Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 13, 2025

Consolidated Financial Results for the Fourth Quarter Ended December 31, 2024 (Under Japanese GAAP)

Company name: ENECHANGE Ltd.
Listing: Tokyo Stock Exchange
Securities code: 4169
URL: https://enechange.co.jp/
Representative: Tomoya Maruoka, Representative Director and CEO
Inquiries: Yuichiro Shinohara, Senior Executive Officer and CFO
Telephone: +81-3-6635-1021
Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the twelve months ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative) (Percentages indicate changes from the previous corresponding period.)

	Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Twelve months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	5,180	–	(2,914)	–	(2,537)	–	(3,356)	–
Fiscal year ended								
December 31, 2023	4,379	17.3	(2,125)	–	(2,404)	–	(4,985)	–

Note: Comprehensive income For the twelve months ended December 31, 2024: JPY (3,542) million [–%]
For the fiscal year ended December 31, 2023: JPY (5,052) million [–%]

	Basic earnings per share	Diluted earnings per share
Twelve months ended	Yen	Yen
December 31, 2024	(97.90)	–
Fiscal year ended		
December 31, 2023	(163.55)	–

Notes 1. At the extraordinary general meeting of shareholders held on September 3, 2024, we resolved to change our fiscal year to the period from April 1 to March 31 of the following year. The current fiscal year, which will serve as the transitional period for the change in the fiscal year, is scheduled to be 15 months from January 1, 2024, to March 31, 2025 and therefore, year-on-year changes for the fourth quarter ended December 31, 2024 are not stated.

2. Full-year figures are stated for the fiscal year ended December 31, 2023.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	9,008	(929)	(10.6)
December 31, 2023	5,564	(1,479)	(26.7)

Reference: Equity
As of December 31, 2024: JPY (958) million
As of December 31, 2023: JPY (1,483) million

2. Cash dividends

	Annual dividends per share					
	First quarter-end	Second quarter-end	Third quarter-end	Fourth quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	–	0.00	–	–	0.00	0.00
Fiscal year ending March 31, 2025	–	0.00	–	0.00		
Fiscal year ending March 31, 2025 (Forecast)					–	–

Notes 1. Revisions from dividend forecast most recently announced: None
2. The Company’s Articles of Incorporation stipulate that the record dates for dividend fall on the last day of the fiscal year. At present, the forecast for dividends with this record date has yet to be determined.

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from January 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Sales		Operating profit		Adjusted operating profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	6,500	–	TBD	–	TBD	–	TBD	–	TBD

Notes 1. Revisions from earnings forecast most recently announced: None
2. As indicated in the “Notice Regarding the Revision of Earnings Forecast (Undetermined)” disclosed on March 27, 2024, our earnings forecast was undecided. However, as stated in the “Notice Concerning the FY24 Full-Year Earnings Forecast” published on September 2, 2024, we have formulated our growth strategy and earnings forecast based on the assumption that EV JUDEN INFRA ICHIGO LLC will be within the consolidated scope. Furthermore, assuming the approval of the proposal for a partial revision of the Articles of Incorporation, including the change of fiscal year-end, at the extraordinary general meeting of shareholders on September 3, 2024, the fiscal year will be an irregular 15-month period from January 1, 2024 to March 31, 2025, and figures are calculated accordingly. Regarding the earnings forecast for profit, the timing and amount of subsidies for the EV Charging business are variable, which may cause significant fluctuations, so it has not been disclosed. However, we expect a deficit for the fiscal year ending March 2025.

By segment, the Platform business and Data business are expected to achieve sales of approximately JPY 6.4 billion, and the EV Charging business is expected to achieve sales of approximately JPY 100 million.

For details, please refer to “1. Overview of operating results, etc., (3) Explanation of consolidated earnings forecast and other forward-looking information” on page 4.

***Notes**

(1) Significant changes in the scope of consolidated during the period: None

(2) Application of special accounting for preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	35,076,524 shares
As of December 31, 2023	30,935,684 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2024	597 shares
As of December 31, 2023	259 shares

(iii) Average number of shares outstanding during the period

Twelve months ended December 31, 2024	34,288,395 shares
Fiscal year ended December 31, 2023	30,480,958 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (mandatory)

* Proper use of earnings forecasts, and other special matters:

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable.

Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

□ Table of Contents of the Attached Materials

1. Overview of operating results, etc.

(1) Explanation of operating results during the period

The current fiscal year is an irregular 15-month period in line with the change in the fiscal year-end of our Group. Accordingly, comparisons have not been made with the same quarter of the previous fiscal year.

During the twelve months ended December 31, 2024, the Japanese economy has been recovering moderately with an improvement in the employment and income environment and the effects of various policies, despite still showing signs of being caught in a standstill. The outlook for the economy remains uncertain due to factors such as the impact of continued high interest rates in Europe and the U.S. and concerns about the outlook for the Chinese economy.

In the environment surrounding the energy industry to which our group belongs, there is a deterioration in the financial situation of energy companies influenced by the surge in resource prices since the escalation of the Russia-Ukraine situation. However, with the rise in electricity prices and the stabilization of wholesale electricity market prices, some energy companies are showing positive movements towards user acquisition.

From a long-term perspective, the environment surrounding the energy industry continues to witness the progress of Green Transformation (GX). In the 5th GX Implementation Meeting held by the Japanese government on December 22, 2022, the "Basic Policies for Achieving GX - Roadmap for the Next 10 Years" was presented. With a goal to realize 150 trillion JPY in GX investments by the public and private sectors, the Japanese government has expressed its intention to execute early investment support of around 20 trillion JPY. In the energy industry, which plays a central role in the GX movement, our base market, electricity sales, has expanded to approximately 18 trillion JPY (Note 1) since the full liberalization of retail electricity in April 2016. Moreover, there is a target to achieve 100% EV penetration, including new car sales of electric cars, by 2035 (Note 2). The increasing adoption of EVs and the associated demand for EV charging ports are anticipated to rise significantly.

In this environment, in the Energy Platform business, our group has strengthened collaboration with energy companies for two services, "ENECHANGE" (a platform for switching household electricity and gas providers) and "ENECHANGE Biz" (a platform for switching corporate electricity and gas providers). Taking advantage of the opening of electricity data derived from smart meters under certain rules, we have introduced the service "ENECHANGE My Energy" that utilizes this data. Through this service, we aim to enhance acquisition of new users and support for existing users by proposing optimal electricity plans for the diversified and complex electricity rate plans.

In the Energy Data business, we have been actively working on continuous development of new features and strengthening sales for services such as the cloud-based digital marketing support SaaS "ENECHANGE Cloud Marketing" primarily provided to energy and gas companies, and the household Demand Response service "ENECHANGE Cloud DR." Additionally, leveraging the software behind the "ENECHANGE EV Charge" app, we have expanded our services with the development and operation of EV charging apps, as well as providing API for nationwide EV charging location information under the solution "ENECHANGE Cloud EV." We have also strengthened our service offerings, including undertaking the development of the "ENEOS Charge Plus EV Charging App" provided by ENEOS Corporation.

In the EV Charging business, we expanded our lineup of 3kW chargers in addition to 6kW chargers, which corresponds to the EV charging infrastructure development project under the "Subsidy for Promotion of Introduction of Charging and Refueling Infrastructure to Promote Clean Energy Vehicles," and continued our aggressive marketing efforts in the area of basic charging as well as destination charging, our main focus, in order to continuously make active investments to increase our market share in the EV charging field. In addition, we have been working to improve the convenience of EV users, mainly through collaboration with e-Mobility Power Co., Inc.

As a result, the operating results of our group for the twelve months ended December 31, 2024 have recorded sales of 5,180,349 thousand JPY, an operating loss of 2,914,348 thousand JPY, an ordinary loss of 2,537,403 thousand JPY. Loss attributable to owners of parent was 3,356,739 thousand JPY.
In addition, we have recorded a gain on donation of subsidy income of 795,083 thousand JPY in non-operating income. These are related to the development of charging infrastructure in the EV Charging business.

The operating results of each segment are as follows.

1 Energy Platform business

In the "Energy Platform business," as both household and corporate switch counts have been robust, the number of continuing reward-eligible users reached 652,487. Additionally, due to the surge in electricity prices and the performance recovery of energy companies, the quarterly ARPU (Note 3) (recurring revenue) was 650 JPY. As a result, the segment sales in the twelve months ended December 31, 2024 reached 3,902,976 thousand JPY, and the segment profit amounted to 408,178 thousand JPY.

2 Energy Data business

In the "Energy Data business," despite continuous service provision to existing customers, the introduction of new customers to digital marketing support SaaS "ENECHANGE Cloud Marketing" and household Demand Response service "ENECHANGE Cloud DR," and product development, contracts with some customers were terminated and as a result, the number of customers was 61 companies. Additionally, through the cross-selling to existing customers, the quarterly ARPU (recurring revenue) was 3,557 thousand JPY, and the quarterly ARPU (non-recurring revenue) was 1,393 thousand JPY. As a result, segment sales in the twelve months ended December 31, 2024 amounted to 1,161,803 thousand JPY, and segment profit was 183,251 thousand JPY.

3 EV Charging business

In the "EV Charging business," we have proactively invested in increased hiring of engineering and sales personnel to launch and promote the business. We also implemented aggressive marketing activities. As a result of these efforts, the cumulative number of destination charging points (6 kW or more), a focus area for our company, reached 6,063 units (Note 4) as of December 31, 2024. Additionally, we have expanded partner collaborations, aiming for further business expansion. As a result, the segment sales in the twelve months ended December 31, 2024 amounted to 115,569 thousand JPY, and the segment loss was 2,507,479 thousand JPY.

(Notes)
1. Calculated from the electricity sales amount in the "Electricity Trading Results" of the Electricity and Gas Market Surveillance Commission.
2. Ministry of Economy, Trade and Industry "6th Basic Energy Plan" (October 22, 2021), electric vehicles include electric cars (EV), plug-in hybrid cars (PHV), fuel cell vehicles (FCV), and hybrid cars (HV).
3. Average Revenue Per User (ARPU) is an abbreviation for the average revenue per user, representing the average revenue per user.
4. Calculated by us, based on information on the available charging spots disclosed by EVsmart.

(2) Explanation of financial position during the period

(Assets)

At the end of the fourth quarter of the current fiscal year, current assets amounted to 4,050,982 thousand JPY, an increase of 413,361 thousand JPY compared to the end of the previous fiscal year. This increase is primarily due to increases of 255,917 thousand JPY in cash and deposits and 5,325 thousand JPY in

accounts receivable Trade and Contract Assets, and 471,186 thousand JPY in consumption taxes refund receivable, while advance payments to suppliers decreased by 6,715 thousand JPY and accounts receivable - other decreased by 350,965 thousand JPY.
Additionally, non-current assets amounted to 4,957,593 thousand JPY at the end of the fourth quarter of the current fiscal year, an increase of 3,030,406 thousand JPY compared to the end of the previous fiscal year. This increase is primarily due to an increase of 3,001,771 thousand JPY in property, plant and equipment, as no impairment losses on non-current assets related to the EV Charging business were recorded in and after the third quarter of the current fiscal year and EV chargers were acquired during said period. In addition, software increased by 23,791 thousand JPY and software in progress increased by 164,535 thousand JPY, while investment securities decreased by 274,077 thousand JPY and long-term accounts receivable - other decreased by 26,116 thousand JPY.
As a result, total assets were 9,008,576 thousand JPY, an increase of 3,443,768 thousand JPY compared to the end of the previous fiscal year.

(Liabilities)
At the end of the fourth quarter of the current fiscal year, current liabilities amounted to 7,555,849 thousand JPY, an increase of 3,989,938 thousand JPY compared to the end of the previous fiscal year. This increase was primarily due to increases of 529,382 thousand JPY in accounts payable - other, 259,996 thousand JPY in current portion of long-term borrowings, 3,422,844 thousand JPY in short-term borrowings, 147,544 thousand JPY in contract liabilities, 22,409 thousand JPY in refund liabilities, 195,858 thousand JPY in provision for bonuses, and 36,121 thousand JPY in provision for sales promotion expenses, while provision for expenses related to revisions to financial results decreased by 798,855 thousand JPY.
Non-current liabilities amounted to 2,382,672 thousand JPY at the end of the fourth quarter of the current fiscal year, a decrease of 1,095,450 thousand JPY from the end of the previous fiscal year. This decrease was mainly due to decreases of 1,007,992 thousand JPY in long-term borrowings, 48,870 thousand JPY in long-term unearned revenue, and 57,559 thousand JPY in long-term accounts payable - other, while long-term lease liabilities increased by 24,806 thousand JPY.
As a result, the total liabilities were 9,938,521 thousand JPY, an increase of 2,894,487 thousand JPY compared to the end of the previous fiscal year.

(Total shareholders’ equity)
At the end of the fourth quarter of the current fiscal year, the total shareholders’ equity was (929,945) thousand JPY, an increase of 549,280 thousand JPY compared to the end of the previous fiscal year. This increase was primarily due to recording 3,356,739 thousand JPY in loss attributable to owners of parent due to a decrease in retained earnings, while capital surplus increased by 4,052,061 thousand JPY.
As a result, the equity-to-asset ratio was (10.6)% ((26.7)% at the end of the previous fiscal year).

(3) Explanation of consolidated earnings forecast and other forward-looking information

The environment for the current period surrounding the energy industry to which our group belongs has witnessed a rise in electricity prices and the stabilization of wholesale electricity market prices influenced by the surge in resource prices since the escalation of the Russia-Ukraine situation, and the trend in the percentage of electricity sales by new entrants is reversing after bottoming out in June 2023. In addition, the Corporate IT Trends Survey shows that overall, 48% of companies expect to increase their IT budgets, and furthermore, eight major energy companies saw record profits due to rises in electricity costs for households, etc. in the previous fiscal year (FY23), and willingness to invest in IT is expected to improve. Amid this external environment, we forecast net sales of 6.5 billion JPY in the fiscal year ending March 31, 2025 (irregular 15-month accounting period).

(4) Significant events affecting premise of going concern

Up until the previous fiscal year, the Group has recorded consecutive operating losses, ordinary losses, and losses attributable to owners of parent. At the end of the previous fiscal year, the Group had excess liabilities of 1,479,226 thousand JPY on the consolidated balance sheet. The Group has also continued to record an operating loss of 2,914,348 thousand JPY, an ordinary loss of 2,537,403 thousand JPY, and a loss attributable to owners of parent of 3,356,739 thousand JPY for the twelve months ended December 31, 2024. As a result, as of December 31, 2024, the Group had excess liabilities of 929,945 thousand JPY on the consolidated balance sheet. In addition, the Company is in breach of financial covenants with respect to borrowings for certain financial institutions with which it has transactions, although it has not been notified that the acceleration clause will be applied.

Furthermore, as announced in the "Notice Concerning the Release of the Investigation Report by the Independent Investigation Committee" dated June 27, 2024, the Company has been pointed out that the following issues had been identified as a result of this investigation which include: lack of a system that can handle the business risks of the EV Charging business; lack of appropriate communication with the Company's financial auditor; top management's disregard for compliance; and a failure to establish effective internal controls and governance to fulfill sufficient checks and supervisory functions. As announced in the "Notice Concerning the Submission of 'Improvement Report' to Tokyo Stock Exchange" dated September 24, 2024, the Company has been taking measures to improve these pointed-out issues. However, as a result of the release of such an investigation report, there is a possibility that relationships with stakeholders may deteriorate and the Company's brand power may be damaged.

These events and circumstances constitute a business or situation that raises significant doubts about the premise of going concern.

To resolve such events and circumstances, as stated in the (Significant subsequent events) "Company split between the Company and its subsidiaries (absorption-type split) and EV Charging business to become a joint venture," the Company, at the Board of Directors meeting held on January 24, 2025, resolved to establish a new subsidiary and implement an absorption-type split of the EV Charging business and then, transfer 51% of the shares of said subsidiary to CHUBU Electric Power Miraiz Co., Inc. and on the same date, signed a transfer agreement for this matter. As soon as the share transfer, etc. is implemented based on this transfer agreement, CHUBU Electric Power Miraiz Co., Inc. and the Company will invest in said subsidiary in proportion to their shareholdings. Specifically, CHUBU Electric Power Miraiz Co., Inc. will implement a capital increase of approximately 3.06 billion JPY in said subsidiary in proportion to shareholdings of 51% and then, said subsidiary will repay its debt of approximately 3.85 billion JPY owed to the Company. The Company plans to use such amount to implement a capital increase of approximately 2.94 billion JPY in said subsidiary. In this way, said subsidiary will be able to address capital needs in line with the expansion of its EV charging business and subsequently, in principle, independently raise capital for its operation as a subsidiary of CHUBU Electric Power Miraiz Co., Inc. In addition, as stated in the (Significant subsequent events) "Capital and business partnership agreement and issuance of new shares through third-party allotment," the Company, at the Board of Directors meeting held on February 3, 2025, resolved to sign a capital and business partnership agreement with ITOCHU ENEX CO., LTD. and issue new shares through a third-party allotment to the same company. If this third-party allotment capital increase is implemented, the Company itself will be able to increase capital. The Company's consolidated total shareholders' equity is projected to improve by approximately 3.0 billion JPY due to making the EV Charging business a joint venture (improvement amount of total shareholders' equity estimated based on the financial condition of the Company's EV Charging business as of the end of December 2024) and by approximately 2.8 billion JPY due to the third-party allotment capital increase.

On the back of this expected improvement in financial soundness, the Company will aim to strengthen profitability in the EV Charging business by promoting the improvement of profitability through cost efficiency based on the know-how accumulated over the past two years and other factors, while working to continuously increase stable segment operating profit in the Energy Platform business and Energy Data business.

Although some of the borrowings were in breach of financial covenants, the Company is discussing financial plans, etc. with the financial institutions with which it has transactions and continues to maintain close relationships with them in an effort to receive their continued support. As announced in the "Notice Concerning the Conclusion of the Commitment Line Agreement Related to the EV Charging Business" dated September 27, 2024, EV JUDEN INFRA ICHIGO LLC and EV JUDEN INFRA NIGO LLC have signed a commitment line agreement with Sumitomo Mitsui Banking Corporation and Aozora Bank, Ltd. to secure immediate funds necessary for investment in the EV Charging business. In addition, on

December 23, 2024, a commitment line agreement was signed to increase the budget by 800 million JPY, considering the recent subsidy approval status related to EV charging ports. The contract amount totaled 5.7 billion JPY.

Moreover, the Company, as announced in the "Notice Regarding Formulation of Measures to Prevent Recurrence, Etc." dated July 29, 2024, will endeavor to regain the trust of all related parties by promptly implementing measures to prevent recurrence formulated in line with the recommendations in the investigation report by the Independent Investigation Committee.

The Company is working to secure and maintain the necessary funds through the above measures. However, there is significant uncertainty regarding the premise of going concern based on the following facts; with regard to whether the Company will be able to strengthen its profitability in the EV Charging business and whether the Company will be able to resolve uncertainty in the EV Charging business, which requires significant funds for EV chargers and construction costs associated with their installation, although the EV Charging business is scheduled to become a joint venture, its effective date will be March 10, 2025; payment for the third-party allotment capital increase is scheduled to be February 19, 2025; and the results of the release of the investigation report may damage the Company's relationship with various stakeholders and its brand power. The Company has prepared the quarterly consolidated financial statements on a going concern basis, and the effects of significant uncertainty regarding the Company's premise of a going concern have not been reflected in the quarterly consolidated financial statements.

2. Quarterly consolidated financial statements and significant notes

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	2,179,715	2,435,632
Accounts receivable Trade and Contract Assets	587,827	593,152
Merchandise and finished goods	5,908	1,653
Advance payments to suppliers	7,136	421
Accounts receivable - other	672,011	321,046
Consumption taxes refund receivable	75,207	546,394
Other	164,878	202,574
Allowance for doubtful accounts	(55,064)	(49,892)
Total current assets	3,637,621	4,050,982
Non-current assets		
Property, plant and equipment	15,040	3,016,812
Intangible assets		
Software	202,239	226,031
Software in progress	661	165,197
Goodwill	357,900	344,114
Total intangible assets	560,801	735,343
Investments and other assets		
Investment securities	1,018,705	744,627
Guarantee deposits	227,377	231,414
Long-term accounts receivable - other	105,250	79,134
Other	10	150,260
Total investments and other assets	1,351,344	1,205,437
Total non-current assets	1,927,186	4,957,593
Total assets	5,564,807	9,008,576

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	39,718	56,434
Short-term borrowings	777,155	4,200,000
Current portion of long-term borrowings	177,996	437,992
Accounts payable - other	1,081,460	1,610,842
Contract liabilities	191,195	338,739
Refund liabilities	64,564	86,974
Provision for sales promotion expenses	111,616	147,738
Provision for expenses related to revisions to financial results	919,850	120,995
Provision for bonuses	—	195,858
Other	202,354	360,275
Total current liabilities	3,565,911	7,555,849
Non-current liabilities		
Bonds payable	1,000,000	1,000,000
Long-term borrowings	1,533,849	525,857
Long-term unearned revenue	405,250	356,379
Lease liabilities	241,878	266,684
Long-term accounts payable - other	287,796	230,237
Deferred tax liabilities	9,349	3,513
Total non-current liabilities	3,478,123	2,382,672
Total liabilities	7,044,034	9,938,521
Net assets		
Shareholders’ equity		
Share capital	47,044	25,217
Capital surplus	6,018,962	10,071,023
Retained earnings	(7,423,676)	(10,780,415)
Treasury shares	(297)	(482)
Total shareholders’ equity	(1,357,966)	(684,657)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(297,005)	(318,740)
Foreign currency translation adjustment	171,121	45,280
Total accumulated other comprehensive income	(125,883)	(273,459)
Share acquisition rights	4,623	28,170
Total net assets	(1,479,226)	(929,945)
Total liabilities and net assets	5,564,807	9,008,576

(2) Quarterly consolidated statements of income and consolidated statement of comprehensive income

Quarterly consolidated statement of income

Twelve months ended December 31

(Thousands of yen)

	Twelve months ended December 31, 2024
Sales	5,180,349
Cost of sales	1,089,571
Gross profit	4,090,777
Selling, general and administrative expenses	7,005,126
Operating loss	(2,914,348)
Non-operating income	
Interest income	4,894
Gain from expired gift vouchers, etc.	64
Gain on valuation of investment securities	12,279
Gain on donation of subsidy income	795,083
Other	7,704
Total non-operating income	820,025
Non-operating expenses	
Interest expenses	216,570
Commission expenses	123,228
Foreign exchange losses	15,577
Taxes and dues	14,004
Share of loss of entities accounted for using equity method	59,021
Loss on tax purpose reduction entry of noncurrent assets	8,871
Other	5,806
Total non-operating expenses	443,079
Ordinary loss	(2,537,403)
Extraordinary income	
Insurance claim income	50,000
Gain on reversal of provision for expenses related to revisions to financial results	92,995
Total extraordinary income	142,995
Extraordinary losses	
Impairment losses	634,417
Loss on valuation of investment securities	54,242
Change in provision for expenses related to revisions to financial results	269,666
Total extraordinary losses	958,327
Loss before income taxes	(3,352,735)
Income taxes - current	4,054
Income taxes - deferred	49
Total income taxes	4,103
Loss	(3,356,839)
Loss attributable to non-controlling interests	(100)
Loss attributable to owners of parent	(3,356,739)

Quarterly consolidated statement of comprehensive income

Twelve months ended December 31

(Thousands of yen)

	Twelve months ended December 31, 2024
Loss	(3,356,839)
Other comprehensive income	
Valuation difference on available-for-sale securities	(9,226)
Foreign currency translation adjustment	(8,428)
Share of other comprehensive income of entities accounted for using equity method	(129,920)
Total other comprehensive income	(147,575)
Comprehensive income	(3,504,415)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(3,504,315)
Comprehensive income attributable to non-controlling interests	(100)

(3) Notes to quarterly consolidated financial statements

(Notes on segment information, etc.)

(Segment information, etc.)

Segment information

Ⅰ For the twelve months ended December 31, 2024

1. Disclosure of sales, profit (loss) for each reportable segment

(Thousands of yen)

	Reportable segments				Reconciling items (Note 1)	Per quarterly consolidated financial statements (Note 2)
	Energy Platform	Energy Data	EV Charging	Reportable segment		
Sales						
Goods or services that are transferred at a point in time	—	60,315	95,124	155,439	—	155,439
Goods or services that are transferred over a certain period of time	3,902,976	1,101,488	20,444	5,024,909	—	5,024,909
Revenue from contracts with customers	3,902,976	1,161,803	115,569	5,180,349	—	5,180,349
Revenues from external customers	3,902,976	1,161,803	115,569	5,180,349	—	5,180,349
Transactions with other segment	—	—	—	—	—	—
Net sales	3,902,976	1,161,803	115,569	5,180,349	—	5,180,349
Segment profit (loss)	408,178	183,251	(2,507,479)	(1,916,049)	(998,299)	(2,914,348)

Note 1: Reconciling items of (998,299) thousand JPY for segment profit (loss) represent corporate expenses not allocated to any reported segment.
Corporate expenses mainly consist of general administrative expenses not attributable to any reporting segment.

Note 2: Segment profit (loss) is adjusted with operating loss in the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets and goodwill by reportable segment

(Material impairment loss on non-current assets)

An impairment loss was recorded in the EV Charging business segment. The amount of such impairment loss recorded for the twelve months ended December 31, 2024 was 634,417 thousand JPY.

(Material change in the amount of goodwill)

In the Energy Platform business segment, additional goodwill was recorded due to the payment of contingent consideration for the acquisition of Shindenryoku Com Co., Ltd. The increase in goodwill due to such an event was 40,219 thousand JPY for the twelve months ended December 31, 2024.

(Notes in case of significant changes in shareholders' equity)

As a result of receiving payment for the third-party allotment of new shares from JIC VGI Opportunity Fund 1 Investment Business Limited Liability Partnership on February 26, 2024, the Company's share capital and legal capital surplus increased by 1,999,949 thousand JPY, respectively, for the twelve months ended December 31, 2024.
On the other hand, in accordance with the resolution at the 9th Annual General Meeting of Shareholders held on March 28, 2024, as of the same date, share capital of 2,046,994 thousand JPY and legal capital surplus of 5,098,649 thousand JPY after the capital increase through third-party allotment were reduced by 2,036,994 thousand JPY and 5,098,649 thousand JPY, respectively, and were transferred to other capital surplus.
As a result, including an increase due to the exercise of share acquisition rights (stock options), share capital amounted to 25,217 thousand JPY and capital surplus amounted to 10,071,023 thousand JPY as of the end of the fourth quarter of the current fiscal year.

(Note on entity's ability to continue as going concern)

Up until the previous fiscal year, the Group has recorded consecutive operating losses, ordinary losses, and losses attributable to owners of parent. At the end of the previous fiscal year, the Group had excess liabilities of 1,479,226 thousand JPY on the consolidated balance sheet. The Group has also continued to record an operating loss of 2,914,348 thousand JPY, an ordinary loss of 2,537,403 thousand JPY, and a loss attributable to owners of parent of 3,356,739 thousand JPY for the twelve months ended December 31, 2024. As a result, as of December 31, 2024, the Group had excess liabilities of 929,945 thousand JPY on the consolidated balance sheet. In addition, the Company is in breach of financial covenants with respect to borrowings for certain financial institutions with which it has transactions, although it has not been notified that the acceleration clause will be applied. Furthermore, as announced in the "Notice Concerning the Release of the Investigation Report by the Independent Investigation Committee" dated June 27, 2024, the Company has been pointed out that the following issues had been identified as a result of this investigation which include: lack of a system that can handle the business risks of the EV Charging business; lack of appropriate communication with the Company's financial auditor; top management's disregard for compliance; and a failure to establish effective internal controls and governance to fulfill sufficient checks and supervisory functions. As announced in the "Notice Concerning the Submission of 'Improvement Report' to Tokyo Stock Exchange" dated September 24, 2024, the Company has been taking measures to improve these pointed-out issues. However, as a result of the release of such an investigation report, there is a possibility that relationships with stakeholders may deteriorate and the Company's brand power may be damaged.
These events and circumstances constitute a business or situation that raises significant doubts about the premise of going concern.
To resolve such events and circumstances, as stated in the (Significant subsequent events) "Company split between the Company and its subsidiaries (absorption-type split) and EV Charging business to become a joint venture," the Company, at the Board of Directors meeting held on January 24, 2025, resolved to establish a new subsidiary and implement an absorption-type split of the EV Charging business and then, transfer 51% of shares of the said subsidiary to CHUBU Electric Power Miraiz Co., Inc. and on the same date, signed a transfer agreement for this matter. As soon as the share transfer, etc. is implemented based on this transfer agreement, CHUBU Electric Power Miraiz Co., Inc. and the Company will invest in said subsidiary in proportion to their shareholdings. Specifically, CHUBU Electric Power Miraiz Co., Inc. will implement a capital increase of approximately 3.06 billion JPY in said subsidiary in proportion to its shareholdings of 51% and then, said subsidiary will repay its debt of approximately 3.85 billion JPY owed to the Company. The Company plans to use such amount to implement a capital increase of approximately 2.94 billion JPY in said subsidiary. In this way, said subsidiary will be able to address capital needs in line with the expansion of its EV charging business and subsequently, in principle, independently raise capital for its operation as a subsidiary of CHUBU Electric Power Miraiz Co., Inc. In addition, as stated in the (Significant subsequent events) "Capital and business partnership agreement and issuance of new shares through third-party allotment," the Company, at the Board of Directors meeting held on February 3, 2025, resolved to sign a capital and business partnership agreement with ITOCHU ENEX CO., LTD. and issue new shares through a third-party allotment to the same company. If this third-party allotment capital increase is implemented, the Company itself will be able to increase capital. The Company's consolidated total shareholders' equity is projected to improve by approximately 3.0 billion JPY due to making the EV Charging business a joint venture (improvement amount of total shareholders' equity estimated based on the financial condition of the Company's EV Charging business as of the

end of December 2024) and by approximately 2.8 billion JPY due to the third-party allotment capital increase. On the back of this expected improvement in financial soundness, the Company will aim to strengthen profitability in the EV Charging business by promoting the improvement of profitability through cost efficiency based on the know-how accumulated over the past two years and other factors, while working to continuously increase stable segment operating profit in the Energy Platform business and Energy Data business.
Although some of the borrowings were in breach of financial covenants, the Company is discussing financial plans, etc. with the financial institutions with which it has transactions and continues to maintain close relationships with them in an effort to receive their continued support. As announced in the “Notice Concerning the Conclusion of the Commitment Line Agreement Related to the EV Charging Business” dated September 27, 2024, EV JUDEN INFRA ICHIGO LLC and EV JUDEN INFRA NIGO LLC have signed a commitment line agreement with Sumitomo Mitsui Banking Corporation and Aozora Bank, Ltd. to secure immediate funds necessary for investment in the EV Charging business. In addition, on December 23, 2024, a commitment line agreement was signed to increase the budget by 800 million JPY, considering the recent subsidy approval status related to EV charging ports. The contract amount totaled 5.7 billion JPY.
Moreover, the Company, as announced in the “Notice Regarding Formulation of Measures to Prevent Recurrence, Etc.” dated July 29, 2024, regarding measures to prevent recurrence, will endeavor to regain the trust of all related parties by promptly implementing measures to prevent recurrence formulated in line with the recommendations in the investigation report by the Independent Investigation Committee.
The Company is working to secure and maintain the necessary funds through the above measures. However, there is significant uncertainty regarding the premise of going concern based on the following facts; with regard to whether the Company will be able to strengthen its profitability in the EV Charging business and whether the Company will be able to resolve uncertainty in the EV Charging business, which requires significant funds for EV chargers and construction costs associated with their installation, although the EV Charging business is scheduled to become a joint venture, its effective date will be March 10, 2025; payment for the third-party allotment capital increase is scheduled to be February 19, 2025; and the results of the release of the investigation report may damage the Company’s relationship with various stakeholders and its brand power. The Company has prepared the quarterly consolidated financial statements on a going concern basis, and the effects of significant uncertainty regarding the Company’s premise of a going concern have not been reflected in the quarterly consolidated financial statements.

(Additional information)

(Taxation on trust-type stock options)
The National Tax Agency published “Taxation on Stock Options (Q&A)” on May 30, 2023, stating that “trust-type stock options” are considered to result in economic benefits that are essentially regarded as salary when company personnel exercise the rights granted to them to acquire shares. Therefore, when personnel exercise these stock options to acquire shares from the issuing company, the economic benefits derived must be subjected to withholding income tax as salary income and paid accordingly. In the current fiscal year, an amount of 306,983 thousand JPY, corresponding to the amount due for withholding income tax, has been recorded as 76,745 thousand JPY in “Accounts payable - other” under “Current liabilities” and 230,237 thousand JPY in “Long-term accounts payable - other” under “Non-current liabilities” on the consolidated balance sheet. Corresponding receivables have been recorded as 108,061 thousand JPY in “Accounts receivable - other” under “Current assets” and 79,134 thousand JPY in “Long-term accounts receivable - other” under “Non-current assets.” In addition, allowance for doubtful accounts of 49,789 thousand JPY has been recorded in current assets for the estimated uncollectible amount based on the calculation of the repayable amount under certain assumptions for each right holder.

(Notes to quarterly consolidated statement of cash flows)

A quarterly consolidated statement of cash flows for the twelve months ended December 31, 2024 has not been prepared. Depreciation (including depreciation related to intangible assets excluding goodwill) and amortization of goodwill for the twelve months ended December 31 are as follows.

	For the twelve months ended December 31, 2024
Depreciation	159,612 thousand JPY
Amortization of goodwill	100,655 thousand JPY

(Significant subsequent events)

(Significant borrowings and repayment)

EV JUDEN INFRA ICHIGO LLC and EV JUDEN INFRA NIGO LLC, consolidated subsidiaries of the Company, have obtained a line of credit of 4.9 billion JPY under a commitment line agreement dated September 30, 2024, and signed a commitment line agreement to increase the budget by 800 million JPY on December 23, 2024. Portions of this loan were executed and repaid in January 2025. In addition, the outstanding loan as of the filing date amounted to 4,501 million JPY.

Transaction 5

(1) Loan amount	EV JUDEN INFRA ICHIGO LLC: 78 million JPY (Sumitomo Mitsui Banking Corporation) EV JUDEN INFRA NIGO LLC: 109 million JPY (Sumitomo Mitsui Banking Corporation) / 40 million JPY (Aozora Bank)
(2) Purpose of funds	Operating funds for subsidiaries
(3) Date of borrowing	January 15, 2025
(4) Repayment due date	March 31, 2025
(5) Rates of interest, etc.	JBA TIBOR etc. + Spread
(6) Repayment method	Bullet payment
(7) Collateral status	Yes (Deposit receivable pledge)

Transaction 6

(1) Loan amount	EV JUDEN INFRA ICHIGO LLC: 197 million JPY (Sumitomo Mitsui Banking Corporation) EV JUDEN INFRA NIGO LLC: 240 million JPY (Sumitomo Mitsui Banking Corporation) /31 million JPY (Aozora Bank)
(2) Purpose of funds	Operating funds for subsidiaries
(3) Date of borrowing	January 28, 2025
(4) Repayment due date	March 31, 2025
(5) Rates of interest, etc.	JBA TIBOR etc. + Spread
(6) Repayment method	Bullet payment
(7) Collateral status	Yes (Deposit receivable pledge)

Following the execution of the above loan agreement, existing loans were repaid, respectively.

Repayment as of January 15, 2025

(1) Amount of repayment	EV JUDEN INFRA ICHIGO LLC: 40 million JPY
(2) Lender	Sumitomo Mitsui Banking Corporation

Repayment as of January 28, 2025

(1) Amount of repayment	EV JUDEN INFRA ICHIGO LLC: 154 million JPY
(2) Lender	Sumitomo Mitsui Banking Corporation

(Company split between the Company and its subsidiaries (absorption-type split) and EV Charging business to become a joint venture)

The Company, at the Board of Directors as of January 24, 2025, resolved to establish a wholly-owned subsidiary (hereinafter referred to as the "New Company") to which we will transfer our EV Charging business, "ENECHANGE EV Charge," via an absorption-type split (hereinafter referred to as the "Company Split"). We will then transfer 51.0% of the New Company's share outstanding (hereinafter referred to as the "Share Transfer") to CHUBU Electric Power Miraiz Co., Inc. (hereinafter referred to as "CHUBU Electric Power Miraiz"). After the Share Transfer, both the Company and CHUBU Electric Power Miraiz will participate in a capital increase of the New Company in proportion to their shareholdings (the Company: 49.0%, CHUBU Electric Power Miraiz: 51.0%) (hereinafter referred to as the "Capital Increase"). This will result in the New Company operating as a Joint Venture with CHUBU Electric Power Miraiz, managing the EV Charging Business. We have signed a Share Transfer Agreement and a Shareholders' Agreement regarding the New Company's operations (collectively referred to as "Share Transfer Agreements") with CHUBU Electric Power Miraiz.

1. Summary of the transaction

(1) Purpose of the transaction

The Company has actively invested in EV charging infrastructure development, but due to issues related to the traditional accounting treatment that made SPC (EV JUDEN INFRA ICHIGO LLC) non-consolidated in the EV Charging business, we have considered various options to enhance corporate and shareholder value. As disclosed on September 2, 2024, in our "Explanatory Materials Related to Business Plan and Growth Potential," we have examined specific approaches for "strengthening our financial foundation" and "utilizing external capital to accelerate infrastructure installation to maximize future recurring revenue in the EV Charging business."

The outcome of these considerations is that establishing a new joint venture with CHUBU Electric Power Miraiz, while maintaining a 49% stake, is optimal. This move aims to resolve financial constraints, strengthen our financial base, maximize growth in the EV Charging business, and pursue synergies with our core business to ensure future returns for shareholders.

The Company aims to create new synergies for the realization of a decarbonized society by developing a decentralized energy network using EV charging infrastructure between our core Energy Platform business and Energy Data business, and the current EV Charging business deployed through joint ventures. Additionally, we will work to maximize shareholder value by accelerating growth investments in our core businesses, including M&A, backed by the improved financial soundness expected from this transaction.

(2) Schedule for New Company establishment, Company Split, and Share Transfer

Date of the Board of Directors' resolution (for both the Company and the joint venture)	January 24, 2025
Execution date of Share Transfer Agreement	January 24, 2025
Date of establishment of the New Company	January 24, 2025
Execution date of the Absorption-type Split Agreement	January 24, 2025
Effective date of the Company Split	March 10, 2025 (Scheduled)
Implementation date of Share Transfer	March 10, 2025 (Scheduled)
Implementation date of Capital Increase	March 10, 2025 (Scheduled)

Note: This Company Split is classified as a Simplified Company Split under Article 784, Paragraph 2 of the Companies Act for the Company, and as a Short-form Absorption-type Split under Article 796, Paragraph 1 of the same act for the New Company; thus, it will be executed without obtaining the approval of the shareholders' meeting for both parties.

2. Details of the Company Split

(1) Summary of the Company Split

1. Date of the Company Split

Please refer to "(2) Schedule for New Company establishment, Company Split, and Share Transfer" in "1. Summary of the transaction" above.

2. Method of the Company Split

This is an Absorption-type Company Split (Simplified Company Split) under which makes the Company the splitting company, and the New Company, is the successor company.

3. Details of allotment related to the Company Split

In this Company Split, there will be no allocation of shares, cash, or other assets from the New Company to the Company

4. Treatment of share acquisition rights in relation to the Company Split

There is no change in the treatment of share acquisition rights issued by the Company due to this Company Split.

5. Change in share capital due to the Company Split

There will be no change in the Company's share capital due to the Company Split

6. Rights and obligations to be transferred to the successor company in the Company Split

The New Company is expected to inherit the assets, liabilities, contracts, and other rights and obligations related to our EV Charging business as of the effective date of the Company Split, in accordance with the Absorption-type Split Agreement to be concluded between the Company and the New Company. Additionally, shares of ENECHANGE EV Lab Ltd., as well as interests in EV JUDEN INFRA ICHIGO LLC and EV JUDEN INFRA NIGO LLC, are also expected to be transferred to the New Company through the Company Split. It should be noted that the EVsmart website business is not included in the EV Charging business to be transferred.

7. Expected performance of obligations

The Company has determined that there is no issue with the prospect of fulfilling the obligations that the Company and the New Company should bear after the effective date of the Company Split.

(2) Overview of the parties of the Company Split

	Splitting company	Successor company (New company)
Company name	ENECHANGE Ltd.	EV JUDEN SERVICE SHOKEI Ltd
Address	WeWork Tokyo Square Garden 14F, 3-1-1, Kyobashi, Chuo-ku, Tokyo, 104-0031, Japan	WeWork Tokyo Square Garden 14F, 3-1-1, Kyobashi, Chuo-ku, Tokyo, 104-0031, Japan
Representative's name and position	Tomoya Maruoka, Representative Director and CEO	Tomoya Maruoka, Representative Director
Description of business	Energy Platform business EV Charging business Energy Data business	EV Charging business
Share capital	47,044 thousand JPY	1 JPY
Date of establishment	April 27, 2015	January 24, 2025
Total share issued (Regarding the Splitting Company, as of June 30, 2024)	34,845,872 shares	1,000 shares
Accounting date	March 31	March 31

<table>
<tr><td>Major shareholders and shareholding ratio (Regarding the splitting company, as of June 30, 2024)</td><td>Yohei Kiguchi
JICVGI Opportunity Fund No.1 Investment Limited Partnership
Energy Station Company Limited (Permanent agent: Mizuho Bank, Ltd.)
Custody Bank of Japan, Ltd.
SBI Securities Co. Ltd.
Takahiro Yamaguchi
Ippei Arita
The Tokyo Tanshi Co., Ltd.
EPCO, Ltd.
THE BANK OF NEW YORK 133652 (Permanent agent: Mizuho Bank, Ltd.)</td><td>16.45%
10.86%
6.89%
5.17%
4.41%
4.18%
3.46%
2.30%
1.38%
1.26%</td><td>ENECHANGE Ltd.[*1]</td><td>100%</td></tr>
<tr><td colspan="5">Consolidated financial results of operations and financial condition for the fiscal year ended December 31, 2023 (unit: thousand JPY, except for per share figures)[*2]</td></tr>
<tr><td>Sales</td><td colspan="2">4,379,001</td><td colspan="2">–</td></tr>
<tr><td>Operating profit (loss)</td><td colspan="2">(2,125,017)</td><td colspan="2">–</td></tr>
<tr><td>Ordinary profit (loss)</td><td colspan="2">(2,404,967)</td><td colspan="2">–</td></tr>
<tr><td>Profit (loss) attributable to owners of parent</td><td colspan="2">(4,985,167)</td><td colspan="2">–</td></tr>
<tr><td>Net assets</td><td colspan="2">(1,479,226)</td><td colspan="2">–</td></tr>
<tr><td>Total assets</td><td colspan="2">5,564,807</td><td colspan="2">–</td></tr>
<tr><td>Net income per share</td><td colspan="2">(163.55) JPY</td><td colspan="2">–</td></tr>
<tr><td>Total assets per share</td><td colspan="2">(47.82) JPY</td><td colspan="2">–</td></tr>
</table>

Notes 1. As stated in “3. Details of the Share Transfer” below, the Company plans to transfer 51.0% of the shares outstanding of the New Company owned by the Company to CHUBU Electric Power Miraiz, subject to the effective date of the Company Split.
2. There is no confirmed management performance or financial condition of the final business year of the successor company.

(3) Overview of the splitting or succeeding business

1. Description of the business of the division to be split
   EV Charging business
   (Included are shares of ENECHANGE EV LAB Ltd. and interests in EV JUDEN INFRA ICHIGO LLC and EV JUDEN INFRA NIGO LLC. The business associated with the EVsmart website is excluded.)

2. Business results of the division to be split (for the fiscal year ended December 31, 2023)
   For the latest fiscal year, the EV Charging business achieved sales of 139,807 thousand JPY and incurred an operating loss of 2,081,636 thousand JPY. In addition, within the EV Charging business, we recorded a gain on donation of subsidy income of 120,487 thousand JPY in non-

operating income for charging infrastructure and loss on tax purpose reduction entry of noncurrent assets of 114,067 thousand JPY in non-operating expenses.

3. Items and book value of assets and liabilities to be split (as of June 30, 2024)

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	1,119,658 thousand JPY	Current assets	627,700 thousand JPY
Non-current assets	30,010 thousand JPY	Non-current assets	4,795,314 thousand JPY
Total	1,149,668 thousand JPY	Total	5,423,014 thousand JPY

Note: The above amount is as of 30 June 2024, and the actual figures as of the effective date of the Company Split may fluctuate.

(4) Status of the splitting company and the successor company after the Company Split

As described in "Successor company (New company)" in "(2) Overview of the parties of the Company Split" above.

3. Details of the Share Transfer

(1) Overview of the Share Transfer counterparty

Company name	CHUBU Electric Power Miraiz Co., Inc.	
Address	1, Higashi-shincho, Higashi-ku, Nagoya, Aichi 461-8680, Japan	
Representative's name and position	Representative Director Hironori Kamiya	
Description of business	Sale of electricity, gas, and various energy related and other services	
Share capital	4,000 million JPY	
Date of establishment	April 1, 2019	
Major shareholders and shareholding ratio (Regarding the splitting company, as of September 30, 2024)	CHUBU Electric Power Co., Inc. (100.0%)	
Individual net assets (As of March 31, 2024)	196,780 million JPY	
Individual total assets (As of March 31, 2024)	554,207 million JPY	
Relationship between the companies concerned	Capital relationship	None
	Personnel relationship	None
	Business relationship	There is a business relationship with the Company.
	Status of applicability to related parties	None

(2) Shares transferred, transfer amount, and status of share ownership pre- and post-transfer

Number of shares owned before transfer	Common shares: 1,000 shares (Voting rights ownership ratio: 100.0%) (Scheduled)
Number of shares transferred	Common shares: 510 shares (Voting rights ownership ratio: 51.0%) (Scheduled)
Number of shares owned after transfer	Common shares: 490 shares (Voting rights ownership ratio 49.0%) (Scheduled)
Transfer amount	510 JPY
(Reference information) Corporate value	Approximately 4.8 billion JPY*

Note: The valuation is based on adding a stock value of 1 JPY per share to the debt value derived from subtracting the cash and deposits from the total liabilities on the segment balance sheet of the EV Charging business as of end of June 2024. Furthermore, it has been agreed that both CHUBU Electric Power Miraiz's and the Company will undertake the capital increase by the New Company immediately following the execution of this Share Transfer. Please refer to "4. Overview of the Capital Increase by the New Company" below for further details.

4. Overview of the Capital Increase by the New Company

Overview of the Capital Increase scheduled immediately following the execution of the Share Transfer is as follows:

Shares outstanding	1,000 shares
Allotment destination and number of shares allotted	The Company: 490 shares CHUBU Electric Power Miraiz: 510 shares
Issue price	6,000,000 JPY per share (Total: 6,000,000,000 JPY)
Payment date	March 10, 2025 (Scheduled)
Increased share capital and legal capital surplus	Share capital: 3,000,000,000 JPY Legal capital surplus: 3,000,000,000 JPY
Number of shares owned after the Capital Increase	The Company: 980 shares (Voting rights ownership ratio 49.0%) CHUBU Electric Power Miraiz: 1,020 shares (Voting rights ownership ratio 51.0%)

Note: The payment of 2,940,000,000 JPY for this Capital Increase by the Company is scheduled to be made with funds after the repayment of the entire loan of 2,100,000,000 JPY from the Company to ENECHANGE EV LAB Ltd. (hereinafter referred to as "EV LAB"), a subsidiary of the Company that will be succeeded to the New Company, and the redemption of 840,000,000 JPY of corporate bonds issued by EV JUDEN INFRA NIGO LLC (hereinafter referred to as "SPC No. 2") to the Company. Specifically, in the Capital Increase, the allocation of shares by CHUBU Electric Power Miraiz and their payment will occur first, and with part of the funds of 3,060,000,000 JPY paid by CHUBU Electric Power Miraiz to the New Company, the New Company will further invest in EV LAB and SPC No.2. EV LAB will use the funds received from this additional investment to repay the loan of 2,100,000,000 JPY from our company, and SPC No.2 will redeem part of the corporate bonds issued to the Company (840,000,000 JPY). Subsequently, the Company is scheduled to use the funds received from this repayment and redemption (2,940,000,000 JPY) to make the payment of 2,940,000,000 JPY to the New Company for the Capital Increase. Furthermore, the money paid by the Company and CHUBU Electric Power Miraiz to the New Company through the Capital Increase will be invested by the New Company in EV LAB, EV JUDEN INFRA ICHIGO LLC (hereinafter referred to as "SPC No.1"), and SPC No.2, and the loans from the Company to EV LAB and the corporate bonds issued by SPC No.1 and SPC No.2 to the Company will all be fully repaid or redeemed using these funds.

5. Future Outlook

We are currently examining the impact this transaction will have on our performance, and if there is a need to revise our performance forecast or disclose any other matters, we will promptly disclose such matters.

(Capital and business partnership agreement and issuance of new shares through third-party allotment)

By a written resolution as of February 3, 2025 in lieu of a board resolution based on Article 370 of the Companies Act (Act No. 86 of 2005, including subsequent amendments) and Article 25 of our Articles of Incorporation, the Company has resolved to enter into a capital and business partnership agreement (hereinafter referred to as the "Capital and Business Partnership Agreement") with ITOCHU ENEX CO., LTD. (hereinafter referred to as "ITOCHU ENEX" or the "Allottee") for the purpose of establishing a capital and business partnership (hereinafter referred to as the "Capital and Business Partnership"), and to issue new shares through a third-party allotment to ITOCHU ENEX (hereinafter referred to as the "Third-Party Allotment" and the shares issued through this Third-Party Allotment as the "New Shares"), and entered into said agreement on the same date.

I. Regarding the Capital and Business Partnership

1. Reason and purpose for the Capital and Business Partnership

In the fiscal year ended December 2023, the Company's consolidated net assets was negative, failing to meet the Tokyo Stock Exchange Growth Market's listing maintenance criteria (total shareholders' equity criteria) as outlined by the Tokyo Stock Exchange (hereinafter referred to as "TSE"). Consequently, we have entered an improvement period and have been examining measures to rebuild our management foundation and stabilize our operations to comply with the listing maintenance criteria (total shareholders' equity criteria). In the Company's core businesses, the "Energy Platform business" and the "Energy Data business," the Company recognizes that achieving the full potential of both requires organic growth through appropriate capital investment and inorganic growth through M&A. To secure financial soundness for expanding future strategic options, the Company has considered a third-party allocation of shares and capital and business partnership with companies that offer potential business synergies. After carefully comparing the proposals from the potential candidates, we concluded that ITOCHU ENEX offers the greatest business synergies and is the optimal candidate for the allocation. Fulfilling the Capital and Business Partnership is expected to enhance the Company's financial foundation and lead to business growth through our partnership with the Allottee, thereby benefitting our shareholders by increasing our corporate value and shareholder value. Additionally, the Allottee intends to hold our shares with a medium to long-term perspective, and we have judged that the issuance volume and the degree of dilution of shares, as well as the impact on the circulation market, are reasonable for achieving these objectives.

2. Contents of the Capital and Business Partnership

(1) Contents of the business partnership

The main content is described below. In addition to the following, we will proceed with discussions and assessments of measures that will contribute to the further enhancement of corporate value of the Allottee and the Company.

1. Implementation of customer acquisition promotion measures and joint marketing utilizing the Company's energy platform (including the electricity and gas comparison website operated by the Company and offline sales networks, hereinafter referred to as the "Company Platform").
2. Expansion of sales of energy-related products and services that contribute to enhancing the value of the Company Platform.
3. Joint development and external sales of core systems in the retail sector (electricity, gas, and mobility) and joint outsourcing of business operations for retail operators.
4. Joint development and provision of energy (energy-saving) consulting systems and related services.
5. Collaboration aimed at expanding the Electric Vehicle (EV) charging service business (promotion of EV charger network proliferation, support for their introduction, and expansion of sales of energy-related products and services to installation locations).*

Note: As stated in the announcement dated January 24, 2025, titled "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," progress is being made on the joint venture of the EV charging business. Meanwhile, the Energy Data business strives to develop and create a decentralized energy network utilizing EV charging infrastructure, along with integrated cloud services for external sales in the EV domain, such as energy management solutions leveraging this infrastructure.

(2) Contents of the capital partnership

The Company will allocate 7,375,000 shares of our common shares to the Allottee through the Third-Party Allotment (representing 17.45% of the voting rights owned after the third-party allotment and 17.43% of the shares outstanding). For details on the Third-Party Allotment, please refer to “II. Issuance of New Shares through Third-Party Allotment” below.

3. Summary of the affiliated partner in the Capital and Business Partnership

(1)	Name	ITOCHU ENEX CO., LTD.	
(2)	Address	3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo	
(3)	Representative’s name and position	Tomofumi Yoshida, President & Chief Executive Officer	
(4)	Description of business	Wholesale and retail business of petroleum and gas products, electricity, heat supply business, and automotive-related business, as well as affiliated service businesses	
(5)	Share capital	19,878 million JPY (as of September 30, 2024)	
(6)	Date of establishment	January 28, 1961	
(7)	Number of outstanding shares	116,881,106 shares (as of September 30, 2024)	
(8)	Accounting date	March 31	
(9)	Number of employees	5,365 (consolidated basis) (as of March 31, 2024)	
(10)	Main clients	There are numerous clients served both domestically and internationally.	
(11)	Main financial institutions	Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation Resona Bank, Limited Mizuho Bank, Ltd. The Bank of Mitsubishi UFJ, Ltd.	
(12)	Major shareholders and shareholding ratio (Regarding the splitting company, as of September 30, 2024)	ITOCHU Corporation	54.78%
		The Master Trust Bank of Japan, Ltd. (trust account)	7.19%
		Custody Bank of Japan, Ltd. (trust account)	4.24%
		Enex Fund	2.64%
		Nippon Life Insurance Company	1.37%
		ITOCHU ENEX Employee Shareholding Association	1.22%
		STATE STREET BANK AND TRUST COMPANY 505001	1.08%
		THE BANK OF NEW YORK MELLON 140042	0.67%
		STATE STREET BANK AND TRUST COMPANY 505223	0.63%
		UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	0.59%
(13)	Relationship between the listed company and this company	Capital relationship	None
		Personnel relationship	None
		Business relationship	There is a business relationship in the Energy Platform business and Energy Data business.
		Status of applicability to related parties	None
(14)	Consolidated financial results of operations and consolidated financial condition of the relevant company for the past three years (unit: million JPY, except for per share figures)		

Accounting date		Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
	Total capital	171,198	180,328	192,209
	Total liabilities and capital	447,017	433,024	444,304
	Equity attributable to owners of the parent company per share	1,278.32 (JPY)	1,355.37 (JPY)	1,439.91 (JPY)
	Sales revenue	936,306	1,012,018	963,302
	Operating profit	20,929	21,368	23,587
	Profit before tax	22,241	23,036	24,687
	Net profit attributable to shareholders of ITOCHU ENEX	13,194	13,832	13,887
	Basic earnings per share attributable to shareholders of ITOCHU ENEX	116.89 (JPY)	122.54 (JPY)	123.03 (JPY)
	Dividend per share	48.00 (JPY)	50.00 (JPY)	54.00 (JPY)

Note: In the Capital and Business Partnership Agreement, the Company receives representations and warranties from the Allottee that it is not an antisocial force and has no relationship or dealings with any antisocial forces. Additionally, the Allottee is listed on the TSE Prime Market, and we have confirmed in the corporate governance report submitted by the company to the exchange (October 31, 2024) that the Allottee has formalized the policy of completely cutting off ties with antisocial forces throughout its entire group in its "Group Action Declaration." Furthermore, it is noted that they maintain a close collaboration with external professional organizations and have established a system to swiftly respond to unforeseen situations by promoting the introduction of organized crime exclusion clauses in contracts. Based on the above, we have determined that the Allottee is not associated with any antisocial forces.

4. Schedule for the Capital and Business Partnership

(1)	Date of the Board of Directors' resolution	February 3, 2025
(2)	Execution date of the Capital and Business Partnership Agreement	February 3, 2025
(3)	Payment date for the Third-Party Allotment	February 19, 2025 (Scheduled)
(4)	Commencement date of the Capital and Business Partnership	February 19, 2025 (Scheduled)

II. Issuance of New Shares through Third-Party Allocation

1. Overview of the solicitation

(1)	Payment deadline	February 19, 2025
(2)	Number of newly issued shares	Common shares: 7,375,000 shares
(3)	Issue price	400 JPY per share
(4)	Amount of funds raised	2,950,000,000 JPY For an estimated amount after deducting issuance expenses, please refer to "3. Amount of funds to be raised, use of funds, and expected timing of expenditures."
(5)	Method of solicitation or disposal (the Allottee)	All shares will be allocated to ITOCHU ENEX through the Third-Party Allotment.
(6)	Others	For each of the above items, the effectiveness is conditional upon the filing of a securities registration statement under the Financial Instruments and Exchange Act.

2. The purpose and reasons for the solicitation

The background and purpose

Please refer to "I. Regarding the Capital and Business Partnership, 1. Reason and purpose for the Capital and Business Partnership" above.

3. Amount of funds to be raised, use of funds, and expected timing of expenditures

(1) The amount of funds to be raised

(i)	The total amount of the payment	2,950,000,000 JPY
(ii)	Estimated amount of issuance-related expenses	113,000,000 JPY
(iii)	Estimated net proceeds	2,837,000,000 JPY

Notes
1. The breakdown of the estimated amount of issuance-related expenses includes registration-related expenses of 10 million JPY (registration and license tax), legal fees of 10 million JPY, financial advisory fees of 90 million JPY, and securities registration statement preparation fees of 2 million JPY.
2. The estimated amount of issuance-related expenses does not include consumption tax and local consumption tax.

(2) Specific use of the funds to be raised

The above estimated net proceeds amounting to approximately 2,837 million JPY will be allocated towards the following purposes as investment funds to achieve the synergy effects intended in the Capital and Business Partnership with ITOCHU ENEX and to contribute to the future growth of our business.

Specific use	Amount (million JPY)	Expected expenditure timing
1. Funds allocated to advertising and promotional expenses, as well as sales commissions, personnel costs, and outsourcing expenses, for joint marketing and promotions aimed at enhancing the platform value by leveraging the mutual customer base and products of our company and ITOCHU ENEX in the “Energy Platform business.”	1,500	March 2025 to February 2028
2. Funds allocated to personnel costs and outsourcing expenses for the joint development and external sales of products for power retail businesses and consumers, as well as support for decarbonization and DX promotion, and EV charging-related services, by utilizing our software development and ITOCHU ENEX’s operational expertise and group assets in the “Energy Data Business.”	400	March 2025 to February 2028
3. Funds reserved for M&A and other strategic expansions of the “Energy Platform business” and “Energy Data Business” (including joint investments with ITOCHU ENEX).	937	March 2025 to February 2028

Notes
1. During the period until the funds are allocated for the above purposes, the funds will be managed through bank deposits, etc.
2. If there are any changes in the current use of funds and the planned timing of expenditures, we will promptly make the disclosure.

4. Post-offering major shareholders and ownership ratios

Before the offering (As of September 30, 2024)		After the offering	
Yohei Kiguchi	13.86%	ITOCHU ENEX CO.,LTD.	17.43%
JICVGI Opportunity Fund 1 Investment Business Limited Liability Partnership	10.83%	PORT INC.	14.92%
ENERGY STATION COMPANY LIMITED (Permanent agent: Mizuho Securities Co., Ltd.)	6.87%	JICVGI Opportunity Fund 1 Investment Business Limited Liability Partnership	8.94%
PORT INC.	4.21%	ENERGY STATION COMPANY LIMITED (Permanent Agent: Mizuho Securities Co., Ltd.)	5.67%
Ueda Yagi Tanshi Co., Ltd.	3.65%	Ueda Yagi Tanshi Co., Ltd.	3.01%
Ippei Arita	3.45%	Ippei Arita	2.85%
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1.72%	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	1.42%
Rakuten Securities, Inc.	1.49%	Rakuten Securities, Inc.	1.23%
EPCO Co., Ltd.	1.37%	EPCO Co., Ltd.	1.13%
Takeshi Hayakawa	1.14%	Takeshi Hayakawa	0.95%

Notes 1. The pre-offering shareholding ratio is calculated based on the shareholder register as of September 30, 2024, rounding to the nearest second decimal place.

2. The pre-offering shareholding ratio indicates the proportion of shares owned relative to the total number of shares outstanding, excluding treasury stock, as of September 30, 2024, totaling 34,948,429 shares.

3. The post-offering shareholding ratio is calculated based on the total number of shares outstanding, excluding treasury stock, as of September 30, 2024, plus the issuance of 7,375,000 new shares.

4. The post-offering shareholding ratio reflects the acquisition of 4,842,400 shares acquired by PORT INC. on February 5, 2025, which had been owned by Mr. Yohei Kiguchi.

5. Although the amended report (special case shares) made available for public inspection as of December 19, 2024, states that SBI SECURITIES Co., Ltd. owns the following shares as of December 13, 2024, we cannot confirm the actual number of shares owned as of September 30, 2024, and therefore, it is not included in the above major shareholder information. The content of the amended report (special case shares) is as follows.

Name	Address	Number of shares	Ratio to the number of issued shares (%)
SBI SECURITIES Co., Ltd.	1-6-1, Roppongi, Minato-ku, Tokyo	1,737,800	4.96

6. In the amended report made available for public inspection on January 29, 2025, and the correction report submitted on January 30, 2025, it is stated that Energy Station Company Limited owns the following shares as of January 29, 2025. However, we cannot confirm the actual number of shares owned as of September 30, 2024, and therefore, it is not included in the above major shareholder information. The content of the amended report and the correction report are as follows.

Name	Address	Number of shares	Ratio to the number of issued shares (%)
Energy Station Company Limited	FLAT E, 29/F, ALASSIO, 100 CAINE ROAD, HONG KONG	1,749,400	4.99

5. Issuance terms

(1) Type and number of shares to be offered — Common shares: 7,375,000 shares

(2) Amount to be paid for the shares — Per share: 400 JPY

(3) Total amount of the payment — Total: 2,950,000,000 JPY

(4) Amount of increased share capital	1,475,000,000 JPY (per share: 200 JPY)
(5) Amount of increased legal capital surplus	1,475,000,000 JPY (per share: 200 JPY)
(6) Method of offering or allocation	By third-party allocation
(7) Application period	February 19, 2025
(8) Payment deadline	February 19, 2025
(9) Allottee and the number of shares to be allocated	ITOCHU ENEX CO., LTD. Common shares: 7,375,000 shares

(10) Each of the above items is conditioned upon the effectiveness of the filing under the Financial Instruments and Exchange Act.

(Others)

(Litigation from Terra Charge Corporation)
As stated in an extraordinary report filed on December 13, 2024, the Company received a claim for damages amounting to 510 million JPY and delayed damages thereof from Terra Charge Corporation (hereinafter referred to as “Terra”), alleging that: (1) statements made by our former CEO, Yohei Kiguchi, during a Q&A session at the Financial Results Briefing for individual investors held in February 2024, which is published on our website, constitute tort and unfair competition acts; (2) our company engaged in unjust interference with the aim of withdrawing investments or loans concerning investment or loan agreements between Terra and its business partners, which also constitutes a tort. We intend to appropriately respond to Terra’s claims and their basis, which are currently under examination. However, we believe that none of Terra’s claims are justified, and we will assert and prove our legitimacy.

(Litigation from a former employee)
As stated in “Notice Concerning Litigation Filed Against Our Company” filed on February 12, 2025, the Company received notice on February 10, 2025 of a legal complaint that was filed by a former employee with the Tokyo District Court on December 27, 2024. Based on the “Taxation on Stock Options (Q&A)” published by the National Tax Agency on May 30, 2023, “trust-type stock options” are considered to result in economic benefits that are essentially regarded as salary when company personnel exercise the rights granted to them to acquire shares. Therefore, when personnel exercise these stock options to acquire shares from the issuing company, the economic benefits derived are regarded as salary income, requiring the Company to withhold income tax at source. We have held discussions with former employees regarding the demand for tax reimbursement. However, the lawsuit seeks confirmation of non-existence of obligations of 18 million JPY for tax reimbursement and claims damages of 177 thousand JPY, arguing that our right to reimbursement is not recognized and that we violated our duty to carefully calculate the withholding tax amount. We intend to carefully examine the claims and grounds of the former employee and respond appropriately to assert and prove our legitimacy. For the total amount of tax reimbursement receivable from the former employee, allowance for doubtful accounts was recorded by the end of the fourth quarter of the fiscal year ending March 31, 2025.

Independent Auditor's Interim Review Report on the Quarterly Consolidated Financial Statements

February 13, 2025

To the Board of Directors of
ENECHANGE Ltd.

Avantia GP
Tokyo Office

Designated and Engagement Partner	Certified Public Accountant	Kenzo Fujita
Designated and Engagement Partner	Certified Public Accountant	Go Hashimoto

Auditor's Conclusion

We conducted an interim review of the quarterly consolidated financial statements of ENECHANGE Ltd. (the "Company") for the fourth quarter (from October 1, 2024 to December 31, 2024) and the first twelve months (from January 1, 2024 to December 31, 2024) of the fiscal year ending March 31, 2025 (from January 1, 2024 to March 31, 2025) included in the attached materials of the quarterly financial results report, namely, the quarterly consolidated balance sheet, the quarterly consolidated statements of income, the quarterly consolidated statements of comprehensive income, and the notes thereto.
Based on our interim review, nothing has come to our attention that causes us to believe that the aforementioned quarterly consolidated financial statements have not been prepared, in all material respects, in accordance with Article 4, Paragraph 1 of standards for preparation of quarterly financial statements of Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") and accounting standards for the quarterly financial statements generally accepted in Japan, omitting certain disclosures under Article 4, Paragraph 2 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements.

Basis for Auditor's Conclusion

We conducted our interim review in accordance with the interim review standards generally accepted in Japan. Our responsibility under these standards is described in the Auditor's Responsibility for the Interim Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions of the code of professional ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained the evidence to provide a basis for our review conclusion.

Significant Uncertainty Regarding the Premise of Going Concern

As described in the "Note on entity's ability to continue as going concern," up until the previous fiscal year, the Company has recorded consecutive operating losses, ordinary losses, and losses attributable to owners of parent. At the end of the previous fiscal year, the Group had excess liabilities of 1,479 million JPY on the consolidated balance sheet. The Group has also continued to record an operating loss of 2,914 million JPY, an ordinary loss of 2,537 million JPY, and a loss attributable to owners of parent of 3,356 million JPY for the twelve months ended December 31, 2024. As a result, as of December 31, 2024, the Group had excess liabilities of 929 million JPY on the consolidated balance sheet. The Company is in breach of financial covenants with respect to borrowings for certain financial institutions with which it has transactions, although it has not been notified that the acceleration clause will be applied. Furthermore, as a result of the release of the Independent Investigation Committee's investigation report, there is a possibility that relationships with stakeholders may deteriorate and the Company's brand power may be damaged. These events and circumstances constitute a business or situation that raises significant doubts about the premise of going concern and there is significant uncertainty regarding the premise of going concern.

The measures taken to address these events and circumstances and the reasons for significant uncertainty are described in the Notes thereto. The Company has prepared the quarterly consolidated financial statements on a going concern basis, and the effects of significant uncertainty regarding the Company's premise of a going concern have not been reflected in the quarterly consolidated financial statements.
This matter does not affect our conclusion.

Emphasis of Matters
1. As described in "Significant subsequent events (Significant borrowings and repayment)," EV JUDEN INFRA ICHIGO LLC and EV JUDEN INFRA NIGO LLC, consolidated subsidiaries of the Company, have executed and repaid portions of the loan in January 2025 under a commitment line agreement dated September 30, 2024 and December 23, 2024.
2. As described in "Significant subsequent events (Company split between the Company and its subsidiaries (absorption-type split) and EV Charging business to become a joint venture)," the Company, at the Board of Directors meeting held on January 24, 2025, resolved to establish a wholly-owned subsidiary (the "New Company") to which the EV Charging business is transferred via an absorption-type split. The Company will then transfer 51% of the New Company's share outstanding to CHUBU Electric Power Miraiz Co., Inc. ("CHUBU Electric Power Miraiz"). After the share transfer, both the Company and CHUBU Electric Power Miraiz will participate in a capital increase of the New Company in proportion to their shareholdings. This will result in the New Company operating as a joint venture with CHUBU Electric Power Miraiz, managing the EV Charging business. The Company has signed a share transfer agreement and a shareholders' agreement regarding the New Company's operations with CHUBU Electric Power Miraiz.
3. As described in "Significant subsequent events (Capital and business partnership agreement and issuance of new shares through third-party allotment)," the Company, at the Board of Directors meeting held on February 3, 2025, resolved to enter into a capital and business partnership agreement with ITOCHU ENEX CO., LTD. and issue new shares through a third-party allotment to ITOCHU ENEX CO., LTD. and signed the capital and business partnership agreement on the same date.
This matter does not affect our conclusion.

Other Matters
The revised consolidated financial statements for the year ended December 31, 2023 have been audited by the predecessor auditor. The predecessor auditor expressed an unqualified opinion on those revised consolidated financial statements on January 31, 2025.

Responsibilities of Management, the Auditors and the Board of Auditors for the Quarterly Consolidated Financial Statements
Management is responsible for the preparation of the quarterly consolidated financial statements in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements and accounting standards for the quarterly financial statements generally accepted in Japan, omitting certain disclosures under Article 4, Paragraph 2 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements. This includes designing and operating such internal control, as management determines is necessary, to enable the preparation of the quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the quarterly consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the quarterly consolidated financial statements in accordance with the premise of a going concern, and disclosing, as applicable, matters related to a going concern in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements and accounting standards for the quarterly financial statements generally accepted in Japan, omitting certain disclosures under Article 4, Paragraph 2 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements.
The Auditors and the Board of Auditors are responsible for overseeing the Directors' execution of duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Interim Review of the Quarterly Consolidated Financial Statements
Our responsibility is to express a conclusion on the quarterly consolidated financial statements in our interim review report from an independent standpoint based on our interim review.

In accordance with interim review standards generally accepted in Japan, we exercise professional judgment throughout the interim review, and perform the following with professional skepticism.

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other interim review procedures. An interim review is substantially less in scope than an audit of the financial statements for the fiscal year conducted in accordance with auditing standards generally accepted in Japan.
- Conclude whether nothing has come to our attention, based on the evidence obtained, related to a going concern that causes us to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements and accounting standards for the quarterly financial statements generally accepted in Japan, omitting certain disclosures under Article 4, Paragraph 2 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements, if we conclude that a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists related to a going concern, we are required to draw attention in our interim review report to the notes to the quarterly consolidated financial statements or, if such notes are inadequate, to express a qualified or negative conclusion. Our conclusions are based on the evidence obtained up to the date of our interim review report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Evaluate whether nothing has come to our attention that causes us to believe that the overall presentation and notes to the quarterly consolidated financial statements are not prepared in accordance with Article 4, Paragraph 1 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements and accounting standards for the quarterly financial statements generally accepted in Japan, omitting certain disclosures under Article 4, Paragraph 2 of the Tokyo Stock Exchange's standards for preparation of quarterly financial statements.
- Obtain evidence regarding the financial information of the Company and its consolidated subsidiaries to express a conclusion on the quarterly consolidated financial statements. We are responsible for instructing, supervising, and implementing an interim review of the quarterly consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with the Auditors and the Board of Auditors regarding the planned scope and timing of the interim review and significant findings that we identify during our interim review.

We also provide the Auditors and the Board of Auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Conflicts of Interest

Our firm and its engagement partners do not have any interest in the Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(Notes) 1. The original copy of the above interim review report is retained separately by the Company (filing company of the quarterly financial results report).

2. XBRL data and HTML data is excluded from the scope of the interim review.