

[Notes of caution]

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December 24, 2021

For Immediate Release

Company	CHANGE Inc.
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Contact	Yutaka Yamada CFO  (TEL.03-6435-7347)

**Announcement on Execution of the Joint Venture Agreement with Konica Minolta, Inc. and Konica Minolta Publitech, Inc. and Establishment of the Joint Venture (Consolidated Subsidiary)**

At the meeting of the Board of Directors held today, CHANGE Inc. (or simply, “we”) has concluded a joint venture agreement (hereinafter referred to as the "Joint Venture agreement") with Konica Minolta, Inc. (hereinafter referred to as "Konica Minolta") and Konica Minolta Publitech, Inc. (hereinafter referred to as "Konica Minolta Publitech") in connection with the "Announcement on the Basic Agreement for Establishment of a Joint Venture with Konica Minolta Publitech" disclosed on December 9, 2021, and we have resolved to establish a joint venture company (our consolidated subsidiary, hereinafter referred to as the “Joint Venture”). The details are as follows:

**Details**

**1. Conclusion of the Joint Venture Agreement**

It is expected that local governments will drastically improve productivity through digital transformation, as evidenced by the goals for standardizing their 17 operations by the end of the fiscal year of 2025 (March 31, 2026).

In addition, the Digital Reform Related Act, including the establishment of the Digital Agency, was published, and the central government indicated that local governments are required to make business process reengineering (BPR) that shall be based on "user-centric administrative services" and other services. For this reason, they need services to examine their BPR.

Under this external environment, CHANGE, having expertise in AI development and a track record of transactions with more than 1600 local governments, conducted surveys on operational volume of more than 120 local governments nationwide. CHANGE and Konica Minolta Publitech (Konica Minolta itself before the establishment of Konica Minolta Publitech), sharing this data, have jointly developed an AI (GAIA) that supports the solution and standardization of issues in the operations of local governments, and began providing services for them in July 2021. In this way, we and Konica Minolta Publitech have already begun to collaborate in the DX promotion for local governments.

We, taking a step further from the above collaboration, have concluded the Joint Venture Agreement with Konica Minolta and Konica Minolta Publitech with the aim of ensuring the leading position in the BPR market of local governments by combining mutual assets, supporting their DX through their DX promotion projects, and increasing

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orders for BPO business derived from BPR operations.

■CHANGE Inc

Under the mission of “Change People, Change Business, Change Japan”, we utilize technology and develop human resources to improve productivity for businesses of companies and operations of government/government agencies. In particular, we conduct NEW-IT Transformation Business, which focuses on the utilization of New-IT, including AI, IoT, big data, voice technologies, and mobile. We also focus on the development of human resources who can promote the Fourth Industrial Revolution.

■Konica Minolta

Konica Minolta enhances its corporate value by addressing social issues, enhancing intangible assets and business competitiveness through DX, and offering value in a sustainable manner. In the digital workplace business, the company builds an ecosystem where various customers and partners are connected. Its business has been evolving to support customers’ workflow reform on an ongoing basis. It has also been working actively to help improve operations by visualizing the administrative affairs of local governments utilizing know-how refined through in-house manufacturing operations and workstyle reform. As of the end of November 2021, Konica Minolta is supporting the work reform of more than 120 local governments, primarily Sapporo, Kobe and cities of Ehime as well as all provinces, cities designated by government ordinances, and core cities nationwide.

■Konica Minolta Publitech

Konica Minolta Publitech is engaged in streamlining and standardizing administrative work of local governments, supporting for their work-flow reform by providing the DX Support Platform for Local Government, and promoting a wide variety of local governments’ smart projects through diversified Konica Minolta businesses and open innovation. With the establishment of the Digital Agency, it is expected that local government services will rapidly become digitized in the near future. Konica Minolta Publitech is providing a wide range of services to them nationwide by responding promptly to changes and enhancing mobility, and closely taking care of their expanding and accelerating DX needs.

■Konica Minolta’s DX Support Platform for Local Governments

The DX Support Platform for Local Government is a service utilizing the know-how and data obtained through its own independent surveys, enabling comparison of business processes among local governments, and supporting for their improvement and the standardization of information systems.

[\(https://www.konicaminolta.com/jp-ja/govchois/\(Link\)\)](https://www.konicaminolta.com/jp-ja/govchois/(Link)) (Japanese)

<https://www.konicaminolta.com/jp-ja/govchois/>

2. Outline of the Joint Venture

(1) Name	Not determined
(2) Head office(note)	TOKYU REIT Toranomom Building 6F, 17-1 Toranomom 3-chome, Minato-ku, Tokyo
(3) Title name of Representative	President Mikio Beppu
(4) Businesses	<ul style="list-style-type: none"><li>• Support for local governments’ DX through BPR (business process reengineering)</li><li>• Developing software to support local government DX</li><li>• Other business incidental to above items.</li></ul>
(5) Capital	250million yen

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(6) Date of Incorporation	April 1, 2022 (planned)
(7) Fiscal year end	March
(8) Net assets	Not determined
(9) Total assets	Not determined
(10) Shareholding ratio	CHANGE: 60% Konica Minolta Publitech: 40%

(Note) Head office after the establishment of the joint venture is listed.

### 3. Outline of the JV Partner

Overview of Konica Minolta (as of March 31, 2021)

(1) Name	Konica Minolta, Inc
(2) Representative	President and CEO Shoei Yamana
(3) Head office	JP Tower, 2-7-2 Marunouchi, Chiyoda-ku, Tokyo
(4) Businesses	<p>■Digital Workplace Business Development, manufacturing, and sales of multi-functional peripherals (MFPs) and related consumables, as well as provision of related services and solutions, and IT services and solutions</p> <p>■Professional Print Business Development, manufacturing and sales of digital printing systems and related consumables, and provision of various printing services and solutions</p> <p>■Healthcare Business &lt;Healthcare&gt; Development, manufacturing, sales, and provision of services for diagnostic imaging systems (digital X-ray diagnostic imaging, diagnostic ultrasound systems, and others), digitalization, networking, solutions and services in the medical field</p> <p>&lt;Precision Medicine &gt; Genetic testing, provision of services related to primary care and provision of drug discovery support services</p> <p>■Industry Business &lt;Sensing&gt; Development, manufacturing, and sales of measuring instruments</p> <p>&lt;Materials &amp; Components&gt; Development, manufacturing and sales of functional film used in displays, industrial ink jet heads, and lenses for industrial and professional use</p> <p>&lt;Imaging IoT Solutions&gt; Development, manufacture and sale of instruments related to imaging IoT and visual solutions, and provision of related solutions and services</p>
(5) Capital	37.519 million yen

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(6) Date of Incorporation	December 22, 1936		
(7) Major shareholders and percentage of shares (As of March 31, 2021)	The Master Trust Bank of Japan, Ltd. (trust account): 10.47% Japan Custody Bank, Ltd. (trust account): 6.60% The Mitsubishi UFJ Bank, Ltd.: 2.42% SMBC Trust Bank, Ltd (SMBC Retirement Benefit Trust Account): 2.39%		
(8) Relationship with CHANGE	Capital relationship	Not applicable.	
	Human relationship	Not applicable.	
	Business relationship	We are jointly developing an AI to support the standardization of operations for local government DX.	
	Status as the Relevant Party	Not applicable.	
(9) Consolidated Results of Operations and Consolidated Financial Position for the Last Three Years (in millions of yen, in IFRS basis except where otherwise noted)			
Fiscal year end	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2021
Total shareholders' equity	565,983	533,766	550,703
Total assets	1,218,986	1,276,768	1,299,752
Equity attributable to the parent per share (yen)	1,123.39	1,058.29	1,093.98
N e t s a l e s	1,059,120	996,101	863,381
Operating income (△: loss)	62,444	8,211	△16,266
Profit attributable to owners of the parent (△:loss)	41,705	△3,073	△15,211
Basic earnings per share (yen) (△:loss)	84.33	△6.21	△30.75
Dividends per share (yen)	30.00	25.00	25.00

**Outline of Konica Minolta Publitech**

(1) Name	Konica Minolta Publitech, Inc.	
(2) Representative	President Mikio Beppu	
(3) Head office	JP Tower, 2-7-2 Marunouchi, Chiyoda-ku, Tokyo	
(4) Businesses	<ul style="list-style-type: none"> <li>• Support for streamlining and standardization of work flows of local governments and reform of their operations through the use of the DX Support Platform for Local Government</li> <li>• Promoting multilateral local governments' smart projects through diversified Konica Minolta businesses and open innovation</li> </ul>	
(5) Capital	250 million yen	
(6) Date of Incorporation	October 18, 2021	
(7) Shareholders	Konica Minolta, Inc. (100%)	
(8) Relationship with CHANGE	Capital relationship	Not applicable.
	Human relationships	Not applicable.

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	Business relationship	Not applicable.
	Status as the Related Party	Not applicable.

※ Konica Minolta Publitech, Inc. was established on October 18, 2021, and therefore the financial position and results of operations for the past three years are not presented here.

**(9) Schedule**

- (1) Date of resolution of the Board of Directors of the conclusion of the basic agreement      December 9, 2021
- (2) Date of the conclusion of the basic agreement      December 9, 2021
- (3) Date of resolution of the Board of Directors for the conclusion of the Joint Venture Agreement      December 24, 2021
- (4) Date of the Joint Venture Agreement      December 24, 2021
- (5) Date of the establishment of the Joint Venture      April 1, 2022 (planned)
- (6) Date of the JV business start      April 1, 2022 (planned)

**5. Future Outlook**

It is expected that the effect of the execution of the Joint Venture Agreement on the results of the consolidation for the current business year will be small, but we will disclose any issues necessary to be disclosed in the future as soon as practicable.

End