

Disclaimer:

This is an English translation of the captioned release. This translation is prepared and provided for the reader's convenience.

All readers are recommended to refer to the original version of the release in Japanese for complete information.



January 31, 2024

Dear Sir,



Company Name: SB Technology Corp.
(Code No.: 4726 Tokyo Stock Exchange, Prime Market)
Representative: Shinichi Ata
President & CEO
Contact Person: Masaaki Okazaki
Member of the Board & CFO, Executive Vice President

**Notice Concerning Succession of the FONTPLUS Service by Fontworks, Inc.
through Company Split (Simplified Absorption-type Company Split)**

SB Technology Corp. (the "Company") hereby announces that at a meeting of the Board of Directors held today, it passed a resolution to have Fontworks, Inc. (headquarters: Minato-ku, Tokyo, hereinafter "Fontworks") succeed the Company's FONTPLUS service through an absorption-type company split (hereinafter the "Company Split") with an effective date of April 1, 2024, based on which the Company has concluded an absorption-type company split agreement dated January 31, 2024.

Some disclosure items and details have been omitted because the Company considers the Company Split to be a simplified absorption type company split defined in paragraph 2 of Article 784 in the Companies Act and any decrease in the Company's consolidated assets is expected to be less than 10% of net assets as at the end of the immediately preceding fiscal year, while any decrease in net sales is expected to be less than 3% of net sales in the immediately preceding fiscal year.

1. Purpose of the Company Split

Under its management policy, namely, "Achieve Significant Growth," the Group has been helping customers advance their DX initiatives mainly by leveraging its cloud and security technologies. Against such a background, as announced on July 19, 2023, the Group transferred shares it held in Fontworks and further proceeded with a shift toward a focus on cloud security. Following the transfer of Fontworks, the Company decided to have Fontworks take over the FONTPLUS service provided by the Company.

*The FONTPLUS service is a font distribution service that enables the use of more than 3,800 fonts on websites.

2. Outline of the Company Split

(1) Schedule

Date of resolution of the Company's Board of Directors	January 31, 2024
Date of the conclusion of an agreement on the Company Split	January 31, 2024
Effective date of the Company Split	April 1, 2024

*The Company Split will be implemented without going through approval procedures at a General Meeting of Shareholders because it falls under the category of a simplified absorption-type company split defined in the paragraph 2 of Article 784 in the Companies Act.

(2) Method of the Company Split

This is an absorption-type company split, in which the Company will be the splitting company and Fontworks will be the succeeding company.

Disclaimer:

This is an English translation of the captioned release. This translation is prepared and provided for the reader's convenience.

All readers are recommended to refer to the original version of the release in Japanese for complete information.

(3) Allocation relating to the Company Split

The Company will not allot any shares or provide any other consideration in association with the Company Split.

(4) Handling of stock acquisition rights and bonds with the stock acquisition rights associated with the Company Split

Not applicable

(5) Capital increase/decrease due to the Company Split

There will be no increase or decrease in share capital of the Company as a result of the Company Split.

(6) Rights and obligations assumed by the succeeding company

In conjunction with the Company Split, the Company will take over assets and liabilities, as well as other rights and obligations based on its contractual status, which the Company owns in association with the subject business as of the end of the immediately preceding day of the effective date of the Company Split, provided that they are limited to those prescribed in the absorption-type company split agreement.

(7) Prospect of fulfillment of debt obligations

The Company foresees no problems in Fontworks fulfilling its obligations on and after the effective date of the Company Split.

3. Overview of the companies participating in the Company Split

	The splitting company	The succeeding company
(1) Trade name	SB Technology Corp.	Fontworks Inc.
(2) Address	27-30, Shinjuku 6-chome, Shinjuku-ku, Tokyo	5F, Nissin Aoyama Building, 3- 2-4 Kita-Aoyama, Minato-ku, Tokyo
(3) Representative	Shinichi Ata, President and CEO	Ai Harada, President and CEO
(4) Outline of the business	ICT service business	Planning, development and sale of digital fonts (fonts), software development, technical services, OEM services, etc.
(5) Share capital	1,270 million yen *As of March 31, 2023	120 million yen *As of March 31, 2023
(6) Date of establishment	October 16,1990	August 9, 1993
(7) Total number of shares issued	22,757,800 *As of March 31, 2023	200 *As of March 31, 2023
(8) Fiscal Year-End	March 31	December 31
(9) Major shareholders and their shareholding ratios	SoftBank Corp. 54.04% *As of March 31,2023 *Percentage of total shares issued does not include treasury shares.	Monotype K.K. 100.00% *As of September 1, 2023
(10) Business results and financial conditions of the relevant company for the past years		
Fiscal Year-End	March 31,2023 (Consolidated, Japanese GAAP)	March 31,2023 (Non- consolidated, Japanese GAAP)
Net assets	25,167million yen	3,803million yen
Total assets	45,466million yen	4,272million yen
Net assets per share	1,131.42 yen	19,018,485.23 yen
Net sales	67,227million yen	1,946million yen
Operating profit	5,557million yen	751million yen
Ordinary profit	5,499million yen	755million yen
Profit	3,497million yen	522million yen
Profit per share	175.03 yen	2,612,036.09 yen

* Fontworks set December 31 as a closing date of the fiscal year because it made a closing date change

Disclaimer:

This is an English translation of the captioned release. This translation is prepared and provided for the reader's convenience.

All readers are recommended to refer to the original version of the release in Japanese for complete information.

from September 1, 2023. However, with the company's financial statements for the said fiscal year not approved as of today, the financial condition and operating results for the fiscal year ended March 31, 2023 are presented.

5. Outline of business to be split

(1) Outline of business to be split

FONTPLUS service

(2) Operating results of the business to be split (fiscal year ended March 31, 2023)

Net sales: 0 million yen

(3) Items and book value of assets and liabilities to be split

There are no assets of liabilities to be taken over.

6. Status after the Company Split

As of the time of this announcement, no change is planned to be made in the names and the address of the Company and Fontworks, their representatives' titles and names, business descriptions, capital and closing dates.

7. Future outlook

The impact of the Company Split on the Group's consolidated financial results is minor.

(Reference) Consolidated financial results forecast for the fiscal year ending March 31, 2024 (announced on January 31, 2024) and Actual consolidated results for the previous fiscal year

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	millions of yen	millions of yen	millions of yen	millions of yen	yen
Earnings Forecast for the Current Fiscal Year (Fiscal year ending March 31, 2024)	67,000	5,600	5,450	8,300	417.44
Actual consolidated results for the previous fiscal year (Fiscal year ended March 31, 2023)	67,227	5,557	5,499	3,497	175.03