

March 16, 2022

To our shareholders

ENECHANGE Ltd.

**Notice Concerning the Company's Position on ISS Recommendation to Oppose  
"Proposal 1: Partial Amendments to the Articles of Incorporation" at the 7th  
Ordinary General Meeting of Shareholders**

ENECHANGE (hereinafter referred to as "the Company") understands that Institutional Shareholder Services Inc. (hereinafter referred to as "ISS"), a proxy advisory firm, has recommended against "Proposal 1: Partial Amendments to the Articles of Incorporation" to be proposed at the 7th Ordinary General Meeting of Shareholders to be held on March 30, 2022 (hereinafter referred to as "the Proposal").

The following is a supplemental explanation of the Company's position on this proposal, and we respectfully request that shareholders exercise their voting rights with an understanding of the Company's position before making a decision.

**1) Summary of ISS's Against-Recommendation**

ISS recommends against the Proposal for the following reasons

- ① It is recognized that there is a case for greater flexibility in shareholder meeting formats given the COVID-19 pandemic. However, the proposed language allows the company to conduct virtual-only meetings with no indication of the situations under which the company might seek to do so.
- ② Virtual meetings may impact shareholders' ability to hold directors accountable, and may hinder meaningful exchanges between directors, management, and shareholders. For instance, shareholders may find it difficult to submit questions, or get companies to answer them. Furthermore, questions or moves by shareholders, which management do not welcome, could be conveniently handled in a way advantageous to management.

**2) Our view**

As described below, we understand that ISS's recommendation to oppose the transaction is not well-founded.

- ① Virtual-only meetings make it easier for shareholders in remote locations, including non-residents, to attend, and since a physical venue is not required, it reduces operating costs and allows for more flexible holding of shareholder meetings, including extraordinary shareholder meetings. We believe that this will have the advantage of revitalizing and improving the efficiency of shareholder meetings.

With virtual-only meetings, all shareholders will be able to attend the meeting via the Internet, ensuring a fair opportunity to exercise their rights. In light of the above, it can be said that holding virtual-only meetings does not hinder the meaningful exchange of opinions with shareholders, but instead enhances it.

- ② In order to hold virtual-only meetings, confirmation from the Minister of Economy, Trade and Industry and the Minister of Justice is required at the time of the decision to convene the meeting, as it will strengthen industrial competitiveness while ensuring the interests of shareholders. The Company has already obtained confirmation from both ministers. In addition, when applying for this confirmation, the Company is required to state its "policy to ensure the interests of shareholders who have difficulty using the Internet." If the Company decides to hold virtual-only meetings, it will consider and implement measures to achieve fairness by ensuring the interests of its shareholders.
- ③ We recognize that even in virtual-only meetings, arbitrary management of the meeting to the advantage of the company is not permitted by law. In virtual-only meetings, the company must accept questions and motions from shareholders in accordance with the principles of the Companies Act, and not restrict the rights of shareholders. In addition, arbitrary operation of the meeting, such as not taking up questions that are unfavorable to the company, may be grounds for revocation of the resolution of the shareholders' meeting.
- ④ We believe that it is important for our risk management to have the option of holding virtual-only meetings in order to ensure that we can hold a shareholders' meeting and continue our business in the event of an emergency. The Company has a responsibility to reliably hold a general meeting of shareholders and continue its business under any circumstances, and we believe that it is necessary from a risk management perspective to enable virtual-only meetings in preparation for unforeseen circumstances, such as the spread of infectious diseases or a large-scale disaster.
- ⑤ This proposal is an amendment to the articles of incorporation to the effect that "virtual-only meetings can be held," and does not mean that a decision has already been made to hold virtual-only meetings in the future. We will continue to listen widely to the opinions of our shareholders and select an appropriate holding method that is beneficial to them in each individual case, taking into consideration such factors as ensuring the exercise of rights for shareholders who have difficulty physically coming to the meeting and enhancing dialogue and exchange with shareholders.

As stated above, the Company believes that virtual-only meetings will not interfere with the exercise of shareholders' rights or interests, and will contribute to the efficiency and facilitation of shareholders' meetings and meaningful dialogue between the Company and its shareholders.