February 3, 2025

Company Name: ENECHANGE Ltd.
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Notice Concerning Capital and Business Partnership with ITOCHU ENEX CO., LTD. and Issuance of New Shares through Third-party Allotment

ENECHANGE (hereafter "the Company") hereby announce that by a written resolution 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, we have 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").

I. Regarding the Capital and Business Partnership

1. Reason and Purpose for the Capital and Business Partnership

The company has set the mission of "Creating the Future of Energy," and since our establishment in April 2015, we have been developing the "Energy Platform Business," which assists consumers in making optimal choices of electricity and gas companies, and the "Energy Data Business," which offers cloud-based DX services to electricity and gas companies. Additionally, in November 2021, we launched the new "EV Charging Business" to engage in developing the EV charging infrastructure needed for the proliferation of electric vehicles (EVs) towards achieving a decarbonized society, providing a charging infrastructure service under the "ENECHANGE EV Charge" brand aimed at expanding charging opportunities for EV users.

In the fiscal year ending 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 "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).

As announced in the "Notice Concerning the Establishment of a Subsidiary for Joint Venture of EV Charging Business between ENECHANGE Ltd. and Our Subsidiaries, Share Transfer Agreement with CHUBU Electric Power Miraiz Company, Incorporated, and Change in a Subsidiary" dated January 24, 2025, we have decided to operate the EV Charging business through a new joint venture company with CHUBU Electric Power Miraiz Co., Inc. (hereinafter "CHUBU Electric Power Miraiz") with a shareholding ratio of the Company - 49.0% - and CHUBU Electric Power Miraiz - 51.0% (hereinafter "Joint Venture of EV Charging Business"). Upon completion of the Joint Venture of EV Charging Business, the EV Charging business, which has a debt of approximately 4.3 billion JPY as of the end of June 2024, will be removed from our consolidated subsidiaries, resulting in an increase of approximately 4.3 billion JPY in our consolidated total shareholders' equity. However, as we continue to hold a 49.0% stake in the new joint venture company, we anticipate recording an impairment of approximately 2.1 billion JPY, equivalent to 49.0% of the approximately 4.3 billion JPY debt amount. As a result, we expect the Company’s Consolidated Net Assets to improve by approximately 2.2 billion JPY. The

effective date of the Joint Venture of EV Charging Business is scheduled for March 10, 2025.

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 repeated engagements with potential candidates who understand our management environment, policies, and the synergies with the Company’s core businesses, as well as the purpose of the third-party allocation, we received proposals from several candidates. In selecting a partner, we prioritized "compatibility and expected synergy in key business areas," "understanding of the strategic direction for the EV Charging Business," "financial foundation strengthening," and "feasibility by the fiscal year ending March 2025." After carefully comparing the proposals, 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 ITOCHU ENEX, thereby benefitting our shareholders by increasing our corporate 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. In February 2024, as strategic upfront investment is required for the "EV Charging business," we issued new shares through a third-party allotment to the JIC VGI Opportunity Fund 1 Investment Business LLP to secure funds for significant growth opportunities through the construction of the EV charging infrastructure network and to enhance corporate value. The funds raised were fully allocated to: ① strengthening promotion and business operation systems for the "EV Charging business," and ② working capital for purchasing charging equipment to build the EV charging infrastructure network. The remaining funds were intended to be allocated to ③ investment funds for future growth of the "EV Charging Business," but due to the decision of Joint Venture of EV Charging Business, there may be changes in the intended use of these funds.

2. Contents of the Capital and Business Partnership

(1) Contents of the Business Partnership

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

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 stock 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 the New Shares through Third-Party Allotment" below.

(3) Other Primary Agreed Matters in the Capital and Business Partnership Agreement

The following items are primarily agreed upon in the Capital and Business Partnership Agreement.

1. Consent and Consultation Matters

The Allottee shall be required to provide prior written consent (provided that the Allottee shall not unreasonably withhold, condition, or delay such consent) if, after the Third-Party Allotment, the Allottee and its subsidiaries (hereinafter collectively referred to as the "Allottee Group") hold 10% or more of the voting rights associated with the Company's shares, and the Company Group decides to enter into a capital or business partnership with a third party in a certain area (including cases where a resolution of the Board of Directors to submit the relevant proposal to the General Meeting of Shareholders are required for matters needing shareholder approval).

Furthermore, the Allottee shall be consulted in good faith in advance if, after the Third-Party Allotment, the Allottee Group holds 10% or more of the voting rights associated with the Company's shares, and the Company Group (or the specified entity in cases where the subject is limited in the respective matters) undertakes any of the following actions:

① Mergers, company splits, share exchanges, share transfers, or other organizational restructuring actions involving the Company.
② Transfer or acquisition of all or a significant part of the Company's business.
③ Dissolution or liquidation of the Company.
④ Filing for the commencement of legal insolvency proceedings, etc.
⑤ Issuance of shares, etc. by the Company or other actions that may affect the shareholding ratio (on a fully diluted basis) or voting rights ratio (on a fully diluted basis) of existing shareholders.
⑥ Early repayment of debts related to monetary borrowing, credit provision, or financial transactions between the Company Group and banks or other financial institutions.
⑦ Decisions regarding the acquisition of the Company’s own shares (limited to cases where such acquisition would result in the Company becoming an equity-method affiliate of the Allottee). (In the case of matters requiring shareholder approval, this includes resolutions of the Board of Directors to submit the relevant proposals to the General Meeting of Shareholders.)

2. Observer

The Allottee shall have the right to designate one individual to attend the Company's Board of Directors' meetings as an observer if, after the Third-Party Allotment, the Allottee Group holds 10% or more of the voting rights associated with the Company's shares.

3. Additional Share Acquisition

If the Allottee, after the Third-Party Allotment, intends to acquire additional shares of the Company through itself or its subsidiaries (limited to cases where the Allottee Group's voting rights ratio with respect to the Company's shares would increase to 20% or more), the Allottee shall notify the Company in advance regarding such intention and its outline and shall discuss the details with the Company in good faith in advance.

4. Preemptive Rights

The Allottee shall have the right to preferentially subscribe to issued shares in accordance with its voting rights ratio of shares held by the Allottee Group immediately prior to the issuance of shares, etc., provided that the Allottee Group holds 10% or more of the voting rights of the Company's shares. This is limited to cases where the Company issues, grants, or disposes of shares, etc. (excluding issuance of shares, etc. granted to the Company’s or its subsidiaries' officers and employees for incentive purposes).

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	Capital stock	19,878 million JPY (as of September 30, 2024)	
6	Date of Establishment	January 28, 1961	
7	Number of outstanding shares	116,881 thousand shares (As of March 31, 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 Platform business and Data business.
		Status of applicability to related parties	None
14	Financial results of operations and 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 allocation target 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 this Third-Party Allotment	February 19, 2025 (Scheduled)
4	Commencement date of the Capital and Business Partnership	February 19, 2025 (Scheduled)

5. Future Outlook

Please refer to "II. Issuance of New Shares through Third-Party Allocation; 8. Impact on Business Performance" below.

(Reference) The consolidated financial results forecast for this fiscal year (announced on November 14, 2024) and the previous fiscal year's consolidated performance.

	Net sales (million JPY)	Operating profit (million JPY)	Ordinary profit (million JPY)	Profit attributable to owners of parent (million JPY)
FY24 Consolidated Forecast	6,500	-	-	-
Results for the fiscal year ended December 31, 2023	4,379	△2,125	△2,404	△4,985

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 Stock: 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 Section 3, "Amount, purpose, and expected expenditure timing of funds to be raised".
(5)	Method of solicitation or disposal (Intended allottees)	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

(1) The background and purpose

Please refer to "I. Regarding the Capital and Business Partnership; 1. Reason and Purpose for the Capital and Business Partnership" below.

(2) The reason for choosing third-party allotment increase as the method of fundraising

In this fundraising effort, we have carefully compared various financing methods with the aim of enhancing our financial base and increasing our corporate and shareholder value while considering the interests of our shareholders. As a result, we concluded that issuing new shares through a third-party allotment to long-term stable shareholders is the optimal solution. Other financing methods we considered included public offerings, shareholder allotments, the issuance of stock acquisition rights, and bank loans. However, public offerings and shareholder allotments involve higher issuance costs than third-party allotments and require more time to raise funds. Additionally, the issuance of stock acquisition rights offers less certainty in fundraising compared to issuing new shares through third-party allotment. Considering the current borrowing situation (outstanding loan balance of 2,203 million JPY as of the end of September 2024), debt financing such as bank loans is not the best option. On the other hand, a third-party allotment allows us to maintain and improve the financial health of the company, secure a certain amount of funds quickly and reliably, and is the best means for long-term, fundamental business growth. Therefore, we have chosen a third-party allotment as our fundraising method this time.

With respect to the Third-Party Allotment, the increase in shares outstanding will cause dilution of the per-share value. Specifically, the shares associated with the Third-Party Allotment amount to 7,375,000 shares, equivalent to 21.10% of the total outstanding shares of 34,949,012 as of Sep 30, 2024, and 21.13% of the total voting rights of 348,965, leading to some dilution. Nevertheless, the Company considers that implementing this third-party allotment now will secure growth capital and enhance corporate value, thereby aiding in the company's medium- to long-term growth and augmenting the future value of its shares.

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

(1) The amount of funds to be raised

①	The total amount of the payment	2,950,000,000 JPY
②	Estimated amount of issuance expenses	113,000,000 JPY
③	Estimated net proceeds	2,837,000,000 JPY

(Note) 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 and financial advisory fees of 100 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 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 "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 "Data Business".	400	March 2025 to February 2028
3. Funds reserved for M&A and other strategic expansions of the "Platform Business" and "Data Business" (including joint investments with ITOCHU ENEX).	937	March 2025 to February 2028

(Note) 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.

As stated in "I. Regarding the Capital and Business Partnership; 1. Reason and Purpose for the Capital and Business Partnership" above, The company has set the mission of "Creating the Future of Energy.” Since our establishment in April 2015, we have been developing the "Energy Platform Business," which assists consumers in making optimal choices of electricity and gas companies, and the "Energy Data Business," which offers cloud-based DX services to electricity and gas companies. Additionally, in November 2021, we launched the new "EV Charging Business" to engage in developing the EV charging infrastructure needed for the proliferation of electric vehicles (EVs) towards achieving a decarbonized society, providing a charging infrastructure service under the "ENECHANGE EV Charge" brand aimed at expanding charging opportunities for EV users.

In our core businesses, the "Energy Platform Business" and "Energy Data Business," we achieved record sales for each segment in FY24 Q3 compared to the same period, while also maintaining stable segment profitability. In this context, we recognize the need to realize the full potential of both businesses through organic growth supported by appropriate capital investment and non-continuous growth through M&A. Therefore, we planned to raise funds to ensure financial health, which will expand future strategic options. Based on discussions with ITOCHU ENEX, with whom we have existing business relationships and who agree with our policy of pursuing broad synergies, we have developed the following plan for the allocation of the raised funds.

(Energy Platform Business)

1. The funds of JPY 1,500 million allocated for joint marketing and promotions with ITOCHU ENEX aim to enhance the platform value of "ENECHANGE" (electricity and gas switching platform for households) and "ENECHANGE Biz" (electricity and gas switching platform for businesses) provided by our group within the "Energy Platform Business." By leveraging the mutual customer base and products of our group and ITOCHU ENEX, we plan to promote new user acquisition and cross-selling. The funds will be allocated for advertising and sales promotion expenses, sales commissions, personnel expenses (with approximately 10 new hires planned annually), and outsourcing costs from March 2025 to the end of February 2028. The breakdown is as follows: FY25 refers to the period from March 2025 to March 2026, and subsequent fiscal years follow our accounting year format (e.g., FY26 refers to April 2026 to March 2027), and the same applies to similar sections below.

   a. Advertising and sales promotion expenses/sales commissions: Allocate 300 million JPY in FY25, 300 million JPY in FY26, and 312 million JPY in FY27, mainly utilizing offline channels such as agencies to sell ITOCHU ENEX's new electricity tariffs and energy-saving products like storage batteries, and plan to sell essential goods to ITOCHU ENEX's customer base.
   b. Personnel expenses: Allocate 144 million JPY in FY25, 168 million JPY in FY26, and 168 million JPY in FY27, planning to allocate marketers and engineers, including new hires, for launching comparison services when handling new products, in addition to managing sales agencies.
   c. Outsourcing costs: Allocate 36 million JPY in FY25, 36 million JPY in FY26, and 36 million JPY in FY27, planning to outsource operations to call centers that will have customer contact during product sales.

(Data Business)

2. We plan to allocate 400 million JPY from March 2025 to February 2028 towards personnel expenses and outsourcing costs related to the joint development and external sales of products for electricity retailers and consumers, as well as support for decarbonization and DX promotion, and EV charging-related services conducted in collaboration with ITOCHU ENEX. Utilizing our software development capabilities and ITOCHU ENEX's operational expertise and group assets, the aim is to reinforce and expand the ENECHANGE Cloud series offered to major operators, including electricity retailers, by addressing the core needs of these operators and consumers. The breakdown is below.

   a. Personnel expenses: We plan to allocate 107 million JPY in FY25, 44 million JPY in FY26, and 36 million JPY in FY27 for the recruitment and placement of engineers, including new hires, responsible for developing products and services.
   b. Outsourcing costs: We plan to allocate 29 million JPY in FY25, 73 million JPY in FY26, and 111 million JPY in FY27 for outsourcing tasks such as product and service development, testing, and quality control.

(Energy Platform Business and Energy Data Business)

3. The funds amounting to 937 million JPY related to M&A, including joint investment with ITOCHU ENEX, will be allocated between March 2025 and February 2028.

   In the Energy Platform Business, we aim to achieve sustainable growth by pursuing programmatic M&A, with a focus on a roll-up strategy to expand our market share in the same or similar service sectors through acquisitions. This primarily targets the acquisition of a customer base with expected increases in recurring revenue (such as electricity and gas supply contracts), as well as future acquisitions related to switching services.

   In the Energy Data Business, the focus is on expanding services for electricity retailers, customers, and EV Charging Services. We plan to allocate 937 million JPY with joint investment possibilities with ITOCHU ENEX. If it becomes clear that these funds will not be used for their intended purpose, we will disclose this appropriately. Additionally, in order to promote strategic expansion, we plan to

execute continuous M&A for sustainable growth while utilizing additional borrowing capacity as necessary.

4. The rationale for the use of funds

From a managerial standpoint, we find it reasonable to apply the funds obtained through this third-party allotment to the uses specified in section "3. Amount of funds to be raised, use of funds, and expected timing of expenditures; (2) Specific use of the funds to be raised," as this will aid in expanding our Energy Platform Business and Energy Data Business and contribute to our growth.

5. Reasonableness of issuance conditions and others

(1) The basis for calculating the payment amount and its specific details

The issue price for the Third-Party Allotment of New Shares was set at 400 JPY (rounded down to the nearest yen) with an 8.88% discount from the closing price of 439 JPY of our common stock on the TSE on January 31, 2025, the last trading day before the resolution by the board of directors (February 3, 2025). The closing price on the last trading day before the resolution by the board of directors was adopted as the basis for determining the issue price, as it was the market price immediately prior to the resolution and was deemed reasonable as a calculation basis. The decision was made in consideration of the "Guidelines for Handling Third-Party Allotment" by the Japan Securities Dealers Association, which requires that the payment amount be at least 0.9 times the price on the last trading day before the resolution by the board of directors, and in consultation with the Allottee.

Furthermore, the issue price represents a 3.15% discount from the average closing price over the last month up to the most recent trading day before the resolution by the board of directors (413 JPY, rounded to the nearest first decimal place), a 13.96% premium over the average closing price over the last three months (351 JPY), and a 29.03% premium over the average closing price over the last six months (310 JPY).

The issue price for this third-party allotment of new shares complies with the "Guidelines for Handling Third-Party Allotment" by the Japan Securities Dealers Association and is not considered particularly favorable, thus deemed reasonable.

In addition, all three of our auditors (all external auditors) provided opinions that the issue price for this third-party allotment of new shares is based on the market price, which objectively represents the value of our common stock, and is calculated in accordance with the "Guidelines for Handling Third-Party Allotment" by the Japan Securities Dealers Association, and therefore does not constitute a particularly favorable amount.

(2) The basis for determining that the issuance quantity and the scale of stock dilution are reasonable

The number of shares related to the Third-Party Allotment is 7,375,000 shares, which corresponds to 21.10% of the total number of our common shares outstanding as of September 30, 2024 (34,949,012 shares), and 21.13% of the total voting rights (348,965 units), resulting in a certain degree of dilution.

However, we believe that the Third-Party Allotment is expected to create long-term shareholder value that outweighs the short-term dilution impact, contributing to our medium- to long-term growth and enhancement of corporate value through the Capital and Business Partnership.

Furthermore, as ITOCHU ENEX, the Allottee of the Third-Party Allotment, has a policy to hold our shares over the medium to long term as our capital and business partner, as described in "6. Reasons for Selecting the Allottee, etc.; (3) Allottee's Holding Policy," we believe it will also contribute to stock price stability.

Therefore, we have determined that the issuance quantity and the scale of stock dilution due to this third-party allotment are reasonable.

6. Reasons for Selection of the Allottee

(1) Overview of the designated allottee

Please refer to "I. Regarding the Capital and Business Partnership; 3. Summary of the affiliated partner in the Capital and Business Partnership" above.

(2) Reasons for selecting the planned allocation recipient

The reason for selecting ITOCHU ENEX as the Allottee is as stated in "I. Regarding the Capital and Business Partnership; 1. Reason and Purpose for the Capital and Business Partnership" above.

(3) Ownership policy of the planned allocation recipient

In the Capital and Business Partnership Agreement with the planned allocation party, the party has agreed not to transfer or otherwise dispose of the company's shares for three years after the payment date without prior written consent from the company. Additionally, we have verbally confirmed that the party intends to hold the Company's shares as a capital and business partner for the medium to long term.

Furthermore, we plan to obtain a written commitment from the planned allocation party agreeing that if they transfer all or part of the ordinary shares acquired through the Third-Party Allotment within two years from the payment date, they will report the details in writing to the company. The company will then report the content to the TSE, and the report will be made available for public inspection.

(4) Confirmation of the existence of assets required for the payment by the planned allocation recipient

Upon reviewing the status of cash and cash equivalents (29,850 million JPY) as stated in the summary interim consolidated financial statements in the latest semi-annual report (submitted on November 12, 2024) of the Allottee, we have determined that there are no issues regarding the funds required for the total payment for the shares to be issued through the Third-Party Allotment.

Additionally, in the Capital and Business Partnership Agreement expected to be concluded between the Company and the Allottee, we plan to obtain a representation and warranty from the recipient that they possess sufficient financial capacity for the payment as of the payment date.

7. 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%
ENERGYSTATION 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%	ENERGYSTATION 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%

(Note)
1. The pre-offering shareholding ratio is calculated based on the shareholder register as of September 30, 2024, rounding to the nearest third 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. Through hearings with PORT INC. (hereinafter "PORT"), we understand that PORT secured its claim concerning a loan of 1.14 billion JPY to Mr. Yohei Kiguchi, our former CEO (hereinafter "Mr. Kiguchi"), by entering into a stock pledge agreement dated September 30, 2024, regarding our shares and setting a pledge on 4,842,400 shares owned by Mr. Kiguchi. However, since Mr. Kiguchi did not repay the loan by the due date, PORT plans to execute the pledge and acquire 4,842,400 shares owned by Mr. Kiguchi on February 5, 2025. Therefore, the post-offering shareholding ratio reflects the acquisition of 4,842,400 shares owned by Mr. Kiguchi by PORT, scheduled for February 5, 2025.
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 amendment report made available for public viewing 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, our company could not verify the actual number of shares owned as of September 30, 2024, and therefore, the situation of major shareholders mentioned above is not included. The details of the amendment 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

8. Future Outlook

The Company considers that the Capital and Business Partnership, as well as the Third-Party Allotment, will contribute to the improvement of our corporate and shareholder value. However, the specific impact amount on the FY25 performance remains undecided at this time. We will promptly disclose any matters that should be announced in the future.

9. Matters related to procedures under the corporate code of conduct

The Third-Party Allotment does not require obtaining opinions from independent third parties as specified in Article 432 of the Tokyo Stock Exchange Listing Regulations, as it meets the following criteria: 1) Dilution ratio is less than 25%, and 2) it does not involve a change in controlling shareholders.

10. Performance and equity finance situation over the past three years

(1) Consolidated performance over the last three years

(Unit: thousand JPY)	FY21	FY22	FY23
Consolidated sales	3,018,003	3,734,068	4,379,001
Consolidated operating profit/loss	40,875	-1,121,703	2,125,017
Consolidated ordinary profit/loss	-2,400	-1,156,664	-2,404,967
Net income attributable to the parent company's shareholders	-85,586	-1,315,060	-4,985,167
Consolidated earnings per share	-3.25 JPY	-44.01 JPY	-163.55 JPY
Dividends per share	–	–	–
Consolidated net assets per share	163.09 JPY	116.21 JPY	-47.97 JPY

(Note) The company conducted a stock split on April 1, 2021, at a ratio of 2 shares for 1 common stock, and another stock split on January 1, 2022, at a ratio of 2 shares for 1 common stock. Assuming that these stock splits occurred at the beginning of the fiscal year ending in December 2021, we have calculated the consolidated earnings per share and consolidated net assets per share.

(2) The current status of issued shares and potential shares (as of September 30, 2024)

	Number of shares	Ratio to the number of issued shares
Issued shares	34,949,012 shares	100.00％
Potential shares at the current conversion price (exercise price)	4,585,904 shares	13.1％
Potential shares at the lower limit conversion price (exercise price)	–	–
Potential shares at the upper limit conversion price (exercise price)	–	–

(3) The recent stock price situation

①The recent three-year situation

	FY21	FY22	FY23	FY24
Opening price	5,540 JPY □2,400 JPY ■2,188 JPY	2,017 JPY	998 JPY	1,006 JPY
Highest price	6,770 JPY □9,180 JPY ■2,232 JPY	2,019 JPY	1,590 JPY	1,565 JPY
Lowest price	3,800 JPY □1,668 JPY ■1,953 JPY	502 JPY	818 JPY	175 JPY
Closing price	4,705 JPY □4,445 JPY ■1,992 JPY	938 JPY	1,035 JPY	439 JPY

(Note) 1.The stock price for FY25 is stated as of January 31, 2025.
2. A 2-for-1 stock split was conducted as of April 1, 2021. The □ mark for FY21 reflects the ex-rights stock price after the 2-for-1 stock split as of April 1, 2021.
3. A 2-for-1 stock split was conducted as of January 1, 2022. The ■ mark for FY21 reflects the ex-rights stock price after the 2-for-1 stock split as of January 1, 2022.

②The recent six-month situation

	August 2024	September 2024	October 2024	November 2024	December 2024	January 2025
Opening price	304 JPY	277 JPY	257 JPY	278 JPY	336 JPY	357 JPY
Highest price	316 JPY	350 JPY	303 JPY	375 JPY	366 JPY	522 JPY
Lowest price	212 JPY	248 JPY	245 JPY	263 JPY	307 JPY	351 JPY
Closing price	274 JPY	257 JPY	283 JPY	340 JPY	358 JPY	439 JPY

③The stock price on the last trading day before the issuance resolution date

	January 31, 2025
Opening price	431 JPY
Highest price	457 JPY
Lowest price	430 JPY
Closing price	439 JPY

(4) The recent three-year equity finance situation

Issuance of New Shares through Third-Party Allotment

Payment deadline	February 26, 2024
Amount of funds raised	3,974,899,400 JPY (Net take-home approximate amount)
Issue price	1,057 JPY per share
Number of issued shares at the time of solicitation	30,935,684 shares
Number of shares issued through the offering	3,784,200 shares
Total issued shares after the offering	34,719,884 shares
Allottee	JICVGI Opportunity Fund 1 Investment Business Limited Liability Partnership
At the time of issuance initial use of funds	① Investment for reinforcing the promotion of the EV charging business and enhancing the business operation system amounts to 1,558 million JPY ② Working capital for purchasing charging equipment to build the EV charging infrastructure network is 1,442 million JPY ③ Investment funds to contribute to the future growth of the EV charging business total 974 million JPY
At the time of issuance expected expenditure timeline	① From March 2024 to December 2025 ② From March 2024 to December 2025 ③ From March 2024 to December 2025
At the current moment allocation status	① 1,558 million JPY was fully allocated from March 2024 to December 2024. 1,442 million JPY was fully allocated from March 2024 to December 2024. ② 1,442 million JPY was fully allocated from March 2024 to December 2024. ③ Although 974 million JPY has not been allocated yet, as announced in the "Notice Concerning the Establishment of a Subsidiary for Joint Venture of EV Charging Business between ENECHANGE Ltd. and Our Subsidiaries, Share Transfer Agreement with CHUBU Electric Power Miraiz Company, Incorporated, and Change in a Subsidiary," dated January 24, 2025, our group has decided to operate the EV Charging business through a new company that will be a joint venture with CHUBU Electric Power Miraiz (with a shareholding ratio of 49.0% for our company and 51.0% for CHUBU Electric Power Miraiz). Therefore, there may be changes in the initial funding use, which was intended for "investment funds to contribute to the future growth of the EV Charging business." If there are any changes, based on the business operation policy after the joint venture of this EV Charging business and discussions with stakeholders, we will decide on the specific use of funds. Any changes in the use of funds will be disclosed promptly once decided.

11. Issuance terms

(1) Type and number of shares to be offered	Common stock: 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 capital	1,475,000,000 JPY (per share: 200 JPY)
(5) Amount of increased capital reserve	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) Designated recipients and the number of shares to be allocated	JIC VGI Opportunity Fund 1 Investment Business Limited Liability Partnership: Common stock: 3,784,200 shares

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