November 14, 2024

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

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

1. FY24 Q3: Financial results status

According to the "FY24 Q3 Financial Results [Japanese Standards] (Consolidated)" disclosed today, our sales in FY24 Q3 reached 4,011 million JPY, marking a 24.2% increase YoY. Although we implemented reduction in cost of sales and SG&A expenses, we recorded an operating loss of 2,037 million JPY (compared to an operating loss of 1,545 million JPY in the same quarter last year) and an ordinary loss of 1,600 million JPY (compared to an ordinary loss of 1,649 million JPY in the same quarter last year). The net loss attributable to the parent company shareholders was 2,409 million JPY (compared to a net loss of 1,696 million JPY in the same quarter last year). At the end of FY24 Q3, total shareholders' equity stood at 102 million JPY (compared to -1,479 million JPY at the end of the previous fiscal year and 783 million JPY at the end of the previous quarter).

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

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

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

(1) Enhancing profitability by optimizing costs

We aim to improve corporate profitability by implementing cost reduction measures, focusing on reviewing the cost structure and examining each segment's expenses. Currently, we are formulating reduction strategies, and once specific measures are finalized, they will be announced in conjunction with financial information.

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

As stated in our announcement "Notice Concerning the Conclusion of the Commitment Line Agreement Related to the EV Charging Business" on September 27, 2024, we have secured a total of 4.9 billion JPY in bridge loans from two affiliated financial institutions for the EV Charging business. Given the progress in implementing recurrence prevention measures and securing funds through this bridge loan, we have reviewed the business plan for the EV Charging business and have been consulting with Avantia GP to eliminate the impairment loss on fixed assets related to the EV Charging business. Therefore, no impairment loss will be recorded for these fixed assets in FY24 Q3.

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

According to page 12 of the "Explanatory Materials Related to Business Plan and Growth Potential" disclosed on Sep 2, 2024, we are extensively examining strategies for the strengthening of our financial base. Currently, no details can be disclosed, but we will notify you promptly once decisions are made.

We will strive to comply with the listing maintenance criteria concerning total shareholders' equity by the end of FY24, through continuous implementation and achievement of the aforementioned initiatives aimed at

restructuring and stabilizing our management foundation.