



Dec 14, 2022

For Immediate Release

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

Announcement on the Decision to Start Preparations for Transition to a Holding Company Structure and the Establishment of a Company for Preparing Corporate Split

We hereby announce that our Board of Directors decided on December 14, 2022 to begin preparations for the transition to a holding company structure and establish a 100% owned subsidiary (a company for preparing a corporate split, hereinafter referred to as the "Company for Preparing Split") in late December 2022 (planned).

With regard to the transition to a holding company structure, it is assumed that CHANGE (or simply, "we") will obtain the permissions from relevant government agencies etc. as necessary.

1. Background and Purpose of Transition to a Holding Company Structure

Our group is based on our mission of "Change People, Change Business, Change Japan" and has developed our business based on our vision of "Change productivity". Our business is based on the following three key businesses: the NEW-IT Transformation Business, which supports the development of digital human resources who are responsible for the innovation of business processes and the digitization of business processes; the Investments Business, which is responsible for the creation of new businesses and the construction of business models through the investments in businesses that are synergistic with the NEW-IT Transformation Business; and the Publitech Business, which is responsible for the promotion of regional creation through DX.

Although, as announced on November 11, 2022 in the "Announcement on the Start of the Discussion for Shifting to a Holding Company Structure", we had been considering the transition to a holding company structure, we have determined that it will be the best choice to shift to a holding company structure for further strengthening and further growing our group and begin preparations for this.

By shifting to a holding company structure, the holding company will oversee the management of the entire group, while subsidiaries will focus on promoting businesses, thereby endeavoring to sustainably increase the corporate value of our group.

2. Summary of Transition to a Holding Company Structure

(1) Method

Through a company split (absorption-type company split) (hereinafter referred to as the "Split"), the business to be split will be succeeded by a 100% owned company (the Company for Preparing Split), and the Company for Preparing Split will shift to a holding company in April 2023. Notwithstanding this, we will continue to be listed as a holding company.

(2) Schedule for Split

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.

Board of Directors' approval for the Split	December 14, 2022
Establishment of the Company for Preparing Split	Late December 2022 (planned)
Board of Directors' Approval for the Absorption-type Company Split Agreement	Mid-January 2023 (planned)
Execution of the Absorption-type Company Split Agreement	Mid-January 2023 (planned)
Effective Date of Absorption-type Company Split	April 1, 2023 (planned)

Please note that the Split falls under the simple-type split stipulated in Paragraph 2 of Article 784 of the Companies Act, and the Company for Split falls under the simple-type split stipulated in Paragraph 2 of Article 796 thereof and the informal split stipulated in Paragraph 1 of the same Article. Therefore, at this time, we and the Company for Preparing Split will implement the Split without obtaining approval for the absorption-type split agreement at the general meeting of shareholders.

Regarding the details of the Split, we will inform you once we decide them.

3. Outline of the Company for Preparing Split to be Established in Transitioning to a Holding Company Structure

(1)Name	Kabushiki-kaisha Change Company for Preparing Split <i>Kabushiki-kaisha CHANGE bunkatsu junbi kaisha</i>	
(2)Address	17-1, Toranomon 3-chome, Minato-ku, Tokyo	
(3)Job Title Name of Representative	Hiroshi Fukudome President and the Representative Director	
(4)Description of Businesses	NEW-IT Transformation Business. (However, the Company does not operate the business before the Split.)	
(5)Ordinary share	10 million yen (planned)	
(6)Date of establishment	Late December 2022 (planned)	
(7)Number of issued shares	200 shares (planned)	
(8)Fiscal year end	March 31	
(9)Major shareholders and percentage of shares	CHANGE Inc. owns 100%	
(10)Relationship with the Company for Preparing Split	Capital relationship	(9) above.
	Personal relationship	We plan to dispatch a board member.
	Business relationship	We do not have any business relationship with it at this time because it has not started operations.

4. Future Outlook

The Company for Preparing Split will be our 100% owned subsidiary, therefore the effect on the consolidated results of operations is immaterial.

End