



November 25, 2020

For immediate release

Company CHANGE Inc.
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Notice of Reduction in Capital Reserve

At the meeting of the Board of Directors held today, we have resolved to submit a proposal to the 18th General Meeting of Shareholders (scheduled to be held on December 25, 2020) on a reduction in capital reserve. We hereby inform you as follows:

Details

1. Purpose of Reducing the Capital Reserve

In order to ensure the implementation of our flexible capital polices and to ensure financial resilience in the future, we reduce the amount of the capital reserve and transfer the same amount to the capital surplus in accordance with the provision of Article 448, Paragraph 1 of the Companies Act.

2. Procedure for Reducing the Capital Reserve

(1) Decrease in the amount of capital reserve

The present balance of 19,854,310,870 yen in the capital reserve is reduced by 17,500,000,000 yen to 2,354,310,870 yen, provided that, if any stock options already issued are exercised until the effective date, the amounts of the new capital reserve or the new capital surplus may be changed.

(2) Item of capital surplus to be increased and the amount

Other capital surplus: 17,500,000,000 yen

3. Schedule for the Reduction of the Capital Reserve

- (1) Resolution of the Board of Directors: November 25, 2020
- (2) Resolution of the General Meeting of Shareholders: December 25, 2020 (planned)
- (3) Date of Public Notice for Objection by Creditors: December 28, 2020 (planned)
- (4) Final Date for Objection by Creditors: January 28, 2021 (planned)
- (5) Effective Date: January 29, 2021 (planned)

4. Future Prospect

This is a transfer between accounting items in the "Net Assets" of the balance sheet. There is no change in the amount of net assets or the total number of issued shares, and there is no impact on the results or net assets per share. This is subject to the approval of our 18th General Meeting of Shareholders (scheduled to be held on December 25, 2020).

End