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### **Frequently Asked Questions and Answers (April 2022)**

Thank you for your continued interest in our company. The main questions from investors this month and the answers to those questions are disclosed below. This disclosure is made around the end of each month for the purpose of strengthening transparency and fair disclosure. Although there may be some discrepancies in the answers from time to time, please understand that at the time of writing this is the most current version of our policy.

**Q1. The Japanese electricity industry is experiencing a series of business withdrawals and bankruptcies; what is the future outlook and what measures are being taken?**

The invasion of Ukraine by Russia has triggered a sharp rise in fuel prices, and wholesale electricity market prices (hereinafter referred to as "JEPX price") have remained high as well. Electricity companies are continuously experiencing costs exceeding the electricity prices paid by consumers, leading to decreasing marketing budgets spent to acquire users, suspending the acquisition of new users, and, in some cases, withdrawing from the business. In order to resolve this situation, it is necessary to either stabilize the JEPX price or raise electricity rates. The government-led measures are being considered and discussed mainly by the Ministry of Economy, Trade and Industry (hereinafter referred to as "METI"). In addition to proposing various measures to the METI, we have also started "Proprietary Fuel Cost Adjustment Consulting Service" (announced in a press release on April 14, 2022) and "Electricity Retail Withdrawal Support Service" (announced in a press release on April 21, 2022) for electricity companies to support their business management in the face of soaring JEPX prices.

As for the impact of the current high JEPX price on our company, we believe it will proceed in the following six stages.

Stage	Impact of JEPX price hikes	Impact on our company
1	Reduction of advertising budget by electricity companies	Decrease in ARPU due to reduction in one-time fees
2	Suspension of acquisition of new users by electricity companies	Loss of user acquisition opportunities due to the unavailability of electricity companies to receive customers
3	Electricity companies withdrawing from the business or declining to renew contracts	Decrease in recurring revenues due to the withdrawal of existing users
4	Increase in the number of customers stranded on electricity contracts with suppliers who withdraw from the market	Increased user acquisition opportunities due to increased switching needs *Addressed by "Electricity Retail Withdrawal Support Service"

5	Electricity company rate increases	Increase in ARPU due to increase in recurring revenues *Addressed by "Proprietary Fuel Cost Adjustment Consulting Service"
6	Resumption of user acquisition activities after improvement of business environment	Increased user acquisition opportunities due to growing comparison needs Increase in ARPU due to increase in one-time fees

Currently, we believe we have reached Stage 3, and we are starting to see some electricity companies moving toward Stage 4 and 5. We believe that the events after Stage 4 will occur sequentially in the future and will have a positive impact for the Company. In the meantime, the Company plans to cut advertising expenses in the Platform business and temporarily focus on profitability instead as its business policy.

**Q2. What measures are you taking regarding LPIO's withdrawal from the electricity retail business and how will it affect the company's business performance?**

In our March 26, 2022 timely disclosure titled "Notice Concerning the Impact of LPIO's Suspension of Electricity Retail Services", we announced that LPIO is one of our major customers and that its withdrawal from the business may have an impact on our business performance. On April 25, 2022, we provided a progress report on this matter.

A certain percentage of the monthly electricity bills of customers who have signed contracts with LPIO through ENECHANGE comprises part of our recurring revenue, so LPIO's withdrawal from the business will result in a decrease in our recurring revenue. However, if the LPIO users contract with another electricity company through our service, the recurring revenue will continue to be generated.

For this reason, we have established a dedicated contact point for LPIO users and strengthened our customer support to provide switching opportunities to all LPIO users. Although there are approximately 39,000 users who will leave our platform as a result of LPIO's withdrawal, more than 40,000 users have switched through ENECHANGE as of April 28, 2022 (approximately 103% of all users who have left the Company). Hence, a decrease in recurring revenues associated with LPIO's withdrawal from the business is virtually nonexistent and not expected.

We are continuing to closely examine the impact on our business performance in light of the state of the electricity industry as a whole, and will disclose information at the appropriate time.

**Q3. There are some comments that customers are not able to get through to the LPIO Consultation Desk. Are there any problems to be aware of?**

In response to LPIO's withdrawal from the business, we established the "LPIO Consultation Desk ". However, the number of inquiries has exceeded our expectations, and we have received comments from customers that they cannot get through to us on the phone or that our reply to their inquiries is slow.

In response to such comments, as announced in the press release of April 20, 2022, "Notice of Call Center Expansion, 'LPIO Consultation Desk' for LPIO Customers" we are currently strengthening our customer support system to respond to such calls. We sincerely apologize for any inconvenience this may cause to our customers, and we appreciate your understanding that we are looking to resolve the situation as soon as possible.

**Q4. What are your thoughts on customer complaints about the cashback policy related to LPIO?**

Our policy is that users who meet the eligibility requirements for the cashback benefit (i.e., they must continue to be under contract as of 10 months after the start date of electricity usage) will be eligible for the benefit. Users who were scheduled to meet the eligibility requirements after LPIO's discontinuation of the contract will not be eligible for the benefit. Although we are aware of the complaints, we are unable to respond to all requests individually and we are certain that our policy as it stands is within legal bounds..

**Q5. What are the "Proprietary Fuel Cost Adjustment Consulting Service" and "Electricity Retail Withdrawal Support Service"?**

These services will be provided to electricity companies as part of the service of the existing Platform business, and are not intended to start a new business.

About Proprietary Fuel Cost Adjustment Consulting Service:

The "Fuel Cost Adjustment System" is a system to realize a stable electricity supply by promptly reflecting changes in international resource prices in rates. One criticism of the Fuel Cost Adjustment System is that it does not function adequately in the current business environment where prices are drastically elevated. As a result, each electricity company must set its own fuel cost adjustment.

Currently, it is difficult to compare electricity companies, as each have their proprietary fuel cost adjustments with different definitions. Therefore, by providing our Proprietary Fuel Cost Adjustment Consulting Service, we will ensure transparency for users and help electricity companies stabilize their operations.

This measure is in response to the increase in electricity rates in Q1 Stage 5 above, and will lead to an increase in our recurring revenue.

About Electricity Retail Withdrawal Support Service:

This service provides free support to electricity companies that are exiting the electricity retail business. For electricity companies that are struggling to withdraw from the business due to their obligation to try to continue supplying electricity to users, we support users in switching their electricity contracts, enabling the electricity company to smoothly exit.

This measure is in response to increasing the number of customers stranded without electricity contracts in Q1 Stage 4 above, and will lead to an increase in our user acquisition opportunities.

**Q6. There was news of an increase in the utilization of last resort service of general electricity utilities. Will ENECHANGE's business be affected?**

The "last resort service of general electricity utilities" is a system under which a general transmission and distribution company supplies electricity at approximately 1.2 times the standard rate as a relief measure in the event that a business energy consumer is unable to conclude a contract with an electricity company.

Originally, this system was used when new entrants were unable to supply electricity, but with the recent surge in JEPX price, the prices of the last resort service has become cheaper than the prices posted by new entrants, and we have seen cases of intentional use of this system.

If our users choose the last resort service, it will be treated as a churn of users for us, but since this is an inappropriate way to use a system that should primarily function as a safety net, the government has indicated that it will review the system and take countermeasures.

**Q7. Subsidies for EV charging facilities in condominiums have begun. Does this also apply to your ENECHANGE EV Charging Service?**

On March 25, 2022, METI announced the outline of the “Subsidies for Promoting the Introduction of Clean Energy Vehicles and Infrastructure.” The total budget is 6.5 billion yen, which is over six times the size of the previous subsidy program (approximately 1 billion yen).

There are three main changes from the previous subsidy program:

- ①Renewal and replacement of EV charging systems, which previously covered only fast charging, are now also covered for Level-2 charging.
- ②Regarding installation locations, highway rest areas and roadside stations were originally targeted, but all areas other than private residences are now covered in principle. These changes have made it possible for us to utilize this service in our focus on Destination Charging.
- ③The removal of the regulation that limits the number of Level-2 chargers eligible for subsidies to no more than 1.5% of the number of parking spaces.

It must be noted that there are certain standards for EV charging facilities, and not all equipment will be subsidized. In the installation of our ENECHANGE EV Charging Service, we are working to select and adopt EV charging facilities that meet the standards and to promote our service.

**Q8. Are there any threats from the reported cases of other companies installing EV charging facilities for free in condominiums?**

The model we currently offer can handle an output of 6kW. We recognize that the standard is different from the facilities that will be installed as reported. Our EV Charging Service can be installed in condominiums, but we have defined our primary target as the area of destination charging, such as hotels, golf courses, etc.

In the future, we will also focus on disseminating information on ongoing projects in order to improve the recognition of our facilities.

**Q9. How do you operate your EV Charging Service sales? Why don't you use agencies to expand sales?**

We plan to consider working with agencies in the future, but we believe it is important to first accumulate our own sales knowledge. We employ sales representatives throughout Japan and currently have approximately 20 sales professionals. The main method is telephone sales, a method which has been proven successful in this case as demand for the EV Charging Service is very high, leading to very receptive prospective customers.

**Q10. You mentioned that electricity data will be deregulated from April 2022. Please tell us about the progress of your efforts with the Grid Data Bank Lab LLP.**

The Grid Data Bank Lab is an organization commissioned by the Agency for Natural Resources and Energy to serve as the secretariat for the creation of a system for the utilization of smart meter data. Institutional reforms for

the liberalization of electricity data have been delayed from the original schedule, and at this point we are working toward the launch of an electricity data management organization. We are planning to participate in the organization, which is expected to begin providing full-scale electricity data by FY2023, after which we expect to be able to make use of the data in our services.