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November 5, 2024

Dear shareholders and investors,

Company name f-code Inc.
Representative Representative Director and President Tsutomu Kudo
(Securities code: 9211, TSE Growth Market)
Contact Director, General Manager of Business Administration Division Shinichi Yamazaki
(Tel: +81-3-6272-8991)

Notice Concerning Acquisition of Shares of SpinFlow Inc. (to Make It a Subsidiary)

F-code Inc. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held on November 5, 2024, to acquire shares of SpinFlow Inc. and make it a subsidiary of the Company. The details are described below.

1. Reason for acquisition of shares

Our company is expanding into the fast-growing DX (digital transformation) market and digital marketing sector, focusing on technology and SaaS solutions to improve customer experience. We are also tapping into the growing demand for marketing and creative services. We provide comprehensive support from website development to customer acquisition and retention. In addition, our recurring revenue business model enables rapid and stable revenue growth with high margins while maximizing customer value.

SpinFlow Inc. provides consulting, business improvement support and retraining services based on the use of generative AI. The company is rapidly expanding the scope of its services in response to the needs of numerous companies, capitalizing on the tailwind of next-generation skills training. In the future, the company plans to expand its support to specific professions and industries.

Through this acquisition, we aim to leverage SpinFlow Inc.'s expertise in consulting, reskilling and operational support related to generative AI. We believe this will enable our group to provide optimal DX promotion and ultimately maximize customer value by supporting human resource training and operational improvement for client companies.

After considering all of these factors, we decided to acquire the shares as we believe it will contribute to further improving the profitability and strengthening the competitiveness of our group.

2. Overview of the subsidiary (SpinFlow Inc.) subject to change

(1)	Name	SpinFlow Inc.
(2)	Location	1-5-7 Sendagaya, Shibuya-ku, Tokyo

(3)	Job title and name of representative	Tetsuya Hirashima, Representative Director	
(4)	Description of business	Generative AI consulting services and reskilling training programs	
(5)	Share capital	10,000yen	
(6)	Date of establishment	April 23, 2024	
(7)	Major shareholders and ownership ratios	Tetsuya Hirashima 100.0%	
(8)	Relationship between the Company and said company	Capital relationship	Not applicable.
		Personnel relationship	Not applicable.
		Business relationship	There are transactions between our group and said company concerned in relation to business promotion and administrative services related to consulting on the use of generated AI and reskilling training.

(9) Operating results and financial positions of said company for the last six months

As of / Fiscal year ended	April-September, 2024
Net assets	100 million yen
Total assets	185 million yen
Net assets per share	18,560.89 yen
Net sales	288 million yen
Operating profit	101 million yen
Ordinary Income	100 million yen
Net income	65 million yen
Net income per share	6,599.93 yen
Dividend per share	0.00 yen

*SpinFlow Inc. was established in April 2024. Therefore, the most recent results are the business performance and financial position for the first half of the year from April to September 2024.

3. Overview of the counterparty to the acquisition of shares

(1)	Name	Tetsuya Hirashima
(2)	Address	Shinjuku-ku, Tokyo
(3)	Relationship between the Company and said person	There is no capital, personal or business relationships between our company and the shareholder in question. In addition, there are no business relationships between our company and related companies and persons.

4. Number of shares acquired, acquisition costs, and shareholding before and after acquisition

(1)	Number of shares held before the change	0 shares (Number of voting rights: 0 units) (Ratio of voting rights held: 0.0%)
(2)	Number of shares to be acquired	5,010 shares (Number of voting rights: 5,010 units)
(3)	Acquisition costs	Common shares of SpinFlow Inc. 174 million yen Advisory fees, etc. (Estimated amount) 7 million yen Total (Estimated amount) 181 million yen
(4)	Number of shares held after the change	5,010 shares (Number of voting rights:5,010 units) (Ratio of voting rights held: 50.1%)

(Note) An agreement has been reached with the counterparty regarding the pledged items before and after the transfer of the shares, as well as the adjustment of the transfer price in accordance with the future performance of SpinFlow Inc.. There is a possibility that additional compensation will be paid, or the purchase price will be reduced in accordance with the performance of the relevant business. If such an event occurs, we will notify you as soon as it is confirmed.

5. Timetable

(1)	Date of resolution at the meeting of the Board of Directors	November 5, 2024
(2)	Date of conclusion of the agreement	November 5, 2024 (scheduled)
(3)	Date of commencement of share transfer	November 5, 2024 (scheduled)

6. Future outlook

The amount of goodwill and other intangible assets to be recorded in the consolidated financial statements because of this matter, as well as the impact on the group's earnings outlook for the fiscal year ended December 31, 2024, is currently under review. We will inform you as soon as the details are known after the closing of the acquisition.

(Reference) Consolidated financial results forecasts for the current fiscal year (released on February 14, 2024) and actual consolidated results for the previous fiscal year.

(Millions of yen)

	Revenue	Operating profit	Profit before taxes	Profit
Consolidated financial results forecasts for the current fiscal year (Fiscal year ended December 31, 2024)	4,633	1,350	1,274	822
Actual consolidated results for the previous fiscal year (Fiscal year ended December 31, 2023)	2,482	651	612	484