Acquired an equity stake in ZEROTUS Inc., a company that provides a Data Consulting and Digital marketing business operations.

f-code Inc. | TSE Growth Market : 9211

December 26, 2024

Introduction - Overview of Share Transfer Transactions -

Overview	Name : ZEROTUS Inc. Description of business : Data consulting business and digital marketing business Scheduled transfer date : Scheduled for January 17, 2025. Scheme : share acquisition Acquisition costs : Approx. 219 million yen (shareholding ratio 100.0%)
Forecast	Sales: approx. 80 million yen~ / Operating profit: approx. 30 million yen~*1 Net assets: approx. 47 million yen (at the time of acquisition)

*1 These are the expected annual sales and operating income.

Summary of the company



https://zerotus.co.jp/

ZEROTUS Inc.

Description of business：
Data consulting business and
digital marketing business
Name of representative ：Yuga Ichinohe
Date of establishment ：March, 2022
Location：10-15, Shinsencho, Shibuya Ku, Tokyo

Summary of business

1

Promoting **ROI marketing** that utilizes data to **visualize and maximize return on investment**.

Focusing on "business growth" as the primary objective, provide support aimed at achieving ultimate outcomes such as revenue growth, LTV improvement, and maximizing ROI.

2

Support all execution necessary for business growth, not limited to advertising operations.

Provide comprehensive marketing support, including creative domains, as well as the implementation and operation of GA4, MA, and CRM tools (e.g., Salesforce, HubSpot).

3

Leverage synergies with ZEROTUS Inc. to **expand the customer base** and **strengthen operational structures.**

Expect further business expansion through the interaction between ZEROTUS Inc. 's operational team-based management structure and f-code Inc.'s customer base.

Service scope

Providing comprehensive solutions across data, creative, and advertising.



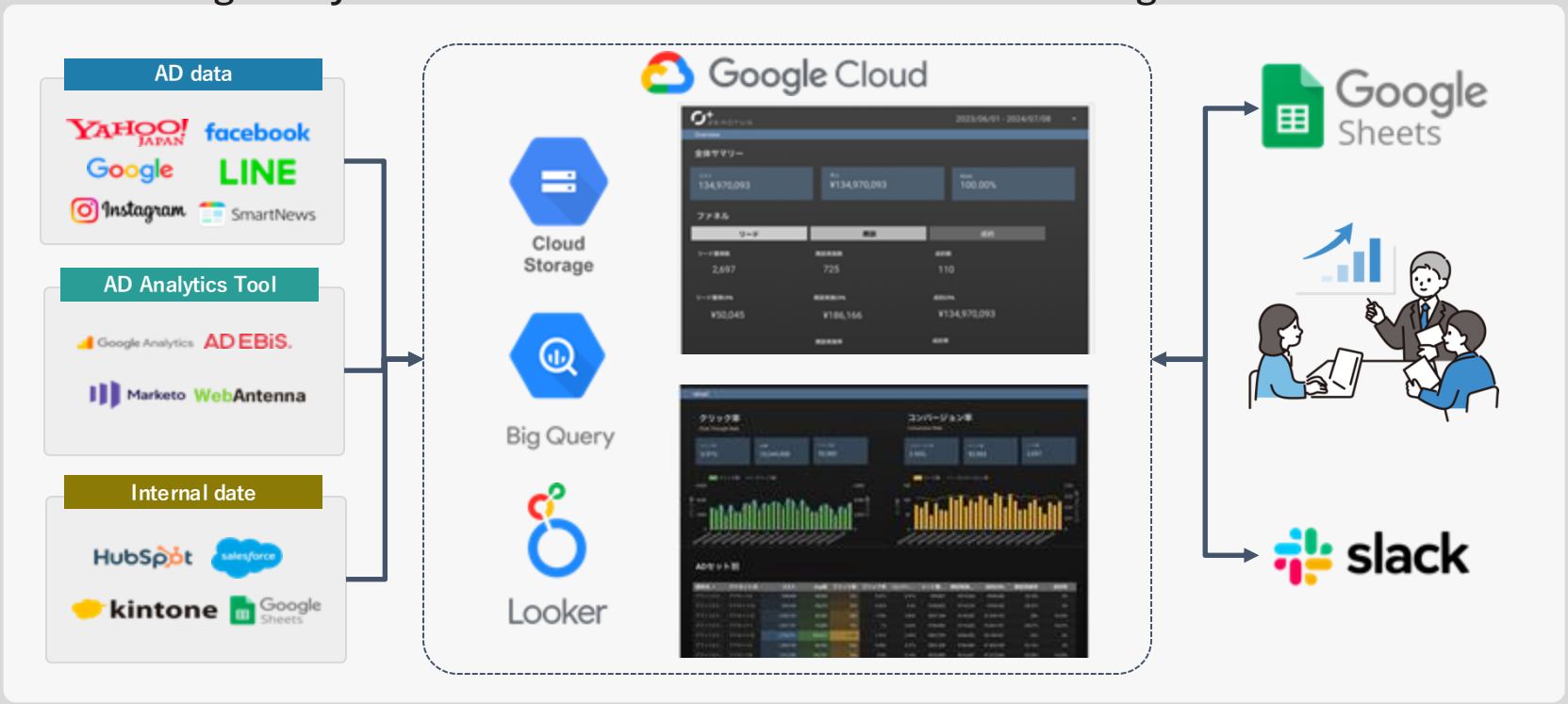
AD banner
Production LP
Production Logo
Production Short video
LPO improvement
UI/UX design

HubSpot implementation
ADEBIS organization
GA4 setup
CRM design
Tag setup

Digital advertising
In-house support
Agency control
Influencer Marketing
SNS account management

Marketing dashboard construction and promotion of measures

Built an integrated dashboard that aggregates various data sources to promote swift decision-making. Analyzed data in real time to drive various marketing initiatives.



Case studies of the service

Online Assistant Service Company

Family App Management Company

Video Streaming Service Company

Media Management Company

Medical DX Company

B2B SaaS Company

Fitness Company

TV Station

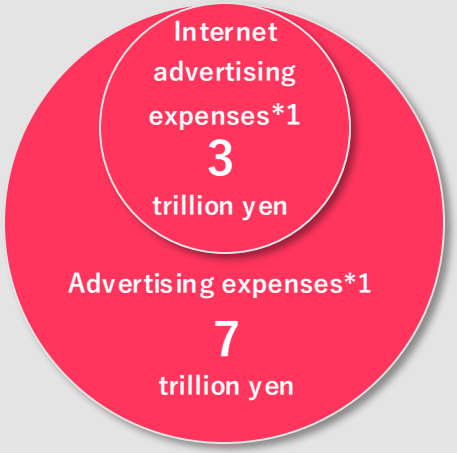
Mass Marketing Support Company

Job Hunting Media Management Company

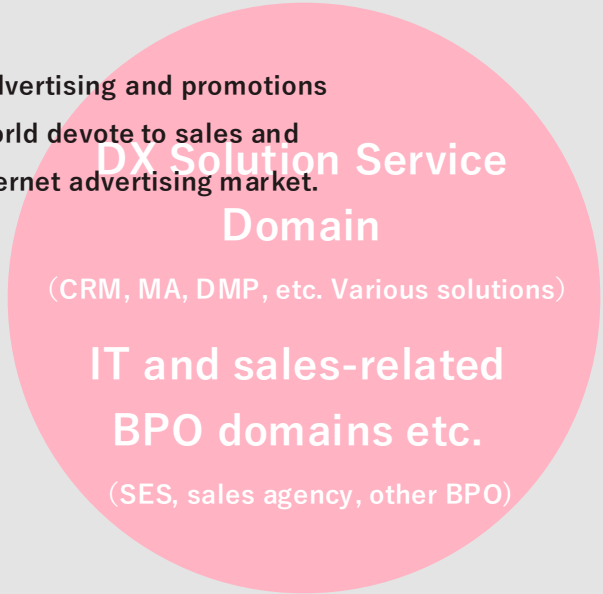
Point Site Management Company

Digital Comic Management Company

Target Market



The immediate focus is on the vast advertising and promotions market that companies around the world devote to sales and marketing activities, including the Internet advertising market.



*1 Source：DENTSU INC. "Japan's advertising expenditures in 2023"
https://www.dentsu.co.jp/news/release/2024/0227-010688.html

About the Management Team

ZEROTUS Inc. founder and management team, including Mr. Ichinohe and Mr. Naiki, as well as the company's employees, have joined our group.



Yuga Ichinohe, Representative Director

Joined CyberAgent, Inc. as a new graduate. From the beginning, was responsible for the growth of a matchmaking app, engaging in Product Management (PdM) and analyst roles. Later, served as the Head of Direct Marketing, developing and executing strategies with an advertising budget of several hundred million yen per month. Founded ZEROTUS Inc. in 2022.



Yota Naiki, Director

Joined CyberAgent, Inc. as a new graduate. Worked as an advertising account planner and consultant, managing multiple services for major IT companies and leading manufacturers. Engaged in planning promotions to maximize revenue and increase user numbers. Co-founded ZEROTUS Inc. in 2022.

Overview of our group with the participation of ZEROTUS Inc.

F-code Group consists of companies specializing in Creating" , "Attracting Customers", "Customerization and Monetization". With the participation of ZEROTUS Inc., we will be able to provide even broader and deeper support.

F-CODE

Creating

Engineering

RAGNAROCK Inc.

Growth Engineering
(New business and product development)

SpinFlow Inc.

Creative

Microwave Creative Inc.

HP and system development for a major company

JITT Inc.

HP and system development for small and medium-sized stores

Attracting Customers

Marketing

SAKIYOMI Inc.

SNS Marketing Support

CRAFT Inc.

Advertisement management for D2C

Marketer Training, Matching

BUZZ Inc.

SNS Marketer Training and Matching

New!!

ZEROTUS Inc.

Data consulting business and digital marketing business

Customerization and Monetization

Data science

BINKS Inc.

Data Science,
LTV Marketing Support

Technology

f-code Inc.

CX SaaS offerings (list below)

Explanation of the financial details of this matter

Financial summary of this matter - Overview of Share Transfer Transactions -

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Financial summary for this matter

Prior to the transfer consideration

- A recovery period of around five years has been set for the annual operating profit (approximately 30 million yen~) after adjustment on a normal earnings basis *1. The estimated market capitalization has been calculated by taking into account the net asset value at the time of acquisition.
- As with past deals, a clause has been set that allows the transfer consideration to increase or decrease in accordance with the actual performance progress against the operating profit that is the standard for the deal.
- In this way, we will minimize the risk to our group in this transaction. We have designed this in a way that shares the incentives for further performance improvement with ZEROTUS Inc. and its management team.

*1：We have calculated the adjusted operating income on a normal earnings basis by conservatively reflecting the costs that can be reduced (outsourcing costs, etc.) and the costs that are expected to be incurred in addition (administrative costs, etc.) in the business performance of ZEROTUS Inc.'s business in the most recent year.

Growth Strategy | Our M&A Strategy

M&A of adjacent industries with synergies at reasonable EV / EBITDA multiples to grow EPS and enterprise value discontinuously.

M&A Concept

- ✓ Focus on existing business areas that have complementary elements and enhance related or adjacent areas
- ✓ Focus only on deals that contribute to corporate value/EPS growth in the mid-to long term
- ✓ M&A is conducted at a reasonable EV/EBITDA multiple (currently around 5x) after carefully examining the profitability of the company/business in terms of sustainability (duration of sales), growth potential (sales growth rate), and diversification (individual sales diversification)
- ✓ Utilize various financing strategies to minimize cost of capital and ensure financial stability
- ✓ In addition to management support and synergy pursuit, we promote the growth of acquired businesses though a variety of capital policies, including group incentive design and subsidiary listings

Three target areas

①Marketing SaaS

In our main business, M&A is the staring point for other services and a top priority area.

②Digital Marketing Sales

Maximize the effectiveness of marketing SaaS by strengthening marketing/sales strategy development and execution support.

③ IT and Creative Domain

Maximize the effectiveness of marketing SaaS and digital marketing/sales by assisting companies in increasing customer LTV through IT and creative aspects.

Handling of this document

This document contains forward-looking statements. These statements are based on information available as of the date of this document. The statements do not constitute guarantees of future results or performance. Such forward-looking statements necessarily involve known and unknown risks and uncertainties. As a result, actual future results and financial condition may differ materially from any future results or performance expressed or implied herein.

Factors that may cause results to differ materially from those described in these statements include, but are not limited to, changes in national and international economic conditions and trends in the industries in which the Company operates.

Information regarding subjects and organizations other than the company is based on publicly available information, and it does not guarantee its validity, accuracy or usefulness.

Contact Information

For inquiries regarding stock and IR information,

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