



February 13, 2024

To whom it may concern,

Company: Core Concept Technologies Inc.
Representative: Takeshi Kaneko,
Representative Director, President, CEO
(Stock Code: 4371, Growth Market of TSE)
Yoshiyuki Umeda,
Contact: Executive Officer, General Manager of Business
Administration Division
(Tel: +81 3-6457-4344)

Notice of Acquisition of Shares of Pros Cons, Inc. (Making it a Subsidiary)

Our company hereby announces that, at the meeting of the Board of Directors held on February 13, 2024, we decided to acquire 650 outstanding shares of Pros Cons, Inc. (hereinafter referred to as “Pros Cons”) on February 16, 2024 in order to make it a subsidiary of our company.

This is a voluntary disclosure that does not exceed the timely disclosure standards.

1. Reason for and purpose of the acquisition of shares

Pros Cons owns “Gemini eye,” which was developed in house by utilizing its original AI algorithm for learning good products. It also provides leading companies in the manufacturing industry with solutions for automating appearance inspection (AI-based appearance inspection solutions) with software and hardware.

We considered that our company is expected to strengthen the product competitiveness of our smart factory solution “Orizuru MES” by incorporating the above-mentioned AI-based appearance inspection solution into it after acquiring Pros Cons as a wholly owned subsidiary, and also that we will be able to achieve the growth of the two companies by contributing to the growth of Pros Cons by offering the know-how for cross-selling, recruitment, and personnel development.

2. Method for making Pros Cons a subsidiary

Our company will acquire 650 outstanding shares of Pros Cons on February 16, 2024, making it a wholly owned subsidiary.

3. Overview of a subsidiary to be acquired

(1) Name	Pros Cons, Inc.
(2) Address	Room A of 5 th Floor of Iida Bldg., 1-26-15 Tomioka, Koto City, Tokyo
(3) Representative	Shoichiro Abe, Representative Director
(4) Outline of business	Planning, design, and development of AI-based systems Development and sale of the AI-based appearance inspection software “Gemini eye” Design, manufacturing, and sale of appearance inspection equipment
(5) Capital	6,500 thousand yen
(6) Date of establishment	January 18, 2019

(7) Major shareholders and shareholding ratio	Shoichiro Abe (100%)		
(8) Relationship with CCT and the company	Capital relationship	None applicable.	
	Personnel relationship	None applicable.	
	Transaction relationship	None applicable.	
	Related parties or not	None applicable.	
(9) Financial standing and business performance in the past 3 years			
Fiscal year	FY 12/2020	FY 12/2021	FY 12/2022
Net asset* ¹	18,304	26,544	44,011
Total assets* ¹	33,376	44,334	69,431
Net asset per share* ²	28,160.07	40,838.22	67,709.70
Net sales* ¹	32,984	58,008	104,588
Operating profit* ¹	6,332	7,013	24,334
Ordinary profit* ¹	6,414	9,768	25,293
Profit* ¹	5,373	8,240	17,466
Profit per share* ²	8,267.13	12,678.14	26,871.48
Dividend per share	-	-	-

*1: Unit: thousand yen

*2: Unit: yen

4. Outline of the transferer

We keep the outline confidential due to a confidentiality agreement. No items are applicable to the capital, personnel, and transaction relationships with the transferer.

5. No. of shares we will acquire, the acquisition price, and the shares we hold before or after the acquisition

(1) No. of shares held before the transfer	- (No. of voting rights: -) (Ownership ratio for voting rights: -%)
(2) No. of shares we will acquire	650 (No. of voting rights: 650)
(3) Acquisition price	Price for acquiring shares: 280,000 thousand yen Advisory fee, etc.: 29,000 thousand yen (rough estimate) Total: 309,000 thousand yen (rough estimate) *The price for acquiring shares was determined through discussions with the other party, while considering the results of due diligence by external experts and stock value evaluation.
(4) No. of shares we hold after the acquisition	650 (No. of voting rights: 650) (Ownership ratio for voting rights: 100%)

6. Schedule

(1) Date of resolution by the Board of Directors	February 13, 2024
(2) Date of conclusion of share transfer agreement	February 13, 2024
(3) Date of share transfer	February 16, 2024

7. Future outlook

We recognize that the impact on our business performance in the term ending December 2024 is minor. However, if there emerges any item that should be disclosed, we will notify you swiftly.