November 7, 2024

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Notice Concerning Commencement of New Business: Release of "CheerSPOT"

INFORICH Inc. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held on November 7, 2024, to commence a new business as described below.

1. Purpose of the commencement of business

Under the mission of "Bridging Beyond Borders," we aim to introduce overseas business models to Japan and expand Japanese technological capabilities globally. Currently, we operate the mobile battery sharing service "ChargeSPOT®" in Japan, Hong Kong, China (partially franchised), and Taiwan. In Australia, we operate the service through the acquisition of Ezycharge, and we have franchise operations in Thailand, Singapore, and Macau.

In "VISION2030," announced in August 2023, we expressed our aim to develop platform services to explore new revenue opportunities, in addition to expanding ChargeSPOT domestically and internationally. We target a consolidated EBITDA of 15 billion yen by 2030, with 2 billion yen expected to come from platform businesses. The platform business includes marketing solutions, such as advertising sales utilizing the signage attached to ChargeSPOT battery stands. In the second quarter of the fiscal year ending December 2024, advertising sales were limited to approximately 12 million yen domestically and internationally. However, by advancing the development of our SSP and DSP connecting to external DSPs to improve advertising distribution efficiency, we expect to maximize future advertising sales. As a new initiative following the optimization of advertising distribution, we are launching "CheerSPOT" in pursuit of realizing "VISION2030."

2. Overview of the new business

(1) Description of the new business

"CheerSPOT" is a new cyclical platform we provide that connects fans and artists. It encompasses various support-related services ("Cheer"), such as our previously implemented "MusicCharge"*1, stamp rallies utilizing signage, and offering advertising space to audition winners. As a new feature of "CheerSPOT," we will launch a service allowing individuals to send messages in support of artists and others.

In recent years, individual "support messages" aimed at introducing artists or talents to others have gained attention. Especially on memorable occasions such as idols' birthdays or debut

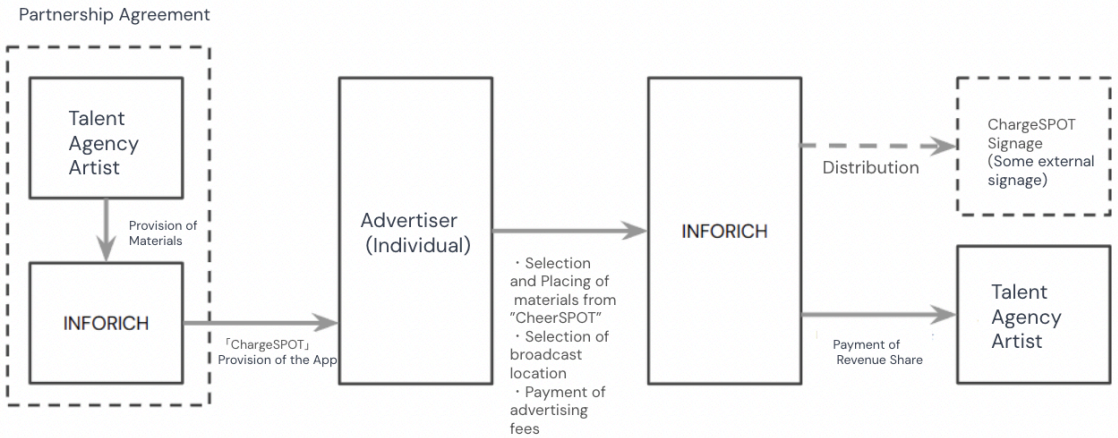
anniversaries, fans placing messages in advertisements has become a familiar support method for the younger generation. This trend originated in South Korea and has been increasingly recognized in Japan since around 2019. The market size in Japan is estimated to be around 30 billion yen, according to several companies, and it is expected to grow both domestically and internationally. However, posting support messages in public spaces often costs tens to hundreds of thousands of yen, which can be a significant burden for individuals. Additionally, most of these messages are posted without the permission of the respective idols or entertainment agencies.

The Company owns approximately 44,200 battery stands for "ChargeSPOT" in Japan, and over 60,000 globally. With the launch of this service, we will become the largest media platform for posting support messages in Japan *2. Our pricing is set to be accessible to a broad audience, with the minimum cost starting at 420 yen (excluding tax) for displaying a message on one stand. This will facilitate user acquisition and market expansion. Furthermore, once connected to other companies' DSPs, it is expected that messages can also be displayed on outdoor televisions, signage within elevators, and other screens beyond "ChargeSPOT" *3.

In launching "CheerSPOT," we will enter into partnerships with several talent agencies. This will enable fans to post support messages officially recognized by the agencies, using officially provided materials. Additionally, we will implement a revenue-sharing model with the artists and talent agencies, ensuring that the support messages displayed on signage directly contribute to supporting the artists. This creates a cyclical support system that benefits both the fans and the artists.

*1 Music Charge is a service conducted in September 2023, allowing users to rent ChargeSPOT to get an early listening preview of an artist's new song.
Details: (https://chargespot.jp/article/3710/)
*2 According to our own research
*3 Scheduled for around spring 2025

【Reference: Business Model】



(2) Overview of the division responsible for the business

New Business Development

(3) Amount and details of special payment for commencement of the business

We do not anticipate any special expenses with the commencement of this business. However, there might be costs associated with entering into partnerships with talent agencies, but the specific amount is undecided at this time. If the need for disclosure arises in the future, we will promptly make the necessary disclosures.

3. Future outlook

We anticipate that the impact on this fiscal year's performance will be minimal. However, if significant changes in the business situation occur, leading to financial implications, we will disclose this information promptly as it becomes available. Additionally, any impact on next fiscal year's performance will be included in the announcement of the next fiscal year's performance forecast.

(Reference) Consolidated financial results forecasts for the current fiscal year (released on February 14, 2024) and actual consolidated results for the previous fiscal year

(million Yen)

	Consolidated net sales	Consolidated operating profit	Consolidated ordinary profit	Net profit attributable to owners of parent
Consolidated financial results forecasts for the current fiscal year (Fiscal year ending December, 2024)	10,011	1,635	1,515	1,514
Actual consolidated results for the previous fiscal year (Fiscal year ended December, 2023)	7,681	603	633	571