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December 17, 2024

To whom it may concern

Name of company	SAAF Holdings Co., Ltd.	
Representative	Representative Director and President	Toshimori Mae
	(Ticker code: 1447, Tokyo Stock Exchange, Growth Market)	
Inquiry	Senior Executive Officer, General Manager of Management Headquarters and CFO	Takashi Noma
	((MAIL: info@saaf-hd.co.jp))	

### Notice regarding change in use of funds

We would like to inform you that we have decided to make some changes to the timely disclosure dated August 15, 2022 “Notice regarding the issuance of new shares and stock acquisition rights through third-party allotment” (hereinafter referred to as the “Third-party allotment capital increase”) and the timely disclosure dated August 23, 2023 for the use of the proceeds “Notice of Change in Use of Proceeds” (hereinafter referred to as “Use of Proceeds”) at the board of directors meeting held today.

#### Details

##### 1. This third-party allotment capital increase

###### (1) Reason for change

The Company executed this third-party allotment of capital for the purpose of investing in its core business and stabilizing its financial base as stated in the timely disclosure dated August 15, 2022 “Notice regarding issuance of new shares and issuance of stock acquisition rights through third-party allotment” 2. Purpose and reason for solicitation (1) Purpose and reason for this funding.

Under these circumstances, we have decided to use the funds for M&A expenses to acquire all the shares of U-Shin Co., Ltd. (hereinafter referred to as “U-Shin”) and make it a consolidated subsidiary (hereinafter referred to as the “Share Acquisition”) as stated in the timely disclosure dated November 26, 2024, “Notice regarding acquisition of shares of U-Shin Co., Ltd. (becoming a consolidated subsidiary) and change in specified subsidiary”. In addition, as separately announced in the timely disclosure "Notice regarding conclusion of syndicated loan agreement" dated today, we have decided to raise funds for this stock acquisition. Although we will raise funds of JPY 1,800 million through a syndicated loan, considering the acquisition price of U-Shin and other fees related to the acquisition, the amount of funds raised will not be able to cover the cost of acquiring the shares. Therefore, we have decided that it is appropriate to allocate the unallocated JPY 380 million to the cost of acquiring the shares out of JPY 624 million (amount excluding issuance fees) raised through the issuance of new shares in this third-party allotment capital increase. Please note that we plan to use our own funds, etc., taking into consideration the market conditions and the financial status of our group regarding the other uses of funds that were scheduled to be allocated.

Out of the JPY 200 million used for M&A expenses, JPY 56 million was planned to be raised through the exercise of stock acquisition rights, however the funds were not raised as the company's stock price did not exceed the exercise price of JPY 423. Therefore, JPY 56 million was added to the cost of recruiting human resources such as SEs (system engineers) for ITbook Technology Co., Ltd. (currently NXTech Co., Ltd.) in the system development business segment, which is a separate use of funds.

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(2) Contents of changes

Changes are underlined, and the numbers in parentheses at the bottom of the revised amounts are the allocated amounts as of the end of November 2024.

【Contents before change】

Specific use	Amount ( JPY million)	Expected timing to use funds
Integrated customer database construction and web service expansion costs (our company) to more efficiently cross-sell to the active existing customer base (over 18,000 companies) of each group company and expand business.	<u>50</u>	September 2022～ March 2025
<u>Purchase cost of one large construction machine (SOMETHING Co., Ltd.) for the purpose of strengthening ground improvement work targeting large buildings (high-rise buildings, distribution warehouses, etc.) that have not been handled in the past as part of our efforts to capture the non-detached housing market, which we have positioned as a future focus area and also expanding into the field of pile removal and crushing work services for improved piles for demolished buildings, where demand is increasing due to the “demolition rush” of buildings constructed during the period of high economic growth.</u>	<u>150</u>	<u>September 2022～</u> <u>March 2025</u>
Commercialization research for new business (crushing work) and associated equipment costs (SOMETHING Co., Ltd.)	<u>50</u>	September 2022～ March 2025
Acquisition costs of real estate for sale, etc. (san-ai-home Inc.)	200	September 2022～ March 2024
<u>Expenses for opening a store in Fukuoka Prefecture or Aichi Prefecture for the purpose of expanding business in the field of educational staffing (IST Inc.)</u>	<u>30</u>	<u>September 2022～</u> <u>March 2025</u>
Head office relocation costs, etc. related to the integration of the technology center (Kitaiwaoka, Tokorozawa City, Saitama Prefecture) and material center (Nakatomi, Tokorozawa City, Saitama Prefecture), with the aim of improving operational efficiency and expanding business, including area development by expanding and relocating boring equipment. (Earth Prime Co., Ltd.)	252	September 2022～ March 2026
<u>IT and construction-related M&amp;A expenses that can be expected to have synergistic effects with our group’s existing businesses (our company)</u>	<u>200</u>	September 2022～ March 2026
Human resources recruitment costs for expanding business scale, development of new products such as architecture/civil engineering IoT, environment/disaster prevention IoT, healthcare IoT, etc., and costs for expanding sales of our own IoT services overseas (ASEAN market) ( <u>ITbook Technology Co., Ltd.</u> )	<u>21</u>	April 2023～ March 2026
Total amount of use of funds	953	

【Contents after change】

Specific use	Amount ( JPY million)	Expected timing to use funds
Integrated customer database construction and web service expansion costs (our company) to more efficiently cross-sell to the active existing customer base (over 18,000 companies) of each group company and expand business.	<u>9</u> (9)	September 2022～ March 2025
Commercialization research for new business (crushing work) and associated equipment costs (SOMETHING Co., Ltd.)	<u>35</u> (35)	September 2022～ March 2025
Acquisition costs of real estate for sale, etc. (san-ai-home Inc.)	200 (200)	September 2022～ March 2024

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Head office relocation costs, etc. related to the integration of the technology center (Kitaiwaoka, Tokorozawa City, Saitama Prefecture) and material center (Nakatomi, Tokorozawa City, Saitama Prefecture), with the aim of improving operational efficiency and expanding business, including area development by expanding and relocating boring equipment. (Earth Prime Co., Ltd.)	252	September 2022~ March 2026
Construction-related M&A expenses that can be expected to have synergistic effects with our group's existing businesses (our company)	<u>380</u>	September 2022~ March 2026
Human resources recruitment costs for expanding business scale, development of new products such as architecture/civil engineering IoT, environment/disaster prevention IoT, healthcare IoT, etc., and costs for expanding sales of our own IoT services overseas (ASEAN market) ( <u>NXTech Co., Ltd.</u> )	<u>77</u>	April 2023~ March 2026
Total amount of use of funds	953	

## 2. Future outlook

Although the impact of this matter on our consolidated business performance is minor, if we determine that an event that will impact our business performance will occur in the future, we will promptly disclose it.