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.

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For Immediate Release

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Supplementary Explanation on the Acquisition Regarding Shares in fundbook Inc. Announced Today

Setting regional revitalization as a pillar of our business, CHANGE Holdings, Inc (hereinafter, simply "we") and our Group have been approaching local markets in three steps: local governments → regional financial institutions → regional companies. We have relationships with more than 90% local governments in Japan through Furusato Nozei (hometown tax donation) services and DX initiatives, and we will continue offering more services. At the same time, we are also offering services to regional financial institutions and local companies. For example, the introduction of robotics and AI that can help solve their problems, such as human resource shortage. Through these efforts, we visited various regions and communicated with managers and employees in all industries and all types of business, and have recognized their problems. As a result, we believe that the priority should be to resolve their "business succession."

The reason why we acquired fundbook, Inc. (hereinafter, "fundbook") this time is that, as mentioned above, it is indispensable for our Group to support business succession for regional revitalization. First of all, from the defensive viewpoint, it is necessary to prevent companies that have been active in regions for a long time from abolishing their businesses due to a shortage of human resources. Next, from the aggressive viewpoint, it is also necessary for us to grow companies that have potential to become "local-kings" that represent regions. These proactive solutions are M&A services, and we believe that these services will be indispensable to support local economies in the future.

Going forward, we intend to engage in M&A brokerage business to revitalize regional economies through collaboration not only with accounting firms in alliance with fundbook but also with regional financial institutions. In this regard, we sincerely appreciate our investors' understanding and cooperation.

Major questions we assume to be given by our investors, and our answers will be described in the following pages:

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Q1: What is the strategic aim of making fundbook our wholly-owned subsidiary?

Our Group aims to contribute to improving productivity of regions in Japan through regional revitalization and DX, where the population is declining and especially the declining working-age population is becoming increasingly severe.

The Small and Medium Enterprise Agency estimated that about 1,270,000 of the roughly 2,450,000 small and medium sized enterprises and micro-businesses have not decided on their successors in 2025 and about 0.6 million of them may possibly abolish their businesses in the future even in a black-ink. Thus, we recognize that the issue of business succession is an important issue that must be resolved in order to maintain the sustainability of local economies. In addition, according to the report of the Study Group of the Small and Medium Enterprise Agency released in June 2024, they analyze that it will be important to increase the number of small and medium-sized companies with sales of 10 billion yen in order to develop Japanese economy continuously and consider that M&A and management consulting solutions will be indispensable to grow existing small and medium sized companies up to sales of 10 billion yen level.

By combining fundbook's M&A brokerage services with consulting business capabilities of our Group, and by leveraging the trust-based relationships and networks with public institutions and financial institutions that our Group has cultivated, we will improve M&A brokerage and consulting services and accelerate regional revitalization. Under the next Mid-term Business Plan (DJ3), which is scheduled to be announced in May 2025, we expect to drive growth in the area of resolving the shortage of human resources as one of the core businesses.

Q2: What are the expected synergies from this M&A?

By taking advantage of our connections with local governments and financial institutions, we will promote awareness-raising activities such as hosting M&A seminars and develop new customers of fundbook. In the medium term, we will launch a new consulting service, by using our Group's know-how, which will support companies to grow to sales of 10 billion yen level as aimed at by the Small and Medium Enterprise Agency.

Specifically, we will provide the following consulting services to accomplish M&A service that satisfies both buyers and sellers.

(1) For sellers who do not have an intention to sell immediately but want to sell in the future, we will accompany them during a period of their consideration until the final decision is made, and support for the improvement of their corporate value. This will lead to an ideal M&A.

(2) We will provide consulting services to buyers who are not accustomed to M&A and have insufficient promotional systems, including formulating, implementing M&A strategies, and establishing systems to promote PMI, and support companies that want to incorporate M&A into their growth strategy methods.

Q3: How to finance it and what will be the impact on financial soundness?

The acquisition cost of 15.5 billion yen required to make fundbook our wholly-owned subsidiary will be financed through a borrowing under a special overdraft agreement with Sumitomo Mitsui Banking Corporation. This special overdraft will be a short-term loan, which will be partially repaid and subsequently refinanced into a long-term loan. We have rules for investment and finance using three financial soundness indicators. We have confirmed that there is no problem in financial soundness by (1) keeping net interest-bearing debts within two times EBITDA, (2) keeping net interest-bearing debts within 50% of the shareholders' equity, (3) keeping goodwill and risk assets such as investment securities within the shareholders' equity.

Q4: What are the key risks associated with this M&A and our response?

As two major risks, we recognize the risk of goodwill impairment and the tightening of regulations in the M&A brokerage industry.

Regarding the former risk, we have conducted business, finance, and legal due diligence prudently with the use of outside experts. The valuation was calculated by preparing scenarios that stressed the employee-retirement rate and the contract completion rate. We have held meetings of the Investment Advisory Committee three times and meetings

of the Board of Directors four times, and after discussing on the strategic significance, business planning, synergy valuation, PMI, and other matters, we have finally approved it. Going forward, in addition to growing the existing business of fundbook, we will make PMI to enable us to create synergies by leveraging our group-wide capabilities.

Regarding the latter risk, although M&A brokers are not licensed in Japan, the Small and Medium Enterprise Agency already established the "Small and Medium M&A Guidelines" in March 2020, and it is important for them to comply with it. The third edition of these Guidelines was revised in August 2024, and M&A brokers are required to abide by it. We have checked fundbook's compliance with the Guidelines through legal and business due diligence and confirmed that there were no issues with their compliance. Going forward, we will continue to strengthen its compliance system.

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