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April 1, 2025

Company name: INTRANCE CO., LTD.

Stock exchange listing: Tokyo Growth

Stock code number: 3237

Representative: He Tongxi, President and Chief Executive Officer

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### **Notice Regarding Change in Use of Funds**

Intrance Co., Ltd. (the "Company") hereby announce that the company's Board of Directors, at a meeting held today, resolved to change in use of fund as announced in the "Notice of Issuance of 1st Unsecured Convertible Bond and 8th Stock Acquisition Rights by Third Party Allotment" dated April 10, 2023.

#### 1. Reason for change

The Company aims to improve the corporate value of the entire group by generating stable earnings from the real estate business, which has been the Company's main business since its establishment, and by growing the hotel operational business.

In order to achieve these goals, the company has raised funds as described above, mainly for "Investment funds for new hotel operations" and "Investment funds for hotel-related funds," in addition to working capital.

Subsequently, the Company announced a partial change in the use of funds in the "Notice of Change in Use of Funds" dated May 13, 2025, however as announced today in the "Notice Regarding Revision of Full-Year Consolidated Earnings Forecasts" (downward revision), demand for working capital increased during the period due to the consolidated operating loss.

Accordingly, the company has decided to make another change to the use of funds.

#### 2. Details of the Change

The details of the financing are described below.

<Amount of funds raised or to be raised>

(1) Proceeds from issuance of Issuance of 1st Unsecured Convertible Bond	300m yen	(already procured)
(2) Proceeds from issuance of 8th Stock Acquisition Rights	300m yen	(already procured)
Total amount	600m yen	

(Note) 4 million yen was separately paid as the issue price of the 8th series of stock acquisition rights, which was consumed as the issue expenses in this fundraising. The details of the financing and changes in the use of funds are as follows. (The changes are underlined.)

(Before the change)

<Specific use of funds to be procured through the issue of the 1st Unsecured Convertible Bond>

Specific use of funds	Amount	Scheduled date of expenditure
(1) Working capital (funds to ensure liquidity on hand)	150m yen	May 2023 - March 2024
(2) Investment funds for new hotel operations	100m yen	May 2023 - <u>March 2025</u>
(3) Real estate for sale (small-scale accommodations)	50m yen	May 2023 - March 2025

<Specific use of funds to be procured through the issue of the 8th Stock Acquisition Rights >

Specific use of funds	Amount	Scheduled date of expenditure
(1) <u>Working capital (funds to ensure liquidity on hand)</u>	-	-
(2) Investment funds for new hotel operations	<u>50</u>	May 2023 – Sep 2024
(3) Deposits for Company's First Forward Stock Repurchase Agreement (Note)	<u>250</u>	May 2024

Note: The “subscription money for “(3) Deposits for Company's First Forward Stock Repurchase Agreement” is a deposit and will be collected upon the completion of the transaction (expected to take approximately one year) and used for “(2) Investment funds for new hotel operations”.

In the event of any change in the amount of the subscription money for the Transaction, the funds will be appropriated from equity capital, and there are no plans to make any new changes to the use of the funds to be procured.

(After the change)

<Specific use of funds to be procured through the issue of the 1st Unsecured Convertible Bond>

Specific use of funds	Amount	Scheduled date of expenditure
(1) Working capital (funds to ensure liquidity on hand)	150m yen	May 2023 - March 2024
(2) Investment funds for new hotel operations	100m yen	<u>May 2023 - March 2026</u>
(3) Real estate for sale (small-scale accommodations)	50m yen	May 2023 - <u>March 2026</u>

<Specific use of funds to be procured through the issue of the 8th Stock Acquisition Rights >

Specific use of funds	Amount	Scheduled date of expenditure
(1) <u>Working capital (funds to ensure liquidity on hand)</u>	<u>80</u>	<u>April 2025 – Sep 2025</u>
(2) Investment funds for new hotel operations	-	-
(3) Deposits for Company's First Forward Stock Repurchase Agreement (Note)	<u>220</u>	May 2024

Note: The “subscription money for “(3) Deposits for Company's First Forward Stock Repurchase Agreement” is a deposit and will be collected upon the completion of the transaction (expected to take approximately one year) and used for “(3) Working capital”.

### 3. Future Prospects

The company believes that this change in the use of funds will have only a negligible impact on our group's consolidated business results for the current fiscal year. However, the company will promptly announce any matters that should be disclosed regarding the impact on future business results.