

August 5, 2022

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## **Notice Concerning the Capital and Business Alliance with Sumasapo Inc.**

ENECHANGE (hereinafter referred to as "the Company") announces that the Company resolved at the Board of Directors meeting held on August 5, 2022, to enter into a capital and business alliance agreement ("the Alliance") with Sumasapo Inc. (hereinafter referred to as "Sumasapo"), and concluded the agreement on the same date.

### **1. Purpose of the Alliance**

We offer two main services in the Platform business: ENECHANGE (for households) and ENECHANGE Biz (for companies). Our Platform business has a partnership with 56 electricity companies, and our strength is that it allows customers to easily compare and switch electricity and gas tariffs online. Our platform is No. 1 in the online electricity and gas switching domain, accounting for 47.5% (Note 1) of the search results in the No. 1 position for specific words that we focus on. However, our share in the number of new entrant contracts is 1.8% for households and 2.0% for companies (Note 2), indicating that there is still much potential for further development. One of the reasons for this is that there are still many energy contracts which are brokered offline, and we believe that there is an opportunity to acquire more users, especially when customers relocate.

Sumasapo, under its mission of "Supporting a Smart lifestyle - creating new value in the real estate industry with technology and ideas to enrich people's lives," provides new value in the area of communication between property management companies and rental tenants, which until now has been primarily offline. Since the service was launched in 2016, Sumasapo has grown steadily, and as of August 5, 2022, it has 604 property management companies as clients, creating a channel that can reach approximately 2.26 million residents through these property management companies (Note 3).

Through this alliance, we will be able to utilize Sumasapo's established relationships with property management companies and residents to provide electricity and gas tariff comparison and switching services to users when they move. This is a segment where we see stable demand. To strengthen this alliance in the future, we will also take a stake in Sumasapo. This will strengthen our customer acquisition channels and increase our market share of switching through further user acquisition, to increase the value of our platform.

(Note 1) Survey results by ENECHANGE based on Google searches. Calculated by adding up the number of first-place results for a set of 41 keywords in Japanese, including our partners (as of August 1, 2022)

(Note 2) Created based on the number of contracts in the Electricity Trading Report by the Electricity and Gas Market Surveillance Commission and our share based on the sales amount (kWh) (as of March 2022)

(Note 3) From materials received by Sumasapo (as of August 2022)

### **2. Details of the Alliance**

#### 1) Details of Business alliance

The Company and Sumasapo aim to enhance the corporate value of both companies through business collaboration by utilizing each other's management resources.

The Company aims to strengthen its customer base and acquire more users by promoting the services to residents through property management companies, which are customers of Sumasapo.

Sumasapo will provide its electricity switch service to renters through property management companies,

expanding Sumasapo's service lineup mainly on the energy side, and building long-term relationships with the users.

## 2) Details of Capital alliance

The Company has decided to acquire shares of Sumasapo from Mr. Takutoshi Ota, a shareholder of Sumasapo, (hereinafter referred to as "the Acquisition") as follows.

1. Number of shares of ordinary shares of Sumasapo to be acquired through the Acquisition: 47,000 shares
2. Total amount of the Acquisition: 100 million JPY (Note)
3. Ownership ratio post transaction: 2.1%
4. Execution date of the Acquisition: August 12, 2022

(Note) The price was determined based on fair value valuation conducted by Aiwa Advisory.

## 3. Overview of the Partner of the Alliance

|  |  |   |                 |
|--|--|---|-----------------|
| 1) Name  | Sumasapo Inc.  |   |                 |
| 2) Address   | Nihonbashi Front 1F, 3-6-2 Nihonbashi, Chuo-ku, Tokyo                |   |                 |
| 3) Name and title of representative  | Shinzo Oda, Representative Director, CEO                             |   |                 |
| 4) Description of business   | Operation of Sumasapo Platform, a platform for the property industry |   |                 |
| 5) Capital   | 274,999,644 JPY (incl. capital reserve)                              |   |                 |
| 6) Date of establishment   | April 2012   |   |                 |
| 7) Major shareholders and their shareholding ratio                         | N/A (Note 1)   |   |                 |
| 8) Relationship between the Company and Sumasapo                           | Capital Relationship   | None  |                 |
|  | Personal Relationship  | None  |                 |
|  | Business Relationship  | Existing business relationships, such as providing some comparative switches services for electricity, gas, etc. for residents. |                 |
|  | Status of Related Party  | None  |                 |
| 9) Operating results and financial position over the past 3 years (Note 2) |  |   |                 |
| Fiscal Year End  | September, 2019  | September, 2020   | September, 2021 |
| Net assets (thousand JPY)  | (48,079)   | 234,502   | 184,052         |
| Net assets per share (JPY)   | (2,403.99)   | 10,831.52   | 8,501.29        |
| Total assets (thousand JPY)  | 343,699  | 452,891   | 387,505         |

|  |           |           |            |
|--|-----------|-----------|------------|
| Net sales (thousand JPY)               | 1,424,959 | 1,859,572 | 2,029,085  |
| Operating profit (loss) (thousand JPY) | 147,483   | 189,567   | (70,207)   |
| Ordinary profit (loss) (thousand JPY)  | 144,067   | 188,624   | (68,768)   |
| Net profit (loss) (thousand JPY)       | 122,961   | 151,820   | (50,449)   |
| Net profit (loss) per share (JPY)      | 6,148.10  | 7,167.73  | (2,330.23) |
| Dividend per share (JPY)               | -         | -         | -          |

(Note 1) Undisclosed due to shareholder's requests.

(Note 2) Decimals are rounded down.

#### 4. Schedule

|   |                             |
|---|-----------------------------|
| 1) Date of resolution by the Board of Directors | August 5, 2022              |
| 2) Signing date of agreements                   | August 5, 2022              |
| 3) Date of share acquisition                    | August 12, 2022 (scheduled) |

#### 5. Outlook

The impact on the Company's current fiscal year business performance is still under investigation (expected to be limited). We will disclose immediately any matters that should be publicly announced in the future.

Current fiscal year forecast and the previous year's financials

|   | (million JPY) |                  |                 |   |
|---|---------------|------------------|-----------------|---|
|   | Net sales     | Operating profit | Ordinary profit | Profit attributable to owners of parent |
| Current year (Fiscal Year End December 2022)  | 3,400         | (1,000)          | -               | -                                       |
| Previous year (Fiscal Year End December 2021) | 3,018         | 40               | (2)             | (85)                                    |