

March 14, 2024

To: All Concerned Stakeholders

Company : ID Holdings Corporation
Representative : Masaki Funakoshi, President,
Representative Director and Group CEO
(Securities Code: 4709; TSE Prime)
Inquiries : Yasuhiro Araki, Corporate Officer,
Manager, Corporate Strategy Department
TEL : +81 3-3262-5177

Notice Regarding Establishment of a Generative AI Company

ID Holdings Corporation (hereinafter “the Company”) hereby gives notice that the Company has resolved to establish a subsidiary at today’s meeting of the Board of Directors.

1. Purpose of Establishment

Recently the arrival of generative AI has driven a rapid expansion of the use of AI in numerous business domains. Companies’ needs for work-process reform and business reform using AI are expected to grow dramatically.

The ID Group has been active on the AI front, conducting surveys and research on the use of AI and developing ID AI Concierge, an AI chat service, using large-language-model (LLM) technology. Today the ID Group decided to establish a subsidiary for the purpose of applying the Group’s wealth of leading-edge technology related to AI to its service domains: system management, cybersecurity and software development.

The new company will conduct research and development in the AI space, support operations, infrastructure design and software development using the technology, and provide AI services related to security risks. The Group expects that the new company’s operations will enable customers to raise efficiency and accelerate their improvement of quality.

2. Overview of Subsidiary to be Established

(1) Name	ID AI Factory CO., LTD. (tentative name)
(2) Location	12-1 Goban-cho, Chiyoda-ku, Tokyo
(3) Name and title of representative	Yoshitada Kurozumi, President and Representative Director
(4) Description of operations	Research and development in generative AI; support for operations such as system management, cybersecurity and software development
(5) Capital	95 million yen

(6) Date of establishment	April 1, 2024 (expected)	
(7) Major shareholders and shareholding ratio	Wholly owned subsidiary of the Company	
(8) Relationship between the Company and ID AI Factory	Capital relationships	ID AI Factory is established as a wholly owned subsidiary of the Company.
	Personnel relationships	Officers and employees of the ID Group are expected to be appointed as directors of ID AI Factory.
	Trading relationships	No items are applicable, as ID AI Factory is a newly established company.

3. Schedule

(1) Resolution of the Board of Directors	March 14, 2024
(2) Date of establishment	April 1, 2024 (expected)
(3) Date of start of operations	On or after April 1, 2024

4. Future Directions

The establishment of the new subsidiary is expected to have negligible impact on the FY2023 consolidated business results of the Company as it is scheduled to begin operations on or after April 2024. As and when any items requiring disclosure as impacting business results occur in the future, the Company will disclose such matters promptly.

DISCLAIMER

This English translation is only for reference purpose. When there are any discrepancies between original Japanese version and English translation version, the original Japanese version always prevails.