



February 10, 2025

Company name: RAKUS Co., Ltd.

Stock exchange listing: Tokyo PRIME/ Stock code: 3923

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

Representative: Representative Director and President, Takanori Nakamura

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Announcement Regarding the Company Split (Simplified Absorption-type Company Split)

RAKUS Co., Ltd. (Head office: Shibuya-ku, Tokyo; President and Representative Director: Takanori Nakamura, the "Company") hereby announces that, a Board of Directors resolved at the meeting held on February 10, 2025, to transfer Global Web Internet Service (GWS), an Internet connectivity and hosting service business (the "Business") of the Company, to RIDE Co., Ltd. (Head office: Chiyoda-ku, Tokyo; CEO: Eiji Hashizume, "RIDE") by means of company split (absorption-type split, the "Company Split"), as described below.

The Company Split is expected to result in a decrease in total assets of less than 10% of the net assets as of the end of the most recent fiscal year and a decrease in sales of less than 3% of the sales for the most recent fiscal year. Therefore, certain disclosure items and details have been omitted in accordance with applicable disclosure requirements.

1. Purpose of the Company Split

The mission of the Company is "Constantly Helping Companies Grow Their Business by Providing IT Services". In Japan, where the declining birthrate and shrinking workforce are ongoing challenges, the Company purpose of contribution to solving these societal issues by leveraging cloud services and IT technologies to enhance work efficiency. The transfer target, the Business, primarily provides services related to internet connectivity and hosting.

RIDE is an IT service company offering a wide range of IT solutions, including the rental server 'Speever' and website creation services 'ZIUS'. RIDE supports operational efficiency through robust security measures and cloud services, while also focusing on providing digital transformation (DX) services to clients.

To optimize and concentrate the management resources held by the Company's Group as a whole, and to strengthen the Business while enhancing the value it delivers from a medium- to long-term perspective, we have engaged in extensive discussions with RIDE, which has operational expertise in the relevant field. Based on these discussions, we have concluded that it is best decision to transfer the Business to RIDE.

2. Summary of the Company Split

(1) Schedule of the Company Split

Date of the resolution of the Board of Directors	February 10, 2025
Date of conclusion of the agreement (scheduled)	February 10, 2025
Effective date (scheduled)	April 1, 2025

Note: The Company Split qualifies as a simplified absorption-type company split as defined under Article 784, Paragraph 2 of the Companies Act, and therefore will be executed without obtaining approval at a shareholders' meeting.

(2) Method of the Company Split

This will take the form of an absorption-type company split, with the Company as the splitting company and RIDE as the successor company.

(3) Details of the consideration relating to the Company Split

The Company is scheduled to receive monetary compensation of 15 million yen from RIDE as consideration for the Company Split. However, if there are changes in certain conditions before the effective date, a monetary compensation of 15 million yen may be made accordingly.

(4) Treatment regarding share options and Bonds with share options associated with the Company Split

None.

(5) Stated capital Increased or Decreased due to the Company Split

There will be no increase or decrease in the Company's stated capital due to the Company Split.

(6) Rights and obligations to be succeeded by the successor Company

RIDE, the successor company, will succeed the assets, liabilities and other rights and obligations related to the Business prescribed split agreement as of the effective date.

(7) Expected fulfillment of obligations

It is judged that there would be no issues regarding fulfillment of obligations in the Company Split since neither the splitting company nor the successor company is expected to have any problems with the performance of obligations to be generated from this company split.

3. Basis of the Allotment Related to the Company Split

The two companies have reached an agreement on the aforementioned consideration in relation to the Company Split as a result of sincere discussions based on a comprehensive consideration of factors such as the status of earnings and future prospects of the Business to be split from the Company in the Company Split.

4. Overview of the Companies Involved in the Company Split

	Splitting company	Successor company
(1) Name	RAKUS Co., Ltd.	RIDE Co., Ltd
(2) Location	5-27-5 Sendagaya, Shibuya-ku, Tokyo (Headquarters) 3-4-5 Umeda, Kita-ku, Osaka, Japan (Main Office)	1-5-10, Iidabashi, Chiyoda-ku, Tokyo
(3) Representative	President and Representative Director Takanori Nakamura	CEO Eiji Hashizume
(4) Business description	Cloud Business, IT Outsourcing business	Internet-related business
(5) Capital amount	378 million yen	50 million yen
(6) Established	November 1, 2000	August 20, 2004
(7) Shares outstanding	181,216,000 shares	1,000 shares
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders and ownership ratios	<div> <div>Takanori Nakamura</div> <div>33.90%</div> </div> <div> <div>Japan Master Trust Bank of Japan, Ltd. (Trust Account)</div> <div>7.40%</div> </div> <div> <div>Yoshifumi Matsushima</div> <div>5.13%</div> </div> <div> <div>Shinichiro Motomatsu</div> <div>4.86%</div> </div> <div> <div>Hideyuki Inoue</div> <div>4.74%</div> </div> <div>(As of September 30, 2024)</div>	RADIX-CG KK 100%
(10) Financial condition and business results in the most recent fiscal year		
Fiscal year ended	March 31, 2024 (consolidated)	March 31, 2024 (non-consolidated)
Net assets	13,347 million yen	773 million yen
Gross assets	21,234 million yen	943 million yen
Net assets per share	73.66 yen	773,181 yen
Net sales	38,408 million yen	1,070 million yen
Operating profit	5,559 million yen	325 million yen
Ordinary profit	5,610 million yen	325 million yen
Net profit	4,185 million yen	214 million yen
Net profit per share	23.10 yen	214,055 yen

5. Overview of the Business to Be Split

(1) Description of the Business to Be Split

Internet connectivity and hosting service business

(2) Operating results of the business to be split (fiscal year ended March 31, 2024)

Sales 10 million yen

Note: The Company acquired the target business in July 2023, and therefore, the revenue for the period from July 2023 to March 2024 is presented.

(3) Items and Amounts of Assets and Liabilities to Be Split (As of end of March, 2024)

Assets		Liabilities	
Items	Book values	Items	Book values
Current assets	2 million yen	Current liabilities	0 million yen
Non-current assets	—	Non-current liabilities	—
Total	2 million yen	Total	0 million yen

6. Status of the Companies After the Company Split

There will be no change in the name, location, position or name of the representative, business, stated capital, or fiscal term of the Company and RIDE following the Company Split.

7. Outlook

The impact of the Company Split on the Company's consolidated financial performance is expected to be minimal.

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