

Press Release

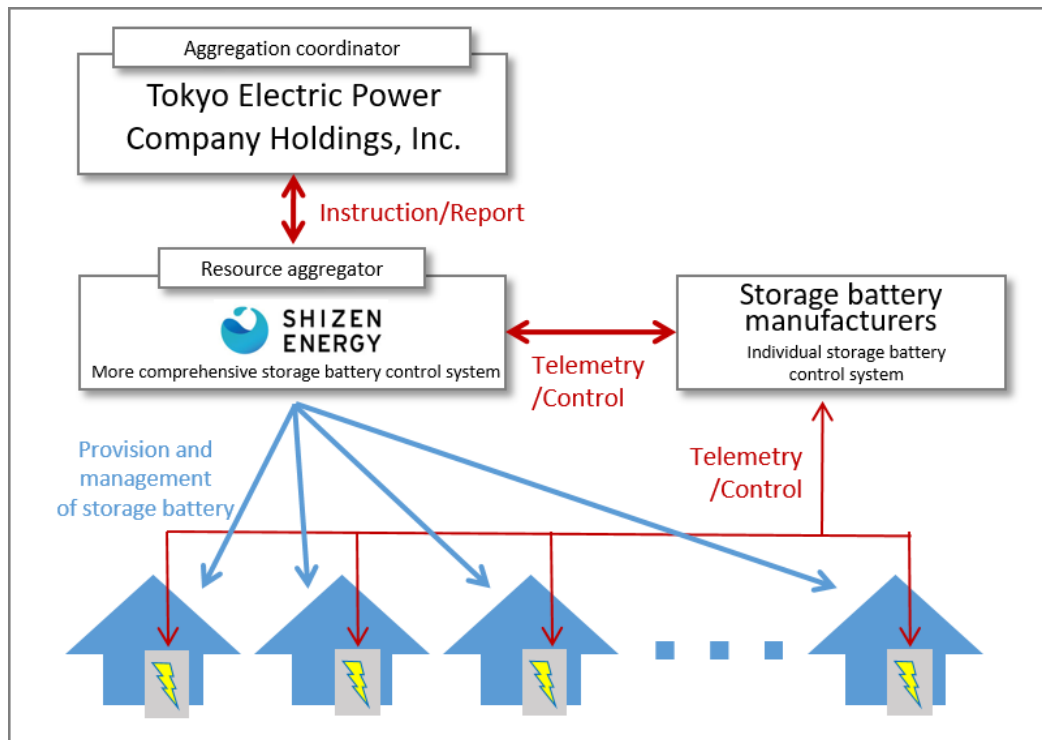
June 4, 2019
Shizen Energy Inc.

**Participate in Virtual Power Plant (VPP) construction demonstration project
~ Implement frequency coordination with home energy storage batteries~**

Shizen Energy Inc. (Fukuoka-Shi, Fukuoka/Representative Directors: Ken Isono, Kenji Kawado, Masaya Hasegawa, hereinafter “Shizen Energy”) applied to “FY2019 Virtual Power Plant Construction Demonstration Project That Utilizes Demand-side Energy Resources (VPP Aggregator Project),” for which a public offering was made by the Ministry of Economy, Trade and Industry through its Sustainable open Innovation Initiative(SII) in "Open platform aggregation business experiment" (*1)” which Tokyo Electric Power Company Holdings, Inc. (Chiyoda-ku, Tokyo / President: Tomoaki Kobayakawa) serves as a coordinator, and the application was approved on May 30. It is the first time for Shizen Energy to participate in Virtual Power Plant (VPP) construction demonstration project.

Shizen Energy will participate in the demonstration project as a resource aggregator (*2) and conduct frequency (in seconds) control demonstration with home energy storage batteries. Also, as an original demonstration, Shizen Energy will implement the charging and discharging which is controlled in an extremely short cycle in accordance with the frequency measured by the storage battery. In addition, the verification will be conducted by combination with long-cycle usage, such as home consumption of residential photovoltaic power generation facilities for which FIT purchasing period has been completed and optimization of electricity rates. In this way, by utilizing one storage battery at high speed (short cycle) and at low speed (long cycle), Shizen Energy maximizes the economic advantages by introducing the storage battery.

<Image of frequency coordination by using home energy storage battery in VPP construction Demonstration Project>



In order to aim for 100% renewable energy in the world, Shizen Energy believes that not only the development of renewable energy power sources, but also a mechanism for balancing the supply and demand of renewable energy power sources is essential. This initiative is a step forward, and Shizen Energy will work to further promote the renewable energy.

※1 Please refer below for VPP construction demonstration project:

<http://www.tepco.co.jp/press/release/index-j.html>

※2 Resource aggregator: A business entity that concludes VPP service contract directly with customers and conducts resource control.

[About Shizen Energy Inc.]

Founded in June 2011 with the mission of “Changing the World with Energy,” Shizen Energy contributes to the generation of approximately 1 gigawatt (as of the end of February 2019) worth of renewable energy across Japan. It is engaged in all services required for the installation and operation of solar, wind power, small hydroelectric and other renewable energy power plants, such as development and EPC (engineering, procurement, construction), O&M



(operation and maintenance), and asset management. The company has begun the constructions of the photovoltaic power plants around the world since 2018 starting from Asia and South American Region such as Indonesia and Brazil.

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- Business: Electricity generation (IPP) with solar, wind power, small hydroelectric and other renewable energy power plants, business development, funding procurement, asset management, electricity retail for individuals and businesses

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