

August 10, 2023

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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 August 10, 2023 to change the timing of the partial appropriation of the procured funds in relation to the "Use of Proceeds" announced in the "Securities Report (Reference Method)" dated November 26, 2021; the "Amended Securities Report (Reference Method)" dated December 7, 2021; the "Announcement Regarding Determination of Issue Price, Selling Price and Other Matters" dated December 7, 2021; and the "Notice Concerning Change in Timing of Appropriation of Funds" dated May 13, 2022, as follows.

1. Reason for change

We previously 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 mainly in the period from FY2022 to FY2023.

However, global resource prices rose dramatically following Russia's invasion of Ukraine on February 24, 2022. Furthermore, wholesale electricity market prices ("JEPX prices") also spiked from the temporary shutdown of thermal power plants caused by the Fukushima earthquake that occurred on March 16, 2022, and severe cold weather. As a result, electricity procurement costs have remained high, creating an ongoing negative spread for energy companies. By suspending the acceptance of applications from new users and terminating contracts with existing users due to withdrawal from the business, user acquisition by energy companies was significantly curtailed, producing a likely reduction in associated one-time fees that we receive from energy companies for acquiring users.

Therefore, on May 13, 2022, we announced that we decided to change the timing of applying a portion of the funds procured through this financing dedicated to "Strengthen promotion and sales and marketing systems to acquire new users, etc.". Though this expenditure had originally been planned for FY2022, it was not expected to be prudent given the business environment and the Company decided to change the timing of appropriation until the business environment improved.

We have now decided to resume this appropriation having observed the JEPX price returning to lower, less volatile levels since the beginning of 2023 and the user acquisition environment in the energy industry resuming. 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	700	<u>To be decided</u>

(After change)

Use of Funds	Amount (million yen)	Scheduled time of appropriation
Promotional activities, strengthening sales and marketing initiatives	700	<u>Aug. 2023 – Dec. 2023</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 advertising 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 included in the consolidated earnings forecast for FY2023, which is stated in the FY22 Financial Results, released on February 10, 2023.