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February 12, 2021

## Consolidated Financial Results for the Fiscal Year Ended December 31, 2020 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange  
 Securities code: 4169  
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 Scheduled date of annual general meeting of shareholders: March 30, 2021  
 Scheduled date to commence dividend payments: –  
 Scheduled date to file annual report: March 30, 2021  
 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 fiscal year ended December 31, 2020 (from January 1, 2020 to December 31, 2020)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2020	1,713	35.1	53	–	6	–	(16)	–
December 31, 2019	1,268	11.2	(322)	–	(304)	–	(238)	–

Note: Comprehensive income For the fiscal year ended December 31, 2020: JPY(18) million [–%]  
 For the fiscal year ended December 31, 2019: JPY(243) million [–%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
December 31, 2020	(3.10)	–	(2.9)	0.4	3.1
December 31, 2019	(45.40)	–	(53.3)	(31.5)	(25.4)

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended December 31, 2020: JPY(23) million  
 For the fiscal year ended December 31, 2019: JPY– million

Note: The Company conducted a stock split of common shares at a ratio of 3-for-1 on September 17, 2020. “Basic earnings per share” is calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2020	1,967	852	42.6	144.98
December 31, 2019	1,073	342	30.6	(154.50)

Reference: Equity  
 As of December 31, 2020: JPY838 million  
 As of December 31, 2019: JPY328 million

Note: The Company conducted a stock split of common shares at a ratio of 3-for-1 on September 17, 2020. “Net assets per share” is calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2020	139	(294)	1,285	1,334
December 31, 2019	(310)	(16)	(0)	204

### 2. Cash dividends

	Annual dividends					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended December 31, 2019	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ended December 31, 2020	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ending December 31, 2021 (Forecast)	–	–	–	–	–		–	

Note: 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: The Group’s management policy is to create shareholder value by maximizing free cash flows over the long term, with an emphasis on sales growth, a source of free cash flows, in the medium term. Based on this management policy, in the fiscal year ending December 31, 2021, the Group aims to achieve a year-on-year increase in net sales of 30% or more and plans to carry out growth investments with the aim of maintaining a high growth rate in following fiscal years. Operating profit, Ordinary profit and Profit attributable to owners of parent are expected to be positive, but we have decided not to disclose specific forecast figures in order to make investment decisions in a flexible and expeditious manner. For more details, please refer to “(4) Future outlook” under “1. Overview of operating results, etc.” on page 5.

**\* Notes**

- (1) Changes in specified subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) 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

(3) Number of issued shares (common shares)

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

As of December 31, 2020	5,781,476 shares
As of December 31, 2019	5,250,000 shares

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

As of December 31, 2020	—
As of December 31, 2019	—

- (iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2020	5,406,790 shares
Fiscal year ended December 31, 2019	5,250,000 shares

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

- \* These Consolidated Financial Results reports are exempt from audit conducted 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.

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## 1. Overview of operating results, etc.

### (1) Overview of operating results for the fiscal year under review

During the fiscal year ended December 31, 2020, Japan's economy appeared to have decelerated further since the outbreak of novel coronavirus disease (COVID-19) in February. Corporate earnings, which had remained relatively strong, as well as employment conditions and consumer spending, which were on the recovery, are likely to remain sluggish for some time under the conditions brought about by the pandemic.

Concerning the environment surrounding the energy industry, where the Group operates, the Suga Administration unveiled "Green Growth Strategy towards 2050 Carbon Neutrality" on December 25, 2020, identifying current challenges and future initiatives towards achieving a carbon-neutral society, along with strategies for 14 growth areas. In the energy industry central to the Green Growth Strategy, sales of electricity, have been on the rise since the full deregulation of the domestic electricity retail market in April 2016 to reach about 14 trillion yen<sup>1</sup> today.

We have seen that the target market size of our Energy Platform Business expand, driven by increased advertisement budget in the energy industry against the backdrop of intensifying competition among electricity/gas companies and an increase in the number of customers across the nation that have switched to new energy companies. We also have seen the target market size of our Energy Data Business expanded, driven by increased IT budget in the energy industry, associated with the demand to invest in new systems to accomplish structural reform described as the "4Ds of Energy."

Furthermore, amidst a growing need for Digital Transformation (DX) across society due to the COVID-19 pandemic, the Company has benefited from a number of positive trends, such as a growing demand for switching online to new energy companies in the Energy Platform Business and also a growing demand for introducing DX services from electricity and gas companies in the Energy Data Business. The pandemic, however, has somewhat adversely affected the Group's earnings, in that measures implemented to protect against COVID-19, such as the declaration of the state of emergency and the request to refrain from going out, have led to decreased demand for electricity, especially from corporate users.

Under these circumstances, the Group focused on developing new features, aiming to promote its partner strategy to provide other companies with its electricity/gas switching systems, which it developed through its channel, and improve the usability of its service to support customers in their switchover to another new energy companies, specifically for the following two services in the Energy Platform Business: Enechange (an electricity/gas switching platform for households) and Enechange Biz (an electricity/gas switching platform for corporate customers).

The Group also continued efforts to develop new features and further strengthen its marketing activities to electricity and gas companies for the following three services offered on the cloud primarily to electricity and gas companies in the Energy Data Business: EMAP (Energy Marketing Acceleration Platform), a digital marketing support SaaS; SMAP (Smart Meter Analytics Platform), an electricity smart meter data analysis SaaS; and JEF, an analysis and operations management service for renewable energy power plants, using the Group's electric power data analysis technology.

As a result of the above, during the fiscal year under review, the Group recognized net sales of 1,713,196 thousand yen (up 35.1% year-on-year), operating profit of 53,320 thousand yen (compared to operating loss of 322,714 thousand yen during the previous fiscal year), ordinary profit of 6,216 thousand yen (compared to ordinary loss of 304,907 thousand yen during the previous fiscal year), and loss attributable to owners of parent of 16,743 thousand yen (compared to loss attributable to owners of parent of 238,375 thousand yen during the previous fiscal year).

Furthermore, a range of nationwide measures took place in response to surging prices of electricity traded at Japan Electric Power Exchange (the "JEPX price") since late December 2020, which involve the initiatives led by Organization for the Cross-regional Coordination of Transmission Operators (the institution coordinating the demand and supply of electricity across Japan) and by the Ministry of Economy, Trade and Industry. The dramatic surge in the JEPX price is an event that potentially affects the operation of electricity companies which are customers of the Company. The surging JEPX prices do not significantly affect the business development and operating results of the Group, in that it does

not retail electricity but operates its business only as a platform. Although the JEPX prices have been stabilizing recently, the Company will keep watching future developments.

Financial results for each segment were as follows:

(i) Energy Platform Business

In this business segment, the number of energy supply switches by both households and corporate customers continued to climb steadily in line with increases in the number of partner companies. More specifically, the number of users that allow the Group to continue receiving commissions increased 48.0% year-on-year to 243,215. Also, ARPU<sup>2</sup> increased 6.6% year-on-year to 4,067 yen, backed by an increase in one-time payment at switch from the suppliers, as well as other drivers. As a result of the above, in this business segment, net sales amounted to 989,166 thousand yen (up 45.2% year-on-year), and segment profit amounted to 190,208 thousand yen (up 494.1% year-on-year).

(ii) Energy Data Business

In this business segment, the Group continued efforts to provide existing customers with EMAP, a digital marketing support SaaS; SMAP, an electricity smart meter data analysis SaaS; and JEF, an analysis and operations management service for renewable energy power plants under operation, and to introduce these services to new customers. As a result, the number of customers increased 28.0% year-on-year to 32. On the other hand, ARPU decreased 3.5% year-on-year to 22,626 thousand yen in line with introduction of lower priced unit-price products to more customers. As a result, net sales amounted to 724,029 thousand yen (up 23.4% year-on-year) and segment profit amounted to 214,941 thousand yen.

- Notes: 1. Calculated based on the electricity sales figures stated in “Electricity Trading Report Results” published by Electricity and Gas Market Surveillance Commission  
2. An abbreviation for Average Revenue Per User (the user specifically allows the Group to continue receiving commissions)

## (2) Overview of financial position for the fiscal year under review

### Assets

Current assets at the end of the fiscal year under review totaled 1,626,457 thousand yen, up 687,191 thousand yen from the end of the previous fiscal year. This is attributable primarily to increases of 633,755 thousand yen in cash and deposits and 99,962 thousand yen in accounts receivable.

Non-current assets at the end of the fiscal year under review totaled 340,737 thousand yen, up 206,286 thousand yen from the end of the previous fiscal year. This is attributable primarily to increases of 33,430 thousand yen in software, 176,557 thousand yen in investment securities, and 15,000 thousand yen in guarantee deposits, which were partially offset by decreases of 10,511 thousand yen in buildings and structures and 10,132 thousand yen in tools, furniture and fixtures.

As a result, total assets amounted to 1,967,194 thousand yen, up 893,478 thousand yen from the end of the previous fiscal year.

### Liabilities

Current liabilities at the end of the fiscal year under review totaled 364,350 thousand yen, up 128,635 thousand yen from the end of the previous fiscal year. This is attributable primarily to increases of 53,292 thousand yen in accrued consumption taxes, 62,981 thousand yen in provision for sales promotion expenses, and 11,311 thousand yen in deposits received, which were partially offset by a decrease of 10,836 thousand yen in advances received.

Non-current liabilities at the end of the fiscal year under review totaled 750,380 thousand yen, up 254,990 thousand yen from the end of the previous fiscal year. This is attributable primarily to an increase of 750,000 thousand yen in long-term borrowings, which was partially offset by a decrease of 495,000 thousand yen in convertible bonds with share acquisition rights resulting from their conversion.

As a result, total liabilities amounted to 1,114,730 thousand yen, up 383,625 thousand yen from the end of the previous fiscal year.

#### Net assets

Total net assets at the end of the fiscal year under review totaled 852,464 thousand yen, up 509,853 thousand yen from the end of the previous fiscal year. This is attributable primarily to increases of 247,500 thousand yen in share capital and 247,500 thousand yen in capital surplus resulting from the conversion of convertible bonds with share acquisition rights and 16,547 thousand yen also in share capital and 16,547 thousand yen in capital surplus resulting from the issuance of new shares.

### **(3) Overview of cash flows for the fiscal year under review**

Cash and cash equivalents (“net cash”) at the end of the fiscal year under review totaled 1,334,449 thousand yen (compared to 204,693 thousand yen at the end of the previous fiscal year). The respective cash flow positions and the factors thereof in the fiscal year under review are as follows.

Cash flows from operating activities

Net cash provided by operating activities during the fiscal year under review totaled 139,545 thousand yen (previous fiscal year was 310,049 thousand yen cash outflows). The main factors for this were the recognition of 45,669 thousand yen in depreciation and an increase of 62,981 thousand yen in provision for sales promotion expenses, which were partially offset by an increase of 99,962 thousand yen in accounts receivable the recognition of 10,026 thousand yen in gain from expired gift vouchers, and a decrease of 10,836 thousand yen in advances received.

Cash flows from investing activities

Net cash used in investment activities during the fiscal year under review totaled 294,696 thousand yen (previous fiscal year was 16,868 thousand yen cash outflows). The main factors for this were purchases of property, plant and equipment totaling 11,786 thousand yen, intangible assets totaling 64,547 thousand yen, and investment securities totaling 203,179 thousand yen.

Cash flows from financing activities

Net cash provided by financing activities during the fiscal year under review totaled 1,285,951 thousand yen (previous fiscal year was 125 thousand yen cash outflows). The main factors for this were proceeds from long-term borrowings in the amount of 750,000 thousand yen, proceeds from issuance of new shares in the amount of 31,051 thousand yen, and proceeds from withdrawal of restricted cash in the amount of 495,000 thousand yen.

**(4) Future outlook**

The Group's management policy is to create shareholder value by maximizing free cash flows over the long term, with an emphasis on sales growth as a source of free cash flows in the medium term. We have defined sales as the number of customers multiplied by ARPU, and thus will focus on recurring earnings in the Group's business operation to achieve high sales growth rates and build a solid management foundation. We will also strive to maximize the number of customers through proactive initiatives in growth opportunities, as well as improve ARPU by continuing to enhance the product line-up and increasing the value delivered to customers.

Based on the management policy, in the fiscal year ending December 31, 2021, the Group aims to achieve a year-on-year increase in net sales of 30% or more and is determined to make proactive initiatives so that it can maintain high growth rates in the years ahead. Specifically, the Group considers investing in advertising and sales promotion activities aimed at expanding its market share in switchover in the Energy Platform Business, as well as carrying out growth investment, which is necessary to enhance the features of its services in the Energy Data Business.

The Group also believes that its business operation will be affected by the structural energy system reform in Japan. Now that system reforms related to the Energy Platform Business have almost completed, we believe sales from the business segment have entered an expansionary phase. During the fiscal year ending December 31, 2021, the Group aims to achieve a year-on-year increase in net sales of 40% or more in the Energy Platform Business. Also, in the Energy Data Business, related system reforms are slated to continue until 2024. While the Group will strive to strengthen existing services and expand sales for some time in the future, it also plans to develop new products and test their feasibility. Based on the above, during the fiscal year ending December 31, 2021, the Group aims to achieve a year-on-year increase in net sales of 10 to 20% in the Energy Data Business.

As the result of the above, in the fiscal year ending December 31, 2021, the Group expects to record net sales of 2,300 million yen (up 34.3% year-on-year). Operating profit, Ordinary profit and Profit attributable to owners of parent are expected to be positive, but we have decided not to disclose specific forecast figures, in order to make investment decisions in a flexible and expeditious manner.

The forward-looking statements above are the estimates based on information currently available to the Group and on certain information that the Group deems to be reasonable, and thus, involve risks and



uncertainties. Actual financial and other results might be different from the above estimates due to uncertain factors in the future.

Note that if we internally calculate new forecasts, we may disclose revisions to the forecasts in accordance with earnings forecasts disclosure standards.

## **2. Basic concept regarding selection of accounting standards**

In consideration of comparability with other companies in Japan, the Group has adopted Japanese GAAP as the accounting standards. The Group intends to consider adopting IFRS (International Financial Reporting Standards) as needed, taking into account situations at home and abroad.

### 3. Consolidated financial statements and significant notes

#### (1) Consolidated balance sheet

(Thousands of yen)

	As of December 31, 2019	As of December 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	700,693	1,334,449
Accounts receivable - trade	154,279	254,241
Other	84,808	38,268
Allowance for doubtful accounts	(516)	(503)
<b>Total current assets</b>	<b>939,265</b>	<b>1,626,457</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	25,995	15,484
Tools, furniture and fixtures, net	21,976	11,844
<b>Total property, plant and equipment</b>	<b>47,971</b>	<b>27,328</b>
Intangible assets		
Software	75,395	108,826
Software in progress	11,083	11,843
<b>Total intangible assets</b>	<b>86,479</b>	<b>120,669</b>
Investments and other assets		
Investment securities	–	176,557
Other	–	16,182
<b>Total investments and other assets</b>	<b>–</b>	<b>192,739</b>
<b>Total non-current assets</b>	<b>134,450</b>	<b>340,737</b>
<b>Total assets</b>	<b>1,073,716</b>	<b>1,967,194</b>

(Thousands of yen)

	As of December 31, 2019	As of December 31, 2020
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	11,109	7,403
Short-term borrowings	–	9,900
Accounts payable - other	141,235	140,229
Provision for sales promotion expenses	–	62,981
Income taxes payable	7,321	14,967
Advances received	11,777	940
Other	64,270	127,926
Total current liabilities	235,714	364,350
Non-current liabilities		
Long-term borrowings	–	750,000
Convertible bonds with share acquisition rights	495,000	–
Other	390	380
Total non-current liabilities	495,390	750,380
Total liabilities	731,104	1,114,730
<b>Net assets</b>		
Shareholders' equity		
Share capital	642,755	906,802
Capital surplus	642,745	906,792
Retained earnings	(956,911)	(973,654)
Total shareholders' equity	328,588	839,939
Accumulated other comprehensive income		
Foreign currency translation adjustment	(227)	(1,725)
Total accumulated other comprehensive income	(227)	(1,725)
Share acquisition rights	14,250	14,250
Total net assets	342,611	852,464
Total liabilities and net assets	1,073,716	1,967,194

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

(Thousands of yen)

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Net sales	1,268,110	1,713,196
Cost of sales	389,756	389,349
Gross profit	878,353	1,323,846
Selling, general and administrative expenses	1,201,068	1,270,526
Operating profit (loss)	(322,714)	53,320
Non-operating income		
Interest income	4	6
Commission income	478	38
Foreign exchange gains	3,492	-
Subsidy income	-	2,297
Gain from expired gift vouchers	12,009	10,026
Other	2,240	1,927
Total non-operating income	18,224	14,295
Non-operating expenses		
Interest expenses	291	8,141
Share of loss of entities accounted for using equity method	-	23,600
Share issuance costs	-	2,042
Bond issuance costs	125	-
Initial public offering expenses	-	14,169
Foreign exchange losses	-	13,443
Other	-	1
Total non-operating expenses	416	61,398
Ordinary profit (loss)	(304,907)	6,216
Extraordinary income		
Gain on sale of businesses	150,000	-
Total extraordinary income	150,000	-
Extraordinary losses		
Impairment loss	52,142	-
Loss on retirement of non-current assets	-	13,425
Compensation for damage	15,065	-
Amortization of goodwill	19,683	-
Loss on cancellation of rental contracts	-	5,250
Total extraordinary losses	86,891	18,675
Loss before income taxes	(241,799)	(12,458)
Income taxes - current	3,465	4,284
Loss	(245,265)	(16,743)
Loss attributable to non-controlling interests	(6,889)	-
Loss attributable to owners of parent	(238,375)	(16,743)

**Consolidated statement of comprehensive income**

(Thousands of yen)

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Loss	(245,265)	(16,743)
Other comprehensive income		
Foreign currency translation adjustment	1,614	1,523
Share of other comprehensive income of entities accounted for using equity method	–	(3,021)
Total other comprehensive income	1,614	(1,498)
Comprehensive income	(243,650)	(18,241)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(237,105)	(18,241)
Comprehensive income attributable to non- controlling interests	(6,544)	–

**(3) Consolidated statement of changes in equity**

Fiscal year ended December 31, 2019

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	642,755	642,745	(718,535)	566,964
Changes during period				
Loss attributable to owners of parent			(238,375)	(238,375)
Net changes in items other than shareholders' equity				
Total changes during period	–	–	(238,375)	(238,375)
Balance at end of period	642,755	642,745	(956,911)	328,588

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(1,496)	(1,496)	14,250	6,544	586,261
Changes during period					
Loss attributable to owners of parent					(238,375)
Net changes in items other than shareholders' equity	1,269	1,269	–	(6,544)	(5,275)
Total changes during period	1,269	1,269	–	(6,544)	(243,650)
Balance at end of period	(227)	(227)	14,250	–	342,611

Fiscal year ended December 31, 2020

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	642,755	642,745	(956,911)	328,588
Changes during period				
Issuance of new shares	264,047	264,047		528,094
Loss attributable to owners of parent			(16,743)	(16,743)
Net changes in items other than shareholders' equity				
Total changes during period	264,047	264,047	(16,743)	511,351
Balance at end of period	906,802	906,792	(973,654)	839,939

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	(227)	(227)	14,250	–	342,611
Changes during period					
Issuance of new shares					528,094
Loss attributable to owners of parent					(16,743)
Net changes in items other than shareholders' equity	(1,498)	(1,498)	–	–	(1,498)
Total changes during period	(1,498)	(1,498)	–	–	509,853
Balance at end of period	(1,725)	(1,725)	14,250	–	852,464



**(4) Consolidated statement of cash flows**

(Thousands of yen)

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
<b>Cash flows from operating activities</b>		
Loss before income taxes	(241,799)	(12,458)
Depreciation	124,034	45,669
Impairment loss	52,142	-
Interest expenses	291	8,141
Amortization of goodwill	27,325	-
Compensation for damage	15,065	-
Gain on transfer of business	(150,000)	-
Foreign exchange losses (gains)	(8,870)	4,026
Share of loss (profit) of entities accounted for using equity method	-	23,600
Loss on retirement of non-current assets	-	13,425
Gain from expired gift vouchers	(12,009)	(10,026)
Share issuance costs	-	2,042
Loss on cancellation of rental contracts	-	5,250
Bond issuance costs	125	-
Increase (decrease) in provision for sales promotion expenses	-	62,981
Decrease (increase) in trade receivables	(26,798)	(99,962)
Increase (decrease) in trade payables	3,282	(3,705)
Increase (decrease) in accounts payable - other	34,380	2,382
Increase (decrease) in advances received	(56,502)	(10,836)
Decrease (increase) in other assets	(62,738)	45,375
Increase (decrease) in other liabilities	8,307	78,625
Other, net	9,420	(19)
Subtotal	(284,341)	154,512
Interest received	4	6
Interest paid	(291)	(6,828)
Income taxes paid	(10,355)	(2,895)
Payment amount of Compensation for damage	(15,065)	-
Payment amount for cancellation of rental contracts	-	(5,250)
Net cash provided by (used in) operating activities	(310,049)	139,545
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,000)	-
Purchase of property, plant and equipment	(38,212)	(11,786)
Purchase of intangible assets	(129,430)	(64,547)
Proceeds from sale of businesses	150,000	-
Purchase of investment securities	-	(203,179)
Other, net	1,773	(15,182)
Net cash provided by (used in) investing activities	(16,868)	(294,696)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	-	9,900
Proceeds from long-term borrowings	-	750,000
Proceeds from issuance of shares	-	31,051
Proceeds from issuance of convertible bonds with share acquisition rights	494,875	-
Payment for restricted deposit	(495,000)	-
Proceeds from withdrawal of restricted cash	-	495,000
Net cash provided by (used in) financing activities	(125)	1,285,951
Effect of exchange rate change on cash and cash equivalents	804	(1,045)
Net increase (decrease) in cash and cash equivalents	(326,238)	1,129,755
Cash and cash equivalents at beginning of period	530,932	204,693
Cash and cash equivalents at end of period	204,693	1,334,449

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

Not applicable.

**Segment information, etc.**Segment information

## 1. Description of reportable segments

The reportable segments are components of the Group for which discrete financial information is available and whose operating results are reviewed periodically by the Board of Directors to determine the allocation of management resources and evaluate the segments' operating performance.

The Group has two reportable segments: the Energy Platform Business, which supports general consumers in making an optimal choice regarding electricity, gas, etc. in the deregulated energy market; and the Energy Data Business, which provides cloud solutions to electricity/gas companies in the field of digitalization.

The Energy Platform Business operates Enechange and Enechange Biz; while the Energy Data Business provides cloud services for electricity and gas companies, including EMAP and SMAP, and provides JEF, a service that optimizes the operational efficiency of renewable energy power plants under operation and manages funds using the Group's electric power data analysis technology. SIM Change, which was included in the Energy Platform Business in the previous fiscal year, is not included in the fiscal year under review due to the business transfer in July 2019.

## 2. Method of calculating net sales, profit (loss), assets, liabilities, and other items for each reportable segment

The accounting method used for the reported operating segments is largely the same as that used for preparation of the consolidated financial statements. Segment profit is based on operating profit.

## 3. Disclosure of net sales, profit (loss), assets, liabilities, and other items for each reportable segment

Fiscal year ended December 31, 2019

(Thousands of yen)

	Reportable segments			Reconciling items (Note) 1	Per consolidated financial statements (Note) 2
	Energy Platform Business	Energy Data Business	Total		
Net sales					
Revenues from external customers	681,456	586,654	1,268,110	–	1,268,110
Transactions with other segments	–	–	–	–	–
Total	681,456	586,654	1,268,110	–	1,268,110
Segment profit (loss)	32,013	19,253	51,267	(373,982)	(322,714)
Other items					
Depreciation	1,262	107,635	108,897	15,136	124,034
Impairment loss	–	52,142	52,142	–	52,142
Amortization of goodwill	–	27,325	27,325	–	27,325

Notes: 1. Reconciling items for segment profit (loss) of negative 373,982 thousand yen and for depreciation of 15,136 thousand yen are the amounts 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 loss in the consolidated statement of income.

3. Segment assets and liabilities are not shown, as the Group does not take them into account in determining the allocation of management resources and evaluating the segments' operating performance. However, related expenses are allocated to each reportable segment based on reasonable criteria.

Fiscal year ended December 31, 2020

(Thousands of yen)

	Reportable segments			Reconciling items (Note) 1	Per consolidated financial statements (Note) 2
	Energy Platform Business	Energy Data Business	Total		
Net sales					
Revenues from external customers	989,166	724,029	1,713,196	–	1,713,196
Transactions with other segments	–	–	–	–	–
Total	989,166	724,029	1,713,196	–	1,713,196
Segment profit (loss)	190,208	214,941	405,150	(351,830)	53,320
Other items					
Depreciation	954	32,269	33,224	12,444	45,669
Impairment loss	–	–	–	–	–
Amortization of goodwill	–	–	–	–	–

- Notes: 1. Reconciling items for segment profit (loss) of negative 351,830 thousand yen and for depreciation of 12,444 thousand yen are the amounts 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 consolidated statement of income.
3. Segment assets and liabilities are not shown, as the Group does not take them into account in determining the allocation of management resources and evaluating the segments' operating performance. However, related expenses are allocated to each reportable segment based on reasonable criteria.

Related information

Fiscal year ended December 31, 2019

## 1. Information for each product or service

This information is omitted because the same information is presented in segment information.

## 2. Information for each region

## (1) Net sales

This information is omitted because revenues from external customers in Japan account for more than 90% of net sales reported in the consolidated statement of income.

## (2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan accounts for more than 90% of total property, plant and equipment reported in the consolidated balance sheet.

## 3. Information for each of main customers

(Thousands of yen)

Name of customer or individual	Net sales	Related segment name
Loop Inc.	271,857	Energy Platform Business Energy Data Business
Tokyo Gas Co., Ltd.	203,242	Energy Platform Business Energy Data Business
Summit Energy Corporation	135,883	Energy Platform Business Energy Data Business

Fiscal year ended December 31, 2020

## 1. Information for each product or service

This information is omitted because the same information is presented in segment information.

## 2. Information for each region

## (1) Net sales

This information is omitted because revenues from external customers in Japan account for more than 90% of net sales reported in the consolidated statement of income.

## (2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan accounts for more than 90% of total property, plant and equipment reported in the consolidated balance sheet.

## 3. Information for each of main customers

(Thousands of yen)

Name of customer or individual	Net sales	Related segment name
Loop Inc.	273,656	Energy Platform Business Energy Data Business
Tokyo Gas Co., Ltd.	222,727	Energy Platform Business Energy Data Business

Disclosure of impairment loss on non-current assets for each reportable segment

Fiscal year ended December 31, 2019

In the Energy Data Business segment, the Group reduced the carrying amount of the software assets owned by the Company and its subsidiaries to their recoverable amount, and then recognized the amount of reduction as impairment loss.

During the fiscal year under review, the Group recognized such impairment loss in the amount of 52,142 thousand yen for the Energy Data Business.

Fiscal year ended December 31, 2020

Not applicable.

Amortization and unamortized balance of goodwill for each reportable segment

Fiscal year ended December 31, 2019

	Energy Platform Business	Energy Data Business	Corporate and elimination	Total
Amortization during period	–	27,325	–	27,325
Balance at end of period	–	–	–	–

(Thousands of yen)

Fiscal year ended December 31, 2020

Not applicable.

Information about gain on bargain purchase for each reportable segment

Not applicable.

**Per share information**

(Yen)

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Net assets per share	(154.50)	144.98
Basic loss per share	(45.40)	(3.10)

Notes: 1. Diluted earnings per share is not stated because although potential shares exist, basic loss per share was recorded.

2. The Company conducted a stock split of common shares at a ratio of 3-for-1 on September 17, 2020 in accordance with the resolution at the Board of Directors' meeting held on September 16, 2020. The amounts of net assets per share and basic loss per share are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

3. Basis for calculation of basic loss per share is as follows:

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Loss attributable to owners of parent (Thousands of yen)	(238,375)	(16,743)
Amounts not attributable to common shareholders (Thousands of yen)	–	–
Loss attributable to owners of parent related to common shares (Thousands of yen)	(238,375)	(16,743)
Average number of common shares outstanding during the period (Shares)	5,250,000	5,406,790
Overview of dilutive shares that are not included in the calculation of diluted earnings per share as they have no dilutive effects	<p>Share options resolved at the extraordinary general meeting of shareholders held on October 31, 2015 (1st Share Acquisition Rights) Common shares: 106,800 shares Total number of share acquisition rights: 35,600 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on December 22, 2016 (2nd Share Acquisition Rights) Common shares: 159,006 shares Total number of share acquisition rights: 53,002 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on June 8, 2017 (3rd Share Acquisition Rights) Common shares: 720,000 shares Total number of share acquisition rights: 240,000 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on December 21, 2017 (4th Share Acquisition Rights) Common shares: 143,844 shares Total number of share acquisition rights: 47,948 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on February 2, 2018 (5th Share Acquisition Rights) Common shares: 14,112 shares</p>	<p>Share options resolved at the extraordinary general meeting of shareholders held on October 31, 2015 (1st Share Acquisition Rights) Common shares: 90,900 shares Total number of share acquisition rights: 30,300 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on December 22, 2016 (2nd Share Acquisition Rights) Common shares: 141,606 shares Total number of share acquisition rights: 47,202 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on June 8, 2017 (3rd Share Acquisition Rights) Common shares: 720,000 shares Total number of share acquisition rights: 240,000 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on December 21, 2017 (4th Share Acquisition Rights) Common shares: 129,207 shares Total number of share acquisition rights: 43,069 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on February 2, 2018 (5th Share Acquisition Rights) Common shares: 14,112 shares</p>

	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
	<p>Total number of share acquisition rights: 4,704 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on September 10, 2018 (6th Share Acquisition Rights) Common shares: 420,000 shares Total number of share acquisition rights: 140,000 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on September 10, 2018 (7th Share Acquisition Rights) Common shares: 630,000 shares Total number of share acquisition rights: 210,000 units</p> <p>1st Unsecured Convertible Bonds with Stock Acquisition Rights resolved at the extraordinary general meeting of shareholders held on November 22, 2019 Common shares: 150,000 shares Total number of share acquisition rights: 1 unit</p>	<p>Total number of share acquisition rights: 4,704 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on September 10, 2018 (6th Share Acquisition Rights) Common shares: 420,000 shares Total number of share acquisition rights: 140,000 units</p> <p>Share options resolved at the extraordinary general meeting of shareholders held on September 10, 2018 (7th Share Acquisition Rights) Common shares: 630,000 shares Total number of share acquisition rights: 210,000 units</p>

Notes: 4. The Company has issued class shares during the previous fiscal year but has treated them as “shares equivalent to common shares” due to the nature of these class shares. Therefore, for purposes of presenting the per share information, the Company has included the class shares in its common shares.

## Significant events after reporting period

### *Issuance of new shares through third-party allotment*

The Company listed its shares on the Mothers (market of the high-growth and emerging stocks) of the Tokyo Stock Exchange on December 23, 2020. Prior to the listing, at the Board of Directors' meetings held on November 18 and December 3, 2020, the Company resolved the issuance of new shares through a third-party allotment to Mizuho Securities Co., Ltd., as allottee, in connection with the secondary offering by overallotment to be conducted by Mizuho Securities. The allottee made the payment on January 20, 2021.

(i) Method of subscription:	Third-party allotment (secondary offering by overallotment)
(ii) Type and number of shares for subscription:	Common shares 57,000 shares
(iii) Allotment price:	JPY552 per share
(iv) Paid-in amount:	JPY442 per share
(v) Amount of capital incorporation:	JPY276 per share
(vi) Total amount of allotment:	JPY31,464 thousand
(vii) Total amount of capital incorporation:	JPY15,732 thousand
(viii) Payment date:	January 20, 2021
(ix) Allottee:	Mizuho Securities Co., Ltd.
(x) Fund usage:	The Company plans to use the funds as working funds.

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

The Company resolved at the Board of Directors' meeting held on February 12, 2021, the stock split and partial amendment to the Articles of Incorporation.

#### 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

On Wednesday, March 31, 2021 as a record date, the Company will 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:	5,862,476 shares
Number of shares to be increased upon the split:	5,862,476 shares
Total number of shares issued after the stock split:	11,724,952 shares
Total number of shares issuable after the stock split:	42,000,000 shares

Note: Total number of issued shares described above is as of February 12, 2021, excluding the number of newly issued shares by the exercise of stock acquisition rights from February 1, 2021 to February 12, 2021. The number may increase by the record date of the stock split upon the exercise of stock acquisition rights.

##### (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 previous fiscal year is as follows:

	(Yen)	
	Fiscal year ended December 31, 2019	Fiscal year ended December 31, 2020
Net assets per share	(77.25)	72.49
Basic loss per share	(22.70)	(1.55)

Note: Diluted earnings per share is not stated because, although potential shares exist, basic loss per share was recorded.

## 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 will amend as of April 1, 2021, the total number of shares issuable set by Article 6 in 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 shall be 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