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Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under IFRS)

November 12, 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
Scheduled date to file semi-annual securities report: November 12, 2026 — Dividend payable date: –
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 six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2026	24,892	11.8	(2,864)	–	(3,173)	–	(4,341)	–	(4,321)	–	(4,308)	–
Six months ended September 30, 2025	22,266	34.9	2,500	(34.4)	2,744	(20.5)	1,605	(28.4)	1,561	(24.7)	2,388	6.7

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2026	(62.14)	(62.14)
Six months ended September 30, 2025	22.45	22.44

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2026	107,595	48,945	40,774	37.9
As of March 31, 2026	105,605	54,781	46,755	44.3

2. Cash dividends

	Annual dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	–	0.00	–	23.00	23.00
Fiscal year ending March 31, 2027	–	0.00			
Fiscal year ending March 31, 2027 (Forecast)			–	–	–

(Note) 1. Revisions to the dividend forecasts most recently announced : Yes
2. The year-end dividend for the fiscal year ending March 31, 2027 is undetermined at this time. For details, please refer to the "Notice Concerning Recording of Impairment Loss and Revisions to Earnings Forecasts and Dividend Forecasts" announced today (November 12, 2026).

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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		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	47,000 to 53,000	(11.0) to 0.3	0 to 6,000	(100.0) to (46.6)	(700) to 5,300	– to (51.9)	(2,300) to 1,650	– to (77.0)	(2,200) to 1,600	– to (76.9)	(32.66) to 23.75

(Note) 1. Revisions to the earnings forecasts most recently announced : Yes

2. For details, please refer to the “Notice Concerning Recording of Impairment Loss and Revisions to Earnings Forecasts and Dividend Forecasts” announced today (November 12, 2026).

* Notes

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

Newly included: 2 companies (Company name) Field X Co., Ltd., Outarc, 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) Total number of issued shares at the end of the period (including treasury shares)	As of September 30, 2026	73,852,362 shares	As of March 31, 2026	73,852,362 shares
(ii) Number of treasury shares at the end of the period	As of September 30, 2026	4,347,715 shares	As of March 31, 2026	4,273,415 shares
(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	Six months ended September 30, 2026	69,541,593 shares	Six months ended September 30, 2025	69,578,947 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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, but they are not promised by the Company regarding future performance. 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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1. Overview of operating results

Forward-looking statements in this document are based on the judgment of the CHANGE Group (hereinafter the "Group") as of the end of the interim consolidated accounting period under review.

(1) Overview of operating results for the cumulative second quarter (interim accounting period) of the current fiscal year

Japan is projected to become an unprecedented super-aged society, with approximately 1 out of 2.4 citizens being 65 years of age or older by 2070. Population concentration in Tokyo continues, and local governments face the challenges of severe fiscal conditions and population decline; although their numbers of employees are decreasing, their workload is on the rise, making operational efficiency improvements through AI transformation (hereinafter "AX") and digital transformation (hereinafter "DX") essential to sustaining administrative services. In addition, the government is moving forward with concrete measures including "Crisis Management Investments" to address economic security, food and energy security, cybersecurity, national resilience and other issues, "Growth Investments" in strategic fields such as AI and semiconductors, and the "Regional Future Strategy" to promote regional industrial clusters, driving further public-private investment and engagement toward sustainable growth in Japan.

Under these circumstances, the CHANGE Group, with the mission of "Change People, Change Business, Change Japan" and the vision of "Change Productivity," has been developing businesses such as the digitalization of business models and business processes and support for the development of digital human resources, in order to dramatically improve Japan's productivity through "People × Technology" and make Japan a sustainable society amid population decline. Since its founding, the Group has been providing solutions to meet the AX and DX needs of many customers.

Specifically, our business consists of two pillars: the NEW-IT Transformation Business, which covers support for the development of digital human resources, business process innovation and digitalization, M&A brokerage and the cybersecurity area; and the Publitech Business, whose mission is to promote regional creation through our hometown tax donation platform and digitalization services for local governments.

Under its Mid-term Business Plan "Digitize & Digitalize Japan (Phase3)," the Company utilizes a variety of digital technologies to promote the revitalization of, and collaboration among, players such as local governments, regional financial institutions, regional companies, media, and universities and educational institutions, aiming to establish the Group's own replicable model for regional creation while working to enhance corporate value by solving a variety of regional issues. The Company also transitioned to an Audit and Supervisory Committee model to further strengthen corporate governance and is working to reinforce its management foundation.

Operating results for the interim consolidated accounting period under review are as follows.

In the NEW-IT Transformation Business, our policy is to continue growth investments centered on M&A and capital and business alliances, while focusing on deepening collaboration among Group companies to maximize synergies. In the Private-sector DX and M&A brokerage area, amid increasingly active initiatives in AI utilization and human capital management, we promoted the provision of training services tailored to these needs, and also pursued the expansion of a BPO business with AI implementation, leveraging Group-wide expertise, and the strengthening of the robotics business. In the M&A brokerage business, the number of new mandates is on an upward trend, and the deal conversion process is also showing improvements. In addition, Outarc, Co., Ltd., an AI development company, became a consolidated subsidiary, and we will promote the Group-wide deployment of AI and AX as well as the development of AI solutions. Furthermore, with respect to the shares of our consolidated subsidiary E-Guardian Inc. held by the Company, we recorded an impairment loss on goodwill of 5,968 million yen because a significant divergence arose between the plan and actual results. In the Cybersecurity area, amid further heightened awareness of security risks due to the spread of AI in business operations and the frequent occurrence of cyberattacks, we have been strengthening sales channels and service lines through capital and business alliances, and revenue increased year-on-year.

In the Publitech Business, we are promoting regional creation through AX and DX for local governments and initiatives for regional economic circulation. In the Regional creation area, revenue in the hometown tax donation business increased year-on-year. The consolidation of Onwords, Inc. and Field X Co., Ltd. as subsidiaries also provided an uplift to revenue. We will focus on establishing a scalable model for regional creation through the inbound tourism business and the sports business, both high-growth areas. In the Public-sector DX area, our SaaS business for local governments is continuing to receive strong user recognition, with contracts increasing: the number of local governments using LoGo Chat, including both paid and free users, surpassed 1,600 municipalities, and LoGo Form surpassed 900 municipalities, while Govmates Pit, a business process reform support tool for local governments, is also expanding steadily. In addition, consulting services for central government ministries and agencies continue to show revenue growth, and in the education ICT area, ICT-related sales to elementary and junior high schools in Yurihonjo City, Akita Prefecture, contributed to the increase in revenue.

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As a result, for the interim consolidated accounting period under review, revenue was 24,892 million yen (up 11.8% year-on-year), operating loss was 2,864 million yen (compared with operating profit of 2,500 million yen in the same period of the previous fiscal year), loss before tax was 3,173 million yen (compared with profit before tax of 2,744 million yen in the same period of the previous fiscal year), and loss attributable to owners of parent was 4,321 million yen (compared with profit attributable to owners of parent of 1,561 million yen in the same period of the previous fiscal year).

Segment results are as follows.

(I) NEW-IT Transformation Business

In the NEW-IT Transformation Business, our policy is to continue growth investments centered on M&A and capital and business alliances, while focusing on deepening collaboration among Group companies to maximize synergies. In the Private-sector DX and M&A brokerage area, amid increasingly active initiatives in AI utilization and human capital management, we promoted the provision of training services tailored to these needs, and also pursued the expansion of a BPO business with AI implementation, leveraging Group-wide expertise, and the strengthening of the robotics business. In the M&A brokerage business, the number of new mandates is on an upward trend, and the deal conversion process is also showing improvements. In addition, Outarc, Co., Ltd., an AI development company, became a consolidated subsidiary, and we will promote the Group-wide deployment of AI and AX as well as the development of AI solutions. Furthermore, with respect to the shares of our consolidated subsidiary E-Guardian Inc. held by the Company, we recorded an impairment loss on goodwill of 5,968 million yen because a significant divergence arose between the plan and actual results. In the Cybersecurity area, amid further heightened awareness of security risks due to the spread of AI in business operations and the frequent occurrence of cyberattacks, we have been strengthening sales channels and service lines through capital and business alliances, and revenue increased year-on-year.

As a result, in the NEW-IT Transformation Business, revenue for the interim consolidated accounting period under review was 11,648 million yen (down 2.0% year-on-year), and segment loss was 5,945 million yen (compared with segment profit of 557 million yen in the same period of the previous fiscal year).

(II) Publitech Business

In the Publitech Business, we are promoting regional creation through AX and DX for local governments and initiatives for regional economic circulation. In the Regional creation area, revenue in the hometown tax donation business increased year-on-year. The consolidation of Onwords, Inc. and Field X Co., Ltd. as subsidiaries also provided an uplift to revenue. We will focus on establishing a scalable model for regional creation through the inbound tourism business and the sports business, both high-growth areas. In the Public-sector DX area, our SaaS business for local governments is continuing to receive strong user recognition, with contracts increasing: the number of local governments using LoGo Chat, including both paid and free users, surpassed 1,600 municipalities, and LoGo Form surpassed 900 municipalities, while Govmates Pit, a business process reform support tool for local governments, is also expanding steadily. In addition, consulting services for central government ministries and agencies continue to show revenue growth, and in the education ICT area, ICT-related sales to elementary and junior high schools in Yurihonjo City, Akita Prefecture, contributed to the increase in revenue.

As a result, in the Publitech Business, revenue for the interim consolidated accounting period under review was 13,363 million yen (up 24.8% year-on-year), and segment profit was 4,490 million yen (up 48.7% year-on-year).

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(2) Financial Position

(i) Assets, Liabilities and Equity

(Assets)

Current assets at the end of the interim consolidated accounting period under review were 56,436 million yen, an increase of 7,096 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 10,949 million yen in trade and other receivables. Non-current assets were 51,159 million yen, a decrease of 5,106 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 5,476 million yen in goodwill resulting from the recording of an impairment loss on goodwill and other factors.

As a result of the above, total assets were 107,595 million yen, an increase of 1,989 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the interim consolidated accounting period under review were 34,764 million yen, an increase of 10,035 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 10,325 million yen in trade and other payables. Non-current liabilities were 23,885 million yen, a decrease of 2,209 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 2,190 million yen in bonds and borrowings.

As a result of the above, total liabilities were 58,650 million yen, an increase of 7,826 million yen from the end of the previous consolidated fiscal year.

(Equity)

Total equity at the end of the interim consolidated accounting period under review was 48,945 million yen, a decrease of 5,836 million yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease of 5,921 million yen in retained earnings resulting from the recording of loss attributable to owners of parent and the payment of dividends.

(ii) Cash Flows

Cash and cash equivalents at the end of the interim consolidated accounting period under review were 22,314 million yen, a decrease of 3,866 million yen from the end of the previous consolidated fiscal year.

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

(Cash flows from operating activities)

The increase in cash from operating activities during the interim consolidated accounting period under review was 1,843 million yen (an increase of 1,607 million yen in the same period of the previous fiscal year). This was mainly due to the addition of impairment losses of 6,053 million yen, a non-cash item.

(Cash flows from investing activities)

The decrease in cash from investing activities during the interim consolidated accounting period under review was 1,371 million yen (a decrease of 2,058 million yen in the same period of the previous fiscal year). This was mainly due to the purchase of intangible assets of 681 million yen.

(Cash flows from financing activities)

The decrease in cash from financing activities during the interim consolidated accounting period under review was 4,330 million yen (a decrease of 4,431 million yen in the same period of the previous fiscal year). This was mainly due to repayments of long-term borrowings of 3,020 million yen and dividends paid of 1,598 million yen.

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

With respect to the earnings forecasts, we have revised the consolidated financial forecasts announced on May 14, 2026. For details, please refer to the “Notice Concerning Recording of Impairment Loss and Revisions to Earnings Forecasts and Dividend Forecasts” announced today (November 12, 2026).

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2. Condensed Interim Consolidated Financial Statements and Major Notes

(1) Condensed Interim Consolidated Statement of Financial Position

(Millions of yen)

	Previous fiscal year (March 31, 2026)	As of September 30, 2026
Assets		
Current assets		
Cash and cash equivalents	26,181	22,314
Trade and other receivables	21,363	32,312
Inventories	521	603
Other financial assets	8	9
Other current assets	1,265	1,196
Total current assets	49,339	56,436
Non-current assets		
Property, plant and equipment	1,371	1,400
Right-of-use assets	1,295	1,402
Goodwill	29,267	23,790
Intangible assets	8,799	8,508
Investments accounted for using equity method	5,118	5,166
Other financial assets	8,355	8,691
Deferred tax assets	2,018	2,162
Other non-current assets	39	36
Total non-current assets	56,265	51,159
Total assets	105,605	107,595

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(Millions of yen)

	Previous fiscal year (March 31, 2026)	As of September 30, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	12,493	22,818
Short-term borrowings	5,989	6,027
Lease liabilities	832	852
Other financial liabilities	287	276
Income taxes payable	2,328	1,666
Provisions	142	286
Other current liabilities	2,653	2,836
Total current liabilities	24,728	34,764
Non-current liabilities		
Bonds and borrowings	21,782	19,591
Lease liabilities	516	583
Provisions	484	494
Deferred tax liabilities	3,287	3,205
Other non-current liabilities	25	10
Total non-current liabilities	26,095	23,885
Total liabilities	50,824	58,650
Equity		
Share capital	1,042	1,042
Capital surplus	21,906	21,877
Retained earnings	29,538	23,616
Treasury shares	(5,882)	(5,949)
Other components of equity	151	187
Total equity attributable to owners of parent	46,755	40,774
Non-controlling interests	8,025	8,170
Total equity	54,781	48,945
Total liabilities and equity	105,605	107,595

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(2) Condensed Interim Consolidated Statements of Income and Summary Consolidated Statements of Comprehensive Income

[Condensed Interim Consolidated Statements of Income]

(Millions of yen)

	Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)	Six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)
Revenue	22,266	24,892
Cost of sales	11,240	12,381
Gross profit	11,026	12,510
Selling, general and administrative expenses	8,653	9,455
Impairment losses	-	6,053
Other income	139	97
Other expenses	25	15
Share of profit of investments accounted for using equity method	13	51
Operating profit (loss)	2,500	(2,864)
Finance income	537	295
Finance costs	292	604
Profit (loss) before tax	2,744	(3,173)
Income tax expense	1,139	1,168
Profit (loss)	1,605	(4,341)
Profit (loss) attributable to:		
Owners of parent	1,561	(4,321)
Non-controlling interests	43	(20)
Profit (loss)	1,605	(4,341)
Earnings (loss) per share		
Basic earnings (loss) per share (Yen)	22.45	(62.14)
Diluted earnings (loss) per share (Yen)	22.44	(62.14)

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[Condensed Interim Consolidated Statements of Comprehensive Income]

(Millions of yen)

	Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)	Six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)
Profit (loss)	1,605	(4,341)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	788	40
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	(4)	(7)
Other comprehensive income, net of tax	783	33
Comprehensive income	2,388	(4,308)
Comprehensive income attributable to:		
Owners of parent	2,347	(4,285)
Non-controlling interests	41	(23)
Comprehensive income	2,388	(4,308)

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(3) Condensed Interim Consolidated Statements of Changes in Equity

Previous interim consolidated accounting period (from April 1, 2025 to September 30, 2025)

(Millions of yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity
					Financial assets measured at fair value through other comprehensive income
Balance as of April 1, 2025	1,042	22,081	24,054	(5,882)	(106)
Profit			1,561		
Other comprehensive income					788
Total comprehensive income	-	-	1,561	-	788
Dividends			(1,454)		
Changes in ownership interests in subsidiaries retained as subsidiaries		(16)			
Obtaining of control of subsidiaries					
Share-based payment transactions of subsidiaries					
Total transactions with owners	-	(16)	(1,454)	-	-
Balance as of September 30, 2025	1,042	22,064	24,162	(5,882)	681

	Equity attributable to owners of parent			Non-controlling interests	Total
	Other components of equity		Total		
	Foreign currency translation adjustments	Total			
Balance as of April 1, 2025	2	(104)	41,191	8,419	49,611
Profit		-	1,561	43	1,605
Other comprehensive income	(2)	785	785	(2)	783
Total comprehensive income	(2)	785	2,347	41	2,388
Dividends		-	(1,454)		(1,454)
Changes in ownership interests in subsidiaries retained as subsidiaries	(0)	(0)	(16)	8	(8)
Obtaining of control of subsidiaries		-	-	47	47
Share-based payment transactions of subsidiaries		-	-	3	3
Total transactions with owners	(0)	(0)	(1,470)	59	(1,411)
Balance as of September 30, 2025	0	681	42,068	8,519	50,588

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Current interim consolidated accounting period (from April 1, 2026 to September 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 as of April 1, 2026	1,042	21,906	29,538	(5,882)	147
Profit (loss)			(4,321)		
Other comprehensive income					40
Total comprehensive income	-	-	(4,321)	-	40
Dividends			(1,600)		
Purchase of treasury shares				(66)	
Changes in ownership interests in subsidiaries retained as subsidiaries		(29)			
Obtaining of control of subsidiaries					
Share-based payment transactions of subsidiaries					
Total transactions with owners	-	(29)	(1,600)	(66)	-
Balance as of September 30, 2026	1,042	21,877	23,616	(5,949)	187

	Equity attributable to owners of parent			Non-controlling interests	Total
	Other components of equity		Total		
	Foreign currency translation adjustments	Total			
Balance as of April 1, 2026	4	151	46,755	8,025	54,781
Profit (loss)			(4,321)	(20)	(4,341)
Other comprehensive income	(4)	36	36	(2)	33
Total comprehensive income	(4)	36	(4,285)	(23)	(4,308)
Dividends		-	(1,600)		(1,600)
Purchase of treasury shares		-	(66)		(66)
Changes in ownership interests in subsidiaries retained as subsidiaries		-	(29)	(2)	(31)
Obtaining of control of subsidiaries		-	-	136	136
Share-based payment transactions of subsidiaries		-	-	33	33
Total transactions with owners	-	-	(1,696)	168	(1,527)
Balance as of September 30, 2026	0	187	40,774	8,170	48,945

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(4) Condensed Interim Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)	Six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)
Cash flows from operating activities		
Profit (loss) before tax	2,744	(3,173)
Depreciation and amortization	1,359	1,435
Share of loss (profit) of investments accounted for using equity method	(13)	(51)
Impairment losses (reversal of impairment losses)	-	6,053
Finance income and finance costs	(244)	308
Decrease (increase) in inventories	(188)	(80)
Decrease (increase) in trade and other receivables	(17,138)	(10,797)
Increase (decrease) in trade and other payables	17,702	10,490
Other	(725)	(100)
Subtotal	3,495	4,084
Interest and dividends received	34	56
Interest paid	(197)	(248)
Income taxes paid	(1,724)	(2,049)
Net cash provided by (used in) operating activities	1,607	1,843
Cash flows from investing activities		
Purchase of property, plant and equipment	(119)	(150)
Purchase of intangible assets	(298)	(681)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(990)	(453)
Proceeds from shares of subsidiaries resulting in change in scope of consolidation	8	23
Purchase of investment securities	(651)	(130)
Other	(8)	20
Net cash provided by (used in) investing activities	(2,058)	(1,371)
Cash flows from financing activities		
Proceeds from long-term borrowings	817	924
Redemption of bonds and repayments of long-term borrowings	(3,258)	(3,020)
Repayments of lease liabilities	(533)	(564)
Dividends paid	(1,453)	(1,598)
Purchase of treasury shares	-	(66)
Other	(3)	(5)
Net cash provided by (used in) financing activities	(4,431)	(4,330)
Net increase (decrease) in cash and cash equivalents	(4,882)	(3,858)
Cash and cash equivalents at beginning of period	30,185	26,181
Effect of exchange rate changes on cash and cash equivalents	(0)	(8)
Cash and cash equivalents at end of period	25,302	22,314

[Notes of caution]
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(5) Notes to Condensed Interim Consolidated Financial Statements

(Applied Financial Reporting Framework)

The Company's Condensed Interim Consolidated Financial Statements (Condensed Interim Consolidated Statement of Financial Position, Condensed Interim Consolidated Statements of Income, Condensed Interim Consolidated Statements of Comprehensive Income, Condensed Interim Consolidated Statements of Changes in Equity, Condensed Interim Consolidated Statements of Cash Flows and Notes) omit some of the disclosure items and notes required by IAS 34 "Interim Financial Reporting."

(Notes on the Going Concern Assumption)

There are no items to report.

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(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) Information regarding reportable segments

Revenue and results by reportable segment of our Group are as follows:

Segment profit in the reportable segments is based on operating profit.

Inter-segment revenue is based on prevailing market prices.

In addition, from the interim consolidated accounting period under review, the Company has revised the allocation method for administrative expenses and other costs to more appropriately evaluate performance by reportable segment. As a result, some company-wide expenses that had been allocated to "Reconciling items" are now included in the reportable segments.

The segment information for the previous interim consolidated accounting period has been prepared based on the revised allocation method.

Previous interim consolidated accounting period (from April 1, 2025 to September 30, 2025)

(Millions of yen)

	Reportable segments			Reconciling items (Note) 1	Consolidated
	NEW-IT Transformation Business	Publitech Business	Total		
Revenue					
Revenue from external customers	11,590	10,637	22,227	39	22,266
Intersegment revenue	300	69	369	(369)	-
Total	11,890	10,706	22,597	(330)	22,266
Segment profit (Note) 2	557	3,020	3,577	(1,077)	2,500
Finance income	-	-	-	-	537
Finance costs	-	-	-	-	292
Profit before tax	-	-	-	-	2,744

(Note) 1. The adjustment to revenue from external customers represents revenue not attributable to reportable segments, and the adjustment to segment profit represents company-wide expenses not allocated to reportable segments, which mainly consist of general and administrative expenses not attributable to reportable segments.

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

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Current interim consolidated accounting period (from April 1, 2026 to September 30, 2026)

(Millions of yen)

	Reportable segments			Reconciling items (Note) 1	Consolidated
	NEW-IT Transformation Business	Publitech Business	Total		
Revenue					
Revenue from external customers	11,459	13,363	24,822	69	24,892
Intersegment revenue	188	0	189	(189)	-
Total	11,648	13,363	25,011	(119)	24,892
Segment profit (loss) (Note) 2	(5,945)	4,490	(1,454)	(1,409)	(2,864)
Finance income	-	-	-	-	295
Finance costs	-	-	-	-	604
Loss before tax	-	-	-	-	(3,173)

(Note) 1. The adjustment to revenue from external customers represents revenue not attributable to reportable segments, and the adjustment to segment profit (loss) represents company-wide expenses not allocated to reportable segments, which mainly consist of general and administrative expenses not attributable to reportable segments.

2. Segment profit (loss) is reconciled with operating profit (loss) in the condensed interim consolidated statements of income.

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(Significant subsequent events)

(Leakage of personal information due to unauthorized access at a consolidated subsidiary)

On October 19, 2026, it was discovered that member information had been leaked externally as a result of unauthorized access by a third party to "Furusato Choice," which is operated by TRUSTBANK, INC. (hereinafter "TRUSTBANK"), a consolidated subsidiary of the Company.

Since detecting the unauthorized access, TRUSTBANK has suspended "Furusato Choice" and related services and, with the cooperation of external experts and specialized organizations, has been investigating the facts and the scope of impact and advancing measures to prevent recurrence.

Having implemented and verified the necessary security measures with the cooperation of external experts and specialized organizations, and having confirmed that it is safe to resume operations, TRUSTBANK has been resuming the acceptance of donations in stages since November 6, 2026.

The impact of this matter on the Group's results for the current consolidated fiscal year is currently under careful review.

(Acquisition of shares by a consolidated subsidiary)

E-Guardian Inc., a consolidated subsidiary of the Company, resolved at its Board of Directors meeting held on November 12, 2026 to acquire all of the shares of Pentio Co., Ltd. and make it a subsidiary, and concluded a share transfer agreement on the same date.

(1) Overview of the business combination

(i) Name and business of the acquiree

Name of the acquiree Pentio Co., Ltd.

Business Cloud-based security solutions business (sales, implementation and operational support of IDaaS, PKI/RADIUS, AI agent governance, SIEM/XDR, etc.)

(ii) Main reasons for the business combination

Pentio Co., Ltd. possesses strong integration capabilities and a solid customer base in the authentication and access control area. By making it a subsidiary, the Group aims to accelerate business growth in its cybersecurity field through the promotion of cross-selling leveraging the customer bases of both companies and the establishment of a structure to provide end-to-end services from product implementation through to operation.

(iii) Acquisition date (scheduled)

December 1, 2026

(iv) Method by which the acquirer obtains control of the acquiree

Acquisition of shares for cash consideration by E-Guardian Inc., a consolidated subsidiary of the Company

(v) Name of the entity after the business combination

There is no change to the name of the entity after the business combination.

(vi) Percentage of voting rights to be acquired

Percentage of voting rights held immediately before the business combination	-%
Percentage of voting rights to be acquired on the date of the business combination	100.0%
Percentage of voting rights after the acquisition	100.0%

(2) Consideration transferred

(Millions of yen)

	Amount
Fair value of consideration transferred (cash)	2,000

Acquisition-related costs (advisory fees, etc.) for this business combination are expected to be approximately 8 million

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yen and will be recognized as “Selling, general and administrative expenses” when incurred.

(3) Fair value of assets acquired and liabilities assumed, and the amount of goodwill

The fair value of the assets acquired and liabilities assumed as of the acquisition date and the amount of goodwill arising have not been determined at this time. Goodwill arising from this business combination is expected to be recorded in the “NEW-IT Transformation Business” segment.

(4) Method of financing the acquisition

The acquisition is to be funded with own funds.