

April 21, 2023

Company Name: ENECHANGE Ltd.

Representative: Yohei Kiguchi, Representative Director and CEO
(TSE Growth Code No. 4169)

Inquiries: Takuya Sugimoto, Executive Officer / CFO
TEL: +81-3-6635-1021

Frequently Asked Questions and Answers (April 2023)

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 to reinforce transparency and fair disclosure. Although there may be some discrepancies in the answers from time to time, please be advised that at the time of writing this is the most current version of our policy.

Q1. It appears that Senior executive officer Arita is selling his shares. What are his intentions and future plans for this sale? Also, how does the company view the fact that the former representative director and major shareholder of the company is proceeding with the sale?

Taking into account his time with the company's predecessor in Cambridge, UK, Ippei Arita has been involved with the company as a co-founder and representative director of the company for about 10 years. Due to his early and continuing contributions to the company's success, he is our second largest shareholder. Effective April 2023, he retired from his position as representative director and took on the position of Senior Executive Officer/CTO. The Company's representative directors have also been changed from a two-person arrangement to a one-person arrangement with Yohei Kiguchi as the sole representative director. Ippei Arita remains committed to the long-term growth of the Company as Senior Executive Officer/CTO, but is no longer representative director of the Company.

Our approach to capital policy is that the composition of shareholders should be future-oriented and should be held by those most appropriate for the next stage of growth. We believe that the Company's stock price will rise over the long term in line with future earnings growth and that investors who are willing to take risks on the Company's future growth should reap the future benefits. Therefore, we believe that it is preferable to have an appropriate replacement of shareholders in the early stages of the company's establishment.

In light of the above policy, Ippei Arita's reduced shareholding ratio is consistent with our capital policy. Upon his retirement as representative director and after confirming that he did not possess any material insider information, Arita began selling a portion of his shares from April 3 as it was also consistent with his personal circumstances. As of April 21, he had completed a series of equity sales and we have been informed that he continues to hold 1,907 thousand shares (6.34% of the total number of shares outstanding as of December 31, 2022).

Yohei Kiguchi (co-founder and CEO of the Company, our largest shareholder) will continue to fulfill his responsibilities as CEO for the long term. He has no plans to sell his shares at this time and will continue to work on business expansion, placing the highest priority on increasing the company's value.

Q2. The use of charging cards in partnership with e-Mobility Power ("eMP") has been implemented at the ENECHANGE EV Charge charging ports, but what kind of feedback and response have you received from EV drivers?

On February 9, 2023, we announced our business alliance with eMP, a company that builds charging networks that allow the use of a single EV and PHEV charging card. From April 20, 2023, these charging cards can be used at ENECHANGE EV Charge charging ports.

Since the announcement of the alliance, we have received significant feedback on the use of charging cards at ENECHANGE EV Charge, and those who have used the cards have highly praised the improved convenience of EV charging.

We anticipate an increase in the amount of time that charging ports will be in use as a result of the new charging card compatibility.

Q3. What is the status of demand for switching to new entrants now that the major energy companies have postponed their regulated rate increases?

For household users, some major energy companies have applied to increase their regulated rates, and the timing of the rate increase has been delayed from the initial estimate due to the rigorous examination process. We recognize that the price increase by the major energy companies is a necessary process for the new entrants to regain competitiveness, and the timing of this process will be delayed. On the other hand, with the recent decline in fuel and market prices, some new entrants have been aggressive in acquiring users, and there are signs of recovery in one-time fee for switching.

As for corporate users, the number of switches is increasing steadily as price increases have already been implemented. We recognize that the business environment for corporate users is improving faster than for household customers.

Q4. It was recently announced that the Fair Trade Commission issued a caution warning to Mizuho Securities for setting the IPO offering price lower than companies publicly announced, in cases where Mizuho Securities was the lead manager. This may lead to a violation of the Antitrust Law. Wouldn't ENECHANGE fall into this case?

In the "Notice Concerning Caution to Mizuho Securities Co., Ltd." released by the Japan Fair Trade Commission on April 13, 2023, 21 of the 96 companies newly listed on the Tokyo Stock Exchange between June 2020 and May 2021 where Mizuho Securities was the lead manager were investigated, and we believe that our IPO falls under this category. However, we are not aware if the 2 companies specifically mentioned as being of particular concern are our cases.