



December 7, 2023

For immediate release

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## **Notice Concerning Acquisition of Shares and Subscription to Third-Party Allotment of Shares of Work Style Tech Ltd. to Become Our Subsidiary**

kaonavi, inc. (the “Company”) hereby announces that at a Board of Directors meeting held on December 7, 2023, the Company resolved to acquire shares of Work Style Tech Ltd. (“WST”) and to subscribe to a third-party allotment of shares to be conducted by WST (the “Transaction”), thereby making WST a subsidiary of the Company, as described below.

### 1. Reason for the Transaction

The Company aims to realize a society where individual career development and work style are to be diversified driven by the power of technology to embody each person’s individuality and talent, advocating its Purpose being “Implement technology to “WORK” and modify the specifications of society leveraging individual power”. In order to bring it to life, the Company delivers KAONAVI, a talent management system that centralizes human resource information on the cloud and serves as a platform for data utilization under the Company’s Vision of “Create a HR data-centric platform”.

As part of the measures to achieve “continuous growth of ARR” set forth in the mid-term management policy, the Company is currently aiming to develop a human resource data platform to provide the best UX (user experience) to customers by adding value through various integrated services centered around human resource database.

On the other hand, WST offers “WelcomeHR”, a cloud-based labor management system.

The Company, which aims to expand its human resource data platform, and WST, which is seeking a partner for its business growth, have agreed on making WST a subsidiary of the Company through the acquisition of WST’s shares and the subscription to a third-party allotment of shares.

This Transaction will add labor management to the human resources data platform as a new function offered by the Company’s group. In addition, the Company believes that WST’s know-how can be utilized in the contingent/part-time employment market, where the Company has yet to expand its business.

Going forward, the Company will strive to provide better UX to customers by combining its talent management system KAONAVI with the services of WST. The Company also aims to promote the business growth of WST by sharing its accumulated know-how on cloud service operation with WST.

### 2. Method of transfer

The Company will acquire 7,032 outstanding shares of WST (4,250 Series A Preferred Shares, 2,782 common shares) by January 31, 2024. In addition, the Company will subscribe for 3,650 common shares in a third-party allotment of shares to be conducted by WST by the same date. As a result, the Company will hold 51.8% of total voting rights of WST and WST will become a consolidated subsidiary of the Company.

### 3. Overview of the subsidiary subject to the change (Work Style Tech Ltd.)

(1)	Name	Work Style Tech Ltd.		
(2)	Address	FARO 1F, 2-15-5 Minami-aoyama, Minato-ku, Tokyo		
(3)	Name and title of representative	Gustavo Dore Rodrigues, CEO		
(4)	Description of business	Development, manufacturing and sales of cloud-based labor management system		
(5)	Capital	136 million yen		
(6)	Date of establishment	April 26, 2016		
(7)	Major shareholders and shareholding ratio	Gustavo Dore Rodrigues: 60.48% MF-GB2 Investment Limited Partnership: 10.32% Other shareholders: less than 10% each		
(8)	Relationship between the Company and the relevant company	Capital	Not applicable	
		Personal	Not applicable	
		Business	Not applicable	
(9)	Operating results and financial condition of the relevant company for the past three years			
	Fiscal year ended	March 2021	March 2022	March 2023
	Net assets	19 million yen	155 million yen	66 million yen
	Total assets	58 million yen	214 million yen	147 million yen
	Net assets per share	1,457.09 yen	9,157.41 yen	3,918.61 yen
	Net sales	29 million yen	64 million yen	107 million yen
	Operating profit	(37 million) yen	(33 million) yen	(89 million) yen
	Ordinary profit	(35 million) yen	(33 million) yen	(89 million) yen
	Net profit	(35 million) yen	(33 million) yen	(89 million) yen
	Net profit per share	(2,785.67) yen	(2,279.63) yen	(5,238.80) yen
	Dividends per share	—	—	—

### 4. Overview of the counterparty of the acquisition of shares

(1)	Name	Gustavo Dore Rodrigues
(2)	Address	Kamakura-shi, Kanagawa
(3)	Relationship between the Company and the relevant individual	Not applicable

(1)	Name	MF-GB2 Investment Limited Partnership	
(2)	Address	10-11 Sakuragaoka-cho, Shibuya-ku, Tokyo	
(3)	Basis of establishment, etc.	Limited Partnership Act for Investment	
(4)	Purpose of formation	It was formed to invest in domestic and overseas venture companies to create businesses that differ from existing business areas, in addition to strengthening Mitsui Fudosan Co., Ltd.'s business areas of Real Estate as a Service, DX (digital transformation) and Smart Cities.	
(5)	Date of formation	September 16, 2020	
(6)	Total investment amount	8,500 million yen	
(7)	Investors, investment ratio and overview of investors	Undisclosed at the request of the counterparty	
(8)	Overview of general	Name	Global Brain Corporation

partners	Address	10-11 Sakuragaoka-cho, Shibuya-ku, Tokyo
	Name and title of representative	Yasuhiko Yurimoto, CEO
	Description of business	Venture capital business
	Capital	100 million yen
(9) Relationship between the Company and the relevant fund	Relationship between the Company and the relevant fund	Not applicable
	Relationship between the Company and the managing partners	Not applicable

(1) Name	DIP Labor Force Solution Investment Limited Partnership	
(2) Address	1-6-1 Roppongi, Minato-ku, Tokyo	
(3) Basis of establishment, etc.	Limited Partnership Act for Investment	
(4) Purpose of formation	It was formed to allow dip Corporation to invest in domestic and overseas venture companies related to IT such as AI, RPA, HR Tech that are expected to generate business synergies in its existing and new business areas.	
(5) Date of formation	September 30, 2020	
(6) Total investment amount	9,000 million yen	
(7) Investors, investment ratio and overview of investors	dip Corporation: 99%	
(8) Overview of general partners	Name	SBI Investment Co., Ltd.
	Address	1-6-1 Roppongi, Minato-ku, Tokyo
	Name and title of representative	Yoshitaka Kitao, Representative Director, Chairman and President
	Description of business	Operate and manage venture capital funds
	Capital	50 million yen
(9) Relationship between the Company and the relevant fund	Relationship between the Company and the relevant fund	Not applicable
	Relationship between the Company and the managing partners	Not applicable

(1) Name	Toshiba Tec Corporation	
(2) Address	1-11-1 Osaki, Shinagawa-ku, Tokyo	
(3) Name and title of representative	Hironobu Nishikori, President and CEO	

(4)	Description of business	Development, manufacture, sales and maintenance services of office machinery and appliances and electrical machinery and appliances	
(5)	Capital	39,900 million yen	
(6)	Date of establishment	February 21, 1950	
(7)	Net assets	102,206 million yen (As of March 31, 2023)	
(8)	Total assets	310,692 million yen (As of March 31, 2023)	
(9)	Major shareholders and shareholding ratio	Toshiba Corporation: 52.08% (As of March 31, 2023)	
(10)	Relationship between the Company and the relevant company	Capital	Not applicable
		Personal	Not applicable
		Business	Not applicable
		Applicability to related parties	Not applicable

(1)	Name	Green System Corporation	
(2)	Address	1435-1 Tsuruta-machi, Utsunomiya-shi, Tochigi	
(3)	Name and title of representative	Masahiro Akutsu, Representative Director	
(4)	Description of business	Design, construction, sales, etc. of solar power generation business	
(5)	Capital	10 million yen	
(6)	Date of establishment	January 8, 2002	
(7)	Relationship between the Company and the relevant company	Capital	Not applicable
		Personal	Not applicable
		Business	Not applicable
		Applicability to related parties	Not applicable

(1)	Name	JustinJust Co., Ltd.	
(2)	Address	3125-3 Kawano-cho, Shikoku Chuo-shi, Ehime	
(3)	Name and title of representative	Shuji Oida, President	
(4)	Description of business	Manufacture and sales of industrial supplies	
(5)	Capital	50 million yen	
(6)	Date of establishment	October 1, 2009	
(7)	Relationship between the Company and the relevant company	Capital	Not applicable
		Personal	Not applicable
		Business	Not applicable
		Applicability to related parties	Not applicable

(1)	Name	TOCHIGI ANCHOR Co., Ltd.	
(2)	Address	2-44-37 Jonai-cho, Tochigi-shi, Tochigi	
(3)	Name and title of representative	Kenichi Aragane, Representative Director	
(4)	Description of business	Construction work	
(5)	Capital	95 million yen	

(6)	Date of establishment	November 28, 1974	
(7)	Relationship between the Company and the relevant company	Capital	Not applicable
		Personal	Not applicable
		Business	Not applicable
		Applicability to related parties	Not applicable

(1)	Name	HACHINOHE TOWA PHARMACEUTICAL CO., LTD.	
(2)	Address	1-28-16 Shiroshita, Hachinohe-shi, Aomori	
(3)	Name and title of representative	Takumi Takahashi, Representative Director	
(4)	Description of business	Sale of pharmaceuticals	
(5)	Capital	10 million yen	
(6)	Date of establishment	October 1, 1984	
(7)	Relationship between the Company and the relevant company	Capital	Not applicable
		Personal	Not applicable
		Business	Not applicable
		Applicability to related parties	Not applicable

(1)	Name	Koichi Ito	
(2)	Address	Nagoya-shi, Aichi	
(3)	Relationship between the Company and the relevant individual	Not applicable	

(1)	Name	Takafumi Mori	
(2)	Address	Tsuyama-shi, Okayama	
(3)	Relationship between the Company and the relevant individual	Not applicable	

(1)	Name	Eiji Takita	
(2)	Address	Nagoya-shi, Aichi	
(3)	Relationship between the Company and the relevant individual	Not applicable	

(1)	Name	Mamoru Taniya	
(2)	Address	Hong Kong	
(3)	Relationship between the Company and the relevant individual	Not applicable	

5. Number and value of shares to be acquired and the status of share ownership before and after the share acquisition

(1)	Number of shares held	0 shares
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	before transfer	(Number of voting rights: 0) (Percentage of voting rights held: 0%)
(2)	Number of shares acquired	10,682 shares (Number of voting rights: 10,682)
(3)	Acquisition value	Class A Preferred Shares and common shares of Work Style Tech Ltd.: 726 million yen Advisory fees, etc. (estimated amount): 10 million yen Total (estimated amount): 736 million yen
(4)	Number of shares held after transfer	10,682 shares (Number of voting rights: 10,682) (Percentage of voting rights held: 51.8%)

#### 6. Schedule

(1)	Date of resolution of the board of directors	December 7, 2023
(2)	Date of the agreement	December 7, 2023
(3)	Execution date of share transfer and effective date of share subscription	By January 31, 2024 (scheduled)

#### 7. Future outlook

If the Transaction is executed as scheduled, WST will become a consolidated subsidiary of the Company from the end of the fourth quarter of the fiscal year ending March 2024 and the impact of the Transaction on the Company's business results for the fiscal year ending March 2024 will be immaterial. Although goodwill is expected to arise in the consolidated financial statements of the Company, the amount and accounting treatment, etc. of goodwill have not been determined so far. We will promptly announce any matters that require disclosure in the future.