

May 13, 2022

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Notice Concerning Change in Timing of Appropriation of Funds

ENECHANGE (hereinafter referred to as "Company") announces that our Board of Directors has resolved at a meeting held on May 13, 2022 to change the timing of the partial appropriation of the procured funds in relation to the "Use of Proceeds to be Raised this Time" announced in the "Securities Report (Reference Method)" dated November 26, 2021; the "Amended Securities Report (Reference Method)" dated December 7, 2021; and the "Announcement Regarding Determination of Issue Price, Selling Price and Other Matters" dated December 7, 2021, as follows.

1. Reason for change

We secured investment funds for future growth by issuing new shares through a public offering (the "Financing") with a delivery date of December 14, 2021. We defined the Financing as a "second step toward growth" and aimed to continue a high sales growth rate and achieve our sales target of 10 billion yen as soon as possible by focusing the investment funds obtained mainly in the period from FY2022 to FY2023. However, due to soaring global resource prices resulting from Russia's invasion of Ukraine on February 24, 2022, and soaring wholesale electricity market prices ("JEPX prices") resulting from the temporary shutdown of thermal power plants caused by the Fukushima earthquake that occurred on March 16, 2022 and severe cold weather, electricity procurement costs for electricity companies have remained high, creating an ongoing negative spread for electricity companies.

As a result of this situation, electricity companies have been significantly curtailing user acquisition by suspending the acceptance of applications from new users and terminating contracts with existing users due to withdrawal from the business. In addition, the probability of a reduction in one-time fees from electricity companies for acquiring users, which is a source of sales for our company, has been increasing.

Therefore, we have decided to change the timing of applying a portion of the funds procured through this financing dedicated for "advertising expenses to acquire new users, etc." Though this had originally been planned for FY2022, the expenditure is not expected to be fully cost effective in the current business environment due to a decline in the willingness of electricity companies to acquire users. In light of this, the Company has decided to change the timing of appropriation of a portion of the funds procured through this financing, judging that the investment should be held off until the external environment improves.

There will be no change in the other uses of the funds.

2. Description of change

The details of the change in the timing of the appropriation of funds are as follows. The changes are underlined.

(Before change)

Use of Funds	Amount (million yen)	Scheduled time of appropriation
Promotional activities, strengthening sales and marketing initiatives	1,200	<u>Jan. 2022 – Dec. 2022</u>

(After change)

Use of Funds	Amount (million yen)	Scheduled time of appropriation
Promotional activities, strengthening sales and marketing initiatives	700	<u>To be decided</u>

(Note) Of the 1,200 million yen, 300 million yen (of which approximately 220 million yen has already been allocated) will be used for promotional expenses in the Platform business, and 200 million yen (of which approximately 69 million yen has already been allocated) will be invested in strengthening the sales and marketing initiatives, as originally planned from January 2022. Therefore, the current change will change the timing of appropriation of the remaining 700 million yen for promotional expenses.

3. Future Outlook

The impact of this matter is reflected in the consolidated earnings forecast for FY2022, which is stated in the Summary of Financial Results for the FY22 Q1, released today.

For details, please refer to the "Notice Concerning Revision of Earnings Forecast" and the "Presentation Material for the FY22 Q1" released today.