



October 29, 2026

To whom it may concern:

Company name	Japaniace Co., Ltd.
Representative	Saburo Nishikawa Representative Director, Chairman and President (Code: 9558 TSE Growth)
Contact	Masahiro Kanda Executive Officer, Responsible for IR Tel: +81-45-670-7240

Notice Regarding Acquisition of Shares in dotsline Inc. (Change in Specified Subsidiary) and Making dotsline a Wholly Owned Subsidiary through a Share Exchange (Simplified Share Exchange)

Japaniace Co., Ltd. (the “Company”) hereby announces that, at a meeting held on October 29, 2026, its Board of Directors resolved to acquire a portion of the issued shares of dotsline Inc. (“dotsline”) (the “Share Acquisition”) and subsequently implement a share exchange in which the Company will become the wholly owning parent company and dotsline will become the wholly owned subsidiary (the “Share Exchange”). On the same date, the Company entered into a share transfer agreement (the “Share Transfer Agreement”) and a share exchange agreement (the “Share Exchange Agreement”). Through the Share Acquisition, dotsline will become a subsidiary of the Company and is expected to qualify as a specified subsidiary, as its stated capital is equivalent to at least 10% of the Company’s stated capital.

The Company plans to implement the Share Exchange through the simplified share exchange procedure pursuant to Article 796, Paragraph 2 of the Companies Act, which does not require approval at a general meeting of shareholders.

As the Share Exchange is a simplified share exchange to make dotsline, which is expected to become a subsidiary through the Share Acquisition, a wholly owned subsidiary, certain disclosure items and details have been omitted.

1. Purpose of the Share Acquisition and the Share Exchange

Under its long-term vision of “The employment and creation of digital talent in the Advanced Engineering business,” the Company aims to build a workforce of 10,000 digital professionals. Under its medium-term management plan, the Company is working to rebuild its business foundation, shift from quantitative expansion to qualitative growth, and prepare for new growth through M&A, with the aim of expanding its IT workforce.

dotsline aims to transform society by maximizing the value of the data held by companies. It operates a data platform development business covering the planning, design, construction and operation of data platforms.

As a young company established only recently, dotsline faces challenges in securing and developing engineers and expanding its customer base to grow its business. Collaboration with the Company will enable the Company’s engineers to be assigned to, and trained through, the data platform development business, while allowing that business to be offered broadly to companies across Japan through the Company’s network of offices. The Company also has a strong customer base, primarily comprising listed companies, which provides another channel for business expansion.

By welcoming dotsline into the Group and further developing the business model that dotsline has established, the Company believes it can contribute to realizing a society in which everyone can make use of data.

Yuki Matsumoto, dotsline’s current Representative Director and CEO, will remain a representative director of dotsline and will work with the Company to further develop the data platform development business. The Company is also considering selecting Mr. Matsumoto and Ryotaro Sano, a director of dotsline, as candidates for election to its Board of Directors.

2. Method of the Share Acquisition and the Share Exchange

The Company plans to make dotsline a wholly owned subsidiary by acquiring 9,312 of its 9,900 issued shares through the Share Acquisition and acquiring the remaining 588 shares through the Share Exchange.

3. Overview of the Share Acquisition (Change in Specified Subsidiary)

(1) Schedule of the Share Acquisition

① Board resolution approving the Share Transfer Agreement	October 29, 2026
② Execution of the Share Transfer Agreement	October 29, 2026
③ Completion of the Share Acquisition (date of change in specified subsidiary)	October 30, 2026 (scheduled)

(2) Method of the Share Acquisition

The Company entered into the Share Transfer Agreement with the counterparties listed in (3) on October 29, 2026, and plans to acquire 9,312 common shares of dotsline on October 30, 2026.

(3) Overview of the counterparties to the Share Acquisition

① Names	Yuki Matsumoto and Ryotaro Sano
② Relationships between the Company and the individuals	There are no capital, personnel or business relationships. Neither individual is a related party of the Company.

(4) Number of shares to be acquired, acquisition price and shareholdings before and after the Share Acquisition

① Shares held before the acquisition	0 shares (voting rights ownership: 0.0%)
② Shares to be acquired	9,312 shares (voting rights ownership: 94.1%)
③ Acquisition price	Common shares of dotsline: JPY 2,500,000,000
④ Shares held after the acquisition	9,312 shares (voting rights ownership: 94.1%)

Note 1: The Company plans to fund the Share Acquisition using cash on hand and borrowings from financial institutions. For details of the borrowings, please refer to “Notice Regarding Borrowing of Funds,” announced on October 29, 2026.

Note 2: The acquisition price does not include acquisition-related expenses.

(5) Overview of the subsidiary subject to the change

Please refer to “6. Overview of the Companies Involved in the Share Exchange.”

4. Overview of the Share Exchange

(1) Schedule of the Share Exchange

① Board resolution approving the Share Exchange Agreement	October 29, 2026
② Execution of the Share Exchange Agreement	October 29, 2026
③ Effective date of the Share Exchange	November 26, 2026 (scheduled)

Note: The Company plans to implement the Share Exchange through the simplified share exchange procedure pursuant to Article 796, Paragraph 2 of the Companies Act, which does not require approval at a general meeting of shareholders. dotsline plans to implement it through the short-form share exchange procedure pursuant to Article 784, Paragraph 1 of the Companies Act, which likewise does not require approval at a general meeting of shareholders.

(2) Structure of the Share Exchange

The Company and dotsline entered into the Share Exchange Agreement on October 29, 2026. The Share Exchange is scheduled to take effect on November 26, 2026, with the Company as the wholly owning parent company and dotsline as the wholly owned subsidiary. As dotsline is expected to become a specified subsidiary of the Company through the Share Acquisition before the effective date of the Share Exchange, the Share Exchange itself will not result in a change in specified subsidiary.

(3) Allotment under the Share Exchange

	The Company (wholly owning parent company)	dotsline (wholly owned subsidiary)
Share exchange ratio	1	136.40
Number of shares to be delivered	80,203 common shares of the Company (scheduled)	

Note 1: Share exchange ratio

The Company will allot and deliver 136.40 common shares of the Company for each common share of dotsline.

Note 2: Number of shares of the Company to be delivered under the Share Exchange

Under the Share Exchange, the Company will allot and deliver to the shareholders of dotsline immediately before the time at which the Company acquires all of dotsline's issued shares through the Share Exchange, in exchange for their common shares of dotsline, shares of the Company calculated using the share exchange ratio (the "Share Exchange Ratio"). The Company plans to use treasury shares it holds as the shares to be delivered under the Share Exchange and does not plan to issue any new shares for the allotment.

(4) Treatment of share acquisition rights and bonds with share acquisition rights in connection with the Share Exchange

dotsline has not issued any share acquisition rights or bonds with share acquisition rights.

5. Basis for the Allotment under the Share Exchange

(1) Basis and reasons for the allotment

To ensure the fairness and appropriateness of the Share Exchange Ratio, the Company engaged Five Star Partners Co., Ltd. (“Five Star Partners”), a third-party valuation firm independent of both the Company and dotsline, to value the shares of both companies and calculate the share exchange ratio. The Company determined that the Share Exchange Ratio was at an appropriate level because it fell within the range calculated by Five Star Partners, as described in “② Overview of the valuation” under (2) below. In addition, with reference to Five Star Partners’ valuation of dotsline’s shares, and taking into account dotsline’s financial position, assets and future outlook, including financial projections, the two companies held careful and repeated discussions. As a result, they concluded that implementing the Share Exchange at the Share Exchange Ratio would serve the interests of the shareholders of both companies.

(2) Matters relating to the valuation

① Name of the valuation firm and its relationships with the two companies

To ensure the fairness and appropriateness of the share exchange ratio, the Company engaged Five Star Partners, a third-party valuation firm independent of both the Company and dotsline, to calculate the ratio, and obtained a valuation report on the shares of the Company and dotsline dated October 28, 2026. Five Star Partners is not a related party of either the Company or dotsline and has no material interests in either company.

② Overview of the valuation

As the Company is listed on the Growth Market of the Tokyo Stock Exchange and its shares have a market price, Five Star Partners valued the Company’s shares using the market price method. October 28, 2026 was set as the valuation date to reflect recent stock market conditions. The valuation used the closing price on the valuation date and the average closing prices over the one-month, three-month and six-month periods preceding the valuation date. The resulting valuation range per common share of the Company is as follows.

Valuation method	Valuation range (JPY)
Market price method	1,985–2,003

For dotsline’s shares, Five Star Partners adopted the discounted cash flow (DCF) method because dotsline is an unlisted company with no market share price, is a going concern with no plans for liquidation, and derives its share value from its future earnings capacity. The financial projections used for the valuation do not include any fiscal year in which a significant increase or decrease in profit is expected. The resulting valuation range per common share of dotsline is as follows.

Valuation method	Valuation range (JPY)
DCF method	236,757–304,909

Based on the above, the calculated share exchange ratio range, with the value per common share of the Company set at 1, is as follows.

Calculated share exchange ratio range
119.29–153.63

In valuing the shares, Five Star Partners generally relied on information provided by the two companies, information obtained through interviews, publicly available information and other information as supplied or obtained. It assumed that all such information was accurate and complete, that there was no undisclosed information that could materially affect the valuation of dotsline’s shares, and that dotsline’s future profit plans and financial projections had been reasonably prepared based on the best forecasts and judgments available at the time. Five Star Partners did not independently verify the accuracy or completeness of such information.

6. Overview of the Companies Involved in the Share Exchange

Item	Wholly owning parent company (as of August 31, 2026)	Wholly owned subsidiary (as of August 31, 2026)
① Name	Japaniace Co., Ltd.	dotsline Inc.
② Address	18F, Yokohama Landmark Tower, 2-2-1 Minatomirai, Nishi-ku, Yokohama, Kanagawa	6F, Tsukiji Chuo Building, 2-11-10 Tsukiji, Chuo-ku, Tokyo
③ Representative's title and name	Saburo Nishikawa Chairman and President, Representative Director	Yuki Matsumoto Representative Director and CEO
④ Business	Advanced Engineering business focusing on AI, IoT and cloud technologies	Support for data platform development (planning, design, construction and operation of data platforms)
⑤ Stated capital	JPY 23.63 million	JPY 10 million
⑥ Date of establishment	December 22, 1999	November 28, 2023
⑦ Issued shares	4,014,200 shares	9,900 shares
⑧ Fiscal year-end	November 30	October 31
⑨ Employees	2,021	7
⑩ Major customers	ALPHA SYSTEMS INC.	Companies in Japan
⑪ Main banks	Mizuho Bank; Sumitomo Mitsui Banking Corporation; Bank of Yokohama	Mizuho Bank; Sumitomo Mitsui Banking Corporation
⑫ Major shareholders and ownership ratios (as of May 31, 2026)	West River Co., Ltd. 39.86% Saburo Nishikawa 15.46% Ryota Matsushima 2.98%	Two individual shareholders 100.00%
⑬ Relationships between the companies	Capital relationship	None.
	Personnel relationship	None.
	Business relationship	None.
	Related-party status	Neither company is a related party of the other.

⑭ Financial results and financial position for the most recent three fiscal years

	Japaniace Co., Ltd.			dotsline Inc.		
Fiscal year ended / ending	Nov. 2023	Nov. 2024	Nov. 2025	Oct. 2024	Oct. 2025	Oct. 2026 (estimate)
Net assets (JPY thousand)	2,857,606	2,996,932	3,379,529	1,704	32,988	178,352
Total assets (JPY thousand)	4,585,462	4,949,572	5,786,357	5,385	111,028	366,320
Net assets per share (JPY)	717.46	756.76	852.64	172.14	3,332.18	18,015.42
Net sales (JPY thousand)	9,885,472	11,211,465	12,084,720	6,618	219,052	581,651
Operating profit (JPY thousand)	836,878	945,885	982,692	1,042	44,046	171,494
Ordinary profit (JPY thousand)	873,485	1,022,596	1,078,121	1,043	47,828	191,528
Profit (JPY thousand)	616,113	722,607	765,152	714	31,140	143,876
Earnings per share (JPY)	155.52	181.51	193.09	72.14	3,145.54	14,532.99
Dividends per share (JPY)	77	95	99	0	0	0

Note 1: The Company's major shareholders and ownership ratios are based on the number of shares held as of May 31, 2026 divided by the number of issued shares (excluding treasury shares) as of that date.

Note 2: dotsline's figures for the fiscal year ending October 2026 are estimates as of October 28, 2026.

Note 3: dotsline conducted a 100-for-1 split of its common shares on December 23, 2025. Net assets per share and earnings per share have been calculated assuming that the split took place at the beginning of the fiscal year ended October 2024. dotsline also increased its stated capital to JPY 10 million on December 19, 2025.

7. Status Following the Share Exchange

The Share Exchange will not result in any change to the Company's trade name, head office address, representative, business, stated capital or fiscal year-end as the wholly owning parent company.

8. Overview of Accounting Treatment

The Share Acquisition and the Share Exchange are expected to be accounted for as an "acquisition" under the Accounting Standard for Business Combinations. Goodwill is expected to arise, but its amount has not yet been determined.

9. Future Outlook

The impact of the Share Acquisition and the Share Exchange on the Company's financial results for the current fiscal year ending November 2026 is under review. The Company will promptly disclose any matters requiring disclosure as they arise.