

For Immediate Release

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Sumitomo Corporation Invests in Battery Energy Storage Project to Help Balance Electricity Grid Serving Northeastern U.S.

Japanese Corporation to Build First Independent Large Scale Battery Power Storage System For Frequency Regulation Market Operated by PJM

New York, New York – April 21st, 2015 – Sumitomo Corporation together with Sumitomo Corporation of Americas (collectively "Sumitomo Corporation Group") announced their investment in an innovative battery power storage system which will provide a reliable and stable supply-demand balancing service for the frequency regulation market operated by PJM, the largest regional transmission organization of wholesale electricity in the U.S.

Sumitomo acquired an interest in Willey Battery Utility, LLC (WBU) from Renewable Energy Systems Americas ("RES"), the U.S. renewable energy developer/constructor, through Perennial Power Holdings, a U.S.-based subsidiary of the Sumitomo Corporation Group. WBU will own this battery energy storage system (maximum output: 6 MW, energy capacity: 2 MWh) manufactured by Toshiba Corporation. This is the Company's first investment in a large-scale stand-alone battery storage facility in the United States.

With the increase in the percentage of electricity generated from renewable resources with high output fluctuation, such as wind and solar energy, it is becoming increasingly important to balance and manage any difference between supply and demand efficiently and effectively. Storage batteries like the one WBU will have at its facility in Ohio will provide the regulated power to the frequency regulation market by following the PJM instructions sent every 2 seconds. Such power has conventionally been supplied by thermal and hydraulic power generation. In the United States, however, it is believed that the introduction of battery storage systems along with other new technologies will provide promising alternatives, as they can respond quickly to supply/demand variations and enable fine-tuned adjustment.

PJM currently operates power grids in 13 states in the northeastern U.S. with a total electric power generation capacity of approximately 185,600 MW which is comparable to the total capacity of 230,000 MW for all of Japan (excluding nuclear power generation capacity). With this project, the battery power storage system will be delivered and maintained by Toshiba, while auxiliary machinery will be supplied and installed by RES. Construction work will begin in Hamilton County, Ohio in April 2015, and the operation is planned to commence in December 2015.

According to Mr. Naoyuki Hagiwara, Director, Power and Infrastucture Group, Sumitomo Corporation of Americas, "Sumitomo plans to expand beyond the PJM frequency regulation market with entry into potential marketplaces such as Texas and California. This team brings

strong expertise to future projects through the integration of technical strength of Toshiba, the manufacturer of lithium-ion batteries, the development/construction capabilities of RES with its proven track record in the construction of more than 7,700MW of renewable energy projects (including under construction) in North America, and the knowhow of the Sumitomo Corporation Group with regard to electricity business operation, including renewable energy."

As a developer and owner of large solar and wind farms in the U.S., SC understands the growing need to stabilize the renewable energy flow going into the electric power grids around the country. Sumitomo Corporation Group has identified this need, and is focused on providing these standalone commercial power storage systems for independent providers. In cooperation with its operating company, 4R Energy Corporation, the Group has been engaged in pilot projects in Japan, namely, those involving reused batteries from electric vehicles on Yumeshima Island, Osaka and the Koshiki Islands, Kagoshima, which began in 2013 and 2014, respectively. During these pilot operations both in and outside Japan, the Sumitomo Corporation Group aims to establish the effectiveness of battery power storage systems and will also explore the possibilities of generating future synergies from collaborations between existing power plants it operates in the United States.

About Sumitomo Corporation of Americas

Established in 1952, and headquartered in New York City, Sumitomo Corporation of Americas (SCOA) has 8 offices in major U.S. cities. SCOA is the largest subsidiary of Sumitomo Corporation, one of the world's leading traders of goods and services. As an integrated business enterprise, the firm has emerged as a major organizer of multinational projects, an expediter of ideas, an important international investor and financier, and a powerful force for distribution of products and global communications through a network of offices worldwide. Sumitomo continues to grow its renewable energy business and has extensive experience developing, operating and owning power generating facilities such as wind, geothermal, biomass and solar business around the world. Investments include Mesquite Creek, a 200MW in western Texas; 845-MW Shepherds Flat Wind Farm in Oregon ; two Kansas wind farms, the 131-MW Cimarron II and 168-MW Ironwood projects; Stanton wind project, a 120-MW wind power facility in Texas; and Desert Sunlight, a 550MW solar power project in California.

For more information visit <u>www.sumitomocorp.com</u>.

About Sumitomo

Sumitomo Corporation is a leading global trading company, with 116 locations in 65 countries and 24 locations in Japan. The entire Sumitomo Corporation Group consists of nearly 800 companies and more than 70,000 personnel. The SC business is continuously expanding into a diverse range of products and services. Its core business units are Metal Products; Transportation &Construction Systems; Environment & Infrastructure; Media, Network, Lifestyle Related Goods & Services; and Mineral Resources, Energy, Chemical & Electronics.