This English translation is for reference purposes only. In the event a difference or inconsistency arises regarding the meaning herein, the original Japanese version shall prevail as the official version.

May 15, 2024

For Immediate Release

Company CHANGE Holdings, Inc.
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(Code: 3962,
Prime Market of the Tokyo Stock Exchange)
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Announcement of the Difference between the Forecast for the Full-Year Consolidated Earnings and Actual Results (with Respect to the Recordings of the Impairment Loss on the Goodwill in our Subsidiary and the Provision for Doubtful Accounts by our Subsidiary due to a Likelihood of Non-collection or Delayed Collection regarding Accounts Receivables against its Customers)

We hereby announce that a difference between the forecasted earnings for the fiscal year ended March 2024 (April 1, 2023, to March 31, 2024) which were published on May 15, 2023 and the actual results for the same period has occurred as follows:

Details

1. Difference between forecast and actual results for the year ended March 31, 1.2024 (April 1, 2023 to March 31, 2024)

	Revenue	Operating profit	Profit before tax	Profit	Profit attributable to owners of parent	Basic profit per share
Previously announced forecast (A)	Millions of yen 34,000	Millions of yen 11,000	Millions of yen 10,970	Millions of yen 7,516	Millions of yen 7,211	Yen 99.69
Actual results (B)	37,015	7,562	7,429	4,500	4,325	59.78
Difference (B)-(A)	3,015	△3,437	△3,541	△3,016	△2,886	
Difference percentage (%)	8.9	△31.3	△32.3	△40.1	△40.0	
(Reference) Consolidated results for the previous fiscal year (ended March 31, 2023)	20,021	5,730	5,653	3,910	3,856	53.31

2. Reasons for the difference between the consolidated earnings forecast and the actual results

In the fiscal year ended March 31, 2024, revenue exceeded the forecast due to the strong performance of the hometown tax payment platform in the Publitech Business and the expansion of the business domain to the cyber security field. However, with respect to operating profit, profit before tax, profit attributable to owners of parent, and basic profit per share, we have recorded results lower than the forecast. First, we have recognized 1,956 million yen of the impairment loss of goodwill regarding shares of DFA Robotics, Inc., our consolidated subsidiary, after careful consideration of the future recoverability of its share price in accordance with the “IAS 36 Impairment of Assets” . In addition, as disclosed today, we have also recorded 1,160million yen of provision for doubtful accounts held by TRUSTBANK, Inc, our consolidated subsidiary, for the entire uncollectible receivables that is expected to be

uncollectable after taking into account the processing of the consolidation, due to the possibility of non-collection or delayed collection regarding its two clients in GX business (energy business). As a result, our consolidated results for the current fiscal year were revenue of 37,015 million yen, operating profit of 7,562 million yen, profit before tax of 7,429 million yen, profit of 4,500 million yen, profit attributable to owners of parent of 4,325 million yen, and basic profit per share of 59.78yen.

We recognize that returning profits to shareholders is our important management issue. At present, we believe that we are still in the process of expanding our growth. We believe that further increasing our corporate value, by enhancing internal reserves to strengthen our management foundation and aggressively develop our business and by allocating them to working capital or investment to strengthen our financial position and expand our business, will lead to the greatest return of profits to shareholders. However, while continuing to prioritize investments to enhance internal reserves and expand its business, we will continue paying dividends to shareholders while taking into account the operating results of each fiscal year, based on our basic policy of continuously returning profits to shareholders in order to deepen their understanding of our policy of expanding its business from a medium-to long-term perspective. As mentioned above, operating profit, profit before tax, profit, profit attributable to owners of parent, and basic profit per share for the current fiscal year were lower than forecast. However, the impairment loss and allowance for doubtful accounts were not accompanied by cash outflows, and operating profit excluding these impairment loss and allowance for doubtful accounts was the same as the forecast for the current fiscal year. Accordingly, the year-end dividend for the current fiscal year is scheduled to remain unchanged at 18.70 yen per share (12.00 yen for ordinary dividend and 6.70 yen for special dividend) as disclosed on March 25, 2024. In addition, as disclosed today, we will purchase treasury shares primarily to enhance shareholder returns and execute a flexible investment strategy, including M&A and alliances by using treasury shares. For details, please refer to the "Announcement of the Decision on the Purchase of Treasury Shares" announced today.

3.Effect on performance

It has been reflected in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [IFRS]" released today.

End