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### **Notice Concerning launch of Demand Response Service to Tokyo Gas Co., Ltd.**

ENECHANGE (hereinafter referred to as the “Company”) starts providing demand response services (hereinafter referred to as "the Service") to the customers of Tokyo Gas. through the Company’s wholly-owned UK subsidiary, SMAP Energy.

#### **1. Background and Purpose**

With the further growth of renewable energy in the future, there is an increasing need for supply and demand adjustment for distributed assets. We anticipate the expansion of the VPP services (Note 2) market which is expected to reach 100 billion yen (Note 1). In particular, demand response (DR) -in which the owner of the energy resources on the consumer side or a third party adjusts the electricity demand pattern by controlling the energy resources is expected to become more widespread.

Under such circumstances, the Group has classified its VPP strategy in the energy data business as follows, and is providing the following corresponding services.

Approach	Service	Service in Operation
Creation of Demand Adjustment Capacity for Households	SMAP DR	Since January 2019
Creation of Demand Adjustment Capacity for Corporates	ENECHANGE Kiwi Platform	Since May 2021
Aggregation of Demand Adjustment Capacity	ENECHANGE DR	Since February 2021

The Group has been offering SMAP DR to households since 2019. SMAP DR has two types of DR: Behavioral change DR which encourages participants to voluntarily adjust their habits and actions to save electricity, and Smart device DR, which remotely controls home appliances connected to smart devices. Tokyo Gas has adopted the Behavioral change DR.

By providing the service to the household customer base of Tokyo Gas, which ranks first in the low-voltage electricity supply ranking (Note 3), the Group will strive to raise awareness and expand the use of SMAP DR.

(Note 1) Based on the calculation derived from the cumulative total of new installations of backup power generators for disasters and large storage battery cells (at least 10 kWh) in 2015-2019. *Sources: Backup 2 power generators for disasters: Nippon Engine Generator Association / Large storage cells: Japan Electrical Manufacturers’ Association independent statistics.*

(Note 2) Virtual Power Plant: the owner or a third party of a power generation or storage facility directly connected to the electricity grid controls its energy resources to provide the same functionality as a power plant, with numerous smaller assets being aggregated and controlled simultaneously.

(Note 3) Based on electricity sales volume in March 2021, ranked among new entrants (from "Electricity Demand Performance", The Agency for Natural Resources and Energy).

## **2. Overview of SMAP DR (Behavior change type DR)**

SMAP DR (Behavioral change DR) is an initiative that uses electricity data obtained by digital smart meters to encourage households to shift their electricity consumption away from peak levels, and to resolve electricity supply-demand imbalances through the cooperation of participants. The outline of the service is as follows:

### **Role sharing between Tokyo Gas and the Company**

Tokyo Gas will provide customers with the opportunity to cooperate in saving electricity and sharing the corresponding benefits in various formats, such as through point rewards, and the Company will provide Tokyo Gas with the SMAP DR platform to facilitate this.

### **Advantages for customers (Tokyo Gas subscribers)**

Customers will be able to earn points based on the amount of electricity they shift by responding to Tokyo Gas's electricity-saving cooperation program.

## **3. Impact on the Company's business performance**

The impact on the Company's business performance is limited. We will make timely disclosure if a material impact on the forecast is expected.