

Osaka Gas and Sky Solar Japan sign an agreement on the joint development and ownership of
photovoltaic power plants

October 26, 2021

Osaka Gas Co., Ltd.

Sky Solar Japan Co., Ltd.

Osaka Gas Co., Ltd. (President: Masataka Fujiwara; hereinafter referred to as "Osaka Gas") and Sky Solar Japan Co., Ltd. (Representative Directors: Ray Chen and Junichiro Mihara; hereinafter referred to as "SSJ") which develops commercial photovoltaic power plants nationwide, have signed an agreement on continuous joint development and ownership of mid to small scale commercial photovoltaic power plants. Based on this agreement, the two companies will proceed with joint development of photovoltaic power plants on a scale of tens of thousands of kilowatts per year over the next few years, and will also jointly own some of the photovoltaic power plants developed by SSJ.

Considering that the land available for large-scale development of photovoltaic power plants is decreasing, Osaka Gas is conducting activities to develop commercial photovoltaic power plants, mainly small and medium-sized ones, at multiple sites, in collaboration with developers with development capabilities. The agreement with SSJ forms part of that effort.

On the other hand, SSJ has been developing and operating renewable energy (hereinafter referred to as "renewable energy") power sources nationwide as an independent developer and power generation company. SSJ's policy is to promote collaboration with partners who have a strong business foundation in the electric power business.

In the future, the two companies will speedily develop FIT photovoltaic power plants^{*1} and non-FIT photovoltaic power plants^{*2}, mainly small and medium-sized ones, by combining the business foundation of Osaka Gas's electric power business with SSJ's project development capabilities. At the same time, both companies will realize stable operation of the developed power plants and effective utilization of the renewable electricity generated.

Toward the achievement of carbon neutrality by 2050, the Daigas Group aims to contribute to the spread of renewable energy power sources worth 5 million kW^{*3} in and outside Japan, including in-house development and ownership as well as procurement from other companies, by FY2030. The Group also aims to increase the percentage of renewable energy in its electricity business in Japan to approximately 50%.^{*3} At present, the Group's contribution to the spread of renewable energy has reached approximately 1.25 million kW.

SSJ, a Japanese subsidiary of the Sky Solar Group that has many global development achievements, aims to provide a stable and safe supply of 2 million kW of renewable energy by FY2030. In addition to the completion of approximately 170,000 kW of renewable energy and a track record of owning,

operating and managing approximately 110,000 kW in Japan, SSJ is utilizing PPAs*⁴ and promoting the use of smart grids.*⁵

Both companies will continue to work on realization of a carbon-free society through the development of renewable energy power sources and the supply of renewable electricity.

*1: A feed-in tariff program for renewable energy

*2: The electricity generated from renewable energy at these non-FIT photovoltaic power plants is expected to be purchased by Osaka Gas over a long period.

*3: The renewable energy mentioned here includes energy from power sources to which the FIT program applies, such as photovoltaic, wind, and biomass power.

* 4: PPA stands for Power Purchase Agreement, an electricity sales agreement between a power generating business and a power consumer. (Photovoltaic power generation based on this kind of agreement is called a PPA-based model of photovoltaic power generation)

*5: A business concept of optimizing the regional utilization of electricity from renewable energy sources such as solar power through the full use of information technology

1. Image of the installation of a small-to-medium photovoltaic power plant to be jointly developed



2. Company profile

<Osaka Gas>

Company name	Osaka Gas Co., Ltd.
Head office address	4-1-2 Hiranomachi, Chuo-ku, Osaka
Representative	Masataka Fujiwara, President
Capital	¥132.16666 billion
Date of establishment	April 10, 1897
Business profile	Production, supply, and sales of gas; generation and sales of electricity; and other businesses

<SSJ>

Company name	Sky Solar Japan Co., Ltd.
Head office address	1-5-2 Higashi-Shimbashi, Minato-ku, Tokyo Shiodome City Center 8F
Representative	Ray Chen and Junichiro Mihara, representative directors
Capital	¥5.1 billion
Date of establishment	October 20, 2009
Business profile	Renewable energy IPP business; development and management of electric power plants; and other businesses