



May 12, 2023

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(Securities Code: 7060, TSE Prime Market)
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Notice of Compliance with the Prime Market Listing Criteria and Application to List on the Standard Market

On December 16, 2021, GEECHS Inc. (“the Company”) submitted, and disclosed, a plan to the Tokyo Stock Exchange (“TSE”) for continued compliance with the listing criteria for the new market segment.

The Company hereby announces its progress, as of March 31, 2023, of this plan to comply with the criteria to maintain its listing on the Prime Market, as well as the reasons for choosing the Standard Market and the status of compliance with the Standard Market listing criteria.

Based on the above and in accordance with the revision to TSE rules that came into force on April 1, 2023, the Company resolved at a meeting of the Board of Directors held on May 12, 2023, to apply for a listing on the Standard Market.

1. Status of compliance with Prime Market listing criteria (as of March 31, 2023)

The Company's compliance with the Prime Market listing criteria is as follows. The Company has not met the criteria for the tradable share market capitalization or for the tradable share ratio.

	Number of shareholders	Number of tradable shares	Tradable share market capitalization	Tradable share ratio	Average daily trading volume	Net assets
GEECHS Compliance Status (as of March 31, 2023)	2,509	34,871 units	<u>¥3.5 bn</u>	<u>32.8%</u>	¥70 m	¥4.4 bn
Prime Market Continued Listing Criteria	800	20,000 units	<u>¥10 bn</u>	<u>35.0%</u>	¥20 m	Positive figure

Notes: 1. GEECHS compliance status is calculated based on the distribution of the Company's stock certificates, etc., as understood by the Tokyo Stock Exchange as per reference date.

2. The average daily trading volume is the average from January to December 2022 as calculated by the Tokyo Stock Exchange.

2. Implementation and evaluation of efforts to comply with continued listing criteria

As an effort to meet the continued listing criteria for the tradable share market capitalization and the tradable share ratio, GEECHS has expanded its business and operations with a focus on its mainstay IT freelance matching business. As a result, sales are expected to exceed those of the previous fiscal year. In addition, the merger with an Australian IT freelance staffing company that took place in January this year is expected to further expand sales in the next fiscal year. Furthermore, GEECHS has been actively engaged in investor relations, such as holding financial results briefings for investors twice yearly, in an effort to improve the Company's corporate value.

However, as stated above, as of March 31, 2023, GEECH's tradable share market capitalization was 3.5 billion yen with a 32.8% tradable share ratio. This was less than the 10-billion-yen tradable share market capitalization and 35.0% tradable share ratio as stipulated in the criteria for a continued listing on the Prime Market.

3. Reasons for choosing the Standard Market

With respect to the tradable share market capitalization and tradable share ratio criteria which GEECHS did not meet, it is necessary to consider not only the Company's efforts but also the impact of the financial market environment on the stock market. Although it is fully expected that the Company's efforts will be evaluated and reflected during transitional measures regarding the Prime Market continued listing criteria, and that all criteria will be met, there is also the risk that the Company will not meet the criteria when the transitional measures finish, and this in turn may adversely impact a true evaluation of the share price.

As a result of such considerations, we believe it is important to create an environment in which shareholders can hold and sell shares of the Company with confidence. Therefore, we have decided to list on the Standard Market given that the Company already meets the relevant criteria as shown in the table below.

In line with the concept of a new market segment, GEECHS is implementing management strategies, including the G100 Medium-term Management Plan, and actively engaging in business activities based on these strategies with the aim of achieving sustained growth and improving corporate value over the medium to long term. This basic policy will remain unchanged even after the Company's shares are listed on the Standard Market.

After moving to the Standard Market, we will not update the Company's plan to comply with the Prime Market listing criteria. However, we will continue to improve management and business growth based on the company size and corporate governance level required for the Prime Market. Moreover, in order to ensure that the Company can be listed on the Prime Market again in the future, we will enhance our corporate value and fulfill our social responsibility as a reliable company for shareholders and investors so that we can stably and continuously meet the listing criteria for the Prime Market.

4. Status of compliance with the Standard Market continued listing criteria

The status of compliance with the Standard Market continued listing criteria as of the most recent reference date is as follows.

	Number of shareholders	Number of tradable shares	Tradable share market capitalization	Tradable share ratio	Average monthly trading volume	Net assets
GEECHS Compliance Status (as of March 31, 2023)	2,509	34,871 units	¥3.5 bn	32.8%	13,722 units	¥4.4 bn
Standard Market Continued Listing Criteria	400	2,000 units	¥1 bn	25.0%	10 units	Positive figure

Note: The average monthly trading volume is based on Company estimates from July to December 2022.

The Company is in compliance with all the listing criteria of the Standard Market at the time of application for listing on the Standard Market. As such, if in the future, the Company were not to meet any of the criteria as of the date for determining all continued listing criteria, the Company does not need to disclose a plan to comply with the (Standard Market) continued listing criteria. Even after becoming a listed company on the Standard Market, GEECHS will not only continue to promote business to improve corporate value, which was planned as a means to comply with the criteria for maintaining its listing on the Prime Market but will also continue to improve liquidity of the Company's shares.

5. Scheduled date of transition to Standard Market

The scheduled date for transition to the Standard Market is October 20, 2023.

After this date, trading of the Company's shares will move to the Standard Market where they will continue to be traded.