

# **Explanatory Material on Consolidated Financial Results for the Fiscal year ended March 31, 2025**

**INTRANCE CO., LTD.**

**May 14, 2025**

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## ◆ Consol. revenues declined & operating loss increased due to lower real estate revenues compared to the previous year, despite steady growth in hotel revenues.

### ■ Real Estate Business

- Focus on development of urban hotels and inbound accommodations, **one inbound accommodation development deal confirmed** in fourth quarter. (one Discontinuance of development)
- PM sales, construction sales, etc. remained stable, however, sales and operating income declined due to the absence of sales of real estate for sale.
- Profitability declined due to the absence of the earnings improvement effect from the collection of uncollected receivables in the previous fiscal year.

### ■ Hotel Operation Business

- **Focused on negotiations with developers and others to secure management rights for new hotels** in metropolitan and regional areas. **One resort hotel operating right secured in the fourth quarter.**
- Hotel sales remained strong year on year, however were not enough to cover fixed costs for the segment as a whole, resulting in operating losses.

### ■ Other Business

- Although the company started a tourist sending from China to the group's hotels, the business did not contribute to consolidated sales due to group consolidated elimination. Operating loss ended at the previous year's level.

## ◆ Activities to achieve the performance forecast for the fiscal year ending March 2026

- In the real estate business, **focus on promotion of development projects** (hotel and inbound accommodation facilities), and **securing project management services for resort facility development**, in order to diversify our earnings.
- In the hotel management business, the company will **focus on securing operating rights for new hotels, aiming to increase the number of negotiations and successful contracts.**
- In the tourists sending business, the company **focus on securing contracts with outside hotels.**
- In the investment business, focus on establishing funds with domestic and overseas investors to secure funds for hotel development.

## Consolidated Financial Result for FY2024

FY2024 Result	<b>Net sales</b>	<b>825m yen</b> (Down 36.2% year on year)
	<b>Operating loss</b>	<b>(352m yen)</b> (Loss of ¥154M in FY2023)
	<b>Ordinary loss</b>	<b>(429m yen)</b> (Loss of ¥162M in FY2023)
	<b>Loss attributable to owners of parent</b>	<b>(432m yen)</b> (Loss of ¥139M in FY2023)
	<b>Earnings per share</b>	<b>(9.37 yen)</b> (Loss of ¥3.74 in FY2023)
	<b>Total assets</b>	<b>1,059 yen</b> (End of previous period 1,158M yen)
	<b>Net assets</b>	<b>735m yen</b> (End of previous period 860M yen)
	<b>Equity Ratio</b>	<b>66.5%</b> (End of previous period: 70.8%)

Forecast for Fiscal Year 2025 (Ending March 31, 2026) (Million yen)

Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
2,249	92	82	55

\* This forecast was announced on May 14, 2025.

## Overview of Segments information for FY2024



### Real Estate Business

The company focused on development of hotels and inbound accommodations facilities.

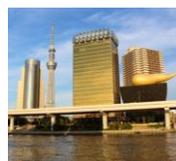
**Net sales 243m yen**    **Operating Profit 41m yen**  
(Down 67.2% year on year)    (Down 86.3% year on year)



### Hotel Operation Business

The company focused on improvement of operational KPI of hotels and increase new hotel operational contract.

**Net sales 581m yen**    **Operating loss (60m yen)**  
(Up XX.X% year on year)    (Loss of ¥77m in FY2023)



### Other Business (Tourist sending, Fund raising)

The company focused on tourists sending from China to group hotels. Besides, the company started to tourists sending to outside hotels.

**Net sales 0m yen**    **Operational loss (25m yen)**  
(Loss of ¥32m in FY2023)

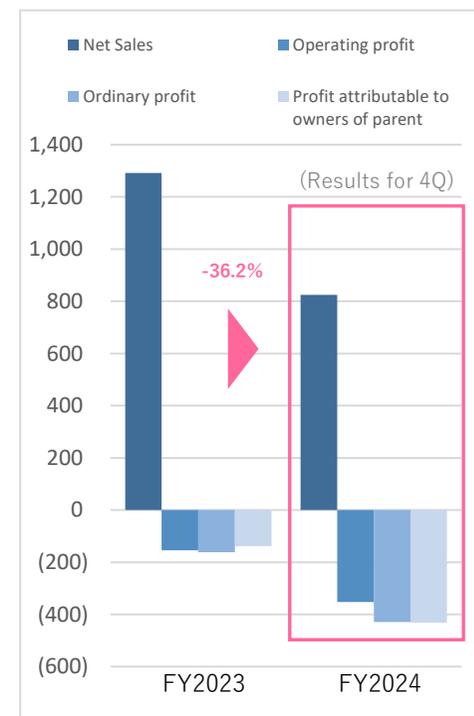
- **Hotel sales remained strong**, however **consolidated revenue decreased** due to lower real estate sales compared to the same period last year. Activities aimed at medium- and long-term earnings remained solid, but **short-term earnings activities were insufficient**.
- **Operating loss increased** due to the absence of the earnings improvement effect of the previous year's decrease in SG&A expenses resulting from the collection of uncollectible receivables, despite solid improvement in hotel operation revenues.

(Million of yen)

	FY2023 (Actual result)	FY2024 (Actual result)	FY2024 (Initial Full-Year Forecast)	Change from the previous year	Achievement ratio toward initial forecast
Net Sales	1,292	825	2,593	- 467 - 36.2%	31.8%
Operating profit	(154)	(352)	53	- 198	-
Ordinary profit	(162)	(429)	40	- 267	-
Profit attributable to owners of parent	(139)	(432)	16	- 293	-
Earnings per share (yen)	(3.74)	(9.37)	0.35	- 5.63	-

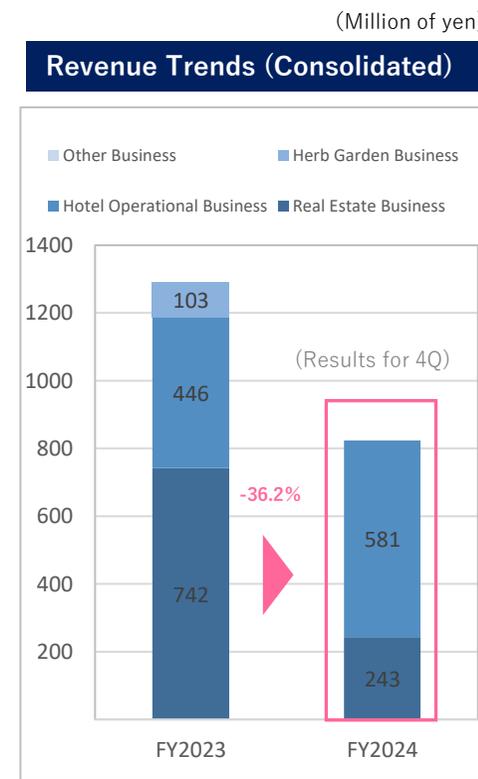
(Million of yen)

## Revenue Trends (Consolidated)



- In the real estate business, **sales and operating income decreased** from the previous year, due to the absence of real estate sales, although **one real estate brokerage deal was completed**.
- In the Hotel Operation Business, **gross profit increased due to strong hotel sales**, however could not cover the fixed costs of the segment as a whole, resulting in an **operating loss for the segment**.
- In the tourist sending business, no consolidated sales were generated due to consolidation elimination, as only tourists were sent to the group hotels. **System linkage with non-Group hotels became feasible**.

	(Million of yen)				
	FY2023 (Actual result)	FY2024 (Actual result)	FY2024 (Full year forecast)	Change from the previous year	Achievement ratio toward initial forecast
<b>Consolidated Net Sales</b>	1292	825	2593	- 467 -36.2%	31.8%
Real Estate Business	742	243	1152	- 499 - 67.2%	21.1%
Hotel Operational Business	446	581	1293	+135 +30.2%	44.9%
Herb Garden Business	103	-	-	- -	-
Other Business	0	0	147	+0 -	0.0%
<b>Operating profit</b>	(154)	(352)	53	- 198 -	-
<b>Ordinary profit</b>	(162)	(429)	40	- 267 -	-
<b>Profit attributable to owners of parent</b>	(139)	(432)	16	- 293 -	-
<b>Earnings per share (yen)</b>	(3.74)	(9.37)	0.35	- 5.63 -	-



Note; Herb garden Business was excluded from consolidation in the FY2023.

## (Estate Business)

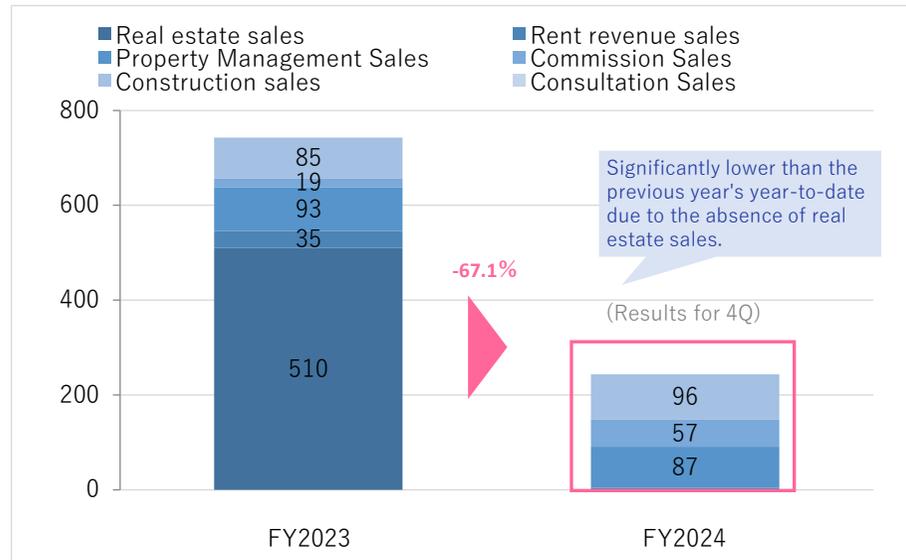
- Focused on hotel real estate development and land brokerage for future earnings growth, sales and operating income decreased year on year. **(One hotel land brokerage was finalized.)** Settled matter
- In addition, focus on development of inbound accommodation facilities. **(Two case finalized, total of two cases currently under development.)** Settled matter

## (Hotel Operation Business)

- **Focused on acquiring the right to operate an urban apartment hotel, sales increased and operating loss slightly decreased** compared with the same period of the previous fiscal year.
- Focus on other activities to secure management rights (including M&A) for hotels in operation (Urban and Resort Hotel)

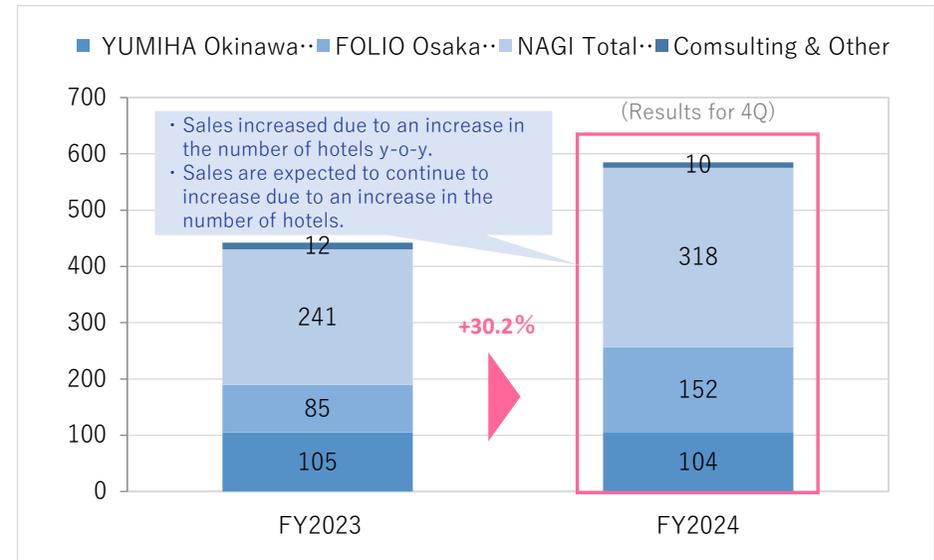
### Real Estate Business Year-on-Year

(Million of yen)



### Hotel Operation Business Year-on-Year

(Million of yen)



Note; The amounts of points granted for room reservations is excluded from sales since the current 2Q.

# BALANCE SHEET TREND SUMMARY in FY2024

- Assets decreased compared to the FY2023 (dec. in cash & deposits, inc. in long-term deposits)
- Liabilities increased compared to the FY2023 (dec. in shareholder benefit reserves, inc. in derivative liabilities).
- Net assets decreased compared to the FY2023. (inc. in capital and capital surplus due to new share issuance, decrease due to after-tax loss)

## Balance Sheet Summary (Comparison with FY2023)

(Million of yen)

	FY2023	FY2024	Increase/ Decrease	Major Factors for Increase/Decrease
Cash and deposits	890	535	△ 355	
Notes and accounts receivable - trade	81	100	19	
Real estate for sale	43	40	△ 3	
Other inventories	2	1	(1)	
Other	22	36	14	
Allowance for doubtful accounts	(0)	△ 0	0	
<b>Total current assets</b>	<b>1,039</b>	<b>714</b>	<b>△ 325</b>	*Dec in cash and deposits.
Property, plant and equipment	6	5	△ 1	
Intangible assets	10	8	△ 2	
Investments and other assets				
Long-term deposit	0	222	222	*Inc in Long term Deposit for Forward Stock Repurchase Agreement.
Investments and other assets	159	169	10	
Allowance for doubtful accounts	(70)	△ 70	0	
<b>Total investments and other assets</b>	<b>89</b>	<b>322</b>	<b>233</b>	
<b>Total non-current assets</b>	<b>106</b>	<b>336</b>	<b>230</b>	
Deferred asset	11	7	(4)	
<b>Total assets</b>	<b>1,158</b>	<b>1,059</b>	<b>△ 99</b>	

	FY2023	FY2024	Increase/ Decrease	Major Factors for Increase/Decrease
Accounts payable - trade	3	2	(1)	
Current portion of long-term debt	32	8	(24)	
Accounts payable	63	63	0	
Accrued income taxes	9	9	0	
Accrued consumption taxes	18	21	3	
Deposit	66	65	(1)	
Provision for bonuses	6	7	1	
Allowance for shareholder special benefit	59	43	(16)	*Dec in provision for shareholders' benefits.
Other	27	23	(4)	
<b>Total current liabilities</b>	<b>287</b>	<b>245</b>	<b>(42)</b>	
Long-term borrowings	9	1	(8)	*Dec due to repayment of loans payable.
Lease obligations	1	0	(1)	
Derivative liabilities	0	76	76	*Inc in Liabilities for Forward Stock Repurchase Agreement.
<b>Total non-current liabilities</b>	<b>10</b>	<b>78</b>	<b>68</b>	
<b>Total liabilities</b>	<b>297</b>	<b>323</b>	<b>26</b>	
Paid-in capital	1,283	1,444	161	*Inc due to issuance of new shares.
Capital surplus	1,053	1,214	161	*Inc due to issuance of new shares.
Retained earnings	(1,506)	(1,938)	(432)	*Due to the loss after income tax.
Treasury shares	(2)	(2)	0	
<b>Total shareholders' equity</b>	<b>827</b>	<b>717</b>	<b>(110)</b>	
Accumulated other comprehensive income	(7)	(12)	(5)	
Share acquisition rights	40	30	(10)	
<b>Total net assets</b>	<b>860</b>	<b>735</b>	<b>(125)</b>	
<b>Total liabilities and net assets</b>	<b>1,158</b>	<b>1,059</b>	<b>(99)</b>	
<b>Equity ratio (%)</b>	<b>70.8%</b>	<b>66.5%</b>	<b>-4.3%</b>	*Dec due to decrease in cash and deposits.

- Operating cash flow used ¥391m due to loss before income taxes and decrease in provision for shareholders' benefits.
- Investing cash flow used ¥238m due to increase long-term deposits in SSB (Note) etc.
- Financing cash flow acquired by ¥276m due to issuance of new shares and due to repayment of loans payable.
- Cash and cash equivalents at the end of the period decreased from the previous period to ¥535m.

## Cash Flow Trend Summary (Comparison with FY2023/2Q)

(Million of yen)

	FY2023 (Actual result)	FY2024 (Actual result)	Increase/ Decrease	Major Factors for Increase/Decrease
Cash flows from operating activities	281	(391)	(672)	*Net loss of ¥430m for the current fiscal year.
Cash flows from investing activities	34	(238)	(272)	*Long-term deposit of ¥240m through for Forward Stock Repurchase Agreement, etc.
Cash flows from financing activities	121	276	155	*Due to proceeds from issuance of new shares of ¥310m.
Cash and cash equivalents at end of year	890	535	(355)	

\*Note: SSB means synthetic share buy-buck trading (Forward Stock Repurchase Agreement).

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## Business plan for the FY2025

In the fiscal year ending FY2024, the company achieved some success in its activities for medium- to long-term growth (securing the operating rights for an apartment hotel), however was unable to establish a revenue base in the short to medium term, and fell significantly short of its budget.

As a result of the above, the company has announced a significant downward revision of its earnings forecast for the FY2024, marking the third consecutive year of losses.

For this reason, for the FY2025, the company will focus on establishing a short- to medium-term revenue base and aim to achieve a stable profitability.

- In the fiscal year ending March 2026, the company will promote profitability through the following activities, which have been steadily progressing to date. [Short- to medium-term activities]
  - Real estate business: Continuing the initiatives undertaken since the fiscal year FY2024 to secure a stable earnings base.
    - Resale of accommodation facilities (sales revenue): 3 cases, Resort facility development project management (PM revenue): 1 case
    - Development and sale of small accommodation facilities (sales revenue): 3 cases
  - Hotel management business: Secure a stable revenue base by improving the KPIs of existing hotels and through hotel consulting revenue as a new field.
    - Revenue from operating existing hotels (sales revenue): 5 hotels, Resort facility consulting (consulting revenue): 2 case
  - Tourists sending business: Accelerating existing efforts and establishing a position as a "Business group that can generate demand for hotel reservations"
    - Tourists sending to hotels within the group (Support for KPI improvement for group hotels / Sales figures will be consolidated and eliminated)
    - Tourists sending to hotels outside the group (Handling fee)
- Continue to secure management rights for development-type apartment hotels (urban and resort) and regional hotels. [Medium- to long-term activities]
- Through the above activities, the company aims to return to profitability in the FY2025 and achieve budgeted figures.

# CONSOLIDATED REVENUE FORECAST for FY2025

- For the FY2025, the company will focus on improve profitability in the hotel management business and **secure a revenue base through our real estate business and tourist sending business.**
- Based on the above, the company aim to break through from three consecutive years of losses and **achieve the budget figures by turning a profit in the FY2025.**
- The business issues are “raising funds” and “securing human resources,” and to solve these issues, **the company plan to promote alliances and collaborations.**

(Million of yen)

(Million of yen)

	FY2024	FY2025			Major factor
	(Actual result)	(Full year forecast)	(Inc/dec)	(% change)	
Net Sales	825	2,249	1,424	172.7%	* Increase in real estate deals, such as resale of accommodation facilities. * Operation of new hotel facilities.
Operating profit	(352)	92	444	-	* Improved real estate revenues. * Improved hotel operating revenues.
(Ratio)	(42.7%)	4.1%	46.8%	-	
Ordinary profit	(429)	82	511	-	
(Ratio)	(52.0%)	3.6%	55.7%	-	
Profit attributable to owners of parent	(432)	55	487	-	
(Ratio)	(52.4%)	5.0%	57.5%	-	
Earnings per share (yen)	(9.37)	1.19	4.09	-	

Aiming to break out of three consecutive years in the red, return to profitability in FY2026, and achieve budget.



# SEGMENT REVENUE FORECAST for FY2025

- Real estate business: The company plan to **secured stable earnings** through our existing businesses of "Reselling accommodation facilities," "Resort facility development project management," & "Developing and selling inbound accommodation facilities."
- Hotel management business: The company plan to **secure stable profits** through "Existing hotel management revenue" & "Resort facility consulting". In addition, the company will continue to promote "securing the operating rights for development-type apartment hotels" for future profits.
- Tourists sending business: **Increase number of tourists sending to hotels both hotel of our group & outside group**, and secure new revenue.

(Million of yen)

(Million of yen)

	FY2024	FY2025			Major factor
	(Actual result)	(Full year forecast)	(Inc/dec)	(% change)	
<b>Net Sales</b>	825	2,249	1,424	172.7%	Focus on increasing revenue in the real estate business and expand sales by increasing the number of hotel operations.
Real Estate Business	243	1,093	849	348.5%	■ Increase in real estate deals, such as resale of accommodation facilities.
Hotel Operational Business	581	1,142	561	96.7%	■ Operation of new hotel facilities.
Other Business	0	13	13	-	
<b>Operating profit</b>	(352)	92	444	-	
Real Estate Business	41	488	447	1,090.7%	■ Improved real estate revenues
Hotel Operational Business	(60)	(13)	47	-	■ Improved hotel operating revenues
Other Business	(25)	(30)	(4)	-	
(Ratio)	(42.7%)	4.1%	46.8%	-	



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- Short-term revenue measures were not achieved, and earnings forecasts were revised downward (announced on April 1, 2025), with sales declining and losses increasing in FY2024.  
(Based on the above, there are conditions that cast significant doubt on the going concern assumption; however, the company has raised funds to a certain extent and has determined that there are no significant uncertainties.)
- Whereas, **the number of projects in the mid- to long-term plan to increase earnings (activities to acquire hotel management rights) is steadily increasing.**
- Therefore, In FY2026/03, the company will focus on establishing a revenue base in the short- to medium-term in order to return to profitability and achieve the forecast figures, and **shift management resources to activities for real estate revenue** with the aim of establishing profitability.

## Next Action

To achieve the budget for FY2025 & the mid-to long-term plan, the company will implement the following action;

- Activities to **secure hotel management rights for mid- to long-term growth continue.** Whereas, the company **promotes securing real estate revenues to secure short-term earnings.**
- Real estate business:  
Pursue real estate income in the following areas to secure short-term revenue.  
“Resale of accommodation”, “Project management fees”, “Development and sale of inbound facilities”
- Hotel Operation Business:  
Secure hotel revenues in the following areas in order to secure short- to medium- to long-term revenues.  
“Improve hotel revenues at existing hotel”, “Consulting for resort facilities”, and “Secure hotel management rights”.
- Tourist Sending Business:  
Pursue expansion of room reservations at group hotels and increase in the number of tourists sending to outside hotels. “Handling fees for hotel reservations”
- Investment Business:  
Focused on establishing funds with domestic and foreign investors to secure funds for hotel development.
- In addition to improving the cost structure, will strengthen our financial position by raising funds, mainly through loaning.
- Based on the above, the company aim to **achieve the budget for this fiscal year and achieve net sales of ¥15b and operating income of ¥0.9b in the FY2028.**

Note 1: “Tourist sending business” and “Fund business” are classified as an “other business” segment for accounting purposes.

Note 2: Partial revisions has been made to the medium- and long-term plan targets for the FY 2028.

- In the real estate business, **1 real estate brokerage** and **2 development projects of accommodation facilities** are confirmed for the FY2025. (Accommodation facilities will be sold to investors after development. The estimated sales price is about ¥150m x 2 projects.)
- In the hotel management business, the company has secured **management rights for 3 apartment hotels**. (After opening in spring 2027, the above 3 projects will add 4.5 billion yen in sales and 400 million yen in operating income, and the company expects sales of over ¥5b including existing hotels)
- In the tourists sending business, the company **has begun contracts with domestic hotels and Chinese travel agencies** to send Chinese tourists to Japan.

## Specific Business Progress on FY2024/3Q

	1Q Result	2Q Result	3Q Result	4Q Result
<b>Real Estate Business</b>	<ul style="list-style-type: none"> <li>*Promote development of urban apartment hotels. [Collaborate with developers to scrutinize projects.]</li> <li>*Design development schemes for inbound accommodations. [Collaboration with real estate companies and construction companies.]</li> </ul>	<ul style="list-style-type: none"> <li>*Promote development of urban apartment hotels.</li> <li>*Development of inbound accommodations. &gt;&gt; <u>Development of a project in Taito-ku to be finalized in July 2024.</u></li> </ul>	<ul style="list-style-type: none"> <li>*Promote development of urban apartment hotels.</li> <li>*Promote development of inbound accommodations facilities. &gt;&gt; <u>Development of a project in Kita-ku to be finalized in November 2024.</u></li> <li>*Promote hotel site brokerage. &gt;&gt; <u>Site brokerage in Sapporo, Hokkaido to be finalized in October 2024.</u></li> <li>-</li> <li>*Promoting development management of resort development.</li> </ul>	<ul style="list-style-type: none"> <li>*Promote development of urban apartment hotels.</li> <li>*Development of inbound accommodations. &gt;&gt; <u>Development of a project in Toshima-ku to be finalized in FY2025.</u></li> <li>*Promote hotel site brokerage.</li> <li>*Sale of real estate for sale.</li> <li>*Promoting development management of resort development. &gt;&gt; <u>Business partnership concluded with one company.</u></li> </ul>
<b>Hotel Operatio Business</b>	<ul style="list-style-type: none"> <li>*Information survey on regional hotel investment. [Research focusing on resort hotels and inns.]</li> <li>*Promotion of urban hotel development. [Planning and development of urban hotels.]</li> </ul>	<ul style="list-style-type: none"> <li>*Information survey on regional hotel investment.</li> <li>*Promotion of urban hotel development.</li> <li>*Concluded a lease contract for an urban hotels. &gt;&gt; <u>Hotel operation in Sapporo, Hokkaido is finalized in September 2024. (FY2027: ¥1.5b sales, ¥60m prprofit)</u></li> </ul>	<ul style="list-style-type: none"> <li>*Information survey on regional hotel investment &amp; urban apartment hotels.</li> <li>*Promote the conclusion of lease agreements and operation of regional &amp; urban hotels.</li> </ul>	<ul style="list-style-type: none"> <li>*Information survey on regional hotel investment.</li> <li>*Promotion of urban hotel development.</li> <li>*Concluded a lease contract for an urban hotels. &gt;&gt; <u>Hotel operation in Yamanashi is finalized in September 2024. (FY2027: ¥0.9b sales, ¥60m prprofit)</u></li> </ul>
<b>Other Business</b>				
<b>Tourist Sending Business</b>	<ul style="list-style-type: none"> <li>*Started to send guests from Greater China to the Group's hotels.</li> <li>*Preparation for system linkage with hotels.</li> <li>*Promote contracts with external hotels.</li> </ul>	<ul style="list-style-type: none"> <li>*Promoting tourists from Greater China to the Group's hotels.</li> <li>*Promotion of contracts with travel agencies and OTAs in Greater China.</li> <li>*Promote contracts with external hotels in Japan.</li> </ul>	<ul style="list-style-type: none"> <li>*Promoting tourists from Greater China to the Group's hotels.</li> <li>*Promote contracts with external hotels.</li> </ul>	<ul style="list-style-type: none"> <li>*Promoting tourists from Greater China to the Group's hotels.</li> <li>*Promote contracts with external hotels.</li> </ul>
<b>Tourist Sending Business</b>	<ul style="list-style-type: none"> <li>*Explanation of hotel investment to investors.</li> <li>*Examination of investment scheme.</li> </ul>	<ul style="list-style-type: none"> <li>*Explanation of hotel investment to investors. &gt;&gt; Search for potential purchasers of developed hotels and inbound accommodations.</li> </ul>	<ul style="list-style-type: none"> <li>*Promote establishment of a fund to invest in urban hotels, and its execution.</li> </ul>	<ul style="list-style-type: none"> <li>*Promote establishment of a fund to invest in urban hotels, and its execution.</li> </ul>

- In the Real Estate Business, focus on **resale of hotels and inns, brokerage, project management of resort facilities, and development of inbound accommodation facilities**. [Short-term profitable activities]
- During the period, the company **made progress in brokering and developing of inbound facilities**. Besides, the company **has several projects under contract negotiations** below.
- **Secure short- to medium-term earnings in the real estate business until the expansion period of the hotel management business (FY2027)**.

## Business Pipeline / Estate Business (Projects currently confirmed or under negotiation)

No.	Project Name	Location (Development area)	Product/Service Characteristics	Annual Contribution Profit (Estimated)	Target start/ settlement date	Project Status
<b>(Already settled project)</b>						
1	Hotel site brokerage	Hokkaido	Brokerage of hotel development sites.	38 million yen	Contracted (October 2024)	Contract executed
<b>(Unsettled project)</b>						
2	Inbound facility development	Taito-ku, Tokyo	Development and sales of inbound accommodation facilities.	30 million yen	During this term.	Contracted and under development.
3	Inbound facility development	Nerima-ku, Tokyo	Development and sales of inbound accommodation facilities.	30 million yen	During this term.	Contracted and under development.
4	Project A	Shizuoka	Resale of onsen ryokan. (inns in operation)	120 million yen	During this term.	Under negotiation.
5	Project B	Shizuoka	Resale of onsen ryokan. (inns in operation)	60 million yen	During this term.	Under negotiation.
6	Project C	Kanagawa	Resale of onsen ryokan. (inns in operation)	100 million yen	During this term.	Negotiations begin.
7	Project D	Okinawa	Brokerage of hotel development sites.	60 million yen	During this term.	Negotiations begin.
8	Project E	Okinawa	Brokerage of hotel development sites.	60 million yen	During this term.	Negotiations begin.
9	Project F	Nagano	Brokerage of hotel development sites, and Management fee income from project management of resort facility development.	30 million yen	This fiscal year and next fiscal year.	Under negotiation.
10	Project G	Tochigi	Sale of real estate for sale	30 million yen	During this term.	Sales in progress.
<b>(Termination or Lost contract)</b>						
11	Inbound facility development	Kita-ku, Tokyo	Development and sales of inbound accommodation facilities.	-	-	Development suspended.

\*Since revenue recognition (operating income, non-operating income, extraordinary income, etc.) may vary depending on the project, the company describe to it as contribution income.

- In the hotel management business, in addition to activities to improve profitability of existing hotels, the company focus on activities to secure management rights for new large-scale hotels to be developed. **[Medium- to long-term profitable activities]**
- Activities to secure management rights for large hotels are progressing, with the following projects under negotiation. New hotel sales are expected to approximately **¥4.5b in FY2027** and beyond, with the aim of further increasing hotel sales.
- Due to its status as a third-party operator partnering with international hotel brands, the number of **deals negotiated with developers is increasing**, and its **negotiating power with brands is expanding**.
- Profitability (KPI) of existing hotels is **steadily improving** due to various measures.

## Business Pipeline / Hotel Management Business (Projects currently confirmed or under negotiation)

No.	Project Name	Location (Development area)	Hotel Brand	number of rooms	Annual Sales (Actual or Forecast)	Annual Operating Income (Forecast)	Opening Date	Project Status
<b>(Already settled project)</b>								
1	Homm Stay Yumiha Okinawa	Kunigami-gun, Okinawa	HOMM (BANYAN)	18 rooms	100 million yen	-	In operation. (from July 2022)	In operation.
2	Folio Sakura Shinsaibashi Osaka	Osaka City, Osaka	FOLIO (BANYAN)	48 rooms	150 million yen	-	In operation. (from July 2023)	In operation.
3	Homm Stay Nagi Sanjo Kyoto	Kyoto City, Kyoto	HOMM (BANYAN)	28 rooms	330 million yen (Total of 3 hotels)	-	In operation. (Consolidated in April 2024)	In operation.
4	Homm Stay Nagi Shijo Kyoto	Kyoto City, Kyoto	HOMM (BANYAN)	12 rooms				
5	Homm Stay Nagi Arashiyama Kyoto	Kyoto City, Kyoto	HOMM (BANYAN)	9 rooms				
6	Kitahiroshima Ball Park Hotel	Kitahiroshima City, Hokkaido	BANYAN	Approx. 190 rooms	2,000 million yen	250million yen	Scheduled to open in spring 2027, before construction.	Lease agreement signed (Fall 2023).
7	Sapporo Susukino Hotel	Sapporo City, HokkaidoK	To be selected in the future	Approx. 130 rooms	1,500 million yen	100million yen	Scheduled to open in spring 2027, under design.	Lease agreement signed (Fall 2024).
8	Lake Kawaguchi Hotel	Yamanashi	To be selected in the future	Approx. 70 rooms	900 million yen	60 million yen	Scheduled to open in spring 2027, in planning.	Lease agreement signed (Spring 2025).
<b>(Unsettled project)</b>								
9	Project A	Okinawa	To be selected in the future	Approx. 110 rooms	4,500 million yen	40 million yen	Scheduled to open in summer 2028, in planning.	Lease agreement under negotiation.
10	Project B	Yamanashi	To be selected in the future	Approx. 70 rooms (Phase 1 Development)	900 million yen	60 million yen	Scheduled to open in spring 2027, in planning.	Lease agreement under negotiation.
11	Project C	Hokkaido	To be selected in the future	Approx. 130 rooms	2,000 million yen	100 million yen	Scheduled to open in summer 2028, in planning.	Lease agreement under negotiation.
12	Project D	Osaka	To be selected in the future	Approx. 240 rooms	2,200 million yen	100 million yen	Scheduled to open in fall 2027, in planning	Participating in bidding for hotel operating rights.

\*The reason for the different operating profit ratio for each hotel is due to the different hotel management contract schemes.

- Tourists Sending Business is an **overseas sales function (Global Sales Office)** that handles advertising and sales of group hotels that send tourists from Greater China. Also promotes revenue -generating activities by handling tourists sending to outside hotels. [Support business + additional revenue]
- The Group has been sending tourists to group hotels since last year. Currently, the company is promoting contracts with outside hotels, focusing on expanding the number of contracted hotels, increasing the amount of hotel reservations handled, and aiming to **establish a position as a business group capable of generating hotel reservation demand.**
- In the Investment Business, focus on fundraising activities from Japan and overseas for the purpose of hotel investment, and continue to do so in the future.

## Business Pipeline / Other Business (Projects currently confirmed or under negotiation)

No.	Project Name	Product/Service Characteristics	Target Amount handled	Scheduled start date	Project Status
<b>(Tourist Sending Business)</b>					
<b>(Already settled project)</b>					
1	Five of the Group's hotels	Tourist sending to hotels operated by the Group [Promote & Selling group hotels.]	The goal is to handle 10% of the number of rooms available for sale at each hotel.	in operation	Under contract.
2	A Hotel (Kyoto)	Tourist sending to hotels outside of the group. [Revenue-generating activities]	Depends on the size of each hotel to be contracted, but targets between ¥ 2m and ¥20m for each hotel.	April 2025	Under tourist sending by spot contracts.
3	B Hotel (Osaka)			May 2025	Under contract.
4	C Hotel (Hokkaido)			April 2025	Under tourist sending by spot contracts.
5	D Hotel (All over Japan)			April 2025	
6	E Hotel (All over Japan)			April 2025	
7	F Hotel (Tokyo)			April 2025	
8	G Hotel (Osaka)			April 2025	
9	H Hotel (All over Japan)			April 2025	
10	I Hotel (Shiga)			April 2025	
<b>(Unsettled project)</b>					
11	J Hotel (Nara)	same as above.	same as above.	Jun 2025	Under negotiation.
12	K Hotel (Okinawa)	same as above.	same as above.	Jun 2025	Under negotiation.
<b>(Termination or Lost contract)</b>					
13	L Hotel (Osaka)	-	-	-	Negotiations discontinued.
14	M Hotel (Osaka)	-	-	-	Negotiations discontinued.
<b>(Investment Business)</b>					
-	There are no projects that can be made public currently.	-	-	-	-

\*No sales will be recorded in this business, since the business purpose of the investment business is to raise funds for the Company's main business of real estate and hotel management.

## Tourists Sending Business

- Tourists sending business refers to the business of sending tourists from Greater China to our Group's hotels and non-Group domestic hotels.
- The Company Group concludes contracts with OTAs and travel agencies in Greater China, collects tourists, and sends them to the Company Group's hotels in Japan.[Advertising & sales of the group hotels (stabilization of room reservations)]
- Whereas, the group conclude handling contracts with hotels outside the Group, and send the tourists we have attracted to them.

(Flow of Tourists Sending)



## Issues and Measures for each Business and Major Strategy

Business Segment	Major Strategy	Issues	Countermeasures
<p><b>Real Estate Business</b></p> <p>“Ensure stable earnings in the short- to medium-term.”</p>	<ul style="list-style-type: none"> <li>Secure stable revenue through development and sales of inbound facilities, PM business, and land brokerage.</li> <li>Secure high earnings from resort facility development (project management) and hotel facility sales and purchase.</li> </ul>	<ul style="list-style-type: none"> <li>Real estate held for sale is minimal.</li> <li>Securing land for inbound accommodations.</li> <li>Feasibility of resort facility development (project management)</li> <li>Feasibility of buying and selling hotel facilities and securing the target facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Promoting sales and purchases focused on hotel facilities due to the few number of real estate held for sale.</li> <li>For inbound facility sites, tie-up with real estate co. &amp; construction co. to collect information and promote development.</li> <li>Promote collaboration with Experts in resort &amp; hotel development.</li> </ul>
<p><b>Hotel Operation Business</b></p> <p>“Establishment for Medium- and Long-Term Growth and Expansion.”</p>	<ul style="list-style-type: none"> <li>Expand the number of large newly developed hotels to secure management rights.</li> <li>Expand the number of existing hotels and inns securing management rights (inc. M&amp;A).</li> <li>Improve profitability (KPI) of group-operated hotels.</li> </ul>	<ul style="list-style-type: none"> <li>Securing know-how and developing a system for the operation of large-scale hotels to be launched in the future.</li> <li>Progress is being made in securing management rights for newly developed hotels, whereas there are few projects to secure management rights for existing hotels.</li> </ul>	<ul style="list-style-type: none"> <li>In large hotel operations, contracted hotel brands possess operational know-how.</li> <li>Securing appropriate HR &amp; sufficient preparation period in the development of the operational structure.</li> <li>Promote information sharing with DMOs &amp; local governments to secure management rights for existing hotels.</li> </ul>
<p><b>Tourist Sending Business &amp; Investment Business ( Both Other Business)</b></p> <p>Expansion support for group growth.”</p>	<p>(Tourist Sending Business)</p> <ul style="list-style-type: none"> <li>Increase the number of tourists to our managed hotels by sending from China. (Send more than 10% of the number of rooms available for sale)</li> <li>Secure stable revenue from handling commissions from non-Group hotels.</li> </ul> <p>(Investment Business)</p> <p>Secure hotel investment funds opportunity.</p>	<p>(Tourist Sending Business)</p> <ul style="list-style-type: none"> <li>Increase in the number of promotion and sales of the group hotels to OTAs and travel agencies in Greater China.</li> <li>Increase the number of contracts with non-Group hotels and the number of tourists sending.</li> </ul> <p>(Investment Business)</p> <ul style="list-style-type: none"> <li>Secure investors and deals.</li> </ul>	<p>(Tourist Sending Business)</p> <ul style="list-style-type: none"> <li>Expansion of contracts with OTAs &amp; travel agencies in Greater China. ⇒ Number of negotiations is expanding.</li> <li>Expansion of handling contracts with outside hotels ⇒ Expanding number of negotiations</li> </ul> <p>(Investment Business)</p> <ul style="list-style-type: none"> <li>Promote negotiations for investment projects with investors and funds.</li> </ul>

(Note 1) PM: Property management (building facility management)

(Note 2) DMO: Destination Management Organization)

- 1 Business Results FY2024
- 2 Business Plan FY2025
- 3 Business Status
- 4 Supplementary Information**

## Business Model of the company

### Group revenue growth through a series of inbound cycles

- Real estate business: **Increase in gains on "Resale of accommodation facilities, project management, development and sales of small accommodation facilities".** >> **Expansion of stable revenue.**  
(Target properties are "Urban apartment hotels" and "Inbound accommodation facilities")
- Hotel Management business: **Increase operating revenue by expanding the number of hotels in operation** >> **Expansion of growth revenue.**  
(The investment target hotels are "urban apartment hotels" and "resort hotels & inns, etc.")
- In addition, as a supplementary business for establishing the inbound business cycle, the company advances **Tourist sending business from Greater China & Securing funds for hotel investment.** >> **Support for expansion of hotel management business and real estate business.**

Necessary activities to realize this goal

### Expansion of the number of hotels under management and hotel real estate sales and purchases.

(Real Estate Business)

- **Stabilize the revenue base by implementing the strategic business of "Reselling accommodation facilities, Project management, and Development and sales of small accommodation facilities".**
- Secure real estate revenues from Property management, real estate brokerage, rent revenues, etc.

(Hotel Operation Business)

- Activities to expand KPIs such as OCC and ADR for managed hotels.
- **Expansion of the number of "Urban apartment hotels" and "resort hotels and inns, etc." under management", as strategic investments.**
- Focus on **"Hotel Opening Consulting" in Resort Facility Development.**

### Support the growth of the main business by Supplementary business.

(Tourist sending business)

- Expansion the **tourist sending business and improve hotel KPI** by sending tourists from Greater China to our own hotels and external hotels.

(Investment business)

- Support **increased number of hotel investments and sales revenues** through fundraising and establishment of hotel investment funds.

## Differentiation & Advantage from others for revenue growth

### Advantages of having strategic alliances with international hotel brands

- The company has **strategic alliances (established JV) with the world's top international hotel brands**, and can expect **branding strategies**.
- The company can be expected to **plan and manage hotel development using the strength of our brand**.
- The Company has the advantage of having an international brand, which makes it easier to **enter into master lease agreements with hotel property owners as a third-party operator** due to its credibility and increased revenue expectations.

### Advantage that our business covers all inbound markets

- The company's strength is that **it covers all inbound markets** through its “Tourists sending from Greater China,” “Hotel operations and land services in Japan,” and “Business of increasing real estate value through the sale and purchase of hotel assets & asset management,”
- With the growth of the inbound market, **can expect to expand the scale of the company's business**, and thereby increase the company's value.

### Advantages of having a Greater China network

- The company **has a network in Greater China**, which enables us to develop business **by utilizing Greater China capital and human resource channels**.
- In the real estate area, the company has channels of investors in Greater China who highly value Japanese real estate, **making it easy for us to secure promising buyers for the hotels and facilities we are involved in**.
- In the hotel area, there is a network of investors who are considering developing and investing in resort facilities in Japan, and **the possibility of the company's participation as project management role is increasing new business opportunities**.
- The company has a China investor channel, which enables **it to raise capital for development and investment in domestic hotels**.
- The company has started tourists sending from China, and **it will help stabilize room reservations of group hotels**, and furthermore, regarding non-group hotels will enable us to secure handling fee.

# GROUP FACILITIES (Including hotels to be operated)

## Okinawa

[Homm Stay Yumiha Okinawa](#) (Location in Onnason)

Luxury villa hotel in Onna Village, Okinawa (18 rooms)



## Osaka

[Folio Sakura Shinsaibashi Osaka](#) (Location in Shinsaibashi)

Luxury business hotel in a good location in Shinsaibashi, Osaka (48 rooms)



## Kyoto

[Homm Stay Nagi Sanjo Kyoto](#) (Location in Sanjo)

Boutique hotels in Arashiyama, Sanjo and Shijo in Kyoto (49 rooms in 3 hotels)



[Homm Stay Nagi Shijo Kyoto](#) (Location in Sanjo)



[Homm Stay Nagi Arashiyama Kyoto](#) (Location in Arashiyama)



## Hokkaido(Open in 2027)

\* Name to be determined.

Large type of hotel adjacent to ESCON Field in Hokkaido Ball Park F Village (188 rooms)



## Hokkaido(Open in 2027)

Name to be determined.

Large type of hotel located on the main district of Susukino, Sapporo, Hokkaido (126 rooms)



## Yamanashi(Open in 2027)

\* Name to be determined.

Large type of resort hotel located on the lake Kawaguchi, Yamanashi. (71 rooms)



## Key Financial Indicator (Consolidated)

(Thousand of yen)

	FY2020 (23th period)	FY2021 (24th period)	FY2022 (25th period)	FY2023 (26th period)	FY2024 (27th period)
<b>Statement of Income</b>					
Netsales	1,175,952	2,351,550	598,187	1,292,217	825,023
Operating profit	(775,819)	195,233	(416,169)	(154,220)	(352,518)
Ordinary profit	(965,625)	195,188	(471,007)	(162,432)	(429,247)
Profit	(994,522)	154,132	(493,412)	(139,905)	(432,377)
Profit attributable to owners of parent	(993,160)	156,110	(493,412)	(139,905)	(432,377)
Comprehensive income	(995,558)	149,869	(494,145)	(143,131)	(437,915)
<b>Balance Sheet</b>					
Total net assets	1,033,875	1,182,078	692,706	860,453	735,729
Total assets	2,911,269	1,862,683	1,181,012	1,158,001	1,059,346
<b>Cash flow Statement</b>					
Cash flows from operating activities	485,239	1,456,016	(587,342)	281,367	(391,619)
Cash flows from investing activities	67,633	(64,650)	(148,747)	34,536	(238,399)
Cash flows from financing activities	(301,981)	(1,031,338)	(47,598)	121,995	276,309
Cash and cash equivalents at end of period	871,079	1,233,959	452,415	890,040	535,806
<b>Financial Data</b>					
Equity ratio (%)	34.6	62.0	56.2	70.8	66.5
Return on equity (%)	(66.5)	(14.4)	(74.4)	(18.9)	(56.7)
Earnings per share (yen)	(26.79)	(4.21)	(13.31)	(3.74)	(9.37)
Book-value per Share (yen)	27.13	31.23	17.90	19.68	15.16

## Company Overview (As of March 31, 2025)

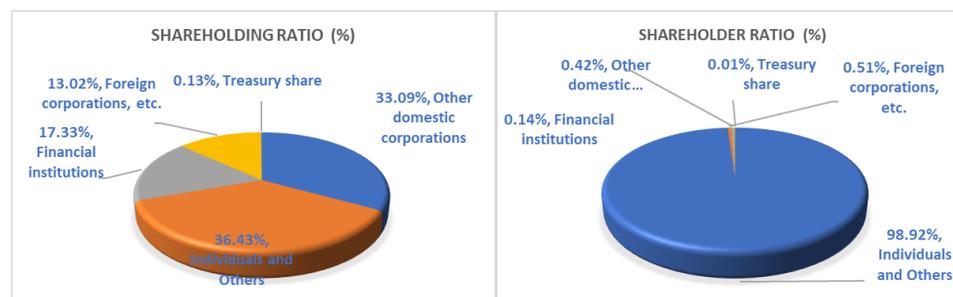
Company name	INTRANCE CO., LTD.	
Representative	He Tongxi, President & CEO	
Founded	May 1, 1998	
Head office address	9F, Oshita bldg, 1-16-5, Dogenzaka, Shibuya, Tokyo, 1500043	
Capital	1,444,427 thousand yen	
Listed Stock Exchange	TSE Growth market (Code; 3237)	
Number of employees	133 (Consolidated)	
Business activities	Estate business Hotel operation business Other business	
Qualified Invoicing Business Registration number	T5-0110-0103-0534	
Licenses and Permits, etc.	Real estate brokerage business [Governor of Tokyo (1) No. 105555] Property management business [Minister of Land, Infrastructure, Transport and Tourism (1) No. 7482]. Type II Financial Instruments business [Director-General of Kanto Local Finance Bureau (Financial Instruments and Exchange Act) No. 1732] Land operator business [Governor of Tokyo No. 20725]	
Member organization	National association for real estate transaction guaranty Type II Financial Instruments Dealers Association Japan Investment Advisers Association	

## Board Member (As of March 31, 2025)

Director and Auditor	President & CEO	He Tongxi
	Director	Shigeru Sudo
	Outside Director	Ken Hibino
	Outside Director	Qiu Fei
	Auditor	Kunio Hirata
	Outside Auditor	Ryuji Uwatoko
	Outside Auditor	Sadahiro Sugita

## Stock Status (As of March 31, 2025)

Total number of authorized shares	115,200,000 shares
Total number of issued shares	46,552,784 shares
Number of shareholders	12,705



## Major Shareholders (Top 10) (As of March 31, 2025)

No.	Shareholders Name	Number of shares held	Voting rights ratio	Shareholding ratio
1	Inbound Investment, LLC.	7,565,000	16.27%	16.25%
2	Delight Works Co., Ltd.	6,660,000	14.33%	14.31%
3	Japan Securities Finance Co., Ltd.	4,380,800	9.42%	9.41%
4	BNP Paribas Singapore /2S / JASDEC / GF Securities HK	3,621,084	7.79%	7.78%
5	Matsui Securities Co., Ltd.	2,658,200	5.72%	5.71%
6	BNP Paribas London Branch for Prime Brokerage Clearance ACC for third party	1,800,000	3.87%	3.87%
7	Find Star Group Co., Ltd.	660,000	1.42%	1.42%
8	Rakuten Securities Co., Ltd.	419,400	0.90%	0.90%
9	Individual shareholder	380,000	0.82%	0.82%
10	Individual shareholder	363,200	0.78%	0.78%
	Total	28,507,684	61.32%	61.24%

## For reference purpose only

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Consequently, any statements herein do not constitute assurances regarding actual results by the Company.

Actual performance may significantly differ from these forecasts due to various factors in the future.

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## IR inquiry

INTRANCE Co., Ltd. Corporate Communication Section.

Inquiry to; +81-3-6803-8100

Corporate web site;

<https://www.intrance.jp/contact.html>

