[Notes of caution]

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Consolidated Financial Results for the Three Months Ended June 30, 2026 (under IFRS)

August 13, 2026

Company name CHANGE Holdings, Inc. Stock exchange listings: Tokyo Prime

Securities code 3962 URL https://www.changeholdings.co.jp/

Representative (Title) Representative Director, President and Executive Officer (Name) Hiroshi Fukudome

Inquiries (Title) Director, Executive Officer and CFO (Name) Yutaka Yamada Tel 03-6435-7347

Dividend payable date (as planned)-

Supplemental material of results : Yes

Convening briefing of results : Yes (For institutional investors, analysts and individual investors)

(Yen amounts are rounded down to millions.)

1. Consolidated financial results for the first quarter ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate changes from the 1Q of the last fiscal year.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	10,887	9.9	491	(19.0)	402	(50.9)	130	(68.7)	98	(76.7)	131	(89.0)
June 30, 2025	9,908	21.7	606	(74.1)	818	(62.4)	416	(71.4)	422	(69.5)	1,200	(17.6)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	1.41	1.41
June 30, 2025	6.07	6.07

(Note) In the fiscal year ended March 31, 2026, the provisional accounting treatment for business combinations was finalized, and the figures for the first quarter ended June 30, 2025 reflect the finalization of the provisional accounting treatment.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2026	99,169	53,442	45,227	45.6
As of March 31, 2026	105,605	54,781	46,755	44.3

2. Cash dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY March 2026	-	-	-	23.00	23.00
FY March 2027	-				
FY March 2027 (Forecast)		-	-	26.00	26.00

Revisions to the dividend forecasts most recently announced: None

3. Consolidated financial forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit		Equity attributable to Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	57,823 ~ 59,000	9.5 ~ 11.7	11,500 ~ 12,500	2.4 ~ 11.4	10,773 ~ 11,773	(2.2) ~ 6.8	7,019 ~ 7,671	(2.2) ~ 6.8	6,690 ~ 7,311	(3.6) ~ 5.4	99.33 ~ 108.55

Revisions to the earnings forecasts most recently announced: None

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* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (Company name) Field X Co., Ltd.

Excluded: – companies (Company name) –

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

(i) Number of issued and outstanding shares at the period end (including treasury shares)	1Q FY March 2027	73,852,362 shares	FY March 2026	73,852,362 shares
(ii) Number of treasury shares at the period end	1Q FY March 2027	4,273,415 shares	FY March 2026	4,273,415 shares
(iii) Average number of shares during the period (cumulative for the quarter)	1Q FY March 2027	69,578,947 shares	1Q FY March 2026	69,578,947 shares

* Quarterly financial results reports subject to the review conducted by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements contained in this report are prepared based on information currently available to the Company and on certain assumptions deemed to be reasonable, and do not constitute a guarantee by the Company that such forecasts will be achieved. Actual results may differ significantly from these forecasts due to several factors. For future forecasts and assumptions, please refer to "1. Overview of operating results (3) Explanation about future outlook including consolidated financial forecasts, etc." on page 4 of the attached material.

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○ Table of Contents (Attached Material)

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1. Overview of operating results

Forward-looking statements in this document represent the judgment of the CHANGE Group as of the end of the current quarterly consolidated accounting period.

With respect to the business combination with fundbook, Inc. completed in December 2024, provisional accounting treatment was applied in the previous quarterly accounting period; however, since the accounting treatment was finalized in the previous consolidated fiscal year, the revised figures reflecting the finalization of the provisional accounting treatment are used in comparisons and analyses with the previous quarterly accounting period.

(1) Overview of operating results for the first quarter of the current fiscal year

Japan is projected to become a super-aging society unprecedented in the world, with approximately one in every 2.4 people expected to be aged 65 or older by 2070.

Population concentration in Tokyo continues, and local governments face severe fiscal constraints and declining populations. Even as the number of government employees decreases, their workload continues to grow, making AI Transformation (hereafter "AX") and Digital Transformation (hereafter "DX") indispensable for improving operational efficiency and sustaining public services.

At the governmental level, concrete measures are being developed for "Crisis Management Investments" addressing economic security, food and energy security, cybersecurity, and national resilience, as well as "Growth Investments" in strategic areas such as AI and semiconductors, and the "Regional Future Strategy" to promote local industrial clustering. Public and private investment and initiatives toward sustainable growth have advanced further domestically.

In this environment, the CHANGE Group operates under the mission of "Change People, Change Business, Change Japan," with the vision of "Change Productivity." By combining "People × Technology," the Group aims to dramatically improve Japan's productivity and, despite population decline, create a sustainable society. To this end, the Group pursues businesses centered on the digitalization of business models and operational processes, as well as the development and training of digital human resources, and has been providing solutions to meet the AX and DX needs of many customers since its founding.

Specifically, the Group's operations are structured around two core businesses: the NEW-IT Transformation Business, which encompasses support for developing digital human resources, innovation and digitalization of business processes, M&A brokerage, and cybersecurity; and the Publitech Business, whose mission is to promote regional revitalization through hometown tax donation (furusato nozei) platforms and digitalization services for local governments.

Under its Mid-term Business Plan "Digitize & Digitalize Japan (Phase 3)," the Company leverages diverse digital technologies to invigorate and foster collaboration among various players including local governments, regional financial institutions, local businesses, media, and universities and educational institutions, working toward a distinctive regional revitalization model unique to the CHANGE Group and enhancing corporate value through addressing various regional challenges.

The Company also transitioned to an Audit and Supervisory Committee model to further strengthen corporate governance and is working to reinforce its management foundation.

The operating results for the cumulative first quarter of the current consolidated fiscal year are as follows.

Regarding the NEW-IT Transformation Business, the Group focused on deepening collaboration among group companies to enhance synergies while continuing growth investments centered on M&A and capital and business alliance partnerships. In the private-sector DX and M&A brokerage area, the Group advanced the provision of training services tailored to growing demand amid the increased adoption of AI and human capital management, expanded its BPO business leveraging internal expertise to implement AI solutions, and strengthened its robotics operations. The M&A brokerage business has begun generating results from alliances with major financial institutions, and improvements in the deal-closing process are progressing. In the cybersecurity area, as awareness of security risks has intensified further due to the growing integration of AI in operations and the increased frequency of cyberattacks, the Group has strengthened its sales channels and service lines through equity partnerships and business alliances, resulting in revenue growth year-on-year. The Group will continue to build up its products, solutions and human resources to establish a unique position in the cybersecurity industry.

Regarding the Publitech Business, the Group has been driving regional revitalization through initiatives for local government DX and regional economic circulation. In the regional revitalization area, while total donation amounts across the market declined following the abolition of points in the hometown tax donation (furusato nozei) system, the Group's own donation amounts also fell below the prior-year level; however, the impact was contained and remained within the planned range and on a solid track. The Group anticipates a full ramp-up in donations heading into year-end. In addition, the consolidation of Onwords, Inc. and Field X Co., Ltd. as consolidated subsidiaries also boosted revenue. The Group will further advance its operations to build a regional revitalization model through the inbound business and sports business, which are expected to drive future growth. Regarding the public DX area, the SaaS business for local governments continued to receive high user ratings and saw an increase in the number of contracts, with the number of municipalities using LoGo Chat (both paid and free) exceeding 1,500, LoGo Form surpassing 800 municipalities, and the number of municipalities using Govmates Pit, a business reform support tool for local governments, surpassed 400. In addition, consulting services for central government ministries continued to show a trend of revenue growth, and new initiatives leveraging the Group's strengths were undertaken, including being commissioned by Akita Prefecture for a drone-based demonstration project addressing bear-related issues, which have become a social challenge in recent years.

As a result, for the cumulative first quarter of the current consolidated fiscal year, revenue was 10,887 million yen (up 9.9% year on year), operating profit was 491 million yen (down 19.0% year on year), quarterly profit before tax was 402 million yen (down 50.9% year on year), and quarterly profit attributable to owners of parent was 98 million yen (down 76.7% year on year).

The operating results by segment are as follows.

(I) NEW-IT Transformation Business

Regarding the NEW-IT Transformation Business, the Group focused on deepening collaboration among group companies to enhance synergies while continuing growth investments centered on M&A and capital and business alliance partnerships. In the private-sector DX and M&A brokerage area, the Group advanced the provision of training services tailored to growing demand amid the increased adoption of AI and human capital management, expanded its BPO business leveraging internal expertise to implement AI solutions, and strengthened its robotics operations. The M&A brokerage business has begun generating results from alliances with major financial institutions, and improvements in the deal-closing process are progressing. In the cybersecurity area, as awareness of security risks has intensified further due to the growing integration of AI in operations and the increased frequency of cyberattacks, the Group has strengthened its sales channels and service lines through equity partnerships and business alliances, resulting in revenue growth year-on-year. The Group will continue to build up its products, solutions and human resources to establish a unique position in the cybersecurity industry.

As a result, revenue for the NEW-IT Transformation Business for the cumulative first quarter of the current consolidated fiscal year was 6,214 million yen (up 2.1% year on year), and segment profit was 415 million yen (up 44.6% year on year).

(II) Publitech Business

Regarding the Publitech Business, the Group has been driving regional revitalization through initiatives for local government DX and regional economic circulation. In the regional revitalization area, while total donation amounts across the market declined following the abolition of points in the hometown tax donation (furusato nozei) system, the Group's own hometown tax donation receipts also fell below the prior year level; however, the impact was contained and remained within the planned range and on a solid track. The Group anticipates a full ramp-up in donations heading into year-end. In addition, the consolidation of Onwords, Inc. and Field X Co., Ltd. as consolidated subsidiaries also boosted revenue. The Group will further advance its operations to build a regional revitalization model through the inbound business and sports business, which are expected to drive future growth. Regarding the public DX area, the SaaS business for local governments continued to receive high user ratings and saw an increase in the number of contracts, with the number of municipalities using LoGo Chat (both paid and free) exceeding 1,500, LoGo Form surpassing 800 municipalities, and the number of municipalities using Govmates Pit, a business reform support tool for local governments, surpassed 400. In addition, consulting services for central government ministries continued to show a trend of revenue growth, and new initiatives leveraging the Group's strengths were undertaken, including being commissioned by Akita Prefecture for a drone-based demonstration project addressing bear-related issues, which have become a social challenge in recent years.

As a result, revenue for the Publitech Business for the cumulative first quarter of the current consolidated fiscal year was 4,738 million yen (up 19.8% year on year), and segment profit was 927 million yen (up 15.9% year on year).

[Notes of caution]

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(2) Financial Position

(i) Assets, liabilities and equity

(Assets)

Current assets at the end of the first quarter of the current consolidated fiscal year were 42,537 million yen, a decrease of 6,802 million yen compared to the end of the previous consolidated fiscal year. This was primarily attributable to a decrease in trade and other receivables of 5,168 million yen. Non-current assets were 56,631 million yen, an increase of 365 million yen compared to the end of the previous consolidated fiscal year. This was primarily attributable to an increase in goodwill of 270 million yen resulting from the acquisition of subsidiary shares.

As a result, total assets were 99,169 million yen, a decrease of 6,436 million yen compared to the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the first quarter of the current consolidated fiscal year were 21,226 million yen, a decrease of 3,502 million yen compared to the end of the previous consolidated fiscal year. This was primarily attributable to a decrease in trade and other payables of 2,095 million yen. Non-current liabilities were 24,500 million yen, a decrease of 1,595 million yen compared to the end of the previous consolidated fiscal year. This was primarily attributable to a decrease in bonds and borrowings of 1,449 million yen.

As a result, total liabilities were 45,726 million yen, a decrease of 5,097 million yen compared to the end of the previous consolidated fiscal year.

(Equity)

Total equity at the end of the first quarter of the current consolidated fiscal year was 53,442 million yen, a decrease of 1,339 million yen compared to the end of the previous consolidated fiscal year. This was primarily attributable to a decrease in retained earnings of 1,501 million yen due to the recording of quarterly profit attributable to owners of parent and the payment of dividends.

(ii) Cash Flows

Cash and cash equivalents at the end of the first quarter of the current consolidated fiscal year decreased by 1,740 million yen compared to the end of the previous consolidated fiscal year, to 24,441 million yen.

The status of each cash flow and its main factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities for the cumulative first quarter of the current consolidated fiscal year was 2,449 million yen (compared to an increase of 1,246 million yen in the same period of the prior year). This was primarily attributable to a decrease (increase) in trade and other receivables of 5,265 million yen.

(Cash flows from investing activities)

Net cash used in investing activities for the cumulative first quarter of the current consolidated fiscal year was 841 million yen (compared to 526 million yen in the same period of the prior year). This was primarily attributable to purchase of intangible assets of 466 million yen.

(Cash flows from financing activities)

Net cash used in financing activities for the cumulative first quarter of the current consolidated fiscal year was 3,345 million yen (compared to 3,028 million yen in the same period of the prior year). This was primarily attributable to repayment of long-term borrowings of 1,507 million yen and dividends paid of 1,581 million yen.

(3) Explanation about future outlook including consolidated financial forecasts, etc.

There have been no revisions to the consolidated financial forecast announced on May 14, 2026.

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2. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	Previous fiscal year (March 31, 2026)	First quarter of current fiscal year (June 30, 2026)
Assets		
Current assets		
Cash and cash equivalents	26,181	24,441
Trade and other receivables	21,363	16,194
Inventories	521	651
Other financial assets	8	8
Other current assets	1,265	1,241
Total current assets	49,339	42,537
Non-current assets		
Property, plant and equipment	1,371	1,405
Right-of-use assets	1,295	1,203
Goodwill	29,267	29,538
Intangible assets	8,799	8,640
Investments accounted for using equity method	5,118	5,126
Other financial assets	8,355	8,564
Deferred tax assets	2,018	2,124
Other non-current assets	39	28
Total non-current assets	56,265	56,631
Total assets	105,605	99,169

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(Millions of yen)

	Previous fiscal year (March 31, 2026)	First quarter of current fiscal year (June 30, 2026)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	12,493	10,398
Short-term borrowings	5,989	6,011
Lease liabilities	832	768
Other financial liabilities	287	339
Income taxes payable	2,328	614
Provisions	142	373
Other current liabilities	2,653	2,721
Total current liabilities	24,728	21,226
Non-current liabilities		
Bonds and borrowings	21,782	20,332
Lease liabilities	516	466
Provisions	484	515
Deferred tax liabilities	3,287	3,175
Other non-current liabilities	25	11
Total non-current liabilities	26,095	24,500
Total liabilities	50,824	45,726
Equity		
Share capital	1,042	1,042
Capital surplus	21,906	21,880
Retained earnings	29,538	28,036
Treasury shares	(5,882)	(5,882)
Other components of equity	151	151
Total equity attributable to owners of parent	46,755	45,227
Non-controlling interests	8,025	8,214
Total equity	54,781	53,442
Total liabilities and equity	105,605	99,169

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(2) Condensed Quarterly Consolidated Statements of Income and Condensed Quarterly Consolidated Statements of Comprehensive Income

[Condensed Quarterly Consolidated Statements of Income]

(Millions of yen)

	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)
Revenue	9,908	10,887
Cost of sales	5,382	5,843
Gross profit	4,526	5,043
Selling, general and administrative expenses	4,013	4,580
Other income	125	22
Other expenses	12	4
Share of profit (loss) of investments accounted for using equity method	△19	9
Operating profit	606	491
Finance income	351	65
Finance costs	139	154
Quarterly profit before tax	818	402
Income tax expense	402	272
Quarterly profit	416	130
Quarterly profit attributable to:		
Owners of parent	422	98
Non-controlling interests	(6)	31
Quarterly profit	416	130
Earnings per share		
Quarterly basic earnings per share (Yen)	6.07	1.41
Quarterly diluted earnings per share (Yen)	6.07	1.41

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[Condensed Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)
Quarterly profit	416	130
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	788	-
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	(3)	1
Other comprehensive income, net of tax	784	1
Quarterly comprehensive income	1,200	131
Quarterly comprehensive income attributable to:		
Owners of parent	1,208	99
Non-controlling interests	(8)	32
Quarterly comprehensive income	1,200	131

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(3) Condensed Quarterly Consolidated Statements of Changes in Equity

Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025

(Millions of yen)

	Equity attributable to owners of parent				
					Other components of equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Financial assets measured at fair value through other comprehensive income
Balance at April 1, 2025	1,042	22,081	24,054	(5,882)	(106)
Quarterly profit			422		
Other comprehensive income					788
Total quarterly comprehensive income	-	-	422	-	788
Dividends			(1,454)		
Changes in ownership interests in subsidiaries retained as subsidiaries		(16)			
Changes in scope of consolidation					
Share-based payment transactions of subsidiaries					
Total transactions with owners	-	(16)	(1,454)	-	-
Balance at June 30, 2025	1,042	22,064	23,023	(5,882)	681

	Equity attributable to owners of parent			Non-controlling interests	Total
	Other components of equity		Total		
	Foreign currency translation adjustments	Total			
Balance at April 1, 2025	2	(104)	41,191	8,419	49,611
Quarterly profit		-	422	(6)	416
Other comprehensive income	(1)	786	786	(1)	784
Total quarterly comprehensive income	(1)	786	1,208	(8)	1,200
Dividends		-	(1,454)		(1,454)
Changes in ownership interests in subsidiaries retained as subsidiaries		-	(16)	6	(10)
Changes in scope of consolidation		-	-	6	6
Share-based payment transactions of subsidiaries		-	-	4	4
Total transactions with owners	-	-	(1,470)	18	(1,452)
Balance at June 30, 2025	0	682	40,930	8,429	49,359

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Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026

(Millions of yen)

	Equity attributable to owners of parent				
					Other components of equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Financial assets measured at fair value through other comprehensive income
Balance at April 1, 2026	1,042	21,906	29,538	(5,882)	147
Quarterly profit			98		
Other comprehensive income					-
Total quarterly comprehensive income	-	-	98	-	-
Dividends			(1,600)		
Changes in ownership interests in subsidiaries retained as subsidiaries		(26)			
Changes in scope of consolidation					
Share-based payment transactions of subsidiaries					
Total transactions with owners	-	(26)	(1,600)	-	-
Balance at June 30, 2026	1,042	21,880	28,036	(5,882)	147

	Equity attributable to owners of parent			Non-controlling interests	Total
	Other components of equity				
	Foreign currency translation adjustments	Total	Total		
Balance at April 1, 2026	4	151	46,755	8,025	54,781
Quarterly profit		-	98	31	130
Other comprehensive income	0	0	0	0	1
Total quarterly comprehensive income	0	0	99	32	131
Dividends		-	(1,600)		(1,600)
Changes in ownership interests in subsidiaries retained as subsidiaries		-	(26)		(26)
Changes in scope of consolidation		-	-	126	126
Share-based payment transactions of subsidiaries		-	-	30	30
Total transactions with owners	-	-	(1,627)	156	(1,470)
Balance at June 30, 2026	4	151	45,227	8,214	53,442

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(4) Condensed Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)	Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)
Cash flows from operating activities		
Quarterly profit before tax	818	402
Depreciation and amortization	681	709
Share of loss (profit) of investments accounted for using equity method	19	(9)
Finance income and finance costs	(211)	90
Decrease (increase) in inventories	(64)	(130)
Decrease (increase) in trade and other receivables	4,072	5,265
Increase (decrease) in trade and other payables	(2,228)	(1,920)
Other	57	183
Subtotal	3,144	4,591
Interest and dividends received	6	18
Interest paid	(101)	(120)
Income taxes paid	(1,802)	(2,039)
Cash flows from operating activities	1,246	2,449
Cash flows from investing activities		
Purchase of property, plant and equipment	(69)	(73)
Purchase of intangible assets	(149)	(466)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(172)
Proceeds from shares of subsidiaries resulting in change in scope of consolidation	-	23
Purchase of investment securities	(320)	(130)
Other	12	(21)
Cash flows from investing activities	(526)	(841)
Cash flows from financing activities		
Proceeds from long-term borrowings	229	15
Repayment of long-term borrowings	(1,581)	(1,507)
Repayments of lease liabilities	(259)	(272)
Dividends paid	(1,413)	(1,581)
Other	(3)	-
Cash flows from financing activities	(3,028)	(3,345)
Net increase (decrease) in cash and cash equivalents	(2,308)	(1,737)
Cash and cash equivalents at beginning of period	30,185	26,181
Effect of exchange rate changes on cash and cash equivalents	(3)	(3)
Cash and cash equivalents at end of period	27,873	24,441

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(5) Notes to Condensed Quarterly Consolidated Financial Statements

(Applied Financial Reporting Framework)

The Company's condensed quarterly consolidated financial statements (condensed quarterly consolidated statement of financial position, condensed quarterly consolidated statements of income, condensed quarterly consolidated statements of comprehensive income, condensed quarterly consolidated statements of changes in equity, condensed quarterly consolidated statements of cash flows, and notes) have been prepared in accordance with Article 5, Paragraph 2 of the Preparation Standards for Quarterly Financial Statements and Others of Tokyo Stock Exchange, Inc. (with the omission of disclosures as permitted under Article 5, Paragraph 5 of the same standards), and certain disclosure items and notes required under IAS 34 "Interim Financial Reporting" have been omitted.

(Notes on the Going Concern Assumption)

Not applicable.

(Segment Information)

(1) Overview of Reportable Segments

The reportable segments of the CHANGE Group are determined based on operating segments that consist of separate financial information available for the Group's components and that are regularly reviewed by the Board of Directors to decide resource allocations and evaluate performance. No aggregation of operating segments has been performed in determining the reportable segments.

The Group is composed of segments classified by the nature of services, with two reportable segments: "NEW-IT Transformation Business" and "Publitech Business."

The "NEW-IT Transformation Business" provides solutions to bring transformation to the operational processes and business models of Japanese companies through new technologies and digital human resource development, thereby improving productivity and added value, as well as providing services related to Internet security and conducting M&A brokerage operations. The "Publitech Business" operates a platform business for hometown tax donation (furusato nozei) and provides solutions and other services for government agencies.

(2) Segment Information

Revenue and performance by reportable segment of the CHANGE Group are as follows.

Segment profit is based on operating profit.

Inter-segment revenue is based on prevailing market prices.

In addition, from the current consolidated fiscal year, the Company has revised the allocation method for administrative expenses to more appropriately evaluate performance by reportable segment. As a result, some general and administrative expenses that had been allocated to "Reconciling items" are now included in the reportable segments.

The segment information for the previous first quarter has been prepared based on the revised allocation method.

Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(Millions of yen)

	Reportable segments			Reconciling items (Note) 1	Consolidated
	NEW-IT Transformation Business	Publitech Business	Total		
Revenue					
Revenue from external customers	5,972	3,936	9,908	-	9,908
Intersegment revenue	113	19	133	(133)	-
Total	6,086	3,955	10,042	(133)	9,908
Segment profit (Note) 2	287	799	1,087	(480)	606
Finance income	-	-	-	-	351
Finance costs	-	-	-	-	139
Quarterly profit before tax	-	-	-	-	818

(Note) 1. The adjustment of (480) million yen in segment profit comprises company-wide expenses of (480) million yen not allocable to any reportable segment, mainly general and administrative expenses not attributable to reportable segments.

2. Segment profit is reconciled with operating profit in the condensed quarterly consolidated statements of income.

[Notes of caution]

This document is an English translation of the Japanese original. In the event of any differences or inconsistencies between the Japanese and English versions, the Japanese language version shall take precedence.

Three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

(Millions of yen)

	Reportable segments			Reconciling items (Note) 1	Consolidated
	NEW-IT Transformation Business	Publitech Business	Total		
Revenue					
Revenue from external customers	6,109	4,738	10,848	39	10,887
Intersegment revenue	104	(0)	104	(104)	-
Total	6,214	4,738	10,953	(65)	10,887
Segment profit (Note) 2	415	927	1,342	(851)	491
Finance income	-	-	-	-	65
Finance costs	-	-	-	-	154
Quarterly profit before tax	-	-	-	-	402

(Note) 1. The adjustment of (851) million yen in segment profit comprises company-wide expenses of (851) million yen not allocable to any reportable segment, mainly general and administrative expenses not attributable to reportable segments.

2. Segment profit is reconciled with operating profit in the condensed quarterly consolidated statements of income.