Notice of Transfer of the AI and High-Performance Chatbot Service "Sugres"

ALBERT Inc. (hereafter "ALBERT") announced that the board of directors held today resolved to transfer the AI and high-performance chatbot service "Sugres" to Showcase Inc. (hereafter "Showcase") on July 1, 2022 as follows.

1. THE REASON OF TRANSFER

ALBERT's MISSION is "Building the future with data science. We are the CATALYST.".

ALBERT contributes to industry development as an artificial intelligence (AI) development partner with a view toward AI social implementation providing "AI implementation support" including AI utilization consulting, big data analysis, AI algorithm development, AI system implementation. ALBERT also provides "Data scientists training support" to support the training of human resources within client companies. Furthermore, ALBERT has been promoting "CATALYST strategy" to become a catalyst through AI algorithm development and big data analysis in priority industries (automotive, manufacturing, telecommunications, distribution and infrastructure, and finance) and to promote AI and data sharing among each industry to achieve an AI networked society at an early date.

Especially recently, ALBERT accelerates to grow by focusing on hiring data scientists and training them under the growing momentum for DX and demand for "AI implementation support business" and "Data scientists training support business" is strong. Under these circumstances, ALBERT were approached by Showcase, a provider of cloud-based software services and other services which support the online marketing of client companies, regarding the transfer of the business. Therefore, ALBERT has carefully considered the possibilities.

As a result, ALBERT decided to transfer the business based on the judgement that further concentration of management resources on these two core businesses, which are expected to accelerate growth and contribute to improving the corporate value over the medium to long term.

Showcase operates multiple products in the online marketing domain and has a wealth of experience and knowledge in providing software services. ALBERT believes that Showcase will be able to continue to provide stable service to current "Sugres" clients after the transfer.

2. OVERVIEW OF THE TRANSFER

(1) The content of the business

The chat bot service which is proprietary and equipped with artificial intelligence.

(2) Financial results of the business

Net sales of the business were 126 million JPY, accounting for about 3.8% of net sales of 3,338 million JPY of ALBERT in FY2021.

(3) Assets and liabilities of the business (as of December 31, 2021)

The assets of the business to be transferred are expected to be intangible assets (book value is zero JPY). There are no liabilities associated with the business.

(4) Valuation value and settlement method

The transfer price was determined through negotiations and discussions between the parties based on the current business earnings and future prospects but is not disclosed based on a confidentiality agreement.
The method of settlement is expected to be cash.

3. OVERTVIEW OF THE TRANSFEREE

(1)	Company Name	Showcase Inc.	
(2)	Head Office	14th Floor, Roppongi First Building, 1-9-9, Roppongi, Minato-ku, Tokyo, Japan	
(3)	Representative	Toyoshi Nagata, CEO	
(4)	Description of Business	SaaS Business, Advertisement and Media Business, Cloud Integration Business and Investment Business	
(5)	Capital	954million yen	
(6)	Establishment	February 1, 1996	
(7)	Net assets	2,180 million yen (as of December 31, 2021)	
(8)	Total assets	2,684 million yen (as of December 31, 2021)	
(9)	Major Shareholders and Shareholding Ratio	AI inside Inc.　　　　　　　　　　　　　　　　　20.67% Masahiro Mori　　　　　　　　　　　　　　　　17.96% Toyoshi Nagata　　　　　　　　　　　　　　　13.89% (as of December 31, 2021)	
(10)	Relationship with Parties	Capital relationship	None
		Personal relationship	None
		Trade relationship	None
		Related party status	None

4. SCHEDULE

(1)	Resolving date	May 11, 2022
(2)	Agreement date	May 11, 2022
(3)	Transfer date	July 1, 2022

5. OUTLOOK

The loss of sales and profit due to the transfer is expected to be made up by our existing core businesses. And ALBERT expects to record an extraordinary benefit from the transfer in FY 2022. The amount of the effect to the forecast in FY2022 are examining. ALBERT will promptly announce any matters that requires disclosure in the future.

(Reference)
Forecast of FY2022 released on February 15, 2022 and the results of FY2021

(in million yen)

	Sales	Operating profit	Ordinary profit	Net income
Forecast of FY12/22	4,100	657	657	446
Results of FY12/21	3,338	436	435	353