

Notice of Convocation for the 22nd Ordinary General Meeting of Shareholders

Date and time

June 26, 2024 (Wednesday)
1:00 p.m. (Entry start: noon)

Venue

9-7-1 Akasaka, Minato-ku, Tokyo
Tokyo Midtown Tower
Conference Room 7 on the 4th floor

Matters to be resolved

Proposal 1	Appropriation of Retained Earnings
Proposal 2	Partial Amendment to the Articles of Incorporation
Proposal 3	Election of Five Directors

CHANGE Holdings, Inc.
Security Code 3962

[Notes of caution] This document is an English translation of the Japanese original. In the event of any differences or inconsistencies between the Japanese and English versions, the Japanese language version shall take precedence.

Security Code 3962

June 10, 2024

(Date of commencement of electronic provision measures) June 5, 2024

To the Shareholders

17-1, Toranomom 3-chome, Minato-ku, Tokyo

CHANGE Holdings, Inc.

Representative director and President Hiroshi Fukudome

Notice of Convocation for the 22nd Ordinary General Meeting of Shareholders

We hereby notify you that we will hold the 22nd Ordinary General Meeting of Shareholders in accordance with the following:

When convening the General Meeting of Shareholders, the Company has taken electronic provision measures for the information contained in the referential materials for the general meeting of shareholders, etc. (matters regarding electronic provision measures), and has posted the information on the relevant websites on the Internet. Please access any of the following websites to confirm the information.

The Company's website

<https://www.changeholdings.co.jp/ir/>

(Please access the above website and select "IR Library" and "General Meeting of Shareholders" from the menu to check the information.)

Website for posting materials for the General Meeting of Shareholders

<https://d.sokai.jp/3962/teiji/>

Tokyo Stock Exchange Website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

(Please access the TSE website above, enter to search "CHANGE Holdings" in "Issue name (company name)" or the Company's Securities Code "3962" as "Code," select "Basic Information" and then "Documents for public inspection/PR information" in order, and check the "Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting" section in the "Documents for public inspection.")

If you are unable to attend the meeting, you can exercise your voting rights via the Internet or in writing (by postal mail). Please refer to the referential materials for the general meeting of shareholders and exercise your voting rights by 6:00 p.m. on Tuesday, June 25, 2024 following the Guidance on the Exercise of Voting Rights on Page 4.

On the day, you will be able to watch the Meeting through Zoom Webinar at home. In addition, in order to answer your questions, the Company will keep on holding dialogs with you through Zoom Webinar even after the Meeting.

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At the General Meeting of Shareholders, regardless of whether or not there is a request for delivery of documents, a document describing the matters regarding electronic provision measures will be sent uniformly to all shareholders with voting rights.

Sincerely

Details

1. Date and time June 26, 2024 (Wednesday) 1:00 p.m. (The reception opens at noon.)
2. Venue 9-7-1 Akasaka, Minato-ku, Tokyo
Tokyo Midtown Tower, Conference Room 7 on the 4th floor
(Please refer to the location guide at the end.)
3. Purpose
 - Matters to be reported
 1. Business report, consolidated financial statements, and report on the results of audit by the accounting auditors and the Board of Auditors for the 22nd accounting period (from April 1, 2023 to March 31, 2024)
 2. Report on the nonconsolidated financial statements regarding the 22nd accounting period (from April 1, 2023 to March 31, 2024)
 - Matters to be resolved
 - Proposal 1 Appropriation of Retained Earnings
 - Proposal 2 Partial Amendment to the Articles of Incorporation
 - Proposal 3 Election of Five Directors

End

◎ At the General Meeting of Shareholders, regardless of whether or not there is a request for delivery of documents, a document describing the matters regarding electronic provision measures will be sent uniformly to all shareholders with voting rights. In accordance with the provisions of laws and regulations and Article 14 of the Company's Articles of Incorporation, the following items among the matters regarding electronic provision measures are not stated in the said documents.

- (i) "Principal place of business," "Status of employees," "Status of major lenders," "Status of stock acquisition rights, etc.," "Status of accounting auditors," "Overview of the system to ensure the appropriateness of business operations and the status of its operation" in the business report
- (ii) "Consolidated statement of changes in equity" and "Notes to the consolidated financial statements" in the consolidated financial statements
- (iii) "Statement of changes in shareholders' equity" and "Notes thereto" in the nonconsolidated financial statements

Consequently, the business report, consolidated financial statements, and nonconsolidated financial statements contained in this Notice of Convocation are part of those documents that were audited by the accounting auditor or auditor when they prepared the accounting audit report or the audit report.

◎ If there is any revision to the matters regarding electronic provision measures, that fact and the matters before and after the revision will be posted on the Company's website, the Tokyo Stock Exchange website, and the website that publishes the materials for the general meeting of shareholders on the Internet.

◎ For those attending, please present the Voting Right Exercise Form attached to this notice at the reception desk upon arrival at the

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Meeting. Please bring the Notice of Convocation for the 22nd Ordinary General Meeting of Shareholders with you in order to conserve resources.

- ◎ If you exercise your voting right both in the Voting Right Exercise Form and via the Internet, we will consider only the vote cast via the Internet as valid.
- ◎ If you exercise your voting right more than once via the Internet, we will consider only the last vote as the valid exercise of voting right.
- ◎ If there is no indication of approval or disapproval for the proposal on the Voting Right Exercise Form, it will be treated as an indication of approval.
- ◎ It should be noted that proceedings of the General Meeting will be recorded to open questions and answers to the public later.

<How to Join Online>

- ◎ For details of procedures for online participation, please refer to the Information on Online Distribution of the 22nd Ordinary General Meeting of Shareholders of the Company attached to this notice.
- ◎ With regard to online participation, it does not qualify as "attendance" under the Companies Act. Because you cannot ask questions, propose a motion, or vote on a motion when you participate in the Meeting online, please exercise the voting right via internet or on the Voting Right Exercise Form. Shareholders who want to submit a motion are kindly requested to physically attend the Meeting.
- ◎ If you participate online, you may use the Q&A function to make comments, but please note that your questions using the Q&A function will not have any legal effect.
- ◎ However, we will answer questions and respond to comments from shareholders participating online using the Q&A function during the dialogue with shareholders.
- ◎ When you make comments on the Q&A function, please enter your shareholder number and name as indicated on the Voting Right Exercise Form.

<Online Dialogue with Shareholders>

- ◎ After the Meeting, we will continue to hold "dialogs with shareholders" through Zoom Webinar.
- ◎ During the dialogue with shareholders, you can ask questions using chat function. However, please be aware in advance that we may not be able to answer all your questions due to the time limit.
- ◎ When asking questions on the Q&A function, please enter the shareholder number and name on the Voting Right Exercise Form. Please be aware that we cannot answer any questions from the shareholder whose name is not listed in the shareholder number or the shareholder register.

Guidance on the Exercise of Voting Rights

Exercising voting rights at the Meeting is an important right for shareholders.

Please exercise your voting rights after reviewing the referential materials for the general meeting of shareholders.

You can exercise your voting rights in the following three ways:

Exercise of Voting Rights by Attending the Meeting



Please submit the Voting Right Exercise Form attached to this notice to a receptionist at the venue.

Date: June 26 2024 (Wednesday) 1:00 p.m. (Entry start: noon)

Exercise of Voting Rights in Writing (by mail)



Please indicate your approval or disapproval of the proposal on the Voting Right Exercise Form attached to this notice and post it without putting a stamp.

If there is no indication of approval or disapproval for the proposal on the Voting Right Exercise Form when voting rights are exercised in writing (by postal mail), it will be treated as an indication of approval.

Voting deadline: June 25 2024 (Tuesday) **No later than 6:00 p.m.**

Exercise of Voting Rights via the Internet



Please access our website for exercising your voting rights: (<https://soukai.mizuho-tb.co.jp/>) from your PC or smartphone and log in by entering the voting right exercise code (ID) and the password shown on back side of the right margin of the Voting Right Exercise Form attached to this notice, and follow the instructions on the screen to vote for or against the proposals.

You need to change the password immediately after your first login.

Voting deadline: June 25 2024 (Tuesday) **Votes must be entered no later than 6:00 p.m.**

* If you exercise your voting right both in writing (by mail) and via the Internet, we will consider only the vote cast via the Internet as valid.

* If you exercise your voting right more than once via the Internet, we will consider only the last vote as valid.

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How to Vote via the Internet, etc.

Exercising voting rights by scanning the login QR code "Smart Exercise"

You can log in the website for exercising your voting rights without entering your voting right exercise code and password.

- 1 Please scan the QR code indicated on the lower right of the enclosed Voting Right Exercise Form.



"QR code" is a registered trademark of Denso Wave Incorporated.

- 2 Please enter your approval or disapproval in accordance with instructions on the screen.



You can exercise your voting rights using "Smart Exercise" **once only**.

If you want to change your vote after exercising your voting rights, please access the website for PCs and log in by entering the "exercise voting right code" and "password" indicated on the Voting Right Exercise Form to exercise your voting rights again.

* If you scan the QR code again, you will be automatically transferred to the website for PCs.

If you are uncertain about how to operate your PC or smartphone to exercise your voting rights via the Internet, please contact the number on the right.

Exercising voting rights by entering your voting right exercise code and password

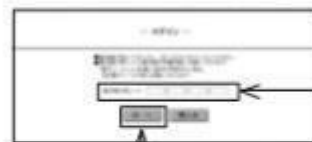
Website for exercising your voting rights <https://soukai.mizuho-tb.co.jp/>

- 1 Please access to our website for exercising voting rights.



Click "Proceed."

- 2 Please enter the voting right exercise code indicated on the Voting Right Exercise Form.



Enter the voting right exercise code.

Click "Proceed."

- 3 Please enter the password indicated on the Voting Right Exercise Form.



Enter the password.

Please set up a new password to use when exercising your voting rights.

Click "Register."

- 4 Please enter your approval or disapproval in accordance with instructions on the screen.

* The images do not reflect the real screens.

Internet Help Dial, Transfer Agent Department,
Mizuho Trust & Banking Co., Ltd.

☎ 0120-768-524

(Service hours: 9:00 a.m. to 9:00 p.m. excluding new year holidays)

If you are an institutional investor, you can exercise your voting rights using an electronic voting platform for institutional investors operated by ICJ, Inc.

Referential materials for the Meeting

Proposal 1

Appropriation of Retained Earnings

The Company recognizes that returning profits to shareholders is an important management issue, and its basic policy is to pay dividends continuously while taking financial results in each business year into consideration. It will appropriate retained earnings at the end of Fiscal year ended March 2024 in the form of dividends as follows:

In accordance with the above policy, regarding the Company's year-end dividends, the Company proposes to pay an ordinary year-end dividend of 12.00 yen and to pay a special dividend of 6.70 yen per share for a total of 18.70 yen, taking into consideration the abolition of the shareholder benefit program and the progress of business performance, etc.

Matters regarding year-end dividends

(1) Type of dividend property

Cash

(ii) Matters regarding the allotment of dividend property and its total amount

The dividend will be 18.70 yen per the Company's common share (ordinary year-end dividend of 12.00 yen/special dividend of 6.70 yen).

In this case, the total of dividends will be 1,353,046,485 yen.

(iii) Day when the appropriation of retained earnings takes effect

It will be June 27, 2024.

Proposal 2

Partial Amendment to the Articles of Incorporation

1. Reasons for proposal

In order to clarify the responsibilities of directors and to establish a management structure that can promptly respond to changes in the business environment, Article 21 (Term of Office of Directors) of the current Articles of Incorporation will be amended, and the term of office of directors will be changed from two years to one year. Accordingly, the Company proposes to delete the provisions concerning the adjustment of the terms of office of directors. Upon the approval of the amendment to the Articles of Incorporation, the term of office of the current directors (five) will expire at the conclusion of the 22nd ordinary general meeting of shareholders.

2. Amendment to the Articles of Incorporation

Details of the amendment are as follows:

(Underlines indicate changes.)

Current Articles of Incorporation	Following the Amendment
Chapter IV Directors and Board of Directors (Terms of Office of Directors) Article 21. The terms of office of directors shall continue until the conclusion of the ordinary general meeting of shareholders for the last business year which ends within <u>two years</u> from the time of their election.	Chapter IV Directors and Board of Directors (Terms of Office of Directors) Article 21. The terms of office of directors shall continue until the conclusion of the ordinary general meeting of shareholders for the last business year which ends within <u>one year</u> from the time of their election.
<u>2. The term of office of a director elected by an increase in the number of directors or as a substitute shall expire at the expiration of the term of office of the other directors in office.</u>	(Deletion)

Proposal 3

Election of Five Directors

If Proposal 2, "Partial Amendment to the Articles of Incorporation" is approved and passed as originally proposed, the term of office of all current directors (five) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of five directors subject to the approval of Proposal 2 as originally proposed.

The director candidates are as follows:

Candidate No.	Name	Current position and responsibilities at the Company			
1	Hiroshi Fukudome	Representative director and President	Reelection		
2	Akira Itoh	Director and Executive Vice President	Reelection		
3	Yutaka Yamada	Director and CFO General manager of Corporate unit	Reelection		
4	Takeshi Matsumoto	External Director	Reelection	External	Independent
5	Kayo Takigawa	External Director	Reelection	External	Independent

Reelection Director candidate for reelection

External External director candidate Independent Independent officer in accordance with the provisions of the relevant stock exchange

<p>Candidate No. 1</p> <p style="text-align: center; font-size: 24px; font-weight: bold;">Hiroshi Fukudome</p> <p style="text-align: center; background-color: #cccccc; padding: 2px;">Reelection</p> <p>Date of birth March 25, 1976</p> <p>Number of the Company's shares held 2,141,500 shares</p> <p>Years in office 21 years and 2 months</p> <p>Board of Directors meeting attendance 15/15</p>	<p style="background-color: #cccccc; padding: 2px;">Brief personal history, position and responsibility at the Company, and important concurrent position</p> <p>April 1998 Joined Andersen Consulting Japan Ltd. (currently Accenture Japan Ltd.)</p> <p>April 2003 Founder and Representative Director and COO of the Company</p> <p>December 2015 Representative Director and President of the Company (present post)</p> <p>December 2018 Director of TRUST BANK, Inc. (present post)</p> <p>September 2019 External Director of ROXX INC. (present post)</p> <p>March 2020 Director of Orb, Inc. (present post)</p> <p>April 2021 Director of Digital Growth Academia, INC.</p> <p>July 2021 Management Advisor of PORT INC. (present post)</p> <p>March 2022 Representative Director and President of SBI Regional Revitalization Services Co., Ltd. (present post)</p> <p>April 2022 Director of Govmates, Inc. (present post)</p> <p>October 2022 Director of DFA Robotics Inc. (present post)</p> <p>January 2023 Director of Travel Zip Co., Ltd. (present post)</p> <p>March 2023 External Director of HOPE, INC. (present post)</p> <p>June 2023 External Director of CHANGE KAGOSHIMA (present post)</p> <p>December 2023 Director of E-Guardian Inc. (present post)</p> <p>December 2023 Director of CyLeague Holdings, Inc. (present post)</p> <p>March 2024 External Director of A-cial Design Co., Ltd. (present post)</p> <p style="background-color: #cccccc; padding: 2px;">Reasons for being chosen as a candidate for Director</p> <p style="background-color: #cccccc; padding: 2px;">Mr. Hiroshi Fukudome was a founding member of the Company and has been serving as Representative Director since April 2003. The Company believes that he can continue to utilize his knowledge of the Company's overall business to strengthen the functions of the Board of Directors, and therefore proposes him as a candidate for Director.</p>
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Candidate No. 2	Akira Itoh	Brief personal history, position and responsibility at the Company, and important concurrent position
Date of birth March 8, 1976	Reelection	April 1998 Joined Andersen Consulting Japan Ltd. (currently Accenture Japan Ltd.)
Number of the Company's shares held 1,174,000 shares		April 2003 Founder and Director of the Company
Years in office 21 years and 2 months		December 2015 Director and Executive Vice President of the Company General Manager of Mobile & Sensing Application unit
Board of Directors meeting attendance 15/15		October 2018 Director and Executive Vice President, General Manager of NEW-IT unit of the Company
		March 2021 Director of beacapp Inc.
		September 2021 Director and Vice President of beacapp Inc. (present post)
		April 2023 Director and Executive Vice President of CHANGE Inc. (present post)
		April 2023 Director and Executive Vice President of the Company (present post)
		Reasons for being chosen as a candidate for Director
		Mr. Akira Itoh was a founding member of the Company and has been serving as Director since April 2003. The Company believes that he can continue to utilize his knowledge of corporate management and DX, etc. to strengthen the functions of the Board of Directors, and therefore proposes him as a candidate for Director.

Candidate No. **3**

**Yutaka
Yamada**

Reelection

Date of birth
May 9, 1970

Number of the Company's shares held
594,500 shares

Years in office
10 years and 0 months

Board of Directors meeting attendance
15/15

Brief personal history, position and responsibility at the Company, and important concurrent position

April 1997 Joined Yauchi Motowaki Accounting Firm
October 2007 Joined the Company
June 2014 Director of the Company
December 2015 Director and CFO, General Manager of Control & Management unit of the Company
October 2018 Director and CFO, General Manager of Corporate unit of the Company (present post)
December 2018 Director of TRUST BANK, Inc. (present post)

Reasons for being chosen as a candidate for Director

Mr. Yutaka Yamada has been serving as Director since June 2014. The Company believes that he can continue to utilize his knowledge of corporate management and finance and accounting, etc. to strengthen the functions of the Board of Directors, and therefore proposes him as a candidate for Director.

Candidate No. **4**

**Takeshi
Matsumoto**

Reelection

External

Independent

Date of birth
June 17, 1980

Number of the Company's shares held
— shares

Years in office
1 year and 0 months

Board of Directors meeting attendance
11/11

Brief personal history, position and responsibility at the Company, and important concurrent position

April 2003 Joined WORLD INTEC CO., LTD.
December 2008 Executive Officer in charge of Corporate Planning of SYSTEM RESEARCH CO., LTD.
July 2009 Director and General Manager of Corporate Planning Division of the same company
November 2010 Representative Director and President of the same company
June 2012 General Manager of Management Strategy Office of DIGITAL HEARTS Co., Ltd.
October 2013 Director of Hearts United Group (currently DIGITAL HEARTS HOLDINGS Co., Ltd.)
July 2014 Director and COO of the same company
August 2017 Representative Executive Officer of ALBERT Inc.
March 2018 Representative Director and President of the same company
January 2019 Representative Director and President and CEO of the same company
May 2020 Representative Director and President of the same company
October 2021 External Director of Fixpoint, Inc. (present post)
June 2023 Advisor of Accenture Japan Ltd.
June 2023 External Director of the Company (present post)

(Important concurrent positions)

External Director of Fixpoint, Inc.

Reason for choosing this candidate to be elected as an external director and outline of expected roles

Mr. Takeshi Matsumoto has a wealth of practical experience over many years in the IT-related industry, abundant experience as a manager, and a wide range of insight. The Company expects him to contribute to the further growth of the Group and the strengthening of corporate governance by incorporating outside perspectives based on his knowledge and experience and ensuring the objectivity and neutrality of the management oversight function. For the above reasons, the Company has determined that he is capable of appropriately performing his duties as an External Director, and therefore nominated him as a candidate for External Director.

Candidate No. 5

Kayo
Takigawa

Reelection

External

Independent

Date of birth
August 21, 1972

Number of the Company's shares held
— shares

Years in office
1 year and 0 months

Board of Directors meeting attendance
11/11

Brief personal history, position and responsibility at the Company, and important concurrent position

April 1997 Admitted as an attorney-at-law in Japan
Joined Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)
May 2002 Graduated from Columbia University School of Law (LL.M. course)
September 2002 General Electric Capital Corporation
January 2007 Partner of Nagashima Ohno & Tsunematsu (present post)
June 2019 External Auditor of Japan Credit Information Reference Center Corp.
(present post)
June 2023 External Director of the Company (present post)

(Important concurrent positions)

Partner of Nagashima Ohno & Tsunematsu
External Auditor of Japan Credit Information Reference Center Corp.

Reason for choosing this candidate to be elected as an external director and outline of expected roles

Ms. Kayo Takigawa has thorough knowledge of corporate legal affairs as a licensed lawyer and has broad knowledge of legal affairs. The Company expects her to contribute to the further growth of the Group and the strengthening of corporate governance by incorporating outside perspectives based on her knowledge and experience and ensuring the objectivity and neutrality of the management oversight function.

Although she has not been directly involved in corporate management other than as an External Director, we have elected her as a candidate for External Director because we can expect that she will be able to properly perform her duties as the External Director for the above reasons.

- (Note) 1. Nagashima Ohno & Tsunematsu, where Ms. Kayo Takigawa belongs, has concluded a contract for the delegation of legal services with the Company. There is no special interest between Mr. Takeshi Matsumoto and the Company.
2. Mr. Takeshi Matsumoto and Ms. Kayo Takigawa are candidates for External Directors.
 3. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company will maintain an agreement with Mr. Takeshi Matsumoto and Ms. Kayo Takigawa to limit their liability for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liabilities under such agreement will be the minimum amount stipulated in Article 425, paragraph 1 of the same Act.
 4. We have designated Mr. Takeshi Matsumoto and Ms. Kayo Takigawa as independent officers in accordance with

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the provisions of the Tokyo Stock Exchange and have filed with it. If they are reappointed, they will continue to be independent officers. In addition, the Group accounts for less than 1% of the annual sales of Nagashima Ohno & Tsunematsu, to which Ms. Kayo Takigawa belongs, and since she has never been involved in the business of the Company, the Company judges that her independence is sufficiently ensured.

- The Company has entered into a directors and officers liability insurance contract with an insurance company in accordance with the provisions of laws and regulations. The insured persons under this contract include directors, auditors, executive officers, and management employees (meaning employees other than executive officers who have been appointed as "important employees" under the Companies Act by the resolution of the Board of Directors) . The insurance contract is to reimburse any costs, such as damages and litigation costs, incurred by the insured persons in relation to a claim for damages brought against them based on an act (including omission) engaged by them while acting in the capacity of an officer, etc. of the Company. The Company bears the full amount of insurance premiums on behalf of the insured persons. If the election of director candidates is approved, they will be included among the insured persons under this insurance contract. The Company plans to renew the insurance contract during their terms of office under the same terms and conditions that are currently in force.

(Reference) Skill Matrix for Directors after the conclusion of this General Meeting of Shareholders

The skill matrix of the Board of Directors in the event that the candidates described in this Notice of Convocation are elected as originally proposed is as follows.

Name	Corporate management Business strategy	Legal affairs Compliance Risk management	Overseas business Global	Financial affairs Accounting	IT DX	Human resources development	Investment M&A	Financing Finance	ESG Diversity	Governance
Hiroshi Fukudome	○		○		○	○	○		○	
Akira Itoh	○				○	○	○			○
Yutaka Yamada	○	○	○	○			○	○		
Takeshi Matsumoto	○	○			○	○	○	○		○
Kayo Takigawa		○					○			○

End of the notice

(Documents to be Provided)

Business Report

(From April 1, 2023 to
March 31, 2024)

1. Current Status of Corporate Group

(1) Overview of Operating Results for the Current Fiscal Year

(i) Operating Results for the Current Fiscal Year

In the future, it is predicted that about 1 out of 2.6 citizens of Japan will be 65 years or older in 2065, resulting in an unprecedented super-aged society. Furthermore, it was found that Japanese digital transformation (hereinafter, "DX") is becoming increasingly behind the world. Therefore, in the stock market, there is a clear bipolarization between companies adaptive and evolving to DX and other companies. As a result, it is urgently necessary for surviving companies to respond to, transform, and invest in DX. In addition, it is also inevitable for local governments who are facing with the challenge of severe financial conditions and population decline and whose workloads are increasing despite the declining number of employees to improve operational efficiency through DX.

In this environment, under the vision of "Change Productivity" and with "Change People, Change Business, Change Japan" as its mission, the Group has been developing business such as the digitization of business models and business processes and support for the development of digital human resources in order to dramatically improve Japanese productivity with "People Multiplied by Technology" and to make Japan a sustainable society with a decreasing population. Thus, since its inception, we have provided solutions to the digitization needs of many customers.

Specifically, we are developing and expanding our business in three areas: NEW-IT Transformation Business, which supports the development of digital human resources, innovations in business processes, and digitization; Investment Business, which is investing in businesses that are synergistic with NEW-IT Transformation Business, to be responsible for creating new businesses and building business models; and the Publitech Business, which is committed to promoting DX-based regional creation. With regard to the Investment Business, as announced on April 14, 2023, the Company determined that focusing on business investments that contribute to the development of the NEW-IT Transformation Business and the Publitech Business through synergies with investee companies instead of conventional investment business for the purpose of capital gains will further contribute to the enhancement of the corporate value of the Group, and the Investment Business and the Investment Segment were abolished as of the same day. Although the

Investment Business and the Investment Segment were abolished, the Company will not change its policy to actively utilize M&A and capital and business alliances as useful means of business growth.

On May 13, 2022, we announced the revised mid-term business plan "Digitize & Digitalize Japan (Phase 2)." In the plan, we defined the key areas of "Local" × "Social" × "Digital." In March 2022, in order to lead the Japanese DX and accomplish the revised mid-term business plan, we formed a capital and business alliance with SBI Holdings, Inc. and accelerated initiatives for regional revitalization. At the same time, we have been actively promoting the recruitment and development of human resources, expanding the growth areas of DX by establishing joint ventures with major companies, and accelerating growth investments such as M&A. From the perspective of expanding our business domain to the cybersecurity field, which is indispensable for promoting DX, we concluded a capital and business alliance agreement with E-Guardian Inc. on August 2, 2023, and made it a consolidated subsidiary on October 11, 2023 through a tender offer and a third-party allotment of shares of the said company. Going forward, the said company will play a role in the New-IT Transformation Business.

In addition, on April 1, 2023, we completed the transition to a holding company structure and changed our trade name to CHANGE Holdings, Inc. By shifting to a holding company structure, we will further strengthen group governance, optimize the allocation of management resources, and promote the development of next-generation management personnel, aiming to evolve into a flexible and robust management structure that can respond quickly to any changes in the management environment.

Operating results for the current consolidated fiscal year are as follows:

In the New-IT Transformation Business, we continued to invest in growth, mainly through M&A and capital and business alliances. In order to expand our business domain to the cybersecurity field, which is indispensable for promoting DX, and promote the restructuring of the cybersecurity industry in the future, we concluded a capital and business alliance agreement with E-Guardian Inc. on August 2, 2023, and made it a consolidated subsidiary on October 11, 2023 through a tender offer and a third-party allotment of shares of the said company. In addition, we established CyLeague Holdings, Inc., an intermediate holding company that will play a central role in the restructuring of the cybersecurity industry, on December 25, 2023, and made IdealRoute Consulting Inc. (formerly Digital Arts Consulting Inc.) a consolidated subsidiary on March 29, 2024. In the area of digital human resource development, we have accelerated the evolution of its business model to a platform-type model, commenced Generative AI (ChatGPT) training, and promoted content development that incorporates the latest DX, such as making Interactive Solutions Corporation with strengths in generative AI an entity accounted for using equity method on March 29, 2024, and developed new DX solution services for businesses and industries with significant labor shortages.

In the Investment Business, the prices of shares in the listed companies in which we mainly held growth shares recovered. As announced on April 14, 2023, we determined that focusing on business investments that contribute to the development of the NEW-IT Transformation Business and the Publitech Business through synergies with investee companies instead of conventional investment business for the purpose of capital gains will further contribute to the enhancement of the corporate value of the Group, and the Investment Business and the Investment Segment were abolished as of the same day. Although the Investment Business and the Investment Segment were abolished, the Company will not change its policy to actively utilize M&A and capital and business alliances as useful means of business growth.

In the Publitech Business, donations handled significantly increased in the second quarter of the current fiscal year as donors moved forward the hometown tax payment in anticipation of the impact of the Review Toward Designation of the Next Term of Hometown Tax issued by the Ministry of Internal Affairs and Communications in June 2023. Although the amount of donations handled in the third quarter of the current fiscal year was affected to a certain extent, we increased commission rates on the hometown tax payment platform, provided OEM services, and diversified payment methods, resulting in a significant increase in sales revenue. LoGo Chat and LoGo Form, both SaaS business services for local governments, continued to receive high praise from users, and the number of subscriptions increased. In LoGo Chat, the number of local governments using the service with or without charge exceeded 1,400. In addition, in order to accelerate the DX of local governments, we continued to make upfront investments led by Govmates, Inc., and established UpClose, Inc. on November 10, 2023 to welcome top experts in local autonomy policy.

On the other hand, we restructured our business structure in order to promote the reorganization of our strong business toward further growth under the next mid-term business plan "Digitize & Digitalize Japan (Phase 3)". We recorded an impairment loss on goodwill of DFA Robotics Inc., and a provision for doubtful accounts for non-collection or a delayed collection of account receivables from the energy business of TRUST BANK, Inc.

As a result, in the current consolidated fiscal year, revenue was 37,015 million yen (up 84.9% year on year), operating profit was 7,562 million yen (up 32.0% year on year), profit before taxes was 7,429 million yen (up 31.4% year on year), and profit attributable to owners of parent was 4,325 million yen (up 12.2% year on year).

Results by business segment are as follows.

(I) NEW-IT Transformation Business

In the New-IT Transformation Business, we continued to invest in growth, mainly through M&A and capital and business alliances. In order to expand our business domain to the cybersecurity field, which is

indispensable for promoting DX, and promote the restructuring of the cybersecurity industry in the future, we concluded a capital and business alliance agreement with E-Guardian Inc. on August 2, 2023, and made it a consolidated subsidiary on October 11, 2023 through a tender offer and a third-party allotment of shares of the said company. In addition, we established CyLeague Holdings, Inc., an intermediate holding company that will play a central role in the restructuring of the cybersecurity industry, on December 25, 2023, and made IdealRoute Consulting Inc. (formerly Digital Arts Consulting Inc.) a consolidated subsidiary on March 29, 2024. In the area of digital human resource development, we have accelerated the evolution of its business model to a platform-type model, commenced Generative AI (ChatGPT) training, and promoted content development that incorporates the latest DX, such as making Interactive Solutions Corporation with strengths in generative AI an entity accounted for using equity method on March 29, 2024, and developed new DX solution services for businesses and industries with significant labor shortages. On the other hand, we restructured our business structure in order to promote the reorganization of our strong business toward further growth under the next mid-term business plan "Digitize & Digitalize Japan (Phase 3)". We recorded an impairment loss on goodwill of DFA Robotics Inc.

As a result, in the current consolidated fiscal year, revenue in the NEW-IT Transformation Business was 11,453 million yen (up 131.1% year on year) and segment profit was 271 million yen (up 77.3% year on year).

(II) Investment Business

In the Investment Business, the prices of shares in the listed companies in which we mainly held growth shares recovered, and sales revenue turned positive. As announced on April 14, 2023, we determined that focusing on business investments that contribute to the development of the NEW-IT Transformation Business and the Publitech Business through synergies with investee companies instead of conventional investment business for the purpose of capital gains will further contribute to the enhancement of the corporate value of the Group, and the Investment Business and the Investment Segment were abolished as of the same day. Although the Investment Business and the Investment Segment were abolished, the Company will not change its policy to actively utilize M&A and capital and business alliances as useful means of business growth.

Revenue and segment profit for the period up to April 13, 2023 are presented as Investment Business, and subsequent gains and losses on investment securities are presented in financial revenue and financial expenses.

As a result, revenue for the Investment Business up to the date of the abolition was 127 million yen, and segment profit was 126 million yen.

(III) Publitech Business

In the Publitech Business, donations handled significantly increased in the second quarter of the current fiscal year as donors moved forward the hometown tax payment in anticipation of the impact of the Review Toward Designation of the Next Term of Hometown Tax issued by the Ministry of Internal Affairs and Communications in June 2023. Although the amount of donations handled in the third quarter of the current fiscal year was affected to a certain extent, we increased commission rates on the hometown tax payment platform, provided OEM services, and diversified payment methods, resulting in a significant increase in sales revenue. LoGo Chat and LoGo Form, both SaaS business services for local governments, continued to receive high praise from users, and the number of subscriptions increased. In LoGo Chat, the number of local governments using the service with or without charge exceeded 1,400. In addition, in order to accelerate the DX of local governments, we continued to make upfront investments led by Govmates, Inc., and established UpClose, Inc. on November 10, 2023 to welcome top experts in local autonomy policy. On the other hand, we restructured our business structure in order to promote the reorganization of our strong business toward further growth under the next mid-term business plan "Digitize & Digitalize Japan (Phase 3)". We recorded a provision for doubtful accounts for non-collection or a delayed collection of account receivables from the energy business of TRUST BANK, Inc.

As a result, in the current consolidated fiscal year, revenue in the Publitech Business was 25,516 million yen (up 70.8% year on year), and segment profit was 11,036 million yen (up 49.6% year on year).

(ii) Capital expenditures

The total amount of capital investments made by the Group during the current consolidated fiscal year was 3,424 million yen, and the major investments concerned power generation equipment in the energy-related field.

(iii) Financing activities

Financing activities in the group is as follows.

We raised a total of ¥22.4 billion in long-term debt from financial institutions, mainly to fund M&A.

(iv) Status of the business transfer, absorption-type merger or incorporation-type demerger

As a result of the transition to a holding company structure, the Company resolved at the Board of Directors meeting held on January 16, 2023 to enter into an absorption-type company split agreement in order for CHANGE Inc., a wholly owned subsidiary of the Company, to succeed to the Company's New-IT Transformation Business and entered into an absorption-type company split agreement on the same day. The absorption-type company split was completed on April 1, 2023, the effective date.

- (v) Status of acquisition of business of other companies
Not applicable.
- (vi) Status of succession of rights and obligations related to the business of another entities, etc. through absorption-type merger or absorption-type demerger
Not applicable.
- (vii) Status of acquisition or disposition of shares, other equity interests, or stock options, etc. of other companies
 - i. In October 2023, the Company acquired shares of E-Guardian Inc. through a tender offer and a third-party allotment of shares and made it a subsidiary.
 - ii. In March 2024, the Company acquired shares of Digital Arts Consulting Inc. (currently IdealRoute Consulting Inc.) and made it a subsidiary.

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(2) Trend of assets and profit and loss in the preceding 3 business years

Classification		19th period (Fiscal year ended September 2021)	20th period (Fiscal year ended March 2022)	21st period (Fiscal year ended March 2023)	22nd period (Current fiscal year) (Fiscal year ended March 2024)
Sales revenue	(Million yen)	15,653	10,140	20,021	37,015
Operating profit	(Million yen)	5,985	4,582	5,730	7,562
Profit attributable to owners of parent	(Million yen)	4,104	3,093	3,856	4,325
Basic profit per share	(Yen)	58.79	42.81	53.31	59.78
Total assets	(Million yen)	39,386	42,728	52,943	89,325
Equity attributable to owners of parent per share	(Yen)	422.66	462.84	504.21	546.60
Total equity	(Million yen)	32,394	35,506	39,331	47,662

- (Note) 1. Pursuant to the provisions of Article 120, Paragraph 1 of the Company Accounting Rules, we have prepared the documents in accordance with IFRS.
2. Basic profit per share is calculated based on the average number of shares outstanding during the period after deducting treasury stocks. Equity attributable to owners of parent per share is calculated based on the total number of shares outstanding at the end of the period after deducting treasury stocks.
3. With the change of the account settlement day, the 20th fiscal term covered six months from October 1, 2021 to March 31, 2022.

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(3) Status of significant parent company and subsidiaries

(i) Status of the parent company

Not applicable.

(ii) Status of significant subsidiaries

Company Name	Capital	% of our voting right	Main business
TRUST BANK, Inc.	122 million yen	100.0%	Publitech business
Orb Inc.	75 million yen	95.2%	Publitech business
beacapp Inc.	9 million yen	71.3%	New-IT Transformation Business
Digital Growth Academia, INC.	10 million yen	50.0%	New-IT Transformation Business
Govmates, Inc.	100 million yen	100.0%	Publitech business
Logosware Corporation	38 million yen	51.0%	New-IT Transformation Business
DFA Robotics Inc.	56 million yen	79.3%	New-IT Transformation Business
Travel Zip Co., Ltd.	10 million yen	65.0%	Publitech business
CHANGE Inc.	10 million yen	100.0%	New-IT Transformation Business
E-Guardian Inc.	1,967 million yen	50.7%	New-IT Transformation Business
UpClose, Inc.	50 million yen	100.0%	New-IT Transformation Business
CyLeague Holdings, Inc.	99 million yen	100.0%	New-IT Transformation Business
Digital Arts Consulting Inc.	73 million yen	91.8%	New-IT Transformation Business

- (Note) 1. The percentage of voting rights includes indirect ownership by the Company's subsidiaries.
2. On April 1, 2023, the Company made a transition to a holding company structure and changed our trade name to CHANGE Holdings, Inc. On the same day, CHANGE Inc., a wholly owned subsidiary of the Company, succeeded the New-IT Transformation Business through an absorption-type company split.
3. On October 11 2023, the company acquired shares of E-Guardian Inc. through a tender offer and a third-party allotment of shares and made it a subsidiary.
4. On November 10 2023, the company established UpClose, Inc.
5. On December 25 2023, the company established CyLeague Holdings, Inc.
6. On March 29 2024, the company acquired shares of Digital Arts Consulting Inc and made it a subsidiary. After that, its trade name was changed into IdealRoute Consulting Inc. on April 1, 2024.

(iii) The status of specified wholly owned subsidiary on the last day of the current fiscal year

Name of the specified wholly owned subsidiary	TRUST BANK, Inc
Address of the specified wholly owned subsidiary	3-1-1 Osaki, Shinagawa-ku, Tokyo
Book value of shares in the specified wholly owned subsidiary among the Company and its wholly owned subsidiaries	23,246 million yen
The Company's total assets	62,081 million yen

(4) Issues to be addressed

In order to further expand our business and accelerate growth, our Group recognizes that the following issues are important and will work on:

(i) Enhancing the NEW-IT Transformation Business

Regarding the NEW-IT Transformation Business, we will extend our business opportunities and push DX in Japan by enhancing our library of algorithms and digital human resource development programs, including AI/voice Internet, mobility, IoT, big data, cloud, and security. To this end, we will expand our business volume along with the trend of business and business model transformation of our corporate customers that utilizes NEW-IT, provide applications and services that increase added value in line with the deepening of usage of our products by customers, strengthen the system that enables one-stop provision of NEW-IT utilization, catch up new technologies, and strengthen collaboration with many partners that will support our provision of various services.

(ii) Enhancing the Publitech Business

Regarding our Group's Publitech Business, we will increase the added value of Furusato Choice, a hometown tax payment platform operated by Trust Bank, our subsidiary, further expand awareness of this platform by potential customers, and lead the sound development of hometown tax payment culture in Japan. We will also push for a digital transformation in regions by help accelerating the introduction of digitization services by local governments with the purpose of regional creation that are in a declining population.

(iii) Enhancing the security systems and organization

In addition to the hometown tax payment platform and SaaS services for municipalities in the Publitech business, we are expanding the scope of our business into the cybersecurity field in NEW-IT business. In order to operate these services safely and efficiently, we believe it is necessary to further strengthen the

operational structure that incorporates the latest technologies. To achieve these objectives, we will invest in appropriate systems and recruit specialist personnel.

(iv) Enhancing capabilities and the recruitment of superior human resources

Our Group believes it is necessary to enhance the capabilities of the entire Group, especially expanding and strengthening those for organization, sales, and development, and ensure growth. In addition, in order to accelerate growth, we consider that employing talented human resources with expertise matching the culture of the Group and raising the skills of existing employees are the most important issues. Our Group will actively recruit talented digital personnel while at the same time provide trainings to existing employees to deeply instill the Group's Mission Values among them and to raise the level of individual skills.

(v) Enhancing internal control system

As the Group's business grows and the scale of operations expands, the scope of management functions required for the internal control system expands, and more specialized and sophisticated skills and knowledge are needed. In order to build a solid internal control system that supports the sustainable growth of the Group, we will recruit human resources with a high level of expertise and abundant knowledge, and improve the skills of our employees by actively participating in internal and external training courses.

(5) Major businesses (as of March 31, 2024)

Based on our mission of "Change People, Change Business, Change Japan" and our vision of "Change Productivity," we are developing our businesses to make Japan a sustainable society in a declining population.

Specifically, the Group's businesses are divided into the following two areas: The New-IT Transformation Business, which is responsible for supporting the development of digital human resources, business process innovation and digitalization, and cybersecurity domain, and the Publitech Business, which promotes regional revitalization through DX through the hometown tax payment platform and digitalization services for local governments.

With regard to the Investment Business, in view of expanded investment for growth in DX through M&A and capital and business alliances, the Company determined that focusing on business investments that contribute to the development of the NEW-IT Transformation Business and the Publitech Business through synergies with investee companies instead of conventional investment business for the purpose of capital gains will further contribute to the enhancement of the corporate value of the Group, and at the Company's Board of Directors meeting held on April 14, 2023, it was resolved to abolish the Investment Business and change the reportable segments. By abolishing the Investment Business, we will invest in businesses that support the New-IT Transformation Business and the Publitech Business in the future.

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Although the Investment Business has been abolished, the Company will not change its policy to actively utilize M&A and capital and business alliances as useful means of business growth.

2. Current state of the Company

(1) Share information (as of March 31, 2024)

(i) Total number of authorized shares 184,320,000 shares

(ii) Total number of shares issued 72,978,762 shares

(Note) The total number of shares issued has been increased by 11,200 shares due to the exercise of stock options.

(iii) Number of Shareholders 29,344

(iv) Major shareholders (top ten)

Name of Shareholder	Number of Shares (Shares)	Percentage of Shares Held (%)
SBI Holdings, Inc.	23,359,000 shares	32.28%
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,985,500	5.50
Custody Bank of Japan, Ltd. (Trust Account)	2,815,700	3.89
Yoshihisa Jimbo	2,752,000	3.80
Tamayo Sunaga	2,687,892	3.71
Hiroshi Fukudome	2,141,500	2.95
GIC PRIVATE LIMITED - C	1,658,600	2.29
Keiichiro Kinoshita	1,205,500	1.66
Akira Itoh	1,174,000	1.62
Tetsuya Ishihara	1,170,000	1.61

(Note) When the percentage of shares held is calculated, 623,335 shares in treasury stock are deducted.

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(2) Status of corporate officers

(i) Directors and auditors (as of March 31, 2024)

Position in the Company	Name	Responsibilities and important concurrent occupations
Representative Director and President	Hiroshi Fukudome	Director of TRUST BANK, Inc. External Director, ROXX INC. Director of Orb, Inc. Director of Digital Growth Academia, Inc. Management Advisor of PORT INC. Representative Director and President of SBI Regional Revitalization Services Co., Ltd. Director of Govmates, Inc. Director of DFA Robotics Inc. Director of Travel Zip Co., Ltd. External Director of HOPE, INC. External Director of CHANGE KAGOSHIMA Director of E-Guardian Inc. Director of CyLeague Holdings, Inc. External Director of A-cial Design Co., Ltd.
Director and Executive Vice President	Akira Itoh	Director and Executive Vice President of beacapp Inc. Director and Executive Vice President of CHANGE Inc.
Director and CFO	Yutaka Yamada	General manager of Corporate unit Director of TRUST BANK, Inc.
Director	Takeshi Matsumoto	External Director of Fixpoint, Inc.
Directors	Kayo Takigawa	Partner of Nagashima Ohno & Tsunematsu External Auditor of Japan Credit Information Reference Center Corp.
Standing Auditor	Takehiko Kubo	Auditor of CHANGE Inc. Auditor of CyLeague Holdings, Inc.
Auditor	Hiroyuki Yaji	Representative of Yaji Certified Public Accountant Office Auditor of AVILEN Inc.
Auditor	Ryuzo Koide	

- (Note) 1. Director Takeshi Matsumoto and Director Kayo Takigawa are external directors.
2. Auditor Takehiko Kubo, Auditor Hiroyuki Yaji, and Auditor Ryuzo Koide are external auditors.
3. Standing Auditor Takehiko Kubo and Auditor Hiroyuki Yaji have considerable knowledge of finance and accounting as follows.

- Standing Auditor Takehiko Kubo has considerable knowledge of finance and accounting from his management experience in a large company and years of experience in financial institutions.
 - Auditor Hiroyuki Yaji has the Certified Public Accountant Qualification.
4. We have designated External Director Takeshi Matsumoto, External Director Kayo Takigawa, External Auditor Takehiko Kubo, External Auditor Hiroyuki Yaji, and External Auditor Ryuzo Koide as independent officers in accordance with the provisions of the Tokyo Stock Exchange and have filed with it.
 5. In order to execute business quickly and efficiently, we have introduced the executive officer system. In addition to directors and executive officers mentioned above, there are 10 members: Yoshihisa Jimbo as the executive officer (chairman and founder), Kenji Kaneda as the executive officer (in charge of NEW-IT), Tetsuya Ishihara as the executive officer (in charge of Next Learning Experience), Norimitsu Takahashi as the executive officer (in charge of NEW-IT), Tomohiro Noda as the executive officer (in charge of Next Learning Experience), Masumi Kizawa as the executive officer (in charge of Publitech), Yoshihiro Izumi as the executive officer (in charge of marketing), Miwako Yamamoto as the executive officer (in charge of new business development in the President's Office), Ko Ishikawa as the executive officer (in charge of the Cybersecurity Business), and Izumi Okoshi as the executive officer (in charge of the Cybersecurity Business).

(ii) Summary of the limited liability agreement

The Articles of Incorporation stipulate that we may enter into agreements with directors (excluding those who are managing directors) and auditors to limit their liability for damages as stipulated in Paragraph 1 of Article 423 of the Companies Act. In accordance with the provisions of the Articles of Incorporation, we have entered into a limited liability agreement with External Director Takeshi Matsumoto, External Director Kayo Takigawa, and all auditors. The maximum amount of liability for damages under the applicable agreements is the minimum amount of liability as set forth in Paragraph 1 of Article 425 of the Companies Act.

(iii) Matters concerning directors' liability insurance contract

The Company has entered into an officers' liability insurance contract with an insurance company.

A. Scope of insured persons of the officers' liability insurance contract

Directors, auditors, executive officers, management employees (Note), directors and auditors seconded to other companies, and retired directors and auditors of the Company and all its consolidated subsidiaries (Note) Employees other than executive officers who have been appointed as "important employees" under the Companies Act by the resolution of the Board of Directors

B. Outline of the officers' liability insurance contract

The insurance contract is to reimburse any costs, such as damages and litigation costs, incurred by the insured persons in relation to a claim for damages brought against them based on an act (including omission) engaged by them while acting in the capacity of an officer, etc. of the Company as defined in A. above. However, measures are taken to ensure that the appropriateness of the execution of duties by officers, etc. will not be undermined by excluding from the coverage any damage, etc. to those officers, etc. who have engaged in any criminal offence, such as bribery, or illegal act intentionally. The insurance premiums of this contract are fully borne by the Company.

(iv) Remunerations for directors and auditors

1. Total remuneration for the current fiscal year

Classification	Total amount of remuneration, etc. (Million yen)	Total amount of remuneration, etc. by type of remuneration (Million yen)			Number of directors and auditors
		Basic remuneration	Performance-linked remuneration, etc.	Non-monetary remuneration, etc.	
Directors (of which external directors)	95 (14)	95 (14)	- (-)	- (-)	8 (4)
Auditor (of which external auditors)	20 (20)	20 (20)	- (-)	- (-)	5 (5)
Total (of which external officers)	115 (34)	115 (34)	- (-)	- (-)	13 (9)

(Note) 1. The above figures include three directors (including two external directors) and two auditors (including two external auditors) who retired at the conclusion of the 21st Ordinary General Meeting of Shareholders held on June 26, 2023.

2. The amount of remuneration, etc. for the directors does not include the salary as the employee if they concurrently are employees.

3. The amount of the above remuneration includes the following items:
Retirement benefit of 1 million yen in the current fiscal year

B. Officers' retirement benefits paid during the current fiscal year

Not applicable.

C. Resolutions of the general meeting of shareholders on the remuneration, etc. for directors and auditors

At the 18th Ordinary General Meeting of Shareholders held on December 25, 2020, the maximum amount of remuneration for directors was resolved not to exceed 500 million yen per year. As at the close of the general meeting of shareholders, the number of directors who were incumbent was six (including two external directors).

At the 12th Ordinary General Meeting of Shareholders held on December 19, 2014, the maximum amount of remuneration for auditors was resolved not to exceed 30 million yen per year. As at the close of the general meeting of shareholders, the number of auditors who were incumbent was two.

D. Policy on determining the amount of remuneration, etc. for directors and auditors or the calculation method thereof

At its meeting held on December 15, 2020, the Board of Directors of the Company passed a resolution on the policy on determining the remuneration, etc. for individual directors. The Board of Directors sought and received advice on the relevant matter from the Remuneration Advisory Committee before passing this resolution.

The Board of Directors concluded that the remuneration, etc. for individual directors for the current fiscal is in line with the determination policy approved by the Board of Directors after confirming that the method of determination of remuneration, etc. and the remuneration, etc. determined were consistent with the determination policy and that the advice of the Remuneration Advisory Committee was duly respected by the Board of Directors.

In its meeting on December 24, 2021, the Board of Directors resolved to change the performance-linked remuneration policy so that in the term ended March 2022 and thereafter, only net profit attributable to owners of parent (consolidated) should be used for an indicator of performance-linked remuneration.

(a) Contents of the policy

a. Policy on basic remuneration

The remuneration of the directors (excluding external directors) consists of fixed remuneration and performance-linked remuneration. Fixed remuneration is determined based on a comprehensive judgment that takes into consideration the job responsibilities, roles, the degree of contribution, etc. in the execution of duties by each director, and as consideration for the performance of duties in the current fiscal year, performance-linked remuneration is determined based on profit attributable to owners of parent (consolidated). As for remuneration linked to mid- to long-term performance, all directors other than external directors currently hold a sufficient number of shares of the Company, from which they are considered to receive sound incentives for achieving sustainable growth.

The remuneration of external directors consists only of fixed remuneration from the perspective of prioritizing independence from management and objectivity, and their remuneration is determined based on a comprehensive judgment that takes into consideration their management responsibilities as directors, financial performance of the Company, general business conditions, etc.

The remuneration of auditors consists only of fixed remuneration from the perspective of prioritizing independence from management and objectivity.

b. Policy on performance-linked remuneration

Net profit attributable to owners of parent (consolidated) is used for an indicator of performance-linked remuneration. These indicators are easy to understand in that they influence the funding source for growth investment and stock price. As such, they draw much attention in the stock market, and the Company regards them as the most important indicators.

c. Policy on determining the percentage of performance-linked remuneration to total remuneration

The remuneration of directors of the Company consists of fixed remuneration and performance-linked remuneration, and the latter is determined for the purpose of providing sound incentives for achieving the performance targets of the Group and the Company for each fiscal year. The remuneration of external directors consists only of fixed remuneration.

d. Policy on determining the timing or conditions for the payment of remuneration, etc. to directors and auditors

The fixed remuneration of directors and auditors is fixed monetary remuneration paid on a monthly basis. The amount of basic remuneration of each auditor is determined by consultation among auditors at the meeting of the Board of Auditors within the total amount of remuneration approved by the general meeting of shareholders.

The performance-linked remuneration of directors is paid annually within one month from the close of the ordinary general meeting of shareholders pertaining to each fiscal year.

e. Matters concerning the delegation of the determination of remuneration, etc.

The Board of Directors of the Company has not delegated the determination of remuneration, etc. of individual officers.

(b) Method of calculating performance-linked remuneration for the current fiscal year

The amount of performance-linked remuneration for the current fiscal year will be determined and paid based on the following calculation method after the figures of the performance-linked indicators are finalized.

a. Total amount of remuneration to be paid

The total amount of remuneration to be paid is the sum of amounts to be paid to individual directors as specified in b.(A) below (The upper limit is 85,000,000 yen).

b. Amounts to be paid to individual directors

Specific formulas for calculating the amount of remuneration of each director are as follows:

(A) Performance-linked remuneration based on consolidated performance

Performance-linked indicator: Profit attributable to owners of parent before recognizing performance-linked remuneration

Total amount of performance-linked remuneration based on consolidated performance = B × C

A = Profit attributable to owners of parent before recognizing performance-linked remuneration for fiscal year ended March 2024 / Profit attributable to owners of parent for fiscal year ended March 2024 (target value: 7,211,942,785 yen)

B = 5,000,000 yen

C = (A - 1.00) × 100 (round down to the nearest whole number; 0 if it is negative, and the upper limit is 17)

Basis for calculating amount to be paid to each director

= Total amount of performance-linked remuneration based on consolidated performance
× Executive position points ÷ Total applicable executive position points

Executive position points are as follows:

Representative Director and President	Director and Executive Vice President	Director and CFO
50	25	25

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(c) Performance indicators and their actual figures

(Unit: million yen)

Performance indicators	Target for the current fiscal year	Actual performance for the current fiscal year	Total amount of performance-linked remuneration based on the formulas above
Performance-linked remuneration based on consolidated performance	7,211	4,325	—

E. Total amount of directors' remuneration, etc. received by external directors from subsidiaries

For the current fiscal year, the total amount of directors' remuneration, etc. received by external directors from subsidiaries was two million yen.

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(v) Information on external officers

1. Status of important concurrent occupations of other entities, etc. and the relationship between us and the other entities, etc. (as of March 31, 2024)

Position in the Company and name	Concurrent position and position	Relationship between us and important concurrent positions
External Director Takeshi Matsumoto	Fixpoint, Inc. External Director	There is no special relationship with us.
External Director Kayo Takigawa	Nagashima Ohno & Tsunematsu Partner	Nagashima Ohno & Tsunematsu, where Ms. Kayo Takigawa belongs, has concluded a contract for the delegation of legal services with the Company.
	External Auditor of Japan Credit Information Reference Center Corp.	There is no special relationship with us.
External auditor Takehiko Kubo	Auditor of CHANGE Inc.	The company is a wholly-owned subsidiary of the Company
	CyLeague Holdings, Inc. Auditor	The company is a wholly-owned subsidiary of the Company
External auditor Hiroyuki Yaji	Representative of Yaji Certified Public Accountant Office	There is no special relationship with us.
	Auditor of AVILEN Inc.	There is no special relationship with us.

2. Major activities during the year

		Attendance, comments at meetings, and outline of duties performed in relation to roles expected of external directors
External Director	Takeshi Matsumoto	Since assuming office on June 27, 2023, he attended all 11 meetings of the Board of Directors held in the current fiscal year. Based on his extensive experience and broad insight as an executive, he provided supervision and advice from the perspective of overall management and otherwise to play an appropriate role to ensure the validity and appropriateness of decision making. In addition, as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee, he is responsible for supervisory functions in the process of selecting candidates for Directors and determining remuneration, etc. for Directors of the Company from an objective and neutral standpoint.
External Director	Kayo Takigawa	Since assuming office on June 27, 2023, she attended all 11 meetings of the Board of Directors held in the current fiscal year. Based on her extensive experience and broad insight as a lawyer, she provided supervision and advice from the perspective of overall management and otherwise to play an appropriate role to ensure the validity and appropriateness of decision making. In addition, as a member of the Nomination Advisory Committee and the Remuneration Advisory Committee, she is responsible for supervisory functions in the process of selecting candidates for Directors and determining remuneration, etc. for Directors of the Company from an objective and neutral standpoint.
External auditor	Takehiko Kubo	He attended all 15 meetings of the Board of Directors and all 11 meetings of the Board of Auditors held in the current fiscal year. At meetings of the Board of Directors, he has made appropriate comments from the perspective of overall management based on his experience in management at a large company, as well as his abundant experience and broad insights in finance and accounting.
External auditor	Hiroyuki Yaji	Since assuming office on June 27, 2023, he attended all 11 meetings of the Board of Directors and eight meetings of the Board of Auditors held in the current fiscal year. At meetings of the Board of Directors, he has made appropriate comments from the perspective of overall management based on an expert perspective and broad insights as a Certified Public Accountant.
External auditor	Ryuzo Koide	Since assuming office on June 27, 2023, he attended all 11 meetings of the Board of Directors and eight meetings of the Board of Auditors held in the current fiscal year. At meetings of the Board of Directors, he has made appropriate comments from the perspective of overall management based on his abundant practical experience at a large company, his abundant experience and broad insights as a manager.

- (Note) 1. In addition to the number of meetings of the Board of Directors mentioned above, there were five written resolutions deemed to have been adopted by the Board of Directors in accordance with the provisions of Article 370 of the Companies Act and Article 26 of the Company's Articles of Incorporation.
2. At meetings of the Board of Auditors, each member develops audit policies and plans, exchanges opinions on the results of audits, discusses important audit-related matters, and makes comments as necessary.
 3. During the current fiscal year, the Nomination Advisory Committee was held once and the Remuneration Advisory Committee twice. Former External Directors Hiroshi Fujiwara and Eriko Hayashi attended all of the Nomination Advisory Committees and Remuneration Advisory Committees to provide appropriate opinions and advice.

[Notes of caution] This document is an English translation of the Japanese original. In the event of any differences or inconsistencies between the Japanese and English versions, the Japanese language version shall take precedence.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(As of March 31, 2024)

(Unit: million yen)

Subject	Amount	Subject	Amount
(Assets)		(Liabilities)	
Current assets	56,091	Current liabilities	20,898
Cash and cash equivalents	38,403	Trade and other payables	7,929
Trade and other receivables	13,699	Short-term borrowings	3,652
Inventories	402	Lease liabilities	633
Other financial assets	34	Other financial liabilities	388
Other current assets	870	Income taxes payable	3,234
Assets held for the purpose of sale	2,681	Allowances	557
Non-current assets	33,234	Other current liabilities	4,459
Property, plant and equipment	1,080	Liabilities directly related to assets held for the purpose of sale	44
Right-of use asset	1,070	Non-current liabilities	20,764
Goodwill	20,711	Bonds and borrowings	19,286
Intangible assets	2,293	Lease liabilities	447
Investments accounted for using the equity method	731	Allowances	260
Other financial assets	5,229	Deferred tax liabilities	159
Deferred tax assets	2,081	Other non-current liabilities	609
Other non-current assets	35	Total liabilities	41,663
Total assets	89,325	(Share capital)	
		Equity attributable to owners of parent	39,549
		Capital	1,006
		Capital surplus	22,051
		Retained earnings	18,000
		Treasury shares	△1,405
		Other components of capital	△102
		Non-controlling interests	8,112
		Total equity	47,662
		Total liabilities and equity	89,325

(Note) Any fractional sum of less than one million yen was truncated for presentation.

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CONSOLIDATED STATEMENTS OF INCOME

(From April, 2023 to
March 31, 2024)

(Unit: million yen)

Subject	Amount
Revenue	
Revenue from contracts with customers	36,887
Revenue from investment securities held as part of operations	127
Total sales revenue	37,015
Cost of sales	13,973
Gross profit	23,041
Selling, general and administrative expenses	12,077
Impairment losses	2,229
Provision of allowance for doubtful accounts	1,184
Other income	116
Other costs	146
Share of profit of entities accounted for using equity method	42
Operating profit	7,562
Financial income	55
Financial costs	188
Profit before taxes	7,429
Income tax expense	2,928
Current Profit	4,500
Profit attribution to:	
Owners of parent	4,325
Non-controlling interests	174
Current Profit	4,500

(Note) Any fractional sum of less than one million yen was truncated for presentation.

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BALANCE SHEET

(As of March 31, 2024)

(Unit: million yen)

Subject	Amount	Subject	Amount
(Assets)		(Liabilities)	
Current assets	19,870	Current liabilities	3,908
Cash and deposits	6,579	Accounts payable	24
Accounts receivable	189	Current portion of long-term debt	3,677
Advance payment	2	Accounts payable - other and accrued expenses	146
Prepaid expenses	63	Accrued expenses	15
Dividends accrued	11,000	Deposits received	21
Others	2,035	Others	23
Fixed assets	42,210	Long-term liabilities	19,312
Property, plant and equipment	68	Long-term debt	19,195
Buildings	50	Asset retirement obligations	34
Tools, furniture and fixtures	18	Deferred tax liabilities	82
Intangible fixed assets	35	Total liabilities	23,220
Softwares	34	(Net Assets)	
Others	0	Shareholders' Equity	38,610
Investments and other assets	42,106	Capital	1,006
Investment securities	4,385	Capital surplus	37,583
Investments in affiliates	37,634	Capital reserve	1,006
Lease deposits	86	Other capital surplus	36,576
Total assets	62,081	Retained earnings	1,426
		Other retained earnings	1,426
		Retained earnings carried forward	1,426
		Treasury shares	△ 1,405
		Valuation and conversion differences, etc.	249
		Other differences from valuation of securities	249
		Stock option	1
		Total net assets	38,860
		Total liabilities and net assets	62,081

(Note) Any fractional sum of less than one million yen was truncated for presentation.

[Notes of caution] This document is an English translation of the Japanese original. In the event of any differences or inconsistencies between the Japanese and English versions, the Japanese language version shall take precedence.

STATEMENT OF INCOME

(From April, 2023 to
March 31, 2024)

(Unit: million yen)

Subject	Amount	
Operating revenue		
Group operating income	1,524	
Dividend income from subsidiaries and associates	11,000	
Other revenue	207	12,731
Operating expenses		1,448
Operating profit		11,283
Non-operating income		
Interest income	8	
Dividend income	0	
Gain on sale of investment securities	226	
others	10	245
Non-operating expenses		
Interest expense	73	
Financing cost	214	
Loss on investments in investment partnerships	108	
Others	37	434
Ordinary profit		11,095
Extraordinary losses		
Loss on disposal of fixed assets	0	
Loss on valuation of shares of subsidiaries and associates	11,146	11,146
Loss before income taxes		△51
Income taxes	19	
Income taxes-deferred	25	45
Net loss for the period		△96

Note: Any fractional sum of less than one million yen was truncated for presentation.

Audit Report of the Board of Auditors

Audit Report

The Board of Auditors has prepared this Audit Report after deliberation by the Board of Auditors regarding the execution of duties by Directors for the 22nd fiscal year from April 1, 2023 to March 31, 2024, and reports as follows.

1. Methods and Contents of the Audit by Auditors and the Board of Auditors

- (1) The Board of Auditors determined the audit policy and division of duties, exchanged opinions at the Board of Auditors, received reports on the status of the execution of duties from the directors, etc. and the accounting auditor, and requested an explanation as required.
- (2) In accordance with the audit standards set by the Board of Auditors, each auditor communicated with the directors, the internal audit department, and other employees in accordance with the audit policy and the division of duties, and strove to collect information and maintain an audit environment and implemented the following audits:
 - (i) We attended meetings of the Board of Directors and other important meetings, received reports on the status of execution of duties from the directors and employees, etc., asked them to explain when necessary, inspected important approval documents, etc., and examined the status of business and assets. In addition, regarding subsidiaries, we communicated with the directors and auditors, etc. of the subsidiaries, and received business reports from the subsidiaries as necessary.
 - (ii) Regarding the resolution made by the Board of Directors on the establishment of the system for ensuring that the execution of the directors' duties as described in the business report comply with the laws and regulations as well as the Articles of Incorporation and necessary for ensuring the proper operation of the corporate group consisting of the Company and its subsidiaries which are specified in Article 100, paragraphs 1 and 3 of the Enforcement Regulations of the Companies Act and the actual system that was already in place based on the resolution (internal control system), we received regular reports from the directors and employees, etc. on the status of the establishment and maintenance of it, asked for explanations as necessary, and expressed our opinions.
 - (iii) We monitored and verified that our accounting auditors are in an independent position and conduct appropriate audits, and in addition, we received a report from our accounting auditors on the status of the execution of their duties and requested them to explain as necessary.
 - (iv) The accounting auditors notified us that the system for ensuring proper execution of duties (the items listed in each item of Article 131 of the Company Computing Rule) has been established in accordance with the Quality Control Standards for Audits (Business Accounting Committee), and we requested them to explain when necessary.

Based on the above methods, we examined the business report and its annexed schedules, nonconsolidated financial statements (balance sheet, income statement, statement of changes in shareholders' equity, and notes thereto), the supplementary documents thereof, and the consolidated financial statements (consolidated statement of financial position, consolidated income statement, consolidated statement of changes in equity, and notes to consolidated financial statements) for the current fiscal year.

2. Audit Results

(1) Audit Results concerning the Business Report, etc.

- (i) We recognize that the business report and its annexed schedules appropriately indicate the Company's situation in accordance with the laws, regulations, and the Articles of Incorporation.
- (ii) We recognize that there were no improper acts concerning the execution of duties by directors or material facts in violation of laws, regulations, or the Articles of Incorporation.
- (iii) We recognize that the resolution of the Board of Directors on the internal control system is reasonable. In addition, there are no issues to be pointed out regarding the contents of the business report concerning the internal control system and the execution of the duties of the directors.

(2) Audit Results concerning Nonconsolidated Financial Statements and Supplementary Documents

We recognize that the audit methods and results of Ernst & Young Shin Nihon LLC are reasonable.

(3) Audit Results of Consolidated Financial Statements

We recognize that the audit methods and results of Ernst & Young Shin Nihon LLC are reasonable.

May 27, 2024

CHANGE Holdings, Inc.

Board of Auditors

Standing Auditor

(External Auditor) Takehiko Kubo (Seal)
Auditor

(External Auditor) Hiroyuki Yaji (Seal)
Auditor

(External Auditor) Ryuzo Koide (Seal)

End

Map of the Venue of the General Meeting of Shareholders

Place 9-7-1 Akasaka, Minato-ku, Tokyo
 Tokyo Midtown Tower, Conference Room 7 on the 4th floor

- We do not offer parking lots, so please refrain from coming by car.



Public transit guide

Toei Oedo Line "Roppongi" Station
 Direct access from Exit 8 (underground)

Tokyo Metro Hibiya Line "Roppongi" Station
 Direct access from Exit 8 (underground)
 via the underground passageway from Exit 4a

Tokyo Metro Chiyoda Line "Nogizaka" Station
 approx. 3 min. walk from Exit 3

Tokyo Metro Namboku Line "Roppongi-Itchome" Station
 approx. 10 min. walk from Exit 1

