

**Establishment of Himeji Energy Storage Facility G.K. with Idemitsu Kosan, RENOVA,
and SMFL MIRAI Partners
—Grid storage Battery Business to Commence in October 2025**

Nagase & Co., Ltd. (Chiyoda-ku, Tokyo; Representative Director, President and CEO: Hiroyuki Ueshima), Idemitsu Kosan Co., Ltd. (Chiyoda-ku, Tokyo), RENOVA, Inc. (Chuo-ku, Tokyo), and SMFL MIRAI Partners Co., Ltd. (Chiyoda-ku, Tokyo) have established Himeji Energy Storage Facility Godo Kaisha (“Himeji Energy Storage Facility G.K.”) through joint investment to enter the grid storage battery storage business. Construction of facilities will begin in August 2023 on unused land Idemitsu Kosan owns at Himeji city, with business operations planned to commence in October 2025. Himeji Energy Storage Facility G.K. entered into financing agreements with SMFL MIRAI Partners in June 2023 to arrange project financing.

By connecting directly to the power grid and storing or releasing power as necessary, the grid storage battery storage business supports renewable energy becoming a primary energy source despite fluctuations in the amount of power generated depending on the weather and time of day, as well as contributing to the stability of the power grid and to further adoption of renewable energy. With Japan targeting carbon neutrality by 2050, the grid storage battery storage business and power storage business as a whole are expected to help provide flexibility and effective utilization of renewable energy.

With group companies which handle the materials for batteries and with the capacity to manufacture batteries, the NAGASE Group possesses expertise and a business network regarding batteries. Furthermore, NAGASE’s medium-term management plan ACE 2.0 positions energy businesses as targets to develop, and environmental businesses as targets to develop and focus on. Promoting new businesses in the renewable energy segment, which is expected to continue growing in the future, will contribute to the Group’s vision of realizing a sustainable world where people live with peace of mind.

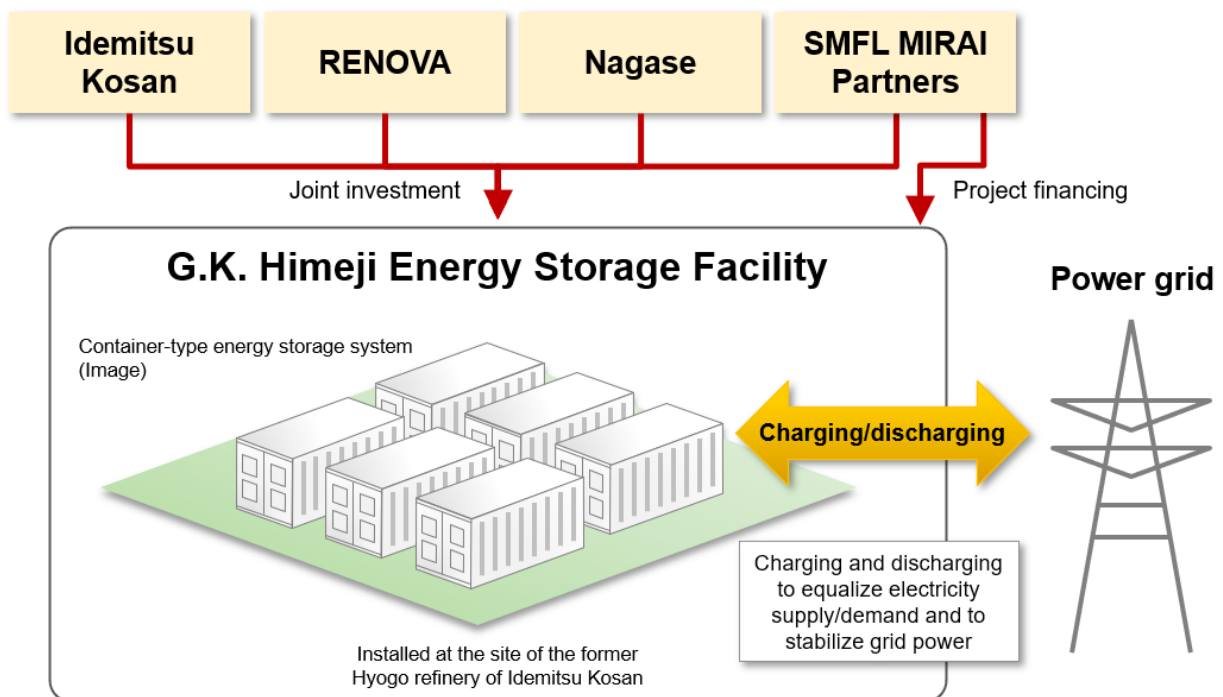
This project was chosen for the Sustainable Open Innovation Initiative’s FY2022 Supplementary Subsidy for Projects Supporting the Adoption of Distributed Energy Sources Contributing to Greater Adoption of Renewable Energy (for Projects Supporting Grid Storage Battery Systems/Water Electrolysis Equipment).

1. Overview of the business (as of August 1, 2023)

(1) Title	Himeji Energy Storage Facility G.K.
(2) Operator	Himeji Energy Storage Facility G.K.
(3) Investors, investment ratios, and roles of each investor	<ul style="list-style-type: none"> -Idemitsu Kosan Co., Ltd.: 51% (operation of the energy storage facility, transactions and maintenance in the electricity market) -RENOVA, Inc.: 22% (engineering of the grid storage battery, financing and management of the operation of the energy storage facility) -Nagase & Co., Ltd.: 22% (support to the engineering of the grid storage battery) SMFL MIRAI Partners Co., Ltd.: 5% (arranging project finance)

(4) Location	Megahidacho, Shikama-ku, Himeji, Hyogo
(5) Area of the business site	Approx. 2,900 m ²
(6) Specifications of the facility	Lithium ion batteries
(7) Generation capacity of the energy storage system	15 MW
(8) Storage capacity	48 MWh
(9) Start of construction (scheduled)	August 2023
(10) Commencement of business (plan)	October 2025

2. Business Scheme



◆Inquiries

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