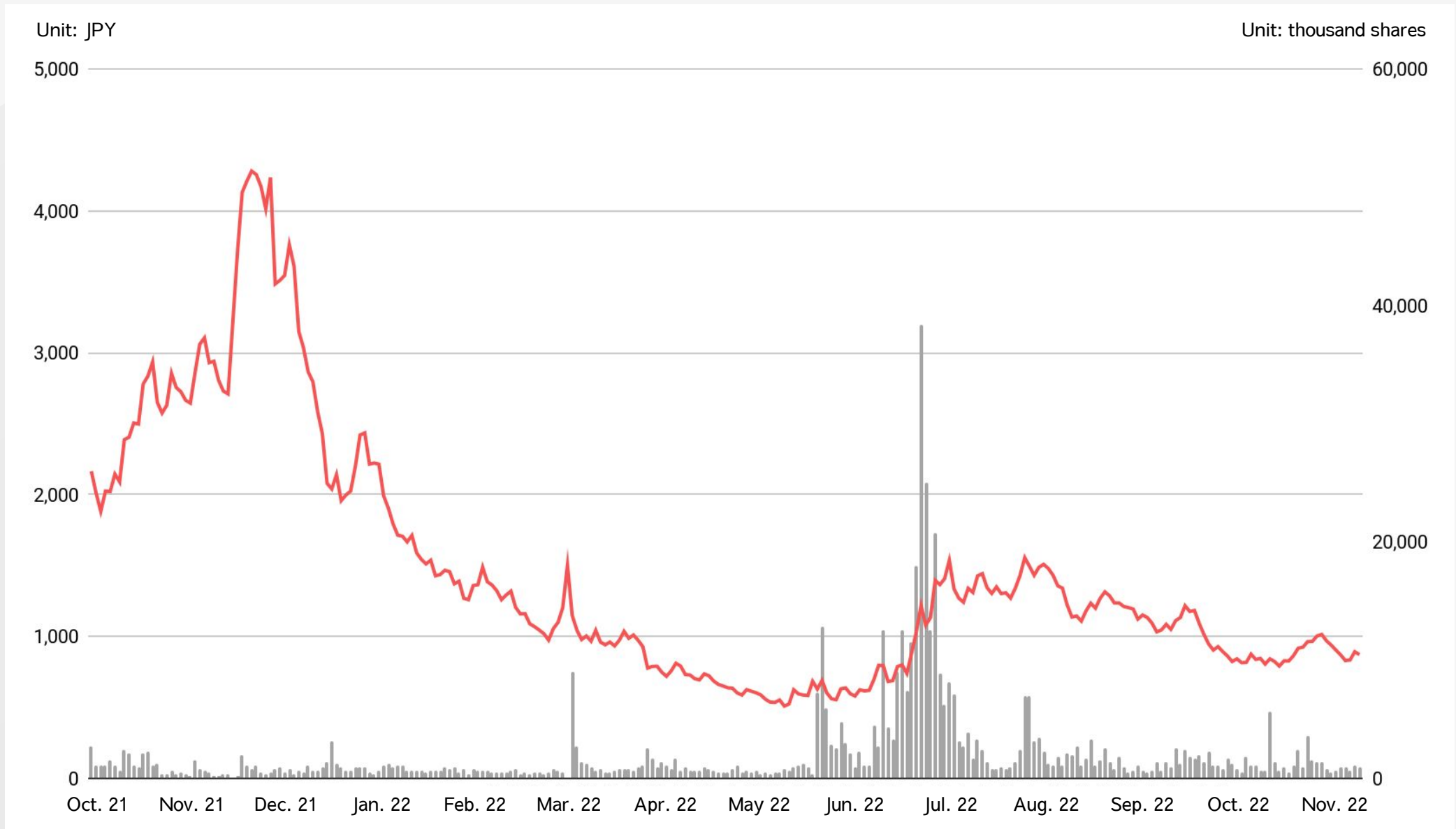


FY22 3rd Quarter

Financial Results

Let's Change Energy, ENECHANGE

Stock price trends



Note: A 1:2 stock split was conducted with an effective date of January 1, 2022. The effect of the stock split has been applied retroactively to the share price.

ENECHANGE EV Charge



FY22 Q3 Key message

Driving through the tunnel, with 'London Bridge' in sight

This quarter, we actively experienced the full effects of the energy crisis.

We are reporting a 17% YoY decline in quarterly sales.

Yet that is not the whole story. We are still experiencing record-high recurring revenue and ensuring segment profitability - measures which help mitigate the effects of the energy crisis on our company.

'London Bridge' (the song used for our EV charging video) is in sight at the end of this long tunnel.

The strong progress of our EV charging business will lead us there.

We expect this business to grow significantly in FY2023.



FY22 Q3: Executive Summary

FY22 Q3 Consolidated Financial Results

- Quarterly sales were 668 million JPY (-17% YoY), reflecting the impact of the deteriorating environment in the electricity industry
- Quarterly operating loss of 308 million JPY in line with plan due to investment in EV Charging business

Platform business

- Quarterly sales (-20% YoY) declined due to reduced non-recurring revenue, while **recurring revenue** (+58% YoY) reached **a record high**
- **Record-high number of users** (+43% YoY) due to strategic targeting of users moving house

Data business

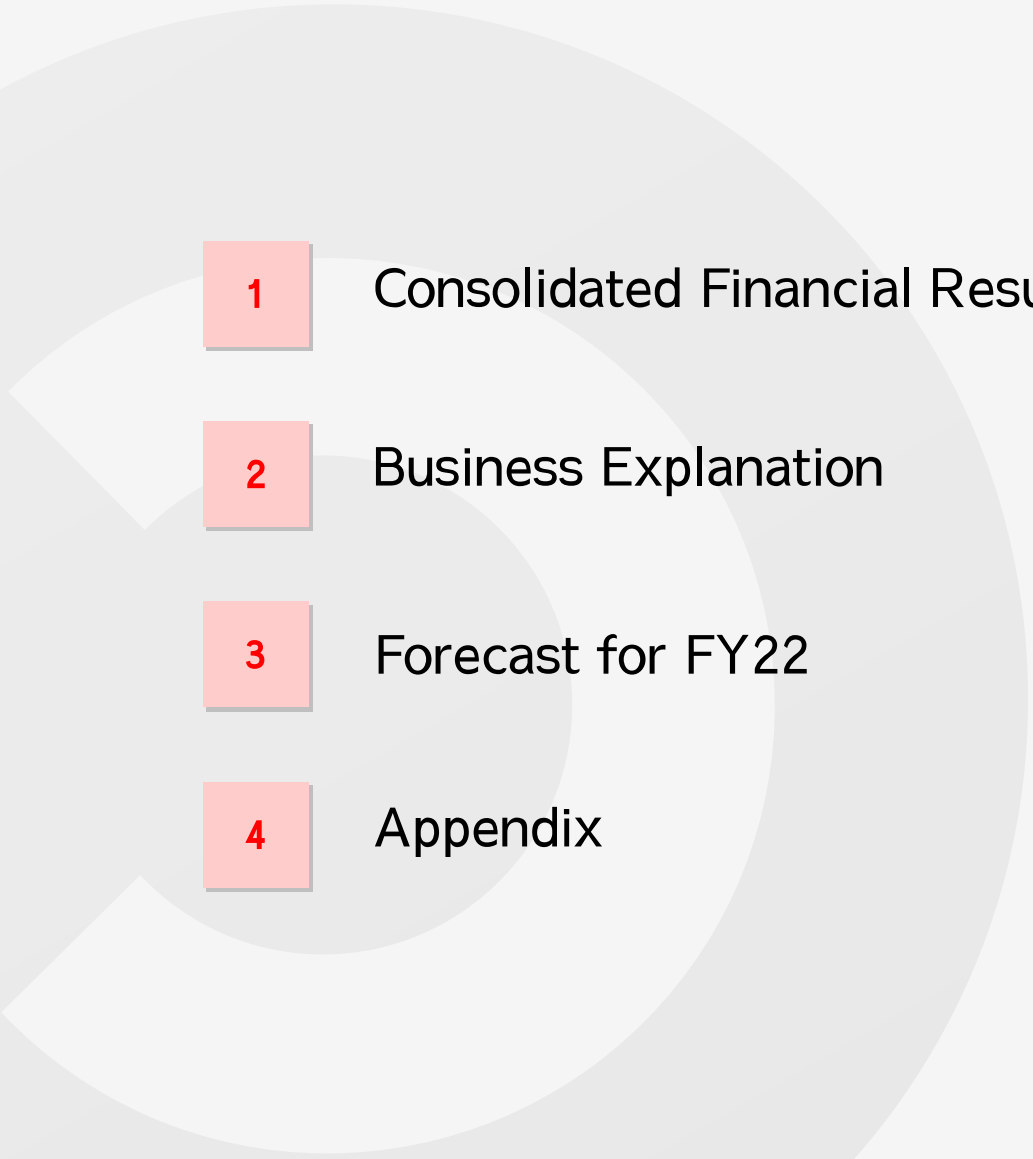
- Maintained **high growth rate** with **recurring revenue** (+14% YoY)
- Number of customers declined from the previous quarter due to the impact of electricity companies withdrawing their business, etc

EV Charging business

- **Started disclosing orders received**, with **926 charging port orders in Q3** for a **cumulative total of 1,467 charging ports**, making steady progress toward target of 3,000 charging port orders by FY23 Q2
- **Launch of an EV charging port for condominiums and TV commercials**

FY22 Full-year forecast

- The slowdown in sales growth has been factored in and **the full-year forecast remains unchanged**
- Platform business is expected to continue to perform poorly in Q4

- 
- 1** Consolidated Financial Results for FY22 Q3
 - 2** Business Explanation
 - 3** Forecast for FY22
 - 4** Appendix



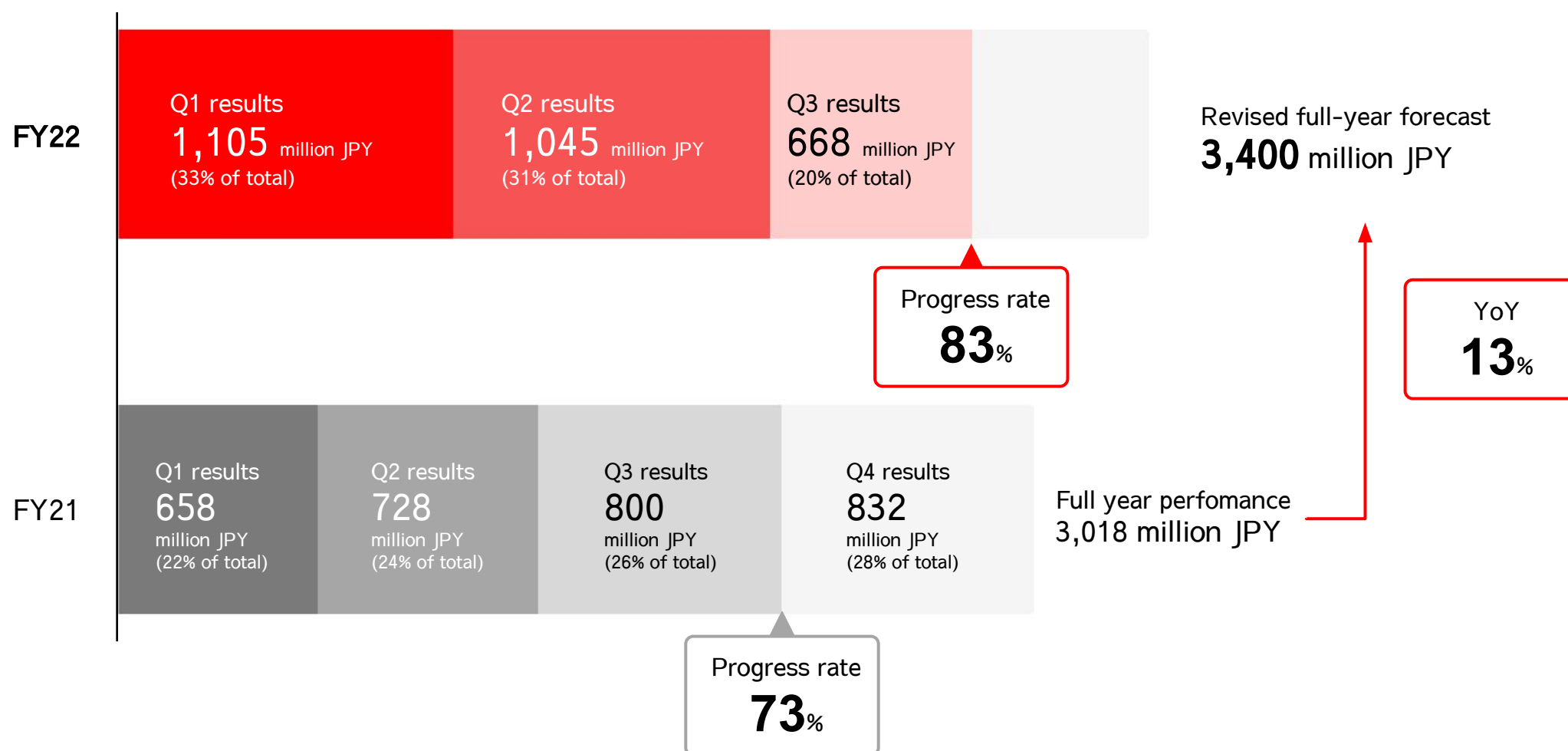
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Consolidated Financial Results for FY22 Q3

Progress on sales in line with plan (83%)

YTD sales totaled 2.82 billion JPY, 83% of the full-year forecast of 3.4 billion JPY (+13% YoY). Although sales in the Platform business declined, they are in line with our full-year forecast, and we maintain our current forecast.

■ Sales

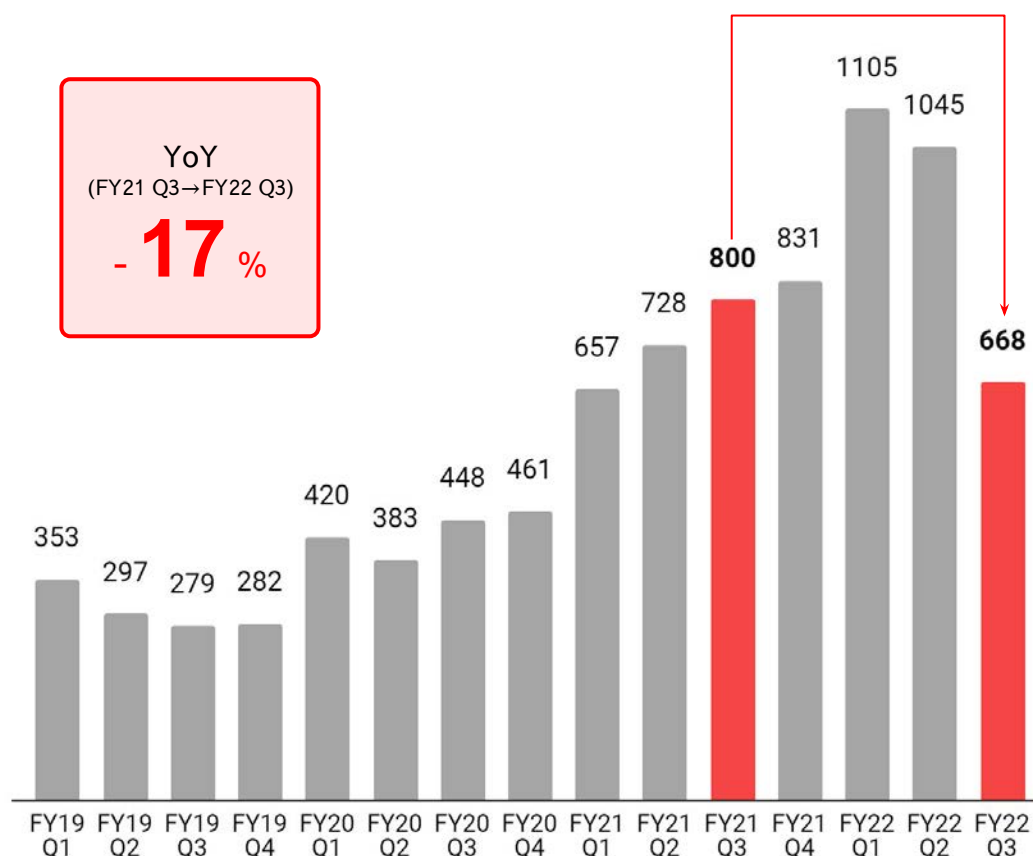


Sales decreased (-17%), but recurring revenues (+35%) reached a record high

Quarterly sales were down -17% YoY, while quarterly recurring revenues were up +35% YoY. Although non-recurring revenues declined as forecasted, recurring revenues reached a record high due to an increase in the number of users and the increase in electricity bills.

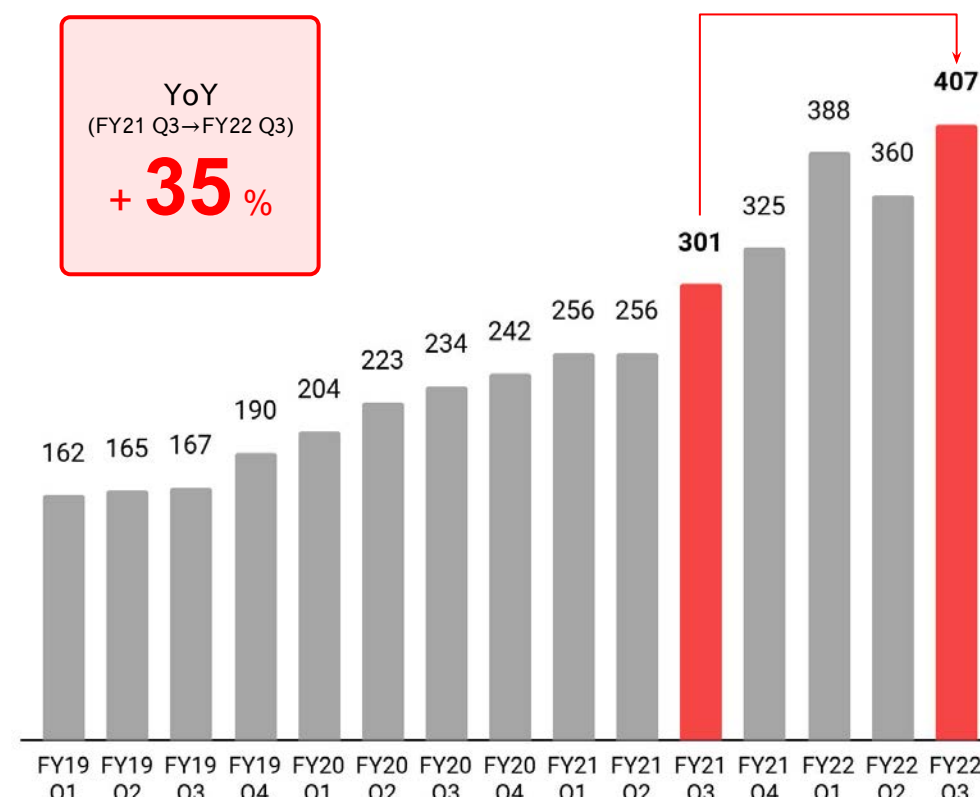
■ Quarterly sales*1

Unit: JPY MM



■ Quarterly recurring revenue*2

Unit: JPY MM



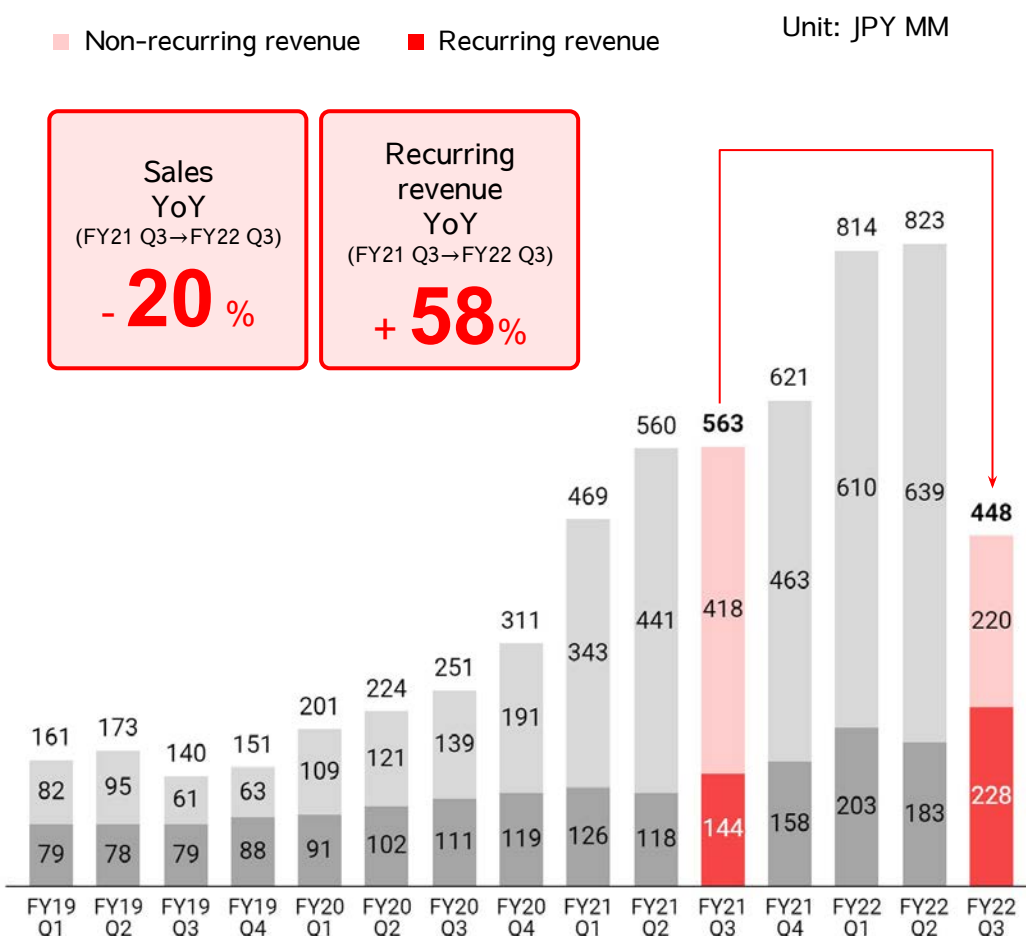
*1. Shows sales excluding our SIM business (SIM Change, our SIM/smartphone comparison service for home use) that was transferred on July 31, 2019. From FY22, due to the application of the Accounting Standard for Revenue Recognition, non-recurring revenues such as initial and additional development in the Data business were changed from lump-sum recognition at the time of acceptance inspection to recognition proportionally over the contract period.

*2. Recurring revenue is an aggregate of recurring compensation, software license fees, and other items that arise from the company's operating activities each fiscal year.

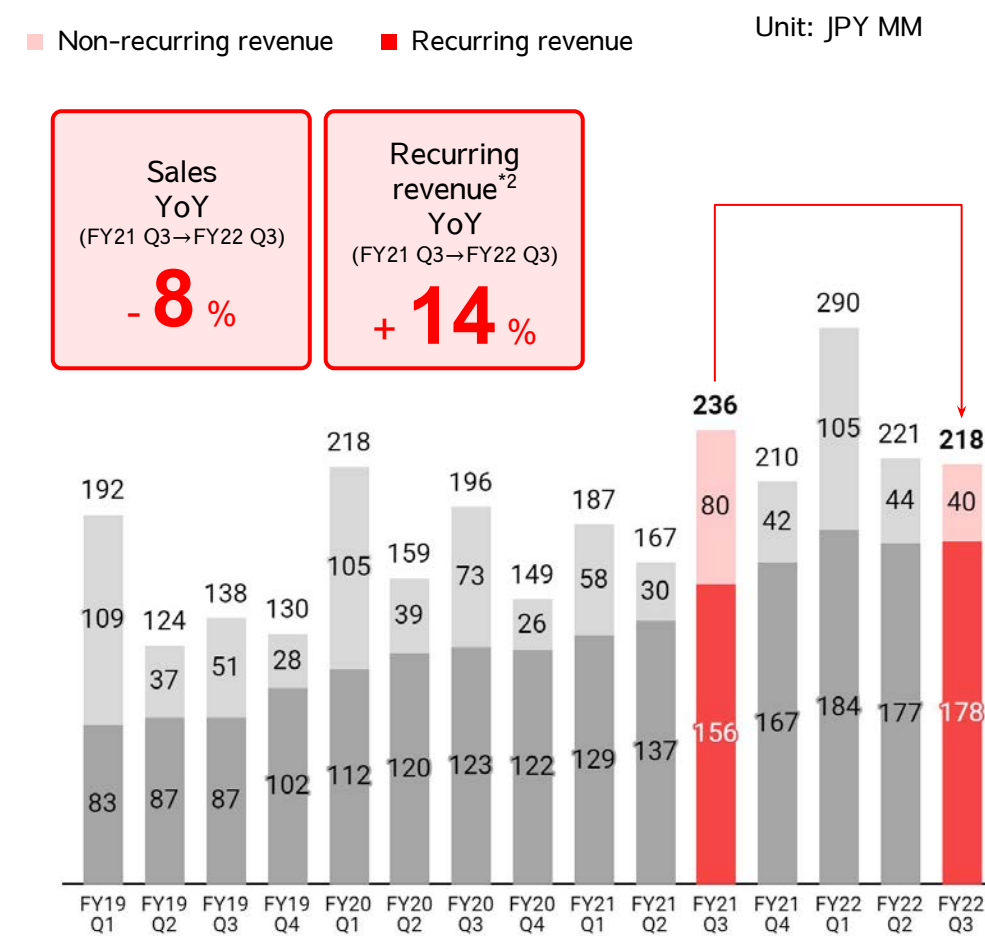
Sales of both businesses struggle, but recurring revenues remain strong

In the Platform business, sales declined -20% YoY due to the lower demand from electricity companies to acquire users. Recurring revenue increased +58% YoY due to a higher number of user acquisitions and the impact of soaring electricity prices. In the Data business, sales fell -8% YoY, while recurring revenue rose +14% YoY.

■ Platform business quarterly sales*1



■ Data business quarterly sales



*1. Lists sales excluding our SIM business that was transferred on July 31, 2019.

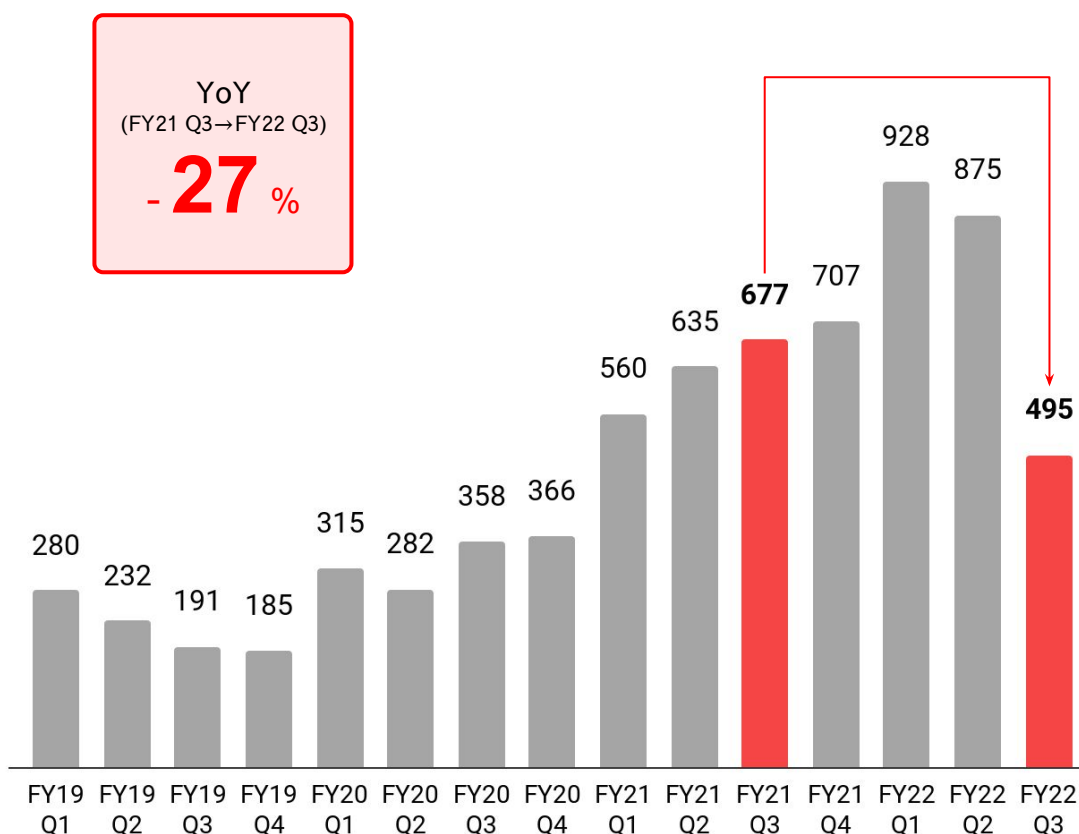
*2. From FY22, due to the new revenue recognition standard, the accounting method for non-recurring revenue, such as initial and additional development for the Data business, has been changed from bulk accounting at acceptance inspection to accounting proportionally over the contract period. The impact was 39 million JPY in FY22 Q1, 13 million JPY in FY22 Q2, and 15 million JPY in FY22 Q3.

Gross profit was affected by decline in non-recurring revenue (-27%)

Quarterly gross profit was 495 million JPY (-27% YoY), and gross profit margin was 74% (-11 pt YoY), a decline mainly due to lower non-recurring revenue in the Platform business.

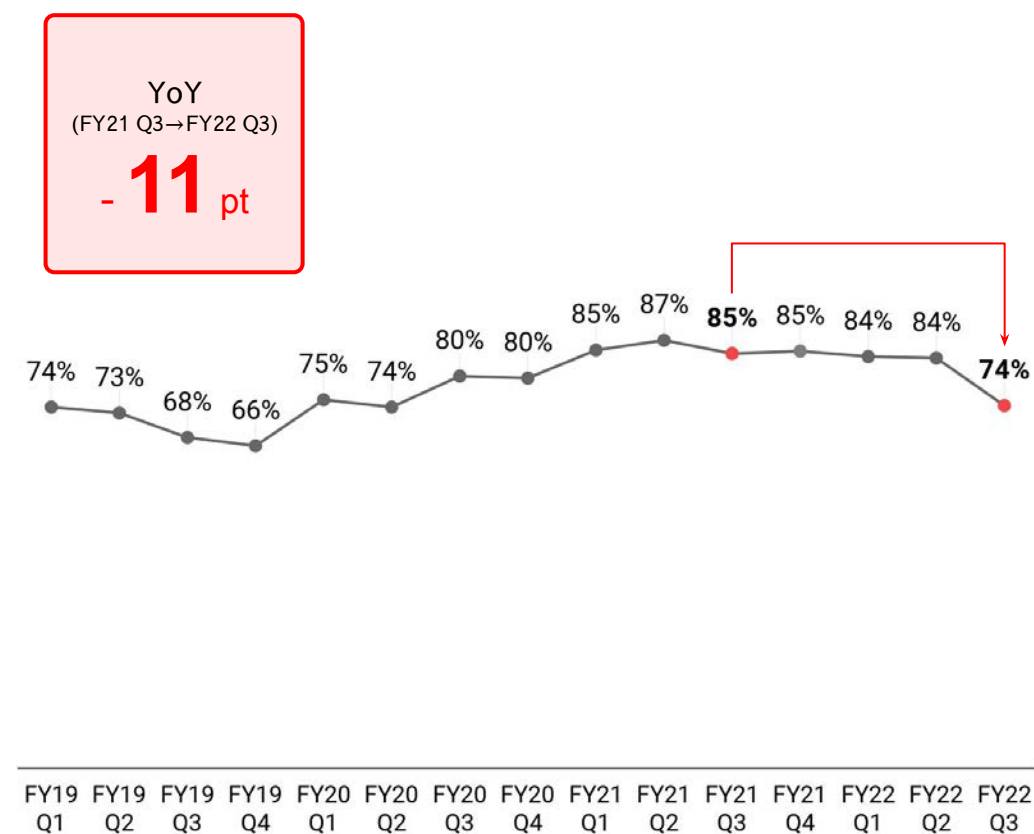
■ Quarterly gross profit

Unit: JPY MM



■ Quarterly gross profit margin

Unit: %

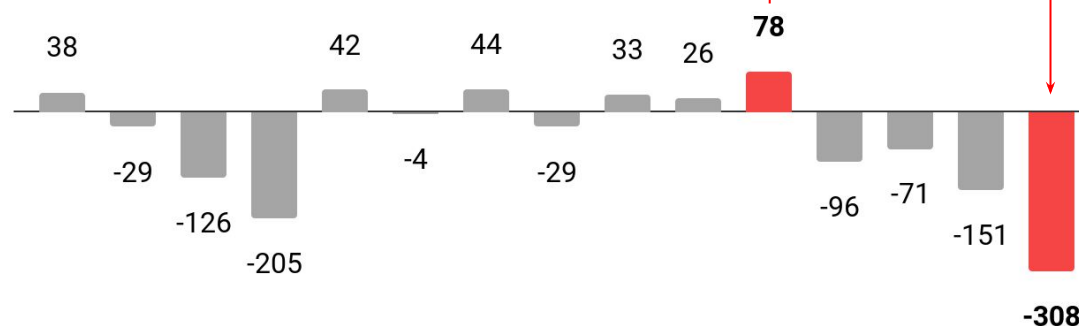


Operating loss as planned due to continued investment in EV Charging business

Due to investments in the EV Charging business, the company realized an operating loss in Q3 as planned. Adjusted operating profit/loss excluding EV charging related expenses and other strategic investments* produced a profit of 119 million JPY (-70% YoY).

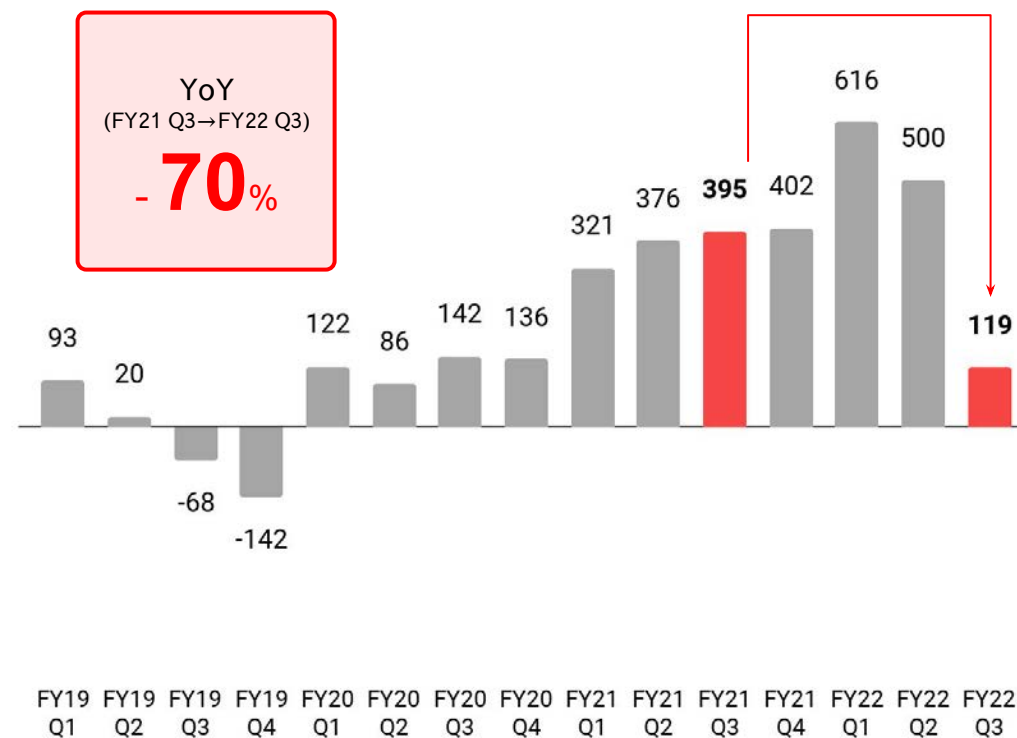
■ Quarterly operating profit

Unit: JPY MM



■ Quarterly adjusted operating profit*

Unit: JPY MM



FY19 Q1 FY19 Q2 FY19 Q3 FY19 Q4 FY20 Q1 FY20 Q2 FY20 Q3 FY20 Q4 FY21 Q1 FY21 Q2 FY21 Q3 FY21 Q4 FY22 Q1 FY22 Q2 FY22 Q3

FY19 Q1 FY19 Q2 FY19 Q3 FY19 Q4 FY20 Q1 FY20 Q2 FY20 Q3 FY20 Q4 FY21 Q1 FY21 Q2 FY21 Q3 FY21 Q4 FY22 Q1 FY22 Q2 FY22 Q3

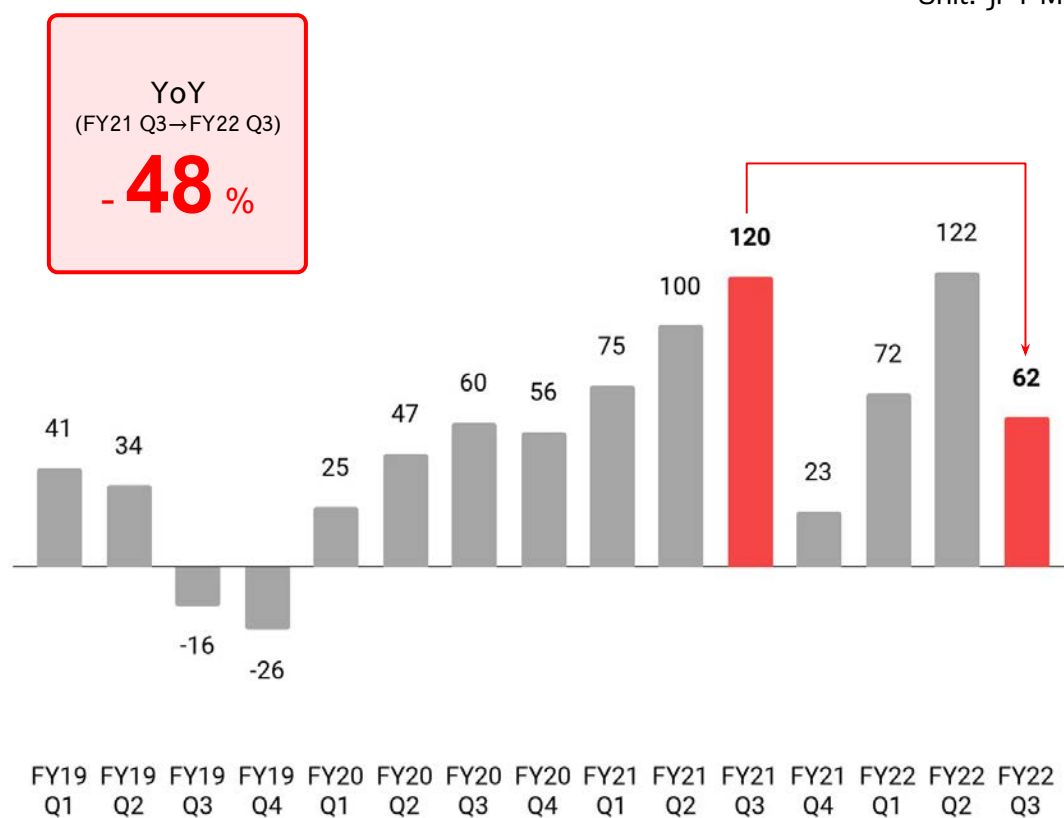
* Adjusted operating profit is calculated by subtracting advertising expenses, sales commissions (expenses paid directly to partners as a result of switching), sales promotion expenses (expenses paid directly to users as a result of switching), amortization of goodwill and one-time fees from operating profit. In addition, as of FY22 Q1, it also excludes costs related to the EV Charging business.

Platform and Data businesses maintained profitability

Although the Platform business did see a decline in non-recurring revenue, it has maintained profitability in line with expectations. In the Data business, our strategy is to maintain stable profitability while continuing to invest in product developments.

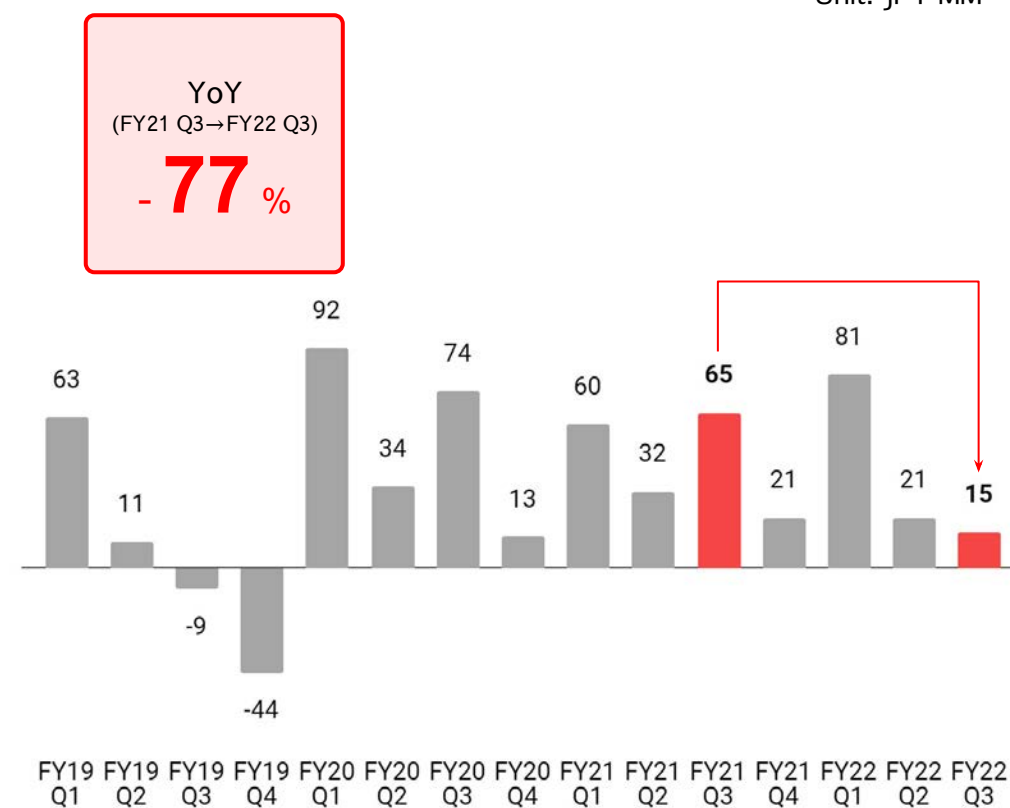
■ Platform business quarterly operating profit

Unit: JPY MM



■ Data business quarterly operating profit

Unit: JPY MM



Platform business: Record high number of users (+43%) with continued growth

The number of users increased by +43% YoY, reaching a record high. For households, this is due to the targeted acquisition of users moving house. For corporates, we gained users through M&A and switching from a TSO whose previous energy retailer cancelled the contract. ARPU (-44% YoY) declined due to a decrease in non-recurring revenues as expected.

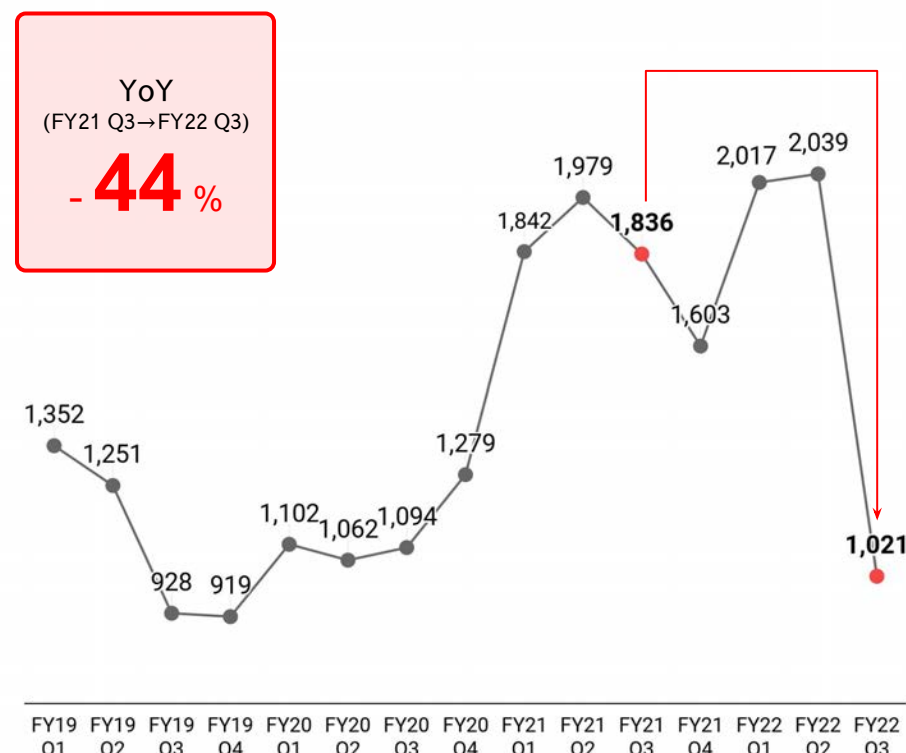
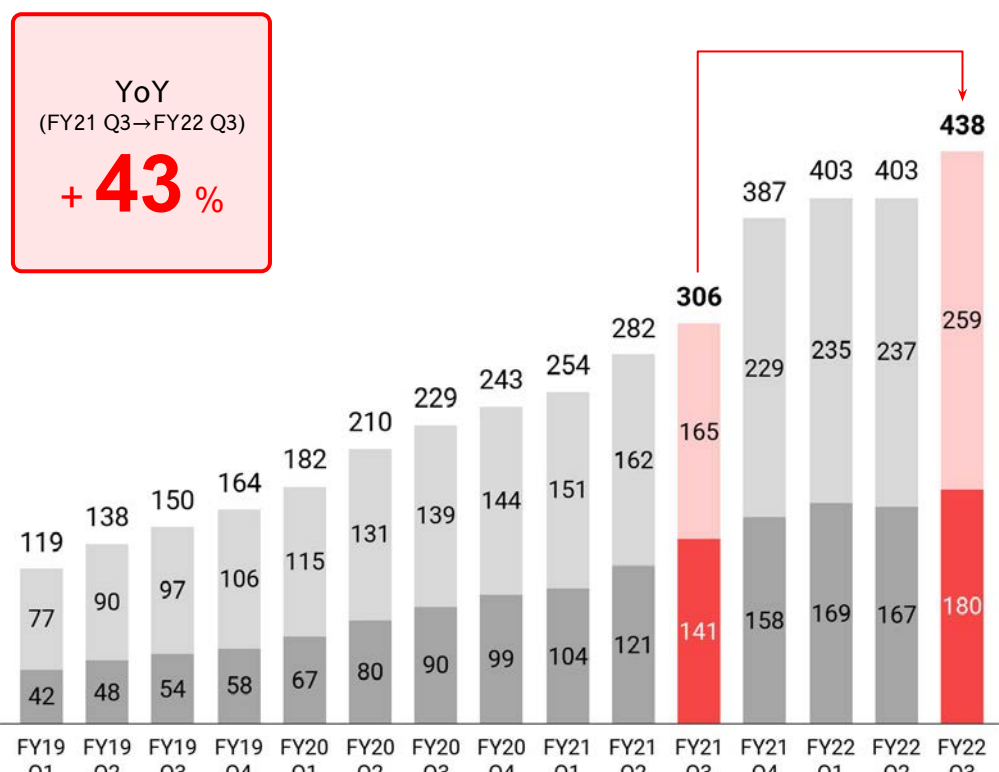
■ Number of users (converted on a general household basis)*1

■ ARPU *2

■ For corporates
■ For households

Unit: 1,000 cases

Unit: JPY



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

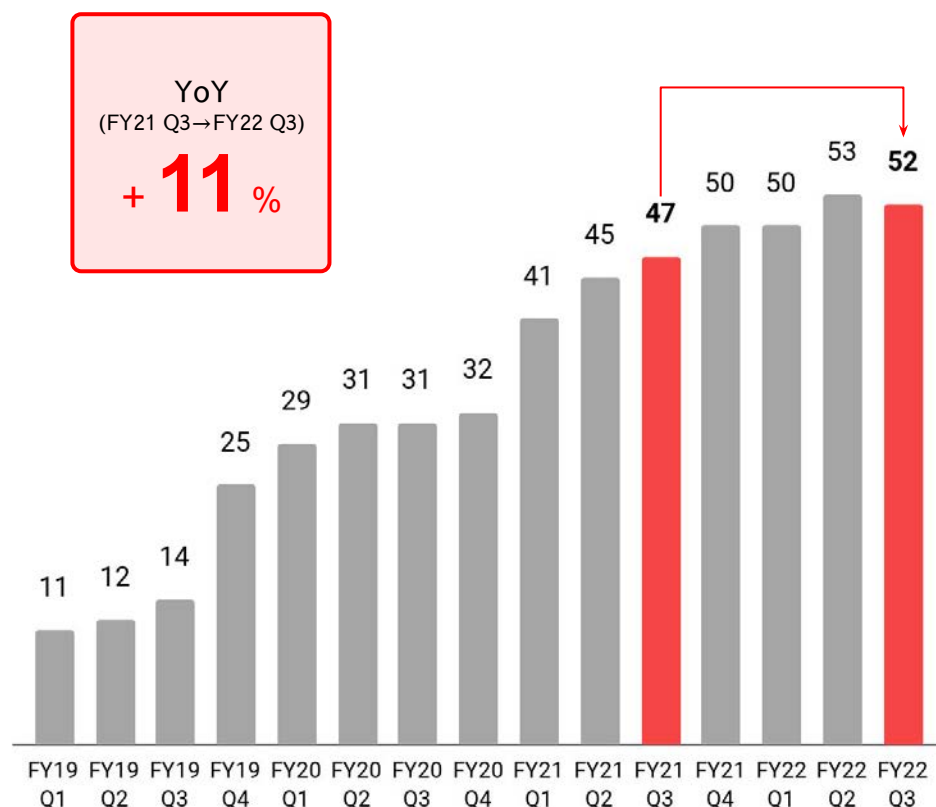
*2. Average Revenue Per User: Calculated after dividing the quarterly segment sales by the number of users at the end of the quarter.

Data business: Number of customers declined QoQ due to company withdrawals

The number of customers decreased from the previous quarter due to withdrawals from the energy business. Non-recurring revenue declined due to the budget restrictions recently set by many customers. ARPU also declined -17% YoY, but remained at almost the same level as Q2.

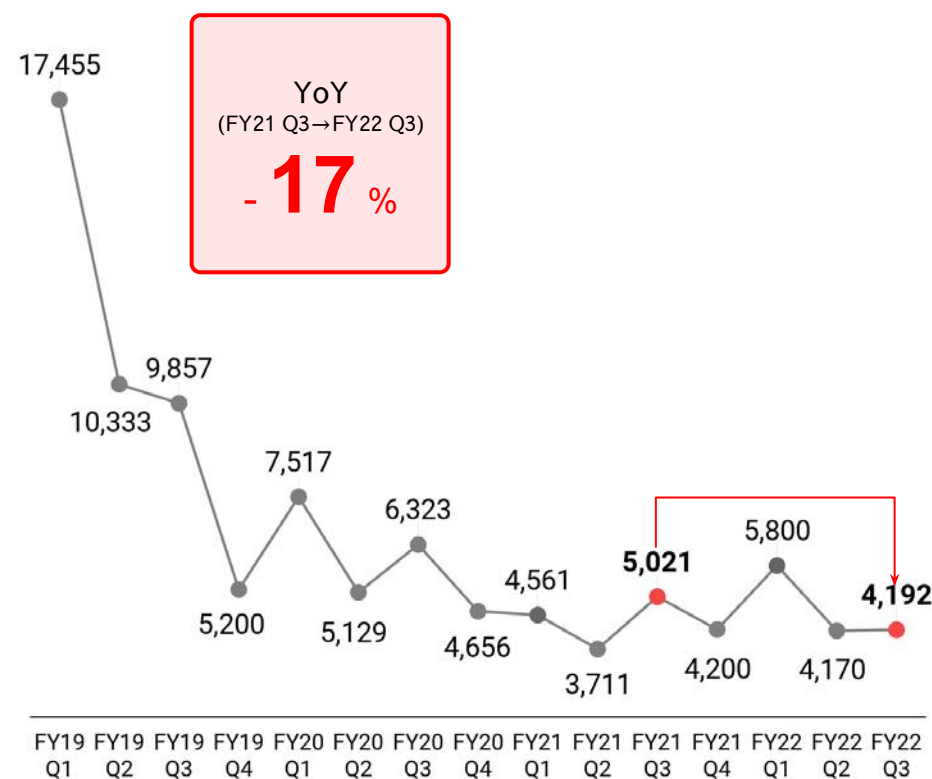
■ Number of customers*1

Unit: Number of companies



■ ARPU*2

Unit: 1,000 JPY



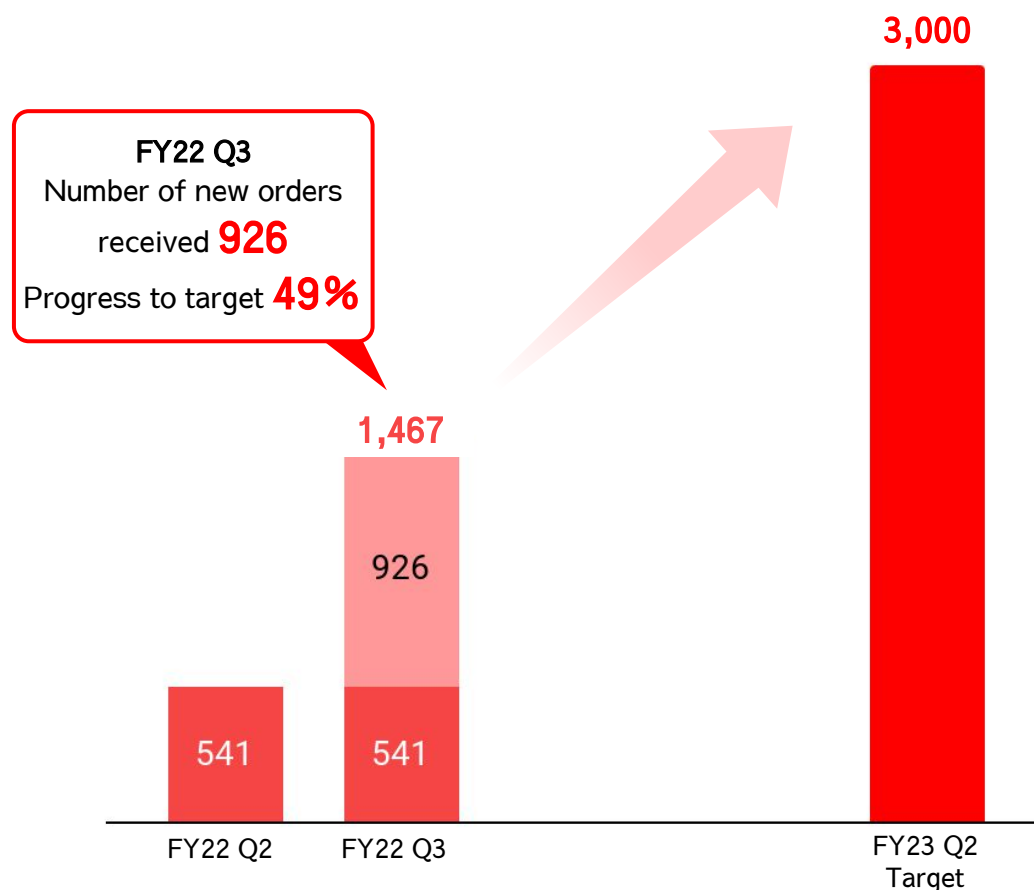
*1. Counting number of customers as of the end of the period

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

EV Charging business: Received orders for 926 charging ports in Q3, progress rate of 49%

In the EV Charging business, our target is 3,000 charging ports ordered by FY23 Q2. In FY22 Q3, we received orders for 926 charging ports, and our current cumulative total is 1,467. Keeping this pace of around 1,000 charging port orders per quarter, we are well on track to reach our target.

■ Cumulative orders of EV charging ports*



■ Examples of orders received



Ibaraki: Golf course



Hiroshima: Shopping center

* Changes to the charging port order count are possible due to the results of on-site surveys, etc.

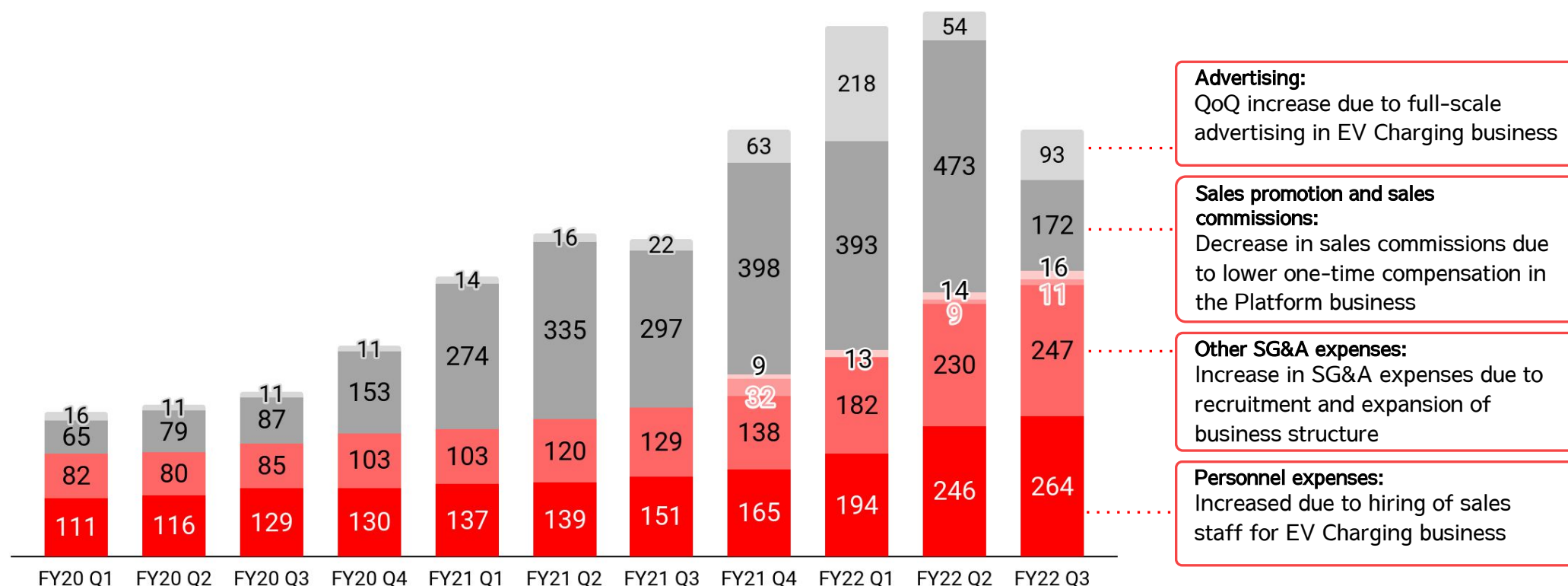
Investment curbed in Platform business, but continues in EV Charging business

In the Platform business, customer acquisition costs (advertising, sales commissions, and sales promotion expenses) were curbed to secure segment profit. The EV Charging business continues to focus investment by increasing advertising expenses and expanding sales/operation personnel.

■ Changes in SG&A expenses

Unit: JPY MM

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





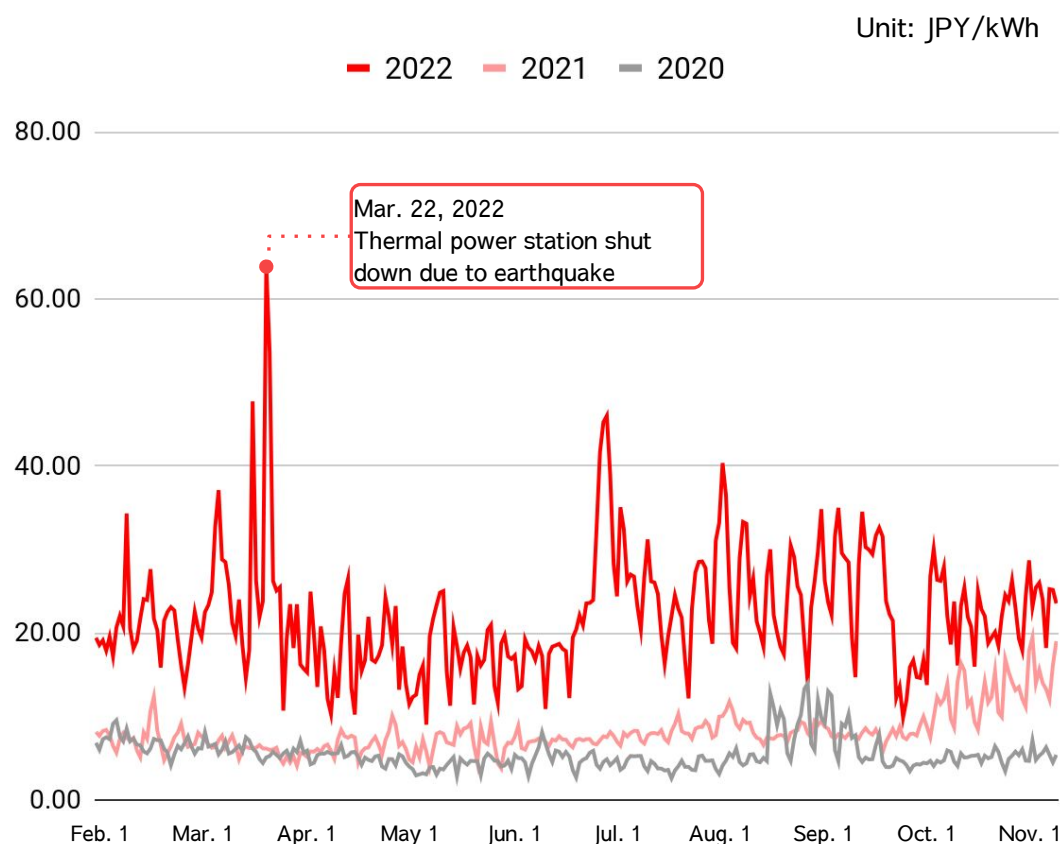
2

Business Explanation

JEPX price remains high and standard tariffs starting to increase

The wholesale price (JEPX price) has remained high. Major electricity companies have recently announced revisions to their standard tariffs for both households*¹ and corporates*², following the unwelcome increase in popularity of these unprofitable tariffs. This means we are now in the fifth stage of the six stage model for energy market recovery*³.

■ Changes in JEPX prices*⁴



■ Major electricity company stances on raising prices*⁵

	FY22 Q2 Net Profit/Loss (billion JPY)	For households Considering regulated tariff increase	For corporates Considering standard rate increase
Hokkaido EPCO* ⁵	(1.6)		○
Tohoku EPCO	(136.3)	○	○
Tokyo EPCO	(143.3)	○	○
Chubu EPCO	(42.6)		○
Hokuriku EPCO	(38.1)	○	○
Kansai EPCO	(76.3)		○
Chugoku EPCO	(56)	○	○
Shikoku EPCO	8.9	○	○
Kyushu EPCO	(47.6)		○

*1. Tariffs established by law that have been in place since before the deregulation of electricity in 2016. Provided as a transitional measure until the competitive environment among retailers has sufficiently developed.

*2. Tariffs for corporate customers set by major electricity companies. Traditionally, this was the standard rate given before any discounts.

*3. See Appendix for full outline of the six stages.

*4. Daily average of system prices as calculated from JEPX trading information.

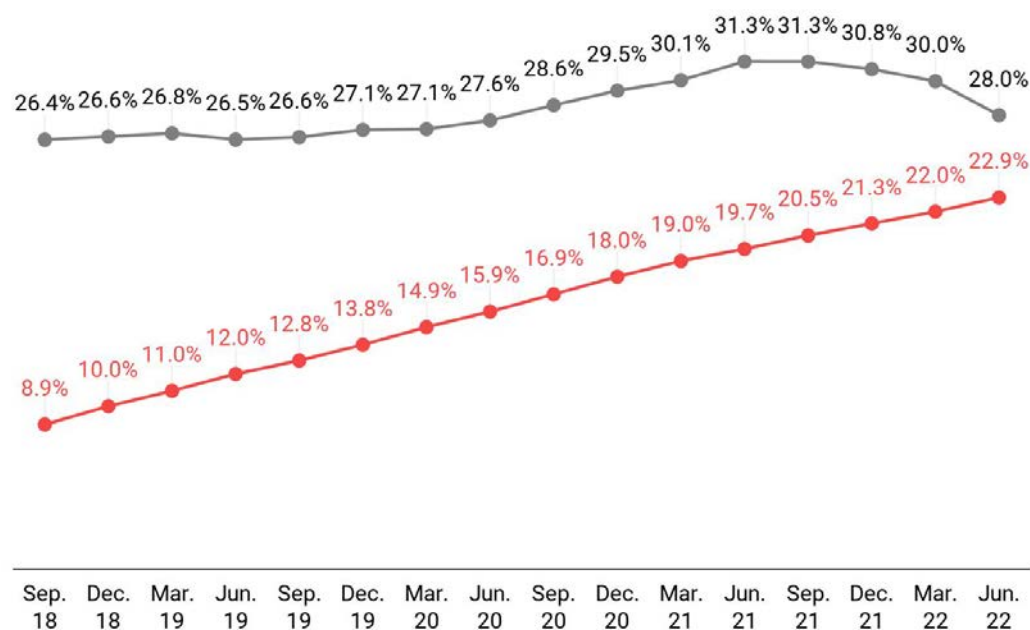
*5. Based on materials published by each company, EPCO = Electric Power Company. ○ signifies that the company is considering raising prices.

Our market share in the users of new entrants reached record highs

New entrants accounted for a market share of 28.0% for corporates and 22.9% for households by end of June 2022. Our share of new entrant users for corporates increased as a result of M&A, while our share of household users also reached a record high.

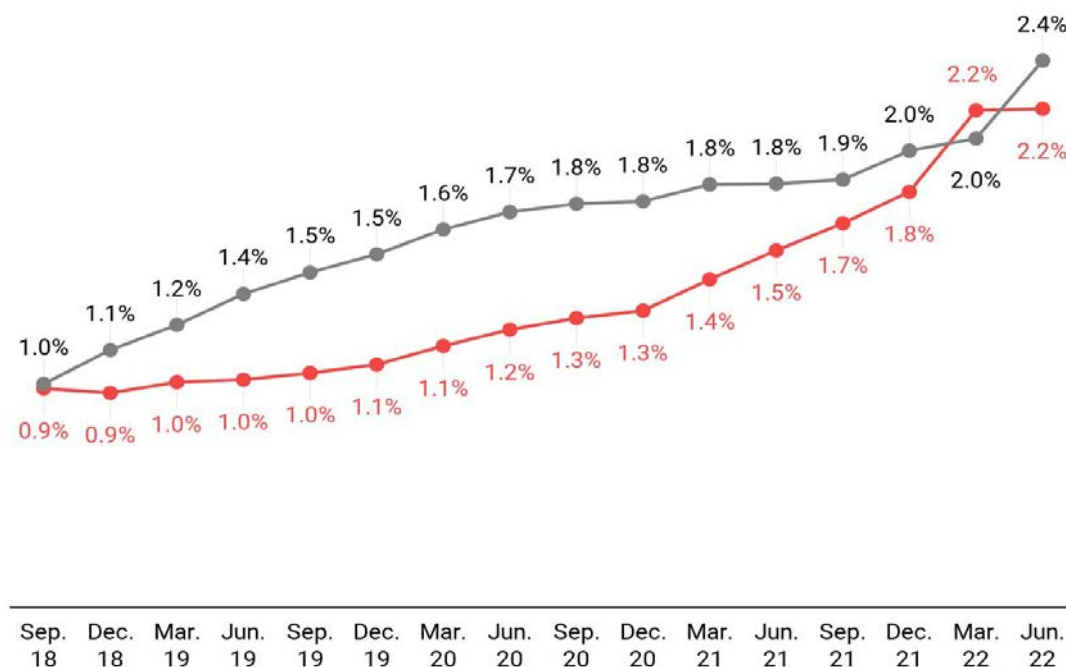
■ Share of customers using new entrants*

- For households
- For corporates



■ Our market share of customers using a new entrant*

- For households
- For corporates

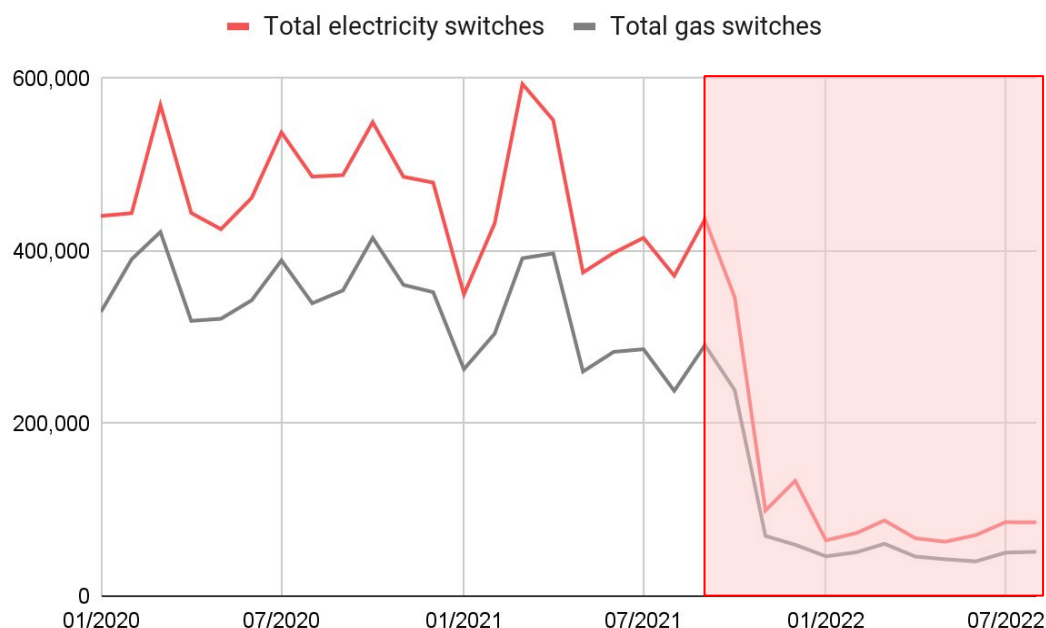


* Created based on the number of contracts in the Electricity Trading Report by the Electricity and Gas Market Surveillance Commission (Left) and our share based on the sales amount (kWh) (Right).

UK energy switching sales plummet; predict no return to switching in FY23

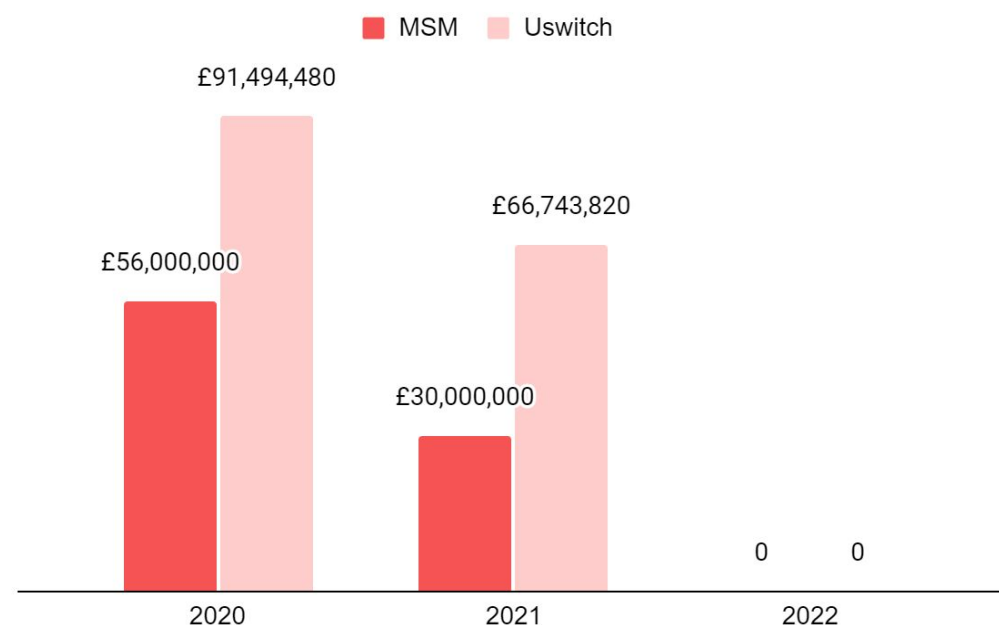
As energy prices climbed in the UK during 2021, the price of fixed rate tariffs rose and switching rates fell to their lowest level in nearly 20 years. Leading price comparison websites MSM and Uswitch saw their energy switching revenues decline, with MSM specifically forecasting in October 2022 that activity levels would not recover in FY23.*1

■ UK domestic customer switching rates*2



UK switching rates start falling from September 2021 to reach lowest point in nearly 20 years

■ MSM and Uswitch estimated energy switching sales*3



Energy switching sales plummet following reduced switching

*1. Moneysupermarket Group - Q3 FY22 Trading Update

*2. Ofgem Retail Market Indicators October 2022, "Number of domestic customers switching supplier by fuel type (GB)" ; excludes internal transfers and transfers from acquisitions/" Supplier of Last Resort" processes

*3. Estimated sales based on available information for energy switching segment operations derived from public financial disclosures, Companies House, etc.

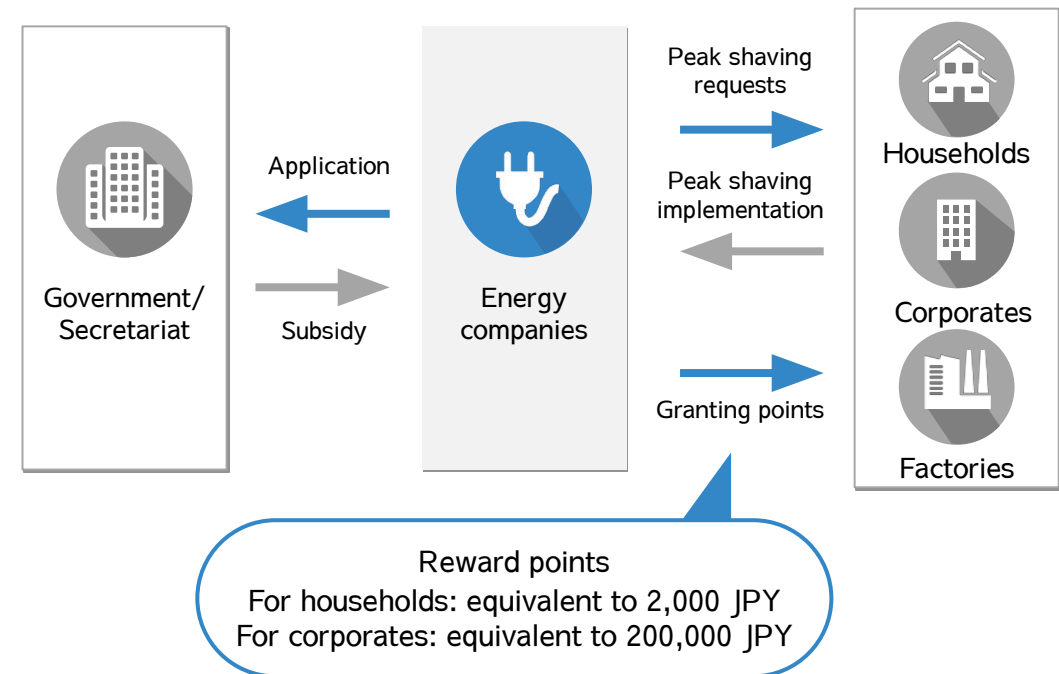
Government peak shaving program begins

The government has announced it secured a 3% electricity reserve ratio, considered the minimum necessary, in all areas of Japan. However, peak shaving services are an important demand-side measure, and promotions like reward points can incentivize engagement. The program presents an opportunity to increase orders for ENECHANGE Cloud DR*¹, as it is one of the few viable DR options in Japan.

■ Reserve ratio forecast during winter FY22*²

	Dec.	Jan.	Feb.
Hokkaido	14.4%	7.9%	8.1%
Tohoku	9.2%	3.4%	4.1%
Tokyo			
Chubu			
Hokuriku			
Kansai			
Chugoku	7.3%	4.8%	6.4%
Shikoku			
Kyushu			

■ Outline of the electricity peak shaving program promotion project



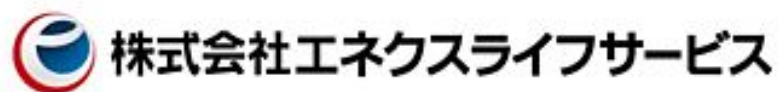
*1. Previously known as SMAP DR

*2. Agency for Natural Resources and Energy, "Electricity Supply and Demand Measures for FY22" (September 15, 2022)

Predict 5x increase in DR participants this winter due to adoption of our DR program

With the rise in demand for peak shaving services, an increasing number of companies are newly introducing ENECHANGE Cloud DR. It has now been adopted by ENEX LIFE SERVICE Co., Ltd. (an Itochu ENEX Group company) and PinT, Inc. (a TEPCO Energy Partner subsidiary), amongst others. We expect an increase in the number of DR participants from 130,000 in summer 2022 to 700,000 by winter 2022-23, and aim to reach 1,000,000 participants by summer 2023.

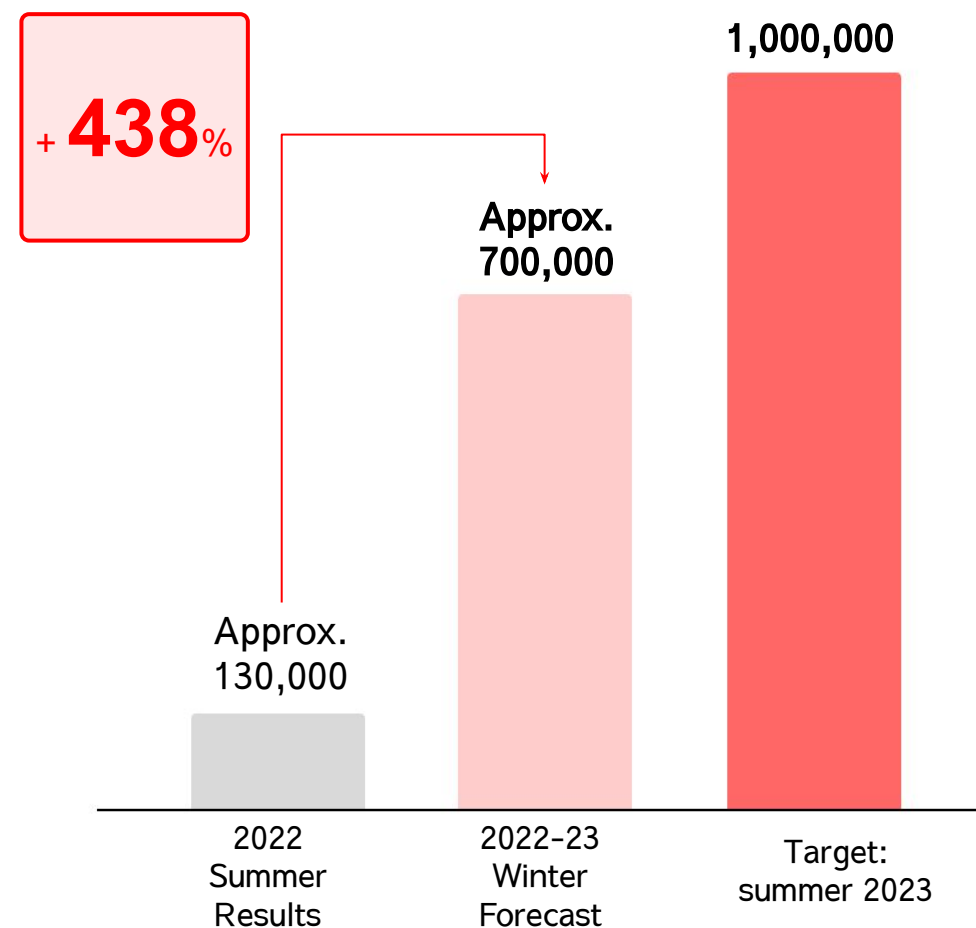
■ Examples of companies now using ENECHANGE Cloud DR



(ENEX LIFE SERVICE Co., Ltd.)



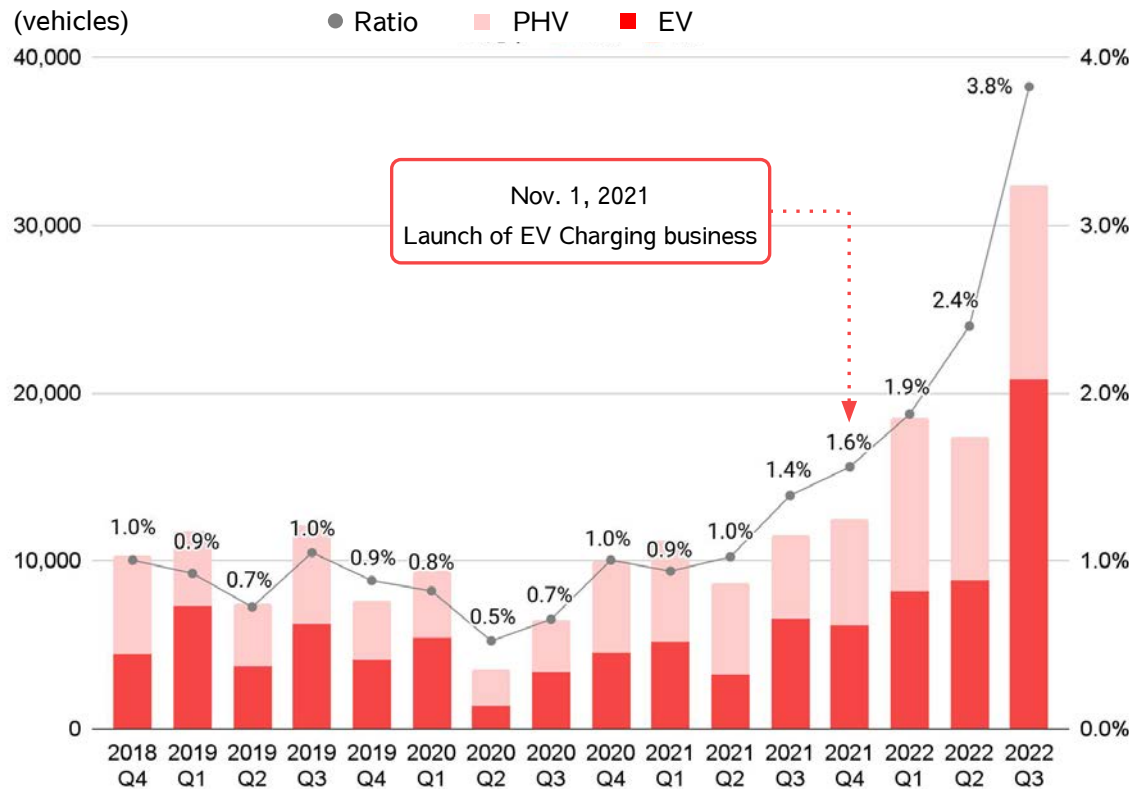
■ Changes in the number of DR participants



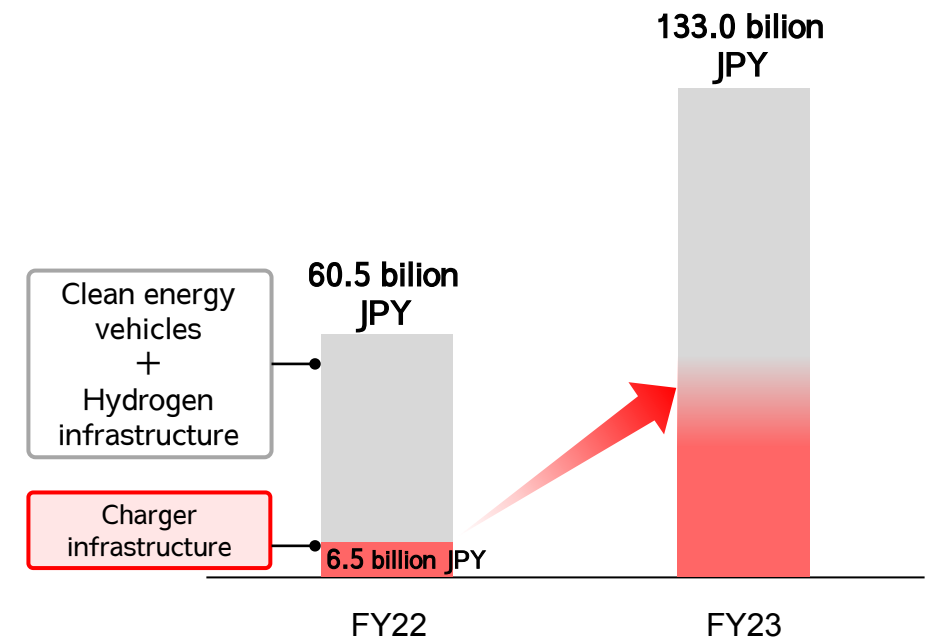
New record high sales of EVs/PHVs in Japan

The sales ratio of EV/PHV vehicles in domestic new vehicle sales in FY22 Q3 was approximately 3.8%, making it the highest ever. This was likely due to the launch of electric kei cars. Although the limit of 6.5 billion JPY in government subsidies for EV charging has been reached, the FY23 budget includes 133 billion JPY for EV-related subsidies. Therefore, the subsidies available for EV charging next year will increase significantly.

■ Sales ratio of new EV/PHV in Japan*1



■ Status of EV-related subsidies*2



EV charging infrastructure subsidies are expected to increase significantly in FY23

*1. Prepared by ENECHANGE based on Japan Automobile Dealers Association, “Numbers of Sold Vehicles by Fuel Type (Passenger Vehicles)” and Japan Light Motor Vehicle and Motorcycle Association, “Confirmed Report for New Vehicle Sales per Common Name for kei car”. This time, the changes reflect electric kei cars as well.

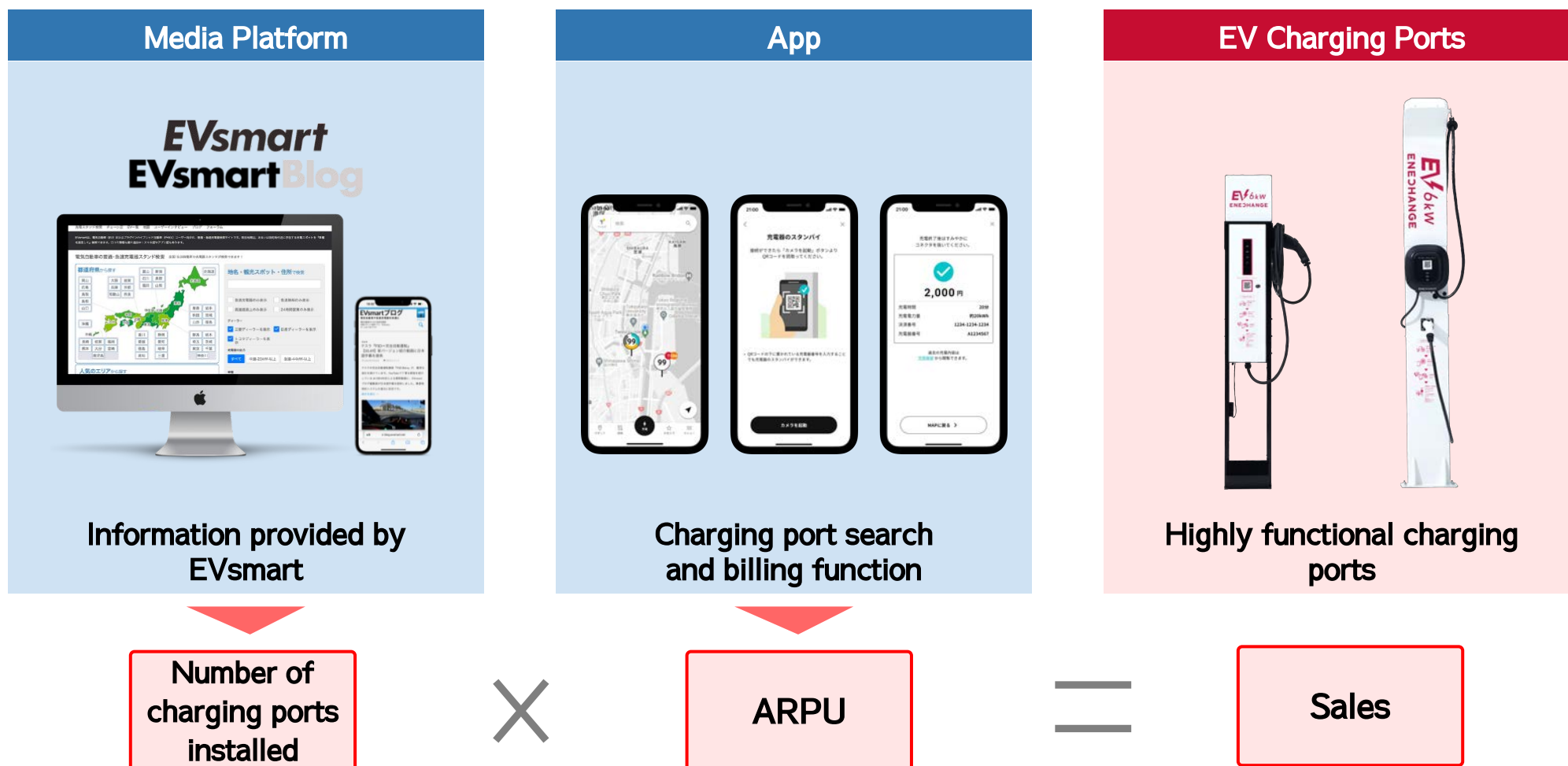
*2. FY22: Total of FY21 supplementary budget and FY22 budget

FY23: Total of FY22 supplementary budget and FY23 budget; subsidy amount for charging infrastructure is under adjustment

Establish dominance in the EV charging field through integration with EVsmart

ENECHANGE acquired EVsmart, who provide the largest EV-focused media platform and a mobile app in Japan. Through this acquisition, we are establishing a dominant position (90% of EV drivers installed our mobile app in Japan*) for the EV Charging business in terms of the number of EV charging ports, and EV driver network.

Improve KPIs of EV Charging business by gradual integration into seamless service



* The cumulative sales of EVs and PHVs (including kei cars) in Japan from January 2018 to August 2022 is used as the denominator, and the total cumulative number of ENECHANGE EV Charge and EVsmart app installations is used as the numerator.

Charge 3: EV charging ports for condominiums

We are introducing our new product Charge 3^{*1}, designed for use at condominiums. This wall-mounted model has a 6kW output while being more compact than our other chargers. In addition, we offer a Condo Zero plan^{*2} with zero upfront fees, zero monthly fees, and zero electricity costs, which presents an attractive option for those living in condominiums. We are also developing load balancing utilizing smart meters to curb electricity costs.

■ Charge 3 for condominiums



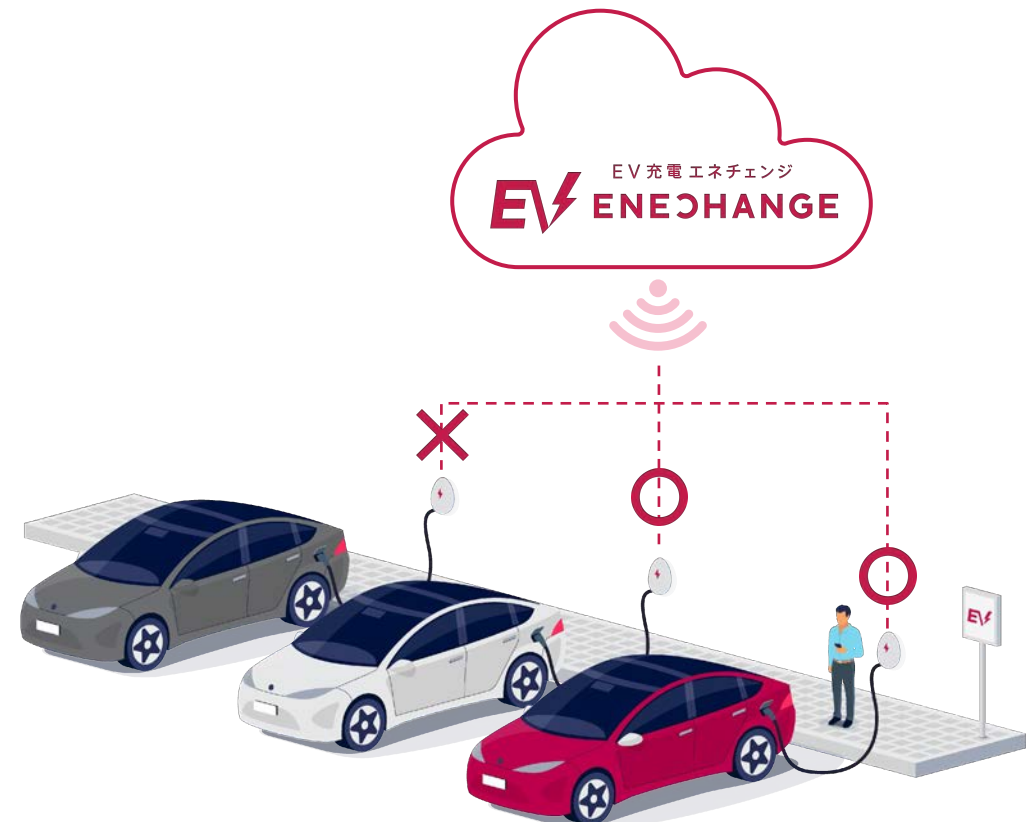
All 0 JPY

Upfront costs

Monthly fees

Electricity costs

■ Development of load balancing



^{*1} ENECHANGE EV Charge charging ports were previously known as Model 1, Model 2, Model 3, etc, and have now been rebranded as Charge 1, Charge 2, Charge 3, etc.

^{*2} Condo Zero plan is subject to installation conditions.

Campaign may be cancelled if government subsidies are no longer available.

TV/Taxi commercials to establish the top EV charging brand

We will start large-scale advertising using our new ENECHANGE EV Charge video. Taxi advertising will begin in November 2022, and TV advertising will begin in December. We are the first company to conduct a large-scale advertising campaign in the field of EV charging, and are aiming to become the most recognized brand in this new EV era.

■ Advertising snapshot*



Actor: Non (a.k.a.
Rena Nōnen)

■ Advertising media



TV ad

From Dec. 2022
Tokyo, Nagoya,
Shizuoka metropolitan
areas



Taxi ad

From Nov. 2022
Sequential rollout



Website ads



Social media ads

Twitter, Facebook
TikTok, Youtube

* “No. 1 in number of units installed” : Based on number of EV chargers compatible with smartphone authentication apps among 6kW EV chargers listed on the GoGo EV website (October 2022)



3

Forecast for FY22

Revised forecast for FY22

Sales were 83% of the revised full-year forecast of 3.4 billion JPY in Q3. The impact of the decline in non-recurring revenue in the Platform business is expected to continue in Q4, and we maintain our full-year forecasts.

■ Financial results forecast for FY22

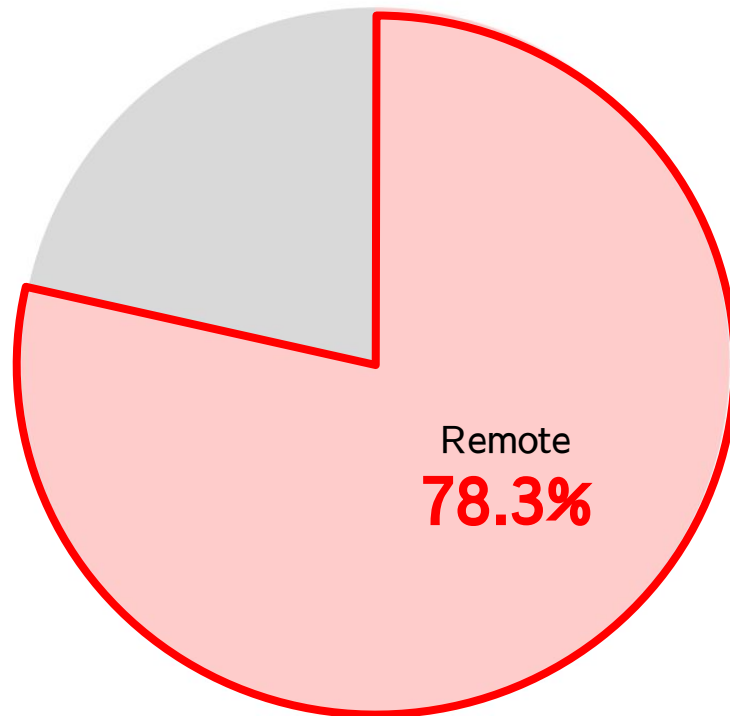
Unit: JPY MM

	FY21 full-year results	FY22 full-year forecast	FY22 revised forecast (Announced May 13)	YoY	FY22 Q3 results	Progress rate
Sales	3,018	4,000	3,400	+13%	2,820	83%
Operating income	40	(1,500)	(1,000)	-	(531)	-

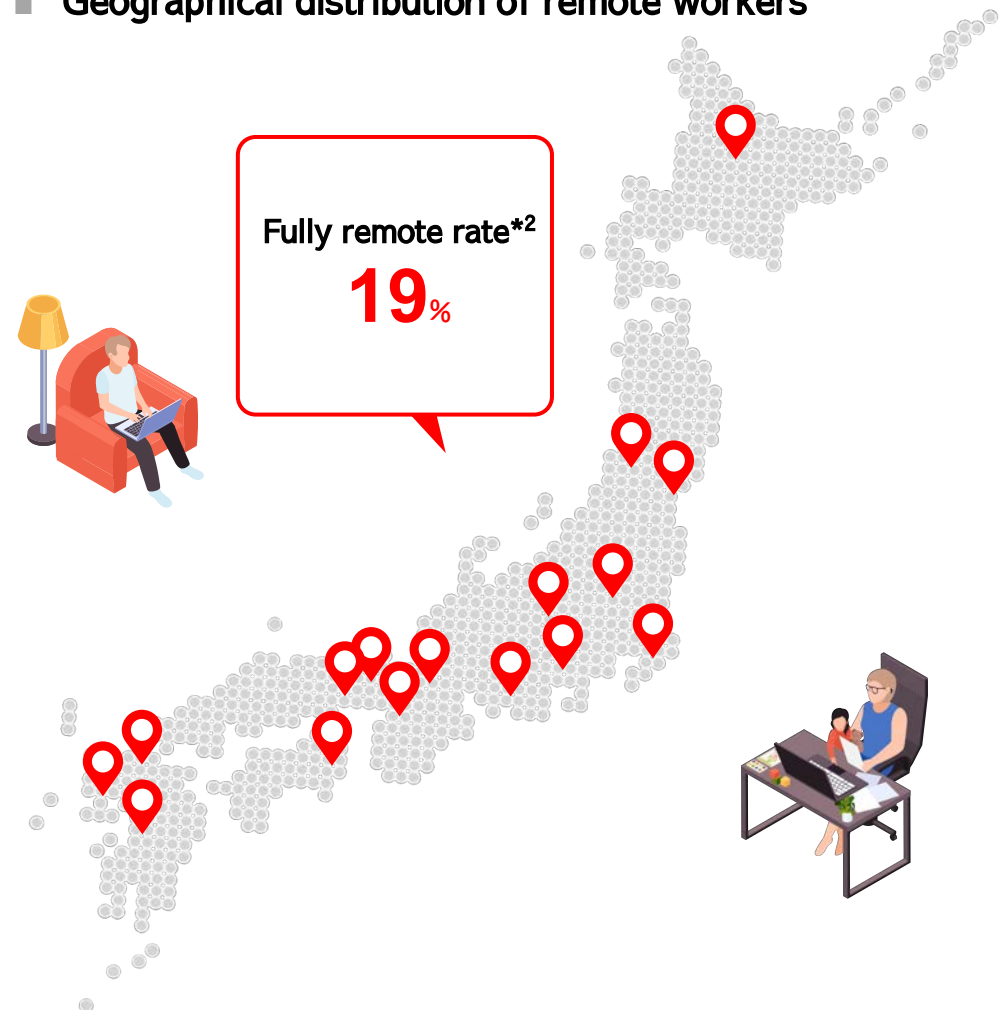
Utilizing remote work to increase sales efficiency and reduce costs

ENECHANGE's adoption of remote work has led to achieving a variety of working styles, hiring talent living in local areas, and reducing office costs. In the EV Charging business, we are actively hiring sales team members in local areas, leading to an efficient expansion of services across the country.

- Percentage of employees working remote on a average day at ENECHANGE (2022)*¹



- Geographical distribution of remote workers



*1. Average for the period from January to the end of August 2022

*2. As of the end of September 2022, non-consolidated basis

ENECHARGE

Driving through the tunnel, with 'London Bridge' in sight





4

Appendix

Company outline

Company name	ENECHANGE Ltd. 4169, Tokyo Stock Exchange Growth
Address	14F, WeWork Tokyo Square Garden, 3-1-1 Kyobashi, Chuo-ku, Tokyo, Japan
Founded	April 2015
Businesses	Platform business Data business EV Charging business
Representatives	Yohei Kiguchi, PhD, Representative Director and CEO Ippei Arita, Representative Director and COO
Employees	122 (as of December 31, 2021; consolidated basis)
Headquarters	Tokyo, Japan
Subsidiaries	SMAP Energy Limited (UK) ENECHANGE EV Lab Ltd. Shindenryoku Com Co., Ltd.

■ Head Office: **TOKYO**



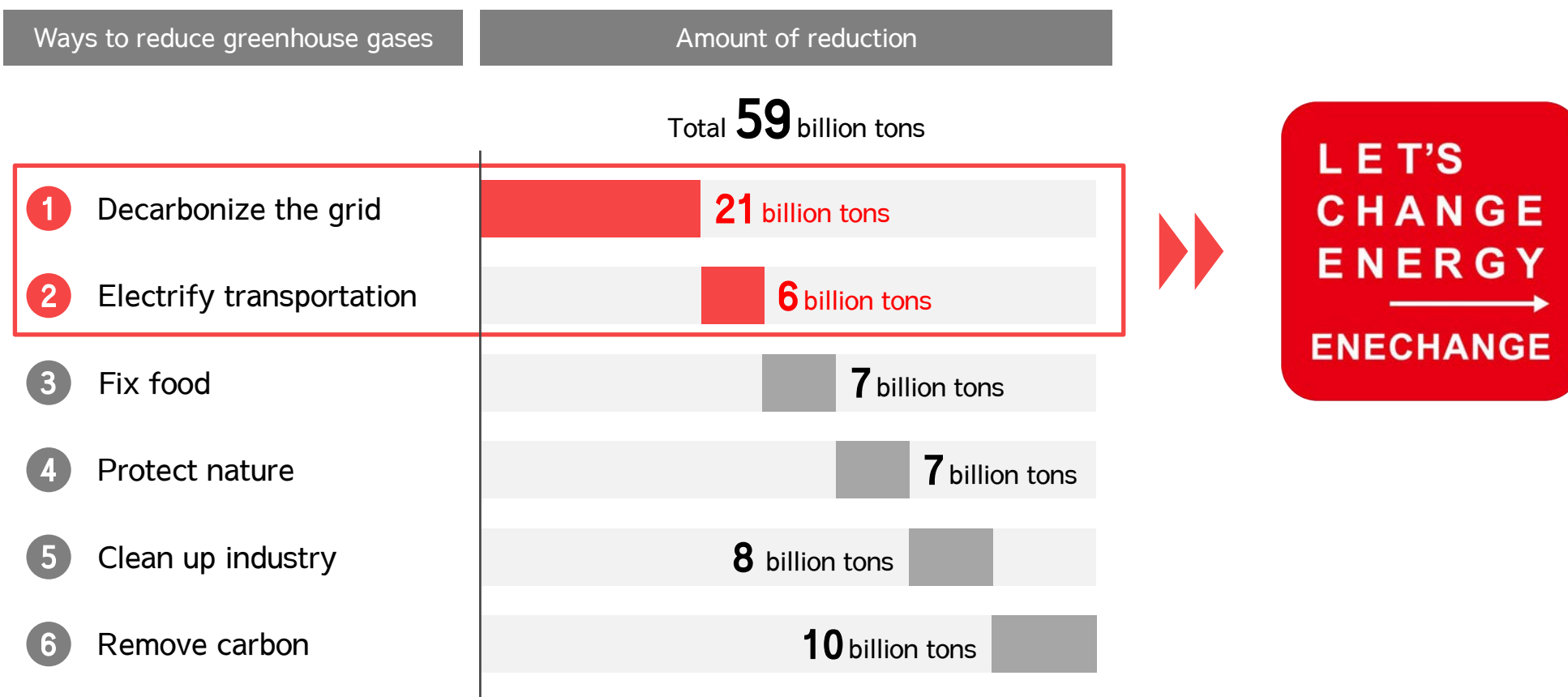
■ Group business: **LONDON**



ENECHANGE is a company that promotes net zero

To reach net zero, we need to reduce our greenhouse gas emissions by 59 billion tons per year. We need to (1) decarbonize the grid and (2) electrify transportation, which account for about 50% of the target. ENECHANGE's core area is the demand side of electricity, and we will promote decarbonization through (1) support for switching to green electricity, (2) EV charging, etc.

■ How to reach net zero*



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

Vertical SaaS businesses specialized in the energy industry

We are developing vertical SaaS businesses specialized in the energy industry. Our Platform business provides Japan's largest energy switching platform for households and corporates. The Data business provides electricity demand management services for electricity companies. The EV Charging business provides EV charging services for parking facility owners (site hosts).

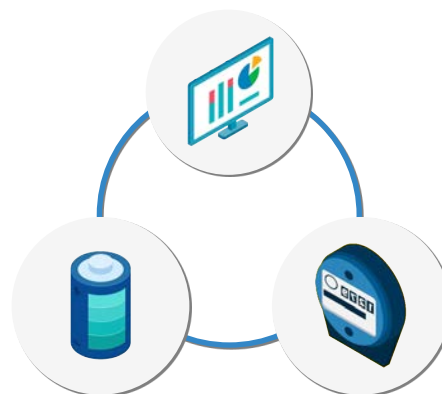
Platform business



Energy switching services
for households and corporates

Maximize sales growth
Secure profitability (temporarily)

Data business



Electricity demand management services
for electricity companies

Stable sales growth
and profit creation

EV Charging business*



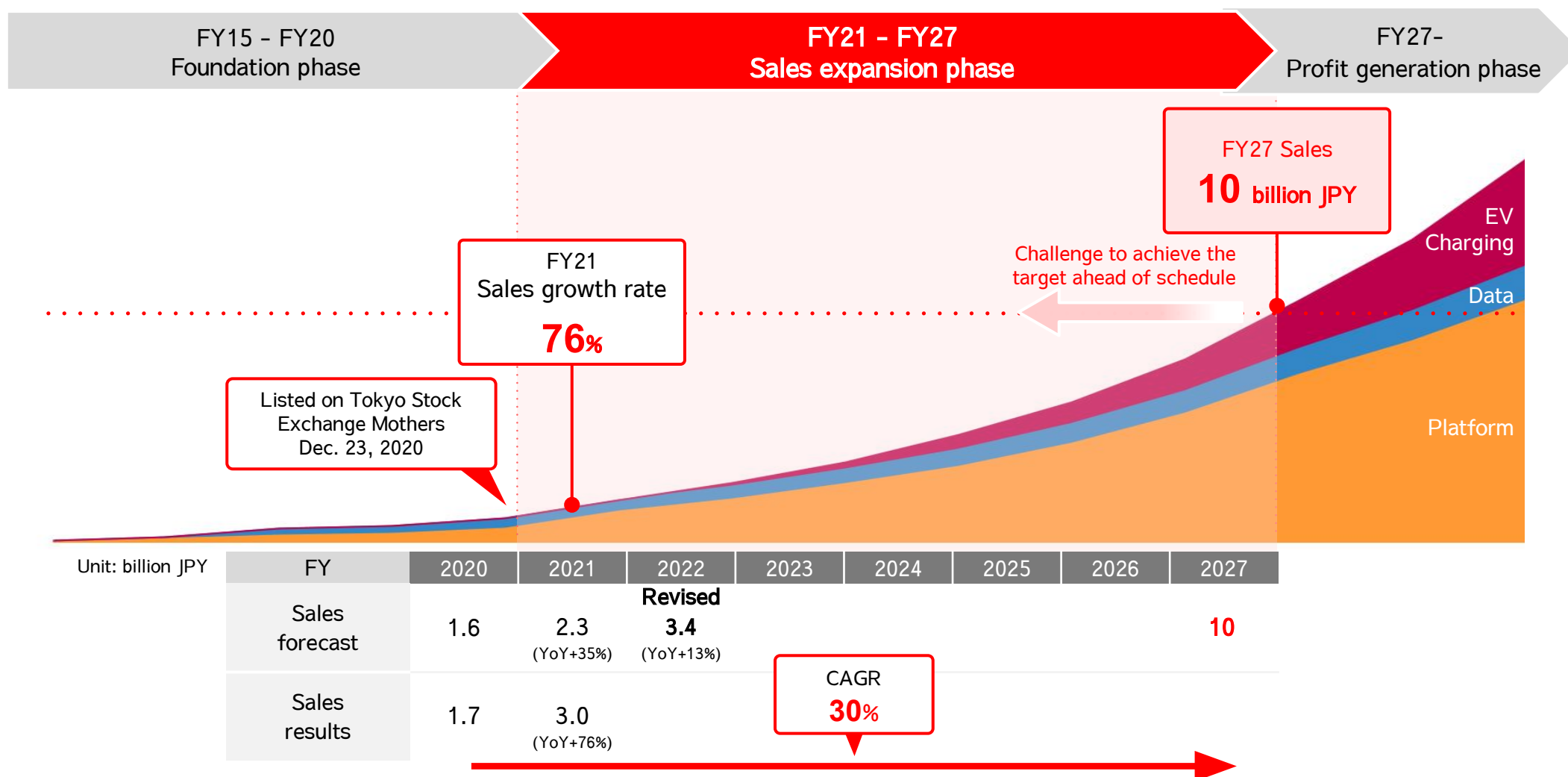
EV charging service
for site hosts

Establish top market position

* The EV Charging business was included in the Data business until FY21, but is now disclosed as a separate segment. Since the EV Charging business is a service that was launched in November 2021, the revenues, expenses, etc. recorded in the Data business through FY21 are minimal.

Roadmap to achieve 10 billion JPY sales

As a guideline to maintain a high rate of sales growth, we are aiming for an average annual sales growth of 30% and sales of 10 billion JPY by FY27. In FY21, we achieved +76% sales growth. Although growth has temporarily slowed in the Platform business due to the global increase in energy prices, the EV Charging business will continue driving overall sales growth. Hence, the company continues to affirm its long-term target.

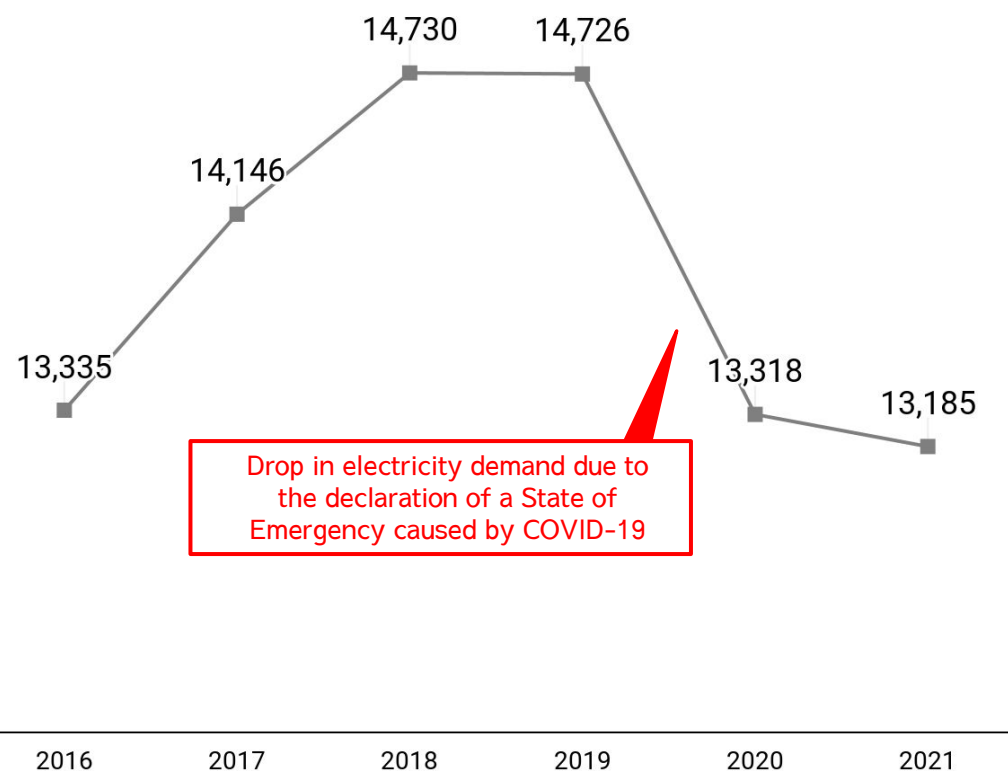


Electrification will expand electricity market to 18 trillion JPY

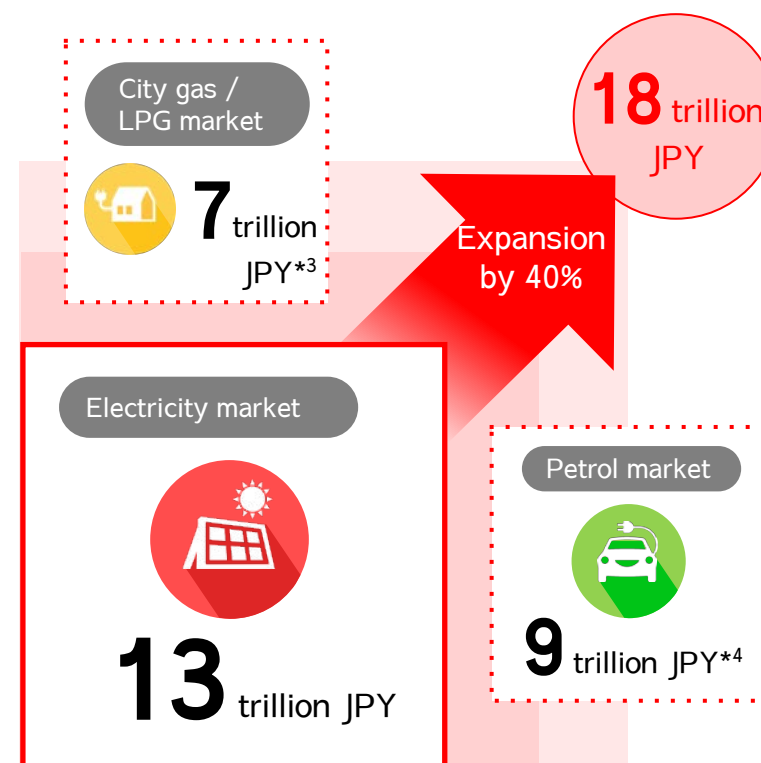
The move towards decarbonization is encouraging the spread of fully electrified homes and electric vehicles. As a result, the electricity market is expected to grow from its current level of 13 trillion JPY to 18 trillion JPY (+40%*¹) by 2050.

■ Electricity market (base market)*²

Unit: JPY BN



■ 18 trillion JPY market through electrification



*1. Source: METI, "Green Growth Strategy towards 2050 Carbon Neutrality", (June 18, 2021)

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

*3. Calculated based on city gas sales amounts in Electricity and Gas Market Surveillance Commission, "Results of Gas Transactions" and the Japan LP Gas Association sales volume data.

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

CHANGING ENERGY FOR A BETTER WORLD

The ENECHANGE story began around 10 years ago, with the Great East Japan Earthquake. I first became aware of the importance of energy issues when visiting the disaster area as a volunteer.

I thought, "I want to devote my life to this problem."

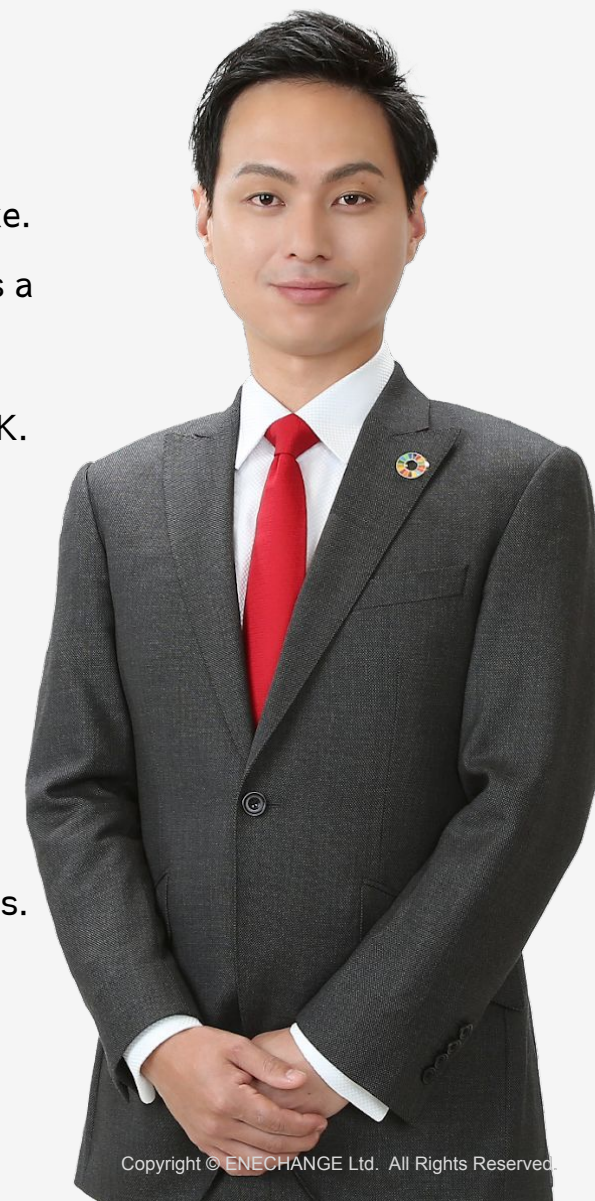
That experience led me to pursue a PhD in engineering at the University of Cambridge, UK. Behind this decision, which might seem like taking the long way around, was my belief that acquiring knowledge in Europe, with its advanced energy systems, would allow me to contribute to reforms in Japan's energy industry. Using the results of my research into energy data at Cambridge, I founded ENECHANGE.

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"

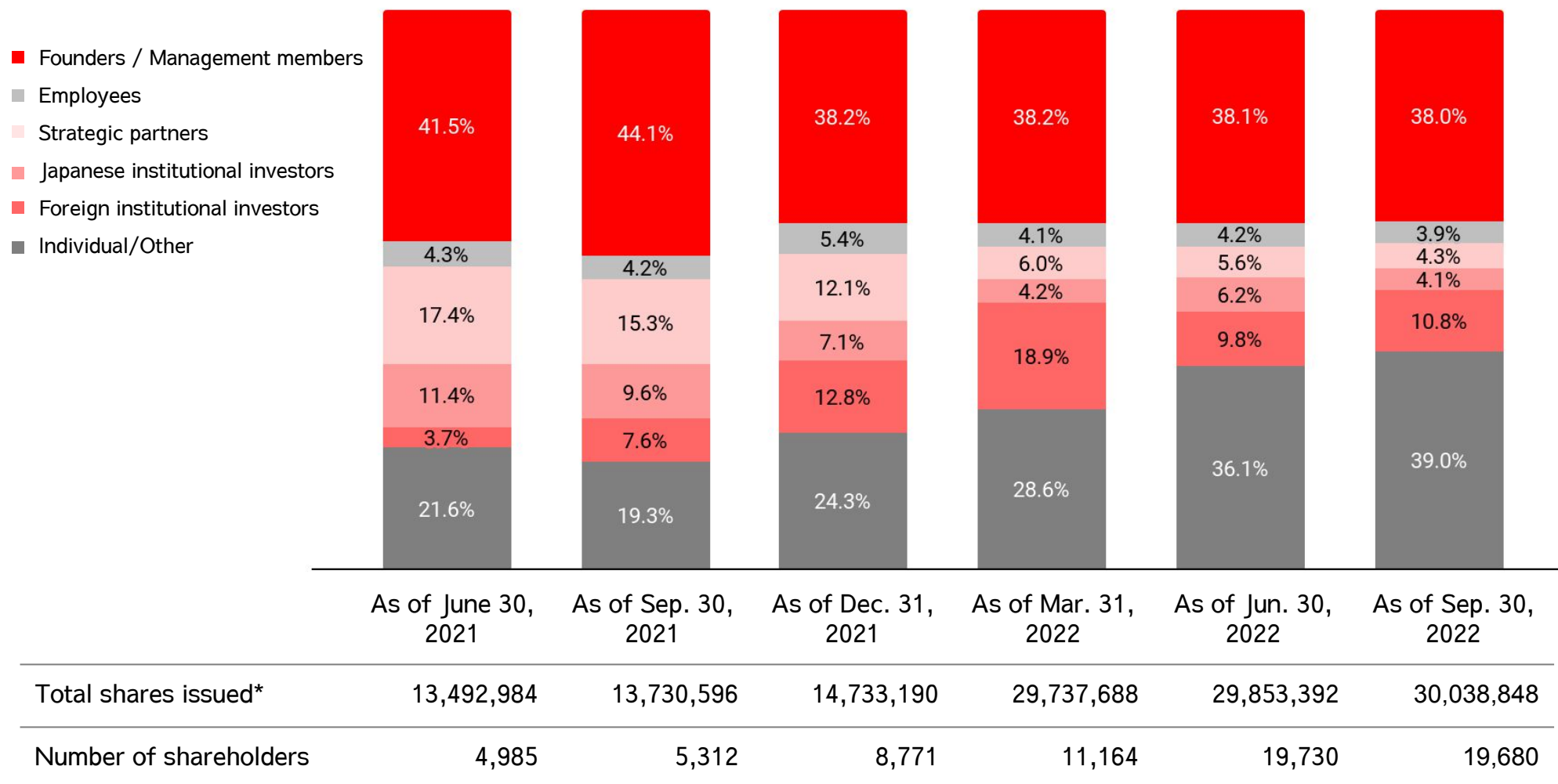
To bring about a carbon-free society, we must reform the energy industry through the 4Ds. ENECHANGE uses the technological capacity, global knowledge, and networks we fostered at Cambridge to encourage reform in Japan's energy industry.

- Yohei Kiguchi, PhD
Founder & CEO



Shareholder information

At the end of September 2022, the individual investor base continued to expand.



* The Company conducted 2-for-1 stock splits effective April 1, 2021 and 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.

Our two representative directors

CEO Yohei Kiguchi, PhD and COO Ippei Arita both have engineering experience, have both spent time overseas, and have contributed to the Group since its founding. With two representative directors, we can provide flexible business management both in Japan and overseas.



ENECHANGE



Yohei Kiguchi, PhD CEO / Co-Founder

After witnessing the impact of the Great East Japan Earthquake, Yohei developed a deeper interest in the problems facing the energy sector and decided to study overseas at Cambridge University in the UK. There, he obtained a master's degree and a doctorate in engineering in energy data AI analysis. During his time at Cambridge, he founded ENECHANGE in 2015 and SMAP Energy Limited (now a UK subsidiary) in 2016. He is also a current member of several committees in energy policy at the Japanese government.

Ippei Arita COO / Co-Founder

After completing a computer science masters program at Waseda University, Ippei worked at JPMorgan Securities Japan as a software engineer. He has also worked to develop online gaming services at GREE, Inc. He joined Yohei in Cambridge as chief engineer in 2013. Ippei became a co-founder of ENECHANGE in 2015. His major strength is his technical background and management ability, and he leads ENECHANGE's domestic business operations.

Professional management team

Outside directors



Minoru Takeda Outside director★
Earned B.S. and M.S. from Keio University, Faculty of Science and Technology, and M.S. from MIT Sloan School of Management. Held numerous management positions in major oil companies (ExxonMobil & Royal Dutch Shell), and involved in M&A. At Royal Dutch Shell, was GM for Asia Pacific LNG Business and President of Shell Japan. During 2015–2018, served as Chairman of Showa Shell Sekiyu.



Aki Mori Outside director ★
Graduated from Waseda University with a Bachelor of Commerce and an MBA (Professional) from Kyoto University. 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



Kenichi Fujita Outside director ★
Served as head of international consulting departments for companies including UFJ Institute, where he was involved in e.g. global management strategies, overseas investment strategies, and cross-border M&A. After joining Siemens in 2006, he served as CEO of their automotive parts subsidiary, Director of the Energy Sector at the head office, Executive Officer of the Energy Division, and then as CEO and Chairman at Siemens Japan.



Shinichiro Yoshihara Outside director ★
Graduated from Yokohama National University, and is a chartered accountant. He worked in auditing at Asahi & Co. (now KPMG AZSA LLC). In 2002, he joined EPCO, Ltd. and was appointed a director and manager of the business planning office. The same year, EPCO was listed on JASDAQ. As Representative Director and CFO, he oversaw the company changing its listing from JASDAQ (TSE) to the Second Section, and then its listing on the First Section of the TSE in 2019.



Kana Bogaki 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.

Director



Tatsuya Sogano Director, CMO
Graduated from Hitotsubashi University in 2013. He worked at P&G, developing business strategies based on understanding of 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 through marketing and business partnerships.



Takuya Sugimoto
CFO (Chief Financial Officer) / CPA
Joined in July 2019 as CFO. After graduating from the School of Business Administration, Kobe University, he worked at Deloitte, J.P. Morgan, and Rakuten in financing and M&A.



Masayuki Tanaka
CTO (Chief Technology Officer)
Appointed CTO in January 2020. After receiving bachelor's and master's degrees at the University of Tokyo, he joined ENECHANGE at its founding after working at GREE. Having previously created c3.js (JavaScript data visualization) library, he leads our community of engineers.











Paul Monroe
SMAP Energy Limited (UK subsidiary) Officer
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.

Key Executives / Subsidiary Officers

☆: Independent director

A team of directors who balance high growth and corporate governance as an energy tech company

	Name Post at ENECHANGE	Major Past Posts	Nomination and Remuneration Committee	Energy / Environment Business	Energy Tech	Energy Overseas Trends	Corporate Governance	Accounting & Finance / Capital Markets	Organizational Development / Personnel	Marketing
	Yohei Kiguchi, PhD Representative Director and CEO	University of Cambridge, Doctoral researcher	○	✓	✓	✓		✓		
	Ippei Arita Representative Director and COO	JP Morgan, Engineer		✓	✓				✓	
	Tatsuya Sogano Director and CMO	P&G, Marketing		✓	✓					✓
	Minoru Takeda Independent Outside Director	Showa Shell, Chairman Royal Dutch Shell Japan, CEO	○	✓		✓	✓			
	Aki Mori Independent Outside Director	Recruit Holdings, Executive Officer Renova, CFO Goldman Sachs, IBD	○ Committee Chair	✓			✓	✓		
	Kenichi Fujita Independent Outside Director	Siemens Japan, CEO and Chairman		✓	✓	✓	✓			
	Shinichiro Yoshihara Independent Outside Director	EPCO, Representative Director and CFO, CPA		✓			✓	✓	✓	
	Kana Bogaki Independent Outside Director	Makuake, Co-founder/Director					✓		✓	✓

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

SDG initiatives

To create a sustainable world, ENECHANGE is actively working on ways to achieve the following six SDG goals. As part of this, we disclose our greenhouse gas emissions (Scope 1 and Scope 2*) on our website, and have achieved virtually zero emissions through the purchase of Renewable Origin Certificates. (<https://enechange.co.jp/en/sustainability/>)

■ Our focus areas regarding SDG goals



■ Disclosure of our commitment on the website

– Environment

Electricity consumption / CO₂ emission

	FY2021
SCOPE1 (kg-CO ₂)	0
SCOPE2 (kg-CO ₂)	13,444
SCOPE1,2 total (kg-CO ₂)	13,444
Electricity consumption (kWh)	29,419

*Data covers ENECHANGE Ltd.

*SCOPE1 measures the carbon dioxide emission of gas consumption in the office

*SCOPE2 measures the carbon dioxide emission of electricity consumption in the office

* Scope 1: Direct greenhouse gas emissions by businesses themselves. Scope 2: Indirect emissions from the use of electricity, heat, and steam supplied by other companies.

Consolidated financial results for FY22 Q3

In the FY22 YTD progress, sales were 2.8 billion JPY (+29.0% YoY), and gross profit was 2.3 billion JPY (+22.7% YoY), both reaching record highs. Operating loss was -531 million JPY due to investment in the EV Charging business, and net loss was -623 million JPY due to a 60 million JPY impairment loss associated with the revision of the software sales plan in Q2 and income taxes of 20 million JPY.

(Unit: JPY MM)	Q3 (Jul-Sep)			YTD progress (Jan-Sep)		
	FY21	FY22	YoY	FY21	FY22	YoY
Sales	800	668	(16.5)%	2,186	2,820	+29.0%
Gross Profit	677	495	(26.9)%	1,874	2,299	+22.7%
<i>Gross Profit Margin</i>	84.6%	74.0%	(10.6)pt	85.7%	81.5%	(4.2)pt
<i>SG&A expenses</i>	599	804	+34.2%	1,736	2,831	+63.1%
Operating Profit	78	(309)	-	137	(531)	-
<i>Operating Profit Margin</i>	9.8%	(46.1)%	(55.9)pt	6.3%	(18.9)%	(25.2)pt
Ordinary Profit	60	(351)	-	139	(528)	-
Net Profit attributable to owners of parent	45	(352)	-	61	(623)	-

Consolidated financial results for FY22 Q3 by segment

In the YTD progress, the Platform business realized net sales of 2.0 billion JPY (+30.9% YoY) and the Data business realized net sales of 0.7 billion JPY (+23.3% YoY). Although both businesses remained profitable, operating income was negative due to investments in the EV Charging business and an increase in headcount and headquarter expenses associated with business expansion.

(Unit: JPY MM)		Q3 (Jul-Sep)			YTD progress (Jan-Jun)		
		FY21	FY22	YoY	FY21	FY22	YoY
Sales	Consolidated	800	668	(16.4)%	2,186	2,820	+29.0%
	Platform business	563	448	(20.3)%	1,593	2,086	+30.9%
	Data business* ¹	236	218	(7.6)%	592	730	+23.3%
	EV Charging business	-	1	-	-	2	-
Operating profit	Consolidated	78	(308)	-	137	(531)	-
	Platform business	120	62	(48.3)%	295	256	(13.2)%
	Data business	65	15	(76.9)%	158	119	(24.7)%
	EV Charging business	-	(198)	-	-	(406)	-
	Adjustment amount* ²	(107)	(188)	-	(317)	(501)	-

*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*1

In both the Platform and Data business, we invested in team expansion to the extent that segment operating profit can be maintained. The EV Charging business continues to make investments in advertising and personnel expansion.

(Unit: JPY MM)	FY21 Q3					FY22 Q3				
	Company-wide	Platform business	Data business	EV Charging business	Company-wide costs	Company-wide	Platform business	Data business	EV Charging business	Company-wide costs
Sales	2,186	1,593	592	-	0	2,820	2,086	730	2	0
Cost of sales	311	48	263	-	0	520	63	380	75	0
Gross profit	1,874	1,545	329	-	0	2,299	2,022	349	(73)	0
<i>Gross Profit Margin</i>	<i>85.7%</i>	<i>97.0%</i>	<i>55.6%</i>	-	-	<i>81.5%</i>	<i>96.9%</i>	<i>47.8%</i>	-	-
Sales costs & general administration costs	1,736	1,249	170	-	317	2,831	1,766	230	333	501
Advertising expenses	53	49	0	-	3	365	258	0	104	2
Sales commissions, sales promotion expenses	906	906	0	-	0	1,038	1,038	0	0	0
Personnel expenses	427	162	121	-	143	704	213	135	173	182
Outsourcing expenses	178	94	10	-	73	378	178	54	25	119
Other	171	36	37	-	96	343	76	40	30	196
Operating profit*2	137	295	158	-	(317)	(531)	256	119	(406)	(501)
<i>Operating Profit Margin</i>	<i>6.3%</i>	<i>18.5%</i>	<i>26.7%</i>	-	-	<i>(18.8)%</i>	<i>12.3%</i>	<i>16.3%</i>	-	-

*1. The figures for the breakdown of sales costs & general administration costs 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.

Consolidated balance sheet

Cash and deposits decreased by 695 million JPY due to a 202 million JPY increase in fixed assets from the acquisition of Shindenryoku Com and the partnership with Sumasapo Inc., a 352 million JPY net loss for the quarter, and 141 million JPY in working capital related to sales commissions and sales promotion expenses. Cash and deposits increased by 107 million JPY due to debt financing, for a total decrease of 588 million JPY.

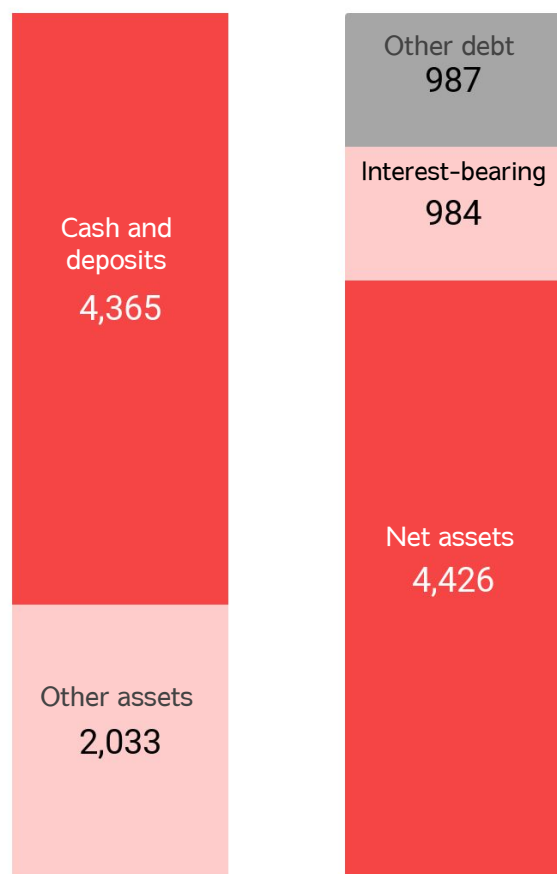
(Unit: JPY MM)	End of FY22 Q2	End of FY22 Q3	
		Actual	QoQ
Current Assets	5,019	4,503	(516)
Cash and Deposits	4,365	3,777	(588)
Fixed Assets	1,379	1,581	+202
Total Assets	6,398	6,084	(314)
Current Liabilities	1,046	1,000	(46)
Interest-bearing Debts	59	99	+49
Fixed Liabilities	925	997	+72
Interest-bearing Debts	925	983	+58
Net Assets	4,426	4,086	(340)

Financial base

Since the public offering in December 2021, the D/E ratio has remained healthy at 0.26x.

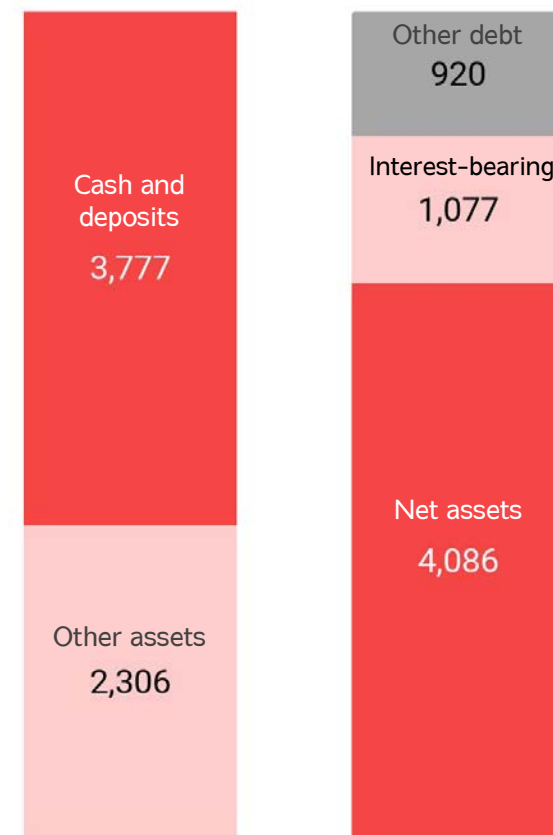
■ Consolidated Balance Sheet as of end Jun. 2022

Unit: JPY MM



■ Consolidated Balance Sheet as of end Sep. 2022

Unit: JPY MM

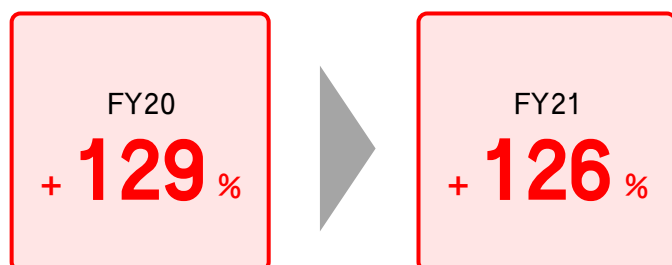


D/E ratio
0.26x

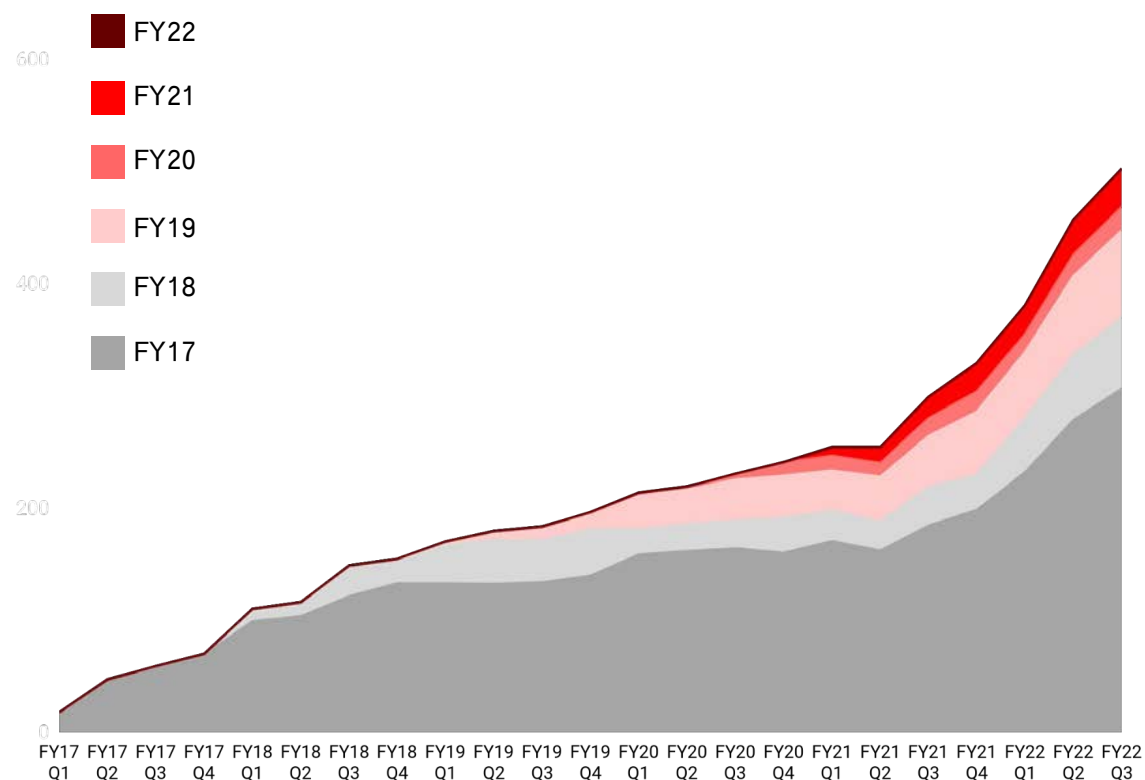
Maintaining positive NRR as an energy SaaS

Due to cross-selling multiple services to our clients (energy companies, etc.), we have seen steady growth in recurring revenue from existing customers, and our NRR (Net Revenue Retention)* has been over 120%.

■ NRR



■ Changes in recurring revenue by start of service



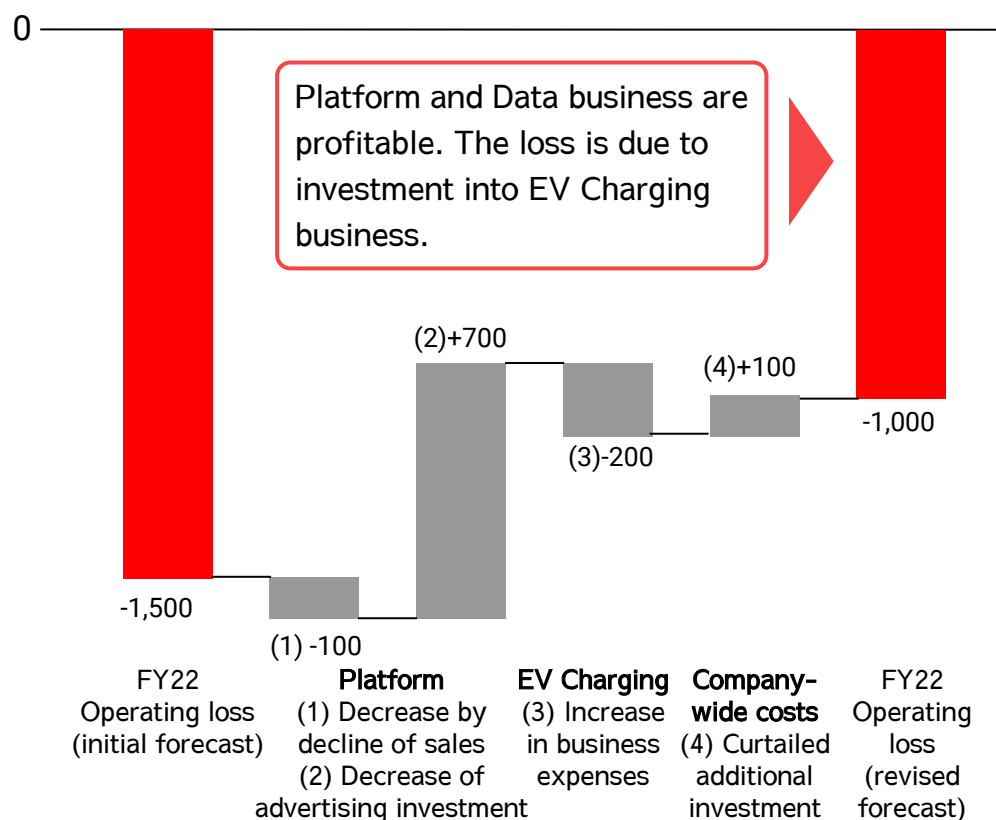
* The net revenue retention is calculated by dividing recurring revenue at the end of fiscal period N from customers at the end of fiscal period N-1 by the recurring revenue at the end of fiscal period N-1.

Revised investment planning assumptions (revised forecast for May 2022)

Advertising* in the Platform business, which was planned to be approximately 1 billion JPY, will be curbed to approximately 300 million JPY, and the Platform business and Data business are assumed to be profitable. However, we have changed our forecast for investment in the EV Charging business from 900 million JPY to 1.1 billion JPY in light of strong orders. In addition, a 100 million cost reduction is counted at the company-wide level.

■ Illustration of revised operating profit

Unit: JPY MM



■ Initial assumptions per segment and details of revised investments

Strategy	Initial assumption	Revised
Platform business	<ul style="list-style-type: none"> - Increased expenses of 1.2 billion JPY (1 billion JPY of which are advertising investment*¹) - Segment deficit 	<ul style="list-style-type: none"> - Curbed advertising investment*¹ to 300 million JPY (-700 million JPY) - Maintain segment profitability
Data business	- Segment profitability	No change
EV Charging business	<ul style="list-style-type: none"> - Investment to gain top market position - Approx. 900 million JPY expenses arising 	<ul style="list-style-type: none"> - Assumed increase in investment expenses to approx. 1.1 billion JPY (+0.2 billion JPY) in light of strong orders
Company-wide costs	- Investment to improve the organization's structure in line with organizational expansion	- Curbed additional investment

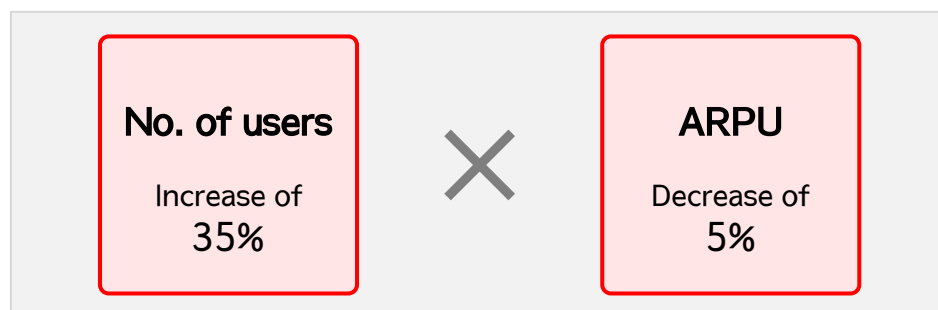
* Total of in-house channel expenses (advertising expenses for digital marketing) and partner channel expenses (sales promotion expenses borne by the Company)

Revised assumptions for sales forecast (revised forecast for May 2022)

The number of users is expected to decline from the initial projection (drop from 35% to 5% growth) due to the suspension of new user acquisition by electricity companies. ARPU is expected to follow the initial forecast, with the increase until April of this year offset by the decline from May onward.

■ Assumptions for sales forecast

Forecast



Current revision



■ Platform business strategy

Cannot expect a swift recovery of energy companies' appetite to acquire customers, further investment postponed for the time being

Strategy		Initial policies for FY22	Revised policies for FY22
Strengthening of in-house channels	Mass marketing	Postponed for now	Postponed for now
	Digital marketing	Priority focus	Postponed for now
Strengthening of partner channels		Priority focus	Postponed for now
"Roll-up" style M&A		Priority focus *Not incorporated into earnings forecast	Priority focus *Not incorporated into earnings forecast



■ **Platform business**

Japan's largest energy switching platform

Through the operation of our platform that has 2 million unique monthly visitors and 56 affiliated energy companies*, we can handle everything from price comparisons to switch processing all at once. The service was launched in response to the liberalization of the electricity market in 2016.



For Households
Energy switching platform

Deregulation

×

Decarbonization



For Corporates
Energy switching platform

Deregulation

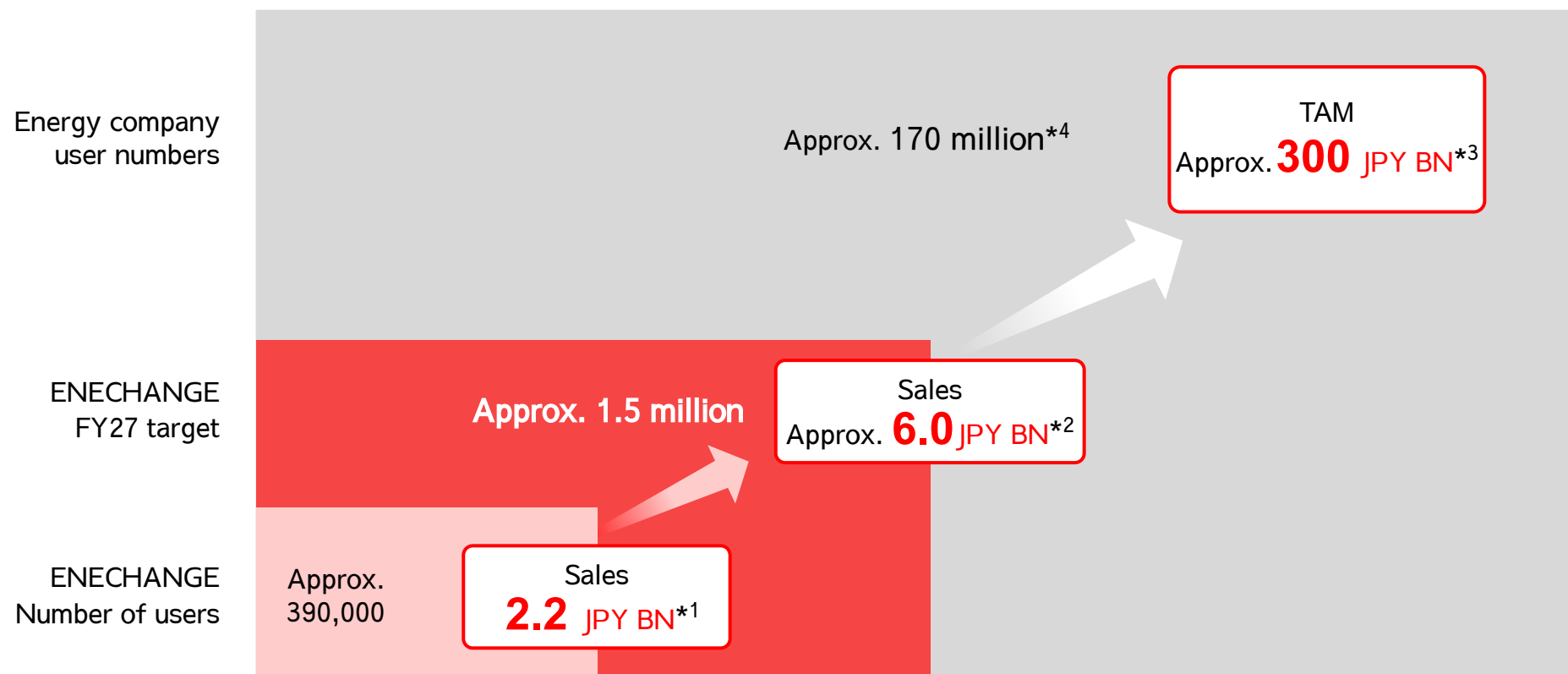
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Decarbonization

* Total number of partner energy companies as of end of December 2021 (excluding duplicates).

Market size of Platform business

In the Platform business, the numbers of new entrant users are expected to increase, and we have plenty of room for growth. We aim to achieve 1.5 million users by 2027, which would generate sales of approximately 6 billion JPY.



*1. FY21 Results for Recurring Revenue in the Platform Business.

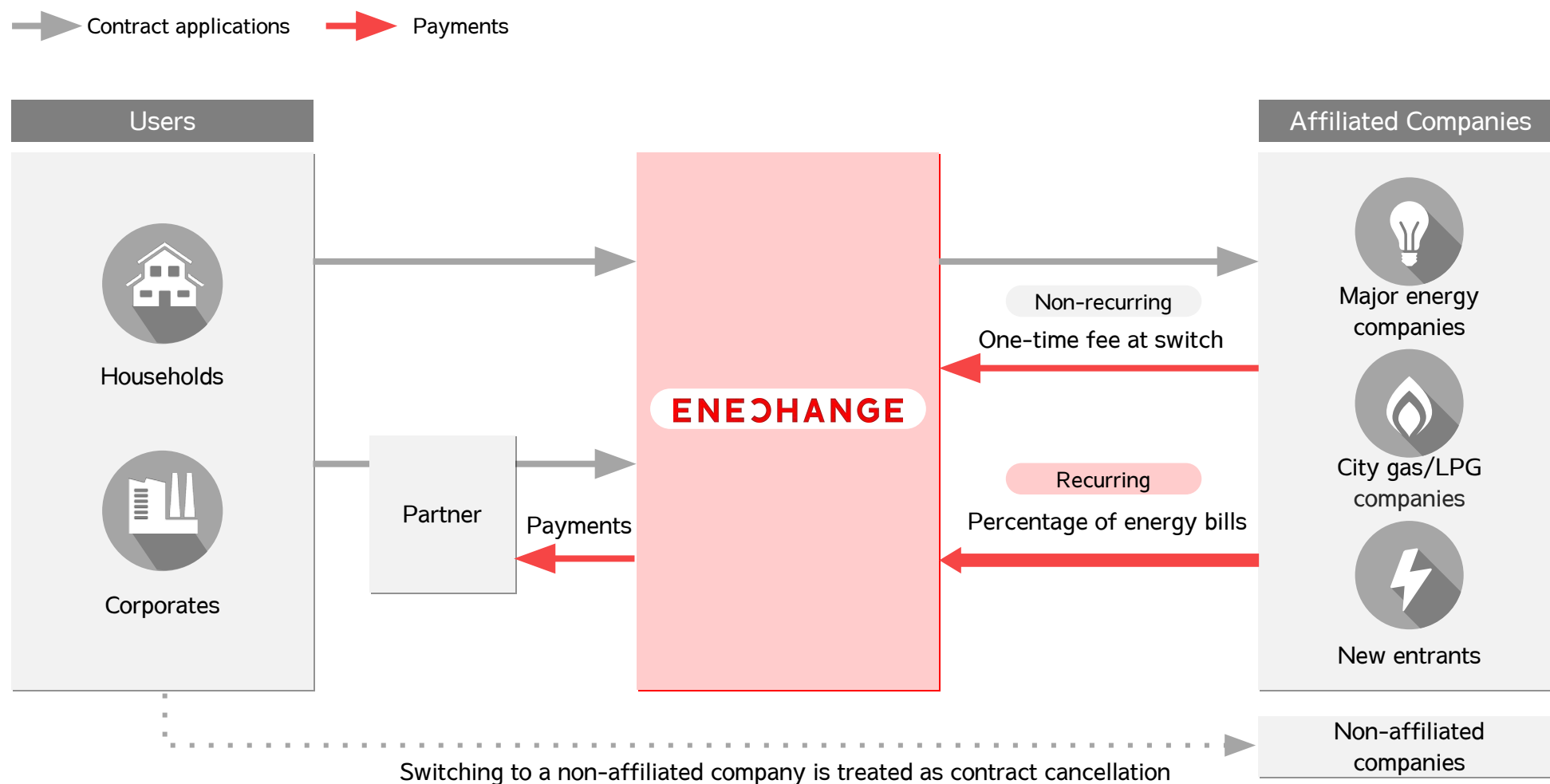
*2. Targeted growth at an average annual growth rate of 30% from actual Platform business sales of 980 million JPY in FY20, the starting point for the long-term target. Non-recurring revenue is calculated based on the assumption that approximately 350,000 users will be switched per year by 2027; this is multiplied by the assumed unit price of 10,000 JPY, for a total of approximately 3.5 billion JPY. The recurring revenue is calculated as approximately 2.5 billion JPY. This is calculated by multiplying the actual unit price of recurring fees per user, which is approximately 1,786 JPY (calculated by dividing the recurring revenue for FY21 Q4 by the number of users at the end of the Q3) by the number of users (approximately 1.5 million). The impact of the acquisition of Oberlous is excluded.

*3. TAM for recurring revenue, which is calculated by multiplying the unit price of recurring fees per user (approximately 1,786 JPY - see *2) by the number of electricity users.

*4. From the Electricity and Gas Transaction Monitoring Committee's "Results of Electricity Transactions": In addition to the number of low-voltage accounts, the ratio of low-voltage to high-voltage electricity sales in the past 12 months was calculated and multiplied by the number of low-voltage accounts, which was then added up as the number of high-voltage household equivalents.

Recurring revenue for energy usage bills

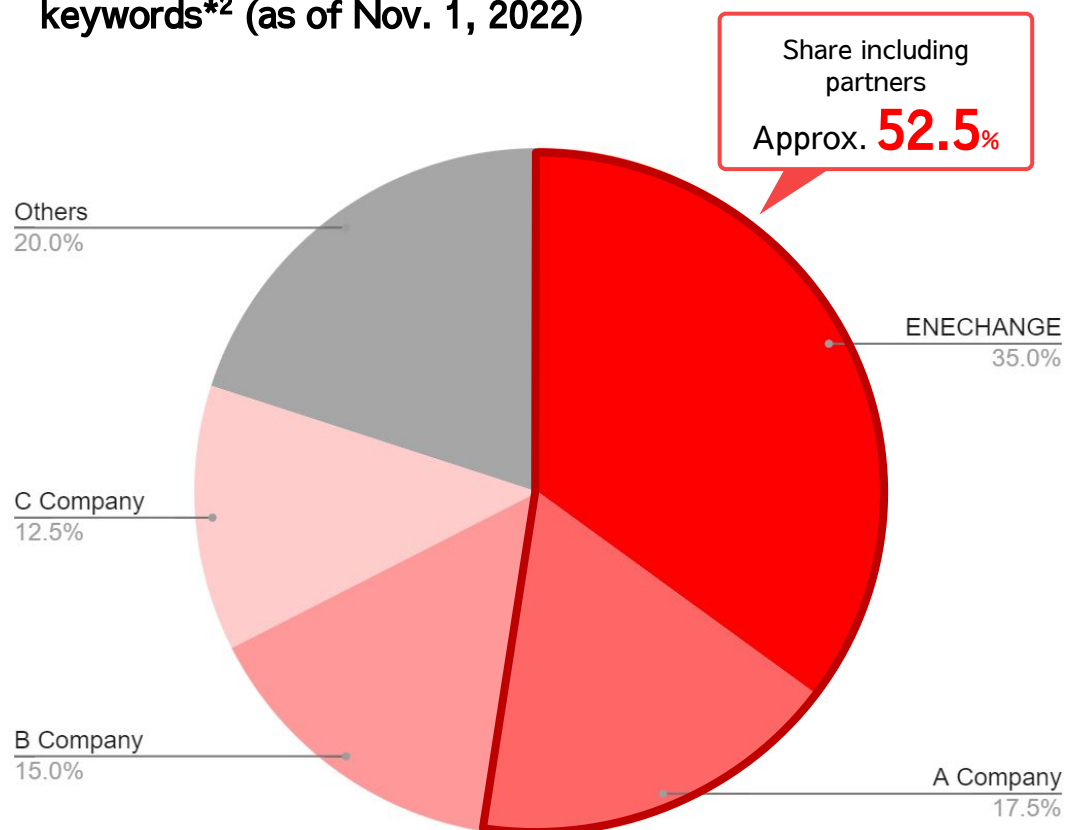
After switching an electricity or gas contract, we receive a one-time fee from the affiliated energy company as well as recurring revenue linked to energy bills. We have partnerships with many energy companies, and switching to non-affiliated companies (cancellation) is limited. From the viewpoint of the affiliated company, our service is considered a customer acquisition SaaS.



Number one online switching platform and expansion of offline partners

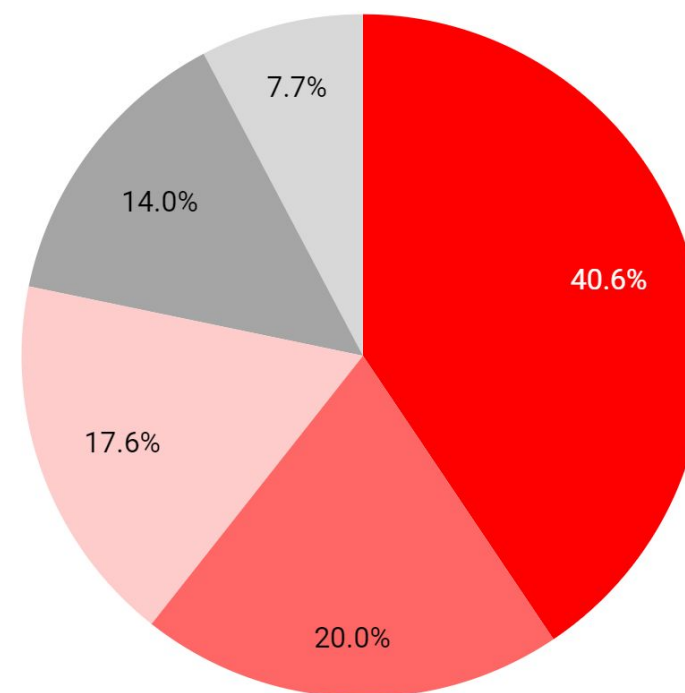
Our SEO measures enabled us to maintain our top share of 35.0% of search results for the 41 most important keywords*¹. We also partner with many companies, including the largest price comparison sites in Japan. For offline switching, we offer our systems to property management companies and financial institutions as partners, and the number of partners continues to reach record highs.

■ Percentage of top positions for the most important keywords*² (as of Nov. 1, 2022)



■ Type of partner company (as of Dec. 31, 2021)

- Real Estate
- Energy-related companies (energy-saving equipment, etc.)
- Consulting
- Financial institutions, professional firms
- BPO



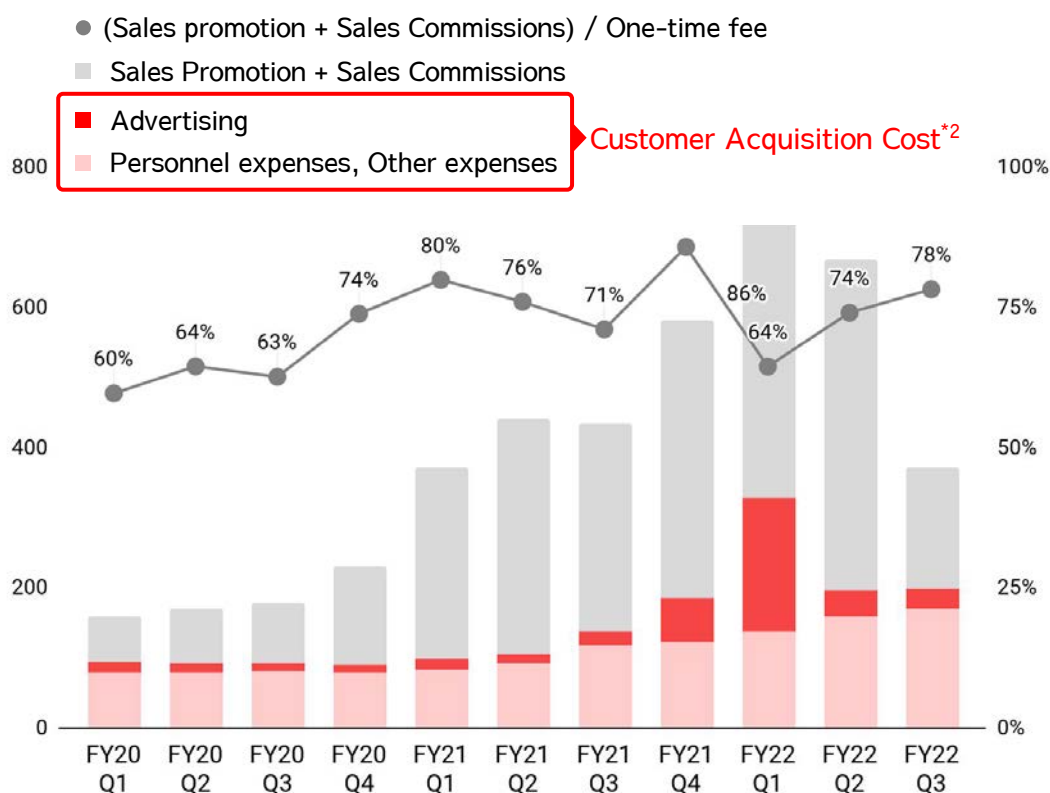
*1. Selected key words set independently by ENECHANGE from application rates, etc.

*2. Displaying survey results by ENECHANGE based on Google searches. Calculated by adding up the number of first-place results for 41 keywords in Japanese.

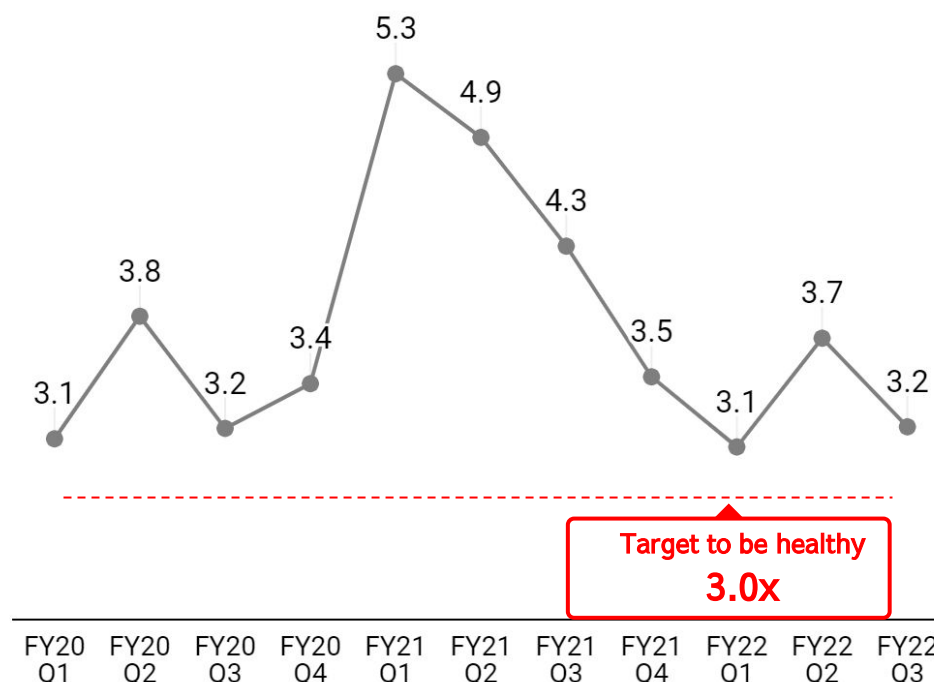
Continued to maintain LTV/CAC at over 3x by curtailing advertising

Since March 2022, we have curtailed advertising expenses in response to changes in the business environment, maintaining a healthy LTV/CAC of 3.2x.

■ Changes in SG&A expenses in Platform business*1



■ LTV/CAC*2



*1. The total of advertising expenses (expenses arising as a result of activities such as posting advertisements, which are not directly for the acquisition of users), sales promotion expenses (benefits passed directly to users as a result of switching), sales commissions (expenses borne directly by partners as a result of switching), personnel expenses and other expenses. Sales promotion (in-house channels) and sales commissions (partner channels) are covered by a percentage of one-time fees from affiliated companies.

*2. LTV: Lifetime Value, CAC: Customer Acquisition Cost.

LTV/CAC definitions and future policies

$$\left(\begin{array}{c} \text{One-time fee/} \\ \text{Cross-sales} \end{array} - \begin{array}{c} \text{Sales} \\ \text{commissions} \end{array} \right) + \begin{array}{c} \text{Lifetime} \\ \text{recurring} \\ \text{revenue} \end{array} \times \begin{array}{c} \text{Gross profit} \\ \text{margin} \end{array} \div \begin{array}{c} \text{CAC} \\ \text{User} \\ \text{acquisition cost} \end{array} = \text{LTV/CAC}$$

Explanation of Terms

Action Plan

		Households	Corporates
One-time fee/ Cross-sales	<ul style="list-style-type: none"> - One-time fees are payments received from partner companies when switching energy. - Cross-sales are sales obtained by selling products other than energy switching to users. 	One-time fee: Expected to decline after May 2022	Energy-saving product cross-sales
Sales commissions	<ul style="list-style-type: none"> - Incentive fees from introducing customers from online/offline partners and fees related to issuing gift certificates to ENECHANGE users. - The strategy for both is to pay them within the scope of one-time fee. 	—	—
Lifetime recurring revenue	<ul style="list-style-type: none"> - Total amount per user of recurring revenue received from partner companies who have received an energy switchover. - Calculated by multiplying the reciprocal of the churn rate (avg. 1.3%* per month for total Platform business) to the figure that is the recurring revenue (recurring sales) divided by the number of users eligible for recurring revenue (as of the end of the period). 	Development of user-maintenance measures to improve churn rate	Maintain churn rate at low level
Gross profit rate	<ul style="list-style-type: none"> - Gross profit rate for Platform business 	97% (FY21)	
User acquisition cost	<ul style="list-style-type: none"> - Total of expenses shared across segments such as advertising expenses, personnel expenses, and call center and server expenses (tallied up in the same way when we pay sales commissions that are one-time payments or more). - Calculated by dividing the above by the number of new users. 	Controlling advertising investment to temporarily secure profitability	

* Churn rates are as of the end of December 2021, excluding the impact of cancellations from "market-linked plan" users due to the sharp rise in JEPX prices in the first half of FY21 as a one-time factor. The churn number is calculated for household and business users by the formula: number of users eligible for recurring revenue at the end of the previous month + number of new users acquired in this month - number of users eligible for recurring revenue at the end of this month. The churn rate is calculated during the relevant period as: churn number / number of users eligible for recurring revenue. Average monthly churn rate is calculated as: average monthly churn in the past 12 months / average monthly number of users eligible for recurring revenue in the past 12 months.

6 stages to the recovery of the energy market

We expect that energy companies will experience stages 1-6 below due to the rapid JEPX price rise. We observed stages 3-4 in Q1, but at present the situation is moving to stage 4-5. We expect a significant decrease in sales (stage 1-3) during H2, while in FY23, we expect the business environment to improve as energy companies raise their tariffs and nuclear power plants restart their operations.

	Impacts of JEPX price increases	Effects on ENECHANGE	Corresponding energy industry trends	Periods when ENECHANGE will be affected
Stage 1	Reduction in energy company advertising expenses	— Reduction in ARPU due to lower one-time fees at the switch		<div>—</div> Sales expected to decrease significantly from H2 of FY22
Stage 2	Energy companies stop acquiring new customers	— Loss of opportunities to acquire users due to lack of energy companies to switch to		
Stage 3	Energy companies withdrawing from the business, stopping contract renewal	— A reduction in recurring revenue due to existing users leaving		
Stage 4	Increase in energy contract "refugees"	+ Increase user acquisition due to high switching needs	<div>+</div> Price increase after fall 2022	<div>+</div> Sales expected to increase from FY23
Stage 5	Electricity bills rising to level where energy companies can profitably supply customers	+ Increase in ARPU due to higher energy bills		
Stage 6	Energy companies restart user acquisition activities	+ Recovery of ARPU due to higher one-time fees at the switch	Restarting nuclear power plants	



Data business

SaaS products for 3Ds of energy

The Data business focuses on 4 major SaaS products: EMAP (DX^{*1} services for energy companies), ENECHANGE Cloud DR (DR^{*2} for households), KIWI (DR for companies), and ENECHANGE Insight Ventures (Overseas ventures acceleration program).

Data business

DIGITALIZATION

DECARBONIZATION

DECENTRALIZATION

EMAP

DX services for energy companies

TEPCO

東京電力エナジーパートナー



ENECHANGE Cloud DR

DR for households

**エネルギー・フロンティア
TOKYO GAS**



ENECHANGE KIWI

DR for companies

kiwipower



EIV

Overseas ventures acceleration program

ENECHANGE INSIGHT VENTURES

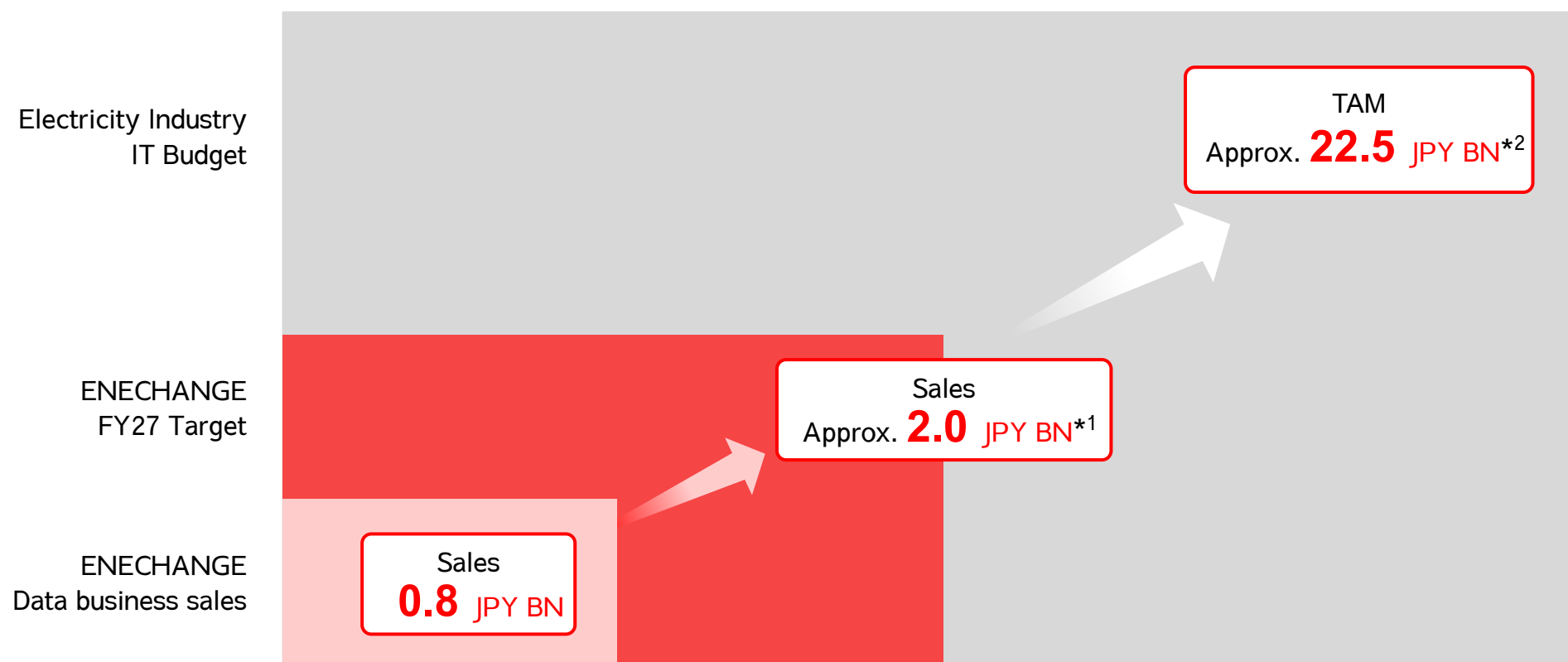


*1. DX = Digital Transformation

*2. DR = Demand Response

Target market is new IT system budget in electricity industry: 22.5 billion JPY

With the demand for investment in new systems related to the 4Ds of Energy, the sales IT budget ratio of the electricity industry has increased. Since 2015, before energy liberalization, the increase has been 22.5 billion JPY. We consider this to be our target market. In addition, since our main competitors in this area are consultancies and in-house software development, our SaaS applications can gain market share by presenting a cost advantage.

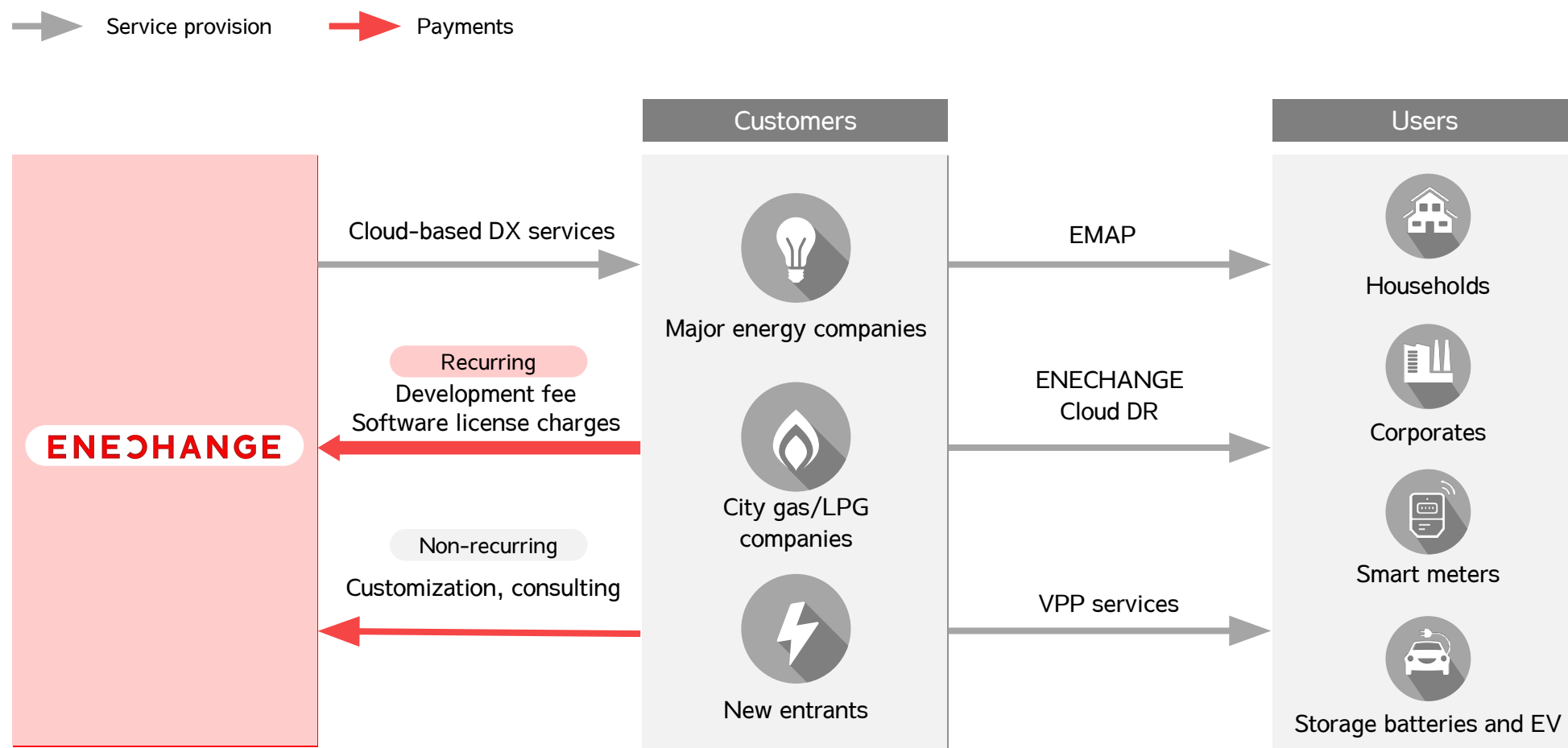


*1. Targeted growth at an average annual growth rate of 15% from actual Data business sales of 720 million JPY in FY20, the starting point for the long-term target.

*2. Multiplied the base market with the IT budget ratio in the energy industry (infrastructure sector) sales in Japan Users Association of Information Systems.

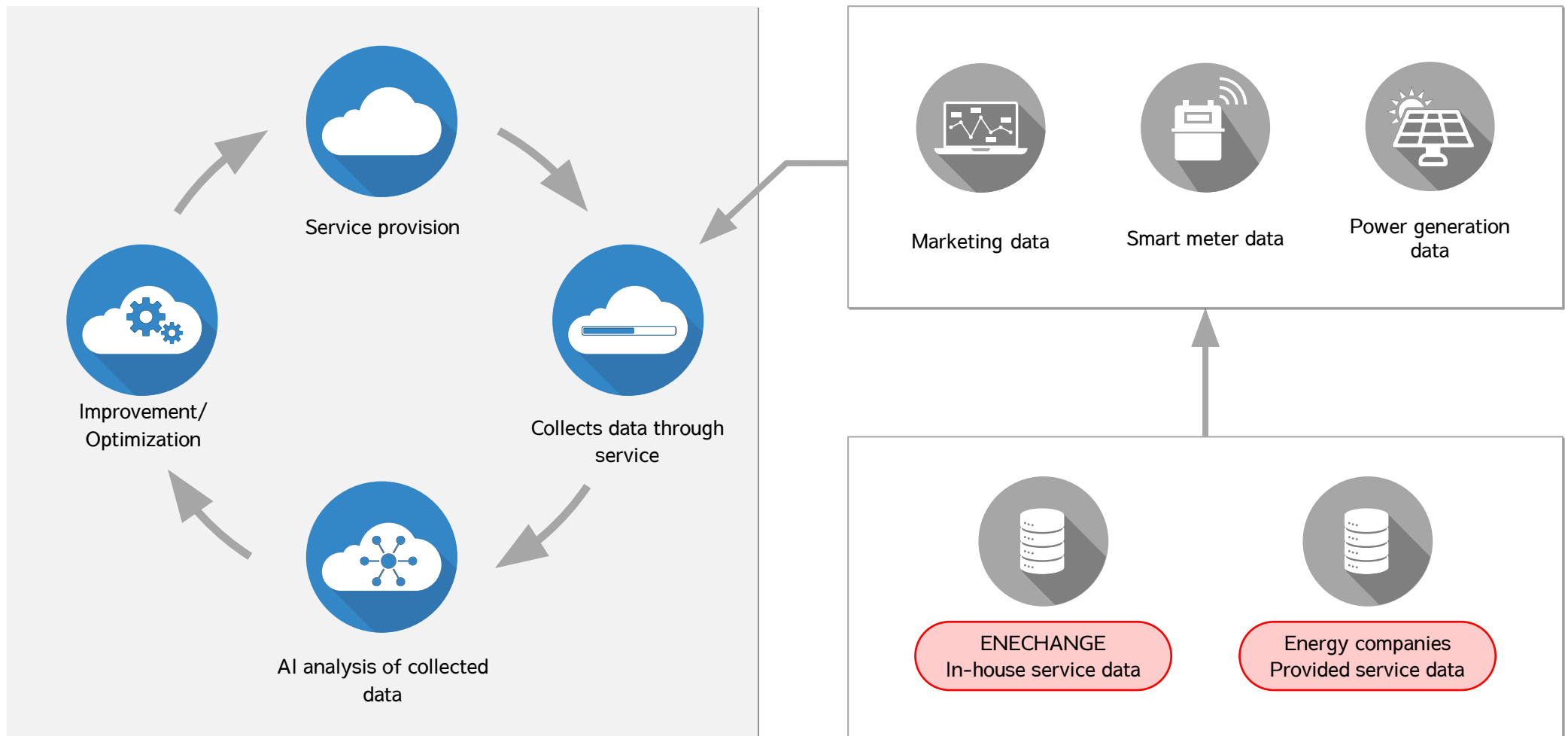
Recurring revenue from monthly license charges

We provide our proprietary products as SaaS (B2B2C) to energy companies, and our revenue is based on recurring software licenses through usage charges linked to the number of households, companies, smart meters, etc. Other sales come from customization, etc.



Providing services based on big data analysis

By transforming marketing data, smart meter data, power generation data and more with AI technology, we can provide more advanced services than any single company alone.





■ **EV Charging business**

SaaS model EV charging port installation and operation service

This service provides EV charging facilities to owners of parking facilities (site hosts) for a monthly fee. We will promote the development of EV charging infrastructure by providing EV charging hardware, applications for users, and charging management system for site hosts.



Hardware

- Development of charging hardware
- Co-branding proposals



Apps for users

- Mapping EV charging ports
- In-app payment for charging sessions



Management system for site hosts

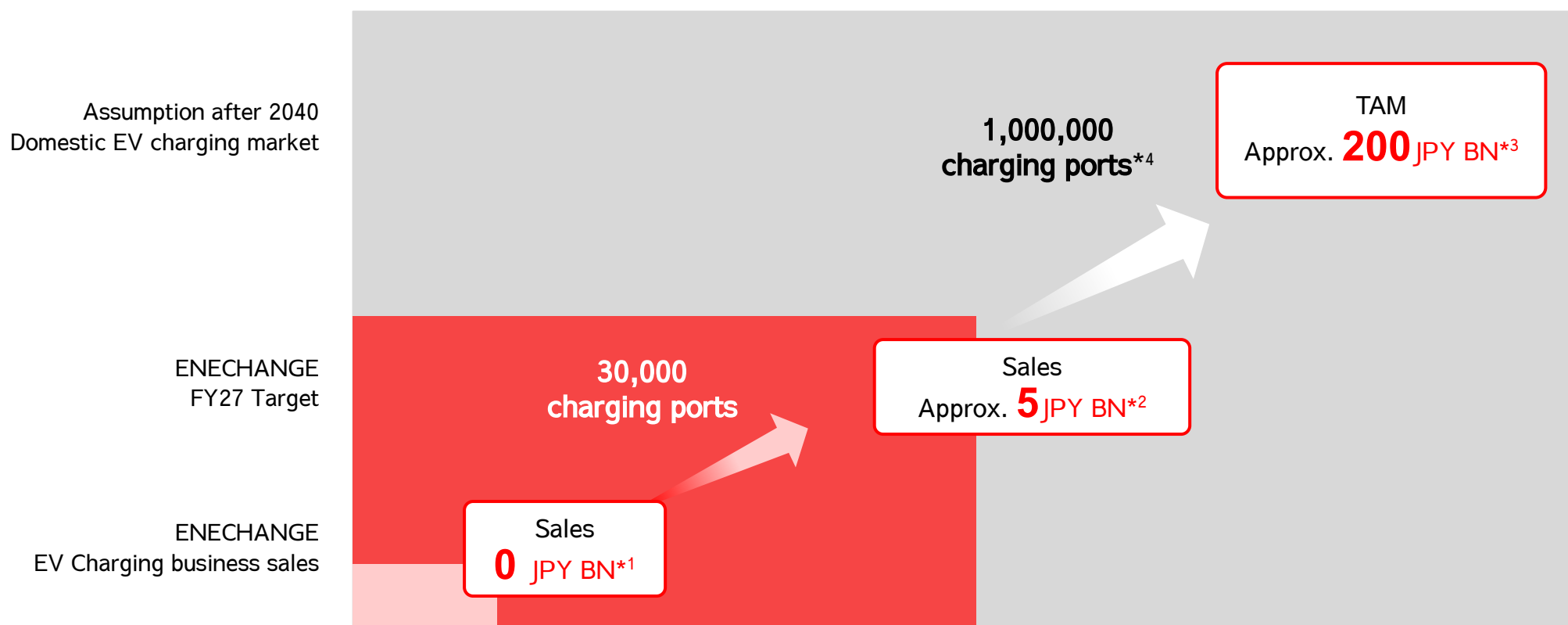
- EV charging port billing management
- Confirmation of EV charging port operation status

充電履歴一覧	充電ステーションID	充電セッションID	充電開始日時	充電終了日時	充電時間	充電電力量	決済番号	充電料金
EV600000001	100001	202204010001	2022/04/01 10:00	2022/04/01 10:05	05	0.1	0001	0.05
EV600000002	100002	202204010002	2022/04/01 10:10	2022/04/01 10:15	05	0.1	0002	0.05
EV600000003	100003	202204010003	2022/04/01 10:20	2022/04/01 10:25	05	0.1	0003	0.05
EV600000004	100004	202204010004	2022/04/01 10:30	2022/04/01 10:35	05	0.1	0004	0.05
EV600000005	100005	202204010005	2022/04/01 10:40	2022/04/01 10:45	05	0.1	0005	0.05
EV600000006	100006	202204010006	2022/04/01 10:50	2022/04/01 10:55	05	0.1	0006	0.05
EV600000007	100007	202204010007	2022/04/01 11:00	2022/04/01 11:05	05	0.1	0007	0.05
EV600000008	100008	202204010008	2022/04/01 11:10	2022/04/01 11:15	05	0.1	0008	0.05
EV600000009	100009	202204010009	2022/04/01 11:20	2022/04/01 11:25	05	0.1	0009	0.05
EV600000010	100010	202204010010	2022/04/01 11:30	2022/04/01 11:35	05	0.1	0010	0.05



Market size of destination charging for EV charging

With the adoption of EVs and PHVs, EV charging facilities in Japan are also expected to expand. We aim to install 30,000 charging ports by 2027, and anticipate sales of approximately 5 billion JPY at that time. Furthermore, as EV adoption accelerates in the future, we expect that a destination charging market of approximately 1,000,000 charging ports and TAM of approximately 200 billion JPY will be formed by 2040 and beyond.



*1. Sales of EV Charging business in FY21; no sales contribution due to service announcement in November 2021.

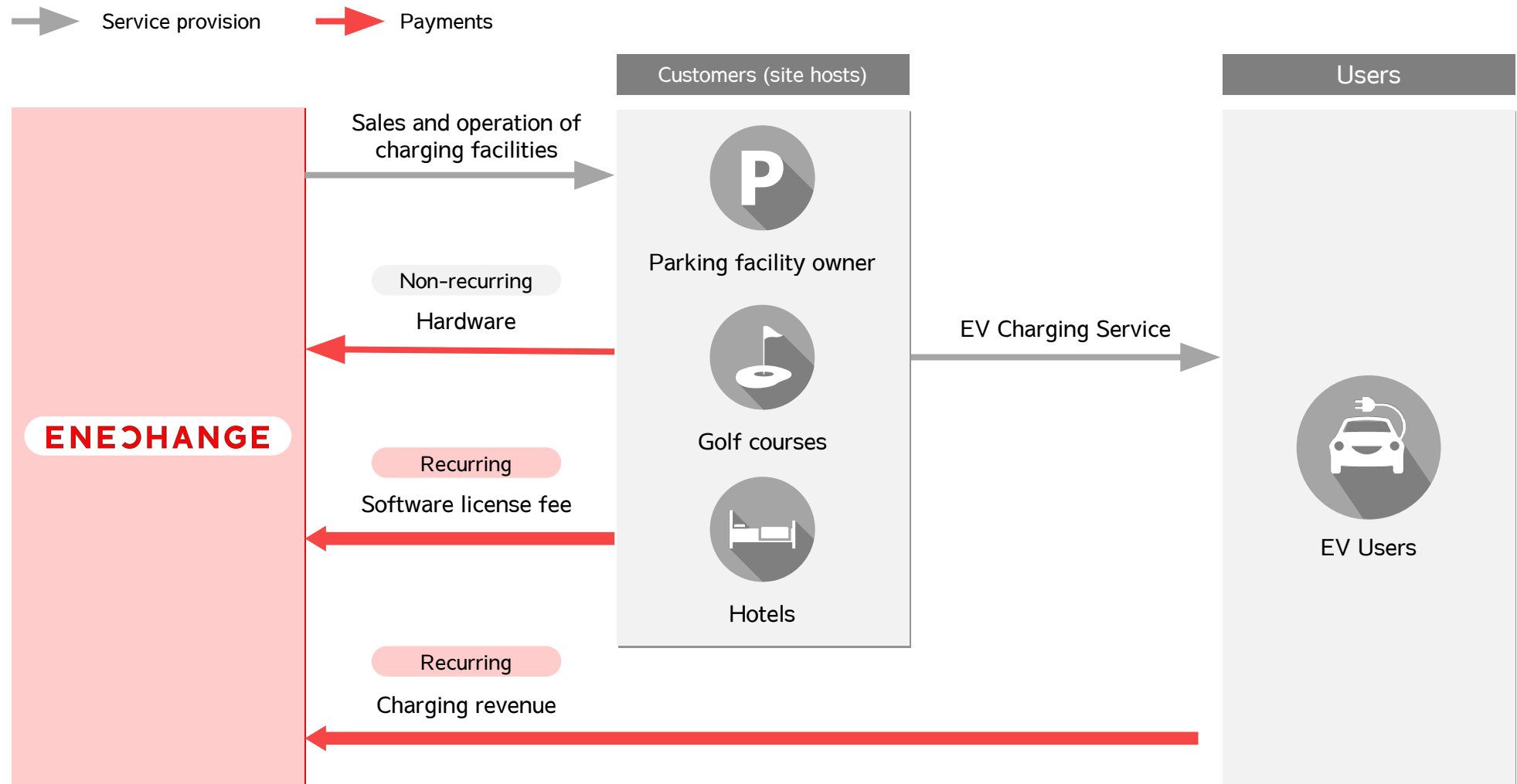
*2. Assuming 30,000 charging ports installed in 2027, annual ARPU of 100,000 JPY from charging revenue as recurring revenue, and hardware sales of 300,000 JPY per port (included as of FY22 Q3), this is an approximate total of 5 billion JPY

*3. Calculated by multiplying the approximately 9 trillion JPY gas station market by the assumed EV penetration rate of 50%, 50% for passenger cars excluding commercial vehicles, and 10% for the share of destination charging. We assume an ARPU of about 200,000 JPY as utilization rate increases.

*4. Assuming a stock ratio of 5-10% for EVs when the government's target of 150,000 EV charging stations by 2030 is achieved, the number of destination charging stations assumed to be necessary when the stock ratio reaches 50% is calculated.

Recurring revenue charged by monthly license fees

We provide SaaS services to owners of parking facilities (site hosts). In addition to software license fees for applications with payment functions and management dashboards, the service is based on recurring revenue through pay-as-you-go charging fees. Depending on the selected plan, hardware fees will be incurred as non-recurring fees.



Developing the destination charging field by leveraging our advantages

EV charging use cases can be divided into (1) home charging, (2) route charging, and (3) destination charging. We will focus on (3), which is also mainly performed by overseas listed companies. We are developing our EV Charging Service by leveraging our expertise, such as sales channels, software development capabilities, and our overseas EV charging business knowledge.

■ Focus on destination charging

1. Home Charging
Charging at home



Level 1
or 2
Charging

2. Route Charging
Charging on the way



DC Fast
Charging

3. **Destination Charging**
Charging at the destination



Level 2
Charging

■ Our Strengths

Customer base cultivated
through company switching



Software development
capability



Marketing data



Smart meter
data









Overseas EV charging
business knowledge



ChargePoint, Inc.
Former Executive

EV charging companies attracting attention from investors

Many overseas EV charge point operator (CPO) companies*¹ have been listed on the market since 2021, and all EV CPO companies have prioritized sales growth even if they show a deficit due to investment. Blink's (No. 4 in terms of Level 2 charger port numbers*²) M&A of SemaConnect (No. 2 at the time of acquisition) for approximately 200 million USD*³ has shown a trend for CPO consolidation as competition intensifies.

Company name (Ticker symbol)	IPO Date	Market cap* ⁴	Sales* ⁴ (TTM)	EBITDA* ⁴	PSR* ⁵	Stock Exchange	Main sales market	No. of Level 2 chargers* ²	No. of DC fast chargers* ²
 Tesla (TSLA)	Jun. 2010	\$717 B	\$74.86 B	\$9,625 M	9.57x	NASDAQ	Global	14,518	15,683
 ChargePoint (CHPT)	Mar. 2021	\$4.7 B	\$334 M	\$-117 M	14.07x	NYSE	USA Europe	52,281	1,976
 EVgo (EVGO)	Jun. 2021	\$1.99 B	\$30.08 M	\$-31.9 M	66.1x	NASDAQ	USA	401	2,325
 Blink (BLNK)	Feb. 2018	\$0.747 B	\$36.7 M	\$-52.9 M	20.96x	NASDAQ	USA	11,119	96
 Allego (ALLG)	Mar. 2022	\$0.925 B	\$47.6 M	\$-22.2 M	19.42x	NYSE	Europe	N/A	N/A
 FASTNED  Fastned (FAST)	Jun. 2019	\$0.583 B	\$20.33M	\$-12.16 M	20.68x	Euronext Amsterdam	Europe	N/A	N/A
 Volta (VLTA)	Aug. 2021	\$0.191 B	\$44.4 M	\$-259 M	4.3x	NYSE	USA	3,071	125

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

*2. No. of Level 2 chargers and DC fast chargers (including public, private, etc.) disclosed in US Department of Energy Alternative Fuels Data Center in the United States as of October 31, 2022. The Blink numbers include SemaConnect's SemaCharge chargers, as SemaConnect was acquired by Blink in June 2022.

*3. From Blink press release







*4. From Yahoo Finance (as of October 31, 2022) , €1=US\$0.99

*5. Price to Sales Ratio. Calculated as market cap divided by sales (TTM)



■ Risk information

Known risks (1/2)

Item	Affected Segment	Main Risk	Potential of Manifestation	Impact	Risk Countermeasure
Business environment: Electricity retail market		- The possibility that growth of existing businesses will slow with switching rates declining, caused by events such as a decrease in interest of end users to switch as well as lowered competitiveness among new energy retailers.	Medium	High	- Raise awareness of the Company and educate users in order to increase their motivation to switch - Respond by developing businesses that do not depend on switching in business fields such as digitalization, decarbonization, and decentralization to combat concerns about slowed growth in the electricity retail market.
Business environment: Energy policy reform	 	- The possibility that the development of new businesses could be affected if energy-related deregulation or systemic reforms in Japan do not proceed as planned, or there are unexpected changes in the laws or regulations.	Medium	High	- Respond by monitoring system reform by setting up a government policy supervisor, submitting public comments, and participating in governance committees.
Other: Novel coronavirus infections	  	- The possibility that the energy usage of company users drops considerably due to repeated states of emergency and calls to refrain from going out as the COVID-19 pandemic becomes long-term, or that it affects the business performance of our Group customers more than expected.	Medium	High	- Diversify business offerings to mitigate adverse effects of coronavirus pandemic.

Note: The major risks influencing achieving growth and executing business plans have been excerpted from the contents listed in "Associated Business Risks" of the securities registration statement. Refer to "Associated Business Risks" of the securities registration statement for the other risks.

Known risks (2/2)

Item	Affected Segment	Main Risk	Potential of Manifestation	Impact	Risk Countermeasure
Business content/Provided services: Dependence on energy companies	<div>Platform</div> <div>Data</div>	- The possibility that unexpected events such as surge in oil/LNG price or the price of electricity traded on the Japan Exchange for Wholesale Electricity ("JEPX"), natural disasters and sudden phenomena could worsen the business conditions of the energy companies that are our partners, leading to revisions of existing contract conditions, cancellations, suspension of new orders, and so on.	High	High	- Respond by establishing a business foundation that does not depend on specific companies by expanding businesses in multiple directions.
Business content/Provided services: Status of competitors	<div>Platform</div> <div>Data</div> <div>EV Charging</div>	- The possibility that the entry of competitors could cause greater competition in the Group's business fields, resulting in user cancellation, drops in unit prices contracted with energy companies, or a slowdown in taking up our services.	Low	Medium	- Respond by developing better services and products through healthy competition.
Business content/Provided services: Search engines	<div>Platform</div>	- 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.	Medium	Medium	- Adjust SEO strategy. - Respond by attracting users through channels that do not rely on the internet.
Business content/Provided services: Technological innovation, etc.	<div>Data</div> <div>EV Charging</div>	- 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 such as system investment or personnel expenses to respond to these changes.	Low	Medium	- Facilitate horizontal information sharing between departments, mainly through the CTO Office, and by rolling out services that match customer needs.
Business content/Provided services: System failures, etc.	<div>Platform</div> <div>Data</div> <div>EV Charging</div>	- The possibility that natural or man-made disasters, terrorism, war, etc. could cause a system failure and hamper the provision of our services.	Low	High	- Respond by reducing risk in system architecture to minimize reliance on external vendors such as servers, and formulating a backup plan that allows business continuance in the event of a system failure in an external vendor.

Note: The major risks influencing achieving growth and executing business plans have been excerpted from the contents listed in "Associated Business Risks" of the securities registration statement. Refer to "Associated Business Risks" of the securities registration statement for the other risks.

IR information desk

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<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.

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

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

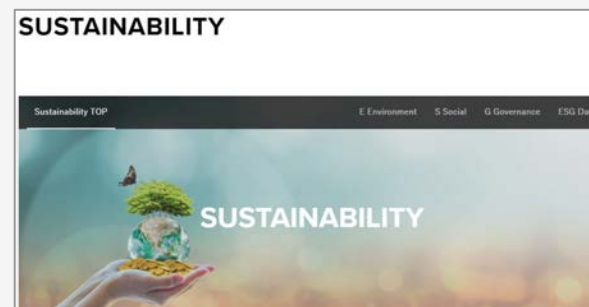
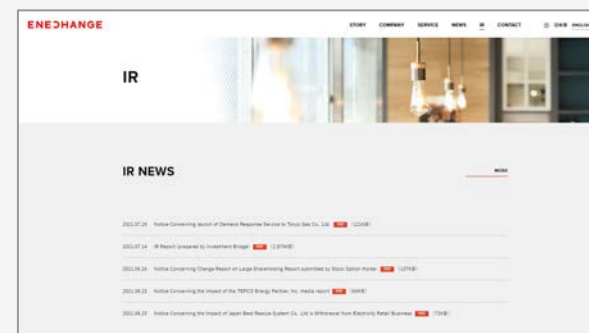
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