

February 28, 2025

Company Name: ENECHANGE Ltd.

Representative: Tomoya Maruoka, Representative Director and CEO  
(TSE Growth Code No. 4169)

Inquiries: Yuichiro Shinohara, Senior Executive Officer / CFO  
TEL: +81-3-6635-1021

### **Frequently Asked Questions and Answers (January/February 2025)**

Thank you for your continued interest in our company. The main questions from investors this month and the answers to those questions are disclosed below. This disclosure is made around the end of each month to reinforce transparency and fair disclosure. Although there may be some discrepancies in the answers from time to time, please be advised that at the time of writing, this is the most current version.

#### **Q1. What led to the decision to transform the EV charging business into a joint venture, and what were the key reasons for choosing Chubu Electric Power Miraiz as an affiliated company?**

We decided that establishing a new joint venture with Chubu Electric Mirai as a partner was the best approach for two reasons. First, we sought a relationship with a partner in order to eliminate financial constraints and strengthen our financial base while maximizing the growth of the EV charging business. Second, we wanted to pursue synergies with our core business to return future profits to shareholders.

The background for choosing Chubu Electric Mirai includes our ability to hold 49% of the joint venture's shares while continuing to commit to the growth of the EV charging business. Additionally, by mutually utilizing our know-how in the EV charging business and Chubu Electric Mirai's customer network, trusted brand power as an infrastructure operator, and solid financial base-backed fundraising capability, we believe we can accelerate the development of the EV charging infrastructure required for the proliferation of electric vehicles (EVs) to achieve a decarbonized society.

#### **Q2. Regarding the joint venture with Chubu Electric Power Miraiz it seems that you will receive dividends based on future performance. What level of dividend payout ratio should be expected for ENECHANGE?**

ENECHANGE plans to hold a 49% stake in the joint venture, and if the joint venture's performance trends favorably, we anticipate receiving dividends related to this shareholding. While specifics such as the dividend payout ratio remain undecided at this point, dividends will be distributed at levels agreed upon with Chubu Electric Power Miraiz ensuring the joint venture secures the necessary funds for its operations and distributes any surplus funds accordingly.

#### **Q3. Due to the capital and business alliance with ITOCHU ENEX, will neutrality as a switching and comparison platform be maintained?**

According to the "Notice Concerning Capital and Business Partnership with ITOCHU ENEX CO., LTD. and Issuance of New Shares through Third-party Allotment" announced on February 3, 2025, as stated on page 7, we will continue to maintain neutrality as a switching and comparison platform by providing users, who are consumers, with a wide range of switching options. Additionally, we introduce a large number of satisfied customers to our affiliated companies and offer energy-saving support using electricity data to both users and affiliated companies. Before our listing on the Tokyo Stock Exchange Mothers (now Tokyo Growth Market) in December 2020, we had already received investments from energy companies and major trading companies while still maintaining impartiality. Even in this partnership, we will continue to play our role as a reliable platform

amidst electricity deregulation. ITOCHU ENEX has recognized impartiality and neutrality as elements of our competitiveness and expects us to operate our business without compromising our strengths.

**Q4. Regarding the 100-day Plan, has the EV charging business reached a milestone after forming a joint venture with Chubu Electric Miraiz's and establishing a capital and business partnership with ITOCHU ENEX?**

According to the "Explanatory Materials Related to Business Plan and Growth Potential" published on September 2, 2024, regarding the "Transformation" phase of the 100-Day Plan, it began with the transition to a new management structure, followed by the submission of an improvement report to the Tokyo Stock Exchange, the formation of a bridge loan for the EV charging business, and the resolution of fixed asset impairment. As announced on January 24, 2025, in the "Notice Concerning the Establishment of a Subsidiary for Joint Venture of EV Charging Business between ENECHANGE Ltd. and Our Subsidiaries, Share Transfer Agreement with CHUBU Electric Power Miraiz Company, Incorporated, and Change in a Subsidiary" and on February 3, 2025, in the "Notice Concerning Capital and Business Partnership with ITOCHU ENEX CO., LTD. and Issuance of New Shares through Third-party Allotment," the total shareholders' equity is expected to exceed 5 billion JPY by the end of March 2025, and the 100-Day Plan is expected to be largely completed. Moving forward, we will enhance shareholder value through the execution of a full-potential strategy for core businesses, including M&A, and accelerate the development of EV charging infrastructure through the joint venture.

**Q5. What specific synergies exist with ITOCHU ENEX? Can synergy strategies also be envisioned in the platform business?**

We are discussing joint marketing and promotion with ITOCHU ENEX, an existing partner in our platform business, to enhance the platform's value by utilizing each other's customer base and products. We are also considering expanding sales of other energy products that ITOCHU ENEX offers besides electricity retailing, using our platform and customer base. Additionally, we are exploring the development of new energy-related platforms. This includes a platform for purchasing post-FIT electricity and comparing storage batteries for households with solar power equipment, and, for corporations, a comparison platform for PPAs (Renewable Energy Power Purchase Agreements), used solar equipment, storage batteries, and other energy-saving products.

**Q6. Please share any thoughts on your future M&A strategy following the substantial enhancement of your financial base.**

While utilizing part of the funds raised this time, our company plans to align with the use of funds stated in the securities registration statement dated February 3, 2025, and promote our future M&A program under the GX/DX Programmatic M&A strategy outlined in the "FY24 4th Quarter Financial Results and Business Plan and Growth Potential (Summary of the 100-Day plan and future growth strategy)" dated February 13, 2025. As stated in the securities registration statement, we will initially focus on a period of about three years and then continue to implement further leverage. Although there are currently no specific projects underway, we will actively proceed with the selection of target companies and market screening. In the platform business, we plan to continue the approach of roll-up type acquisitions, focusing on companies with recurring revenue as before.

**Q7. By the end of FY24, I think the level of total shareholders' equity will see significant improvement thanks to fundraising. However, when will you be able to announce the resolution of the Going Concern?**

Currently, our total shareholders' equity has shown a significant improvement, making it likely that we will achieve the elimination of the capital deficit by FY24 year-end. We are in ongoing discussions with our auditing firm regarding the removal of the Going Concern. In addition to the recent improvement in total shareholders' equity, we will continue to deliberate, taking into account the business and financial plans that are currently being developed

as part of our medium-term management plan. The timing for the removal of the Going Concern will be disclosed promptly once determined, based on the outcome of these discussions.