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February 10, 2022

Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (Under Japanese GAAP)

Company name: ENECHANGE Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4169
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 Scheduled date of annual general meeting of shareholders: March 30, 2022
 Scheduled date to commence dividend payments: –
 Scheduled date to file annual report: March 30, 2022
 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 fiscal year ended December 31, 2021 (from January 1, 2021 to December 31, 2021)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
December 31, 2021	3,018	76.2	40	(23.3)	(2)	–	(85)	–
December 31, 2020	1,713	35.1	53	–	6	–	(16)	–

Note: Comprehensive income For the fiscal year ended December 31, 2021: JPY(156) million [–%]
 For the fiscal year ended December 31, 2020: JPY(18) million [–%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2021	(3.25)	–	(3.0)	(0.1)	1.4
December 31, 2020	(0.78)	–	(2.9)	0.4	3.1

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended December 31, 2021: JPY3 million

For the fiscal year ended December 31, 2020: JPY(23) million

Note: The Company conducted stock splits of common shares at a ratio of 3-for-1 on September 17, 2020 and at a ratio of 2-for-1 on January 1, 2022. “Basic earnings per share” is calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2021	6,949	4,813	69.2	163.09
December 31, 2020	1,967	852	42.6	36.25

Reference: Equity

As of December 31, 2021: JPY4,805 million

As of December 31, 2020: JPY838 million

Note: The Company conducted stock splits of common shares at a ratio of 3-for-1 on September 17, 2020 and at a ratio of 2-for-1 on January 1, 2022. "Net assets per share" is calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2021	481	(552)	4,302	5,571
December 31, 2020	139	(294)	1,285	1,334

2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2020	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended December 31, 2021	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending December 31, 2022 (Forecast)	—	—	—	—	—		—	

Note: The Company's Articles of Incorporation stipulate that the record dates for dividend fall on the last day of the second 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, 2022 (from January 1, 2022 to December 31, 2022)

(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, 2022	4,000	32.5	(1,500)	—	—	—	—	—	—

Note: 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, 2022, 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.

* **Notes**

- (1) Changes in specified subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Oberlous Japan Inc.
- (2) 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

(3) Number of issued shares (common shares)

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

As of December 31, 2021	29,466,380 shares
As of December 31, 2020	23,125,904 shares

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

As of December 31, 2021	86 shares
As of December 31, 2020	—

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

Fiscal year ended December 31, 2021	26,297,469 shares
Fiscal year ended December 31, 2020	21,627,160 shares

Note: The Company conducted stock splits of common shares at a ratio of 3-for-1 on September 17, 2020 and at a ratio of 2-for-1 on January 1, 2022. “Total number of issued shares at the end of the period,” “Number of treasury shares at the end of the period,” and “Average number of shares outstanding during the period” are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(Reference)

1. Non-Consolidated financial results for the fiscal year ended December 31, 2021 (from January 1, 2021 to December 31, 2021)

(1) results

Non-Consolidated operating
(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2021	2,840	88.7	44	132.7	(29)	—	(112)	—
December 31, 2020	1,505	42.1	19	—	6	—	(15)	—

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2021	(4.26)	—
December 31, 2020	(0.71)	—

(2) Non-Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2021	6,989	4,913	70.2	166.46
December 31, 2020	1,939	855	43.4	36.38

Reference: Equity

As of December 31, 2021: JPY4,904 million
As of December 31, 2020: JPY841 million

* These Consolidated Financial Results reports are exempt from audit conducted 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 December 31, 2021
Assets		
Current assets		
Cash and deposits	1,334,449	5,571,870
Accounts receivable - trade	254,241	435,264
Other	38,268	75,606
Allowance for doubtful accounts	(503)	(6,258)
Total current assets	1,626,457	6,076,483
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	15,484	6,153
Tools, furniture and fixtures, net	11,844	12,157
Total property, plant and equipment	27,328	18,311
Intangible assets		
Software	108,826	118,335
Software in progress	11,843	38,441
Goodwill	-	368,775
Total intangible assets	120,669	525,552
Investments and other assets		
Investment securities	176,557	299,120
Other	16,182	41,955
Allowance for doubtful accounts	-	(12,065)
Total investments and other assets	192,739	329,010
Total non-current assets	340,737	872,874
Total assets	1,967,194	6,949,357

(Thousands of yen)

	As of December 31, 2020	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	7,403	13,015
Short-term borrowings	9,900	9,900
Current portion of long-term borrowings	–	49,992
Accounts payable - other	140,229	325,066
Income taxes payable	14,967	124,008
Advances received	940	7,158
Provision for sales promotion expenses	62,981	505,506
Other	127,926	150,242
Total current liabilities	364,350	1,184,889
Non-current liabilities		
Long-term borrowings	750,000	950,008
Other	380	597
Total non-current liabilities	750,380	950,605
Total liabilities	1,114,730	2,135,494
Net assets		
Shareholders' equity		
Share capital	906,802	3,036,055
Capital surplus	906,792	2,904,222
Retained earnings	(973,654)	(1,059,241)
Treasury shares	–	(108)
Total shareholders' equity	839,939	4,880,929
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	(82,704)
Foreign currency translation adjustment	(1,725)	7,522
Total accumulated other comprehensive income	(1,725)	(75,182)
Share acquisition rights	14,250	8,116
Total net assets	852,464	4,813,863
Total liabilities and net assets	1,967,194	6,949,357

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

(Thousands of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Net sales	1,713,196	3,018,003
Cost of sales	389,349	435,922
Gross profit	1,323,846	2,582,080
Selling, general and administrative expenses	1,270,526	2,541,205
Operating profit	53,320	40,875
Non-operating income		
Interest income	6	13
Commission income	38	252
Subsidy income	2,297	-
Gain from expired gift vouchers etc	10,026	10,111
Foreign exchange gains	-	13,298
Share of profit of entities accounted for using equity method	-	3,612
Other	1,927	982
Total non-operating income	14,295	28,271
Non-operating expenses		
Interest expenses	8,141	15,996
Share of loss of entities accounted for using equity method	23,600	-
Share issuance costs	2,042	23,070
Going public expenses	14,169	-
Foreign exchange losses	13,443	-
Commission expenses	-	30,851
Other	1	1,629
Total non-operating expenses	61,398	71,547
Ordinary profit (loss)	6,216	(2,400)
Extraordinary losses		
Loss on retirement of non-current assets	13,425	-
Loss on cancellation of rental contracts	5,250	-
Total extraordinary losses	18,675	-
Loss before income taxes	(12,458)	(2,400)
Income taxes - current	4,284	83,014
Income taxes - deferred	-	171
Income taxes	4,284	83,186
Loss	(16,743)	(85,586)
Loss attributable to owners of parent	(16,743)	(85,586)

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Loss	(16,743)	(85,586)
Other comprehensive income		
Foreign currency translation adjustment	1,523	(2,347)
Share of other comprehensive income of entities accounted for using equity method	(3,021)	(68,515)
Total other comprehensive income	(1,498)	(70,863)
Comprehensive income	(18,241)	(156,450)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(18,241)	(156,450)

(3) Consolidated statement of changes in equity

Fiscal year ended December 31, 2020

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	642,755	642,745	(956,911)	328,588
Changes during period				
Issuance of new shares	264,047	264,047		528,094
Loss attributable to owners of parent			(16,743)	(16,743)
Net changes in items other than shareholders' equity				
Total changes during period	264,047	264,047	(16,743)	511,351
Balance at end of period	906,802	906,792	(973,654)	839,939

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(227)	(227)	14,250	–	342,611
Changes during period					
Issuance of new shares					528,094
Loss attributable to owners of parent					(16,743)
Net changes in items other than shareholders' equity	(1,498)	(1,498)	–	–	(1,498)
Total changes during period	(1,498)	(1,498)	–	–	509,853
Balance at end of period	(1,725)	(1,725)	14,250	–	852,464

Fiscal year ended December 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	906,802	906,792	(973,654)	—	839,939
Changes during period					
Issuance of new shares	2,129,253	2,129,253			4,258,507
Loss attributable to owners of parent			(85,586)		(85,586)
Purchase of treasury shares				(108)	(108)
Purchase of shares of consolidated subsidiaries		(131,823)			(131,823)
Net changes in items other than shareholders' equity					
Total changes during period	2,129,253	1,997,430	(85,586)	(108)	4,040,989
Balance at end of period	3,036,055	2,904,222	(1,059,241)	(108)	4,880,929

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	—	(1,725)	(1,725)	14,250	852,464
Changes during period					
Issuance of new shares					4,258,507
Loss attributable to owners of parent					(85,586)
Purchase of treasury shares					(108)
Purchase of shares of consolidated subsidiaries					(131,823)
Net changes in items other than shareholders' equity	(82,704)	9,248	(73,456)	(6,133)	(79,590)
Total changes during period	(82,704)	9,248	(73,456)	(6,133)	3,961,398
Balance at end of period	(82,704)	7,522	(75,182)	8,116	4,813,863

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Cash flows from operating activities		
Loss before income taxes	(12,458)	(2,400)
Depreciation	45,669	57,907
Interest expenses	8,141	15,996
Loss on retirement of non-current assets	13,425	-
Amortization of goodwill	-	8,994
Loss on cancellation of rental contracts	5,250	-
Foreign exchange losses (gains)	4,026	(16,098)
Gain from expired gift vouchers etc	(10,026)	(10,111)
Share of loss (profit) of entities accounted for using equity method	23,600	(3,612)
Share issuance costs	2,042	23,070
Increase (decrease) in allowance for doubtful accounts	(13)	17,820
Increase (decrease) in provision for sales promotion expenses	62,981	442,524
Decrease (increase) in trade receivables	(99,962)	(166,293)
Increase (decrease) in trade payables	(3,705)	5,611
Increase (decrease) in accounts payable - other	2,382	120,117
Increase (decrease) in advances received	(10,836)	6,117
Decrease (increase) in other assets	45,375	(33,440)
Increase (decrease) in other liabilities	78,625	33,731
Other, net	(6)	(13)
Subtotal	154,512	499,921
Interest received	6	13
Interest paid	(6,828)	(16,005)
Income taxes paid	(2,895)	(2,236)
Payment amount for cancellation of rental contracts	(5,250)	-
Net cash provided by (used in) operating activities	139,545	481,692
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,786)	(11,267)
Purchase of intangible assets	(64,547)	(64,917)
Purchase of investment securities	(203,179)	(573,267)
Proceeds of redemption of investment securities	-	386,734
Payments of guarantee deposits	-	(15,000)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(276,507)
Other, net	(15,182)	1,277
Net cash provided by (used in) investing activities	(294,696)	(552,946)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	9,900	-
Proceeds from long-term borrowings	750,000	250,000
Repayments of long-term borrowings	-	(44,508)
Proceeds from issuance of shares	31,051	3,923,243
Payments for restricted deposit	495,000	-
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(131,823)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	-	306,059
Net cash provided by (used in) financing activities	1,285,951	4,302,971
Effect of exchange rate change on cash and cash equivalents	(1,045)	5,702
Net increase (decrease) in cash and cash equivalents	1,129,755	4,237,421
Cash and cash equivalents at beginning of period	204,693	1,334,449
Cash and cash equivalents at end of period	1,334,449	5,571,870

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

Not applicable.

Segment information, etc.Segment information

1. Description of reportable segments

The reportable segments are components of the Group for which discrete financial information is available and whose operating results are reviewed periodically by the Board of Directors to determine the allocation of management resources and evaluate the segments' operating performance.

The Group has two reportable segments: the Energy Platform Business, which supports general consumers in making an optimal choice regarding electricity, gas, etc. in the deregulated energy market; and the Energy Data Business, which provides cloud solutions to electricity/gas companies in the field of digitalization.

The Energy Platform Business operates Enechange and Enechange Biz; while the Energy Data Business provides cloud services for electricity and gas companies, including EMAP and SMAP, and provides JEF, a service that optimizes the operational efficiency of renewable energy power plants under operation and manages funds using the Group's electric power data analysis technology.

2. Method of calculating net sales, profit (loss), assets, liabilities, and other items for each reportable segment

The accounting method used for the reported operating segments is largely the same as that used for preparation of the consolidated financial statements. Segment profit is based on operating profit.

3. Disclosure of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

Fiscal year ended December 31, 2020

	Reportable segments			Reconciling items (Note) 1	Per consolidated financial statements (Note) 2
	Energy Platform Business	Energy Data Business	Total		
Net sales					
Revenues from external customers	989,166	724,029	1,713,196	–	1,713,196
Transactions with other segments	–	–	–	–	–
Total	989,166	724,029	1,713,196	–	1,713,196
Segment profit (loss)	190,208	214,941	405,150	(351,830)	53,320
Other items					
Depreciation	954	32,269	33,224	12,444	45,669
Impairment loss	–	–	–	–	–
Amortization of goodwill	–	–	–	–	–

- Notes: 1. Reconciling items for segment profit (loss) of negative 351,830 thousand yen and for depreciation of 12,444 thousand yen are the amounts 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 loss in the consolidated statement of income.
3. Segment assets and liabilities are not shown, as the Group does not take them into account in determining the allocation of management resources and evaluating the segments' operating performance. However, related expenses are allocated to each reportable segment based on reasonable criteria.

Fiscal year ended December 31, 2020

(Thousands of yen)

	Reportable segments			Reconciling items (Note) 1	Per consolidated financial statements (Note) 2
	Energy Platform Business	Energy Data Business	Total		
Net sales					
Revenues from external customers	2,215,384	802,618	3,018,003	–	3,018,003
Transactions with other segments	–	–	–	–	–
Total	2,215,384	802,618	3,018,003	–	3,018,003
Segment profit (loss)	319,489	180,905	500,395	(459,519)	40,875
Other items					
Depreciation	1,083	43,113	44,197	13,650	57,848
Impairment loss	–	–	–	–	–
Amortization of goodwill	8,994	–	8,994	–	8,994

- Notes: 1. Reconciling items for segment profit (loss) of negative 459,519 thousand yen and for depreciation of 13,650 thousand yen are the amounts 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 consolidated statement of income.
3. Segment assets and liabilities are not shown, as the Group does not take them into account in determining the allocation of management resources and evaluating the segments' operating performance. However, related expenses are allocated to each reportable segment based on reasonable criteria.

Related information

Fiscal year ended December 31, 2020

1. Information for each product or service

This information is omitted because the same information is presented in segment information.

2. Information for each region

(1) Net sales

This information is omitted because revenues from external customers in Japan account for more than 90% of net sales reported in the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan accounts for more than 90% of total property, plant and equipment reported in the consolidated balance sheet.

3. Information for each of main customers

(Thousands of yen)

Name of customer or individual	Net sales	Related segment name
Loop Inc.	273,656	Energy Platform Business Energy Data Business
Tokyo Gas Co., Ltd.	222,727	Energy Platform Business Energy Data Business

Fiscal year ended December 31, 2021

1. Information for each product or service

This information is omitted because the same information is presented in segment information.

2. Information for each region

(1) Net sales

This information is omitted because revenues from external customers in Japan account for more than 90% of net sales reported in the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan accounts for more than 90% of total property, plant and equipment reported in the consolidated balance sheet.

3. Information for each of main customers

(Thousands of yen)

Name of customer or individual	Net sales	Related segment name
LPIO Co., Ltd.	584,223	Energy Platform Business
Mitsuuroko Green Energy Co., Ltd.	381,855	Energy Platform Business Energy Data Business

Disclosure of impairment loss on non-current assets for each reportable segment

Fiscal year ended December 31, 2020

Not applicable.

Fiscal year ended December 31, 2021

Not applicable.

Amortization and unamortized balance of goodwill for each reportable segment

Fiscal year ended December 31, 2020

Not applicable.

Fiscal year ended December 31, 2021

(Thousands of yen)

	Energy Platform Business	Energy Data Business	Corporate and elimination	Total
Amortization during period	8,994	–	–	8,994
Balance at end of period	368,775	–	–	368,775

Information about gain on bargain purchase for each reportable segment

Not applicable.

Per share information

(Yen)

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Net assets per share	36.25	163.09
Basic loss per share	(0.78)	(3.25)

- Notes: 1. Diluted earnings per share is not stated because although potential shares exist, basic loss per share was recorded.
2. The Company conducted stock splits of common shares at a ratio of 3-for-1 on September 17, 2020 and at a ratio of 2-for-1 on January 1, 2022. "Basic earnings per share" is calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.
3. Basis for calculation of basic loss per share is as follows:

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
Loss attributable to owners of parent (Thousands of yen)	(16,743)	(85,586)
Amounts not attributable to common shareholders (Thousands of yen)	–	–
Loss attributable to owners of parent related to common shares (Thousands of yen)	(16,743)	(85,586)
Average number of common shares outstanding during the period (Shares)	21,627,160	26,297,469
Overview of dilutive shares that are not included in the calculation of diluted earnings per share as they have no dilutive effects	<p>Share options resolved at the extraordinary general meeting of shareholders held on October 31, 2015 (1st Share Acquisition Rights) Common shares: 363,600 shares Total number of share acquisition rights: 30,300 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on December 22, 2016 (2nd Share Acquisition Rights) Common shares: 566,424 shares Total number of share acquisition rights: 47,202 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on June 8, 2017 (3rd Share Acquisition Rights) Common shares: 2,880,000 shares Total number of share acquisition rights: 240,000 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on December 21, 2017 (4th Share Acquisition Rights) Common shares: 516,828 shares Total number of share acquisition rights: 43,069 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on February 2, 2018 (5th Share Acquisition Rights) Common shares: 56,448 shares</p>	<p>Share options resolved at the extraordinary general meeting of shareholders held on October 31, 2015 (1st Share Acquisition Rights) Common shares: 15,600 shares Total number of share acquisition rights: 1,300 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on December 22, 2016 (2nd Share Acquisition Rights) Common shares: 61,572 shares Total number of share acquisition rights: 5,131 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on December 21, 2017 (4th Share Acquisition Rights) Common shares: 266,496 shares Total number of share acquisition rights: 22,208 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on February 2, 2018 (5th Share Acquisition Rights) Common shares: 19,968 shares Total number of share acquisition rights: 1,664 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on September 10, 2018 (6th Share Acquisition Rights) Common shares: 1,344,000 shares</p>

	Fiscal year ended December 31, 2020	Fiscal year ended December 31, 2021
	<p>Total number of share acquisition rights: 4,704 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on September 10, 2018 (6th Share Acquisition Rights) Common shares: 1,680,000 shares Total number of share acquisition rights: 140,000 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on September 10, 2018 (7th Share Acquisition Rights) Common shares: 2,520,000 shares Total number of share acquisition rights: 210,000 units</p>	<p>Total number of share acquisition rights: 112,000 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on September 10, 2018 (7th Share Acquisition Rights) Common shares: 2,263,188 shares Total number of share acquisition rights: 188,599 units</p>

- Notes: 4. The Company has issued class shares during the previous fiscal year but has treated them as “shares equivalent to common shares” due to the nature of these class shares. Therefore, for purposes of presenting the per share information, the Company has included the class shares in its common shares.
5. In accordance with the Articles of Incorporation and the resolution of the Board of Directors' meeting held on September 1, 2020, all of the Company's acquired Class A Preferred Stock, Class B Preferred Stock, Class C Preferred Stock, Class D Preferred Stock, and Class E Preferred Stock were cancelled as of September 16, 2020.

Significant events after reporting period

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 Wednesday, December 31, 2021 as a record date (as that day is a holiday for the administrator of the shareholders' register, the actual date will be December 30 (Thursday)), 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:	14,733,190 shares
Number of shares to be increased upon the split:	14,733,190 shares
Total number of shares issued after the stock split:	29,466,380 shares
Total number of shares issuable after the stock split:	84,000,000 shares

(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 information contained herein has been adjusted to reflect the stock split's effect thereon.

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</u> shares.	Article 6 The total number of shares issuable of the Company shall be <u>84,000,000</u> shares.

(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