

October 27, 2023

Company Name: ENECHANGE Ltd.

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Frequently Asked Questions and Answers (October 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.

Q1. The recent tensions in the Middle East have led to higher oil prices. Is this expected to affect your business?

Due to the sharp rise in crude oil and other resource prices triggered by the crisis in Russia and Ukraine, new energy companies have raised their electricity rates and revised their prices. As a result, the costs associated with the rising prices have significantly less impact on the profitability of the new energy companies compared to the past. At this point, we do not see any decline in their user acquisition activities, and we do not anticipate any negative impact in terms of compensation to us. If any adverse impact on the Company is expected in the future, it will be disclosed in a timely and appropriate manner.

Q2. What is the change referred to as 'some changes in the management policy of this business' in the '(Progress Disclosure) Notice Concerning Termination of Syndicated Commitment Line Agreement' disclosed on 17 October?

The syndicated commitment line agreement was entered into for the purpose of meeting the demand for funds accompanying the rapid growth and expansion of our EV Charging business, as it was initially anticipated that we would be the main party placing orders for construction work, etc. for our EV Charging business. Subsequently, after negotiations and adjustments with the relevant parties, it became possible for us to operate the business under a scheme in which we would not be the main ordering party for construction work, etc., and as a result, the syndicated commitment line was not expected to be used as much as initially anticipated. On this basis, we decided to terminate the agreement.

We will refrain from detailing the transaction structure for competitive reasons. The activities to receive orders and install EV charging ports are going well, and we plan to disclose the progress in the future at the time of the earnings announcement.

Q3. In your release dated 23 October, your company achieved first place in terms of the number of Level 2 charging ports installed and the number of new EVs & PHEVs sold exceeded 100,000 annually. What is the outlook for the future?

We entered the EV charging business in the fall of 2022 and have recently become the top company in terms of the number of Level 2 charging ports installed in Japan. We believe that by maintaining this position and further expanding our market share, we can become the category leader in Level 2 charging infrastructure. In addition,

with the number of new EVs & PHEVs sold surpassing 100,000 annually, we believe that the stock of EVs will increase, which in turn will improve the demand for charging ports. The recent figures on utilization have exceeded our expectations, and we will continue to improve the usability of our charging ports in order to further increase the utilization rate.

Q4. We are concerned about the recent slump in the share price, although this is partly due to market conditions. What do you think of the share price trend with regards to the progress of your company's business?

Our business is progressing well; we expect to return to profitability in the second half of the year. We apologize for any concern the recent share price situation may cause to our shareholders.

While we will strive to enhance shareholder value by conducting IR activities as transparently as possible, please be advised that in our new businesses, such as the EV Charging business, from a competitive perspective we are strategically limiting public disclosure to preserve our advantages and give our company the best chance of becoming the market leader. We hope you will understand that we will make every effort to expand our business on behalf of our shareholders.

Q5. With regard to the grant application, what are the results of the bidding process and the resulting impact on your full-year financial performance?

The status of subsidy applications and screening for the EV Charging business is progressing steadily, and we anticipate that our projected number of applications will pass the screening process, but the results of all applications are not yet fully available. As soon as the results of all applications and the subsequent construction schedule are finalized, we will closely examine the impact on our business performance. If necessary, we will promptly disclose a revised business forecast, which may be included in the announcement on November 10, 2023 of the financial results for the third quarter of the fiscal year ending December 31, 2023.