

Implementation of Grid Storage Battery Business with ITOCHU Corporation and Tokyo Century  
- Our first full-scale entry into the grid storage battery business utilizing subsidies -

June 7, 2023  
Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (President: Masataka Fujiwara, hereinafter referred to as “Osaka Gas”) has established Senri Grid Storage Co., Ltd., a joint venture with ITOCHU Corporation (hereinafter, “ITOCHU”) and Tokyo Century Corporation (hereinafter, “Tokyo Century”), to carry out the grid storage battery business (hereinafter, “this business”) in response to the adoption of the “FY 2022 Compensation: Subsidies for projects to support the introduction of distributed energy resources that will contribute to the expansion of renewable energy use (projects to support the introduction of grid storage battery systems and water electrolysis equipment)” which was publicly solicited by the Sustainable open Innovation Initiative. This is the first time for our company to introduce and commercialize grid storage batteries.

With the introduction of renewable energy accelerating, storage batteries, which can make up for output fluctuations of renewable energy, are expected to play more important roles. In this project, grid storage batteries (rated power output 11,000 kW, rated capacity 23,000 kWh) will be installed on the vacant land of the Senri Supply Station owned by Osaka Gas Network Co., Ltd. We aim to start construction in the first half of FY2023 and start operation in the first half of FY2025. Osaka Gas will utilize its expertise in electricity trading to conduct transactions with the three electricity markets (the wholesale electricity market,<sup>\*1</sup> the balancing market,<sup>\*2</sup> and the capacity market<sup>\*3</sup>), thereby contributing to the stabilization of the grid.

Osaka Gas has been promoting the introduction of stationary storage batteries, and has recently been considering installing storage batteries<sup>\*4</sup> alongside renewable energy sources. On the other hand, as new markets for electric power and related systems have been developed in recent years, grid storage batteries have also been attracting attention, and our company has also been considering commercializing grid storage batteries, including the use of reused storage batteries.<sup>\*5,\*6</sup> This business is the first project to put large grid storage batteries into practical use, and we aim to expand the scale of the storage battery business as a whole by applying the know-how gained from this business to storage batteries with renewable energy, EV batteries, and storage batteries installed at customers.

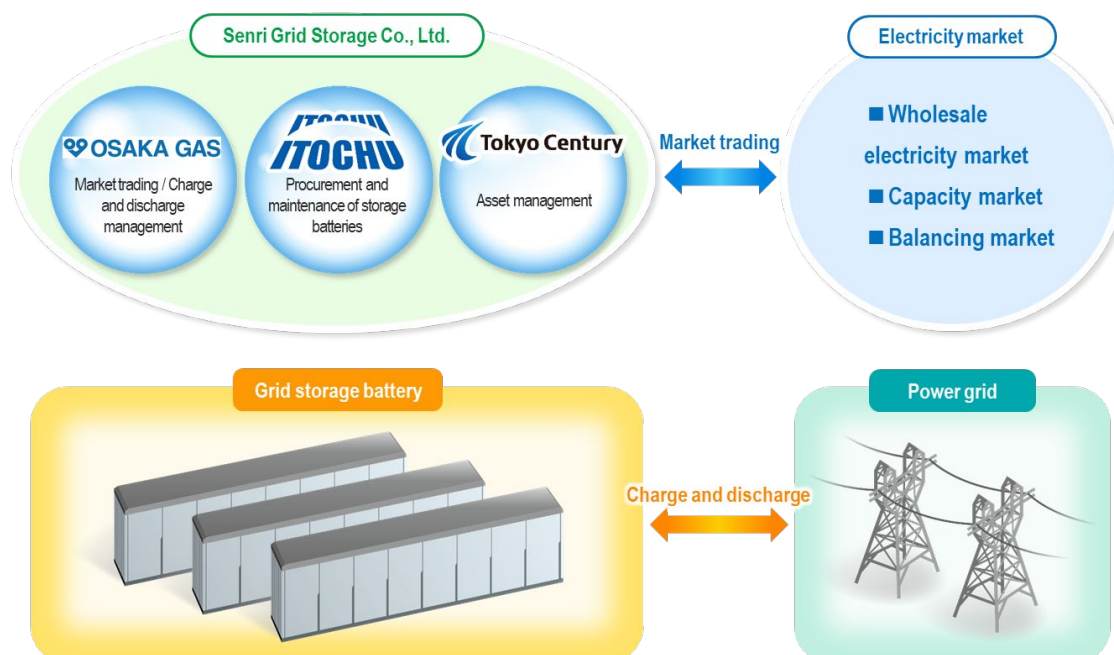
The Daigas Group aims to contribute to the spread of renewable energy power sources worth 5,000 MW<sup>\*7</sup> both within Japan and abroad, including in-house development/ownership and procurement from other companies, by FY2030. Through the expansion of the storage battery business, we will contribute to the acceleration of the introduction of renewable energy and the stabilization of the power grid, while working to realize a decarbonized society, which is a social issue.

- \*1: A market operated by the Japan Electric Power Exchange to trade electric energy (kWh)
- \*2: A market where general electricity transmission and distribution operators efficiently procure and operate the regulating reserve ( $\Delta kW$ ) for frequency regulation and supply and demand adjustment services through the market
- \*3: A market for efficiently securing the overall supply capacity (kW) in Japan into the future
- \*4: Conclusion of the Memorandum of Understanding on Joint Study for New Business in Storage Battery Field - Expansion of Business Alliance with West Holdings - (announced in November 2022)  
[https://www.osakagas.co.jp/en/whatsnew/\\_icsFiles/afiedfile/2023/02/02/221121.pdf](https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afiedfile/2023/02/02/221121.pdf)
- \*5: Announcement Regarding Capital and Business Alliance with NEXT-e Solutions - Aiming to commercialize the use of grid-scale batteries by reusing storage batteries (announced in September 2022)  
[https://www.osakagas.co.jp/en/whatsnew/\\_icsFiles/afiedfile/2022/11/10/220914.pdf](https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afiedfile/2022/11/10/220914.pdf)
- \*6: Capital and Business Alliance with EV Manufacturer folofly Inc. (announced in January 2023)  
[https://www.osakagas.co.jp/en/whatsnew/\\_icsFiles/afiedfile/2023/05/26/230131\\_2.pdf](https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afiedfile/2023/05/26/230131_2.pdf)
- \*7: The renewable energy mentioned here includes energy from power sources to which the FIT program applies, such as solar, wind, and biomass power.

### 1. Outline of this project

Business operator	Senri Grid Storage Co., Ltd.
Storage batteries installation site	18-1 Yamada Kita, Suita City, Osaka Vacant land of the Senri Supply Station owned by Osaka Gas Network Co., Ltd.
Rated power output	11,000 kW
Rated capacity	23,000 kWh
Battery system	Lithium-ion battery
Ground area	Approx. 2,200 m <sup>2</sup>
Start of operation	First half of fiscal 2025 (planned)

### < Business system of this project >



## 2. Company profile

### < Senri Grid Storage Co., Ltd. >

Company name	Senri Grid Storage Co., Ltd.
Location	3-5-11, Dosho-machi, Chuo-ku, Osaka
Representative	Tadasu Yano, Representative Director and President
Establishment	May 29, 2023
Investor	Osaka Gas Co., Ltd., ITOCHU Corporation, Tokyo Century Corporation
Main role of investors	Osaka Gas Co., Ltd.: Operation of storage batteries, trading in the electricity market ITOCHU Corporation: Procurement and maintenance of storage batteries and PCS Tokyo Century Corporation: Business feasibility evaluation, operating company management support

### <Osaka Gas>

Company name	Osaka Gas Co., Ltd.
Head office	4-1-2 Hiranomachi, Chuo-ku, Osaka
Representative	Masataka Fujiwara, President and Representative Director
Capital	132,167 million yen
Establishment	April 10, 1897
Main business	Production and sale of gas; generation and sale of electricity, etc.

### < ITOCHU >

Company name	ITOCHU Corporation
Head office	5-1, Kita-Aoyama 2-chome, Minato-ku, Tokyo
Representative	Keita Ishii, President & Chief Operating Officer
Capital	253,448 million yen
Establishment	December 1, 1949
Main business	Domestic, import/export, and trilateral transactions in the fields of textiles, machinery, metals, energy, chemicals, food, housing, information, finance, etc.

### < Tokyo Century >

Company name	Tokyo Century Corporation
Head office	3 Kanda-neribeicho, Chiyoda-ku, Tokyo
Representative	Koichi Baba, President & CEO, Representative Director
Capital	81,129 million yen
Establishment	July 1, 1969
Main business	Domestic leasing business, auto mobility business, specialty business, international business, environmental infrastructure business