



October 31, 2018

Infomart Corporation
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Infomart to Conduct Absorption-Type Merger
(Short-Form/Simplified Merger) of Consolidated Subsidiary

At a Board of Directors meeting held today (October 31, 2018), Infomart Corporation (hereinafter, the “Company”) resolved to conduct an absorption-type merger (hereinafter, the “Merger”) of Info Rise Corporation, a subsidiary of the Company, with January 1, 2019 as the merger date.

As the Merger involves a short-form merger of a wholly owned subsidiary, certain disclosure items and details have been omitted.

1. Purpose of the Merger

Infomart has decided to conduct an absorption-type merger of Info Rise Corporation, with Infomart as the surviving company, in the aim of increasing synergies with Satomusubi and other Info Rise businesses, making the operational structure more efficient, and sharing database information.

2. Substance of the Merger

(1) Schedule of the Merger

| | |
|---|------------------|
| Board of Directors resolution on the merger | October 31, 2018 |
| Merger agreement | October 31, 2018 |
| Merger date (effective date) | January 1, 2019 |

Note: The Merger involves the Company conducting a short-form merger of Info Rise Corporation in accordance with Article 796-2 of the Companies Act, and Info Rise Corporation being absorbed in a simplified merger based on Article 784-1 of the Companies Act. Accordingly, the merger will be conducted without seeking approval of the merger agreement at general meetings of shareholders of the respective companies.

(2) Method of the Merger

This is an absorption-type merger with Infomart as the surviving company and Info Rise Corporation as the company being dissolved.

As Info Rise Corporation’s liabilities exceed its assets, prior to the merger the Company intends to resolve this net deficiency by forgiving Info Rise Corporation’s debts, conducting the merger thereafter.

- Debts the Company intends to forgive: ¥60,000 thousand (expected)
- Date of debt forgiveness: December 31, 2018 (expected)

(3) Details of Allocations Related to the Merger

As the Company owns all shares in Info Rise Corporation, no shares or other monies will be allocated in relation to the Merger.

(4) Handling of Warrants or Bonds with Warrants of the Company Being Absorbed

Not applicable

3. Overview of the Merging Companies (September 30, 2018)

| | Surviving Company | Company Being Absorbed |
|--|--|--|
| (1) Name | Infomart Corporation | Info Rise Corporation |
| (2) Head office location | 1-2-3 Kaigan, Minato-ku, Tokyo | 1-2-3 Kaigan, Minato-ku, Tokyo |
| (3) Names and positions of representative directors | Osamu Nagao, President and CEO Naotake Fujita, Vice President | Seiji Oshima, CEO |
| (4) Businesses | Operation of a BtoB (business-to-business e-commerce) platform | Food menu (recipe) development service for the domestic food industry; provision of research, promotional, and other services; database business |
| (5) Capital | ¥3,212,512 thousand | ¥70,000 thousand |
| (6) Established | February 13, 1998 | January 20, 2010 |
| (7) Shares issued | 129,715,600 shares | 9,200 shares |
| (8) Fiscal year-end | December | December |
| (9) Employees | 456 (consolidated) | 8 (non-consolidated) |
| (10) Major shareholders and percentage ownership | <ul style="list-style-type: none">• THE SFP VALUE REALIZATION MASTER FUND LIMITED: 7.94%• Shoji Metabi: 5.40% (As of June 30, 2018) | Infomart Corporation: 100% (As of June 30, 2018) |
| (11) Financial Condition and Business Performance in Most Recent Fiscal Year | | |
| Fiscal year | Ended December 31, 2017 (consolidated) | Ended December 31, 2017 (non-consolidated) |
| Net assets | ¥9,495,270 thousand | ¥12,864 thousand |
| Total assets | ¥11,178,657 thousand | ¥28,300 thousand |
| Sales | ¥6,709,171 thousand | ¥30,737 thousand |
| Operating profit (loss) | ¥1,765,702 thousand | (¥54,749 thousand) |
| Recurring profit (loss) | ¥1,751,657 thousand | (¥54,760 thousand) |
| Net income (loss) | ¥384,009 thousand | (¥54,938 thousand) |

4. Status of the Company after the Merger

The Company's name, head office location, names and positions of representative directors, businesses, capital, and fiscal year-end will remain unchanged following the Merger.

5. Outlook

As the Merger involves the absorption of a wholly owned subsidiary, its impact on the Company's consolidated operating performance will be minor.