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The Japanese original should be considered as the primary version.

December 13, 2024

Dear all,

Company name Smaregi, Inc.
Representative Representative Director Ryuhei Miyazaki
(Code number: 4431 TSE Growth)
Inquiries Director Kohei Takamodate
IR Contact ir_corp@smaregi.jp

Notice of Share Acquisition (Conversion into Subsidiary) of Netshop Supporters Co., Ltd.

Smaregi, Inc. (the “Company”) announces that at its Board of Directors Meeting held on December 13, 2024, it resolved to acquire all outstanding shares of Netshop Supporters Co., Ltd. (“Netshop Supporters”) and convert the company into a subsidiary (hereinafter referred to as the “Acquisition”).

1. Purpose of Acquisition

In recent years, the use of e-commerce (EC) in the retail industry has become standard, and seamless integration of information between physical stores and EC platforms has become a fundamental requirement.

We have long provided solutions that go beyond point-of-sale (POS) and sales analysis functions for retailers. Our offerings include tools to support back-office operations such as ordering, purchasing, product registration, inventory management, and customer relationship management. However, while we have already developed EC-specific solutions, they have not been significantly enhanced.

The company we are acquiring as a subsidiary, Netshop Supporters, offers comprehensive solutions tailored to EC operations, including specialized inventory and order management systems as well as BtoB cart systems. These solutions provide seamless support for EC businesses, accelerating sales channel expansion and driving revenue growth. Additionally, we expect enhanced development capabilities through the integration of expertise. This strategic acquisition has been decided with these factors in mind.

Both EC and physical stores have unique strengths and limitations. When combined, they can complement each other to generate significant synergies. However, solutions in this field are still evolving. With this acquisition as a foundation, we are committed to pursuing further innovation and development.

2. Overview of the subsidiary to be acquired (the Target)

(1)	Name	Netshop Supporters Co., Ltd.
(2)	Location	2-28-38 Ninomiya, Fukui City, Fukui Prefecture
(3)	Title and name of representative	Representative: Yoichi Takezawa
(4)	Business details	System development, e-commerce website creation, and software sales
(5)	Date of establishment	November 1, 2013
(6)	Capital stock	20 million yen

(7)	Major shareholders and their shareholding percentages	Shintaro Hashimoto 37.0%, Other three directors: 27.0%, Individual shareholders (13 others): 36.0% (as of the end of September 2024)		
(8)	Relationship between the Company and the Target	Capital relationship	Not applicable.	
		Personal relationship	Not applicable.	
		Business relationship	Not applicable.	
(9)	Business Performance and Financial Position over the Past Three Years (in million yen)			
	Fiscal year	Fiscal year ended September 2022	Fiscal year ended September 2023	Fiscal year ended September 2024
	Net assets	125	135	161
	Total assets	213	295	348
	Net sales	541	677	713
	Operating profit	28	39	38
	Ordinary profit	35	39	38
	Net profit	26	10	25

3. Outline of the share acquisition counterpart

(1)	Name	Shintaro Hashimoto	
(2)	Location	Fukui City, Fukui Prefecture	
(3)	Relationship between listed company and the company concerned	Capital relationship	Not applicable.
		Personal relationship	Not applicable.
		Business relationship	Not applicable.

4. Number of shares to be acquired, acquisition cost, and status of shares held before and after the acquisition

(1)	Number of shares held by the Company before the transfer	0 shares (Ownership ratio: 0%)
(2)	Number of shares to be acquired by the Company	400 shares
(3)	Acquisition price	1,100 million yen (2,750,000 yen per share)
(4)	Number of shares to be held by the Company after the transfer	400 shares (Ownership ratio: 100.0%)

5. Schedule

(1)	Date of resolution of the Board of Directors	December 13, 2024
(2)	Execution date of the share transfer agreement	December 18, 2024 (scheduled)
(3)	Stock Transfer Execution Date	December 27, 2024 (scheduled)

6. Outlook for the future

As a result of this transaction, the Company will transition to consolidated financial reporting from the third quarter of the fiscal year ending April 2025, with Netshop Supporters becoming a consolidated subsidiary of the Company.

It is anticipated that goodwill will arise on the Company's consolidated financial statements. However, the amount of goodwill and the related accounting treatment have not been determined at this stage. The consolidated earnings forecast for the fiscal year ending April 2025 is currently under review. Any significant matters requiring disclosure will be promptly announced as they arise.

Furthermore, the Company will target companies engaged in the following businesses. In addition to making them affiliates, it will also consider subsequent mergers and acquisitions, ways to generate maximum synergy, and proactively carry out M&As.

- Customer acquisition (SaaS-type POS services)
- Expansion of product lineup (cross-selling of products to the Company's customer base)
- Strengthen IT engineering capabilities (system development companies, etc.)

For further inquiries, please contact Investor Relations:

<https://corp.smaregi.jp/en/form/ir/>