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March 25, 2024

Company Name : GEECHS Inc.

Representative : Naruhito Sonehara, President & CEO

Securities Code : 7060, TSE Standard Market

Contact : Daisuke Sakuma, Director CFO

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Notice of Change in Consolidated Subsidiaries (by Share Transfer)

GEECHS Inc. (“the Company”) hereby announces that at the Board of Directors meeting held today, the Company has resolved to transfer all of the shares of its consolidated subsidiary, G2 Studios inc. (“G2 Studios”) to THE FIRST.inc (“THE FIRST”).

Furthermore, with regard to the transfer of shares, G2 Studios will be excluded from the consolidation scope of the Company.

1. Reason for the share transfer

Our group has a grand vision to “make the biggest impression in the 21st century”. Leveraging our talent infrastructure, which includes a database of IT freelancers and the development of globally active IT engineers, we actively respond the rapidly changing lifestyles of individuals and corporate behaviors influenced by the widespread adoption of the Internet. With adaptability as our strength, we continuously pursue growth through the creation and evolution of our services, aiming for sustained enhancement of corporate value.

In line with this group strategy, the Company is driving the optimization of our business portfolio. Given the increasingly challenging business environment surrounding the smartphone gaming industry, G2 Studios, which is engaged in planning, development, and operation of smartphone game apps has faced difficulties primarily due to delays in acquiring new projects during the current period. While continuously exploring a wide range of growth strategies, including considerations of merger and acquisition opportunities, ultimately, we have decided to transfer shares to THE FIRST, a company with extensive experience in developing and operating smartphone games. We believe that this share transfer to THE FIRST will contribute to further business expansion and opportunities for G2 Studios and strengthen its business foundation.

2. Overview of the company to be changed

(1) Company name	G2 Studios inc.
(2) Location	2-24-12 Shibuya, Shibuya-ku, Tokyo, JAPAN
(3) Job title and name of representative	Atsushi Sakurai, President
(4) Business description	Planning, development, and operation of smartphone game application
(5) Capital	100 million yen

(6) Date of establishment	May 1, 2018		
(7) Major shareholders and equity ratios	GEECHS Inc. 100%		
(8) Relationship between the Company and said company	Capital relationship	The Company holds 100% of voting rights of said company.	
	Personnel relationship	Two of directors and one corporate auditor of the Company are seconded to said company.	
	Business relationship	The Company is entrusted with the management and administration tasks of said company.	
(9) Consolidated operating results and consolidated financial positions for the last three years	(Thousand of yen)		
Fiscal year	Year ended March 2021	Year ended March 2022	Year ended March 2023
Net asset	738,265	1,109,880	1,186,716
Total asset	2,509,201	1,496,026	1,419,795
Net assets per share (yen)	738,265	1,109,881	1,186,717
Net Sales	1,616,506	3,153,713	2,896,010
Operating profit	270,112	584,016	121,198
Ordinary profit	270,125	584,175	121,407
Net income	144,626	371,615	76,835
Earnings per share (yen)	144,627	371,615	76,836
Dividend per share (yen)	—	—	—

3. Outline of the transferee

(1) Company name	THE FIRST.inc	
(2) Location	1-2-7 Ebisunishi, Shibuya-ku, Tokyo	
(3) Job title and name of representative	Munehiro Kubo, President & CEO	
(4) Business description	DX consulting, system development, entertainment and IT staffing.	
(5) Capital	10 million yen	
(6) Date of establishment	June 17, 2016	
(7) Net asset	472 million yen	
(8) Total asset	691 million yen	
(9) Relationship between the Company and said company	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	Not applicable
	Related party transaction	Not applicable

4. Number of transferred shares, transfer price and status of shareholding before and after the transfer

(1) Number of shares owned before the change	Common stock 1,000 shares (Percentage of voting rights held : 100%)
(2) Number of shares to be transferred	Common stock 1,000 shares
(3) Transfer price	844 million yen
(4) Number of shares owned after transfer	0 share (Percentage of voting rights held : 0%)

Note: The transfer price is the current estimated amount and may change due to changes in assets, etc.

5. Timetable

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

6. Future outlook

The Company is currently assessing the impact of the transfer on the consolidated business forecast for the fiscal year ending March 2024. Any matter arising in the future that should be disclosed will be announced promptly by the Company.