

January 26, 2024

Company Name: ENECHANGE Ltd.

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

Inquiries: Makoto Iyobe, Executive Officer  
TEL: +81-3-6635-1021

### **Frequently Asked Questions and Answers (January 2024)**

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. Considering the forecast for total sales of 6.5 billion JPY in 2023 and the target of an average annual growth rate of 30%, it seems possible to achieve the sales target of 10 billion JPY ahead of schedule by FY27. What do you think?**

The sales target of 10 billion JPY set by our company for FY27 was established before the launch of the EV Charging business. Our goal is to aim for early achievement of this target. In light of the solid growth in EV Charging business sales in FY23 Q3, if we can continue to grow at an average annual rate of 30%, we believe it is possible to achieve the sales target of 10 billion JPY ahead of schedule.

Regarding the forecast for the FY24, we will provide an update during the next fiscal year-end announcement.

**Q2. The Ministry of Economy, Trade and Industry has updated its installation target for charging stations to 300,000 charging ports. Has your company updated its installation target of 30,000 charging ports?**

When the government set an installation target of 150,000 charging ports, our company had set a goal to install 30,000 charging ports by 2030, aiming for approximately 20% of the total market share. Given that the target has now doubled to 300,000 charging ports, we believe that our company's installation target could also double. We are in the process of building operational capacity to install 10,000 charging ports annually. We are also considering revisions to our targets and will provide an update when a decision has been made.

**Q3. We would like to inquire about the background and reasons behind the recently disclosed incentive plan from your company, including the process of its formulation and the rationale for implementing it at this particular timing.**

The background behind the recently approved incentive package, referred to as the "Capital & Career Committed Mega Venture Incentive", includes the goal of achieving target stock prices. Simultaneously, the intention is to strategically invest in the company's most crucial human capital and enhance employees' continued commitment to both the company and their own careers.

As we aim for a future Prime listing, we believe it is crucial for the management team to demonstrate a strong commitment in the future direction of the company. Therefore, our intention is to articulate compensation clearly with the aim of connecting it to motivation.

Furthermore, in this instance, we are transitioning leadership through the transfer of shares from our co-founder and CTO, Ippei Arita. This makes it evident that the responsibility for management has passed on to the next generation. For detailed information, please refer to the supplementary materials in the IR section of our company's

website. Furthermore, you can view a video explanation by CEO Yohei Kiguchi to understand the intentions behind this resolution, and we encourage you to take advantage of these resources.

**Q4. With regards to the Noto Peninsula earthquake, are there any impacts on your company's Platform business, as well as any effects on the EV Charging business such as construction and charging port malfunctions?**

Currently, the Nanao-Ota Thermal Power Plant, a major thermal power generation facility owned by Hokuriku Electric Power Company located in Nanao City, Ishikawa Prefecture, has been urgently shut down due to the impact of facility collapse and other issues. There is currently no prospect for recovery (as of January 4, 2024).

However, there are thermal power plants with similar capacity in Toyama and Fukui prefectures, and all are operational except for those undergoing inspection. In addition, it has been announced that stable power supply is not affected, as procurement can also be made from the wholesale electricity market. Looking at the market, there is no significant disruption, such as a sudden surge in prices. Therefore, there are no direct impacts on our Platform business.

On the other hand, regarding the installation projects for the EV Charging business in the Hokuriku region, there are cases within our company's projects where installations were affected in areas with damage, though the number is limited. We are currently considering our response while making inquiries to the general incorporated association, the Next Generation Vehicle Promotion Center, which is the implementing body for the subsidy program.

**Q5. A Honda-backed Israeli startup announced plans to utilize fusion power, a new power generation method, for EV stations. How does your company perceive initiatives like this?**

We believe that nuclear fusion power generation is a noteworthy field as a method of power generation. It is beneficial as a method of power generation because it can produce electricity without emitting greenhouse gases, which is also advantageous from the perspective of building EV charging infrastructure and decarbonizing power sources. On the other hand, as far as our company's business domain is concerned, we currently have no plans for next-generation power generation technology and intend to focus on business activities closer to consumers.

**Q6. Regarding your company's new executive structure, there were changes in the CFO position, and Ippei Arita stepped down from the position of Senior Executive Officer. Could you please provide the reasons for these changes?**

With Ippei Arita stepping down from the position of senior executive officer, he will be withdrawing from the forefront of management. The intention is to focus on providing support and engaging in activities related to technology. As the CTO, he intends to continue contributing to the management and growth of technical aspects across all business units.

Furthermore, regarding the change in CFO, after approximately three years since the IPO in 2020, the scope expected of the CFO role has evolved. It has shifted from the previous focus on fundraising and financial consolidation to a position overseeing finance and business planning, providing a comprehensive perspective on ENECHANGE's entire business. In this new role, the CFO will work in tandem with CEO Yohei Kiguchi to drive business initiatives.

Taking into consideration the current situation, following discussions within the Compensation Committee, we strategically appoint Tomoya Maruoka as the new CFO, effective from February 1, 2024.

Starting from February, we plan to conduct an interview with the new CFO, Mr. Maruoka, as well as a dialogue with the former CFO, Mr. Sugimoto. We also intend to release the biographies of the newly appointed executives, so please stay tuned for more information.

**Q7. Since January, news and disclosures have been concentrated at 12:00, but why?**

We believe that it is important to communicate information widely and in a timely manner to our stakeholders, including investors. As part of this effort, starting from 2024, we are striving to make disclosures at fixed times such as 12:00 whenever possible.