

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail

May 8, 2025

Company name: INTRANCE CO., LTD.

Stock exchange listing: Tokyo Growth

Stock code number: 3237

Representative: He Tongxi, President and Chief Executive Officer

Contact: Masaaki Kitagawa, General Manager

Phone: +81-3-6803-8100

Notice Regarding the Issuance of the First Series of Unsecured Straight Bonds (Professional Private Placement Bonds)

Intrance Co., Ltd. (the "Company") hereby announce that our Board of Directors, at a meeting held today, resolved to issue the Intrans Corporation First Series of Private placement Bonds ("Bonds") to DELiGHTWORKS Inc. ("DELiGHTWORKS").

1. Reasons for issuing the Bonds

In addition to the real estate business that it has been engaged in since its establishment, the Group is accelerating efforts in the hotel management business, a new business domain, with the aim of expanding its business domain and increasing its corporate value.

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 to the above, the company has also engaged in the development and sale of inbound accommodation facilities, which are expected to secure profits in a shorter period of time, real estate brokerage, and an tourists sending business aimed at sending tourists from Greater China to Japan.

However, as announced in the "Notice Regarding Revision of Full-Year Consolidated Earnings Forecasts" dated April 1, 2025, while there have been some successes in activities related to acquiring operating rights for urban apartment hotels that can be expected to generate medium- to long-term profits, activities that contribute to short- to medium-term profits have been insufficient.

As a result, the company expects to record a significant operating loss, ordinary loss, and net loss attributable to owners of parent for the third consecutive fiscal year in the fiscal year ending March 2025, which has resulted in a deterioration in cash flows from business operations.

Due to the above, the company believes that further expansion of liquidity on hand is necessary for future business operations, and therefore we will raise funds through this private placement.

2. Overview of the Bonds

(1)	Name of Bonds	First Series of Unsecured Straight Bonds (Professional Private Placement Bonds)
(2)	Total amount of bonds	First straight bond: 260,000,000 yen
(3)	Amount of each bond	260,000,000 yen
(4)	Payment due date	May 9, 2025
(5)	Maturity Date	May 9, 2026
(6)	Interest Rate	3% per annum
(7)	Interest Payment Method	<p>a. Interest on the Bonds will accrue from the day following the payment date (including that date) to the redemption date (including that date), with the first interest payment date being November 9, 2025, and will be paid up to that date, and thereafter on May 9 and November 9 of each year in an amount corresponding to the period from the day following the respective immediately preceding interest payment date to the respective interest payment date.</p> <p>b. If the interest payment date falls on a non-banking business day (a day on which banks are generally open for business in Tokyo; the same applies hereinafter), the payment will be brought forward to the banking business day immediately preceding the interest payment date.</p> <p>c. After redemption, the Notes will no longer accrue interest.</p> <p>d. When calculating interest for an interest calculation period that is less than one year, the interest will be calculated on a daily basis assuming that one year is 365 days, and any fractional part less than one yen will be rounded down.</p>
(8)	Payment amount	100 yen for every 100 yen of the bond amount
(9)	Redemption price	100 yen for every 100 yen of the bond amount
(10)	Redemption Method	<p>The Bonds will be redeemed in total at the redemption price set forth in (9) above on the redemption date set forth in (5) above. However, early redemption will be as described in “a” and “b” below. If the redemption date is not a bank business day, payment will be brought forward to the bank business day immediately preceding the redemption date.</p> <p>a. By giving written notice to the bondholders at least 15 business days prior to the desired date for early</p>

		<p>redemption (the "Early Redemption Date"), the Company may, on the Early Redemption Date, early redeem all or a part of the Bonds outstanding at that time for 100 yen plus the amount equivalent to accrued interest (defined in "b" below) for each 100 yen of the Bonds.</p> <p>b. "Amount equivalent to accrued interest" means the amount calculated by applying the interest rate of the Bonds to the period from the day following the most recent interest payment date to the early redemption date per 100 yen of each Bond.</p>
(11)	Forfeiture of the benefit of the term	<p>The Company shall forfeit the benefit of time with respect to the Bonds upon the occurrence of any of the following events.</p> <p>a. If the Company violates the provisions of Item (7) above or Item (10) above and fails to perform or correct the breach within three (3) banking business days.</p> <p>b. If the Company loses the benefit of time with respect to the Bonds other than the Bonds, or if is unable to repay the Bonds when they become due.</p> <p>c. When the Company loses the benefit of the term with respect to borrowings other than corporate bonds or is unable to repay such debts when due, or when an obligation to perform has arisen in respect of a guarantee obligation provided by the Company for corporate bonds or other borrowings other than the Company, however the Company is unable to perform such obligation.</p> <p>d. The Company files a petition for the commencement of bankruptcy proceedings, civil rehabilitation proceedings, corporate reorganization proceedings or special liquidation, or the Board of Directors of the Company passes a resolution to submit a proposal for dissolution (excluding the case of a merger) to the General Meeting of Shareholders.</p> <p>e. When the Company receives a decision to commence bankruptcy proceedings, civil rehabilitation proceedings or corporate reorganization proceedings, or an order to commence special liquidation.</p> <p>f. When the contract for the purchase of the Bonds concluded between the Company and the bondholders is terminated.</p> <p>g. In addition to the preceding items, when the creditors objectively and reasonably determine that the Company's</p>

		business or property conditions have deteriorated significantly and that reasonable cause has arisen that necessitates the preservation of claims, and the creditors have notified the Issuer in writing that they will forfeit the benefit of time to the Issuer.
(12)	Availability of collateral/guarantee	a. The Bonds are guaranteed by the respective guarantors of Inbound Investment LLC. and He Tongxi (collectively, the “Guarantors”). Each Guarantor shall jointly and severally guarantee with the Company the principal, interest, late payment charges and all other payment obligations of the Bonds incurred by the Company to the Bondholders under the terms and conditions hereof. b. The Bonds are not secured by any physical collateral and there are no assets specifically reserved for the Bonds
(13)	Bond administrator	The Bonds satisfy the requirements of the proviso of Article 702 of the Companies Act and Article 169 of the Enforcement Regulations of the Companies Act, and no bond administrator will be appointed. No fiscal agent will be appointed.
(14)	Transfer agent	Not applicable.
(15)	Bond underwriter	DELIGHTWORKS Inc.

3. Overview of the underwriters of the bonds

(As of March 31, 2025)

(1)	Company Name	DELIGHTWORKS Inc.
(2)	Location	6-10-1, Roppongi, Minato-ku, Tokyo
(3)	Representative	Akihito Shoji, Representative director
(4)	Business	Investment Business
(5)	Date of Establishment	10million yen
(6)	Date of Establishment	Jan 22, 2014
(7)	Major shareholders and shareholding ratio	Akihito Shoji 100.00%
(8)	Relationship with the Company:	
	Capital relationship	A major shareholder holding 14.33% of the voting rights of the Company's shares.
	Personal relationship	Not applicable.
	Business relationship	Not applicable.
	Status of related parties	A major shareholder holding 14.33% of the voting rights of the Company's shares.

(Note) Due to the wishes of the counterparty, operating results are not disclosed.

4. Adequacy of procurement methods

The Company considered the following three financing options to meet its financing needs: bank loans, Equity financing and Private placement of bonds.

Since bank loans require time for screening and are difficult for the Company's creditworthiness, and a certain preparation period is required for Equity financing, the Company considered the necessity and time factor of fundraising, as well as the merits of being able to reliably raise funds and use the funds for business without restrictions on the use of the funds, and decided that it would be appropriate to issue private placement bonds. The Company has determined that it is appropriate to issue the private placement bonds.

The Company has decided that it is appropriate to issue the private placement bonds with the underwriter being DELiGHTWORKS with whom the Company has entered into a capital and business alliance agreement.

The company has adopted the private placement instead of borrowing from DELiGHTWORKS, since DELiGHTWORKS is not registered as a money lender.

5. Conducting related party transactions

This transaction is a private placement to our major shareholder, DELiGHTWORKS. Also, the guarantors of the private placement bonds are Inbound, a major shareholder of the Company, and He Tongxi, a representative director of the Company, and therefore, these transactions constitute a related party transaction.

Therefore, from the perspective of protecting minority shareholders, the company has carefully discussed and considered the transaction, obtained a written opinion from Mr. Ryuji Uwatoko, an independent director and auditor of our company, and confirmed the appropriateness of the transaction based on the necessity, appropriateness, and reasonableness of the conditions.

In addition, as a measure to avoid conflicts of interest, Mr. He Tongxi, a representative director of the Company, did not participate in any of the proceedings and resolutions of today's Board of Directors meeting because he is a special interested party in the said transaction.

6. Conclusion

As described above, the company has comprehensively reviewed the reasons for issuing the bonds, the appropriateness of the means of procurement, the reasonableness of the terms and conditions of the transaction, and the related party transactions involved in the transaction, and have determined that the implementation of the financing through the Bonds is appropriate.

7. Future Outlook

The issuance of the Bonds is expected to result in the recording of 7 million yen of bond interest in the fiscal year ending March 31, 2026. The company will promptly announce any matters that should be disclosed in the future.