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February 4, 2025

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 Ciel Zero 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 February 4, 2025, to acquire shares of Ciel Zero 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.

Ciel Zero Inc. provides IT engineering services and AI system development business. Specifically, they are engaged in the following businesses: a turnkey IT business, AI system development business, an engineer-resident support business / IT school business, and DX support, which responds to a wide range of requests, from software development for business, embedded systems, and general-purpose systems to infrastructure design and construction.

Through this acquisition, we aim to leverage Ciel Zero Inc.'s expertise and experience in engineering, as well as its IT talent and development resources. We believe this will enable our group to support optimal DX promotion for client companies and ultimately maximize customer value.

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 (Ciel Zero Inc.) subject to change

(1)	Name	Ciel Zero Inc.	
(2)	Location	16th floor, Umeda Dai Building, 3-3-10 Umeda, Kita-ku, Osaka-shi, Osaka-fu	
(3)	Job title and name of representative	Yusuke Uemoto, Representative Director	
(4)	Description of business	IT engineering services, AI and automated inventory management system development business	
(5)	Share capital	60 million yen	
(6)	Date of establishment	January 31, 2025	
(7)	Major shareholders and ownership ratios	UE Corporation 100.0%	
(8)	Relationship between the Company and said company	Capital relationship	Not applicable.
		Personnel relationship	Not applicable.
		Business relationship	Not applicable.
(9)	Operating results and financial positions of said company for the past one year		

As of / Fiscal year ended	Fiscal year ending October 31, 2024
Net assets	100 million yen
Total assets	100 million yen
Net assets per share	10,022.45 yen
Net sales	2,921 million yen
Operating profit	171 million yen
Ordinary Income	164 million yen
Net income	110 million yen
Net income per share	11,055.96 yen
Dividend per share	0.00 Yen

(Note)Ciel Zero Inc. was established on January 31, 2025 through a corporate spin-off. This transaction represents the Company's new acquisition of shares of Ciel Zero Inc., which were acquired by UE Corporation. Therefore, as a description of the counterparty's operating results and financial position for the most recent one-year period, we have presented the operating results of this business for the period prior to the establishment of Ciel Zero Inc. (November 2023 to October 2024) and its financial position as of January 31, 2025 (at the time of its establishment). Please note that prior business performance is not disclosed as precise information is not available.

3. Overview of the counterparty to the acquisition of shares

(1)	Name	UE Corporation	
(2)	Location	305 Air Folk III, 8-10 Ubo-cho, Ikeda-shi, Osaka	
(3)	Job title and name of representative	Yusuke Kamimoto, Representative Director	
(4)	Description of business	Investment business, consulting business, etc.	
(5)	Share capital	100,000 yen	
(6)	Date of establishment	November 27, 2024	
(7)	Major shareholders and ownership ratios	Yusuke Uemoto (100.00%)	
(8)	Relationship between the Company and said company	Capital relationship	Not applicable.
		Personnel relationship	Not applicable.
		Business relationship	Not applicable.

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

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	8,000 shares (Number of voting rights: 8,00 units)	
(3)	Acquisition costs	Common shares of Ciel Zero Inc. Advisory fees, etc. (Estimated amount) Total (Estimated amount)	1,310 million yen 7 million yen 1,317 million yen
(4)	Number of shares held after the change	8,000 shares (Number of voting rights:8,000 units) (Ratio of voting rights held: 80.0%)	

(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 Ciel Zero 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	February 4, 2025
(2)	Date of conclusion of the agreement	February 4, 2025 (scheduled)
(3)	Date of commencement of share transfer	February 14, 2025 (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, 2025, 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 previous fiscal year (released on February 14, 2024) and actual consolidated results for the two previous fiscal year.

(Millions of yen)

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