

June 1, 2023

KANEKA CORPORATION

Kaneka has Launched a Regional Microgrid Business in Toyooka City

Kaneka Corporation (Headquarters: Minato-ku, Tokyo; President: Minoru Tanaka; hereinafter "Kaneka") has announced that its affiliate company, Kaneka Solar Marketing Corporation (Headquarters: Osaka-city, Osaka; President: Yoshiyuki Nanzumi) and ITOCHU Corporation (Headquarters: Minato-ku, Tokyo; President: Keita Ishii; hereinafter "ITOCHU") have established Toyooka Regional Energy Service LLC (Headquarters: Toyooka City, Hyogo; President: Yoshiyuki Nasuno; hereinafter, the "Special Purpose Company") to conduct an integral electric power service combining the regional microgrid*¹ ("MG business") with solar power generation and power storage facility businesses in the Toyooka Industrial Park from FY2023.

In this MG business, Toyooka Industrial Park will be disconnected from the surrounding power grid to self-supply electric power in the event of power outage due to a disaster or such. In this case, the power generated by the solar power generation facility*² installed on the roofs of the sponsors' buildings and the power storage facility installed in the industrial park will be used to supply stable power to the companies in the industrial park and to the evacuation sites designated by the city.

During normal times, the on-site PPA business*³ will be deployed to supply electric power generated by solar power generation to the facility, and any surplus electricity generated will be sold within the industrial park to realize local production for local consumption of renewable energy. In addition, by utilizing storage batteries and conducting the power storage facility business that trades stored electricity, the MG business will contribute to stable power supply locally. By combining this series of businesses, the MG business can contribute to Toyooka City's disaster countermeasures, stabilization of the local power supply, promotion of renewable energy, and CO₂ reduction of 1,120t annually, while maintaining its profitability.

In this business, we installed a 2.2MW solar power generation system and a 6MWh power storage facility in March of this year, utilizing the "FY2022 Grants for Promotion of Community Coexistence Renewable Energy Promotion Project" from the Ministry of Economy, Trade and Industry.

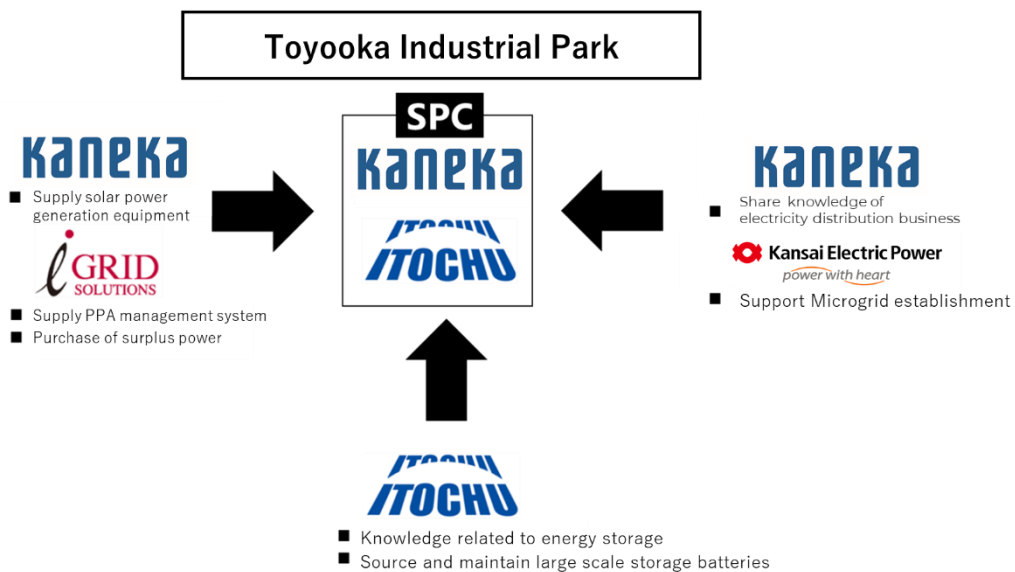
This whole project will be led by a special purpose company and promoted in collaboration with Toyooka City, Kaneka, ITOCHU, Kansai Transmission and Distribution Inc., Kansai Electric Power Co., iGrid Solutions*⁴, and sponsors of Toyooka Industrial Park.

Through verification of this highly advanced project, we will deepen our technology and further

expand its application by promoting collaboration with local governments and companies that are working on decarbonization, and contribute to local communities with total energy solutions using our environmentally friendly products such as solar cells and heat insulating materials.

- *1. A system that enables local production for local consumption of energy within a limited local community by generating electricity with private power generation facility and controlling the amount of electricity with storage batteries, etc. Furthermore, this microgrid is characterized by the use of solar power generation facility and is solely dependent on renewable energy.
- *2. Solar power generation facilities are installed at the following 8 sponsors: Kaneka, Japan Power Fastening Corporation, Tokai Spring Industry Corporation, Offtex Holdings Corporation, Wick Corporation, OES Aquafuoco Corporation, Toyooka Shiki Corporation, Shin Sen Kogyo Co.
- *3 Power Purchase Agreement
- *4. A group company of ITOCHU. In this project, it is mainly responsible for trading generated surplus electricity.

<Scheme Diagram>



Solar power generation facility and storage battery facilities installed in Toyooka Industrial Park