

September 13, 2024

Company Name: ENECHANGE Ltd.

Representative: Tomoya Maruoka, Representative Director and CEO

(TSE Growth Code No. 4169)

Inquiries: Yuichiro Shinohara, Senior Executive Officer / CFO
TEL: +81-3-6635-1021

Notice Concerning the Recording of Non-operating Income and Extraordinary Losses

ENECHANGE (hereinafter referred to as the "Company") hereby announces the recording of non-operating income, non-operating expenses, and extraordinary losses for FY24 Q2 financial results as follows.

1. Recognition of non-operating income

In the FY24 Q2 financial results, we received 18 million JPY in non-operating income. This mainly consisted of 1.8 million JPY in subsidies received for the EV Charging business. Furthermore, as the book value of the fixed assets for the EV Charging business has been fully impaired, there was no fixed asset reduction loss related to the subsidy income.

2. Recognition of non-operating expenses

In the FY24 Q2 financial results, we have accounted for non-operating expenses of 100 million JPY. The breakdown includes 46 million JPY in interest on existing borrowings (including corporate bonds), 32 million JPY in non-operating payment fees, 12 million JPY in foreign exchange losses, 7 million JPY in equity method investment losses, and 15 million JPY in other expenses.

3. Recording of extraordinary losses

Following an investigation into the recoverability of fixed assets such as EV charging ports in our EV Charging business (prior to fixed asset consolidated accounting), we have decided to fully impair the book value as of the end of this Q2 consolidated accounting period, resulting in a special loss of 398 million JPY (impairment loss) in the FY24 Q2 financial results. Additionally, a special loss of 259 million JPY has been recorded as a provision for expense adjustments related to settlement, with the primary breakdown being 170 million JPY for additional costs to KPMG AZSA LLC related to additional audit expenses and 88 million JPY for other outsourcing expenses.