

October 28, 2021

To: All Concerned Stakeholders

Company	:	ID Holdings Corporation
Representative	:	Masaki Funakoshi, President and Representative Director (Securities Code: 4709; TSE 1 st Section)
Inquiries	:	Masayoshi Nakatani, General Manager, Head of Corporate Strategy Department
TEL	:	+81 3-3262-5177

Notice of Absorption-type Merger among Consolidated Subsidiaries

ID Holdings Corporation (“the Company”) hereby announces that INFORMATION DEVELOPMENT Co., Ltd. (“ID”), a consolidated subsidiary of the Company, resolved to conduct an absorption-type merger of GI Technos Inc. (“GIT”), another consolidated subsidiary of the Company, at a meeting of its Board of Directors held today.

Because this merger took place between two wholly owned subsidiaries of the Company, some disclosure items and content are omitted from this announcement.

1. Purpose of Merger

In August 2020, the Company made GIT a subsidiary. The purpose of this action was to strengthen its customer base, with focus on communications carriers and the public sector; to secure engineers in the field of IT infrastructure, including cloud computing; and to improve its service capabilities in the field of mobile applications, where customer needs are strong.

Subsequently, GIT and ID advanced cooperation on a number of fronts, as the two companies operated in similar fields. This cooperation included joint sales activities, aiming to create synergies; sharing of technical and operating expertise; and personnel development through exchange among engineers and joint training. To accelerate these cooperative activities, the companies decided to merge ID with GIT.

Before the merger, the two companies were working together on administrative matters, advancing the harmonization of regulations and company-internal systems and integrating administrative processes. With this absorption-type merger, the Company is aiming for further efficiency and stability in administrative duties, thereby bolstering the competitive strength of the ID Group and reinforcing corporate governance.

2. Summary of the Merger

(1) Merger schedule

Date of resolutions by the Boards of Directors of the merging companies:	October 28, 2021
Date of conclusion of merger contract:	October 28, 2021
Date of resolution by the Board of Directors of the Company:	October 29, 2021
Date of extraordinary general meeting of shareholders to approve the merger (GIT only):	February 14, 2022
Effective date:	April 1, 2022

Note: This absorption-type merger corresponds to a “simplified merger” as stipulated in Article 796, Paragraph 2 of the Companies Act, so ID will conduct the merger without convening its general meeting of shareholders to approve the absorption-type merger contract.

(2) Method of merger

The merger is an absorption-type merger, in which ID is the surviving company and GIT is the absorbed company.

(3) Allotments resulting from the merger

This merger is a merger between two wholly owned subsidiaries of the Company. As such, the merger does not result in any issuance of new shares or allotment of funds, etc.

(4) Handling of subscription rights to shares and warrant bonds in connection with the merger

No such items apply.

3. Overview of Merging Companies (As of October, 28 2021)

	Surviving company	Absorbed company
(1) Name	INFORMATION DEVELOPMENT CO., LTD.	GI Technos Inc.
(2) Location	Banchokaikan, 12-1, Goban-cho, Chiyoda-ku, Tokyo	Banchokaikan, 12-1, Goban-cho, Chiyoda-ku, Tokyo
(3) Name and position of representative	Toshio Yamakawa, President and Representative Director	Osamu Kouno, President and Representative Director
(4) Details of operations	Software development, System operation management, IT infrastructure, Cybersecurity, etc.	Contract development of IT software, Development of mobile applications
(5) Capital stock	¥400 million	¥45 million
(6) Date of establishment	April 1, 2019	November 19, 1973
(7) Major shareholder and shareholding ratio	ID Holdings Corporation: 100%	ID Holdings Corporation: 100%

4. Status After Merger

The name, location, representatives, details of operations and capital stock of the surviving company are all unchanged after the merger.

5. Forecast

Because it is a merger between two consolidated subsidiaries, this merger is expected to have minimal impact on the ID Group's consolidated business results.

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.