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December 17, 2024

For Immediate Release

Company CHANGE Holdings, Inc.
CEO Hiroshi Fukudome
(Code: 3962,
Prime Market of the Tokyo Stock Exchange)
Contact Yutaka Yamada CFO
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Announcement of the Acquisition regarding Shares in fundbook Inc. (and making it a wholly-owned subsidiary) and the Execution of the Special Overdraft Agreement and the Borrowing

At the meeting of the Board of Directors held on December 17, 2024, we resolved to acquire all of the outstanding shares in fundbook Inc. (its headquarters is located in Minato-ku, Tokyo, the representative directors are Tomoki Moriyama and Kazuhisa Watanabe, and hereinafter, "fundbook") and consolidate it into our wholly owned subsidiary (hereinafter, the "Stock Acquisition"), and execute the special overdraft agreement and borrow the funds under such agreement (hereinafter, the "Borrowing"). We hereby inform you of the details as follows:

I. Stock Acquisition

1.Reason for acquiring the shares

Our Group has been developing the business such as digitization of business models and business processes, support for the development of digital human resources and self-creation of independent and sustainable regional revitalization in order to dramatically improve Japanese productivity with "Change Productivity" under the mission of "Change People, Change Business, Change Japan". Since its inception, we have provided solutions to the digitization needs of many customers.

Since its establishment in 2017, fundbook has been developing the M&A intermediary business. fundbook has a number of M&A advisors with deep expertise and extensive experience in the M&A intermediary business and an excellent track record. Our Group has determined that the needs of the business succession-type M&A industry related to fundbook's business will expand due to the aging of business owners and the increase in small and medium-sized enterprises with a lack of successors in the recent Japanese economy. In addition, since the direction of the Japanese government's industrial policy has clearly been focused on the "acceleration of growth of small and medium-sized enterprises", it is presumed that M&A will become active in the future in order to realize the growth strategy.

On the other hand, in such market expansion, it is also true that the M&A intermediary industry is facing a number of issues that need to be resolved, such as the businesses that conduct malicious matching and excessive fees that do not match the added value. Going forward, the industry is required to further improve its maturity through thorough compliance such as compliance with various guidelines and measures, increasing the added value of business.

Under these circumstances, our Group is contemplating newly entering the M&A intermediary business by making fundbook a wholly owned subsidiary and combining it with our Group's consulting expertise for the following two reasons:

(1) Supporting business succession-type M&A and M&A for realizing growth strategies can play an important role in revitalizing local companies (regional revitalization); and

(2) Since the M&A intermediary business is an industry requiring innovation, it is easy to accept new business models and new methods for creating added value, and there are growth opportunities.

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In addition, we believe that incorporating fundbook into our Group will not only enhance our business portfolio, but also add M&A, a new resolution method for management issues, to the consulting services for enterprises centered on DX provided by our Group, so that local enterprises can achieve business growth and create new added value in pursuing sustainability.

Furthermore, enjoying the benefits of our Group's brand strength and network will enable fundbook to secure talented human resources more smoothly and to access new clients including small and medium-sized enterprises in local areas through our Group's relationship with local governments and regional financial institutions, so that fundbook will aim at improving its presence in the market which is increasingly becoming more competitive. It will also make it possible to promote the use of digital technologies such as AI in M&A intermediation, and fundbook is expected to evolve into an advanced company in the use of technologies.

Through the participation in our Group, fundbook will provide comprehensive support to clients from M&A to PMI, and will update the common sense in the M&A intermediary business by increasing the success rate of business succession and M&A.

2.Overview of the subsidiary to be added

(1)	Name	fundbook Inc.	
(2)	Address	Toranomon Hills Mori Tower, 23-1, Toranomon 1-chome, Minato-ku, Tokyo	
(3)	Title/name of representative	Mr. Tomoki Moriyama, Representative Director Mr. Kazuhisa Watanabe Representative Director	
(4)	Description of Businesses	M&A intermediary business	
(5)	Common stock	100 million yen	
(6)	Date of Establishment	August 7, 2017	
(7)	Major shareholders and percentage of shares	Not disclosed based on the non-disclosure agreement with the counterparty of the Stock Acquisition.	
(8)	The relationship with us	Capital relationship	Not applicable.
		Personal relationship	Not applicable.
		Business relationship	Not applicable.

(9) Results of operations and financial position of the company for the past three years

Fiscal year end	FY2022/3	FY2023/3	FY2024/3
Net assets	1,355 million yen	1,766 million yen	2,401 million yen
Total assets	2,747 million yen	3,097 million yen	4,568 million yen
Net assets per share	6,777.44 yen	8,832.94 yen	12,008.84 yen
Net sales	3,983 million yen	5,058 million yen	5,761 million yen
Operating income (▲ means loss)	▲482 million yen	1,146 million yen	1,455 million yen
Ordinary income (▲ means loss)	▲489 million yen	1,138 million yen	1,449 million yen
Net income (▲ means loss)	▲395 million yen	766 million yen	635 million yen
Net income per share	▲1,976.98 yen	3,834.31 yen	3,177.74 yen
Dividend per share	-	-	-

3.Outline of the counterparty of the Stock Acquisition

The outline of the counterparty of the Stock Acquisition is not disclosed based on the non-disclosure agreement with the counterparty. There are no capital, personal or business relationships to be specifically noted between the Company and the counterparty.

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4. Number of shares to be acquired, acquisition cost, and shares held before and after the acquisition

(1)	Shares owned prior to the transaction	0 share (Number of voting rights: 0) (Percentage of voting rights: 0.00%)
(2)	Total shares to be acquired	200,000 shares (200,000 shares of ordinary share) (Number of voting rights: 200,000)
(3)	Acquisition cost	Ordinary shares of fundbook: 15,500 million yen Acquisition-related expenses (approximate amount): 130 million yen Total (approximate amount): 15,630 million yen
(4)	Shares owned after the transaction	200,000 shares (Number of voting rights: 200,000) (100.00% of voting rights)

5. Schedule

(1)	Date of resolution of the Board of Directors	December 17, 2024
(2)	Execution date of the Agreement	December 17, 2024
(3)	Execution date of share transfer	December 23, 2024 (planned)

II. Execution of the Special Overdraft Agreement and the Borrowing

1. Reasons for the Borrowing

It is made to procure the funds required for the settlement of the Stock Acquisition, etc.

2. Outline of the Borrowing

(1) Special Overdraft Agreement

①	Party to the agreement	Sumitomo Mitsui Banking Corporation
②	Borrowing limit	15.5 billion yen
③	Execution date	December 17, 2024
④	Agreement period	1 year
⑤	Borrowing rate	Base rate plus spread
⑥	Security/Guarantee	Unsecured

(2) Borrowing under the Special Overdraft Agreement

①	Lender	Sumitomo Mitsui Banking Corporation
②	Borrowing amount	15.5 billion yen
③	Drawdown date	December 23, 2024 (planned)
④	Borrowing period	For the time being following the drawdown date, it will be a short-term loan under on the Special Overdraft Agreement, and then it is expected to be refinanced into a long-term loan (loan period undecided).

III. Future Outlook

Following the Stock Acquisition, fundbook will become our consolidated subsidiary on December 23, 2024 as acquisition date. The impact of the Stock Acquisition on our consolidated results for the year ending March 31, 2025 is currently under scrutiny, and we will promptly inform you of any issues that should be disclosed.

End

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For Reference:

Forecast of our consolidated financial results for the current fiscal year (as announced on May 15, 2024) and consolidated results for the previous fiscal year

	Revenue	Operating profit	Net profit	Profit attributable to owners of the parent
Consolidated earnings forecast for the current fiscal year (year ending March 31, 2025)	45,000 million yen	13,000 million yen	8,792 million yen	8,069 million yen
Consolidated earnings results for the previous fiscal year (year ended March 31, 2024)	37,015 million yen	7,562 million yen	4,500 million yen	4,325 million yen