



**Results of Operations
for the Fiscal Year Ended October 31, 2020**



IKK Inc.

(Listed on TSE First Section, Securities code 2198)

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I. FY2020 Consolidated Financial Highlights



Sales and earnings decreased due to wedding postponements caused by COVID-19

Net sales: ¥8,746 million (-56.7% YoY)

In addition to the increase in the number of wedding postponements caused by COVID-19, and with the health and safety of customers and employees being the highest priority, fewer orders were received for weddings because it was recommended that they be postponed until the end of August 2020.

Operating profit: ¥(3,981) million

Profit attributable to owners of parent: ¥(4,235) million

Operating profit and profit attributable to owners of parent were down from one year earlier and below the plan because of COVID-19.

Record high

Order backlog (at the end of October 2020): 5,598 weddings (+34.3% YoY)

Postponements caused by COVID-19 have increased the number of orders received for weddings in the next fiscal year. As a result, the order backlog increased to an all-time high.

Procured funds and cut costs in response to the COVID-19 crisis

Fund procurement

Procured funds to maintain financial stability

- ¥9.5 billion current account overdraft agreement
- ¥1.1 billion loan for long-term working capital
- At the end of October 2020, the equity ratio was 44.1% and the debt-to-assets ratio was 34.8%

Cost cutting

SG&A expenses decreased ¥1,061 million from one year earlier

- Personnel and other expenses decreased because of the smaller number of weddings, investment plans were revised, and expenses that were not necessary or urgent were cut. The result was a big reduction in expenses from the previous fiscal year.



FY2020 Consolidated Financial Highlights

I. FY2020 results

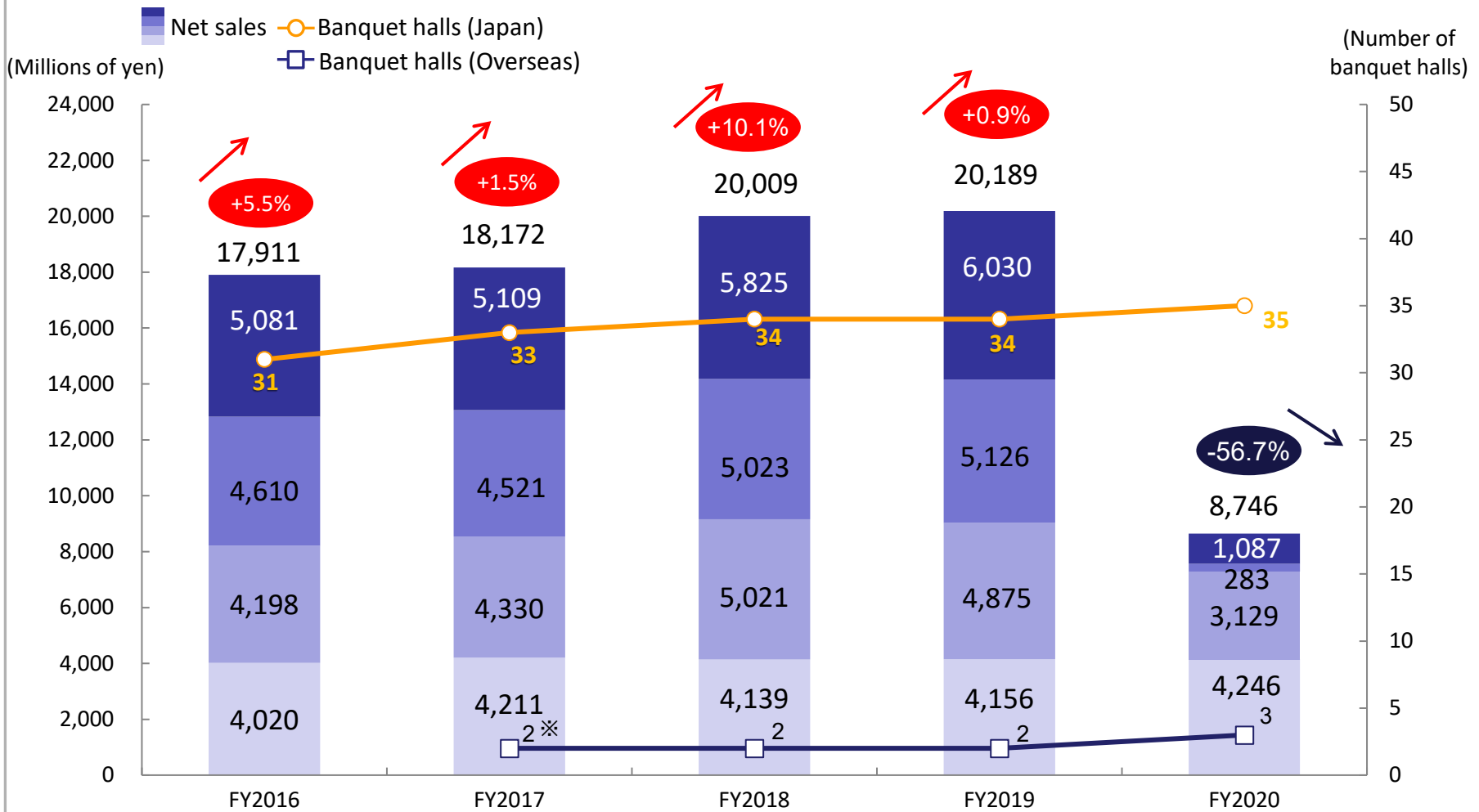
(Millions of yen)

	FY2019		FY2020						
	Amount	% to sales	Plan 2020.11.30 Revised	Amount	% to sales	YoY change		Vs. forecast	
						Amount	%	Amount	%
Net sales	20,189	100.0	8,746	8,746	100.0	(11,443)	(56.7)	0	0.0
Wedding operations	19,393	96.1	-	8,210	93.9	(11,183)	(57.7)	-	-
Funeral operations	287	1.4	-	-	-	(287)	(100.0)	-	-
Nursing-care operations	515	2.6	-	536	6.1	21	4.1	-	-
Food Business	-	-	-	0	0.0	-	-	-	-
Gross profit	11,211	55.5	-	4,237	48.4	(6,974)	(62.2)	-	-
SG&A expenses	9,280	46.0	-	8,218	94.0	(1,061)	(11.4)	-	-
Operating profit	1,931	9.6	(3,981)	(3,981)	-	(5,912)	-	0	0.0
Ordinary profit	1,955	9.7	(3,524)	(3,524)	-	(5,480)	-	0	0.0
Profit attributable to owners of parent	1,350	6.7	(4,235)	(4,235)	-	(5,586)	-	0	0.0
Net income per share (Yen)	45.48	-	(143.22)	(143.22)	-	-	-	-	-

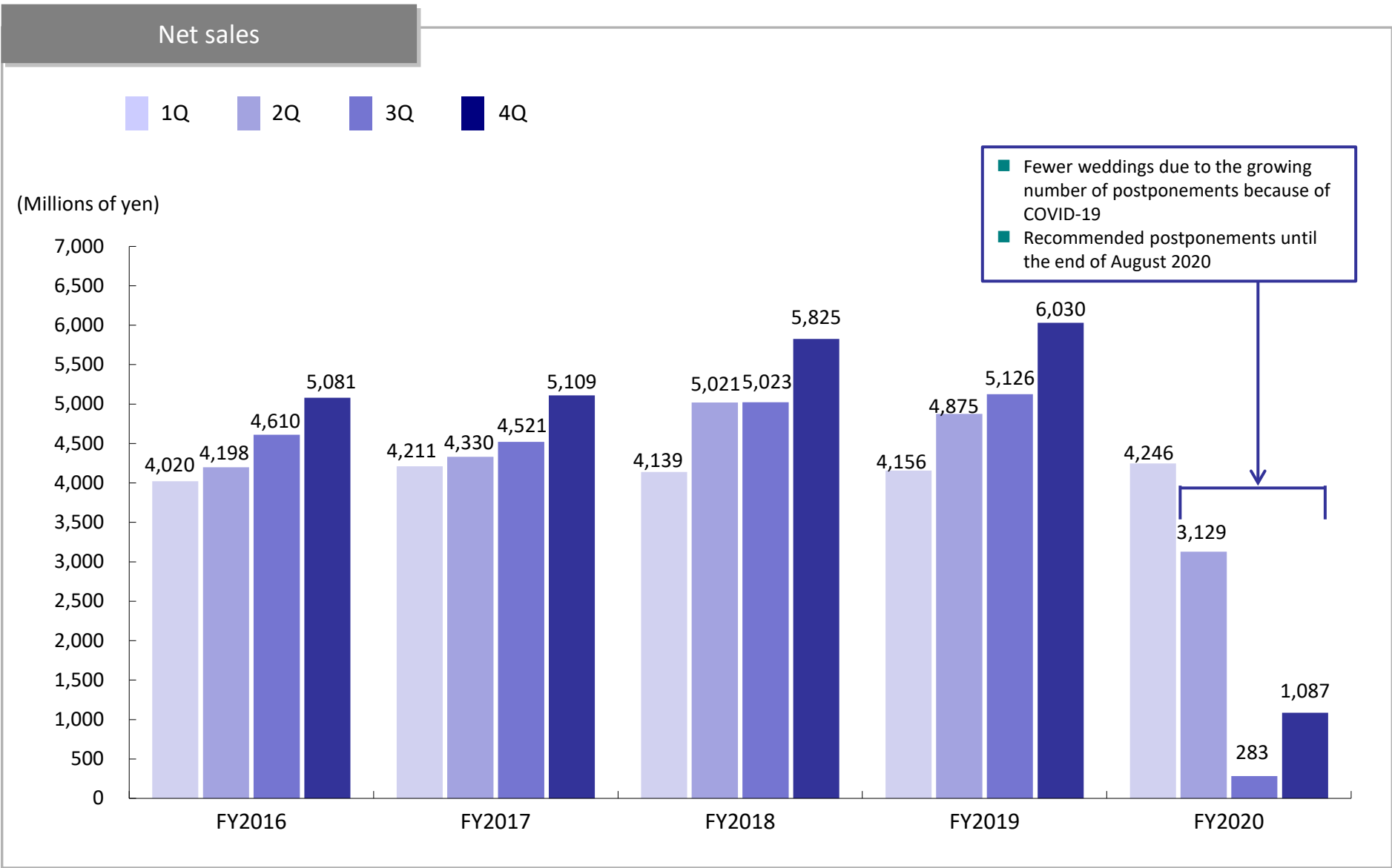
*1 On October 1, 2019 (FY2019), IKK sold 95% of the stock of I CEREMONY Inc., which operates the funeral business.

*2 On October 2, 2020, IKK established Meitokuan Inc. to operate the food business.

Net sales, number of banquet halls

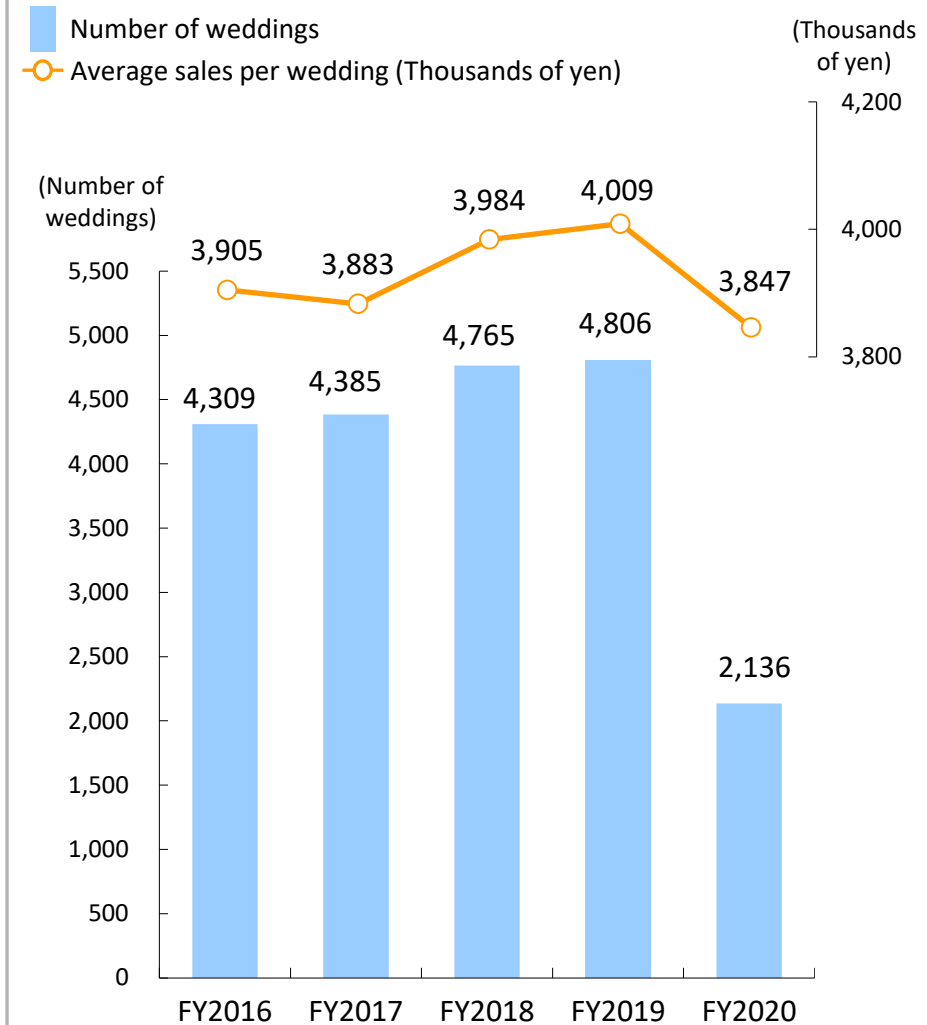


*Overseas wedding operations started in FY2017. However, overseas results have not been consolidated for FY2017.



	FY2019 results	FY2020 results	YoY change		
			Amount	%	
Net sales (Millions of yen)	19,393	8,210	(11,183)	(57.7)	
Number of branches in Japan	18	19	1	5.6	
Number of branches overseas	1	2	1	100.0	
Number of weddings	4,806	2,136	(2,670)	(55.6)	
	Japan	4,667	2,025	(2,642)	(56.6)
	Overseas	139	111	(28)	(20.1)
Orders for weddings*1	5,255	3,566	(1,689)	(32.1)	
Order backlog*1	4,168	5,598	1,430	34.3	
Average sales per wedding*2 (Thousands of yen)	4,009	3,847	(162)	(4.1)	

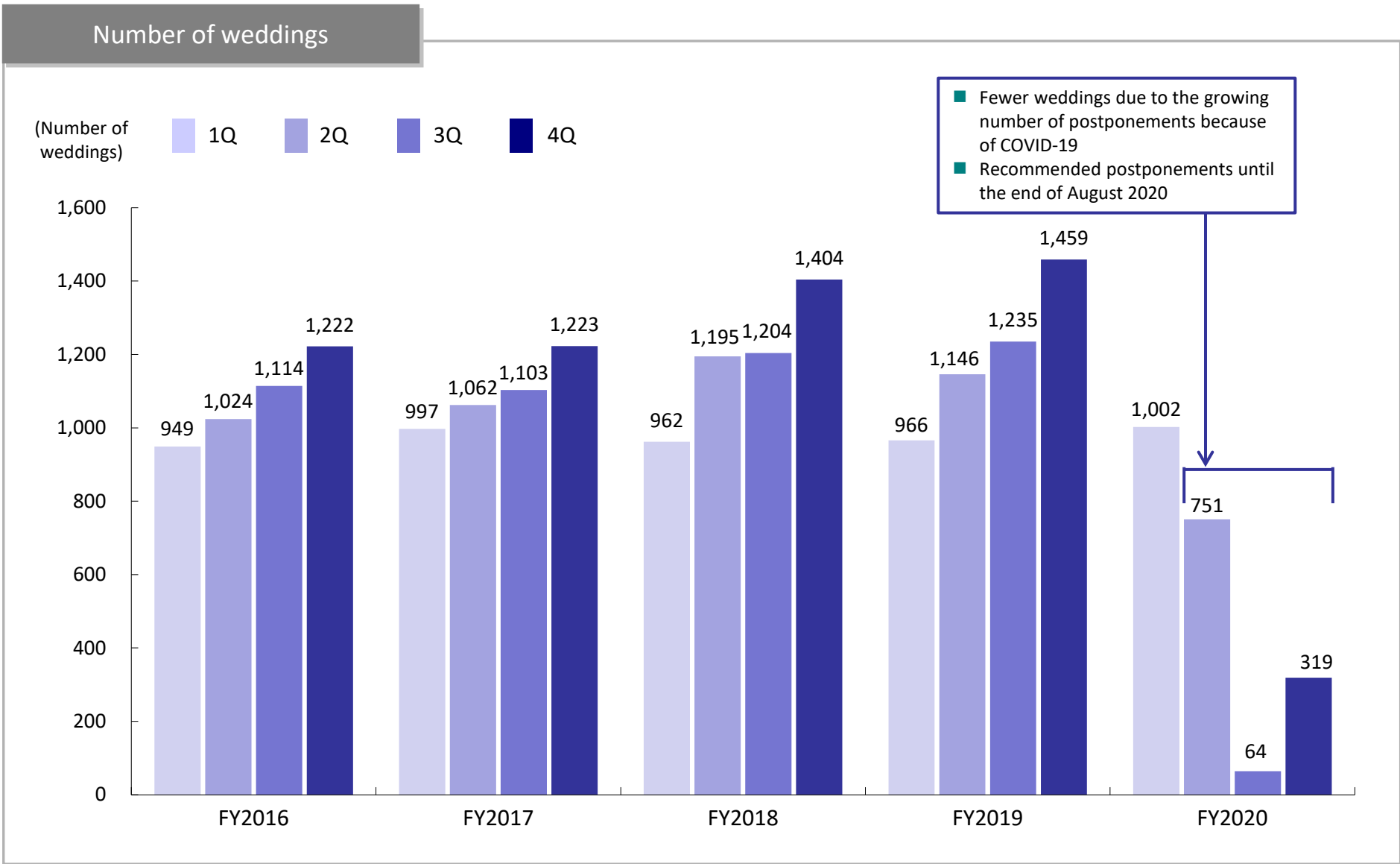
Number of weddings, average sales per wedding



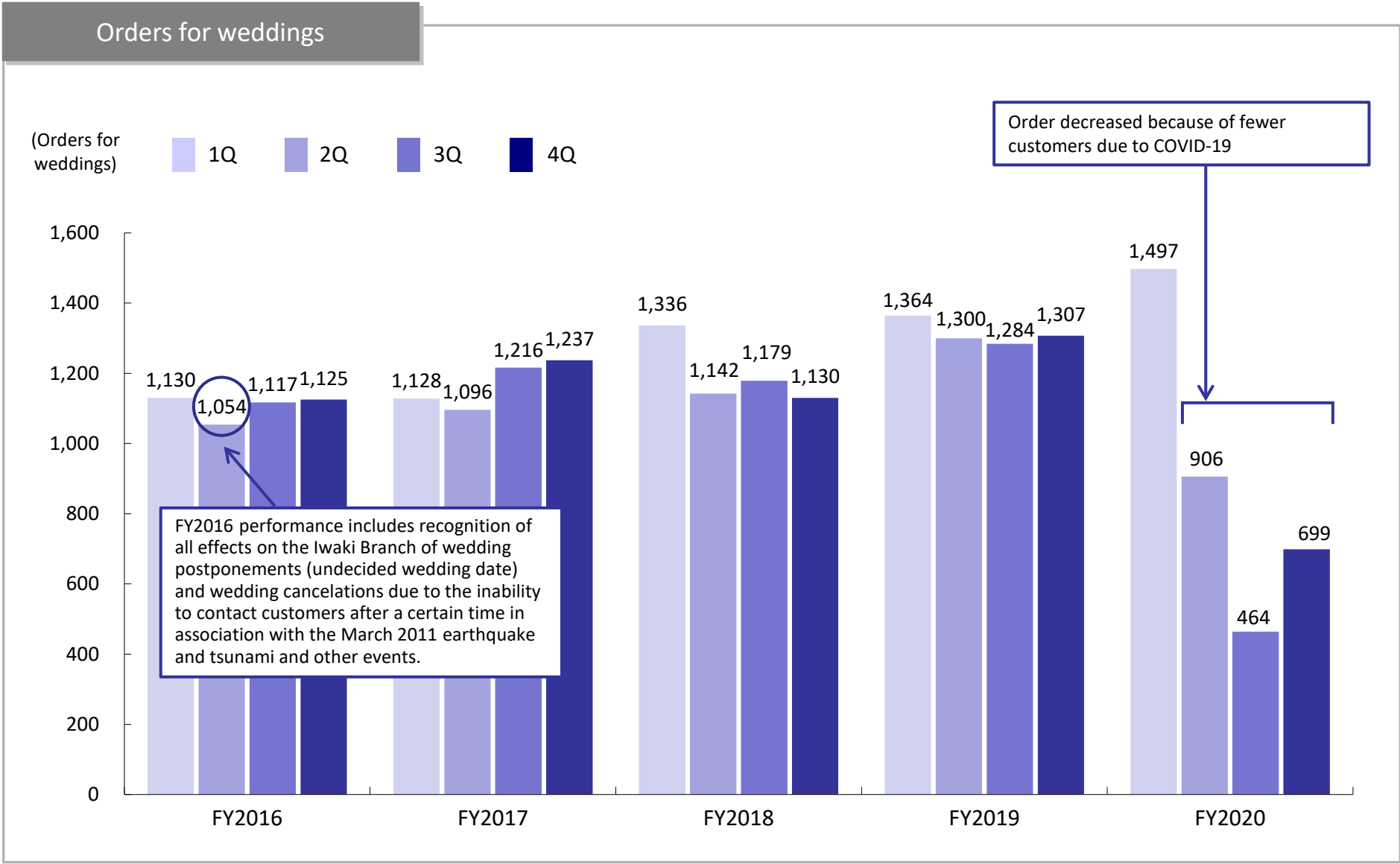
* Number of weddings include results of overseas operations. However, overseas results have not been consolidated for FY2017.

*1 Orders for weddings and order backlog do not include overseas wedding operations.

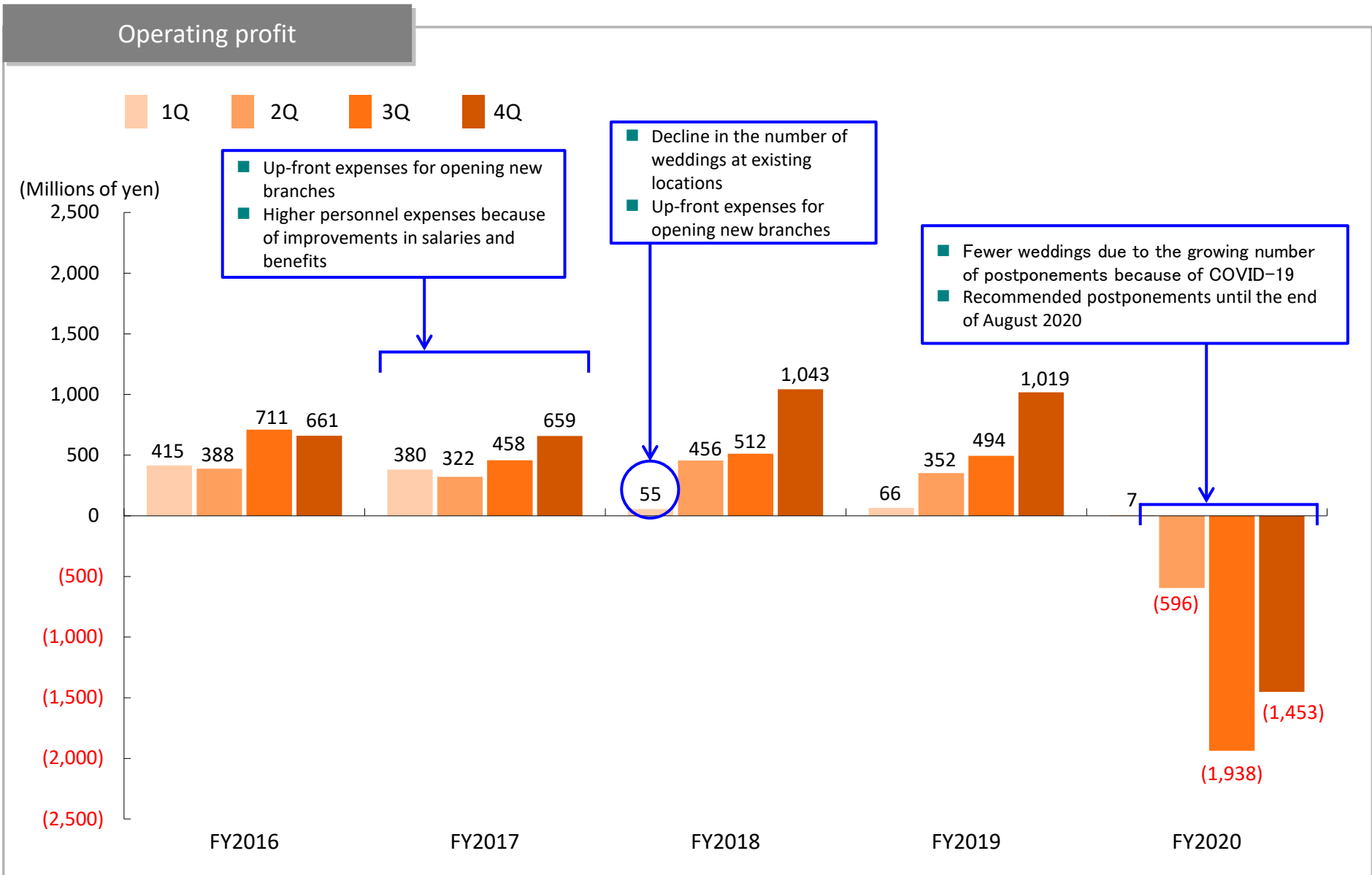
*2 The average sales per wedding does not include ordinary banquets, cancellation fees and overseas wedding operations.

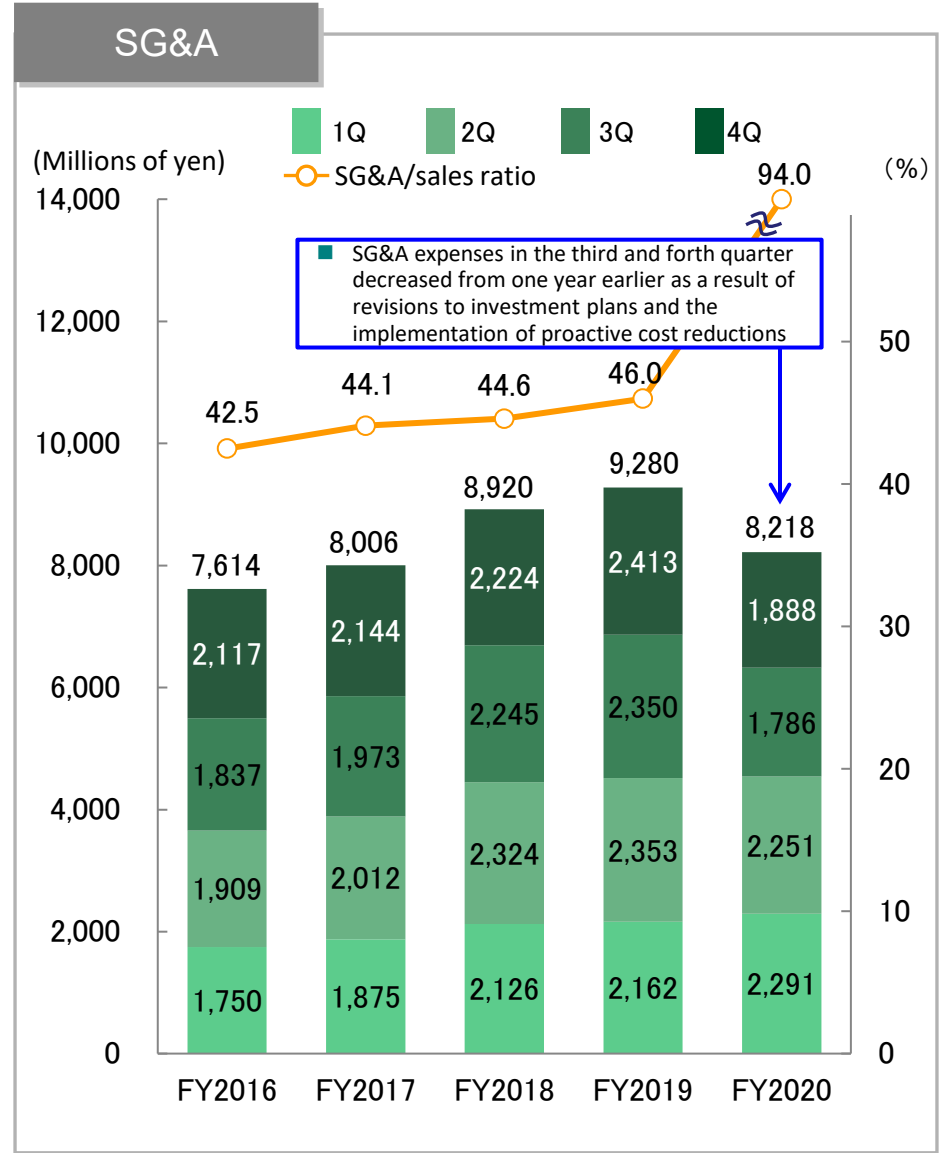
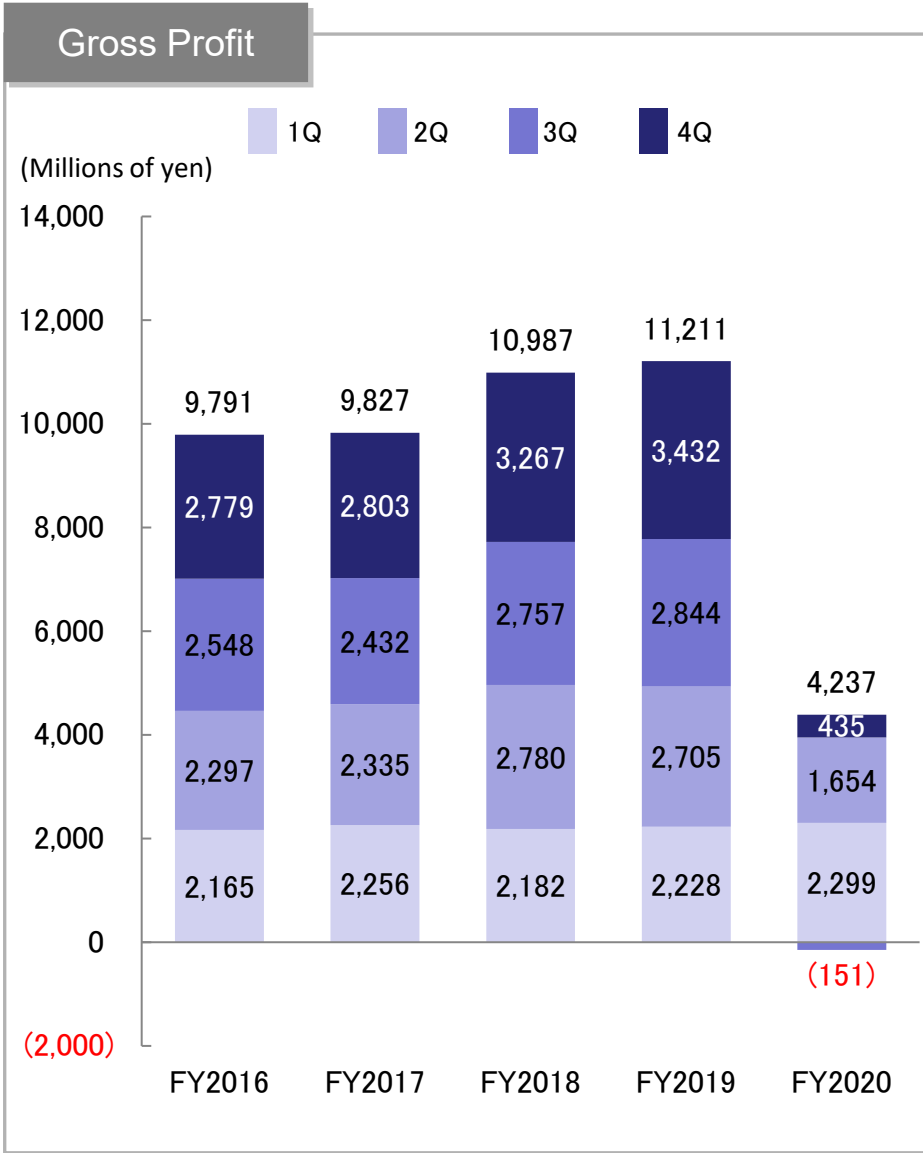


* Number of weddings include results of overseas operations. However, overseas results have not been consolidated for FY2017.

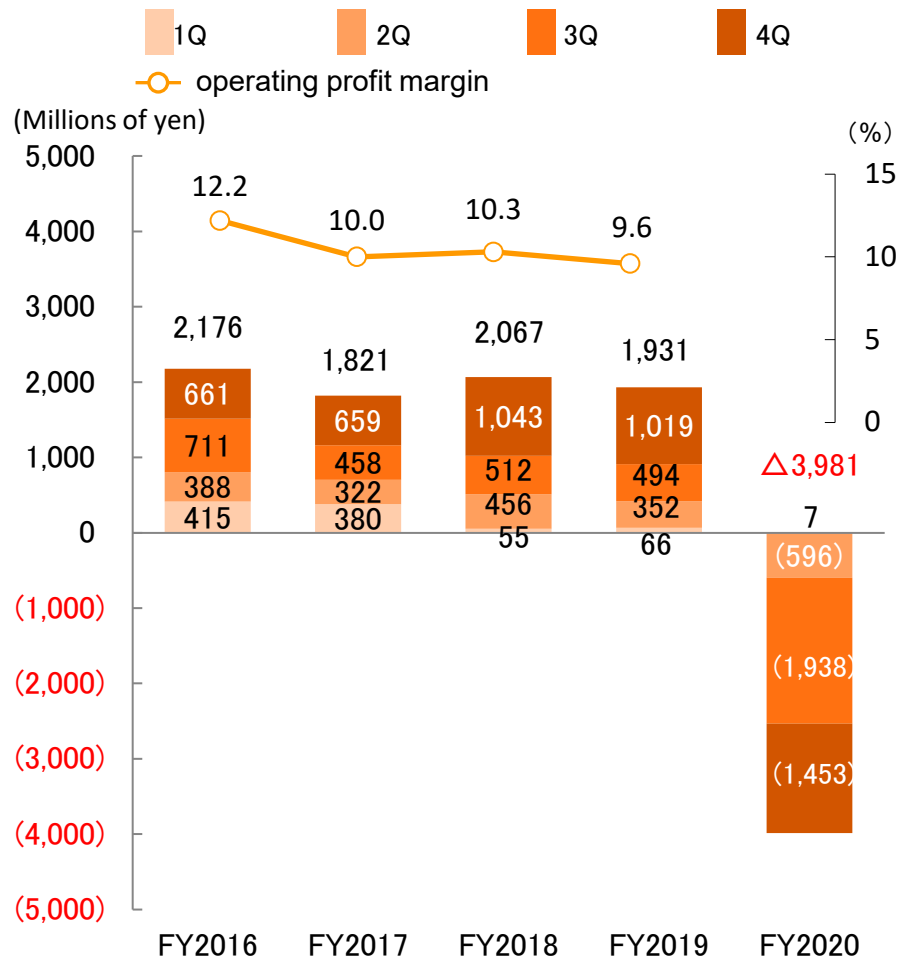


* Orders for weddings include results of overseas operations.

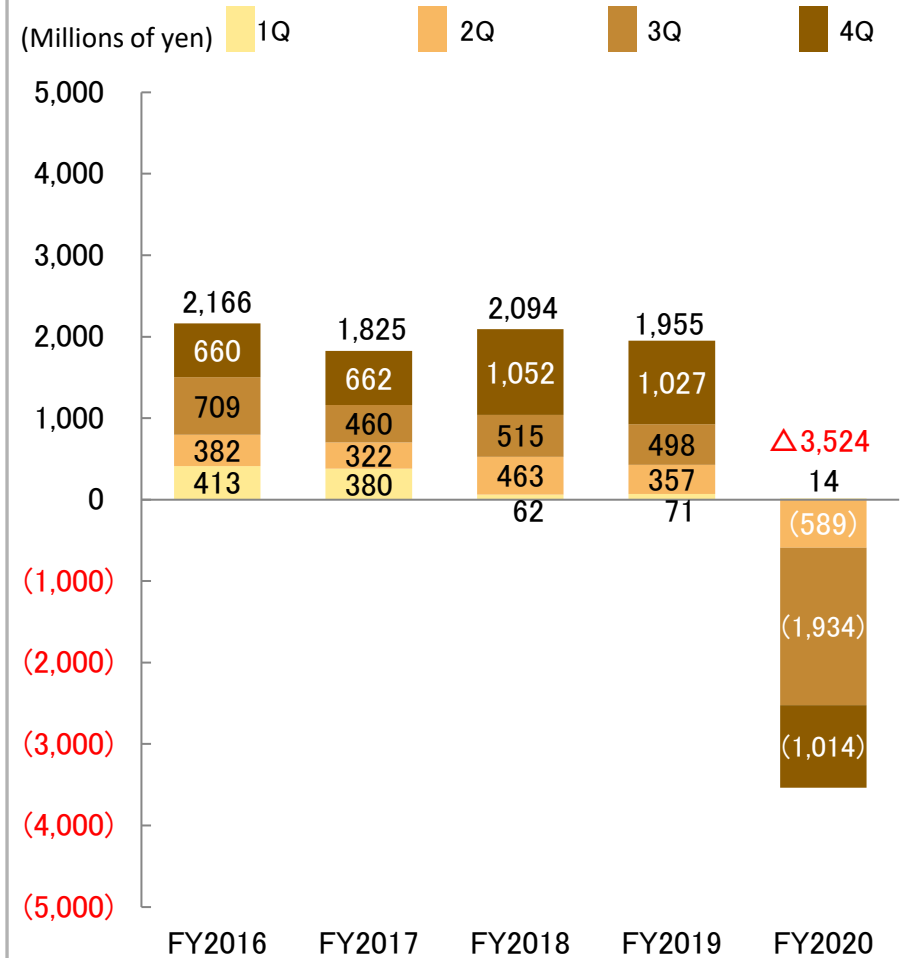




Operating Profit



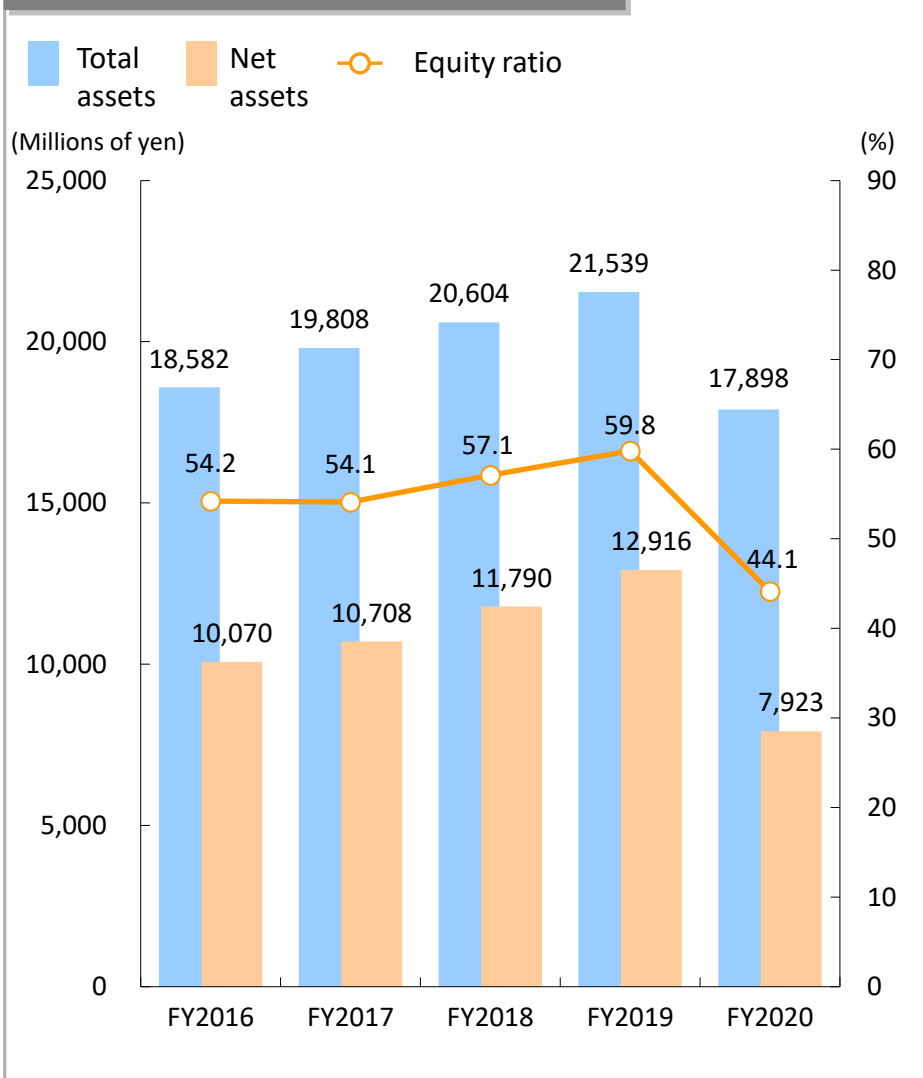
Ordinary Profit



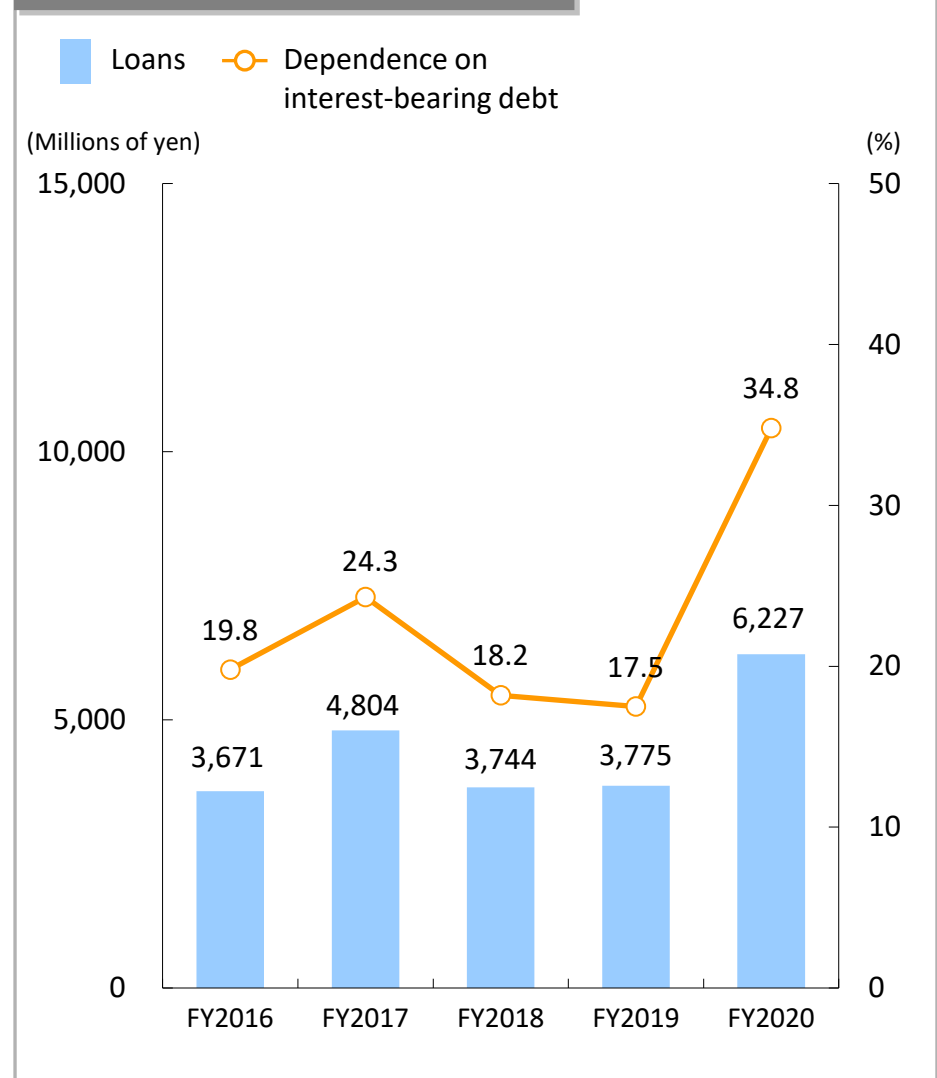
(Millions of yen)

	Oct. 31, 2019		Oct. 31, 2020		
	Amount	Comp. (%)	Amount	Comp. (%)	YoY change
Current assets	6,014	27.9	3,817	21.3	(2,197)
(Cash and deposits)	5,145	23.9	1,873	10.5	(3,272)
(Accounts receivable-trade)	303	1.4	144	0.8	(159)
Non-current assets	15,525	72.1	14,081	78.7	(1,444)
(Property, plant and equipment)	12,094	56.1	11,518	64.4	(576)
Total assets	21,539	100.0	17,898	100.0	(3,641)
Current liabilities	4,394	20.4	5,138	28.7	744
(Accounts payable-trade)	936	4.3	221	1.2	(715)
(Income taxes payable)	332	1.5	0	0.0	(331)
Non-current liabilities	4,228	19.6	4,836	27.0	607
Total liabilities	8,622	40.0	9,975	55.7	1,352
(Interest-bearing debt)	3,775	17.5	6,227	34.8	2,451
Total net assets	12,916	60.0	7,923	44.3	(4,993)
Total liabilities and net assets	21,539	100.0	17,898	100.0	(3,641)

Total assets, net assets, equity ratio



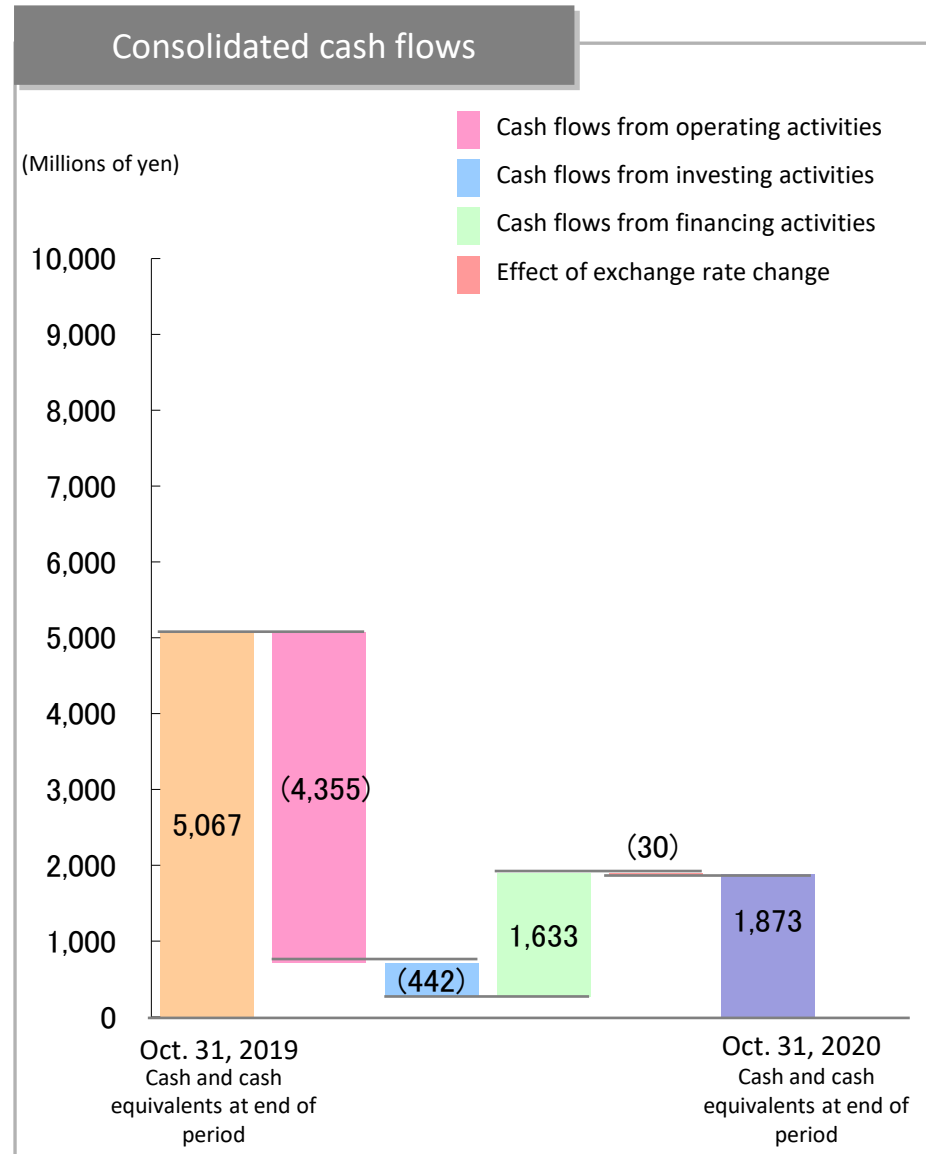
Interest-bearing debt



*Dependence on interest-bearing debt = Interest-bearing debt / Total assets

(Millions of yen)

	FY2019	FY2020
Cash flows from operating activities	2,049	(4,355)
Profit before income taxes	2,013	(3,893)
Depreciation	1,129	1,211
Impairment loss	—	343
Decrease (increase) in notes and accounts receivable-trade	6	156
Increase (decrease) in notes and accounts payable-trade	43	(712)
proceeds from subsidy income	—	431
Income taxes paid	(940)	(611)
Cash flows from investing activities	(2,094)	(442)
Purchase of property, plant and equipment	(1,244)	(556)
Cash flows from financing activities	(90)	1,633
Effect of exchange rate change on cash and cash equivalents	3	(30)
Cash and cash equivalents at beginning of period	5,200	5,067
Cash and cash equivalents at end of period	5,067	1,873



Opened a new branch in Koto-ku, Tokyo



La La Chance Garden TOKYO BAY (Tokyo Branch)	
Location	6-5-33 Toyosu, Koto-ku, Tokyo
Opening	Sep 25. 2020
Facilities	Restaurant, café, hall, etc.
Nearest station	Shijo-mae station on the Tokyo Waterfront New Transit Waterfront Line
<ul style="list-style-type: none"> ■ IKK was selected to open a restaurant from the designated manager and business operator of the “Toyosu Gururi Park Management and Operation Project” in Koto-ku, Tokyo. ■ IKK plans to open a restaurant, café and other facilities designed to hold weddings also in the Toyosu Gururi park 	

▲ Rendering of the completed facility

Renovations to upgrade the quality of existing locations

La La Chance Bel Ami (Fukui Branch)

Location	Fukui city, Fukui Pref.
Completion of renovations	January 10,2020
Renovations	Major remodeling of the banquet



▲ Before remodeling



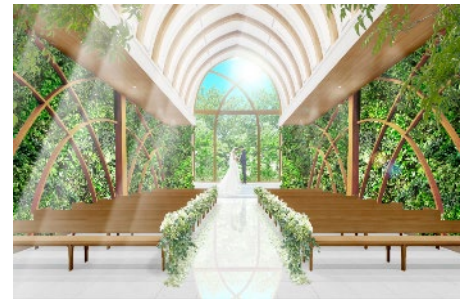
▲ After remodeling

Canal Side La La Chance (Toyama Branch)

Location	Toyama city, Toyama Pref.
Completion of renovations	February 28,2020
Renovations	Major remodeling of the chapel



▲ Before remodeling



▲ After remodeling

Investment plan for renovations of other existing locations will be reviewed.

Start a food business dept. and begin the planning and development of new products

- Products planned and developed by the Food Business dept. won the Grand Gold Quality Award and other medals at Monde Selection 2020
- Focusing on sales of gifts and sweets, commercialize as a subsidiary in October 2020, and plan to make general sales on the EC site around autumn of the same year
- We will produce “touch our customers’ hearts” for our wedding guests and other new customer by products

The mission of the food business dept.

1. Safety first.
2. Produce helpful products to make user happy.
3. Produce delicious, amazing experiences to user by products.



▲ Products will be produced by our highly skilled cuisine staff



Monde Selection 2020 Grand Gold Quality Award medal-winning products



■ Product concept

A remarkable ponzu (citrus-based sauce) combining pure-brewed soy sauce and two types of Asian citrus fruits

Kiseki no Shizuku “Tasty Ponzu sauce”

Features

- (1) Combu/katsuo stock mixed with soy sauce to add umami
- (2) Asian aromatic citrus fruits for fresh taste that never gets old
- (3) No preservatives or flavorings added; a seasoning perfect for any recipe

■ Monde Selection: Awards given by the International Quality Institute, which was founded in Brussels in 1961 as the world’s only quality assurance institute for consumer products. An international team of over 80 famous specialists use an independent methodology that ensures a 360° quality evaluation. For the 2020 awards, more than 3,200 products were submitted from more than 100 countries.

Operations started at new wedding facility location, the second in Jakarta, Indonesia

- IKK contracted to operate the “Skenoo Hall” on the 9th floor of the Emporium Pluit Mall (shopping mall)
- Operation began on August 6, 2019

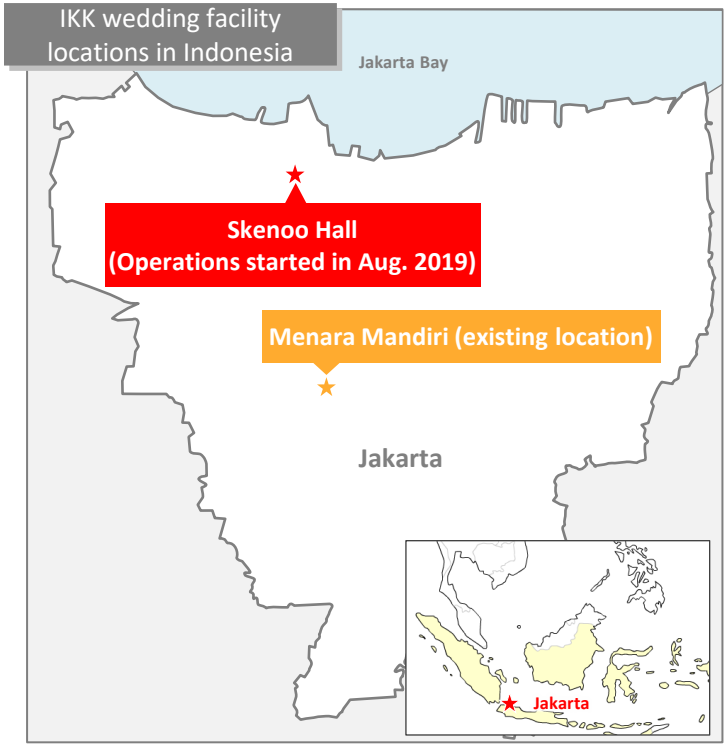


Skenoo Hall

Floor	9F
Total floor area	1,056m ² (hall)
Capacity	Maximum 1,500 persons



▲ Interior of the Skenoo Hall



II. FY2021 Consolidated Forecast



The outlook for FY2021 has not been determined because of the risk of another increase in COVID-19 infections and a potential economic downturn caused by this outbreak.

An announcement will be made promptly once it becomes possible to establish a forecast.

(Millions of yen)

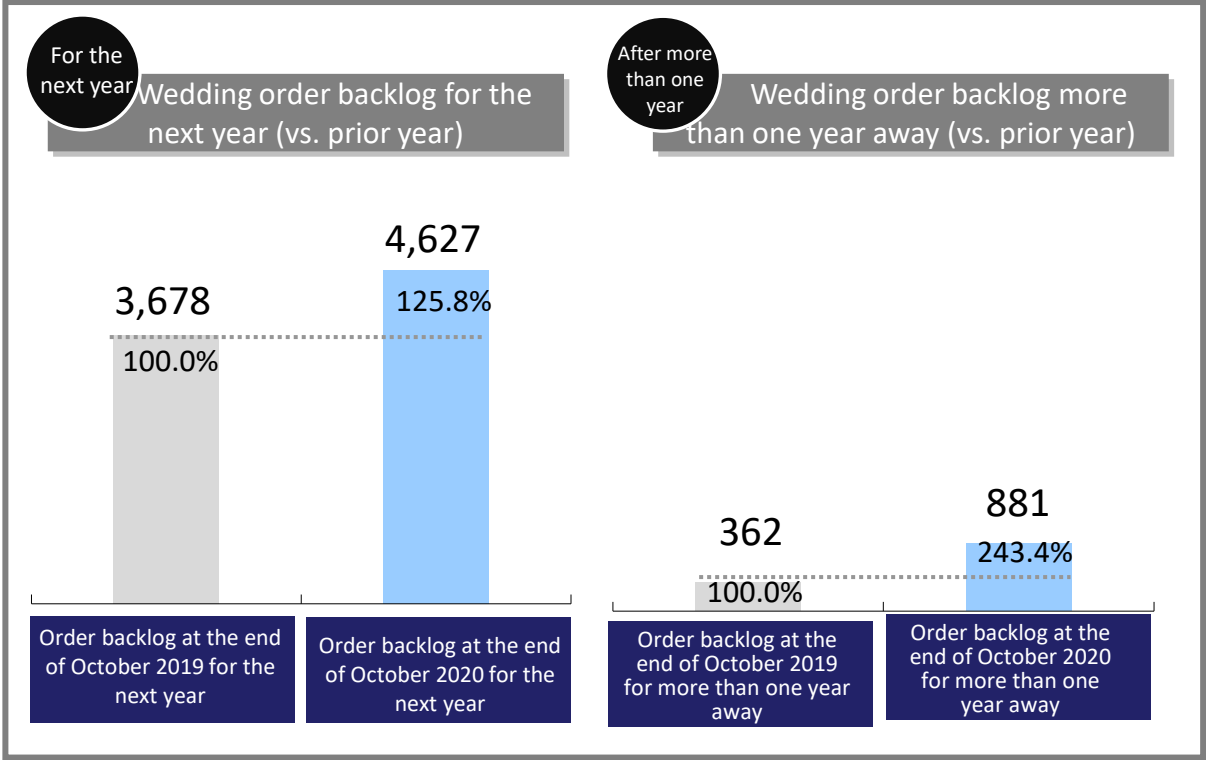
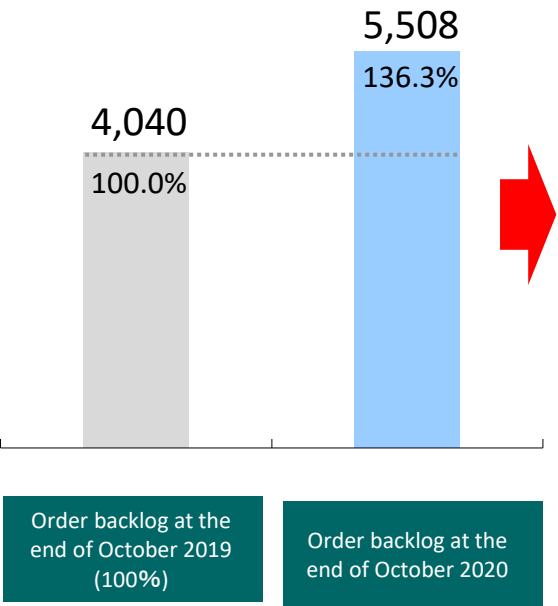
	FY2020		FY2021			
	Amount	% to sales	Full-year plan	% to sales	YoY change	
					Amount	%
Net sales	8,746	100.0	(Undecided)	-	-	-
Gross profit	4,237	48.4		-	-	-
SG&A expenses	8,218	94.0		-	-	-
Operating profit	(3,981)	-		-	-	-
Ordinary profit	(3,524)	-		-	-	-
Profit attributable to owners of parent	(4,235)	-		-	-	-
Net income per share (Yen)	(143.22)	-		-	-	-
	FY2020 results			FY2021 plan		Change
Number of weddings		2,136	(Undecided)			-
Japan		2,025				-
Overseas		111				-
Capital expenditure		977			-	
Depreciation expenses		1,211			-	

FY2021 order backlog up because of wedding and reception postponements due to COVID-19

The order backlog increased in FY2020 because of postponements due to COVID-19

Wedding order backlog in Japan (YoY)

Wedding order backlog as of Oct. 31, 2020 (YoY)



Large number of postponements, but many customers still have wedding reservations

Very few couples have canceled wedding reservations due to COVID-19; overall cancellations were small

- Overall cancellations were small despite a small increase in cancellations during the state of emergency
- Most IKK customers planning on a wedding still expect to have a ceremony and reception despite the uncertain outlook due to COVID-19

cancellations

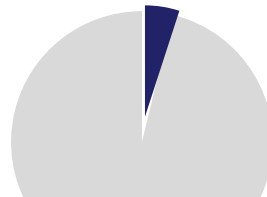
Cancellations 3.7%



From Mar.2020 to Apr. 2020

Note: The cancellation percentage is March-April 2020 cancellations divided by the sum of the order backlog as of the end of Feb. 2020 for weddings in March and afterward plus new wedding orders received in March-April 2020, for operations in Japan

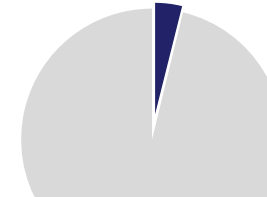
Cancellations 5.0%



From May.2020 to Jul. 2020

Note: The cancellation percentage is May-July 2020 cancellations divided by the sum of the order backlog as of the end of Apr. 2020 for weddings in May and afterward plus new wedding orders received in May-July 2020, for operations in Japan

Cancellations 3.9%

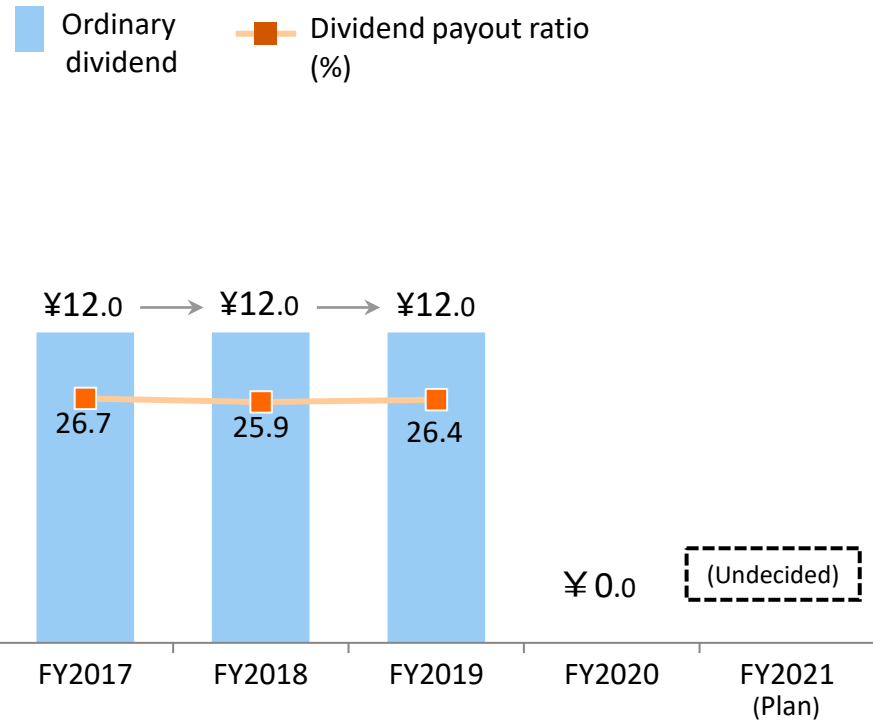


From Aug.2020 to Oct. 2020

Note: The cancellation percentage is Aug-Oct 2020 cancellations divided by the sum of the order backlog as of the end of July. 2020 for weddings in Aug and afterward plus new wedding orders received in Aug-Oct 2020, for operations in Japan

No FY2020 dividend because of the impact of COVID-19 on sales and earnings

- Our policy is to pay dividends that reflect operating results while retaining earnings needed for achieving the medium to long-term business plan and strengthening our operations.
- The FY2021 dividend plan is undecided because of the inability to determine an outlook for sales and earnings at this time.



	Dividends	Dividend payout ratio
FY2017	¥12.0	26.7%
FY2018	¥12.0	25.9%
FY2019	¥12.0	26.4%
FY2020	¥0.0	—
FY2021(Plan)	(Undecided)	—

The health and safety of customers and employees are the highest priority

Activities comply with the wedding hall industry guidelines for preventing the spread of COVID-19 and place the highest priority on the health and safety of customers and employees

For customers

- Weddings and receptions canceled through May 31 (Recommend postponement until the end of August 2020)
- Installation of ultrasonic hypochlorous acid (kills viruses) misting units at all wedding facilities
- Disinfectant dispensers are placed in many locations and surfaces touched frequently by customers are wiped with an alcohol disinfectant every 30 minutes
- Ventilation is provided by the air conditioning system at all times, and the doors and windows are opened before and after the weddings and receptions
- Customers complete a health questionnaire and temperatures are checked; customers with an abnormal condition are not allowed to enter

For employees

- Temperatures and overall health of all employees are checked before starting work every day; employees who may be infected stay home
- Employees are assigned to shifts to minimize the risk of employees infecting each other

For service personnel

- Everyone undergoes a health and temperature check before starting work and people who may be infected stay home
- Every 30 minutes, people involved with preparing and serving food wash their hands with an alcohol sanitizer

Additional preventive measures are listed in the “Activities to Prevent the Spread of COVID-19” announcement (updated Dec 9) on the IKK website

Aiming to realize a place of blessing in the “with COVID-19 era” with the entire wedding industry

Undertaking industry-wide initiatives to ensure a happy wedding with a smile and, as soon as possible, give peace of mind to the couple about taking this first step together in new normal life



NEW NORMAL for HAPPY WEDDING

Our pledge is to help you to have a safe and secure wedding full of smiles

We are working together as one with the wedding industry to formulate a "NEW NORMAL for HAPPY WEDDING Declaration" so that our customers can enjoy their day safely and securely.

IKK will be one of the founder members, give our endorsement to the Declaration, and aim to realize a place of blessing in the "with COVID-19 era".



▲ Providing online guidance



▲ Laying panels on tables to prevent the risk of droplet splashes



▲ Thorough implementation of staff safety management

Starting activities for the prevention of COVID-19 infections and returning to growth in FY2021

Building a sound base for operations following the end of the COVID-19 crisis

IKK's responses to the COVID-19 crisis

(1) Hold down expenses that are not necessary or urgent and review fixed expenses

The remuneration of directors for FY2021 will be reduced as IKK expects that COVID-19 will continue to affect its performance in FY2021. In addition, expenses that are not necessary or urgent will be held down and fixed expenses will be reduced, chiefly by activities of the Purchasing Department, which was established in 2019. The goal is to achieve a suitable cost structure for operations after the COVID-19 crisis ends.

(2) Strengthen IT systems

A separate IT systems department has been established that is supervised by a manager who is an executive officer and more people are assigned to IT systems.

Business flows will be reexamined. Upgrading and increasing the use of these systems gives IKK a platform for business process reforms and innovation after the COVID-19 crisis ends.

(3) Seek opportunities for new businesses in addition to food

We are collecting information about opportunities for new businesses under the supervision of a director in charge of new business development. IKK is shifting to a holding company structure in May 2021 to create a stronger infrastructure for diversifying business operations and giving people skills and experience to become managers.

III. Initiatives for FY2021



1 Selected by Mito City, Ibaraki Prefecture, to open a restaurant from a designated manager and business operator by open recruitment

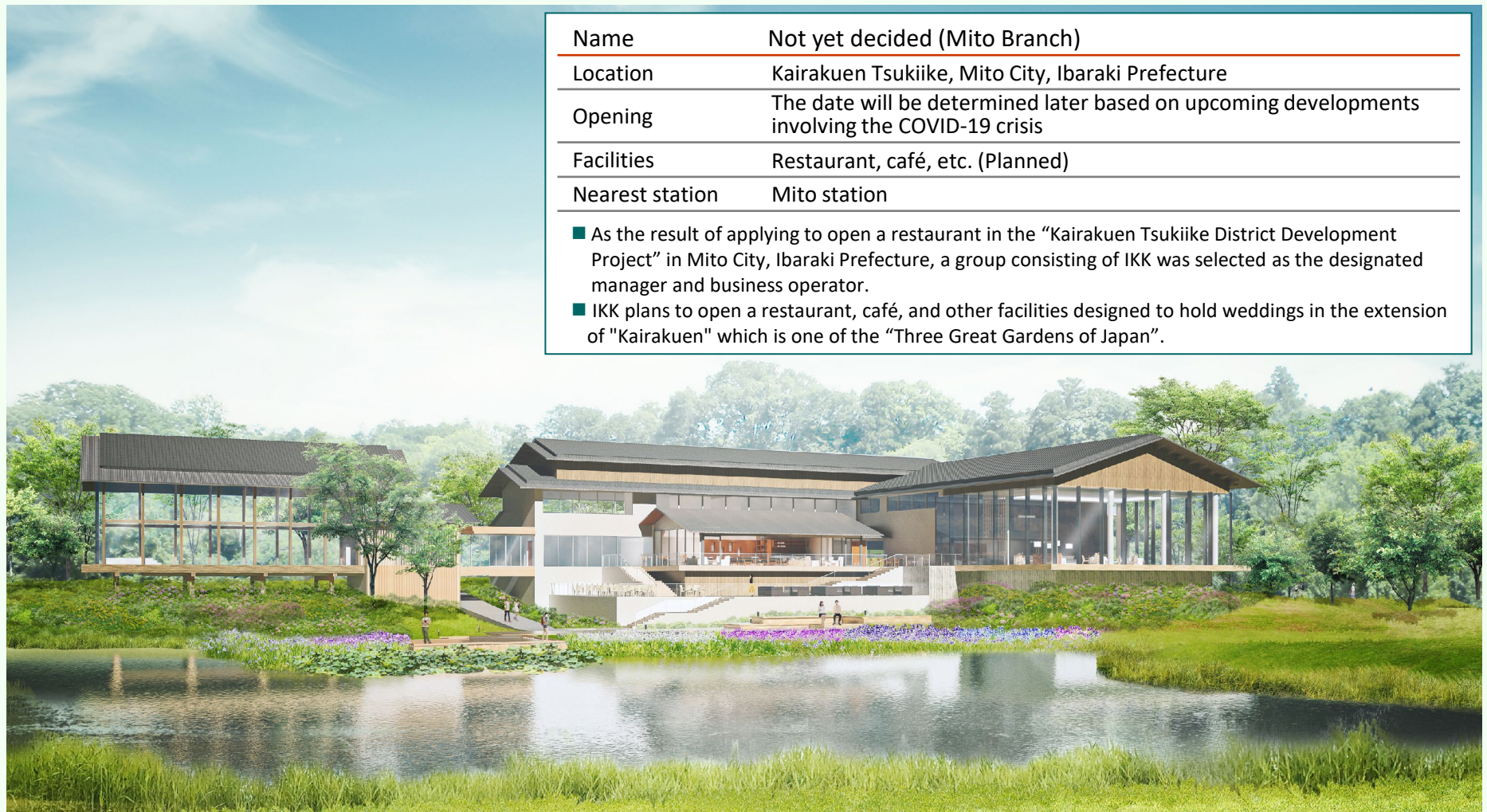
2 Established a subsidiary to operate the food business, primarily for gifts and sweets given to wedding guests, and started an e-commerce website

3 Transition to a holding company structure with the aim of implementing agile business strategies and recruiting and developing excellent human resources

Selected by Mito City, Ibaraki Prefecture, to open a restaurant from a designated manager and business operator by open recruitment

Name	Not yet decided (Mito Branch)
Location	Kairakuen Tsukiike, Mito City, Ibaraki Prefecture
Opening	The date will be determined later based on upcoming developments involving the COVID-19 crisis
Facilities	Restaurant, café, etc. (Planned)
Nearest station	Mito station

- As the result of applying to open a restaurant in the “Kairakuen Tsukiike District Development Project” in Mito City, Ibaraki Prefecture, a group consisting of IKK was selected as the designated manager and business operator.
- IKK plans to open a restaurant, café, and other facilities designed to hold weddings in the extension of "Kairakuen" which is one of the “Three Great Gardens of Japan”.



▲ Rendering of the completed facility

Established a subsidiary to operate the food business, primarily for gifts and sweets given to wedding guests, and started an e-commerce website

- The Food Business Dept., established in October 2019, was reorganized as a new subsidiary.
- Based on the cuisine development capabilities that IKK has to date, we plan to deliver our in-house developed products, concentrating mainly on wedding gifts and sweets, to a wide range of customers through e-commerce sites and wholesale sales distribution channels

Company name	Meitokuan Inc.		
Location	3-6-5 Katamine, Kasuyagun Shimemachi, Fukuoka Prefecture	Establishment	October 2, 2020
Capital	25 million yen	Representative	Katsushi Kaneko, President and Chief Operating Officer



▲ Expand the business by utilizing the high level of cuisine development capabilities cultivated in the wedding business



▲ Food products won Monde Selection 2020 Grand Gold Quality Award and other medals

Started a website on November 25, 2020 selling food products that have received the Monde Selection 2020 Grand Gold Quality Award and other awards



▲ The complete set of Grand Gold Quality Award products (examples)

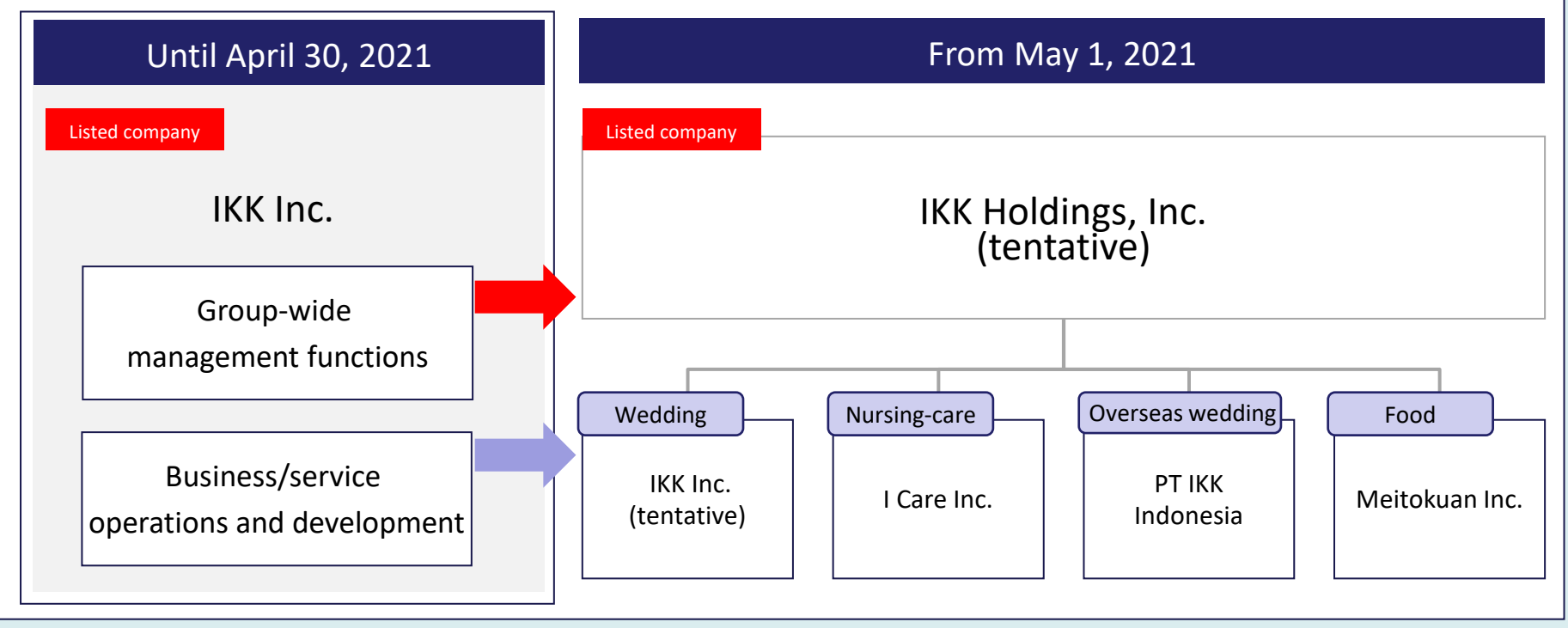
The new website sells Banno Biyori, a creation of IKK's skilled chefs, and other products that have received the Monde Selection 2020 Grand Gold Quality Award, recognized as an international standard for excellence.

www.bannobiyori.com



Transition to a holding company structure with the aim of implementing agile business strategies and recruiting and developing excellent human resources

- To achieve Vision 2035, transition to a holding company structure with the aim of implementing agile business strategies and recruiting and developing excellent human resources
- Aim to launch new business and accelerate M&A, and create many next-generation presidents





Reference:

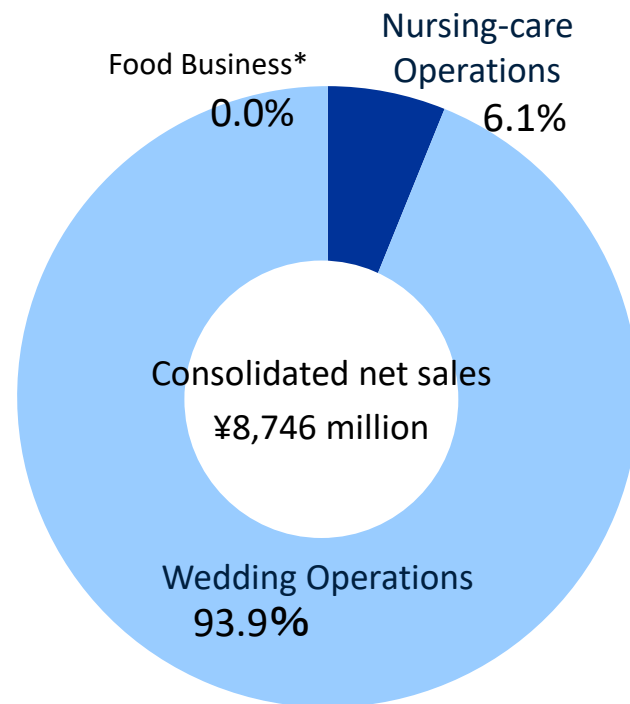
Company Profile, Business Activities and Industry Overview



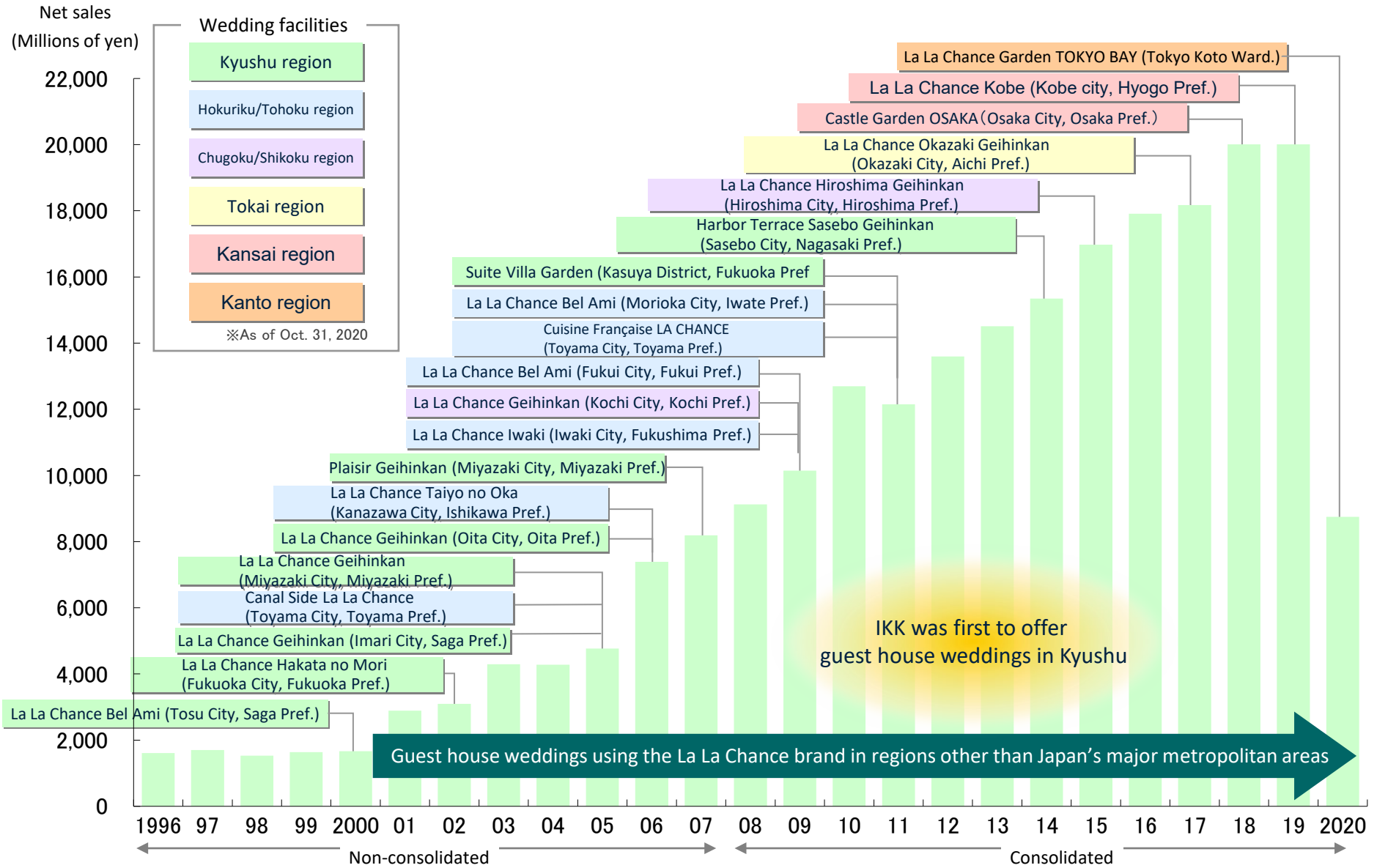
Company profile (as of Oct. 31, 2020)

Sales ratio by business segments (FY2020)

Company name	IKK Inc.
Head office	722-5 Shintenchō, Imari, Saga
Business activities	Provision of wedding and reception planning and coordination services
Representative	Katsushi Kaneko, Chairman and chief Executive Officer Hiroki Murata, President and Chief Operating Officer
Established	November 1, 1995
Fiscal year end	October 31
Stock listing	First Section of the Tokyo Stock Exchange (Securities code: 2198)
Capital	351 million yen
Consolidated subsidiaries	PT. INTERNATIONAL KANSHA KANDOU INDONESIA Provision of wedding and reception planning and coordination services in INDONESIA I Care Inc. Operation of private nursing homes and provision of nursing care and other services Meitokuan Inc. Planning, development and sale of gifts and sweets for wedding guests, other gift items and other products
Number of employees	948 (consolidated)
Number of Shareholders	22,782 (as of Oct. 31, 2020)



※On October 2, 2020, IKK established Meitokuan Inc. to operate the food business.



Using an innovative wedding facility design concept for growth from the core Kyushu region to all areas of Japan

- Currently operating 19 wedding locations in 17 cities in Japan featuring a distinctive design concept that is in harmony with natural surroundings
- Overseas operations consist of two wedding facilities in Jakarta, Indonesia

Wedding facilities in Japan

Tohoku area 2 locations

- La La Chance Iwaki (Iwaki City, Fukushima Pref.)
- La La Chance Bel Ami (Morioka City, Iwate Pref.)

Kanto area 1 location

- La La Chance Garden Tokyo Bay (Tokyo, Koto, Ward.)

Tokai area 1 location

- La La Chance Okazaki Geihinkan (Okazaki City, Aichi Pref.)

Chugoku/Shikoku area 2 locations

- La La Chance Hiroshima Geihinkan (Hiroshima City, Hiroshima Pref.)
- La La Chance Geihinkan (Kochi City, Kochi Pref.)

Kansai area 2 locations

- Castle Garden OSAKA (Osaka City, Osaka Pref.)
- La La Chance Kobe (Kobe City, Hyogo Pref.)

Hokuriku area 4 locations

- Canal Side La La Chance (Toyama City, Toyama Pref.)
- Cuisine Française LA CHANCE (Toyama City, Toyama Pref.)
- La La Chance Taiyo no Oka (Kanazawa City, Ishikawa Pref.)
- La La Chance Bel Ami (Fukui City, Fukui Pref.)

Kyushu area 7 locations

- La La Chance Geihinkan/Imari Geihinkan (Imari City, Saga Pref.)
- La La Chance Bel Ami (Tosu City, Saga Pref.)
- La La Chance Hakata no Mori (Fukuoka City, Fukuoka Pref.)
- La La Chance Geihinkan (Oita City, Oita Pref.)
- La La Chance Geihinkan (Miyazaki City, Miyazaki Pref.)
- Plaisir Geihinkan (Miyazaki City, Miyazaki Pref.)
- Harbor Terrace Sasebo Geihinkan (Sasebo City, Nagasaki Pref.)



Overseas locations

Jakarta, Indonesia 2 locations

- Menara Mandiri (Jakarta)
- Skenoo Hall (Jakarta)



Mission

Contributing to Society by Touching Our Customers' Hearts

Management Philosophy

Credo: For your happiness and deep impression

- Sincerity, Trust, Reliance
- To touch our customers' hearts, we will create personalized weddings that warm people's hearts
- To touch our customers' hearts, we will do our best immediately in a sincere spirit of collaboration
- To touch our customers' hearts, we will be the talented personnel regardless of its nationality, religion, gender, age or experience and will challenge to create the wonderful future

Vision

Vision 2035
Create a "new world" company where everyone takes on new challenges as leaders in many fields

Vision 2033
Become a company that creates emotion by earning the gratitude of everyone

Vision 2023
Become a leader in Japan in the creation of emotion and aim for growth in other countries

Strategy

Specific measures for achieving these visions (Medium-term management plan)

Unlike operators of chains of wedding halls with identical designs, IKK uses a different design concept for each location

Couples can hold wedding receptions at elegant mansions with abundant sunlight and greenery and large sites with an average area of about 9,000m²



Our goal is creating the best wedding facilities that can succeed for 20 years by featuring expansive buildings in harmony with nature and their surroundings along with services that incorporate the distinctive elements of the local culture

Exclusive use of an entire mansion-style room for a highly unusual private atmosphere



A garden filled with greenery is the perfect place for weddings with a homey atmosphere

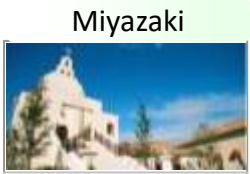


The flexibility to include events that reflect the desires and characteristics of each couple



The facilities best suited for each market location from a long perspective that looks ahead two decades

One banquet hall



La La Chance Geihinkan
(Miyazaki City:
402 thousand people)
Miyazaki



Plaisir Geihinkan
(Miyazaki City:
402 thousand people)
Oita



La La Chance Geihinkan
(Oita City:
478 thousand people)
Tokyo



La La Chance Garden TOKYO BAY
(Koto-ku:
521 thousand people)



La La Chance Geihinkan
(Kochi City:
327 thousand people)
Toyama



Cuisine Française LA CHANCE
(Toyama City:
415 thousand people)
Morioka



La La Chance Bel Ami
(Morioka City:
288 thousand people)
Mito



Mito Branch (Not yet decided)
(Mito City:
271 thousand people)



Harbor Terrace Sasebo Geihinkan
(Sasebo City:
249 thousand people)
Osaka



Castle Garden OSAKA
(Osaka City:
2,730 thousand people)
Kobe



La La Chance KOBE
(Kobe City:
1,533 thousand people)

Two banquet halls



La La Chance Iwaki
(Iwaki City:
321 thousand people)
Fukui



La La Chance Bel Ami
(Fukui City:
263 thousand people)
Okazaki



La La Chance Okazaki Geihinkan
(Okazaki City:
387 thousand people)

Three banquet halls or more



La La Chance Bel Ami
(Tosu City:
73 thousand people)
Imari



La La Chance Geihinkan
(Imari City:
54 thousand people)
Hiroshima



La La Chance Hiroshima Geihinkan
(Hiroshima City:
1,195 thousand people)



Canalside La La Chance
(Toyama City:
415 thousand people)
Kanazawa



La La Chance Taiyo no Oka
(Kanazawa City:
452 thousand people)
Fukuoka (4 banquet halls)

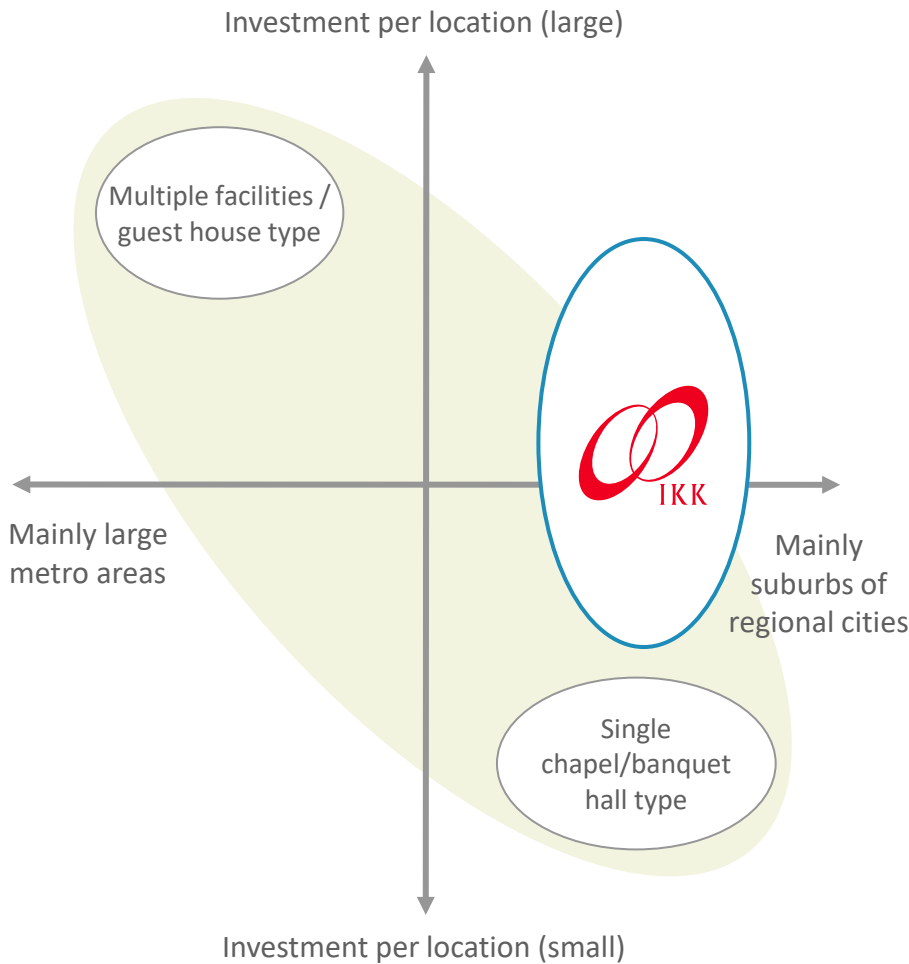


La La Chance Hakata no Mori
(Fukuoka City:
1,554 thousand people)

All locations except those in Fukuoka, Hiroshima, Osaka, Kobe and Koto-ku, Tokyo are in regional cities with populations under 500,000

The figures in parentheses show the populations of cities where IKK's branches are located
Source: Japan Geographic Data Center "Basic Resident Register 2020"

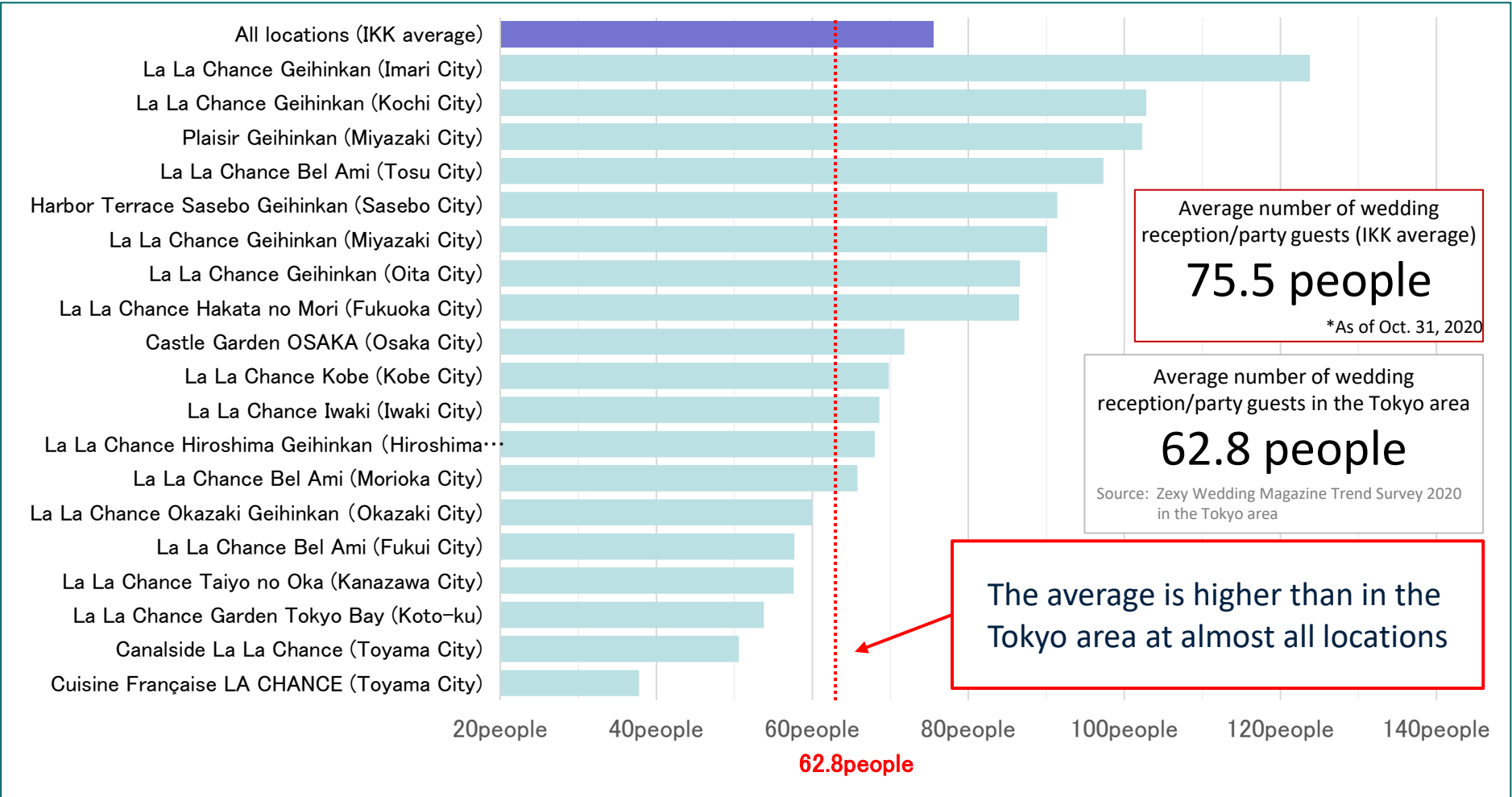
Targeting regional cities by using expertise (location, marketing, operations, etc.) and experience gained from operations in small markets



	Large metro areas (Example: Tokyo)	Regional cities (Example: Large cities in Kyushu)
Market	Large	Small/ Medium
Competition	High	Low
Operating cost (rent, advertising, etc.)	High	Low
Greenery/nature	Minimal	Abundant
Word-of-mouth	Small/medium effect	Big effect

Regional city markets are small but wedding receptions and parties are very large events

Average number of people attending a reception/party for all locations and individual locations





A Brand with Deep Local Roots and Strong Ties with Local Residents (1)

Reference

Creating strong emotions produces a virtuous cycle where satisfied customers attract more customers

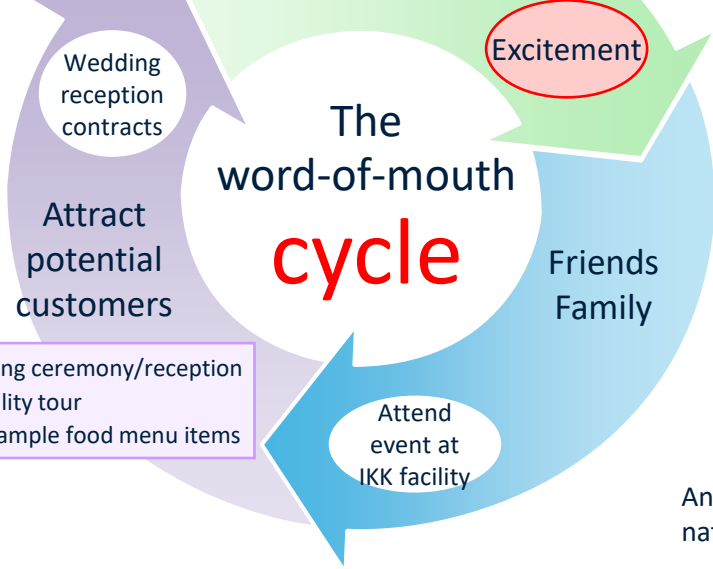
A local reputation for serving outstanding food



The kitchen staff includes several people who have won medals at international cooking contests



Weddings and receptions (Grooms, brides and guests)



Simulated wedding ceremony/reception
Participatory facility tour
Try on dresses/sample food menu items

Services with warmth and sincerity



An extraordinary wedding/reception location full of natural beauty for this once-in-a-lifetime event



Two of our restaurants listed in Michelin Guides with one-starred restaurant designations

Cuisine Française LA CHANCE (Toyama City, Toyama Pref.)

- Listed as one of 10 starred restaurants in Toyama
- Attractive location alongside the canal in the Fugan Canal Kansui Park, Toyama Prefecture, with its rich natural beauty



©MICHELIN

▲The MICHELIN Guide Toyama-Ishikawa (Kanazawa) 2016 Special Edition*

Harbor Terrace Sasebo Geihinkan (Sasebo City, Nagasaki Pref.)

- Listed as the only starred restaurant in Sasebo City
- Located in the “Sasebo Gobangai” commercial facilities complex, just one minute’s walk from Sasebo Station



©MICHELIN

▲The MICHELIN Guide Fukuoka-Saga-Nagasaki 2019 Special Edition*

* Nippon Michelin Co., Ltd. conducts a process of gastronomic assessment based on an evaluation method conducted anonymously by Michelin investigators who have been selected to have expertise in the hotel and restaurant industries and compiles the results in a ranking system that “expresses the deliciousness of the cuisine by the number of stars awarded.” There are five evaluation criteria: “quality of ingredients, high degree of culinary skill, originality, price commensurate with value, and uniform and consistency in the quality of all of the food served.” Three stars, two stars, and one star are assigned in descending order on the basis of these criteria.

Many winning entries from IKK locations in wedding photo contests in Japan

First Prize, 18th Zexy Wedding Photo Contest



The bride and groom greet their parents immediately prior to the ceremony. The expressions on the parents' faces show their immense joy at seeing for the first time their children dressed for their wedding.

Title: When parents' dreams come true

First Prize, 20th Zexy Wedding Photo Contest



A bride brushes red makeup on the lips of a curious child, who will probably remember this moment when she does her own lips at her wedding many years from now.

Title: Red lips, today and in the future

Prize-winning photos

2016

16th Zexy Wedding Photo Contest, First Prize, other prizes (3 people)
Japan Wedding Photo Grand Prix, 19th place
Wedding Photo Awards, Gold Prize (2 people)

2017

17th Zexy Wedding Photo Contest, First Prize, other prizes (3 people)
Japan Wedding Photo Grand Prix, 5th place, other prizes (4 people)
Wedding Photo Awards, Gold Prize (2 people)

2018

18th Zexy Wedding Photo Contest, First Prize, other prizes (5 people)
Japan Wedding Photo Grand Prix, 8th place, other prizes (3 people)
Wedding Photo Awards, Gold Prize (1 people)

2019

WPPI 2019 Annual, selected for award judging(4 works)
19th Zexy Wedding Photo Contest, selected for award judging (3 people)
Wedding Photo Awards, Gold Prize (6 people), Home Town Wedding Special Prize (1 people)
AsiaWPA2019 1st half First Place(1 people), other prizes (3 people)
Japan Wedding Photo Grand Prix, prizes (7 people)

2020

WPPI 2020 Annual, selected for award judging (3 works)
AsiaWPA2019 Annual Grand award(2people), other prizes (1people)
20th Zexy Wedding Photo Contest, First Prize, other prizes (2 people)
AsiaWPA2020 1st half Second Place(2 people), Third Place(2people), other prizes (9 people)
WPPI 2020 1st half Silver Award(1 people)

Wedding planning skills backed by training programs based on a sound concept

Creative Award at Good Wedding Awards 2015



The bride wants to be an illustrator who produces picture books. The wedding was planned to take place in the world of a wedding picture book that contained stories of gratitude with guests' overwhelming impressions.

Wedding theme: Journey – An invitation from the picture book world

Soul Award at Good Wedding Awards 2019



“Only today” is the theme that defines our approach to planning every wedding, a precious time that happens only once. Weddings are designed to convey to all participants emotions and feelings that are possible only on this special day. Every event has decorations and activities for this purpose along with an atmosphere for communicating words of appreciation that create unforgettable memories.

Wedding theme: Only to day

Wedding planner awards

2011

Good Wedding Awards 2011, Soul Prize
Good Wedding Awards 2011, selected as one of 8 finalists

2013

2nd Home Town Wedding Contest, honorable mention

2014

Good Wedding Awards 2014, Second Prize
Good Wedding Awards 2014, Creative Award

2015

Good Wedding Awards 2015, Creative Award

2016

5th Home Town Wedding Contest, Bridal Industry Newspaper Prize

2017

6th Home Town Wedding Contest, Bridal Industry Newspaper Prize

2018

7th Home Town Wedding Contest, Bridal Industry Newspaper Prize

2019

Good Wedding Awards 2019, Soul Prize

Benefits of recruiting outstanding human resources and providing extensive training

- First place for the third consecutive year in the 2021 Mynavi and Nikkei New Graduate Company Popularity Ranking for Kyushu/Okinawa
- First place for the third consecutive year in the Job-hunting Popularity for Individual Industries, and placed 42nd overall for humanities college graduates

- Job-hunting Popularity Based on Head Office Location Top 10 for Kyushu and Okinawa *Survey of 2,850 people

Rank	Company name	Votes	Rank in 2019
1	IKK Inc.	250	1
2	JR Kyushu Railway Company	178	2
3	ANA FUKUOKA AIRPORT CO.,LTD.	144	3
4	Nishi-Nippon Railroad Co., Ltd.	138	9
5	TOTO LTD.	129	4
6	LEVEL-5 Inc.	118	6
7	Star Flyer Inc.	117	12
8	Fukuoka Financial Group	111	8
9	KYUSHU ELECTRIC POWER CO.,INC.	92	9
10	SAIBU GAS CO.,LTD.	82	9

- Job-hunting Popularity for Individual Industries Top 10 for the Wedding, Funeral and Other Services Sector

Rank	Company name	Votes
1	IKK Inc.	250
2	Watabe Wedding Corporation	73
3	TAKAMI BRIDAL	56
4	TAKE AND GIVE. NEEDS Co., Ltd.	54
5	Treat Co., Ltd.	49
6	Brass Corporation	30
7	NOVARAZE, Inc.	29
7	Best Bridal Inc.	29
9	Bridal Produce Co., Ltd.	21
10	Nihon Ceremony (Ai-group Inc.)	17

- The survey covers third-year university students and first-year graduate school students in Japan planning to graduate in March 2021.
- The survey took place from December 1, 2019 to March 20, 2020.
- The survey was conducted by using the Mynavi 2021 job hunting site, the Mynavi job hunting magazine, and special events sponsored by Mynavi to ask individuals to participate in the survey by completing a questionnaire on the internet. *Individuals entered their five favorite companies. *Two reasons were selected as the reasons for choosing each company.
- There were 30,630 responses.

Benefits of recruiting outstanding human resources and providing extensive training

- IKK ranked the top 4 companies and 1st place in the surveys OpenWork, a company that operates a job market platform for job hunting and job changing

Service Sector
Employee Satisfaction Ranking
(Employee Satisfaction leads to Customer Satisfaction)

Rank	Company	Total scores
1	Plan Do See Inc.	9.90
2	Recruit Zexy Navi Co., Ltd.	9.57
3	Oriental Land Co.,Ltd.	9.50
4	IKK Inc.	9.43
5	Starbucks Coffee Japan, Ltd.	9.39
6	MITSUKOSHI U.S.A., INC.	9.10
7	ANNIVERSAIRE Inc.	9.06
8	DOCOMO CS, Inc.	8.93
9	MARUI CO., LTD.	8.89
10	Bell-Park Co.,Ltd.	8.86

- To prepare the above ranking, employees who were at their respective companies for at least one year were polled. Employees were asked to write a minimum 500-word essay on the subject of their choice and answer questions on eight evaluation parameters.
- Only companies that produced more than 25 responses were included in evaluation reports of service sector companies. (Data was collected between July 2007 and May 2018.)

Companies outside Japan’s major urban areas with pleasant and stimulating workplaces – Companies offering new challenges

Rank	Company	Total scores
1	IKK Inc.	16.20
2	Seirei Social Welfare Community	15.00
3	Heisei Corporation	14.78
4	BC Ings Co., Ltd.	14.71
5	Japanet Communications Co., Ltd.	14.28
6	RF Co., Ltd.	14.22
7	SAN-A CO.,LTD.	14.15
8	The Shikoku Bank, Ltd.	14.10
9	HOKUYAKU TAKEYAMA Holdings,Inc.	14.01
10	Nippon Electric Glass Co., Ltd.	13.83

- Includes data in evaluation reports submitted to OpenWork for 840 companies with head offices in locations other than the Tokyo, Nagoya and Osaka regions (Tokyo, Osaka, Aichi, Kanagawa, Saitama, Chiba, Hyogo and Kyoto). Amount of overtime and paid vacation utilization rates are each scored by using a scale of five. (Data was collected between January 2015 and August 2017.)
- Rankings are the total scores for the following indicators of the ability of young people to grow at a company and the workplace atmosphere: (a) an open environment that welcomes new ideas; (b) an environment where people in their 20s can develop their skills and advance; (c) teamwork; and (d) employee morale

*Ranking scores, the number of comments and other numbers are as of the time the information was collected. As a result, these numbers may not match the numbers on the company pages of OpenWork

Main reasons that IKK was chosen as a “great place to work”

- IKK has placed in the 2019 Best Workplaces Lists by the Great Place to Work® Institute Japan for the past seven consecutive years
- Input from annual employee questionnaires is used to maintain workplaces that are pleasant and rewarding



- Employees are entrusted with responsible work at this company **90%** (avg. for all companies* is 86%)
- Executives and managers clearly define a vision and how to accomplish that vision **85%** (avg. for all companies* is 78%)



- I am proud of the business operations of the company **87%** (avg. for all companies* is 80%)
- I believe the company is contributing to communities and society **88%** (avg. for all companies* is 76%)



- The company holds celebrations whenever there is a special occasion **88%** (avg. for all companies* is 84%)
- The company creates a mood of solidarity and teamwork **77%** (avg. for all companies* is 72%)

*Average for companies in the 2018 Best Workplaces Lists

Dedicated to maintaining an environment for fully using the skills of women

- A commitment to a workplace environment where women can realize their full potential
- Demonstrating progress with measures for women, IKK was the first company in the wedding industry to receive a Development Bank of Japan loan under this bank's DBJ Employees' Health Management Rated Loan Program

- Promotions are based on performance, in accordance with consistent standards, to recognize the best people; **27.2%** of officers and **30.4%** of supervisors are women
- Employees are encouraged to use paid vacation time and can use up to **16 days** consecutively
- Mental health support program; periodic distribution of questionnaires with unrestricted responses to hear the thoughts and suggestions of employees
- Regular health check-ups as well as blood tests and assistance for gynecology examinations



The DBJ Employees' Health Management Rated Loan Program

The Development Bank of Japan uses its own evaluation system to identify companies with outstanding measures for keeping their employees healthy. These evaluations are used for the world's first financing menu that incorporates employee health management ratings.

Japan's first hotel/wedding company to earn ISO22000:2005 certification for food safety management

Food safety is one of our highest priorities and we are always improving safety and hygiene measures

- ◆ We have established a Sanitation Standard Operating Procedure (SSOP) Manual that complies with Food Hygiene Management Standards (Prerequisite Program) and follow these procedures to fulfill our corporate responsibility of preventing food problems and rigorously supervising all activities involving food

Established the Food Safety Management System that covers food preparation and services

- ◆ Suppliers of food must submit product specifications to ensure the safety of all ingredients and finished products
- ◆ Food preparation processes are thoroughly supervised and constantly recorded to ensure the safety of all food served to guests
- ◆ All personnel must strictly comply with the Food Safety Management System standards
- ◆ The three La La Chance Hakata no Mori locations have ISO22000:2005 certification (August 2009)
*When this certification was renewed in August 2015, certification was expanded to four La La Chance Hakata locations: Villa Foret, Chez la Foret, Grand Vent-Vert and the Hakata no Mori Geihinkan
- ◆ All other food operations at IKK also comply with the standards of the Food Safety Management System

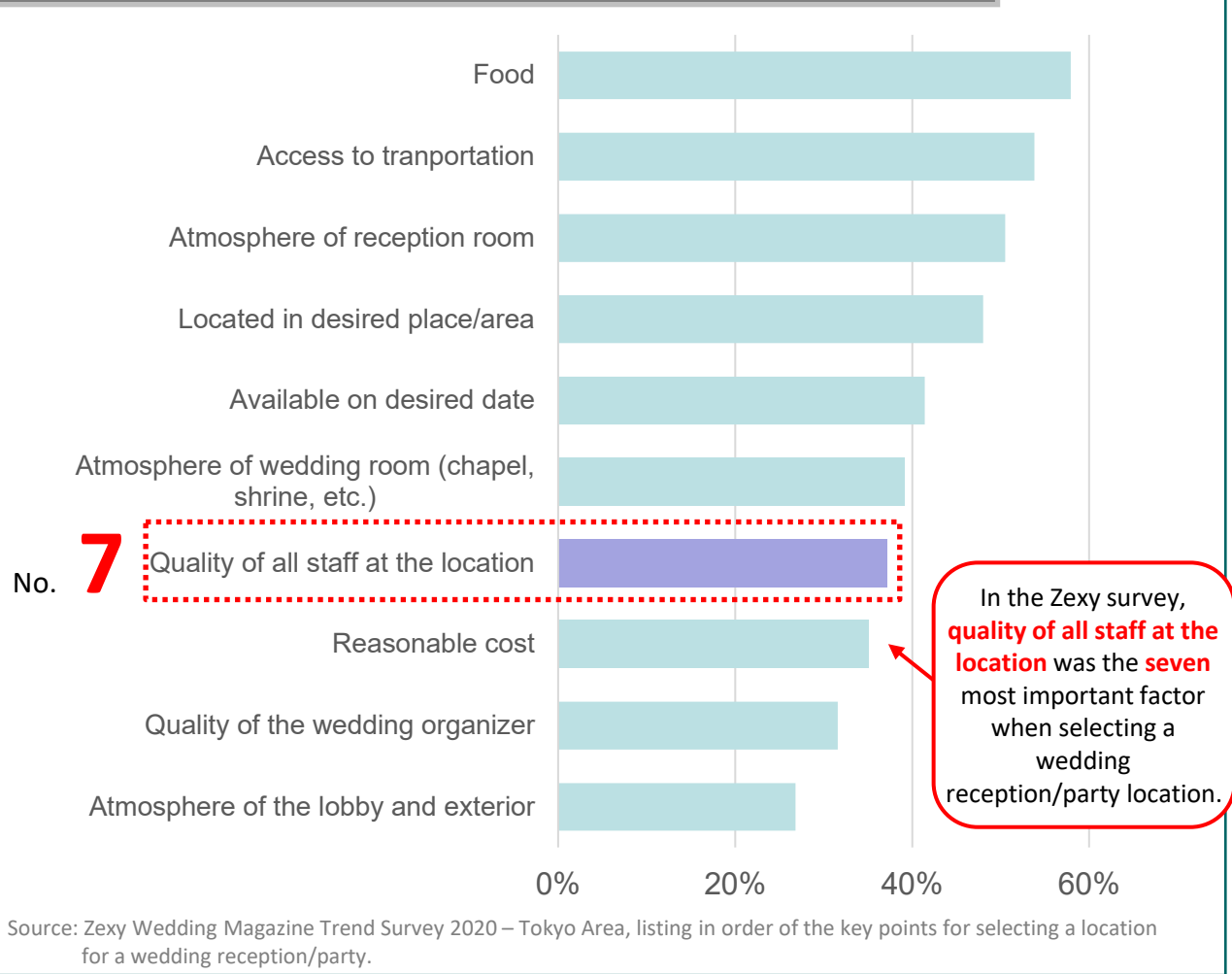


FSMS:548713 / ISO22000:2005

ISO22000 is an international standard for food safety management systems. This standard combines HACCP food hygiene management methods with the quality management methods of the ISO9001 standard for quality management systems.

Many of our customers give high ratings to the wedding organizer who served them

Zexy Wedding Magazine Trend Survey 2020—
Key points when selecting a wedding reception/party location



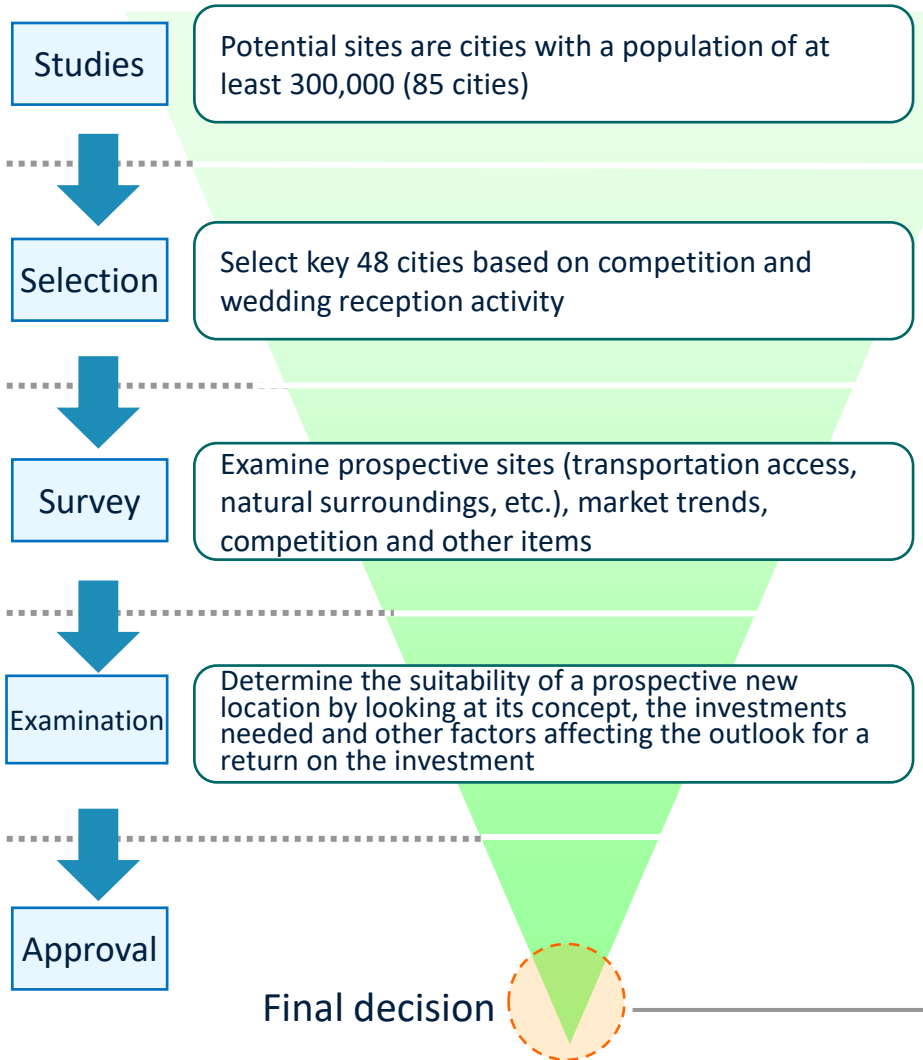
In the Zexy survey, **quality of all staff at the location** was the **seven** most important factor when selecting a wedding reception/party location.

Rank of customer service in reasons for selecting an IKK location ²	Rank
Imari Branch	1
Tosu Branch	1
Fukuoka Branch	1
Toyama Branch	1
Miyazaki Branch	1
Oita Branch	2
Kanazawa Branch	1
Miyazaki Branch #2	1
Iwaki Branch	2
Kochi Branch	1
Fukui Branch	1
Morioka Branch	1
Toyama Restaurant Branch	2
Sasebo Branch	1
Hiroshima Branch	1
Okazaki Branch	1
Osaka Branch	2
Kobe Branch	2

Source: IKK study (Oct. 31, 2020)

- Thanks to extensive training programs, the dedication of our people to excellence in customer service is the most important reason that people select an IKK wedding facility
- Customer service is the main reason that people select IKK at more than half of all locations

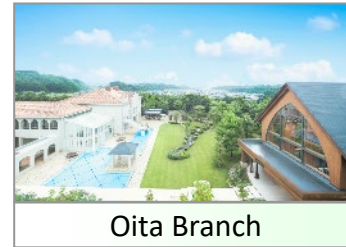
Extremely thorough site selection process to create branches that can succeed for 20 years
 – Building a base for stable, long-term operation of branches



● **Prime locations in regional cities**

Build wedding facilities in locations with natural beauty

IKK's small-market sales expertise is a key strength



Oita Branch



Kanazawa Branch

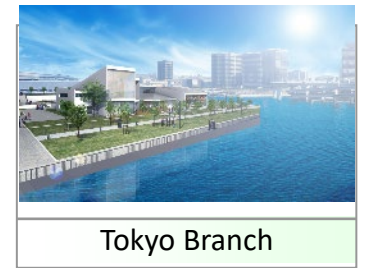
● **Use sales expertise acquired in small markets for opening new locations in major metro areas, too**

Also establish a scheme that leverages IKK's strengths for opening locations in major metropolitan areas

Also opening locations in Japan's three big metro areas



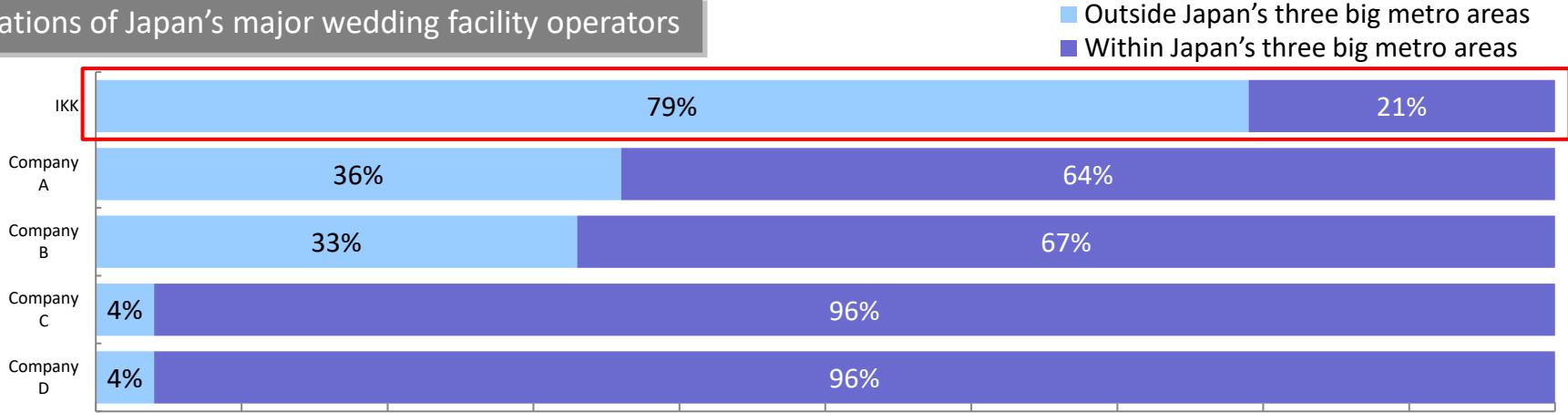
Osaka Branch



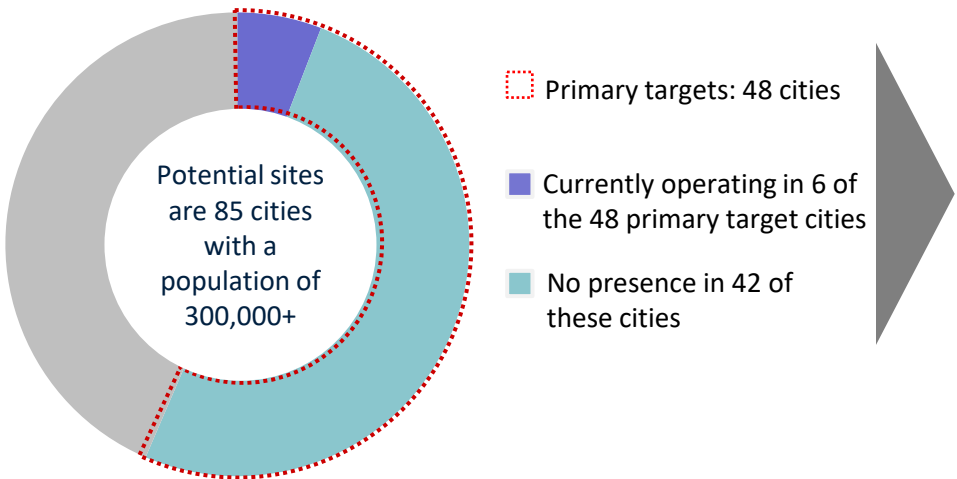
Tokyo Branch

Much potential for new locations in places with little competition, both outside Japan's three big metro areas as well as within these areas

Locations of Japan's major wedding facility operators



IKK wedding facility locations



Plan on opening one to two locations every year, using the significant potential for expanding the wedding network for steady medium to long-term growth

Source: Prepared by IKK based on the data disclosed by each company

The Indonesia wedding business is the first step of the overseas growth strategy

- Use wedding business expertise in Japan for growth in other countries
- Weddings and other services that reflect the needs and customs of customers in other countries
- Constantly conducting market surveys to identify attractive opportunities



Company name	PT INTERNATIONAL KANSHA KANDOU INDONESIA		
Location	Jakarta, Indonesia	Establishment	January 2017
Capital	50 billion rupiah	Start of operations	February 2017



▲ Colorful floral decorations



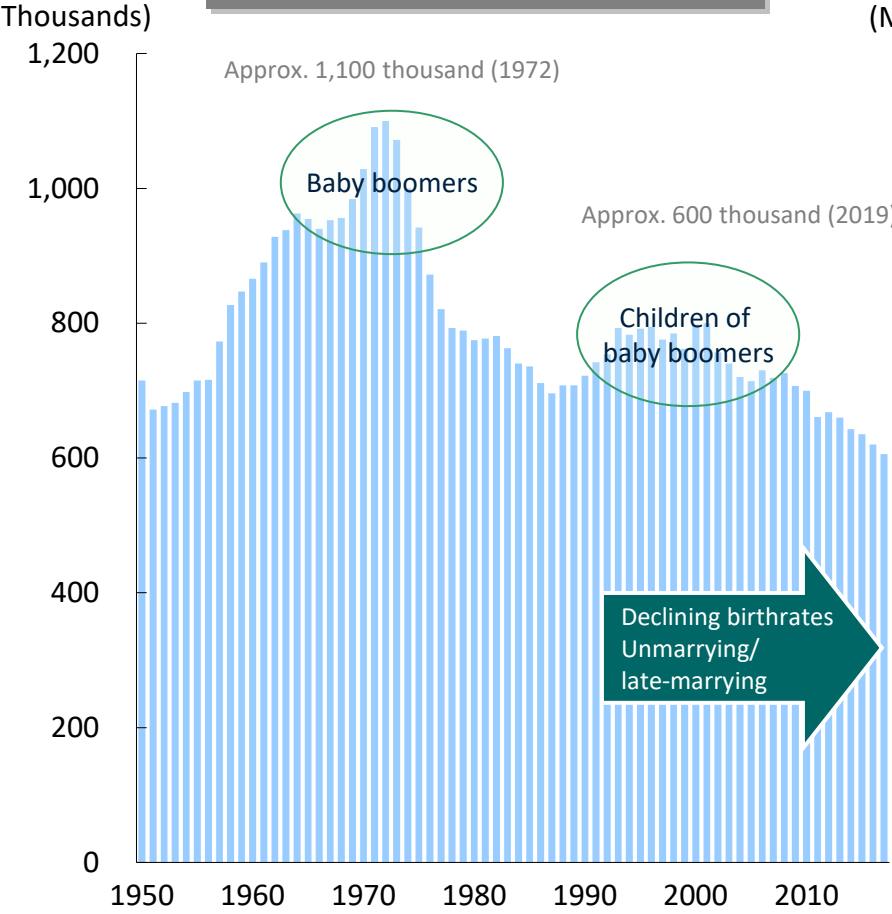
▲ A traditional dance by the bride



▲ A party with a buffet

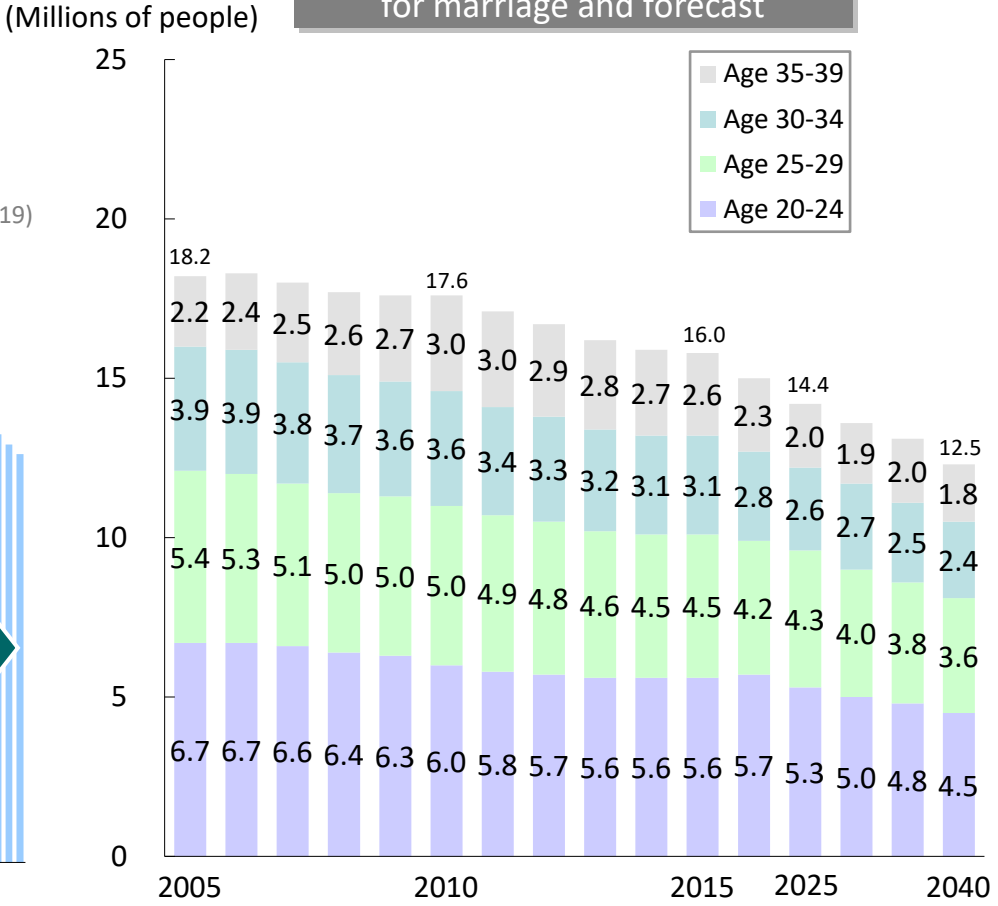
Weddings and receptions in Japan continue to decline along with the numbers of children and people in the prime age segments for marriage

Number of marriages in Japan



Source: Ministry of Health, Labour and Welfare, "Vital Statistics 2019" (Vital Statistics, Final Figures)

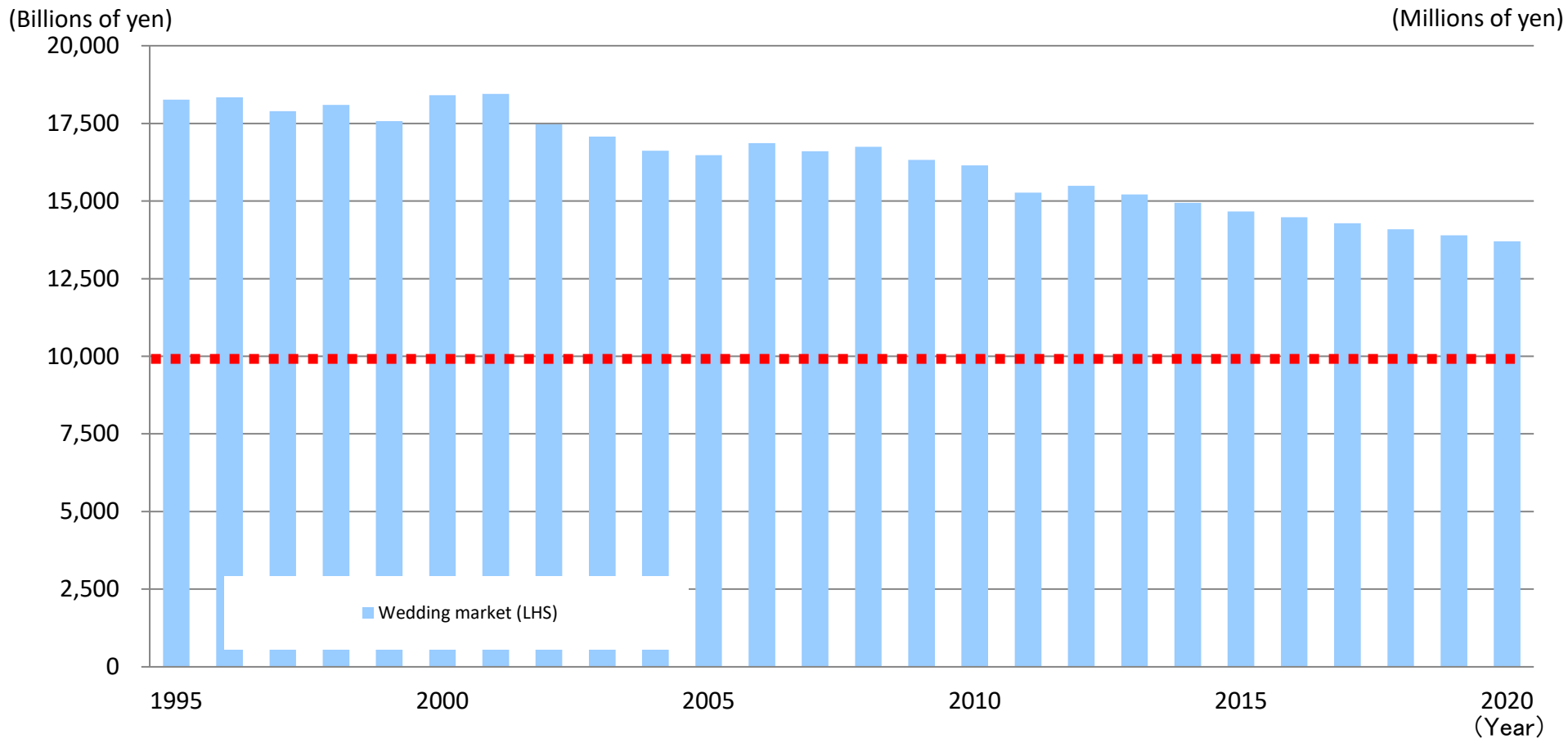
Population of prime age segments for marriage and forecast



Source: National Institute of Population and Social Security Research, "Household Projections for Japan" (January 2018) Population by sex, five-year age group, and marital status

Annual wedding market sales exceed ¥1 trillion despite Japan's declining population

Annual sales in Japan's wedding market and forecast



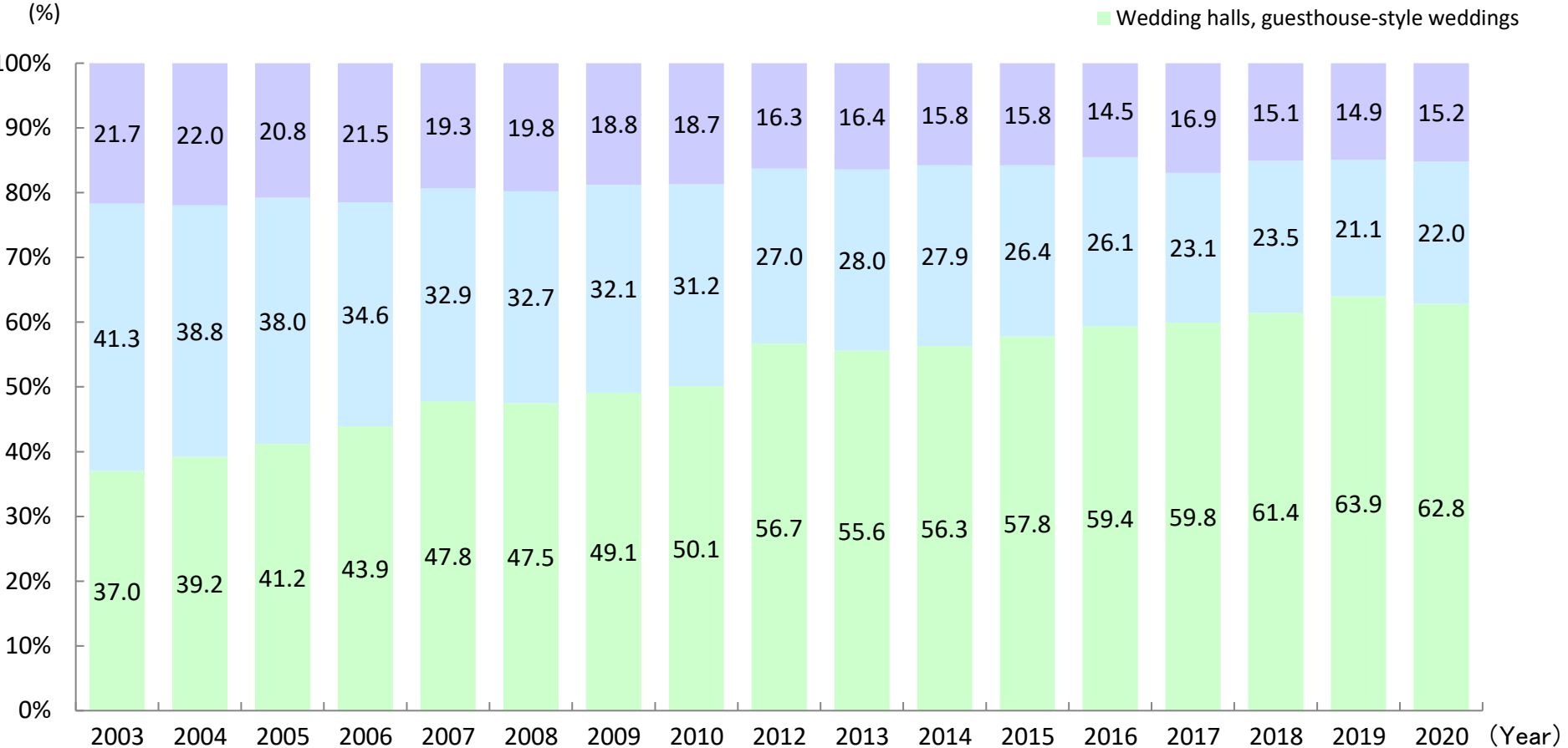
Source: IKK estimates

*The sales forecast does not incorporate the effects of the COVID-19 crisis

The guest house market share is rising as more couples in Japan want original weddings/receptions not restricted by traditions and formalities

Wedding reception market composition for different styles

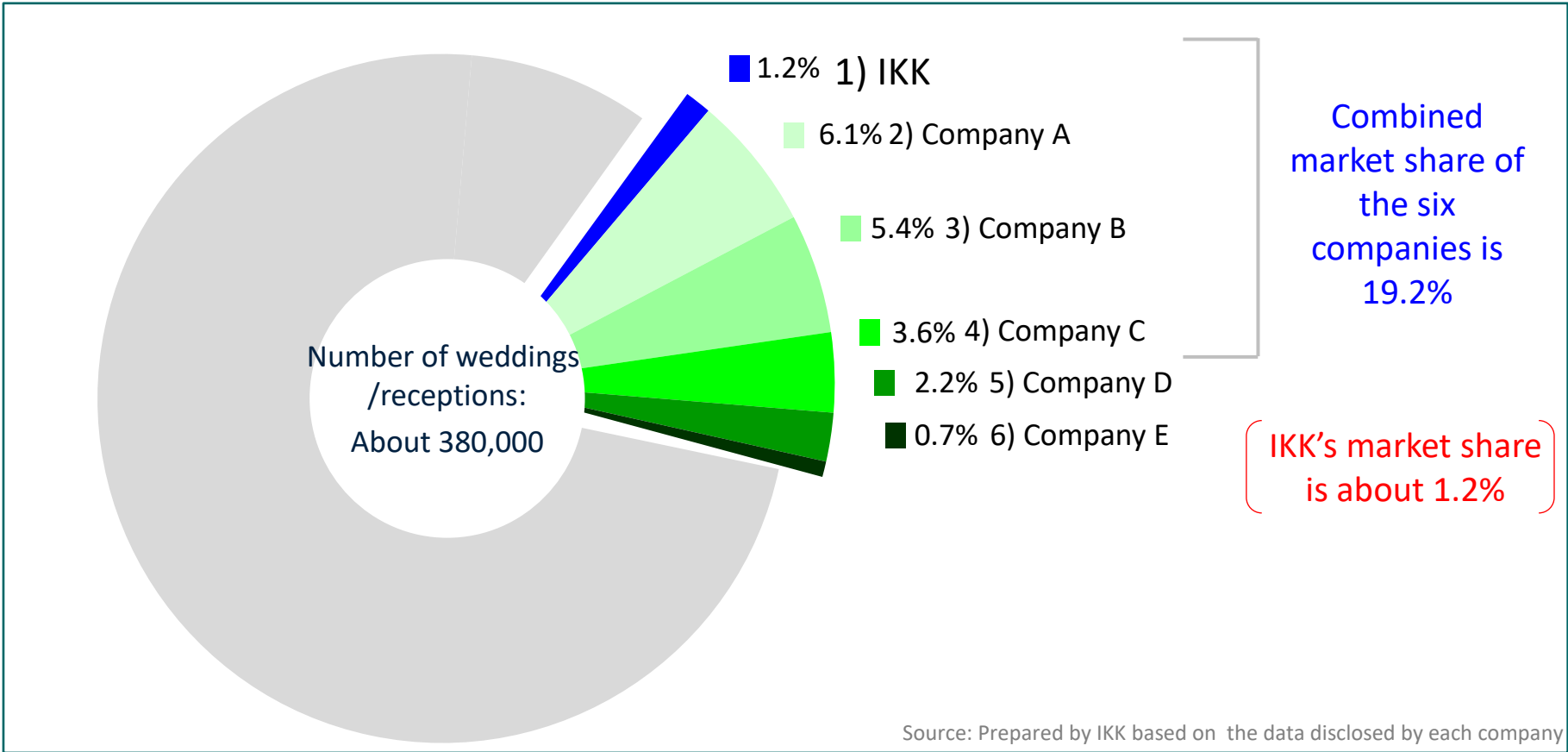
- Others (restaurants, etc.)
- Hotels
- Wedding halls, guesthouse-style weddings



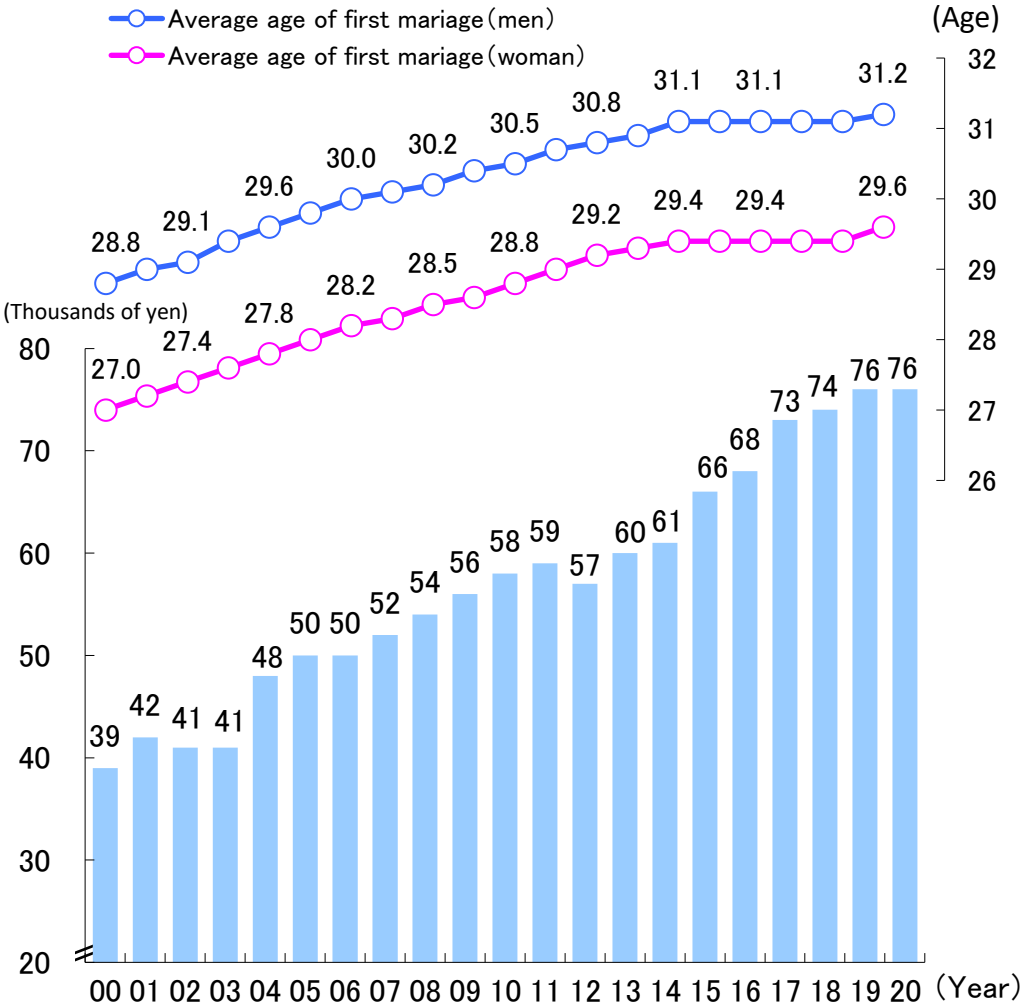
Source: Zexy Wedding Magazine Trend Survey 2020 Nationwide(Estimates), facilities that host wedding receptions

Japan's wedding market is still highly fragmented, leaving significant potential for IKK to capture market share

Market share of the six listed wedding companies (based on number of weddings/receptions)



Average age of first marriage and money spent per wedding reception guest



Couples continue to spend more on weddings despite deflation in Japan

- Primary causes
1. Couples want a once-in-a-lifetime event that people will remember for a long time
 2. As the age of first marriages rises, more couples want better food and entertainment for guests and activities that incorporate each couple's personal preferences
 3. More young people who do not care about luxury in their everyday lives want to spend money to make a wedding a memorable experience

Consistent growth in the amount spent per wedding guest
(now about 90% higher than in 2000)

Source: Zexy Wedding Magazine Trend Survey 2020 – Tokyo Area, total per-guest cost for wedding ceremony and reception/party, Ministry of Health, Labour and Welfare, "Vital Statistics 2019"



Precautions about this presentation

- This presentation includes forecasts and other forward-looking statements about the performance, strategies, business plans and other subjects concerning IKK.
- These forward-looking statements, which are not historical facts, reflect the outlook of IKK based on information that was available when this announcement was made.
- Forward-looking statements incorporate uncertainties about the economy, competition from other companies and many other potential sources of risk.

Consequently, actual performance, business activities and/or the financial position may differ significantly from the forward-looking statements in this presentation due to upcoming changes in the economy, competition in the industry, market demand, other economic, social and political events, and many other factors.



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