



March 14, 2024

For immediate release

Company CHANGE Holdings, Inc.
CEO Hiroshi Fukudome
(Code: 3962,
Prime Market of the Tokyo Stock Exchange)
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(Progress of Disclosure Items)

Announcement of the Transfer of Shares of Digital Arts Consulting Inc. to our Subsidiary

Although we announced in "the Announcement of the Acquisition regarding Shares of Digital Arts Consulting Inc. disclosed on February 14, 2024 (hereinafter referred to as "Announcement on February 14, 2024") that we decided to acquire shares of Digital Arts Consulting Inc. (hereinafter referred to as Digital Arts Consulting) on March 29, 2024 to make it our consolidated subsidiary, at the Board Meeting held today, we have decided to transfer all of the shares thereof to CyLeague Holding, Inc, our subsidiary (hereinafter referred to as "CyLeague Holdings"). We hereby inform you of the details as follows:

1. Reason for transfer of shares

We have entered the cyber security industry with the conclusion of a capital and business alliance agreement with E-Guardian Inc. (hereinafter, "E-Guardian"), which already became our consolidated subsidiary, and the acquisition of shares of Digital Arts Consulting, which also already became our subsidiary.

Under these circumstances, we will, this time, transfer the shares of Digital Art Consulting to CyLeague Holdings, our intermediate holding company, so that CyLeague group can provide services that support a business strategy that covers both DX and security-related measures that Digital Arts Consulting has as well as existing services that support the development and implementation of IT strategy of their customers.

CyLeague Holdings is an intermediate holding company established in December last year. The purpose of the establishment is to build a management structure that will enable flexible decision-making based on bold ideas by consolidating the knowledge necessary to promote the cybersecurity business. The business started in February, including preparations to consolidate Digital Arts Consulting. Considering that CyLeague Holdings has already established a framework for management integration, including the creation of synergies after the acquisition of Digital Arts Consulting, we have decided to transfer the shares of Digital Arts Consulting to CyLeague Holdings. We intend to provide better services in a speedy manner, including synergies of E-Guardian and Digital Arts Consulting under CyLeague Holdings. The transfer price is the same as at the time of the acquisition.

The name of Digital Arts Consulting is also scheduled to be changed in conjunction with the scheduled date of the transfer of the shares to CyLeague Holdings.

2. Overview of a subsidiary to be transferred

(1)	Name	Digital Arts Consulting Inc.		
(2)	Address	5-1 Otemachi 1-chome, Chiyoda-ku, Tokyo		
(3)	Title/name of representative	Mr. Tadao Matsumoto, Representative Director and President		
(4)	Description of Businesses	IT strategic consulting, information security consulting, etc.		
(5)	Ordinary shares	73 million yen		
(6)	Date of Establishment	April, 2016		
(7)	Major shareholders and percentage of shares	Digital Arts Inc.: 91.86% Tadao Matsumoto: 6.56% ※ The shareholding ratio as of March 29, 2024 is as follows: Our: 91.86% Tadao Matsumoto: 6.56%		
(8)	Our relationship with the company	Capital relationship	Not applicable. ※ We will become a consolidated subsidiary on March 29, 2024.	
		Personal relationship	Not applicable.	
		Business relationship	Not applicable.	
(9)	Results of operations and financial position of the company for the past three years			
	Fiscal year end	FY2021/3	FY2022/3	FY2023/3
	Net assets	153 million yen	227 million yen	254 million yen
	Total assets	280 million yen	365 million yen	534 million yen
	Net assets per share	20,255.00 yen	29,892.49 yen	33,391.74 yen
	Net sales	839 million yen	1,106 million yen	1,663 million yen
	Operating income	46 million yen	106 million yen	25 million yen
	Ordinary income	47 million yen	108 million yen	33 million yen
	Net income	29 million yen	73 million yen	26 million yen
	Net income per share	3,834.34 yen	9,637.50 yen	3,449.37 yen
	Dividend per share	-	-	-

3. Outline of the counterparty to the share transfer

(1)	Name	CyLeague Holdings, Inc.		
(2)	Address	TOKYU REIT Toranomon Building 6F, Toranomon 3-17-1, Minato-ku, Tokyo		
(3)	Job title/name of representative	Mr. Yasuhisa Takatani, President and Representative Director		
(4)	Description of Businesses	Cybersecurity and digital transformation-related businesses as well as shareholding of companies engaged in these businesses, and support and management of their business activities		
(5)	Common stock	99 million yen		
(6)	Date of Establishment	December 25, 2023		
(7)	Major shareholders and percentage of shares	Our: 100%		
(8)	The relationship with the company	Capital relationship	We are a wholly owned subsidiary.	
		Personal relationship	We dispatch two directors and one corporate auditor.	
		Business relationship	We plan to transfer the shares of our subsidiary.	

4.Number of shares transferred, transfer price, and status of shares held before and after the transfer

(1)	Shares owned prior to the transaction	7000 shares *As of March 29, 2024 (Number of voting rights: 7,000) (Percentage of voting rights: 91.86%)
(2)	Number of the Transferred Shares	7,000 shares (7,000 shares of ordinary shares) (Number of voting rights: 7,000)
(3)	Transfer value	Ordinary shares of Digital Arts Consulting: 2,296 million yen
(4)	Shares owned after the transaction	0 shares *As of April 1, 2024 (Number of voting rights: 0) (Percentage of voting rights: 0%)

5.Schedule

(1)	Date of resolution of the Board of Directors	March 14, 2024
(2)	Contract day	March 14, 2024
(3)	Execute date of stock transfer	April 1, 2024 (planned)

6.Future Outlook

This is a transfer at the same price we acquired and there is no effect of this transfer on our business results for this period. Under CyLeague Holdings, we will promote our business with a more efficient management system.

End