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Company Name: ENECHANGE Ltd.

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(TSE Growth Code No. 4169)

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Progress based on the plan to comply with listing maintenance standards (Net assets)

ENECHANGE (hereinafter referred to as "the Company") did not meet the Tokyo Stock Exchange's (hereinafter referred to as "TSE") listing maintenance criteria for the TSE Growth Market in FY23. We are pleased to inform you of the progress regarding our plan to meet these criteria as outlined below.

1. FY24 Q3: Financial results status

According to the "FY24 Q4 Financial Results [Japanese Standards] (Consolidated)" disclosed today, our sales in FY24 Q4 reached 5,180 million JPY (the cumulative total for the same period last year was 4,379 million JPY), we recorded an operating loss FY24 Q4 cumulatively of 2,914 million JPY (compared to an operating loss of 2,125 million JPY in the cumulative total for the same period last year) and an ordinary loss FY24 Q4 cumulatively of 2,537 million JPY (compared to an ordinary loss of 2,404 million JPY in the cumulative total for the same period last year). The net loss attributable to the parent company shareholders FY24 Q4 cumulatively was 3,356 million JPY (compared to a net loss of 4,985 million JPY in the cumulative total for the same period last year). At the end of FY24 Q4, total shareholders' equity stood at -929 million JPY (1,479 million JPY at the end of the previous quarter).

2. Basic policy regarding alignment with the listing maintenance standard for total shareholders' equity

We are executing initiatives centered on the three items (1) to (3) as outlined in the "Business Plan and Matters Concerning Growth Potential," published on September 2, 2024. Further details will be communicated promptly once determined.

3. Progress on initiatives to comply with the listing maintenance standards related to total shareholders' equity

(1) Enhancing profitability by optimizing costs

We are committed to revising the cost structure across the company to achieve our target of improving profitability and are continuously examining the costs of each segment. We are currently formulating plans that reflect these measures, and we will promptly disclose any matters that need to be disclosed once decided.

(2) Formation of a bridge loan and the resolution of impairment loss related to the EV Charging business

As stated in our announcements on September 27, 2024, "Notice Concerning the Conclusion of the Commitment Line Agreement Related to the EV Charging Business," and on December 23, 2024, "(Progress of Disclosure) Notice Concerning Execution of Loan from the Commitment Line," we initially secured a total of 4.9 billion JPY in bridge loans from two related financial institutions for the EV Charging business. With an additional increase in our commitment line agreement, we secured a total of 5.7 billion JPY in total.

In light of the progress in implementing recurrence prevention measures and securing funds through this bridge loan, we have reviewed the business plan for the EV Charging business and have been consulting with our auditor, Avantia, to resolve the impairment loss on fixed assets related to the EV Charging business. As a result, no impairment loss will be recorded for these fixed assets from FY24 Q3 onwards.

(3) Measures for reinforcing the Financial base to support mid- to long-term growth

As announced in the "Notice Concerning the Establishment of a Subsidiary for Joint Venture of EV Charging Business between ENECHANGE Ltd. and Our Subsidiaries, Share Transfer Agreement with CHUBU Electric Power Miraiz Company, Incorporated, and Change in a Subsidiary" published on January 24, 2025, we have decided to establish a wholly-owned subsidiary (hereafter referred to as "New Company"), and transfer the

business related to the EV charging service "ENECHANGE EV Charge," operated by the company, to the New Company through an absorption-type company split. We will transfer 51.0% of the New Company's issued shares to CHUBU Electric Power Miraiz Co., Ltd. (hereafter "CHUBU Electric Power Miraiz") and further, after the execution of the stock transfer, both the company and CHUBU Electric Power Miraiz will subscribe to a capital increase of the New Company according to their shareholding ratios (the company: 49.0%, CHUBU Electric Power Miraiz: 51.0%), making it a joint venture with CHUBU Electric Power Miraiz to operate the EV charging business. The improvement in our consolidated total shareholders' equity due to this transaction is expected to be approximately 3 billion JPY.

Additionally, as stated in the "Notice Concerning Capital and Business Partnership with ITOCHU ENEX CO., LTD. and Issuance of New Shares through Third-party Allotment" published on February 3, 2025, we have decided to conclude a capital and business alliance agreement with ITOCHU ENEX CO., LTD. (hereafter "ITOCHU ENEX") for the purpose of forming a capital and business alliance, and to issue new shares through third-party allotment to ITOCHU ENEX. This transaction is expected to improve our consolidated total shareholders' equity by approximately 2.8 billion JPY. For more details, please refer to pages 21 to 22 of the "Presentation Material for FY24 4th Quarter Financial Results and Business Plan and Growth Potential (Summary of the 100-Day plan and future growth strategy)" dated today.

Based on the above, it is expected that our total shareholders' equity will exceed 5 billion JPY by the end of March 2025, allowing us to meet the listing maintenance standards (equity standards). We will continue to strive to improve our performance and enhance engagement with our shareholders and investors, aiming to improve our valuation in the stock market.