

PowerX Enters Into an Investment Agreement With J-POWER, Japan's Leading Electric Utility Company

Tokyo, Japan / July 5th, 2022 - PowerX, Inc. announced that it has entered into an investment agreement with Electric Power Development Co., Ltd. (J-POWER), Japan's leading electric utility company that has been providing power generation business and consulting services globally for more than 60 years. Through this agreement, J-POWER will directly invest in PowerX to support its business operations. In addition, by integrating J-POWER's technology assets and expertise regarding power generation with PowerX's battery energy storage business, the two companies look forward to the possibility of collaborating on a new power grid system enabled by PowerX's battery storage solutions.



According to the “FY2022 Energy Supply and Demand Report” released by the Japanese government, there is a high potential for severe electricity shortages this coming summer and winter. The peak reserve power supply capacity ratio for Tokyo, Tohoku, and Chubu areas is projected to be 3.1% this summer, reflecting an extremely tight electricity supply-demand balance. The situation is expected to deteriorate this winter, with seven major areas in Japan not meeting the minimum 3% reserve power supply capacity ratio*¹.

In addition to the alarming electricity supply outlook, the recent Ukraine crisis has resulted in drastic

fluctuations in Japan's fuel procurement, forcing the nation to speed up its energy transition toward renewable resources as well as the adoption of battery storage solutions, a critical component to help balance the demand and supply fluctuations of renewable energy.

PowerX recently announced the planned construction of its proprietary GW scale battery assembly plant in Tamano City, Okayama Prefecture, which will mass-produce safe and cost-efficient battery storage products starting from 2024 in its aim to develop a new battery business*2. With the investment from J-POWER, the two companies will leverage each other's strengths and expertise, and explore the possibility of jointly developing an infrastructure business to accelerate the transition to a decarbonized economy.

*1Reference: METI Ministry of Economy, Trade, and Industry, "FY2022 Energy Supply and Demand Report".

*2: "PowerX to Build First GW Scale Battery Assembly Plant in Japan: https://power-x.jp/en/news/pdf/PowerX_en_20220623_1.pdf

About J-POWER

J-POWER is an electric power company pivotal to Japan's economic development and living standards by supplying low-cost, stable electric power, and by constructing and operating backbone transmission lines throughout Japan for nearly 70 years. In response to the recent trends in the energy sector, J-POWER will continue to grow globally by introducing the latest technologies and entering new business fields. In addition, based on the "BLUE MISSION 2050" announced in February 2021, J-POWER will continue to expand renewable energy and contribute to achieving carbon neutrality by 2050.

URL: <https://www.jpowers.co.jp/>



Company : PowerX, Inc.

URL : <http://power-x.jp/>

Representative : Masahiro Ito (Director, President & CEO)

Location : Midtown Tower 43F, 9-7-1 Akasaka,
Minato-ku, Tokyo

Main Business : R&D and production of Power
Transfer Vessels and ESS