

February 29, 2024

Company Name: ENECHANGE Ltd.

Representative: Yohei Kiguchi, Representative Director and CEO

(TSE Growth Code No. 4169)

Inquiries: Tomoya Maruoka, Executive Officer

TEL: +81-3-6635-1021

### **Frequently Asked Questions and Answers (February 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. Why was the disclosed KPI for the EV Charging business changed from the number of orders to the number of installations?**

The policy going forward is to use destination charging port installations as the KPI. This is because the number of installations directly reflects the progress of the EV Charging business and the potential for future recurring revenue more than the number of orders, and also considering that the subsidy system does not necessarily result in all of the orders ultimately reaching installation. In the financial results for FY23, the number of 6kW charging ports for destination charging is listed on page 17, and going forward, we will disclose this KPI by updating this page. As of December 2023, the number stands at 2,076 ports.

You can also view this figure monthly on EVsmart (<https://evsmart.net/statistics-of-charging-spots/>), so please make use of it.

**Q2. The total subsidy applications for EV charging infrastructure for this fiscal year amounted to 36 billion JPY. I believe it has more than doubled compared to the previous year. Could you please provide an outlook for the future?**

For the installations in FY24, there is a total subsidy budget of 36 billion JPY, which will be allocated through three rounds of applications in March, May, and August. Regarding the 10.5 billion JPY allocated for the March round, the breakdown has already been disclosed, with 6 billion JPY for fast charging and 4.5 billion JPY for Level 2 charging. We have been consistently accumulating orders in addition to the backlog from the previous fiscal year. Therefore, the order volume has been sufficiently built up, and we will proceed with subsidy applications starting from the March round.

**Q3. Appearing on Bloomberg seems to have increased your exposure globally. Is there a plan to also strengthen overseas investor relations and similar efforts?**

After completing the two-year preliminary investment phase in the EV Charging business from FY22 through FY23, and entering the first year of profitability in FY24, we will strengthen the formation of investor groups, including overseas institutional investors. As part of this initiative, we have received numerous requests for investor relations meetings from overseas investors, as well as many opportunities for appearances, such as on Bloomberg.

In response to this, our CEO Mr. Kiguchi, who spends a significant portion of his time in London, UK, finds it relatively easier to arrange meetings with overseas investors. We schedule the meetings so that Mr. Kiguchi himself can attend. We aim to enhance corporate value as a GX company recognized not only in Japan but also globally.

**Q4. Was the fundraising deposited as scheduled on February 26th? Additionally, how will profits and market capitalization grow as a result of this fundraising?**

The fundraising has been successfully executed, and the deposit was also completed on February 26th. (For details, please refer to the announcement titled 'Notice of Completion of Payment for New Shares Issued Through Third-Party Allocation,' disclosed on February 26th.)

As for the future market capitalization, it is difficult to provide a clear estimate as it is influenced not only by performance but also by thematic factors and market momentum. However, in terms of profitability, we aim to achieve an ordinary profit of over 2.5 billion JPY in two years, meeting the criteria for prime listing. We do not anticipate the adjusted operating profit, as indicated in our guidance, to exceed 2.5 billion JPY for the two-year period of 2024 and 2025. However, we aim to achieve over 2.5 billion JPY over a two-year period within the timeframe of approximately 2025 to 2027. Therefore, our strategy regarding adjusted operating profit criteria is to aim for profits in the billions rather than consistently achieving profits of 100 million or 200 million JPY.

**Q5. It seems that representatives from competing companies attended the earnings briefing for individual investors. Could you please provide guidance on our future response strategy?**

We have been holding briefing sessions not only for institutional investors but also for individual investors, aiming to reach out to a broader audience and facilitate direct communication. The questions and opinions from all participants have been valuable for our business operations, serving as important communication opportunities that attract the interest of new investors.

We have confirmed that some individuals participate anonymously for purposes other than investment. As a future practice, we will not allow participation from accounts where names cannot be confirmed, and we will adopt a policy of skipping questions unsuitable for this presentation. We sincerely apologize for any inconvenience caused to many individual investors and would greatly appreciate your understanding.