

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, 2022	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2023	-	0.00			
Fiscal year ending December 31, 2023 (forecast)			-	-	-

(Notes) Revisions to the most recently announced dividend forecast: None

The Articles of Incorporation of INFORICH INC. (“INFORICH” or the “Company”) set the final date of the second quarter and the fiscal year as record dates. However, the forecast of cash dividends at the fiscal year-end has yet to be determined.

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

(Percentages indicate 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	7,333	67.1	942	—	118	—	142	—	43	—	4.65

(Notes) 1. Revisions to the most recently announced earnings forecast: Yes

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.

3. EBITDA = Operating profit and loss + Depreciation

4. For the revisions to the consolidated earnings forecast, please refer to “2023年12月期 連結業績予想の上方修正に関するお知らせ” announced today (August 10, 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)	Second quarter of the fiscal year ending December 31, 2023	9,292,600 shares	Fiscal year ended December 31, 2022	9,233,100 shares
(ii) Number of treasury shares at the end of the period	Second 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)	Second quarter of the fiscal year ending December 31, 2023	9,273,379 shares	Second quarter of the fiscal year ended December 31, 2022	- shares

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

2. A 5-for-1 common stock split was conducted with an effective date of April 1, 2023. “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” 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 hybrid quarterly financial results briefing along with a medium-term business plan briefing, both in-person at a venue and live-streaming, on Wednesday, August 23, 2023. The materials used in the quarterly financial results briefing will be disclosed today through TDnet and will be posted on the Company’s website. The medium-term business plan will be disclosed at a later date.

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1. Overview of consolidated results of operations and financial condition

(1) Overview of results of operations

The economic situation in Japan during the second quarter of the fiscal year ending December 31, 2023 was positively influenced by increased consumption behavior thanks to the lifting of restrictions on activities due to the spread of COVID-19, and this trend is expected to continue. The number of inbound travelers are expected to continue to increase for some time partially due to the weak yen. Meanwhile, the international situation remained highly uncertain and future concerns, such as protracted inflation and labor shortages due to the declining birthrate and aging population, 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 48,957 installed battery stands, including 40,935 in Japan, as of the end of June 2023, increasing them steadily toward the goal of having batteries shared that can be borrowed and returned anywhere. On June 1, 2023, we revised the price of the mobile battery sharing service ChargeSPOT in Japan to improve the average unit price per rental, and we have been working hard to reduce costs and improve management efficiency.

As a result, for the quarter under review, net sales were 3,289,096 thousand yen, EBITDA (Note) was 399,809 thousand yen, operating profit was 27,341 thousand yen, ordinary profit was 108,750 thousand yen, and profit attributable to owners of parent posted 40,247 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

(i) Assets, liabilities, and net assets

(Current assets)

Current assets at the end of the quarter under review were 4,104,778 thousand yen (up 438,993 thousand yen compared with December 31, 2022). This was mainly due to an increase in cash and deposits of 459,684 thousand yen.

(Non-current assets)

Non-current assets at the end of the quarter under review were 2,459,000 thousand yen (up 131,978 thousand yen compared with December 31, 2022). This was mainly due to an increase in leased assets of 384,065 thousand yen owing to the new installation of battery stands and in tools, furniture and fixtures of 85,985 thousand yen.

(Current liabilities)

Current liabilities at the end of the quarter under review were 3,383,638 thousand yen (up 631,704 thousand yen compared with December 31, 2022). This was mainly due to an increase in contract liabilities by 377,758 thousand yen and lease liabilities by 233,948 thousand yen.

(Non-current liabilities)

Non-current liabilities at the end of the quarter under review were 726,971 thousand yen (down 76,088 thousand yen compared with December 31, 2022). This was mainly due to a decrease in lease obligations of 104,529 thousand yen.

(Net assets)

Net assets at the end of the quarter under review were 2,453,168 thousand yen (up 15,357 thousand yen compared with December 31, 2022). This was mainly due to: i) an increase in both share capital and capital surplus of 26,484 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 overallotment) and the execution of share acquisition rights; and ii) while there was an increase in retained earnings of 40,247 thousand yen due to the recording of profit attributable to owners of parent, foreign currency translation adjustments resulted in a decrease of 76,480 thousand yen.

(ii) Cash flows

Cash and cash equivalents at the end of the quarter under review were 2,402,425 thousand yen. Cash flows by activity and factors affecting cash flows for the quarter under review are as follows.

(Cash flows from operating activities)

Funds provided by operating activities amounted to 821,189 thousand yen. This was mainly due to a profit before income taxes of 52,188 thousand yen, depreciation of 372,468 thousand yen, and an increase in contract liabilities of 310,895 thousand yen, though there was also a decrease due to an increase in accounts receivable-other of 141,488 thousand yen.

(Cash flows from investing activities)

Funds used in investing activities amounted to 636,509 thousand yen. This was mainly due to the purchase of property, plant and equipment (mobile batteries, battery stands, etc.) of 563,093 thousand yen and payments into time deposits of 71,534 thousand yen.

(Cash flows from financing activities)

Funds provided by financing activities amounted to 119,701 thousand yen. This was mainly due to 608,820 thousand yen in proceeds from sale and leaseback transactions and 35,393 thousand yen in proceeds from issuance of shares, though there were also repayments of lease liabilities amounting to 533,254 thousand yen.

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

The consolidated earnings forecast for the fiscal year ending December 31, 2023 has been revised from the earnings forecast announced on February 14, 2023. For details, please refer to “2023年12月期 連結業績予想の上方修正に関するお知らせ” announced today. The medium-term business plan will be disclosed at a later date.

(Note) EBITDA = Operating profit and loss + Depreciation

2. Consolidated financial statements and significant notes thereto

(1) Consolidated balance sheet

(Thousands of yen)

	Fiscal year ended December 31, 2022 (December 31, 2022)	Second quarter of the fiscal year ending December 31, 2023 (June 30, 2023)
Assets		
Current assets		
Cash and deposits	2,614,044	3,073,728
Accounts receivable-trade	76,687	110,427
Supplies	43,173	16,235
Accounts receivable-other	494,455	620,531
Other	464,708	317,096
Allowance for doubtful accounts	(27,284)	(33,248)
Total current assets	3,665,784	4,104,778
Non-current assets		
Property, plant and equipment		
Tools, furniture and fixtures	1,048,514	1,134,500
Leased assets	1,540,164	1,924,229
Construction in progress	442,924	405,547
Other	83,893	86,163
Accumulated depreciation	(849,574)	(1,154,938)
Total property, plant and equipment	2,265,922	2,395,502
Intangible assets	12,995	13,213
Investments and other assets		
Distressed receivables	158,616	166,894
Other	48,103	50,285
Allowance for doubtful accounts	(158,616)	(166,894)
Total investments and other assets	48,103	50,285
Total non-current assets	2,327,021	2,459,000
Total assets	5,992,805	6,563,778

(Thousands of yen)

	Fiscal year ended December 31, 2022 (December 31, 2022)	Second quarter of the fiscal year ending December 31, 2023 (June 30, 2023)
Liabilities		
Current liabilities		
Short-term borrowings	716,000	713,000
Current portion of long-term borrowings	39,600	9,600
Lease obligations	852,033	1,085,982
Income taxes payable	54,846	26,416
Contract liabilities	511,542	889,301
Provision	48,012	68,562
Other	529,898	590,775
Total current liabilities	2,751,934	3,383,638
Non-current liabilities		
Long-term borrowings	12,000	36,400
Lease obligations	791,060	686,530
Other	-	4,040
Total non-current liabilities	803,060	726,971
Total liabilities	3,554,994	4,110,610
Net assets		
Shareholders' equity		
Share capital	218,707	245,191
Capital surplus	6,007,488	6,033,972
Retained earnings	(3,507,998)	(3,467,751)
Total shareholders' equity	2,718,197	2,811,413
Accumulated other comprehensive income		
Foreign currency translation adjustment	(290,808)	(367,289)
Total accumulated other comprehensive income	(290,808)	(367,289)
Share acquisition rights	5,393	5,316
Non-controlling interests	5,029	3,728
Total net assets	2,437,811	2,453,168
Total liabilities and net assets	5,992,805	6,563,778

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

	(Thousands of yen)
	Second quarter of the fiscal year ending December 31, 2023 (From January 1, 2023 to June 30, 2023)
Net sales	3,289,096
Cost of sales	864,914
Gross profit	2,424,182
Selling, general and administrative expenses	2,396,840
Operating profit	27,341
Non-operating income	
Interest income	4,291
Foreign exchange gains	121,938
Subsidy income	7,784
Other	1,410
Total non-operating income	135,424
Non-operating expenses	
Interest expenses	52,172
Other	1,842
Total non-operating expenses	54,015
Ordinary profit	108,750
Extraordinary losses	
Impairment losses	55,744
Loss on retirement of non-current assets	816
Total extraordinary losses	56,561
Profit before income taxes	52,188
Income taxes-current	7,940
Income taxes-deferred	5,301
Total income taxes	13,242
Quarterly profit	38,946
Loss attributable to non-controlling interests	(1,300)
Profit attributable to owners of parent	40,247

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

(Thousands of yen)

	Second quarter of the fiscal year ending December 31, 2023 (From January 1, 2023 to June 30, 2023)
Quarterly profit	38,946
Other comprehensive income	
Foreign currency translation adjustment	(76,480)
Total other comprehensive income	(76,480)
Comprehensive income	(37,534)
(Breakdown)	
Comprehensive income attributable to owners of parent	(36,233)
Comprehensive income attributable to non-controlling interests	(1,300)

(3) Quarterly consolidated statement of cash flows

(Thousands of yen)

	Second quarter of the fiscal year ending December 31, 2023 (From January 1, 2023 to June 30, 2023)
Cash flows from operating activities	
Profit before income taxes	52,188
Depreciation	372,468
Impairment losses	55,744
Loss on retirement of non-current assets	816
Increase (decrease) in allowance for doubtful accounts	14,240
Increase (decrease) in provisions	19,512
Interest income	(4,291)
Interest expenses	52,172
Subsidy income	(7,784)
Share issuance costs	155
Foreign exchange losses (gains)	(136,246)
Decrease (increase) in trade receivables	(27,074)
Decrease (increase) in inventories	28,078
Decrease (increase) in accounts receivable-other	(141,488)
Decrease (increase) in other current assets	224,655
Decrease (increase) in distressed receivables	(8,277)
Increase (decrease) in contract liabilities	310,895
Increase (decrease) in accounts payable-other	3,746
Increase (decrease) in other current liabilities	40,828
Other	33,736
Subtotal	884,080
Interest and dividends received	4,291
Interest paid	(52,172)
Subsidies received	7,784
Income taxes paid	(22,793)
Net cash provided by (used in) operating activities	821,189
Cash flows from investing activities	
Purchase of property, plant and equipment	(563,093)
Payments into time deposits	(71,534)
Other	(1,881)
Net cash provided by (used in) investing activities	(636,509)
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	(3,000)
Proceeds from long-term borrowings	30,000
Repayments of long-term borrowings	(35,600)
Proceeds from sale and leaseback transactions	608,820
Repayments of lease liabilities	(533,254)
Proceeds from issuance of shares	35,393
Proceeds from issuance of shares resulting from exercise of share acquisition rights	17,342
Net cash provided by (used in) financing activities	119,701
Effect of exchange rate change on cash and cash equivalents	83,767
Net increase (decrease) in cash and cash equivalents	388,150
Cash and cash equivalents at beginning of period	2,014,275
Cash and cash equivalents at end of quarter	2,402,425

- (4) Notes to consolidated financial statements
(Matters related to the assumption of a going concern)
There is no applicable information.

Noes to significant changes in shareholders' equity
There is no applicable information.