

# Promoting Innovation BX

We will create new value and provide a broad range of solutions to meet developing social issues in the energy and non-energy fields by further accelerating innovation, while leveraging advantages from the comprehensive strength of the Group. Our Group defines innovation as being excellent in both the ability to create new businesses and services and the ability to reform operations of existing businesses, with an established system that nurtures autonomous and sustainable innovation. We are strengthening our structures and building systems capable of promoting these goals.

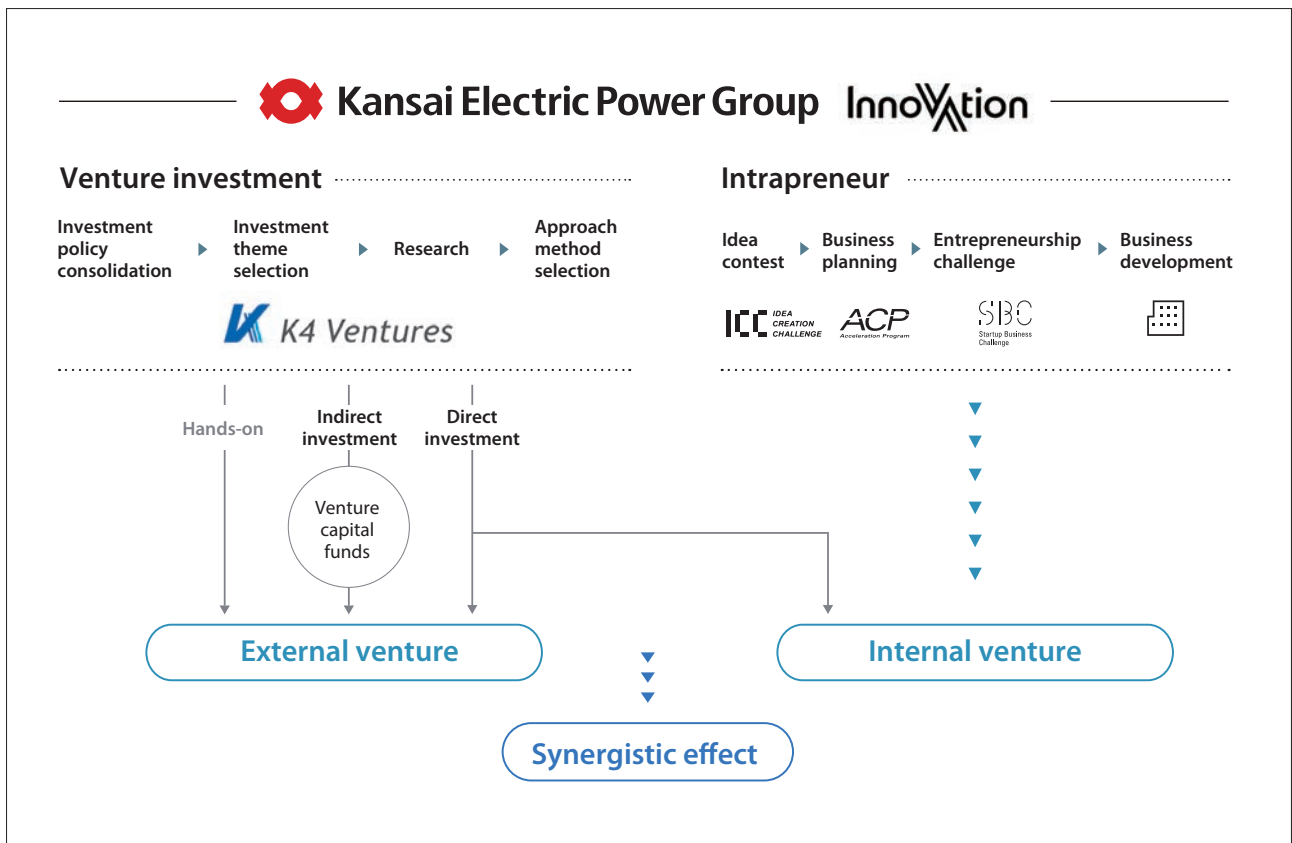
## Cooperation with outside organizations and structural enhancements to promote innovation

In 2019, we set up an Innovation Lab in the Office of Corporate Planning as a hub to further accelerate innovation while leveraging the Group's comprehensive strength.

Besides promoting, coordinating and steering innovation across the Group, the Innovation Lab will advance the creation of new businesses and services not only in the energy field but also in the non-energy field in collaboration with external venture companies.

In the energy field, we are moving ahead on renewable energy, storage batteries, and other new energy-related businesses with an eye toward a zero-carbon society.

In fields other than energy, we are engaged in business development activities aiming to contribute to solving social issues mainly in agriculture/food areas, drawing on the strengths of our core businesses.



## K4 Ventures GK

In order to strengthen our collaborative efforts with venture companies that possess innovative technologies and business models, K4 Ventures GK, the investment entity of the Group (hereinafter, K4V), makes direct investments in specific venture companies and indirect investment in venture capital funds. K4V supports the growth of promising venture companies through investment as well as promoting collaboration with our Company and our group companies.



### Management philosophy

Challenging the unknown; entering into new fields together with venture companies

### Investment targets and investment sectors

#### Investment targets

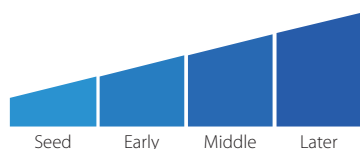
- Start-ups in existing business areas of integrated energy/power transmission and distribution, information and telecommunications, and life/business solutions that enable both start-ups and our Group to expect growth in businesses through collaboration
- Start-ups with innovative technologies, business models, etc. in new business fields for the Group

#### Investment sectors

Batteries, mobility, robotics, AI, IoT, big data, agriculture and food, etc.

#### Target stage

Fundamentally all stages are targets



## Investment track record

### [Indirect investment]

Date of announcement	Investment location
2018. 6.20	EEI 4 Innovation & Impact Investment Business
2018. 9.19	Scrum Ventures 3 Fund
2019. 9.10	Global Catalyst Partners Japan 2 Fund
2020. 2.28	Future Food Fund 1
2022. 1.26	ANRI GREEN 1 Fund
2022. 6.30	ICJ 2 Fund

### [Direct investment]

Date of announcement	Investment location
2018. 5. 7	Ubie, Inc.
2018.11. 1	VPP JAPAN Co., Ltd.

2018.12.28	SIRC Co., Ltd.
2019. 3. 1	EditForce, Inc.
2019. 4.12	CONNEXX SYSTEMS Corporation
2019. 4.15	NExT-e Solutions Inc.
2019. 5.23	Pixie Dust Technologies, Inc.
2019. 6. 5	Space Power Technologies Co., Ltd.
2019. 7.12	GIRASOL ENERGY Inc.
2019.10.31	Exergy Power Systems Inc.
2020. 6.29	Informetis Co., Ltd.
2020. 9.30	Next Energy & Resources Co., Ltd.
2021. 3. 2	Okage K.K.
2021. 3. 8	TERRACE MILE, Inc.
2021. 9.30	ALGO ARTIS CORPORATION
2021.11.30	WILLPORT Co., Ltd.
2022. 5.31	MEIJO NANO CARBON Co., Ltd.
2022. 5.31	PowerX, Inc.
2022. 6.30	SPACE ONE Co., Ltd.
2022. 6.30	SUCRECUBE Japon Inc.

## Intrapreneur (internal entrepreneur) Promotion System

The Kanden Entrepreneurship Challenge System has been in operation since 1998, allowing employees in our Group to propose new business projects and going on to commercialize those projects that pass screening. From 2018 onward, the IDEA CREATION CHALLENGE, a contest to share new business ideas, and the Acceleration Program, which raises those ideas to the level of business plans, have been added, thus strengthening and promoting these systems that support internal entrepreneurship across those three steps.

As of the end of June 2022, ten projects have been commercialized under the Kanden Entrepreneurship Challenge System, of which five companies are continuing to develop these businesses.

<Companies with ongoing business>

- Yaala Inc. established in October 2021
- Nekojitadou Inc. established in February 2020
- TRAPOL Godo Kaisha established in October 2019
- Meteorological Engineering Center, Inc. established in September 2004
- Kanden-EL-Farm, Inc. established in January 2000

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## New businesses: Rising to the challenge

### Pont des Tech Inc.

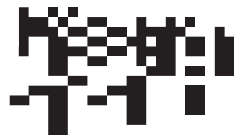
Pont des Tech purchases used computers from companies and upgrades their hard disks to solid-state drives, adds memory, and cleans them. It also sells high-quality computers that are affordable and safe to use. This is our first entry into the refurbished PC sales business.

In cooperation with special subsidiaries for people with disabilities, the Group will work to broaden employment options for people with disabilities to play an active role in its refurbished PC business, thereby expanding it.



### Gekidan iino Godo Kaisha

Through iino, a 5 km/h mobility service created by the Innovation Lab, Gekidan iino Godo Kaisha aims to develop business at the intersection between Mobility and Culture/Entertainment. By creating a space that can be experienced only at 5 km per hour and providing content specifically for that situation, the aim is to realize transportation that is both entertaining and comfortable, as well as convenient, thereby contributing to making the places you are moving through more entertaining.



February 2022  
New autonomous mobility "type-S712" tested in Sannomiya, Kobe

### Kaiko Yukinoya Godo Kaisha

In the food domain, the Group started its first "land-based aquaculture business," which contributes to the SDGs by helping solve social issues such as burdens on the marine environment and the fishing labor environment. Aquaculture facilities that consume electricity are expected to play a role in the effective use of energy resources by, for example, converting surplus energy into food products. Through the production and sale of "Yukiebi," or whiteleg shrimp, which is chemical- and additive-free and edible raw, its outstanding freshness and taste comparable to prawn, the company will work toward realizing its philosophy of "delivering valuable marine products to customers to serve and shape the vital platform for sustainable food."



KAIKO YUKINOYA  
SINCE 2020



### Yaala Inc.

Established in October 2021 through the Kanden Entrepreneurship Challenge System. Yaala provides a facility for families with infants to stay for a certain period and supports the life of facility users after childbirth, dispatching specialists and providing opportunities for users to interact with surrounding communities.

Based on the concept of "making the start of a new family a more special time," Yaala takes on the challenge of relieving the anxiety of families raising children with regard to housework and childcare, working toward a world where no one has to give up their way of living, regardless of their family lifestyle or career.



### Nekojitadou Inc.

Established in February 2020 through the Kanden Entrepreneurship Challenge System. Founded by a former nurse Ms. Atsuko Shibata with the help of her colleagues, Nekojitadou is a company that aims to help people enduring eating difficulties due to their cancer treatment—as experienced by Ms. Shibata herself during her own treatment for cancer.

Through the sale of original cutlery (spoons, forks, etc.) designed to be used comfortably by anyone, and a community where people experiencing the same concerns can gather and connect, Nekojitadou makes opportunities to regain the joy of eating.



Nekojitadou original cutlery

### TRAPOL Godo Kaisha

Established in October 2019 through the Kanden Entrepreneurship Challenge System. TRAPOL provides life-changing travel services that connect travelers with local residents (local friends), allowing travelers to experience the energy of interacting with other people. The company aims to serve and shape a Vital Platform that amplifies the energy of people who enthusiastically seize the day through travel.

