



INFORICH^{INC.}

FY2022 Consolidated Financial Results
[Under Japanese GAAP]

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INFORICH INC.

— 01 Company

INFORICH INC.

Company Name:

INFORICH Inc.

Established:

September 2015

Head office address:

A-6A, 6-31-15 Jingumae, Shibuya-ku, Tokyo

of employees:

Non-consolidated: 109, Consolidated: 207 (Including temporary employees, as of December 2022)

Business Domain:

ChargeSPOT mobile battery sharing service / digital signage / advertising / hardware and software development

Affiliated companies (Ownership %):

INFORICH ASIA HOLDINGS Ltd. (100%), INFORICH ASIA HONG KONG Ltd. (100%), Yin Fury (Guangzhou) Technology Co. (100%), CHARGESPOT MARKETING(65%), etc.

of locations:

6 domestic sites, 2 overseas sites

INFORICH INC.



Board Director
President & CEO
(Founder)
Hironobu Akiyama

Born in Hong Kong and raised in Japan, he became a trilingual artist at Universal Music in 2007 and moved to Hong Kong in 2012, serving as an advisor to Fukuoka Prefecture's Hong Kong representative office and as the head of the overseas business office at the time of the establishment of IGNIS Corporation, which was listed on Mothers in 2014. In 2015, he founded INFORICH Co. Currently, he is developing ChargeSPOT services globally.



Board Director
Vice President
Tomohiro Kodama

Assigned to the Electronics and Information & Telecommunications Business Division at Nippon Steel Corporation. After serving as manager in charge of Internet, telecommunications, and multimedia-related business planning, he left Nippon Steel in 2001 and became Executive Vice President and COO of Digit Corporation. In 2004, he participated in the establishment of the Toranomon Graduate School of Kanazawa Institute of Technology, where he was a visiting professor in charge of Entrepreneurship until 2017. He has been an advisor to various venture companies, outside directors, and major companies in charge of new businesses.



Board Director
CFO
Yuki Hashimoto

He is a certified public accountant. At Deloitte Touche Tohmatsu LLC, he was engaged in statutory audits, J-SOX compliance, and IPO preparation support for various industries including retail/restaurant, advertising, and IT ventures. After working for a listed company as a manager in charge of financial results/timely disclosure, subsidiary management, and portfolio company management, he joined Melpay, a cashless FinTech subsidiary of Mercari Inc. As a corporate planning officer, he was mainly involved in budget management and the establishment of management accounting. He joined the company in December 2019 and oversees the domestic corporate division.



Outside Director
Daisuke Iwase

Founder of Lifenet Insurance. Retired after serving as President, Chairman of the Board, and in 2018, was invited to join AIA Group, Asia's largest life insurance company, as a member of the headquarters management committee and Group CDO. After his retirement, he founded and became Managing Partner of Tiger Gate Capital, a Hong Kong-based advisory firm that supports the growth of fintech and health tech companies. In the past, he served as an outside director of Benesse Holdings and YCP Holdings. He holds a B.A. in Law from the University of Tokyo and a M.B.A. from Harvard Business School.



Outside Director
Eriko Suzuki

Prior to joining Kind Capital, she was co-founder and managing director of Mistletoe and Fresco Capital, and then co-founder and managing director of ESG-focused VC firm MPower Partners. Prior to becoming an investor, she worked in investment banking at Morgan Stanley and UBS. She is the author of "From Now on, the Way We Live Becomes the Way We Work" (Daiwa Shobo) and the translator of "Mission Economy: A moonshot guide to changing capitalism".



Outside Director
Koichi Tomimoto (Koichi Tsunoda)

After graduating from UC Berkeley, he worked in M&A execution at an investment bank. As CFO at Manabo Inc. he was mainly responsible for finance, fundraising, legal and other corporate related activities, etc. He has been CFO at Yapuri Inc. since 2017 and has been a director of the company since 2018.

Full-time Outside Auditor
Kazunobu Ogura

Outside Auditor
Go Anan

Outside Auditor
Sachiko Hatano

INFORMATION × RICH = INFORICH^{INC.}

MISSION

**Creating a society that thinks and acts for the next
person and generation**

VISION

**Discover diverse possibilities,
foster borderless values, and connect the world**

We will connect the world by discovering the possibilities of each local person, asset, and idea and evolve it into an entity that can expand beyond the boundaries of culture and business.



Japan's first digital signage equipped Mobile battery sharing service ChargeSPOT

Borrow anywhere, return anywhere

Since the service was launched in April 2018, it has already been provided in 47 prefectures throughout Japan.

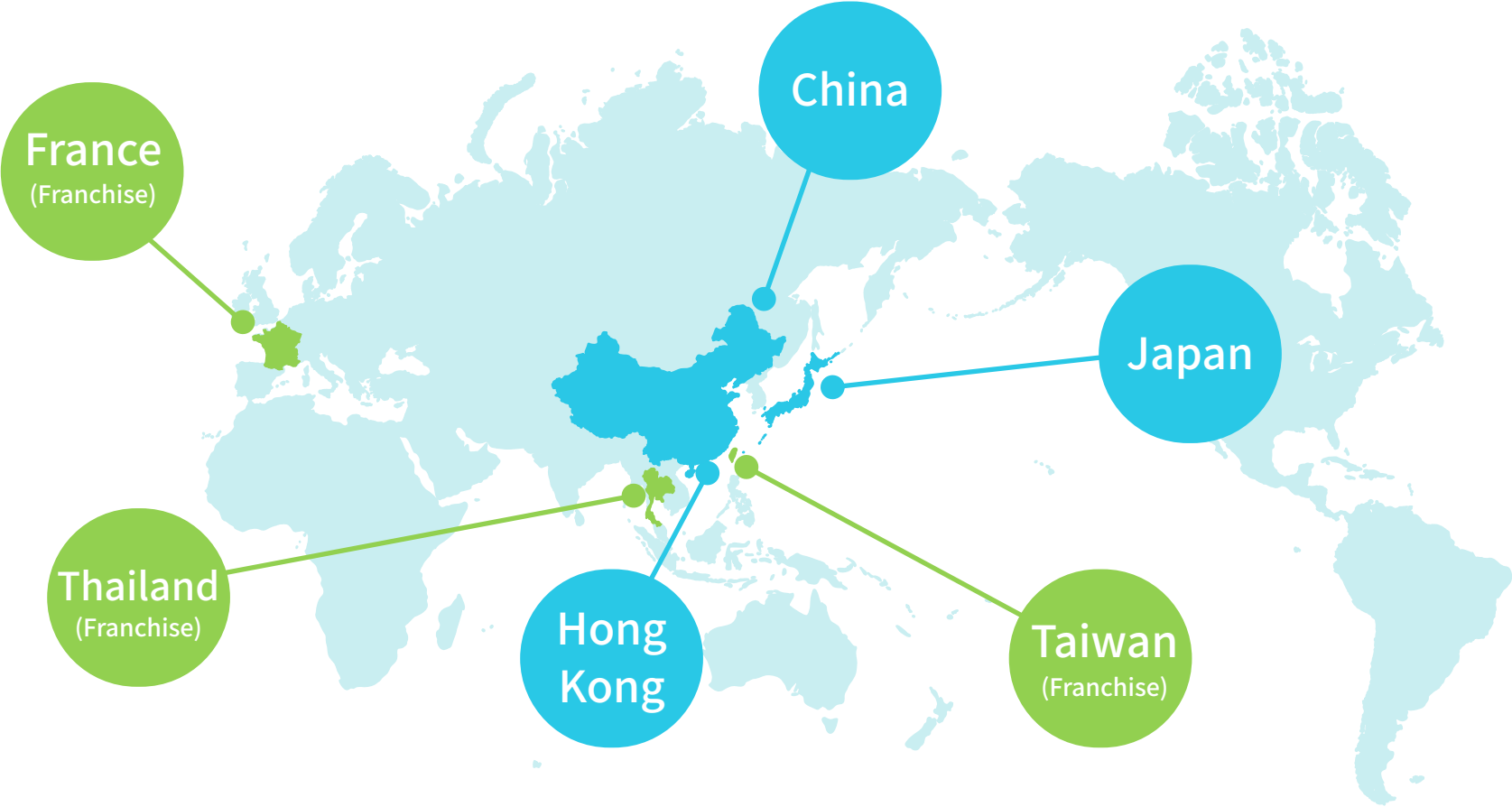
Overseas, the company is expanding its business to Hong Kong, Thailand, Taiwan, and France.

To use the app, simply scan the QR of the battery stand with digital signage.

Unlike conventional wall outlets and box chargers, the users can take borrowed mobile batteries with them.

Three types of cables are provided, making it compatible with most mobile devices.

In addition to Japan, we also offer services in Mainland China and Hong Kong through our subsidiaries.
In addition, we have franchises in Taiwan and Thailand, providing service in six regions.



*As of December 2022

38,000 stations in Japan

retailers, transportation, carriers, municipalities, and other locations essential to daily life

Convenience stores	Seven-Eleven, FamilyMart, Lawson
Railway stations	Tokyo Metro, Osaka Metro, Toei Subway, JR Tokai, Tokyu Corporation, Keio Corporation, Keisei Corporation, Keihin Electric Express Railway, Tobu Corporation
Airports	Tokyo International Airport, Kansai International Airport, Chubu Centrair International Airport
Karaoke	Karaoke Kan, Karaoke no Tetsujin, JOYSOUND, Big Echo, Uta Plaza
Carrier stores	docomo, Softbank, au, Rakuten Mobile
Cafe	Tully's Coffee, Doutor, Cafe de Crier, Ueshima Coffee, WIRED CAFE, Vie de France
Drugstores	Sugi Pharmacy, Wellcia, Kokumin Drug, Create SD, Turuha Drug
Electronic appliance stores	Yamada Denki, Yodobashi Camera, Bic Camera, EDION
Department stores & Mall	Isetan Mitsukoshi, DAIMARU, Takashimaya, LUMINE, ATRE, AEON, Mitsui Outlet Park, Roppongi Hills, Marui
Theme parks	Universal Studios Japan, Legoland, Fujikyū Highland, Huis Ten Bosch, Sanrio Puroland
Municipally facility	Shibuya Ward, Fukuoka City, Kobe City, Yamanashi Prefecture, Atami City
Other	TSUTAYA, post office, APA Hotel, Tokyo National Museum, Round One, Meiji Jingu Stadium, Mos Burger, Gusto

— 02 FY2022 Financial Highlights

INFORICH INC.

Net sales	compared to previous period	Increase from Forecast
4,389 million yen	+167% (+2,743 million yen)	+59 million yen
EBITDA	compared to previous period	Increase from Forecast
-915 million yen	-44% (+715 million yen)	-
Operating income	compared to previous period	Increase from Forecast
-1,397 million yen	-28% (+540 million yen)	+151 million yen

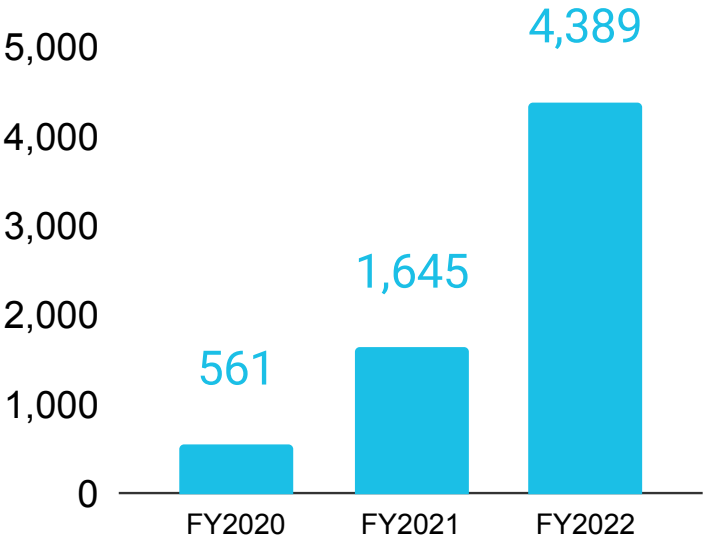
* EBITDA = operating income + depreciation and amortization

Sales continued to expand, reaching 4.3 billion yen.

EBITDA was -0.9 billion yen, and operating income was -1.3 billion yen, resulting in a narrowing of the deficit.

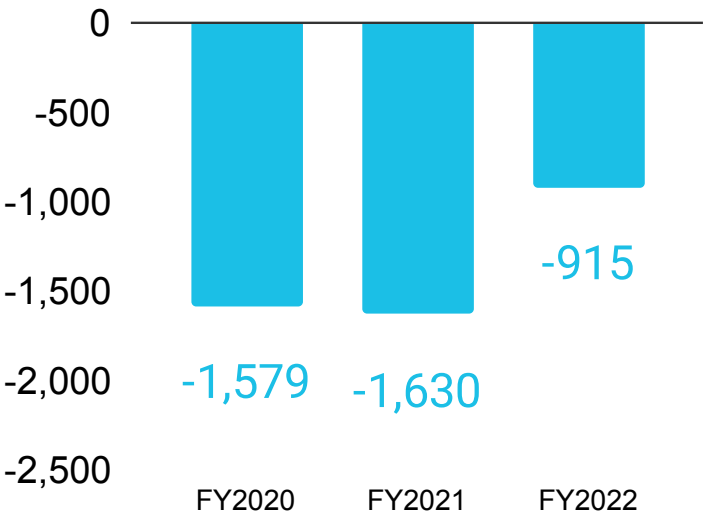
Net sales

Unit: Millions yen



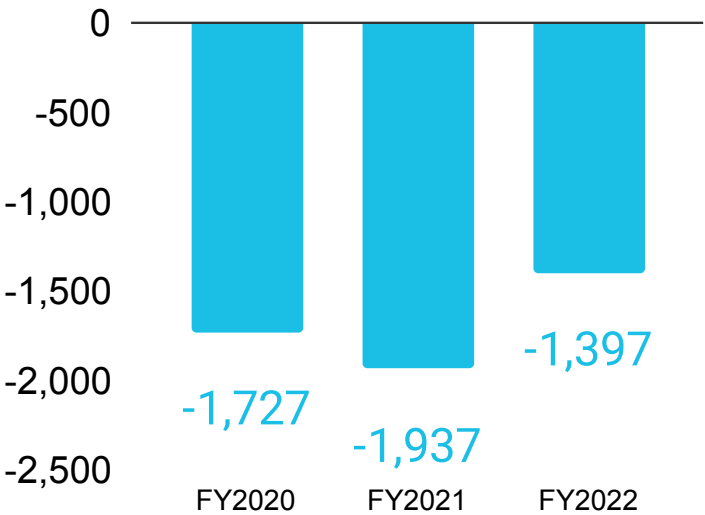
EBITDA

Unit: Millions yen



Operating income

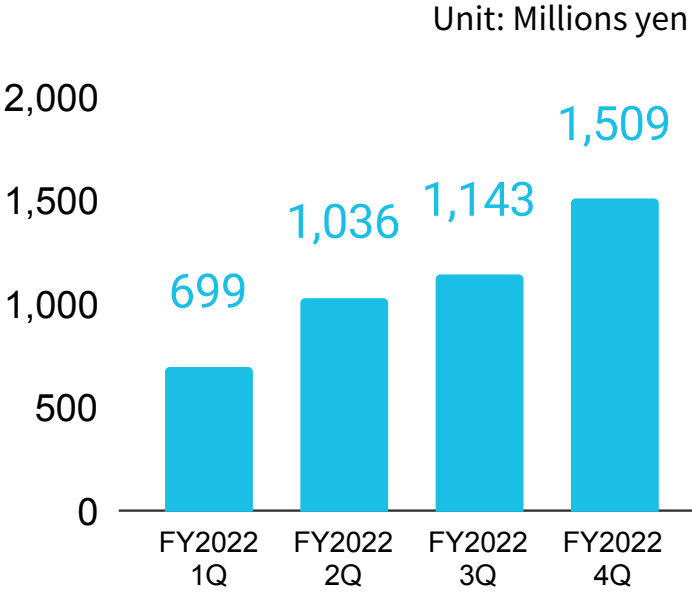
Unit: Millions yen



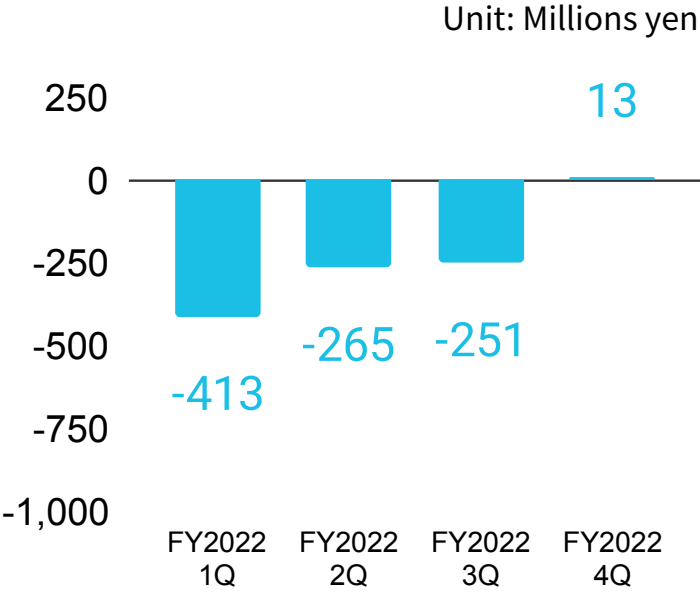
* EBITDA = operating income + depreciation and amortization

Sales have remained steady due to an increase in the # of monthly active users and rentals.
Operating loss narrowed to -0.1 billion yen in the fourth quarter, and EBITDA turned positive.

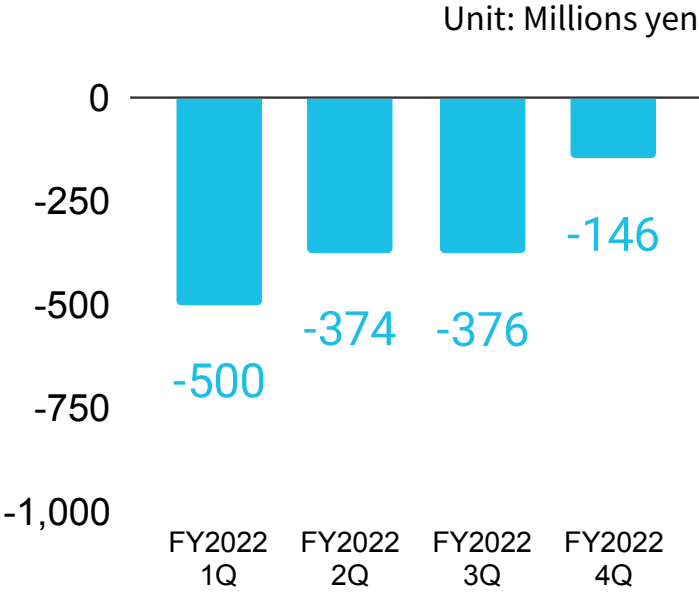
Net sales



EBITDA



Operating income



* EBITDA = operating income + depreciation and amortization

Sales have increased significantly (+167%) over the last fiscal year due to steady growth in the # of rentals.
Operating income exceeded the budgeted amount by 151 million yen, due to saving of SG&A cost.

Consolidated Statements of Income (Jan.-Dec.)

Unit: Millions yen

	FY2021 1-4Q	FY2022 1-4Q	YoY increase	Forecast	Increase from forecast
Net sales	1,645	4,389	167%	4,329	+59
Operating income	-1,937	-1,397	-28%	-1,548	+151
Operating profit ratio	-118%	-32%	+86pt	-36%	+4pt
EBITDA	-1,630	-915	-44%	-	-
Ordinary income	-1,946	-1,177	-40%	-1,199	+21
Net income attributable to parent company shareholders	-2,209	-1,241	-44%	-1,163	-78

* EBITDA = operating income + depreciation and amortization

Sales have remained steady every quarter, reaching 1.5 billion in the fourth quarter.
Operating loss narrowed to -0.1 billion yen in the fourth quarter, and EBITDA turned positive.

Consolidated Statements of Income (Jan.-Dec.)

Unit: Millions yen
(QoQ Increase %)

	FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q
Net sales	699	1,036 (+48%)	1,143 (+10%)	1,509 (+32%)
Operating income	-500	-374 (-25%)	-376 (1%)	-146 (-61%)
Operating profit ratio	-72%	-36% (+36pt)	-33% (+3pt)	-10% (+23pt)
EBITDA	-413	-265 (-36%)	-251 (-5%)	13 (-105%)
Ordinary income	-397	-202 (-49%)	-272 (+35%)	-304 (+12%)
Net income attributable to parent company shareholders	-398	-217 (-45%)	-275 (+27%)	-350 (+27%)

* EBITDA = operating income + depreciation and amortization

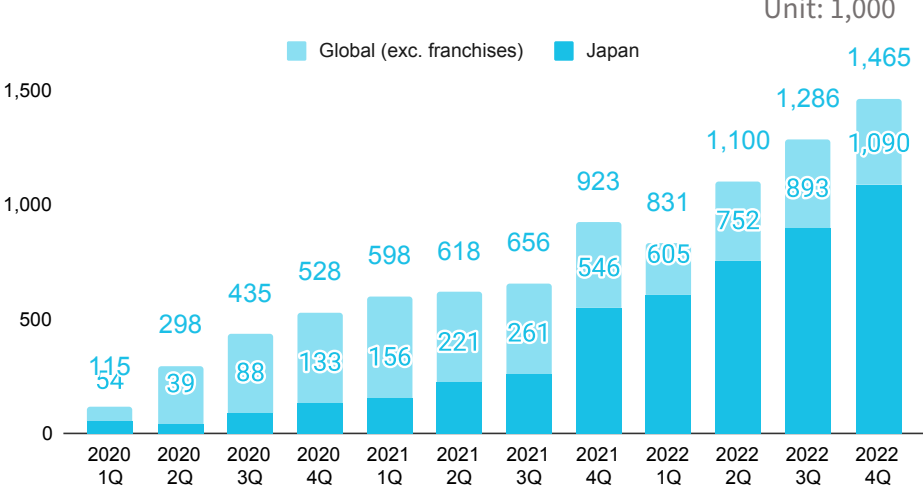
The Company continued to make upfront investments in business facilities and procured funds for such investments.

Consolidated Balance Sheet				Unit: Millions yen
	FY2021 4Q End	FY2022 4Q End	Increase	Main Reason
Current assets	4,035	3,665	-370	
Cash & deposit	3,293	2,614	-679	Impact of continued forward-looking business investments
Non-current assets	1,658	2,327	+668	Impact of expansion of business assets
Assets	5,693	5,992	+298	
Current liabilities	1,436	2,751	+1,315	Impact of increase in borrowed funds for procurement of business assets
Non-current liabilities	581	803	+221	
Net assets	3,675	2,437	-1,237	Effect of net loss for the year

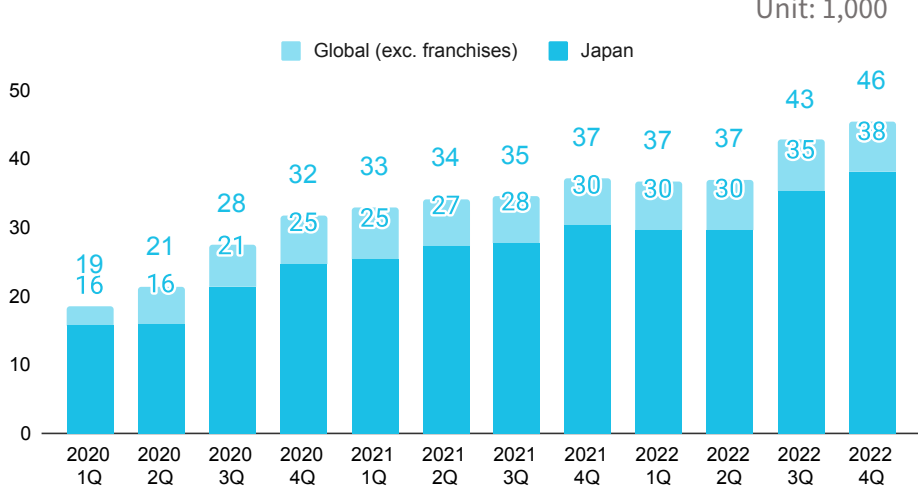
— 03 FY2022 Business Review

INFORICH INC.

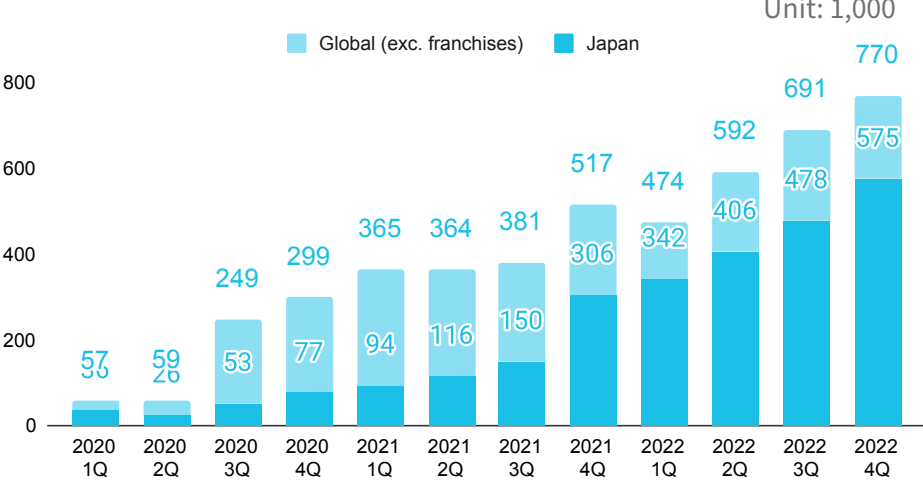
of Rentals
(End month of each quarter)



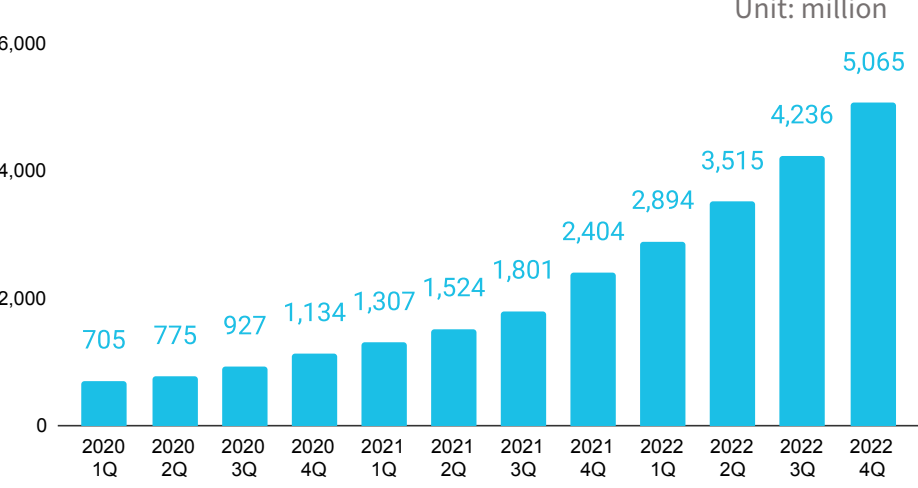
of Machines installed
(End of each quarter)



of Active user
(End month of each quarter)



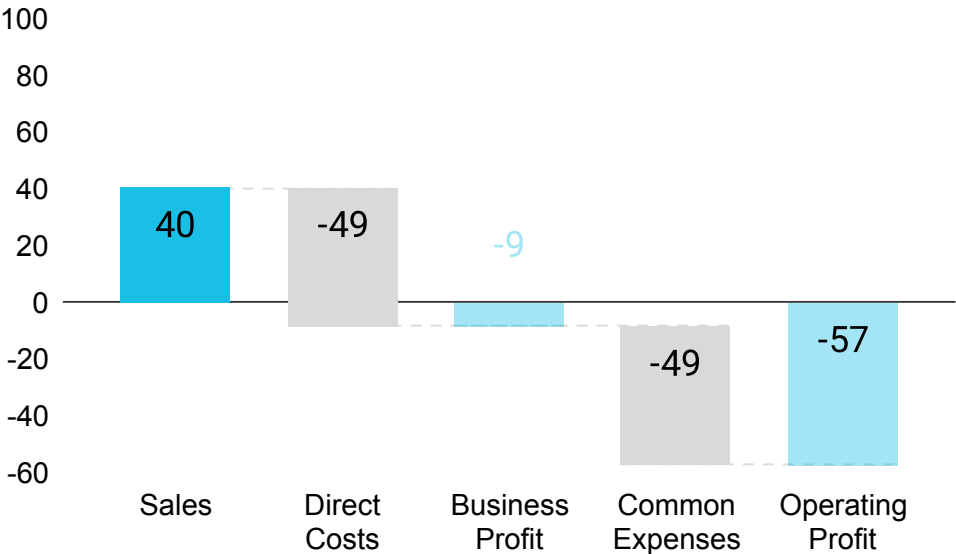
Cumulative downloads



* # of downloads worldwide, including franchise areas

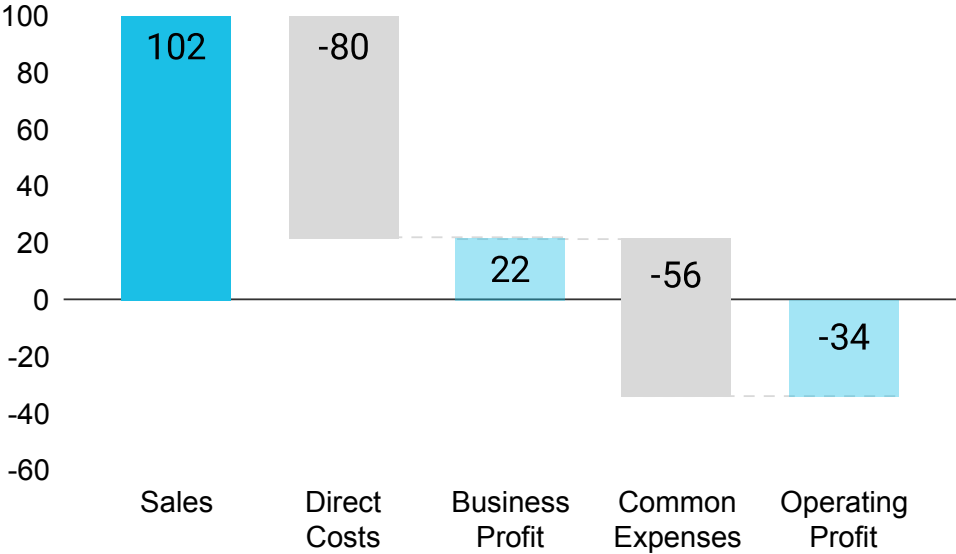
With growth of sales per machine, business profit has turned profitable, operating loss has narrowed.

FY2021 Per-unit economics (annual)



Sales: Consists of 39.2 rental sales and 1.3 advertising sales
Direct costs: 8.8 depreciation, 3.4 SIM cards, 15.8 installation fees, 3.3 royalties, 2.8 commissions paid, 6.5 advertising expenses, 2.5 call center, 2.3 rounders, etc.
Common expenses: Personnel expenses and other expenses other than the direct costs of the ChargeSPOT business mentioned above.
Units: 34,067 machines (average during the period, excluding franchises)

FY2022 Per-unit economics (annual)



Sales: Composed of 100.6 rental sales and 1.6 advertising sales
Direct costs: Depreciation 11.9, SIM cards 2.7, installation fees 24.8, royalties 9.0, commissions paid 7.3, advertising 9.6, call center 3.7, rounders 6.5, etc.
Common expenses: Personnel expenses and other expenses other than the direct costs of the ChargeSPOT business mentioned above.
Units: 39,459 machines (average during the period, excluding franchises)

1 Establishing a dominant position in the market



- Steady installation in prime locations such as convenience stores/railways/theme parks, leading to 84% market share ^{*1}
- Numerous joint promotions with partner payments and convenience stores to strengthen alliances

2 Strengthen measures for further business expansion



- Nagoya/Sendai/Sapporo area was designated as the area to be strengthened, and personnel were assigned to each area to revitalize the area.
- Started offerings that lead to the development of new installation locations, such as ticket vending machine models and vending machine models.
- Launch of subscription model to meet diverse needs and expansion of corporate model for in-office use

3 Global Business Growth



- Hong Kong saw a 10% increase in cumulative installations and a 50% increase in rentals despite the corona vortex ^{*2}
- Franchises (Taiwan and Thailand) increased rentals by 90%^{*2}

^{*1}Share of Battery Stands Installed (INFORICH survey)

^{*2}YoY of FY2022 end month results

Vending machine model in Shimbashi Station installed



For the first time, a vending machine model was installed in a station. It allows customers to smoothly rent ChargeSPOT while commuting to work or school, or changing trains. The vending machine model will be rolled out nationwide in the future.

Joint business starts for beaconization of ChargeSPOT



The beacon application provided by Unerry Inc. will be installed in ChargeSPOT to enable detection and analysis of behavioral characteristics of “ChargeSPOT” visitors for businesses such as targeted marketing.

Ticket vending machine model installed in Keio Line



Keio Corporation and INFORICH Inc. have begun installing ticket vending machine models at 32 stations along the Keio Railway line in order to make better use of available space and aim for greater convenience. This is the first time in Japan that ticket vending machines space is leased to another company's service.

— 04 FY2023 Forecast

INFORICH INC.

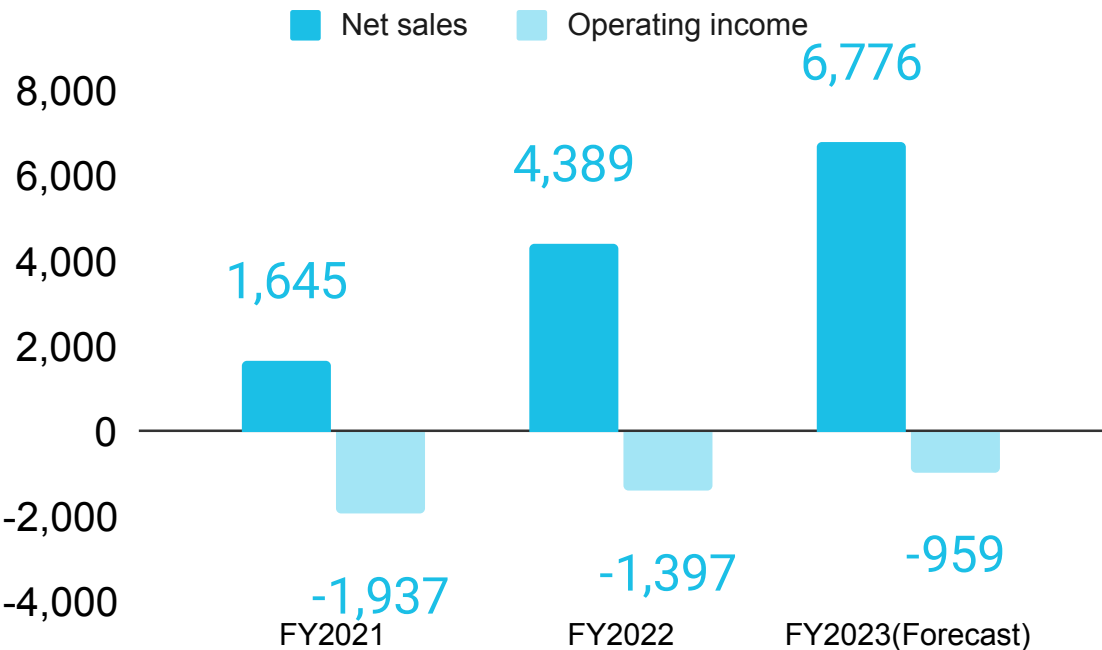
The increase in the # of monthly active users and rentals is expected to drive a 54% increase in sales.
Operating loss is expected to shrink 31% from the previous year.

Net sales
6,776 million yen
compared to previous period
+54%

Operating income
-959 million yen
compared to previous period
-31%

Net income attributable to parent company shareholders
-1,073 million yen
compared to previous period
-14%

FY2023 Consolidated Earnings Forecast

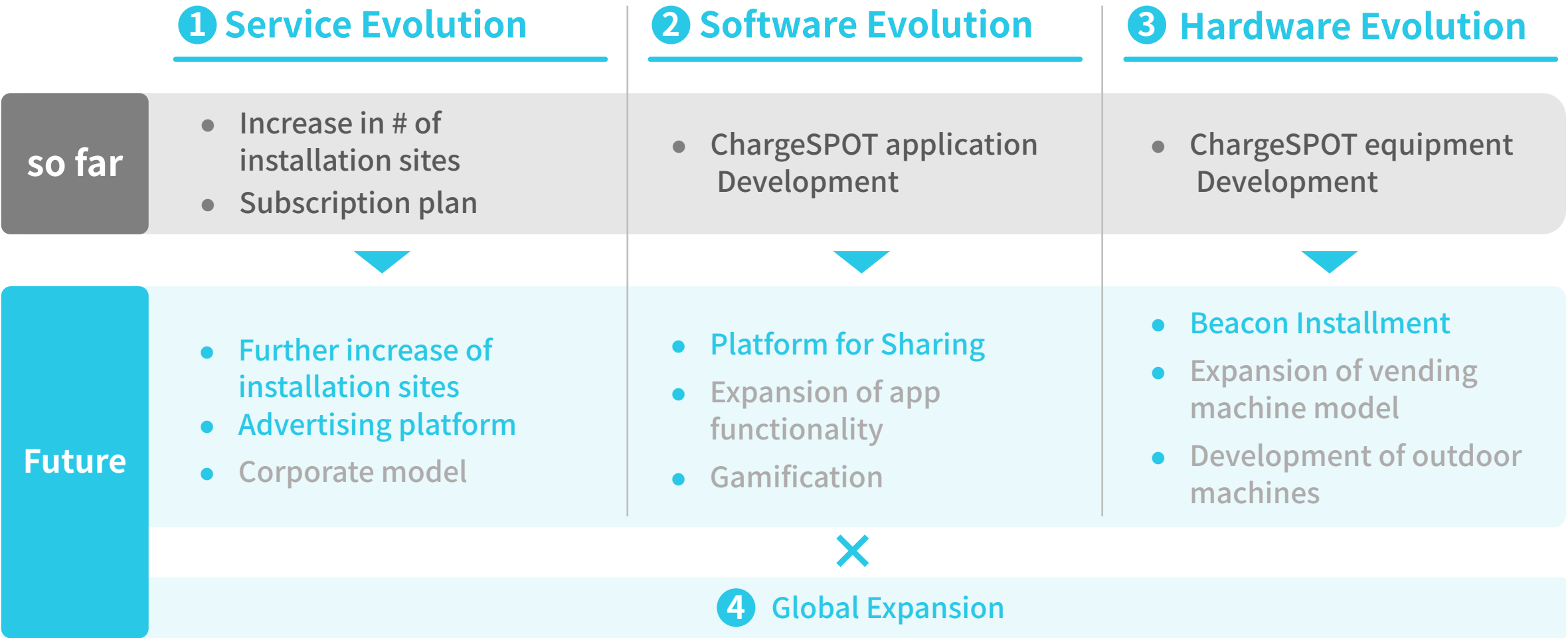


- Net sales consist of sales from mobile battery sharing services, sales from signage services, and other sales, including sales from corporate model and sales of battery stands and batteries to franchises. In the domestic mobile battery sharing service, which accounts for 75% of consolidated sales (FY2022 results), the # of rentals is expected to increase steadily from 1,090,000 per month (580,000 active users per month) at the end of FY2022 to 1,600,000 per month (800,000 active users per month) in FY2023. The calculation is based on the increase in the # of installation sites where high utilization is expected and the increase in the # of active users from the previous year due to the influx of new users. Similar growth is also expected for mobile battery sharing services overseas.
Sales from signage services are assumed conservatively flat from the previous year, while other sales are calculated based on expansion plans for each franchisee.
- Cost of sales consists mainly of depreciation related to installed battery stands and mobile batteries, and settlement fees paid to installation site owners.
- Selling, general and administrative expenses consist primarily of battery stand installation fees, labor costs, outsourcing expenses, revenue sharing, and advertising expenses. Outsourcing expenses consist of call centers that handle various inquiries, rounders that redeploy batteries to eliminate uneven distribution, and other subcontracting expenses to subcontractors.
- Non-operating income and expenses consist mainly of interest expenses paid to banks.

— 05 Growth Strategy

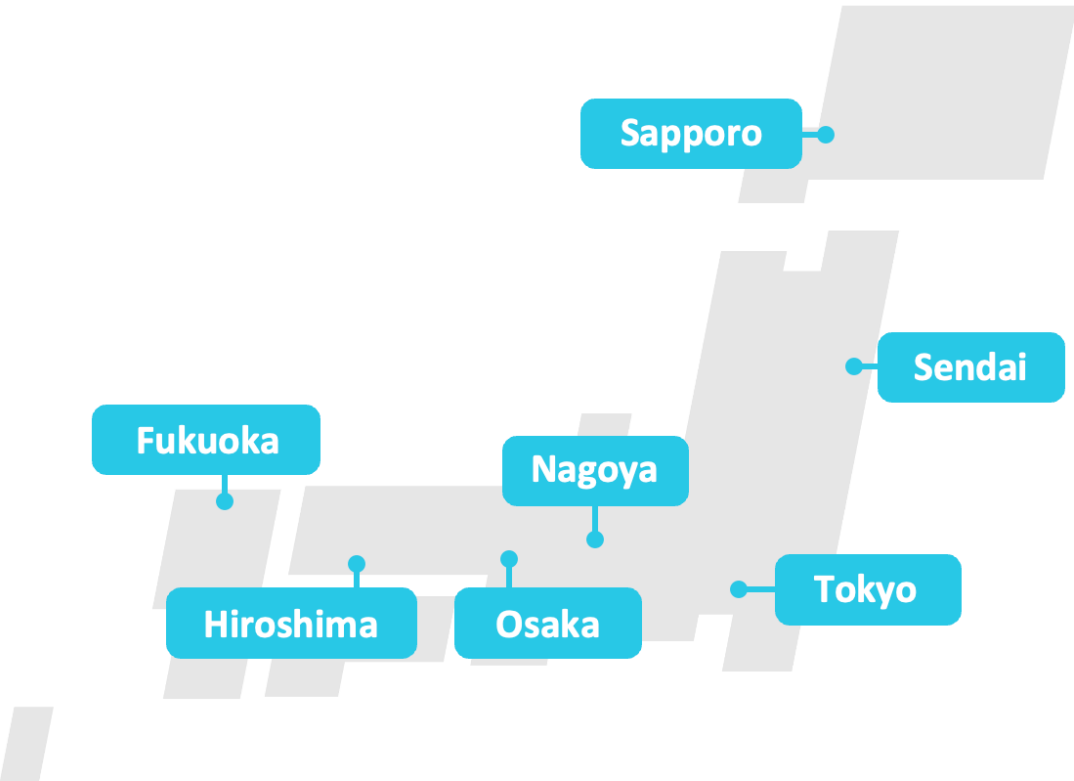
INFORICH INC.

The essence of the business is to quickly deploy location-based touchpoints with reliability.



Utilizing data from 38,000 machines already deployed in Japan, we will promote installation in locations that are more convenient for users.

Priority Areas



Priority Industries



Through a business alliance with Toridori, Inc. we plan to develop and operate an advertising solicitation and supply system.
We will establish a new advertising platform utilizing ChargeSPOT's signage screens.



INFORICH Inc. and Toridori Inc., which operates various influencer platform businesses including "toridori marketing," an influencer marketing platform with 300,000 PR results, have resolved to form a business alliance in the signage advertisement business as of February 14, 2023.

We have released a platform that allows access to a wide variety of sharing services.
Services available on the platform will be expanded in due course.



The platform's potential

- 1 Various services in one app providing a seamless experience
- 2 Recommends sharing services located near the user
- 3 Analyzes user usage patterns and recommends new services

By installing a beacon in each ChargeSPOT,

Advertisement

Advertisement based on profile data

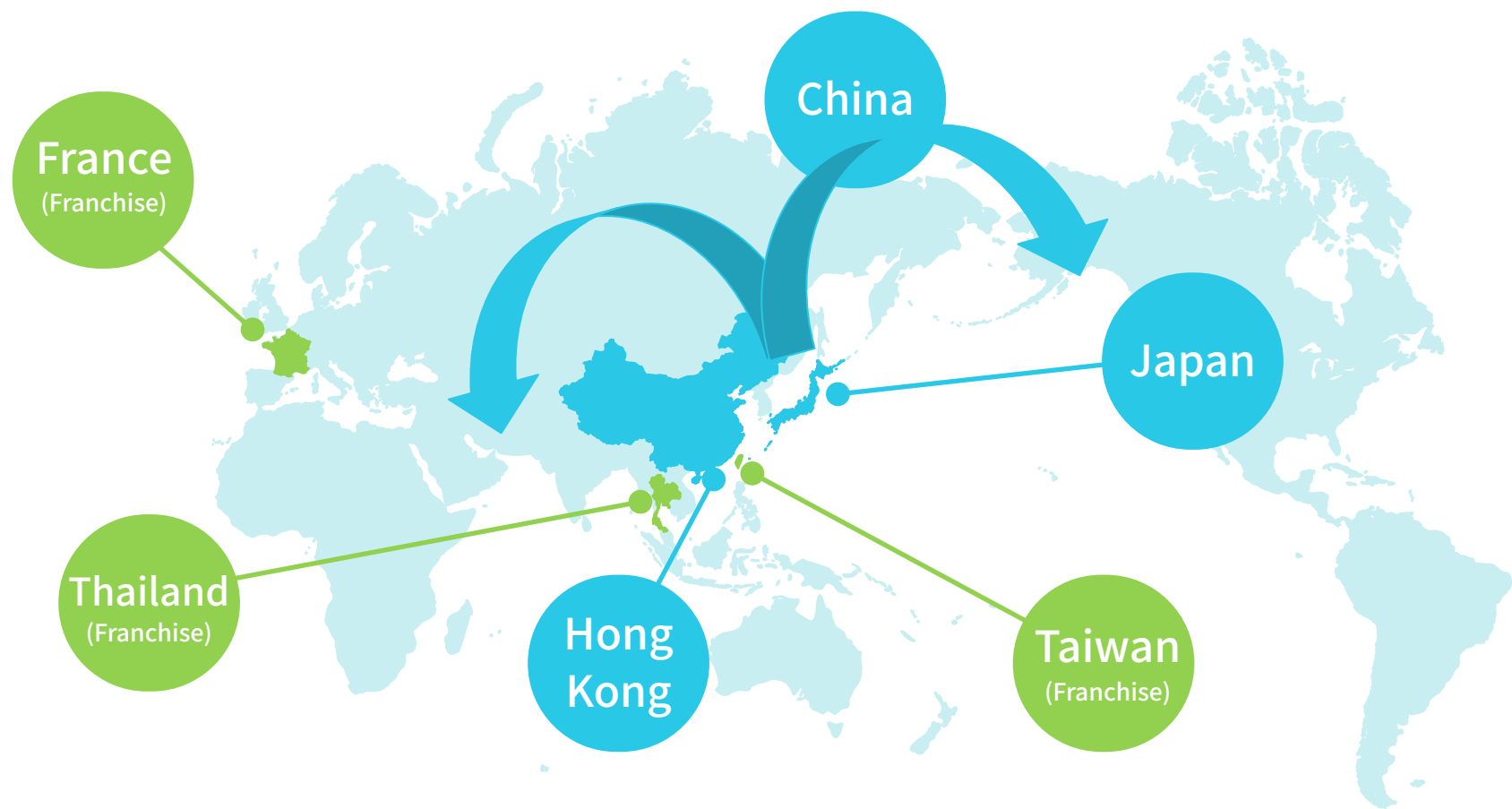
■ SNS ads ■ Push notifications during store visits ■ Signage ads

Analysis and Visualization

Measurement of store visit



In the future, we plan to expand our business in Southeast Asia, Europe, the U.S., and the Middle East. We consider development based on a franchise model that allows for a rollover of successful past cases.



*As of December 2022

Disclaimer

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

This document has been prepared solely for the purpose of providing information on INFORICH Inc. and is not intended as a solicitation to invest in the Company's securities.

The information contained herein is based on current economic, regulatory, market and other conditions.

This material contains forward-looking statements. These forward-looking statements are based on information available to us at the time such statements were made. These statements are not guarantees of future results or performance. Such forward-looking statements necessarily involve known and unknown risks and uncertainties that could cause actual future results and financial condition to differ greatly from future results and financial condition expressed or implied by such forward-looking statements.

The information in this document concerning companies other than INFORICH inc. and information prepared by third parties is quoted from publicly available information. The Company has not independently verified the accuracy or appropriateness of such data, indicators, etc., and assumes no responsibility whatsoever for such information.

— 06 Appendix

INFORICH INC.

"S5" model

7" Digital Signage



of battery slots
5 pcs.

"S10-A" Model

10.1" digital signage



of battery slots
10 pcs.

"S10" model

14.1" digital signage



of battery slots
10 pcs.

"M10" model

24" Digital Signage



of battery slots
10 pcs.

"LL20-J" model

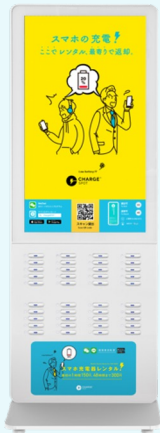
42" digital signage



of battery slots
20 pcs.

"LL40" model

42" digital signage



of battery slots
40 pcs.



USB-C



Lightning

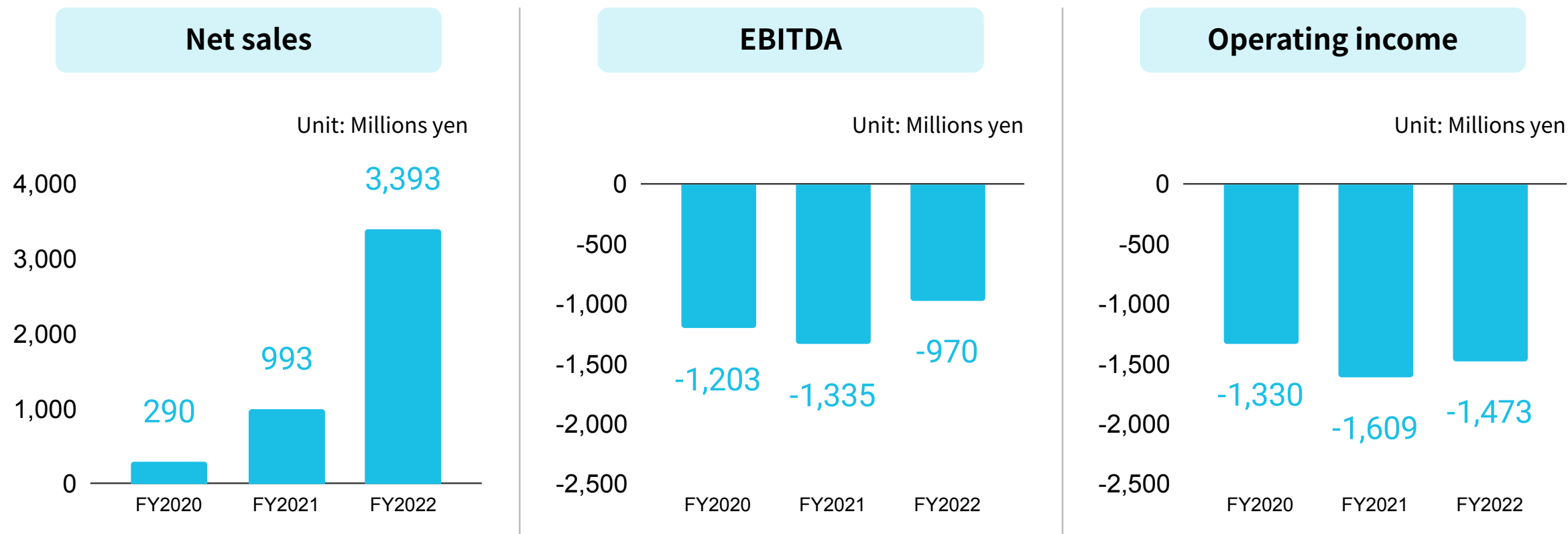


Micro USB

Three types of cables built in

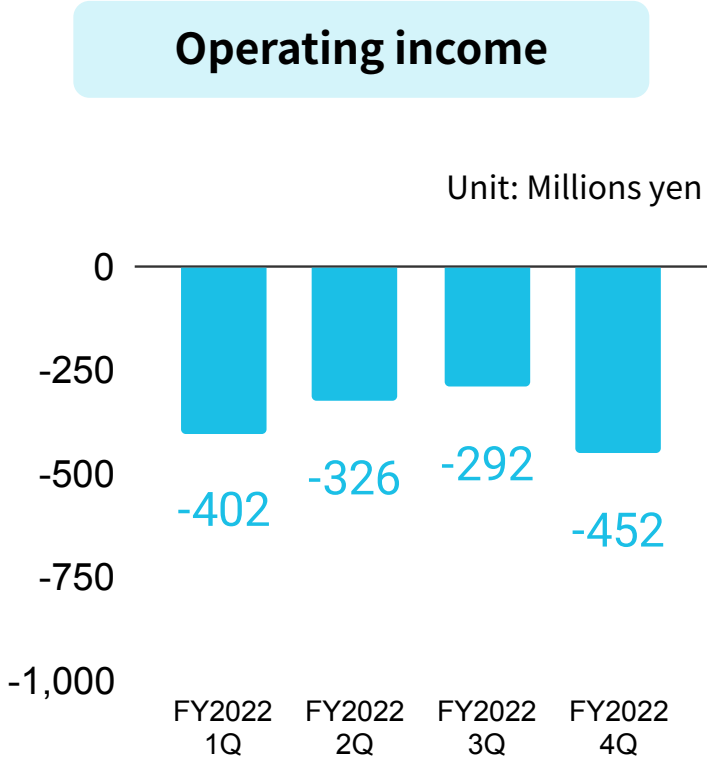
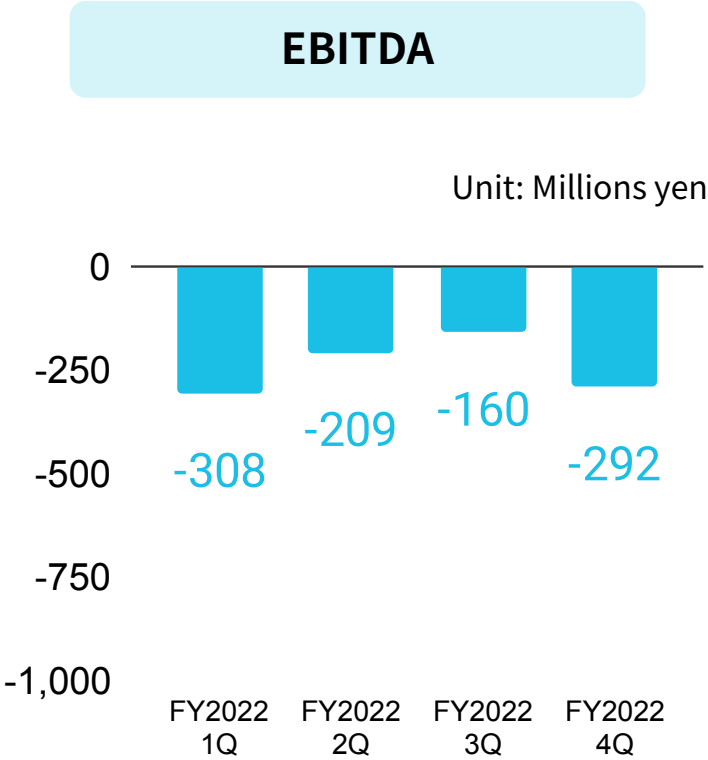
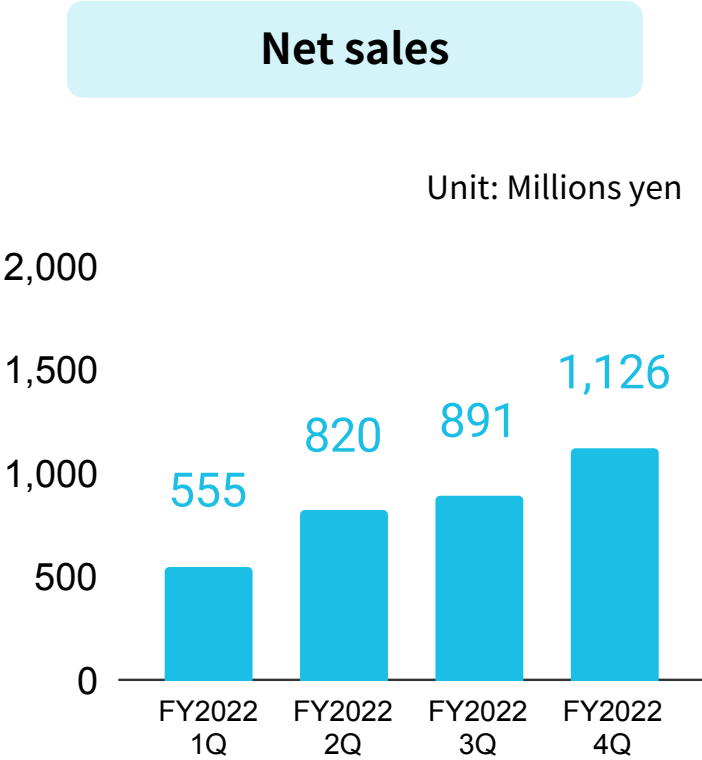
Three types of cables (USB-C, Lightning, and Micro USB) are built in.
It is compatible with almost all smartphones.

Sales continued to expand, reaching 3.3 billion yen.
EBITDA was -0.9 billion yen, and operating income was -1.4 billion yen.



* EBITDA = operating income + depreciation and amortization

Sales have remained steady due to an increase in the # of monthly active users and rentals.
Operating income and EBITDA in 4Q deteriorated due to bad debt expense.



* EBITDA = operating income + depreciation and amortization

Sales have increased significantly (+242%) over the last fiscal year due to steady growth in the # of rentals.
Operating income and EBITDA losses have narrowed.

Income Statement (Jan-Dec)

	FY2021 1-4Q	FY2022 1-4Q	YoY increase
Net sales	993	3,393	242%
Operating income	-1,609	-1,473	-8%
Operating profit ratio	-162%	-43%	+119pt
EBITDA	-1,335	-970	-27%
Ordinary income	-2,183	-1,738	-20%
Net income	-2,445	-1,706	-30%

Unit: Millions yen

* EBITDA = operating income + depreciation and amortization

The essence of the business is
to quickly deploy location-based touchpoints with reliability.
This is also the source of high barriers to new entrants to the market.

Elements that enable quick and reliable deployment

¥0

No charge for
installation /
competitor exclusion



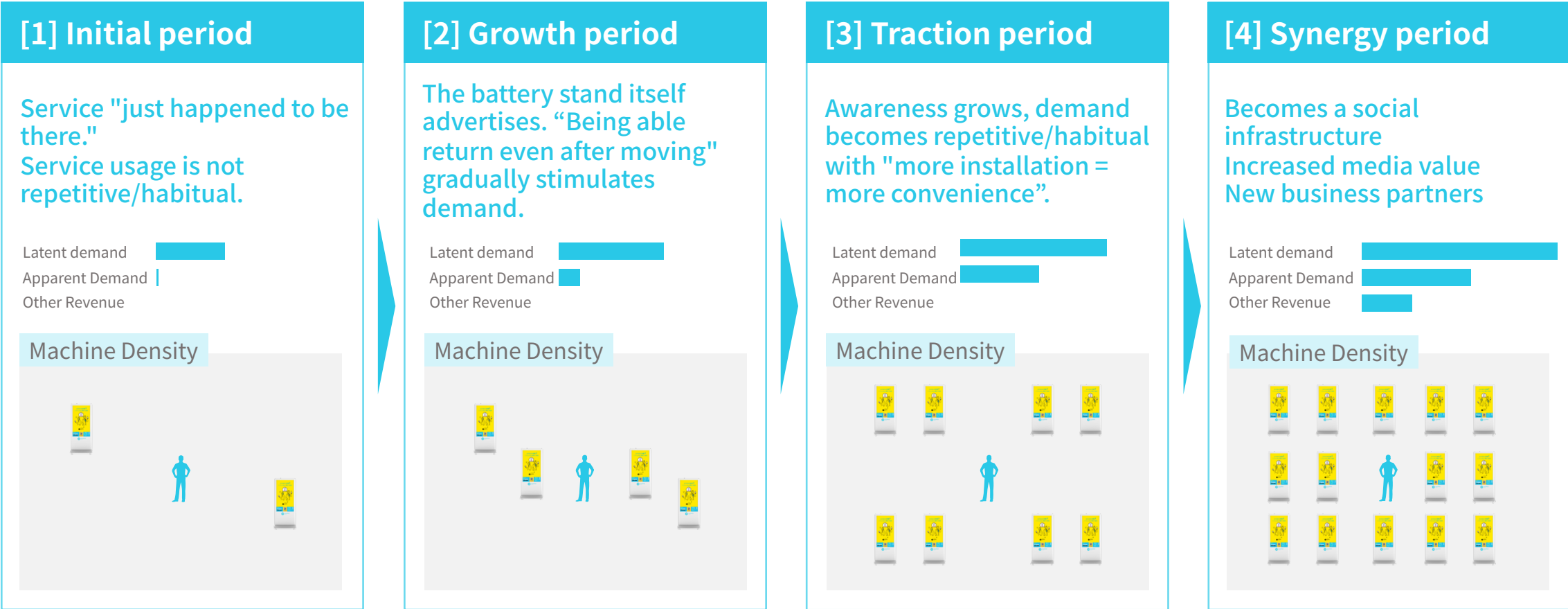
Short payback
period



Installation through
sales agency
comapnies

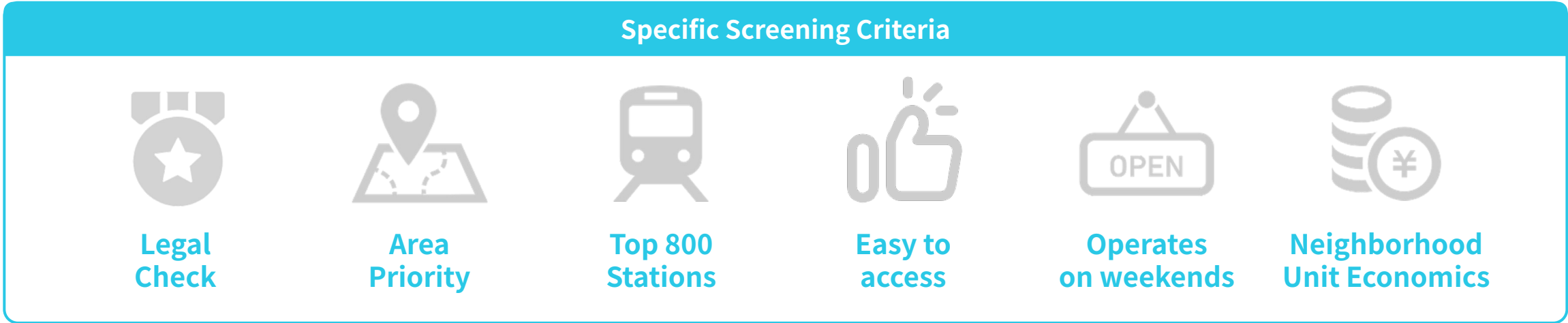
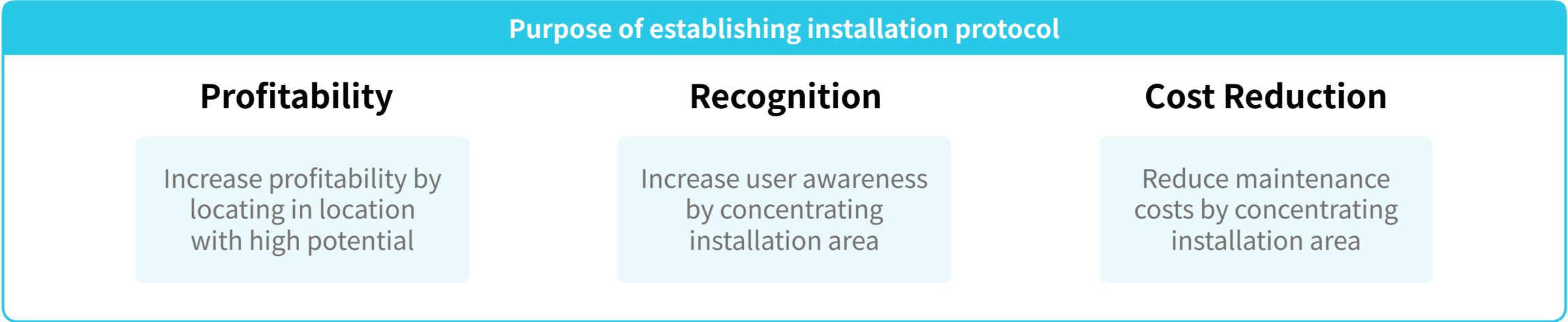
* Installation and competition exclusion conditions vary depending on the contract for each installation site.

The "awareness -> use -> habituation" process in the battery sharing business has a flywheel effect, expected to bring sustainable business growth.

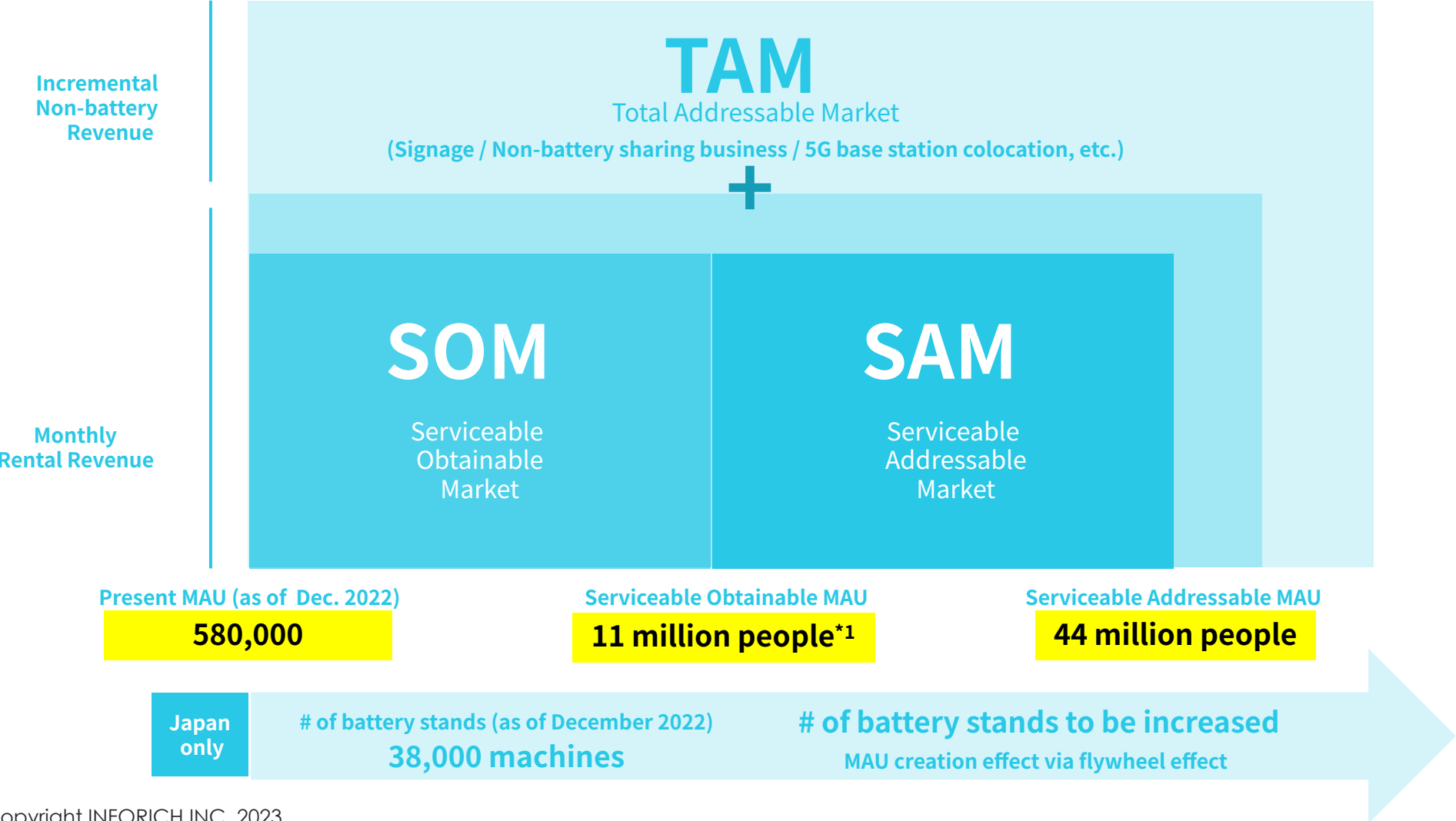


* The latent demand/apparent demand/new business opportunities and the installation density are all images that visually represent the sense of increase/decrease.

From the perspectives of profitability, recognition, and cost reduction, the location of the machine is reviewed prior to installation.



CharegeSPOT is installed in accordance with the "Installation Protocol".
Planned MAU capture contributes to SAM/SOM reaping.



¹SAM, which we set as our domestic business target, is set on a scale calculated by multiplying the percentage of smartphone users who are likely to recharge their batteries at least once during their out-of-home time (our estimate) with total smartphone users estimated at 93 million based on the Ministry of Internal Affairs and Communications population estimates (as of October 1, 2021) and the 2021 Telecommunications Usage Trends Survey (Note). We believe that the percentage of such users will increase in the future due to the increase in battery consumption resulting from the spread of 5G.

Next, the sales target SOM is set to the size calculated by multiplying the percentage of potential users of mobile battery sharing services (users who are interested in using mobile battery sharing services) among SAM (our estimate).

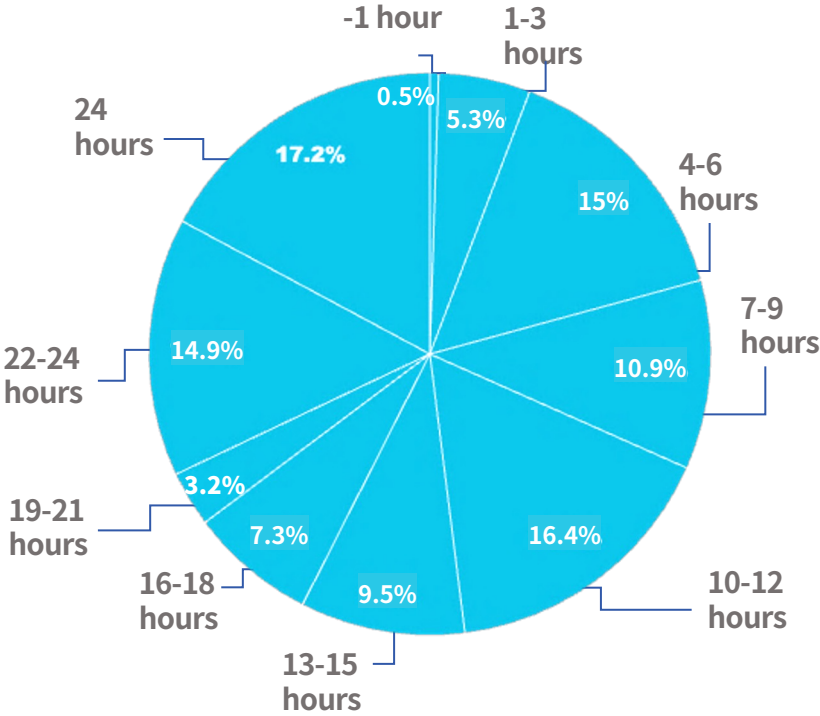
We are working to expand SOM by increasing the # of ChargeSPOTs installed.

Furthermore, in addition to these markets directly related to mobile battery sharing, we aim to expand TAM beyond SAM by expanding opportunities to use digital signage in ChargeSPOT and by promoting the use of devices other than mobile batteries for charging and expanding profit-earning opportunities. We are aiming to expand TAM beyond SAM by expanding revenue opportunities.

(Note) Estimates calculated by multiplying the total population of Japan as of October 1, 2021 (population estimate by the Statistics Bureau of the Ministry of Internal Affairs and Communications) by the percentage of smartphone owners (individuals) in 2021 (based on the 2021 Telecommunications Usage Trends Survey by the Ministry of Internal Affairs and Communications).

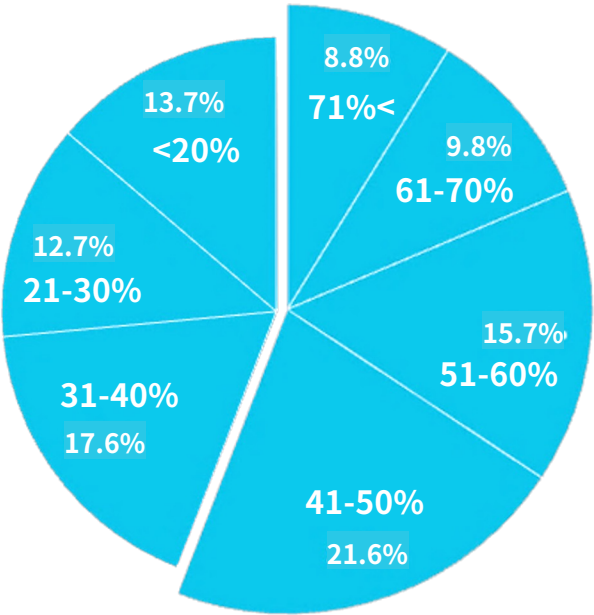
Average smartphone lasts for only 14 hours after full charge.
Over 50% recognize the need to recharge before the battery left drops below 40%

Q: How long does your smartphone last after a full charge?



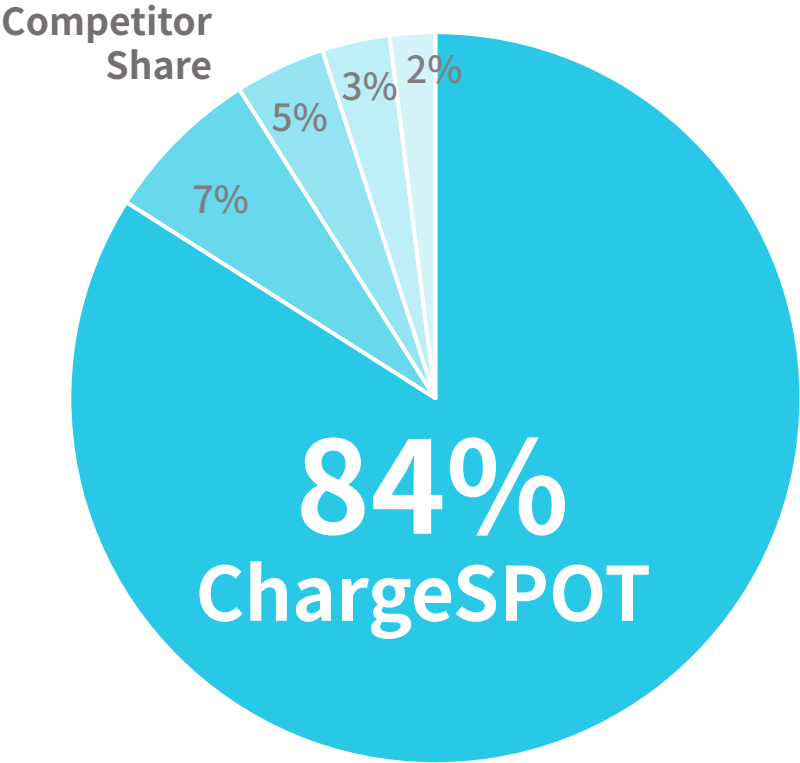
Source: dentsu "Survey on Mobile Battery".
(Survey conducted in December 2019 (Japan), surveyed to 500 smartphone owners)

Q: At what percentage of battery left do you feel the need to recharge?



Source: SoftBank SELECTION "Smartphone Users' Awareness of Battery Life and Charging Fact Survey".
(August 2013 survey, 800 people surveyed), Survey results pertaining to the "residual amount" that respondents would start to feel anxious.

More than 80% of the installed market share is held by us, which is an extremely high barrier to new entrants.



Share of battery stations installed

of battery stands installed

ChargeSPOT	38,032
Competitor A	3,110
Competitor B	2,522
Competitor C	1,420
Other	826

ChargeSPOT was the first mobile battery sharing service introduced in Japan and pioneered the market from scratch. The more stands installed, the more convenient it is for users, and this is the reason why customers have adopted ChargeSPOT after comparing it with other services. ChargeSPOT is a business model that has a high precedence, resulting in a market share of more than 80% in terms of the # of battery stands installed.

As a result, the market will be activated and the need for installation will increase, leading to an increase in the # of installations.

For new entrants to enter the market and increase rental usage, it is necessary to gain a large share of the market. However, since more than 80% of the market share is currently held by a single company, there exists an extremely high barrier to entry.

*Installed machines as of December 2022, in- house research

The recoup period for batteries is about one month, and the stations have a track record of one month to one year.

Hardware		# of slots	Depreciation period	Recoup period
Battery 		-	3 years	29 days
Battery Stations	 LL40	40 pcs.	5 years	35 days
	 LL20-J	20 pcs.		246 days
	 M10	10 pcs.		366 days
	 S10/S10-A	10 pcs.		116/230 days
	 S5	5 pcs.		106 days

* Recoup period: Based on battery utilization rate as of December 2022 or average daily sales per stand. Time to recoup each hardware cost (production cost plus various expenses for kitting, delivery, and installation)

	Major Risks	Countermeasure
<div>Innovations in "battery life"</div> <div>Risk term: Medium to long term Likelihood: Low</div>	<div>Longer battery life due to advances in technology</div> <div>Since the driving need for the ChargeSPOT business is smartphone battery drain, the "battery life" of future smartphones will have a significant impact on our business. If, as a result of rapid technological innovation in rechargeable batteries, smartphones with built-in batteries that do not require any additional recharging for several days despite any vigorous smartphone use become widely used, this would naturally have an adverse effect on our shared battery business.</div>	<div>Battery evolution has changed along with device feature, and performance evolution will take time.</div> <div>In fact, the technological innovation of lithium-ion batteries is not yet completely exhausted, but few experts believe that we are about to enter a phase of innovation that is an order of magnitude different from the past. On the other hand, battery technologies other than lithium-ion batteries are promising for industrial applications such as drones and EVs, but not for smartphones, due to their electromotive force (potential difference between anode and cathode), cycle characteristics (durability), energy density (space), material stability in the atmosphere (safety), mass production (price), and other factors. Even if it is possible, there are still many hurdles to overcome before full-scale adoption. On the other hand, looking at the smartphone itself, the power consumption required to drive the mobile device is expected to increase due to the generational shift from 4G to 5G (higher capacity transmission and higher frequency bands) and the addition of unprecedented application functions due to the advancement of semiconductors and displays. There is a concern that the planned level of innovation in battery technology will not be sufficient to cover even this increase in power consumption. In sum, while we are fully aware of the general risk that smartphone-embedded battery technology poses to our business, we analyze the possibility that our smartphone lifestyle, including the frequency of charging, may move in the direction of raising our raison d'etre.</div>
<div>Competitive environment</div> <div>Risk term: Medium to long term Likelihood: Low</div>	<div>Increased competition due to growth of competitors</div> <div>The mobile battery sharing service that our group is developing is not a regulated industry, and since the manufacturing of mobile batteries and battery stands can be done on an OEM basis, there is a risk of intensified competition due to an increase in the # of companies participating in this service. The market share of the mobile battery sharing service accounts for approximately 80%* of the total # of battery stands installed in Japan, and we believe that the revenue base is stable. The Group plans to take various measures to expand the # of battery stands and users in the future. However, if these plans do not proceed as expected due to an intensified competitive environment, the Group's financial position and operating results may be affected. *Calculated by # of machines installed by the Group as of December 2022 and the # of machines announced by competitors.</div>	<div>Expansion of # of installation sites</div> <div>The most important thing for our mobile battery business is to secure installation sites. With this in mind, we have been aggressively installing our products in national brand commercial facilities and major railroad stations where people are concentrated, and we have also made agreements with most of the locations where we install our products not to place competing products, thereby ensuring the superiority of the first installations. As a result of the economies of scale evident in the sharing business, there is a strong tendency for a virtuous cycle of market leaders that progresses day by day, and once a service reaches a certain level of recognition, the difficulty for new entrants to regain market share increases at an accelerated pace. We, for our part, will not be complacent and will continue to solemnly work on improving our services while paying close attention to the movements of other companies in the market.</div>
<div>Pandemic situation</div> <div>Risk term: short/medium/long term Likelihood: Medium</div>	<div>Lockdown or similar measures due to pandemic</div> <div>Service provided by our group is deeply linked to and affected by the flow of people. If a state of emergency is declared by the government due to a pandemic, the Group's business may be affected as the flow of people is restrained by lockdown or other restrictions. The Group is working to reduce this risk by installing battery stands in convenience stores and other locations that are frequently visited even when restrictions are imposed, but the occurrence of such a risk could affect the financial position and business performance of the Group.</div>	<div>Possible measures using "antiviral" material</div> <div>Since this business risk is not something that can be addressed by Company on our own or through corporate efforts, it is difficult to give an example of a clear countermeasure. However, as part of our measures against COVID-19 we have taken measures to reduce the negative impact by making all of our batteries "antibacterial" and "antiviral" so that our users can rental with peace of mind even under pandemic conditions. We have taken measures to reduce the impact on our rental business as much as possible. We will continue to strive to accurately grasp the needs of the market so that we can take all possible measures in the future.</div>

* Major risks that the company recognizes as having the potential to affect the realization of growth and the execution of its business plan are listed. Other risks are described in the "Business and Other Risks" section of the Securities Registration Statement.

We are responsible for the social infrastructure of charging, and we will work together with various partners.
We will work to improve the sustainability of Company and society as a whole.

	Current Initiatives	Future Development	
Environment	Green Power Certificate procurement	Green Power Certificates are purchased every year for 10% of the power consumption from our battery stands already installed.	We will also work to promote the spread of green power (Green Power Mark on signage, etc.).
	CO2 emissions performance	CO2 emissions in FY2022 have been calculated from Scope 1 to Scope 3 and will be disclosed soon.	In addition to reducing CO2 emissions from business operations, we will also consider implementing effective carbon offsetting.
	ChargeSPOT's Contribution toCO2 reductions	We have conducted calculations with the cooperation of Asuene Corporation to determine how much CO2 emissions can be reduced by using ChargeSPOT compared to purchasing batteries and will be disclosed soon.	We will promote ChargeSPOT as an environmentally friendly choice. and contribute to increasing interest in sustainability among the companies where we install our products and the service users.
Disaster Prevention	Free rental and Disaster Prevention Agreement	In the event of an earthquake or major power outage, we make batteries available for rent free of charge in targeted areas. We have concluded disaster prevention agreements with local governments and companies to mitigate damage from disasters.	We will continue to strengthen cooperation with local governments and companies so smart phones can be used even in times of disaster, while striving to raise disaster awareness among users.

The background is a solid light blue color. Overlaid on this background are several rectangular areas of a slightly darker blue grid pattern. These grid areas are located in the top-left, top-right, middle-left, middle-right, and bottom-center of the page. The company name 'INFORICH INC.' is centered in the middle of the page in a white, sans-serif font. The word 'INFORICH' is in a larger, bold font, and 'INC.' is in a smaller font to its right.

INFORICH^{INC.}