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July 16, 2024

## Consolidated Financial Results for the First Quarter Ended March 31, 2024 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange  
 Securities code: 4169  
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 Scheduled date to file Quarterly Report : July 16, 2024  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: None  
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended March 31, 2024 (from January 1, 2024 to March 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2024	1,356	27.4	(748)	–	(134)	–	(371)	–
March 31, 2023	1,064	(3.6)	(418)	–	(424)	–	(425)	–

Note: Comprehensive income For the three months ended March 31, 2024: JPY(410) million [–%]  
 For the three months ended March 31, 2023: JPY(531) million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2024	(11.44)	–
March 31, 2023	(14.13)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2024	9,817	2,181	21.9
December 31, 2023	5,564	(1,479)	(26.7)

Reference: Equity  
 As of March 31, 2024: JPY2,152 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	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	—	0.00	—	0.00	0.00
Fiscal year ending December 31, 2024	—				
Fiscal year ending December 31, 2024 (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 second quarter and the last day of the fiscal year. At present, the forecast for dividends with these record dates has yet to be determined.

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

(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 December 31, 2024	TBD	—	TBD	—	TBD	—	TBD	—	TBD

- Notes
1. Revisions from earnings forecast most recently announced: None
  2. Adjusted Operating Profit: Operating Profit + Stock Compensation Expense

### \*Notes

- (1) Changes in specified subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): 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 March 31, 2024	34,790,588 shares
As of December 31, 2023	30,935,684 shares

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

As of March 31, 2024	338 shares
As of December 31, 2023	259 shares

(iii) Average number of shares outstanding during the period

Three months ended March 31, 2024	32,427,364 shares
Three months ended March 31, 2023	30,114,943 shares

\* These Consolidated Financial Results reports are exempt from quarterly review procedures by certified public accountants or an audit corporation.

\* 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.

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## 1. Qualitative information on quarterly financial results

### (1) Explanation of operating results

During the three months ended March 31, 2024, the Japanese economy has shown signs of a gradual recovery in individual consumption and corporate earnings as the new normal in the post COVID-19 society has become more widely accepted. The outlook for the economy remains uncertain due to factors such as resource and raw material prices that remain at high levels and the rise in prices caused by a weaker yen amid continued global monetary tightening and others.

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), while focusing on continuous acquisition of new users and support for existing users.

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.” In particular, we focused on sales promotion of Demand Response service, which provides incentives to electricity users based on the amount of electricity they save, to meet the growing social demand for electricity conservation in response to a power crunch.

In the EV Charging business, we aggressively marketed Charge 2, 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 Charge 3, a model for condominiums, and began vigorous advertising activities such as taxi and elevator advertising 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 three months ended March 31, 2024 have recorded sales of 1,356,630 thousand JPY (an increase of 27.4% compared to the previous corresponding period), an operating loss of 748,588 thousand JPY (compared to an operating loss of 418,305 thousand JPY in the previous corresponding period), an ordinary loss of 134,026 thousand JPY (compared to an ordinary loss of 424,523 thousand JPY in the previous corresponding period). Loss attributable to owners of parent was 371,022 thousand JPY (compared to a loss attributable to owners of parent of 425,636 thousand JPY in the previous corresponding period).

In addition, we have recorded a gain on donation of subsidy income of 698,681 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,” both household and corporate switch counts have been robust, resulting in a 29.9% increase in the number of continuing reward-eligible users compared to the previous corresponding period, reaching 608,108. Additionally, due to the surge in electricity prices and the performance recovery of energy companies, the quarterly ARPU (Note 3) (recurring revenue) was 632 JPY, and the quarterly ARPU (Non-recurring revenue) was 19,161 JPY.

As a result, the segment sales reached 1,054,074 thousand JPY (an increase of 29.8% compared to the previous corresponding period), and the segment profit amounted to 36,991 thousand JPY (a decrease of 76.9% compared to the previous corresponding period).

#### 2 Energy Data business

In the “Energy Data business,” 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 resulted in a 3.3% decrease in the number of customers to 59 companies compared to the previous corresponding period. Additionally, through the cross-selling to existing customers, the quarterly ARPU (recurring revenue) increased by 13.3% to 3,695 thousand JPY compared to the previous corresponding period, and the quarterly ARPU (Non-recurring revenue) increased by 40.3% to 966 thousand JPY compared to the previous corresponding period.

As a result, segment sales amounted to 275,599 thousand JPY (an increase of 14.0% compared to the previous corresponding period), and segment profit was 62,033 thousand JPY (a decrease of 4.3% compared to the previous corresponding period).

#### 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, including TV commercials. As a result of these efforts, the cumulative number of destination charging points (6 kW or more), a focus area for our company, reached 2,368 units (Note 4) as of March 31, 2024. Additionally, we have expanded partner collaborations, aiming for further business expansion.

As a result, the segment sales amounted to 26,955 thousand JPY (an increase of 149.5% compared to the previous corresponding period), and the segment loss was 618,616 thousand JPY (compared to a segment loss of 474,022 thousand JPY in the previous corresponding period).

(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. Created by extracting only 6kW charging spots from EVsmart’s “EV Charging ports Statistics” (excluding basic charging).

## (2) Explanation of financial position

### (Assets)

At the end of the first quarter of the current fiscal year, current assets amounted to 7,742,460 thousand JPY, an increase of 4,104,839 thousand JPY compared to the end of the previous fiscal year. This increase is primarily due to an increase of 4,135,705 thousand JPY in cash and deposits. Additionally, non-current assets amounted to 2,075,357 thousand JPY at the end of the first quarter of the current fiscal year, an increase of 148,171 thousand JPY compared to the end of the previous fiscal year. This increase is primarily due to a 129,990 thousand JPY increase in other under investments and other assets.

As a result, total assets were 9,817,818 thousand JPY, an increase of 4,253,010 thousand JPY compared to the end of the previous fiscal year.

### (Liabilities)

At the end of the first quarter of the current fiscal year, current liabilities amounted to 4,162,634 thousand JPY, an increase of 596,723 thousand JPY compared to the end of the previous fiscal year. This increase was primarily due to an increase of 452,844 thousand JPY in short-term borrowings.

Non-current liabilities amounted to 3,473,464 thousand JPY at the end of the first quarter of the current fiscal year, a decrease of 4,658 thousand JPY from the end of the previous fiscal year. This decrease was mainly due to increases of 27,952 thousand JPY in long-term lease liabilities and 33,413 thousand JPY in long-term unearned revenue, while long-term borrowings decreased by 49,499 thousand JPY and long-term accounts payable – other decreased by 19,186 thousand JPY.

As a result, the total liabilities were 7,636,099 thousand JPY, an increase of 592,064 thousand JPY compared to the end of the previous fiscal year.

### (Total shareholders' equity)

At the end of the first quarter of the current fiscal year, the total shareholders' equity was 2,181,719 thousand JPY, an increase of 3,660,946 thousand JPY compared to the end of the previous fiscal year. This increase was primarily due to an increase of 4,039,886 thousand JPY in capital surplus, while 371,022 thousand JPY in loss attributable to owners of parent was recorded.

As a result, the equity-to-asset ratio was 21.9% ((26.7)% at the end of the previous fiscal year).

## (3) Significant events affecting premise of going concern

Up until the current fiscal year, the Group has recorded operating losses for two consecutive fiscal years, ordinary losses for three consecutive years, and losses attributable to owners of parent for five consecutive years. In the current fiscal year, the Group recorded a significant operating loss of 2,125,017 thousand JPY, ordinary loss of 2,404,967 thousand JPY, and loss attributable to owners of parent of 4,985,167 thousand JPY. As a result, as of December 31, 2023, the Company had excess liabilities of 1,479,226 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 at this time.

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 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, on the business front, in the “EV Charging business,” while the competitive environment is becoming more severe, the Company aims to strengthen profitability by promoting effective operation of advertising based on the know-how accumulated over the past two

years and other factors. In addition, the Company is 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 as of the end of the previous fiscal year and as of the end of the current fiscal year, 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. On February 26, 2024, the Company issued new shares to be allocated to JIC VGI Opportunity Fund 1 Investment Business Limited Liability Partnership, raising a total of 3,999,899 thousand JPY, thereby securing the funds necessary for the immediate investment in the “EV Charging business.”

Moreover, the Company will strive to restore confidence by formulating measures to prevent recurrence and raising awareness of compliance 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; it is still unclear whether the Company will be able to strengthen its profitability in the EV Charging business amid the increasingly competitive environment and whether the Company will be able to obtain continued support from the financial institutions with which it has transactions; the Company has agreed to requests for early repayment for certain financial institutions with other financial institutions’ understanding; the results of the release of the investigation report may damage the Company’s relationship with various stakeholders and its brand power; and there may be obstacles to the business operation of the Company if it becomes difficult for the Representative Director Yohei Kiguchi to be involved in the Group.

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

The undetermined consolidated earnings forecasts for the fiscal year ending December 31, 2024, will be released at the time of the announcement of the financial results for the second quarter of the fiscal year ending December 31, 2024.



## 2. Quarterly consolidated financial statements and significant notes

### (1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	2,179,715	6,315,420
Accounts receivable Trade and Contract Assets	587,827	800,545
Merchandise and finished goods	5,908	9,231
Advance payments to suppliers	7,136	8,922
Accounts receivable - other	672,011	139,119
Consumption taxes refund receivable	75,207	228,348
Other	164,878	291,332
Allowance for doubtful accounts	(55,064)	(50,459)
<b>Total current assets</b>	<b>3,637,621</b>	<b>7,742,460</b>
Non-current assets		
Property, plant and equipment	15,040	23,527
Intangible assets		
Software	202,239	192,881
Software in progress	661	26,280
Goodwill	357,900	406,420
<b>Total intangible assets</b>	<b>560,801</b>	<b>625,582</b>
Investments and other assets		
Investment securities	1,018,705	963,379
Guarantee deposits	227,377	227,616
Long-term accounts receivable - other	105,250	105,250
Other	10	130,000
<b>Total investments and other assets</b>	<b>1,351,344</b>	<b>1,426,247</b>
<b>Total non-current assets</b>	<b>1,927,186</b>	<b>2,075,357</b>
<b>Total assets</b>	<b>5,564,807</b>	<b>9,817,818</b>

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	39,718	60,583
Short-term borrowings	777,155	1,230,000
Current portion of long-term borrowings	177,996	182,996
Accounts payable - other	1,081,460	1,100,632
Income taxes payable	–	577
Contract liabilities	191,195	192,676
Provision for sales promotion expenses	111,616	127,109
Provision for expenses related to revisions to financial results	919,850	919,850
Other	266,918	348,207
<b>Total current liabilities</b>	<b>3,565,911</b>	<b>4,162,634</b>
<b>Non-current liabilities</b>		
Bonds payable	1,000,000	1,000,000
Long-term borrowings	1,533,849	1,484,350
Long-term unearned revenue	405,250	438,663
Lease liabilities	241,878	269,830
Long-term accounts payable - other	287,796	268,610
Deferred tax liabilities	9,349	12,010
<b>Total non-current liabilities</b>	<b>3,478,123</b>	<b>3,473,464</b>
<b>Total liabilities</b>	<b>7,044,034</b>	<b>7,636,099</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	47,044	12,942
Capital surplus	6,018,962	10,058,849
Retained earnings	(7,423,676)	(7,794,698)
Treasury shares	(297)	(401)
<b>Total shareholders' equity</b>	<b>(1,357,966)</b>	<b>2,276,692</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(297,005)	(293,267)
Foreign currency translation adjustment	171,121	169,511
<b>Total accumulated other comprehensive income</b>	<b>(125,883)</b>	<b>(123,755)</b>
<b>Share acquisition rights</b>	<b>4,623</b>	<b>28,782</b>
<b>Total net assets</b>	<b>(1,479,226)</b>	<b>2,181,719</b>
<b>Total liabilities and net assets</b>	<b>5,564,807</b>	<b>9,817,818</b>

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

## Quarterly consolidated statement of income

Three months ended March 31, 2024

(Thousands of yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024
Sales	1,064,983	1,356,630
Cost of sales	193,694	279,814
Gross profit	871,288	1,076,815
Selling, general and administrative expenses	1,289,594	1,825,404
Operating loss	(418,305)	(748,588)
Non-operating income		
Interest income	13	9
Share of profit of entities accounted for using equity method	4,750	—
Gain from expired gift vouchers etc	2,874	6
Gain on donation of Subsidy income	113,876	698,681
Other	2,031	50
Total non-operating income	123,545	698,747
Non-operating expenses		
Interest expenses	9,383	50,612
Foreign exchange losses	5,137	1,833
Taxes and dues	—	14,004
Share of loss of entities accounted for using equity method	—	7,596
Loss on tax purpose reduction entry of noncurrent assets	113,876	—
Other	1,366	10,138
Total non-operating expenses	129,763	84,184
Ordinary loss	(424,523)	(134,026)
Extraordinary losses		
Impairment losses	—	236,120
Total extraordinary losses	—	236,120
Loss before income taxes	(424,523)	(370,146)
Income taxes - current	767	950
Income taxes - deferred	344	24
Total income taxes	1,112	975
Loss	(425,636)	(371,122)
Loss attributable to non-controlling interests	—	(100)
Loss attributable to owners of parent	(425,636)	(371,022)

Quarterly consolidated statement of comprehensive income

Three months ended March 31, 2024

(Thousands of yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024
Loss	(425,636)	(371,122)
Other comprehensive income		
Valuation difference on available-for-sale securities	(45,320)	(4,174)
Foreign currency translation adjustment	174	7,458
Share of other comprehensive income of entities accounted for using equity method	(60,265)	(42,577)
Total other comprehensive income	(105,411)	(39,293)
Comprehensive income	(531,047)	(410,416)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(531,047)	(410,316)
Comprehensive income attributable to non-controlling interests	—	(100)

### (3) Notes to quarterly consolidated financial statements

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

Up until the previous fiscal year, the Group has continuously recorded operating losses, ordinary losses, and losses attributable to owners of parent. At the end of the previous fiscal year, the Company had excess liabilities of 1,479,226 thousand JPY on the consolidated balance sheet. Although the Company has eliminated the excess liabilities as of the end of the first quarter of the current fiscal year by capital increase through third-party allotment in February 2024, it has continued to record an operating loss of 748,588 thousand JPY, an ordinary loss of 134,026 thousand JPY, and a loss attributable to owners of parent of 371,022 thousand JPY for the three months ended March 31, 2024. 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 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, on the business front, in the "EV Charging business," while the competitive environment is becoming more severe, the Company aims to strengthen profitability by promoting effective operation of advertising based on the know-how accumulated over the past two years and other factors. In addition, the Company is 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. On February 26, 2024, the Company issued new shares to be allocated to JIC VGI Opportunity Fund 1 Investment Business Limited Liability Partnership, raising a total of 3,999,899 thousand JPY, thereby securing the funds necessary for the immediate investment in the "EV Charging business."

Moreover, the Company will strive to restore confidence by formulating measures to prevent recurrence and raising awareness of compliance 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; it is still unclear whether the Company will be able to strengthen its profitability in the EV Charging business amid the increasingly competitive environment and whether the Company will be able to obtain continued support from the financial institutions with which it has transactions; the Company has agreed to requests for early repayment for certain financial institutions with other financial institutions' understanding as stated in the "(Significant subsequent events)"; the results of the release of the investigation report may damage the Company's relationship with various stakeholders and its brand power; and there may be obstacles to the business operation of the Company if it becomes difficult for the Representative Director Yohei Kiguchi to be involved in the Group.

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.

(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 three months ended March 31, 2024.

On the other hand, in accordance with the resolution at the 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, share capital amounted to 12,942 thousand JPY and capital surplus amounted to 10,058,849 thousand JPY as of the end of the first quarter of the current fiscal year.

(Segment information, etc.)

Segment information

I For the three months ended March 31, 2023

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	–	19,397	8,314	27,712	–	27,712
Goods or services that are transferred over a certain period of time	812,357	222,424	2,488	1,037,270	–	1,037,270
Revenue from contracts with customers	812,357	241,821	10,803	1,064,983	–	1,064,983
Revenues from external customers	812,357	241,821	10,803	1,064,983	–	1,064,983
Transactions with other segment	–	–	–	–	–	–
Net sales	812,357	241,821	10,803	1,064,983	–	1,064,983
Segment profit (loss)	160,123	64,794	(474,022)	(249,105)	(169,200)	(418,305)

Note 1: Reconciling items of (169,200) 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

Not applicable.

II For the three months ended March 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	–	18,860	11,426	30,286	–	30,286
Goods or services that are transferred over a certain period of time	1,054,074	256,739	15,528	1,326,343	–	1,326,343
Revenue from contracts with customers	1,054,074	275,599	26,955	1,356,630	–	1,356,630
Revenues from external customers	1,054,074	275,599	26,955	1,356,630	–	1,356,630
Transactions with other segment	–	–	–	–	–	–
Net sales	1,054,074	275,599	26,955	1,356,630	–	1,356,630
Segment profit (loss)	36,991	62,033	(618,616)	(519,592)	(228,996)	(748,588)

Note 1: Reconciling items of (228,996) 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 three months ended March 31, 2024 was 236,120 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 86,870 thousand JPY for the three months ended March 31, 2024.



(Significant subsequent events)

(Voluntary early repayment of certain borrowings)

After the Independent Investigation Committee established on March 27, 2024 began its investigation, the Group has successively reported the situation to the financial institutions with which it has transactions and requested their cooperation in maintaining the loan balance and expanding future loans. Under such circumstances, the Group received a request from one of the banks with which it does business for early repayment due to individual circumstances. The Group does not believe that there are any reasons for such early repayment, and also believes that it should avoid preferential repayment of loans to some of the financial institutions with which the Group has transactions, given that the Group is in the process of requesting cooperation in maintaining and expanding its loan balance with these financial institutions. The Group therefore consulted with other financial institutions and held discussions with the one company in question. As a result, the Group obtained the understanding of the other financial institutions regarding the voluntary early repayment to such company, and on July 8, 2024, the Company made a voluntary early repayment of the entire amount of the borrowings (570,000 thousand JPY) to such company.

No similar events have occurred at present, and the financial institutions with which the Company has transactions have been cooperative.