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### **Frequently Asked Questions and Answers (January 2023)**

Thank you for your continued interest in our company. The main questions from investors this month and the answers to those questions are disclosed below. This disclosure is made around the end of each month for the purpose of reinforcing 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 of our policy.

#### **Q1. There have been reports that the Japanese government is easing regulations on EV fast charging ports. How will this affect the EV Charging business?**

It has been reported that the Japanese government is planning to loosen the current regulations regarding the installation and handling of EV fast charging ports by 2023. Our EV Charging business handles only Level 2 charging ports with a 6kW output. This change will not directly affect our business.

Since Level 2 charging ports and fast charging ports serve different use cases, both types are necessary for the spread of EVs. Therefore, we view the government's stance toward the development of EV charging infrastructure as positive, as it will boost the EV industry as a whole.

#### **Q2. The ratio of EV and PHV to new vehicle sales in FY22 Q4 appears to have temporarily declined. Will this affect orders for the EV Charging business?**

As announced in the January 20 press release "Percentage of EV and PHV to new vehicle sales reaches a record high in December despite the impact of select EV sales suspension", EV and PHV sales ratio declined because a limited number of EV manufacturers had to temporarily suspend a selection of their EV sales due to supply chain issues. The subsequent resumption of sales resulted in a record high of 4.1% for December alone.

Regarding the impact on the EV Charging business, this will be explained at the announcement of the FY22 financial results, scheduled for 10 February. Demand for EV charging infrastructure remains high and our orders received total is progressing well.

#### **Q3. US EV charging point operator Volta has been acquired by oil giant Shell - is there any impact on ENECHANGE's perception and strategy?**

Volta is one of the listed charging point operators (CPOs) overseas. The business model of Volta is to provide EV charging ports for free, while the EV charging ports are equipped with a digital signage function and generate revenue from advertising fees. Although the company has a track record of installing EV charging ports, their profitability is not sufficient and the stock price has reduced significantly since going public. It seems that Shell, one of the oil giants that intends to grow its EV charging business, has decided to acquire the company.

In Japan, the number of CPOs is gradually increasing, but the installation of Level 2 charging ports in particular is not yet sufficient, and companies are still developing their installation operations. By the end of September 2022, we had received orders for 1,467 charging ports. We have set a target of 3,000 charging ports orders received by June 2023, and we are on track to achieve that target ahead of schedule. We will focus on expanding our sales staff and sales partners, and will continue to work to build up our installation record.

**Q4. In the CEO's New Year's message, 2023 is a year of restart. Will the environment for the Platform business improve?**

In 2022, following Russia's invasion of Ukraine, resource prices rose sharply, which led to a deterioration in profitability for our customers (energy companies), while our Platform business also experienced a slowdown in growth. In response, energy companies have started raising energy bills and are making steady progress towards improving the business environment, with the regulated tariffs of major energy companies scheduled to increase in April 2023.

Energy companies have begun offering more complicated tariffs, such as those linked to wholesale electricity market prices and those employing unique fuel cost adjustments. This has increased the complexity of energy bills comparisons in turn. Under these circumstances, we believe that services that enable users to easily compare energy tariffs are becoming increasingly important, and we are working to reinforce the quality of our services.

Although the outlook for the energy industry remains unclear, we believe that our efforts to expand our services will lead to further growth in the Platform business.

**Q5. Regarding the syndicated commitment line agreement, please tell us about the use of the funds and future funding options.**

In the timely disclosure of 27 December 2022, "Notice Concerning the Conclusion of a Syndicated Commitment Line Agreement", it was announced that a syndicated commitment line agreement totaling 1.5 billion JPY was concluded with Sumitomo Mitsui Banking Corporation as the arranger. This is to prepare for the financing needs associated with the rapid growth and expansion of the EV Charging business. For future investments, the company expects to use loans for the time being.