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August 9, 2024

Company name: INTRANCE CO., LTD.

Stock exchange listing: Tokyo Growth

Stock code number: 3237

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Notice Regarding Development of Inbound Accommodation facilities

Intrance Co., Ltd. (the "Company") hereby announce that the company acquired real estate located in Taito-ku, Tokyo, as described below, and will proceed with the development of inbound accommodation facilities.

1. Overview of the Development

The company aim to expand our business domain and increasing corporate value since accelerating efforts in the hotel management business, a new business domain, in addition to the real estate business, which has been with us since our establishment.

The business model that the company is aiming for is to generate stable earnings from the real estate business and achieve high growth in the hotel management business. The basic strategy is to increase hotel management earnings by promoting "urban apartment hotel development" and "regional hotel investment.

In addition, since it takes a certain amount of time to monetize the above-mentioned activities, we are also working on the development and sale of inbound accommodation facilities, which can be expected to generate income in a shorter period of time.

Inbound accommodation facilities are small-scale accommodation facilities targeting mid- to long-term stay tourists in large groups, such as families and groups, and are capable of accommodating groups of 10 or more people in a single building. The concept of this facility is to provide a sense of security as if one were at home and an opportunity to experience Japanese traditions and culture.

We develop these inbound accommodation facilities in collaboration with real estate companies and construction companies, and then sell the properties to investors who purchase them for operating income, from which we earn profits.

This development can be easily scaled up by standardizing accommodation development specifications, and a large number of developments can be expected. In addition, the development period is shorter than that of a typical hotel development, and profits from sales can be achieved in a shorter period of time.

This development project is located in the Asakusa/Ueno area, which is popular among tourists

visiting Japan, and the Nippori area, which is easily accessible from Narita Airport. In addition, this area is conveniently located for access to major tourist attractions and as a tourist base, making it an ideal location for our concept of the facility.

The company will continue to develop accommodation facilities mainly on the golden routes of Tokyo, Osaka, and Kyoto, as well as in regional tourist cities, and aim to contribute to the development of the inbound industry through the promotion of these businesses and to increase revenues through the sale of accommodation facilities.

2. Overview of acquired real estate

L o c a t i o n : Negishi, Taito-ku, Tokyo

L a n d a r e a : 70.31 m²

Total floor area : 119.25 m²

3. Schedule

Date of conclusion of sales agreement : August 20, 2024 (Scheduled)

Acquisition Settlement / Settlement Date : Up to March 2025 (Scheduled)

Scheduled date of sale : Up to March 2025 (Scheduled)

4. Overview of Seller and Acquisition Price

Due to an agreement with the seller, the company will refrain from disclosing the name of the seller and the details of the transaction. The acquisition price is less than 30% of our consolidated net assets for the previous fiscal year.

The amount of sales of the property to be sold is equivalent to 10% or more of our consolidated net sales for the previous fiscal year, and the profit is equivalent to 30% or more of the average amount of net income attributable to owners of the parent company for the most recent five years.

5. Impact on Performance

The transaction is expected to be sold by the end of March 2025, and the earnings impact of this transaction has already been incorporated into our consolidated earnings forecast for FY2024.

However, if it becomes necessary to revise the earnings forecast, the Company will promptly announce such revision.