



May 27, 2021

For immediate Release

Company Name:HITO-Communications Holdings Inc.
President and Representative Director, Group CEO:
Toyomi Yasui
Stock Ticker: 4433
Stock Listings: Tokyo Stock Exchange, First Section
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Notice Regarding the Stock Acquisition by the Consolidated Subsidiary

Tokyo, Japan- HITO-Communications Inc. (“Hitocom”) which is the core subsidiary of HITO-Communications Holdings Inc. (“the Company”) announced on May 27, 2021, that its Board of Directors has resolved to acquire 51% of the stock of Moffly Co., Ltd. (“Moffly”) which operates live-commerce business and decided to make Moffly a consolidated subsidiary.

1. Reasons for the Acquisition

The Company has worked to integrate real retail services and virtual services including E-commerce centered on sales and service field under the business theme of becoming an innovative “Corporate Group Building the Future of Marketing.” The Company has also aimed to expand the business field by building “Omni-channel Sales Support” system which integrates the multi sales channel and the customer contact points seamlessly.

In the B to C sales field, declarations of states of emergency for COVID-19 have restricted the sales activities of real retail services especially in the urban areas. The related companies get interested in the non-face-to-face sales activities including E-commerce more and more. BBF which is our subsidiary operating E-commerce operating support business has performed well thanks to this business environment.

Live-commerce which combines live stream with E-commerce has capture the interests for boosting sales performance especially in China, South Korea. Live-commerce enables us to communicate with customers in real time and explain the products and services in more detail. In Japan, we anticipate the market expansion of live-commerce centered on apparel and cosmetics fields in year to come due to the settlement of consumption habits using E-commerce. Moffly provides the live-commerce operation support services comprehensively including planning, introducing services and movie shooting by using owned cloud platform services “TAGsAPI.” They have supported approx. 40 clients now. They have aimed at building a robust position in a live-commerce market through increasing clients driven by using the sales power

of Hitocom.

The Company will provide the new solution in a live-commerce field and enhance our “Omni-channel Sales Support” system aiming at clients’ success.

2. Details of the subsidiary which acquires the stock

(1)	Company Name	HITO-Communications Inc.	
(2)	Address	9-6 Higashi Ikebukuro 1-chome Toshima-ku, Tokyo	
(3)	Representative Name and Title	President and Representative Director, Toyomi Yasui	
(4)	Business Description	Outsourcing, Personnel Staffing	
(5)	Capital	100,000 thousand yen	
(6)	Date of Foundation	February 23, 1998	
(7)	Net Assets	5,949 million yen (FY2020)	
(8)	Total Assets	13,501 million yen (FY2020)	
(9)	Major Shareholders and Shareholding Ratio	HITO-Communications Holdings Inc. 17,899,333 Shares (100.0%)	
(10)	Relation of the Company and Hitocom	Capital Relationships	The Company holds the whole shares (100%).
		Personnel Relationships	2 Directors of Hitocom concurrently serve as the Directors of the Company and a corporate auditor concurrently serves as a corporate auditor of the Company.
		Business Relationships	The Company gains the management fee income from Hitocom.
		Related Parties	Hitocom is the consolidated subsidiary and a related party.

3. Details of the acquired company

(1)	Company Name	Moffly Co., Ltd.
(2)	Address	6-5 Jinnan 1-chome Shibuya-ku, Tokyo
(3)	Representative Name and Title	President and Representative Director, Kazuyoshi Toji
(4)	Business Description	Live-commerce
(5)	Capital	550 million yen
(6)	Date of Foundation	July 7, 2017
(7)	Major Shareholders and Shareholding Ratio	Kazuyoshi Toji 72,000 Shares (70.73%) Akitoshi Sya 25,000 Shares (24.56)

(8) Relation of the Company and Hitocom	Capital Relationships	None	
	Personnel Relationships	None	
	Business Relationships	None	
	Related Parties	None	
(9) Business Performances in the latest 3 years (Unit: thousand yen)			
Accounting Period	FY2018	FY2019	FY2020
Net Assets	-9,588	-5,154	15,352
Total Assets	1,804	6,277	39,750
Net Assets per Share (yen)	-94.14	-50.63	150.80
Sales	4,184	21,045	56,776
Operating Profit	-16,114	4,631	20,393
Ordinary Profit	-16,226	4,498	22,294
Net Profit	-16,296	4,428	20,506
Net Profit per Share	-160.8	43.50	201.43
Dividend per Share	—	—	—

4. Details of the person from whom Hitocom acquired the shares

(1) Name	Kazuyoshi Toji
(2) Address	Saitama-city, Saitama
(3) Relation of the Company and the person	None

5. Details of the status of acquiring shares

(1) Number of shares owned before the acquisition	0 share (Number of voting rights: 0) (Stock holding ratio: 0%)
(2) Number of acquired shares	Common Stock: 50,118 (Number of voting rights; 50,118) A type Preferred Stock: 1,800 (Number of voting rights: 1,800)
(3) Number of shares owned after the acquisition	Common Stock: 51,918 (Number of voting rights: 51,918) (Stock holding ratio: 51.0%) Note: The Company will convert the A type preferred stock into common stock at the timing of the acquisition.

Note: The Company does not disclose the purchase price according to the NDA.

6. Schedule

Resolution of the Board of Directors May 27, 2021

Date of This Agreement May 31, 2021

Date of the Execution of Share transfer June 1, 2021

7. Future Outlook

The Company estimate the impact for the consolidated business performance will be minor.