

September 13, 2024

Company Name: ENECHANGE Ltd.

Representative: Tomoya Maruoka, Representative Director and CEO

(TSE Growth Code No. 4169)

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Progress based on the plan for meeting the listing maintenance criteria (Net assets) and changes in the improvement period due to the change in the fiscal year-end

ENECHANGE (hereinafter referred to as the "Company") did not meet the listing maintenance standards set by the Tokyo Stock Exchange (hereinafter referred to as the "TSE") for the TSE Growth Market at the end of FY23. Below, we provide an update on our progress towards meeting the listing maintenance standards.

1. FY24 Q2 financial results status

As disclosed in the "FY24 Q2 Financial Results [Japanese GAAP] (Consolidated)" released today, for FY24 Q2, our sales reached 2,721 billion JPY (an increase of +39.2% year-on-year). Despite promoting cost-cutting measures in the cost of goods sold and selling, general, and administrative expenses, we finished with an operating loss of 1,421 billion JPY (operating loss of 1,151 billion JPY in the same quarter of the previous year), an ordinary loss of 906 million JPY (ordinary loss of 1,213 billion JPY in the same quarter of the previous year), and a net loss of 1,802 billion JPY (net loss of 1,214 billion JPY in the same quarter of the previous year). According to the "Notice of Completion of Payment for New Shares Issued Through Third-Party Allotment" announced on Feb 26, 2024, by the end of FY24 Q2, our total shareholders' equity will be 783 million JPY, effectively eliminating our insolvency, with JIC VGI Opportunity Fund 1 Investment Business LLP as the allottee.

2. Basic Policy for Compliance with Listing Maintenance Standards Regarding Total Shareholders' Equity and Change of Improvement Period Due to Fiscal Year-End Change

Our company had initially set the improvement period until the end of December 2024, but with the change in the fiscal year-end we have extended the improvement period to the end of March 2025. To comply with the listing maintenance standards, the total shareholders' equity must be positive as of the end of March 2025.

As noted in the "Explanatory Materials Related to Business Plan and Growth Potential" announced on September 2, 2024, we are undertaking initiatives focusing on items (1) to (3) below. We will promptly inform you once details are determined.

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

(1) Improving profitability through cost efficiency

Our company aims to enhance profitability by implementing company-wide cost reductions through a review of our cost structure. We are also examining the costs of each segment as needed.

(2) Formation of Bridge Loans and Resolution of Impairment Losses in the EV Charging business

Our company is in discussions with various financial institutions regarding establishing bridge loans for the EV Charging business. Currently, each financial institution is considering our new management system and corporate governance measures. If the funds are procured through these bridge loans, we will proceed with discussions with our auditor, Avantia GP, to resolve impairment losses on fixed assets related to the EV Charging business.

(3) Strategies for reinforcing the financial base

As mentioned on page 12 of the "Explanatory Materials Related to Business Plan and Growth Potential" released on September 2, 2024, we have initiated a comprehensive examination of strategies for reinforcing our finances, and we will promptly inform you once the specifics are finalized.

We will strive to meet the listing maintenance standards for total shareholders' equity by the end of FY24 by implementing and achieving the aforementioned initiatives, with the Purpose of rebuilding our management foundation and stabilizing operations.