

July 25, 2023
Shizen Energy Inc.

Shizen Energy to establish new company “Shizen Connect” for VPP business

~ accelerate digital talent recruitment and further capital alliances ~

Shizen Energy Inc. (Shizen Energy) will establish a wholly owned subsidiary, Shizen Connect Inc. (Shizen Connect), in October 2023. The new company will aim to achieve sales of 10 billion yen by 2030 through the VPP (Virtual Power Plant) (*1) business, which will provide functions equivalent to those of a power plant by collectively controlling energy equipment such as storage batteries, electric vehicles (EV), and EV chargers.

Shizen Energy has been developing its VPP business for some time, but this spin-off will enable Shizen Connect to acquire digital human resources to further accelerate its energy tech business, create an organization where digital human resources can play a more active role, and promote capital alliances with partner companies.

Since 2018, Shizen Energy has been using IoT technology and artificial intelligence (AI) to collectively control energy resources such as renewable energy generation facilities, storage batteries, EVs, and EcoCutes through an aggregate energy management system called "Shizen Connect" which was developed by the company.

Shizen Energy has continued to enhance the functionality and reliability of "Shizen Connect"(*2) through METI's (Ministry of Economy, Trade and Industry) VPP-related demonstration projects, which Shizen Energy has been selected for five consecutive years.

In May 2023, Shizen Energy successfully launched a VPP service in collaboration with the largest number of residential storage battery manufacturers in Japan using Shizen Connect, which was adopted by TOKYO GAS for its electricity-saving campaign (*3). In July 2023, Shizen Energy also announced that Shizen Connect would be used in the grid storage battery business of Nishi-Nippon Railroad Co., Ltd.(*4).

The new company Shizen Connect's corporate vision is to "harmonize new energy and the grid," and by connecting various devices such as renewable energy generation facilities and storage batteries, the company will create energy management that is useful to consumers, utility companies, and the utility system as a whole.

Shizen Connect will also support the VPP business of its partners, such as electricity retailers and electricity-related equipment manufacturers, and plans to accelerate

collaboration, including through capital alliances. The company will plan to set up a funding round within the fiscal year 2023.

Shizen Connect will aim to build 1GW of VPP with its partners by 2030, with a sales target of 10 billion yen.

Shizen Energy and Shizen Connect will continue to contribute to the realization of a decarbonized society.

*1: **Virtual Power Plant (VPP)**: a system that functions as if it were a single power plant and creates the value of electric power through the collective control of IoT-enabled energy devices.

*2: Based on our own research, residential batteries linked to the Shizen cloud under commercial contracts make up 45% of the market share of residential storage batteries in Japan.

*3: Press Release (May 2023) [Equipment Control Demand Response Service](#)

*4: Press Release (July 2023) : [Grid Storage Battery Business with Nishitetsu](#)

【Shizen Connect】

Shizen Connect is an aggregation energy management system that collectively controls energy resources such as renewable energy power generation, storage batteries, EVs, and EcoCutes. Shizen Connect can control residential solar power generation with storage batteries and V2H equipment, as well as operation of microgrids connecting multiple buildings with transmission lines, and VPP construction of several thousand units of energy resources. Individual control and VPP control tended to be separate, but Shizen Connect provides a one stop service allowing energy resources to be utilized with multi-purpose which also improves economic efficiency. The system can be adapted with any equipment supplier, allowing energy resources to be chosen freely without relying on a certain manufacturer.

【About Shizen Energy Inc.】

Founded in June, 2011. With the company purpose of “We take action for the blue planet,” the company’s business includes development, financing, and asset management of renewable energy power plants using solar power, wind power, small-scale hydroelectric power, and biomass. Since 2016, the company has also been focusing on its international operations, expanding its development and power generation projects in areas such as Southeast Asia and Brazil. In 2019, the company also entered the energy tech business, offering micro-grid and VPP construction, smart charging and discharging services for EVs, and other services through its self-developed EMS (energy management system). Shizen Energy Group has been involved in more than 1 GW of renewable energy generation internationally.

Press Release



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