

Press Release

July 8, 2021

Advantage Partners Inc.
Tokyo Century Corporation

**Announcement on the Acquisition of Showa Denko Materials' Energy
Storage Devices and Systems Business**

Funds serviced by Advantage Partners Inc. ("AP Funds") and Tokyo Century Corporation ("TC"; the two entities collectively referred to hereinafter as the "Consortium") announce that they have entered into a definitive agreement effective July 8, 2021, with Showa Denko K.K.'s consolidated subsidiary Showa Denko Materials Co., Ltd. (the "Seller") to acquire the Seller's energy storage devices and systems business (the "Target Business") through a special purpose company funded by members of the Consortium.

The Target Business began in 1916 with the manufacturing and sales of storage batteries by Nippon Storage Battery MFG. Co., Ltd., the predecessor entity of Shin-Kobe Electric Machinery Co., Ltd. The business maintained strong technological capabilities and customer relationships within the Hitachi Chemical Co., Ltd. and Showa Denko Group, establishing a solid position as a leading storage battery player for automotive and industrial uses in Japan. As a result, overseas business operation has expanded to Thailand, Taiwan, etc., establishing a global business infrastructure.

The Consortium decided to acquire the Target Business based on the significant growth potential detailed below, as well as the expected positive social impact from the achievement of sustainable development goals (SDGs).

- The Target Business can be expected to achieve profit growth and stable cash flows by strengthening the automotive and industrial storage battery businesses, where steady demand is expected to continue. Expansion of e-

commerce, cloud services and next-generation telecommunications networks will also lead to increased energy storage demand from data centers and telecoms

- Growth opportunities also lie in the basic elements supporting clean energy, including an expansion of renewable energy markets and the launch of lead battery products optimized for environment-friendly vehicles
- Significant environment-related contributions can also be expected by capturing demand in renewal energy and by increasing use of recycled lead in the ASEAN region
- By leveraging the technology and client base accumulated by the Target Business and by developing/expanding its solutions services, we believe the business can transition from a “battery manufacturer” to a “power storage solution provider” and achieve further evolution and growth

The Consortium believes that it can contribute to the Target Business’s transition to a standalone entity and to its further growth by combining the unique investment experience, management support know-how, and business infrastructures of AP Funds and TC.

AP Funds have supported multiple carve-outs from large corporations and invested in many industrial materials manufacturers in the past. Recent carve-out investments include Fasford Technology Co., Ltd., Fujitsu Interconnect Technologies Limited, and Q’sai Co., Ltd., which have provided Advantage Partners with ample experience and the tools to successfully transition the company to an independent entity and support subsequent growth. We will fully leverage such experience and know-how to support the Target Business in achieving stable standalone operations and exert our utmost efforts to support subsequent growth.

TC positions this transaction as a joint investment deal in a strategic alliance with the AP Group, while also pursuing synergies with existing TC businesses. In particular, storage batteries are important technologies/products for TC’s auto, renewable energy, and data center businesses, allowing for high value-added

products and services relating to energy storage. Through the investment in the Target Business, we will contribute to improving the social infrastructure and to achieving a circular economy.

Through such efforts, the Consortium will support the Target Business's fresh new start as an independent entity and their growth into a leading battery player in Asia which contributes to the realization of a sustainable society.

<Transaction Overview>

The acquisition of the Target Business will first involve an absorptive corporate split by a wholly-owned subsidiary ("Japan NewCo") newly established by Seller. Once the domestic Target Business is succeeded by Japan NewCo, all shares of Japan NewCo and the Target Business will be acquired.

<Overview of Japan NewCo (Note 1)>

Company Name	Energy Storage Devices Spin-Off Preparation Co., Ltd. (Note 2)
Representative	Masato Yoshida, President and Chief Executive Officer
Location	1-9-2 Marunouchi, Chiyoda-ku, Tokyo
Business Description	Manufacture and sale of energy storage devices and related systems and services

<Overview of Major Targets>

Company Name	Energy System Service Japan Co., Ltd.
Representative	Tsukasa Fujinami, President and Chief Executive Officer
Location	6-1-1- Heiwajima, Ota-ku, Tokyo
Business Description	Sale of and services for batteries and electrical equipment and manufacture and sale of and services for golf carts

Company Name	CSB Energy Technology Co., Ltd.
Representative	Chang Yung Kan, Chairman
Location	11F, No. 150, Section 4, Chengde Road, Shilin District, Taipei, 11167, Taiwan
Business Description	Manufacture and sale of lead-acid batteries

Company Name	Thai Energy Storage Technology Public Company Limited
Representative	Hiroaki Yamaguchi, Chief Executive Officer
Location	387 Moo 4, Sukhumvit Rd., Phraek Sa Sub-district, Mueang Samut Prakan District, Samut Prakan Province 10280, Thailand
Business Description	Manufacture and sale of lead-acid batteries

(Note 1) Expected to be established on July, 2021. All of the items are current projections.

(Note 2) The company name is planned to be changed hereafter.