

June 30, 2023

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Frequently Asked Questions and Answers (June 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. The Ministry of Economy, Trade and Industry (METI) has announced that it will no longer accept subsidy applications for Level 2 charging ports (destination charging), which were implemented in the supplementary budget for FY22 and the initial budget for FY23. Will this have an impact on your company's earnings forecast?
Also, at the FY23 Q1 financial results briefing held on 12 May, CEO Kiguchi said that installation of EV charging ports is expected to proceed from around July — is installation expected to proceed as planned?**

As of the end of June, the Ministry of Economy, Trade and Industry (METI) announced that it will no longer accept subsidy applications for both Level 2 charging ports (destination charging), which had an initial budget of approximately 2.5 billion JPY, and Level 2 home charging ports (initial budget of approximately 3.0 billion JPY). For Level 2 charging ports, which are the target of our EV Charging business development, we understand that a third part of the budget is relevant to us: a 3.0 billion JPY reserve budget. We believe that the reserve budget will be appropriately allocated according to the status of the subsidy applications, which may include destination charging, home charging, and/or fast charging.

Please note that we do not disclose the status of our applications. If any matters that should be disclosed regarding the impact on our performance come to light, we will promptly make the disclosure. Information on the charging ports installed after the application is submitted will be available on our ENECHANGE EV Charge app.

Q2. What are the aims and impact of the business alliance with Tokio Marine & Nichido Fire Insurance Co., Ltd?

Regarding the business alliance with Tokio Marine & Nichido Fire Insurance Co., Ltd (hereafter, TMNF), we will make full use of TMNF's nationwide sales network to expand our ENECHANGE EV Charge user base. In the future, we plan to further promote ENECHANGE EV Charge to TMNF clients through the approximately 46,000 insurance agencies within the nationwide TMNF network.

In addition, TMNF's insurance arrangements for ENECHANGE EV Charge provide financial compensation in the event of damage caused by natural disasters, tampering, vehicle collisions, etc. This has enhanced ENECHANGE's ability to provide more reliable support as an EV charging infrastructure service provider, even in unforeseen circumstances.

Q3. It was recently reported that Toyota Motor Corporation is aiming to commercialize all-solid-state batteries as early as 2027. If the world's EV batteries switch from lithium-ion batteries to all-solid-state batteries, can ENECHANGE charging stations be used as they are? Or do we need to develop and install new charging facilities again?

EV charging standards and specifications are not affected by battery specifications. Even if the batteries are changed to all solid-state batteries, existing charging ports can still be used.

Q4. What is the impact of General Motors and Ford Motor Company's decision to adopt Tesla's North American Charging Standards (NACS) on ENECHANGE EV Charge? Will it be adopted in Japan and other countries in the future and become an industry standard? If so, can the connectors on existing charging ports be changed from the CHAdeMO standard to NACS?

The point in question is a North American initiative focused on EV fast charging ports and is unlikely to have a short-term impact on the Japanese standard for Level 2 charging. Also, forcing the adoption of a new connector type would largely be an inconvenience to EV drivers as well.

In the unlikely event of a change, it is still possible to accommodate both standards by using adapters.

Therefore, we do not believe that the situation is such that there are any particular concerns or worries about the development of our business.