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.

January 6, 2025

For Immediate Release

Company CHANGE Holdings, Inc.
CEO Hiroshi Fukudome
(Code: 3962,
Prime Market of the Tokyo Stock Exchange)
Contact Yutaka Yamada CFO
(TEL.03-6435-7347)

(Progress of Disclosure) Regarding Our Furusato Nozei (Hometown Tax Donation) Business

On December 19, 2024, Amazon's entry into the the Furusato Nozei (hometown tax donation) was announced, and in response to this announcement, our Group announced "Our Hometown Tax Donation Business" on the same day. After that, we would like to inform you of the current status of the business as follows, as we have received questions from a large number of clients.

Due to the nature of the Hometown Tax Donation business, revenues tend to be concentrated at the end of the year (the end of the third quarter of our fiscal year). However, at the end of 2024, our group's annual donations (preliminary figures) exceeded those of the previous year and two years ago.

We believe this is an indication that the four strategies (*) explained in the previous announcement by our group are achieving steady results, even if the competition is intensifying due to new entry. Based on these strategies, our Group will continue to provide more added value to local communities and donors and achieve stable growth in the Hometown Tax Donation business.

Figures, including those for other businesses, are currently being compiled and will be announced in February in the quarterly financial results for the third quarter of the fiscal year ended March 2025 and in the briefing materials for the same fiscal year. In addition, we will notify you of any issues that need to be published in the future as soon as possible.

※Excerpt from " Regarding Our Furusato Nozei (Hometown Tax Donation) Business" dated December 19, 2024

(1) Strategic Alliance (OEM)

Alliance is an important strategy because it is the core strategy of our Group. While many companies (e.g., railways, airlines, telecommunications carriers, credit card companies, etc.) are interested in regional revitalization and have abundant customer bases, they face challenges in entering into contracts with approximately 2,000 municipalities nationwide and handling several hundred thousand returns. In this way, balancing profitability with sales and management costs is a barrier to entry into the Furusato Nozei business for late-comers. In light of these circumstances, we are actively promoting OEM collaboration with companies with a client base of 10 million who aspire to revitalize regional economies. In addition to companies such as NTT DOCOMO, KDDI, and Credit Saison, which have already collaborated, we are advancing collaborations with MUJI, East Japan Railway Company (JR East), Kabu & Peace, and others in the last three months. Based on OEM collaboration with these companies, we have built a unique "Enterprise Alliance Ecosystem" that transcends industries. This ecosystem differentiates itself from the competitors' self-leading ecosystem, and leads to the acquisition of new donors.

(2) Product Strategy

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.

Regarding return items of which number is the largest in the industry, we have expanded attractive and scarce return items through our merchandising know-how and corporate alliances which we have developed to date. We have also strengthened the development of exclusive return items for high-end users and unique return items of accommodation and experience types. Recently, we have been offering limited-edition products for Arflex, the top-of-the-line furniture brand in Japan, and offering high-value-added choices in the areas of tourism where demand is growing through the renewal of "Choice Travel," a specialized website that introduces hands-on items, and the establishment of a high-class accommodation, which introduces selective accommodations nationwide.

(3) Real-channel Strategy

We are further strengthening proposals for wealthy individuals through collaboration with the private banking departments of banks and securities companies that leverage synergy of our Group. Businesses that operate nationwide also use real channels to solicit donations, such as providing explanations and suggestions to donors in person. In addition to collaborating with existing telecom carriers, we will also pursue alliances with major companies in other industries with large customer bases.

(4) Community Strategy

We are enhancing measures to improve royalties with a robust community that shares the same values, hobbies, and lifestyles. Through donations through Furusato Choice, we are developing programs that can support sports teams and idols. By strengthening this area, we will grow our business by establishing continuous, highly attributable donation schemes and applying successful models to GCF.

End