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Company Name: ENECHANGE Ltd.

Representative: Yohei Kiguchi, Representative Director and CEO
Ippei Arita, Representative Director and COO
(TSE Mothers Code No. 4169)

Inquiries: Takuya Sugimoto, Executive Officer / CFO
TEL: +81-3-6774-6709

Notice Concerning launch of EV Charging Service

As electric vehicles (EVs) become more widespread with the building of a decarbonized society, ENECHANGE (hereinafter referred to as the “Company”) will start providing EV charging services named the ENECHANGE EV Charging Service (hereinafter referred to as “the Service”), which aims to improve convenience for EV users and increase the value of parking spaces through the installation of EV chargers.

1. Background and Purpose

The Company operates in the fields of the 4Ds of Energy; amongst these, the areas of Decarbonization and Decentralization are showing particular promise, with the percentage of new EV sales to new vehicle sales increasing rapidly in recent years. In Europe and the U.K. in particular, it exceeded 10% in 2020 (Note 1). In Japan, the percentage is currently around 1%, but the government has adopted a policy of 100% electrification of new passenger car sales by 2035, with the aim of achieving carbon neutrality by 2050. In line with this policy, 150,000 charging infrastructure units, including 30,000 public quick chargers, will be installed, aiming to provide the same level of convenience as gasoline vehicles by 2030 (Note 2).

EV charging infrastructure is not only necessary for EV adoption but is also expected to play a key role in balancing the electricity grid. By using both variable charging demand and the onboard batteries of EVs, the integration of EVs is one of the most important factors in realizing a decarbonized society.

In the U.S. and Europe — which are leading regions in this field — the rapid spread of EVs and EV chargers has led to the expansion of services that connect, manage, and operate these chargers, with multiple IPOs by companies providing these services in recent years. For example, ChargePoint, Inc., which provides EV charging infrastructure services in the U.S., has attracted attention as its market capitalization has exceeded 870 billion yen (Note 3) since its listing on the New York Stock Exchange in March 2021.

Under such circumstances, the Company decided to take advantage of its positioning as an Energy Tech company that promotes the decarbonization of the energy industry from a neutral position by launching the ENECHANGE EV Charging Service. This service was launched with the aim of accelerating the spread of EVs and the expansion of charging infrastructure by improving the value of owners’ parking spaces, thereby increasing charging opportunities for EV users.

(Note 1) IEA “Global EV Outlook 2021” (April 2021)

(Note 2) Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry “6th Basic Energy Plan” (October 22, 2021)

(Note 3) Calculated based on the closing price on October 29, 2021, assuming 1 USD = 110 JPY

2. Overview of ENECHANGE EV Charging Service

The ENECHANGE EV Charging Service is a public charging service that installs EV chargers at no upfront cost to owners of land, buildings, and other parking spaces for a monthly fee. Owners can easily start an EV charging business that adds value to their parking spaces and attracts EV users. In addition, a portion of the sales from EV charging will be shared with the owners.

Following the provision of EV quick charging services through our alliance with FreeWire Technologies, Inc. this is another initiative for the Company in providing EV charging infrastructure

services and is positioned as part of our Virtual Power Plant (VPP) strategy within our Data business. In the future, we will develop and expand sales of management systems for EV station owners and applications for EV users, with the aim of expanding the EV charging infrastructure and increasing the value of the VPP platform the Company provides.

3. The amount and details of expenditures related to the launch of the Service

Although expenditures for the purchase of charging infrastructure are expected, the total amount of investment has not been determined. We will disclose the information in a timely and appropriate manner depending on the size of the amount to be spent.

4. Impact on the Company's business performance

The impact on the Company's current year business performance is limited. We will make timely disclosure if a material impact on the forecast is expected.