January 21, 2022

Company Name: ENECHANGE Ltd.
Representative: Yohei Kiguchi, Representative Director and CEO
Ippei Arita, Representative Director and COO
(TSE Mothers Code No. 4169)
Inquiries: Takuya Sugimoto, Executive Officer / CFO
TEL: +81-3-6774-6709

Notice Concerning the Revision of the Sales Forecast

At a meeting of the Board of Directors held on January 21, 2022, ENECHANGE (hereinafter referred to as "the Company") announces the following revisions to its consolidated sales forecast for the fiscal year ending December 31, 2021 (January 1, 2021 through December 31, 2021) (hereinafter referred to as the "previous forecast"), which was announced on November 26, 2021.

1. Revision of the consolidated sales forecast for the fiscal year ending December 31, 2021 (January 1, 2021 - December 31, 2021)

(millions of yen)

	Net sales	Operating profit (Loss)	Ordinary profit (Loss)	Profit (Loss) attributable to owners of parent	Basic earnings (loss) per share (Yen)
Previous forecast (A)	2,900	5	(50)	(100)	(7.74)
Revised forecast (B)	3,018	40	(2)	(83)	(6.36)
Difference (B-A)	118	35	48	17	-
Rate of change (%)	4.1	700.0	-	-	-
<Reference> Results for the fiscal year ended December 31, 2020	1,713	53	6	(16)	(3.10)

(Note) 1. Net loss per share for the year ended December 31, 2020 is calculated based on the average number of shares outstanding during the year.
(Note) 2. Net loss per share for the year ended December 31, 2021 (Previous forecast and Revised forecast) is calculated based on the average number of shares outstanding during the year.
(Note) 3. The Company conducted a 2-for-1 stock split on January 1, 2022. This is not reflected in the aforementioned net loss per share calculation.

2. Reason for the revision

The Group is engaged in (I) the Platform business, which supports consumers in making the best choices for electricity and gas in the area of deregulation, and (II) the Data business, which provides cloud-based DX services to electricity and gas companies in the area of digitalization.

In the Platform business, in the previous forecast, we expected an increase in the number of users due to the growing demand for cutting electricity costs among households because of the remote work environment due to the outbreak of COVID-19. However, the number of users has increased more than expected at the time of the previous announcement. As a result, net sales are expected to be higher than the previous forecast. Selling, general, and administrative expenses are expected to be higher than the previous forecast due to an increase of customer acquisition costs. Non-operating expenses are expected to decrease from the previous forecast due to a partial reduction in various expenses related to the issuance of new shares and sale of shares announced on November 26, 2021. Income taxes are expected to increase from the previous forecast mainly due to the increase in taxable income resulting from the increase in operating income.

As a result, net sales, operating income, ordinary loss, and net loss attributable to shareholders of the parent company are expected to improve from the previously announced forecast, and we have decided to revise the consolidated sales forecast for the fiscal year ending December 31, 2021.

(Reference information: Assumptions from the previous forecast)

This revision of the forecast includes the impact of the following major factors.

A. *Impact of the business performance since the announcement of the previous forecast*
B. *Impact of the "Making Oberlous Japan Inc. a Wholly Owned Subsidiary through Acquisition of Shares" announced on October 15, 2021*
C. *Impact of the "Notice Concerning Issuance of New Shares, Secondary Offering of Shares, and Change in Major Shareholder" announced on November 26, 2021*

Net sales are expected to increase from the previous forecast, which was revised upward from 2,600 million yen (up 51.8% year over year) to 2,900 million yen (up 69.2% year over year) for the second time this year. The main reason for this revision is *A. Impact of the business performance*, which amounts to approximately 280 million yen in net sales impact.

Particularly, in the Energy Platform business (hereinafter referred to as "Platform business"), the number of users has increased more than expected. This is due to the following factors: 1) increased interest as a result of the broad effects of energy deregulation and the increased cost of electricity at home as a result of the higher rates of remote work during the outbreak of COVID-19; 2) the expansion of user acquisition through offline channels as a result of the increase in sales channel partners; and 3) the increase in one-time fees received from energy companies due to system upgrades to the ENECHANGE website implemented in the fourth quarter of fiscal year ending December 31, 2020.

In the Energy Data business (hereinafter referred to as "Data business"), we are making steady progress due to the following factors: 1) increases in the number of clients and ARPU by expanding sales of existing products, and 2) an increased outlook of new client acquisition and ARPU due to sales of several new products launched in the current fiscal year.

In addition, as a result of *B. Impact of "Making Oberlous Japan Inc. a Wholly Owned Subsidiary through Acquisition of Shares"*, we expect net sales to increase by approximately 20 million yen in the current fiscal year by consolidating Oberlous Japan Inc. from November 2021.

Operating income has been disclosed as 5 million yen. Operating expenses are expected to increase due to the following factors: amortization of goodwill (approximately 9 million yen) and one-time expenses (approximately 10 million yen for advisor fees, etc.) related to *B*, and expenses (approximately 38 million yen for factor-based enterprise taxes, etc.) related to *C*. In addition, we expect an increase in advertising expenses in the fourth quarter of 2021 to the extent that we can maintain an operating profit in our full-year results.

Ordinary loss has been disclosed as 50 million yen. We expect to incur non-operating expenses such as one-time expenses (approximately 44 million yen) related to *C*.

The net loss attributable to shareholders of the parent company has been disclosed as 100 million yen. Based on the use of funds from the issuance and offering of shares (described in *C*), we expect to post an operating loss in the next fiscal year, so we have estimated tax expenses (approximately 50 million yen) assuming that tax effect accounting will not be applied.

Although the ordinary loss and the net loss attributable to shareholders of the parent company are expected, if we exclude the impact of the increase in expenses of approximately 132 million yen (approximate totals of: 38 million yen in factor-based enterprise taxes, 44 million yen in one-time expenses related to *C*, and 50 million yen in tax expenses) associated with *C*, we expect to post ordinary profit and net profit attributable to shareholders of the parent company as previously announced.