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October 12, 2023

Company name: WingArc1st Inc.
Name of representative: Jun Tanaka
President, Executive Officer and CEO
(Securities Code: 4432; Prime Market of TSE)
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Notice Concerning Absorption-type Merger of a Wholly Owned Subsidiary (Simplified and Short-form Merger)

WingArc1st Inc. (the “Company”) hereby announces that it has resolved at the Board of Directors meeting held today to conduct an absorption-type merger (hereinafter the “Merger”) with Retail Marketing One, Inc. (hereinafter “Retail Marketing One”), which is a wholly owned subsidiary of the Company, with the Company as the surviving company and Retail Marketing One as the disappearing company. Details are set forth below.

Note that as this is a simplified absorption-type merger that involves a wholly owned subsidiary, some disclosure items and their content have been omitted.

1. Purpose of the Merger

As one of the initiatives for “realizing a data platform that promotes DX in companies” as established under the Medium-term Management Policy announced in January 2022, the Company is promoting the expansion of industry-specific cloud services. Retail Marketing One has knowledge and a track record of providing cloud services, particularly in the retail industry, and the Company has conducted the absorption-type merger aiming to further strengthen the Company’s industry-specific cloud services going forward and improve the efficiency of management resources.

2. Overview of the Merger

(1) Schedule of the Merger

Date of Board of Directors resolution on the Merger agreement	October 12, 2023
Date of conclusion of the Merger agreement	October 12, 2023
Effective date	December 1, 2023 (scheduled)

Note: As this absorption-type merger is a simplified merger for the Company, which is the surviving company, pursuant to the provisions of Article 796, paragraph (2) of the Companies Act and a short-form merger for Retail Marketing One, which is the disappearing company, pursuant to the provisions of Article 784, paragraph (1) of the Companies Act, both companies plan to conduct the merger without receiving approval of the absorption-type merger agreement at a general meeting of shareholders.

(2) Method of the Merger

The Merger shall be an absorption-type merger with the Company as the surviving company and Retail Marketing One as the disappearing company.

(3) Allotments pertaining to the Merger

As Retail Marketing One is a wholly owned subsidiary of the Company, the Merger will not involve allotments of shares or money, etc.

(4) Handling of the disappearing company's share acquisition rights and bonds with share acquisition rights associated with the Merger

No items to report.

4. Overview of the companies involved in the Merger (as of August 31, 2023)

	Surviving company	Disappearing company
(1) Name	WingArc1st Inc.	Retail Marketing One, Inc.
(2) Address	3-2-1 Roppongi, Minato-ku, Tokyo	3-2-1 Roppongi, Minato-ku, Tokyo
(3) Name and position of representative	Jun Tanaka President, Executive Officer and CEO	Koji Watarai Representative Director and President
(4) Businesses	Provision of software and cloud services	Provision of cloud services
(5) Capital	¥1,150,059,000	¥26,000,000
(6) Date of establishment	March 7, 2016	December 5, 2016
(7) Number of issued shares	34,629,270 shares	5,100 shares
(8) Fiscal year-end	February 28	February 28
(9) Main shareholders and shareholding percentages	IW.DX Partners Inc.: 22.26% Toshiba Digital Solutions Corporation: 13.41%	WingArc1st Inc.: 100.00%
(10) Operating results and financial position for the most recent fiscal year		
Fiscal period	FY2/23 (Consolidated: IFRS)	FY2/23 (Non-consolidated: Japanese GAAP)
Equity attributable to equity holders of the parent/Net assets	¥34,516 million	¥146 million
Total assets	¥62,550 million	¥178 million
Equity attributable to equity holders of the parent per share/Net assets per share	¥1,012.47	¥28,766.77
Revenue/Net sales	¥22,349 million	¥185 million
Operating profit	¥5,945 million	¥77 million
Profit before income taxes/Ordinary profit	¥5,860 million	¥77 million
Profit attributable to equity holders of the parent/Profit	¥4,401 million	¥51 million
Basic earnings per share	¥129.54	¥10,107.31

5. Status after the Merger

There is no change to the Company's name, address, name and position of representative, businesses, capital or fiscal year-end as a result of the Merger.

6. Future outlook

The Merger will have an immaterial impact on the Company's consolidated financial results because it is a merger between the Company and its wholly owned subsidiary.