

The page features several vertical black bars of varying heights and positions. Three bars are located at the top left, three in the middle left, and three at the bottom left. The bars are arranged in a staggered, grid-like pattern.

Financial Results for the 3rd Quarter of Fiscal Year Ending March 2023

CHANGE Inc.
Security Code: 3962

CHANGE
PEOPLE, BUSINESS, JAPAN

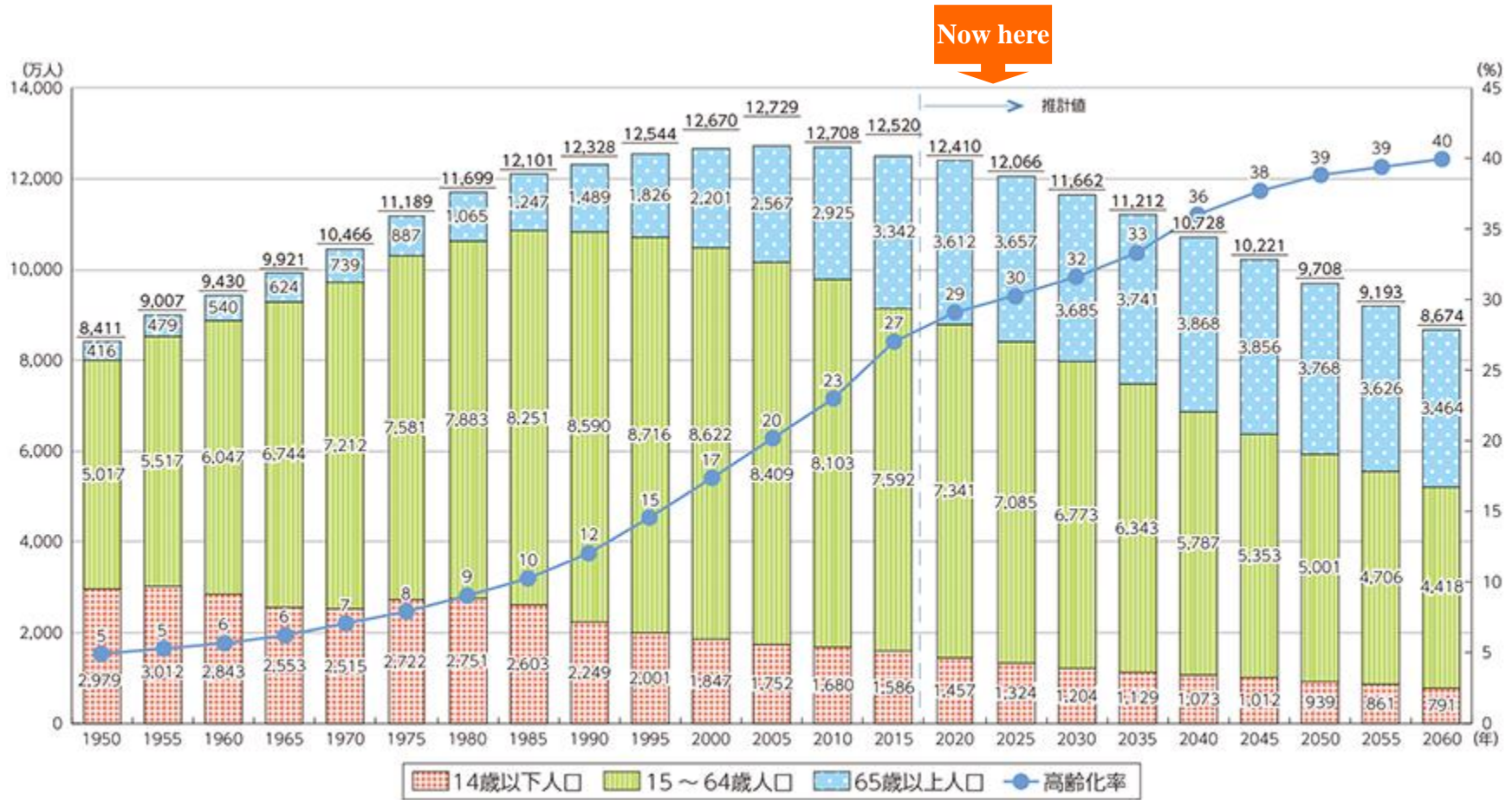
Our Mission

||| **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>

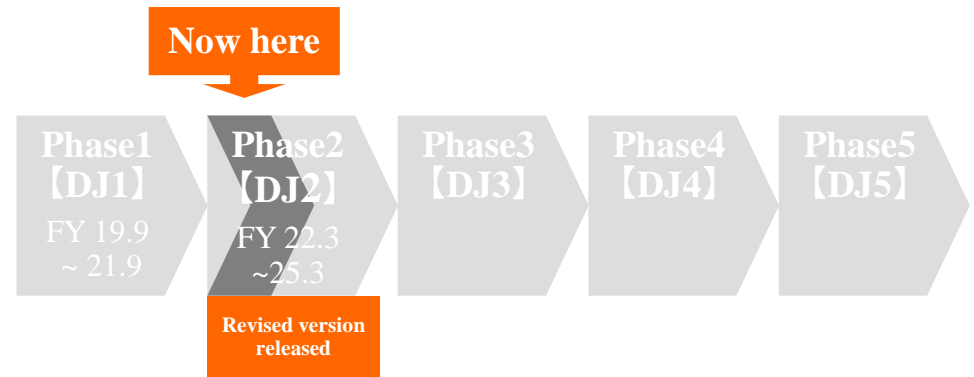
※based on data from the "Census" (MIC) until 2015 and the "forecasted population in Japan" (National Social Security and Population Problem Research Institute (2013 forecast)(median estimate for birth and death)

Our Path Drawn

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



**Digitize
&
Digitalize Japan**

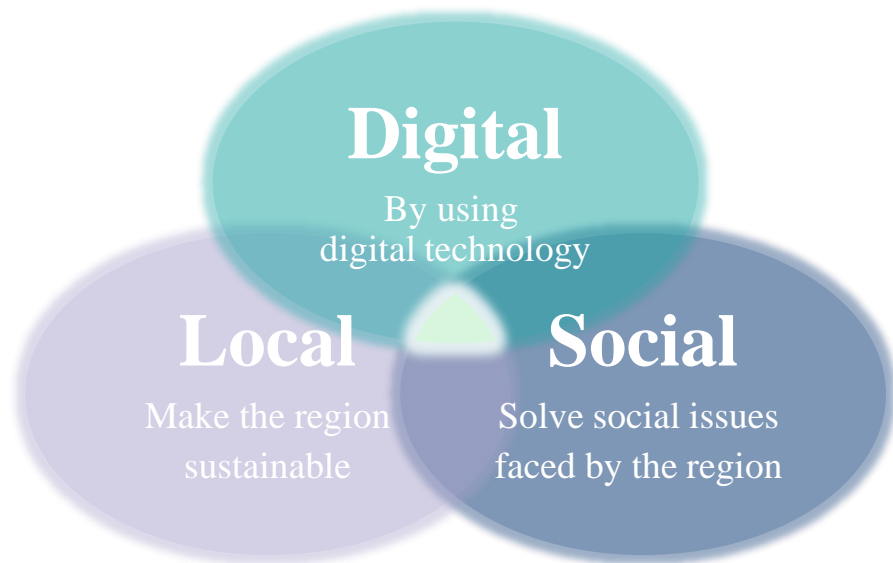


- ||| We will improve Japan’s productivity through the digitalization/digitization of business models and business processes and the development of digital human resources.
- ||| For achieving “Digitize & Digitalize Japan”, we will continue to work until Phase 5, confront the social challenge of declining population, and will be a leader in 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”

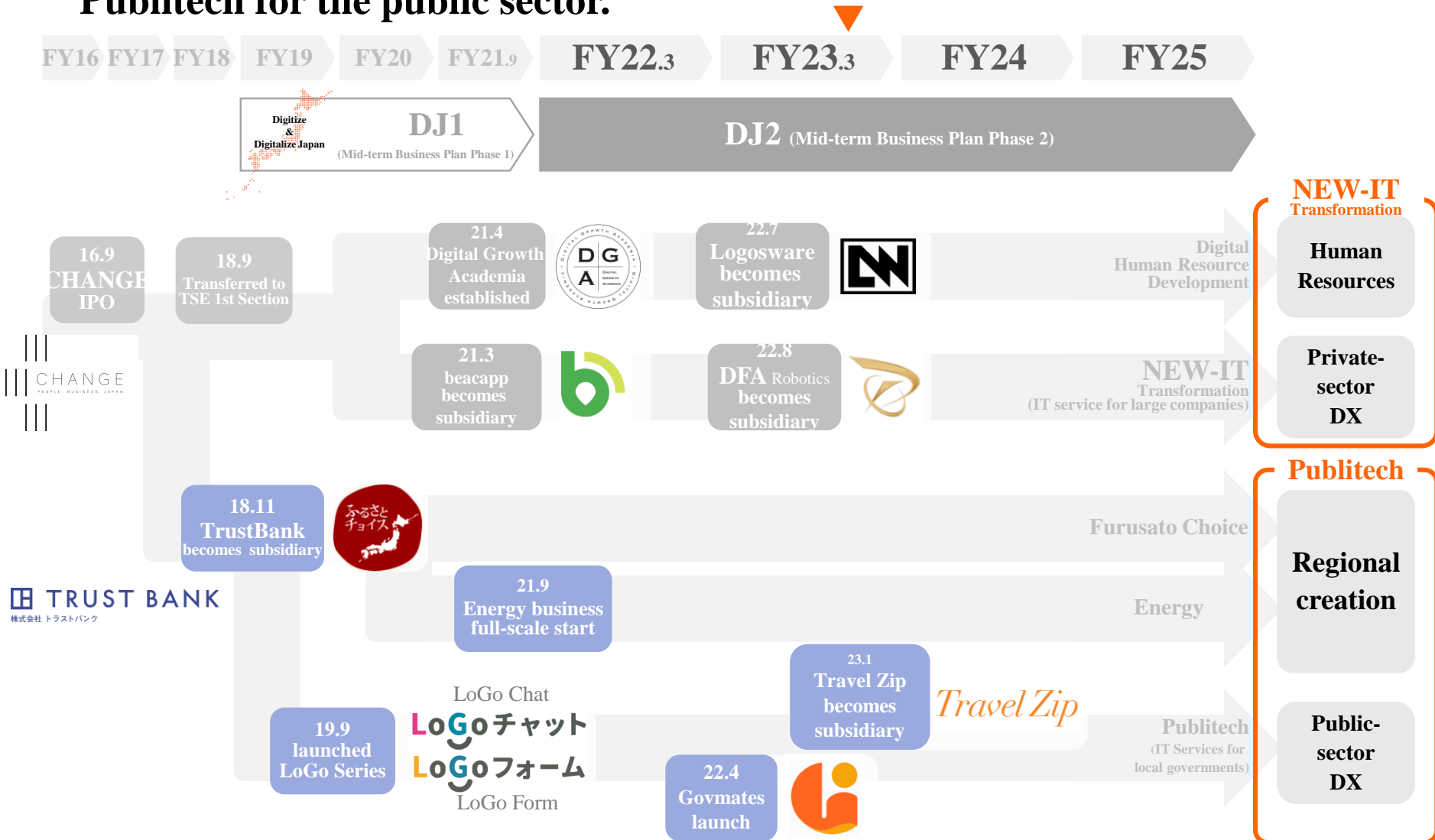
- ||| We are shifting to “Local” as preparation for [DJ2].
- ||| “DX × Regional Creation” is our sweet spot for Change Japan.



- ||| 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 Q3 Financial Results Summary

- ||| **Reversed the negative growth of H1 and recovered strongly enough to reach Q3 cumulative target.**
- ||| **While we still cannot be overly optimistic for the full term, the remainder of the year will lay the groundwork for greater success in FY24.3 and beyond.**

**Resolving
missed targets
while bearing
investment
burden**

- ||| **Resolved missed targets thanks to Furusato Choice recovery and contribution of two M&A additions**
(Vs. target: from approx. 500m shortfall into positive territory)
- ||| **Robust businesses absorb the burden of continued bullish investment**
- ||| **Improved market conditions have reduced accumulated valuation losses on held stocks**
(Vs. target: reduced from approx. 190m to 140m)

**On the verge
of reaping
prior
investments**

- ||| **Furusato Choice recovered, moving to a trajectory of renewed growth from FY24.3**
- ||| **With a solid foundation in the Public DX domain, our Collaboration efforts are growing exponentially**
- ||| **Preparing for further acceleration through shift to pure holding company**

Q3 Overview

Future Prospects

Q3 Overview (Consolidated)

||| We resolved H1 target shortfalls and at present have recovered to approx. 74.7%.

※ based on operating profit

||| While pursuing the year-end targets, we will continue investing to prioritize mid-term plan progress.

| (Unit : million yen) | H1 (Apr~Sep) | H2 (Oct~Mar) | Full period targets | | Q1-3 results | |
|--|-----------------|-----------------|---------------------|--------|--------------|--------|
| | amount | amount | amount | % | amount | % |
| Revenue | 6,411 | 14,588 | 21,000 | 100.0% | 15,519 | 100.0% |
| Cost of sales | 3,054 | 4,319 | 7,373 | 35.1% | 5,211 | 33.6% |
| Gross profit | 3,357 | 10,268 | 13,626 | 64.9% | 10,307 | 66.4% |
| SG&A Expenses | 2,724 | 3,902 | 6,626 | 31.6% | 5,076 | 32.7% |
| Operating profit | 633 | 6,366 | 7,000 | 33.3% | 5,230 | 33.7% |
| Financial income | 0 | 0 | 0 | 0.0% | 0 | 0.0% |
| Financial expenses | 16 | 16 | 32 | 0.2% | 61 | 0.4% |
| Profit before taxes | 617 | 6,350 | 6,967 | 33.2% | 5,169 | 33.3% |
| Income tax expense | 178 | 1,983 | 2,161 | 10.3% | 1,630 | 10.5% |
| Net profit | 439 | 4,367 | 4,806 | 22.9% | 3,539 | 22.8% |
| Profit attributable to owner of parent | 532 | 4,136 | 4,669 | | 3,623 | |
| Loss attributable to non-controlling interests | △93 | 230 | 137 | | △84 | |
| (ref) EBITDA | 968 | 6,752 | 7,720 | 36.8% | 5,884 | 37.9% |

Breakdown by business segment

(Ref.) H1 cumulative

| (Unit : million yen) | NEW-IT Transformation | Investment | Publitech | Adjusted |
|-------------------------|-----------------------|------------|-----------|----------|
| Revenue | 1,947 | △192 | 4,196 | △12 |
| └ External revenue | 1,935 | △192 | 4,194 | — |
| └ Inter-segment revenue | 11 | — | 1 | △12 |
| Segment profit | 605 | △208 | 1,040 | △1,302 |

Q1-3 cumulative

| (Unit : million yen) | NEW-IT Transformation | Investment | Publitech | Adjusted |
|-------------------------|-----------------------|------------|-----------|----------|
| Revenue | 3,655 | △150 | 12,038 | △23 |
| └ External revenue | 3,633 | △150 | 12,036 | — |
| └ Inter-segment revenue | 22 | — | 1 | △23 |
| Segment profit | 1,023 | △174 | 6,466 | △2,084 |

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

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

- ||| Continued investment in Govmates and other businesses
- ||| Major contribution by Furusato Choice and two M&A companies
- ||| Investment segment write-downs shrank

※ Logosware and DFA Robotics contributing fully from this Q3

※ Governance Technologies contribution began in November

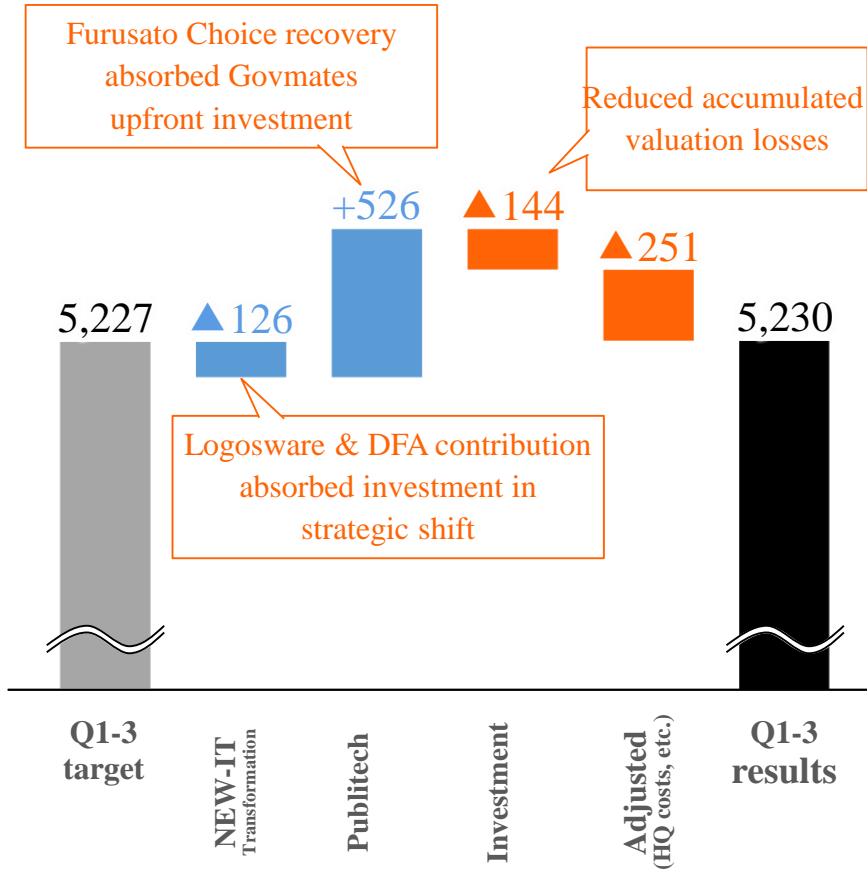
※ Hope, Inc. and Travel Zip contribution to begin in January and February respectively

Overview – Supplementary

- ||| Recovered from target shortfall of approx. 500m in H1 into positive territory.
- ||| Shift to holding structure will allow us to swiftly optimize HQ costs, which have ballooned due to M&As.

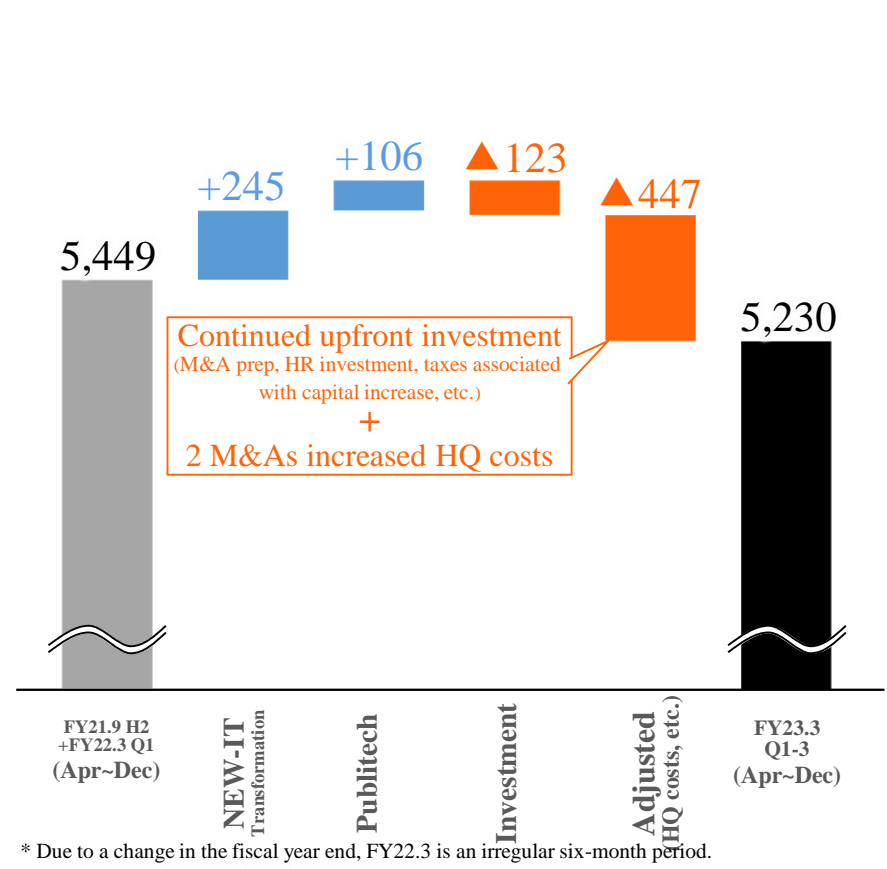
Vs. target – Shortfall factors

※ Operating profit
※ Unit: million yen



Year on year – Decline factors

※ Operating profit
※ Unit: million yen



* 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 H2.

Q3 Key Topics ~ Food delivery robot adoption grows ~

- ||| Steady growth in adoption of food delivery robots from DFA Robotics, which joined the group in Q3.
- ||| New technologies boost service industry sustainability amid severe staff shortages.



ネコ型配膳ロボット
Bella Bot (ベラボット)

全国2,300店舗に設置

Installed in 2,300 restaurants

ネコ型配膳ロボット

3,250台導入完了

国内トップクラスを達成

人材不足の解消・サービス品質向上の実現を支援

Cat-like delivery robot
3,250 robots installed
Domestic top share
Addressing shortage of labor force
and improvement of service quality

Q3 Key Topics ~ “Minna de” tops 10,000 users ~

||| “Minna de,” Digital Growth Academia’s educational platform specializing in digital skills, reached 10,000 users just five months after launch. (12.21)

全社員向け

DX 人材育成 × 学習プラットフォーム

みんな

利用者数

10,000 人突破!

全社員にデジタル基礎力を

DG A

CHANGE

LOGOSWARE

Q3 Key Topics ~ Furusato Choice makes striking recovery ~

||| Thanks to the success of various measures, we maintained the recovery trend even through the busiest period in December.

OEMs continue to expand

au PAY ふるさと納税

SAISON CARD セゾンのふるさと納税

goo ふるさと納税

Bonchi
- FROM FARM TO YOU -

New in-person Hometown tax experiences

Takashimaya
Hokkaido exhibition
(10.5~)



Shinjuku Marui
“Meet Furusato Choice”
(12.6~)



Partnership with CCCMK Holdings

Tふるさと納税

by ふるさとチョイス

- Donations earn T-Points
- Hometown tax website for approx. 70 million T members
- Launched as the first in a series of regional revitalization initiatives

Concierge service for the well-to-do



- For users with high annual donations
- Free support for selecting thank-you gifts, applications, and tax returns

Q3 Key Topics ~ LoGo Chat adopted by Ishikawa Prefectural Government ~

||| **Confirmed full-scale adoption across all Ishikawa Prefectural Government departments.** (11.22)

||| **Used as a foundation for broad collaboration with municipalities in the prefecture.**

Internal use → municipality collaboration



※ LoGo Chat usage example (left) and actual use by Ishikawa Prefectural Government (right)

- Phased rollout beginning in August 2022
- Encourages sharing of information/expertise between the prefecture and municipalities
- Improving efficiency of operations throughout the region
- Creating environments that allow municipal employees to focus on core duties related to community services
- Also planning joint procurement with the prefecture's municipalities

User feedback



Ishikawa
Prefecture
employees

【 LoGo Chat use 】

The Ishikawa Prefectural Government has used LoGo Chat in the following ways, earning **positive feedback from staff in various departments**, including for “sparing the hassle of phone calls” and “making communication more efficient.”

- Documents previously circulated in hard copy are shared via department talk rooms
- Information is shared between departments via the chat and file attachment functions, rather than meeting face-to-face
- Knowledge sharing and centralized communication/coordination with local offices via talk rooms
- Information sharing between assembly-related staff in various sections shifted from internal phone calls to a single talk room
- Facilitates communication (e.g. messages for staff working remotely)

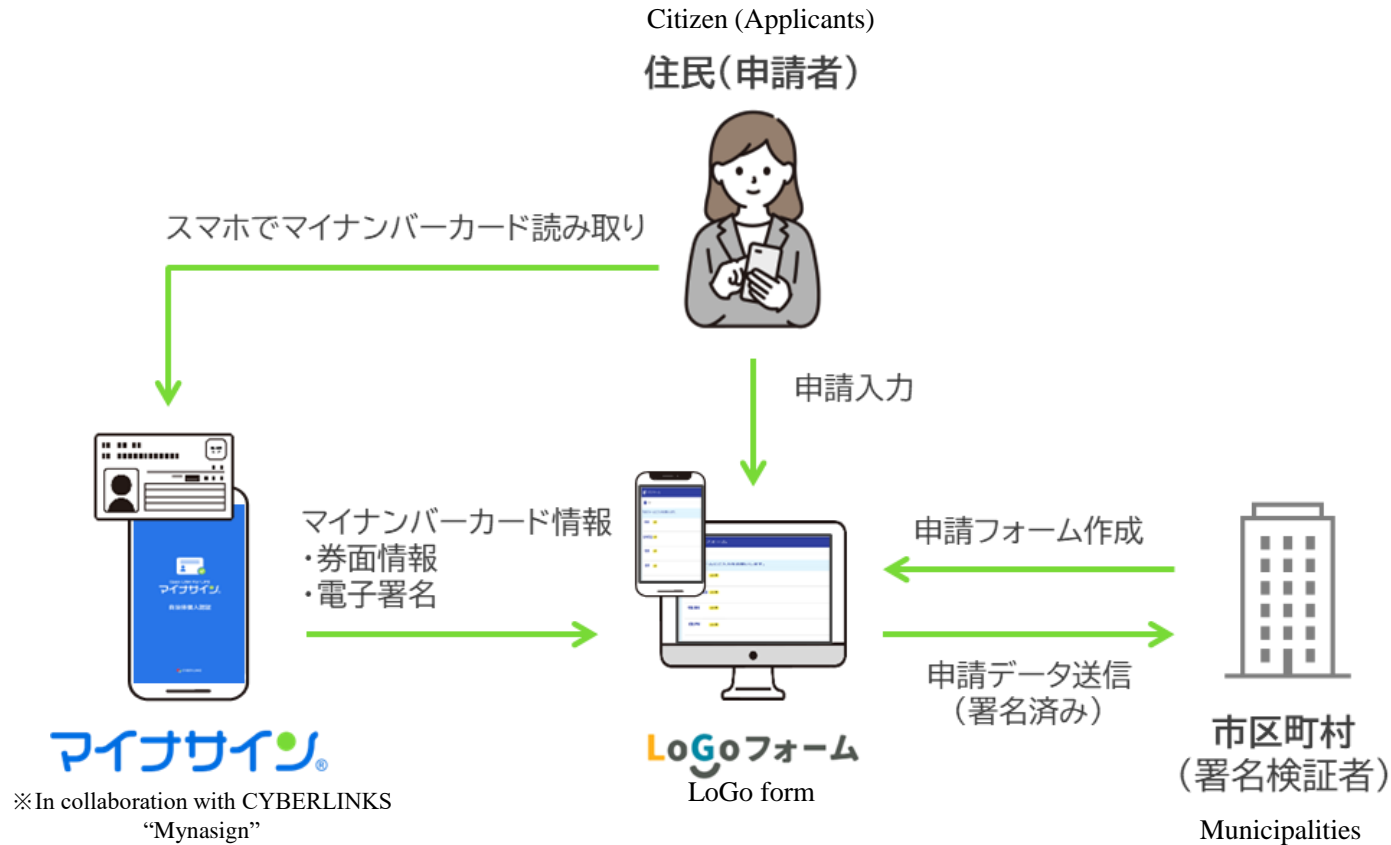
【 Hopes for LoGo Chat 】

Since LoGo Chat **can be set up for sharing information with local governments around the prefecture**, not only prefectural government employees, we hope to strengthen communication previously handled via external phone lines, **including with local offices, municipalities, and regional associations**. For example, we believe that everyday matters such as road obstructions, guidance for agricultural producers, or information sharing among fire departments could be handled autonomously by participating local governments without the prefectural digital promotion division taking the lead.

We're also **seeking to expand digital technology best practices across Ishikawa's municipalities**, which will require meticulous communication with these local governments. We hope to **use LoGo Chat as the foundation for such collaboration with municipalities to further spur digitalization throughout the prefecture**.

Q3 Key Topics ~ LoGo Form linked to My Number ~

- ||| We began trialing My Number authentication as an optional feature in LoGo Form.
- ||| This enables administrative procedures which require strict identity verification to also be carried out online.



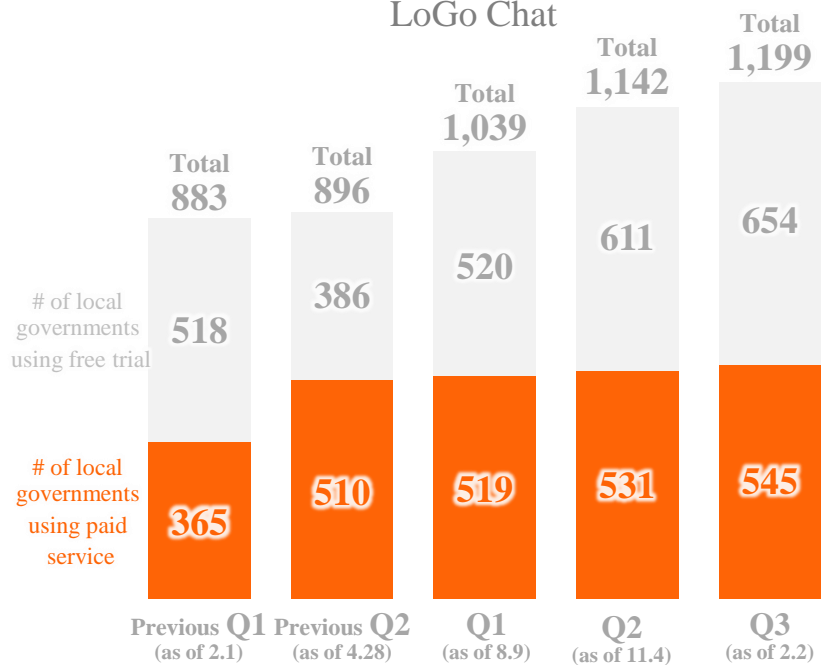
Q3 Key Topics

~ LoGo series' continued strong performance ~

- ||| User numbers continue to grow due to strengthening network effects of collaboration between local governments, etc.
- ||| In Q4, we will focus efforts on shifting to paid service through local government budgetary support.

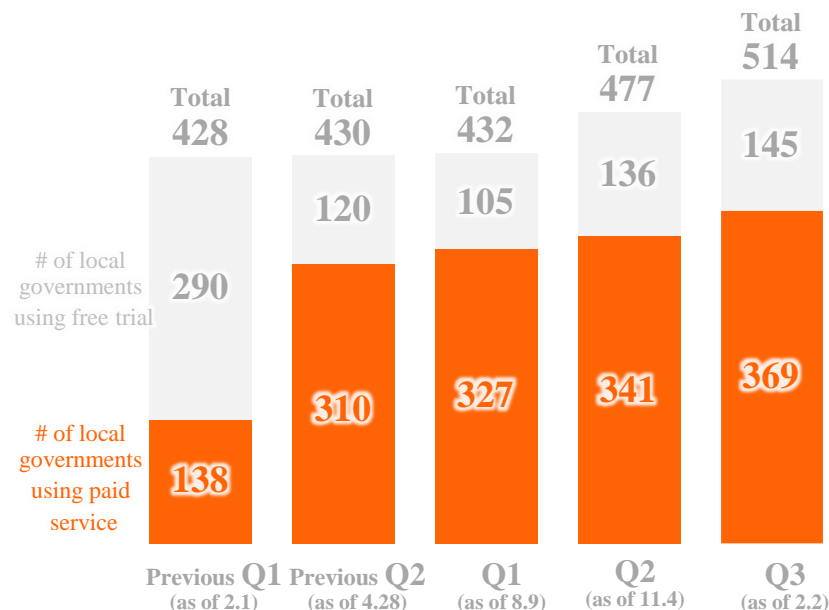
LoGoチャット

LoGo Chat



LoGoフォーム

LoGo Form



* 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

Q3 Key Topics ~ Capital and Business Alliance with Hope, Inc. ~

||| **We acquired a stake in Hope, which specializes in services for local governments and boasts unmatched marketing and sales power, with a view to increasing collaboration.** (Announced 12.23)



Name

||| Hope, Inc.

Business

||| Specialized services for local governments

Location

||| 7F MG Yakuin Bldg., 1-14-5 Yakuin,
||| Chuo-ku, Fukuoka

Founded

||| February 2005

Q3 Key Topics ~ Travel Zip becomes subsidiary ~

- ||| **Change Group welcomed Travel Zip, which specializes in strategy planning and implementation support in the tourism field and operates official tourism websites for some 150 local governments.** (Announced 1.16)

Travel Zip

Name

- ||| Travel Zip Co.,Ltd.

Business

- ||| Tourism website creation & maintenance
- ||| Tourism strategy consulting
- ||| Personnel training, etc.

Location

- ||| 2F Estrella Hiroo
- ||| 1-4-15 Hiroo, Shibuya-ku, Tokyo

Established

- ||| September 2005

Q3 Other Topics ~ Change ~

||| Beginning with HD, the form of group-based management to promote DJ2 is evolving.

October to December 2022 (3rd quarter)

- ||| 10.07 Provides support for the Ehime Prefect.'s Nursing Service Digitalization Project by realizing data linkage for Gabameits and Nursing Services
- ||| 10.14 Capital and business alliance with Governance Technologies, Inc.
- ||| 10.20 Start of external events in demonstration tests using metaverse space
~Tell local creation in metaverse space × Digital for local government events~
- ||| 10.27 Began offering KaWaL Diagnostics, a new service for KaWaL, a subscription-type e-Learning service
~The first step is to start application for objective diagnosis tool for the basic ability of social personnel~
- ||| 11.01 Trust Bank invests in BeA, which conducts domestic migration and inbound business
Strengthening business support for local governments and companies involved in regional creation through the transfer of people from home and abroad to the region
- ||| 11.02 TRUST BANK announces the launch of Meibutsu Choice, a EC service-offered by Furusato Choice in the Spring of 2023
- ||| 11.04 Entered into a capital-and-business alliance with learningBOX Corporation
- ||| 11.11 Started deliberations on the transition to a holding company structure
- ||| 11.14 Hometown Choice begins offering OEM services at Saison no Hometown Tax Payment
- ||| 11.22 Rairai Communications, Gabameitz, and a business alliance to support local government DX
- ||| 11.24 Furusato Choice, goo Furusato Payment and Linkage
- ||| 12.05 Furusato Choice launches T-Furusato Tax, a home tax website that stores T-points
- ||| 12.05 For employees of SBI Holdings, Digital Growth Academia, and Osaka City, which aims to become an international financial city
Began providing financial education programs
- ||| 12.12 Acquisition by DroneDeploy of StructionSite, the provider of StructionSite

Q3 Other Topics ~ Change ~

||| (continued)

October to December 2022 (3rd quarter)

- ||| 12.14 Decision to start preparations for transition to a holding company structure and establishment of a split preparatory company
- ||| 12.21 Better than 10,000 users in five months since the launch of the "Everyone De" training platform for DX personnel of all employees
- ||| 12.23 Capitalization and business tie-up with Hope Inc. and underwriting of allocation of new shares to third parties (converting to an affiliated company under the share method)
- ||| 12.26 Digital Growth Academia Develops Digital Literacy Improvement Program of Sumitomo Metal Mining Co., Ltd.

From January 2023.

- ||| 01.16 Acquisition of shares of Travel Zip Co., Ltd. (making it a subsidiary)
- ||| 01.16 Conclusion of an Absorption-type Split Agreement and Partial Revision of the Articles of Incorporation due to the Transition to a Holding Company System
And the establishment of the record date for convening an extraordinary general meeting of shareholders
- ||| 01.16 First selected as "FTSE Blossom Japan Index"
- ||| 01.23 Develop local government DX human resource development programme and provide it to 10 local governments that are members of the Open Government Promotion Association
~Digital Garden City National Concept/Develop 7 Programs to Promote Local Government DX~
- ||| 01.26 Agreement concluded with Trust Bank and Tottori Bank for the promotion of local revitalization in Tottori Prefecture

Q3 Other Topics ~ Trust Bank ~

||| Deploy numerous new initiatives, with the home and choices at the head.

October to December 2022 (3rd quarter)

- ||| **10.01** Mima City, Tokushima, Began Introducing Digital Local Currencies
- ||| **10.01** Ota City, Gunma Pref., Starts Introduction of Digital Local Currencies
- ||| **10.03** Kosuga Village, Yamanashi Pref., started raising ¥10 million to create attractiveness through a new craft beer factory
- ||| **10.03** Launched Asuki II, one of Japan's leading luxurious cruise ships, as a thank-you offering from Yokohama and Kobe.
- ||| **10.03** Osaka Sayama City, Osaka, begins introducing digital regional points
- ||| **10.03** Furusato Choice × Fujisoku Department Store Collaboration Planning "The Japanese Square 2022" [third round]
"-Charismatic buyers are carefully selected from specially-ordered items, and thank-you items are available under the theme of ""Ouchi Time,"" which creates a high-quality generosity~"
- ||| **10.07** Adopted for the first time as an independent application by a private company for a public solicitation of funding distribution groups based on the Dormant Deposit Utilization Act.
- ||| **10.12** "Hometown Choice Grand Thanks Festival," one of Japan's largest home tax event, decided to be held for the first time in three years
- ||| **10.13** Rare traditional craft works of Living National Treasure in cooperation with Wajima City, Ishikawa Prefecture, Uji City, Kyoto Prefecture, Bizen City, Okayama Prefecture, and Asuka Cruise
Begin posting
- ||| **10.17** Acceptance of donations exceeding 18 million yen to 22 local governments in both Miyazaki and Kagoshima Prefectures in support of damage caused by the Reiwa 4-year Typhoon 14
- ||| **10.20** Began payments in PayPay
- ||| **10.24** "Furusato Choice Award 2022" is the highest award in the country's largest furusato tax award.
~Yoshino-cho, Nara Prefecture and Kobayashi-shi, Miyazaki Prefecture, Sakai-cho, Ibaraki Prefecture (2 categories) received the highest award in each category~
- ||| **10.27** Collaboration with Tono City, Iwate, Participatory NFT Collection linking Myth with the local community
Launch of "Game of the Lotus Tono Hanren Tan"

Q3 Other Topics ~ Trust Bank ~

||| (continued)

October to December 2022 (3rd quarter)

- ||| 11.01 Government Crowd Funding® utilizing the Furusato tax payment system in Kanzaki City, Saga Prefecture. Women's students at Nishi-Kyushu University
Solicit cosmetics development expenses
- ||| 11.01 Fujiko Department Store Collaboration Planning "The Japanese Square 2022" [The fourth version]
"From custom-made items to charismatic buyers, thank you items will appear on the theme of ""tale-filled geisha"" that goes hand in hand with the history of the region~"
- ||| 11.01 Invested in BeA Inc., which operates domestic migration and inbound business
- ||| 11.02 Spring 2023 Announced the launch of Meibutsu Choice, a EC service for Furusato Choice
- ||| 11.14 Conducted the "Opinion Survey on Furusato Tax Payment 2022"
"Education and Child-Raising" is the most important issue to be solved with the donation of the home and tax payments.
- ||| 11.14 Began offering OEM services-information linking products and local authorities-related information-related to "Saison's Furusato Tax Payment,"
- ||| 11.17 Selection of items that will be used for travel, such as releasing accommodations and experiences on the new "Kifutabi" site, which conveys the attractiveness of the region, as well as for tax payment.
- ||| 11.22 Full-scale introduction of LoGo Chat, a business chat for local governments, at all offices of the Ishikawa Prefectural Government
- ||| 11.24 Linkage with goo hometown tax payment
- ||| 11.28 Opening of a new store called "Osubu Furusato Choice" to discover new attractions all over the country at the Marui Annex in Shinjuku
- ||| 12.01 Fujimaki Department Store Collaboration Project "The Japanese Excellent Product 2022"
~[Part 5] Charisma buyers carefully selected from customized items of Fujimaki Department Store under the theme of "Adult Winter Walk"
- ||| 12.01 Supporting the development of new businesses by local producers and businesses
Started Power of Choice project 2023, which aims to create specialty products
- ||| 12.01 With Tokunoshima-cho in Kagoshima and UI Corporation in April 2023 for a Vila accommodation ticket for all new open buildings
Began accepting preliminary orders only for Furusato Choice as a token of thank you for Furusato tax payment

Q3 Other Topics ~ Trust Bank ~

||| (continued)

October to December 2022 (3rd quarter)

- ||| 12.05 [Trust Bank × CCCMK Holdings] Started T-Furusato Tax Payment, a hometown tax site where T-points are accumulated Collaborate with "Hometown Choice" to disseminate the attractiveness of the local community
- ||| 12.06 Furusato Choice Opens "Oshifurusato Choice" to the Marui Annex in Shinjuku today
- ||| 12.12 Shibukawa-shi, Gunma, started introducing the "Shibu Pay" digital-regional currency
- ||| 12.12 In collaboration with au PAY Furusato and Furusato Choice, the number of local authorities that can donate has exceeded 1000.
- ||| 12.20 Began accepting donations of hometown tax to assist disasters caused by a record snowfall with the support of the Hometown Choice Disaster
- ||| 12.26 Began accepting donations of furusato tax to support the catastrophic snow disaster in Kuman Kohara-cho, Ehime prefecture, with support for the Furusato Choice disaster
- ||| 12.28 Notice of resignation as chairman

From January 2023.

- ||| 01.11 Using dormant deposits worth approximately ¥170 million, launched a project to support the formation of social businesses by local businesses
- ||| 01.11 Launched trial of "LoGo Form Digital Authentication (Minor Sign)" in February in collaboration with CyberLink
- ||| 01.12 As a token of gratitude for Yuzawa-cho, a ticket for the Fuji Rock Festival was posted in April.
- ||| 01.26 Tottori Bank signed an agreement to promote regional revitalization in Tottori prefecture.

[Reference] Status of the IPO Acceleration Program

||| We continue to hold the following companies as of February 14, 2023.

| Investment Portfolio | Time | Main Businesses and Services | Main Purpose | Trend after investment |
|---|---------------|--|---|---|
| Head Waters | 2018.4 | Providing applications for humanoid, 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 in various fields, including forecasting, image recognition, natural language processing, and analyzing voices | We continue to hold (2022.9 valuation loss booked) |
| 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 |
| 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 |

[Reference] Status of the IPO Acceleration Program

||| (continued)

| Investment Portfolio | Time | Main Businesses and Services | Main Purpose | Trend after investment |
|--------------------------|----------------|--|--|---|
| 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 |
| learningBOX, Inc. | 2022.11 | Seeking to “change the world with the power of EdTech,” the company offers learning management systems, quiz/question creation tools, web-based memorization cards, etc. | Offering services that integrate the expertise of both companies and promoting sales through joint marketing | We continue to hold |

[Reference] Status of the IPO Acceleration Program

||| Breakdown of market values of listed stocks held at end of Q3.

| Investment Portfolio | Time | Unit cost* (yen) | Shares held* (shares) | Acquisition cost (thousand yen) | Prev. Q value (thousand yen) | Q3 end value (thousand yen) | Change (thousand yen) |
|--|---------|---------------------|--------------------------|------------------------------------|---------------------------------|--------------------------------|--------------------------|
| Head Waters | 2018.4 | 1,875 | 16,400 | 30,750 | 61,910 | 57,482 | ▲4,428 |
| AI CROSS (formerly AOS Mobile) | 2018.7 | 900 | 22,250 | 20,025 | 17,600 | 20,626 | +3,026 |
| Writeup | 2020.12 | 1,502 | 116,120 | 174,455 | 107,295 | 109,153 | +1,858 |
| Port | 2021.7 | 743 | 269,100 | 199,941 | 244,612 | 286,592 | +41,980 |
| Total | | | | 425,172 | 431,417 | 473,852 | +42,436 |

*: Adjusted values for splits, etc.

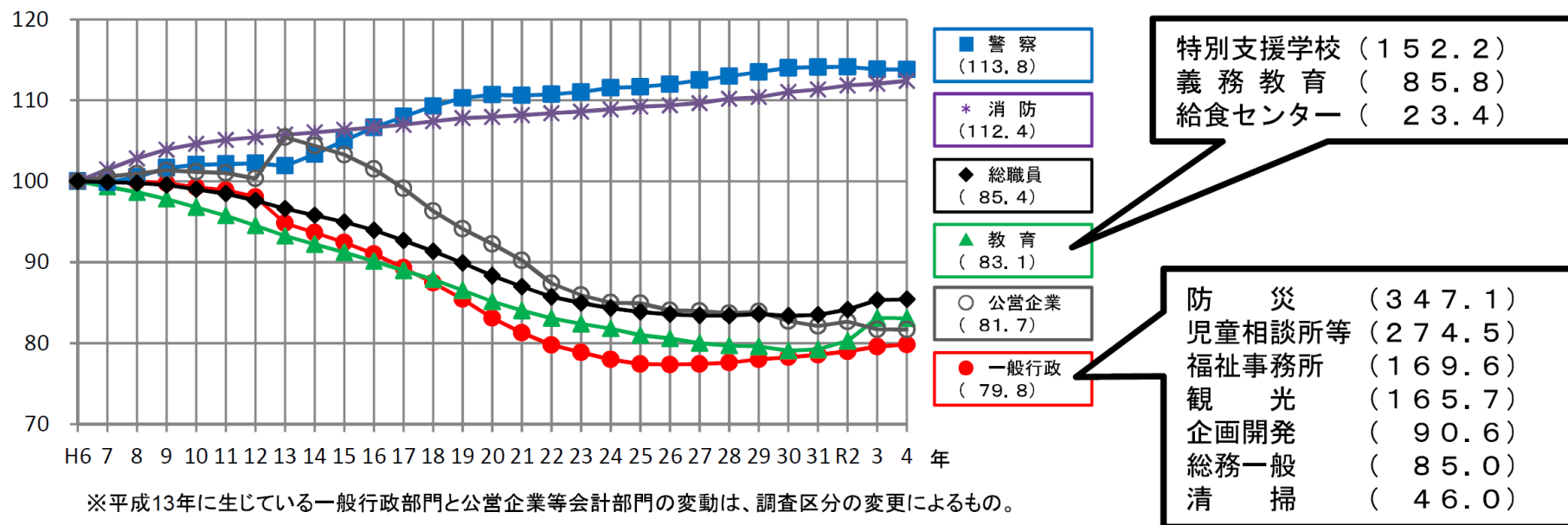
Q3 Overview

Future Prospects

Public DX Domain ~ Making regional government services sustainable ~

- ||| The decline in general government employees has been especially steep among regional municipalities.
- ||| At the same time, due chiefly to the pandemic duties are becoming more demanding in both nature and volume, making them difficult to sustain.

〈平成6年からの部門別職員数の推移(平成6年を100とした場合の指数)〉

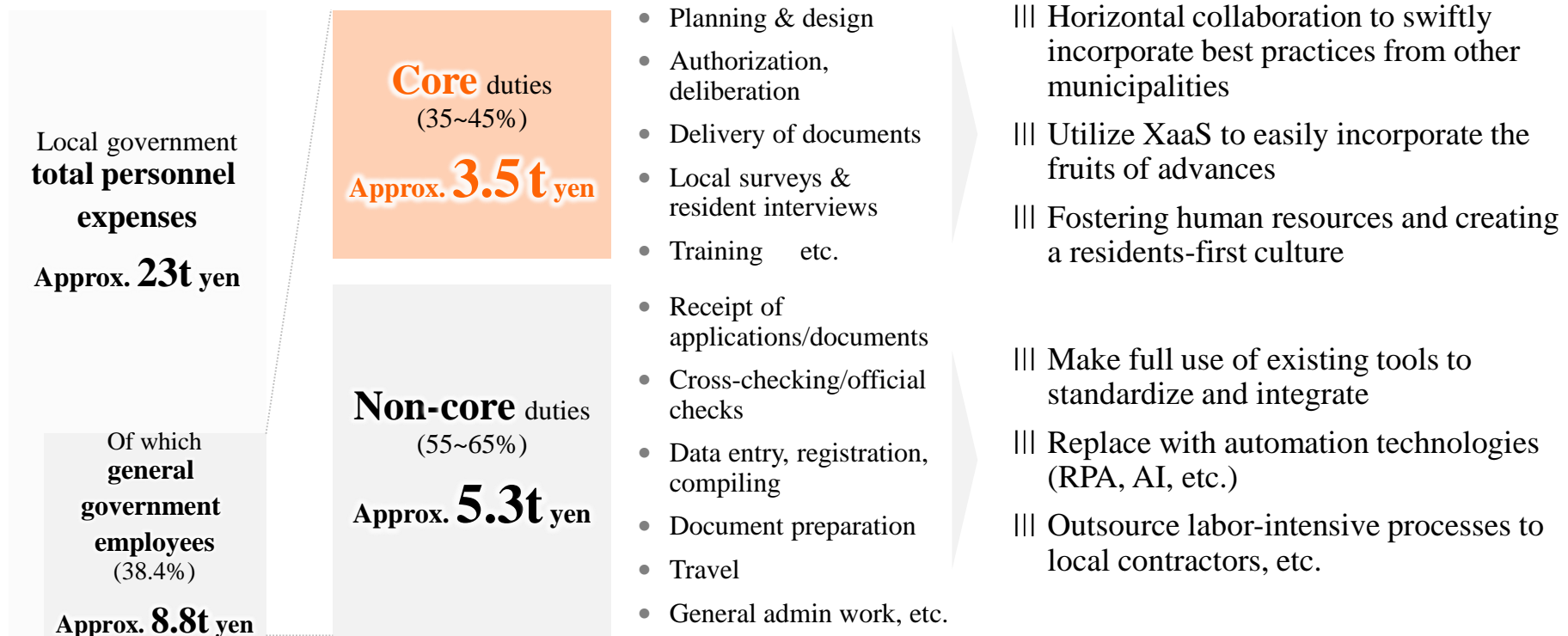


※From "Summary of 2022 Local Public Body Personnel Management Survey Results"
 (https://www.soumu.go.jp/main_content/000853360.pdf)

Public DX Domain ~ Focusing on local government staff core duties ~

||| **Duties need to be restructured, and digital tools provide the means.**

||| **Unless we thoroughly design the duties that can be performed with fewer employees, these efforts will fizzle out.**



※ Personnel expenses quoted/estimated from the Ministry of Internal Affairs and Communications “2022 White Paper on Local Public Finance” (https://www.soumu.go.jp/menu_seisaku/hakusyo/chihou/r04data/2022data/r04czb01-05.html#p01050101)

• Total personnel expenses from Fig. 47 “Breakdown of Personnel Expenses by Category”

• Expenses for general government employees estimated from the proportions in Fig. 51 “Number of Local Public Employees”

※ Core/non-core percentages estimated from the results of Govmates workload surveys

Public DX Domain ~ DX platform continues to strengthen

~

- ||| Delivering optimal solutions for every aspect of extensive local government duties nationwide.
- ||| A closer partnership with Hope instantly strengthens our ability to provide fine-tuned solutions to relevant departments.

Extensive duties(department-specific challenges)

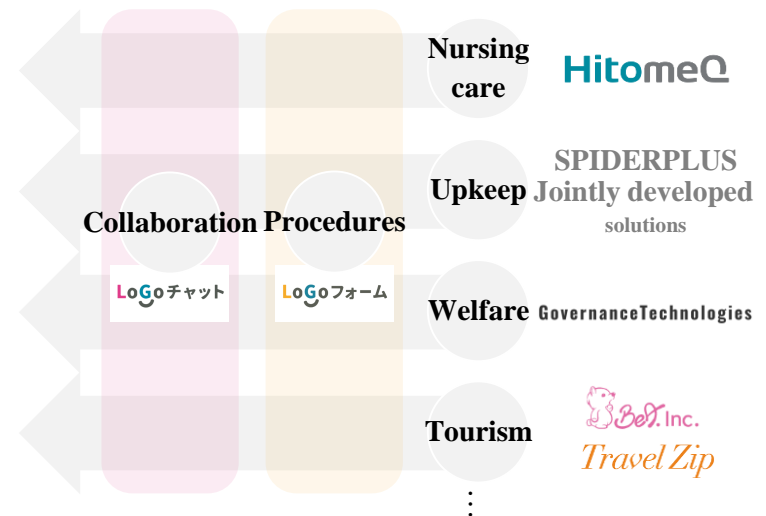


Partner companies
throughout Japan



Continued expansion of
marketing and sales

Solutions with very high ROI



Continued expansion
of available solutions

Regional Creation Domain ~ Furusato Choice ~

- ||| **Got through peak period in December while maintaining GMV recovery.**
- ||| **Following the recovery, we will watch market trends to determine the next growth measures.**

Improved take rate

- ||| Activities to encourage contract renewal for the next fiscal year are progressing smoothly.
- ||| Efforts to add more value have been well received, and we expect to achieve a substantial improvement in the take rate as planned.

Reward points

- ||| To differentiate from competitors, we continue to carefully devise, plan, and implement donor reward measures
- ||| At the same time, we will continue to draw the line so as not to undermine the purpose of the system, reconciling our ideas with the government's discussions on strengthening regulations

HR/Private DX Domain ~ Ongoing regional finance initiatives ~

- ||| **Digital skills training provides foothold for steady growth in financial sector initiatives.**
- ||| **Joint regional creation efforts between local governments, regional financial institutions, and local industry are taking shape.**

“Minna de” expands to financial institutions

- ||| After strong start, “Minna de” also well received by financial institutions
- ||| Building on earlier initiatives for SMBC, etc.

Financial training for municipal employees (Osaka City)

- ||| Provide training to improve financial literacy as part of “global financial city” efforts
- ||| Collaboration with SBI Holdings, a member of the Global Financial City OSAKA Promotion Committee

Regional bank × non-financial business development (Chiba Bank)

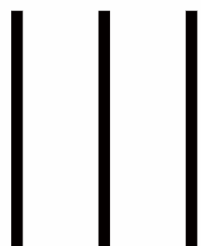
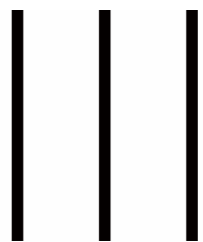
- ||| Support for establishing and operating regional trading company
- ||| DX skills training
- ||| Joint support for local government DX by regional banks

Regional bank × regional circular economy (Tottori Bank)

- ||| Working with local governments and businesses to promote circular economic flows within the region
- ||| Assist local businesses with developing products and expanding sales channels

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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