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October 30, 2026

Company Name PowerX, Inc.

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(Code Number: 485A Tokyo Stock Exchange Growth Market)

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Notice Regarding the Signing of a Basic Agreement with Kansai Transmission and Distribution, Inc. to Explore a New Grid Connection and Infrastructure Development Approach Utilizing Battery Energy Storage

PowerX, Inc. (the "Company") hereby announces that, on October 30, 2026, it signed a basic agreement (the "Agreement") with Kansai Transmission and Distribution, Inc. ("Kansai TD") to advance studies toward a demonstration of a new grid connection and infrastructure development approach utilizing a Battery Energy Storage System (BESS), as described below.

1. Background and Purpose

Demand for grid connections is growing as electricity demand rises, including from new data centers, and renewable energy deployment expands. When available grid capacity is insufficient, transmission and distribution facilities may need to be reinforced, which can result in lengthy lead times for connection.

This initiative aims to make better use of existing transmission and distribution facilities through battery charging and discharging, thereby enabling earlier connection of new demand and power sources and more rational infrastructure investment through the avoidance or deferral of facility reinforcement. By contributing to the relief of grid congestion, the Company aims to establish a new utilization model that expands battery energy storage deployment without relying solely on grid reinforcement.

2. Matters to Be Studied under the Agreement

The two companies will study an approach in which batteries owned and operated by a battery storage operator are used for grid connection and infrastructure development under a contract with a general transmission and distribution utility. Under this approach, the batteries would be charged or discharged according to conditions set in advance by the utility during periods when grid congestion is expected, thereby adjusting the power flowing through transmission and distribution facilities.

Specifically, the studies will cover charging and discharging conditions, operating methods and contractual terms; battery equipment and control, communication and other system requirements; demonstration and evaluation methods; and the division of roles and implementation structure.

Drawing on its integrated capabilities from development and manufacture of BESS to their operation and control in electricity markets, the Company will verify the reliability of charging and discharging from both hardware and control perspectives. It also plans to assess whether the batteries can meet the conditions needed to relieve grid congestion while operating in electricity markets at other times.

3. Overview of the Planned Demonstration

Location	Within the premises of a Kansai TD substation in northern Osaka area
Equipment	A grid-scale BESS owned and operated by the Company
Assumed output / capacity	Approximately 2,000 kW / 8,000 kWh
Expected start	Fiscal year 2027 (planned)
Main areas of verification	Reliability of battery operation under predetermined conditions; compatibility with electricity market operations; and applicability as an alternative to facility reinforcement

Note: Details, including the demonstration site, equipment specifications and duration, will be determined through further study.

The demonstration will involve charging and discharging operations under assumed grid congestion. It will examine the potential to avoid or defer reinforcement of transformers at distribution substations, with the aim of shortening connection lead times and making infrastructure investment more efficient.

4. Overview of the Counterparty

Name	Kansai Transmission and Distribution, Inc.
Location	3-6-16 Nakanoshima, Kita-ku, Osaka, Japan
Representative	Takayuki Shirogane, President and Representative Director
Business	General electricity transmission and distribution, etc.
Capital	¥40 billion
Date of establishment	April 1, 2019 (business operations succeeded on April 1, 2020)
Major shareholder / ownership	The Kansai Electric Power Co., Inc. / 100%

5. Future Outlook

This initiative is at the stage of studies toward a demonstration, and specific implementation conditions will be determined through future discussions. Drawing on the knowledge gained from the demonstration, the Company will work to promote the wider use of this model in other electricity service areas in coordination with general transmission and distribution utilities.

This matter will have no impact on the Company’s consolidated earnings forecast for the fiscal year ending December 31, 2026. If any matters arise that require disclosure, the Company will promptly disclose them.