

July 28, 2023

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### **Frequently Asked Questions and Answers (July 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. Regarding the press release issued on June 29, "[ENECHANGE and Yokohama City sign collaboration agreement to promote Level 2 charging facilities](#)", what is the purpose of this agreement? And will you increase the number of collaborations with municipalities in the future?**

The purpose of this collaboration is to promote EV adoption in Yokohama through the collaboration with the City of Yokohama, which is working to promote the spread of next-generation vehicles and infrastructure development under the slogan "Zero Carbon Yokohama."

ENECHANGE ("the Company") has set a goal of installing 30,000 EV charging ports in Japan by 2027. We will provide support for (1) efforts to install charging ports to public facilities in Yokohama City and improve convenience for users, and (2) studies on the level of maintenance of charging facilities related to destination charging.

As of the end of March 2023, 934 municipalities, including Yokohama City, have announced their commitment to the "Zero Carbon City" initiative promoted by the Ministry of the Environment. We will continue to provide support to local governments by holding seminars for municipal government officials and disseminating information, and plan to increase the number of partners in the future.

**Q2. Having a license to install EV charging ports, how do you account for the sales and costs of installing your own charging ports? Also, please tell us about the status of EV charging port orders and subsidy applications and approvals during Q2 of the current fiscal year.**

The license is obtained by our subsidiary so that the construction work can be performed by our group. When the construction work is performed by the subsidiary, for accounting purposes, the amount of the construction orders will be recorded as sales and the cost of the construction will become the cost of sales.

The status of the Company's application is not disclosed. As before, we plan to disclose the status of orders in the financial results presentation to be released on August 10, so please check the financial results announcement.

**Q3. There have been media reports of fast charging facilities malfunctioning due to the extreme heat. Is there a similar risk with ENECHANGE's EV charging ports?**

Our Level 2 charging ports have been operating normally even under recent temperatures.

The EV fast charging ports are structurally designed to be cooled by a fan because it generates heat in the process of converting AC to DC and in boosting and stepping down the voltage. For this reason, the operating temperature of the fast charging ports is generally required to be under 40°C, and we believe this is the reason for the long outage under the recent weather conditions. On the other hand, the operating temperature of our charging ports is up to 50°C.

**Q4. Regarding the press release issued on July 6 - [ENECHANGE's "Our View on Future-Oriented Electric Power System Reform"](#) - how will it affect your business in the future based on your company's recommendations?**

This proposal is a report of issues and measures to realize the future-oriented energy system reform that Japan should have, in line with our mission to "create the future of energy". We believe that the realization of comprehensive and future-oriented energy system reforms will lead to a growth strategy for Japan, including lower electricity bills, improved services for consumers, a healthy and transparent market environment to promote GX, and increased investment.

This proposal will promote liberalization and stimulate competition, allowing consumers to choose energy companies and tariff options in a healthier market. As a result, we believe this will lead to profit-earning opportunities for our Platform business.

**Q5. Regarding the press release issued on July 7 - ["Tokyo Gas Co., Ltd. launches 'Summer Energy Saving Campaign 2023' with ENECHANGE Cloud DR"](#) - how much impact will it have on this fiscal year's results?**

We have been providing ENECHANGE Cloud DR, our demand response (DR) services, to Tokyo Gas since 2021. This year's campaign includes a new benefit: customers can earn points by going out to selected facilities during peak shaving hours. To coincide with this year's campaign, we have added a function within ENECHANGE Cloud DR that uses smartphone location data (GPS) to determine whether a user has visited the relevant facility. This new benefit encourages them not only to save energy at home, but also to go out during peak shaving hours, thereby promoting energy saving.

The impact of this policy on our business performance for the fiscal year ending December 31, 2023, has already been incorporated in the business forecast announced on February 10, 2023, but we will promptly disclose the impact if it becomes necessary to revise the business forecast due to future progress or other factors.