

3. Consolidated forecast for the fiscal year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

(%: Changes from the corresponding period of the previous fiscal year)

	Net sales		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	6,776	54.4	(959)	-	(1,073)	-	(115.83)

(Notes) 1. Revisions to the most recently announced earnings forecast: None

2. A 5-for-1 common stock split was conducted with an effective date of April 1, 2023. We took account of the impacts from the stock split on basic earnings per share in the consolidated earnings forecast for the fiscal year ending December 31, 2023.

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation): None

(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: None

(ii) Changes in accounting policies due to other reasons: 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)	First quarter of the fiscal year ending December 31, 2023	9,275,100 shares	Fiscal year ended December 31, 2022	9,233,100 shares
(ii) Number of treasury shares at the end of the period	First quarter of the fiscal year ending December 31, 2023	- shares	Fiscal year ended December 31, 2022	- shares
(iii) Average number of shares outstanding during the period (YTD)	First quarter of the fiscal year ending December 31, 2023	9,267,167 shares	First quarter of the fiscal year ended December 31, 2022	- shares

(Notes) 1. As our company did not prepare quarterly consolidated financial statements for the first quarter of the fiscal year ended December 31, 2022, we did not present the average number of shares during the quarter.

2. A 5-for-1 common stock split was conducted with an effective date of April 1, 2023. "Number of issued shares at year-end," "Number of treasury shares at year-end," and "Average number of shares outstanding during the period" have been calculated assuming the stock split was conducted at the beginning of the fiscal year ended December 31, 2022.

* Consolidated quarterly financial results reports are exempt from quarterly audit by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Notes to statements regarding the future, etc.)

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.

(Obtaining supplementary explanatory documents and information on the scheduled quarterly financial results briefing)

The Company plans to hold a quarterly financial results briefing via live-streaming on Friday, May 12, 2023. The materials used in the quarterly financial results briefing will be posted on the Company's website.

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1. Overview of consolidated results of operations and financial condition

(1) Overview of results of operations

During the first quarter of the fiscal year ending December 31, 2023, the Japanese economy was expected to enjoy positive impacts from rising people flows, including inbound tourism-related ones. This was in part because constraints on economic activity mostly disappeared with the Japanese government announcing that COVID-19 would be reclassified into Category 5 under the Infection Disease Control Law. Meanwhile, the international situation remained highly uncertain and future concerns, such as protracted inflation and labor shortages, persisted.

The sharing economy area is the key business area of the INFORICH Group (the “Group”). And according to the results of the “Sharing Economy-related Survey 2022” jointly published by the Sharing Economy Association Japan and InfoCom Research Inc., the sharing economy market reached a record-high of 2,615.8 billion yen in fiscal 2022 and is expected to expand by about 5.7 times to 15,116.5 billion yen in fiscal 2032.

Under these circumstances, the Group actively invested to expand the ChargeSPOT business (rental power banks), strengthening its collaboration with partner companies. The Group as a whole had 46,879 installed battery stands, including 39,071 in Japan, as of the end of March 2023, increasing them steadily toward the goal of having batteries shared that can be borrowed and returned anywhere. The Group also ran an advertising campaign, etc. mainly alliance marketing with installers and payment agencies, etc. to raise awareness thereof.

As a result, for the quarter under review, net sales were 1,443,528 thousand yen, operating loss came to 64,467 thousand yen, ordinary loss was 85,770 thousand yen, and loss attributable to owners of parent posted 89,286 thousand yen.

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

(2) Overview of financial position

(Current assets)

Current assets at the end of the quarter under review were 3,736,545 thousand yen (up 70,761 thousand yen compared with December 31, 2022). This was mainly due to an increase in cash and deposits of 348,938 thousand yen.

(Non-current assets)

Non-current assets at the end of the quarter under review were 2,470,060 thousand yen (up 143,039 thousand yen compared with December 31, 2022). This was mainly due to an increase in leased assets of 272,562 thousand yen owing to the new installation of battery stands and in tools, furniture and fixtures of 65,389 thousand yen.

(Current liabilities)

Current liabilities at the end of the quarter under review were 2,656,318 thousand yen (down 95,616 thousand yen compared with December 31, 2022). This was mainly due to a decrease in lease obligations of 228,857 thousand yen.

(Non-current liabilities)

Non-current liabilities at the end of the quarter under review were 1,145,370 thousand yen (up 342,310 thousand yen compared with December 31, 2022). This was mainly due to an increase in lease obligations of 345,510 thousand yen.

(Net assets)

Net assets at the end of the quarter under review were 2,404,917 thousand yen (down 32,893 thousand yen compared with December 31, 2022). This was mainly due to: i) an increase in both share capital and capital surplus of 17,774 thousand yen as new shares were issued through a capital increase in the form of a third-party allotment (a third-party allotment capital increase related to a secondary offering stemming from an over-allotment); and ii) on the other hand, a decrease in retained earnings of 89,286 thousand yen due to the recording of loss attributable to owners of parent.

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

Our consolidated forecast for the fiscal year ending December 31, 2023 is unchanged from the one announced in the Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (Under Japanese GAAP) of February 14, 2023.

2. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Thousands of yen)

	Fiscal year ended December 31, 2022 (December 31, 2022)	First quarter of the fiscal year ending December 31, 2023 (March 31, 2023)
Assets		
Current assets		
Cash and deposits	2,614,044	2,962,982
Accounts receivable–trade	76,687	90,538
Supplies	43,173	32,164
Accounts receivable–other	494,455	530,394
Other	464,708	148,835
Allowance for doubtful accounts	(27,284)	(28,370)
Total current assets	3,665,784	3,736,545
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures	1,048,514	1,113,904
Leased assets	1,540,164	1,812,726
Construction in progress	442,924	410,932
Other	83,893	84,875
Accumulated depreciation	(849,574)	(1,019,203)
Total property, plant and equipment	2,265,922	2,403,235
Intangible assets	12,995	13,280
Investments and other assets		
Distressed receivables	158,616	172,350
Other	48,103	53,544
Allowance for doubtful accounts	(158,616)	(172,350)
Total investments and other assets	48,103	53,544
Total non-current assets	2,327,021	2,470,060
Total assets	5,992,805	6,206,606

(Thousands of yen)

	Fiscal year ended December 31, 2022 (December 31, 2022)	First quarter of the fiscal year ending December 31, 2023 (March 31, 2023)
Liabilities		
Current liabilities		
Short-term borrowings	716,000	714,500
Current portion of long-term borrowings	39,600	39,600
Lease obligations	852,033	623,175
Income taxes payable	54,846	26,218
Contract liabilities	511,542	660,982
Provision	48,012	27,865
Other	529,898	563,975
Total current liabilities	2,751,934	2,656,318
Non-current liabilities		
Long-term borrowings	12,000	8,800
Lease obligations	791,060	1,136,570
Total non-current liabilities	803,060	1,145,370
Total liabilities	3,554,994	3,801,689
Net assets		
Shareholders' equity		
Share capital	218,707	236,482
Capital surplus	6,007,488	6,025,263
Retained earnings	(3,507,998)	(3,597,285)
Total shareholders' equity	2,718,197	2,664,459
Accumulated other comprehensive income		
Foreign currency translation adjustment	(290,808)	(269,245)
Total accumulated other comprehensive income	(290,808)	(269,245)
Share acquisition rights	5,393	5,393
Non-controlling interests	5,029	4,309
Total net assets	2,437,811	2,404,917
Total liabilities and net assets	5,992,805	6,206,606

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)
(First quarter of the fiscal year ending December 31, 2023)

	(Thousands of yen)
	First quarter of the fiscal year ending December 31, 2023 (From January 1, 2023 to March 31, 2023)
Net sales	1,443,528
Cost of sales	389,635
Gross profit	1,053,892
Selling, general and administrative expenses	1,118,359
Operating loss	(64,467)
Non-operating income	
Interest income	3,292
Subsidy income	7,740
Other	720
Total non-operating income	11,753
Non-operating expenses	
Interest expenses	24,095
Foreign exchange losses	8,751
Other	209
Total non-operating expenses	33,056
Ordinary loss	(85,770)
Extraordinary losses	
Impairment losses	859
Total extraordinary losses	859
Loss before income taxes	(86,629)
Income taxes—current	5,279
Income taxes—deferred	(1,903)
Total income taxes	3,376
Loss	(90,006)
Loss attributable to non-controlling interests	(719)
Loss attributable to owners of parent	(89,286)

(Consolidated statement of comprehensive income)
(First quarter of the fiscal year ending December 31, 2023)

(Thousands of yen)

	First quarter of the fiscal year ending December 31, 2023 (From January 1, 2023 to March 31, 2023)
Loss	(90,006)
Other comprehensive income	
Foreign currency translation adjustment	21,563
Total other comprehensive income	21,563
Comprehensive income	(68,442)
(Breakdown)	
Comprehensive income attributable to owners of parent	(67,722)
Comprehensive income attributable to non-controlling interests	(719)

(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)

There is no applicable information.

(Significant events after the reporting period)

(Stock split and partial amendments to the Articles of Incorporation due to the stock split)

By resolution of a Board of Directors meeting held on March 8, 2023 we conducted a stock split and partially amended the Articles of Incorporation due to the stock split, both effective April 1, 2023.

1. Purpose of stock split

The purpose of the stock split conducted was to improve the liquidity of our company's stock and expand our investor base by lowering the value per investment unit.

2. Overview of stock split

(1) Stock split method

We conducted the 5-for-1 stock split for common shares held by shareholders stated or recorded on the shareholders register on a record date of March 31, 2023.

(2) Number of shares increased due to split

Total number of issued shares before the stock split: 1,855,020
Increase in the total number of issued shares due to stock split: 7,420,080
Total number of issued shares after the stock split: 9,275,100
Total number of authorized shares after the stock split: 35,810,400

(3) Schedule of the stock split

Date of announcing a record date: March 16, 2023
Record date: March 31, 2023
Effective date: April 1, 2023

(4) Impacts on per-share information

Any impact on per-share information is stated in each impacted part.

3. Partial Amendments to the Articles of Incorporation due to the stock split

(1) Reason for the amendment to the Articles of Incorporation

As a result of the stock split this time, pursuant to Article 184, Paragraph 2 of the Companies Act, we amended, effective April 1, 2023, the total number of shares authorized to be issued under Article 6 of the Articles of Incorporation of our company.

(2) Description of the amendment to the Articles of Incorporation

The details of the amendments are as follows:

(Changes are underlined.)

The pre-amendment Articles of Incorporation	The amended Articles of Incorporation
(Total number of authorized shares) Article 6. The total number of shares authorized to be issued by the Company shall be <u>7,162,080</u> .	(Total number of authorized shares) Article 6. The total number of shares authorized to be issued by the Company shall be <u>35,810,400</u> .

(3) Schedule of the amendment to the Articles of Incorporation

Effective date: April 1, 2023

4. Other

(1) Change in share capital

No change was made to share capital as a result of the stock split this time.

(2) Adjustment to exercise prices of share acquisition rights

As a result of the stock split this time, the exercise prices per share of share acquisition rights issued by our company were adjusted as follows effective April 1, 2023.

	Pre-adjustment exercise price	Adjusted exercise price
4th Share Acquisition Rights	4,955 yen	991 yen
5th Share Acquisition Rights	4,955 yen	991 yen
6th Share Acquisition Rights	4,955 yen	991 yen
8th Share Acquisition Rights	10,319 yen	2,064 yen
12th Share Acquisition Rights	7,000 yen	1,400 yen
13th Share Acquisition Rights	7,000 yen	1,400 yen
14th Share Acquisition Rights	7,000 yen	1,400 yen