

July 27, 2024

Company Name: ENECHANGE Ltd.

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(TSE Growth Code No. 4169)

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Notice Regarding the Delay in Submission of the Securities Report for FY23 and the Possibility of Designation of Our Stock as a Security Under Supervision (Confirmation)

ENECHANGE (hereinafter referred to as “the Company”) will not be able to submit the Securities Report for FY23 by the deadline of June 28, 2024. Therefore, we inform you regarding the possibility of designation of our stock as a Security Under Supervision (Confirmation) and the anticipated submission timeline of the Securities Report for FY23 as follows.

1. Background Leading to the Delay in Submission

As stated in the “Notice Concerning the Receipt of the Investigation Report by the Independent Investigation Committee” dated June 21, 2024, we acknowledged the necessity to explain the rationale behind non-consolidated SPC accounting treatment used previously within our EV charging business (hereinafter referred to as “this accounting treatment”). We also sought to scrutinize the deliberation process used in deciding this accounting treatment, to examine and appraise the relevant facts, and to evaluate any deviations and internal control challenges. As a result, we authorized an autonomous external review panel of specialists to undertake this inquiry, who have been advancing our investigation into these matters, and received the investigation report from the Independent Investigation Committee. Additionally, as stated in the “Notice Concerning the Announcement of the Investigation Report by Independent Investigation Committee” dated June 27, 2024, we made public the investigation report received from the Independent Investigation Committee.

The Company has fully cooperated with the investigation by the Independent Investigation Committee and the audit procedures of KPMG AZSA LLC (hereinafter referred to as “AZSA”). However, the receipt of the investigation report from the Independent Investigation Committee was delayed from the initial expected date. Additionally, the progress of our financial accounting and disclosure has been delayed due to the evaluation of impairment decisions in our EV charging business, which relates to the inclusion of the SPC in our consolidation scope, and the assessment of internal controls related to financial reporting. This has resulted in the audit process taking longer than expected. As of today, these evaluations have not been completed. Consequently, it has become difficult to submit the Securities Report for FY23 by the extended deadline of June 28, which we had received approval for.

2. Possibility of Designation as a Security Under Supervision (Confirmation)

As mentioned above, we are not expected to submit the Securities Report for FY23 by the extended deadline of June 28, 2024, which we had received approval for. According to Rule 604, Paragraph 1, Item 10, a. of the Enforcement Rules for Securities Listing Regulations established by Tokyo Stock Exchange, Inc. (hereinafter referred to as “the Tokyo Stock Exchange”), we have disclosed that we are unlikely to submit the Securities Report by the extended statutory deadline. Consequently, our stock is expected to be designated as a Security Under Supervision (Confirmation) as of today.

Furthermore, based on the delisting criteria of the Tokyo Stock Exchange, if the Securities Report is not submitted within eight business days after the extended deadline (by July 10, 2024), our stock will be designated as a security to be delisted and subsequently delisted.

3. Future Outlook

The Company is committed to avoiding the designation as a security to be delisted and subsequent delisting due to the delay in the submission of the Securities Report. Considering that the submission of the Securities Report has already been significantly delayed, we will strive to submit and disclose the Securities Report at the earliest possible time under the current circumstances.

We deeply apologize for the significant inconvenience and concern this may cause to our shareholders, investors, and all other parties involved.