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June 10, 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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### **Explanation of Change Report of our Shareholders**

Intrance Co., Ltd. (the "Company") hereby explain a shareholder of the company, Inbound Investment LLC ("Inbound"), submitted a report of change to its Large Shareholding Report. The company would like to provide an explanation as follows.

#### 1. Background of change report from our shareholder

Inbound, the company's largest and major shareholder, submitted some change report to its Large Shareholding Report on June 9, 2025. Based on explanations from Inbound, the company has confirmed that the margin trading positions in our shares held in some of Inbound's securities accounts, as well as the physical shares of our company that were used as collateral in the margin trading, has been forced to settle.

As announced in the "Notice regarding changes in major shareholders and the largest shareholder who is a major shareholder" dated October 29, 2024, Inbound has been gradually transferring its holdings of the company's physical shares to margin trading since around May 2024, with the aim of increasing its cash holdings and improving the efficiency of its capital management.

Recently, some securities firms have been forced to settle the margin trading positions of our shares held by Inbound, as well as the physical shares of our company that were used as collateral in the margin trading. This has resulted in the securities firms mechanically issuing large amounts of sell orders, which has worsened the supply and demand balance and led to significant fluctuations in the price of our shares.

The company has heard from Inbound that the forced settlement sale of our shares will soon be completed.

In addition, the company has confirmed that Inbound intends to continue holding company's shares other than those subject to compulsory settlement and that there is no change in its medium- to long-term holding policy.

As a result of the above, the company expects that there will be some changes in Inbound's holdings of the company's shares. However, the company will review the content of the change report regarding the large shareholding report that Inbound will submit in the future, and will make an official announcement if the timely disclosure standards are met.

## 2. Future Outlook

The company would like to apologize to company's shareholders and other stakeholders for the great concern and inconvenience caused by the recent decline in the company's share price.

Regarding this matter, the company intend to focus on future business growth and strive to increase the value of our business and shares.

The company believes that this incident will has no impact on the company's business performance or management structure for this consolidated fiscal year.