

**Agreement Concluded on Commercializing Service to Evaluate Remaining
Value of EV Batteries
Trial Begun with Goal of Beginning Service in 2022 Fiscal Year**

NAGASE & CO., LTD. (Chuo-ku, Tokyo; Representative Director and President: Kenji Asakura) is a member of the BACE Consortium (Battery Circular Ecosystem Consortium*1), which consists of companies involved in creating a circular ecosystem for the batteries used in electric vehicles. The Japan Research Institute, Limited; Kaula Inc.; Hioki E.E. Corporation; Sumitomo Mitsui Finance and Leasing Co., Ltd.; and Yokogawa Solution Service Corporation have entered into an agreement to commercialize a service in China to evaluate the remaining value of EV batteries, a necessity for the reuse of batteries. Ahead of the agreement, a trial of the service has also begun.

With the spread of EVs in China, there is a growing need to reuse batteries instead of disposing of them, with the parts which are still usable used in batteries for different purposes. To manufacture reused batteries which are both safe and high quality, it is necessary to determine the level of deterioration of the battery and evaluate its remaining value, but technology to carry this process out quickly has yet to be developed.

In this trial, a system for evaluating remaining value which was developed and provided by companies participating in the BACE Consortium will be provided via the BACE Platform (*2) to a battery reuse company in Guangdong. This system analyzes data of the measured properties of the battery through a unique algorithm, which should greatly decrease the time spent to evaluate remaining value. Following the trial, the service is being targeted to begin in the Chinese market within the 2022 fiscal year. NAGASE & CO., LTD. will take advantage of its networks in China, centered around NAGASE Group company Guangzhou Nagase Trading Ltd., and cooperate with other participating companies in order to roll out the service.

The NAGASE Group is involved in a wide variety of businesses related to batteries, from the materials used to make batteries to household and industrial battery systems. NAGASE is also putting energy into efforts to establish a circular economy for batteries, the goal of the BACE Consortium, and as part of its efforts outside the consortium is looking into starting services for reusing and recycling EV batteries within Japan as well.

(*1) BACE Consortium (Battery Circular Ecosystem Consortium)

Founded by The Japan Research Institute, Limited in October 2020, this is a consortium of Japanese businesses interested in developing advanced diagnostic technology and building a circular economy ecosystem. With the integration of multiple advanced diagnostic technologies,



unparalleled diagnostic capabilities are possible, and with this as a foundation the consortium will aim to build a circular economy ecosystem.

(*2) BACE Platform (Battery Circular Ecosystem Platform)

The BACE Consortium's battery value circulation platform, creating cross-industry services which increase the decarbonization value of batteries by: 1) Increasing the resale value of EVs by defining their quality at the time of resale, 2) Expanding the market for reused batteries by increasing their quality and reliability, 3) Improving trustworthiness by building a shared foundation for battery circulation information among diverse value-chain stakeholders involved in resale, maintenance, dismantling, and reuse, 4) Calculating battery CO₂ emissions and emissions reduction effectiveness.

Related Press Releases (The Japan Research Institute, Limited) [Japanese only]:

•Agreement Concluded on Commercializing Service to Evaluate Remaining Value of EV Batteries (March 31, 2022)

<https://www.jri.co.jp/company/release/2022/0331/>

•Trial Implementation of Technology to Determine Remaining Value of EV Batteries (July 15, 2021)

<https://www.jri.co.jp/company/release/2021/0715/>

•Consortium Established for Cyclical Use Model for EV Batteries (October 16, 2020)

<https://www.jri.co.jp/company/release/2020/1016-1/>

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