

Company Name: ENECHANGE Ltd.

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Frequently Asked Questions and Answers (November 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. What is the projected budget status of EV charging infrastructure subsidies for FY2024?

On November 10, the Cabinet approved the FY2023 Supplementary Budget. According to the "Summary of FY2023 Supplementary Budget for the Ministry of Economy, Trade and Industry," 40 billion JPY is included for the introduction of charging and refueling infrastructure to promote the spread of clean energy vehicles (double the size of the previous year's supplementary budget)*. The Ministry of Economy, Trade and Industry's "Guidelines for the Promotion of Charging Infrastructure Development" released on October 18 doubled the target for installation from 150,000 to 300,000 units. The target for fast charging remained unchanged at 30,000 units, and the target for normal charging more than doubled from 120,000 to 270,000 units.

* At this time, the Cabinet has already approved the budget; it has not yet been approved by the Diet. The previous year's supplementary budget was 20 billion yen, but this year, it was proposed to be 30 billion yen, and there is a possibility that the FY2023 supplementary budget proposal will be further revised upwards.

Q2. We see news of EV-related businesses entering the market in various fields, but what is needed for EVs to spread in Japan in the future?

We believe that the expansion of EV charging infrastructure, especially with regard to destination charging, is the most important factor in the spread of EVs, and we see the current infrastructure in Japan as less developed than its overseas counterparts. In addition, we believe that it is important to sell EVs in the price range for the mass market, and we are closely monitoring the EV lineups of Japanese manufacturers for the mass market and the sales of EVs by Chinese manufacturers.

Q3. How much of the strong performance of the Platform business is due to a built-up demand from a market that cooled down in the previous fiscal year? What is the sustainability of the current strong performance?

The quarterly revenues are shown on page 16 of the financial results for the third quarter of the fiscal year ending December 31, 2023. While recurring revenues have reached record highs due to the increase in the number of users as well as the rise in electricity prices, non-recurring revenues have not yet reached record highs, and we do not believe that a rebound in demand has occurred. In addition, we believe that the government's decision to extend the "Electricity and Gas Price Reduction Program" until May 2024 has resulted in a certain amount of

demand for energy switching. Therefore, we believe that non-recurring earnings are still on a recovery track and that the upward trend will continue.

Q4. Please let us know if there is any update regarding the accounting treatment of trust SOs.

As stated in the FY23 Q3 Consolidated Financial Results, in the third quarter, an amount of 314,212,000 JPY, equivalent to the required amount of withholding income tax, was recorded in "Accounts payable-other" under "Current liabilities" on the quarterly consolidated balance sheet, and the corresponding receivable was recorded in "Accounts receivable-other" under current assets. This reflects the Company's policy of paying withholding taxes and then, in principle, reimbursing the taxpayer for the tax liability. As for the progress, the amount has been changed from 429,599,000 JPY, the amount similarly treated in the second quarter, to reflect the most recent estimate of the situation. In principle, there are no plans to change the above policy, but if circumstances change in the future, it may affect the Company's financial position and operating results.