

February 29, 2024

Company name: Meiko Network Japan Co., Ltd.
Representative: Kazuhito Yamashita, President &
Representative Director
Stock code: 4668 (TSE Prime)
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Notice Concerning Acquisition of Shares of RUNWELLNESS CO., LTD. (to Make It a Subsidiary)

Meiko Network Japan Co., Ltd. (the "Company") hereby announces that it has resolved, at the meeting of the Board of Directors held on February 28, 2024, to acquire shares of RUNWELLNESS CO., LTD. and make it a subsidiary of the Company.

1. Reason for acquisition of shares

The Company has two Management Philosophy: "We aim to nurture human resources through our contribution to educational and cultural programs" and "We help achieve goals through our development and diffusion of franchise know-how" and Educational Philosophy: "To nurture creative, independently minded human resources for 21st century society through an individual tutoring service that promotes self-motivated learning".

And since our founding, the Company has cherished these principles and has worked to expand directly operated and franchise system nationwide "Meiko Gijuku", an individual tutoring cram school based on "self-motivated learning" and "individual tutoring". While inheriting this "founding spirit", we will respond to rapid changes in the social environment and create a business to provide valuable services that anticipate the needs of the times, starting from the Company's Purpose: "Create a memory of "You Can if You Think You Can"". And we aim to grow into a "corporate group that extracts the potential in people".

On the other hand, RUNWELLNESS CO., LTD was established in October 2015 as a subsidiary of RUNSYSTEM CO., LTD. Based on the RUNSYSTEM Group's management philosophy of "Enriching people, Enriching communities, and Enriching society," RUNWELLNESS Co., LTD. currently operates 13 "Happy Kids Space Mint" after-school day care services and child development support facilities in Kanagawa, Saitama, and Tokyo.

By combining the start-up and operation know-how of the child development support business of RUNWELLNESS CO., LTD. with the assets and know-how that we have accumulated through directly operating and franchising Meiko Gijuku private tutoring cram schools and promoting the after-school childcare business, we believe that we can further grow our business and provide value to our customers.

In addition, the percentage of elementary and junior high school students in regular classes who show significant difficulties in learning or behavior is on the increase. Under these circumstances, support is required according to the characteristics of each individual student.

In this context, the Company which has been developing "Meiko Gijuku", are entering the "child development support business" in order to address this social issue and put our Vision of "Bright Light for the Future; we will realize a bright future by becoming a corporate group that extracts the potential in people" into practice by working closely with each individual student.

2. Overview of the subsidiary (RUNWELLNESS CO., LTD.) subject to change

(1) Name	RUNWELLNESS CO., LTD.			
(2) Location	3-1-50, Tsuzukiku Kitayamata, Yokohama City, Kanagawa, Japan			
(3) Job title and name of representative	Hideo OMODAKA, Representative Director			
(4) Description of business	Child development support business			
(5) Share capital	10,000,000 yen			
(6) Date of establishment	October 16, 2015			
(7) Major shareholders and shareholding ratios	RUNSYSTEM CO., LTD. 100%			
(8) Relationship between the listed company and said company	Capital relationship	Not applicable.		
	Personnel relationship	Not applicable.		
	Business relationship	Not applicable.		
(9) Operating results and financial positions of said company for the last three years				
	Fiscal year ended	June 30, 2021	June 30, 2022	March 31, 2023*
	Net assets	(38,230,000) yen	4,004,000 yen	24,216,000 yen
	Total assets	178,876,000 yen	175,433,000 yen	198,774,000 yen
	Net assets per share	(38,230) yen	4,004 yen	24,216 yen
	Net sales	442,865,000 yen	470,541,000 yen	381,436,000 yen
	Operating profit	57,577,000 yen	61,501,000 yen	42,149,000 yen
	Ordinary profit	52,329,000 yen	52,329,000 yen	29,059,000 yen
	Net income	61,811,000 yen	42,235,000 yen	20,212,000 yen
	Net income per share	61,811 yen	42,235 yen	20,212 yen

*The fiscal year ended March 31, 2023 is a nine-month period from July 1, 2022 to March 31, 2023 due to a change in the fiscal year-end.

3. Overview of the counterparty to the share acquisition (As of March 31, 2023)

(1) Name	RUNSYSTEM CO., LTD.
(2) Location	4-27-38, Sayamadai, Sayama City, Saitama, Japan
(3) Job title and name of representative	Daisuke HIDAKA, President and Representative Director
(4) Description of business	Entertainment business, Systems business, Real estate business

(5)	Share capital	100 million yen	
(6)	Date of establishment	December 21, 1988	
(7)	Net assets	76 million yen	
(8)	Total assets	3,420 million yen	
(9)	Major shareholders and ownership ratios	AOKI Holdings Inc. 57.17%	
(10)	Relationship between the Company and said company	Capital relationship	Not applicable.
		Personnel relationship	Not applicable.
		Business relationship	Not applicable.
		Related party relationship	Not applicable.

4. Number of shares to be acquired, acquisition costs, and shareholding before and after the acquisition

(1)	Number of shares held before the change	0 shares (Number of voting rights: 0 units) (Ratio of voting rights held: 0 %)
(2)	Number of shares to be acquired	1,000 shares (Number of voting rights: 1,000 units)
(3)	Acquisition costs	Common shares of RUNWELLNESS CO., LTD. 380 million yen Other advisory and other fees will be incurred.
(4)	Number of shares held after the change	1,000 shares (Number of voting rights: 1,000 units) (Ratio of voting rights held: 100%)

5. Timetable

(1)	Date of resolution at the meeting of the Board of Directors	February 28, 2024
(2)	Date of conclusion of the agreement	February 29, 2024
(3)	Date of commencement of share transfer	March 25, 2024 (scheduled)

6. Future outlook

The impact of this matter on the Company's consolidated financial results is expected to be minimal. However, the Company will promptly notify any matters that should be disclosed in the future.