

English Translation: This is a translation of the original release in Japanese. In the event of any discrepancy, the original release in Japanese shall prevail.

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2024 (Under Japanese GAAP)

November 13, 2024

Company name: INFORICH INC.	Listed on: Tokyo Stock Exchange
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Scheduled date of commencement of dividend payment: –	
Preparation of supplementary material on financial results: Yes	
Holding of financial results briefing: Yes	Yes (for institutional investors and securities analysts)

(Yen amounts are rounded down to the nearest million, unless otherwise noted.)

1. Consolidated financial results for the third quarter of the fiscal year ending December 31, 2024
(from January 1, 2024 to September 30, 2024)

(1) Consolidated operating results (YTD) (Percentage figures represent year-on-year changes)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended										
September 30, 2024	7,473	38.6	1,939	130.7	1,112	329.6	1,057	180.8	893	255.8
September 30, 2023	5,390	87.2	840	–	259	–	376	–	251	–

Note: Comprehensive income	Nine months ended September 30, 2024	841 million yen (536.8%)
	Nine months ended September 30, 2023	132 million yen (–%)

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2024	94.52	90.75
September 30, 2023	27.06	26.25

Notes: 1. The Company conducted a 5-for-1 stock split of its common shares effective April 1, 2023. Accordingly, basic earnings per share and diluted earnings per share were calculated assuming that the stock split had been conducted at the beginning of the fiscal year ended December 31, 2023.

2. EBITDA = Operating profit and loss + Depreciation + Amortization of goodwill

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	15,519	4,084	26.0
December 31, 2023	8,753	3,081	35.1

Reference: Equity (Shareholders' equity + Accumulated other comprehensive income)

As of September 30, 2024	4,036 million yen
As of December 31, 2023	3,076 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	–	0.00	–	0.00	0.00
Fiscal year ending December 31, 2024	–	0.00			
Fiscal year ending December 31, 2024 (forecast)				–	–

Note: Revisions to the most recently announced dividend forecast: No

The Company's Articles of Incorporation set the closing date of the second quarter and the fiscal year as record dates. However, the forecast of cash dividends at the end of the fiscal year has yet to be determined.

3. Consolidated forecast for the fiscal year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Percentage figures represent year-on-year changes)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,011	30.3	2,576	82.8	1,635	170.9	1,515	139.1	1,514	164.7	160.48

Notes: 1. Revisions to the most recently announced earnings forecasts: None

2. EBITDA = Operating profit and loss + Depreciation

*Notes

- (1) Significant changes in the scope of consolidation during the period under review : Yes
Newly consolidated 3 companies: Ezycharge Australasia Pty Ltd, Ezycharge Australia Pty Ltd, and ChargeSpot Digital Service Co. Ltd.
- (2) Application of accounting treatment specific to the preparation of the consolidated quarterly financial statements : None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations : None
- (ii) Changes in accounting policies other than those in i) above : None
- (iii) Changes in accounting estimates : None
- (iv) Restatement : None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)	As of September 30, 2024	9,471,425 shares	As of December 31, 2023	9,379,775 shares
(ii) Number of treasury shares at the end of the period	As of September 30, 2024	59 shares	As of December 31, 2023	59 shares
(iii) Average number of shares outstanding during the period	Nine months ended September 30, 2024	9,456,179 shares	Nine months ended September 30, 2023	9,284,611 shares

Note: 1. The Company conducted a 5-for-1 stock split of its common shares as of April 1, 2023. Accordingly, "Total number of issued shares at the end of the period," "Number of treasury shares at the end of the period," and "Average number of shares outstanding during the period" were calculated assuming that the stock split had been conducted at the beginning of the fiscal year ended December 31, 2023.

* Review of the Japanese-language originals of the attached condensed quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary).

* Explanation regarding the appropriate use of earnings forecasts, and other notes (Notes on forward-looking statements)

The forward-looking statements, including earnings forecasts, in this material are based on information currently available to management and certain assumptions that management believes are reasonable, and are not intended as a guarantee that the Company will achieve such targets. The actual results may differ materially from those projected herein, depending on various factors.

(How to obtain supplementary explanatory material and information on the scheduled financial results briefing)

The Company plans to hold a financial results briefing via live-streaming on Wednesday, November 13, 2024. The materials used in the financial results briefing will be disclosed on TDnet and posted on the Company's website.

* ChargeSPOT mentioned in this material (including attachment) is a trademark of INFORICH INC.

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1. Overview of results of operations

(1) Overview of results of operations

During the nine months ended September 30, 2024 (the “period under review”), the Japanese economy showed signs of a gradual recovery, partly due to an improvement in consumer spending. However, uncertainties in the global economy and financial markets increased, partly because of the upcoming U.S. presidential election. Geopolitical risks, particularly in the Middle East, were also worsening, and with multiple downside factors present, the future outlook remains a concern.

Regarding the mobile battery sharing service market, which is the target of the ChargeSPOT business, in China, the largest market of the service globally, 5.17 million battery stands are under operation as of the end of December 2023 (source: “2023 ChinaShared Power Bank Industry Trend Report” by Fastdata) and approximately 280 million people are using the mobile battery sharing service annually. Albeit the differences in the market, technologies, cultures and other factors between China and Japan, transition of the Chinese market size is one of the indicators to forecast the popularization of the mobile battery sharing service in Japan.

“ChargeSPOT” presupposes the sharing economy, where people do not own articles but use them by sharing them. With the recent rise of environmental awareness, there are a certain number of users that proactively use the sharing economy. According to the results of the “Sharing Economy-related Survey 2022 (announced on January 24, 2023)” jointly published by the Sharing Economy Association, Japan and InfoCom Research, Inc., the sharing economy market is expected to reach 15,116.5 billion yen ^{(*)1} in fiscal 2032.

According to the estimates the Company made based on a survey conducted by Dentsu Inc. in April 2023, approximately 39.5 million people in Japan run out of battery on their smartphones before returning home. Of these, 16 million people need to recharge their phones at least twice over the course of a day while they are out. Smartphones use lithium-ion batteries, which have the characteristic of their charging capacity decreasing to 80% after about 600 charges (about 2 years of use).^{*2} However, as smartphones have become more expensive, the smartphone replacement cycle has been extended to 4 years and 7 months (according to the 2022 Consumer Confidence Survey by the Cabinet Office). By this time, the charging capacity will have dropped to about 30% of what it was when the battery was new.^{(*)2} With smartphones becoming indispensable for daily life, it is no wonder that people who have been using their smartphones for several years want to charge them while they are out. Although a lot of research on batteries has recently been performed in various countries around the world, it is assumed that, as far as the batteries for smartphones alone are concerned, nothing better than the currently used lithium-ion batteries will be developed by at least 2030.^{*2} Applying the technologies developed for electric vehicles and drones to smartphones has major hurdles in terms of miniaturization and safety, and improvements in battery technology do not necessarily translate directly into enhanced smartphone performance. Improvements have also been achieved in the performance of the lithium-ion battery itself over the years, and the capacity of built-in batteries has been increasing by an average of 11.6% per year.^{*2} However, the average power consumption of smartphones has increased by 17.9%, exceeding the increase in the capacity of built-in batteries,^{*2} due to factors such as higher display resolution, larger application capacity, and 5G compatibility. Considering the above, it is assumed that the need for charging while going out is very high and will continue to grow going forward.

*1 Maximum forecast amount under the issue-solving scenario.

*2 According to the research conducted by the Company.

Under these circumstances, the Group actively invested to expand the ChargeSPOT business (rental power banks) while strengthening its collaboration with partner companies.

In the global market, the Company expanded its directly managed areas and overseas sales by acquiring a company operating under a ChargeSPOT franchise in Taiwan as a new subsidiary. The Group as a whole had 63,848 installed battery stands, including 45,293 stands in Japan, as of the end of September 2024, increasing the figure toward the goal of having batteries shared that can be borrowed and returned anywhere. The number of monthly active users on a quarterly average reached 1.489 million for the entire Group, including 962 thousand in Japan. The number of monthly rentals on a quarterly average reached 2.72 million for the entire Group, including 1.80 million in Japan, steadily expanding the range of services. In the Group’s ChargeSPOT business, the flow of people has become one of the key factors. During the third quarter of 2024, the flow of people in Japan showed a declining trend due to the extreme summer heat and heavy rains, including typhoons. Consequently, growth in the number of monthly active users and monthly rentals slowed. On the other hand, due to the price revision implemented on July 1, unit prices increased, leading to a rise in sales.

In the platform business, which is a key focus area alongside its domestic and overseas ChargeSPOT businesses in the Group’s “VISION 2030” Medium-term Business Plan, the Group aims to utilize the signage attached to ChargeSPOT battery stands. The Group completed the development of its SSP and DSP during this quarter to prepare for efficient advertisement sales and distribution starting next fiscal year. Additionally, the Group is promoting initiatives aimed at medium- to long-term growth, including the development of new services utilizing signage.

As a result, the Group’s operating results for the period under review are summarized as follows. The Group posted net sales of 7,473,884 thousand yen (up 38.6% year-on-year), EBITDA^{*3} of 1,939,906 thousand yen (up 130.7% year-on-year), operating profit of 1,112,803 thousand yen (up 329.6% year-on-year), ordinary profit of 1,057,302 thousand yen (up 180.8% year-on-year), and profit attributable to owners of parent of 893,817 thousand yen (up 255.8% year-on-year).

The Group will work to increase the awareness and use of the service while being committed to further enhancing service quality. Note that information by business segment is omitted as the Group operates in a single segment of the ChargeSPOT business.

*3 EBITDA = Operating profit and loss + Depreciation + Amortization of goodwill

(2) Overview of financial position

(Current assets)

Current assets at the end of the period under review were 9,054,352 thousand yen (up 3,123,003 thousand yen from the end of the previous fiscal year). This was mainly due to an increase in cash and deposits of 3,118,312 thousand yen.

(Non-current assets)

Non-current assets at the end of the period under review were 6,465,608 thousand yen (up 3,643,494 thousand yen from the end of the previous fiscal year). This was mainly due to an increase in leased assets of 143,320 thousand yen associated with the new installation of battery stands and acquisitions of mobile batteries, an increase in tools, furniture and fixtures of 1,046,641 thousand yen, an increase in construction in progress of 4,618 thousand yen, and an increase in goodwill of 2,604,499 thousand yen resulting from the acquisition of a new consolidated subsidiary.

(Current liabilities)

Current liabilities at the end of the period under review were 9,697,442 thousand yen (up 4,799,359 thousand yen from the end of the previous fiscal year). This was mainly due to increases in contract liabilities of 680,947 thousand yen and short-term borrowings of 3,337,927 thousand yen.

(Non-current liabilities)

Non-current liabilities at the end of the period under review were 1,738,025 thousand yen (up 964,175 thousand yen from the end of the previous fiscal year). This was mainly due to increases in long-term borrowings of 738,829 thousand yen and in lease liabilities of 170,718 thousand yen.

(Net assets)

Net assets at the end of the period under review were 4,084,492 thousand yen (up 1,002,963 thousand yen from the end of the previous fiscal year). This was mainly due to a decrease in share capital of 334,382 thousand yen, a decrease in capital surplus of 3,366,700 thousand yen and an increase in retained earnings of 3,701,082 thousand yen due to capital reduction for the purpose of deficit disposition, as well as an increase in retained earnings of 893,817 thousand yen due to the recording of profit attributable to owners of parent, partially offset by a decrease in foreign currency translation adjustment of 58,218 thousand yen.

(3) Overview of future forecast information such as consolidated earnings forecast

The consolidated earnings forecast for the fiscal year ending December 31, 2024, has not been revised from the earnings forecast announced in the “Consolidated Financial Results for the Fiscal Year Ended December 31, 2023” dated February 14, 2024.

2. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Thousands of yen)

	As of December 31, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	4,831,291	7,949,603
Accounts receivable - trade	180,317	73,017
Supplies	25,509	26,967
Accounts receivable - other	706,910	756,464
Other	225,023	300,815
Allowance for doubtful accounts	(37,702)	(52,515)
Total current assets	5,931,349	9,054,352
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures	1,249,136	2,295,778
Leased assets	2,032,131	2,175,452
Construction in progress	459,297	463,915
Other	267,714	259,701
Accumulated depreciation	(1,369,494)	(1,901,422)
Total property, plant and equipment	2,638,785	3,293,425
Intangible assets		
Goodwill	—	2,604,499
Other	12,429	290,814
Total intangible assets	12,429	2,895,313
Investments and other assets		
Deferred tax assets	129,755	128,130
Distressed receivables	36,037	32,629
Other	40,178	147,576
Allowance for doubtful accounts	(35,072)	(31,467)
Total investments and other assets	170,899	276,869
Total non-current assets	2,822,113	6,465,608
Total assets	8,753,463	15,519,961

(Thousands of yen)

	As of December 31, 2023	As of September 30, 2024
Liabilities		
Current liabilities		
Short-term borrowings	1,680,000	5,017,927
Current portion of long-term borrowings	15,600	150,911
Lease liabilities	991,393	1,049,077
Income taxes payable	63,072	10,762
Contract liabilities	1,283,842	1,964,789
Provisions	64,540	80,173
Other	799,634	1,423,801
Total current liabilities	4,898,083	9,697,442
Non-current liabilities		
Long-term borrowings	36,400	775,229
Lease liabilities	736,227	906,945
Other	1,223	55,849
Total non-current liabilities	773,850	1,738,025
Total liabilities	5,671,933	11,435,468
Net assets		
Shareholders' equity		
Share capital	291,210	19,239
Capital surplus	6,078,472	2,774,183
Retained earnings	(2,936,109)	1,658,790
Treasury shares	(182)	(182)
Total shareholders' equity	3,433,390	4,452,030
Accumulated other comprehensive income		
Foreign currency translation adjustment	(356,815)	(415,033)
Total accumulated other comprehensive income	(356,815)	(415,033)
Share acquisition rights	4,954	4,690
Non-controlling interests	—	42,805
Total net assets	3,081,529	4,084,492
Total liabilities and net assets	8,753,463	15,519,961

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)
(Nine months ended September 30, 2023 and September 30, 2024)

(Thousands of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Net sales	5,390,891	7,473,884
Cost of sales	1,387,105	1,702,367
Gross profit	4,003,786	5,771,516
Selling, general and administrative expenses	3,744,746	4,658,713
Operating profit	259,039	1,112,803
Non-operating income		
Interest income	5,797	19,483
Foreign exchange gains	180,809	—
Subsidy income	8,620	—
Other	2,202	30,087
Total non-operating income	197,430	49,570
Non-operating expenses		
Interest expenses	77,899	95,893
Foreign exchange losses	—	7,604
Other	1,982	1,572
Total non-operating expenses	79,882	105,071
Ordinary profit	376,587	1,057,302
Extraordinary income		
Gain on forgiveness of debts	—	14,881
Total extraordinary income	—	14,881
Extraordinary losses		
Impairment losses	100,479	146,371
Loss on retirement of non-current assets	1,009	17,083
Loss on cancellation of lease liabilities	6,362	2,179
Total extraordinary losses	107,850	165,633
Profit before income taxes	268,736	906,551
Income taxes - current	15,852	9,960
Income taxes - deferred	3,214	(3,148)
Total income taxes	19,066	6,811
Profit	249,669	899,739
Profit (loss) attributable to non-controlling interests	(1,533)	5,921
Profit attributable to owners of parent	251,203	893,817

(Consolidated statement of comprehensive income)

(Nine months ended September 30, 2023 and September 30, 2024)

(Thousands of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Profit	249,669	899,739
Other comprehensive income		
Foreign currency translation adjustment	(117,566)	(58,502)
Total other comprehensive income	(117,566)	(58,502)
Comprehensive income	132,103	841,236
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	133,637	835,598
Comprehensive income attributable to non-controlling interests	(1,533)	5,637

(3) Notes to consolidated financial statements

(Matters related to the assumption of a going concern)

There is no applicable information.

(Notes to significant changes in shareholders' equity)

At the Annual General Meeting of Shareholders held on March 28, 2024, INFORICH resolved to reduce the amount of its share capital and capital reserve, which became effective as of March 28, 2024. As a result, INFORICH's share capital and capital reserve decreased by 334,382 thousand yen and 4,166,195 thousand yen, respectively, and other capital surplus increased by 4,500,577 thousand yen. The appropriation of surplus by the same resolution resulted in a decrease of 3,701,082 thousand yen in other capital surplus and an increase of 3,701,082 thousand yen in INFORICH's retained earnings.

(Changes in the scope of consolidation or in the scope of application of equity method)

(Significant changes in the scope of consolidation)

Since INFORICH acquired the shares of Ezycharge Australasia Pty Ltd in the interim period of the fiscal year ending December 31, 2024, Ezycharge Australasia Pty Ltd and its subsidiary Ezycharge Australia Pty Ltd are included in the scope of consolidation. Additionally, INFORICH acquired the shares of ChargeSpot Digital Service Co. Ltd. in the third quarter of the fiscal year ending December 31, 2024, and as a result, ChargeSpot Digital Service Co. Ltd. is also included in the scope of consolidation.

(Notes to consolidated balance sheets)

* Overdraft contracts

The Company has entered into overdraft contracts with seven banks to efficiently secure working capital. The unused balance of overdraft facilities under these contracts are as follows.

(Thousands of yen)

	As of December 31, 2023	As of September 30, 2024
Maximum overdraft limit	1,600,000	4,000,000
Less: outstanding balance of borrowings	1,300,000	2,680,000
Unused balance	300,000	1,320,000

(Notes to consolidated statement of income)

* Impairment losses

Nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023)

The Group recorded impairment losses on the following asset groups.

(1) Overview of asset grouping for which impairment losses were recognized

Location	Use	Type
Shibuya-ku, Tokyo and other locations	Assets to be disposed of	Tools, furniture and fixtures, leased assets, construction in progress

(2) Background leading to the recognition of impairment losses

The book value of the assets to be disposed of was written down to the recoverable amount because the Company does not expect to use them in the future as they are scheduled to be disposed of. This reduction has been recorded as impairment loss.

(3) Amount of impairment losses and breakdown of the amount by type of major non-current assets

(Thousands of yen)

Type	Amount
Tools, furniture and fixtures	42,409
Leased assets	53,775
Construction in progress	4,294
Total	100,479

(4) Asset grouping method

The Group uses its management accounting units as the basis for grouping its business assets, and the Company and its consolidated subsidiaries are grouped as the smallest units that generate independent cash flows. Assets to be disposed of are grouped by individual asset.

(5) Calculation method of recoverable amount

The Company bases the recoverable amount of assets to be disposed of on their value in use, and evaluates their recoverable amount as zero since no future cash flows are expected.

Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

The Group recorded impairment losses on the following asset groups.

(1) Overview of asset grouping for which impairment losses were recognized

Location	Use	Type
Shibuya-ku, Tokyo and other locations	Assets to be disposed of	Tools, furniture and fixtures, leased assets, construction in progress

(2) Background leading to the recognition of impairment losses

The book value of the assets to be disposed of was written down to the recoverable amount because the Company does not expect to use them in the future as they are scheduled to be disposed of. This reduction has been recorded as impairment loss.

(3) Amount of impairment losses and breakdown of the amount by type of major non-current assets

(Thousands of yen)

Type	Amount
Tools, furniture and fixtures	47,556
Leased assets	46,864
Construction in progress	51,949
Total	146,371

(4) Asset grouping method

The Group uses its management accounting units as the basis for grouping its business assets, and the Company and its consolidated subsidiaries are grouped as the smallest units that generate independent cash flows. Assets to be disposed of are grouped by individual asset.

(5) Calculation method of recoverable amount

The Company bases the recoverable amount of assets to be disposed of on their value in use, and evaluates their recoverable amount as zero since no future cash flows are expected.

(Notes to consolidated statement of cash flows)

Consolidated statements of cash flows have not been prepared for the period under review. Depreciation (including amortization for intangible assets) for the period under review is as follows.

(Thousands of yen)

	Nine months ended September 30, 2023 (From January 1, 2023 to September 30, 2023)	Nine months ended September 30, 2024 (From January 1, 2024 to September 30, 2024)
Depreciation	581,688	811,493
Amortization of goodwill	—	15,609

(Notes to segment information, etc.)

[Business segment information]

I Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

The information is omitted as the Group operates in a single segment of the ChargeSPOT business.

II Nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

The information is omitted as the Group operates in a single segment of the ChargeSPOT business.

(Business combination, etc.)

(Provisional accounting treatment pertaining to business combination)

The business combination between the Company and Ezycharge Australasia Pty Ltd, which occurred on April 30, 2024, was accounted for provisionally in the second quarter of the fiscal year ending December 31, 2024, but was finalized in the third quarter of the fiscal year ending December 31, 2024.

With the finalization of this provisional accounting treatment, a revision in the initial allocation of acquisition costs has been reflected, resulting in the allocation of 237,503 thousand yen to intangible assets and 59,375 thousand yen to deferred tax liabilities. As a result, the amount of goodwill provisionally calculated decreased by 174,057 thousand yen from 387,249 thousand yen to 213,191 thousand yen.

(Business combination by share acquisition)

At the Board of Directors' meeting held on September 19, 2024, INFORICH resolved to acquire all shares of ChargeSpot Digital Service Co. Ltd. and make it a subsidiary. INFORICH concluded a share purchase agreement as of September 19, 2024, and acquired the shares on September 30, 2024.

1. Overview of business combination

(1) Name and business description of the acquired company

Name of the acquired company: ChargeSpot Digital Service Co. Ltd.
Business description: Operation of mobile battery sharing service in Taiwan

(2) Major reasons for the business combination

Under the mission "Bridging Beyond Borders," INFORICH aims to develop the business model originated overseas in Japan and deploy Japanese technologies abroad. Since the launch of its service in 2018, INFORICH has been expanding its service areas as INFORICH operates the mobile battery sharing service "ChargeSPOT[®]" in Japan, Hong Kong, and China (partially franchised in China), while developing franchises in Taiwan, Thailand, Singapore and Macau.

In Taiwan, the ChargeSPOT franchise rollout began in 2019 through ChargeSpot Digital Service Co., Ltd., with the number of units increasing to approximately 8,700 as of the end of June 2024. With more than 200,000 monthly active users, ChargeSPOT has gained recognition in Taiwan.

With the recent acquisition of ChargeSpot Digital Service Co., Ltd., which has been responsible for franchise development in Taiwan, as a subsidiary and the deepening of mutual cooperation, the Group will establish a cooperative framework for market expansion not only in Taiwan but also on a global scale. Together with global personnel with a deep knowledge of ChargeSPOT who have achieved service launches in Taiwan, the Group will continue to work on the expansion of its overseas business development. The Group also hopes that the exit of ChargeSpot Digital Service Co., Ltd. will serve as an incentive for future franchisees who will join us to operate the ChargeSPOT.

(3) Date of business combination

September 30, 2024 (share acquisition date)

(4) Legal format of business combination

Share acquisition by cash used as consideration

(5) Company name after business combination

Unchanged

(6) Ratio of voting rights acquired

100%

(7) Grounds for determining acquiring company

The Company acquired the shares with cash as consideration

2. Period of performance of acquired company included in the third-quarter consolidated statement of income

Only the balance sheet is consolidated for the period under review, and there are no periods of performance for the acquired company included in the consolidated statement of income.

3. Acquisition cost of acquired company and type of consideration

Type of consideration	Cash(including accounts payable-other)	2,725,592 thousand yen
Acquisition cost		2,725,592 thousand yen

4. Details and amount of acquisition-related expenses

Fee and commission for advisory service – thousand yen

5. Amount of goodwill recognized, reason for recognition, and method and period of amortization

(1) Amount of goodwill recognized

2,406,995 thousand yen

The amount of the goodwill recognized is a provisional amount since the allocation of acquisition costs has not been completed as of June 30, 2024.

(2) Reason for recognition

Goodwill was recognized due to the excess earning power expected from future business development.

(3) Method and period of amortization

Evenly amortized over seven years

(Significant subsequent events)

(Business combination by share acquisition)

At the Board of Directors' meeting held on March 31, 2024, INFORICH resolved to acquire 73.06% of the issued shares of Trim Inc. and make it a subsidiary. INFORICH concluded a share purchase agreement as of October 31, 2024, and acquired the shares on November 8, 2024.

1. Overview of business combination

(1) Name and business description of the acquired company

Name of the acquired company: Trim Inc.

Business description: The design, manufacturing, sales and operation of "mamaro" baby care rooms

(2) Major reasons for the business combination

The "ChargeSPOT" service and Trim Inc.'s "mamaro" baby care rooms share similarities in terms of locations with installation needs and age groups of users. INFORICH aims to increase the number of "mamaro" baby care rooms by installing them at its existing ChargeSPOT locations. Furthermore, INFORICH will consider exploring global expansion, including regions where ChargeSPOT is currently in operation. By utilizing its established relationships with overseas partner factories, INFORICH expects to achieve synergies in both sales growth and cost savings through reduced production costs.

"mamaro" is a service that supports a more inclusive parenting environment, helping to overcome the barriers of going out with young children and bridging gender divides, as many existing nursing rooms are exclusively for women. INFORICH believes that this aligns with its mission of "Bridging Beyond Borders." Together with Trim Inc., INFORICH will work toward achieving its VISION 2030 by promoting cross-border initiatives.

(3) Date of business combination

Scheduled for the fourth quarter of the fiscal year ending December 31, 2024

(4) Legal format of business combination

Share acquisition by cash used as consideration

(5) Company name after business combination

Unchanged

(6) Ratio of voting rights acquired

73.06%

(7) Grounds for determining acquiring company

The Company acquired the shares with cash as consideration

2. Acquisition cost of acquired company and type of consideration

Type of consideration	Cash	950,234 thousand yen
Acquisition cost		950,234 thousand yen

The actual acquisition price will be determined by implementing price adjustments, etc. specified in the share purchase agreement.

3. Details and amount of acquisition related expenses

Not yet determined

4. Amount of goodwill, reason for recognition, and method and period of amortization

Not yet determined.

5. Amount and breakdown of assets acquired and liabilities assumed on the date of business combination

Not yet determined

(Borrowing of large amounts of funds)

At the Board of Directors meeting held on October 31, 2024, it was resolved to borrow funds as follows.

(1) Use of funds	Acquisition of shares in Trim Inc.
(2) Lender	MUFG Bank, Ltd.
(3) Total amount borrowed	950,000 thousand yen
(4) Borrowing term	7 years (planned)
(5) Interest rate	Fixed interest rate based on the market interest rate
(6) Contract date	November 15, 2024 (planned)
(7) Drawdown date	November 15, 2024 (planned)
(8) Collateral	Unsecured and unguaranteed