

Supporting households and corporations in selecting and switching electricity and gas, and providing digital marketing support for electricity and gas companies

This report is an English translation of part of the report issued on December 25, 2020.
For inquiries concerning the report, please contact info@stock-r.org

[4169 ENECHANGE Sector : Information & Communication]

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Dec. 2018	1,140	-	93	-	104	-	91	-	17.4	107.7	0.0
Dec. 2019	1,268	11.2	-322	-	-304	-	-238	-	-45.4	-154.5	0.0
Dec. 2020 f	1,666	31.4	30	-	-9	-	-31	-	-6.0	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending December 2020 are the company's forecasts.
It conducted 1-to-3 stock split on September 17, 2020. Per share indices are adjusted retroactively.

Energy Tech Company

ENECHANGE group conducts the energy platform business, which supports households and companies in choosing electricity, gas, etc. that are most appropriate for them, and the energy data business, which provides a cloud type digital transformation service for electricity and gas companies. The sales composition for the nine months to September 2020 was 54.1% for the energy platform business and 45.9% for the energy data business.

Net Sales by Business

Business	Fiscal year ended Dec. 2019		Nine months to Sep. 2020	
	Net sales	Composition	Net sales	Composition
	(thousand yen)	(%)	(thousand yen)	(%)
Energy platform business	681,456	53.7	677,438	54.1
Energy data business	586,654	46.3	574,741	45.9
Total	1,268,110	100.0	1,252,179	100.0

Source: Prepared by Stock Research Center based on the notifiable prospectus.

In the energy platform business, the company develops "enechange," a platform for switching electricity companies or gas companies for households, and "enechange Biz," a platform for switching electricity companies and gas companies for corporations. The sales composition of the business is half for "enechange" and half for "enechange Biz."

When users visiting "enechange" input information, such as a postal code of their residing area, the number of people in their household, when and how long people are at home and power usage, comparative information on appropriate electricity and gas companies will be shown according to various rankings. In addition, users can even conduct procedures to switch electricity and gas companies online.

The "enechange Biz" is a platform targeting corporations that are users of electricity and gas. It enables corporations to collectively gain estimates, and to switch electricity companies. The company partners with electricity and gas companies centered on major new power companies and develops a service that carries out collective estimate procedures on their behalf free of charge for corporate users nationwide.

Energy Data Business

In the energy data business, the company provides digital marketing support SaaS for electricity and gas companies, electricity smart meter data analysis SaaS, and streamlining management of operating renewable energy power plants by utilizing electricity data analysis technology through “Japan Energy Fund (JEF)” and its fund management administrative service.

Financial Statements

Statement of income	Fiscal Year	Dec. 2018		Dec. 2019		Nine months to Sep. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,140	100.0	1,268	100.0	1,252	100.0
Cost of sales		240	21.1	389	30.7	295	23.6
Gross profit		900	78.9	878	69.2	957	76.4
Selling, general and administrative expenses		806	70.7	1,201	94.7	874	69.8
Operating profit		93	8.2	-322	-25.4	82	6.5
Non-operating income		13	1.1	18	1.4	12	1.0
Non-operating expenses		1	-	0	-	35	2.8
Ordinary profit		104	9.1	-304	-24.0	59	4.7
Profit before income taxes		104	9.1	-241	-19.0	41	3.3
Net profit		91	8.0	-238	-18.8	37	3.0

Balance sheet	Fiscal Year	Dec. 2018		Dec. 2019		Nine months to Sep. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		680	79.1	939	87.5	1,544	82.0
Cash and deposits		530	61.8	700	65.3	1,275	67.7
Accounts receivable-trade		127	14.8	154	14.4	221	11.8
Non-current assets		179	20.9	134	12.5	339	18.0
Property, plant and equipment		35	4.1	47	4.5	30	1.6
Intangible assets		142	16.6	86	8.1	112	6.0
Investments and other assets		1	0.2	-	-	196	10.4
Total assets		859	100.0	1,073	100.0	1,884	100.0
Current liabilities		273	31.8	235	22.0	255	13.5
Accounts payable-trade		7	0.9	11	1.0	7	0.4
Accounts payable		114	13.3	141	13.2	116	6.2
Non-current liabilities		0	0.0	495	46.1	750	39.8
Net assets		586	68.2	342	31.9	878	46.6
Owners' equity		565	65.8	328	30.6	864	45.9

Statement of cash flows	Fiscal Year	Dec. 2018	Dec. 2019
		(mn yen)	(mn yen)
Cash flows from operating activities		219	-310
Depreciation		78	124
Cash flows from investing activities		-143	-16
Cash flows from financing activities		18	0
Dividends paid		-	-
Net increase in cash and cash equivalents		92	-326
Cash and cash equivalents		530	204

Note: Consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

About Stock Research Center

Stock Research Center is engaged in the preparation of analyst reports, mainly on companies that are not sufficiently covered by analysts, based on a neutral perspective, and broadly disclose the reports to the public with an aim to revitalize the stock market.

Note: Reports prepared by Stock Research Center are created in reference to the Ministry of Economy, Trade and Industry's Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation.



■ Supporting Members

Tokyo Stock Exchange, Inc.
Nomura Securities Co., Ltd.
Ernst & Young ShinNihon LLC
Deloitte Touche Tohmatsu LLC
SBI SECURITIES Co., Ltd.
Association of Japan
TAKARA PRINTING CO., LTD.

SMBC Nikko Securities Inc.
Mizuho Securities Co., Ltd.
ICMG Co., Ltd.
BDO Sanyu
Japan Securities Dealers Association
Ichiyoshi Securities Co., Ltd.
PRONEXUS INC.

Daiwa Securities Co. Ltd.
KPMG AZSA LLC
Grant Thornton Taiyo LLC
The Securities Analysts
A&A Partners

Certification by Analysts

Analysts indicated in the reports certify that the content indicated in the report precisely reflects the personal opinions of the analysts on all securities and issuer companies discussed in the report. In addition, it is ensured that the opinions directly or indirectly indicated in the report will have no influence on the analyst's compensation in the past, present, and future upon writing the report.

Disclaimer

- The report is prepared by stock analysts affiliated with the Stock Research Center for the purpose of disclosure to a wide range of investors as reference information and not to recommend or solicit to buy or to sell any particular securities or financial instrument.
- The content and indication of the report is based on disclosed information available publicly and is prepared by adding necessary supplementary information gained through interviews by analysts. The writer of the report is, without exception, prohibited to use insider information, or to acquire such information. The information included in the report is believed to be precise and reliable, but its preciseness is not verified objectively. In addition, the report is not intended to comprehensively include all information required by investors.
- The information included in the report may become outdated due to changes in the financial market, economic environment, etc. There are risks that the prices of stocks featured directly or indirectly in the report will fall below the par value due to fluctuations in stock prices, changes in management/financial conditions of the issuers, fluctuations in exchange rates or interest rates, etc. Past performance does not imply or guarantee future performance.
- The opinions indicated in the report are subject to change without notice and the Stock Research Center has no obligation to update the information or opinions included in the report.
- The Stock Research Center does not bear any responsibility for any results, including direct losses, indirect losses, losses of profit and damages, suffered by investors due to using the report or relying on the report. Final investment decisions shall be made by investors themselves and the sole responsibility concerning the investment lies with the investors that viewed the report.
- The copyright of the report belongs to the Stock Research Center and it may not be copied, reproduced, quoted, etc. in any form without prior consent.