

July 21, 2020

To: All Concerned Stakeholders

Company : ID Holdings Corporation
Representative : Masaki Funakoshi,
President and Representative Director
(Securities Code 4709; TSE 1st Section)
Inquiries : Masayoshi Nakatani, General Manager,
Head of Corporate Strategy Department
TEL : +81 3-3262-5177

Notice of Acquisition of All Shares of GI Technos (Turning GI Technos into a Subsidiary)

On July 21, 2020, ID Holdings Corporation (“ID Holdings”) resolved to acquire all shares of GI Technos Inc. (“GIT”), in accordance with Article 370 of the Companies Act and Article 25 (Omission of Resolutions of the Board of Directors) of the Articles of Association of ID Holdings.

1. Reason for Acquisition of Shares

The strength of the ID Group is its provision of one-stop service ranging from software development and system infrastructure through system operation management to cybersecurity, serving customers in fields as diverse as finance, public administration, transportation and manufacturing. In recent years the Group has focused on expanding its services in digital transformation (“DX”), contributing to the transformation of customers’ businesses through actions such as building system infrastructure using cloud technology and transferring customers’ information assets.

Established in 1973, GIT boasts strengths in fields ranging from software development for trunk systems and system-infrastructure construction to development of mobile applications, targeting industries such as telecommunications and public administration. In addition to its wealth of results and operating expertise in the above industries, GIT possesses a sizable staff of engineers developing innovations that are currently in high demand, such as cloud-related technologies and mobile applications for smartphones and tablets. GIT is expected to enjoy continuing growth going forward.

The ID Group expects to reap a number of benefits through the current share acquisition. First, the Group anticipates bolstering its customer base, particularly in the fields of telecommunications and public administration. Second, the Group can expand its operations through collaboration in the field of cloud and other system infrastructure, for which market needs are extensive. Third, the Group judges that sharing of technologies and services in the field of mobile applications will further enhance its service capabilities.

2. Overview of Transferred Subsidiary

(1) Name	GI Technos Inc.	
(2) Location	Otsuka Higashi-ikebukuro Building 4 th Floor, 2-32-22, Higashi-ikebukuro, Toshima-ku, Tokyo	
(3) Name and position of representative director	Mitsuru Yoshida, Representative Director	
(4) Details of operations	Contract development of IT software	
(5) Capital stock	¥45 million	
(6) Date of establishment	November 19, 1973	
(7) Shareholders	Mitsuru Yoshida and two others	
(8) Relationship(s) between the company to be acquired and ID Holdings	Capital relationships	None
	Personal relationships	None
	Business relationships	GIT has a business relationship with the Group through its projects in collaboration with INFORMATION DEVELOPMENT CO., LTD., a Group subsidiary.
(9) Net sales	¥1,918 million (Fiscal year ended July 31, 2019)	
(10) Total assets	¥760 million (Fiscal year ended July 31, 2019)	

3. Number of Shares Acquired, Acquisition Price and Shares Held Before and After Acquisition

(1) Number of shares held before present acquisition	—
(2) Number of shares acquired	90,000 shares
(3) Acquisition price	Under the terms of a confidentiality agreement, this information is undisclosed.
(4) Number of shares held after present acquisition	90,000 shares

4. Schedule

Date of conclusion of contract to transfer shares: July 21, 2020

Date of execution of share transfer: August 3, 2020

5. Forecast

The present share acquisition is expected to have minimal impact on the Group's FY2020 consolidated business results.

DISCLAIMER

This English translation is only for reference purpose. When there are any discrepancies between original Japanese version and English translation version, the original Japanese version always prevails.