

**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 Fiscal Year Ended December 31, 2023 (Under Japanese GAAP)

February 14, 2024

Company name	INFORICH INC.	Listed on: Tokyo Stock Exchange
Securities code	9338	URL: <a href="https://inforich.net">https://inforich.net</a>
Representative	Hironobu Akiyama, President and CEO	
Inquiries	Yuki Hashimoto, CFO	Telephone: +81-3-4500-9221
Scheduled date of annual general meeting of shareholders:	March 28, 2024	
Scheduled date of commencement of dividend payment:	-	
Scheduled date of filing of annual securities report:	March 29, 2024	
Preparation of supplementary material on financial results:	: Yes	
Holding of financial results briefing:	: 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 fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

#### (1) Consolidated operating results

(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	%
Fiscal year ended December 31, 2023	7,681	75.0	1,409	-	603	-	633	-	571	-
Fiscal year ended December 31, 2022	4,389	166.7	-	-	(1,397)	-	(1,177)	-	(1,241)	-

Note: Comprehensive income  
 Fiscal year ended December 31, 2023                      504 million yen    (-%)  
 Fiscal year ended December 31, 2022                      (1,485) million yen    (-%)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2023	61.50	59.13	20.8	8.6	7.9
Fiscal year ended December 31, 2022	(138.53)	-	(40.7)	(20.2)	(31.8)

Reference: Share of profit (loss) of entities accounted for using equity method

Fiscal year ended December 31, 2023                      - million yen  
 Fiscal year ended December 31, 2022                      - million yen

- Notes: 1. Diluted earnings per share of common stock for the fiscal year ended December 31, 2022 is omitted basic earnings per share was negative although there are residual shares.
2. INFORICH INC. (“INFORICH” or the “Company”) conducted a five-for-one stock split of its common shares as of September 30, 2022, and as of April 1, 2023. Accordingly, basic earnings per share and diluted earnings per share have been calculated assuming that the stock split was conducted at the beginning of the fiscal year ended December 31, 2022.
3. For EBITDA, which was newly included from the fiscal year ended December 2023, the figure and year-on-year change for the fiscal year ended December 2022 and the year-on-year change for the fiscal year ended December 2023 are not indicated.
4. EBITDA = Operating profit and loss + depreciation

#### (2) Consolidated financial condition

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	8,753	3,081	35.1	328.00
As of December 31, 2022	5,992	2,437	40.5	262.90

Reference: Total shareholders' equity  
 Fiscal year ended December 31, 2023                      3,076 million yen  
 Fiscal year ended December 31, 2022                      2,427 million yen

Note: The Company conducted a five-for-one stock split of its common shares as of September 30, 2022, and as of April 1, 2023. Accordingly, net assets per share has been calculated assuming that the stock split was conducted at the beginning of the fiscal year ended December 31, 2022.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2023	2,430	(959)	885	4,427
Fiscal year ended December 31, 2022	(830)	(1,298)	1,081	2,014

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2022	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended December 31, 2023	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending December 31, 2024 (forecast)	-	-	-	-	-		-	

Note: The Company's Articles of Incorporation set the final date of the second quarter and the fiscal year as record dates. However, the forecast of cash dividends at the record dates 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

Note: EBITDA = Operating profit and loss + depreciation

\* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in a change in the scope of consolidation) : None
- (2) 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 1) above : None
  - (iii) Changes in accounting estimates : None
  - (iv) Restatement : None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)	As of December 31, 2023	9,379,775 shares	As of December 31, 2022	9,233,100 shares
(ii) Number of treasury shares at the end of the period	As of December 31, 2023	59 shares	As of December 31, 2022	-
(iii) Average number of shares outstanding during the period	Fiscal year ended December 31, 2023	9,299,512 shares	Fiscal year ended December 31, 2022	8,962,590 shares

Note: The Company conducted a five-for-one stock split of its common shares as of September 30, 2022, and as of April 1, 2023. Accordingly, the 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 that the stock split was conducted at the beginning of the fiscal year ended December 31, 2022.



○ Table of contents of the appendix

1.	Overview of consolidated results of operations and financial condition .....	2
(1)	Overview of results of operations .....	2
(2)	Overview of financial condition.....	2
(3)	Overview of cash flows.....	3
(4)	Future outlook.....	3
2.	Basic view on the selection of appropriate accounting standard .....	4
3.	Consolidated financial statements and significant notes thereto .....	5
(1)	Consolidated balance sheet .....	5
(2)	Consolidated statement of income and consolidated statement of comprehensive income .....	7
	(Consolidated statement of income).....	7
	(Consolidated statement of comprehensive income).....	8
(3)	Consolidated statement of changes in equity .....	9
(4)	Consolidated statement of cash flows .....	11
(5)	Notes to consolidated financial statements.....	12
	(Matters related to the assumption of a going concern) .....	12
	(Business segment information, etc.) .....	12
	(Per share information).....	14
	(Subsequent events).....	15

## 1. Overview of consolidated results of operations and financial condition

### (1) Overview of results of operations

During the fiscal year ended December 31, 2023, the Japanese economy showed a slower pace of recovery as the rebound in demand after the COVID-19 pandemic was over has almost run its course. Although the employment situation keeps improving and nominal wages continue to increase, the rising general prices have presumably cooled consumer confidence. Meanwhile, consumption by inbound tourists is increasing and is anticipated to remain on an upward trend going forward, with Chinese visitors to Japan expected to show a full-on recovery by the end of fiscal 2024. As for the world economy, the growth rate tends to decelerate in light of uncertain international conditions, causing concerns about the future outlook.

The sharing economy area is the key business area of the INFORICH Group (the "Group"). 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.

In the ChargeSPOT business of the Group, the flow of people is a crucial factor. Since the declaration of a state of emergency made in April 2020 due to the spread of the COVID-19 infection, the flow of people within Japan has dropped significantly. In the areas overseas where the Group operates, restrictions on going out were even stricter than in Japan, severely impacting the flow of people. Given a declining flow of people and a reduced number of rentals, the Group reviewed its installation protocol and optimized implementation, taking measures with an eye on the anticipated end of the COVID-19 pandemic. Subsequently, in March 2023, COVID-19 was re-classified in Japan as a Class 5 infectious disease under the Infectious Diseases Control Law, and various restrictions were effectively eliminated. The ban on holding events was lifted, and the reduced restaurant hours were returned to the pre-COVID-19 level, leading to a significant recovery in the flow of people. Restrictions have also been gradually lifted worldwide since the beginning of 2023, and the flow of people is on track to recovery. These have resulted in the 2023 sales of the ChargeSPOT business being significantly higher than in 2022. Moreover, we have been receiving requests from various industries to install ChargeSPOT in anticipation of the recovery of customer traffic after the COVID-19 pandemic, and the number of installations is also increasing steadily.

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 while they are out of home in a day. 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)\*. 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\*. 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 done 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\*. 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\*. However, the average power consumption of smartphones has increased by 17.9%, exceeding the increase in the capacity of built-in batteries\*, 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.

\* 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. The Group as a whole had 50,618 installed battery stands, including 42,439 in Japan, as of the end of December 2023, increasing them 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 1.129 million for the entire Group, including 813 thousand in Japan. The number of monthly rentals on a quarterly average reached 2.08 million for the entire Group, including 1.55 million in Japan, steadily expanding the range of services. Furthermore, in order to continue to grow and become one of Japan's leading cross-border companies, and to aim for sustainable growth and improvement of corporate value over the medium to long term, we formulated our medium-term management plan "Vision 2030" in August 2023. At the same time, in order for our domestic and overseas teams to make a concerted effort to accelerate growth, we redefined the meaning of our existence and the world we aspire to and developed a new Mission Statement called "Bridging Beyond Borders" as we embark on a new start.

As a result, net sales increased significantly to 7,681,681 thousand yen, up 75.0% from the previous fiscal year. The Group posted EBITDA (Note) of 1,409,427 thousand yen, operating profit of 603,905 thousand yen (operating loss of 1,397,069 thousand yen in the previous fiscal year), ordinary profit of 633,718 thousand yen (ordinary loss of 1,177,173 thousand yen in the previous fiscal year), and profit attributable to owners of parent of 571,888 thousand yen (loss attributable to owners of parent of 1,241,596 thousand yen in the previous fiscal 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.

### (2) Overview of financial condition

#### (Current assets)

The balance of current assets at the end of the fiscal year ended December 31, 2023 was 5,931,349 thousand yen (up 2,265,564 thousand yen from the end of the previous fiscal year). This was mainly due to an increase in cash and deposits of 2,217,247 thousand yen.

(Non-current assets)

The balance of non-current assets at the end of the fiscal year ended December 31, 2023 was 2,822,113 thousand yen (up 495,092 thousand yen from the end of the previous fiscal year). This was mainly due to increases in leased assets of 491,967 thousand yen associated with the new installation of battery stands and in tools, furniture and fixtures of 200,621 thousand yen.

(Current liabilities)

The balance of current liabilities at the end of the fiscal year ended December 31, 2023 was 4,898,083 thousand yen (up 2,146,149 thousand yen from the end of the previous fiscal year). This was mainly due to increases in contract liabilities of 772,299 thousand yen associated with the business expansion of a sub-subsidiary and in short-term borrowings of 964,000 thousand yen.

(Non-current liabilities)

The balance of non-current liabilities at the end of the fiscal year ended December 31, 2023 was 773,850 thousand yen (down 29,209 thousand yen from the end of the previous fiscal year). This was mainly due to a decrease in lease obligations of 54,833 thousand yen.

(Net assets)

The balance of net assets at the end of the fiscal year ended December 31, 2023 was 3,081,529 thousand yen (up 643,718 thousand yen from the end of the previous fiscal year). This was mainly due to: i) increases in both share capital and capital surplus of 72,502 thousand yen each as new shares were issued through third-party allotment (third-party allotment for the secondary offering (over-allotment)) and the execution of share acquisition rights; ii) an increase in retained earnings of 571,888 thousand yen due to the recording of profit attributable to owners of parent; and iii) a decrease in foreign currency translation adjustments of 66,006 thousand yen.

(3) Overview of cash flows

Cash and cash equivalents (“net cash”) at the end of the fiscal year ended December 31, 2023 amounted to 4,427,001 thousand yen, up 2,412,726 thousand yen from the previous fiscal year. The status of respective cash flows in the fiscal year under review and their contributing factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 2,430,079 thousand yen (in contrast to net cash used amounting to 830,411 thousand yen in the previous fiscal year). The major factors of cash inflows included profit before income taxes of 473,519 thousand yen (loss before income taxes of 1,238,205 thousand yen in the previous fiscal year), depreciation of 805,522 thousand yen (481,305 thousand yen in the previous fiscal year) and impairment losses of 148,074 thousand yen (125,382 thousand yen in the previous fiscal year), while the major factors of cash outflows were increase in trade receivables of 99,638 thousand yen (40,799 thousand yen in the previous fiscal year) due to the expansion of sales and increase in accounts receivable - other of 220,006 thousand yen (186,377 thousand yen in the previous fiscal year).

(Cash flows from investing activities)

Net cash used in investing activities amounted to 959,130 thousand yen (in contrast to net cash used amounting to 1,298,969 thousand yen in the previous fiscal year). The major factor was purchase of property, plant and equipment of 1,148,714 thousand yen (965,554 thousand yen in the previous fiscal year) due to the purchase of mobile batteries and battery stands, etc., against such factors as proceeds from withdrawal of time deposits of 301,682 thousand yen (null in the previous fiscal year).

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 885,077 thousand yen (in contrast to net cash provided amounting to 1,081,327 thousand yen in the previous fiscal year). The major factors included proceeds from issuance of shares (such as stock listing) of 35,393 thousand yen (236,584 thousand yen in the previous fiscal year), proceeds from sale and leaseback transactions of 1,140,645 thousand yen (1,150,204 thousand yen in the previous fiscal year) and net increase in short-term borrowings of 975,500 thousand yen (516,000 thousand yen in the previous fiscal year), against such factors as repayments of lease liabilities of 1,359,414 thousand yen (801,304 thousand yen in the previous fiscal year).

(4) Future outlook

While we need to continuously pay close attention to such risks as a decrease in the flow of people caused by pandemics or outbreaks of disasters, etc., and economic downturns due to changes in international conditions, we assume that the need for the mobile battery sharing service will continue to grow going forward. There is also a gradually growing trend among people to move away from a lifestyle of mass consumption in view of environmental protection and climate change countermeasures. We believe we can encourage such people to use the service by enhancing its convenience.

Under these circumstances, the consolidated earnings forecasts for the fiscal year ending December 31, 2024 are net sales of 10,011,984 thousand yen (up 30.3% year on year), EBITDA of 2,576,524 thousand yen (up 82.8% year on year), operating profit of 1,635,851 thousand yen (up 170.9% year on year), ordinary profit of 1,515,478 thousand yen (up 139.1% year on year) and profit attributable to owners of parent of 1,514,052 thousand yen (up 164.7% year on year).

The earnings forecasts are based on exchange rates of 17.97 yen to the Hong Kong dollar and 19.82 yen to the Chinese yuan.

The above earnings forecasts have been prepared based on information available at the time of releasing this material. The actual results may differ from those projected herein, depending on various factors in the future.

Note: EBITDA = Operating profit and loss + depreciation

For EBITDA, which was newly included from the fiscal year ended December 2023, the year-on-year change is not indicated.

## 2. Basic view on the selection of appropriate accounting standard

The Group has adopted Japanese GAAP for accounting standards in order to ensure comparability with its domestic peers. The Group will consider the application of International Financial Reporting Standards in light of future business development and domestic and overseas trends.

### 3. Consolidated financial statements and significant notes thereto

#### (1) Consolidated balance sheet

(Thousands of yen)

	Fiscal year ended December 31, 2022 (As of December 31, 2022)	Fiscal year ended December 31, 2023 (As of December 31, 2023)
<b>(Assets)</b>		
Current assets		
Cash and deposits	2,614,044	4,831,291
Accounts receivable - trade	76,687	180,317
Supplies	43,173	25,509
Accounts receivable - other	494,455	706,910
Other	464,708	225,023
Allowance for doubtful accounts	(27,284)	(37,702)
<b>Total current assets</b>	<b>3,665,784</b>	<b>5,931,349</b>
Non-current assets		
Property, plant and equipment		
Buildings	37,874	37,874
Tools, furniture and fixtures	1,048,514	1,249,136
Leased assets	1,540,164	2,032,131
Construction in progress	442,924	459,297
Other	46,019	229,840
Accumulated depreciation	(849,574)	(1,369,494)
<b>Total property, plant and equipment</b>	<b>2,265,922</b>	<b>2,638,785</b>
Intangible assets		
Other	12,995	12,429
<b>Total intangible assets</b>	<b>12,995</b>	<b>12,429</b>
Investments and other assets		
Deferred tax assets	13,912	129,755
Distressed receivables	158,616	36,037
Other	34,191	40,178
Allowance for doubtful accounts	(158,616)	(35,072)
<b>Total investments and other assets</b>	<b>48,103</b>	<b>170,899</b>
<b>Total non-current assets</b>	<b>2,327,021</b>	<b>2,822,113</b>
<b>Total assets</b>	<b>5,992,805</b>	<b>8,753,463</b>

(Thousands of yen)

	Fiscal year ended December 31, 2022 (As of December 31, 2022)	Fiscal year ended December 31, 2023 (As of December 31, 2023)
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	716,000	1,680,000
Current portion of long-term borrowings	39,600	15,600
Lease obligations	852,033	991,393
Accounts payable - other	425,684	484,484
Income taxes payable	54,846	63,072
Contract liabilities	511,542	1,283,842
Provision for bonuses	40,675	56,989
Provision for paid annual leave	5,910	7,551
Other	105,640	315,150
Total current liabilities	2,751,934	4,898,083
Non-current liabilities		
Long-term borrowings	12,000	36,400
Lease liabilities	791,060	736,227
Other	-	1,223
Total non-current liabilities	803,060	773,850
Total liabilities	3,554,994	5,671,933
<b>Net assets</b>		
Shareholders' equity		
Share capital	218,707	291,210
Capital surplus	6,007,488	6,078,472
Retained earnings	(3,507,998)	(2,936,109)
Treasury shares	-	(182)
Total shareholders' equity	2,718,197	3,433,390
Accumulated other comprehensive income		
Foreign currency translation adjustment	(290,808)	(356,815)
Total accumulated other comprehensive income	(290,808)	(356,815)
Share acquisition rights	5,393	4,954
Non-controlling interests	5,029	-
Total net assets	2,437,811	3,081,529
Total liabilities and net assets	5,992,805	8,753,463

## (2) Consolidated statement of income and consolidated statement of comprehensive income

(Consolidated statement of income)

(Thousands of yen)

	Fiscal year ended December 31, 2022 (From January 1, 2022 to December 31, 2022)	Fiscal year ended December 31, 2023 (From January 1, 2023 to December 31, 2023)
Net sales	4,389,053	7,681,681
Cost of sales	1,383,449	1,932,277
Gross profit	3,005,603	5,749,403
Selling, general and administrative expenses	4,402,672	5,145,498
Operating profit (loss)	(1,397,069)	603,905
Non-operating income		
Interest income	1,431	25,090
Foreign exchange gains	266,706	104,027
Other	26,763	13,021
Total non-operating income	294,901	142,139
Non-operating expenses		
Interest expenses	68,659	107,232
Bad debt expenses	5,442	-
Share issuance costs	830	155
Other	72	4,938
Total non-operating expenses	75,005	112,325
Ordinary profit (loss)	(1,177,173)	633,718
Extraordinary income		
Compensation gain on noncurrent assets	64,840	-
Total extraordinary income	64,840	-
Extraordinary losses		
Loss on retirement of non-current assets	490	5,413
Impairment losses	125,382	148,074
Loss on cancellation of lease liabilities	-	6,362
Loss on sale of shares of subsidiaries and associates	-	349
Total extraordinary losses	125,872	160,199
Profit (loss) before income taxes	(1,238,205)	473,519
Income taxes - current	20,989	17,980
Income taxes - deferred	(13,877)	(114,583)
Total income taxes	7,112	(96,603)
Profit (loss)	(1,245,317)	570,122
Loss attributable to non-controlling interests	(3,720)	(1,765)
Profit (loss) attributable to owners of parent	(1,241,596)	571,888

(Consolidated statement of comprehensive income)

(Thousands of yen)

	Fiscal year ended December 31, 2022 (From January 1, 2022 to December 31, 2022)	Fiscal year ended December 31, 2023 (From January 1, 2023 to December 31, 2023)
Profit (loss)	(1,245,317)	570,122
Other comprehensive income		
Foreign currency translation adjustment	(240,401)	(66,006)
Total other comprehensive income	(240,401)	(66,006)
Comprehensive income	(1,485,719)	504,116
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,481,998)	505,882
Comprehensive income attributable to non-controlling interests	(3,720)	(1,765)

## (3) Consolidated statement of changes in equity

Fiscal year ended December 31, 2022 (From January 1, 2022 to December 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100,000	5,888,781	(2,266,401)	-	3,722,379
Changes during period					
Issuance of new shares	118,707	118,707			237,415
Issuance of new shares (exercise of share acquisition rights)					-
Profit (loss) attributable to owners of parent			(1,241,596)		(1,241,596)
Purchase of shares of consolidated subsidiaries					-
Purchase of treasury shares					-
Net changes in items other than shareholders' equity					
Total changes during period	118,707	118,707	(1,241,596)	-	(1,004,181)
Balance at end of period	218,707	6,007,488	(3,507,998)	-	2,718,197

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(50,406)	(50,406)	3,477	-	3,675,449
Changes during period					
Issuance of new shares					237,415
Issuance of new shares (exercise of share acquisition rights)					-
Profit (loss) attributable to owners of parent					(1,241,596)
Purchase of shares of consolidated subsidiaries					-
Purchase of treasury shares					-
Net changes in items other than shareholders' equity	(240,401)	(240,401)	1,916	5,029	(233,456)
Total changes during period	(240,401)	(240,401)	1,916	5,029	(1,237,638)
Balance at end of period	(290,808)	(290,808)	5,393	5,029	2,437,811

Fiscal year ended December 31, 2023 (From January 1, 2023 to December 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	218,707	6,007,488	(3,507,998)	-	2,718,197
Changes during period					
Issuance of new shares	17,774	17,774			35,548
Issuance of new shares (exercise of share acquisition rights)	54,728	54,728			109,456
Profit attributable to owners of parent			571,888		571,888
Purchase of shares of consolidated subsidiaries		(1,518)			(1,518)
Purchase of treasury shares				(182)	(182)
Net changes in items other than shareholders' equity					
Total changes during period	72,502	70,983	571,888	(182)	715,192
Balance at end of period	291,210	6,078,472	(2,936,109)	(182)	3,433,390

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(290,808)	(290,808)	5,393	5,029	2,437,811
Changes during period					
Issuance of new shares					35,548
Issuance of new shares (exercise of share acquisition rights)					109,456
Profit attributable to owners of parent					571,888
Purchase of shares of consolidated subsidiaries					(1,518)
Purchase of treasury shares					(182)
Net changes in items other than shareholders' equity	(66,006)	(66,006)	(438)	(5,029)	(71,474)
Total changes during period	(66,006)	(66,006)	(438)	(5,029)	643,718
Balance at end of period	(356,815)	(356,815)	4,954	-	3,081,529

## (4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2022 (From January 1, 2022 to December 31, 2022)	Fiscal year ended December 31, 2023 (From January 1, 2023 to December 31, 2023)
Cash flows from operating activities		
Profit (loss) before income taxes	(1,238,205)	473,519
Depreciation	481,305	805,522
Impairment losses	125,382	148,074
Loss on cancellation of lease obligations	-	6,362
Loss on retirement of non-current assets	490	5,413
Compensation gain on noncurrent assets	(64,840)	-
Loss (gain) on valuation of investment securities	-	349
Increase (decrease) in allowance for doubtful accounts	(97,189)	(113,126)
Increase (decrease) in provision for bonuses	8,780	16,255
Interest income	(1,431)	(25,090)
Interest expenses	68,659	107,232
Share issuance costs	830	155
Foreign exchange losses (gains)	(263,037)	(109,067)
Decrease (increase) in trade receivables	(40,799)	(99,638)
Decrease (increase) in inventories	(11,986)	19,255
Decrease (increase) in accounts receivable - other	(186,377)	(220,006)
Decrease (increase) in other current assets	121,961	374,949
Decrease (increase) in distressed receivables	84,193	122,579
Increase (decrease) in contract liabilities	141,618	735,197
Increase (decrease) in accounts payable - other	73,047	59,094
Increase (decrease) in other current liabilities	69,789	218,509
Other, net	(30,397)	9,208
Subtotal	(758,205)	2,534,750
Interest and dividends received	1,431	25,090
Interest paid	(68,659)	(107,446)
Subsidies received	-	8,708
Income taxes paid	(4,977)	(31,023)
Net cash provided by (used in) operating activities	(830,411)	2,430,079
Cash flows from investing activities		
Purchase of property, plant and equipment	(965,554)	(1,148,714)
Payments into time deposits	(310,347)	(106,203)
Proceeds from withdrawal of time deposits	-	301,682
Other, net	(23,067)	(5,895)
Net cash provided by (used in) investing activities	(1,298,969)	(959,130)
Cash flows from financing activities		
Proceeds from issuance of share acquisition rights	3,193	-
Net increase (decrease) in short-term borrowings	516,000	975,500
Proceeds from long-term borrowings	-	30,000
Repayments of long-term borrowings	(32,100)	(41,100)
Proceeds from sale and leaseback transactions	1,150,204	1,140,645
Repayments of lease obligations	(801,304)	(1,359,414)
Proceeds from issuance of shares	236,584	35,393
Proceeds from share issuance to non-controlling shareholders	8,750	-
Proceeds from issuance of shares resulting from exercise of share acquisition rights	-	109,017
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(4,781)
Other, net	-	(182)
Net cash provided by (used in) financing activities	1,081,327	885,077
Effect of exchange rate change on cash and cash equivalents	57,967	56,700
Net increase (decrease) in cash and cash equivalents	(990,085)	2,412,726
Cash and cash equivalents at beginning of period	3,004,360	2,014,275
Cash and cash equivalents at end of period	2,014,275	4,427,001

(5) Notes to consolidated financial statements

(Matters related to the assumption of a going concern)

There is no applicable information.

(Business segment information, etc.)

[Business segment information]

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

[Related information]

Fiscal year ended December 31, 2022 (From January 1, 2022 to December 31, 2022)

1. Information by product and service

The information is omitted as net sales to external customers in the single product and service category exceed 90% of the net sales in the consolidated statement of income.

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	China (including Hong Kong)	Other	Total
3,393,877	782,317	212,858	4,389,053

Note: Net sales are classified by country or region based on the location of the customers.

(2) Property, plant and equipment

(Thousands of yen)

Japan	China (including Hong Kong)	Total
2,078,105	187,817	2,265,922

3. Information by major customer

The information is omitted as net sales to specific customers do not constitute more than 10% of the net sales in the consolidated statement of income.

Fiscal year ended December 31, 2023 (From January 1, 2023 to December 31, 2023)

1. Information by product and service

The information is omitted as net sales to external customers in the single product and service category exceed 90% of the net sales in the consolidated statement of income.

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	China (including Hong Kong)	Other	Total
6,166,881	1,316,117	198,682	7,681,681

Note: Net sales are classified by country or region based on the location of the customers.

(2) Property, plant and equipment

(Thousands of yen)

Japan	China (including Hong Kong)	Total
2,248,398	390,386	2,638,785

3. Information by major customer

The information is omitted as net sales to specific customers do not constitute more than 10% of the net sales in the consolidated statement of income.

[Impairment losses on non-current assets by reportable segment]

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

[Amortization of goodwill and the balance of unamortized goodwill by reportable segment]

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

[Gain on bargain purchase by reportable segment]

There is no applicable information.

## (Per share information)

	Fiscal year ended December 31, 2022 (From January 1, 2022 to December 31, 2022)	Fiscal year ended December 31, 2023 (From January 1, 2023 to December 31, 2023)
Net assets per share	262.90 yen	328.00 yen
Basic earnings (loss) per share	(138.53) yen	61.50 yen
Diluted earnings per share	-yen	59.13 yen

- Notes:
1. Diluted earnings per share of common stock for the previous fiscal year is omitted because basic earnings per share was negative although there are residual shares.
  2. The Company conducted a five-for-one stock split of its common shares as of September 30, 2022, and as of April 1, 2023. Accordingly, net assets per share, basic earnings (loss) per share and diluted earnings per share have been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.
  3. Basis earnings (loss) per share have been calculated on the following basis.

	Fiscal year ended December 31, 2022 (From January 1, 2022 to December 31, 2022)	Fiscal year ended December 31, 2023 (From January 1, 2023 to December 31, 2023)
Basic earnings (loss) per share		
Profit (loss) attributable to owners of parent (Thousands of yen)	(1,241,596)	571,888
Amount not attributable to common shareholders (thousands of yen)	-	-
Profit (loss) attributable to owners of parent related to common stock (thousands of yen)	(1,241,596)	571,888
Average number of shares of common stock outstanding during the period	8,962,590	9,299,512
(Number of shares of common stock)	(8,962,590)	(9,299,512)
(Number of shares of Series A preferred stock)	-	-
(Number of shares of Series B preferred stock)	-	-
(Number of shares of Series C preferred stock)	-	-
(Number of shares of Series D preferred stock)	-	-
Description of potential shares that were not included in the calculation of diluted earnings per share of common stock as they have no dilutive effects	7 types of share acquisition rights (159,906 share acquisition rights, 1,442,950 shares of common stock)	3 types of share acquisition rights (127,735 share acquisition rights, 638,675 shares of common stock)

## (Subsequent events)

[Reduction of share capital and legal capital surplus and appropriation of surplus]

At the Board of Directors' meeting held on February 14, 2024, the Company resolved to submit a proposal for reduction of share capital and legal capital surplus and appropriation of surplus to the annual general meeting of shareholders scheduled for March 28, 2024.

### 1. Purpose of capital reduction

The Company was listed on the Tokyo Stock Exchange Growth market on December 20, 2022. In accordance with the listing, the Company aims to eliminate the deficit amount of retained earnings as soon as possible, improve the financial soundness, and enhance flexibility and agility in its capital policy, including future shareholder returns. For these purposes, the Company will reduce the amount of share capital and legal capital surplus pursuant to the provisions of Article 447, Paragraph 1 and Article 448, Paragraph 1 of the Companies Act. There will be no change in the total number of shares issued and the amount of net assets as a result of this transaction, and there will be no impact on net assets per share.

### 2. Summary of capital reduction

#### (1) Amount of share capital to be reduced

The amount of share capital shall be reduced to 10,000,000 yen by reducing 281,210,175 yen from the amount of 291,210,175 yen as of December 31, 2023.

In the event which the share acquisition rights issued by the Company are exercised during the period up to the effective date of the share capital reduction, the amount of share capital will be reduced by the same amount as the increase in share capital due to the issuance of new shares upon exercise of such stock acquisition rights, thereby making the final amount of share capital 10,000,000 yen.

#### (2) Amount of legal capital surplus to be reduced

The amount of legal capital surplus shall be reduced to 10,000,000 yen by reducing 4,113,023,774 yen from the amount of 4,123,023,774 yen as of December 31, 2023.

In the event which the share acquisition rights issued by the Company are exercised during the period up to the effective date of the legal capital surplus reduction, the amount of legal capital surplus will be reduced by the same amount as the increase in legal capital surplus due to the issuance of new shares upon exercise of such stock acquisition rights, thereby making the final amount of legal capital surplus 10,000,000 yen.

#### (3) Method of capital reduction

The capital reduction will be made without refund, the total number of outstanding shares will not be changed, and the entire amount of share capital and legal capital surplus to be reduced will be transferred to other capital surplus.

### 3. Details of appropriation of retained earnings

Pursuant to Article 452 of the Companies Act, the Company will transfer 3,701,082,200 yen out of the other capital surplus of 4,394,233,949 yen arising from the reduction of share capital and legal capital surplus to retained earnings brought forward to compensate for the deficit, on the condition that the reduction of share capital and legal capital surplus takes effect.

- |  |   |
|--|---|
| 1) Item and amount of surplus to be reduced: | Other capital surplus (3,701,082,200 yen)             |
| 2) Item and amount of surplus to increase:   | Retained earnings brought forward (3,701,082,200 yen) |

The 3,701,082,200 yen planned to be appropriated to cover the deficit is the amount planned as of December 31, 2023, which will be confirmed in the financial statements to be approved at the extraordinary Board of Directors' meeting to be held on March 5, 2024, and may be subject to change at this time.

### 4. Schedule of capital reduction (planned)

(1) Date of resolution by the Board of Directors	February 14, 2024
(2) Date of resolution at the general meeting of shareholders	March 28, 2024
(3) Final date for creditors' objections	March 26, 2024 (planned)
(4) Effective date of capital reduction	March 28, 2024 (planned)

### 5. Future outlook

The transaction is a transfer of accounts in the net assets section of the balance sheet and will not result in any change in the Company's net assets. Note that the transaction is subject to approval at the annual general meeting of shareholders scheduled to be held on March 28, 2024.