The following is a translation (extract) of the official announcement given to the Tokyo Stock Exchange and the media in Tokyo, Japan. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

March 25, 2025

For Immediate Release

SPARX Group Co., Ltd.
President and Group CEO Shuhei Abe
(TSE Prime: 8739)

SPARX to Engage in Battery Storage Project in Sapporo, Hokkaido

—Contributing to stabilize the energy grid and accelerate renewable energy use—

TOKYO—March 25, 2025—SPARX Group Co., Ltd. (SPARX: TSE Prime 8739) and its subsidiary, SPARX Green Energy & Technology (SGET) today announced their involvement in a battery storage project in Sapporo, Hokkaido. Other project partners include Kansai Electric Power Co., Inc. (KEPCO) and JA Mitsui Leasing, Ltd.

The project will develop two energy storage facilities with rated outputs of 50 MW and rated capacities of 175.5 MWh (total rated output: 100 MW, total rated capacity: 351 MWh), aiming to launch commercial operations in April 2028.

Battery Energy Storage System, also called grid battery storage, are directly connected to the power grid to provide power regulation and supply to the market. Grid battery storage is taking off worldwide, driven by projects in Europe, the US, and China. In Japan, battery energy storage system is essential to control power output fluctuations and stabilize power supply. That would enable the widespread use of renewable energy as it has significant output fluctuations depending on the weather and time of day. Power systems currently balance supply and demand by suppressing renewable energy output and relying on thermal power plant generation. However, increasing grid power storage would allow these systems to maximize their renewable energy utilization, facilitating carbon neutrality.

In addition to the investment from SPARX, SGET will provide developmental, financing, and operational support for the storage facilities, aiming to work in the capacity, wholesale electricity exchange, and supply-demand adjustment markets. It represents SPARX's first storage business, and Hokkaido is an area of focus for SPARX. SPARX plans to expand the business by developing similar storage operations in other areas.

This power storage facility does not utilize long-term decarbonized power auctions or subsidies and will be the largest-scale facility of its kind in Japan[*1]. Moreover, the facility will utilize KEPCO's battery diagnosis and operational support service to ensure its safe and secure operations. It will be the first time[*2] this service has been used at a large battery storage station with a rated output of 50 MW.

SPARX will continue contributing to realizing a decarbonized and sustainable prosperous society through this battery storage business to help accelerate renewable energy use.

*1: Based on SPARX's research

*2: Based on KEPCO's research

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＜Rendering of the completed power storage facility＞



■ This press release is not intended to solicit investments. Its sole purpose is to promote understanding of the SPARX Group's activities and provide information on its companies' businesses.

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