

September 13, 2024

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(TSE Growth Code No. 4169)

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Notice Concerning Revision of "Consolidated Financial Results For the first quarter FY24 (Under Japanese GAAP)" and "Explanatory Materials Related to Business Plan and Growth Potential "

ENECHANGE (hereinafter referred to as “the Company”) hereby notify the following corrections to the "FY24 Q1 Financial Results [Japanese GAAP] (Consolidated)" released on July 16, 2023, and the "Business Plan and Growth Potential" announced on September 2, 2024.

1. Background and Reasons for Revision

We disclosed the number of users as a KPI for our energy platform business, stating it to be 608,108 as of the end of March 2024. However, there was an error in the aggregation, and the correct number is 586,402. Consequently, we have corrected the ARPU (recurring revenue) and ARPU (non-recurring revenue) figures.

2. Details of Revisions (Revisions are underlined)

The revised sections are as follows.

○Consolidated Financial Results for the First Quarter Ended March 31, 2024 (Under Japanese GAAP)

Attachment Page 2:

Qualitative Information on This Quarter's Financial Results (1) Explanation of Operating Performance

1. Platform Business

[Before Revision]

In the “Energy Platform business,” both household and corporate switching has been robust, resulting in a 29.9% increase in the number of users compared to the previous corresponding period, reaching 608,108. Additionally, due to the surge in electricity prices and the performance recovery of energy companies, the quarterly ARPU (recurring revenue) (Note 3) was 632 JPY, and the quarterly ARPU (non-recurring revenue) was 19,161 JPY. As a result, the segment sales reached 1,054,074 thousand JPY (an increase of 29.8% compared to the previous corresponding period), and the segment profit amounted to 36,991 thousand JPY (a decrease of 76.9% compared to the previous corresponding period).

[After Revision]

In the “Energy Platform business,” both household and corporate switching has been robust, resulting in a 25.3% increase in the number of users compared to the previous corresponding period, reaching 586,402. Additionally, due to the surge in electricity prices and the performance recovery of energy companies, the quarterly ARPU (recurring revenue) (Note 3) was 662 JPY, and the quarterly ARPU (non-recurring revenue) was 50,156 JPY. As a result, the segment sales reached 1,054,074 thousand JPY (an increase of 29.8% compared to the previous corresponding period), and the segment profit amounted to 36,991 thousand JPY (a decrease of 76.9% compared to the previous corresponding period).

○Explanatory Materials Related to Business Plan and Growth Potential

Page 16:

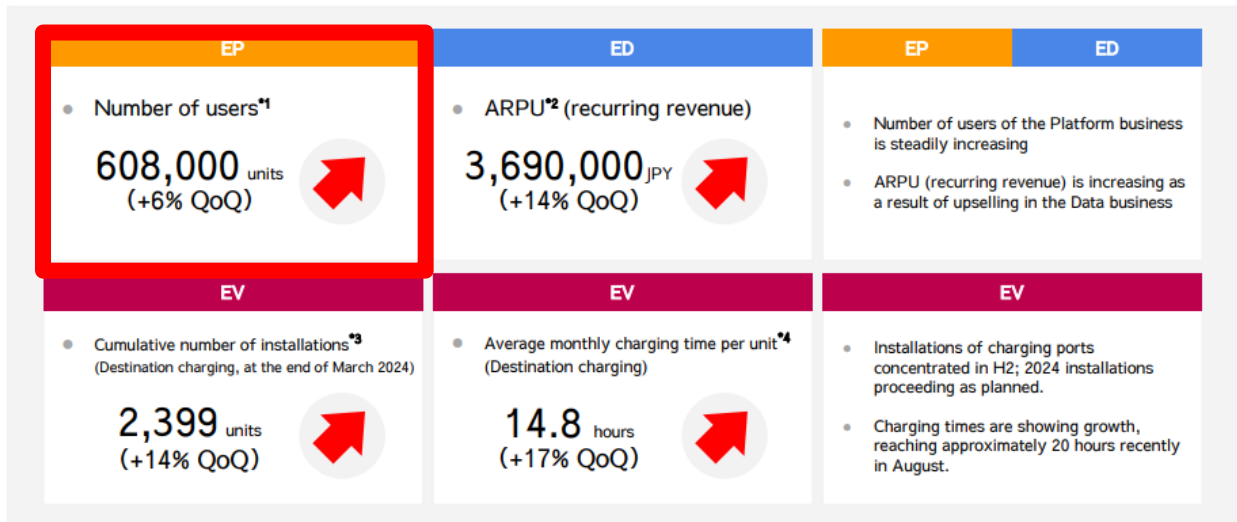
First quarter ended March 31, 2024: Each segment KPI started off strong

[Before Revision]
 Number of users 608,108

[After Revision]
 Number of users 586,402

The relevant slide is as follows.

First quarter ended March 31, 2024: Each segment KPI started off strong



*1. To accurately compare the impact of corporate and household switches, switches are calculated for corporates using an equivalent rate and converted based on the rebates from the total obtained capacity using the capacity of a general household as 4kW.
 *2. Average Revenue Per User: Calculated after dividing the quarterly sales in the business by the number of customers at the end of the quarter. ARPU (non-recurring revenue) is calculated as non-recurring revenue divided by the number of customers, while ARPU (recurring revenue) is calculated as recurring revenue divided by the number of customers.
 *3. Created by extracting only the 6kW charging ports from EVsmart's "EV Charger Statistical Information" (excluding basic charging).
 *4. Calculated by dividing average monthly charging time per unit by 720 hours (24 hours x 30 days) (%).

Page 23:
 KPIs

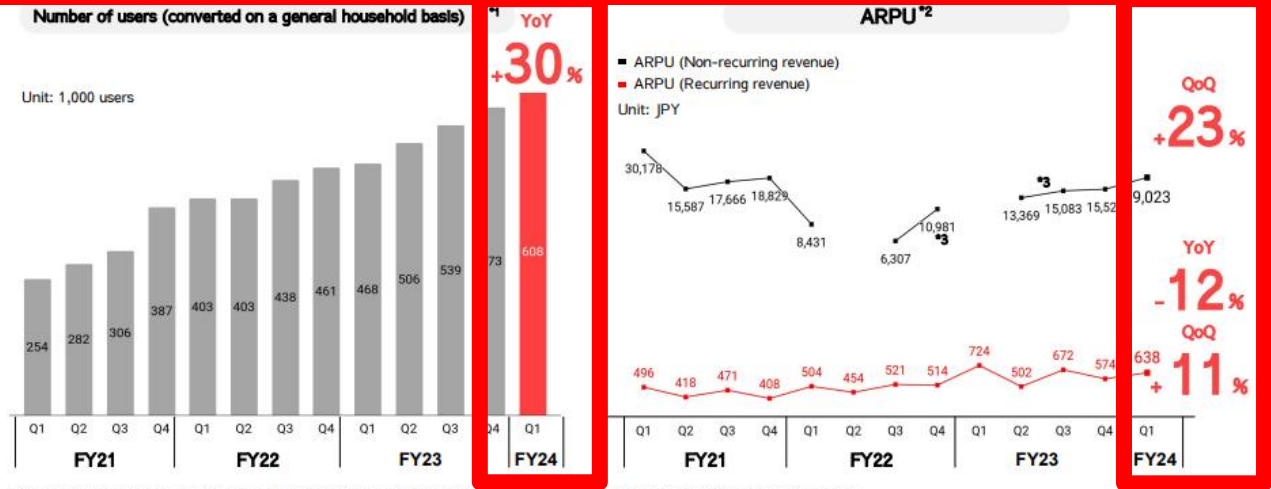
[Before Revision]
 Motivated by high electricity bills, the number of users continued to increase steadily and reached a record high of 608,000 (+30% YoY). ARPU (non-recurring revenue) was 19,023 JPY (+23% QoQ); while ARPU (recurring revenue) was -12% YoY at 638 JPY, it showed a positive trend with +11% QoQ growth.

[After Revision]
 Motivated by high electricity bills, the number of users continued to increase steadily and reached a record high of 586,402 (+25% YoY). ARPU (non-recurring revenue) was 50,156 JPY (+223% QoQ); while ARPU (recurring revenue) was -9% YoY at 662 JPY, it showed a positive trend with +15% QoQ growth.

The relevant slide is as follows.

KPIs

Motivated by high electricity bills, the number of users continued to increase steadily and reached a record high of 608,000 (+30% YoY). ARPU (non-recurring revenue) was 19,023 JPY (+23% QoQ); while ARPU (recurring revenue) was -12% YoY at 638 JPY, it showed a positive trend with +11% QoQ growth.



^{*1} To accurately compare the impact of corporate and household switches, switches are calculated for corporates using an equivalent rate and converted based on the rebates from the total obtained capacity using the capacity of a general household as 4kW.
^{*2} Average Revenue per User: Calculated after dividing the quarterly sales in the business by the number of users at the end of the quarter. ARPU (non-recurring revenue) is calculated as non-recurring revenue divided by the number of customers, while ARPU (recurring revenue) is calculated as recurring revenue divided by the number of customers.
^{*3} FY22 Q3 and FY23 Q3 did not see a significant change in the number of users. Therefore, non-recurring revenue ARPU could not be calculated precisely.
^{*4} Financial results for FY23 Q2 and FY23 Q3 are expected to be revised in the future, and there is a possibility that the figures may fluctuate.

We deeply apologize for the significant inconvenience caused to our shareholders, investors, and other stakeholders.