

Capital and Business Alliance between West Holdings and Osaka Gas
--Partnership to Boost Their Electricity Business Centered on Solar Power Generation--

April 26, 2022

West Holdings Corporation

Osaka Gas Co., Ltd.

West Holdings Corporation (President: Eiichiro Egashira, hereinafter “West HD”) and Osaka Gas Co., Ltd. (President: Masataka Fujiwara, hereinafter “Osaka Gas”) today concluded a capital and business alliance agreement, under which Osaka Gas will acquire the shares of West HD and the two companies will collaborate as allies in the comprehensive electricity business activities, including the development of non-FIT solar power plants.

In order to realize a carbon-neutral society, in March 2020, West HD and Osaka Gas signed a basic memorandum of understanding regarding the joint study of new business related to renewable energy. Since then, the companies have built a relationship of trust while jointly developing new business that leverages Osaka Gas’s strong foundation in the electricity business and West HD’s strength in developing solar power projects. For example, the companies jointly provide “D-Solar,” a self-consumption-type solar power generation service, as well as a service in which Osaka Gas procures power generated at small solar power plants developed by West HD and provides it to customers having a high level of environmental awareness. This time, in order to enhance the partnership between the two companies and perform more comprehensive electricity business activities, ranging from the development of renewable power sources to the sale of renewable electricity, the companies have entered into a capital and business alliance agreement with the following contents:

- (1) Of the electricity generated at non-FIT solar power plants newly developed by West HD, Osaka Gas will preferentially purchase a total of 800 MW.
- (2) Osaka Gas will procure electricity generated at FIT solar power plants developed by West HD.
- (3) If requested by Osaka Gas’s customers, both companies will jointly develop solar power plants on idle land owned by the customers.
- (4) Both companies will collaborate in the projects of VPPs^{*1} and DR^{*2} and develop new services that leverage West HD’s strength in managing the operation of solar power plants and Osaka Gas’s weather forecasting technology to predict solar power output.

West HD launched the “West Group Carbon Neutral Vision 2025” to reduce the CO₂ emissions of society as a whole. The West Group aims for 2 GW of renewables development contribution in Japan and abroad mainly through the development, construction, sale and ownership of solar power plants, the renovation of mega-solar power plants, and the development and construction of solar power plants in ASEAN countries.

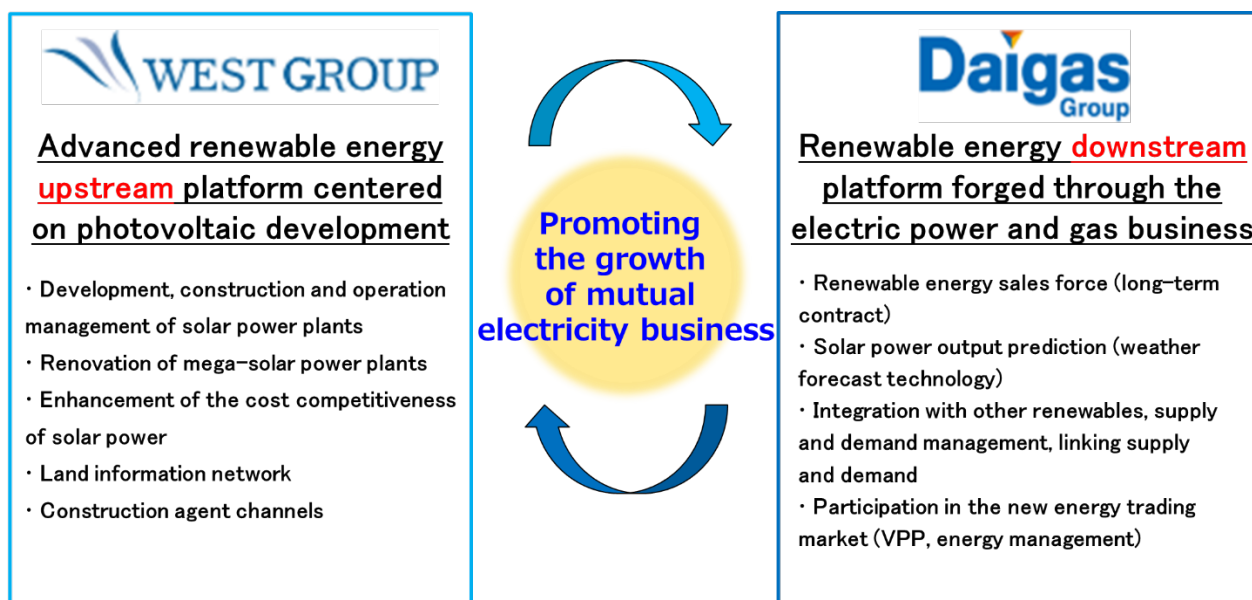
The Daigas Group created the “Carbon Neutral Vision” in January 2021 to achieve carbon neutrality by 2050, striving to reduce the CO₂ emissions of society as a whole. As a milestone toward steadily reducing CO₂ emissions, the group aims for 5 GW of renewables development contribution in Japan and abroad by FY2030, including its own development and ownership as well as procurement from other companies.

In order to solve customer issues and realize a carbon-neutral society as a major social issue, the two companies will enhance the partnership and perform more comprehensive electricity business activities ranging from the development of renewable power sources to the sale of renewable electricity.

*1 Virtual power plants (VPPs): When a business operator called an “aggregator” systematically controls distributed power sources and other resources by using information and communication technologies, they function as if they were a single power plant.

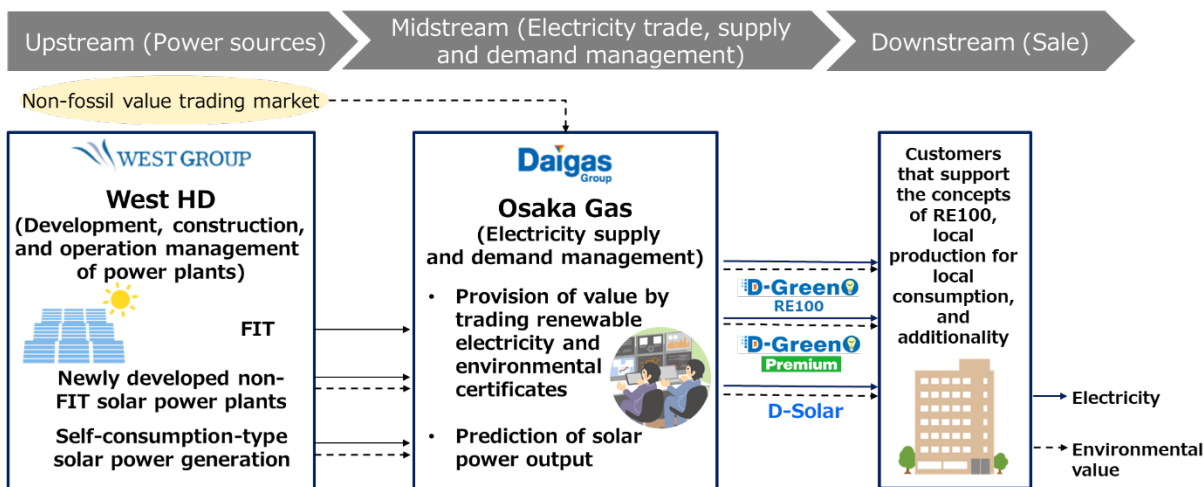
*2 Demand response (DR): To save the consumption of electricity from the power grid by controlling equipment owned by customers and discharging electricity from their storage batteries in order to balance the supply and demand of electric power

1. Vision of the partnership



2. Scheme of collaboration between West HD and Osaka Gas

~Comprehensive electricity business activities, ranging from the development of renewable power sources to the sale of renewable electricity~



3. Reference images of non-FIT solar power plants that will be developed by West HD



4. Company profile

<West HD>

Company name	West Holdings Corporation
Headquarters	1-15-24 Kusunoki-cho, Nishi-ku, Hiroshima, Japan
Representative	Eiichiro Egashira, Representative Director and President
Capital	2,020.910 million yen
Establishment	March 1, 2006
Main Business	Installation and sale of photovoltaic power generation systems (e.g. planning and development, construction, after-sales maintenance), creation of environmental value from the CO ₂ emissions reduction amount, etc.

<Osaka Gas>

Company name	Osaka Gas Co., Ltd.
Headquarters	4-1-2 Hiranomachi, Chuo-ku, Osaka, Japan
Representative	Masataka Fujiwara, Representative Director and President
Capital	132.16666 billion yen
Establishment	April 10, 1897
Main Business	Production and sale of gas; generation and sale of electricity, etc.