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October 20, 2025

Company name:	Globe-ing Inc.
Name of representative:	Kohei Tanaka, Representative Director, President and CEO (Securities code: 277A; Growth Market of the TSE)
Inquiries:	Hideaki Tatebayashi, CFO Senior Executive Officer (Telephone: +81-3-5454-0805)

Notice Regarding Absorption-type Merger (Simplified Merger and Short-form Merger) of Wholly Owned Subsidiary

Globe-ing Inc. (the "Company") hereby announces that, at a meeting of the Board of Directors held on October 20, 2025, the Company resolved to conduct an absorption-type merger effective December 1, 2025, in which the Company will be the surviving company and its wholly owned subsidiary, X-AI.Labo Inc. ("X-AI.Labo"), will be absorbed. The Company has accordingly entered into a merger agreement with X-AI.Labo. Since this Merger is a simplified absorption-type merger involving a wholly owned subsidiary, certain disclosure items have been omitted

Details

1. Summary of this notice

(1) Background and purpose of the merger

For the purpose of strengthening initiatives to support industrial transformation through the use of AI technology, the Company established X-AI.Labo. in May 2024 as a joint venture with Laboro.AI Inc. Since its establishment, the JV has achieved significant results across a wide range of industries, including the automotive and construction sectors.

However, as the Company's in-house AI business entered a full-scale launch phase, direct collaboration between the Company and Laboro.AI has been steadily advancing. Through these efforts, both parties concluded that in order to accelerate initiatives in the AI-X domain with greater speed, a structure without the JV framework would be optimal.

As announced in the Company's press release dated September 25, 2025, titled "Notice Regarding Dissolution of the Joint Venture Agreement and Acquisition of Equity Interests," the Company acquired all shares of X-AI.Labo from Laboro.AI Inc. on September 30, 2025, making it a wholly owned subsidiary.

To further accelerate AI-X business initiatives by integrating X-AI.Labo's AI engineering expertise into the Globe-ing Group, the Company has resolved to conduct an absorption-type merger, with the Company as the surviving entity and X-AI.Labo, Inc. as the absorbed company.

(2) Future outlook

Through this merger, Globe-ing aims to go beyond the previous joint venture framework by integrating the Company's capabilities in driving management transformation with X-AI.Labo's strengths in AI engineering. Under a new structure that combines the expertise of both organizations, the Company will further advance Japan's industrial "AI implementation capabilities" to the next stage.

Our vision, "AI-Transformation — Redesigning Industries by Connecting Management and Operations through AI," is based on the concept of socially implementing AI systems that integrate management indicators such as ROIC, WACC, and CCC with on-site data including production, procurement, quality, and inventory, thereby enhancing the quality of decision-making.

Moving beyond the proof-of-concept (PoC) stage, Globe-ing's AI-X business focuses on embedding AI into the core of corporate management and business operations. This execution capability represents the greatest value of our AI-X initiatives.

(3) Remarks from the management (Representative Director, President and CEO)

"This merger represents the next evolution of our joint venture. By uniting the on-site expertise and achievements that both companies have cultivated together, we aim to create a new form of industrial AI with greater speed and agility.

We have entered a stage where AI truly transforms both management and operations — driving change at the strategic level and enabling action on the front lines. Our goal is clear: to redesign Japan's industrial structure through AI. The capabilities to make that vision a reality are now coming together here at Globe-ing."

(4) Outline of the merger

・Method of the merger: Absorption merger of X-AI.Labo (Surviving company: Globe-ing Inc.)

・Effective date December 1, 2025 (tentative)

・Key business areas : Development and implementation of AI-X solutions in the automotive, construction, logistics, and manufacturing industries

2. Summary of the merger

(1) Schedule of the merger

Resolution by the Board of Directors	October 20, 2025
Date of Merger Agreement	October 20, 2025
Effective Date of the Merger	December 1, 2025

Note: The merger constitutes a simplified merger as stipulated in Article 796, Paragraph 2 of the Companies Act for the Company, and a short-form merger as stipulated in Article 784, Paragraph 1 of the Companies Act for X-AI.Labo. Therefore, both parties will proceed with the merger without seeking approval from their respective shareholders' meetings.

(2) Merger method

As the Company shall be the surviving company in this absorption-type merger, X-AI.Labo shall be dissolved as of the effective date.

(3) Allotments related to the merger

Owing to a merger with a wholly owned subsidiary, there will be no issuance of new shares and no payment of cash, etc. for the merger.

(4) Handling of subscription rights to shares and bonds with subscription rights to shares of the dissolved company Not applicable.

3. Overview of company in merger

		Company surviving absorption-type merger	Company absorbed in absorption-type merger
(1)	Name	Globe-ing Inc.	X-AI.Labo, Inc.
(2)	Location	1F 3rd MINAMI AOYAMA 3-1-34 Minami Aoyama, Minato-ku, Tokyo	1F 3rd MINAMI AOYAMA 3-1-34 Minami Aoyama, Minato-ku, Tokyo
(3)	Representative	Kohei Tanaka, Representative Director, President and CEO	Kazuhiko Nakagawa, Representative Director and President
(4)	Business description	・Consulting (Joint Initiative (JI) consulting) ・AI (Cloud products, AI)	Solution engineering for data-driven management using AI technology
(5)	Capital (as of end of May)	JPY 1,195,288,500	JPY 245,000,000
(6)	Establishment	January 20, 2017	May 24, 2024
(7)	Number of shares outstanding	28,728,000 shares	641 shares
(8)	Fiscal year-end	May	May
(9)	Major shareholders and shareholding ratios (as of end of May)	EMMA&KEITO Inc. 30.5% Sosuke Wajima 27.0% PERSOL CROSS TECHNOLOGY CO., LTD. 6.5% KFV Inc 4.4% Custody Bank of Japan, Ltd. 3.6%	Globe-ing Inc. 78.0% Note
(10)	The financial performance and financial position for the past three years (million yen)		
Fiscal year		Fiscal year ended May 2025 (consolidated)	Fiscal year ended May 2025 (non-consolidated)
Net assets		5,869	535
Total assets		8,767	749
Net assets per share (yen)		200.22	835,550.88
Revenue		8,255	721
Operating profit		2,800	151
Ordinary profit		2,783	151
Net income attributable to owners of parent		1,768	95
Earnings per share (yen)		64.5	151,992.24

Note: As announced in the Company's press release dated September 25, 2025, titled "Notice Regarding Dissolution of the Joint Venture Agreement and Acquisition of Equity Interests," all shares of X-AI.Labo were acquired by the Company on September 30, 2025.

4. Post-merger details

Following the merger, there are no changes to the company name, business activities, head office location, representative, capital, and fiscal year end of the Company.

5. Future outlook

Since the merger is a merger with a wholly owned subsidiary, the impact on the Company's consolidated financial results is minimal.

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