

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 14, 2021

## Consolidated Financial Results for the First Quarter Ended March 31, 2021 (Under Japanese GAAP)

Company name: ENECHANGE Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4169  
 URL: <https://enechange.co.jp/>  
 Representative: Yohei Kiguchi, Representative Director and CEO  
 Ippei Arita, Representative Director and COO  
 Inquiries: Takuya Sugimoto, Executive Officer / CFO  
 TEL: +81-3-6774-6709  
 Scheduled date to file Quarterly Report: May 14, 2021  
 Start of dividend payment: –  
 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 three months ended March 31, 2021 (from January 1, 2021 to March 31, 2021)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	657	–	33	–	43	–	14	–
March 31, 2020	–	–	–	–	–	–	–	–

Note: Comprehensive income For the three months ended March 31, 2021: JPY6 million [–%]  
 For the three months ended March 31, 2020: JPY– million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2021	1.19	0.89
March 31, 2020	–	–

Notes: 1. As the Company had not prepared quarterly consolidated financial statements for the first three months of the fiscal year ended December 31, 2020, figures for the first three months of the fiscal year ended December 31, 2020 and percentage changes from the previous corresponding period, as well as percentage changes from the previous corresponding period for the first three months of the fiscal year ending December 31, 2021, are not presented.  
 2. The Company conducted a stock split of common shares at a ratio of 3-for-1 on September 17, 2020, and a stock split of common shares at a ratio of 2-for-1 on April 1, 2021. Basic earnings per share and diluted earnings per share are calculated on the assumption that the said stock splits had been conducted at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2021	2,072	787	37.3
December 31, 2020	1,967	852	42.6

Reference: Equity As of March 31, 2021: JPY773 million  
 As of December 31, 2020: JPY838 million

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended December 31, 2020	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal year ending December 31, 2021	—				
Fiscal year ending December 31, 2021 (Forecast)	—	—	—	—	—

Notes: 1. Revisions from dividend forecast most recently announced: None

2. 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, 2021 (from January 1, 2021 to December 31, 2021)

(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, 2021	2,300	34.3	—	—	—	—	—	—	—

Note: Revisions from earnings forecast most recently announced: None

**\* Notes**

(1) Changes in specified subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Application of special accounting for preparing quarterly consolidated financial statements: None

(3) 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

(4) Number of issued shares (common shares)

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

As of March 31, 2021	11,904,916 shares
As of December 31, 2020	11,562,952 shares

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

As of March 31, 2021	—
As of December 31, 2020	—

(iii) Average number of shares outstanding during the period

Three months ended March 31, 2021	11,789,340 shares
Three months ended March 31, 2020	—

Notes: 1. As the Company had not prepared quarterly consolidated financial statements for the first three months of the fiscal year ended December 31, 2020, the average number of shares outstanding during that period is not presented.

2. The Company conducted a stock split of common shares at a ratio of 3-for-1 on September 17, 2020, and a stock split of common shares at the ratio of 2-for-1 on April 1, 2021. The “Total number of issued shares at the end of the period,” the “Number of treasury shares at the end of the period” and the “Average number of shares outstanding during the period” are calculated on the assumption that the said stock splits had been conducted at the beginning of the previous fiscal year.

\* These Consolidated Financial Results reports are exempt from quarterly review procedures 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 March 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	1,334,449	1,265,873
Accounts receivable - trade	254,241	339,076
Other	38,268	33,644
Allowance for doubtful accounts	(503)	(548)
Total current assets	1,626,457	1,638,045
Non-current assets		
Property, plant and equipment	27,328	24,618
Intangible assets		
Software	108,826	123,134
Other	11,843	13,065
Total intangible assets	120,669	136,200
Investments and other assets		
Investment securities	176,557	257,168
Other	16,182	16,287
Total investments and other assets	192,739	273,455
Total non-current assets	340,737	434,275
Total assets	1,967,194	2,072,320
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	7,403	11,424
Short-term borrowings	9,900	9,900
Accounts payable - other	140,229	147,427
Income taxes payable	14,967	37,529
Provision for sales promotion expenses	62,981	232,078
Other	128,867	96,393
Total current liabilities	364,350	534,753
Non-current liabilities		
Long-term borrowings	750,000	750,000
Other	380	413
Total non-current liabilities	750,380	750,413
Total liabilities	1,114,730	1,285,167

(Thousands of yen)

	As of December 31, 2020	As of March 31, 2021
<b>Net assets</b>		
Shareholders' equity		
Share capital	906,802	937,062
Capital surplus	906,792	805,229
Retained earnings	(973,654)	(959,615)
Total shareholders' equity	839,939	782,677
Accumulated other comprehensive income		
Foreign currency translation adjustment	(1,725)	(9,613)
Total accumulated other comprehensive income	(1,725)	(9,613)
Share acquisition rights	14,250	14,090
Total net assets	852,464	787,153
Total liabilities and net assets	1,967,194	2,072,320

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

Three months ended March 31, 2021

(Thousands of yen)

	Three months ended March 31, 2021
Net sales	657,640
Cost of sales	96,643
Gross profit	560,997
Selling, general and administrative expenses	527,924
Operating profit	33,072
Non-operating income	
Interest income	6
Foreign exchange gains	13,024
Gain from expired gift vouchers	2,147
Other	4,114
Total non-operating income	19,293
Non-operating expenses	
Interest expenses	3,841
Share of loss of entities accounted for using equity method	3,217
Other	1,492
Total non-operating expenses	8,551
Ordinary profit	43,814
Profit before income taxes	43,814
Income taxes - current	29,775
Profit	14,039
Profit attributable to non-controlling interests	—
Profit attributable to owners of parent	14,039

**Consolidated statement of comprehensive income**

Three months ended March 31, 2021

(Thousands of yen)

	Three months ended March 31, 2021
Profit	14,039
Other comprehensive income	
Foreign currency translation adjustment	(4,081)
Share of other comprehensive income of entities accounted for using equity method	(3,807)
Total other comprehensive income	(7,888)
Comprehensive income	6,151
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	6,151
Comprehensive income attributable to non- controlling interests	—

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

Not applicable.

**Notes on significant changes in the amount of shareholders' equity**

The Company received proceeds from issuance of new shares through third-party allotment on January 20, 2021, and share capital and capital surplus increased by 15,732 thousand yen each.

In addition, share capital and capital surplus increased by 14,528 thousand yen each due to the exercise of stock acquisition rights in the three months ended March 31, 2021.

Furthermore, based on the resolution of the meeting of the Board of Directors held on March 19, 2021, the Company acquired additional shares of its consolidated subsidiary SMAP Energy Limited, making it a wholly owned subsidiary as of March 31, 2021. Capital surplus decreased by 76,107 thousand yen due to the transactions with non-controlling shareholders to increase the parent company's interest.

**Segment information, etc.**Segment information

For the three months ended March 31, 2021

	Reportable segments			Reconciling items	Per quarterly consolidated statement of income
	Energy Platform Business	Energy Data Business	Total		
Net sales					
Revenues from external customers	469,898	187,742	657,640	—	657,640
Transactions with other segments	—	—	—	—	—
Total	469,898	187,742	657,640	—	657,640
Segment profit (loss)	75,499	60,283	135,782	(102,710)	33,072

- Notes: 1. Reconciling item for segment profit (loss) of negative 102,710 thousand yen is the amount 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 quarterly consolidated statement of income.

## Significant events after reporting period

### *Stock split and partial amendment to the Articles of Incorporation*

In accordance with the resolution of the meeting of the Board of Directors held on February 12, 2021, the Company conducted a stock split and made an amendment to the Articles of Incorporation as of April 1, 2021, as follows:

#### 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

With Wednesday, March 31, 2021 as the record date, the Company 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:	5,952,458 shares
Number of shares increased upon the split:	5,952,458 shares
Total number of shares issued after the stock split:	11,904,916 shares
Total number of shares issuable after the stock split:	42,000,000 shares

##### (3) Schedule of the split

Announcement of record date:	March 15, 2021
Record date:	March 31, 2021
Effective Date:	April 1, 2021

##### (4) Effect on per share information

Per share data assuming the stock split had taken place at the beginning of the fiscal year under review is as follows:

	(Yen)
	Three months ended March 31, 2021
Basic earnings per share	1.19
Diluted earnings per share	0.89

#### 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 amended as of April 1, 2021, 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>21,000,000</u> shares.	Article 6 The total number of shares issuable of the Company shall be <u>42,000,000</u> shares.

## (3) Schedule of amendment of the Articles of Incorporation

Effective Date: April 1, 2021

## 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 April 1, 2021 were adjusted as follows:

(Yen)

	Exercise price before the adjustment	Exercise price after the adjustment
1st series of stock acquisition rights	67	34
2nd series of stock acquisition rights	267	134
3rd series of stock acquisition rights	267	134
4th series of stock acquisition rights	334	167
5th series of stock acquisition rights	334	167
6th series of stock acquisition rights	334	167
7th series of stock acquisition rights	334	167