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Notice Concerning the Revision of the Sales Forecast

ENECHANGE Ltd (hereinafter referred to as "the Company") hereby announces that, at a meeting of the Board of Directors held on November 26, 2021, its board of directors resolved the following revisions to its consolidated sales forecast for the fiscal year ending December 31, 2021 (January 1, 2021 through December 31, 2021) which was announced on May 24, 2021 (hereinafter referred to as the "previous forecast").

1. Revision of the consolidated sales forecast for the fiscal year ending December 31, 2021 (January 1, 2021 - December 31, 2021)

(millions of yen)

	Net Sales	Operating Profit	Ordinary Profit (Loss)	Profit (Loss) attributable to owners of parent	Basic Earnings (Loss) per share
Previous forecast (A)	2,600	—	—	—	—
Revised forecast (B)	2,900	5	(50)	(100)	(3.87)
Difference (B-A)	300	—	—	—	—
Rate of change (%)	11.5	—	—	—	—
<Reference> Results for the fiscal year ended December 31, 2020	1,713	53	6	(16)	(1.55)

(Note 1.) 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 as a source of free cash flows in the medium term. Based on management policy, in the fiscal year ending December 31, 2021, the Group aims to achieve an increase in net sales of 30% or more compared to the previous fiscal year's consolidated net sales of 1,713 million yen and is determined to take proactive initiatives so that it can maintain high growth rates in the years ahead. The profit in each of the profit levels was disclosed as follows in the previous forecast: "Although the Company expects to post a profit in each of the profit levels below operating income, from the perspective of making flexible investment decisions the Company continues to not disclose the specific amounts of operating income, ordinary income, and net income attributable to shareholders of the parent company."

(Note 2.) The Company conducted a 3-for-1 stock split on September 17, 2020, and a 2-for-1 stock split on April 1, 2021. The net loss per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(Note 3.) As described in the "Notice Concerning the Stock Split and Partial Amendment of the Articles of Incorporation" disclosed on November 12, 2021, the Company has resolved to conduct a 2-for-1 stock split of common stock with December 31, 2021 as the record date and January 1, 2022 as the effective date. (Note 4.) The basic earnings per share in the consolidated sales forecast for the fiscal year ending December 31, 2021 is

calculated based on the average number of shares issued and outstanding during the period. The calculation takes the aforementioned 2-for-1 stock split into account. .

2. Reason for the revision

This revision of the forecast includes the impact of the following major factors.

- A. *Impact of the business performance since the announcement of the previous forecast*
- B. *Impact of the "Making Oberlous Japan Inc. a Wholly Owned Subsidiary through Acquisition of Shares" announced on October 15, 2021*
- C. *Impact of the "Notice Concerning Issuance of New Shares, Secondary Offering of Shares, and Change in Major Shareholder" announced today*

Net sales are expected to increase from the previous forecast, which was revised upward from 2,600 million yen (up 51.8% year over year) to 2,900 million yen (up 69.2% year over year) for the second time this year. The main reason for this revision is A. *Impact of the business performance*, which amounts to approximately 280 million yen in net sales impact.

Particularly, in the Energy Platform business (hereinafter referred to as "Platform business"), the number of users has increased more than expected. This is due to the following factors: 1) increased interest as a result of the effects of energy deregulation and the increased cost of electricity at home as a result of the higher rates of remote work during the outbreak of COVID-19; 2) the expansion of user acquisition through offline channels as a result of the increase in sales channel partners; and 3) the increase in one-time fees received from energy companies due to system upgrades to the ENECHANGE website implemented in the fourth quarter of fiscal year ending December 31, 2020.

In the Energy Data business (hereinafter referred to as "Data business"), we are making steady progress due to the following factors: 1) increases in the number of clients and ARPU by expanding sales of existing products, and 2) an increased outlook of new client acquisition and ARPU due to sales of several new products launched in the current fiscal year.

In addition, as a result of B. *Impact of "Making Oberlous Japan Inc. a Wholly Owned Subsidiary through Acquisition of Shares"*, we expect net sales to increase by approximately 20 million yen in the current fiscal year by consolidating Oberlous Japan Inc. from November 2021.

Operating income has been disclosed as 5 million yen. Operating expenses are expected to increase due to the following factors: amortization of goodwill (approximately 9 million yen) and one-time expenses (approximately 10 million yen for advisor fees, etc.) related to B, and expenses (approximately 38 million yen for factor-based enterprise taxes, etc.) related to C. In addition, we expect an increase in advertising expenses in the fourth quarter of 2021 to the extent that we can maintain an operating profit in our full-year results.

Ordinary loss has been disclosed as 50 million yen. We expect to incur non-operating expenses such as one-time expenses (approximately 44 million yen) related to C.

The net loss attributable to shareholders of the parent company has been disclosed as 100 million yen. Based on the use of funds from the issuance and offering of shares (described in C), we expect to post an operating loss in the next fiscal year, so we have estimated tax expenses (approximately 50 million yen) assuming that tax effect accounting will not be applied.

Although the ordinary loss and the net loss attributable to shareholders of the parent company are expected, if we exclude the impact of the increase in expenses of approximately 132 million yen (approximate totals of: 38 million yen in factor-based enterprise taxes, 44 million yen in one-time expenses related to C, and 50 million yen in tax expenses) associated with C, we expect to post ordinary profit and net profit attributable to shareholders of the parent company as previously announced.

(Reference Information)

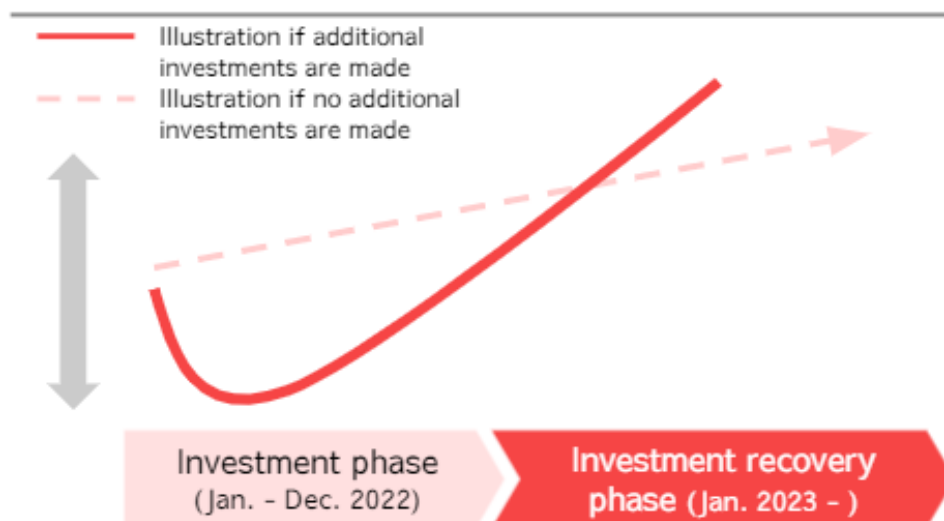
(unit: million JPY)

	Net Sales	Operating Profit (Loss)	Ordinary Profit (Loss)	Profit (Loss) attributable to owners of parent
Revised forecast	2,900	5	(50)	(100)
Revised forecast excluding expenses associated with this financing (Note)	2,900	43	32	32

Note: Calculated by adding back the expenses associated with this financing (i.e., approx. (1) 38 million yen, (2) 44 million yen and (3) 50 million yen mentioned above) to the profit and loss of each stage.

Based on this financing for future growth described in C, during the investment phase (Jan. through Dec. 2022), we assume an operating loss since costs will arise in advance. We aim to achieve operating profit from FY2023.

Illustration of expenses and contributions to profit



(Note) Illustrations based on forecasts as of this moment

For the details of B, please refer to the "Notice of Acquisition of Shares (Making Subsidiary) of Oberlous Japan Inc." released on October 15, 2021. For the details of C., please refer to the "Notice of Issuance of New Shares, Secondary Offering of Shares and Change in Major Shareholders" released today.

(Reference information: Assumptions for the previous forecast)

The Group is engaged in two businesses which address the 4Ds of Energy: (I) the Platform business, which supports consumers in making the best choices for electricity and gas in the area of Deregulation, and (II) the Data business, which provides cloud-based digital transformation (DX) services to electricity and gas companies in the areas of Digitalization, Decarbonization, and Decentralization.

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 as a source of free cash flows in the medium term. We have defined sales as the number of users multiplied by ARPU, and we will focus on recurring revenue in the Group's business operation to achieve high sales growth rates and build a solid management foundation. We will also strive to maximize the number of users through proactive initiatives in growth opportunities, as well as improve ARPU by continuing to enhance the product line-up and increasing the value delivered to users.

Based on the 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 is determined to take proactive initiatives so that it can maintain high growth rates in the years ahead. Specifically, the Group considers investing in advertising and sales promotion activities aimed at expanding its market share in switching in the Platform Business, as well as carrying out growth investment necessary to enhance its services in the Data Business.

The Group also believes that its business operation will be affected by the energy policy changes in Japan. Now that policy changes related to the Platform Business have nearly completed, we believe sales from the business segment have entered an expansionary phase. During the fiscal year ending December 31, 2021, the Group aims to achieve a year-on-year increase in net sales of 40% or more in the Platform Business. Also, in the Data Business, related policy reforms are slated to continue until 2024. While the Group will strive to strengthen existing services and expand sales for some time in the future, it also plans to develop new products and test their feasibility. Based on the above, during the fiscal year ending December 31, 2021, the Group aims to achieve a year-on-year increase in net sales of 10 to 20% in the Data Business. As a result of the above, in the fiscal year ending December 31, 2021, the Group expected to record net sales of 2,300 million yen (up 34.3% year-on-year). Operating profit, ordinary profit and profit attributable to owners of the parent company 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.

Since January 1, 2021, the number of users and ARPU in the Platform Business have increased more than our forecast. The number of users increased due to the following factors: 1) an increase in the use of online channels when considering switching energy suppliers due to the advanced stage of energy deregulation five years after the deregulation of electricity and gas; 2) an increase in the number of users of the Company's services due to an increased interest in the cost of electricity at home as a result of the promotion of remote work due to the outbreak of COVID-19; 3) an increase in one-time remuneration received from energy companies due to system upgrades to the ENECHANGE website implemented in the fourth quarter of fiscal year ending December 31, 2020; 4) an increase in the number of users acquired by implementing aggressive user acquisition measures due to the increase in one-time fees; and 5) an increase in the number of our sales partners due to the name recognition resulting from our IPO.

In the Data Business, we are making steady progress against our initial plan due to the following factors: 1) an increase in the number of clients and ARPU by expanding sales of existing products, and 2) an increased outlook of new client acquisition and ARPU due to sales of several new products launched in the current fiscal year.

Based on the above, in the previous forecast the Group's net sales for the fiscal year ending December 31, 2021 were revised to be 2,600 million yen (up 51.8% from the previous consolidated fiscal year). Although we expected to be profitable in each of the profit levels below operating income, we did not disclose the specific amounts of operating income, ordinary income, and net income attributable to shareholders of the parent company from the perspective of making flexible investment decisions.

The above forecasts are based on information available at the time of publication and are subject to various uncertainties.