



May 16, 2024

To Whom It May Concern

Company name: coconala Inc.
Representative: Ayumu Suzuki, Chief Executive Officer
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**Notice of Acquisition of Shares of an consulting Inc and
Acquisition of Interests in EK Partners LLC and
Notice of Borrowing of Funds and
Change in Fiscal Year-End for Consolidated Subsidiaries.**

We hereby announce that our Board of Directors has resolved at a meeting held today for coconala Inc. ("The Company") to acquire shares of an consulting Inc. ("AC") and interests in EK Partners LLC ("EKP") and make AC and EKP wholly owned subsidiaries, to borrow funds for the acquisition of these shares and interests, and to change the fiscal period of the subsidiaries, as described below. Our Board of Directors has also resolved for The Company to borrow funds for the acquisition of the shares and interests, and to change the fiscal year end for the subsidiaries.

1. Purpose of Acquisition (Making AC and EKP subsidiaries)

We operate and develop the services' e-commerce platform "coconala skill market" ("CSM") with the vision of building a world where each of us can live "our own story". In 2023, with the aim of expanding the coconala's Ecosystem, we launched the agent business, where we connect IT freelancers, mainly engineers, with outsourcing projects from companies. This enables matching on a monthly basis, which the existing CSM could not handle. We believe that the outsourcing market for IT freelancers will continue to offer high growth opportunities against the backdrop of companies' difficulty in hiring IT personnel.

AC is a company that operates an agent business for IT freelance engineers, and its "furien" platform (<https://furien.jp/>) is one of the leading platforms in the industry with a cumulative total of over 30,000 job postings.

By making AC a wholly owned subsidiary, we have determined that this acquisition will enable our group to quickly expand our business in this area and contribute to maximizing our corporate value. We aim to expand its network of IT freelance engineers through a cooperative relationship, including the utilization of the coconala's marketing know-how and the expansion of both companies' customer bases. We will continue to expand the areas and matching methods listed in the coconala's Ecosystem.

EKP is an asset management company that owns shares of AC and The Company will acquire the interests in EKP to make AC a wholly owned subsidiary as soon as possible. EKP is considering a reorganization to maximize corporate value.

2. Outline of the subsidiary to be transferred

(1) an consulting Inc

(1) Name	an consulting Inc.
(2) Location	4-20-3, Ebisu, Shibuya-ku, Tokyo
(3) Title and name of representative	Eiichi Kuri, Representative Director
(4) Business	Freelance Support Business
(5) Capital	65 million yen
(6) Date of establishment	January 27, 2011

(7) Major shareholders and shareholding ratios	Eiichi Kuri 46.93% EKPartners 46.93%.		
(8) Relationship between the listed company and the relevant company	Capital ties	Not applicable.	
	Personal relations	Not applicable.	
	Business relations	Not applicable.	
(8) Operating results and financial condition of the company for the past three years			
Fiscal Year End	FY2021	FY2022	FY2023
Net assets	39 million yen	49 million yen	163 million yen
Total assets	547 million yen	596 million yen	674 million yen
Net income	16 million yen	9 million yen	3 million yen

※Items other than those listed above regarding business results and financial position are not disclosed due to confidentiality obligations.

(2) EKPartners

(1) Name	EKPartners LLC		
(2) Location	4-5-63, MinamiAzabu, Minato-ku, Tokyo		
(3) Title and name of representative	Eiichi Kuri, Representative Member		
(4) Business	Assets Management		
(5) Capital	0.1 million yen		
(6) Date of establishment	September 26, 2019		
(7) Major shareholders and shareholding ratios	Eiichi Kuri 100.00%		
(8) Relationship between the listed company and the relevant company	Capital ties	Not applicable.	
	Personal relations	Not applicable.	
	Business relations	Not applicable.	

※Items regarding business results and financial conditions for the past three years are not disclosed due to confidentiality obligations.

3. Outline of the counterparty of the acquisition

(1) Name	Eiichi Kuri
(2) Location	Minato-ku, Tokyo
(3) Relationship between The Company and the individual in question	There is no capital, personal, or other relationship to be noted between The Company and the individual in question.

(1) Name	EKPartners
(2) Location	4-5-63, MinamiAzabu, Minato-ku, Tokyo
(3) Relationship between The Company and the company in question	There is no capital, personal, or other relationship to be noted between the Company and the company in question.

*The other counterparties of the share acquisition (9 individuals: 4.5%, 2 corporations: 1.64%) are undisclosed due to confidentiality obligations in the agreements. There are no capital, personal, or business relationships to be noted between the parties concerned and The Company. In addition, they are not related parties.

4. Outline of the counterparties of the acquisition

Company	an consulting Inc.	EKPartners LLC
(1) Number of shares held before the change	0 shares (Number of voting rights: 0) (Percentage of voting rights held: 0.00%)	0%

(2) Number of shares acquired	2,131 shares (Number of voting rights: 2,131)	100%
(3) Acquisition price	Shares and interests : Undisclosed Advisory and other expenses (estimated amount): 7 million yen	
(4) Number of shares held after the change	21,131 shares (Percentage of voting rights held: 100%)	100%

The acquisition price is undisclosed due to the request of the counterparty. The price was determined through negotiations with the counterparty after internal calculations and review of valuations using the DCF method based on the subject company's expected performance and other factors.

5. Schedule

(1) Date of resolution by the Board of Directors	May 16, 2024
(2) Date of conclusion of agreement	May 16, 2024 (scheduled)
(3) Execution date	June 3, 2024 (scheduled)

6. Borrowing of funds

(1) Reason of the borrowing

The Company will borrow the necessary funds from a financial institution for the purpose of acquiring shares and interests in the subject companies.

(2) Overview of the borrowing

(1) Lender	Sumitomo Mitsui Banking Corporation
(2) Loan Amount	1,260 million yen
(3) Borrowing Period	7 years
(4) Borrowing rate	Floating interest rate (base rate + spread)
(5) Drawdown Date	June 3, 2024
(6) Collateral	None

7. Change in fiscal year end for the consolidated subsidiary (AC)

(1) Reason

To align the fiscal year end with that of The Company in connection with the acquisition of shares

(2) Details

Present: October 31 of each year

After change: August 31 of each year

As this will be a transitional period, the fiscal year will be a ten-month period from November 1, 2023 to August 31, 2024.

8. Future outlook

As a result of this acquisition, AC and EKP will be incorporated into the group's consolidated accounts from June 2024.

The impact of this acquisition on consolidated financial results was disclosed in the "Notice of Revision of Consolidated Earnings Forecast for the Full Year Ending August 31, 2024" dated May 16, 2024.

End