

November 26, 2021

Company Name: ENECHANGE Ltd.
Representative: Yohei Kiguchi, Representative Director and CEO
Ippei Arita, Representative Director and COO
(TSE Mothers Code No. 4169)
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Notice Concerning Issuance of New Shares, Secondary Offering of Shares, and Change in Major Shareholder

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 issuance of new shares and the secondary offering of shares, as set forth below. In addition, the Company also announces that it expects a change of its major shareholders as a result of the issuance of new shares and the secondary offering of shares.

1. Background and Purpose of the Issuance of New Shares and Secondary Offering of Shares

Based on the current business environment, the Company has decided to raise the funds to increase investment in growth.

The number of shares to be sold in the secondary offering of shares of the Company, which will be conducted simultaneously with the issuance of new shares, has been determined in consideration of the dilution effect from the issuance of new shares. The Company believes that this will improve the liquidity of its shares. Since its IPO in December 2020, the Company has engaged in a series of discussions with investors and has learned from institutional investors in Europe among others that the low market liquidity of the Company's shares is considered a concern. Thus, the Company believes that a secondary offering will improve the market liquidity while limiting dilution from the issuance of new shares to the extent of the required demand for funds, which in turn will alleviate investor concerns and expand participation, particularly among overseas institutional investors.

Each number of the shares to be sold by Yohei Kiguchi (Representative Director and CEO of the Company) and Ippei Arita (Representative Director and COO of the Company) as a seller respectively in the secondary offering is limited to approximately 9% (excluding over-allotment) of the outstanding shares each individual holds. In addition, both individuals will continue to make long-term commitments to management of the Company. With respect to the secondary offering, the number of shares to be sold is designed to increase by over-allotment in the event of excess demand. The funds to be received by both individuals from the secondary offering will be used to repay the bank loans taken out to secure funds for the exercise of the stock options as of 17 May 2021, and for various social contribution activities (such as donations to the University of Cambridge and other institutions related to decarbonization technologies,

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support for joint research, and activities to foster new businesses). Both individuals have not sold any shares of the Company in the past since the Company's listing on the Tokyo Stock Exchange Mothers (including financing at the time of listing), except for this secondary offering.

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I. Issuance of New Shares and Secondary Offering of Shares

1. Issuance of New Shares by way of Public Offering (Public Offering)

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|-----|---|--|
| (1) | Class and Number of Shares to be Offered | 750,000 shares of common stock of the Company |
| (2) | Method of Determination of Amount to be Paid | The amount to be paid in will be determined on a day in the period from December 7, 2021 (Tue) to December 9, 2021 (Thu) (such date, the "Pricing Date") in accordance with the method set forth in Article 25 of the Regulations Concerning Underwriting of Securities, etc. promulgated by the Japan Securities Dealers Association. |
| (3) | Amount of Capital Stock and Legal Capital Surplus to be Increased | The amount of capital stock to be increased is half of the maximum amount of increase in capital stock, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations, with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of legal capital surplus to be increased is the amount obtained by subtracting the amount of capital stock to be increased from the maximum amount of increase in capital stock. |
| (4) | Method of Offering | <p>The offering will be a public offering, and several Japanese underwriters shall underwrite and purchase all of the shares offered in the offering.</p> <p>The issue price (the offer price) with regard to the public offering will be determined in accordance with the method set forth in Article 25 of the Regulations Concerning Underwriting of Securities, etc., of the Japan Securities Dealers Association, based on the preliminary pricing terms calculated by multiplying the closing price in regular trading of the shares of common stock of the Company on the Tokyo Stock Exchange, Inc. on the Pricing Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by a number between 0.90 and 1.00 (with a unit of 0.5 yen and any fraction less than 0.5 yen being rounded down), taking into account market demand and other conditions.</p> <p>A portion of the shares to be offered in connection with the issuance of new shares by way of public offering may be sold to overseas investors in overseas markets (excluding the United States and Canada), mainly in Europe and Asia, through affiliates of several Japanese underwriters. Among the investors who may acquire the Company's common stock, a certain Japanese underwriter will be responsible for ascertaining demand and allocating the shares to domestic individual investors. Several Japanese underwriters will act as joint bookrunners for ascertaining demand from and allocating the shares to domestic institutional investors and overseas investors.</p> |
| (5) | Underwriting Commissions | The Company shall not pay any underwriting commissions to the Underwriters, although the aggregate amount of the difference between (a) the issue price (the offer price) in the public offering and (b) the |

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- amount to be paid to the Company by the Underwriters shall constitute the proceeds to the Underwriters.
- (6) Subscription Period The subscription period is from the business day immediately following the Pricing Date to the second business day following the Pricing Date.
 - (7) Payment Date The payment date is expected to be a day in the period from December 13, 2021 (Mon) to December 15, 2021 (Wed), provided, however, that such day is the fourth business day following the Pricing Date.
 - (8) Subscription Unit 100 shares
 - (9) The amount to be paid, the amount of capital and capital reserve to be increased, and any other matters necessary for this issuance of new shares will be determined at the discretion of the Representative Director and CEO.
 - (10) The foregoing items are subject to the registration taking effect under the Financial Instruments and Exchange Act.

2. Secondary Offering of the Company's Shares (Secondary Offering by way of Underwriting and Purchasing by Underwriters)

- (1) Class and Number of Shares to be Sold 552,000 shares of common stock of the Company
- (2) Seller and number of shares to be sold

Yohei Kiguchi		285,000 Shares
Ippei Arita		147,000 Shares
EPCO Co., Ltd.		120,000 Shares
- (3) Selling Price To be determined (The selling price will be determined in accordance with the method set forth in Article 25 of the Regulations Concerning Underwriting of Securities, etc., of the Japan Securities Dealers Association, based on the preliminary pricing terms calculated by multiplying the closing price in regular trading of the shares of common stock of the Company on the Tokyo Stock Exchange, Inc. on the Pricing Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by a number between 0.90 and 1.00 (with a unit of 0.5 yen and any fraction less than 0.5 yen being rounded down), taking into account market demand and other conditions; provided, however, that such selling price will be the same as the issue price (the offer price) in the public offering.)
- (4) Method of Secondary Offering The secondary offering will be the secondary offering for the general public, and a certain Japanese underwriter shall underwrite and purchase all of the shares to be sold.
A portion of the shares to be sold may be sold to overseas investors in overseas markets (excluding the United States and Canada), mainly in Europe and Asia, through affiliates of a certain Japanese underwriter. The aggregate amount of the difference between the selling price and the subscription price shall be allocated to the underwriters as underwriting fees; provided, however, that such subscription price will

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- be the same as the amount to be paid in the public offering.
- (5) Subscription Period The same as the subscription period in the public offering.
 - (6) Delivery Date The business day immediately following the payment date for the public offering.
 - (7) Subscription Unit 100 Shares
 - (8) The selling price and any other matters necessary for this secondary offering will be determined at the discretion of the Representative Director and CEO.
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3. Secondary Offering of the Company's Shares (Secondary Offering by way of Over-Allotment)

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|-----|--|--|
| (1) | Class and Number of Shares to be Sold | 195,000 shares of common stock of the Company
The number of shares mentioned above is the maximum number of shares to be sold. The above number may decrease, or this secondary offering by way of over-allotment itself may be cancelled, depending on market demand and other conditions. The final number of shares to be sold will be determined on the Pricing Date, taking into account market demand and other conditions in the public offering and secondary offering by way of underwriting and purchasing by underwriters. |
| (2) | Seller | A certain Japanese Underwriter |
| (3) | Selling Price | To be determined (The selling price will be determined on the Pricing Date: however, such selling price will be the same as the selling price in the secondary offering by way of underwriting and purchasing by underwriters.) |
| (4) | Method of Secondary Offering | Taking into account market demand and other conditions for the public offering and secondary offering by way of underwriting and purchasing by underwriters, a certain Japanese underwriter will make a secondary offering of up to 195,000 shares of common stock of the Company that it borrows from a certain shareholder of the Company. |
| (5) | Subscription Period | The same as the subscription period in the secondary offering by way of underwriting and purchasing by underwriters. |
| (6) | Delivery Date | The same as the delivery date in the secondary offering by way of underwriting and purchasing by underwriters. |
| (7) | Subscription Unit | 100 shares |
| (8) | The selling price and any other matters necessary for this secondary offering will be determined at the discretion of the Representative Director and CEO. | |
| (9) | The foregoing items are subject to the registration taking effect under the Financial Instruments and Exchange Act. | |

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<Reference>

1. Use of Proceeds

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The approximate net proceeds 5,508,925,000 yen in this public offering, combined with approximate net proceeds for domestic sales (to be determined) and approximate net proceeds for overseas sales (to be determined), will be used as investment funds for future growth as follows.

(Platform business)

1) Investment in growing sales and marketing: 1,200 million yen

The Company plans to allocate 1,200 million yen from January 2022 to the end of December 2022 for advertising expenses related to digital marketing and offline marketing activities such as TV advertisement to strengthen the Company's own user acquisition channels and support personnel expenses related to sales and marketing activities to strengthen the expanding partnership channels and acquire new users.

2) Acquisitions designed to grow the Group's customer base: 350 million yen

The Company plans to allocate 350 million yen from December 2021 to the end of December 2026 in accordance with the allocation plan (100 million yen in 2021, 50 million yen in 2022, 50 million yen in 2023, 50 million yen in 2024, 50 million yen in 2025 and 50 million yen in 2026), amongst which 100 million yen as allowance for cash withdrawn for the cost of acquiring shares of Oberlous Japan Inc. on November 1, 2021, and as funds for repayment of bank loans.

3) Investments for expansion of the Company's services: 800 million yen

The Company plans to allocate 800 million yen from January 2022 to the end of December 2023 as expense for new recruitment, human resources including engineers and marketers, and outsourcing services to enhance the value of our platform business including development of new user services in response to the open access to smart meter data and to improve Lifetime Value (LTV), such as increasing Average Revenue Per User (ARPU) and decreasing the churn rate of existing users.

(Data business)

4) Investment in and operation of the Decarbonized Tech Fund: 600 million yen

The Company plans to allocate 550 million yen from January 2022 to the end of September 2024 (180 million yen in 2022, 180 million yen in 2023 and 190 million yen in 2024) for LP investment in Japan Energy Capital 2 L.P. (the "Fund"), an overseas-focused tech fund with the aim of investing in technologies and businesses that are leading the way in decarbonization from overseas, promoting business development in Japan, and generating strong business relationships and synergy that can be leveraged into future growth opportunities. Such fund will be, in accordance with the investment policy of the Fund, allocated for the investment in venture companies overseas which are considered to have advanced decarbonized tech and experience. The Company also plans to allocate 50 million yen from March 2022 to the end of December 2023 as expenses to establish a specialized team for the operation of the Fund. For the avoidance of doubt, since the fund for the Fund is allocated by way of capital call and the Company is required to invest additionally in response to the capital call to the extent of the commitment amount (up to 5 million USD), the timing/ratio of the allocation in the allocation plan above can be changed in the case

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where the timing of the investment to the investee or the performance of the investment to the Fund differs from the timing contemplated initially.

5) Funds for future growth of the Data Business: 850 million yen

850 million yen will be allocated from January 2022 to the end of December 2023 as funds for growth investments (including new hiring of engineers for electric vehicle (EV) services development, additional commitments to the Fund, etc.) related to initiatives that will contribute to the future growth of the Data business in the decarbonization and decentralization business domains.

(Company-wide expenses)

6) The Company plans to allocate the remaining funds from January 2022 to December 2023 as follows: a. Recruitment and personnel expenses for engineers, sales and support personnel in the Platform and Data businesses, and corporate personnel to strengthen the finance and organizational development functions; b. Common expenses required for organizational operations (rent, server and software costs, professional service fees, etc.); and c. Funds for repayment of existing bank loans. The priority for the allocation of the remaining funds is scheduled to be a. b. c.

(2) Change in the Use of Proceeds Previously Raised

Not applicable.

(3) Effects on Business Performance

The Company believes that the issuance of new shares and the secondary offering of shares will contribute to the acceleration of the medium- to long-term growth of the Group and the improvement of its financial base.

As stated in the "Notice Concerning the Revision of the Sales Forecast" announced today, the consolidated sales forecast for the fiscal year ending December 31, 2021 has been revised in accordance with this issuance of new shares and the secondary offering of shares. For details, please refer to the "Notice Concerning the Revision of the Sales Forecast" announced today.

2. Lock-up

In connection with the public offering and the secondary offering by way of underwriting and purchasing by underwriters, Yohei Kiguchi, Ippei Arita and EPCO Co., Ltd. have agreed that for a period beginning on the Pricing Date and ending on the 180th day after the date of delivery for such offering (the "Lock-up Period"), without the prior written consent of a certain Japanese underwriter, they will not sell any capital stock of the Company or any securities convertible into, or exercisable or exchangeable for, or that represent the right to receive, capital stock of the Company (excluding the secondary offering by way of underwriting and purchasing by underwriters).

Daiwa Securities Group Inc., which is a shareholder of the Company, has also agreed that for a period beginning on the Pricing Date and ending on the 90th day after the date of delivery for the public offering and the secondary offering by way of underwriting and purchasing by underwriters,

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without the prior written consent of a certain Japanese underwriter, it will not sell any capital stock of the Company or any securities convertible into, or exercisable or exchangeable for, or that represent the right to receive, capital stock of the Company.

In addition, the Company has agreed that for the Lock-up Period, without the prior written consent of a certain Japanese underwriter, it will not issue or decide an issuance of any capital stock of the Company or any securities convertible into, or exercisable or exchangeable for, or that represent the right to receive, capital stock of the Company (excluding the public offering, any stock split of its common stock and any issuance of new shares related to the exercise of existing stock options).

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II. Change in Major Shareholder

1. Background

In connection with the aforementioned "I. Issuance of New Shares and Secondary Offering of Shares" resolved at the meeting of the Board of Directors of the Company held on November 26, 2021, Ippei Arita, a major shareholder of the Company, is expected to cease being a major shareholder.

2. Overview of Changes

Ippei Arita:

- | | |
|--------------------------------|---------------------------------|
| 1) Name | Ippei Arita |
| 2) Address | Koto-ku, Tokyo |
| 3) Relationship to the Company | Representative Director and COO |

3. Number of voting rights (number of shares) held by major shareholders before and after the change

Ippei Arita:

	Number of Voting Rights (Number of Shares held) (Note 2)	Ratio of Voting Rights (Note 2)	Shareholder Ranking (Note 3)
Before Change (September 30, 2021)	15,887 (1,588,758 shares)	11.58%	No.2
After Change	14,417 (1,441,758 shares)	9.97% (Note 4)	No.2

(Notes)

1. The Company conducted a 2-for-1 stock split on April 1, 2021.
2. The number of voting rights and the ratio to the number of voting rights of all shareholders are based on the shareholder register as of September 30, 2021.
3. The shareholder ranking is estimated by the Company based on the shareholder register as of September 30, 2021.
4. The ratio to the total number of voting rights of all shareholders after the change is calculated based on the total number of voting rights of 144,666, which is the sum of the total number of voting rights of all shareholders before the change (137,166 shares) and the number of voting rights increased by the issuance of new shares through this public offering (7,500 shares).

4. Scheduled date of change

The payment date (the date four business days after the Pricing Date) stated in "I. Issuance of New Shares and Secondary Offering of Shares" "2. Secondary Offering of the Company's Shares (Secondary Offering by way of Underwriting and Purchasing by Underwriters)" above.

5. Impact on the Company's business performance

This change will have no impact on the Company's business performance.

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