

# FY23 Financial Results & FY24 Forecast

ENECHANGE Ltd.  
February 9, 2024

Tokyo Stock Exchange Growth Securities Code | 4169



**In FY24, focusing on the synergy among our three businesses, we will take on the challenge of becoming an "Enecorn"**

FY23 marked a year of resurgence, with ever-high sales, profitability in H2, and strong growth in the EV Charging and Platform businesses.

In FY24, ENECHANGE aims to achieve sales of 10 billion JPY and full-year profitability through the synergy of these businesses.

ENECHANGE aims to take flight as the world's first\* profitable listed EV charge point operator.



\*On a full-year basis, with reference to other major comparable EV charge point operators.

## Part 1: FY23 performance and FY24 earnings forecast

- 01** Financial results for FY23
- 02** EV Charging business
- 03** Platform business
- 04** Data business
- 05** FY24 earnings forecast

## Part 2: Company highlights

- 01** Vast market opportunities towards achieving net zero
- 02** Continued high growth since inception
- 03** Implemented strategic fundraising to drive future growth
- 04** Clear mission and strong team

A horizontal bar consisting of a red segment on the left and a grey segment on the right.

## Part 1: FY23 performance and FY24 earnings forecast

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**01** Financial results for FY23

**02** EV Charging business

**03** Platform business

**04** Data business

**05** FY24 earnings forecast

# Stock price trends



Note: 1:2 stock splits were carried out with effect on April 1, 2021, and January 1, 2022, respectively. The impact of these splits has been reflected in the stock prices shown here.

# FY23: Executive Summary

<p><b>FY23</b> Financial results</p>	<p>Achieved revised sales target alongside steady business progress. Ordinary profit reached a deficit of -1.2 billion JPY, versus the forecasted -1.3 billion JPY.</p>	<p><b>Sales</b> <b>6.62 billion JPY</b> (YoY : +77%)</p>	<p><b>Ordinary profit</b> <b>-1.2 billion JPY</b></p>
<p><b>EV Charging business</b></p>	<p>The installation of EV charging ports is progressing smoothly, and operational activities have surged further through collaboration with eMP. Successfully begun to scale since launching in FY21.</p>	<p><b>Sales</b> <b>2.31 billion JPY</b> (YoY: +1124%)</p>	<p><b>Segment profit</b> <b>-0.9 billion JPY</b></p>
<p><b>Platform business</b></p>	<p>Achieved record-high revenue with the recovery of the business environment. Segment profit also increased (+89% YoY).</p>	<p><b>Sales</b> <b>3.31 billion JPY</b> (YoY: +29%)</p>	<p><b>Segment profit</b> <b>0.42 billion JPY</b> (YoY: +89%)</p>
<p><b>Data business</b></p>	<p>Both sales and segment profit were stable.</p>	<p><b>Sales</b> <b>0.99 billion JPY</b> (YoY: +3%)</p>	<p><b>Segment profit</b> <b>0.15 billion JPY</b> (YoY: -3%)</p>
<p><b>FY24</b> Full-year forecast</p>	<p>Plan to achieve revenue of 10 billion JPY three years ahead of schedule in FY24. Transitioning from the investment phase to the profitability phase.</p>	<p><b>Sales</b> <b>10 billion JPY</b></p>	<p><b>Adjusted operating profit<sup>*1</sup></b> <b>Profit</b></p>

\*1. Adjusted operating income refers to operating income plus stock compensation expenses.

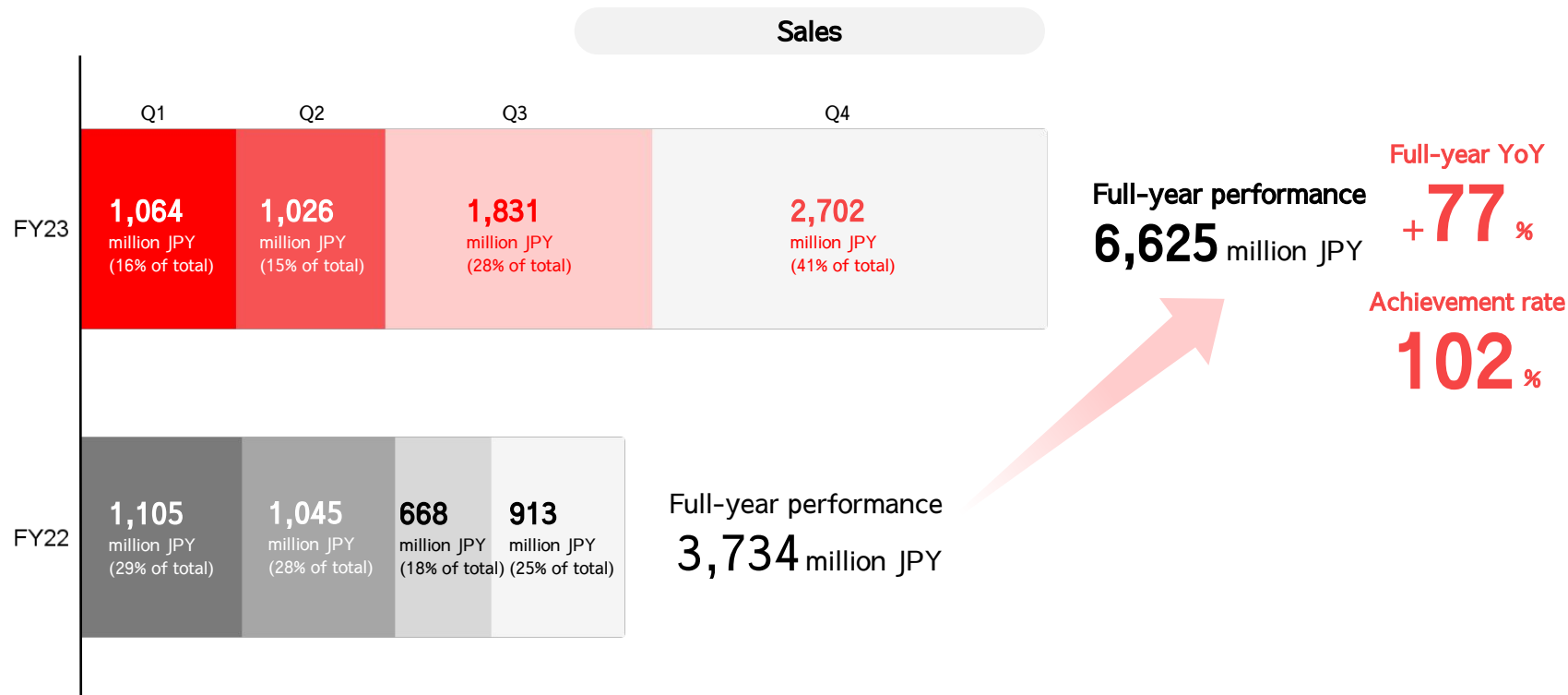


# 01 Financial results for FY23



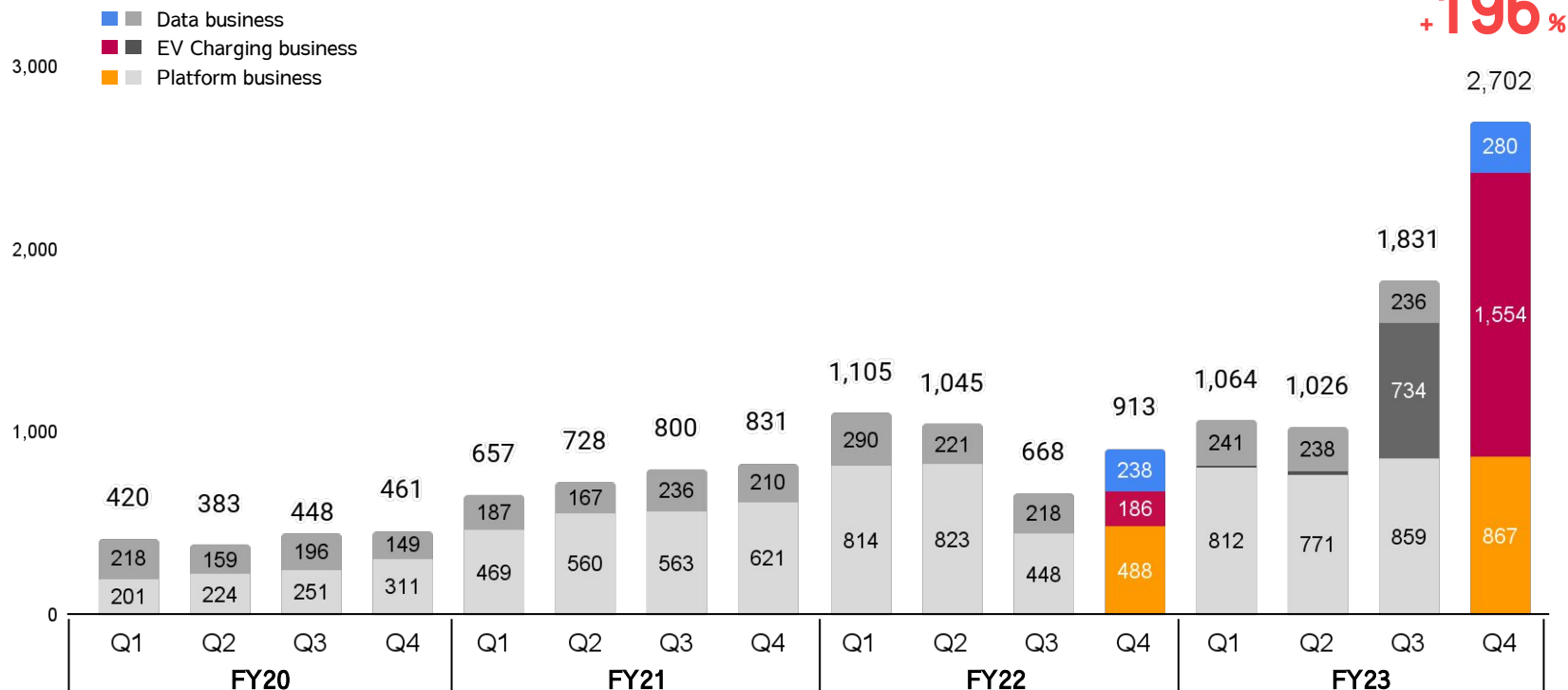
# Achievement against sales forecast

Full-year sales totaled 6.6 billion JPY (+77% YoY), with an achievement rate of 102% against the revised full-year forecast of 6.5 billion JPY.



# Sales

Quarterly sales reached a record high of 2,702 million JPY (+196% YoY) due to a recovery in sales in the Platform business and the EV Charging business beginning to scale. We reached near record-high levels across all businesses.

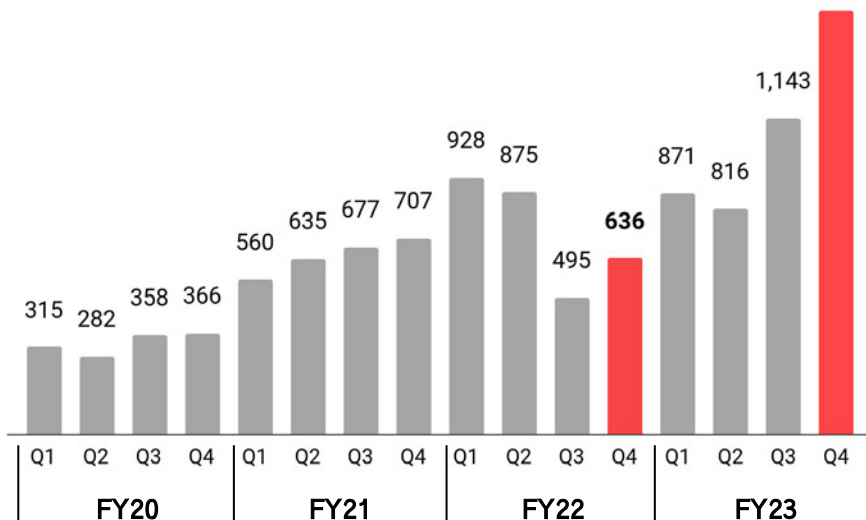


# Gross profit and gross profit margin

Quarterly gross profit reached a record high of 1,533 million JPY (+141% YoY). The gross profit margin was 57% (-13 pt YoY) due to the increased hardware sales in the EV Charging business, which have relatively low gross profit margins.

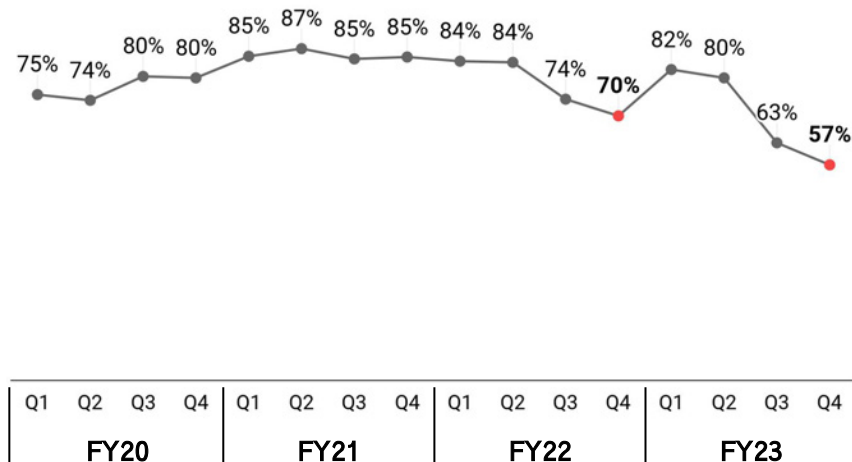
Quarterly gross profit

YoY  
**+141%**  
1,533



Quarterly gross profit margin

YoY  
**-13 pt**



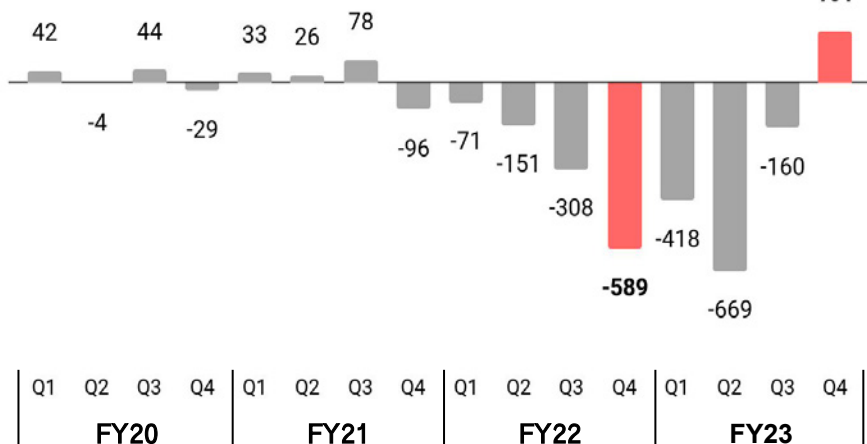
# Operating profit and ordinary profit

Quarterly operating profit was 181 million JPY (+770 million JPY YoY), and ordinary profit was 137 million JPY (+760 million JPY YoY), due to the full-scale contribution of sales in the EV Charging business. We are transitioning from the investment phase to the profit-generating phase.

## Operating profit

Unit: JPY MM

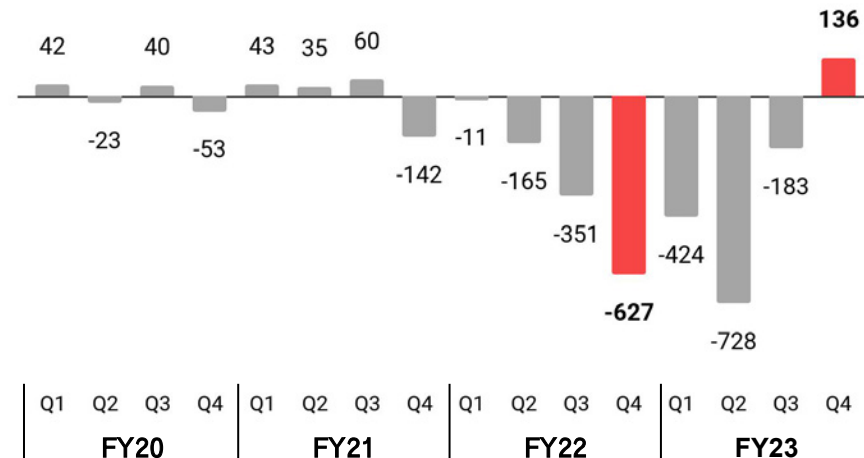
YoY  
**+770**  
million JPY



## Ordinary profit

Unit: JPY MM

YoY  
**+760**  
million JPY

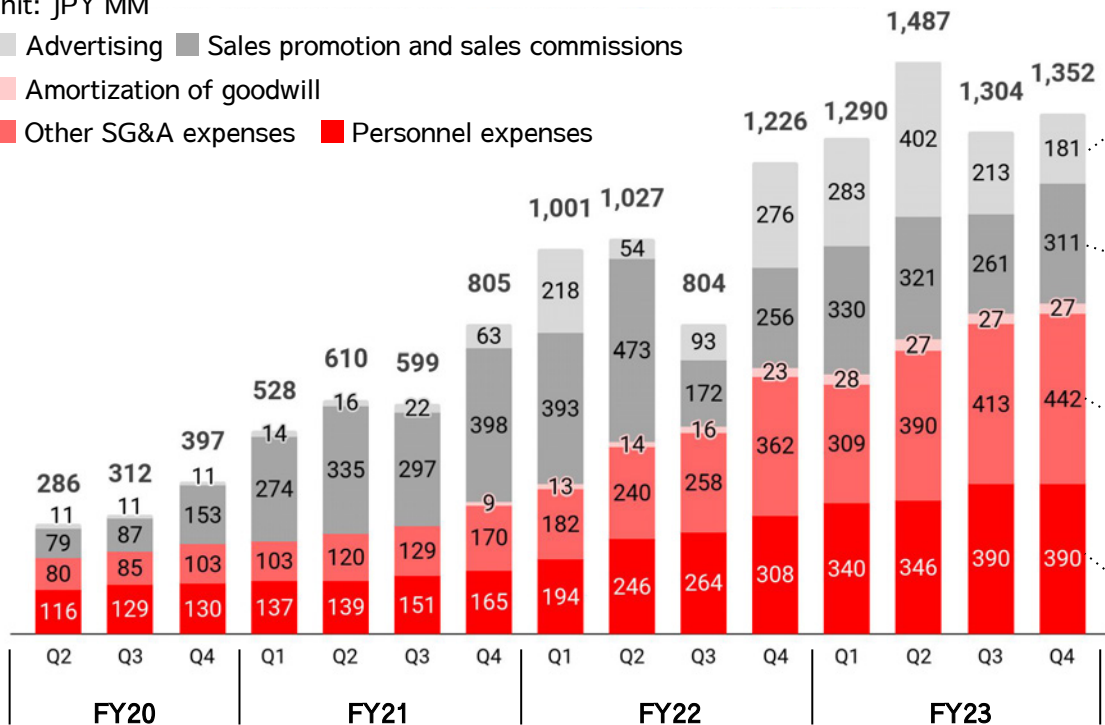


# SG&A expenses

Quarterly SG&A expenses saw a natural expansion alongside sales growth, resulting in a marginal increase of +10% YoY and +4% QoQ.

Unit: JPY MM

- Advertising
- Sales promotion and sales commissions
- Amortization of goodwill
- Other SG&A expenses
- Personnel expenses



## Advertising

Decreased due to efficient advertising spending in the EV Charging business

## Sales promotion and sales commissions

Increased due to stronger non-recurring revenue in Platform business

## Other SG&A expenses

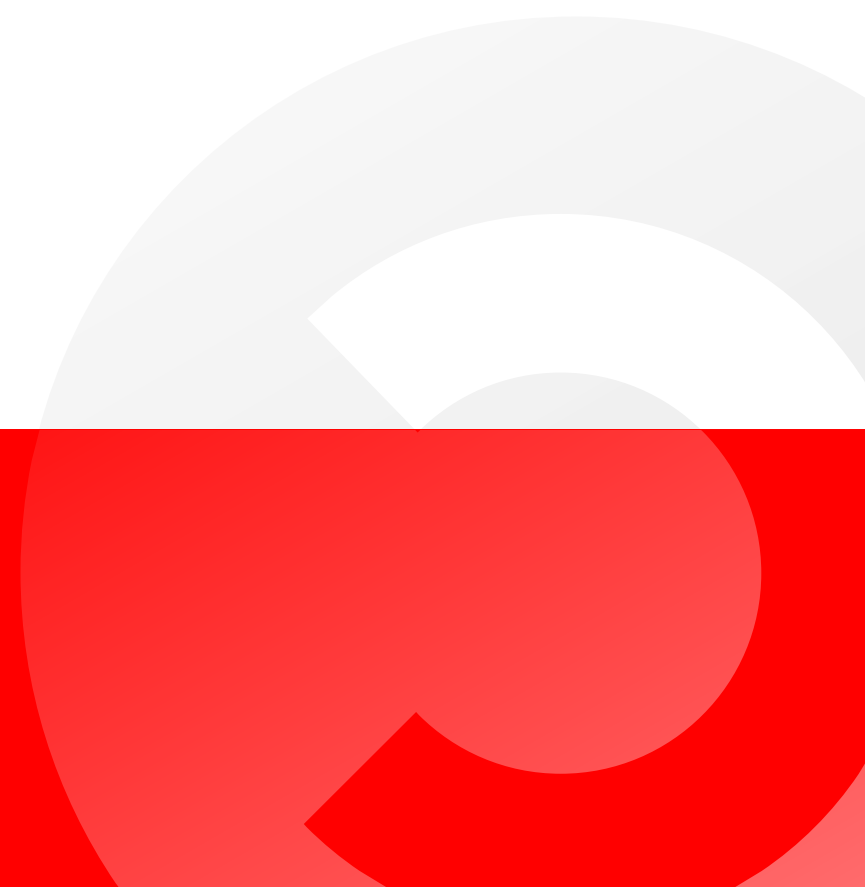
Increased due to call center costs associated with stronger user acquisition in the Platform business

## Personnel expenses

Following establishment of team, EV Charging business is in a relatively stable situation



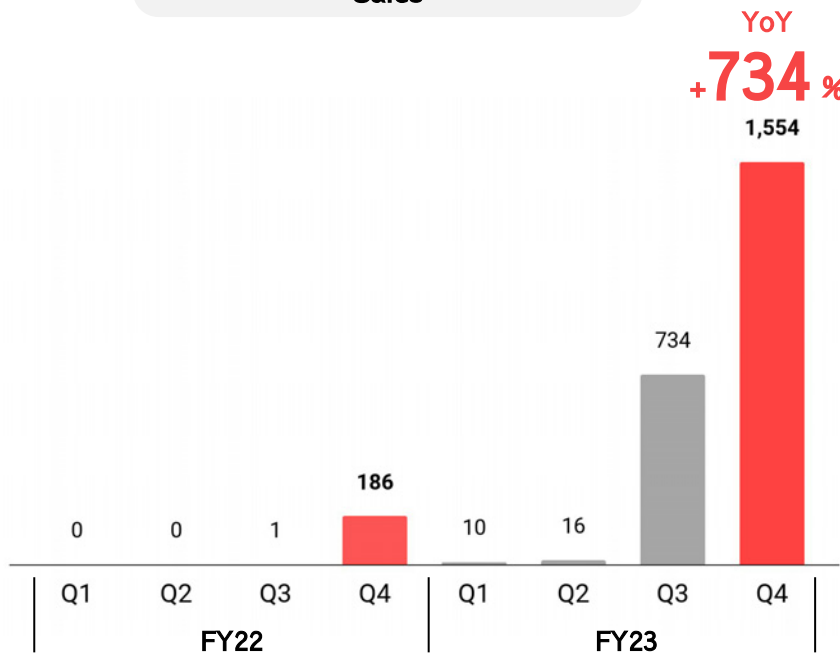
## 02 EV Charging business



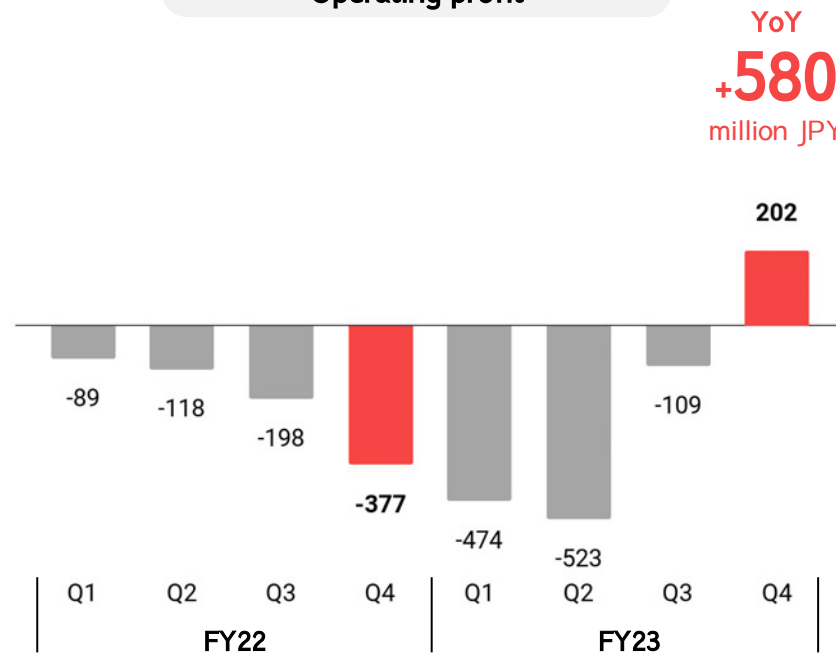
# Sales and operating profit

Sales reached a record high of 1,554 million JPY (+734% YoY) due to the installations of charging ports. Operating profit was 202 million JPY, a growth of +580 million JPY YoY and +310 million JPY QoQ. Please note that a detailed sales breakdown will not be disclosed due to competitive reasons.

## Sales



## Operating profit

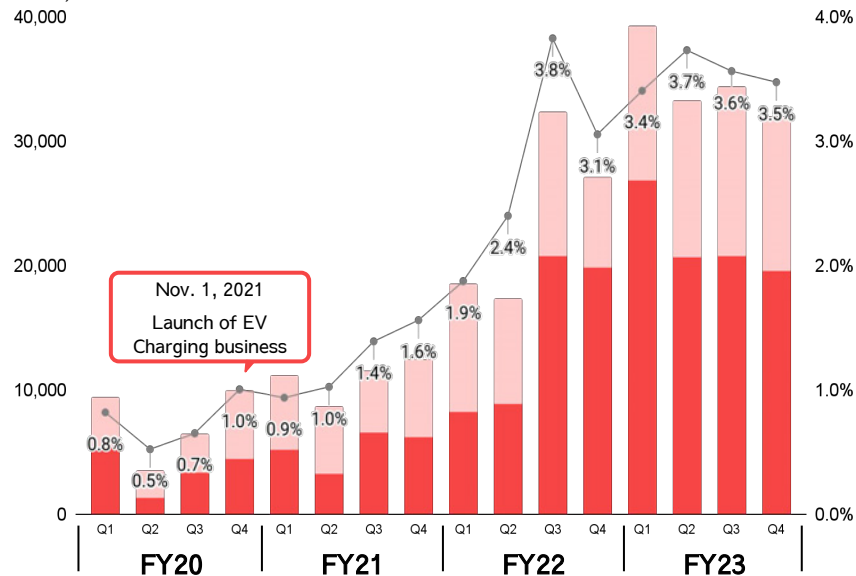


# Business environment update

The sales volume of new EVs/PHEVs in 2023 Q4 has grown +25% YoY with an increase of 0.4pt. The subsidy for port installations in 2024 is 36 billion JPY, with subsidy applications starting from March.

## Sales volume and ratio of new EVs/PHEVs in Japan\*1

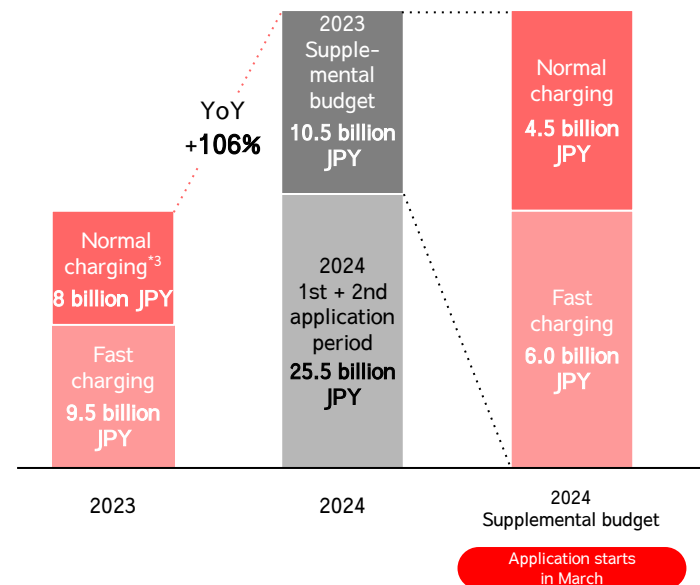
(vehicles) ■ PHEV ■ EV ● Sales ratio



YoY  
Sales volume  
**+ 25 %**

Sales ratio  
**+ 0.4 pt**

## Status of EV-related subsidies\*2



\*1. Prepared by ENECHANGE based on: Japan Automobile Dealers Association, "Numbers of Sold Vehicles by Fuel Type (Passenger Vehicles)"; Japan Light Motor Vehicle and Motorcycle Association, "Confirmed Report for New Vehicle Sales per Common Name for kei car".

\*2. The budget is the total of FY23 supplemental budget + FY24 budget.

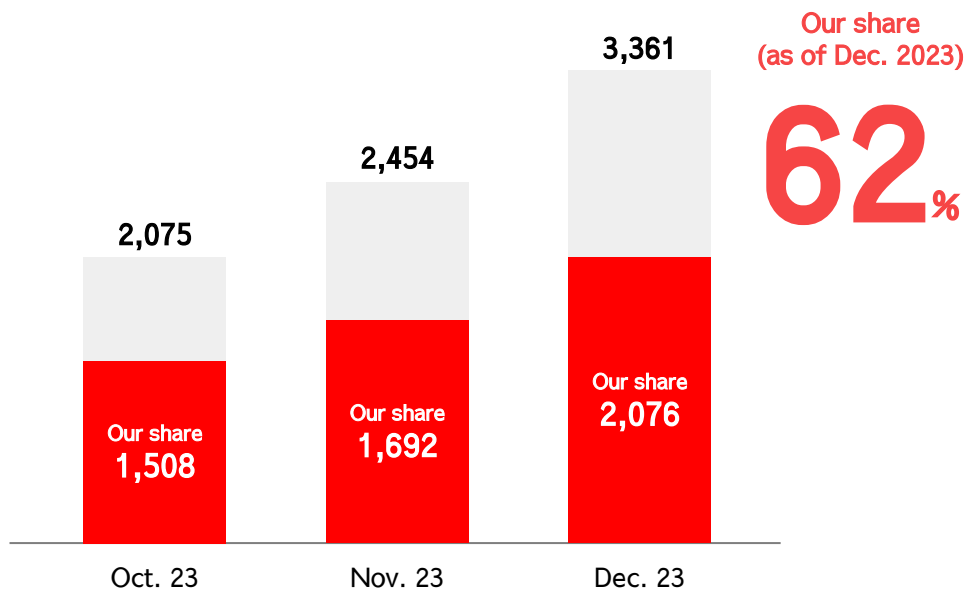
\*3. "Normal charging" refers to home and destination charging.



# Our share of destination charging ports (6kW+)

As of the end of December 2023, ENECHANGE EV Charge had installed 2,076 destination charging ports across the country. The market share of ENECHANGE EV Charge was 62% (as of the end of December 2023).

Trend in the number of destination charging installations\*1



Installation throughout Japan



\*1. Compiled by extracting only 6kW charging ports from EVsmart's "EV Charger Statistics Information" (does not include basic charging).



## 03 Platform business

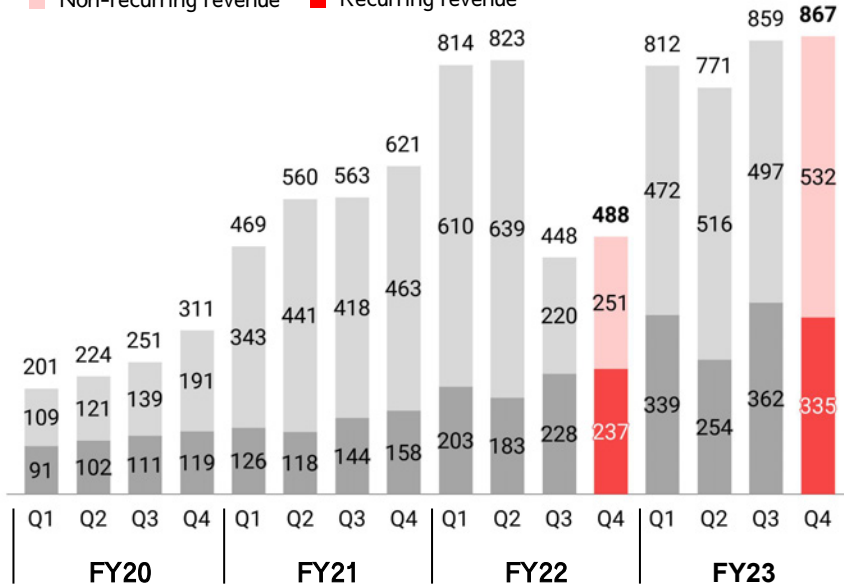
# Sales and operating profit

Sales reached a record high of 867 million JPY (+77% YoY), and recurring revenue was 335 million JPY (+41% YoY). This is due to higher electricity bills and an increased number of users. With the recovery of the business environment, operating profit was 149 million JPY (+179 million JPY YoY).

## Sales

Unit: JPY MM

■ Non-recurring revenue

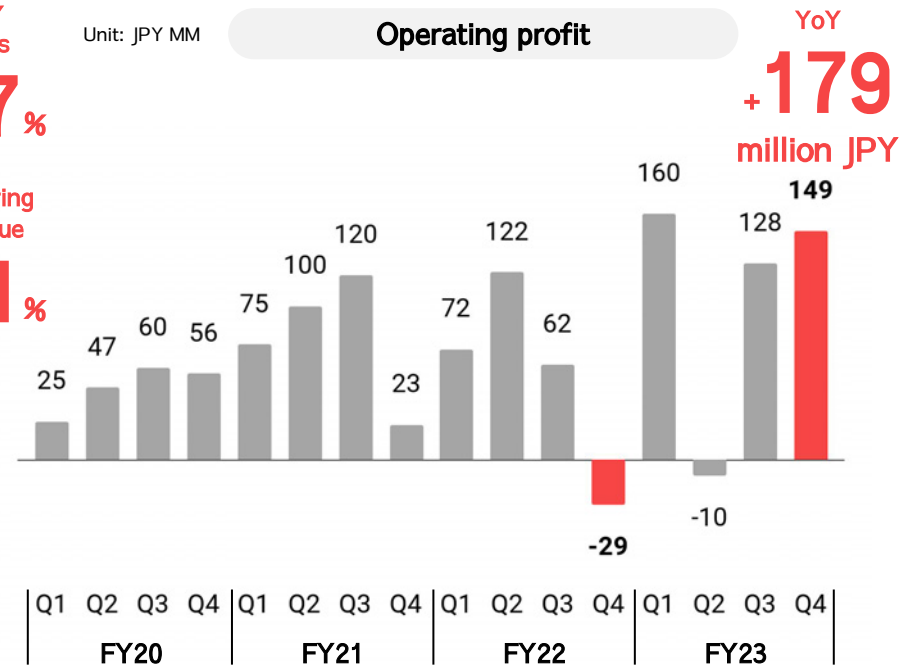
■ Recurring revenue


YoY Sales  
**+77%**

Recurring revenue  
**+41%**

## Operating profit

Unit: JPY MM

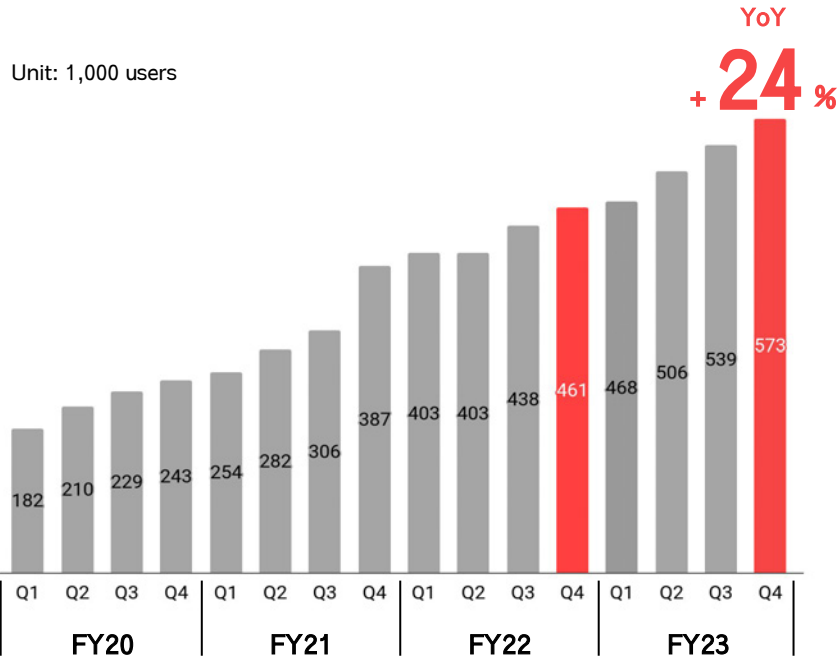


YoY  
**+179**  
million JPY

# KPIs

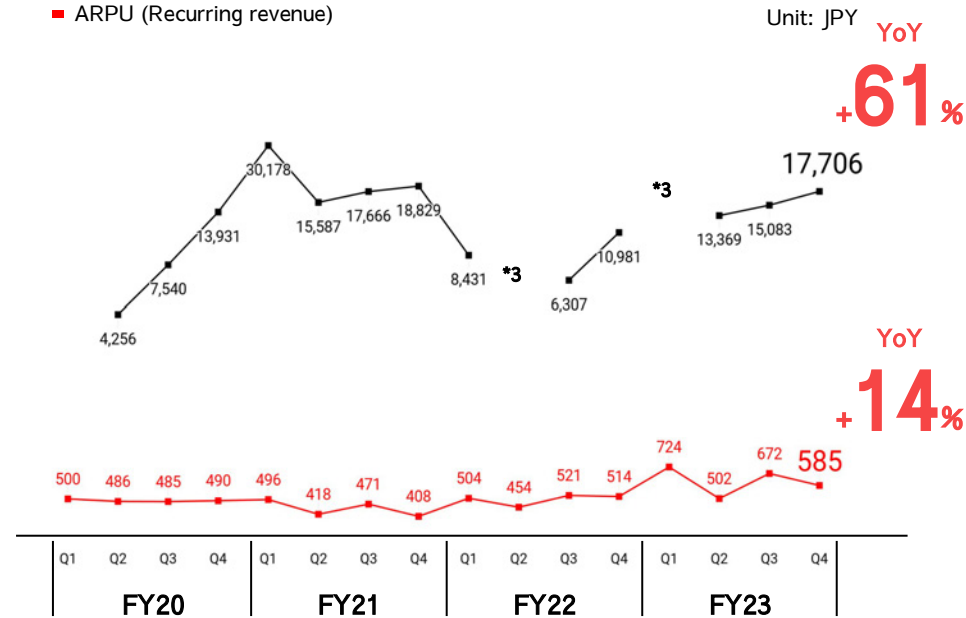
The number of users reached 573,000 (+24% YoY), a record high. ARPU (non-recurring revenue) was 17,706 JPY (+61% YoY), while ARPU (recurring revenue) was 585 JPY (+14% YoY), showing a favorable trend.

## Number of users (converted on a general household basis)\*1



## ARPU\*2

- ARPU (Non-recurring revenue)
- ARPU (Recurring revenue)



\*1. To accurately compare the impact of corporate and household switches, switches are calculated for corporates using an equivalent rate and converted based on the rebates from the total obtained capacity using the capacity of a general household as 4kW.

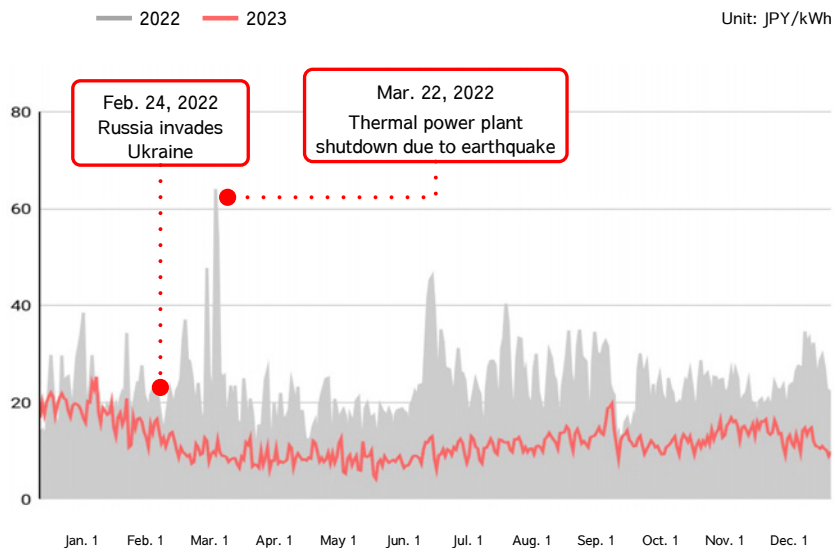
\*2. Average Revenue Per User: Calculated after dividing the quarterly sales in the business by the number of users at the end of the quarter. ARPU (non-recurring revenue) is calculated as non-recurring revenue divided by the number of customers, while ARPU (recurring revenue) is calculated as recurring revenue divided by the number of customers.

\*3. FY22 Q2 and FY23 Q1 did not see a significant change in the number of users. Therefore, non-recurring revenue ARPU could not be calculated precisely.

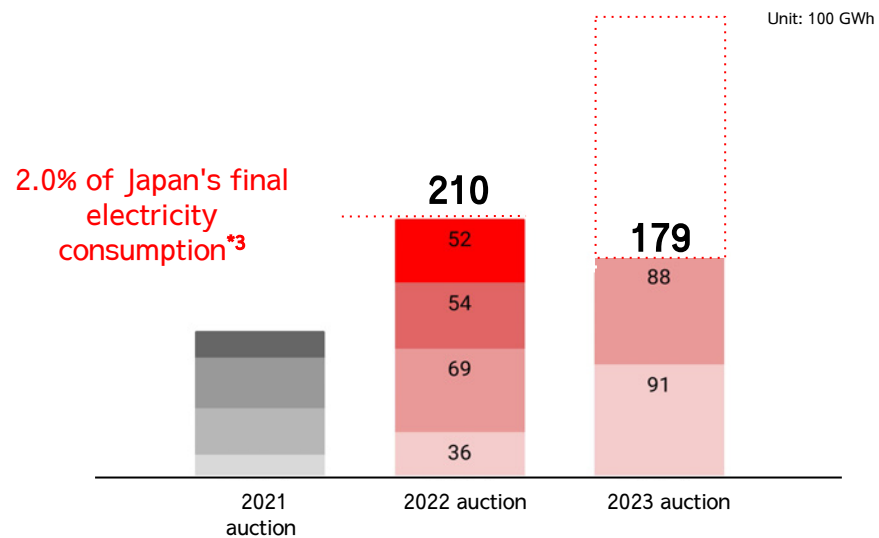
# Business environment update

The wholesale electricity market (JEPX) prices have stabilized due to factors such as the decline in fuel prices. Renewable energy demand showed strong growth, reaching record high trading in non-fossil certificates (as of second auction of 2023).

### JEPX prices\*1



### Trading volume of non-fossil certificates\*2



\*1. From JEPX trading information, calculate the average daily system price.

\*2. Calculated from non-fossil value transactions in JEPX trading information.

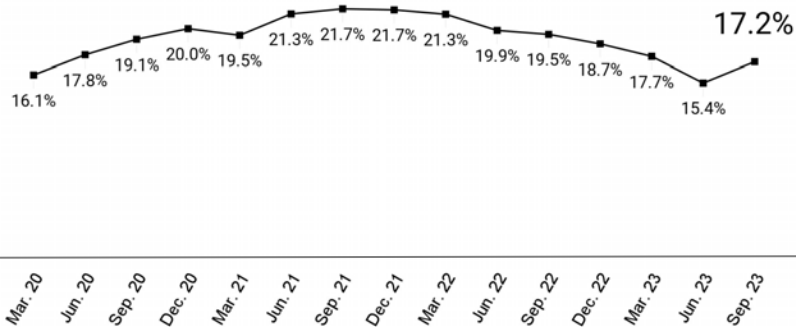
\*3. Based on the average value of final electricity consumption from fiscal year 2010 to 2021, as cited from the Agency for Natural Resources and Energy "Energy White Paper 2023".

Second auction

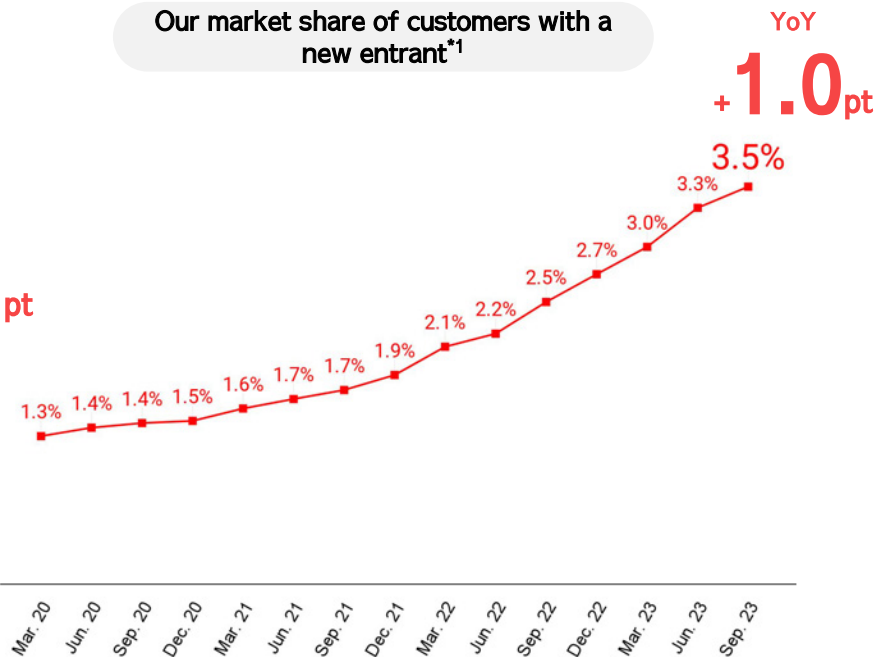
# Market share

By the end of September 2023, the share of new entrants in the domestic market reversed from a declining trend. Our company has successfully continued to acquire market share, growing to a new record high.

Market share of electricity sales by new entrants\*<sup>1</sup>



Our market share of customers with a new entrant\*<sup>1</sup>



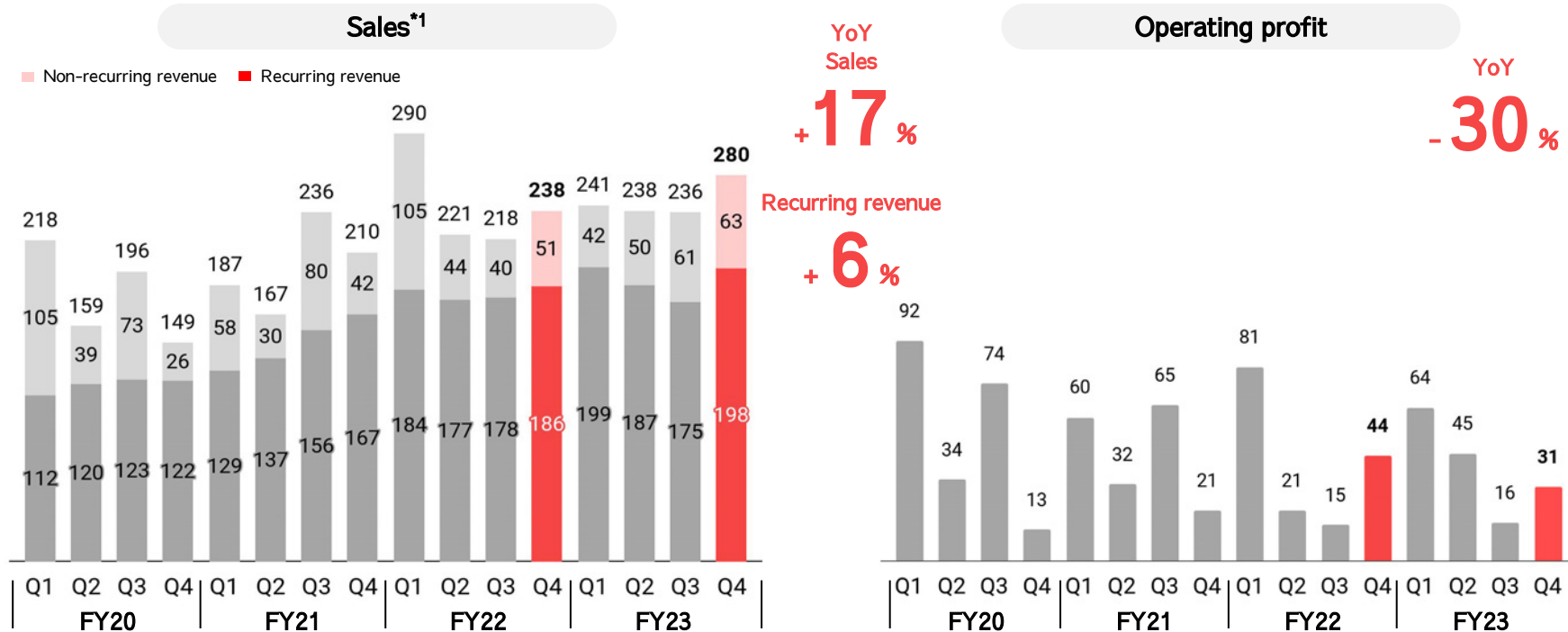
\*1. Based on the volume of electricity sold (kWh) in the electricity trading reports by the Electricity and Gas Market Surveillance Commission, the share of new entrants (left) is calculated. Our share (right) is calculated by converting the number of accounts to kW, calculated internally by our company.



## 04 Data business

# Sales and operating profit

Sales expanded to 280 million JPY (+17% YoY), and recurring revenue was 198 million JPY (+6% YoY) following a rise in ARPU. With an operating profit of 31 million JPY (-30% YoY), the segment continues to be profitable.



\*1. From FY22, due to the new revenue recognition standard, the accounting method for non-recurring revenue, such as initial and additional development for the Data business, has been changed from bulk accounting at acceptance inspection to accounting proportionally over the contract period.

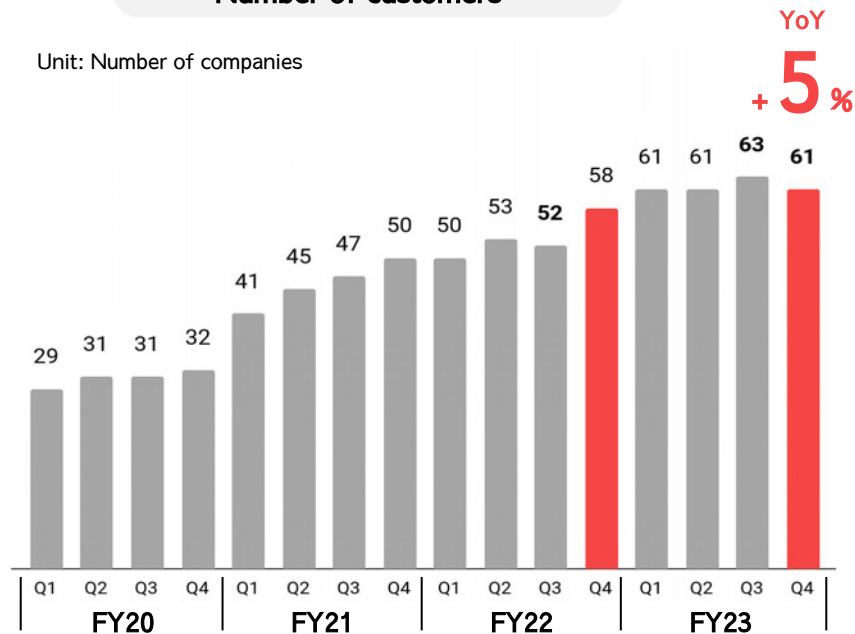


# KPIs

The number of customers remained at a high level (+5% YoY). The decrease on a QoQ basis is a temporary effect due to the consolidation of our product offerings. ARPU (non-recurring revenue) is 1,033,000 JPY (+17% YoY), while ARPU (recurring revenue) is 3,246,000 JPY (+1% YoY), showing a stable trend.

## Number of customers\*1

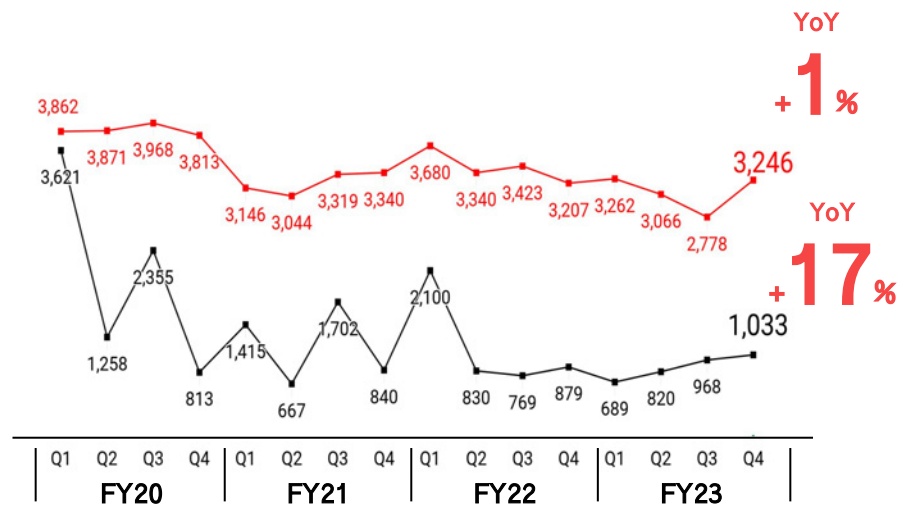
Unit: Number of companies



## ARPU\*2

■ ARPU (Non-recurring revenue)  
■ ARPU (Recurring revenue)

Unit: 1,000 JPY



\*1. Counting number of customers as of the end of the period.

\*2. Average Revenue Per User: Calculated after dividing the quarterly sales by the number of customers at the end of the quarter.

ARPU (non-recurring revenue) is calculated as non-recurring revenue divided by the number of customers, while ARPU (recurring revenue) is calculated as recurring revenue divided by the number of customers.



## 05 FY24 earnings forecast

# FY24 earnings forecast

The sales target of 10 billion JPY initially projected for FY27 is expected to be achieved in FY24, three years ahead of schedule. In FY24, we also expect to achieve a positive adjusted operating profit as the EV Charging business moves from the investment phase to the profitability phase.

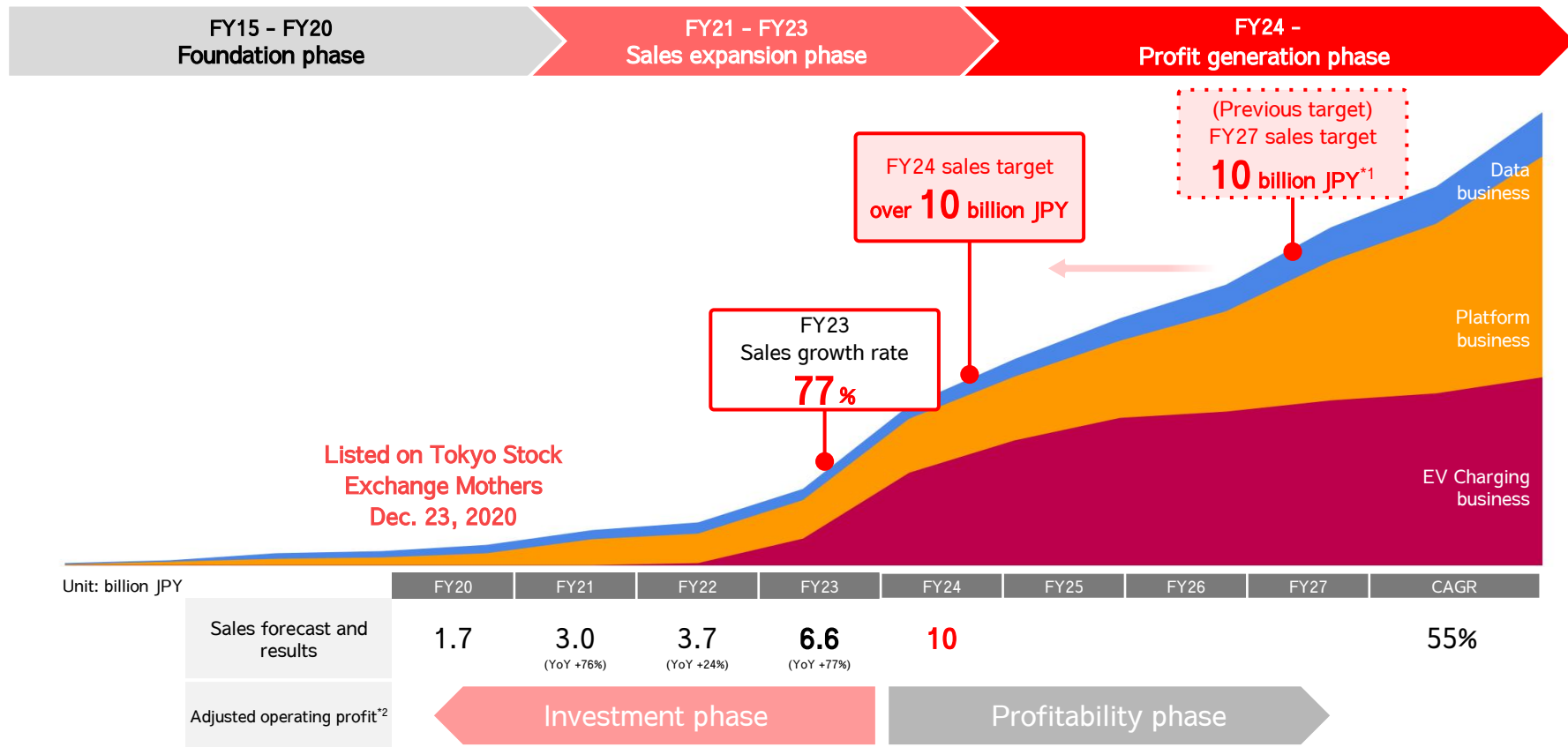
Unit: JPY MM

	FY23 results	FY24 forecast	YoY	Strategy
Sales	<b>6,625</b>	<b>10,000</b>	<b>+51%</b>	Aiming to achieve sales of 10 billion JPY in FY24, driven by the EV Charging business.
EV Charging business	<b>2,317</b>	-	-	Aiming for continuous growth in sales and profits, and expecting profitability from second half.
Platform business	<b>3,310</b>	-	-	Due to the recovery of the energy companies, stronger customer acquisition is expected, leading to an anticipated +30% growth in sales.
Data business	<b>997</b>	-	-	In addition to stable sales performance throughout the fiscal year, an increase in sales is expected due to the improvement in the business environment for energy companies.
Adjusted operating profit/loss	<b>(1,066)</b>	<b>Profit*2</b>	-	While a deficit is anticipated in the first half of the year, profitability is expected for the full fiscal year.

\*1. Adjusted operating income refers to operating income plus stock compensation expenses.

\*2. While expecting to achieve an adjusted operating income profit, the company intends to invest strategically; thus, specifics regarding the exact numbers are not disclosed.

# Performance roadmap: 10 billion JPY in sales and profitability in FY24



\*1. We plan to announce the update of our medium-term targets in the "Business Plan and Growth Potential" disclosure in March 2024.

\*2. Adjusted operating income refers to operating income plus stock compensation expenses.



## Part 2: Company highlights

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- 01** Vast market opportunities towards achieving net zero
- 02** Continued high growth since inception
- 03** Strategic fundraising to drive future growth
- 04** Clear mission and strong team

A horizontal bar consisting of a red segment on the left and a grey segment on the right.

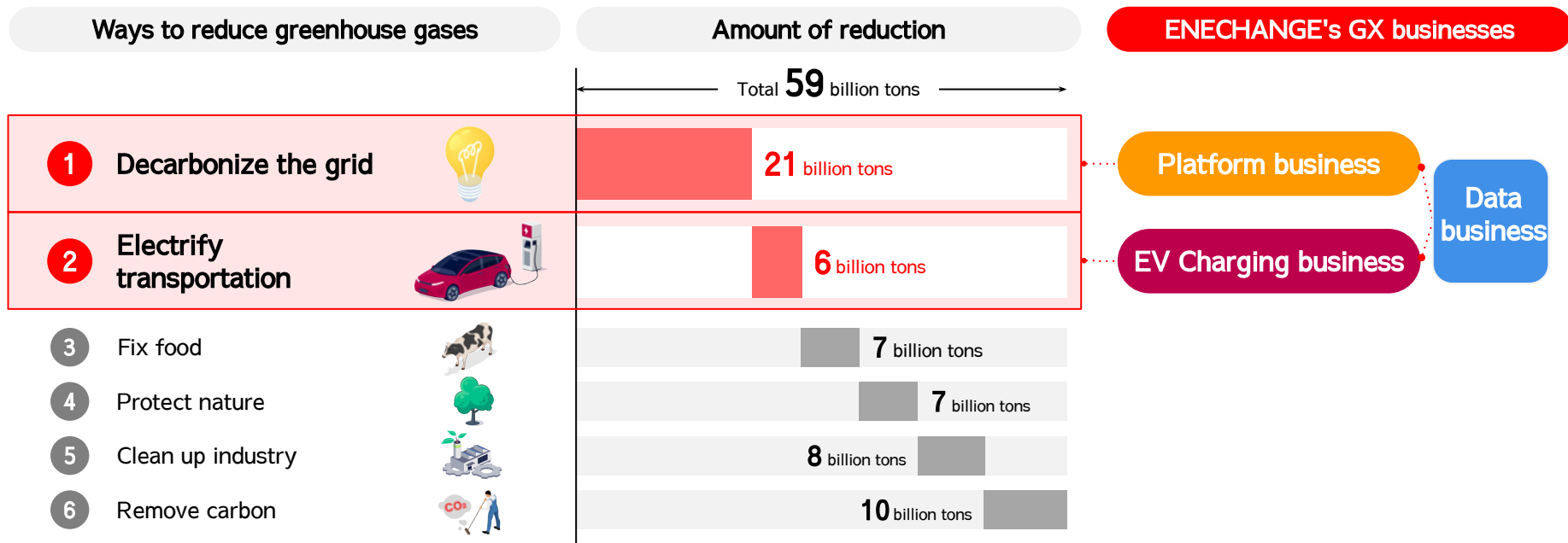
# 01 Vast market opportunities towards net zero

Large, semi-transparent, light grey circular and semi-circular shapes in the background, partially overlapping a solid red area at the bottom of the slide.

# ENECHANGE is a GX (green transformation) company

To achieve net zero, decarbonizing the grid and electrifying transportation are essential actions. Our business directly contributes to these efforts and promotes GX.

## How to reach net zero\*1

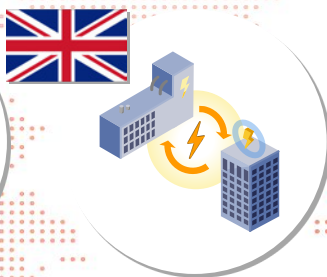


\*1. Based on *Speed & Scale* (authored by John Doerr) and NewsPicks editorial material.



# Corporate management from a global perspective

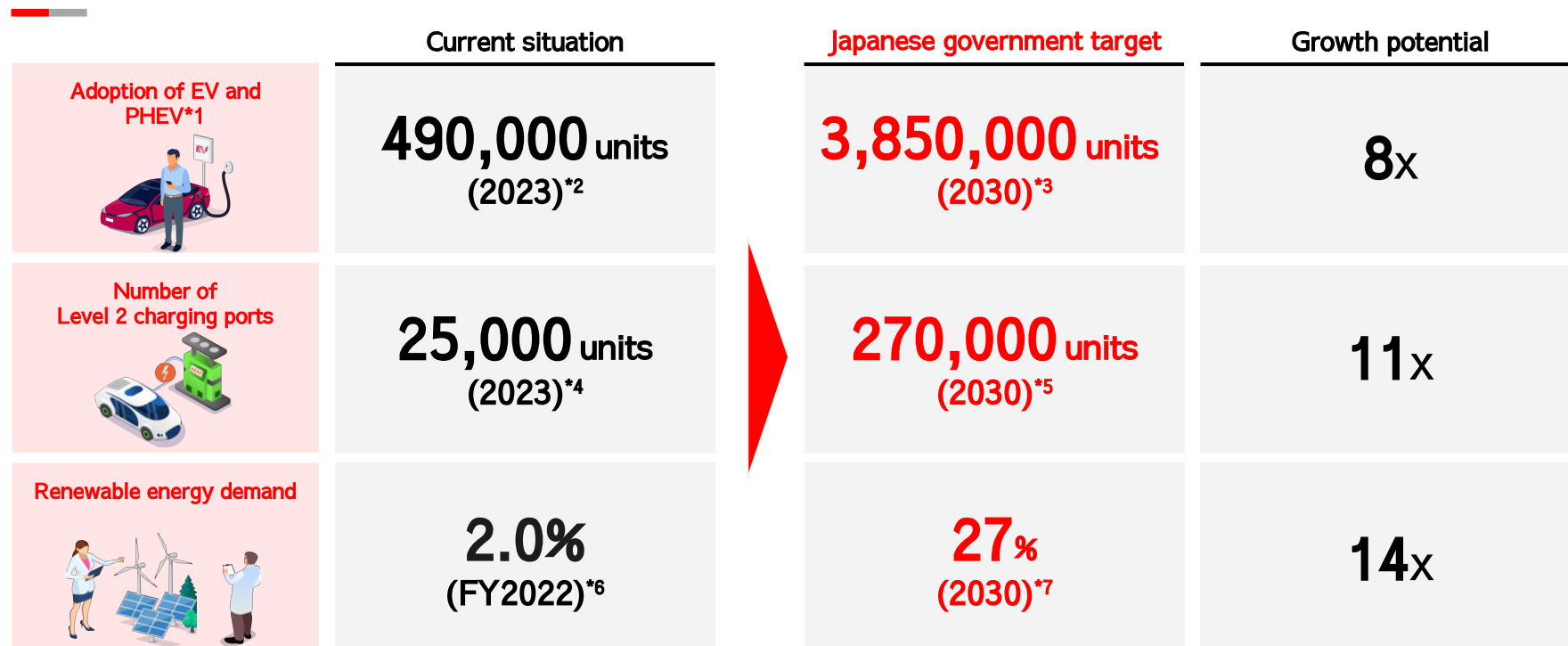
We identify opportunities for our business in Japan by thoroughly researching advanced markets overseas. With the Platform business, we studied the UK as a leader in electricity market liberalization. For EV charging, we studied the US, EU, and other regions where many EV charge point operators are publicly listed.



Researching advanced models from overseas and localizing them for Japan



# Huge growth potential in the GX market



\*1. Electric Vehicles (EV) and Plug-in Hybrid Vehicles (PHEV).

\*2. Calculated by our company based on the statistics of EV ownership by the Next Generation Vehicle Promotion Center, sales figures by fuel type (passenger cars) from the Japan Automobile Dealers Association, and confirmed new car sales reports by model name from the All Japan Light Motor Vehicle Association.

\*3. Based on the "100% electrification" for new car sales by 2035 as stated in the Ministry of Economy, Trade and Industry's "Basic Policy for Realizing GX" (February 2023), our company's estimation considers a 50% ratio for EVs and PHEVs (assuming the remaining 50% is for hybrid vehicles).

\*4. Referenced EV charging station information site "GoGoEV" (December 2023).

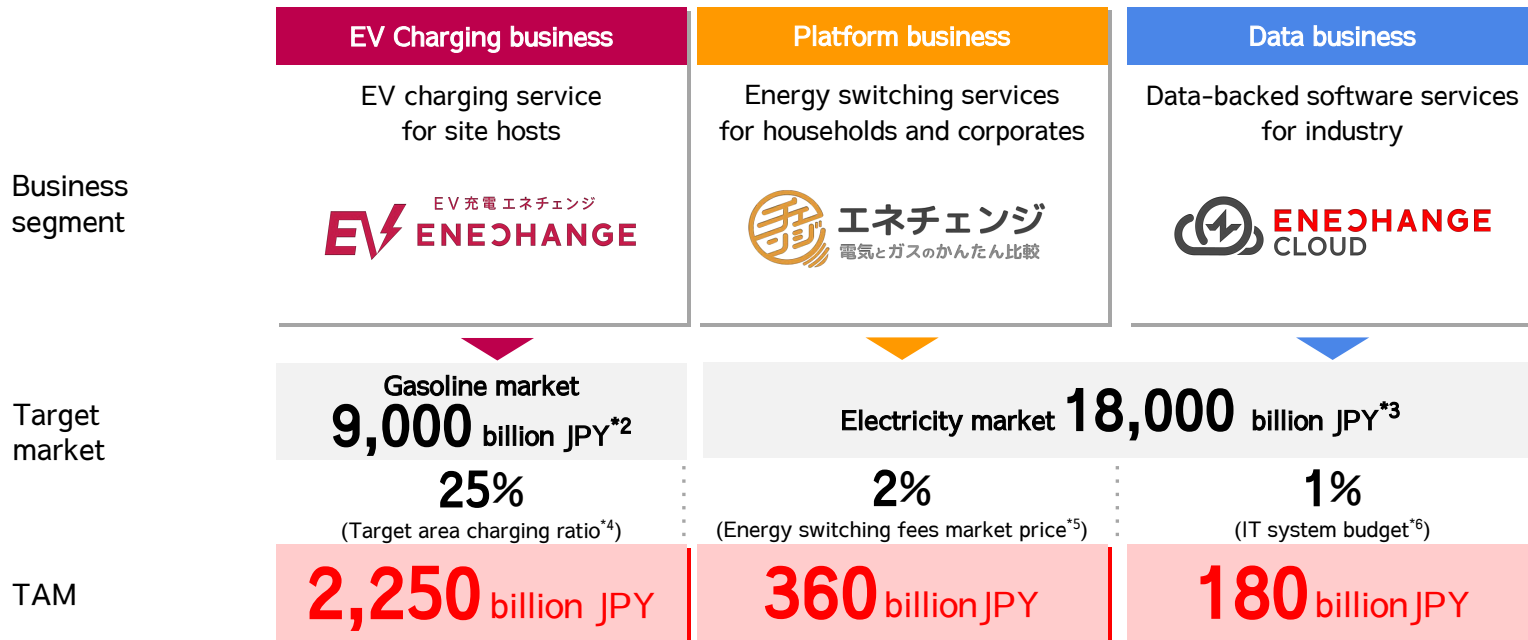
\*5. Mentioned in the Ministry of Economy, Trade and Industry's "Guidelines for Promoting the Development of Charging Infrastructure" (October 2023).

\*6. Our estimation is calculated from non-fossil certificate transactions (FIT certificates + non-fossil/renewable energy certificates) in JEPX trading information, referring to the average value of final electricity consumption from fiscal year 2010 to 2021 from the Agency for Natural Resources and Energy's "Energy White Paper 2023".

\*7. Referring to the Ministry of Economy, Trade and Industry's "Green Growth Strategy aligned with 2050 Carbon Neutrality" (October 2020), we assume a linear progression to achieve 100% by 2050, and our estimation is consistent with the 2030 target for renewable energy generation ratio of 36-38%.

# Huge market size in GX Japan

Our businesses have a combined TAM\*1 in excess of 2,700 billion JPY in Japan, and we aim to establish dominant positions in these segments.



\*1. TAM: Total Addressable Market. This term refers to the estimated largest market size that we currently envision. It is not calculated to show the obtainable market size of the businesses we are running.

\*2. Source: Teikoku Databank, "Total Sales of Service Station Management Companies" (2017).

\*3. Based on the 2022 electricity sales amount in Electricity and Gas Market Surveillance Commission, "Electricity Trading Report Results".

\*4. Our assumption based on McKinsey & Company, "Building the electric-vehicle charging infrastructure America needs" (April 18, 2022).

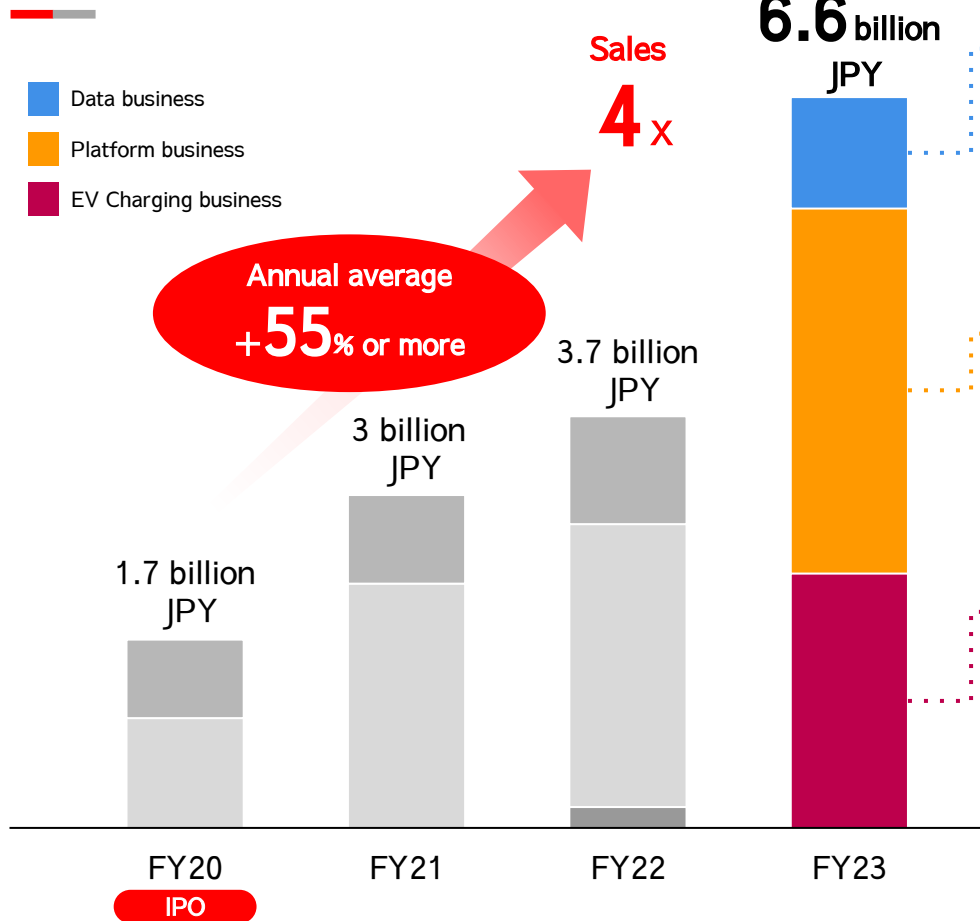
\*5. Recurring revenue rate for energy bills, according to research by ENECHANGE.

\*6. IT budget ratio in the energy industry (social infrastructure) according to "Corporate IT Trends Survey" by Japan Users Association of Information Systems.



## 02 Continued high growth since inception

# Average annual sales growth rate of over 55% since the IPO



### Data business

Data-backed software services for industry

Number of energy company customers **61**

### Platform business

Energy switching service

Energy comparison website **No.1**

### EV Charging business

EV charging service

Number of installed EV charging ports **No.1**

Number of users of the EV charging app **No.1**

# Post-IPO growth of business KPIs

	FY20 TSE Mothers listing	FY23 Three years since listing	
Financial highlights	Sales <b>1.7</b> billion JPY	<b>6.6</b> billion JPY	<b>4</b> x
EV Charging business	-	Installed charging ports <b>2,076</b> <sup>*1</sup>	Launched in FY21
Platform business	Users <sup>*2</sup> <b>243,000</b>	<b>573,000</b>	<b>2</b> x
Data business	Customers <sup>*3</sup> <b>32</b> Companies	<b>61</b> Companies	<b>2</b> x
Organization	Employees <b>91</b> people	<b>285</b> people <sup>*4</sup>	<b>3</b> x

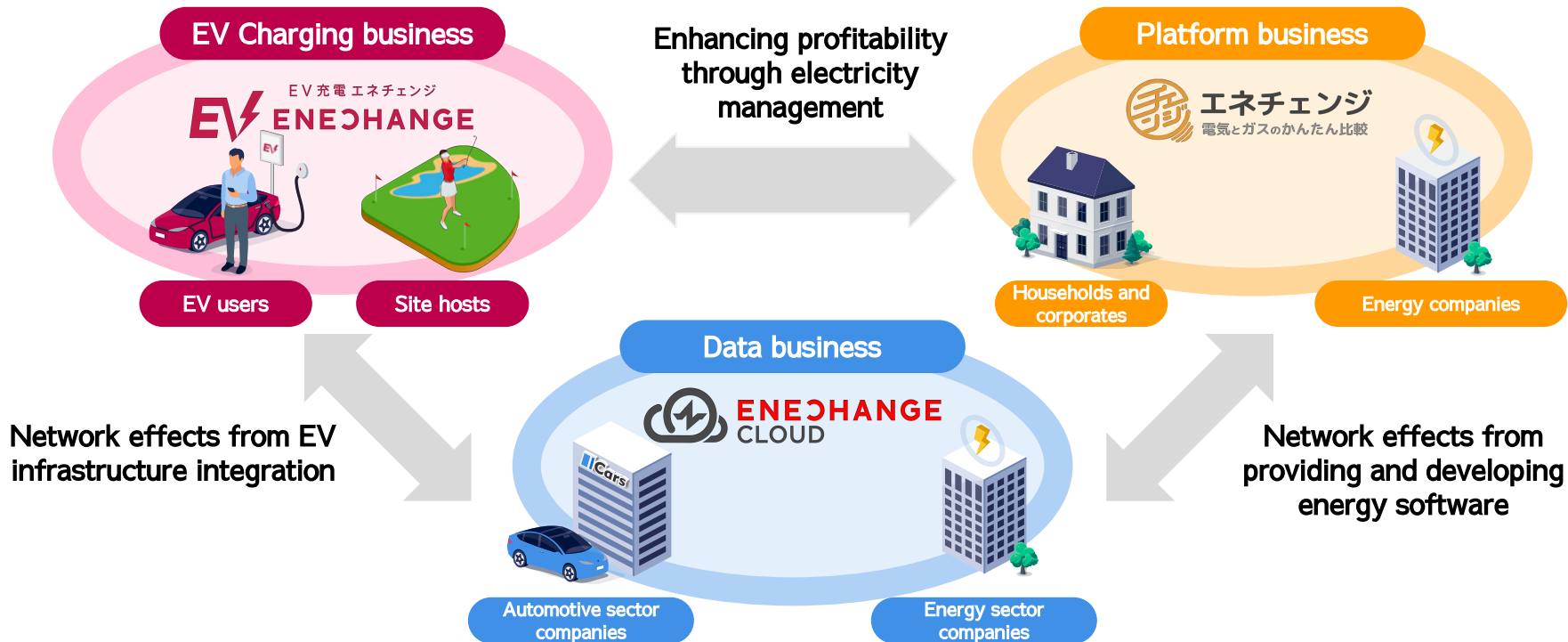
\*1. Created by extracting only the 6kW charging ports from EVsmart's "EV Charger Statistical Information" (excluding basic charging).

\*2. Counts the number of customers at the end of the period.

\*3. Created by extracting only 6kW charging spots from EVsmart's "EV Charger Statistics Information" (excluding basic charging).





\*4. Number of connected employees (including commissioned executive officers, excluding temporary employees).

# Accelerating the synergy among ENECHANGE's three businesses



# Performance of overseas EV charge point operators

Many overseas EV charge point operators\*<sup>1</sup> have not yet achieved profitability. However, due to the synergy with the Platform and Data businesses, our company has a high gross profit margin (FY23: 66%). As a whole, we expect to move into a profitability phase from FY24.

Company name (Ticker symbol)	Market cap <sup>*2</sup>	Total Sales (TTM)	Revenue Growth YoY (MRQ)	Gross Profit/Loss (TTM) <sup>*3</sup>	Gross Profit Margin	Operating Profit/Loss (TTM)	Operating Profit Margin	SBC Expense (TTM)	SBC/Total Sales
 EVgo (EVGO)	\$1.1 B	\$138 M	234.1%	\$5.1 M	3.7%	-\$155 M	-112.2%	\$29 M	21%
 ChargePoint (CHPT)	\$978 M	\$544 M	-12.0%	\$41 M	7.5%	-\$435 M	-80.1%	\$118 M	22%
 Allego (ALLG)	\$361 M	\$172 M	28.2%	\$24 M	13.9%	-\$102 M	-59.4%	\$50 M	29%
 Blink (BLNK)	\$229 M	\$120 M	151.5%	\$36 M	30.0%	-\$209 M	-173.8%	\$25 M	21%

\*1. Companies engaged in EV charging management and operation are considered Charge Point Operators from "EV Charging Infrastructure in Europe and North America - 2nd Edition" by Berg Insight.

\*2. As of market close December 31, 2023 (€1=US\$1.09). Market cap calculated from outstanding shares (from the last disclosed quarterly report) multiplied by share price at market close December 31, 2023. Sales figures and profit/loss calculated from financial statements published as of December 31, 2023.

\*3. Calculated on GAAP basis.

Note: All units USD unless otherwise stated.





## **03 Strategic fundraising to drive future growth**

# Overview of the fundraising

## Purpose

- **Strengthening financial foundation for our company to rapidly expand EV charging infrastructure**

## Transaction overview

- **Fundraising from JIC VGI Opportunity Fund 1 Limited Partnership (OPF1)\*1**
- **By a third-party allotment capital increase, ordinary shares equivalent to 12.23% of our total issued shares are allotted to OPF1**
  - Number of newly issued shares: 3,784,200 (Dilution Rate: 12.23%)
  - Issue price: 1,057 JPY per share\*2
  - Net proceeds estimate: 3,974 million JPY
  - Payment date: February 26, 2024

## Use of funds

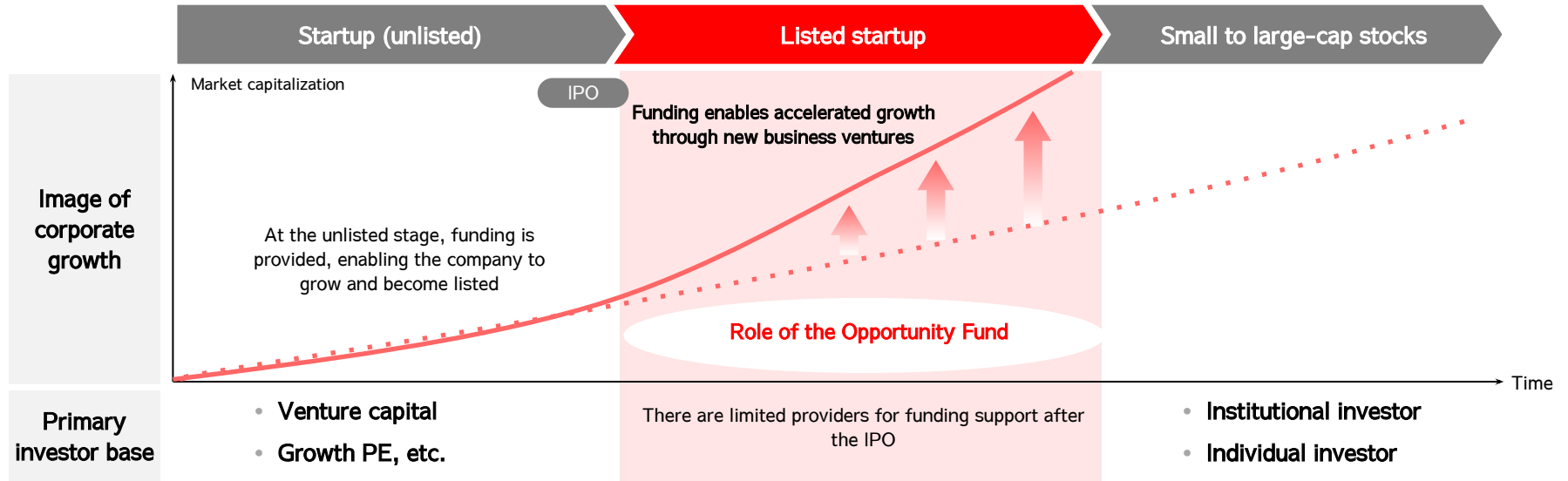
- **The raised funds will be allocated for further expansion of the EV charging business**
  - Funds for investment related to sales promoting and team expansion
  - Working capital for the expansion of our EV charging network
  - Funds for future M&A and similar investments

\*1. JIC VGI OPF1 is a fund of JIC Venture Growth Investments Co., Ltd., which is part of the Japan Industrial Innovation Organization (an investment company based on the Industrial Competitiveness Enhancement Act). The fund aims to promote innovation in Japan and enhance its international competitiveness.  
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\*2. Please refer to No. 4 in the "Supplementary Explanation on This Finance" on page 45.

# Securing post-IPO risk capital from JIC VGI

Due to structural issues in the domestic market, listed startups face challenges in achieving a continuous increase in stock price or raising growth funds after going public. To maximize growth potential, it is necessary to have shareholders who can provide growth financing support post-IPO. The investment strategy of JIC VGI aligns with our company's business activities and business phase.



Structural challenges in the market are constraining the growth of listed startups



Achieving strategic funding for sustainable and exponential growth after the IPO

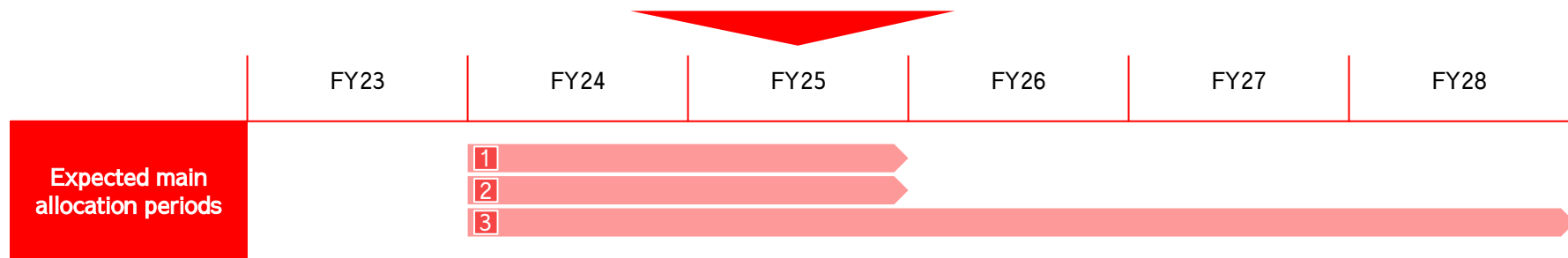
# Plan for the utilization of raised funds

We will allocate the raised funds over the next two years to expand the EV Charging business, which is crucial to further EV adoption in Japan. We will also secure the financial resources to support future M&A activities and enhance future flexibility.

Estimated fundraising amount of 3,974 million JPY from the OPF1

## Allocated for further expansion of the EV Charging business

- 1 Funds for investment related to sales promoting and team expansion
- 2 Working capital for the expansion of our EV charging network
- 3 Funds for future M&A and similar investments



# FAQs concerning this fundraising

No.	Questions	Answers
1	What is the background leading to the fundraising?	In its "Basic Policy on Achieving a Green Transformation (GX)", the Japanese government aims to invest 150 trillion JPY over the next decade. Regarding EV charging infrastructure, the installation target for public charging ports has been doubled from the initial 150,000 to 300,000 by 2030, and subsidies have been increasing year after year. Given this policy background and the trends in the competitive environment, we believe that strategic investments in the EV Charging business will reap the maximum benefits in this environment. We have anticipated a necessary expansion of working capital to fund aggressive business development, advertising, and hardware purchases in the course of growing the business, leading to this fundraising. For details, please refer to "Notice of Issuance of New Shares by Third-Party Allotment and Change of Major Shareholders" (hereinafter, Press Release) page 1, section 2(1), "Background and Purpose of This Third-Party Allotment Capital Increase".
2	What is the reason for choosing a third-party allotment capital increase?	In this round of fundraising we considered various fundraising methods, including public offerings, shareholder allotment capital increases, issuance of warrants, and bank loans. We ultimately chose a third-party allotment capital increase. Taking into consideration shareholder benefits and financial stability, we favored the issuance of new shares to long-term stable shareholders. Although this third-party allotment capital increase will result in some dilution (12.23%), we believe that this fundraising will contribute to medium and long-term growth and enhancement of corporate value. We also believe that the expected future increase in earnings per share will exceed the dilution effect. For details, please refer to the section "Reasons for Selecting a Third-party Allotment Capital Increase as a Fundraising Method" in the Press Release, page 2, section 2(2).
3	What is the background for selecting JIC VGI as the designated allottee?	The designated allottee is JIC Venture Growth Investments' fund, JIC VGI OPF1, under the umbrella of the Japan Industrial Innovation Organization (an investment company based on the Industrial Competitiveness Enhancement Act). The fund aims to promote innovation in Japan and enhance international competitiveness. The fund focuses on supporting the growth of listed companies, possesses a track record in the energy sector (including new energy and decarbonization technologies), and provides hands-on support as well as a broad network. The fund also holds investments over the medium to long term, which aligns with our objectives. For more details, please refer to the reasons for selecting the designated allottee in the Press Release, page 6, section 6(2).
4	How was the discount determined?	The issue price has been set equivalent to 96.35% of the average stock price (1,097 JPY) for the month prior to February 8, 2024 - the most recent trading day before the board resolution date (February 9, 2024) related to this third-party allotment capital increase. This method was deemed the most rational basis for calculation as adopting a smoothed value, such as the average stock price, more accurately reflects the stock value. The final decision was made after consideration of other corporate cases and the "Guidelines on Handling of Third-Party Allotment Capital Increases" by the Japan Securities Dealers Association, and consultation with the planned allottees. For details, please refer to the Press Release, page 4, section 5(1), on the basis of calculation and specific payment amounts.

# Strengthening financial foundation through fundraising

Through this fundraising, net assets improve to 6.3 billion JPY, the equity ratio to 59%, and the debt-to-equity ratio to 0.40x. The strengthening of the financial foundation prepares us for additional business investments and future M&A activities. We also plan to reduce capital<sup>\*1</sup> (though this is merely an accounting entry transfer within net assets with no impact on shareholders).

**Consolidated balance sheet**  
(As of the end of December 2023)

<b>Cash and deposits</b> <b>1.3 billion JPY</b>	Interest-bearing debt 2.5 billion JPY
Other assets 5.3 billion JPY	Other liabilities 1.8 billion JPY
	<b>Net assets</b> <b>2.3 billion JPY</b>

Equity ratio: 36%

Debt-to-equity ratio: 1.1 x

Feb. 2024  
Third-party  
Allotment Capital  
Increase



**Consolidated balance sheet with  
simple aggregation post-transaction**

<b>Cash and deposits</b> <b>5.3 billion JPY</b>	Interest-bearing debt 2.5 billion JPY
Other assets 5.3 billion JPY	Other liabilities 1.8 billion JPY
	<b>Net assets</b> <b>6.3 billion JPY</b>

Equity ratio: 59%

Debt-to-equity ratio: 0.40 x

Feb. 2024

A third-party allotment capital increase of 4.0 billion JPY was implemented from JIC VGI to be allocated to the EV Charging business.

Dec. 2021

A public offering was conducted, raising 3.9 billion JPY to be allocated to the Platform business and Data business.

\*1. The process of transferring the increased capital and capital reserve from a capital increase to other capital surplus. For details, refer to the announcement disclosed February 9, 2024, "Notice Regarding Reduction of Capital and Capital Reserve".

# Programmatic M&A strategy for growth

## M&A and investment themes

## Case examples

## Future policy

### Platform

#### Roll-up M&A

- Acquiring a strategic customer base, particularly among corporate users

Oberlous Japan Inc.  
(Nov 2021)  
Approximately **350**  
million JPY



オーベラス・ジャパン株式会社

Shindenryoku Com  
Co., Ltd.  
(Jul 2022)  
Over **100** million JPY



### EV charging

#### Enhancing the EV user experience

- Integrating charging port mapping information into the app

Ayudante, Inc.  
(Oct 2022)  
**300** million JPY



### Data

- Acquiring services and service providers in new areas
- Investing in advanced decarbonization technologies

Decarbonization Tech  
Fund  
(Sep 2021)



Focusing on areas that are **adjacent and complementary** to existing businesses

Planning a **programmatic** approach that involves executing multiple projects of small and medium scale



## 04 Clear mission and strong team



## Our mission

# CHANGING ENERGY FOR A BETTER WORLD

The name ENECHANGE comes from my desire to CHANGE ENERGY. The company brings together people from around the world who share this mission of "CHANGING ENERGY FOR A BETTER WORLD."

To create a net zero society, innovation in the energy industry is essential. ENECHANGE uses the technological capacity, global knowledge, and networks we fostered at Cambridge to encourage reform in Japan's energy industry.

## Yohei Kiguchi, PhD CEO / Co-founder

After graduating from the University of Tokyo, Kiguchi obtained a doctorate in engineering in energy data AI analysis from the University of Cambridge. Based on his research, he founded ENECHANGE in 2015, which listed on the Tokyo Stock Exchange Mothers in 2020.

Kiguchi was the first Japanese person listed in Forbes 30 Under 30 Europe, has won many awards including the JX Awards (Japan Association of New Economies), and is well versed in the state of the world's energy industry.

He is also a current member of several Japanese governmental energy policy committees, as well as the Japan Association of Corporate Executives and Japan Association of New Economies.

About **80%**  
of employees  
resonate with  
this mission  
in their daily  
work



# Board of directors structure for FY24

Mr. Masayoshi Hirata, former Representative Executive Officer and CFO of Toshiba Corporation, is scheduled to be newly appointed as an independent outside director. Mr. Kenichi Fujita (former CEO of Siemens Japan) is scheduled to retire after 3 years of service.

## Proposed new board of directors structure

### Board of directors



#### Yohei Kiguchi, PhD

Representative Director and CEO  
University of Cambridge,  
Doctoral researcher



#### Kana Bogaki

Independent Outside Director  
Makuake,  
Co-founder/Director



#### Aki Mori

Independent Outside Director  
Recruit Holdings, Executive Officer  
Renova, CFO



#### Kenyu Adachi

Independent Outside Director  
Vice-Minister of Economy,  
Trade and Industry



#### Masayoshi Hirata

Independent Outside Director  
Toshiba Corporation CFO

## Introduction of directors to be appointed



#### Masayoshi Hirata

Independent Outside Director

Served as Representative Executive Officer and CFO of Toshiba Corporation. Since September 2015, he was the head of the finance department and played a key role in the groups's recent reorganization.

Energy/Environment Business



Corporate Governance



Accounting & Finance/Capital Markets

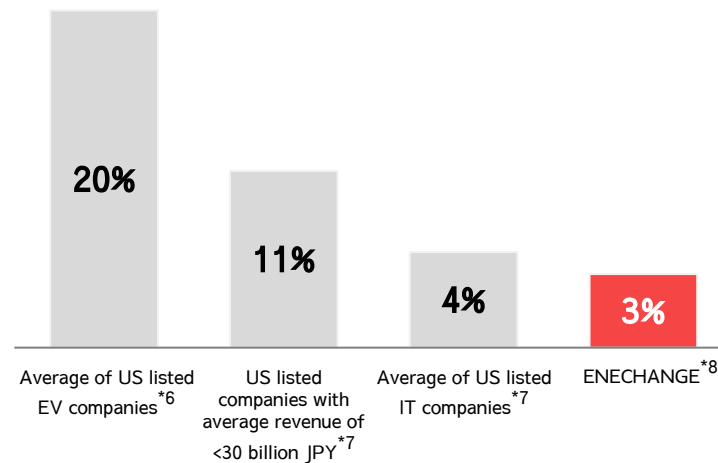


# Establishment of the Capital & Career Committed Mega-Venture Incentive

We aim to realize a Mega-Venture (with a market capitalization of over 100 billion JPY) through a package that integrates commitment and incentives for the next generation of management candidates - our most important human capital.

<b>Overview</b>	Grant 3.5 shares of paid stock options with exercisable conditions for the purchase of one transferred share (through a related transaction with Ippei Arita)
<b>Conditions of exercise</b>	Achieving A during the period from FY25 to FY32, and also achieving either B or C A. 13 billion JPY in sales plus 1 billion JPY in ordinary profit* <sup>1</sup> B. Market capitalization of 100 billion JPY (achieved on five consecutive working days)* <sup>2</sup> C. Listed on the Tokyo Stock Exchange Prime Market
<b>Participants</b>	47 individuals who have demonstrated voluntary interests from the pool of next-generation management candidates* <sup>3</sup> - CEO: 1 / Executive officers etc.: 13 / Employees: 33
<b>Commitment</b>	Commitment of funds* <sup>4</sup> Total 320 million JPY (average 6.8 million JPY) and lock-up until the conditions are met* <sup>5</sup>
<b>Future impact</b>	The total amount of 1,790 million JPY will be progressively recognized as expenses, considering the likelihood of achieving the conditions

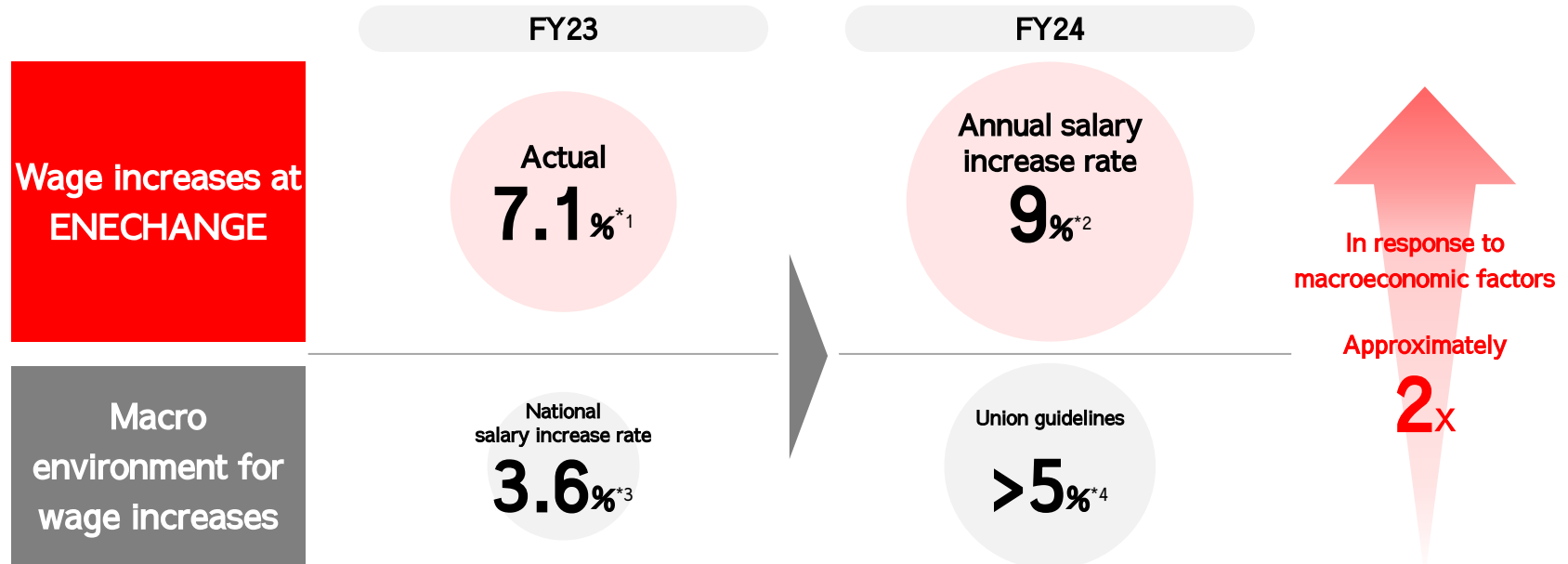
Ratio of stock-based compensation expense to revenue



\*1. Excluding stock-based compensation expenses. \*2. Based on the number of outstanding shares. \*3. At the time of the achieving the above conditions, being in full-time employment and maintaining continued ownership of the transferred shares. \*4. Excluding the CEO's financial commitment amount. \*5. Starting from the aforementioned achievement, exercisable at a rate of 50% annually. \*6. Calculated based on the average of the most recent fiscal year's published financial results of ChargePoint, Blink Charging, and EVgo in the United States. \*7. Morgan Stanley, "Stock Based Compensation: Unpacking the issues", April 2023. Companies with revenues of less than 30 billion JPY are those in the same survey falling in the 101-240 million USD range. \*8. The estimated value for the FY27 revenue target, assuming the required stock compensation expense amount is evenly recognized as an expense over the period from FY25 to FY28.

# Implementing wage increases to retain and attract talented staff

Wage increases have become a matter of national debate, and the Japanese Trade Union Confederation has suggested guidelines for a general wage increase of over 5% for FY24. Our company implements continuous wage increases to strengthen the commitment of employees who support business growth. We will continue to acquire and retain excellent talent who highly resonate with our mission and significantly contribute to business growth.



\*1. Pertaining to direct hire employees, excluding officers and part-time workers, in line with the Annual Securities Report.  
 \*2. The salary includes trust SO (stock options); hence it differs from the annual income disclosed in the Annual Securities Report.  
 \*3. Quoted from the Ministry of Health, Labour and Welfare's "Table 2: Trends in Spring Wage Increases in Major Private Companies" for the fiscal year 2023.  
 \*4. Quoted from the Japanese Trade Union Confederation's "2024 Spring Life Struggle Strategy."

# Offering a flexible work style to attract talented personnel

Even after relocating the head office, we continue to advocate for a work style that is remote-first. We are acquiring talented personnel from both within Japan and internationally who resonate with this culture.

## Head office working statistics after relocation

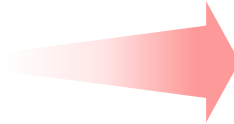
Recommended days of attendance / week

**1** day

Full remote ratio

**33**%

(As of January 1, 2024)



**ENECHANGE continues to encourage remote work, recruiting talented people from all over the country.**

In FY24, focusing on the synergy among our three businesses, we will take on the challenge of becoming an "Enecorn"





# Appendix



# Company outline

## ENECHANGE

CHANGING ENERGY FOR A BETTER WORLD

Company name	ENECHANGE Ltd.
Representatives	Yohei Kiguchi, Representative Director and CEO
Head office	14F WeWork Tokyo Square Garden, 3-1-1 Kyobashi, Chuo-ku, Tokyo, Japan
UK branch	ENECHANGE Innovation Limited

Founded

2015

Listed on the Tokyo  
Stock Exchange

2020

Sales  
(FY23)

6.6  
billion JPY

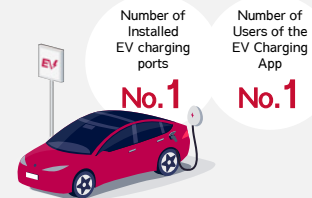
Employees

285

### EV Charging business

EV 充電 エネチェンジ  
**EV ENECHANGE**

EV charging service



### Platform business

エネチェンジ  
電気とガスのかんたん比較

Energy switching service



### Data business

ENECHANGE  
CLOUD

System development for  
energy companies





# Favorable market environment

Themes such as the expansion of GX and EV adoption are gaining attention, with the importance of related investments and human resources increasing. For our business, changes in the business environment progressing globally are serving as a tailwind.

Policy promotion

Government promotion of GX

Global trends in decarbonization

Increase in ESG investment

Changes in industry

Switch to EVs

Importance of energy security

Increasing the pool of green jobs

## Business outline

This business provides services for the installation and operation of EV charging at destinations such as hotels, commercial facilities, and apartments. In addition to 6kW charging ports that are also subsidy-compliant, we also offer an EV charging information app with payment functions to facilitate usage.



### EV charging information app



Works with Navitime,  
Google, Apple Maps, and  
car navigation systems

### Charging ports



6kW, subsidy-compliant  
charging ports

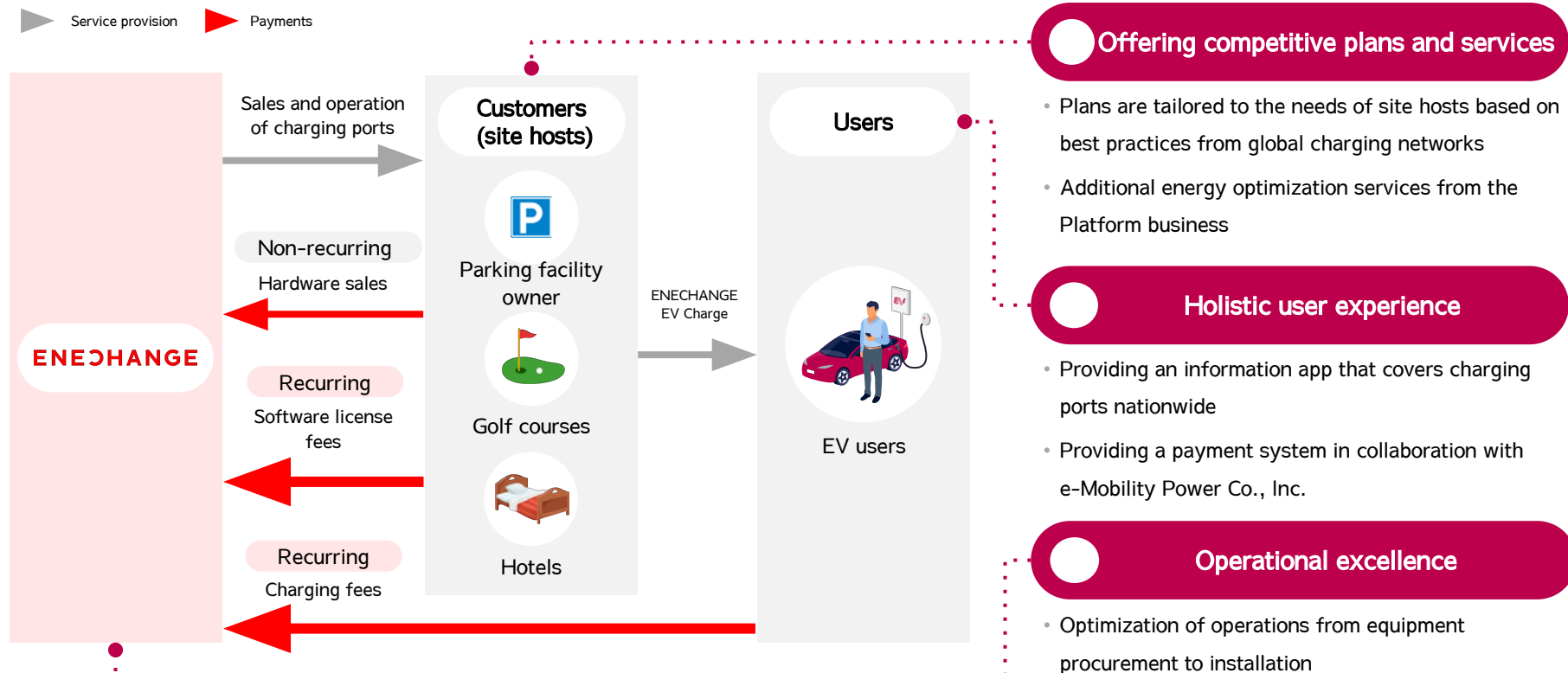
### In-app payment



e-Mobility Power charging  
card linkage

# Business model and competitive advantage

Non-recurring revenue is derived from hardware sales, while recurring revenue is generated from charging or software subscription fees.



## Business outline

Through the operation of our platform that has 2 million unique monthly visitors and over 50 affiliated energy companies\*, we can handle everything from price comparisons to switch processing all at once.

### Energy switching platform for households

 エネチェンジ  
電気とガスのかんたん比較



電気・ガスを切り替えて特典をもらおう



キャンペーン詳細はこちら

*“Switch electricity and gas and receive special offers!”*

### Energy switching platform for corporates

 エネチェンジBiz  
法人向け 電気代見直しサイトNo.1



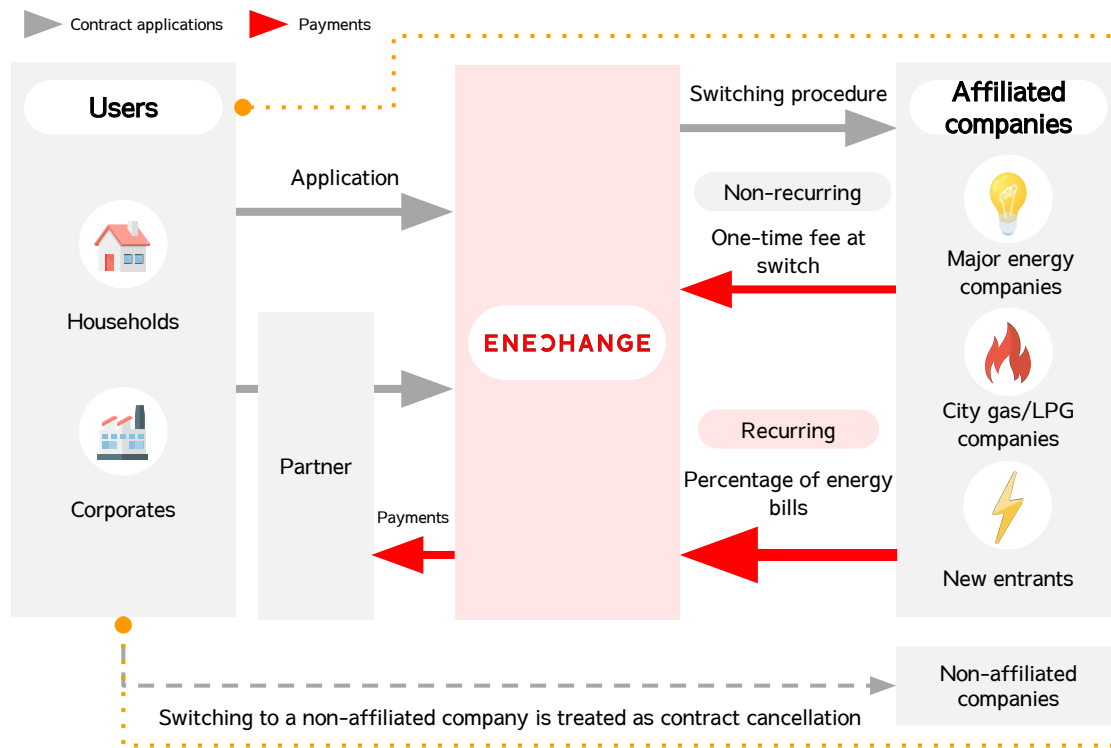
地球環境に配慮したプランを選びたい

CO2排出量を抑える自然エネルギー

*“I want to choose an environmentally-friendly plan!”*

# Business model and competitive advantage

After switching an electricity or gas contract, we receive a one-time fee (non-recurring revenue) from the affiliated energy company as well as recurring revenue linked to energy bills.



## Accurately providing a wide range of switching options

- Ranked No.1<sup>\*1</sup> in Japan due to hosting the widest range of switching options with the largest number of partner energy companies
- Accurately and neutrally comparing complex electricity plans

## Quantity and quality of customer referrals

- Top media platform<sup>\*2</sup> in electricity and gas leading to high conversion rates of referred customers
- High rate of customer satisfaction due to clear plan comparisons

## Energy conservation support utilizing smart meter data

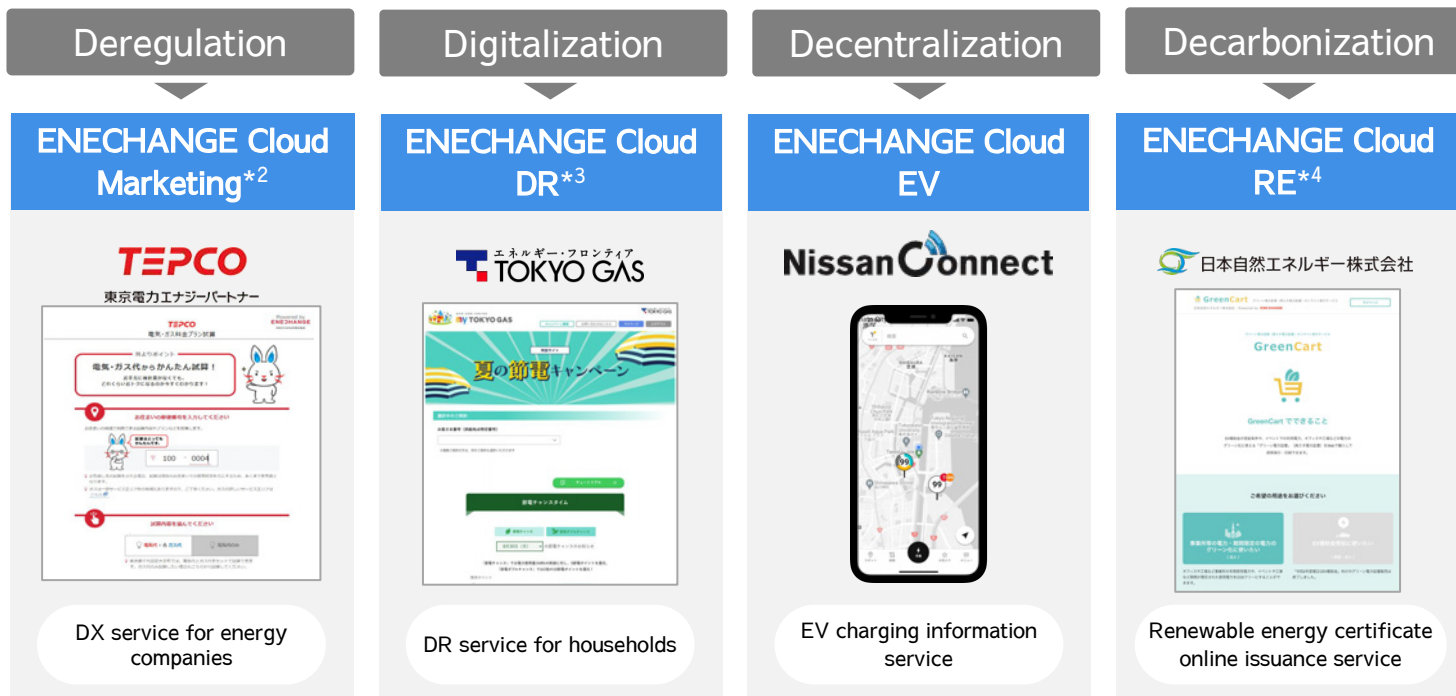
- Suggesting optimal usage and plans based on data (ENECHANGE My Energy service, etc)

\*1. Based on a survey of the number of energy companies listed on other online comparison sites as of the end of January 2023.

\*2. ENECHANGE research on Google searches, aggregating and comparing the number of instances where we rank first among the set 41 keywords.

## Business outline

We have developed the ENECHANGE Cloud lineup, a series of SaaS-based DX\*<sup>1</sup> services mainly for energy companies and EV charging service providers. We develop and provide these services by utilizing databases, software, and engineering teams cultivated alongside our other businesses, and we are expanding our product lineup based on the 4Ds of energy.

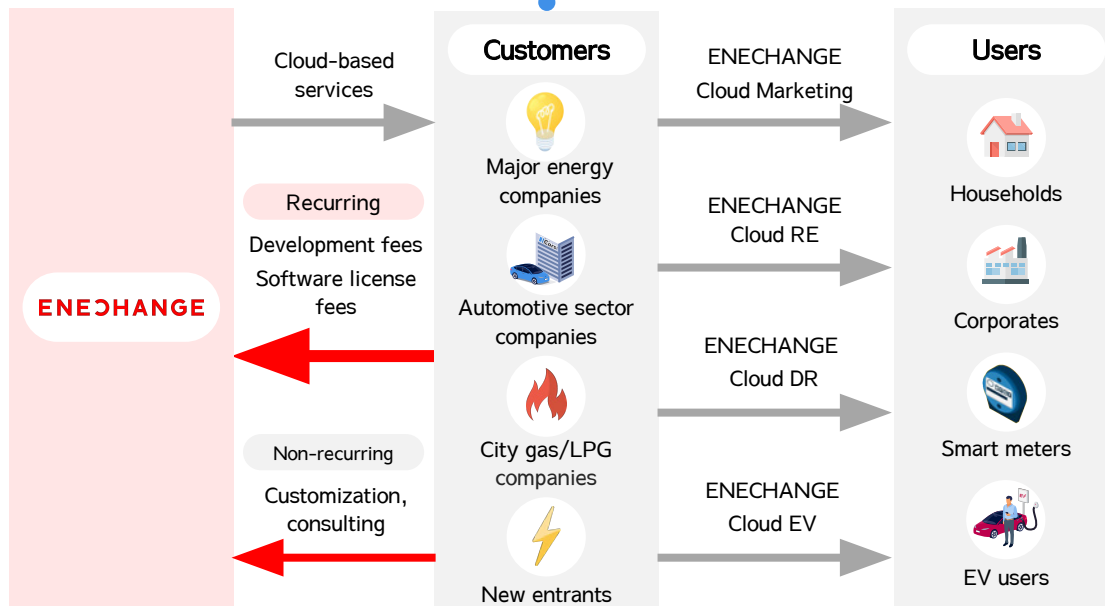


\*1. DX: Digital transformation \*2. Name changed from EMAP \*3. Name changed from SMAP DR; DR: Demand response \*4. RE: Renewable energy

# Business model and competitive advantage

We provide our proprietary products on a SaaS basis primarily to energy companies (B2B2C), leveraging the database we developed through our other businesses. Our revenue is based on recurring software licenses, while non-recurring revenue comes from customization, etc.

 Service provision
  Payments



## Establishing a trusted relationship as a neutral platform

- Ability to build close relationships with energy companies and other customers

## High-quality cloud services backed by proprietary databases

- Software backed by smart meter and industry data
- Providing charging location database to automotive sector companies

## Expert group well-versed in the energy industry

- Software development expertise tailored to the needs of energy companies
- Unique hiring strength of a growth-listed company with GX as its theme

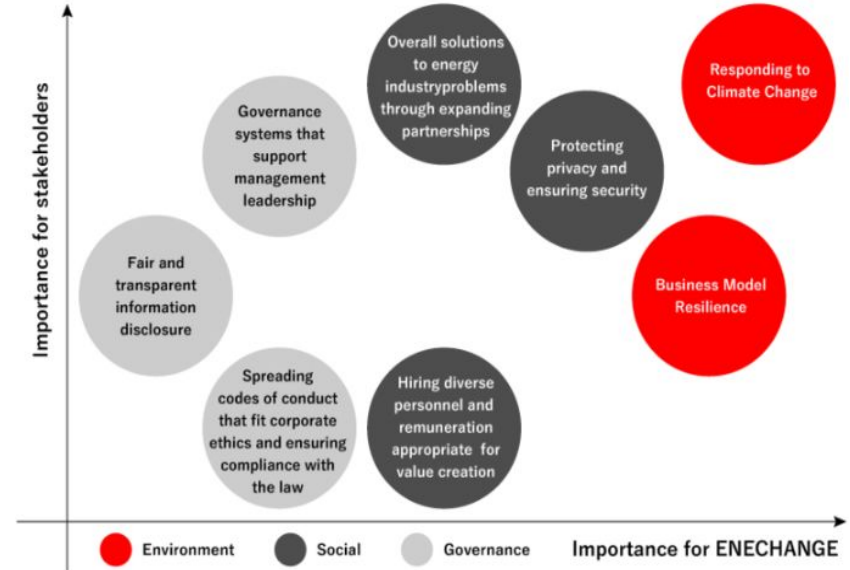
# SDG initiatives

To create a sustainable world, ENECHANGE is actively working on ways to achieve the following six SDG goals. Our sustainability information is disclosed on our website, where we post information on our materiality and ESG initiatives.

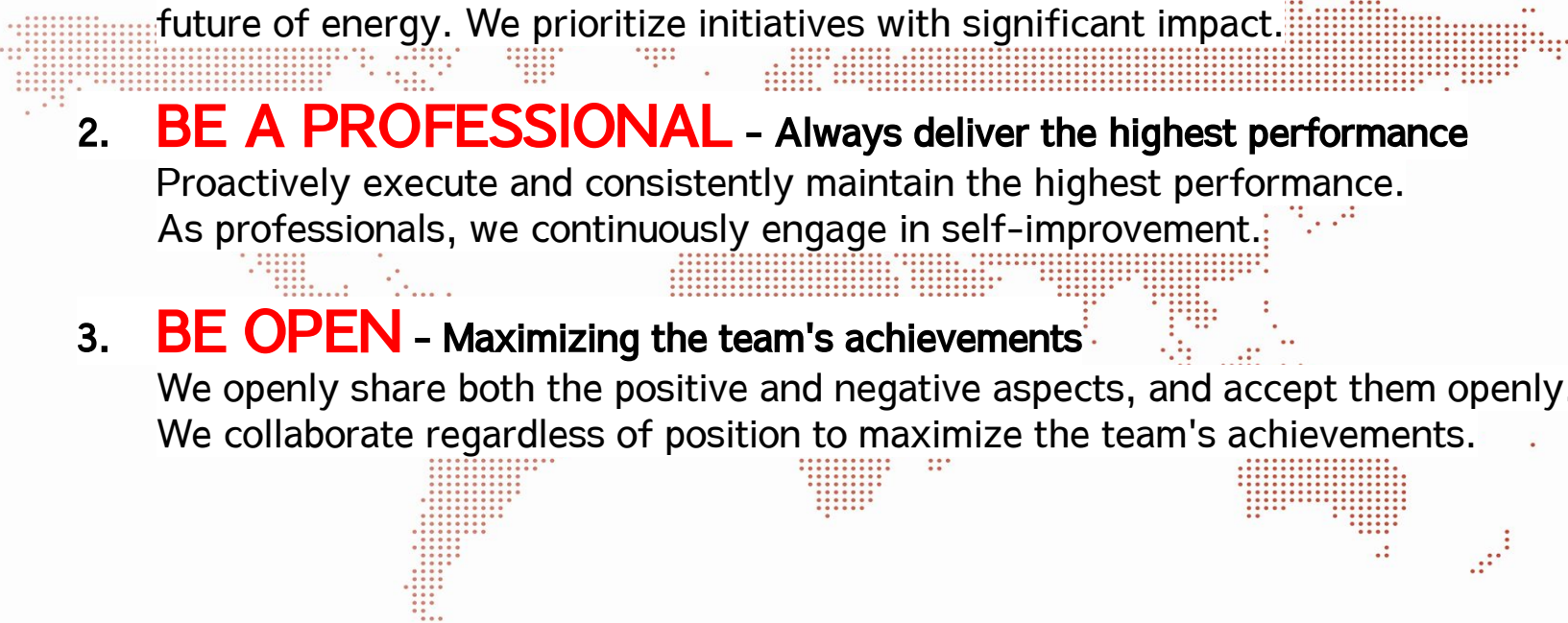
## ■ Our focus areas regarding SDG goals



## ■ Disclosure of materiality on the website





- 
- 1. IMPACT DRIVEN** - Making an impact on the future of energy  
We are constantly aware that every aspect of our business is connected to the future of energy. We prioritize initiatives with significant impact.
  - 2. BE A PROFESSIONAL** - Always deliver the highest performance  
Proactively execute and consistently maintain the highest performance. As professionals, we continuously engage in self-improvement.
  - 3. BE OPEN** - Maximizing the team's achievements  
We openly share both the positive and negative aspects, and accept them openly. We collaborate regardless of position to maximize the team's achievements.

# Skill matrix

We continue to have a separation between management supervision and execution, with an external director ratio of 80%. Under the assumption that all members possess experience and knowledge related to corporate governance, we have thereby established a structure to achieve both high growth and robust corporate governance.

	Name Post at ENECHANGE	Major Past Posts	Nomination and Remuneration Committee	Energy / Environment Business	Experience in management of large corporations	Experience in management of growth companies	Financial accounting & capital markets	Human capital management
	<b>Yohei Kiguchi, PhD</b> Representative Director and CEO	University of Cambridge, Doctoral researcher	○	✓		✓	✓	
	<b>Aki Mori</b> Independent Outside Director	Recruit Holdings, Executive Officer Renova, CFO Goldman Sachs, IBD	○ Committee Chair	✓		✓	✓	
	<b>Kana Bogaki</b> Independent Outside Director	Makuake, Co-founder/Director	○			✓		✓
	<b>Kenyu Adachi</b> Independent Outside Director	Vice-Minister of Economy, Trade and Industry		✓	✓			
	<b>Masayoshi Hirata</b> Independent Outside Director	TOSHIBA, CFO		✓	✓		✓	

Note: Checked boxes indicate at least 5 years of professional experience in the relevant business.

# Directors and key executives

Our management team is made up of professional executive officers and outside directors with a wealth of experience.

Outside directors



**Aki Mori** Independent Outside Director

Graduated from Waseda University with a Bachelor of Commerce and an MBA (Professional) from Kyoto University Graduate School. After working as a certified public accountant at KPMG, he worked at Goldman Sachs in M&A, corporate investment, and fundraising. He became CFO at Renova in 2015, and Executive Officer in charge of the Finance Division at Recruit Holdings Co., Ltd. and Director at Recruit Co., Ltd. in 2022.



**Kana Bogaki** Independent Outside Director

After graduating from Doshisha University, she started her career at CyberAgent, Inc. in 2006 where she helped establish subsidiaries Cyber Buzz, Inc. and two gaming companies. In 2013, she co-founded Makuake, Inc. and joined as Board Director. She is in charge of the Curator Department, oversees PR, and often gives lectures across Japan. Alongside her leadership roles she also manages cooperation with distribution channels, local governments and financial institutions.



**Kenyu Adachi** Independent Outside Director

In his time at the Ministry of Economy, Trade and Industry, he served as deputy vice-minister, director-general of the Economic and Industrial Policy Bureau, and vice-minister of Economy, Trade and Industry. After leaving the Ministry in 2013, he served as an outside director for Asahi Kasei Corporation and Toyo Engineering Corporation. Today, he serves as outside director for Tsugami Corporation and Japan Alcohol Trading Co., Ltd.



**Masayoshi Hirata** Independent Outside Director

He serves as the Representative Executive Officer and CFO of Toshiba Corporation. In April 1996, he assumed the role of Executive Director and CFO at Toshiba Information Systems U.K., becoming the head of finance. Subsequently, after serving as CFO in multiple companies, he took on the position of Executive Officer and CFO in September 2015, overseeing the finance department and actively contributing to the reconstruction efforts during a period of management crisis. Currently, he is actively involved as a Senior Manager and Advisor in various business companies and accounting firms.

Key Executives / Subsidiary Officers / Senior Executive Officers



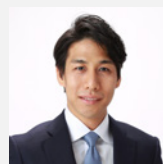
**Yohei Kiguchi** Representative Director and CEO

A graduate of the Faculty of Law at the University of Tokyo and a Ph.D. graduate from the Faculty of Engineering at the University of Cambridge in the United Kingdom. Based on research achievements at the same university, he founded ENECHANGE in 2015, and in 2020, the energy tech company achieved the milestone of being the first to be listed on the Tokyo Stock Exchange Mothers. He also serves as an executive of the Japan Association of New Economies and as the vice chairman of the Energy Committee at the Japan Association of Corporate Executives.



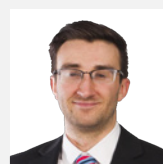
**Tatsuya Sogano** CMO

Previously worked at P&G, developing business strategies based on understanding consumers and markets. In June 2015, he sold his self-developed service to ENECHANGE Ltd. and joined the company, where he is mainly responsible for services for households, driving the growth of the Platform business.



**Tomoya Maruoka** CFO

After graduating from the Faculty of Political Economy at Waseda University, Maruoka joined Japan Policy Investment Bank Co., Ltd., where he engaged in domestic and international financing operations for approximately four years. Subsequently, he spent about seven years at McKinsey & Company in its Tokyo, New York, and London offices, working on investor services, including due diligence, as well as formulating growth strategies for companies and participating in M&A transactions. From 2022, he worked in an international company involved in corporate strategy formulation and business alliances. In February 2024, he assumed the position of Executive Officer at the company.



**Paul Monroe**  
ENECHANGE Innovation Limited, Director

Has a master's degree from the University of Cambridge. After working at NASA and in a US-based consulting company, he helped found SMAP Energy. He is responsible for strategic operations in Europe.

# Financial results for FY23

Sales for FY23 totaled 6.62 billion JPY (+77.4% YoY), marking a record high thanks to the continued recovery of the Platform business and the continued growth of the EV Charging business. Ordinary losses were -1.2 billion JPY (-0.04 billion JPY YoY) due to investments in the EV Charging business, including costs for personnel and advertising.

(Unit: JPY MM)	Q4 (Oct.-Dec.)			Full-year (Jan.-Dec.)		
	FY22	FY23	YoY	FY22	FY23	YoY
Sales	913	2,702	+195.7%	3,734	6,625	+77.4%
Gross Profit	636	1,533	+141.0%	2,935	4,365	+48.7%
<i>Gross Profit Margin</i>	69.6%	56.7%	(12.9pt)	78.6%	65.9%	(12.7pt)
<i>SG&amp;A expenses</i>	1,226	1,351	+10.2%	4,057	5,431	+33.9%
Operating Profit	(589)	181	-	(1,121)	(1,066)	-
Ordinary Profit	(627)	136	-	(1,156)	(1,199)	-
Net Profit Attributable to Owners of Parent	(627)	135	-	(1,315)	(1,247)	-

# Financial results for FY23 Q4 by segment

Sales reached 2.31 billion JPY (+1123.8% YoY) in the EV Charging business, 3.31 billion JPY (+28.6% YoY) in the Platform business, and 0.99 billion JPY (+2.9% YoY) in the Data business. The Platform and Data businesses maintained a segment operating profit while the EV Charging business operated at a loss due to investments in personnel and advertising, though achieved operating profitability in FY23 H2.

		Q4 (Oct.-Dec.)			Full-year (Jan.-Dec.)		
(Unit: JPY MM)		FY22	FY23	YoY	FY22	FY23	YoY
Sales	Consolidated	913	2,702	+195.7%	3,734	6,625	+77.4%
	EV Charging business	186	1,554	+733.8%	189	2,317	+1123.8%
	Platform business	488	867	+77.5%	2,575	3,310	+28.6%
	Data business*1	238	280	+17.4%	969	997	+2.9%
Operating profit	Consolidated	(589)	181	-	(1,121)	(1,066)	-
	EV Charging business	(377)	202	-	(784)	(905)	-
	Platform business	(29)	149	-	226	428	+89.1%
	Data business	44	31	-	163	158	(3.3%)
	Adjustment amount*2	(226)	(201)	-	(727)	(748)	-

\*1. From FY22, due to the application of the Accounting Standard for Revenue Recognition, non-recurring revenues such as initial and additional development in the Data business were changed from lump-sum recognition at the time of acceptance to recognition proportionally over the contract period.

\*2. Company-wide costs not attributable to each reportable segment (including amortization of goodwill on consolidation).

# Cost structure by segment

(Unit: JPY MM)	FY22					FY23				
	Company-wide	EV Charging business	Platform business	Data business	Company-wide costs	Company-wide	EV Charging business	Platform business	Data business	Company-wide costs
<b>Sales</b>	<b>3,734</b>	<b>189</b>	<b>2,575</b>	<b>969</b>	-	<b>6,625</b>	<b>2,317</b>	<b>3,310</b>	<b>997</b>	-
<b>Cost of sales</b>	<b>798</b>	<b>190</b>	<b>87</b>	<b>519</b>	-	<b>2,260</b>	<b>1,627</b>	<b>128</b>	<b>503</b>	-
<b>Gross profit</b>	<b>2,935</b>	<b>(1)</b>	<b>2,487</b>	<b>449</b>	-	<b>4,365</b>	<b>689</b>	<b>3,182</b>	<b>493</b>	-
<i>Gross Profit Margin</i>	78.6%	-	96.6%	46.3%	-	65.9%	29.8%	96.1%	49.5%	-
<b>Sales costs &amp; general administration costs</b>	<b>4,057</b>	<b>782</b>	<b>2,261</b>	<b>285</b>	<b>727</b>	<b>5,431</b>	<b>1,595</b>	<b>2,753</b>	<b>334</b>	<b>748</b>
Advertising expenses	642	348	291	0	2	1,079	464	611	1	2
Sales commissions, sales promotion expenses	1,295	5	1,289	0	-	1,223	23	1,199	-	-
Personnel expenses	1,012	285	287	187	252	1,466	530	347	259	328
Outsourcing expenses	540	43	264	57	174	877	280	453	4	139
Other	566	99	128	41	297	785	296	142	68	277
<b>Operating profit*2</b>	<b>(1,121)</b>	<b>(784)</b>	<b>226</b>	<b>163</b>	<b>(727)</b>	<b>(1,066)</b>	<b>(905)</b>	<b>428</b>	<b>158</b>	<b>(748)</b>
<i>Operating Profit Margin</i>	(30.0%)	-	8.8%	16.8%	-	-	-	12.9%	15.9%	-

\*1. The figures for the breakdown of SG&A are management accounting figures, and have not been audited or reviewed by KPMG AZSA LLC.

\*2. The profits for each segment show the segment profits before distribution of company-wide costs.

# Balance sheet

Cash and deposits decreased by 1.76 billion JPY due to payments related to hardware purchases, in line with the expansion of the EV Charging business. Accounts receivable and similar assets expected to be collected in the short term amount to approximately 2 billion JPY, with the company anticipating cash collection focused on the EV Charging business in Q1.

(Unit: JPY MM)	End of FY22 Q4	End of FY23 Q4	
		Actual	YoY
<b>Current assets</b>	<b>4,527</b>	<b>4,362</b>	<b>(164)</b>
Cash and deposits	3,067	1,298	(1,768)
Accounts receivable	441	1,973	+1,532
<b>Fixed assets</b>	<b>2,231</b>	<b>2,274</b>	<b>+42</b>
<b>Total assets</b>	<b>6,758</b>	<b>6,636</b>	<b>(121)</b>
<b>Current liabilities</b>	<b>2,083</b>	<b>2,786</b>	<b>+703</b>
Interest-bearing debts	819	965	+145
<b>Fixed liabilities</b>	<b>1,173</b>	<b>1,547</b>	<b>+374</b>
Interest-bearing debts	1,159	1,538	+379
<b>Net assets</b>	<b>3,502</b>	<b>2,302</b>	<b>(1,199)</b>

# Cash flow statement

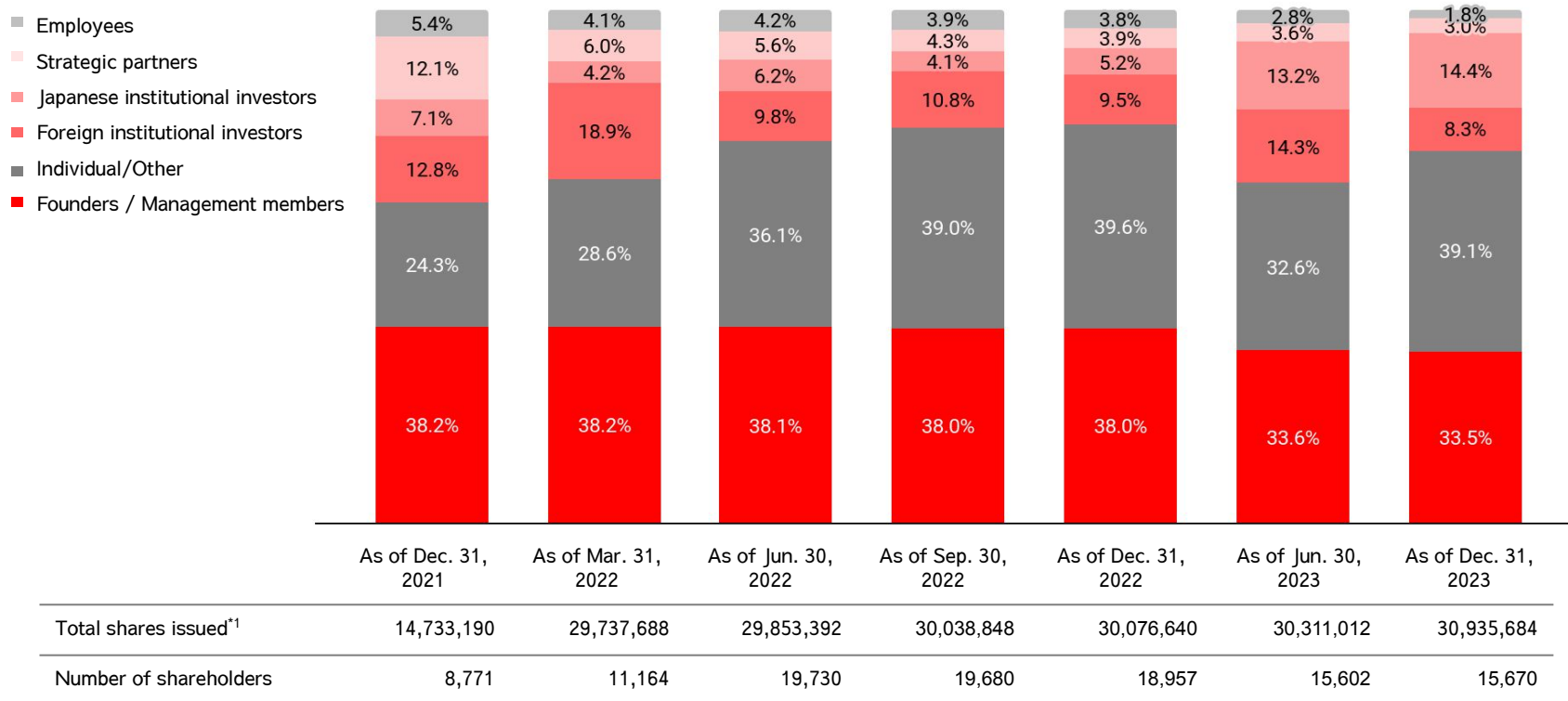
Cash flow from operating activities was -2 billion JPY due to investments in the EV Charging business, etc. Cash flow from investing activities was -0.4 billion JPY due to the acquisition of fixed assets and additional investments in the Decarbonized Tech Fund, etc. Cash flow from financing activities was +0.5 billion JPY due to borrowing execution, resulting in a year-end balance of cash and cash equivalents of 1.2 billion JPY, a decrease of -1.7 billion JPY from the previous term.

Unit: million JPY	FY22	FY23	
		Actual	YoY
Cash Flow from Operating Activities	(1,910)	(1,910)	0
Cash Flow from Investing Activities	(1,546)	(426)	1,119
Cash Flow from Financing Activities	958	558	(400)
Foreign Currency Translation Adjustment	(5)	11	16
Balance of Cash and Cash Equivalents at the End of the Period	3,067	1,298	(1,768)



# Shareholder information

The ratio of individual investors has returned to the level of the previous fiscal year-end, domestic institutional investors have increased, while on the other hand, foreign institutional investors have decreased.



\*1. The Company conducted a 2-for-1 stock split effective January 1, 2022. The total number of shares issued does not take into account the effect of this stock split and is the number at that time.



# Risk information



# Known risks (1/2)

Item	Affected Segment	Main Risk	Potential of Manifestation	Impact	Risk Countermeasure
Business environment: <b>Policy trends related to energy liberalization</b>	<div style="background-color: #ff9933; padding: 5px; display: inline-block; margin-bottom: 5px;">Platform</div> <div style="background-color: #4a86e8; color: white; padding: 5px; display: inline-block;">Data</div>	<ul style="list-style-type: none"> <li>The possibility that regulatory changes related to the energy market or other policy changes could affect the business performance of energy companies, which are our major customers.</li> </ul>	Low	High	<ul style="list-style-type: none"> <li>Establish a diversified business that is not dependent on a specific area.</li> <li>Monitor policy trends and make recommendations to regulatory agencies.</li> </ul>
Business content/Provided services: <b>Dependence on energy companies</b>	<div style="background-color: #ff9933; padding: 5px; display: inline-block; margin-bottom: 5px;">Platform</div> <div style="background-color: #4a86e8; color: white; padding: 5px; display: inline-block;">Data</div>	<ul style="list-style-type: none"> <li>The possibility that unexpected events such as a surge in energy prices, the price of electricity traded on the Japan Exchange for Wholesale Electricity ("JEPX"), natural disasters, and/or sudden phenomena could worsen the business environment for the energy companies we work with, leading to revisions of existing contract conditions, cancellations, suspension of new orders, and more.</li> </ul>	High	High	<ul style="list-style-type: none"> <li>Diversify our customer base beyond solely energy companies.</li> <li>Establish a diversified business that is not dependent on a specific area.</li> </ul>
Business environment: <b>Policy trends related to EVs and EV charging infrastructure</b>	<div style="background-color: #d93025; color: white; padding: 5px; display: inline-block;">EV Charging</div>	<ul style="list-style-type: none"> <li>The possibility that major policy changes in government subsidies for EVs and EV charging infrastructure could affect our number of received orders and installed charging ports in our EV Charging business.</li> </ul>	Medium	High	<ul style="list-style-type: none"> <li>Monitor policy trends and make recommendations to regulatory agencies.</li> <li>Improve or change business models in response to policy trends.</li> </ul>
Financial performance: <b>Emerging segment risk deriving from business novelty</b>	<div style="background-color: #d93025; color: white; padding: 5px; display: inline-block;">EV Charging</div>	<ul style="list-style-type: none"> <li>The likelihood of new transactions and events, including the receipt of subsidies, occurring more frequently in the relatively new EV Charging business than in other segments. Additionally, in view of the increase in the number of other EV charging operators, increased competition for suppliers and customers and, in some cases, unexpected problems with customers, suppliers and other third parties, which may affect business performance.</li> </ul>	Medium	High	<ul style="list-style-type: none"> <li>Establishment of a system to monitor business development appropriately at Board of Directors and other bodies.</li> </ul>
Business environment: <b>Supply chain risks</b>	<div style="background-color: #d93025; color: white; padding: 5px; display: inline-block;">EV Charging</div>	<ul style="list-style-type: none"> <li>The possibility that suppliers may experience difficulties in manufacturing or shipping, affecting our business continuity.</li> </ul>	Medium	High	<ul style="list-style-type: none"> <li>Reduce risk by diversifying suppliers.</li> </ul>

Note: The major risks influencing achieving growth and executing business plans have been disclosed in "Associated Business Risks" of the Japanese securities report.

The risk information described in this material is solely a summary of such major risks. For more comprehensive and detailed risk assessment, please refer to "Associated Business Risks" of the Japanese securities report.

## Known risks (2/2)

Item	Affected Segment	Main Risk	Potential of Manifestation	Impact	Risk Countermeasure
Business environment: <b>Changes in competitive landscape</b>	<div style="background-color: #FF9933; padding: 2px; margin-bottom: 2px;">Platform</div> <div style="background-color: #C00040; color: white; padding: 2px; margin-bottom: 2px;">EV Charging</div> <div style="background-color: #0070C0; color: white; padding: 2px;">Data</div>	<ul style="list-style-type: none"> <li>The possibility that our growth will stagnate if competition intensifies in our business areas due to the entry of competitors, which causes user cancellations, decline in unit price, or the number of charging ports installed and their utilization rate struggle to grow.</li> </ul>	Medium	Medium	<ul style="list-style-type: none"> <li>Develop services and products that are superior to those of competitors.</li> </ul>
Financial performance: <b>Exchange rate fluctuations</b>	<div style="background-color: #C00040; color: white; padding: 2px;">EV Charging</div>	<ul style="list-style-type: none"> <li>The possibility that exchange rate fluctuations may affect the purchase price of EV charging ports imported from overseas, etc., which may affect our financial results.</li> </ul>	Medium	Medium	<ul style="list-style-type: none"> <li>Appropriately reflect exchange rate fluctuations in business operations by observing trends among suppliers and competitors.</li> </ul>
Business content/Provided services: <b>Search engines</b>	<div style="background-color: #FF9933; padding: 2px; margin-bottom: 2px;">Platform</div> <div style="background-color: #C00040; color: white; padding: 2px;">EV Charging</div>	<ul style="list-style-type: none"> <li>The possibility that customer acquisition could be affected if changes to algorithm logic in internet searches affect the display rankings of search results or a new search engine becomes mainstream.</li> </ul>	Low	Medium	<ul style="list-style-type: none"> <li>Adjust SEO strategy.</li> <li>Respond by acquiring users through channels that do not rely on the internet.</li> </ul>
Business content/Provided services: <b>Technological innovation, etc.</b>	<div style="background-color: #0070C0; color: white; padding: 2px; margin-bottom: 2px;">Data</div> <div style="background-color: #C00040; color: white; padding: 2px;">EV Charging</div>	<ul style="list-style-type: none"> <li>The possibility that we will be unable to respond quickly enough to changes in customer needs or technological innovations, or that it will require considerable funds for product development or personnel expenses to respond to these changes.</li> </ul>	Low	Medium	<ul style="list-style-type: none"> <li>Facilitate horizontal information sharing between departments, mainly through the CTO office, and by rolling out services that match customer needs.</li> </ul>
Business content/Provided services: <b>System failures, etc.</b>	<div style="background-color: #FF9933; padding: 2px; margin-bottom: 2px;">Platform</div> <div style="background-color: #C00040; color: white; padding: 2px; margin-bottom: 2px;">EV Charging</div> <div style="background-color: #0070C0; color: white; padding: 2px;">Data</div>	<ul style="list-style-type: none"> <li>The possibility that natural or man-made disasters, terrorism, war, etc. could cause a system failure and hamper the provision of our services.</li> </ul>	Low	High	<ul style="list-style-type: none"> <li>Respond by reducing risk to minimize reliance on external vendors such as cloud hosting, and formulating a business continuity plan to ensure preparation for a system failure in an external vendor.</li> </ul>

## IR Website

<https://enechange.co.jp/en/ir/>

Includes financial summaries and presentation materials, as well as stock information and materials related to the General Meeting of Shareholders. We also have a page for individual investors.

## Sustainability

<https://enechange.co.jp/en/sustainability/>

This page introduces our ESG materiality map and our environmental, social, and governance initiatives.

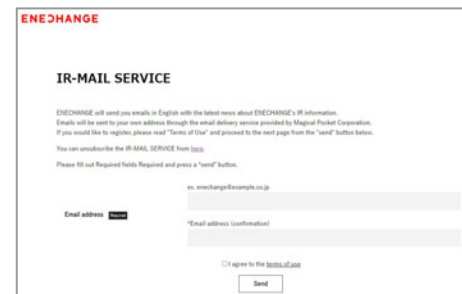
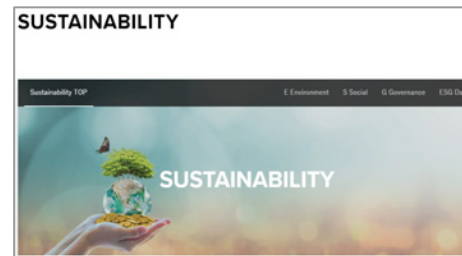
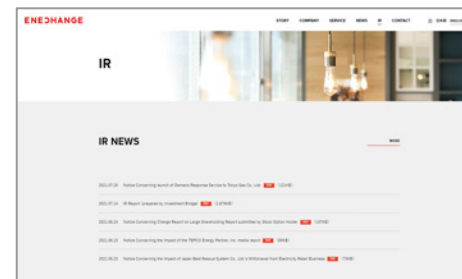
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# Disclaimer

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Factors affecting actual results include, but are not limited to, domestic and international economic conditions and trends in industries connected to the Company.

In addition, information contained in these materials from outside our company has been quoted from publicly-available information, etc.

We have not verified the accuracy, appropriateness, etc. of such information in any way, and make no guarantees regarding it.