



(Second section of the Tokyo Stock Exchange Stock code : 2338)

Quantum Solutions Co., Ltd. Establishes Joint Venture with FOMM Company Limited

(23 August 2021) According to the announcement dated 12 July 2021 in respect of “Notice of Capital and Business Alliance with FOMM Limited”, **Quantum Solutions** (hereinafter referred to as the “**Company**”) has agreed to form a capital and business alliance (hereinafter referred to as the “**Capital and Business Alliance**”) with FOMM Limited (hereinafter referred to as “**FOMM**”) and a joint venture agreement was signed today.

1. Purpose of setting up the joint venture

Pursuant to the Capital and Business Alliance, the Group has agreed to invest in FOMM. After discussion, the two parties agreed to set up a joint venture in Hong Kong, namely Quantum FOMM Limited (hereinafter referred to as the “**New Company** ”), to manufacture and distribute electric vehicles in China, in other words to serve the two companies as a vehicle to tap the China market. Asia TeleTech Investment Limited (hereinafter referred to as “**ATT**”), a wholly-owned subsidiary of the Company, will contribute capital direct to the New Company whereas FOMM will contribute capital as well.

2. Purpose and strategy of the Capital and Business Alliance

(1) Short term plan (12 months)

The New Company plans to start mass production in China as soon as possible after making minor adjustments to the FOMM’s existing vehicle model – “**FOMM ONE**”. The two parties expect production costs to be significantly reduced by leveraging the highly efficient supply chain in China.

With production cost lowered, selling price will follow, and correspondingly significant increase in sales volume is projected. Therefore, FOMM and the New Company can expect to see sales volume climb markedly within a short period of time (within 12 months).

(2) Medium-term plan (12-24 months)

To launch a new type of EV that allows people-vehicle interaction via the Internet, it will first be launched in the China market, mainly in small cities and rural areas with large populations in the country.

As an independent Japanese mini-electric vehicle brand, FOMM is going to target small towns and rural areas of China with an aggregate population of approximately 900 million. The major product of FOMM is mini electric vehicle, which is suitable for use in small towns and rural areas of China, where the population is large while the roads are narrow for conventional vehicles to navigate. Therefore, mini electric vehicles should have huge demand in those towns and areas.

3. Joint Venture Companies Information

(1) Company Name	Quantum FOMM Limited
(2) Registered address	ROOM 701-2 EVERBRIGHT CENTRE, 108 GLOUCESTER ROAD, WANCHAI, HONG KONG
(3) Representative	Director TUNG, CHUN FAI
(4) Business nature	Manufacturing of electric vehicles
(5) Capital	HKD30,000 (422,000 yen)
(6) Establishment date	5 August, 2021
(7) Financial period	February
(8) Net Assets	HKD30,000 (422,000 yen)
(9) Total Assets	HKD30,000 (422,000 yen)
(10) Investment ratio	ATT (Company 100% subsidiary): 66.7%、FOMM:33.3%

4. The financial results of joint venture

The New Company will set up a subsidiary in China (tentatively in Shanghai) to produce and distribute electric vehicles. Related financial results will be disclosed once they are available.

5. Overview of business partners

(1) Company Name	FOMM Company Limited	
(2) Registered address	Kanagawa Prefecture, Kawasaki City, Kawasaki City, New Kawasaki 7-7	
(3) Representative	Representative Director Tsurumi Hijo	
(4) Business nature	Planning, development, manufacturing & sales of EV	
(5) Capital	3,505 million yen	
(6) Establishment date	4 February, 2013	
(7) Major shareholders and shareholding ratio	Banpu Next Co., Ltd. (21.5%)	
(8) Relationship between the listed company	Capital relationship	NA
	Interpersonal	NA
	Business relationship	NA
	Relevant parties	NA
(9) The Company's consolidated operating performance and financial status during the last three years will not be disclosed in accordance with the requirements of the other party.		

6. Overview of ATT

(1) Company Name	Asia TeleTech Investment Limited	
(2) Registered address	Flat B, 10/F, Tai Wo Mansion, 8 Tai Wo Street, Wan Chai, Hong Kong	
(3) Representative	Director TUNG, CHUN FAI	
(4) Business nature	Combination of 5G & AI technology related business	
(5) Capital	HKD 4,000,000 (56,744,000 yen)	
(6) Establishment date	22 January, 2018	
(7) Major shareholders and shareholding ratio	FASTEPS SINGAPORE PTE LTD (100% subsidiary of the Company) 100%	
(8) Relationship between the listed company	Capital relationship	FASTEPS SINGAPORE PTE LTD (100% subsidiary of the company) s100%

	Interpersonal	Director TUNG, Chun Fai	
	Business relationship	There are 305 million yen in money obligatory right and 9million yen is paid as servicing fee.	
	Relevant parties	The company is a 100% subsidiary of the Company (indirectly owned)	
(9) The Company's consolidated operating performance and financial status in the last three years			
Final accounts	December 2018	December 2019	December 2020
Consolidated net assets	△133million yen	△172 million yen	△153 million yen
Consolidated total assets	34million yen	36 million yen	353 million yen
1 share of equivalent combined net assets	—	—	—
Consolidated sales	0	5 million yen	22 million yen
Consolidated business loss	△188million yen	△40 million yen	△30 million yen
Consolidated often loss	△188million yen	△42 million yen	△27 million yen
Attributable to shareholders of the parent company Net loss for the period	△189million yen	△42 million yen	△40 million yen

7. Schedule

(1) Date of signature	23 August, 2021
(2) Date of Establishment	5 August, 2021 ※
(3) Date of commencing business	1 October, 2021 (pending)

※ It is expected that the New Company will be established with 100% of ATT's shares. After signing a joint venture contract, FOMM will contribute capital to the new company after which the joint venture will be deemed set up.

8. Future valuation

The impact of this performance is being evaluated and all information will be disclosed as soon as possible after the detailed assessment.

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【Quantum Solutions Co.,Ltd. Company Summary】

Company name : Quantum Solutions Co.,Ltd.
(Second section of the Tokyo Stock Exchange Stock code : 2338)
Address : 〒102-0073. Kudan VIGAS Bldg. 3F, 1-10-9 Kudan Kita, Chiyoda-ku, Tokyo,
Japan
Representative : SHAO YUN, Chairman of the board
Capital : 2,559 million yen
Businesses : Content development and distribution
Software development
Company URL : <https://www.quantum-s.co.jp/>