

July 3, 2025

**Commencing Transactions^{*1} in the Electric Power Reserve eXchange
Utilizing the Factory Facilities of a Large-lot Electricity Consumer^{*2}**

Having successfully completed the pre-assessment required, Chiyoda Corporation (Chiyoda) is pleased to announce the commencement of transactions in the Electric Power Reserve eXchange (EPRX)^{*3} utilizing factory facilities of a large-lot electricity consumer (a manufacturing company listed on the Tokyo Stock Exchange Prime Market, hereinafter referred to as "the Electricity Consumer").

Due to the rapid penetration of renewable energy resources such as solar power and wind power, maintaining the balance between power demand and supply solely through electricity generation facilities remains challenging. An imbalance between demand (consumption) and supply (generation) can result in frequency fluctuations, potentially leading to power outages and other such risks. In this context, EPRX plays a crucial role in ensuring the stability of the electricity system by utilizing flexibility^{*4} on both the supply and demand sides.

In the EPRX, technical requirements such as response time, response duration, and tolerance range are regulated to appropriately address fluctuations in electricity. Leveraging our expertise and successful track record in plant engineering to conduct a thorough analysis of the Electricity Consumer characteristics, we support them to maximize the potential value of their facilities while ensuring no adverse impact on product quality or safety, enabling the provision of flexibility to the EPRX. Chiyoda and the Electricity Consumer have confirmed that maintaining compliance with market requirements is achievable during operations and will now contribute to stabilizing the local power grid by optimizing operation of the factory facilities in cooperation with EPRX.

Through its energy management business, Chiyoda will work with plant operators to stabilize the power system and promote the spread of renewable energy. As a comprehensive engineering company, Chiyoda offers a variety of solutions, such as energy storage, water electrolysis (Power to X), hydrogen and carbon circulation that contribute to the realization of carbon neutrality, and we also work with customers to support their business plans and technological development. Based on its purpose of 'Enriching Society through Engineering Value', Chiyoda continues to prioritize co-creation with customers and, as a partner, helping them achieve business success, while contributing to the realization of a sustainable society through its corporate philosophy of 'Energy and Environment in Harmony'.

Comment from the Utility Facilities Manager at the Electricity Consumer

"We had previously participated in the capacity market^{*5} but decided to enter the supply and demand adjustment market to further contribute to grid stabilization, which has become an issue in recent years, and to reduce utility costs.

Another attractive feature of the supply and demand adjustment market is that, unlike the capacity market, bids can be made at any time^{*6}. The company will continue contributing to the local

community through grid stabilization.”

Maximizing the Potential Value^{*7} of Factory Equipment

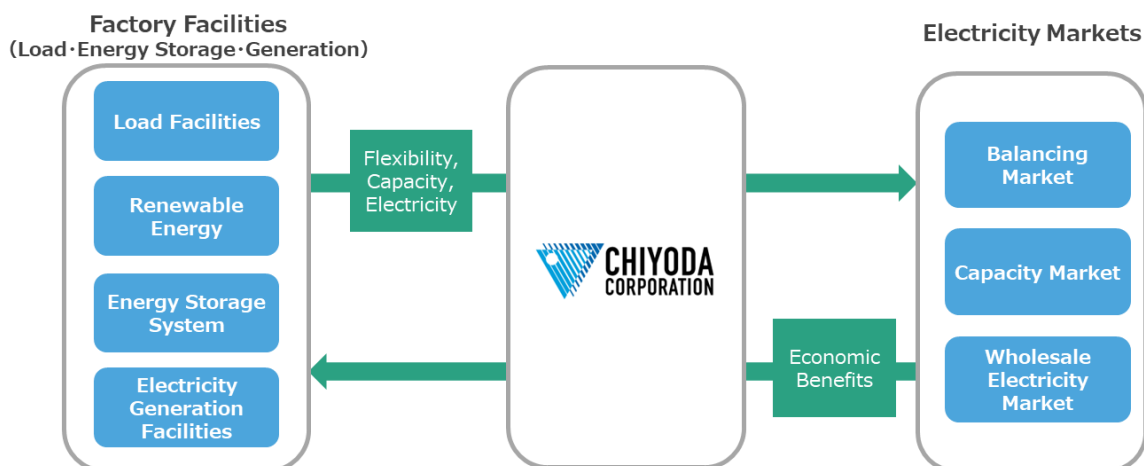
Chiyoda continues to support the maximization of asset values by leveraging the characteristics of factory facilities, such as production machinery and cogeneration systems that can simultaneously generate electricity and heat, providing flexibility without disturbing production. When increasing electricity generation of a cogeneration system for example, the steam produced also increases. We can therefore adjust the electrical output and propose operational options that take into account the steam balance across the entire factory.

We also address business challenges, such as skilled operator retirement and the transfer of expertise and the need to adapt to the advanced technical requirements of the electricity market, by supporting the automation of factory facility control systems.

We support carbon neutrality in factory facilities, including proposals to utilize hydrogen and the treatment of carbon dioxide as measures towards achieving sustainability.

Refer to Chiyoda’s energy management business:

<https://www.chiyodacorp.com/en/service/energymanagement/>



*1 Image of transaction scheme in electricity markets. Customers (e.g., factory owners) use their assets to provide value (e.g., flexibility) to electric markets and receive economic benefits in return.

*2 An entity or individual that receives and uses electricity, such as a manufacturing plant or factory.

*3 Established for Transmission System Operators to procure the necessary electricity reserve and frequency control within their electricity supply areas.

(Japanese: <https://www.eprx.or.jp/outline/outline.html>)

*4 The ability to adjust electricity consumption and generation.

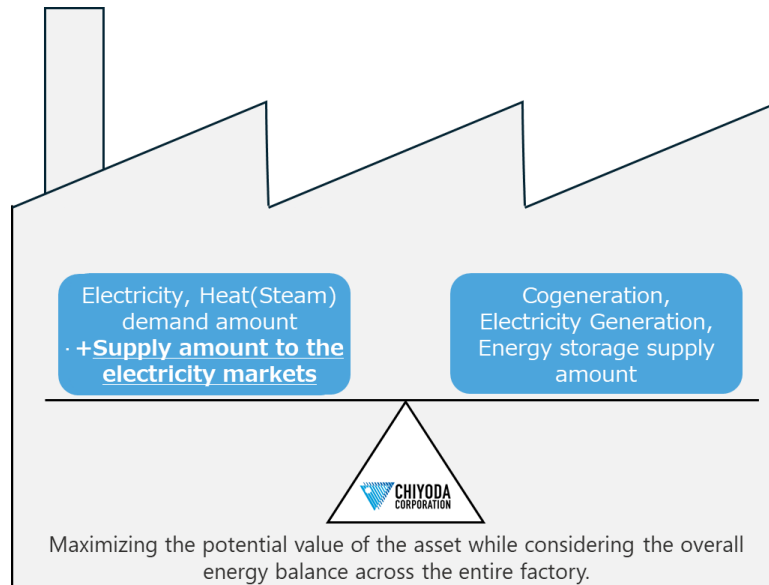
(Japanese: <https://www.eprx.or.jp/contact/jukyuchoseishijo/faq.html>)

*5 The market where the ability to generate or save electricity over the medium to long term (measured in kilowatts) is traded as a value. Specifically, it is a market designed to secure

electricity supply capacity for four years in the future. An energy resource can participate in EPRX and the Capacity Market at the same time.

*6 In the EPRX, bids are made either the day or week prior to the dispatch date.

Bid decisions can therefore be made based on the factory's operational/production schedule.



*7 Image of maximizing potential asset value for owners of factory facilities. Chiyoda supports customer's energy balancing through our analysis.

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