

Acquisition of Shares in SEI CORPORATION by KRI, Inc.
— Aiming to Expand Contract Research and Development Business Related to Storage Batteries

January 31, 2024
Osaka Gas Co., Ltd.
KRI, Inc.

On February 1, 2024, KRI, Inc. (Representative Director and President: Shinichi Kawasaki, hereinafter referred to as "KRI"), a wholly owned subsidiary of Osaka Gas Co., Ltd. (Representative Director and President: Masataka Fujiwara, hereinafter referred to as "Osaka Gas"), will acquire the shares of SEI CORPORATION (Representative Director and Chairman: Takehiko Sawai, hereinafter referred to as "SEI"), a company specializing in prototyping storage batteries, and make it a subsidiary.

KRI aims to expand its contract research and development business related to storage batteries.

The storage battery market is expected to continue to expand worldwide for multiple applications, such as automotive and stationary use. In Japan as well, storage batteries are positioned as one of the most crucial technologies to achieve the electrification of automobiles and the utilization of renewable energy as the main power source, with a view to achieving the greenhouse gas emissions reduction target for FY2030 and carbon neutrality by 2050.

KRI was established by Osaka Gas in 1987 as a comprehensive private contract research company with both advanced research and development capabilities and consulting functions. Currently, the company supports customer businesses by engaging in contract research and analysis evaluation, primarily focusing on energy, environmental technology, and material technology. It also pursues the excavation of new technological seeds and the creation of new value through its own research.

In particular, storage batteries are emphasized as one of its key fields of focus, and the company is actively expanding its contract research and development business related to such products.

SEI, founded in 1999, specializes in prototyping and demonstrating storage batteries, particularly excelling in cell prototyping technology. Over the years, it has provided prototyping and demonstration services for storage batteries to battery material manufacturers, storage battery startups, and car manufacturers.

The development and commercialization of storage batteries involve three stages: research and development, prototyping and demonstration, and manufacturing and sales. This stock acquisition will allow for the fusion of KRI's strengths in research, development, and evaluation technology and SEI's strengths in prototyping and demonstration technology, enabling KRI to expand its business from the research and development stage to the prototyping and demonstration stage and enhance the value chain of its contract research and development business related to storage batteries.

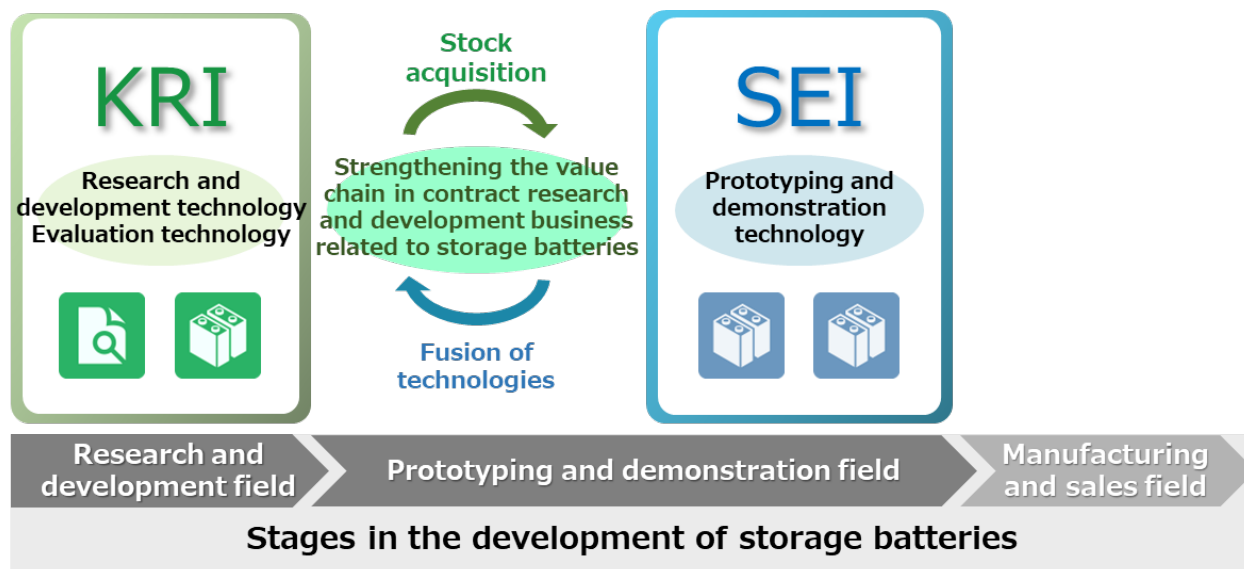
Furthermore, KRI is considering leveraging SEI's technology for the development of ultra-long Life Lithium Ion Batteries,^{*1} which it will pursue towards 2030.

Daigas Group(Osaka Gas Group) will accelerate its efforts to promote the use of storage batteries, which have high compatibility with renewable energy, currently undergoing rapid introduction. With various stakeholders, we are committing to "Creating Value for a Sustainable Future" that contributes to resolving societal issues, aiming to evolve into an innovative energy and service company that continues to be the first choice of customers, as well as to contribute to achieving a sustainable society.

*1: The ultra-long Life Lithium Ion Battery is a battery that uses lithium, a rare metal, and is a type of storage battery. Due to its compact size and high performance, it is used in various applications, such as batteries for mobile devices and electric vehicles.

1. Concept image of value chain strengthening in contract research and development business related to storage batteries

- Fusion of KRI's strengths in research, development, and evaluation technology with SEI's strengths in prototyping and demonstration technology
- Expansion of business field from research and development to prototyping and demonstration
- Strengthening of the value chain in contract research and development business related to storage batteries



2. Company profile

■ KRI

Company name	KRI, Inc.
Headquarters	Kyoto Research Park, 134 Chudoji Minami-machi, Shimogyo-ku, Kyoto City
Establishment	February 20, 1987
Representative	Shinichi Kawasaki, Representative Director and President
Shareholder	Osaka Gas Co., Ltd.: 100%
Main business	Contract research and development primarily in the material, energy, and environment fields Analysis, testing, and evaluation Surveys, business support, and other services related to the above activities

■ SEI (as of February 1, 2024)

Company name	SEI CORPORATION
Headquarters	862-2 Hisai-shinmachi, Tsu City, Mie Prefecture
Establishment	November 11, 1999
Representative	Shin Iwata, Representative Director and President
Shareholder	KRI, Inc.: 100%
Main business	Contract prototyping, demonstration, and development of storage batteries