

The page features several vertical black bars of varying heights and positions. Three bars are located in the top left quadrant, three in the middle left, and three in the bottom left. The bars are of uniform thickness and are spaced out horizontally.

Financial Results for the 1st Quarter of Fiscal Year Ending March 2023

CHANGE Inc.
Security Code: 3962

CHANGE
PEOPLE, BUSINESS, JAPAN

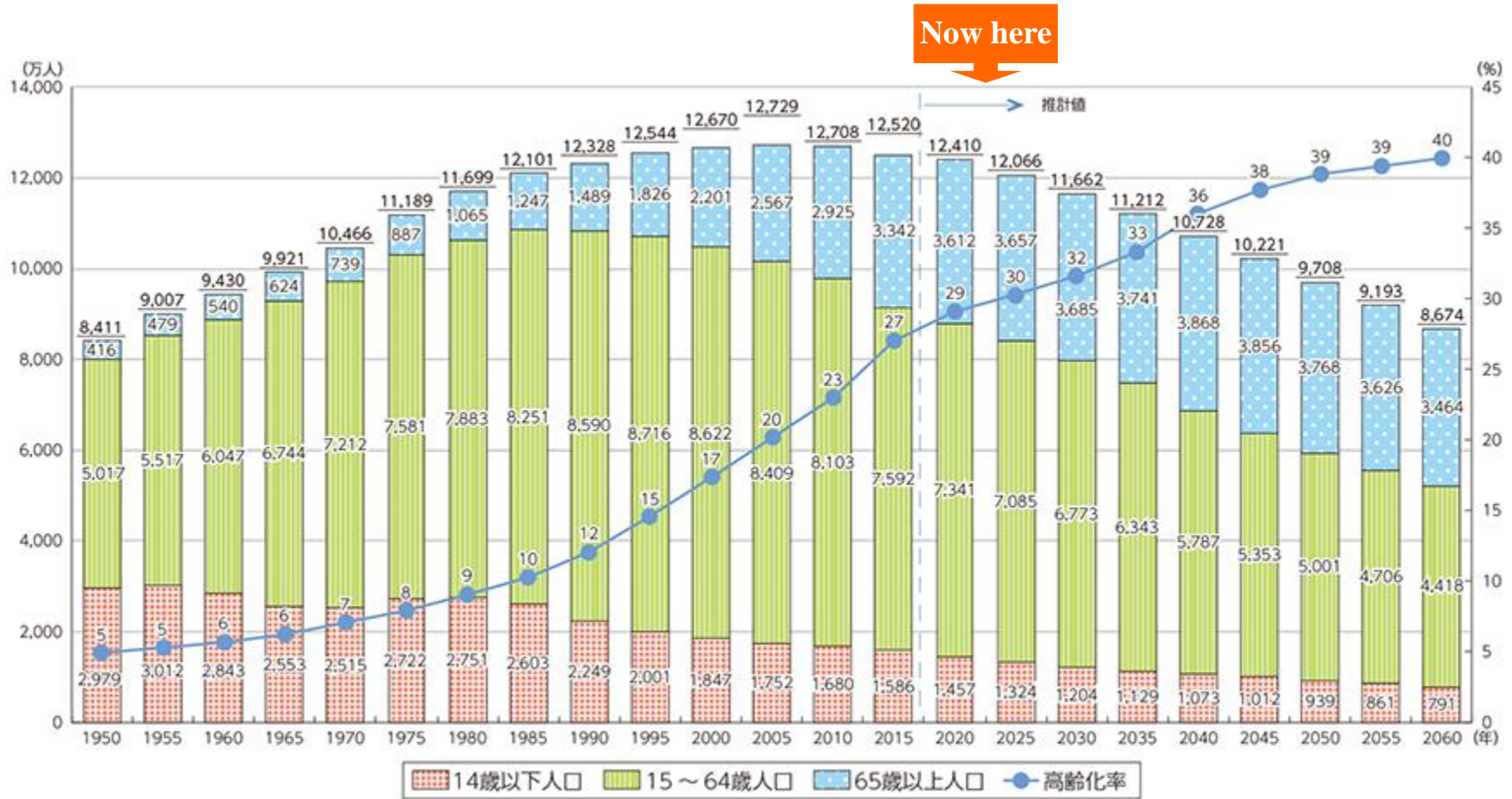
Our Mission

||| **Change People, Change Business, Change Japan.**



Our Issue

||| Change People, Change Business, Change Japan.



Source: "Table 1-1-1-1 Japan's population transition" White Paper Information and Communication in 2016 MIC

<http://www.soumu.go.jp/johotsusintokei/whitepaper/ja/h28/html/nc111110.html>

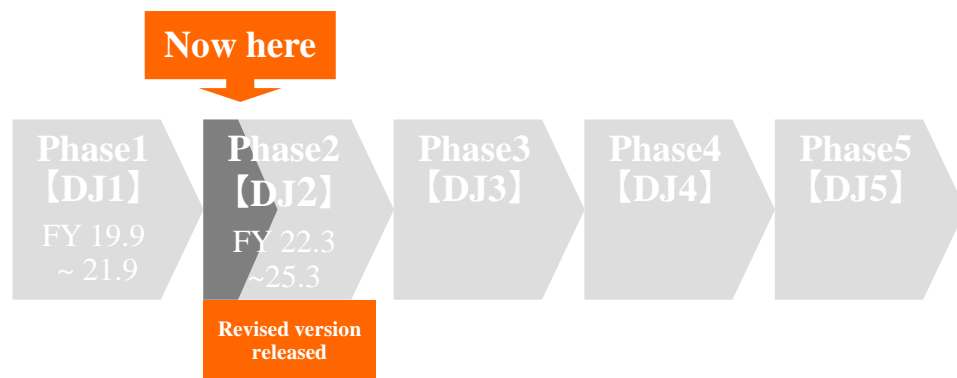
※based on data from the "Census" (MIC) until 2015 and the "forecasted population in Japan" (National Social Security and Population Problem Research Institute (2013 forecast)(median estimate for birth and death)

Our Path Drawn

||| **Currently in Chapter 2 of establishing a digital era in Japan.**



**Digitize
&
Digitalize Japan**

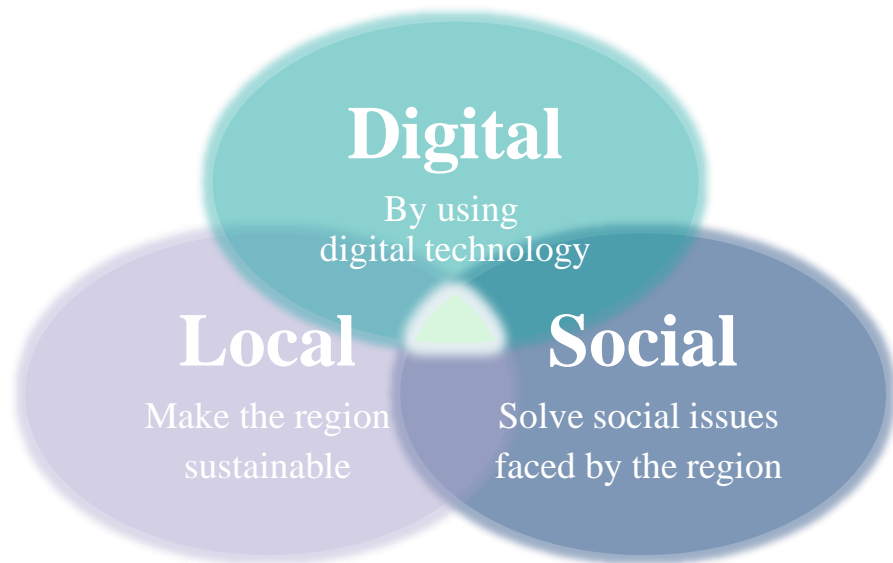


- ||| We will improve Japan's productivity through the digitalization/digitization of business models and business processes and the development of digital human resources.
- ||| For achieving “Digitize & Digitalize Japan”, we will continue to work until the Phase 5, confront the social challenge of declining population, and will be a leader of overcoming the present national difficulty in spite.
- ||| Due to the change in fiscal year end, we have released a revised version of the Mid-term Business Plan's current Phase 2, DJ2.

※The revised Mid-term Business Plan [DJ2] can be found here
<https://ssl4.eir-parts.net/doc/3962/tdnet/2123311/00.pdf>

Focus Domain for “DJ2”

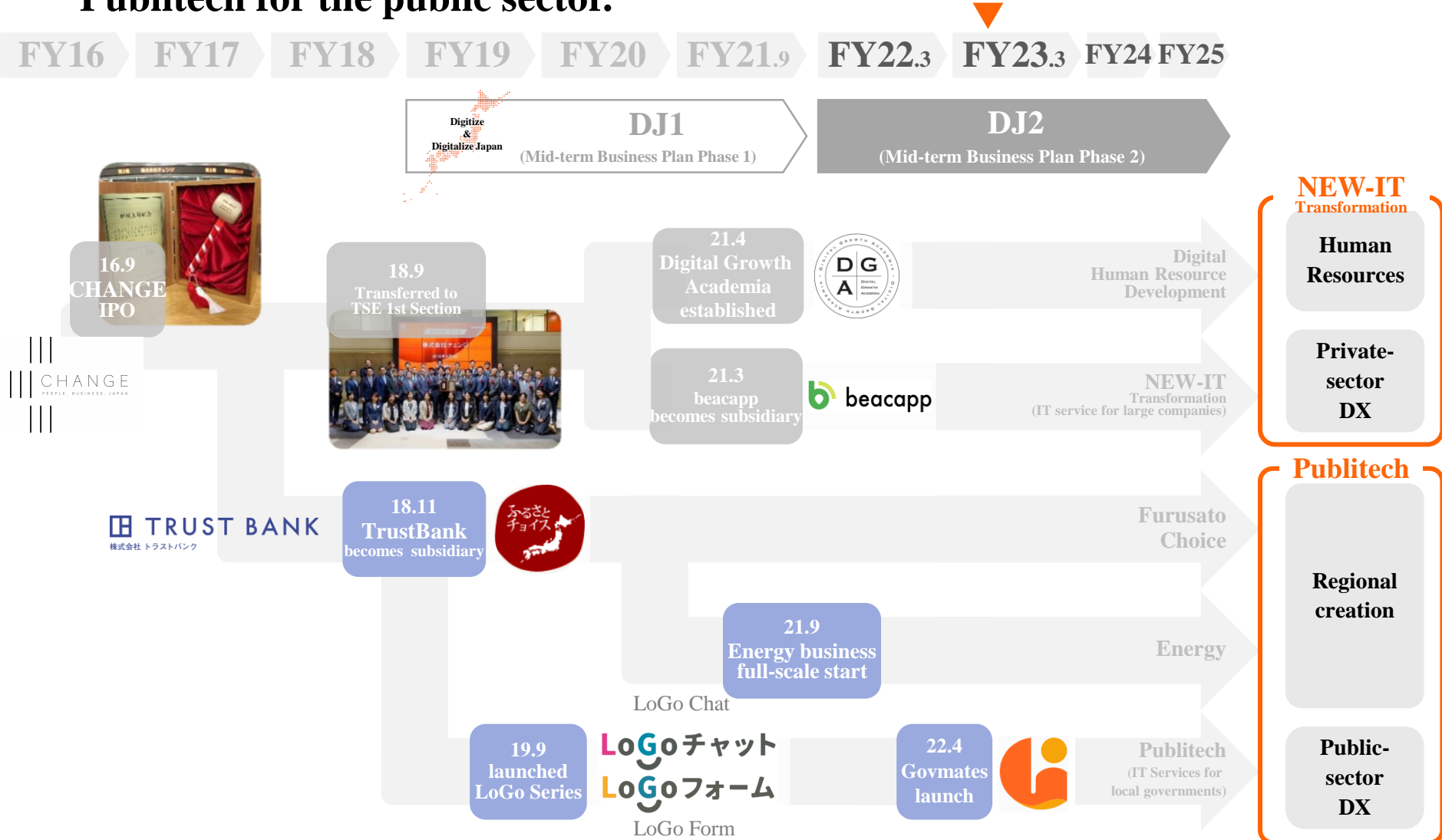
- ||| We are shifting to “Local” as preparation for [DJ2].
- ||| “DX × Regional Creation” is our sweet spot for Change Japan.



- ||| We will focus on “non-Tokyo area” which accounts for about 70% of GDP.
- ||| We will decide that the most important thing is to spread the benefits of digitalization to “Local”.
- ||| We will take on the challenge of solving critical and urgent regional issues that threaten sustainability.
- ||| We will remove the “human resource shortage” bottleneck in expanding DX in local areas.

Our Business

||| Comprises 2 key domains: private-sector NEW-IT Transformation and Publitech for the public sector.



FY23.3 Q1 Financial Results Summary

||| **Despite a difficult short-term position due to significant upfront investments, we have made considerable progress towards realizing the mid-term plan for FY24.3 and beyond.**

**Net deficit
due to
investment
costs and
revaluations**

- ||| **Recruitment, system development, M&A preparation, and other business investments are being executed according to bullish plan**
(Profits down 400-500m YoY)
- ||| **Focus on high-quality M&A opportunities temporarily impacted other revenue-earning projects**
(approx. 80m yen below target)
- ||| **Losses from revaluation of held stocks squeezed profits**
(approx. 150m yen below target)

**Substantial
progress on
mid-term
plan**

- ||| **With a solid upturn for Furusato Choice, generally on track to realize profit plan (excl. M&A) for FY24.3 and beyond**
- ||| **Well positioned to lead the local government DX market with LoGo series and Govmates (launched in April), with prospects for exceeding mid-term plan**
- ||| **Two recently acquired subsidiaries are expected to contribute 40~50% of the planned profits added through M&As (FY25.3)**

Q1 Overview

Future Prospects

Q1 Overview (Consolidated)

||| With the profit plan weighted towards the year's second half due to upfront business investments, the quarter's results were significantly impacted by write-downs in the investment segment.

(Unit : million yen)	H1 (Apr~Sep)	H2 (Oct~Mar)	Full period targets		1Q results	
	amount	amount	amount	%	amount	%
Revenue	6,411	14,588	21,000	100.0%	2,762	100.0%
Cost of sales	3,054	4,319	7,373	35.1%	1,415	51.3%
Gross profit	3,357	10,268	13,626	64.9%	1,346	48.7%
SG&A Expenses	2,724	3,902	6,626	31.6%	1,364	49.4%
Operating profit	633	6,366	7,000	33.3%	△18	-0.7%
Financial income	0	0	0	0.0%	3	0.1%
Financial expenses	16	16	32	0.2%	9	0.3%
Profit before taxes	617	6,350	6,967	33.2%	△23	-0.9%
Income tax expense	178	1,983	2,161	10.3%	△4	-0.2%
Net profit	439	4,367	4,806	22.9%	△18	-0.7%
Profit attributable to owner of parent	532	4,136	4,669		51	
Loss attributable to non-controlling interests	△93	230	137		△70	
(ref) EBITDA	968	6,752	7,720	36.8%	167	6.1%

Breakdown by business segment

Q1 (Unit : million yen)	NEW-IT Transformation	Investment	Publitech	Adjusted
Revenue	1,032	△147	1,879	△1
└ External revenue	1,031	△147	1,879	—
└ Inter-segment revenue	1	—	0	△1
Segment profit	351	△158	437	△649

※ Due to the rounding, the sum value may not match

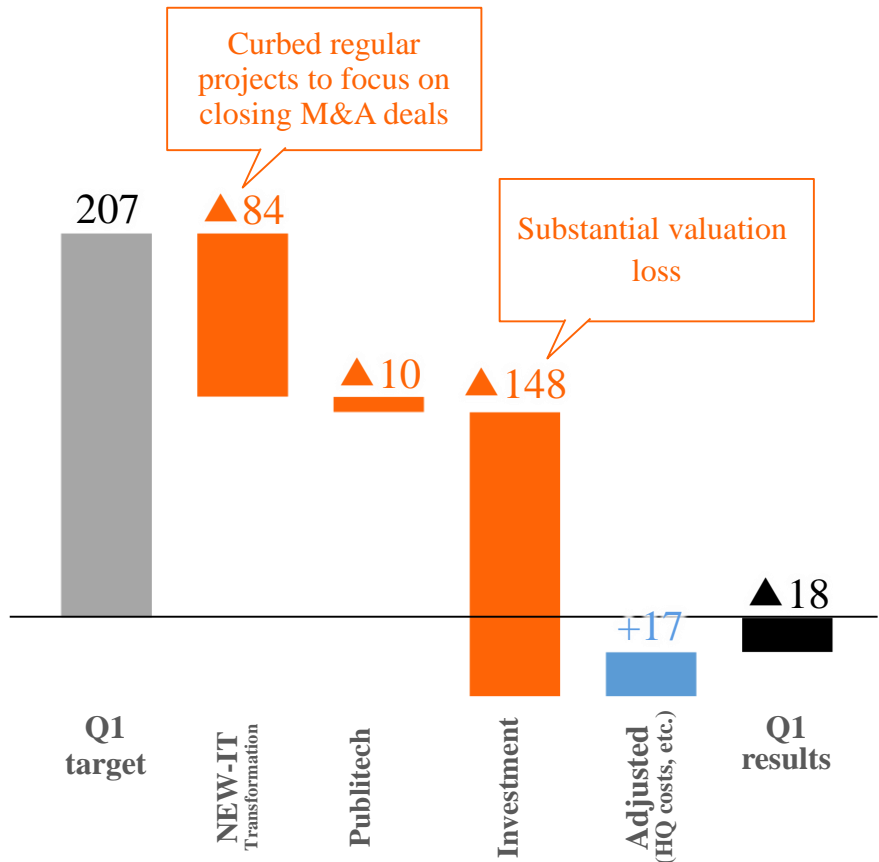
※ Adjustments to Segment profit are mainly general and administrative expenses corresponding to corporate expenses

- ||| Generally solid progress in revenues (Approx. 45% of H1 if investment segment losses are excluded)
- ||| Large investment in launching Govmates
- ||| Investment segment write-downs had significant impact

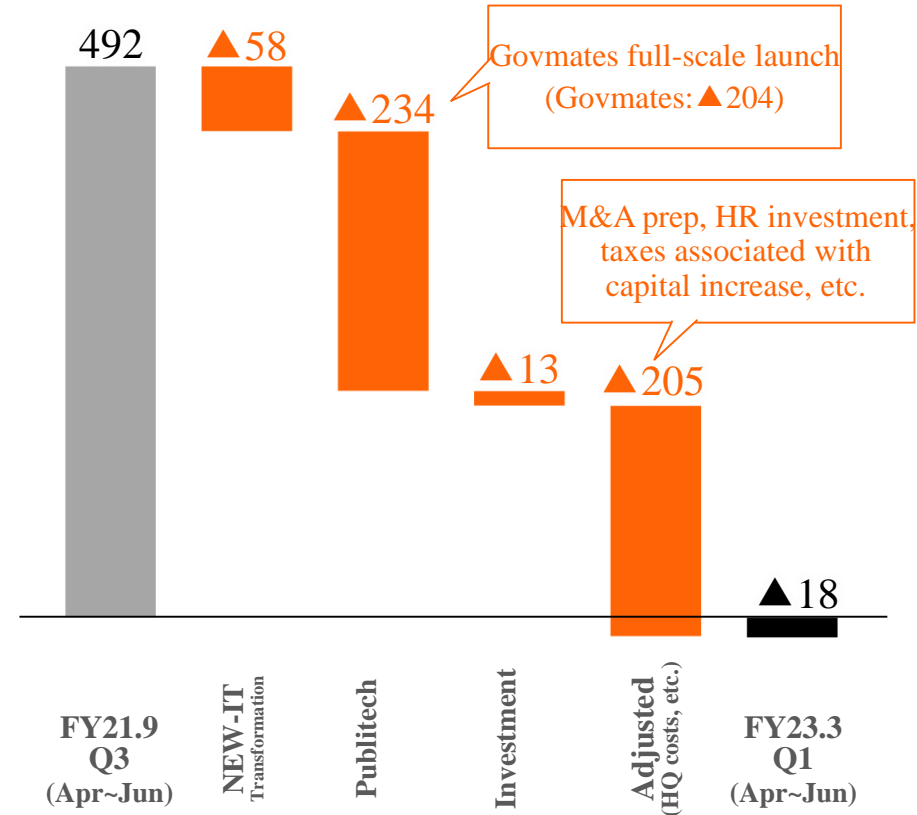
Overview – Supplementary

- ||| With the discovery of promising M&A opportunities, immediate projects have been curbed to prioritize mid-term plan progress.
- ||| Significant upfront investment has nearly made us the de facto standard in the local government DX market

Vs. target – Shortfall factors



Year on year – Decline factors



* Due to a change in the fiscal year end, FY22.3 is an irregular six-month period. As such, comparisons are based on the preceding year's Q3.

Q1 Key Topics ~ Superb start for Govmates ~

- ||| **Since launching in April, Govmates has gone from strength to strength.**
- ||| **Although revenue/profits from public sector demand will be booked in Q4, orders received in advance are extremely promising.**

Ehime Prefecture – Establishing Municipal Procedure Standardization Model

27 My Number procedures

- ||| Highlight and standardize the 27 procedures which the national government seeks to shift online
- ||| Establish a model to ensure that having online applications alongside paper forms doesn't increase workload

Prefecture-led

- ||| Japan's first case of a prefectural government leading local governments in the shift to online
- ||| Same model can be adopted by local governments nationwide

Inzai, Chiba – Local Government DX Support Project

Comparative analysis of nationwide local governments

- ||| Highlight and analyze tasks, identify issues, and propose optimization measures
- ||| Identify challenges by comparing Govmates workload data from all local governments nationwide

Regional bank tie-up

- ||| Work with Chiba Bank on first local government DX support project
- ||| Serves as a template for pursuing local government DX in cooperation with regional financial institutions

* 27 local government procedures (15 childcare-related, 11 nursing care-related, 1 disaster support-related) of the 31 procedures to be made available online under the Local Government DX Promotion Plan (25 December 2020, Ministry of Internal Affairs and Communications), which states that "By the end of FY2022, all local governments will enable procedures, especially those that improve convenience for citizens, to be completed online using My Number cards via the My Number Portal."

Q1 Key Topics ~ New Logosware subsidiary ~

||| **Digital Growth Academia acquired Logosware, provider of e-learning and training livestreaming platforms, as a subsidiary** (announced 7.29)

LOGOSWARE 

Name

||| Logosware Corporation

Business

- ||| Development & sales of digital book production software and library systems
- ||| Development & sales of learning management systems and software for producing educational content
- ||| Development & sales of seminar livestreaming systems
- ||| Digital content production services

Location

||| 5F Citia Moa Bldg., 5-20-2 Kenkyugakuen, Tsukuba, Ibaraki

Founded

||| July 2001

Stake

||| 51.0% ※Based on voting rights



全社員にデジタル基礎力を

全社員が自らデジタルを学び、
個人と企業の成長を実現する
学びのプラットフォーム

- ||| Joint development of “Minna de,” a new educational platform specializing in digital skills, announced on July 7
- ||| Instant progress in evolution of HR domain business model
- ||| A foundation for providing solutions to the “skills shortage” that inevitably becomes a bottleneck when pursuing local DX

Q1 Key Topics ~ New DFA Robotics subsidiary ~

||| We acquired DFA Robotics as a subsidiary, which boasts the country's top expertise in installing "service robots", whose successful adoption requires more than simply purchasing equipment. (announced 8.15)

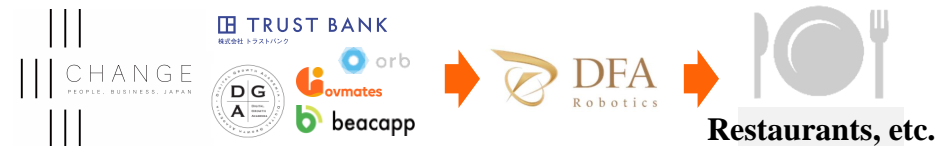


Expand to Chang Group customer base



||| Acquiring DFA's products and robotics technology will enable us to propose even better solutions for boosting frontline productivity

Expand to DFA customer base

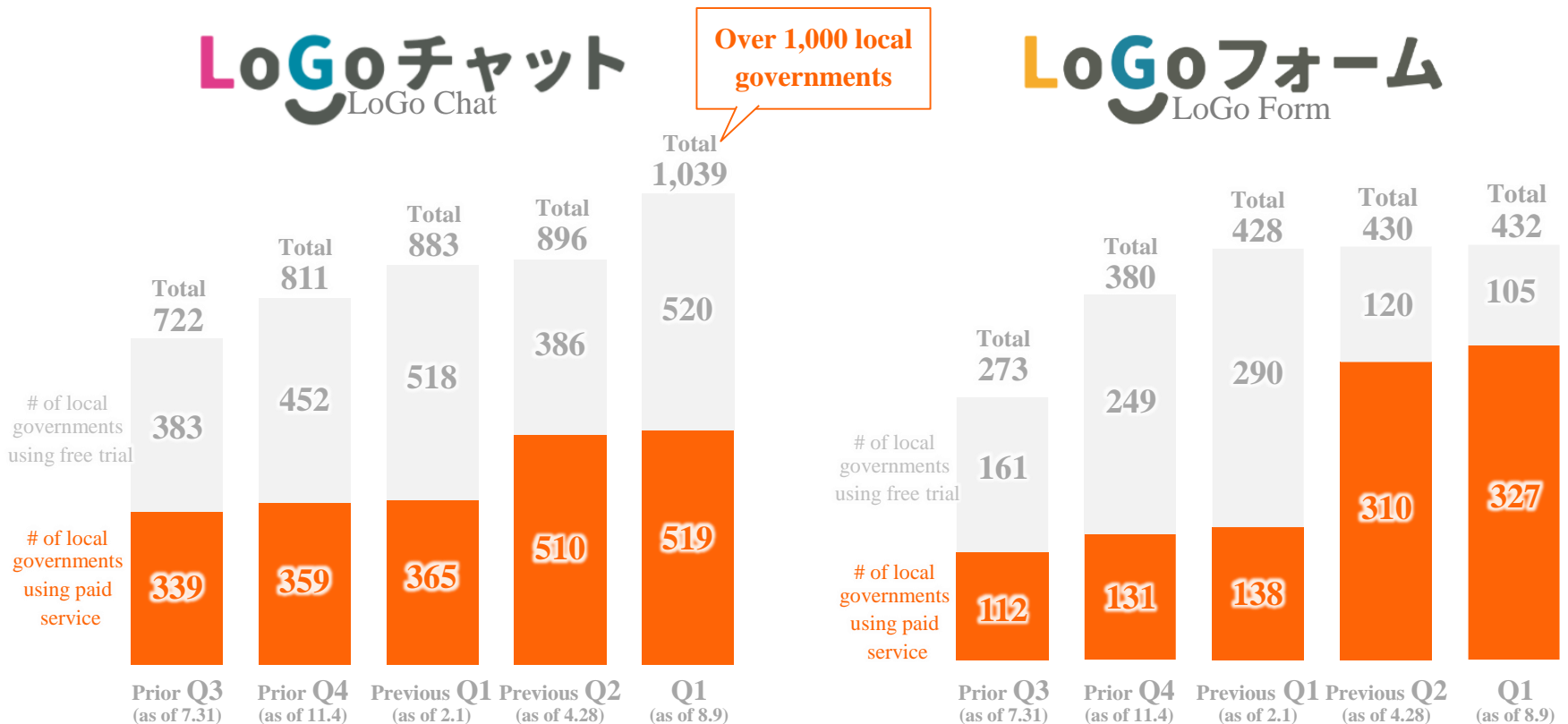


||| Allows us to develop broader and more comprehensive support solutions for industries where DFA leads, particularly restaurants, etc.

Name	DFA Robotics Inc.
Business	Import, sales, launch support, after-sales service, etc. for mobile robots (BellaBot, KettyBot, PuduBot, HolaBot, etc.)
Location	2F Aoyama Seven Heights 1-7-5 Shibuya, Shibuya-ku, Tokyo
Founded	September 2017
Stake	79.3% ※ Based on voting rights

Q1 Key Topics ~ LoGo series' continued strong performance ~

- ||| **With the start of a new fiscal year, we once again began gaining new free trial users.**
- ||| **Coordinating with Govmates to solidify position as a fundamental service for digitizing local government tasks.**



* Including some related organizations

* For the previous Q2, the number of paid service local governments included those expected to conclude contract procedures by the end of May.

* Due to a change in the fiscal year end, the previous fiscal year was an irregular six-month period ending after Q2

Q1 Key Topics ~ Furusato Choice adds greater value ~

||| Furusato Choice evolution continues to bear fruit.

au PAY Hometown tax OEM (7.25)

- ||| Furusato Choice OEM tie-up with Hometown tax sites offered by KDDI
- ||| Local governments partnered with Furusato Choice can also list thank-you gifts on those websites
- ||| Creates more opportunities for donation by increasing touchpoints with donors

Hometown tax site creation service (7.19)

- ||| Launched OEM service that sets up and operates Hometown tax websites without requiring development
- ||| As the first partner, teamed up with Bonchi, a community-based direct-from-farm online store that tackles agricultural challenges
- ||| Provides new sales channels and user touchpoints for producers within Choice-affiliated local governments

Buy now pay later service (5.19)

- ||| Paidy buy now pay later service offered as Furusato Choice payment method
- ||| Promote interest in Hometown tax use and regional revitalization among the younger segments that form Paidy's main user base

Hometown tax payments Choice Pay (9.1~)

- ||| Develop former digital coupon system
- ||| Use Hometown tax as a payment method
- ||| Immediately receive thank-you gifts when donating at a travel destination or antenna shop, etc.
- ||| Helps stimulate interest in regions and boost the number of associate people

Q1 and Other Topics ~ Change ~

||| Efforts to advance the "Local" DX and to develop a system for this have progressed in a large number of ways.

Apr.-Jun. 2022 (1st Quarter)

- ||| 04.01 Govmates Inc., which provides DX services to local governments, established a head office in Matsuyama City, Ehime Prefecture, and began providing services
- ||| 04.01 Furusato Choice, enhances support for local providers, and launches prepaid service for home-tax reward providers
- ||| 04.28 Begin the process of "reservation for reception of miscellaneous corners" that can be made online using the "LoGo form"
- ||| 05.13 Revised Medium-term Management Plan Announced
- ||| 05.30 Partial Amendment to the Articles of Incorporation (Preparation for Introduction of the Electronic Provision System of Materials for General Meetings of Shareholders)
- ||| 05.30 Election of two candidates for auditor due to the two-person termination of the Audit & Supervisory Board
- ||| 05.31 New Employee Training Report for New Society Enrolled in Remote Environments
- ||| 06.15 Govmates Receives an Order for the Project for Establishing a Model for the Standardization of Municipal Operations in Ehime Prefecture for ¥500 million
- ||| 06.20 Began offering DX programs for the tourism industry in anticipation of an increase in the number of foreign visitors to Postcorona
- ||| 06.21 Development of public business entry support program for startup
- ||| 06.22 Providing productivity measurement and analysis services for medical institutions
- ||| 06.23 Data Scientist Practical Experience Course Materials Informatics Training Content Jointly developed and started providing training
- ||| 06.24 Started development of an analysis service that utilizes location-based work styles and human resources data
- ||| 06.24 Started "local government DX support service" in Govmates and Inzai City, Chiba
- ||| 06.27 Selected for inclusion in the ESG-invested index "FTSE Blossom Japan Sector Relative Index"
- ||| 06.27 Transfer of Other Affiliated Companies (SBI Holdings, Inc.)
- ||| 06.28 Re-execution of special account overdraft agreements
- ||| 06.29 Spider Plus begins promoting local government DX in conjunction with the change

Q1 and Other Topics ~ Change ~

||| (continued)

Since July 2022

- ||| **07.07** Began offering "Everyone's Data," a new platform for learning specializing in "Digital Human Resources Development"
- ||| **07.29** Acquisition of Logosware Co., Ltd. stock in a Subsidiary (making it a Subsidiary)
- ||| **08.02** Started offering snow peak business solutions and enterprise outdoor training program "RE" in September
- ||| **08.03** Supporting Tokio Marine and Nichido's efforts to upgrade "Disaster Experience AR" using open data from local governments
- ||| **08.04** Developed in collaboration with Chiba Bank and began offering the DX Human Resource Development Program for local government employees
- ||| **08.09** Recruited in JPX Nikkei Index 400
- ||| **08.09** Signed a business agreement with Spider Plus to promote local government DX

Q1 Other Topics ~ Trust Bank ~

||| Many efforts have been made to further facilitate the use of home and tax payment mechanisms.

Apr.-Jun. 2022 (1st Quarter)

- ||| 04.01 Strengthen support for local providers and start providing early payment services to businesses that provide home and tax thanks.
- ||| 04.04 Imabari City and Governance Cloud Funding began raising ¥1 million to create a community where people and cats can coexist.
- ||| 04.05 Chairman Suezudai Trust Bank established holding company AINUS HOLDINGS CO., LTD.
- ||| 04.05 AINUS HOLDINGS CO., LTD., established by Chairman Suezudai, Trust Bank, recruited the next president
- ||| 04.11 Start of funding of ¥1.5 million to support blind soccer activities at Government Cloud Funding in Shinagawa-ku, Tokyo
- ||| 04.26 In order to create rural areas such as job creation in Hokkaido Oki Town and Space Industry, funding started using home tax payments.
- ||| 04.28 Corona Donation Project, Project Ended
- ||| 04.28 Yamanashi Southern Alps City launches a "Kiyami Corner Entry Scheduling" process that allows users to use LoGo Form on-line.
- ||| 04.28 Hokkaido Yoichi and NFT Art Hometown Tax Return Goods Began to be Provided at Hometown Choice
- ||| 05.16 Started funding in Kushiro-cho, Hokkaido, Government Crowd Funding, to protect the famous hamburger in the distress of the corona.
- ||| 05.19 Began offering Paydy at Choice to promote the use of Paidy, trust banks, and the youth
- ||| 05.31 Furusato Choice, Determines companies and organizations to support Power of Choice project
- ||| 06.01 Development of gratitude for the co-creation of long-established restaurants in Kyoto with agricultural high school students raising black pigs in Ichiki Kushikino City, Kagoshima Prefecture
- ||| 06.23 Hokkaido Yoichu Town, Hayamu, MCH, started offering NFT return products for use in the first game in the country
- ||| 06.27 Gotemba City in Shizuoka Prefect. began introducing digital regional currency as the first step toward realizing the "National Concept of Digital Garden City."
- ||| 06.30 Furusato Choice Disaster Support began accepting donations of home and tax payments for the damage caused by heavy rain in Yamagata Province.

Q1 Other Topics ~Trust Bank~

||| (continued)

Since July 2022

- ||| 07.01 Reduce the workload of local governments on payments related to thanks, and start offering integrated billing service to local governments
- ||| 07.07 Furusato Choice Disaster Support began accepting donations for Reiwa Fourth Typhoon 4
- ||| 07.13 Began accepting donations for recordable torrential rain damage with Furusato Choice Disaster Support
- ||| 07.15 Started accepting donations for damage caused by torrential rain in Miyazaki Prefecture in support of hometown Choice disaster
- ||| 07.19 Started accepting donations to Osaki City and Kami Town in Miyagi Prefecture, which were damaged by record-breaking heavy rain due to hometown Choice disaster support
- ||| 07.19 Established Bonchi Hometown Tax Payment website to enable hometown tax payment by purchasing directly from and e-commerce websites for the first time in Japan
- ||| 07.20 Launched a "delegated donation" service in Osaki, Miyagi, which was affected by a heavy rain in July 2022 through Furusato Choice Disaster Support
- ||| 07.21 Corona Donation Project and sixth Support Location Determined
~ Collecting donations totaling more than 400 million yen in about two years since the project's inception, and supporting 236 companies, organizations, and individuals ~
- ||| 07.22 Began accepting applications for "Furusato Box", a thanks product packaged with Shimane Kaisha Town and Oki Island Town, and the ocean and mountain "Yuki"
- ||| 07.25 Began offering OEM services that link au PAY Furusato Tax Payment with thanks to tax payments and local government data
- ||| 08.01 Sakurai City, Nara Prefect., Governance Cloud Funding utilizing the Furusato Tax Payment System, Sakurai City's entrance "Sakurai Ekimae"
Started raising 2 million yen to revitalize
- ||| 08.01 The Fujimaki Department Store Collaboration Project "The Japanese Excellence 2022" of Japan, a charismatic buyer selected from among the custom-made items of Fujimaki Department Store. Excellent items appear in the thanks for taxation.
- ||| 08.01 We launched five projects in government crowdfunding utilizing the Hometown Tax Payment System in Sumida-ku, Tokyo,
Started raising funds for a total target donation of about 45 million yen
- ||| 08.03 Began accepting applications for collaborative return gifts by Kaiji-cho, Misato-cho, Shimane's Umi-no-cho and Yamano-cho
- ||| 08.03 More than half of the surveys on awareness of local life among young people in the trust bank and Tokyo area are interested in local life.
~Popular No.1 is the younger people who are highly aware of social issues in Hokkaido, the stronger their desire to live in rural areas~
- ||| 08.04 Began receiving donations to Mutsu City, Aomori Prefect., and Murakami City, Niigata Prefect., which were affected by heavy rain due to Furusato Choice Disaster Support
- ||| 08.04 Nanyo City and Oguni Town in Yamagata Prefecture, which were hit by record-breaking heavy rain due to hometown choice disaster support, were added to recipients of donations.
- ||| 08.05 Donations received by 11 local governments in 4 provinces affected by the heavy rain in various locations.
- ||| 08.10 Began reception of 30 local governments in 6 provinces for home and tax disaster support in August and subsequent regions due to record-breaking rains

[Reference] Status of the IPO Acceleration Program

||| We continue to hold the following companies as of August 15, 2022.

Investment Portfolio	Time	Main Businesses and Services	Main Purpose	Trend after investment
Head Waters	2018.4	Providing applications for humanoids, building AI platforms for communication robots, and providing solutions coordinated with smartphones and IoT devices	Providing new services (integrating their apps and our knowhows) and doing joint marketing activities	2020.9 Listed on TSE Mothers (We continue to hold)
AI CROSS (formerly AOS Mobile)	2018.7	Providing B2B mobile communication services, such as “In Circle” or AI based business chat and “AOSSMS” or two-way SMS for entities	Providing and developing services and businesses based on AI and supporting a public sector’s efficient operations	2019.10 Listed on TSE Mothers (We continue to hold)
GAUSS	2019.7	Providing general purpose AI engines based on its own algorithms and developing comprehensive platforms necessary for continuous integration of AI	Developing use cases of various fields, including forecasting, image recognition, natural language processing, and analyzing voices	We continue to hold
AeroNext	2019.8	Promoting advanced research on drone architecture and developing license business of its unique gravity-center control technology globally	Promoting full-fledged social implementation of industrial drone through their DaaS* development and drone ecosystem construction * Drone as a service	We continue to hold

[Reference] Status of the IPO Acceleration Program

||| (continued)

Investment Portfolio	Time	Main Businesses and Services	Main Purpose	Trend after investment
beBit	2020.6	Its motto is “the essence of the digital age is the UX,” and supports DX/UX of large corporations. Providing UX-Team Cloud product, “USERGRAM”, in addition to domestic and overseas consulting services	Providing new services (integrating their apps and our knowhow) and doing joint marketing activities	We continue to hold
Writeup	2020.12	With the vision of “Changing All Small and Medium-Sized Enterprises Into Profitable”, it provides a variety of DX services, including support for the use of subsidies and benefits.	Realizing regional creation based on DX and DX platforms in the area of DX-related subsidy, and grant for small and medium-sized enterprises	We continue to hold *Acquired after listing on TSE Mothers
L is B	2021.6	Providing DX support solutions such as “direct”, a business chat, and “AI-FAQ Bot”, a FAQ solution equipped with its proprietary AI-engines.	Strengthening LoGo series-service and Accelerating development of services for local areas	We continue to hold
Port	2021.7	With the mission of “Providing Usualness and Happiness around the world”, developing online-media focused on specific area, such as jobs, card loans, and house-renovations.	Introducing Internet-based customer-attraction models for local companies and promoting DX in regional employment markets	We continue to hold *Acquired after listing on TSE Mothers

[Reference] Status of the IPO Acceleration Program

||| Breakdown of the market value of listed stocks held at the end of Q1.

Investment Portfolio	Time	Unit cost* (yen)	Shares held* (shares)	Acquisition cost (thousand yen)	Prev. Q value (thousand yen)	Q1 end value (thousand yen)	Change (thousand yen)
Head Waters	2018.4	1,875	16,400	30,750	59,532	52,316	▲7,216
AI CROSS (formerly AOS Mobile)	2018.7	900	22,250	20,025	22,472	19,046	▲3,426
Writeup	2020.12	1,502	116,120	174,455	312,130	185,211	▲126,919
Port	2021.7	743	269,100	199,941	203,708	192,944	▲10,764
Total				425,172	597,843	449,518	▲148,325

*: Adjusted values for splits, etc.

Q1 Overview

Future Prospects

Regional Creation Domain ~ Furusato Choice ~

||| **Various measures are expected to materialize this fiscal year and be fully reflected in FY24.3 contracts and results.**

GMV

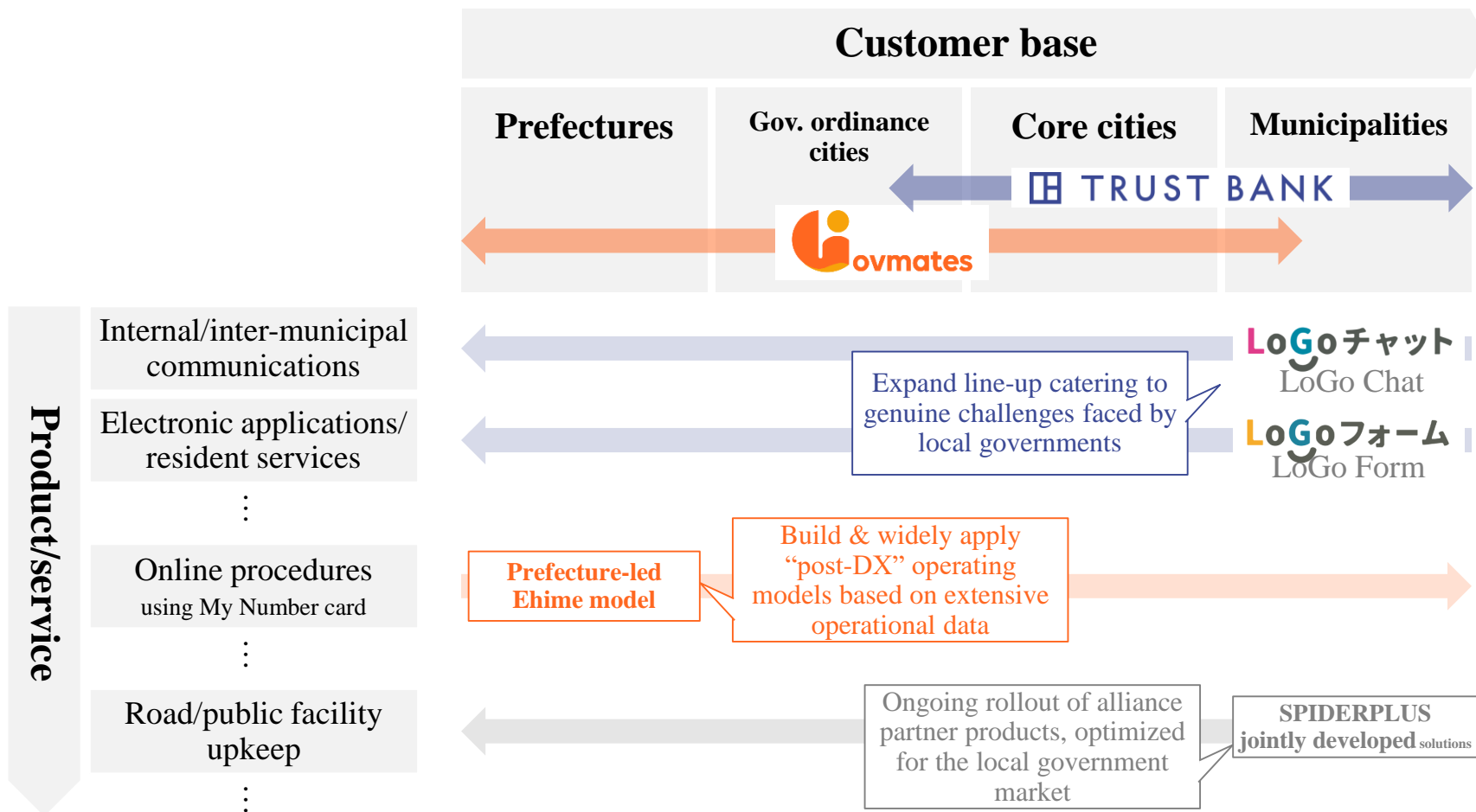
- ||| Increased inflow of donations from new channels through various OEM collaboration initiatives
- ||| Payment methods: tie-up measures, etc. boosted reach among partner customer bases
- ||| Choice Pay will serve as a foundation for generating new “offline” tax payment experiences (i.e., new tax payment opportunities)

Take rate

- ||| OEM collaborations offer contracted local governments increased exposure and touchpoints
- ||| Expansion of payment methods reduces defections at time of payment.
- ||| These increases in added value help improve overall take rate

Public DX Domain ~ Overall strategy ~

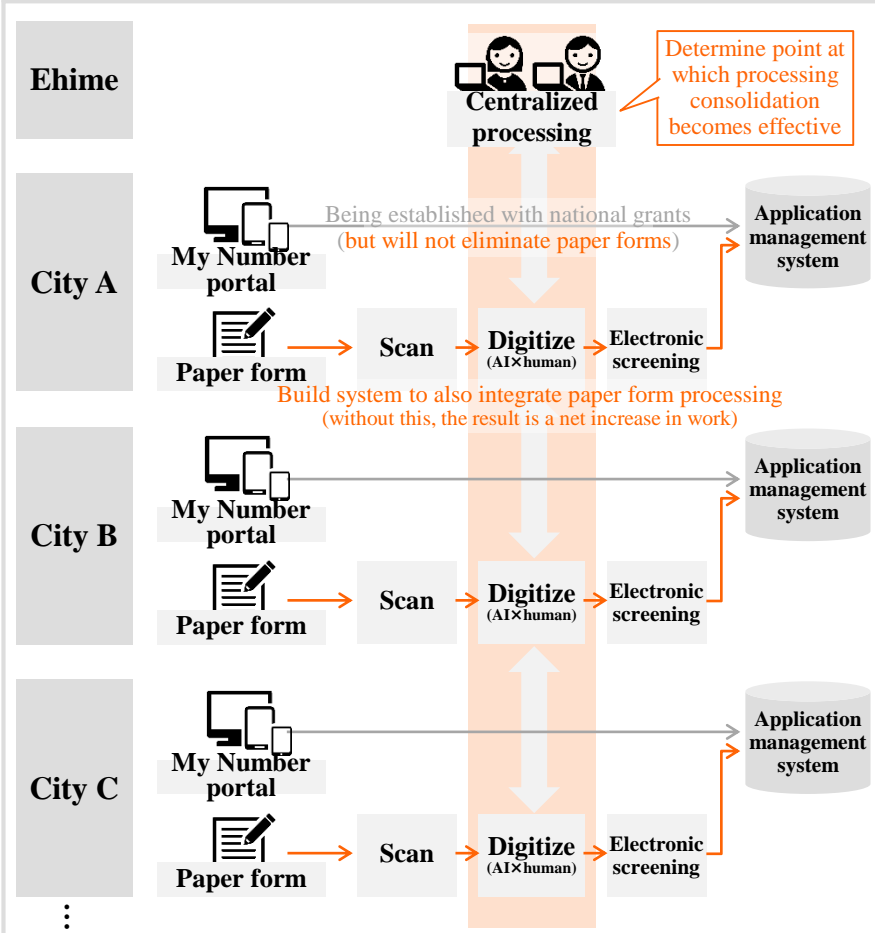
- ||| We are now set up to serve the entire customer base, from prefectures to municipalities.
- ||| Moving forward, we will rapidly expand coverage of local government tasks through our own services and alliances.



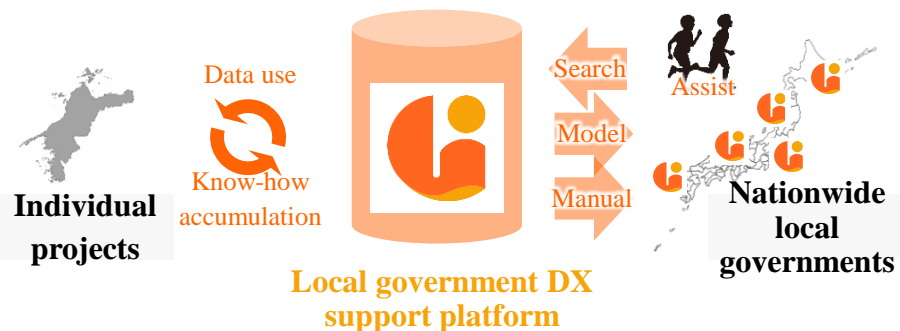
Public DX Domain ~ Govmates ~

||| We have set in motion a cycle that sees specific and relevant know-how on local government DX accumulated via Govmates, and then fully utilized by local governments nationwide.

Shift to online procedures for 20 Ehime municipalities



Nationwide rollout via Govmates



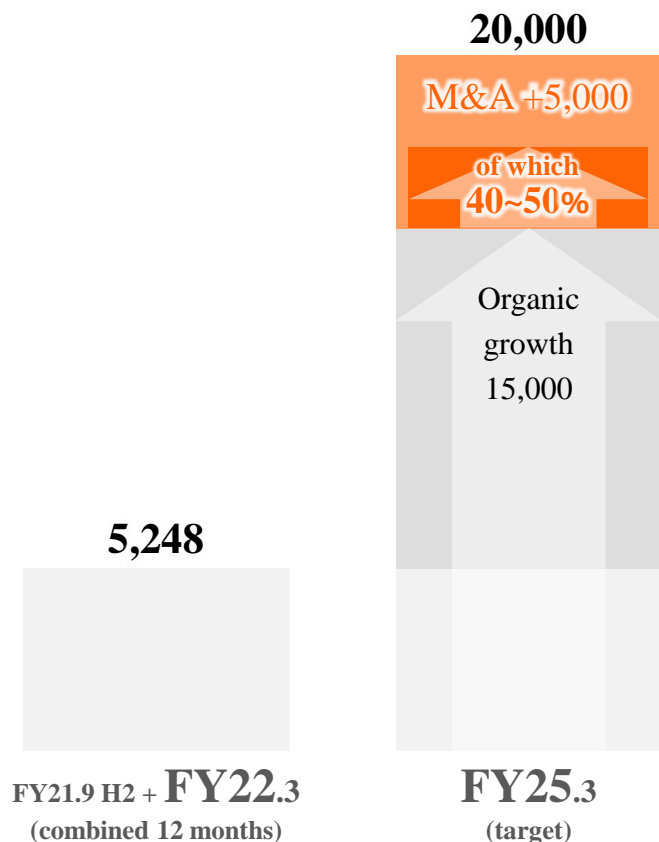
- ||| Aid individual projects with 3m+ points of workload survey data
- ||| Know-how gained through projects is also obtained by Govmates
- ||| Know-how is available to local governments nationwide via LGWAN-ASP
- ||| Know-how search support by AI assistant GAIA
- ||| Projects are assisted by 60+ business partners nationwide

M&A Domain

||| **By FY25.3, the two recently acquired companies are expected to account for around 40~50% of the 5b yen in additional operating profit that is planned to come from M&As**

Contribution to operating profit

Unit: million yen



Positioning in DJ2



LOGOSWARE 

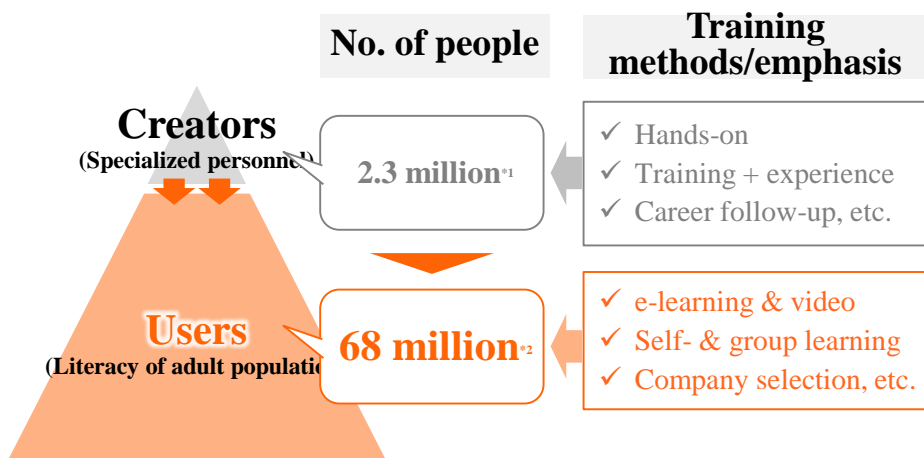
 **DFA**
Robotics

- ||| As well as continuing to serve existing customers, Logosware plans to expand services via “Minna de,” etc.
- ||| DFA Robotics is already negotiating additional rollouts for existing customers

M&A Domain ~ Logosware ~

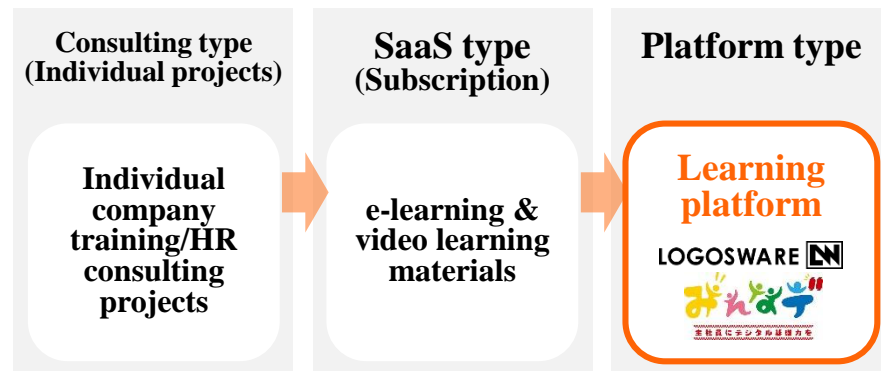
- ||| The addition of Logosware instantly advances the evolution of our HR domain business model.
- ||| With that, we are well placed to efficiently capture a massive market.

Users as the core of local digital talent



- ||| Regional DX is not about putting specialists (AI, IoT, etc.) in every municipality or local SME nationwide
- ||| The key to reaping the benefits of digital technology is raising the literacy standard to the point where using the latest technologies is second nature
- ||| This is a difficult market for existing players who advocate digital education

Speed up business model evolution



- ||| The conventional approach has been to use training services that perform very well in “Tokyo and large companies” as a model for widespread adoption
- ||| Our system ensures that every corner of the country always has access to the latest skills and expertise in the rapidly-changing digital domain

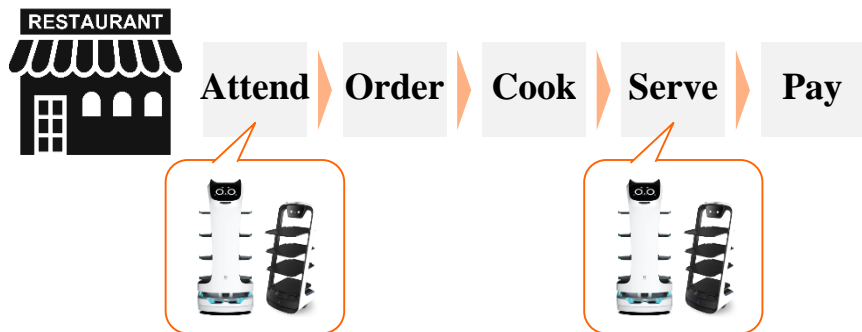
*1: Government training target for FY2026 as part of its Vision for a Digital Garden City Nation

*2: Japan's total workforce (approximate)

M&A Domain ~ DFA Robotics ~

- ||| **Robotics is essential in combating population decline by boosting productivity.**
- ||| **The addition of DFA greatly expands the social issues we can solve, and lays the groundwork for DJ3 and beyond.**

**【during DJ2】 Focus on best prospect
(restaurant industry)**



- ||| Service sector will be first hit by severe work shortages
 - Of estimated 6.44 million shortage by 2030, 4 million will be in service sector*1
- ||| Initiatives with major restaurant chains are already underway
- ||| Major chains alone have 30,000+ candidate stores

【DJ3& beyond】 Vast potential market



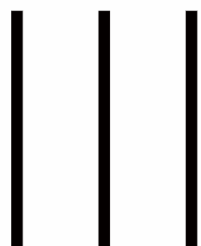
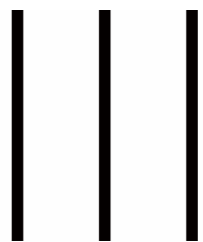
- ||| Global market for service robots expected to grow rapidly
 - Studies estimate it reaching 4.5 trillion yen by 2025*2
- ||| For many tasks, labor-saving or automation cannot be achieved through software alone
- ||| Truly combating population decline requires transformation through solutions that incorporate hardware

*1: Persol Research Institute and Chuo University "Future Estimation of Labor Market 2030"

*2: Fuji Keizai Group "Reality and Future Outlook of Worldwide Robot Related Market No.2 – Service Robot Market"

Disclaimer

- ||| All future forecasts, estimates, etc. appearing in this document were determined by us based on information available at the time of preparing these materials, and may contain a degree of uncertainty.
- ||| Actual future performance depends on various factors, and may differ significantly from any forecasts, etc. herein.



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