



February 13, 2024

Company name: RAKUS Co., Ltd.

Stock exchange listing: Tokyo PRIME / Stock code: 3923

URL <https://www.rakus.co.jp/en/>

Representative: Takanori Nakamura, Representative Director and President

Inquiries: Director Takahiro Miyauchi

## **Notice Regarding the Absorption-type Merger (Simple Merger/ Short-form Merger) of a Wholly Owned Subsidiary**

RAKUS Co., Ltd. (hereinafter the "Company") hereby announces that, its board of directors resolved at the meeting held on February 13, 2024, to merge with its wholly owned subsidiary, RAKUS HRTech Co., Ltd., effective April 1, 2024 (hereinafter the "Merger"). Details are described below.

Due to the Merger is a simplified absorption-type merger of a wholly owned subsidiary, certain disclosure items and details are omitted from this notice.

### 1. Purpose of the Merger

The Company has achieved high sales growth and profit creation by managing a portfolio of multiple cloud services which has contributed to streamlining business operations for companies.

As the business advanced, the Company decided to merge with RAKUS HRTech, integrating its Company's cloud-based attendance management system "Raku Raku Kintai" with RAKUS HRTech similar business. By combining the product strength of RAKUS HRTech and the Company sales force, it was judged that the Company could accelerate the market share growth.

### 2. Summary of the Merger

#### (1) Schedule of the Merger

Date of Board Resolution	February 13, 2024
Date of Merger Agreement	February 13, 2024
Date of Merger (effective date)	April 1, 2024

\* For the Company this Merger is a simplified merger pursuant to Article 796, paragraph 2 of the Companies Act, and for RAKUS HRTech Co., Ltd. it is an absorption-type merger pursuant to Article 784, paragraph 1 of the Companies Act, so neither company shall hold a general meeting of shareholders to approve the merger agreement.

#### (2) Method of the Merger

The merger will be conducted through an absorption-type merger method in which the Company will be the surviving company and RAKUS HRTech will be dissolved as the absorbed company.

### (3) Allocations relating to the Merger

No shares will be issued, or consideration paid in conjunction with the Merger.

### (4) Regarding the stock acquisition rights and bonds with stock acquisition rights

No applicable matters.

## 3. Overview of the parties to the Merger

	Surviving Company	Absorbed Company
(1) Company name	RAKUS Co., Ltd.	RAKUS HRTech Co., Ltd.
(2) Address	Tsurunochi, Kita-Ku, Osaka	6-22-1 Nishi-shinjuku, Shinjuku-ku, Tokyo
(3) Representative	President and Representative Director Takanori Nakamura	Representative Director Kazunori Nishimura
(4) Business description	Cloud Business, IT Outsourcing business	Cloud-based Software Services
(5) Capital	378 million yen	50 million yen
(6) Date established	November 1, 2000	June 30, 2023
(7) Number of shares issued	181,216,000 shares	1,000 shares
(8) Fiscal year ended	March 31	March 31
(9) Major shareholders and percentage of shares held	Takanori Nakamura: 34.14% Japan Master Trust Bank of Japan, Ltd. (Trust Account): 7.80% Yoshifumi Matsushima: 5.15% Hideyuki Inoue: 4.99% Shinichiro Motomatsu: 4.86%	RAKUS Co., Ltd. 100.00%
(10) Financial condition and financial performance in the Most recent fiscal year		
Fiscal year ended	March 31, 2023 (Consolidated)	December 31, 2023 (non-consolidated)
Equity attributable to owners of parent	9,548 million yen	547 million yen
Total asset	14,073 million yen	840 million yen
Equity attributable to owners of parent per share	52.69 yen	547,782 yen
Net sales	27,399 million yen	458 million yen
Operating profit	1,656 million yen	89 million yen
Ordinary profit	1,677 million yen	90 million yen
Profit attributable to owners of parent	1,274 million yen	137 million yen
Profit attributable to owners of parent per share	7.03 yen	137,816 yen

\*Since there is no final fiscal year to be determined for RAKUS HRTech, the above table shows the operating results of that company from July to December 2023 and its financial position as of December 31, 2023, after the company split.

## 4. Status After the Merger

There will be no changes to the Company's name, address, name and title of representative, business description, capital, or fiscal year-end after the Merger.

## 5. Future Outlook

The impact of the Merger on the Company's consolidated financial results is insignificant.

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