

[Notes of caution]

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March 4, 2022

For Immediate Release

|         |  |
|---------|--|
| Company | CHANGE Inc.  |
| CEO     | Hiroshi Fukudome<br>(Code: 3962,<br>First Section of the Tokyo Stock Exchange) |
| Contact | Yutaka Yamada CFO<br><br>(TEL.03-6435-7347)                                    |

## **Announcement on the Execution of the Capital and Business Alliance Agreement with SBI Holdings, Inc. and the Change of the Largest and Major Shareholder**

CHANGE, Inc. (Head Office: Minato-ku, Tokyo, Representative Director, President and CEO: Hiroshi Fukudome, hereinafter referred to as "CHANGE" or simply, "we") has decided to enter into a capital and business alliance agreement (hereinafter referred to as the "Capital and Business Alliance" and the "Capital and Business Alliance Agreement", respectively) with SBI Holdings, Inc. (Head Office: Minato-ku, Tokyo, Representative Director, President and CEO: Yoshitaka Kitao, hereinafter referred to as "SBI Holdings") at the Board of Directors held today for the purpose of enhancing regional creation business, and informs you as follows:

In addition, following the conclusion of the Capital and Business Alliance Agreement, Yoshihisa Jimbo (our Representative Director and Executive Officer Chairman) and five other shareholders (collectively, the "Sellers") and SBI SECURITIES Co., Ltd., a consolidated subsidiary of SBI Holdings and a financial instruments business operator (hereinafter referred to as "SBI SECURITIES") execute a share transfer agreement on the same day as above whereby the Sellers will transfer a total of 14,300,000 ordinary shares of CHANGE (representing 19.78% of the total voting rights as of March 4, 2022: please see the Note) to SBI SECURITIES through negotiated transactions outside the market on March 31, 2022, and SBI SECURITIES will transfer all of the shares acquired by SBI SECURITIES this time to SBI Holdings through negotiated transactions outside the market on the same day. Accordingly, the above series transfers of the shares (hereinafter collectively referred to as the "Share Transfers") will result in a change of the largest and major shareholder of CHANGE.

(Note) The total number of voting rights (722,384) of all shareholders as of December 31, 2021 plus the total number of voting rights (416) for shares issued during the period from January 1, 2022 to March 4, 2022 (the total is 722,800), the same will be applied hereinafter.

### **Details**

#### 1. Capital and Business Alliance

##### (1) Purpose of the Capital and Business Alliance

Under the mission of "Change People, Change Business, Change Japan" and the vision of "CHANGE Productivity," and the Mid-term Business Plan of "Digitize & Digitalize Japan," CHANGE Group is advancing and expanding businesses, which are centered on the NEW-IT Transformation Business, the Investment Business, and the Publitech Business. Under the Mid-term Business Plan (DJ2), the Group considers the resolution of social issues in regional areas outside of Tokyo through the use of digital technologies to be the most important and is implementing a variety of initiatives to become a

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leader of "DX × Regional Creation."

Under these circumstances, the Group plans to take advantage of the Capital and Business Alliance to utilize the SBI Group's network with regional financial institutions and business succession funds, in addition to collaboration in various regional revitalization projects promoted by the SBI Group. Leveraging the mutual strengths of our Group and the SBI Group, we have reached the Capital and Business Alliance with the aim of becoming the leader that will achieve regional revitalization through a formula of "Finance × Local Governments × Support for Revitalization for Regional Companies."

(2) Details of the Capital and Business Alliance

(i) Details of the Business Alliance

Details of the Business Alliance in the Capital and Business Alliance is as follows:

- Collaboration in businesses related to regional creation

We will promote planning and proposals for solving issues of local governments and regional companies in collaboration the SBI Group's investees through their disaster prevention services and waste disposal projects. As part of these efforts, we intend to appoint Hiroshi Fukudome, our Representative Director, President and CEO, as President and CEO of SBI Regional Revitalization Services Co., Ltd., a consolidated subsidiary of SBI Holdings.

- Promotion of collaboration strategy for energy business

We will promote carbon neutral and smart cities for local governments and regional companies through joint development of renewable energy businesses with SBI ENERGY Co., Ltd., a consolidated subsidiary of SBI Holdings, etc.

- Promotion of DX adoption by local governments and local SMEs

SBI Business Succession Fund operated by SBI Regional Business Succession Fund, a consolidated subsidiary of SBI Holdings, will invest in small and medium-sized system integrators in regional areas who have business succession issues due to aging managers, and we will grow their businesses and promote regional creation and DX with a possibility of full M&A in the future.

During the period of the Capital and Business Alliance, SBI Holdings reserves the right to nominate one candidate for the Outside Director of CHANGE.

(ii) Details of the Capital Alliance

SBI SECURITIES executes a share transfer agreement with Yoshihisa Jimbo and five other major shareholders on the same date and will acquire 14,300,000 ordinary shares of CHANGE (19.78% of the total number of voting rights as of March 4, 2022) through negotiated transactions outside the market on March 31, 2022.

Thereafter on March 31, 2022, SBI Holdings will acquire 14,300,000 shares of our ordinary shares held by SBI SECURITIES (representing 19.78% of the total number of voting rights as of March 4, 2022) through negotiated transactions outside the market.

We also agree with SBI Holdings that we will not, in principle, issue or dispose of our shares, share acquisition rights, bonds with share acquisition rights, and any other potential shares during the valid period of the Capital Alliance Agreement without a prior written consent of SBI Holdings.

(3) Outline of the partner

Overview of SBI Holdings

|                                       |   |
|---------------------------------------|---|
| (1) Name                              | SBI Holdings, Inc.  |
| (2) Representative                    | Yoshitaka Kitao, Representative Director, President & CEO                           |
| (3) Head office                       | 6-1, Roppongi 1-chome, Minato-ku, Tokyo   |
| (4) Description of Businesses         | Supervision and management of the corporate group through ownership of shares, etc. |
| (5) Capital (As of December 31, 2021) | 99,003 million yen  |

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|   |  |                              |                              |
|---|--|------------------------------|------------------------------|
| (6) Date of Incorporation   | July 8, 1999   |                              |                              |
| (7) Major shareholders and percentage of shares<br>(As of September 30, 2021) (Note)  | The Master Trust Bank of Japan, Ltd. (Trust Account) 13.97%<br>Custody Bank of Japan, Ltd. (Trust account) 5.22% |                              |                              |
| (8) Relationship with CHANGE  | Capital relationship   | Not applicable.              |                              |
|   | Human relationship   | Not applicable.              |                              |
|   | Business relationship  | Not applicable.              |                              |
|   | Status of a relevant party   | Not applicable.              |                              |
| (9) Consolidated results of operations and consolidated financial position for the last three years (in millions of yen except where otherwise noted, and under IFRS) |  |                              |                              |
| Fiscal year end   | Year ended March 31,<br>2019   | Year ended March 31,<br>2020 | Year ended March 31,<br>2021 |
| Total shareholders' equity  | 562,557  | 593,699                      | 717,095                      |
| Total assets  | 5,034,124  | 5,513,227                    | 7,208,572                    |
| Equity attributable to owners of the parent per share (yen)   | 2,000.82   | 1,955.91                     | 2,297.87                     |
| Revenue   | 351,411  | 368,055                      | 541,145                      |
| Income before taxes   | 83,037   | 65,819                       | 140,380                      |
| Profit attributable to owners of the parent   | 52,548   | 37,487                       | 81,098                       |
| Basic earnings per share attributable to owners of the parent (yen)   | 231.43   | 163.18                       | 339.78                       |
| Cash dividends per share (yen)  | 100  | 100                          | 120                          |

(Note) This is the percentage against the total number of issued shares, excluding its treasury shares.

(4) Schedule of the Capital and Business Alliance

|  |                          |
|--|--------------------------|
| Date of resolution of the Board of Directors           | March 4, 2022            |
| Date of the Capital and Business Partnership Agreement | March 4, 2022            |
| Start date of the Capital and Business Alliance        | March 31, 2022 (planned) |

(5) Future outlook

The impact of the Capital and Business Alliance on our consolidated financial results for the current fiscal year is expected to be minor, but we will promptly announce any matters that will need to be announced in the future.

2. Transfer of the largest and major shareholder

(1) Scheduled date of transfer

March 31, 2022 (planned)

(2) Background of the change of the largest shareholder

As part of the Share Transfers, Yoshihisa Jimbo will cease to be the largest and major shareholder of CHANGE by transferring shares held by him to SBI SECURITIES on March 31, 2022, and SBI SECURITIES will temporarily become the largest and major shareholder. Thereafter, SBI SECURITIES will immediately cease to be its largest and major shareholder, following the transfer of all of such shares from SBI SECURITIES to SBI Holdings on the same date. SBI

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Holdings will become the largest and major shareholder.

(3) Overview of shareholders to be changed

(i) Outline of the new largest and major shareholder

|     |                                  |  |
|-----|----------------------------------|--|
| (1) | Name                             | SBI SECURITIES Co., Ltd.                             |
| (2) | Address                          | 6-1, Roppongi 1-chome, Minato-ku, Tokyo              |
| (3) | Job Title/Name of Representative | Masato Takamura, Representative Director & President |
| (4) | Description of Business          | Financial instruments business operator              |
| (5) | Capital                          | 48,323 million yen (As of December 31, 2021)         |

(ii) Outline of the shareholder who is no longer the largest and major shareholder

|     |         |                  |
|-----|---------|------------------|
| (1) | Name    | Yoshihisa Jimbo  |
| (2) | Address | Minato-ku, Tokyo |

(iii) Outline of the new largest and major shareholder

|     |                                  |  |
|-----|----------------------------------|--|
| (1) | Name                             | SBI Holdings, Inc.   |
| (2) | Address                          | 6-1, Roppongi 1-chome, Minato-ku, Tokyo  |
| (3) | Job Title/Name of Representative | Yoshitaka Kitao, Representative Director, President & CEO                      |
| (4) | Description of Business          | Control and operation of the corporate group through ownership of shares, etc. |
| (5) | Capital                          | 99,003 million yen (As of December 31, 2021)                                   |

(iv) Outline of the shareholder who is no longer the largest and major shareholder

|     |                                  |  |
|-----|----------------------------------|--|
| (1) | Name                             | SBI SECURITIES Co., Ltd.                             |
| (2) | Address                          | 6-1, Roppongi 1-chome, Minato-ku, Tokyo              |
| (3) | Job Title/Name of Representative | Masato Takamura, Representative Director & President |
| (4) | Description of Business          | Financial Instruments Services                       |
| (5) | Capital                          | 48,323 million yen (As of December 31, 2021)         |

(4) The number of voting rights held by the shareholder before and after the change (number of shares held) and the ratio of the number of voting rights against those of all shareholders before and after the change

(i) New largest and major shareholder (SBI SECURITIES)

|  | Attribute                        | Number of voting rights<br>(Number of shares held) | Percentage against<br>total voting rights<br>held by all<br>shareholders | Major<br>shareholder<br>ranking |
|--|----------------------------------|--|--|---------------------------------|
| Before transfer<br>(As of March 4, 2022) | -                                | 185<br>(18,550 shares)                             | 0.03%  | -                               |
| After transfer                           | Largest and major<br>shareholder | 143,185<br>(14,318,550 shares)                     | 19.81%   | No.1                            |

(ii) Shareholder who is no longer the largest and major shareholder (Yoshihisa Jimbo)

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|  | Attribute                        | Number of Votes<br>(Number of Shares Held) | Of total number<br>voting rights held<br>Percentage of<br>Number* | Major<br>shareholder<br>ranking |
|--|----------------------------------|--|---|---------------------------------|
| Before transfer<br>(As of March 4, 2022) | Largest and major<br>shareholder | 94,908<br>(9,490,800 shares)               | 13.13%  | No.1                            |
| After transfer                           | -                                | 46,973<br>(4,697,300 shares)               | 6.50%   | No.2                            |

(iii) New largest and major shareholder (SBI Holdings)

|   | Attribute                        | Number of voting rights<br>(Number of shares held) | Percentage against<br>total voting rights<br>held by all<br>shareholders | Major<br>shareholder<br>ranking |
|---|----------------------------------|--|--|---------------------------------|
| Before transfer<br>(As of March 31, 2022) | -                                | 0<br>(0 shares)                                    | 0.00%  | -                               |
| After transfer                            | Largest and major<br>shareholder | 143,000<br>(14,300,000 shares)                     | 19.78%   | No.1                            |

(iv) Shareholders who will cease to be the largest and major shareholder (SBI SECURITIES)

|   | Attribute                        | Number of voting rights<br>(Number of shares held) | Percentage against<br>total voting rights<br>held by all<br>shareholders | Major<br>shareholder<br>ranking |
|---|----------------------------------|--|--|---------------------------------|
| Before transfer<br>(As of March 31, 2022) | Largest and major<br>shareholder | 143,185<br>(14,318,550 shares)                     | 19.81%   | No.1                            |
| After transfer                            | -                                | 185<br>(18,550 shares)                             | 0.03%  | -                               |

(Note) The ratio of the number of voting rights of all shareholders is calculated based on the sum of the total number of voting rights (722,384) of all shareholders as of December 31, 2021 plus the number of voting rights (416) relating to the shares issued during the period from January 1, 2022 to March 4, 2022, and the number of voting rights is rounded to the nearest three decimal place. As of March 4, 2022, there were 72,959,562 shares issued and outstanding.

(5) Future outlook

There is no specific matter to be described at this moment. In the future, we will promptly notify you of any issues that should be announced.

End