



October 2, 2023

For Immediate Release

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Notice Regarding Acquisition of Shares of LIC CO., Ltd

Bengo4.com, Inc. (hereinafter “the Company”) announces that at a meeting held on October 2, 2023, the Board of Directors resolved to acquire all shares issued by LIC CO., Ltd (hereinafter “LIC”) (the acquisition is hereinafter referred to as “the Acquisition”).

After the Acquisition, Yasuo Sanui, the founder of LIC, will remain Representative Director and President. The Company and LIC will strive together to contribute to the development of the legal community, taking advantage of the foresight and capabilities of Mr. Sanui, who created Hanreihisho, a legal precedent database service that has an overwhelming market share, and the trust of the legal community, including lawyers and legal scholars.

Details

(1) Reasons for the share acquisition

Digitalization of social and economic systems has been developing from day to day in recent years. In the legal community, the Company believes that digitalization will accelerate, given the computerization of civil court proceedings in 2025, the creation of a database of information on civil court rulings in 2026, and the establishment of rules, including the guidelines on the provision of AI contract review services and the relationship between the services and Article 72 of the Attorneys Act, published by the Ministry of Justice on August 1, 2023.

LIC (headquartered in Minato-ku, Tokyo; Yasuo Sanui, Representative Director and President; <https://www.hanreihisho.com/company.html>) provides Hanreihisho, a legal precedent database, and has an overwhelming market share. Since its establishment in 1996, LIC, under Mr. Sanui, the founder, has been contributing to digitalization in the legal community and has earned enormous trust. It also has a highly respected brand.

LIC actively invests in the development of services using AI technology and cutting-edge technologies.

Meanwhile, the Company aims to enhance corporate value over the medium to long term under its mission: “Be the Professional-Tech Company.” One of its important strategies is building Japan’s first vertical large language model (LLM), the Legal Brain, which specializes in the legal area and uses every piece of legal data as knowledge. Under this strategy, the Company is developing unprecedented legal services.

The Company believes that the legal precedent database provides the most important data for the Legal Brain initiative. The legal precedent data that Hanreihisho possesses are carefully selected information on important legal precedents in Japan since 1900. The information will not be publicly disclosed even after the creation of a database of information on civil court rulings in 2026 and is thus invaluable data.

The Company and LIC will work as one team to expand legal precedent database services, while growing

each other's customer base. The fusion of each company's expertise and technologies in the legal community will enable them to develop services that add value to Hanreihisho and drive the Legal Brain initiative.

(2) Overview of the company to be transferred

Name	LIC CO., Ltd		
Location	2-6-8 Minami-Aoyama, Minato-ku, Tokyo		
Title and name of representative	Yasuo Sanui, Representative Director and President		
Business	Development and provision of a legal precedent database named Hanreihisho		
Share capital	20,000 thousand yen		
Established	April 26, 1996		
Major shareholders and shareholding percentages	The information is not disclosed under a non-disclosure agreement between the parties.		
Relationship between the listed company and the relevant company			
	Capital relationship	Not applicable.	
	Personal relationship	Not applicable.	
	Business relationship	Not applicable.	
Operating results and financial position of the company for the last three years (million yen)			
Fiscal year-end	FY ended March 2021	FY ended March 2022	FY ended March 2023
Net assets	984	1,134	1,236
Total assets	1,904	1,952	1,964
Net assets per share (yen)	2,460,855.59	2,836,949.83	3,091,080.06
Net sales	1,584	1,639	1,665
Operating profit	211	175	146
Ordinary profit	254	231	145
Profit	162	150	101
Basic earnings per share (yen)	406,921.12	376,094.24	254,130.22
Dividend per share (yen)	25,000	-	-

(Note) LIC applies the tax-included method in accounting consumption tax, etc.

(3) Overview of the company to be transferred

Name	EOC.com Co., Ltd.		
Location	3-14-6, Nishi-Tenma, Kita-ku, Osaka City, Osaka		
Title and name of representative	Yasuo Sanui, Representative Director and President		
Business	Sale of a legal precedent database named Hanreihisho		
Share capital	10,000 thousand yen		
Established	May 24, 2007		
Major shareholders and shareholding percentages	LIC CO., Ltd 100%		
Relationship between the listed company and the relevant company			
	Capital relationship	Not applicable.	
	Personal relationship	Not applicable.	
	Business relationship	Not applicable.	

Operating results and financial position of the company for the last three years (million yen)			
Fiscal year-end	FY ended September 2020	FY ended September 2021	FY ended September 2022
Net assets	232	267	322
Total assets	256	295	350
Net assets per share (yen)	1,163,495.31	1,339,595.31	1,612,236.40
Net sales	241	277	310
Operating profit	47	55	78
Ordinary profit	47	56	78
Profit	35	35	54
Basic earnings per share (yen)	177,001.50	176,099.99	272,641.09
Dividend per share (yen)	-	-	-

(Notes) EOC.com applies the tax-included method in accounting consumption tax, etc.

EOC.com is the sales subsidiary that sells legal precedent database Hanreihisho. Sales at EOC.com consist only of sales commissions paid by LIC.

Because LIC does not create consolidated financial statements, operating results and a financial position of each company are stated.

(4) Schedule

Resolution of the Board of Directors to approve the acquisition of shares	October 2, 2023
Date of the share transfer agreement	October 2, 2023
Date of share transfer	October 2, 2023

(5) Number of shares to be acquired and the state of share ownership before and after the acquisition

Number of shares held before the transfer	0 shares (Number of voting rights: 0) (Percentage of voting rights: 0%)
Number of shares acquired	400 shares (Number of voting rights: 40)
Acquisition price	The acquisition price is 15% or more of net assets of the Company in the fiscal year ended March 31, 2023, 3,167 million yen, and meets the disclosure standard. However, to protect the counterparty, who is an individual, from risks associated with making the estimated price public, and in accordance with a non-disclosure agreement between the parties, the details are not disclosed. The acquisition price is determined based on a valuation of an independent appraiser. Advisory expenses, etc. related to the Acquisition are estimated at approximately 2 million yen.
Number of shares held after the transfer	400 shares (Number of voting rights: 40) (Percentage of voting rights: 100%)

(6) Future outlook

Results at LIC will be reflected in the consolidated results of the Company from the third quarter of the fiscal year ending March 31, 2024, and LIC is expected to contribute 0.7 billion yen to 0.8 billion yen in net sales. An accurate figure and the impact on operating profit are being examined, and the Company plans to disclose a consolidated results forecast by December 2023.

End