

February 9, 2024

Company Name: ENECHANGE Ltd.

Representative: Yohei Kiguchi, Representative Director and CEO
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Notice Concerning the Reductions of Capital and Capital Reserve

ENECHANGE (hereinafter referred to as "the Company") announces that its Board of Directors, at a meeting held on February 9, 2024, resolved to submit a proposal to reduce its amount of capital and capital reserve at its 9th Annual Shareholders' Meeting scheduled for March 28, 2024. Details are as follows.

1. Purpose

As stated in the announcement disclosed today regarding "Notice Regarding the Issuance of New Shares through Third-Party Allotment and Changes in Major Shareholders," the Company has resolved to issue new shares through a third-party allocation to JICVGI Opportunity Fund 1 Investment LLP, which is planned to be the allottee (hereinafter referred to as the "third-party allotment capital increase"). The reductions in the amount of capital and capital reserve, subject to this proposal, is intended to maintain a flexible and dynamic capitalization strategy. There will be no change in the number of shares issued and the number of shares held by shareholders.

2. Details

(1) Amounts

1. Post third-party allotment capital increase, capital will be reduced by 2,036,994,304 JPY from 2,046,994,304 JPY. Post-reduction capital will be 10,000,000 JPY.
2. Post third-party allotment capital increase, capital reserve will be reduced by 5,098,649,780 JPY from 5,098,649,780 JPY. Post-reduction capital will be 0 JPY.

Please note that the amounts of capital and capital reserve may vary conditioned upon the stock option exercise before the effective date of the reductions.

(2) Method

All the number of reductions (total of 7,135,644,084 JPY) will be transferred to additional paid-in capital.

3. Schedule

- (1) Date of Board of Directors Resolution: February 9, 2024
- (2) Date of Public Notice for Creditors' Objections: February 26, 2024 (planned)
- (3) Final Deadline for Creditors' Objections: March 26, 2024 (planned)
- (4) Date of General Meeting of Shareholders' Resolution: March 28, 2024 (planned)
- (5) Effective Date of Reduction in Capital and Capital Reserve: March 28, 2024 (planned)

4. Outlook

The reductions of capital and capital reserve are account transfer processes within the net assets section of the balance sheet, and there will be no change in the total net assets value, nor will it have any impact on the Company's performance. The reductions are subject to the third-party allocation increase detailed in the "Notice Regarding the Issuance of New Shares through Third-Party Allotment and Changes in Major Shareholders," disclosed today, the completion of creditor protection procedures in accordance with the Companies Act, and the approval of this proposal at the general meeting of shareholders. Please note, as the accounting audit is currently underway, the amounts of capital and capital reserve may be subject to future revision.