

November 6, 2019

ALBERT Inc.

(Stock code: 3906)

2-21-1, Kita-Shinjuku,

Shinjuku-ku, Tokyo

Takeshi Matsumoto, President, CEO

Notice Concerning Capital and Business Alliance with MACNICA, Inc., and Stock Offering

At a Board Meeting held today, ALBERT Inc. (hereafter “ALBERT”) resolved to form capital and business alliance with MACNICA, Inc. (hereafter “MACNICA”).

Simultaneously, along with this alliance, ALBERT was announced that MACNICA acquired ALBERT’s common stock held by Whiz Asia Evolution Fund, ALBERT’s main shareholder, through off-market negotiation transaction corresponded to stock offering.

I. Capital and business alliance

1. Purpose and Background of the Alliance

ALBERT’s philosophy is “Help clients’ decision-making and problem solving by our core analytics capabilities.”.

We contribute to industry development as an artificial intelligence (AI) development partner with a view toward AI implementation providing “Big data analysis”, “AI algorithm development”, “AI implementation” and versatile AI products. We also offer the data scientist training support because of the shortage in data scientists in each industry.

We changed our core strategies that is composed of “Restructuring”, “Ensuring capabilities” and “Focusing industries” in January 2018, and based on the success of this strategy, we have rolled out this scheme as “CATALYST strategy” since July 2018. Working across a variety of industries, we aim to serve as a catalyst through AI algorithm development and data analysis in our core industries such as automotive, manufacturing, communications & logistics and finance. By promoting AI utilization and data sharing between industries, we are working toward for early realization of an AI-oriented and networked society.

On the other hand, MACNICA, with advanced IoT sensing technology and leading-edge AI/data analysis, gives innovative solutions to their clients in the fields of smart factory and of social implementation for automatic driving demonstration vehicle.

For 47 years since MACNICA’s establishment, they have been one of the leading demand creation companies and have built its brand expanding around the world in semiconductor, network and cyber security business sectors.

MACNICA reinforces their efforts to solve clients’ problems and to support sustainable growth in the new sector, such as AI, IoT, data, robotics and healthcare as a “Escort runner” typed partner.

After the discussion between MACNICA and ALBERT about having business alliance in a wide range of sectors such as obtaining, sorting, counting and analyzing data, algorithm development, system implementation and AI development in manufacturing sectors both companies agreed to have a continuous partnership for further business expansion and signed the capital and business alliance contract.

MACNICA’s broad range of customer’s network in the manufacturing industry and high-level proposal for technology makes it possible to support transforming into “smart factory” and platform business in manufacturing industry together with ALBERT’s big data analysis know-how in various sectors. Moreover, it will accelerate digitalization of clients’ business.

We believe this alliance will encourage the realization of AI-based network society from logistics and infrastructure sectors as a start point on our “CATALYST strategy”.

Also, we are announced that as of November 13, 2019, MACNICA will hold 163,000 of ALBERT’s shares Whiz Asia Evolution Fund has, which accounts for 3.7% (rounds off to two decimal places; the same shall apply hereafter.) of the total number of stock issued (it is 4,452,500 of all issued stocks including 1,194,000 of increased stocks by request for conversion *of CB from Whiz Asia Evolution Fund.).

Nothing in this alliance shall limit or affect any of partnerships concluded between each company and their partners.

*Regarding the details of the request for conversion, please refer “*Notice Concerning Receiving of Request of Exercising for The First Series Unsecured Convertible Bond-Type Bonds with Subscription Rights to Shares*” issued as of November 6, 2019.

2. Details of the alliance

(1) Contents of business alliance

- (a) Joint proposal of AI services and products for customers in the manufacturing industry.
- (b) Consulting, data analysis, algorithm development, supporting implementation of system at client’s factory in the manufacturing industry. (transforming into “smart factory”)
- (c) Co-development of application on a platform for manufacturing industry.
- (d) Collaborative research and development of advanced technology.
- (e) Providing ALBERT’s “Data Training Support” to MACNICA.
- (f) Any business and operation agreed between the two companies.

(2) Contents of capital alliance

We have been notified that MACNICA agreed with Whiz Asia Evolution Fund on November 6, 2019 to acquire 163,000 of ALBERT’s shares Whiz Asia Evolution Fund holds (3.7% of 4,452,500 of all issued stocks including 1,194,999 of increased stocks by request for conversion **of CB from Whiz Asia Evolution Fund) through an off-market negotiated transaction (hereafter the “Stock transfer”) and Stock transfer will be done on November 13, 2019.

** MACNICA’s holding ratio after transfer of ALBERT’s share accounts for 3.7% of 4,452,500 shares of total number of stock issued.

3. Company Profile

(1)	Company Name	MACNICA, Inc.	
(2)	Head Office	1-6-3, Shin-Yokohama, Kohoku-ku, Yokohama city, Kanagawa Pref.	
(3)	Representative	President and Co-CEO Kazumasa Hara	
(4)	Description of Business	Import and export of electronic components such as semiconductor devices and ICs, and distribution, development and processing thereof; development of electronic equipment and its peripheral equipment and accessories, and import, export and distribution thereof.	
(5)	Capital	¥11,194.268 million (as of March 31, 2019)	
(6)	Establishment	October 30, 1972	
(7)	Major Shareholders and Shareholding Ratio	Macnica Fuji Electronics Holdings, Inc. 100%	
		(as of March 31, 2019)	
(8)	Relationship with Parties	Capital relationship	None
		Personal relationship	None
		Trade relationship	ALBERT is entrusted with data analysis operation by MACNICA. MACNICA sales ALBERT’s image analysis service.
		Related party status	None
(9)	Financial position and Performance in the past 3 years (in million yen)		

Fiscal year ended	FY March 31, 2017	FY March 31, 2018	FY March 31, 2019
Net assets	41,894	51,004	50,249
Total assets	90,361	152,653	154,909
Equity attributable to owners of the Company per share (yen)	2,362.63	2,876.36	2,833.78
Sales	135,711	227,376	252,259
Operating income	(477)	2,338	676
Profit attributable to owners of parent	434	10,734	2,826
Earnings per share (yen)	24.50	605.38	159.38
Dividend per share (yen)	110.00	178.05	178.30

4. Schedule

November 6, 2019 (Today) Corporate resolution (ALBERT), Conclusion of this alliance
November 13, 2019 (Scheduled) Stock transfer

5. Outlook

We will promptly announce any matters about this alliance that requires disclosure in the future. This alliance spurs improvement of ALBERT's mid-long term performance.

II. Secondary Offering of Shares

1. Details of secondary offering

(1) Class and Number of Shares to be Offered	163,000 shares of common stock of the Company
(2) Selling Price	8,921 yen per share
(3) Total Selling Price	1,454,123,000 yen
(4) Sellers and the number of Shares to be Offered	Whiz Asia Evolution Fund 163,000 shares
(5) Method of Offering	Transfer of common stocks from Whiz Asia Evolution to Nihon Unisys through an off-market negotiated transaction.
(6) Subscription Period	November 6, 2019
(7) Date of Share Transfer	November 13, 2019 (Scheduled)
(8) Advance on Subscription	N/A
(9) Share Unit of Subscription	100 shares
(10) Others	The Company submitted a Securities Notice concerning the above mentioned transaction to Kanto Local Finance Bureau in accordance with Financial Instruments and Exchange Act.

2. Purpose of secondary offering

As described in I. 2. (2), we recognized that Whiz Asia Evolution and MACNICA entered into an

agreement concerning the transfer of shares of the Company through an off-market negotiated transaction. The purpose of this agreement is to transfer the Company's common stock through a secondary offering of shares in accordance with the procedures stipulated by the relevant laws and regulations.

【Reference】

Sales estimate in the present term (released on Feb 15, 2019) and the result in previous term

(Unit: in million)

	Net sales	Operating profit	Ordinary profit	Current net profit
Sales estimate in the present term (FY12/19)	2,400	360	360	310
The result in previous term(FY12/18)	1,630	201	199	248