

Company name: COMTURE CORPORATION
1-11-2, Osaki, Shinagawa-ku, Tokyo, Japan
Representative: Chihiro Sawada, President
Stock code: 3844
Listing: Tokyo Stock Exchange, Prime Market
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Notice of Acquisition of TAKT SYSTEMS and TAKT BUSINESS SOFT

COMTURE CORPORATION has decided to acquire all of the outstanding shares of TAKT SYSTEMS, INC. and TAKT BUSINESS SOFT, INC. An agreement for the acquisition of these shares was concluded with Mr. Masataka Takizawa, the controlling shareholder of these two companies, on December 26, 2022.

1. Reason for stock acquisition

The cloud solutions business and digital solutions business of the COMTURE Group are providing a broad range of services in the digital transformation (DX) domain as the pace of the global DX increases. This focus on the DX market has enabled the COMTURE Group to grow at an average annual rate of 15% since its inception.

The two companies to be acquired have project management expertise that includes CMMI level 3 certification, which is an assessment of skills involving project management. These companies serve customers in the manufacturing, distribution, financial services and many other sectors. Their broad range of services encompass consulting, development, operation and maintenance for business systems. In addition, the two companies have many Microsoft, SAP and other engineers for DX activities, the primary business of the COMTURE Group.

Acquiring these two companies, which will be consolidated subsidiaries, will give the COMTURE Group more engineers who have many years of experience, especially in the field of project management. COMTURE believes that this acquisition for reinforcing activities in the DX domain will contribute to more growth of corporate value.

2. Profiles of TAKT SYSTEMS and TAKT BUSINESS SOFT

(1) TAKT SYSTEMS

(1) Name	TAKT SYSTEMS, INC.			
(2) Location	2-10-2, Higashigotanda, Shinagawa-ku, Tokyo			
(3) Representative	Masataka Takizawa, President and Representative Director			
(4) Business	Development of business process application systems, sale of packaged software, technology consulting			
(5) Employees	101			
(6) Capital	48 million yen			
(7) Established	August 1986			
(8) Major shareholders and shareholding ratio	Masataka Takizawa: 43.4%			
(9) Relationships between COMTURE and TAKT SYSTEMS	Capital	Not applicable.		
	Personnel	Not applicable.		
	Business	Not applicable.		
(10) Results of operations and financial position for the past three years (Unit: millions of yen)				
	Year ended	May 2020	May 2021	May 2022
Net assets		561	644	759
Total assets		1,209	1,324	1,524
Net sales		2,137	2,289	2,295
Operating profit		63	116	132
Ordinary profit		72	136	176
Profit		48	87	119

On the scheduled execution date of the stock transfer, Mr. Masataka Takizawa will acquire all shares (543 shares) held by the other minority shareholders (14 persons) of the outstanding shares of TAKT SYSTEMS prior to the execution of the share acquisition.

(2) TAKT BUSINESS SOFT

(1) Name	TAKT BUSINESS SOFT, INC.			
(2) Location	2-10-2, Higashigotanda, Shinagawa-ku, Tokyo			
(3) Representative	Masataka Takizawa, President and Representative Director			
(4) Business	Development of business process application systems, sale of packaged software, technology consulting			
(5) Employees	20			
(6) Capital	10 million yen			
(7) Established	March 1989			
(8) Major shareholders and shareholding ratio	Masataka Takizawa: 100.0%			
(9) Relationships between COMTURE and TAKT BUSINESS SOFT	Capital	Not applicable.		
	Personnel	Not applicable.		
	Business	Not applicable.		
(10) Results of operations and financial position for the past three years (Unit: millions of yen)				
	Year ended	May 2020	May 2021	May 2022
Net assets		97	114	128
Total assets		172	181	228
Net sales		289	368	383
Operating profit		16	24	18
Ordinary profit		16	24	18
Profit		13	16	14

3. Overview of the seller

(1) Name	Masataka Takizawa
(2) Address	Kamakura, Kanagawa
(3) Relationships between COMTURE and Mr. Takizawa	Not applicable.

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

(1) TAKT SYSTEMS

(1) No. of shares owned before acquisition	0 share (No. of voting rights: 0) (Voting rights ownership ratio: 0.0%)
(2) No. of shares to be acquired	960 shares (No. of voting rights: 960)
(3) Acquisition cost (estimate)	COMTURE is not disclosing the acquisition cost in accordance with the request of the seller. The cost was determined by mutual agreement with the seller and is based on valuations calculated by a third party using discounted cash flows and other methods.
(4) No. of shares owned after acquisition	960 shares (No. of voting rights: 960) (Voting rights ownership ratio: 100.0%)

(2) TAKT BUSINESS SOFT

(1) No. of shares owned before acquisition	0 share (No. of voting rights: 0) (Voting rights ownership ratio: 0.0%)
(2) No. of shares to be acquired	100 shares (No. of voting rights: 100)
(3) Acquisition cost (estimate)	COMTURE is not disclosing the acquisition cost in accordance with the request of the seller. The cost was determined by mutual agreement with the seller and is based on valuations calculated by a third party using discounted cash flows and other methods.
(4) No. of shares owned after acquisition	100 shares (No. of voting rights: 100) (Voting rights ownership ratio: 100.0%)

The specific acquisition cost of this company will be announced in the summary of financial results and financial results materials to be disclosed in the future.

5. Schedule

(1) Resolution date	December 26, 2022
(2) Contract signing	December 26, 2022
(3) Acquisition date	January 30, 2023 (tentative)

6. Outlook

COMTURE plans to include TAKT SYSTEMS and TAKT BUSINESS SOFT in the consolidated financial statements beginning with the first quarter of the fiscal year ending in March 2024. COMTURE is examining the effect of this acquisition on consolidated results of operations and will make an announcement promptly if there is information concerning this subject that should be disclosed.