



July 18, 2023

Press Release

Company name: Kanamic Network Co., Ltd.  
Representative: Takuma Yamamoto,  
Representative Director and President  
(Securities code: 3939, TSE Prime Market)  
Inquiries: Kenya Wakabayashi,  
Director, General Manager,  
Administration Department  
(TEL.03-5798-3955)

## **Notice Concerning Acquisition of Shares of Ruby Development Inc. (Full Ownership)**

Kanamic Network Co., Ltd. (hereinafter, “the Company”) hereby announces that the Board of Directors has resolved at a meeting held on July 18, 2023 to enter into a share transfer agreement to make Ruby Development Inc. (hereinafter “Ruby”) a wholly owned consolidated subsidiary of the Company.

### 1. Reason for Acquisition of Shares

As a health-tech company providing cloud-based services and platforms specializing in the fields of medicine, nursing-care and childcare, the Group continuously works to expand its IT services, enhance service quality and technological capabilities, and improve customer satisfaction. To achieve further growth and advancement, the Group understands that it is necessary to generate new added value through promoting businesses which are highly relevant to the healthcare field in this super-aging society. The Group has set its future growth strategy to actively promote M&A and widen the business portfolio from healthcare services to insurance services, from brick-and-mortar stores operation to IT services.

Ruby, in which we plan to acquire shares, is an IT company specializing in Ruby-language system development. What customers expect in recent system development and DX (digital transformation) is agile, high functional speed development over time-consuming, waterfall-type development. Thus, the Company is required to launch new products at a higher rate than its competitors. Ruby is skilled in high-speed development in response to current needs, and has won contracts with a large number of major clients.

We anticipate strong synergy between Ruby's system development business and providers of cloud and web-based services like ourselves. Therefore, the acquisition will be a powerful driving force for us in providing higher value-added services as an IT company centering on healthcare and health-tech services.

We actively seek M&A opportunities as one of the ways to strengthen and expand our “business contents,” “business areas” and “business tools,” in pursuing our vision of “providing cloud-based comprehensive care support services to contribute to people and society.” We will strive to realize our vision and pursue continuous growth through M&A activities, while creating new businesses and expanding the Group's existing businesses.

### 2. Method of Acquisition of Shares

On August 4, 2023, the Company will acquire all outstanding shares in Ruby and make it a wholly owned consolidated subsidiary of the Company.

The Company will use its own funds to pay the proceeds for the acquisition of Ruby's shares, which will be paid with money.

### 3. Profile of the Company to become a Subsidiary

(1) Name	Ruby Development Inc.		
(2) Address:	17th Floor, South Building, World Trade Center Building, 2-4-1 Hamamatsucho, Minato-ku, Tokyo		
(3) Title and name of representative:	Hideyuki Ashida, Representative Director		
(4) Description of main business	Planning and development of web services (applications) Development of various systems (operational and embedded).		
(5) Capital	45,500 thousand yen		
(6) Date of establishment	September 10, 2012		
(7) Major shareholders and ownership	Hideyuki Ashida (Representative Director of the subsidiary concerned): 75.0% Full Speed Inc. (Former business partner of the subsidiary concerned): 25.0%		
(8) Relationship with the Company	Capital relationship	Not applicable.	
	Personal relationship	Not applicable.	
	Business relationship	Not applicable.	
	Relationship with related parties	Not applicable.	
(9) Financial results and status for the past three years			
	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021	Fiscal year ended August 31, 2022
Net assets	44,557 thousand yen	69,848 thousand yen	77,196 thousand yen
Total assets	309,795 thousand yen	301,535 thousand yen	319,031 thousand yen
Net asset per share	188,801 yen	295,967 yen	327,103 yen
Net sales	486,533 thousand yen	530,098 thousand yen	498,797 thousand yen
EBITDA	-8,854 thousand yen	38,171 thousand yen	13,573 thousand yen
Operating profit	-16,594 thousand yen	31,639 thousand yen	7,971 thousand yen
Ordinary profit	-14,825 thousand yen	34,126 thousand yen	10,359 thousand yen
Net income	-15,588 thousand yen	25,291 thousand yen	7,348 thousand yen
Net income per share	-66,051 yen	107,166 yen	31,135 yen
Dividend per share	-	-	-

### 4. Profile of the Shares Transfer Counterparty

(1) Name of representative and address	Name: Hideyuki Ashida Address: Minato-ku, Tokyo
(2) Relationship with the Company	There are no capital, personal or business relationships to be stated between the Company and the individuals concerned. There are no capital, personal or business relationships to be specifically mentioned between the Company's related persons or related companies and the individuals concerned or persons or companies related to such individuals concerned.

#### 5. Number of Shares to be Acquired, Acquisition Price, and Ownership before and after the Acquisition

(1) Number of shares owned before transfer	0 (Percentage owned 0.0%) (Number of voting rights: 0)
(2) Number of shares to be acquired	236 (Percentage owned 100.0%) (Number of voting rights: 236)
(3) Acquisition cost	Common stock of Ruby: 450,000 thousand yen Advisory fee, etc. (estimate): 31,500 thousand yen Total (estimate): 481,500 thousand yen * The acquisition price was determined based on an independent calculation agent's calculation result of the share's value to ensure its fairness and validity.
(3) Number of shares owned after transfer	236 (Percentage owned 100.0%) (Number of voting rights: 236)
* The acquisition price is not disclosed in accordance with the confidentiality agreement with the counterparty of the transaction. To ensure its fairness and validity, the price has been determined based on the evaluation by an independent party and upon agreement between the Company and the counterparty.	

\* As described in "3. Profile of the Company to become a Subsidiary," the shareholders of the aforementioned shares at the time of this disclosure are Hideyuki Ashida 75% (177 shares) and Full Speed Inc. 25% (59 shares). Transfer of the 59 shares owned by Full Speed Inc. to Mr. Hideyuki Ashida is under negotiation between the two parties and is expected to be executed by the date of the share transfer agreement as described in "6. Schedule (Plan)". The Company plans to acquire 236 shares from Mr. Ashida, inclusive of the shares transferred to him by Full Speed Inc.

#### 6. Schedule (Plan)

Resolution by Board of Directors	July 18, 2023
Date of share transfer agreement	August 4, 2023 (plan)
Date of shares acquisition	August 4, 2023 (plan)

#### 7. Outlook

While the impact of the shares acquisition on the Company's consolidated financial results for the current fiscal year is expected to be minimal, we believe that the acquisition will significantly contribute to the improvement of the Group's performance in the medium to long term. The Company will promptly provide notice in the event that matters requiring disclosure occur in the future.

# Making Ruby Development Inc. a Wholly Owned Subsidiary

July 18, 2023 Securities code: 3939

株式会社カナミックネットワーク

# Cloud technology for all stages of life

## Purpose & Values

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We strive to contribute to people and society through “cloud technology for all stages of life”. Going forward, we will capitalize on opportunities for bringing Digital Transformation (DT) to aging populations in Japan and the rest of the world with our cloud platform. In doing so we seek to contribute to the development of a more sustainable and healthier future for humanity.

## Origin of our name

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Kanamic Network traces the origins of our name to our ideal of developing a network to breathe life into elderly care, and it is composed of three keywords: “KAigo” (Japanese for “elderly care”) + “DyNAMIC” + “Network.”

# 2. Kanamic Vision 2030

## Phase4 : Global Expansion

- ICT for healthcare / elderly care
- Business related to prolonging the healthy lifespan  
Improve the lives of seniors around the world with "Kaigo" (Japanese-style elderly care)

## Phase3 : Branding (BtoC)

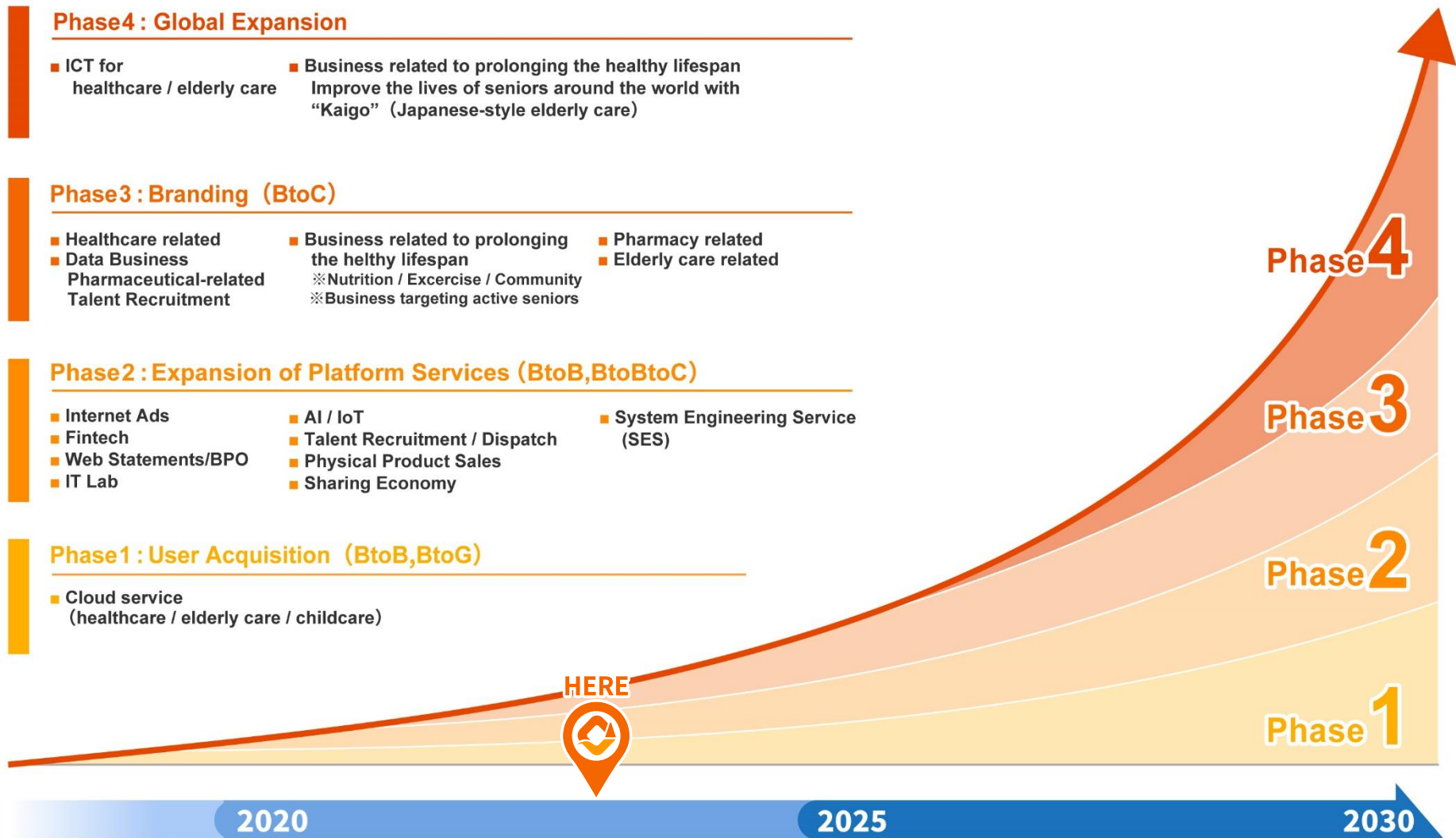
- Healthcare related
- Data Business
- Pharmaceutical-related
- Talent Recruitment
- Business related to prolonging the healthy lifespan  
※Nutrition / Exercise / Community  
※Business targeting active seniors
- Pharmacy related
- Elderly care related

## Phase2 : Expansion of Platform Services (BtoB,BtoBtoC)

- Internet Ads
- Fintech
- Web Statements/BPO
- IT Lab
- AI / IoT
- Talent Recruitment / Dispatch
- Physical Product Sales
- Sharing Economy
- System Engineering Service (SES)

## Phase1 : User Acquisition (BtoB,BtoG)

- Cloud service (healthcare / elderly care / childcare)



- Japan
- Global

● Increased attention to wellness due to pandemic

● Increased usage of social security numbers in Japan; Implementation of "sciencebased elderly care" Digital transformation of LTC industry

● Seniors as a percentage of Japan population surpasses 30%

● Baby boomers (as defined in Japan) all now older than 75 y/o

● Seniors as a percentage of population surpasses 20% for western nations

● Global non-communicable disease (NCD) deaths rise to 55 million by 2030

● Japanese boomers all now older than 80

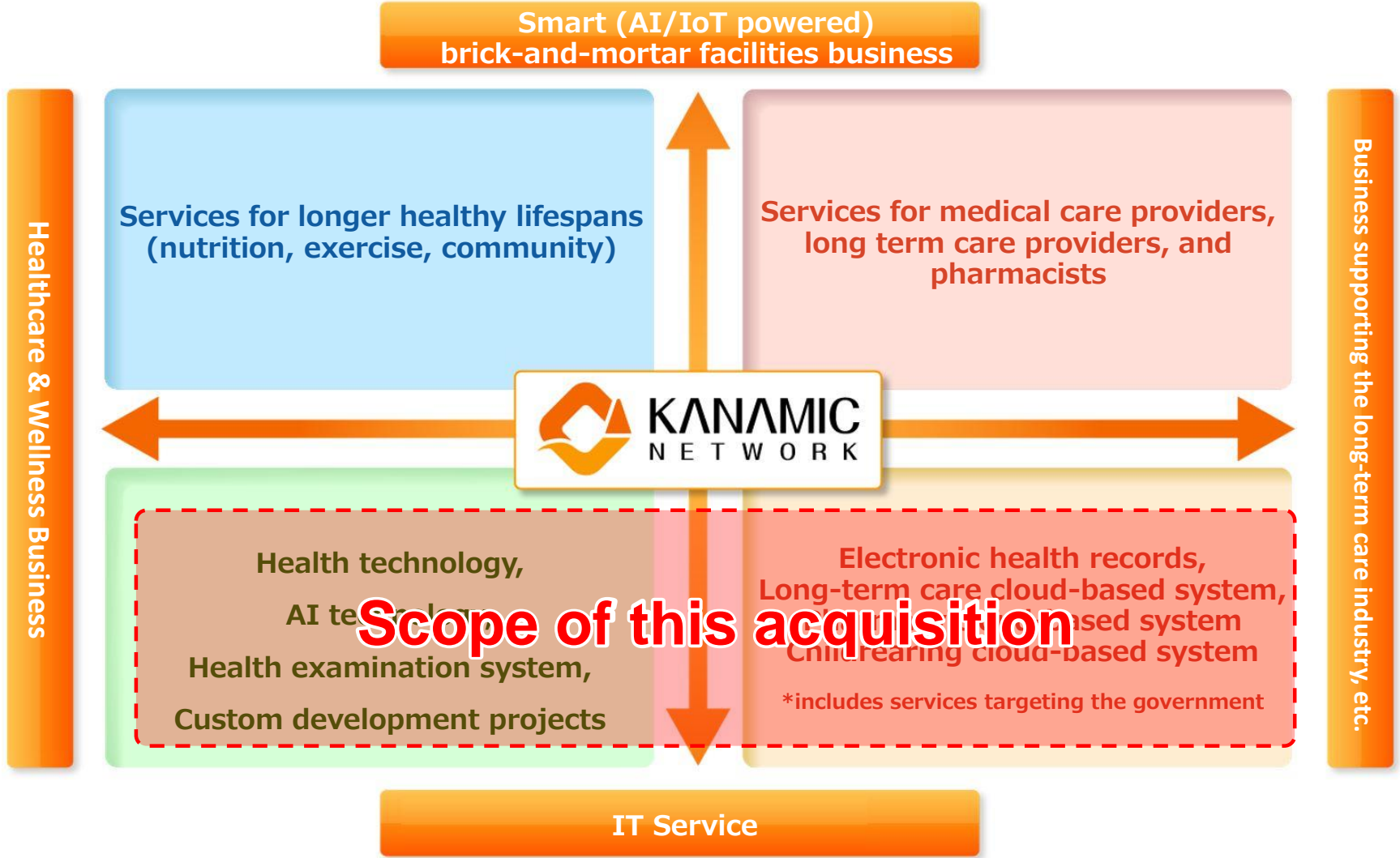
● Seniors as percentage of population for Asian countries (ex Japan) reaches 15-20%

# 3. New Business Zones We will Develop

## ■ Image of corporate groups and business contents as potential targets of M&A (including capital and business alliance)

We aim for an “Prompt Realization of the Kanamic Healthcare Platform” through cooperation with companies which show strong synergy with our vision.

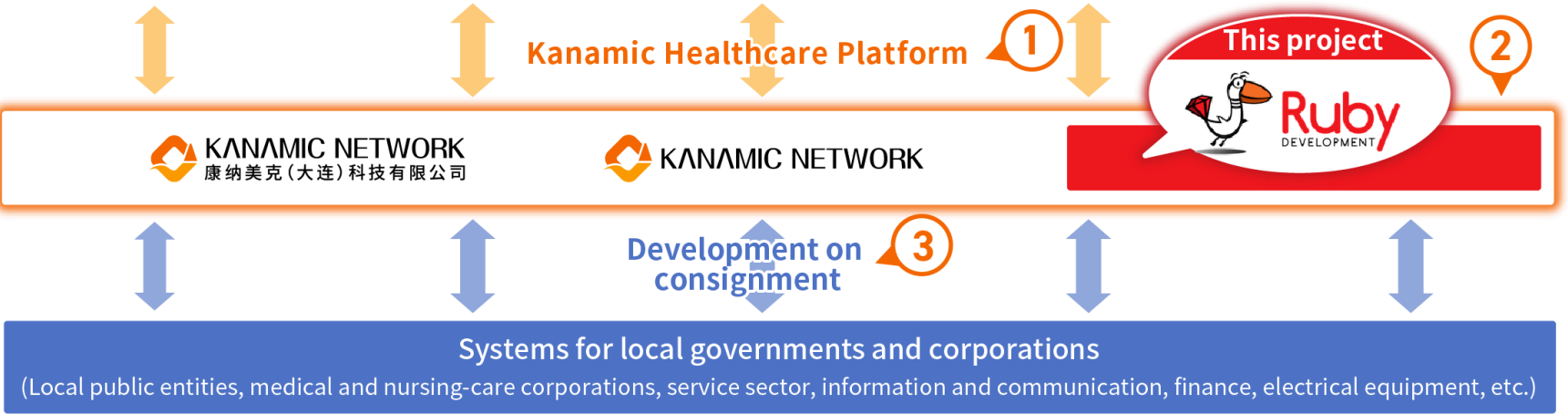
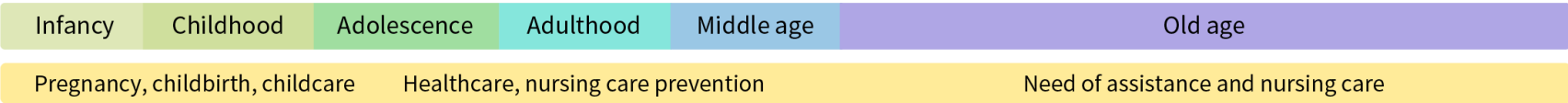
We also plan to run a brick-and-mortar business for data collection purposes.



# 4. Business Structure of Group Companies and Business Synergy

**Business synergy of this acquisition**

- 1 Enhancement of development capabilities**  
Enhancement of development capabilities of existing businesses
- 2 Competitive recruitment of engineers**  
Higher number of engineers due to flexible recruitment qualifications
- 3 Expansion into new business fields**  
Development on consignment of web-based services and other systems





# 5. Reasons for Shares Acquisition of M&A Target Company (Ruby Development Inc.)

## Ruby Development Inc.



Ruby Development Inc. (hereinafter “Ruby”) is an IT company specializing in the development of web-based systems driven by Ruby, a highly efficient programming language that allows engineers to enjoy development. What customers expect in recent system development and DX (digital transformation) is agile, high functional speed development over time-consuming, waterfall-type development. Thus, the Company is required to launch new products at a higher rate than our competitors. Ruby is skilled in high-speed development in response to current needs, and has won contracts with a large number of major clients. We anticipate strong synergy between the system development business of Ruby and providers of cloud and web-based services like ourselves, and the acquisition will be a powerful driving force for us in providing higher value-added services as an IT company centering on healthcare and health-tech services.

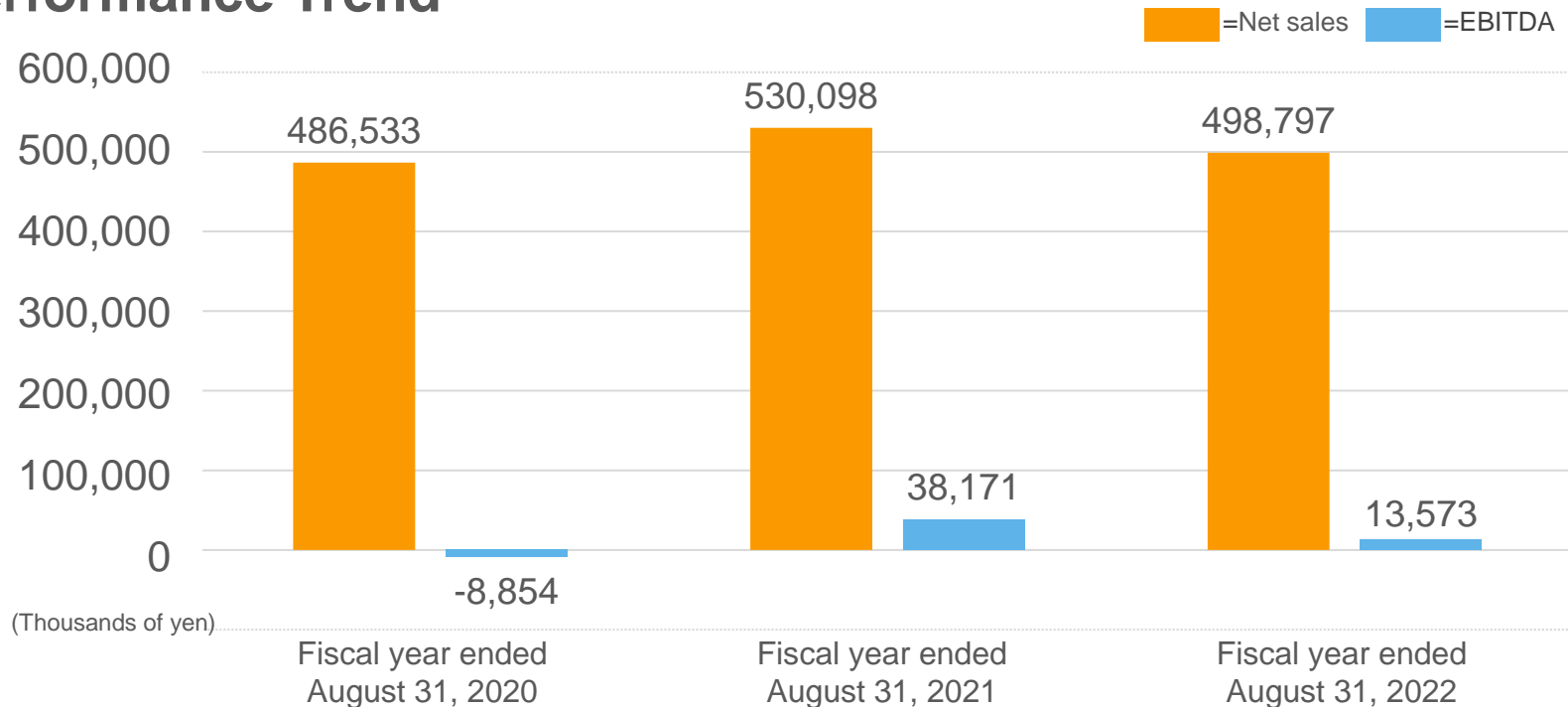
Trade name:	Ruby Development Inc.
Address of head office:	17th Floor, South Building, World Trade Center Building, 2-4-1 Hamamatsucho, Minato-ku, Tokyo 105-5117
Representative:	Hideyuki Ashida
Foundation:	September 10, 2012
Capital stock	45.5 million yen
Description of business	<ul style="list-style-type: none"> <li>■ Designing and development of web-based applications</li> <li>■ Designing and development of various applications</li> <li>■ Development on consignment services</li> <li>■ Development of IoT-related services</li> </ul>
Number of employees:	48 (As of the end of May 2023)
Association membership:	<ul style="list-style-type: none"> <li>■ Ruby Business Promotion Association</li> <li>■ Ruby Association</li> <li>■ Japan Contract Promotion Consultation</li> <li>■ Japan Information Engineering Trade Center (JIET)</li> <li>■ Institute for HyperNetwork Society</li> <li>■ Business Continuity Advancement Organization</li> </ul>

### About the Ruby Language

Ruby was publicly released in 1995 as an object-oriented scripting language (a programming language for creating application software). Ruby was developed by Yukihiro Matsumoto ("Matz"). Matz blended some of his favorite programming languages (Perl, Smalltalk, Eiffel, Ada and Lisp) into Ruby as a new language. Ruby is the first programming language developed in Japan to be certified by the International Electrotechnical Commission (IEC). In the fast-changing web-based services industry, flexible and agile development is becoming increasingly important, since it is rarely the case that entire specifications are set prior to development commencement. Ruby goes well with agile development, and is capable of high-quality and flexible development in a short period of time.

# 6. Past Performance of the M&A Target Company (Ruby Development Inc.)

## ■ Performance Trend



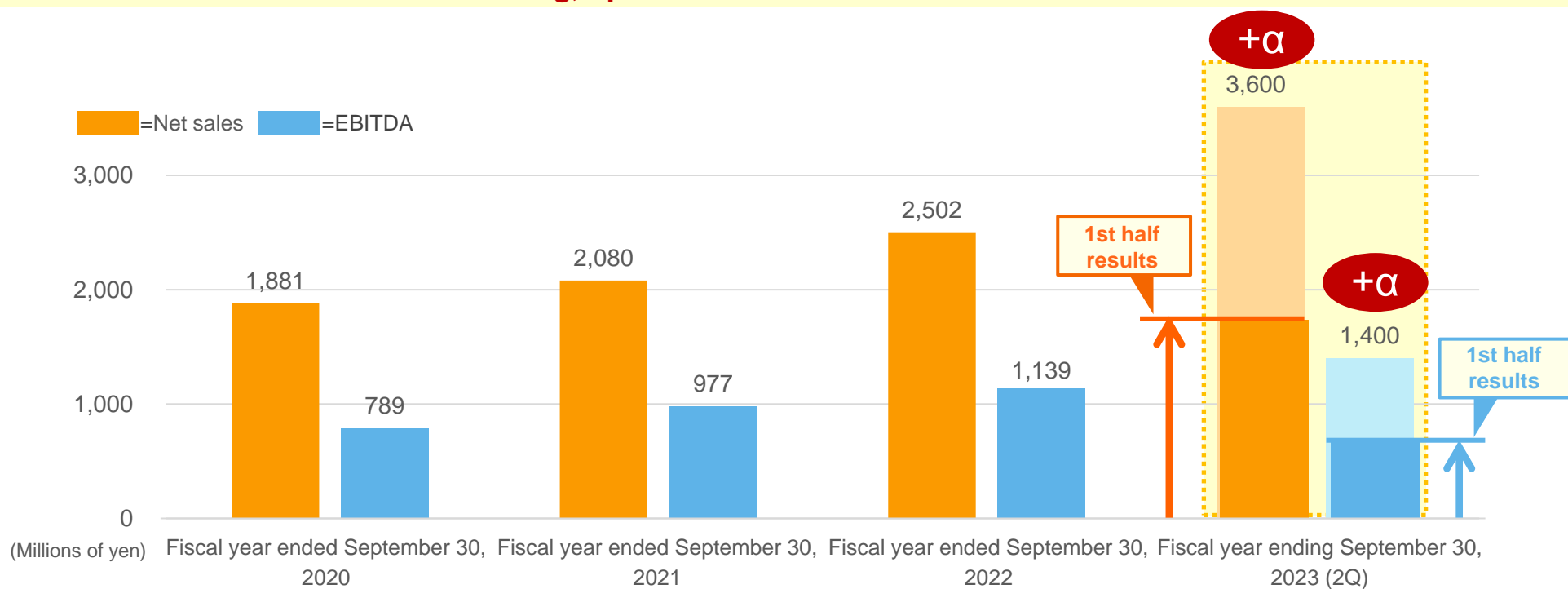
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EBITDA	-8,854	38,171	13,573
Operating income	-16,594	31,639	7,971
Ordinary income	-14,825	34,126	10,359
Net income	-15,588	25,291	7,348

\* EBITDA is the sum of operating income and depreciation (depreciation and amortization of goodwill).

(Thousands of yen)

# 7. Group Earnings Outlook

**Sales and profits of Ruby Development Inc. will be added from the 4Q of the fiscal year ending September 30, 2023. Notwithstanding, upward revisions to forecasts have not been made.**



	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021	Fiscal year ended September 30, 2022	Fiscal year ending September 30, 2023			
				Forecast at beginning of fiscal year	1Q	2Q	1st half results
Net sales	1,881	2,080	2,502	3,600	797	939	1,736
EBITDA	789	977	1,139	1,400	304	390	694
Operating income	654	841	962	1,150	234	324	559
Ordinary income	676	829	980	1,150	237	327	565
Net income	472	579	685	800	165	240	405

\* EBITDA is the sum of operating income and depreciation (depreciation and amortization of goodwill).

(millions of yen)