

## Notice Regarding Capital Investment and Business Alliance with Shizen Connect Inc., Which Deploys the VPP Business

November 29, 2024  
Osaka Gas Co., Ltd.

Osaka Gas Co., Ltd. (President: Masataka Fujiwara; hereinafter, “Osaka Gas”) is pleased to announce that the company concluded a capital investment and business alliance agreement with Shizen Connect Inc., which develops and offers a virtual power plant (“VPP”) platform, and took a stake in Shizen Connect Inc. today. Osaka Gas will strengthen the alliance with Shizen Connect Inc. in energy management in the household domain in addition to the grid-scale storage battery domain,<sup>\*1</sup> in which collaboration has already started.

In recent years, the need to suppress power output in line with the accelerating introduction of renewable energy and to request power saving in the event of a tight supply-demand balance has emerged as important social issues. There has been growing demand for adjustment capabilities to compensate for the instability of renewable energy. Adjustment capabilities created by demand response and VPPs are expected to contribute to stabilizing the supply and demand of electricity.

Osaka Gas has aimed to contribute to stabilizing the supply and demand of electricity by effectively combining and controlling distributed resources owned by households. Since FY2021.3, Osaka Gas has been conducting a VPP demonstration<sup>\*2</sup> using ENE-FARM as the energy resource. In recent years, the company has also been focusing on energy management<sup>\*3\*4</sup> by expanding the scope of resources, including storage batteries, electric vehicles (“EVs”), and electric home appliances in addition to ENE-FARM. Meanwhile, to achieve remote control of equipment, it was necessary to connect and link the data server for each equipment manufacturer with Osaka Gas’s data server. The broader the scope of resources, the higher the workload and cost.

Shizen Connect, a proprietary energy management system developed by Shizen Connect Inc. using IoT technology and artificial intelligence (AI), is a shared platform for equipment manufacturers and energy management companies. The use of this system enables remote control of energy equipment, including storage batteries and EVs, without linking servers for respective manufacturers. In the residential storage battery domain, Shizen Connect Inc. has established alliances with major manufacturers whose market shares in Japan are high. It will expand alliances with electric home appliance and EV manufacturers as well.

Through this business alliance, Osaka Gas will expand the scope of energy resources to be harnessed and study the possibility of creating new customer value and services that contribute to environmental performance and economic efficiency. Specifically, in collaboration with Osaka Gas Marketing Co., Ltd., a subsidiary of Osaka Gas, Osaka Gas aims to realize services that optimize the use of energy throughout everyday life by expanding the scope of remote control equipment through the use of the shared platform. Osaka Gas will also contribute to realizing a low-carbon and decarbonized society by sharing acquired expertise with grid-scale storage battery businesses, which plan to use the platform prior to the household domain.

The Daigas Group remains committed to developing technologies and services that help achieve carbon neutrality to become a corporate group that contributes to further improving its customers’ daily lives and businesses.

<sup>\*1</sup> Shizen Connect, a proprietary energy management system developed by Shizen Connect Inc., will be used as

a remote control and monitoring system in Osaka Gas's grid-scale storage battery business.

\*2 About FY2024.3 Demonstration Project to Build a Virtual Power Plant (announced in June 2023)

[https://www.osakagas.co.jp/en/whatsnew/\\_icsFiles/afieldfile/2023/07/18/230626\\_2.pdf](https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afieldfile/2023/07/18/230626_2.pdf)

\*3 About FY2023.3 Energy Management Demonstration with Kobe City toward the Realization of a Decarbonized City (announced in March 2022)

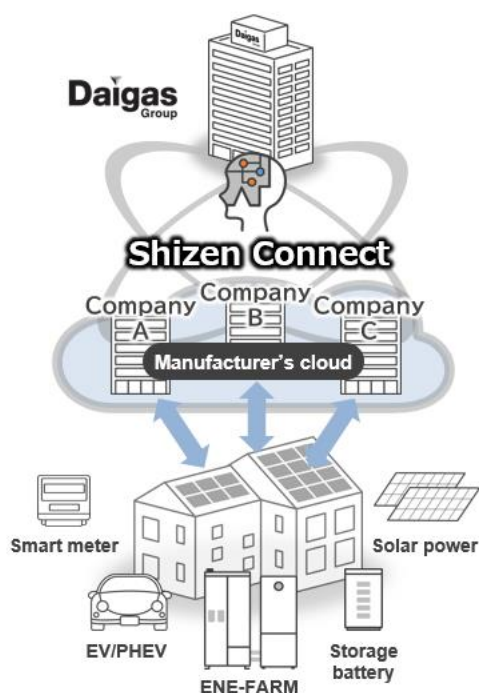
[https://www.osakagas.co.jp/en/whatsnew/\\_icsFiles/afieldfile/2022/03/30/220325.pdf](https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afieldfile/2022/03/30/220325.pdf)

\*4 Energy Management Demonstration with Panasonic in Anticipation of Further Spread of EVs (announced in August 2024)

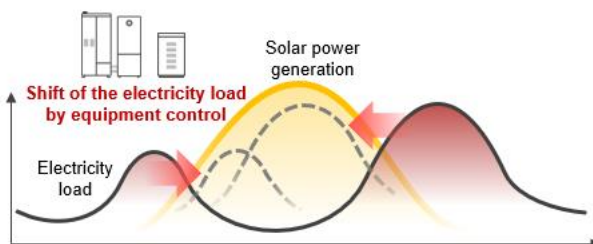
[https://www.osakagas.co.jp/en/whatsnew/\\_icsFiles/afieldfile/2024/09/19/240822.pdf](https://www.osakagas.co.jp/en/whatsnew/_icsFiles/afieldfile/2024/09/19/240822.pdf)

1. Conceptual image of using the Shizen Connect energy management system

The use of the Shizen Connect energy management system will enable remote control of various types of equipment without linking the Daigas Group's data server with servers for respective manufacturers. By using energy management know-how accumulated by Osaka Gas, various types of equipment in a household will be controlled together to optimize the energy consumption.



Offering energy management services for environmental performance and economic efficiency



- Promotion of the use of solar power generation
- Visualization of energy
- Creation of advantages in terms of lighting and heating expenses

**Data collection/remote control of types of equipment**