

September 30, 2022

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Notice Concerning the Acquisition of EVsmart Business from Ayudante, Inc.

ENECHANGE (hereinafter referred to as "the Company") announces that the Company resolved at the Board of Directors meeting held on September 30, 2022, to acquire the EVsmart business (hereinafter referred to as the "Acquisition") of Ayudante, Inc. (hereinafter referred to as "Ayudante").

1. Background and purpose

The Company offers an all-in-one EV charging service called ENECHANGE EV Charge, which provides everything from installation of charging facilities for electric vehicles (EVs) to provision of billing applications for users and after-sales support.

The Company's EV Charging service focuses on destination charging (Level 2 Charging), in which a portion of the electricity used to arrive at a destination can be used as a top-up charge, and aims to expand charging opportunities for EV users by installing EV chargers at leisure facilities, commercial facilities, and other destinations. The Company aims to invest up to 30 billion JPY to install 30,000 EV chargers in Japan, and is expanding its services throughout Japan.

EVsmart has been providing EV-related services since 2014, the dawn of the EV industry. It has become the largest in the industry, recording over 1 million monthly page views for its online media platform, over 200,000 cumulative installations for its apps (Note 1), and offering information on more than 18,000 EV charging stations nationwide, with approximately 83,000 reviews (Note 2). The high-quality service provided from a neutral standpoint is well recognized and highly regarded within the industry.

Through the acquisition of proprietary assets (EVsmart media platform and apps, the largest service of its kind in the EV industry), the Company will be able to provide seamless services including the provision of high-quality EV-related information via web media and applications and EV charging billing. In addition, by taking over the alliance with major automotive manufacturers, we will establish a competitive advantage and thus a moat in the EV Charging business as the only charge point operator in Japan with this system.

The specific impact on the Company's EV Charging business is as follows:

- (1) The acquisition of the media platform with the highest number of page views in Japan will increase our share of the top position for major EV-related keywords to approximately 52% (Note 3), which will lead to an increase in the number of EV chargers installed due to an increase in the number of customer inquiries.
- (2) Through the acquisition of the application, which is the largest of its kind in Japan, we will reach over 200,000 app users representing over 90% of EV users in Japan (Note 4), which will increase billing opportunities for EV users.
- (3) EVsmart's charging location data has been licensed to major automakers, and is considered superior in terms of accuracy and volume of information within the Japanese EV industry. We believe that the data obtained through EVsmart can be analyzed and utilized to provide marketing data to automobile manufacturers and to build the foundation for further new services. This will not only expand our revenue base, but also improve convenience for EV users and further promote the spread of EVs.

(Note 1) Monthly page views is the total of EVsmart.net and other EVsmart sites in August 2022. Number of apps installed is the sum of iOS and Android in September 2022.

(Note 2) From EVsmart website (as of September 30, 2022)

(Note 3) Displayed research conducted by the Company through Google searches. Calculated by adding the number of first place results for 48 keywords (as of September 16, 2022).

(Note 4) The cumulative sales of EVs and PHVs (including Kei-car) in Japan from January 2018 to August 2022 is used as the denominator, and the total cumulative number of ENECHANGE EV Charge and EVsmart app installations is used as the numerator.

2. Overview of the acquisition

1) EVsmart Business Overview

Development and operation of EVsmart, a media platform specialized in EVs, and a charging location search application

2) Operating results of the business to be transferred

Fiscal year ending December 31, 2022 (estimated on a full-year basis based on actual results for June 2022)

Sales: approx. 39 million JPY

Ordinary profit: approx. - 89 million JPY

(Note) As described in "1. Background and purpose" we expect that the incorporation of the EVsmart business into our business model will have an impact on the key KPIs of the EV Charging business, such as an increase in the number of units installed and ARPU, and will provide a foundation for new services. The transfer price has been determined after factoring in this impact.

3) Amounts of assets and liabilities of the transferred business (as of June 30, 2022)

The assets of the business to be transferred will consist of intangible assets including software, but the amount will be minimal. Liabilities related to this business are not included in the scope of the transfer. Should any matter arise such as materiality of the amount of assets, we will promptly disclose.

4) Transfer price and method of settlement

Transfer price: 300 million JPY (excluding consumption tax)

Settlement method: Cash settlement (planned to be financed by bank loans)

(Note) The decision was made after considering the results of the calculation of the business value by Aiwa Advisory Corporation based on the discounted cash flow method (DCF method).

3. Overview of Ayudante, Inc.

1) Name	Ayudante, Inc.
2) Address	Kojimachi Central Building 6F, 2-2-4 Kojimachi, Chiyoda, Tokyo, Japan
3) Name and title of representative	Hiroshi Yasukawa, Representative Director
4) Description of business	Web marketing consulting, including SEO, and software development and management business
5) Capital	11,000,000 JPY
6) Date of establishment	February 28, 2006
7) Net assets (Note 1)	126,013 thousand JPY
8) Total assets (Note 1)	701,265 thousand JPY

9) Major shareholders and their shareholding ratio	Hiroshi Yasukawa 97.9% (Note 2)	
10) Relationship between the Company and Ayudante, Inc.	Capital Relationship	None
	Personal Relationship	None
	Business Relationship	None
	Status of Related Party	None

(Note 1) The figures are for the fiscal year ending December 31, 2021.

(Note 2) Minority shareholder information is not disclosed at the request of the party.

4. Schedule

1) Date of resolution by the Board of Directors	September 30, 2022
2) Signing date of share purchase agreement	September 30, 2022
3) Date of business transfer	October 31, 2022 (scheduled)

*Adopting Simplified Business Transfer under Japanese Companies Act

5. Outline of Accounting Procedures

This acquisition is expected to be classified as an "acquisition" under the accounting standards for business combinations. The amount of goodwill and other intangible assets recorded as a result of this transaction is currently under review. We will promptly disclose any matters that should be announced in the future.

6. Outlook

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

Current fiscal year forecast and the previous year financials

	(million JPY)			
	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Current year (Fiscal Year End December 2022)	3,400	(1,000)	-	-
Previous year (Fiscal Year End December 2021)	3,018	40	(2)	(85)