

October 15, 2021

Company Name: ENECHANGE Ltd.  
Representative: Yohei Kiguchi, Representative Director and CEO  
Ippei Arita, Representative Director and COO  
(TSE Mothers Code No. 4169)  
Inquiries: Takuya Sugimoto, Executive Officer / CFO  
TEL: +81-3-6774-6709

## **Notice of Making Oberlous Japan a Wholly Owned Subsidiary through Acquisition of Shares**

ENECHANGE (hereinafter referred to as "the Company") announces that the Company resolved at the Board of Directors Meeting held on October 15, 2021, to enter into a share purchase agreement with shareholders of Oberlous Japan Ltd. (hereinafter referred to as "Oberlous") to acquire all of the issued shares held by shareholders (hereinafter referred to as "the Acquisition") and make Oberlous Japan a wholly-owned subsidiary of the Company.

### **1. Background and purpose**

ENECHANGE is an energy technology company that promotes a carbon-free society through digital technology with the mission of CHANGING ENERGY FOR A BETTER WORLD. We offer services based on data utilization in the field of the 4 Ds of Energy: Deregulation, Digitalization, Decarbonization, and Decentralization. Our company's roots come from an energy data lab at the University of Cambridge, UK, a country where liberalization is well advanced. ENECHANGE has a British subsidiary, SMAP Energy Limited, as well as a global network and analytical technology for energy data.

In the Company's Platform business, which is a B2C business that supports the optimal choice of electricity and gas for consumers in the area of Deregulation, the Company aims to make "choosing energy the norm" through electricity and gas switching services for consumers. The Platform business consists of two main services: "ENECHANGE" (electricity and gas switching platform for households) and "ENECHANGE BIZ" (electricity and gas switching platform for companies). The Company believes the target market for the Platform business is expanding due to intensifying competition among new entrants and expansion of advertising budgets in the energy industry against the backdrop of an increase in the number of switches in the country.

On the other hand, based on their vision of "Contributing to the development of the real estate investment market by providing premium content to all real estate funds, real estate developers, and real estate owners," Oberlous is providing electricity switching services with the aim of NOI (Net Operating Income) improvement, and real estate trading platform services to developers, real estate owners, J-REITs, and real estate fund management companies. In particular, Oberlous's clients include prominent J-REITs and real estate fund management companies that own a large number of properties, and Oberlous has a wealth of experience in electricity switching since the launch of its service in 2016.

CO2 emissions from the real estate sector account for one third of Japan's total CO2 emissions and are still on the rise (Note 1). The amount of real estate owned by J-REITs is increasing year by year, and overseas investors, who hold a large share of the J-REIT market, consider efforts to reduce CO2 emissions to be one of the most important factors in making investment decisions (Note 2). For this reason, about 70% of J-REITs disclose their CO2 reduction targets and actual results. Through the Acquisition, the Company aims to further enhance the value of its platform by strengthening its customer base in the real estate industry and providing electricity switching services in a form that meets the clients needs, including 100% renewable energy plans.

In addition to the electricity switching services, which corresponds to the energy platform business of the Company, Oberlous is currently engaged in the real estate trading platform business. As of the acquisition date, the real estate trading platform business will be transferred to a separate company (the REMS Corporation) through a company split, and the Company will acquire only the electricity switching business. After Oberlous becomes a subsidiary of the Company, the Company will consider merging Oberlous into the Company to improve operational efficiency.

(Note 1) From Ministry of Land, Infrastructure, Transport and Tourism website:  
[https://www.mlit.go.jp/totikensangyo/totikensangyo\\_tk5\\_000107.html](https://www.mlit.go.jp/totikensangyo/totikensangyo_tk5_000107.html)

(Note 2) Environmental certifications such as GRESB (Global Real Estate Sustainability Benchmark), which evaluates the environmental friendliness of real estate companies and funds, and CASBEE (Comprehensive Assessment System for Built Environment Efficiency), which evaluates the environmental performance of buildings, are used.

## 2. Method of making Oberlous a wholly owned subsidiary

The Company has entered into a share transfer agreement as of October 15, 2021 to acquire all of the 100 outstanding shares of Oberlous that are held by shareholders.

Mr. Ohba and Mr. Ikeda, who are currently the representative directors of Oberlous, are scheduled to resign from their positions as representative directors after the acquisition of the shares. Mr. Ohba and Mr. Ikeda will continue to serve as representative directors of REMS Corporation, the company which succeeds the real estate trading platform business.

## 3. Overview of Oberlous

1) Name	Oberlous Japan Ltd.		
2) Address	theSOHO1002, 2-7-4 Aomi, Koto-ku, Tokyo		
3) Name and title of representative	Yuta Ohba, Representative Director Yuta Ikeda, Representative Director		
4) Description of business	Electricity switching service for corporate customers, operation of the "REMS" (real estate trading platform) etc.		
5) Capital	10,000,000 JPY		
6) Date of establishment	May 1, 2015		
7) Major shareholders and their shareholding ratio	N/A (Note)		
8) Relationship between the Company and Oberlous	Capital Relationship	None	
	Personal Relationship	None	
	Business Relationship	None	
	Status of Related Party	None	
9) Operating results and financial position of Oberlous over the past 3 years (thousand JPY)			
Fiscal Year End	April, 2019	April, 2020	April, 2021
Net Assets	27,543	7,785	△3,131
Total Assets	126,148	100,836	150,061
Net Assets per Share	2,751	78	△31
Net Sales	92,829	126,743	128,174
Operating profit (loss)	15,211	△17,964	△12,599

Ordinary profit (loss)	14,905	△19,179	△11,692
Net profit (loss)	11,159	△19,757	△10,916
Dividend per Share	0	0	0

(Note 1) Undisclosed due to shareholders' requests.

(Note 2) Decimals are rounded down.

Reference: Operating results of the Oberlous's electricity switching business, which excludes real estate trading platform business

(thousand JPY)

Fiscal Year End	April, 2019	April, 2020	April, 2021
Net Sales	92,453	115,301	115,036

(Note) Oberlous's electricity switching business, which excludes real estate business is expected to be profitable.

#### 4. Overview of the seller of the shares

1) Name	N/A (Note)
2) Address	N/A (Note)
3) Relationship between the Company	None

(Note) Undisclosed due to shareholders' requests.

#### 5. Number of shares to be acquired, acquisition costs, and number of shares held before and after the acquisition

1) Number of shares held before the change	0 shares (Number of voting rights: 0 rights) (Percentage of voting rights: 0%)
2) Number of shares to be acquired	100 shares (Number of voting rights: 100 rights)
3) Number of share options to be acquired	0 share options
4) Acquisition costs	Ordinary shares of Oberlous: 350,000,000 JPY (Note) Advisory costs (approximate): 8,000,000 JPY Total (approximate): 358,000,000 JPY
5) Number of shares held after the change	100 shares (Number of voting rights: 100 rights) (Percentage of voting rights: 100.00%)

(Note) The price was determined based on fair value valuation conducted by Aiwa Advisory.

## 6. Schedule

1) Date of resolution by the Board of Directors	October 15, 2021
2) Signing date of share purchase agreement	October 15, 2021
3) Closing date of share purchase	November 1, 2021 (scheduled)

## 7. Outlook

The impact on the Company's current fiscal year business performance is still under investigation. On May 24, 2021 the Company disclosed the current fiscal year forecast on "Notice Concerning the Revision of the Sales Forecast", but we will make timely disclosure if a material impact on the forecast is expected. The results of the subsidiary to be transferred is scheduled to be included in the consolidated results of the Company from November 1, 2021.

Reference: Current fiscal year forecast and the previous year financials

(millions of yen)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Current year (Fiscal Year End December 2021)	2,600	-	-	-
Previous year (Fiscal Year End December 2020)	1,713	53	6	△16

(Note 1) The consolidated financial forecast for the current fiscal year (ending December 31, 2021) and the consolidated results for the previous fiscal year (ending December 31, 2020) do not include the results of the subsidiary to be transferred.

(Note 2) The Group's management policy is to create shareholder value by maximizing free cash flows over the long term, with an emphasis on sales growth, a source of free cash flows, in the medium term. Based on this management policy, in the fiscal year ending December 31, 2021, the Group aims to achieve a year-on-year increase in net sales of 30% or more and plans to carry out growth investments with the aim of maintaining a high growth rate in following fiscal years. Operating profit, Ordinary profit and Profit attributable to owners of parent are expected to be positive, but we have decided not to disclose specific forecast figures in order to make investment decisions in a flexible and expeditious manner.