karaage/Izakaya
Dinner Average sales per customer	¥6,000 - 20,000	¥6,000	¥15,000	¥3,500
TOPICS Current Measures	<ul style="list-style-type: none"> SHARI Akasaka, which has a high unit price, also performed well, contributing to branding and quality improvement in the bridal business 	<ul style="list-style-type: none"> Corporate clientele showing signs of recovery Attract more corporate banquets 	<ul style="list-style-type: none"> Capture the recovering demand for client dinners Raise awareness among affluent foreigners 	<ul style="list-style-type: none"> Establish low-cost operations Consider a franchise business
FY12/2023 Full-year result	Net sales: +45.2% (YoY) Number of customers: +16.4% (YoY)	Net sales: +38.8% (YoY) Number of customers: +23.7% (YoY)	Net sales: +13.3% (YoY) Number of customers: +4.6% (YoY)	Net sales: +35.8% (YoY) Number of customers: +28.2% (YoY)

We will introduce an online invitation service that enables customers to create invitations online and send them to guests via social media or email. This is expected to enhance convenience and boost the number of guests.

Online Invitation “Weddingday”

Background behind the introduction

- Spread of social networking services
- A growing number of customers who do not know their guests’ addresses
- A growing trend among couples to consider the burden on guests, including the task of sending reply postcards

Expected effects

- Ease of use
- Increased convenience for the bride, groom, and guests
- Allows for a personalized touch
- Improvement of customer satisfaction



STEP



Enter your wedding and after-party information

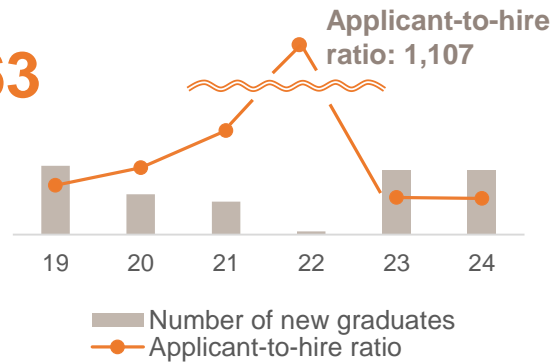
Send your online invitations to your guests

Check guest attendance

We will continue to focus on strengthening human capital to expand our competitive advantage, with the belief that growth of people leads to growth of the company.

Recruitment of New Graduates (Joining in April 2024)

- Number of new graduates: **63**
- Applicant-to-hire ratio: **35**



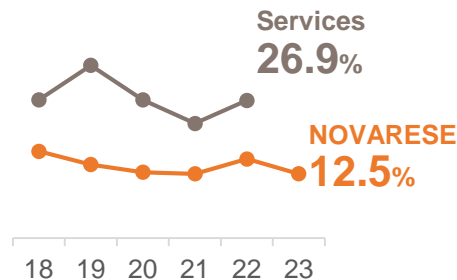
Human Resources System

Evaluation system revised in January 2024

Expand options for employees to achieve their career visions and improve the linkage between the evaluation and grading systems to further promote their professional development.

KPIs

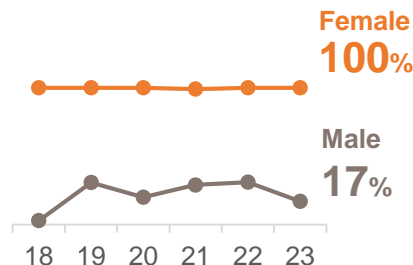
Turnover rate



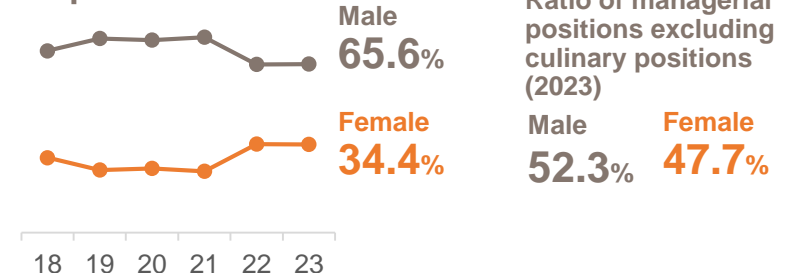
Average years of continuous service



Parental leave acquisition rate



Gender distribution of managerial positions



* Source: Ministry of Health, Labour and Welfare (MHLW), 2022 Employment Trend Survey Results Overview

Positioning human resources development as a key management priority, we will develop more than 100 in-house training programs based on our management philosophy and also offer them to external companies.

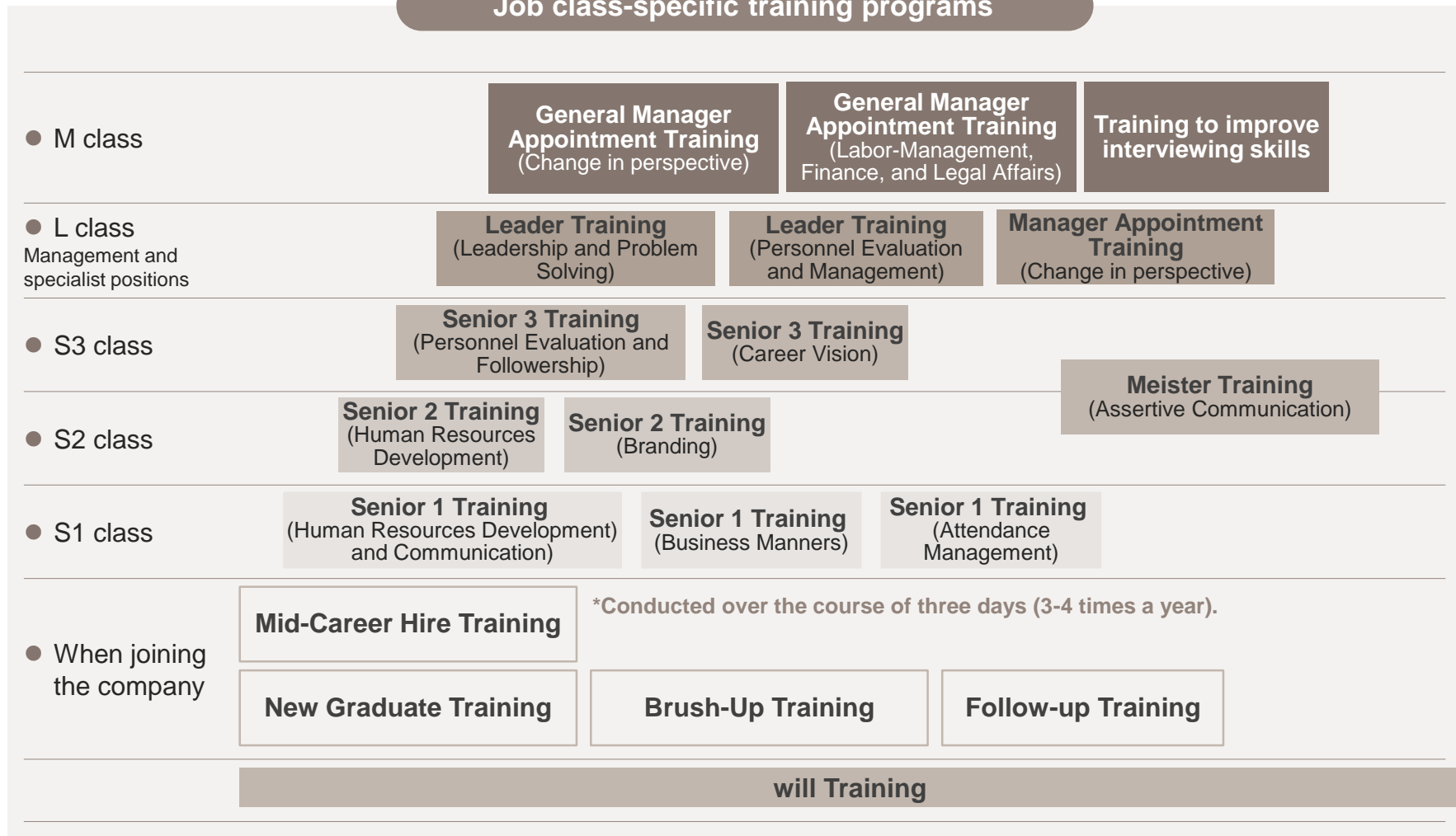
Job class-specific training programs

Job Class-specific Training
 New employees (new graduates and mid-career hires), young employees (second to third year), mid-level employees (fourth to fifth year), managers and leaders are divided into 10 class levels. We run over 100 class-specific basic training, task-specific training, and job-specific training programs.

Business Skills Training (will)
 A short online seminar for all employees who want to deepen their learning voluntarily, regardless of job type or class.

Training to improve interviewing skills
 Training for 1-on-1 meetings to boost morale, led by employees certified as career consultants

Job-specific Training
 Training aimed at raising the abilities of each employee to be active and valued, and to achieve a high standard of service.



| Ranked 11th in "Companies with High Employee Morale" published by Nikkei Business.

Rank	Company name	Type of business	Score
1	Boston Consulting Group	Management Consulting	4.47
2	UL Systems	IT consulting	4.46
3	Joined Bain & Company Japan	Management Consulting	4.44
4	Plan · Do · See	Hotel, restaurant management and bridal	4.33
5	Speee	Marketing and DX support	4.33
6	CADDi	Metal parts processing intermediary	4.29
7	DEARS BRAIN	Bridal	4.28
8	A.T. Kearney	Management Consulting	4.26
9	GLOBIS	Provision of management and other training	4.25
10	CyberAgent	Internet advertising and games	4.24
11	Novarese	Bridal	4.22
12	IGNITION POINT	Creation of new businesses	4.20
13	Nikken Sekkei	Architectural planning and design	4.18
14	Levtech	IT career change support	4.18
15	The Prudential Life Insurance	Life insurance business	4.17

Characteristics of Ranked Companies

- A culture of feedback and an environment for growth
- A sense of speed in management through the transfer of authority
- Have clear evaluation criteria and a corporate culture that is rated

Source: Nikkei Business

- ✓ Announced on January 26, 2024
- ✓ A survey of approximately 190,000 company evaluation reports submitted to the employee review site OpenWork from January 2021 to the end of November 2023. Rankings are results to the fifth decimal place.

In addition to expanding our revenue base by steadily opening new stores, we will seek to expand in areas where we can take advantage of our edge.

Reinforcement of Revenue Base Expansion of earnings base	Domestic market	<ul style="list-style-type: none"> ➤ Bridal Business: Continue opening approx. 3 new venues annually (new construction, M&A, operation on consignment) ➤ Restaurant Business: Continue opening 1 to 2 new restaurants annually (new construction, M&A, operation on consignment)
	Overseas markets	<ul style="list-style-type: none"> ➤ Bridal Business: Open dress shops and promote wedding services on consignment ➤ Restaurant Business: Aim for international expansion to promote Japanese food culture
Expansion of Business Domain Expanding business domains	For corporate clients	<ul style="list-style-type: none"> ➤ Expanding external sales by leveraging our overwhelming superiority in our in-house wedding services (Dresses, meeting systems, wedding gifts, photographs, videos, floral decoration/arrangements, creative, training, etc.) ➤ Capture inbound demand for food and beverages by taking advantage of differentiated spaces and landscapes, such as historical buildings ➤ Entered the recruiting business, leveraging our overwhelming recruiting power in the industry
	For individual clients	<ul style="list-style-type: none"> ➤ Promote new business for customer retention for wedding customers, which are increasing by approximately 5,000 couples per year ➤ In addition to the superiority of the facilities, the sophisticated hospitality will cater to the growing demand for inbound weddings.

Shareholder Incentive Program

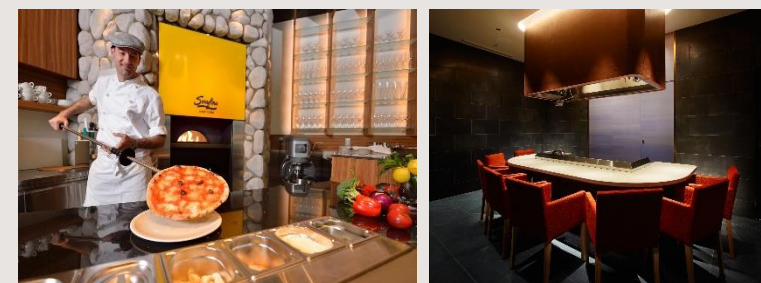
As of December 31, 2023, we will introduce the following new benefits for shareholders who own 100 or more shares of the Company's stock:

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.



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)