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November 12, 2021

## Consolidated Financial Results for the Third Quarter Ended September 30, 2021 (Under Japanese GAAP)

Company name: ENECHANGE Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4169  
 URL: <https://enechange.co.jp/>  
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 Scheduled date to file Quarterly Report: November 12, 2021  
 Start of dividend payment: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the Third Quarter ended September 30, 2021 (from January 1, 2021 to September 30, 2021)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
September 30, 2021	2,186	74.6	137	66.4	139	133.6	61	63.2
September 30, 2020	1,252	–	82	–	59	–	37	–

Note: Comprehensive income For the Third Quarter ended September 30, 2021: JPY15 million [(61.8)%]  
 For the Third Quarter ended September 30, 2020: JPY40 million [–%]

	Basic earnings per share	Diluted earnings per share
Third Quarter ended	Yen	Yen
September 30, 2021	4.83	3.90
September 30, 2020	3.58	–

- Notes: 1. As the Company had prepared quarterly consolidated financial statements since the first nine months of the fiscal year ended December 31, 2020, percentage changes from the previous corresponding period for the first nine months of the fiscal year ending December 31, 2020 are not presented.
2. Diluted earnings per share for the first nine months of the fiscal year ended December 31, 2020 are not stated because, although potential shares exist, shares were not listed and the average share price during the corresponding period cannot be determined.
3. The Company conducted a stock split of common shares at a ratio of 3-for-1 on September 17, 2020, and a stock split of common shares at a ratio of 2-for-1 on April 1, 2021. Basic earnings per share and diluted earnings per share are calculated on the assumption that the said stock splits had been conducted at the beginning of the previous fiscal year.

**(2) Consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2021	2,684	1,045	38.6
December 31, 2020	1,967	852	42.6

Reference: Equity As of September 30, 2021: JPY 1,036 million  
As of December 31, 2020: JPY 838 million

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2020	–	0.00	–	0.00	0.00
Fiscal year ending December 31, 2021	–	0.00	–		
Fiscal year ending December 31, 2021 (Forecast)	–	–	–	–	–

Notes: 1. Revisions from dividend forecast most recently announced: None

2. The Company's Articles of Incorporation stipulate that the record dates for dividend fall on the last day of the third quarter and the last day of the fiscal year. At present, the forecast for dividends with these record dates has yet to be determined.

## 3. Consolidated earnings forecasts for the fiscal year ending December 31, 2021 (from January 1, 2021 to December 31, 2021)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2021	2,600	51.8	–	–	–	–	–	–	–

Notes: 1. Revisions from earnings forecast most recently announced: None

2. The Group's management policy is to create shareholder value by maximizing free cash flow over the long term, with an emphasis on sales growth 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.

## Notes

- (1) Changes in specified subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021	13,730,596 shares
As of December 31, 2020	11,562,952 shares

- (ii) Number of treasury shares at the end of the period

As of September 30 2021	43
As of December 31, 2020	–

- (iii) Average number of shares outstanding during the period

Three months ended September 30, 2021	12,821,922 shares
Three months ended September 30, 2020	10,600,000 shares

Notes: 1. The Company conducted a stock split of common shares at a ratio of 3-for-1 on September 17, 2020, and a stock split of common shares at the ratio of 2-for-1 on April 1, 2021. The “Total number of issued shares at the end of the period,” the “Number of treasury shares at the end of the period,” and the “Average number of shares outstanding during the period” are calculated on the assumption that the said stock splits had been conducted at the beginning of the previous fiscal year.

- These Consolidated Financial Results reports are exempt from quarterly review procedures by certified public accountants or an audit corporation.
- Proper use of earnings forecasts, and other special matters:  
Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ substantially due to various factors.

**Consolidated financial statements and significant notes****(1) Consolidated balance sheet**

(Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	1,334,449	1,716,043
Accounts receivable - trade	254,241	369,635
Other	38,268	40,215
Allowance for doubtful accounts	(503)	(4,145)
<b>Total current assets</b>	<b>1,626,457</b>	<b>2,121,749</b>
Non-current assets		
Property, plant and equipment	27,328	19,447
Intangible assets		
Software	108,826	106,735
Other	11,843	45,856
<b>Total intangible assets</b>	<b>120,669</b>	<b>152,592</b>
Investments and other assets		
Investment securities	176,557	371,177
Other	16,182	28,798
Allowance for doubtful accounts	-	(8,908)
<b>Total investments and other assets</b>	<b>192,739</b>	<b>391,067</b>
<b>Total non-current assets</b>	<b>340,737</b>	<b>563,107</b>
<b>Total assets</b>	<b>1,967,194</b>	<b>2,684,856</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	7,403	12,736
Short-term borrowings	9,900	9,900
Accounts payable - other	140,229	195,885
Income taxes payable	14,967	96,387
Provision for sales promotion expenses	62,981	443,688
Other	128,867	130,510
<b>Total current liabilities</b>	<b>364,350</b>	<b>889,107</b>
Non-current liabilities		
Long-term borrowings	750,000	750,000
Other	380	409
<b>Total non-current liabilities</b>	<b>750,380</b>	<b>750,409</b>
<b>Total liabilities</b>	<b>1,114,730</b>	<b>1,639,516</b>

(Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
Net assets		
Shareholders' equity		
Share capital	906,802	1,064,336
Capital surplus	906,792	932,503
Retained earnings	(973,654)	(911,740)
Treasury shares	—	(108)
Total shareholders' equity	839,939	1,084,991
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	—	(51,556)
Foreign currency translation adjustment	(1,725)	3,530
Total accumulated other comprehensive income	(1,725)	(48,026)
Share acquisition rights	14,250	8,375
Total net assets	852,464	1,045,340
Total liabilities and net assets	1,967,194	2,684,856

**(2) Consolidated statement of income and consolidated statement of comprehensive income****Consolidated statement of income**

Nine months ended September 30, 2021

(Thousands of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Net sales	1,252,179	2,186,376
Cost of sales	295,079	311,995
Gross profit	957,099	1,874,380
Selling, general and administrative expenses	874,292	1,736,622
Operating profit	82,807	137,758
Non-operating income		
Interest income	5	13
Gain from expired gift vouchers	8,428	4,919
Share of profit of entities accounted for using equity method	-	5,063
Foreign exchange gains	-	12,490
Other	3,789	5,733
Total non-operating income	12,223	28,220
Non-operating expenses		
Interest expenses	4,024	11,839
Foreign exchange losses	9,269	-
Going public expenses	2,000	-
Share of loss of entities accounted for using equity method	18,226	-
Commission expenses	-	11,913
Other	1,737	2,624
Total non-operating expenses	35,258	26,377
Ordinary profit	59,772	139,600
Extraordinary losses		
Loss on cancellation of rental contracts	5,250	-
Loss on retirement of non-current assets	13,425	-
Extraordinary losses	18,675	-
Profit before income taxes	41,096	139,600
Income taxes - current	3,160	77,686
Profit	37,936	61,914
Profit attributable to owners of parent	37,936	61,914

**Consolidated statement of comprehensive income**

Nine months ended September 30, 2021

(Thousands of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Profit	37,936	61,914
Other comprehensive income		
Foreign currency translation adjustment	2,929	(4,727)
Share of other comprehensive income of entities accounted for using equity method	42	(41,573)
Total other comprehensive income	2,971	(46,301)
Comprehensive income	40,908	15,613
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	40,908	15,613
Comprehensive income attributable to non- controlling interests	-	-



**(3) Notes to quarterly consolidated financial statements**  
**Notes on premise of going concern**

Not applicable.

**Notes on significant changes in the amount of shareholders' equity**

The Company received proceeds from issuance of new shares through third-party allotment on January 20, 2021, and share capital and capital surplus increased by 15,732 thousand yen each.

In addition, based on the resolution of the meeting of the Board of Directors held on March 19, 2021, the Company acquired additional shares of its consolidated subsidiary SMAP ENERGY Limited, making it a wholly owned subsidiary as of March 31, 2021. Capital surplus decreased by 131,823 thousand yen due to the transactions with non-controlling shareholders to increase the parent company's interest.

Furthermore, share capital and capital surplus increased by 141,802 thousand yen each due to the exercise of stock acquisition rights in the nine months ended September 30, 2021.

As a result, share capital and capital surplus amounted to 1,064,336 thousand yen and 932,503 thousand yen respectively at the end of September 30, 2021.

Segment information

For the Nine months ended September 30, 2020

	Reportable segments			Reconciling items	Per quarterly consolidated statement of income
	Energy Platform Business	Energy Data Business	Total		
Net sales					
Revenues from external customers	677,438	574,741	1,252,179	–	1,252,179
Transactions with other segments	–	–	–	–	–
Total	677,438	574,741	1,252,179	–	1,252,179
Segment profit (loss)	133,841	201,599	335,440	(252,633)	82,807

Notes: 1. Reconciling item for segment profit (loss) of negative 252,633 thousand yen is the amount of corporate expenses not allocated to any reportable segments, consisting primarily of general and administrative expenses not attributable to any reportable segments.

2. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statement of income.

For the Nine months ended September 30, 2021

	Reportable segments			Reconciling items	Per quarterly consolidated statement of income
	Energy Platform Business	Energy Data Business	Total		
Net sales					
Revenues from external customers	1,593,985	592,390	2,186,376	–	2,186,376
Transactions with other segments	–	–	–	–	–
Total	1,593,985	592,390	2,186,376	–	2,186,376
Segment profit (loss)	295,881	158,906	454,787	(317,029)	137,758

Notes: 1. Reconciling item for segment profit (loss) of negative 317,029 thousand yen is the amount of corporate expenses not allocated to any reportable segments, consisting primarily of general and administrative expenses not attributable to any reportable segments.

2. Segment profit (loss) is adjusted with operating profit in the quarterly consolidated statement of income.

## Significant events after reporting period

### *Corporate merger via acquisition of shares*

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. Outline of the business acquisition

##### (1) Name of the acquired company and its business

Name of the acquired company

Oberlous Japan Ltd.

Business

Energy switching service for corporate customers, operation of the "REMS" (real estate trading platform), etc

##### (2) Main reason for the business acquisition

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 provides energy switching services with the aim of profitability improvement, and real estate trading platform services to developers, real estate owners, J-REITs, and real estate fund management companies.

We believe that the Acquisition will contribute to the enhancement of the Group's corporate value by strengthening the stability and profitability of the Group.

##### (3) Date of the business acquisition

November 1, 2021

##### (4) Legal form of the business acquisition

Share acquisition

##### (5) Name of company after the business acquisition

No change

##### (6) Percentage share of voting rights acquired

100%

##### (7) Main reason for the decision to acquire the company

The Company has acquired shares in the company in exchange for cash.

#### 2. Costs of the acquisition of acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	350 million yen
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Acquisition cost		350 million yen
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#### 3. Breakdown and amounts of major related costs

Not yet determined

#### 4. Goodwill arising from the business combination, reason for the goodwill, and method and period of amortization

Not yet determined

#### 5. Value of assets and liabilities assumed on date of the business combination and breakdown

Not yet determined

*Stock split and partial amendment to the Articles of Incorporation*

The Company resolved at the Board of Directors' meeting held on November 12, 2021, the stock split and partial amendment to the Articles of Incorporation.

1. Purpose of the stock split

The Company aims to reduce the investment unit price for the Company's stock, increase the liquidity of the stocks, and expand our investor base by implementing the stock split.

2. Outline of stock split

(1) Method

On December 31, 2021 as a record date, the Company will split the common shares owned by shareholders recorded in the final shareholder registry at a ratio of 2-for-1.

(2) Increase in number of shares due to stock split

Number of shares issued before the stock split: 13,800,010 shares

Number of shares to be increased upon the split: 13,800,010 shares

Total number of shares issued after the stock split: 27,600,020 shares

Total number of shares issuable after the stock split: 84,000,000 shares

Note: The number may increase by the record date of the stock split upon the exercise of stock acquisition rights.

(3) Schedule of the split

Announcement of record date: December 15, 2021

Record date: December 31, 2021

Effective Date: January 1, 2022

(4) Effect on per share information

Per share data assuming the stock split had taken place at the beginning of the previous fiscal year is as follows:

	(Yen)	
	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Basic earnings per share	1.79	2.41
Diluted earnings per share	-	1.94

Note: Diluted earnings per share for the nine months ended September 30, 2020 is not stated because, although potential shares exist, shares were not listed and the average share price during the corresponding period cannot be determined.

3. Partial amendment to Articles of Incorporation upon stock split

(1) Reason for amendment of the Articles of Incorporation

In accordance with this stock split, the Company will amend as of January 1, 2022, the total number of shares issuable set by Article 6 in the Articles of Incorporation of the Company by a resolution of the Board of Directors pursuant to the Article 184, paragraph (2) of the Companies Act of Japan.

## (2) Amendments to the Articles of Incorporation

Details of the changes are as follows:

(Underlined area indicates change)

Current Articles of Incorporation	Amended Articles of Incorporation
(Total Number of Shares Issuable)	(Total Number of Shares Issuable)
Article 6 The total number of shares issuable of the Company shall be <u>42,000,000 shares.</u>	Article 6 The total number of shares issuable of the Company shall be <u>84,000,000 shares.</u>

## (3) Schedule of amendment of the Articles of Incorporation

Effective Date: January 1, 2022

## 4. Others

## (1) Change in the amount of stated capital

There is no change in the amount of share capital at this stock split.

## (2) Adjustment of exercise price of stock acquisition rights

In accordance with this stock split, the exercise price per share of the stock acquisition rights to be exercised on or after January 1, 2022 shall be adjusted as follows:

(Yen)

	Exercise price before the adjustment	Exercise price after the adjustment
1st series of stock acquisition rights	34	17
2nd series of stock acquisition rights	134	67
3rd series of stock acquisition rights	134	67
4th series of stock acquisition rights	167	84
5th series of stock acquisition rights	167	84
6th series of stock acquisition rights	167	84
7th series of stock acquisition rights	167	84