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July 29,2020

Listed company name	CHANGE Inc.	
Securities Code	3962	Tokyo Stock Exchange
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[Summary] The announcement of the preliminary figures regarding the consolidated financial results for the third quarter of the fiscal year ending September 30,2020 and Impact of the COVID-19 on our business and the outlook(the second announcement) (Translation)

Thank you for your continued support for our business. About three months have passed since we announced the impact of the COVID-19 on our business and corresponding future measures on April 10, but we think that many shareholders still feel uneasy about what our Group has been doing after that time. Therefore, we hereby announce the second message. Both lifestyles and workstyles of Japanese people have changed drastically in the last few months, but the changes are ongoing and the impact on our business is enormous.

Even in such an environment, we will continue to seek opportunities for growth in order to satisfy the expectations of stakeholders, such as shareholders, customers, and employees. In this message as well, we would like to organize the information by dividing into (1) the announcement of the preliminary figures regarding the consolidated financial results for the third quarter of the fiscal year ending September 30,2020, (2) the impact of the COVID-19 on the Group and our outlook, and (3) our future policies and prospects, so that you can more understand the situation of the Group.

(1) the announcement of the preliminary figures regarding the consolidated financial results for the third quarter of the fiscal year ending September 30,2020

Although we planned to announce this information officially on August 12, 2020, we have decided to disclose the preliminary figures as follows:

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Preliminary figures regarding the consolidated financial results for the third quarter of the fiscal year ending September 30,2020 (October 1, 2019 to June 30,2020)

(unit: ¥ million)

	Sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit per share (unit: ¥)
Third Quarter of Fiscal Year Ending September 30, 2020 (preliminary)	8,765	3,316	3,326	1,426	90.60
Third Quarter of Fiscal Year Ended September 30, 2019 (actual)	5,329	807	690	272	19.39
Increase ‘amount)	3,435	2,508	2,635	1,153	71.21
Increase (%)	64.5	310.5	381.7	423.8	367.3
(for reference) Annual result ended September 30, 2019 (actual)	7,054	1,081	959	378	26.15

(Note)

We have estimated the above figures based on the reasonable judgement at this moment, however, the actual results may differ.

We are now reviewing whether to make an upward revision regarding the annual result ending September 30,2020. We will announce it on August 12 when we disclose the consolidated financial results for the third quarter of the fiscal year ending September 30,2020.

(2) the impact of the COVID-19 on the Group and our outlook

We are more aware that the COVID-19 will affect huge impacts on our business over the long term. So, we would like to analyze the impacts at the present time from both the quantitative and the qualitative aspects (both positive and negative) as follows:

Quantitative aspects (the impact on business results after the third quarter of this fiscal year):

We are currently scrutinizing it, but as mentioned above, sales are 8,765 million yen (up 64.5% from the previous year) , operating income is 3,316 million yen (up 310.5% from the previous year), and ordinary income is 3,326 million yen (up 381.7% from the previous year),it is definite that we will make an upward revision regarding our financial forecast for the annual results when we

officially announce the financial results for the third quarter on August 12. We minimized the most stagnant economic impact in Japan during April and May on our business and we attained a record high profit for the third quarter of this fiscal year.

We are implementing measures that can lead to good performances in the medium to long term in order to maintain the current trend even after the fourth quarter.

Qualitative aspects (positive impacts on business):

The Publi-tech business is significantly growing due to our support for preventing the COVID-19 on various themes ranging from medical care to local economy. Especially, the ICT services for local governments are being diffused at a remarkable speed.

Our specialty areas such as “smart cities” in the macro field and “telework” in the micro field have attracted market’s attention, and related new projects are being created.

Qualitative aspects (negative impacts on business):

Regarding our human resources development business centered on digital human resources, although we started the business quite smoothly in the first quarter, some of the training sessions were postponed or canceled after the COVID-19. In response to this, we have been taking measures such as switching to online to minimize the impact.

Our large corporate clients such as transportation and retail companies have postponed or canceled some of investments in the digital transformation projects. In response to this, we revised our customer portfolio strategy and have succeeded in increasing the number of projects for the government sector.

(3) Future policy and outlook

Our strategic goal regarding countermeasures against the COVID-19 is "to fulfill our social responsibilities as a company, directly and indirectly contribute to the prevention of the spread of the COVID-19, and protect the health of all our employees and other related parties, at the same time, we will take steps to continue and develop the business so that we can move ahead of the growth curve set out in the medium-term management plan." We can say that this strategic goal is steadily progressing as planned.

The status of specific measures is as follows:

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So far, we have already established a new workstyle comprised of working four days at home and one day in the office a week. We are continuing to adopt various measures to improve productivity even in this workstyle. Further, in the medium to long term, we will seek more innovative ways of working that are not bound by conventional wisdom and will find the optimal solution.

We have completed the preparations for improving our business model. As mentioned above, after considering the trends in the industry and the business situation of individual customers, we set the priority target at the government sector for the moment, and we have already succeeded in creating some projects quickly. Regarding our products and services, although we repeated press releases over the past three months, we have tailored them to suit the environment, such as digitizing human resource development services and telework support packages.

Regarding the Publi-tech business of our subsidiary, TRUSTBANK, Inc, it has already entered a rapid growth stage, so we have concentrated our resources on it, by increasing the number of employees seconded from our company, etc.