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**FY24 2nd Quarter  
Financial Results**

**ENECHANGE**

ENECHANGE Ltd.  
September 13, 2024

Tokyo Stock Exchange Growth Securities Code | 4169

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# 1 Growth strategy

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# Starting on September 3, 2024, a new management structure is put in place to execute an enhanced growth strategy

- Our proposal for electing two new Representative Directors is intended to build a structure that can drive business growth while improving oversight



Representative Director and CEO

## Tomoya Maruoka

- Experience in establishing and executing of management strategy
- Previously M&A support at McKinsey
- Lead the Company's restructuring of management

After graduating from Waseda University's School of Political Science and Economics, Maruoka joined the Development Bank of Japan Inc., where he worked in domestic and international investment and financing operations for approximately four years. He then spent seven and a half years at McKinsey & Company, focusing on strategic planning, M&A activities, and due diligence. His strengths include implementing management improvements through ongoing dialogue with leadership and fostering business growth. In February 2024, he was appointed as Executive Officer and CFO of ENECHANGE Ltd., appointed as Representative Director and CEO starting on September 3, after serving as Senior Executive Officer and CFO in July.

# ENECHANGE

エネルギーの未来をつくる



Representative Director and COO

## Tatsuya Sogano

- Actively involved since the Company's founding
- Led the growth of the core platform business from inception
- Experienced in marketing and forming business alliances

After graduating from the Faculty of Commerce and Management at Hitotsubashi University, Sogano joined P&G, where he was responsible for formulating business strategies based on consumer and market insights. During this time, he developed an interest in the evolving electric power industry and independently created and operated a web service centered on deregulation. In June 2015, he sold this service to ENECHANGE Co., Ltd. and joined the company. He played a key role in driving growth through marketing and business alliances, particularly as the lead for the Platform business, the company's core focus. Currently, he serves as a Senior Executive Officer in charge of the corporate department and was appointed as Representative Director and COO on September 3.



“ENECHANGE 2.0” is the evolution of “ENECHANGE 1.0,” and aims for further growth and profitability by FY25

[Previously] ENECHANGE 1.0

[Going forward] ENECHANGE 2.0

VISION

CHANGING ENERGY FOR A BETTER WORLD

Strategy

- Focused on EV (at least for the past two years)
  - Aim: world’s first profitable EV charging operator
  - Target synergies between the EV and EP+ED businesses

- Two-tiered growth strategy of steadily growing the core business and future growth of EV
- Aim for profitability in FY25

Positioning of each business \*

- EP ● Stable business through recurring revenue
  - Secure stable revenue through continued reinvestment

- Achieve full potential of core business and maximize recurring revenue
  - Execute a strategy that blends both organic growth as well as opportunistic growth through M&A

- ED
- EV ● Growth business centered on non-recurring revenue (assuming non-consolidation of SPC)
  - Maximized current profits through concentrated capital investment

- Maximize future recurring revenue (post-consolidation of SPC)
  - Further acceleration of infrastructure deployment by considering the use of external capital

Organization/  
Culture

- Strong top-down culture
- Speed-oriented decision making

- Collaborative leadership that enables co-creative discussions
- Enhance corporate value through effective governance and robust internal controls

\*EP is the Energy Platform business, ED is the Energy Data business, and EV is the EV Charging business.

# “ENECHANGE 2.0”

Target profitability in FY25 through a two-tiered growth strategy consisting of steadily growing the core business while positioning for future growth through the EV business

## ENECHANGE

CHANGING ENERGY FOR A BETTER WORLD



### INVEST IN FUTURE GROWTH

- Invest in future recurring revenue by considering the use of external capital in order to maximize the deployment of charging infrastructure

EV

Focus

Improve future recurring revenue/profitability

Main lever

Accelerate the deployment of infrastructure by considering the use of external capital as well as executing operational enhancements

Improve profitability through cost efficiency



### SUSTAINED CORE GROWTH

- Achieve full potential of core businesses
- Accelerate growth and maximize recurring revenue

EP

ED

Focus

Balance profitability with high growth rate

Main lever

Execute on organic growth levers as well as pursue non-linear growth opportunities through strategic M&A

### Essential elements for organizational foundation and growth

#### OPERATIONAL DISCIPLINE

Achieve transparency and disciplined management through effective governance and robust internal controls

#### PEOPLE EXCELLENCE

Provide an environment that enables employees to achieve their full potential

#### TECHNOLOGY ENABLED

Cultivate a leading internal engineering team that can build future energy tech products and services

#### STRATEGIC CAPITAL ALLOCATION

A balance sheet that supports the growth strategy, achieving both growth potential and financial stability

# Our transformational journey toward “ENECHANGE 2.0” will be conducted in three phases: “Inception,” “Change,” and “Growth maximization”

30 Days (End of July 2024 onward)

100 Days (September 2024 onward)

(January 2025 onward)

ENECHANGE 2.0  
Inception

Change

Growth maximization

Company-wide

- 1 • **Announcement and introduction of measures to prevent recurrence**
- **Prepare to transition to the new management structure on September 3**
- Build the ENECHANGE 2.0 growth strategy plan
- 2 • **Evaluate options to strengthen financial foundation**
- Build a new strong trust relationship with stakeholders

- Execute 100-day plan after transitioning to new leadership
- Implement measures to prevent recurrence and submit Improvement Report (September 2024)
- Detail out options to discussions on options to strengthen financial foundation
- Execute necessary change specified in “Inception” period
- Begin implementing ENECHANGE 2.0 growth strategies

EP

- Design strategies to realize full potential
- Develop organic growth measures and strategic growth opportunities/M&A

- Finalize details of full potential strategy and determine necessary organizational structures and capital requirements

ED

EV

- 3 • **Prepare the bridge loan composition for the EV Charging business**
- Consider the use of external capital in order to maximize the deployment of charging infrastructure

- Detail out path forward including the use of external capital

**Towards accelerated growth and achieving full potential**

▲ September 2, 2024 (today)  
Announce Explanatory Materials Related to Business Plan and Growth Potential (First edition)

▲ Announce Explanatory Materials Related to Business Plan and Growth Potential in line with progress of the 100-day plan (Second edition)

# ENECHANGE 2.0 “Inception ”- Deep dive:

1

In creating the next evolution of ENECHANGE, we will formulate and incorporate prevention measures. Our Improvement Report will be submitted to JPX by September 24.

## Analysis of causes \*

Lack of a system that can handle the business risks of the EV Charging business

Effective internal controls and governance were not established, and adequate checks and supervisory functions over the CEO at the time were not fulfilled

Disregard of compliance by the Representative Director and select Executive Officers

Insufficient awareness of accounting risks by Representative Director and Executive Officers involved in accounting processes, along with inadequate internal information sharing

## Measures to prevent recurrence

Clarify responsibility

Strengthening checks and balances through the distribution of authority

Strengthen auditing function of the Board of Directors

Enhancement of compliance awareness

Strengthen accounting, internal audit, and legal functions

Build a strong trust relationship with the accounting auditor

## Concrete actions

• Yohei Kiguchi retired as Representative Director/ CEO

• Elect multiple representatives and Executive Directors  
• Raise authority of CFO to Senior Executive Officer  
• CFO is elected and evaluated by the Nomination and Remuneration Committee

• Review the items of the Management Executive Committee and share risk awareness company-wide  
• Create multiple reporting lines to the Board of Directors, and encourage responses to significant risks to be actively shared

• Ensure all employees have a thorough awareness of compliance  
• Implement multifaceted measures such as fostering corporate culture, conducting training, improving evaluation systems, and strengthening internal reporting

• Increase accounting resources  
• Expand the involvement of the Legal team  
• Ensure the independence of internal audits

• Strengthen collaboration with the accounting auditor and conduct regular information sharing through three-way audits (auditor, accounting and internal audits)—to establish an appropriate accounting processes and audit system

# Towards a new ENECHANGE

\*Referenced from “9th Internal Control Report” (announced July 9, 2024)

## ENECHANGE 2.0 “Inception ” deep dive:

Chairman of the Board Hirata drives corporate value enhancement through effective governance and internal controls



### Masayoshi Hirata

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Masayoshi Hirata previously served 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. Subsequently, after serving as CFO in multiple companies, he took on the position of Executive Officer and CFO in September 2015 of Toshiba Corporation, overseeing the finance department and actively contributing to the restructuring efforts during a period of management crisis. Currently, he is involved as a Senior Manager and Advisor in various businesses and accounting firms.

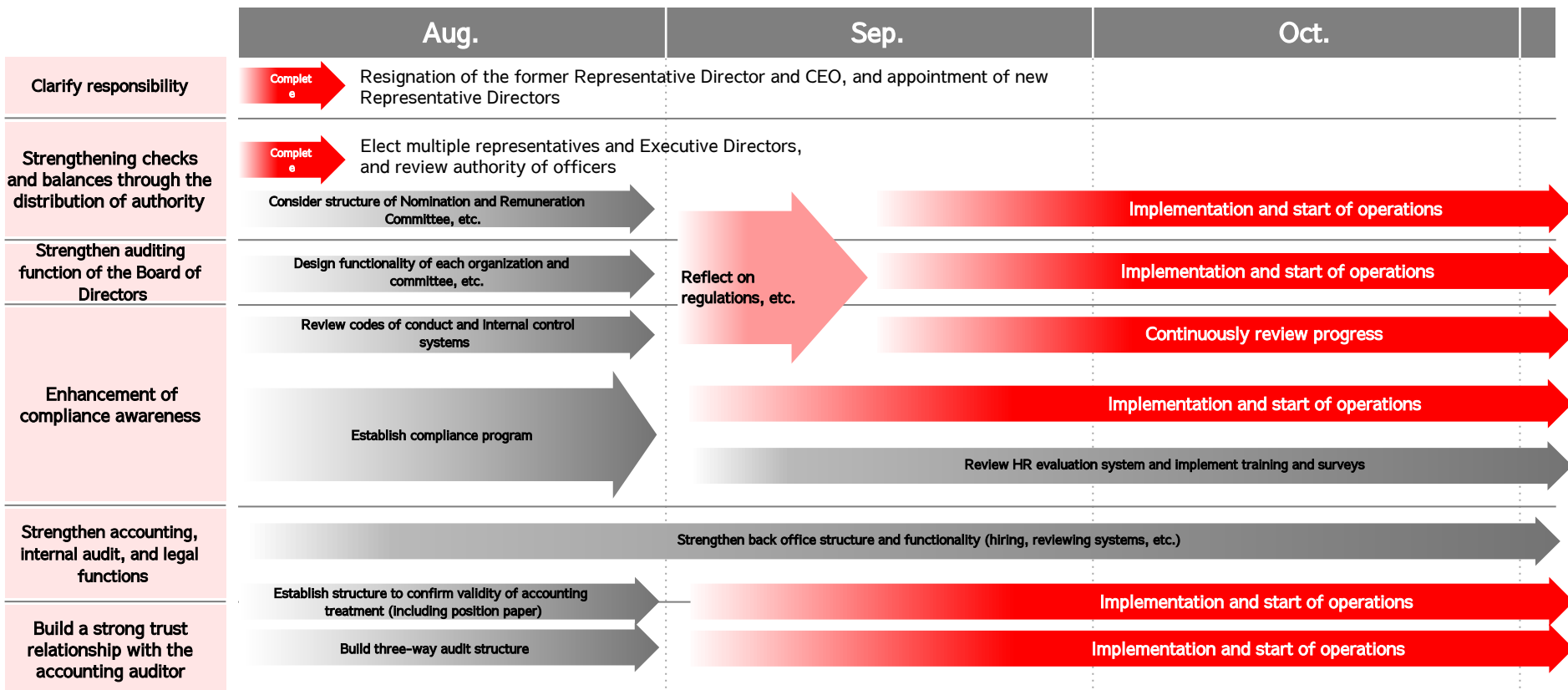
Masayoshi Hirata brings valuable guidance as a Director for the Company’s overall management, drawing on his extensive experience in a key management role at a domestic business company and his comprehensive background as a CFO of a publicly listed company. We have concluded that he is well-suited to make decisions on significant management issues and oversee business operations. We anticipate that he will continue to provide insights on improving the Company’s financial strategy in the context of being a publicly listed company and its interactions with the capital market, while also strengthening the governance system from both offensive and defensive aspects.

\*Referring to the SPC accounting incident in 2024

1

# ENECHANGE 2.0 “Inception ” deep dive:

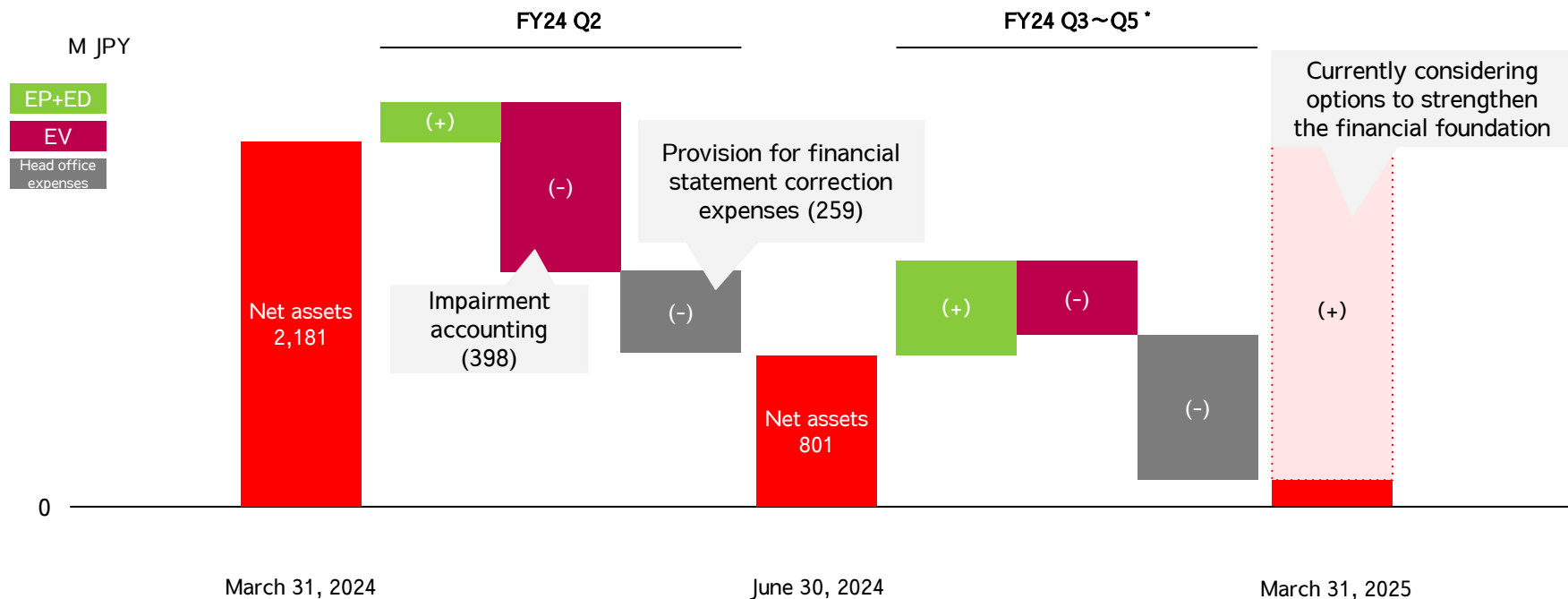
We are progressing with the planning of new prevention measures disclosed on July 29



2

## ENECHANGE 2.0 “Inception ” deep dive:

We have begun a wide-ranging evaluation of options to strengthen our financial foundation



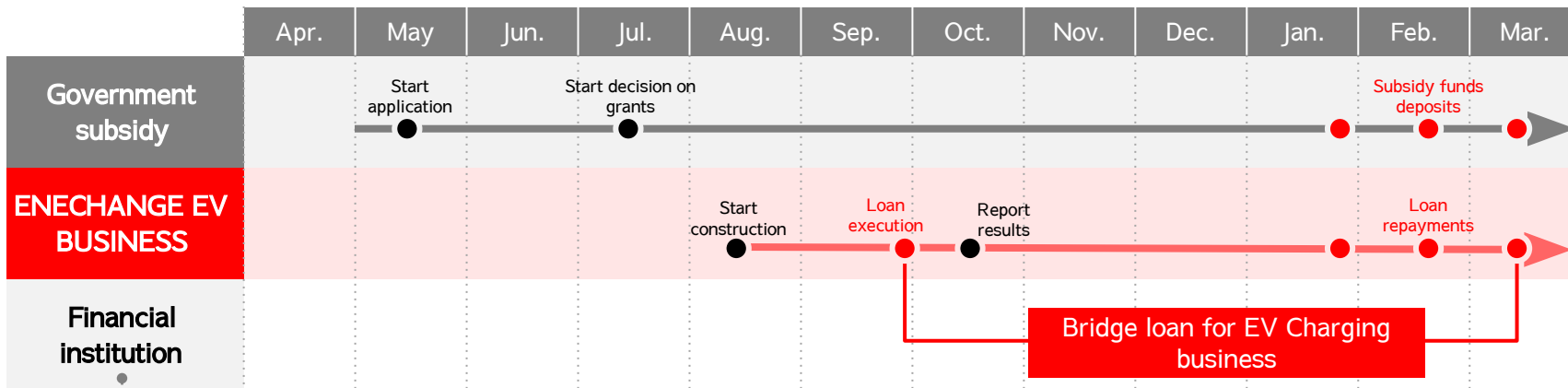
\*This illustration is not to scale and is based on our company's current projected values; intended for approximate reference only

## ENECHANGE 2.0 “Inception ”:

Discussions with financial institutions on securing a bridge loan for the EV Charging business are progressing

- **Bridge loan mechanism:** Following the approval of subsidies for EV charging port installations, construction is undertaken and financing is secured through a bridge loan, which is repaid upon receiving the subsidy funds
- **Desired effect:** This scheme, already implemented by EVJUDEN INFRA ICHIGO LLC in 2023, is designed to minimize the risks associated with subsidy approval and the completion of construction

### Process of bridge loan \*



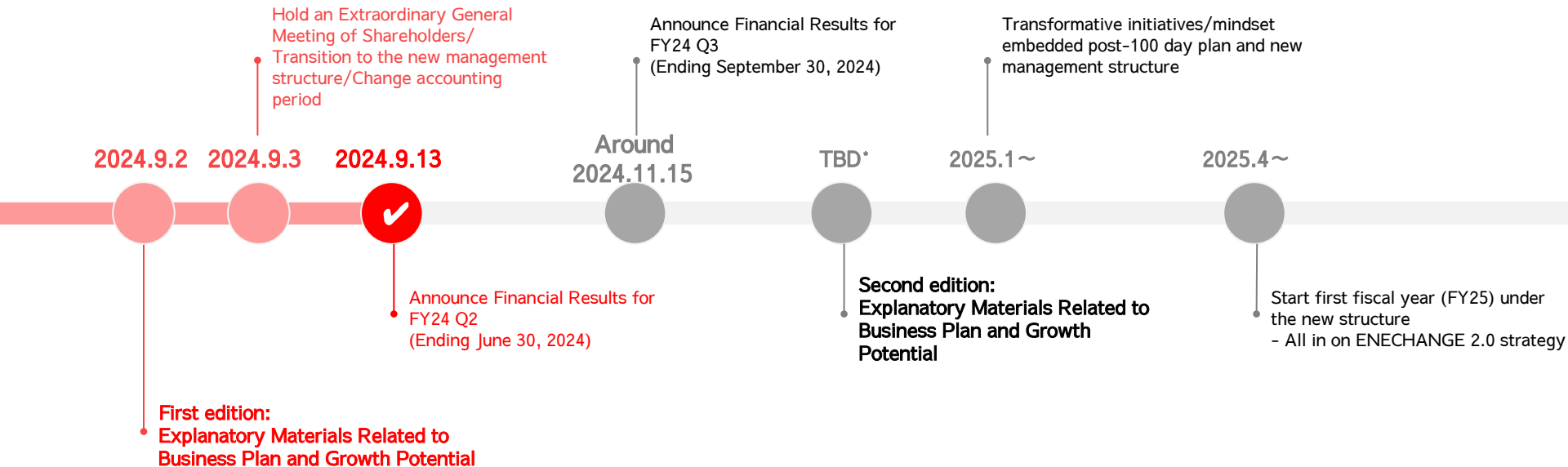
#### Status of discussions

- Discussions with several financial institutions (banks and securities companies), including main banks
- Scheme already undertaken in 2023 with EV JUDEN INFRA ICHIGO LLC
- Under review for credit based on measures to prevent recurrence and the new management structure by various financial institutions

\*Stated as an estimate to the FY24 Q1 schedule of the FY23 correction and FY24 initial calculation



# We plan to implement timely and appropriate communication with investors to fully realize the ENECHANGE 2.0 strategy



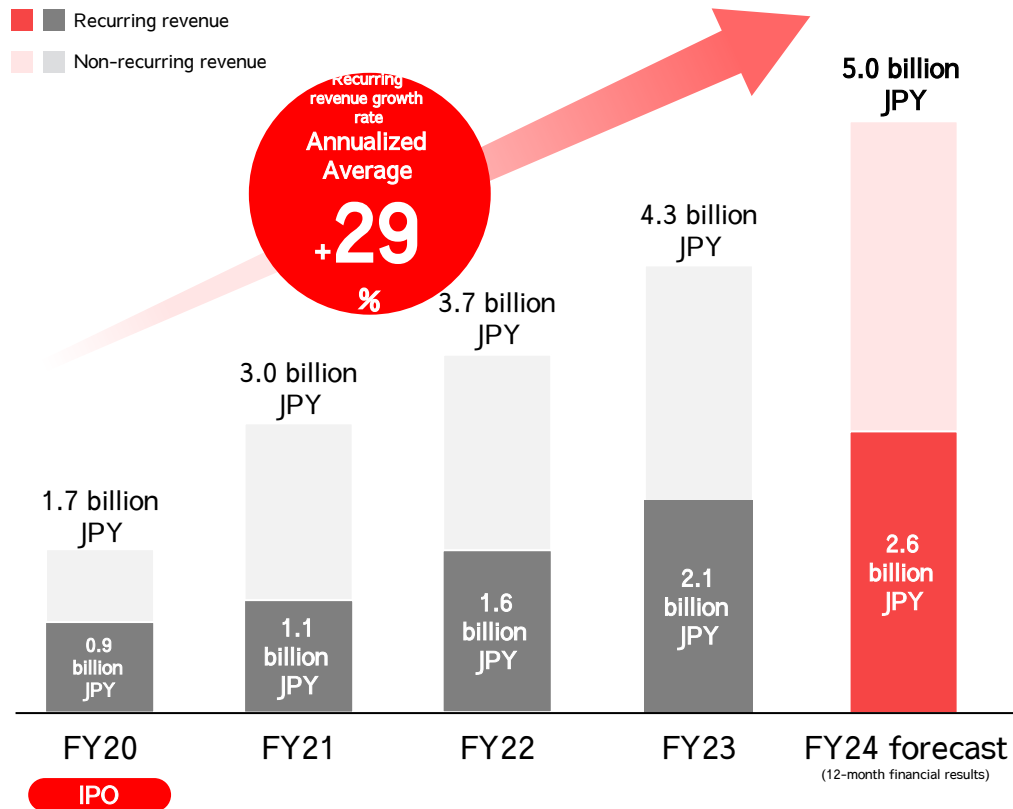
\*Announced according to progress of 100 day plan



## 2 Financial results for FY24 Q2

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# In the FY24 Q2 cumulative results, the Platform business and Data business recorded their highest-ever sales and recurring revenue



## Platform business

FY24 Q2 cumulative sales

**2.09** billion JPY  
 (+33% YoY / **Record high**)

FY24 Q2 cumulative recurring revenue

**0.73** billion JPY  
 (+24% YoY / **Record high**)

## Data business

FY24 Q2 cumulative sales

**0.56** billion JPY  
 (+18% YoY / **Record high**)

FY24 Q2 cumulative recurring revenue

**0.44** billion JPY  
 (+16% YoY / **Record high**)

## EV Charging business





FY24 Q2 cumulative sales

**0.05** billion JPY  
 (+107% YoY)

FY24 Q2 cumulative recurring revenue

**0.05** billion JPY  
 (+107% YoY)

## FY24 Q2: KPIs for each segment continue strong growth

| EP  | ED  | EP  | ED |
|---|---|---|----|
| <ul style="list-style-type: none"> <li>Number of users*1</li> </ul> <p><b>627,000</b> units (+3% QoQ)</p> <ul style="list-style-type: none"> <li>ARPU*2 (recurring revenue)</li> </ul> <p><b>552</b> JPY (+10% YoY) </p> | <ul style="list-style-type: none"> <li>ARPU*2 (recurring revenue)</li> </ul> <p><b>4.03M</b> JPY (+9% QoQ) </p>  | <ul style="list-style-type: none"> <li>Platform business: User numbers and ARPU (particularly recurring revenue) are showing steady growth</li> <li>Data business: ARPU (recurring revenue) has improved due to upsell effects</li> </ul> |    |
| EV  | EV  | EV  |    |
| <ul style="list-style-type: none"> <li>Cumulative number of installations*3 (Destination charging, at the end of June 2024)</li> </ul> <p><b>2,429</b> units (+3% QoQ) </p>  | <ul style="list-style-type: none"> <li>Average monthly charging time per unit*4 (Destination charging)</li> </ul> <p><b>16.3</b> hours (+10% QoQ) </p> | <ul style="list-style-type: none"> <li>Installations of charging ports concentrated in H2; FY24 installations proceeding as planned.</li> <li>Charging times are growing, reaching approximately 21 hours recently in August.</li> </ul>  |    |

\*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 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.

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

\*4. Calculated by dividing average monthly charging time per unit by 720 hours (24 hours x 30 days) (%).

Platform and Data businesses achieved record-high sales for the first half of the year, with operating income also remaining at a high level. The EV Charging business incurred upfront costs for business expansion.

| (Unit: JPY MM)    |                      | FY23Q1 | FY24Q1 | YoY    | FY23Q2 YTD | FY24Q2 YTD | YoY     |
|-------------------|----------------------|--------|--------|--------|------------|------------|---------|
| Sales             | Consolidated         | 1,064  | 1,356  | +27.4% | 2,091      | 2,721      | +30.1%  |
|                   | Platform business    | 812    | 1,054  | +29.8% | 1,583      | 2,098      | +32.5%  |
|                   | Data business *1     | 241    | 275    | +14.1% | 479        | 567        | +18.4%  |
|                   | EV Charging business | 10     | 26     | +160%  | 27         | 55         | +103.7% |
| Recurring revenue | Consolidated         | 540    | 623    | +15.3% | 986        | 1,264      | +28.2%  |
|                   | Platform business    | 339    | 388    | +14.5% | 594        | 735        | +23.7%  |
|                   | Data business *1     | 199    | 218    | +9.5%  | 386        | 448        | +16.1%  |
|                   | EV Charging business | 2      | 16     | -      | 6          | 37         | -       |
| Operating Profit  | Consolidated         | (418)  | (748)  | -      | (1,151)    | (1,421)    | -       |
|                   | Platform business    | 160    | 36     | -77.5% | 107        | 165        | +54.2%  |
|                   | Data business *1     | 64     | 62     | -3.1%  | 110        | 95         | -13.6%  |
|                   | EV Charging business | (474)  | (618)  | -      | (1,018)    | (1,172)    | -       |
|                   | Adjustment amount *2 | (169)  | (228)  | -      | (350)      | (510)      | -       |

\*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).



## 3 Future outlook

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FY24Q5 will temporarily be profitable due to subsidy income, but FY24 (15 months) is expected to end in a deficit; FY25 profitability will be our goal

- Aim for ordinary profitability in FY25 and sales of 10.0 billion JPY in FY27\*\*
- Breakdown for FY27 sales scheduled to be announced in the second edition of “Explanatory Materials Related to Business Plan and Growth Potential”

| Unit: JPY MM             | FY23 Q1-Q4<br>(Jan.-Dec.)<br>Actual | FY24 Q1-Q4<br>(Jan.-Dec.)<br>Forecast (1) | FY24 Q5<br>(Jan.-Mar.)<br>Forecast (2) | 15-month<br>financial results<br>Forecasts (1)+(2) | Basic policy  |
|--------------------------|-------------------------------------|---|--|--|---|
| <b>Sales</b>             | <b>4,379</b>                        | <b>5,000</b>                              | <b>1,500</b>                           | <b>6,500</b>                                       | Aim for 10.0 billion JPY in FY27*1                            |
| EP+ED                    | 4,239                               | -   | -                                      | -  | -   |
| EV                       | 139                                 | -   | -                                      | -  | Aim to become No. 1 in normal charging using external capital |
| <b>Recurring revenue</b> | <b>2,180</b>                        | <b>2,600</b>                              | <b>800</b>                             | <b>3,400</b>                                       | -   |
| EP+ED                    | 2,151                               | -   | -                                      | -  | Aim for +20-30% growth  |
| EV                       | 28                                  | -   | -                                      | -  | Aim to become No. 1 in normal charging using external capital |
| <b>Ordinary profit</b>   | <b>(2,404)</b>                      | <b>Deficit</b>                            | <b>Profit</b>                          | <b>Deficit</b>                                     | Aim for profitability in FY25                                 |
| EP+ED                    | <b>Profit</b>                       | <b>Profit</b>                             | <b>Profit</b>                          | <b>Profit</b>                                      |   |
| EV                       | <b>Deficit</b>                      | <b>Deficit</b>                            | <b>Profit</b> *2                       | <b>Deficit</b>                                     |   |

\*1. The sales target of 10 billion JPY for FY27 has been set since the March 2022 announcement of "Business Plans and Matters Regarding Growth Potential." Even after the consolidation of SPC in the EV charging business, this target is maintained. We aim to achieve this 10 billion JPY target primarily through sales growth in the Platform business and Data business.

\*2 Temporarily turning a profit in FY24Q5 by recording subsidy income



## 4 Platform business


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## 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

紹介者も Amazonギフト券  
お友達も がもらえる!

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

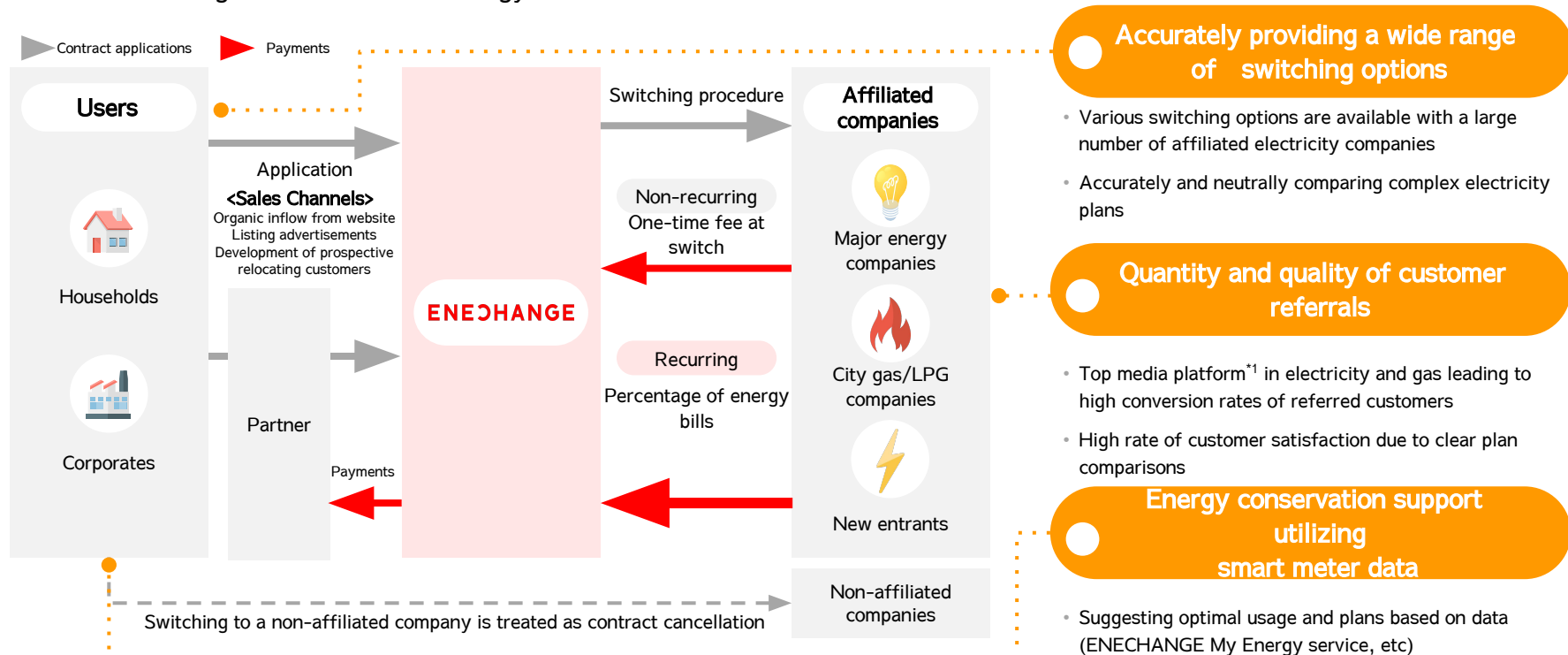
地球環境に配慮したプランを選びたい  
CO2排出量を抑える自然エネルギー

*"I want to choose an environmentally-friendly plan!"*

\*Total number of affiliated energy companies (excluding duplicates).

## 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.



\*1. ENECHANGE research on Google searches as of April 2024, aggregating and comparing the number of instances where we rank first among the set 64 keywords.

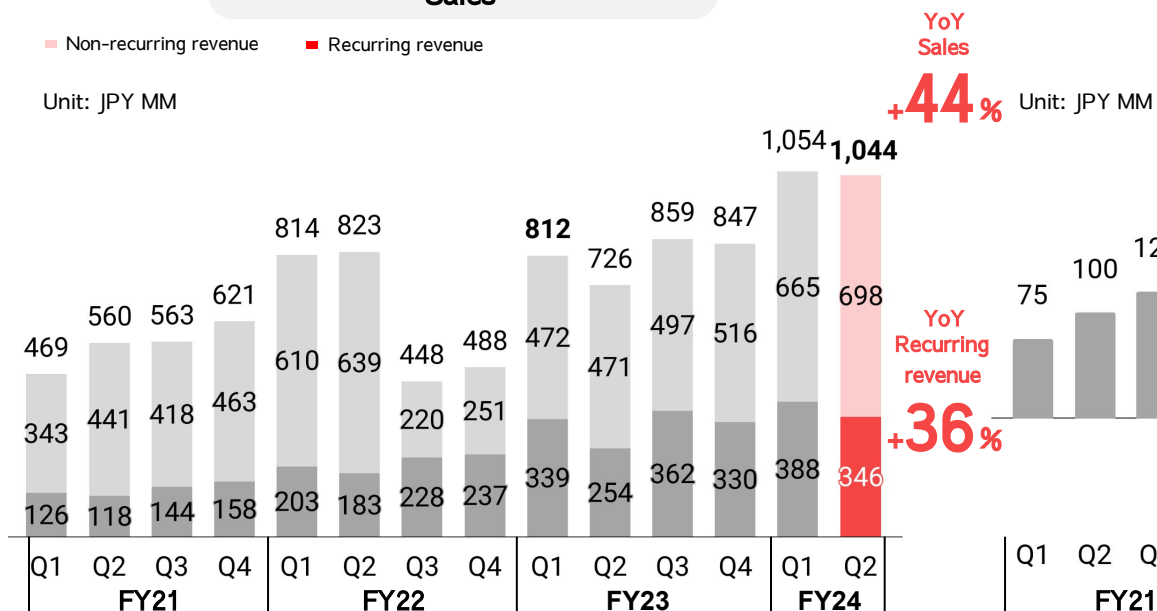
## Sales for the first half of the year hit a record high, while operating profit reached historically high levels

- Sales reached 1,044 million JPY (+44% YoY), with operating income also increasing to 128 million JPY (+180 million JPY QoQ)
- Recurring revenue, driven by the increase in electricity bills and the rise in the number of users, reached a record high of 346 million JPY for the half-year period (+36% YoY)

### Sales

■ Non-recurring revenue ■ Recurring revenue

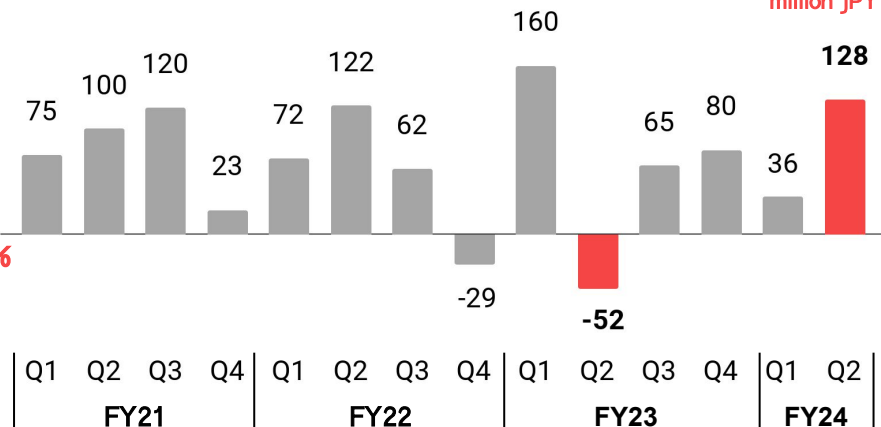
Unit: JPY MM



### Operating profit

YoY Operating profit: +180 million JPY

Unit: JPY MM



\* The financial figures for FY23Q3 are scheduled to be corrected in the future, and the numbers may be subject to change.

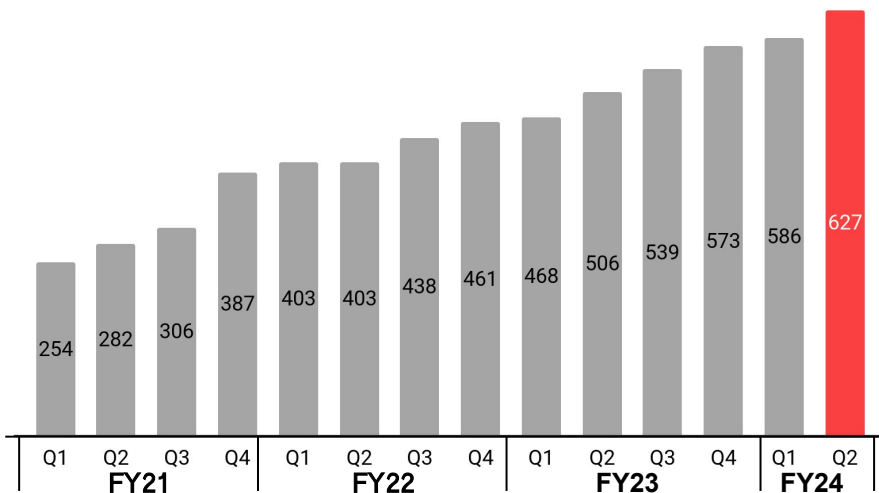
## The number of users reached 627,000 (+24% YoY) as high growth was maintained

- User numbers reached a record high of 627,000 (+24% YoY), increasing further by expensive electricity bills
- ARPU (Non-recurring revenue) was 17,166 JPY, while ARPU (Recurring revenue) was 552 JPY

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

YoY  
**+24%**

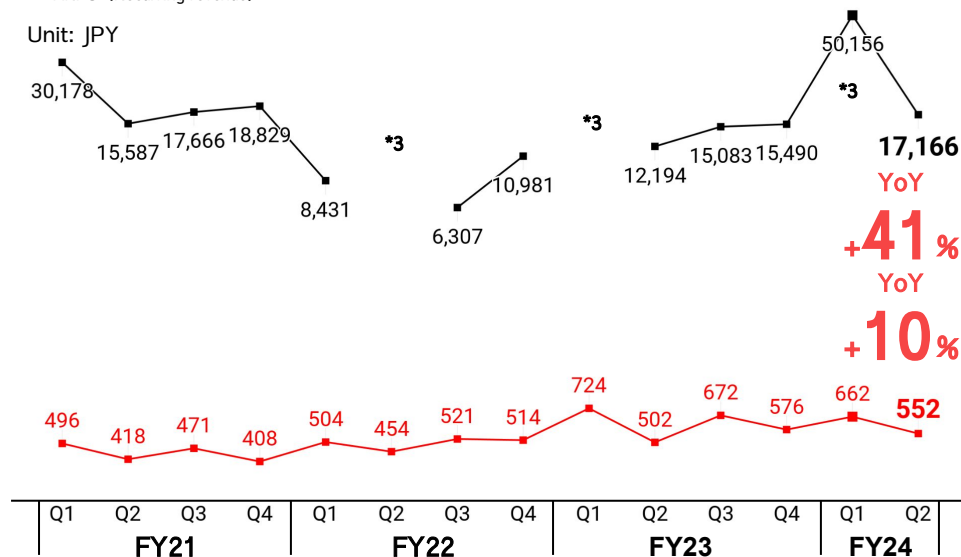
Unit: 1,000 users



ARPU \*2

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

Unit: JPY



\*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.

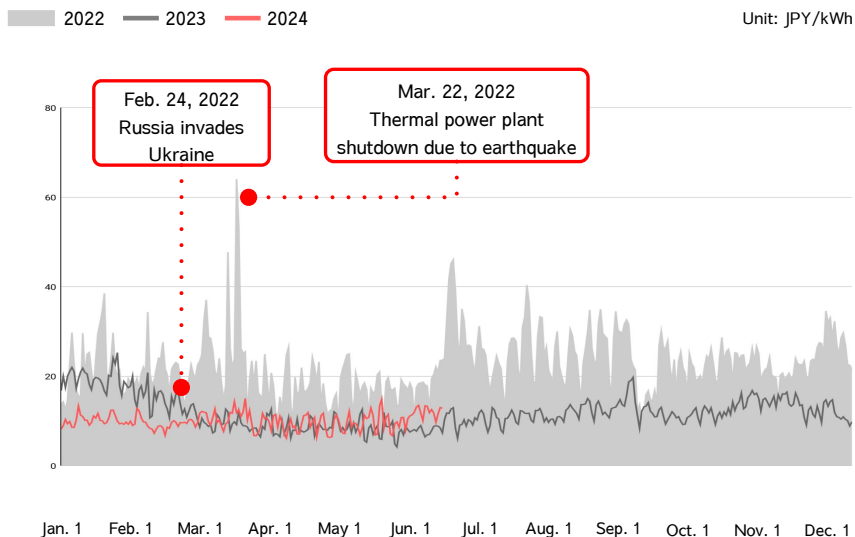
\*3. FY22 Q2 and FY23 Q1 did not see a significant change in the number of users. Therefore, non-recurring revenue ARPU could not be calculated precisely.

\*4. Financial results for FY23 Q2 and FY23 Q3 are expected to be revised in the future, and there is a possibility that the figures may fluctuate.

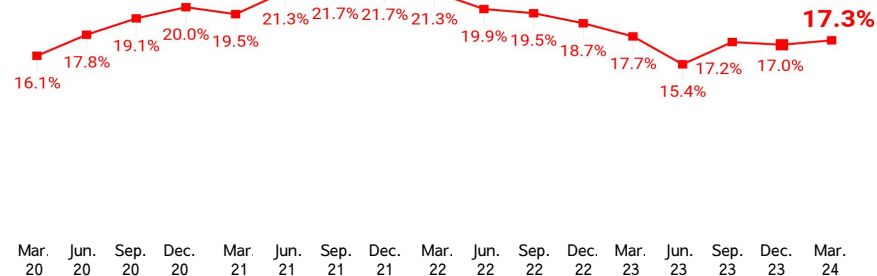
## The wholesale electricity market (JEPX) price has been stable, and the market share of new entrants reversed from a downward trend in June 2023

The wholesale electricity market (JEPX) prices have stabilized due to factors such as the decline in fuel prices. The trend in percentage of electricity sales by new entrants continues reversing from a downward trend in June 2023.

### JEPX prices \*1



### Market share of electricity sales by new entrants and our market share of customers with a new entrant \*2

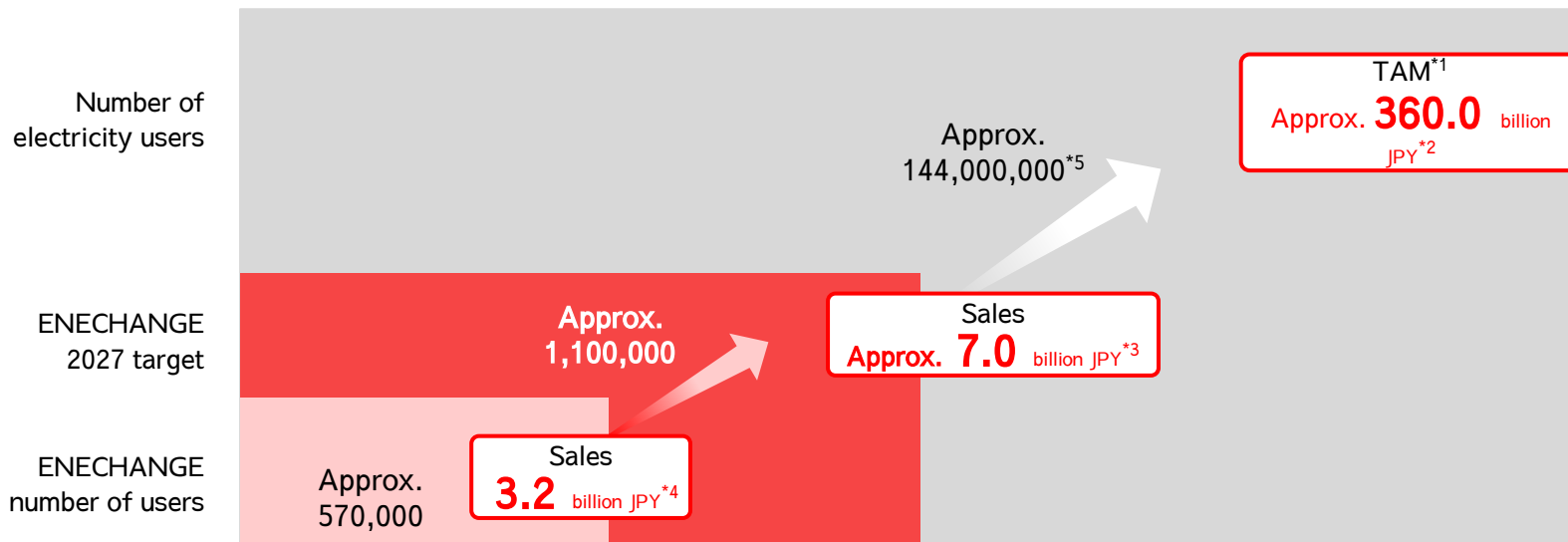


\*1. From JEPX trading information, calculating the average daily system price.

\*2. New entrant electricity share is based on the electricity volume sold (kWh) from the electricity transaction report by the Electricity and Gas Market Surveillance Commission

## The Platform business has a potential market of 360 billion JPY and aims for 7 billion JPY in sales by 2027

In the Platform business, the growth of new entrants is expected, and we anticipate ample growth potential for our market share. Reflecting the recent ARPU level, we aim for the early achievement of 1.1 million users by 2027, expecting approximately 7 billion JPY in sales (an increase of 1 billion JPY from the target announced on March 29, 2023).




\*1. Abbreviation for Total Addressable Market. The term refers to the largest market size assumed currently by the Group, and is not calculated for the purpose of indicating an objective market scale related to the business, but also includes estimated values.

\*2. See Appendix slide "Huge market size in GX Japan."

\*3. Non-recurring revenue assumes approximately 425,000 annual switches as of 2027, and is calculated as approximately 4.25 billion JPY by multiplying 10,000 JPY of ARPU (non-recurring revenue). Recurring revenue assumes ARPU (recurring revenue) of approximately 2,500 JPY, and is calculated as approximately 2.75 billion JPY by multiplying the number of users by about 1,100,000.

\*4. FY23 financial results of the Platform business.

\*5. Calculated from \*2 by dividing by the ARPU (recurring revenue) of 2,500 JPY

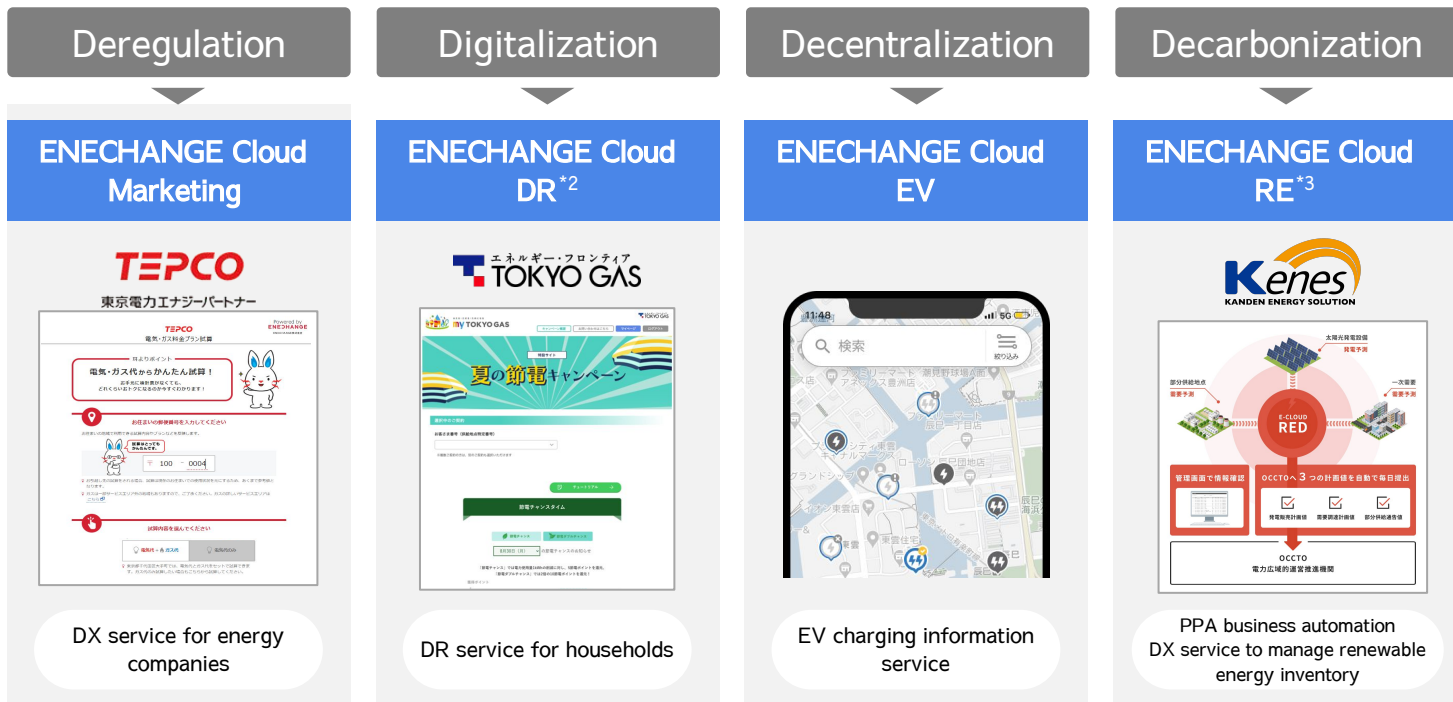


## 4 Data business

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## Business outline

We have developed the ENECHANGE Cloud lineup, a series of SaaS-based DX\*1 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.

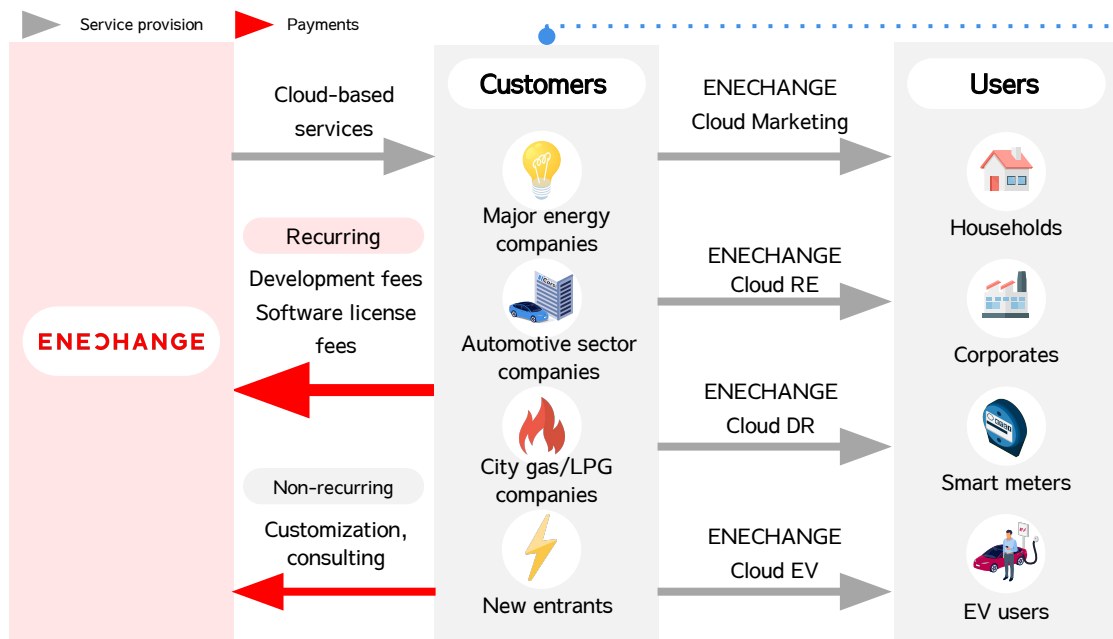


\*1. DX: Digital transformation \*2. DR: Demand response \*3. RE: Renewable energy



## 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.



### 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

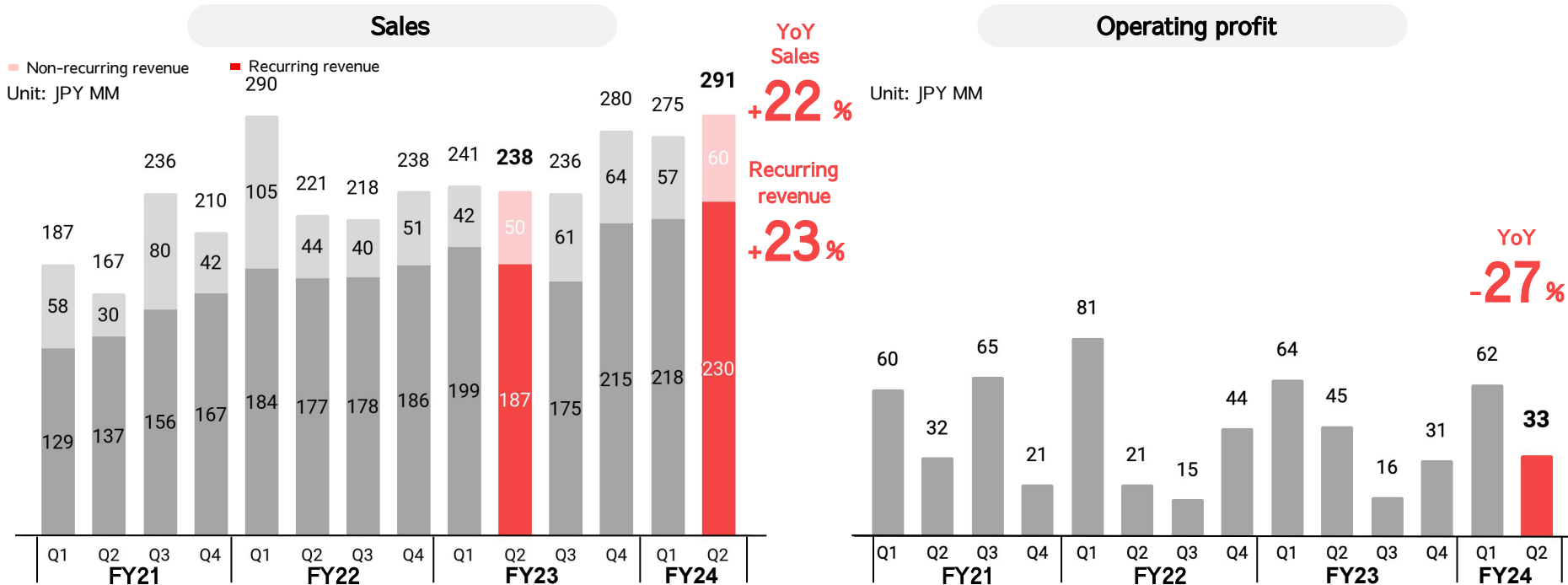
- Software backed by smart meter and industry data
- Providing charging location database to automotive sector companies

### Expert group well-versed in the energy industry

- Unique hiring strength of a growth-listed company with GX as its theme

## Sales for the first half of the year hit a new record high. Operating profit also remained at a high level compared to previous periods

Sales reached a new record at 291 million JPY (+14% YoY), with recurring revenue at 230 million JPY (+23%) driven by higher ARPU. Operating profit has remained steady (YoY -27%).



\*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.

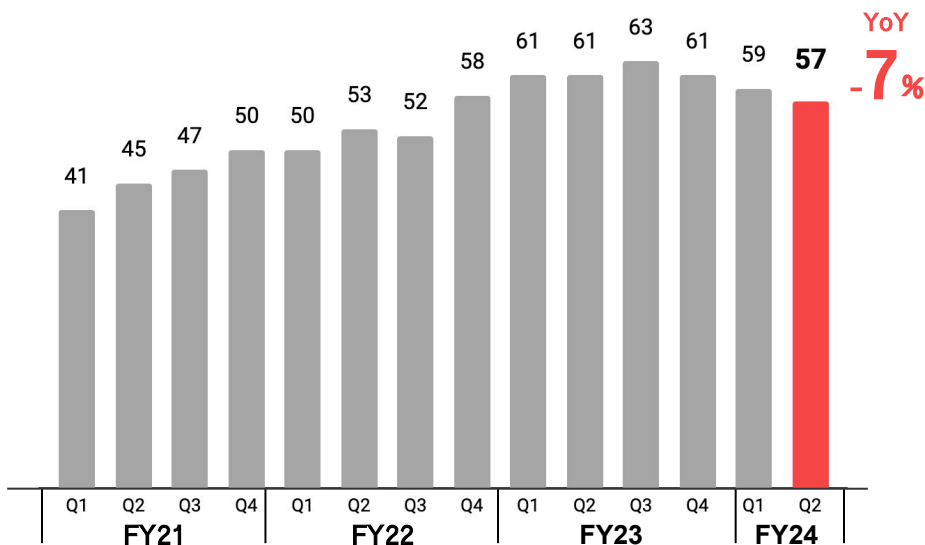
\*2. Financial results for FY23 Q3 is expected to be revised in the future, and there is a possibility that the figures may fluctuate.

## Despite a slight decline in the number of customers, ARPU performed well

The number of customers stands at 57 companies. Due to the improved prices, ARPU (recurring revenue) has reached 4,035 thousand JPY, a 32% year-over-year increase, marking a new record high.

### Number of customers \*1

Unit: Number of companies

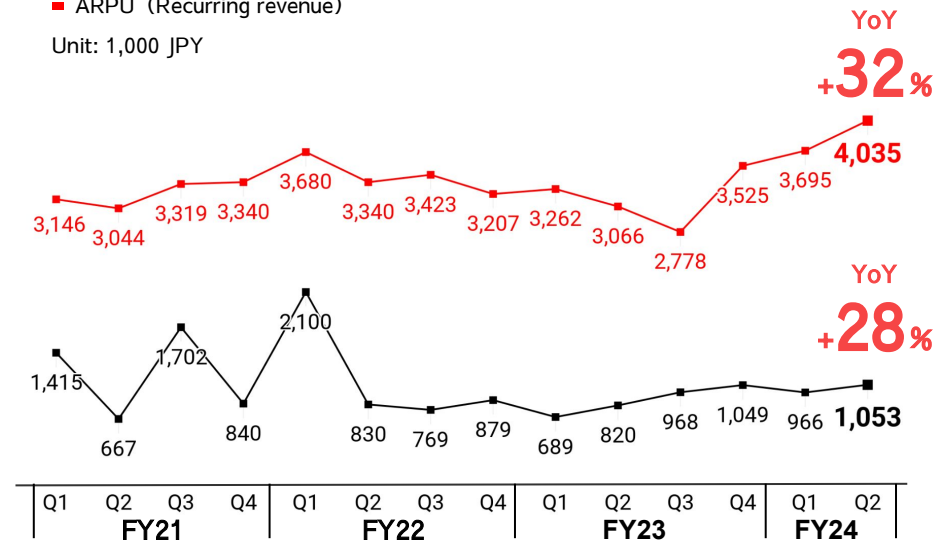


### ARPU \*2

■ ARPU (Non-recurring revenue)

■ ARPU (Recurring revenue)

Unit: 1,000 JPY



\*1 Counting number of customers as of the end of June 2024.

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

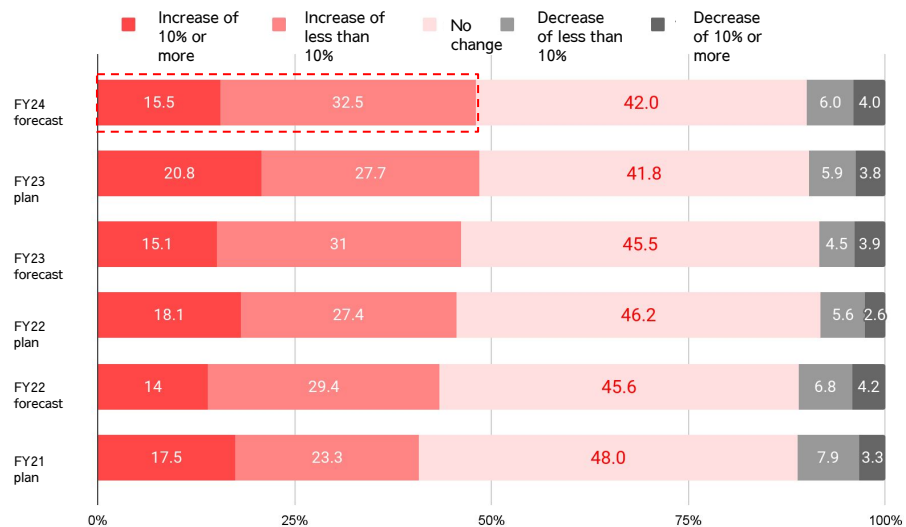
ARPU (non-recurring revenue) is calculated as non-recurring revenue divided by the number of customers, while ARPU (recurring revenue) is calculated as recurring revenue divided by the number of customers.

\*3 Financial results for FY23 Q3 is expected to be revised in the future, and there is a possibility that the figures may fluctuate.

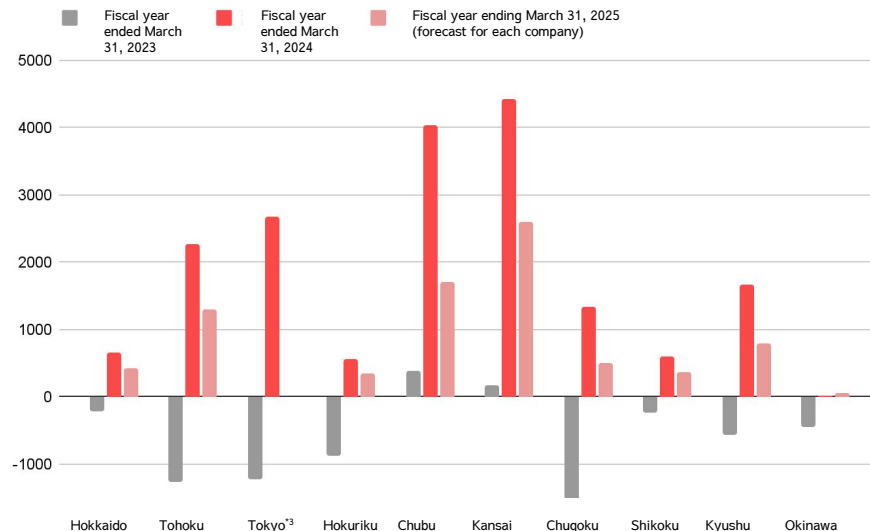
# IT budget is on an growing trend as major electric power companies record its highest-ever profits, consequently driving a positive outlook for investment in IT

According to Corporate IT Trends Survey show that overall, 48% of companies expect to increase their IT budgets. Eight major energy companies saw record profits due to rises in electricity costs for households, etc. in the previous fiscal year (FY23), and willingness to invest in IT is expected to improve.

## Change in IT budgets \*1



## Recent financial results of ten major energy companies \*2



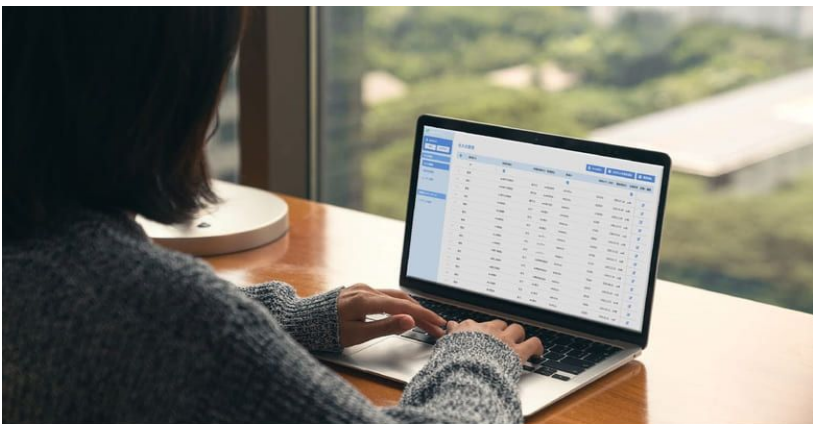
\*1. IT budget ratio in the energy industry (social infrastructure) according to "Announcement of preliminary figures for '2024 Corporate IT Trends Survey'" press release dated January 30, 2024 by Japan Users Association of Information Systems.

\*2. According to "Eight electric power companies expected decrease revenue this FY, 10 companies exceeded profits of 1,000 billion JPY the previous FY" dated May 1, 2024 by the Nikkei. (Financial results and forecasts for each company's "net profit attributable to owners of parent")

\*3. FY25 Financial results undetermined.

## Continuing the development of GX solutions towards achieving carbon neutrality by 2050

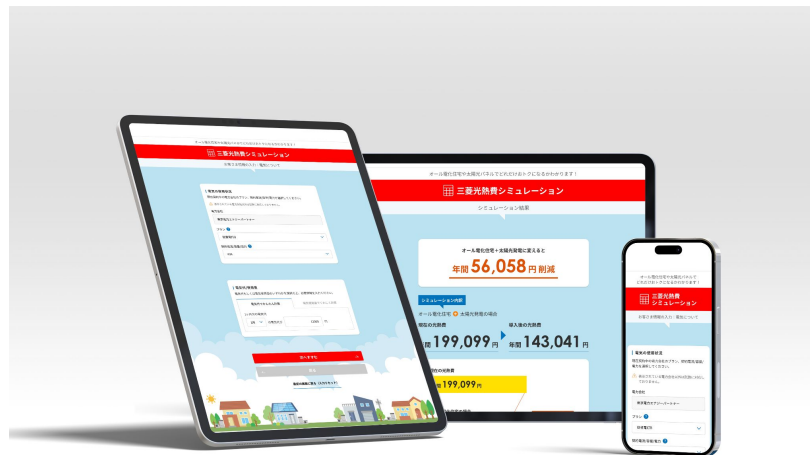
### Developing a SaaS service for hourly environmental value management



 eValue-Platform

We have developed a SaaS-based "eValue Platform," primarily for electricity companies, which streamlines the management of renewable energy's environmental value and enables various renewable energy management tasks - including 24/7 carbon-free operations - by managing environmental value on an hourly basis

### Developed an energy bill simulation system for Mitsubishi Electric Corp.



We have created a product to simulate utility costs for the introduction of Mitsubishi Electric's all-electric solutions. It allows users to simulate utility costs based on their current electricity and gas usage, including the installation of Mitsubishi EcoCute and IH cooking heaters. It is also capable of considering whether kerosene or solar power systems are used.



## 5 EV Charging business

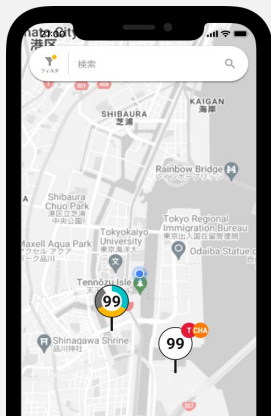
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## Business outline

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 expanded 3kW charging port options for basic charging. For EV drivers we offer an EV charging information app with payment functions to facilitate usage and have started offering a flat-rate charging service.



### EV charging information app



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

### Charging ports



6kW, subsidy-compliant  
charging ports and  
3kW charging ports

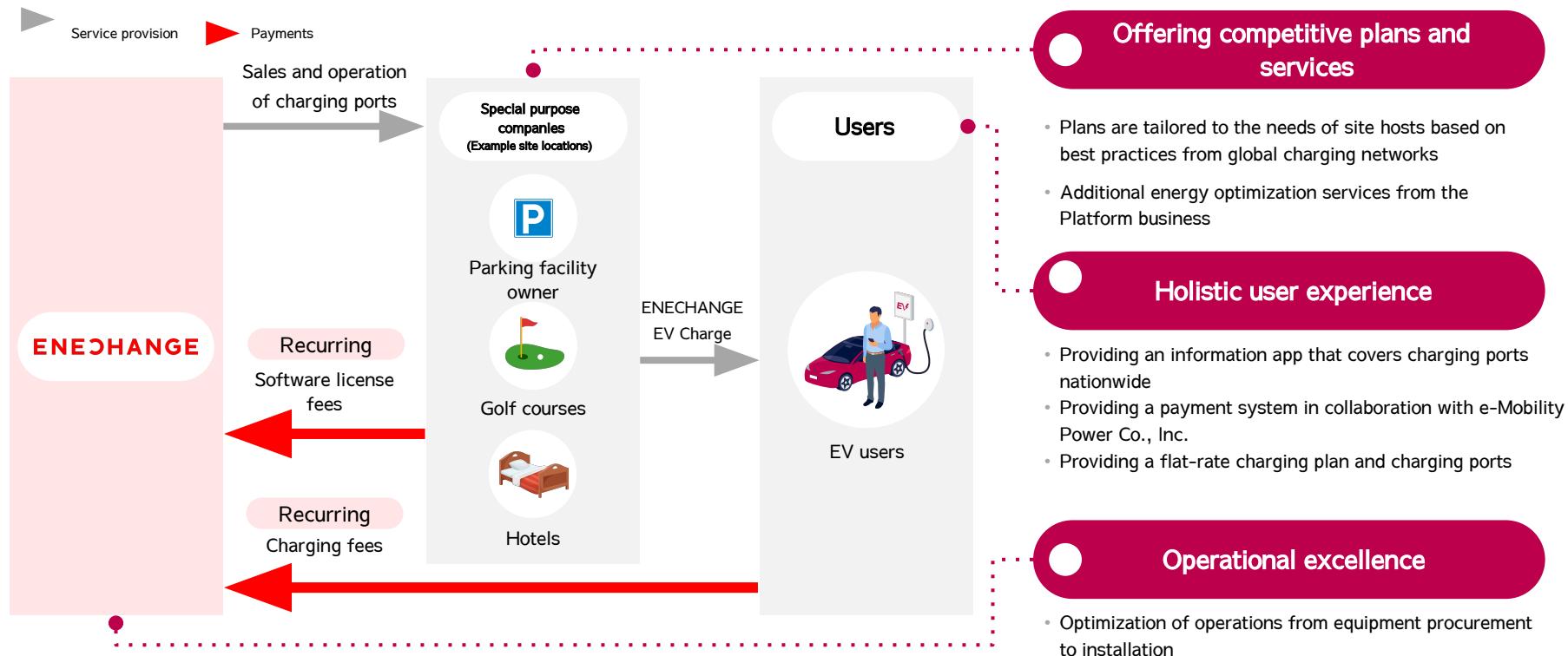
### In-app payment



e-Mobility Power charging  
card linkage

## Business model and competitive advantage

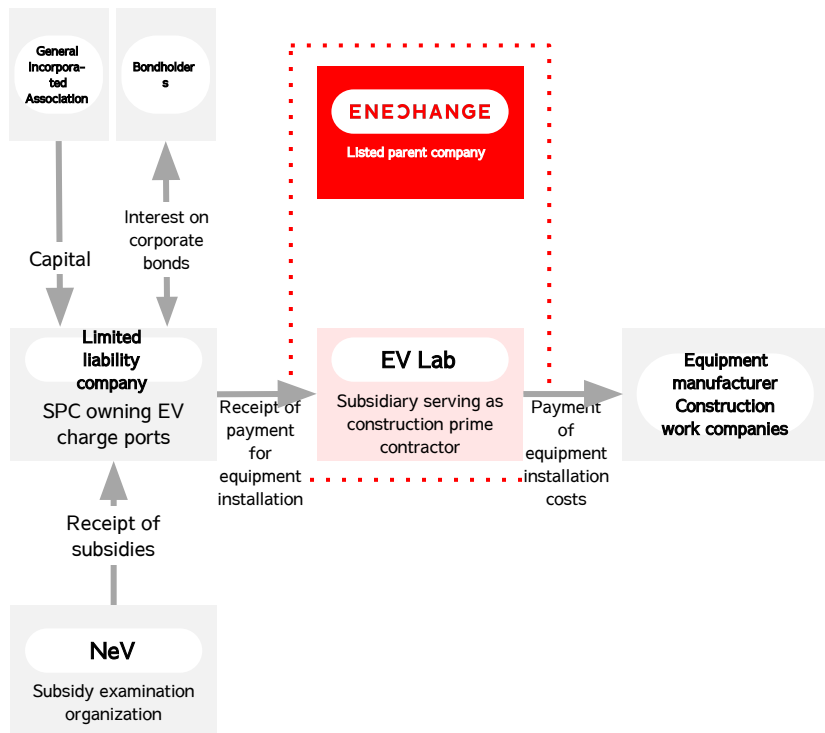
Non-recurring revenue is derived from hardware sales, while recurring revenue is generated from charging or software subscription fees.



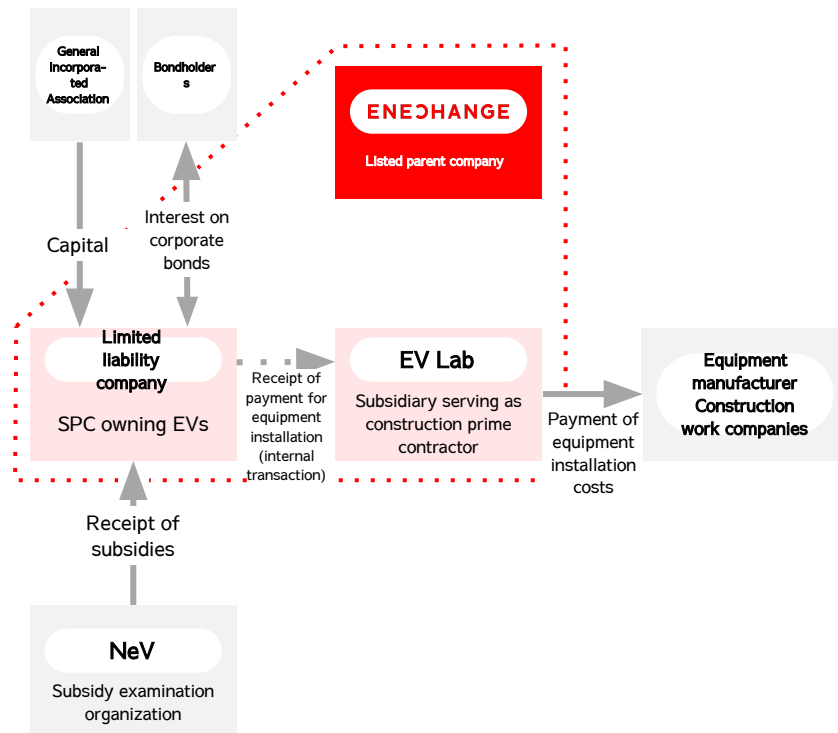


Based on the control standards, we have assessed that there is substantial control and the SPC will now be fully consolidated going forward

### Previously (before consolidation of SPC)



### Going forward (after consolidation of SPC)



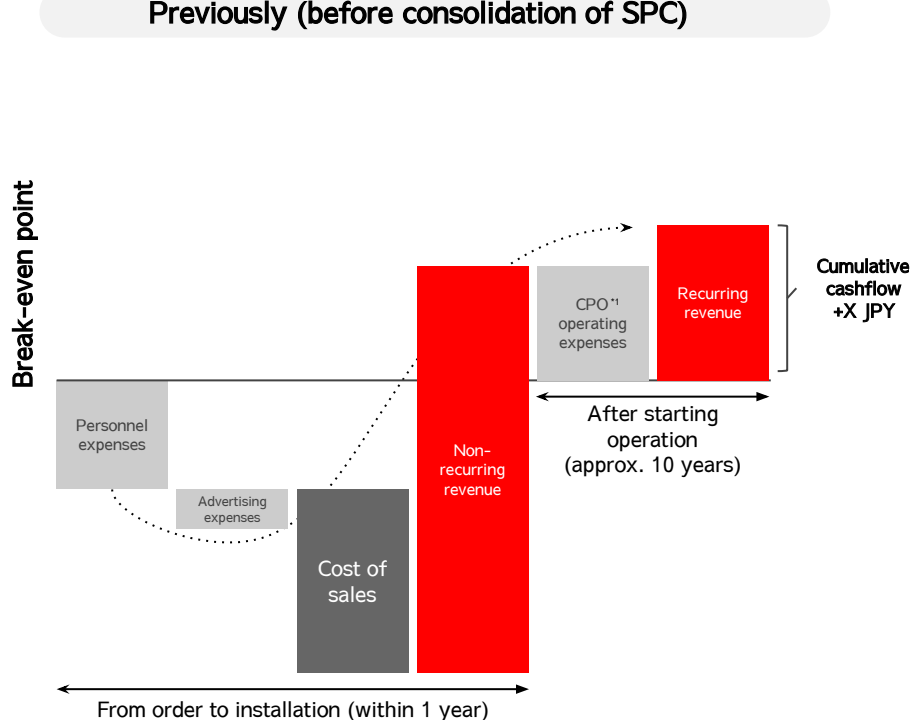
\*The term "LLC (SPC owning EVcharge ports)" denotes the consolidated subsidiaries EV Charging Infrastructure No.1 LLC and EV Charging Infrastructure No.2 LLC

## Due to the impact of SPC consolidation, transition to revenue structure centered on recurring revenue

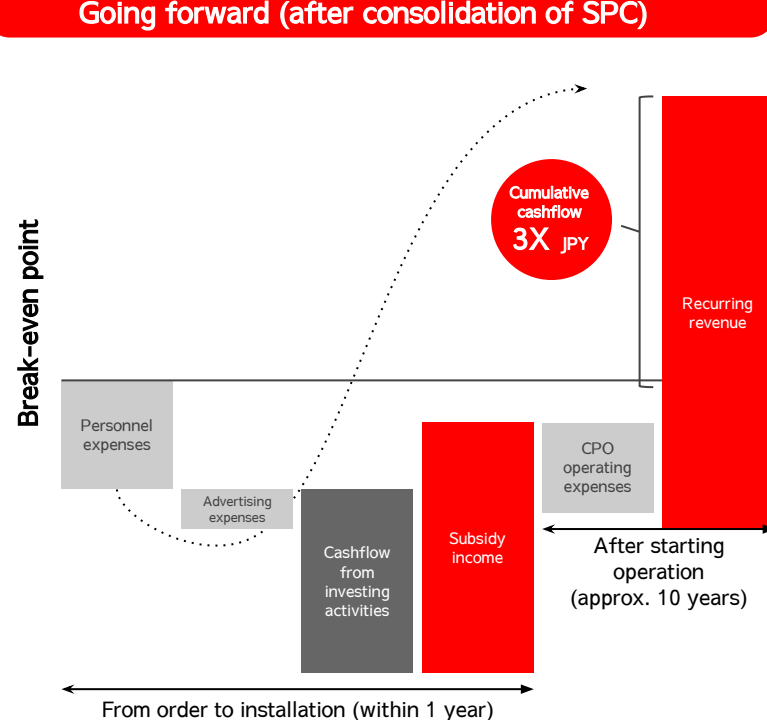
**Previously** consisted of non-recurring revenue from hardware sales and installation, and recurring revenue of 30% from charging session fees.

**Going forward**, with company ownership, it will consist of recurring revenue from 100% of charging session fees with installation costs offset by subsidy income.

### Previously (before consolidation of SPC)



### Going forward (after consolidation of SPC)



\* Depreciation, amortization of goodwill, and loss on tax purpose reduction entry of non-current assets are not taken into account in cash flow.

\*1. CPO is an abbreviation for Charging Point Operator, which refers to companies or organizations that operate charging spots, provide EV charging services to electric vehicle users, and charge them for the service.

Operating and installation costs have been incurred upfront, with new charging ports becoming operational sequentially from October onward. Subsidy income was recorded from January to March.

Example: January 2024 subsidy (R6-1) \*1 (EV charging port installation in Oct.-Dec.)

|                        | Jan.-Mar.         | Apr.-Jun.                | Jul.-Sep. | Oct.-Dec. | Jan.-Mar.   |
|------------------------|-------------------|--------------------------|-----------|-----------|---|
| Sales                  |                   |                          |           |           | <b>Charging port sales</b> →                                    |
| Cost of sales          |                   | <b>Installation cost</b> |           |           |   |
| SG&A expenses          | <b>Sales cost</b> |                          |           |           | <b>Operation cost</b> →   |
| Non-operating income   |                   |                          |           |           | <b>Subsidy income</b>   |
| Non-operating expenses |                   |                          |           |           | <b>Loss on tax purpose reduction entry of noncurrent assets</b> |

\*1. Stated as an estimate to the FY24 Q1 schedule of the FY23 correction and FY24 initial calculation

An impairment loss related to the EV charging business and a going concern (GC) note were recorded in the FY23 securities report. Measures are being taken to address these issues promptly.

## Main reasons

### Uncertainty in the Going Concern (GC) Note

- **Agreement to partial early repayment**  
Agreed to requests for early repayment for select financial institutions with other financial institutions' understanding
- **Potential for brand damage**  
As a result of the release of the investigation report, there is a possibility that relationships with stakeholders and brand power may be damaged
- **Potential disruption in business operation**  
If the former Representative Director's involvement with the group becomes difficult, there might be potential disruptions in business operations

### Impairment losses of the EV Charging business

- **Uncertainty in continued support from financial institutions**  
Due to the events indicating the above-mentioned uncertainties and the issuance of a GC note, the possibility of obtaining continuous support from financial institutions is considered uncertain, leading to recognized uncertainty in achieving the business plan, which is premised on the borrowing of a bridge loan

## Status of progress towards resolution

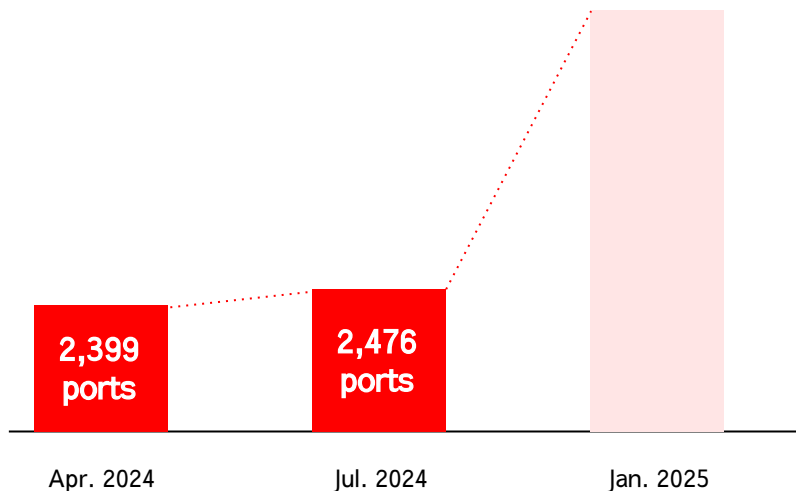
(July 2024 onward)

- **Consideration of measures to strengthen financial foundations**  
Broadly considering measures to strengthen the financial foundation to secure future growth funding
- **Securing debt financing for the EV Charging business**  
Engaging in discussions with financial institutions regarding funding plans, aiming to maintain a close relationship to ensure continuous support
- **Implementation of prevention measures to ensure similar incidents don't occur and transition to a new management structure**  
On July 29, 2024, recurrence prevention measures were announced, and Masayoshi Hirata, former CFO of Toshiba, was appointed as Chairman of the Board of Directors (Representative Director). The transition to a new structure with CEO Tomoya Maruoka and COO Tatsuya Sogano to be executed on September 3, 2024.
- **Improvement of profitability in the EV Charging Business**  
Implementing measures to strengthen profitability and ensure a continuous increase in stable segment profits through the optimization of advertising and promotional activities

## Progressing smoothly towards achieving the installation plan for destination charging in 2024

The results of destination charging budget of 13.5 billion JPY (R5 third period and R6 first period) distribution has begun with progress on track. The remaining 2.5 billion JPY (R6 second period) is currently in application phase. The target for destination charging to be achieved by 2027 is scheduled to be announced in the Second edition of the explanatory materials related to business plan and growth potential.

Cumulative number of installations of destination charging ports (6kW+)



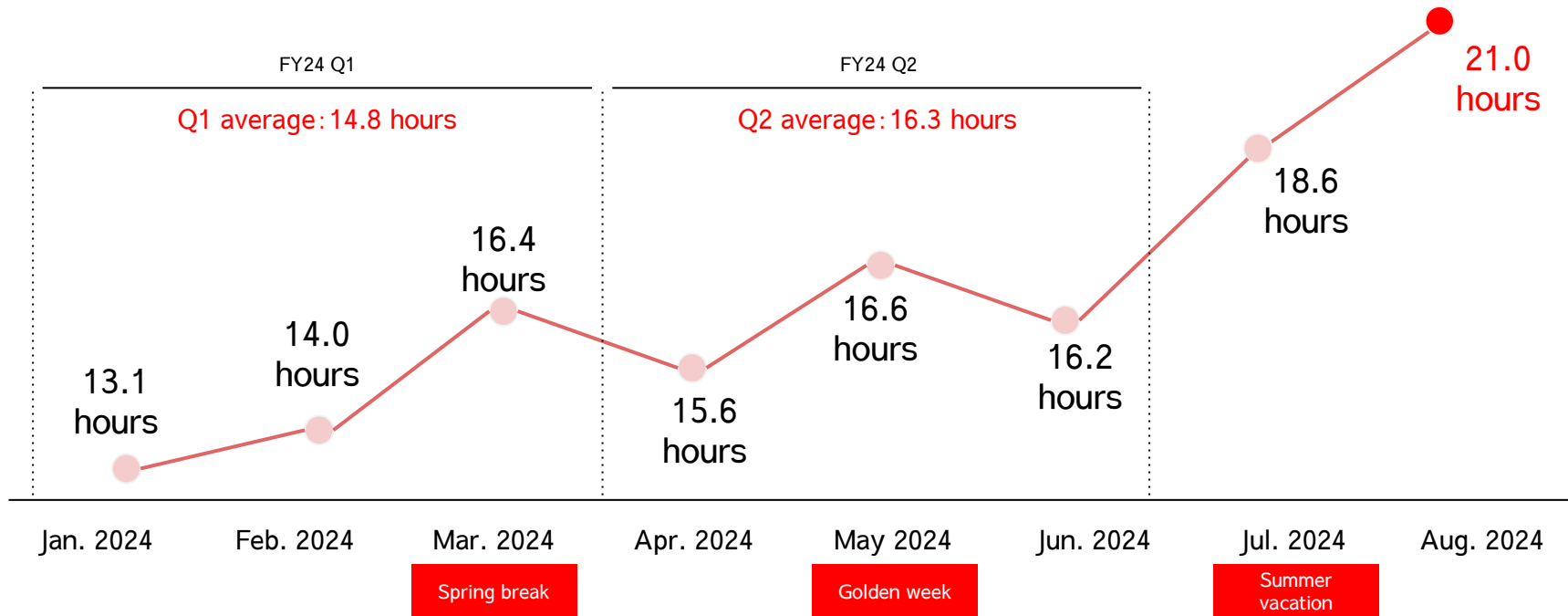
Installations throughout Japan



\*Due to the consolidation of SPC, sales will be primarily generated from charging revenue from EV drivers using installed charging ports. The KPI of the EV Charging business has been changed from the cumulative number of orders received to cumulative number of installations.

## In Aug 2024, average monthly charging hours reached 21 hours, indicating substantial growth potential based on examples from the US

The average monthly charging time improved from 13.1 hours in January 2024 to 21 hours in August, an increase of approximately 1 hour on a monthly average, indicating strong operating performance. In the United States, where the new car sales ratio for EVs and PHEVs was 8% in 2022, the estimated average monthly charging time is 72 hours.\* In Japan, where the current new car sales ratio is 2-4%, there is considerable growth potential.



\*Calculated by our Company using the NREL "Evaluating Electric Vehicle Public Charging Utilization in the United States using the EV WATTS Dataset."

## Both the total charging volume and total charging hours experienced steady growth QoQ

|   | FY23 Q4<br>Oct.-Dec. 2023 | FY24 Q1<br>Jan.-Mar. 2024 | FY24 Q2<br>Apr.-Jun. 2024 | QoQ  |
|---|---------------------------|---------------------------|---------------------------|------|
| Total electric charge (MWh)                     | 307                       | 410                       | 468                       | +14% |
| Total charging hours (hours)                    | 80,102                    | 106,463                   | 120,227                   | +13% |
| Number of charging ports                        | 2,107                     | 2,399                     | 2,454                     | +2%  |
| Number of charging sessions                     | 34,786                    | 47,495                    | 55,254                    | +16% |
| Average monthly usage per port (uses)           | 5.5                       | 6.6                       | 7.5                       | +14% |
| Average charging time per session (hours)       | 2.3                       | 2.2                       | 2.2                       | -3%  |
| Average charging hours per port (hours)         | 12.7                      | 14.8                      | 16.3                      | +10% |
| Average monthly electric charge per port (kWh)  | 49                        | 57                        | 64                        | +11% |
| Average monthly utilization rate per port (%)*1 | 1.8                       | 2.1                       | 2.3                       | +10% |
| (Reference) Ratio of new EVs/PHEVs (%)*2        | 3.3                       | 3.2                       | 2.4                       | -26% |

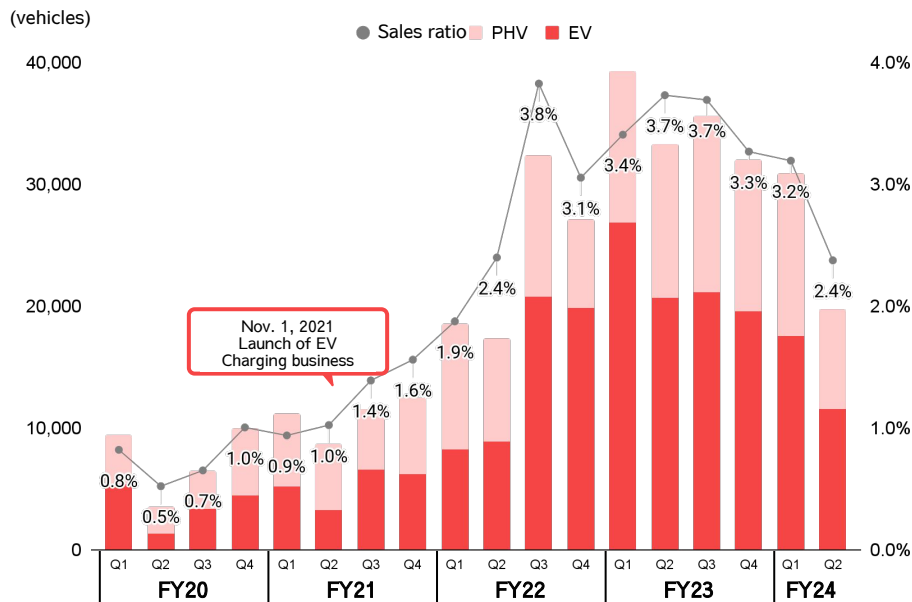
\*1. Calculated as the average monthly charging time per unit / 720 hours (24 hours × 30 days) (%)

\*2. Company's estimate based on data from the Japan Automobile Dealers Association 'Sales Volume by Fuel Type (Passenger Cars)' and the National Federation of Light Motor Vehicle Associations 'Detailed Report on New Vehicle Sales by Popular Names for Light Four-Wheeled Vehicles'

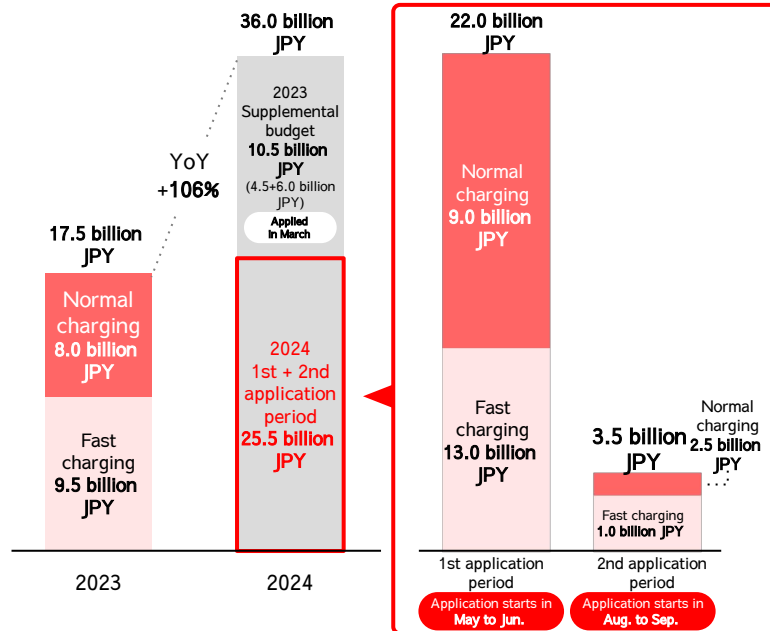
# EV charging infrastructure subsidies for 2024 will increase by 106% YoY, indicating a favorable policy environment

The sales volume of new EVs/PHEVs have been slowing, but are expected to increase gradually toward 2026 as manufacturers plan to launch new vehicles. The EV charging infrastructure subsidy for 2024 is 36 billion JPY, with the first subsidy application started in March and the second in May.

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



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.



We began a 100-day transformation plan on September 3. Additional announcements will be made as progress is made.

30 Days (End of July 2024 onward)

100 Days (September 2024 onward)

(January 2025 onward)

### ENECHANGE 2.0 Inception

### Change

### Growth maximization

Company-wide

- Announcement and introduction of measures to prevent recurrence
- Prepare to transition to the new management structure on September 3
- Build the ENECHANGE 2.0 growth strategy plan
- Evaluate options to strengthen financial foundation
- Build a new strong trust relationship with stakeholders

EP

- Design strategies to realize full potential
- Develop organic growth measures and strategic growth opportunities/ M&A

ED

EV

- Prepare the bridge loan composition for the EV Charging business
- Consider the use of external capital in order to maximize the deployment of charging infrastructure

- Execute 100-day plan after transitioning to new leadership
- Implement measures to prevent recurrence and submit Improvement Report (September 2024)
- Detail out options to discussions on options to strengthen financial foundation
- Execute necessary change specified in "Inception" period
- Begin implementing ENECHANGE 2.0 growth strategies

- Finalize details of full potential strategy and determine necessary organizational structures and capital requirements

- Detail out path forward including the use of external capital

**Towards accelerated growth and achieving full potential**

▲ September 2, 2024 (today)  
Announce Explanatory Materials Related to Business Plan and Growth Potential (First edition)

▲ Announce Explanatory Materials Related to Business Plan and Growth Potential in line with progress of the 100-day plan (Second edition)



## 7 Appendix

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**7.1** Market environment

**7.2** SDGs initiatives

**7.3** Numerical data

**7.4** Other

## 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

SUSTAINABLE DEVELOPMENT GOALS

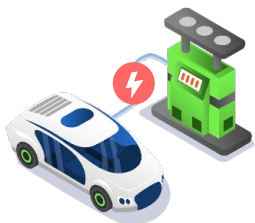


Increase in ESG investment

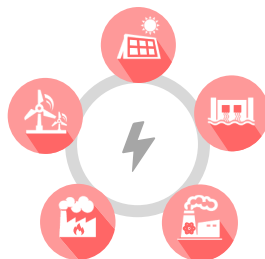


Changes in industry

Switch to EVs



Importance of energy security



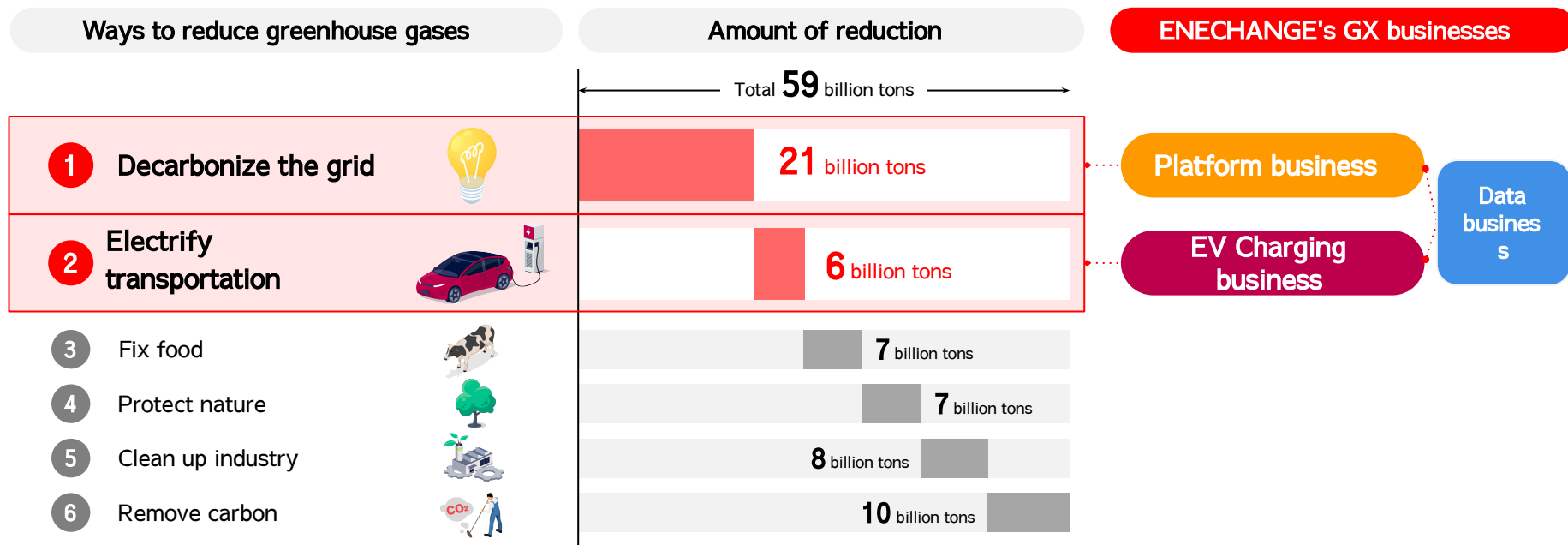
Increasing the pool of green jobs



## 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 \*



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

## Significant growth potential in the GX market

### Current situation

#### Adoption of EV and PHEV



Number of EV and PHEV in operation\*1

**570,000** units  
(2023) \*2

#### Number of Level 2 charging ports



Number of Level 2 charging ports

**30,000** units  
(2023) \*4

#### Renewable energy demand



Renewable energy generation ratio

**22%**  
(FY22) \*5

### Future forecast

**2,850,000**  
units  
(FY30) \*3

**270,000** units  
(FY30) \*4

**36-38%**  
(FY30) \*5

### Growth potential

**5x**

**9x**

**1.7x**

\*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 "Global EV Outlook 2024" as stated by the IEA, our Company's estimation considers a 30% ratio for EVs and PHEVs for new car sales in 2035.

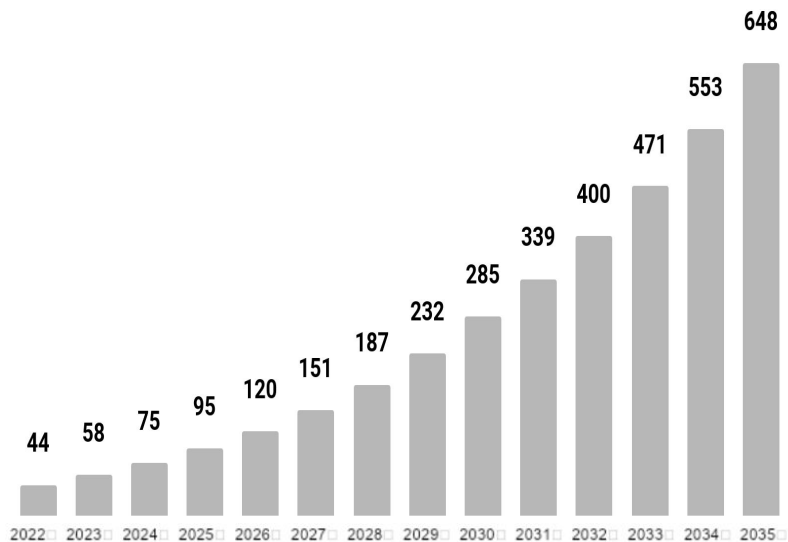
\*4. Mentioned in the Ministry of Economy, Trade and Industry's "Guidelines for Promoting the Development of Charging Infrastructure Seventh Edition" (April 2024).

\*5. Referenced "Future Renewable Energy Measures" by the Agency for Natural Resources and Energy (June 2023).

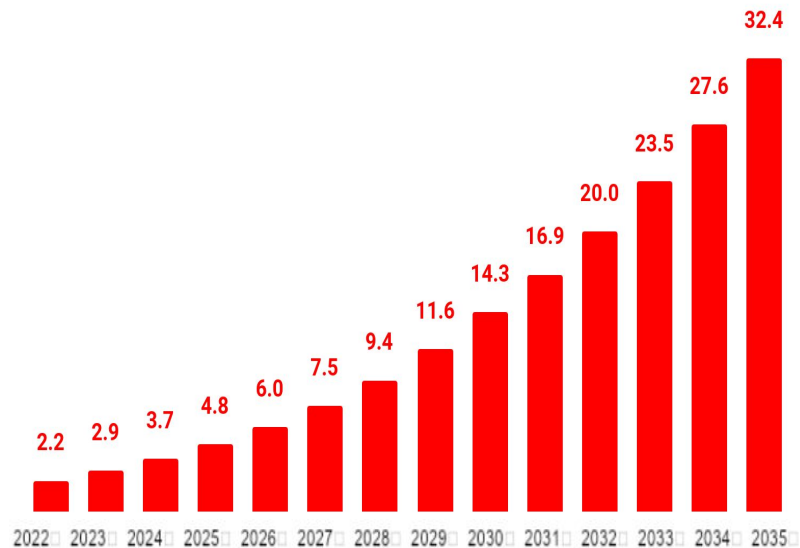
## Estimate on number of EVs and PHEVs in operation and charging infrastructure

The number of EVs and PHEVs in Japan is predicted to reach 6,480,000 vehicles in 2035.\*<sup>1</sup> Assuming for every 20 EVs and PHEVs, one charging port is necessary, the calculation leads to 143,000 ports being necessary in 2030.

Number of EVs and PHEVs in operation (Unit: 10,000 vehicles) \*<sup>2</sup>



Number of charging ports (destination) necessary (Unit: 10,000 units) \*<sup>3</sup>






\*<sup>1</sup>. The forecasted figures for 2024 on are the Company's estimated figures.

\*<sup>2</sup>. Calculated by our Company assuming that the proportion of EVs and PHEVs among new cars sold will be 35% in 2035, using the IEA "Global EV Outlook 2024."

\*<sup>3</sup>. Calculated by our Company assuming for every 20 EVs and PHEVs, one charging port is necessary.

## Huge market size in GX Japan

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

|                  | EV Charging business  | Platform business   | Data business   |
|------------------|---|---|---|
| Business segment | EV charging service for site hosts<br> | Energy switching services for households and corporates<br> | Data-backed software services for industry<br> |
| Target market    | Gasoline market<br><b>9,000 billion JPY</b> <sup>*2</sup><br><b>25%</b><br>(Target area charging ratio <sup>*6</sup> )  | Electricity market <b>18,000 billion JPY</b> <sup>*3</sup><br><b>2%</b><br>(Energy switching fees market price <sup>*4</sup> )                | <b>1%</b><br>(IT system budget <sup>*5</sup> )  |
| TAM              | <b>2,200 billion JPY</b>  | <b>360 billion JPY</b>  | <b>180 billion JPY</b>  |

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

\*5. IT budget ratio in the energy industry (social infrastructure) according to "Corporate IT Trends Survey" by Japan Users Association of Information Systems.

\*6. Our assumption based on McKinsey & Company, "Building the electric-vehicle charging infrastructure America needs" (April 18, 2022) / "What Norway's experience reveals about the EV charging market" (May 8, 2023).



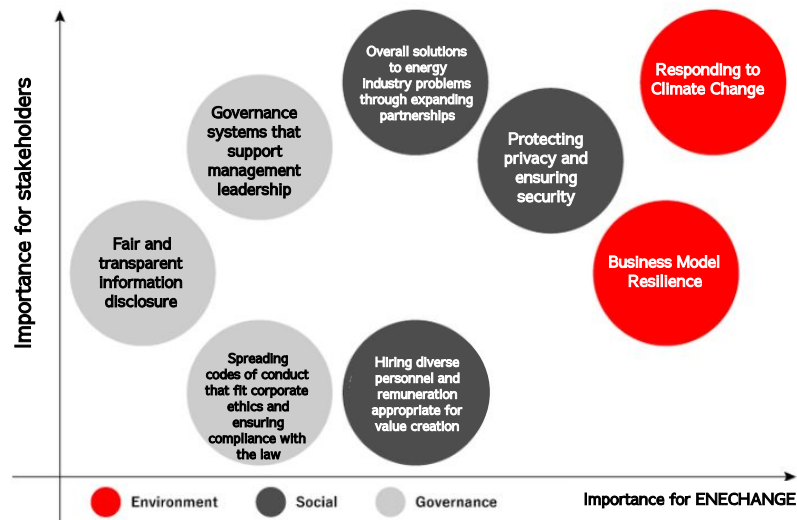
## SDG initiatives

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



## Financial results for FY24 Q2

- Record-high half-year sales achieved due to sales growth in the Platform and Data businesses

| (Unit: JPY MM)                              | Q1 (Jan.-Mar.) |       |        | Q2 cumulative (Jan.-Jun.) |         |        |
|---|----------------|-------|--------|---------------------------|---------|--------|
|   | FY23           | FY24  | YoY    | FY23                      | FY24    | YoY    |
| Sales                                       | 1,064          | 1,356 | +27%   | 2,046                     | 2,721   | +33.0% |
| Gross Profit                                | 871            | 1,076 | +24%   | 1,627                     | 2,175   | +33.7% |
| Gross Profit Margin                         | 81.9%          | 79.4% | -2.5pt | 79.5%                     | 79.9%   | +0.4pt |
| SG&A expenses                               | 1,289          | 1,825 | +42%   | 2,778                     | 3,596   | +29.4% |
| Operating Profit                            | (418)          | (748) | -      | (1,151)                   | (1,421) | -      |
| Ordinary Profit                             | (424)          | (134) | -      | (1,213)                   | (888)   | -      |
| Net Profit Attributable to Owners of Parent | (425)          | (371) | -      | (1,214)                   | (1,784) | -      |

## Balance sheet

- The excess of liabilities over assets was eliminated in FY24 Q1

| (Unit: JPY MM)             | End of March 2024 | End of June 2024 |               |
|----------------------------|-------------------|------------------|---------------|
|                            |                   | Actual           | QoQ           |
| <b>Current assets</b>      | <b>7,742</b>      | <b>5,564</b>     | <b>-2,178</b> |
| Cash and deposits          | <b>6,315</b>      | <b>4,369</b>     | <b>-1,946</b> |
| Accounts receivable        | <b>800</b>        | <b>589</b>       | <b>-211</b>   |
| <b>Fixed assets</b>        | <b>2,075</b>      | <b>2,121</b>     | <b>+46</b>    |
| <b>Total assets</b>        | <b>9,817</b>      | <b>7,685</b>     | <b>-2,132</b> |
| <b>Current liabilities</b> | <b>4,162</b>      | <b>4,305</b>     | <b>+143</b>   |
| Interest-bearing debts     | <b>1,412</b>      | <b>1,402</b>     | <b>-10</b>    |
| <b>Fixed liabilities</b>   | <b>3,473</b>      | <b>2,578</b>     | <b>-895</b>   |
| Interest-bearing debts     | <b>2,484</b>      | <b>1,619</b>     | <b>-865</b>   |
| <b>Net assets</b>          | <b>2,181</b>      | <b>801</b>       | <b>-1,380</b> |

## Cost structure by segment

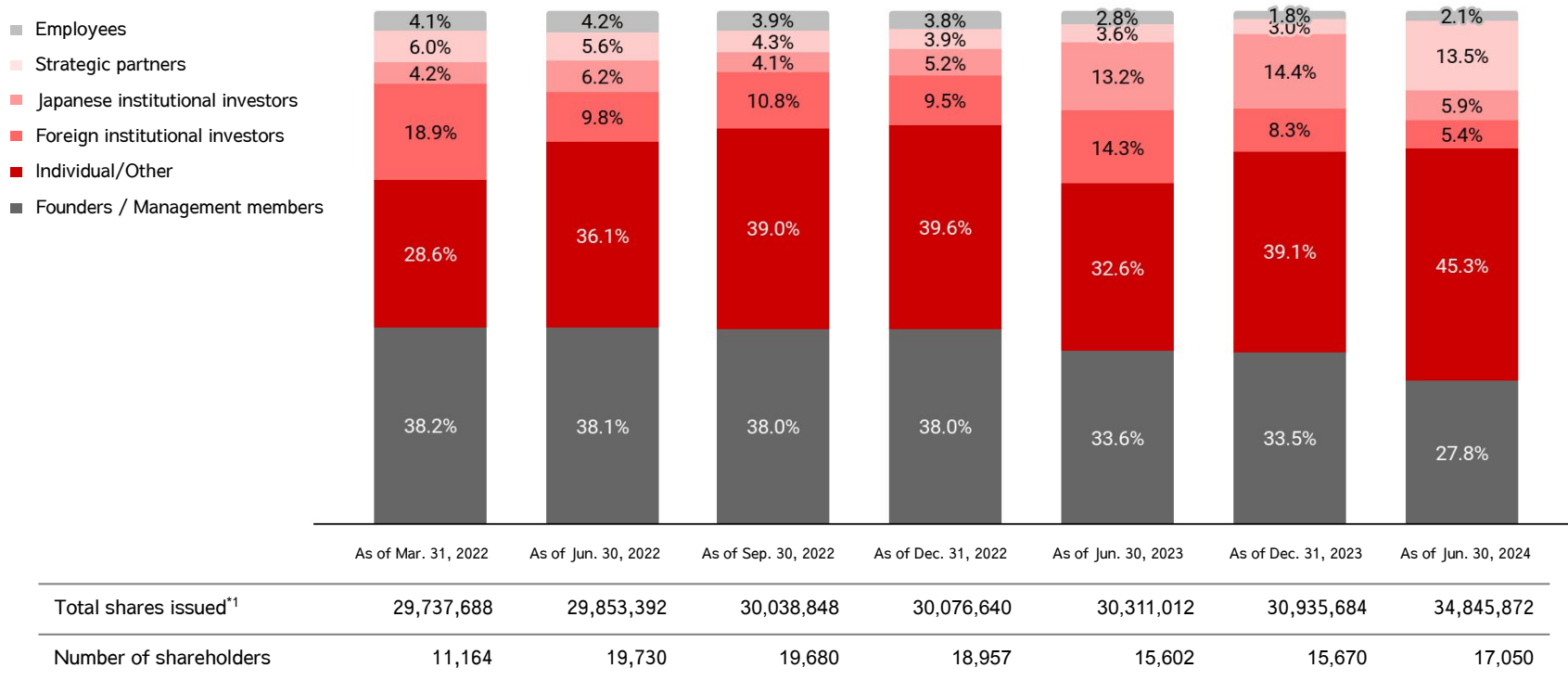
| (Unit: JPY MM)   | FY23 cumulative Q2 |                   |               |                      |                    | FY24 cumulative Q2 |                   |               |                      |                    |
|--|--------------------|-------------------|---------------|----------------------|--------------------|--------------------|-------------------|---------------|----------------------|--------------------|
|  | Company-wide       | Platform business | Data business | EV Charging business | Company-wide costs | Company-wide       | Platform business | Data business | EV Charging business | Company-wide costs |
| <b>Sales</b>   | <b>2,046</b>       | <b>1,538</b>      | <b>479</b>    | <b>27</b>            | -                  | <b>2,721</b>       | <b>2,098</b>      | <b>567</b>    | <b>55</b>            | -                  |
| <b>Cost of sales</b>                                     | <b>418</b>         | <b>60</b>         | <b>212</b>    | <b>144</b>           | -                  | <b>546</b>         | <b>68</b>         | <b>273</b>    | <b>204</b>           | -                  |
| <b>Gross profit</b>                                      | <b>1,627</b>       | <b>1,477</b>      | <b>266</b>    | <b>(117)</b>         | -                  | <b>2,175</b>       | <b>2,030</b>      | <b>294</b>    | <b>(149)</b>         | -                  |
| Gross profit margin                                      | 79.5%              | 96.0%             | 55.5%         | -                    | -                  | 79.9%              | 96.8%             | 51.9%         | -                    | -                  |
| <b>Sales costs &amp; general administration costs *1</b> | <b>2,778</b>       | <b>1,370</b>      | <b>156</b>    | <b>901</b>           | <b>350</b>         | <b>3,596</b>       | <b>1,865</b>      | <b>197</b>    | <b>1,023</b>         | <b>510</b>         |
| Advertising expenses                                     | 690                | 273               | 0             | 415                  | 1                  | 437                | 302               | 0             | 133                  | 1                  |
| Sales commissions, sales promotion expenses              | 648                | 646               | 0             | 1                    | 0                  | 1,098              | 1,023             | 0             | 75                   | 0                  |
| Personnel expenses                                       | 613                | 151               | 101           | 236                  | 123                | 768                | 230               | 118           | 329                  | 197                |
| Outsourcing expenses                                     | 506                | 235               | 32            | 148                  | 90                 | 747                | 223               | 60            | 329                  | 44                 |
| Other  | 321                | 63                | 22            | 99                   | 135                | 544                | 85                | 18            | 157                  | 266                |
| <b>Operating profit *2</b>                               | <b>(1,151)</b>     | <b>107</b>        | <b>110</b>    | <b>(1,018)</b>       | <b>(350)</b>       | <b>(1,421)</b>     | <b>165</b>        | <b>95</b>     | <b>(1,172)</b>       | <b>(510)</b>       |
| Operating Profit Margin                                  | -                  | 7.0%              | 23.0%         | -                    | -                  | -                  | 7.9%              | 16.8%         | -                    | -                  |

\*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.

## Shareholder information

As a strategic partner, the JIC VGI Opportunity Fund 1 Investment Limited Partnership (OPF1) holds approximately 11%.



\*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.

## Company outline

# ENECHANGE

## CHANGING ENERGY FOR A BETTER WORLD

|                |  |
|----------------|--|
| Company name   | ENECHANGE Ltd.   |
| Representative | Tomoya Maruoka,<br>Representative Director and CEO<br>Tatsuya Sogano,<br>Representative Director and COO |
| Head office    | 14F WeWork Tokyo Square Garden, 3-1-1<br>Kyobashi, Chuo-ku, Tokyo, Japan                                 |

Founded

2015

Listed on the Tokyo  
Stock Exchange

2020

Sales  
(FY23)

4.3  
billion JPY

Employees <sup>\*2</sup>

343

### Platform business



Energy switching service

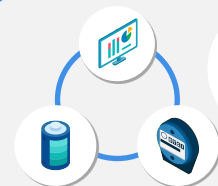


Electricity Cost  
Review Website  
**No.1**<sup>\*1</sup>

### Data business



Software development for  
energy companies



Number of  
Client Energy  
Companies  
**59**

### EV Charging business



EV Charging business



Number of  
Installed  
Normal EV  
Charging Ports  
**No.1**<sup>\*3</sup>

Number of  
Users of the  
EV Charging  
App  
**No.1**<sup>\*4</sup>

\*1. Survey results by ENECHANGE based on Google searches as of April 2024 (calculated by adding the number of first-place results for 64 keywords in Japanese).

\*2. Number of connected employees as of the end of June 2024.

\*3. Number of installed 6kW+ EV charging ports where authentication apps provide service (as of September 1, 2024, and according to research by GoGoEV).

\*4. Number of iOS and Android downloads of five companies providing EV charging services (as of February 2024, and according to research by data.ai.).

## Programmatic M&A strategy for growth

### M&A and investment themes

#### Platform

#### Roll-up M&A

- Acquiring a strategic customer base, particularly among corporate users

#### Data

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

#### EV charging

#### Enhancing the EV user experience

- Integrating charging port mapping information into the app

### Case examples

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



新電力エネルギー株式会社

Decarbonization Tech  
Fund  
(Sep. 2021)



JAPAN  
ENERGY  
FUND

Ayudante, Inc.  
(Oct. 2022)

Approx. **300** million JPY

**EVsmart**  
by ENECHANGE

### Future policy

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

## Known risks (1/2)

| Item  | Affected Segment | Main Risk  | Potential of Manifestation | Impact | Risk Countermeasure  |
|---|------------------|--|----------------------------|--------|--|
| Business environment:<br><b>Policy trends related to energy liberalization</b>              | EP<br>ED         | <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:<br><b>Dependence on energy companies</b>                | EP<br>ED         | <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:<br><b>Policy trends related to EVs and EV charging Infrastructure</b> | EV               | <ul style="list-style-type: none"> <li>The possibility that major policy changes in national or government subsidies for EVs and EV charging infrastructure could affect our number of received orders and installed charging ports in our EV Charging business because we establish business strategies and conduct sales activities based on the assumption of subsidy 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> <li>Secure acceptance rate for subsidy reviews.</li> </ul>                               |
| Business environment:<br><b>Adoption of EV</b>  | EV               | <ul style="list-style-type: none"> <li>Due to the significant influence of external factors such as the adoption rate of EVs, there is a possibility that major policy changes by governments or automotive companies could slow the adoption of EVs</li> </ul>  | Medium                     | High   | <ul style="list-style-type: none"> <li>Monitor business strategies of the government and automotive companies, as well as the domestic EV adoption rate.</li> </ul>  |
| Financial performance:<br><b>Emerging segment risk deriving from business novelty</b>       | EV               | <ul style="list-style-type: none"> <li>For the EV charging business, which has had a short lifespan since its commencement, there is a possibility that many new variables - including the receipt of subsidies with significant variability factors such as bidding results and disbursement timing - could occur compared to other segments.</li> <li>Intensifying competition to acquire business partners and customers may lead to unforeseen issues with customers, business partners, or third parties, potentially impacting business performance</li> </ul> | High                       | High   | <ul style="list-style-type: none"> <li>Strengthen accounting and legal functionality</li> <li>Establish a structure to appropriately monitor business development through the Board of Directors, etc.</li> </ul>  |
| Business environment:<br><b>Establish operations and installation management</b>            | EV               | <ul style="list-style-type: none"> <li>A business model based on subsidy projects may lead to an increased bid-winning rate in the bidding system and a need for large inventory, leading to potential for excessive inventory.</li> <li>There is a possibility of delays in delivery due to procurement from overseas, as well as potential shortages of electrical construction-related materials in stock.</li> <li>The potential decrease in charging revenue due to the operating hours of charging ports remaining at a low level.</li> </ul>                  | Medium                     | High   | <ul style="list-style-type: none"> <li>Reduce risk through diversifying suppliers and planning supply chain management.</li> <li>Implement measures to improve operating hours through introducing usage promotion tools and improving usability, mainly in applications.</li> </ul> |
| Financial performance:<br><b>Exchange rate fluctuations</b>                                 | EV               | <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>   |



## Known risks (2/2)

| Item   | Affected Segment   | Main Risk   | Potential of Manifestation | Impact | Risk Countermeasure  |
|--|--|---|----------------------------|--------|--|
| Business environment:<br><b>Changes in competitive landscape</b>                       | <div style="background-color: #FFC000; padding: 2px; text-align: center; margin-bottom: 2px;">EP</div> <div style="background-color: #C00040; padding: 2px; text-align: center; margin-bottom: 2px;">EV</div> <div style="background-color: #0070C0; padding: 2px; text-align: center;">ED</div> | <ul style="list-style-type: none"> <li>■ The possibility that our growth will stagnate if competition intensifies in our business areas due to entry of competitors such as switching platform providers and energy companies, which causes user cancellations, drop in ARPU, etc.</li> <li>■ Multiple companies are promoting the installation of EV charging equipment, and there is a possibility that competition will gradually intensify in acquiring business partners and customers, as well as in winning subsidy applications.</li> </ul> | Medium                     | Medium | <ul style="list-style-type: none"> <li>■ Strengthen customer acquisition both online and offline.</li> <li>■ Continue offering services with unique positioning that leverage strengths such as the number of EV charging stations installed and highly convenient software.</li> <li>■ Develop and provide services superior to competitors.</li> </ul> |
| Other risk:<br><b>Application of Impairment accounting</b>                             | <div style="background-color: #C00040; padding: 2px; text-align: center;">EV</div>   | <ul style="list-style-type: none"> <li>■ Possibility that recording impairment losses may be necessary in cases such as when profitability of provided services using software assets significantly declines, or when it is determined that expected results of goodwill generated from past share acquisitions and business transfers have not been reached due to changes in the business environment or competitive situation, etc.</li> </ul>   | Medium                     | Medium | <ul style="list-style-type: none"> <li>■ Implement measures to maintain and increase profitability of services responding to changes in the business environment or competitive situation, etc.</li> </ul>   |
| Business content/Provided services:<br><b>Search engines</b>                           | <div style="background-color: #C00040; padding: 2px; text-align: center; margin-bottom: 2px;">EV</div> <div style="background-color: #FFC000; padding: 2px; text-align: center;">EP</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:<br><b>Technological innovation, etc.</b>           | <div style="background-color: #0070C0; padding: 2px; text-align: center; margin-bottom: 2px;">ED</div> <div style="background-color: #C00040; padding: 2px; text-align: center;">EV</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:<br><b>System failures, etc.</b>                    | <div style="background-color: #FFC000; padding: 2px; text-align: center; margin-bottom: 2px;">EP</div> <div style="background-color: #C00040; padding: 2px; text-align: center; margin-bottom: 2px;">EV</div> <div style="background-color: #0070C0; padding: 2px; text-align: center;">ED</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>  |
| Other risk:<br><b>Significant events related to the going concern assumption, etc.</b> | <div style="background-color: #FFC000; padding: 2px; text-align: center; margin-bottom: 2px;">EP</div> <div style="background-color: #C00040; padding: 2px; text-align: center; margin-bottom: 2px;">EV</div> <div style="background-color: #0070C0; padding: 2px; text-align: center;">ED</div> | <ul style="list-style-type: none"> <li>■ As of the end of December 2023 the company had negative equity, violating financial covenants related to loans from select financial institutions</li> <li>■ Additionally there is a possibility of deteriorating relationships and brand damage as a result of the publication of the investigation report</li> </ul>   | Medium                     | High   | <ul style="list-style-type: none"> <li>■ Maintain close relationships with financial institutions through discussions on funding plans</li> <li>■ Strengthen internal control based on formulating and implementing measures to prevent recurrence</li> <li>■ Secure and maintain necessary funds for business operation</li> </ul>                      |

Note: The information states matters believed to be particularly important for investors' decisions from the perspective of active information disclosure. The stated details in these slides do not cover all risks to investing in the Company's shares. The Company is aware of the possibility of these risks occurring, and has a policy of striving to avoid them and respond in a timely manner if they occur. For more comprehensive and detailed risk assessment, please refer to "Associated Business Risks" of the Japanese securities report.

## IR information desk

### 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.

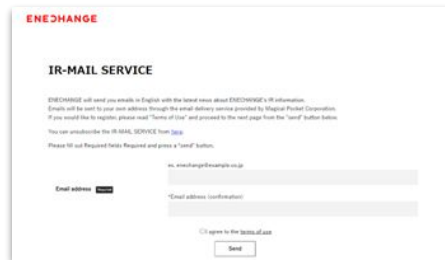
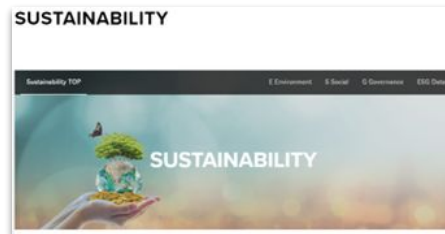
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### Contact

ENECHANGE Ltd. [ir@enechange.co.jp](mailto:ir@enechange.co.jp)



## Disclaimer



These materials contain statements regarding future prospects. These statements have been prepared based on information available at the time they were prepared. These statements are not guarantees of future results, and contain risks and uncertainties. Please note that actual results may differ greatly from the outlook due to changes in the business environment, etc.

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.

Furthermore, we plan to update the “Explanatory Materials Related to Business Plan and Growth Potential” disclosed at this time at the end of December 2024 as it will take time to examine the prerequisites for each segment’s growth strategy toward the FY27 sales target of 10.0 billion JPY .

In the event of any discrepancy or inconsistency between the English translation and the original Japanese text, the Japanese version shall prevail and be considered the authoritative source