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November 12, 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 Regarding Acquisition of Shares in New Company Established by Active Inc. by Consolidated Subsidiary (Making it a Subsidiary of a Subsidiary)

F-code Inc. and our consolidated subsidiary SAKIYOMI Inc. hereby announce that it has resolved, at a meeting of the Board of Directors held on November 12, 2024, it was resolved to acquire shares of BUZZ Inc. This new company will be established through a corporate split of the SNS school and marketer matching business provided by Active Inc. (Shinjuku-ku, Tokyo; CEO: Yuya Mizoguchi) and will become a consolidated subsidiary. 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.

Active, Inc. operates the SNS School and marketer matching business and has developed a skill-building school called “Buzz College” centered on Instagram, providing over 100 types of course content and individual consulting to systematize Instagram management expertise. In addition to growth in the SNS market, the expansion of side job and freelance markets has allowed Active Inc. to accumulate a record of over 12,000 clients in the past three years.

Through this acquisition, we will leverage the SNS school management experience and support expertise that Active Inc. has developed, enabling the SAKIYOMI Group to enhance its capabilities in providing SNS support to both corporate and individual clients. We believe this will lead to optimal DX promotion, improved CX, and maximized customer value for our company and our group.

Taking all of this into consideration, we decided to acquire the shares because we believe will contribute to further improving the profitability and strengthening the competitiveness of our group.

## 2. Overview of the consolidated subsidiary that will acquire the shares

| | | |
|---|---|---|
| (1) | Name | SAKIYOMI Inc. |
| (2) | Location | 7F MF Sakurabashi 2 Building, 6-24, Sonezakishinchi 2-chome, Kita-ku, Osaka-shi, Osaka |
| (3) | Job title and name of representative | Tomofumi Yoshida, Representative Director |
| (4) | Description of business | SNS marketing support, etc. |
| (5) | Share capital | 49 million yen |

## 3. Overview of the subsidiary (BUZZ Inc.) subject to change(scheduled)

| | | |
|---|---|---|
| (1) | Name | BUZZ Inc. |
| (2) | Location | 4F Frontier Grand Nishi-Shinjuku, 3-7-30 Nishi-Shinjuku, Shinjuku-ku, Tokyo |
| (3) | Job title and name of representative | Yuya Mizoguchi, Representative Director |
| (4) | Description of business | Instagram management agent training business<br>SNS consulting business<br>Influencer marketing business<br>Instagram management agent service |
| (5) | Share capital | 10,000 yen |
| (6) | Date of establishment | November 15, 2024 |
| (7) | Net assets *1 | To be determined |
| (8) | Total assets *1 | To be determined |
| (9) | Major shareholders and ownership ratios | Active Inc. (company being split) 100% |
| (10) | Relationship between the Company and said company | There are no capital, personnel or business relationships to be stated. In addition, it does not fall under the category of related parties. |
| (11) | Operating results and financial positions of said company *2 | Net sales: 1,346 million yen |

*1: The net assets and total assets of the newly established company are currently being examined. The figures will be disclosed once they have been determined.

*2: This company is to be established through an incorporation-type demerger, and does not have a final fiscal year to be determined. Therefore, the number of net sales is stated after adjusting the net sales in the fiscal year immediately preceding the business to be split (fiscal year ending April 2024) by considering the impact of the application of the revenue recognition standard and other factors. The estimated annual performance after the acquisition is approximately 1.6 billion yen in net sales and 160 million yen in operating income, taking into consideration the recent business performance and necessary costs.

Information on gross profit and other financial figures will be announced later after careful examination.

## 4. Overview of the counterparty to the acquisition of shares

| | | |
|---|---|---|
| (1) | Name | Active Inc. |
| (2) | Location | 4F Frontier Grand Nishi-Shinjuku, 3-7-30 Nishi-Shinjuku, Shinjuku-ku, Tokyo |
| (3) | Job title and name of representative | Yuya Mizoguchi, Representative Director |
| (4) | Description of business | SNS consulting business<br>Influencer marketing business<br>Instagram management agency service<br>Instagram management agency training business<br>Shisha cafe bar business<br>Sales support |
| (5) | Share capital | 1 million yen |
| (6) | Date of establishment | May 2, 2022 |
| (7) | Major shareholders and ownership ratios | Yuya Mizoguchi (50.00%), Shohei Abekawa (50.00%) |
| (8) | Relationship between the Company and said company | There are no capital, personnel or business relationships to be stated. In addition, the company in question does not fall under the category of a related party. |

(Note) Net assets and total assets are not disclosed at the request of the counterparty.

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

| | | | |
|---|---|---|---|
| (1) | Number of shares held before the change | 0 shares<br>(Number of voting rights: 0 units)<br>(Ratio of voting rights held: 0.0%) | |
| (2) | Number of shares to be acquired | 10,000 shares<br>(Number of voting rights: 10,000 units) | |
| (3) | Number of shares held after the change | 10,000 shares<br>(Number of voting rights:10,000 units)<br>(Ratio of voting rights held: 100.00%) | |
| (4) | Acquisition costs | Common shares of the new company (BUZZ Inc.)<br>Advisory fees, etc. (Estimated amount)<br>Total (Estimated amount) | 667 million yen<br><br>6 million yen<br>673 million yen |

(Note) An agreement has been reached with the other party regarding the terms of the pledge and the adjustment of the transfer price before and after the transfer of the business. There is a possibility that additional compensation will be paid, or the acquisition price will be reduced depending on the performance of the business, etc. If such an event occurs, we will notify you as soon as it is confirmed.

## 6. Timetable

| | | |
|---|---|---|
| (1) | Date of resolution at the meeting of the Board of Directors | November 12, 2024 |
| (2) | Date of conclusion of the agreement | November 12, 2024 |
| (3) | Date of incorporation of new company through corporate split | November 15, 2024 (scheduled) |
| (4) | Date of commencement of share transfer | November 28, 2024 (scheduled) |

## 7. Future outlook

The amount of goodwill and other intangible fixed assets to be recorded in the consolidated financial statements because of this matter, as well as the impact on the consolidated financial results for the fiscal year ending December 2024, are currently being examined. We will notify you as soon as the details are known after the acquisition of the shares has been completed.

(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 |