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March 5, 2021



For Immediate Release

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| Company | CHANGE Inc. |
| CEO | Hiroshi Fukudome (Code: 3962, First Section of the Tokyo Stock Exchange) |
| Contact | Yutaka Yamada CFO (TEL.03-6435-7340) |

Announcement of the Acquisition of beacapp Inc. (Making it a Subsidiary)

CHANGE Inc. (hereinafter, the “Company” or simply “we”) hereby announce that we made a resolution to acquire shares of beacapp Inc. (hereinafter, "beacapp") and make it a subsidiary at a meeting of the Board of Directors held on March 5, 2021 of which details are as follows:

Details

1. Purposes for acquiring shares

In the future, it is predicted that about 1 out of 2.5 citizens will be older than 65 around 2060, resulting in the world of super-aged society. Under such circumstances, our Group has set "Change People, Change Business, Change Japan" as our mission, and has been developing businesses to make Japan a sustainable society in a declining population under the vision of "Change of Productivity".

NEW-IT Transformation Business, which we are working on, promotes digital transformation through training in AI/voice Internet, mobility, IoT, big data, cloud, security, services that leverage a variety of algorithms and underlying technologies, and training in the development of digital human resources.

Based on its mission of "visualizing all sites", beacapp has been promoting services that enable corporate customers to visualize the current movement of their employees at the office by using beacons, sensors, and smartphones to transform the world of high-cost and time-consuming IoT into easy and inexpensive tools.

The beacapp’s primary service is a cloud service named “BeacappHERE” that can identify location of employees indoors, such as offices, factories, and warehouses, by using beacons and smartphones. Users can easily see where their employees are on the site map displayed on PC or smartphone screens. This enables them to increase the convenience of “non-territorial office” where employees do not have individually assigned desks, analyze how they work at offices, also analyze employees’ behavioral data at

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factories, and even identify employees who have had close contacts with those who have already been infected by the new Corona virus by visualizing locations of those who shared the same place at the same time with the accumulated beacon log. To realize a digital transformation, it is essential to go through the process of quantitatively analyzing the current situation, finding issues, making assumptions, and proving them. In this regard, beacapp already has the foundation of a digital transformation in a way of creating logs about human and thing's movements in a simple, inexpensive manner and quantitatively grasping their situation on the site.

In addition, the IoT business is a kind of business that utilizes devices, including beacons, sensors and receivers, especially such as smartphones, etc. It is important to maintain accuracy regarding constant detection and ensure availability of huge data. In this field of IoT, beacapp has the following overwhelming advantages followed by the know-how they have accumulated:

- (i) Choosing the best beacon, designing the installation corresponding to the location, and dealing with the case when the beacon does not detect objects
- (ii) Application design for improving accuracy for the detection by using the beacon (presently applying for a patent)
- (iii) Cloud service technologies for storing and processing big data

Furthermore, beacapp has one of the largest track records in Japan in the development/installation/operation of beacon collaborative apps, and its services have been adopted by large companies in a wide range of industries, including domestic real estate, finance, and manufacturers. According to the survey of No.1 ranking conducted by Tokyo Shoko Research, Ltd., it was ranked "No.1 in the field of number of users who have adopted the service for directing employees' locations in the office"(based on the research by Tokyo Shoko Research, Ltd. as of December 2020).

By acquiring beacapp, our Group will be able to strengthen use-case development capabilities, acquire cloud service functions, and expand our customer base. We expect to further improve the value of our services and solutions, including operational improvements utilizing log data collected through cloud services.

By adding beacapp in our Group, we will create the digital age in Japan, further raise the flag of "Digitize & Digitalize Japan", and proceed to establish a leadership position in the Japanese DX market.

2. Overview of the subsidiary (beacapp) to be transferred

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|----------------------------------|--|
| (1) Name | beacapp Inc. |
| (2) Address | 13-7, Nihonbashi Kakigara-cho 1-chome, Chuo-ku, Tokyo |
| (3) Title/name of representative | Representative Director, Yu Nakagaki |
| (4) Description of Businesses | Develop, sell, and operate "BeacappHere" which is a visualization solution on the site, and Beacapp which is a managing beacon platform. |

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| | Develop applications using beacon sensors, etc. | | |
| (5) Paid-in Capital | 9.9 million yen | | |
| (6) Date of Incorporation | December 13, 2018 | | |
| (7) Major shareholders and percentage of shares | Yu Nakagaki 49.2% Shota Okamura 37.3% JMA SYSTEMS CO., LTD. 10% | | |
| (8) Listed company and the company Relationship | Capital relationship | Not applicable. | |
| | Human relationships | Not applicable. | |
| | Business relationship | Not applicable. | |
| | Relevant Status to Relevant Party | Not applicable. | |
| (9) Operating results and financial position of beacapp for the last two years (Note) | | | |
| Fiscal year end | Nov. 2019 | Nov. 2020 | |
| Net assets | 12 million yen | 40 million yen | |
| Total assets | 136 million yen | ¥173 million | |
| Net assets per share | 12,273 yen | 40,974 yen | |
| Net sales | 184 million yen | 337 million yen | |
| Operating income | 3 million yen | 41 million yen | |
| Ordinary income | 2 million yen | 44 million yen | |
| Net income | 2 million yen | 28 million yen | |
| Net income per share | 2,435 yen | 28,700 yen | |
| Dividend per share | - | - | - |

(Note) As this company was established in December 2018, the results of operations and financial position only for the past two years are presented.

3. Overview of the counterparty regarding the acquisition of shares

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| (1) Name | Mr. Yu Nakagaki |
| (2) Address | Matsudo City, Chiba prefecture |
| (3) Relationship of the individual with the Company | Mr. Yu Nakagaki is the representative director of beacapp. There are no capital, human relationships, or business relationships that should be stated between the Company and the individual concerned. |

| | |
|----------|-------------------|
| (1) Name | Mr. Shota Okamura |
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|---|---|
| (2) Address | Suginami-ku (ward), Tokyo |
| (3) Relationship of the above individual with the Company | Mr. Shota Okamura is a director of beacapp, Inc. There are no capital, human relationships, or business relationships that should be stated between the Company and the individual concerned. |

4. Number of shares acquired, acquisition cost, and status of owned shares before and after the acquisition

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|---|---|
| (1) Shares owned prior to the transaction | 0 shares (0% of voting rights) |
| (2) Shares acquired | 706 shares (number of voting rights are 706) |
| (3) Acquisition cost | Not to be disclosed subject to the confidentiality agreement (Note) |
| (4) Shares owned after the transaction | 706 shares (71.3% of voting rights) |

(Note) To ensure fairness and appropriateness, the Company determined the purchase price by taking into account the results of the valuation for shares calculated by the third-party organization. The acquisition cost is less than 15% of the net assets of the Company at the end of the previous fiscal year.

5. Schedule

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| (1) Date of the resolution of the Board of Directors | Resolution of the Board of Directors of the Company made on March 5, 2021 |
| (2) Agreement date | March 5, 2021 |
| (3) Execution date of the share transfer | March 19, 2021 (scheduled) |

6. Earning forecast

We are currently examining the impact of this event on the results of the current period and will inform you of any matters that need to be disclosed in the future.

End