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December 17, 2021

Corporate Name: Feedforce Group Inc.
Representative: Koji Tsukada , Representative Director and President
(Stock code: 7068 TSE-Mothers)
Contact: Shingo Nishiyama , CFO
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Notice of Acquisition of Shares of FRACTA Inc.(Making it a Subsidiary)

Feedforce Group Inc. (hereinafter, the “Company” or simply “we”) hereby announce that we made a resolution to acquire shares of FRACTA Inc. (hereinafter, "FRACTA") and make it a subsidiary at a meeting of the Board of Directors held on December 17, 2021 of which details are as follows:

1. Purposes for acquiring shares

With the mission of ” Feed a force for good and change.” we have established a professional service business that builds data feeds according to individual needs and consigns advertisement distribution to platforms, and a SaaS-type data feed integrated management tool, In addition to the SaaS business, which provides login services using automated advertising tools and social accounts to websites, etc., we are developing DX business that supports digital transformation of companies mainly for e-commerce operators, mainly using Shopify, we are engaged in business activities to realize rich work styles through the creation of services and products that improve.

On the other hand, FRACTA has set forth its vision of "Bring your brand to the culture of the future", and with the power of technology and design, we are developing our business as a total branding partner that supports the self-propelled of corporate brands, such as corporate branding strategy formulation, e-commerce site construction support, and creative production. FRACTA is certified as a Shopify Plus Partner and has a proven track record of branding and construction consulting in Shopify.

Through the acquisition of the shares, in addition to providing Shopify apps and building e-commerce sites, the Company will provide e-commerce apps and build e-commerce sites, especially to e-commerce operators who are potential customers in the DX business, from branding strategy formulation provided by FRACTA to e-commerce site construction support, creative production, etc. We aim to further accelerate the growth of this business segment by providing one-stop services.

As a result of the acquisition of the shares, we acquired 51.25% of FRACTA, and FRACTA became a consolidated subsidiary of the Company, In the business segment, all of FRACTA's businesses are scheduled to belong to the DX business.

2. Method of acquisition

We plans to acquire 82 shares of FRACTA's 160 outstanding shares from existing shareholders on December 24, 2021. As a result, the Company will acquire 51.25% of FRACTA's shares, and FRACTA will become a consolidated subsidiary of the Company.

3. Overview of the subsidiary (FRACTA) to be transferred

(1) Name	FRACTA Inc.		
(2) Address	22-14, Sakuragaoka-cho, Shibuya-ku, Tokyo		
(3) Title/name of representative	Representative Director , Takanobu Kouno		
(4) Description of Businesses	Designing brand strategy , Support for building e-commerce sites and creative production in line with the brand's strategy , Shopify Consulting , Internet Service Business		
(5) Capital	48 million yen		
(6) Date of Establishment	November 18, 2013		
(7) Major shareholders and percentage of shares	Takanobu Kouno 62.5% HARIZURY CO.,LTD. 28.1% Makuake, Inc. 9.4%		
(8) Relationship between Feedforce Group Inc. and FRACTA	Capital	Not applicable.	
	Personnel	Not applicable.	
	Business	Not applicable.	
	Related party status	Not applicable.	
(9) Operating results and financial position of FRACTA for the last three years (Note)			
Fiscal year end	May 2019	May 2020	May 2021
Net assets	14 million yen	57 million yen	109 million yen
Total assets	156 million yen	237 million yen	304 million yen
Net assets per share	92,370.7 yen	357,419.59 yen	684,736.93 yen
Net sales	480 million yen	527 million yen	486 million yen
Operating profit	3 million yen	33 million yen	7 million yen
Ordinary profit	2 million yen	32 million yen	8 million yen
Profit	1 million yen	22 million yen	7 million yen
Basic earnings per share	17,387.03 yen	184,610.01 yen	56,042.76 yen
Dividend per share	0.00yen	0.00yen	0.00yen

(Note) Operating results and financial position of FRACTA are not subject to audit by an auditing firm.

4. Overview of the counterparty regarding the acquisition of shares

(1) Name	Takanobu Kouno
(2) Address	Edogawa-ku, Tokyo
(3) Relationship of the individual with the Company	
Capital	Not applicable.
Personnel	Not applicable.
Business	Not applicable.

(1) Name	HARIZURY CO.,LTD.
(2) Address	3-3-6, Nihonbashi-Honcho, Chuo-ku, Tokyo
(3) Relationship between the listed company and the company concerned	
Capital	Not applicable.
Personnel	Not applicable.
Business	Not applicable.

(1) Name	Makuake, Inc.
(2) Address	2-16-1, Shibuya, Shibuya-ku, Tokyo
(3) Relationship between the listed company and the company concerned	
Capital	Not applicable.
Personnel	Not applicable.
Business	Not applicable.

5. Number of shares acquired and status of owned shares before and after the acquisition

(1) Shares owned prior to the transaction	0 shares (Number of voting rights : 0) (Voting rights ownership percentage : 0%)
(2) Shares acquired	82 shares (Number of voting rights : 82)
(3) Acquisition cost	Share transfer price 615 million yen (Note) Advisory and other costs (approximation) 4 million yen (Note) Total (approximation) 619 million yen
(4) Shares owned after change	82 shares (Number of voting rights : 82) (Voting rights ownership percentage : 51.25%)

(Note) In calculating the share acquisition price, due diligence was conducted by a third party organization of the company concerned, and the share value was calculated using the DCF method, and sufficient procedures were taken to verify the validity of the price.

6. Schedule

(1) The date of Board of Directors' resolution	December 17, 2021
(2) The date of contract execution	December 17, 2021
(3) Expected date of share transfer	December 24, 2021 (scheduled)

7. Future outlook

We are currently examining the impact of this event on the results of the current period and will inform you of any matters that need to be disclosed in the future.

(Reference) Consolidated earnings forecasts for the fiscal year ending May 31, 2022
(from June 1, 2021 to May 31, 2022) and Consolidated results for the previous fiscal year

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Earnings Forecast for the First Half of the Fiscal Year Ending May 31, 2022 (Cumulative)	Millions of yen 1,415	Millions of yen 478	Millions of yen 474	Millions of yen 295	Millions of yen 11.39
Fiscal year ending May 31, 2022 (Forecast)	3,047	1,092	1,083	675	25.98
Reference: Previous year's actual results (FY2021/5)	2,587	889	874	472	18.88

(note) The "Accounting Standard for Revenue Recognition" will be applied from the fiscal year ending May 31, 2022, and the above consolidated financial forecast for the current fiscal year is the figure after the application of the said standard.

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