

December 16, 2024

To: All Concerned Stakeholders

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

Notice Concerning Absorption Merger Among Consolidated Subsidiaries of the ID Group

ID Holdings Corporation (hereinafter “the Company”) hereby provides notice that, at a meeting of its Board of Directors on December 16, 2024, the Company resolved to conduct an absorption merger (hereinafter “the Merger”) of four consolidated subsidiaries as described below. In the Merger, INFORMATION DEVELOPMENT CO., LTD. (hereinafter “ID”), will be the surviving company, and three other consolidated subsidiaries, ID DATA CENTER MANAGEMENT CO., LTD. (hereinafter “DCM”), DX CONSULTING CO., LTD. (hereinafter “DX”) and ID AI Factory CO., LTD. (hereinafter “AIF”) will be the absorbed companies.

Because the Merger is a merger among wholly owned subsidiaries, the Company is disclosing the merger with some items and content omitted. Two of the absorbed companies, DCM and AIF, are specified subsidiaries of the Company.

1. Purposes of the Merger

The purposes of the Merger are to concentrate and strengthen engagement with customers, a function previously distributed among the several individual companies; to provide service with the entire ID Group working together as a cohesive whole; and to generate Group-wide synergies in high-margin businesses through further concentration of management resources. With society’s need for IT expected to heat up considerably, the Group aims to concentrate the services of multiple Group companies in a single operating company, thereby intensifying proactive management, dramatically boosting corporate growth and raising the profile of the ID Group.

2. Main Points of the Merger

(1) Schedule

Meeting of Board of Directors to approve the Merger	(all parties except AIF*)	December 16, 2024
Conclusion of Merger agreement	(all parties)	December 16, 2024
Meeting of Board of Directors to approve the Merger	(the Company)	December 16, 2024
General Meeting of Shareholders to approve the Merger agreement	(all parties)	March 24, 2025 (tentative)

Date of Merger (enforcement date) April 1, 2025 (tentative)

*AIF is a company without a Board of Directors, so it will resolve the Merger by written decision of the directors.

(2) Method

The Merger is an absorption merger in which ID is the surviving company and DCM, DX and AIF are dissolved on the enforcement date.

(3) Share Allocation

All of the companies that are parties to the Merger are wholly owned subsidiaries of the Company, so no issue of shares or allocation of funds, etc. is required.

(4) Handling of Subscription Rights to Shares and Warrant Bonds of Absorbed Companies

No such rights or bonds are involved.

3. Overview of the Parties to the Merger (as of December 16, 2024)

	Surviving company
(1) Name	INFORMATION DEVELOPMENT CO., LTD.
(2) Location	12-1 Goban-cho, Chiyoda-ku, Tokyo
(3) Name and position of representative	Tomoko Takehara President
(4) Business description	Software development, cybersecurity, etc.
(5) Capital	400 million yen
(6) Date of establishment	April 1, 2019
(7) Total number of shares issued	1,000 shares
(8) Settlement date	March 31
(9) Major shareholders and shareholding ratios	Wholly owned by ID Holdings
(10) Business results and financial condition in most recent business year	
Accounting period	FY ended March 31, 2024
Net assets	3,914 million yen
Total assets	7,245 million yen
Net assets per share	3,914,422.53 yen
Net sales	15,004 million yen
Operating income	417 million yen
Ordinary income	668 million yen
Net income	443 million yen
Net income per share	443,008.70 yen

	Absorbed companies		
(1) Name	ID DATA CENTER MANAGEMENT CO., LTD.	DX CONSULTING CO., LTD.	ID AI Factory CO., LTD.
(2) Location	12-1 Goban-cho, Chiyoda-ku, Tokyo	12-1 Goban-cho, Chiyoda-ku, Tokyo	12-1 Goban-cho, Chiyoda-ku, Tokyo
(3) Name and position of representative	Masahiko Kagami President	Masashi Takase President	Yoshitada Kurozumi President
(4) Business description	IT infrastructure construction and support services System management services Help desk services Medical system operation and help desk services	Consulting in the DX and ITSM domains Introduction of solutions in ITSM and security Training services	Development and provision of AI services AI consulting services
(5) Capital	60 million yen	50 million yen	95 million yen
(6) Date of establishment	April 1, 1999	January 21, 2020	April 1, 2024
(7) Total number of shares issued	1,200 shares	1,000 shares	1,000 shares
(8) Settlement date	March 31	March 31	March 31
(9) Major shareholders and shareholding ratios	Wholly owned by ID Holdings	Wholly owned by ID Holdings	Wholly owned by ID Holdings
(10) Business results and financial condition in most recent business year			
Accounting period	FY ended March 31, 2024	FY ended March 31, 2024	H1 ended September 30, 2024*
Net assets	1,636 million yen	284 million yen	98 million yen
Total assets	4,521 million yen	538 million yen	104 million yen
Net assets per share	1,363,890.55 yen	284,161.14 yen	98,064.82 yen
Net sales	15,512 million yen	1,250 million yen	21 million yen
Operating income	1,850 million yen	285 million yen	4 million yen
Ordinary income	1,849 million yen	285 million yen	4 million yen
Net income	1,261 million yen	182 million yen	3 million yen
Net income per share	1,050,840.12 yen	182,345.93 yen	3,064.82 yen

* ID AI Factory CO., LTD. was established less than a year ago, so its settlement date has not yet arrived. For this reason, figures from the interim (H1) settlement date are listed instead.

4. Status After Merger

(1) Name	INFORMATION DEVELOPMENT CO., LTD.
(2) Location	12-1 Goban-cho, Chiyoda-ku, Tokyo
(3) Name and position of representative	TBD at time of writing
(4) Business description	System management, software development, IT infrastructure, cybersecurity, consulting, training
(5) Capital	400 million yen
(6) Settlement date	March 31
(7) Major shareholders and shareholding ratios	Wholly owned by ID Holdings

5. Future Outlook

The Merger is a merger among consolidated subsidiaries of the Company, so impact on the consolidated business results of the Company are negligible. Items not determined at time of writing will be disclosed as and when they are decided.

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.