



March 24, 2023

Press Release

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Idemitsu increases investment in Vecco, promoting a vanadium project in Australia
Promoting the development of a low-carbon business in response to the global energy transition

Idemitsu Kosan Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; Representative Director, President and Chief Executive Officer: Shunichi Kito, hereinafter referred to as “Idemitsu”) has made an additional investment of AUD\$8.26 million in Vecco Group Pty Ltd. (head Office: Brisbane), which promotes a vanadium project in Australia. Together with the initial investment made in October last year, Idemitsu's total investment amounts to AUD\$13.16 million, representing a shareholding of 14.7%. Through this investment, Idemitsu will promote knowledge-gaining efforts in the rare metals business and accelerate the development of businesses that will contribute to the introduction of renewable energy and the realization of a low-carbon society.

Vecco is working on a project related to a vanadium mine and an electrolyte plant (Project name: Debella Project, hereinafter “Debella PJ”) in Queensland, Australia. The Debella PJ aims to build a value chain of local production and local consumption, including the mining of vanadium, its refining into vanadium pentoxide, and the production of vanadium electrolyte for redox flow batteries. Vecco expects to raise an additional AUD\$10 million in total through this capital increase, with the funds to be used for project feasibility studies, environmental approvals, refining and refining testing, and mining area application costs. A portion of the funds will also be earmarked for research and development of final products.

A redox flow battery is a battery that stores energy in an electrolyte. With characteristics suitable for large storage batteries for power systems, such as easy expansion and long life, these batteries are attracting attention as contributing to the promotion of the introduction of renewable energies.

The Debella PJ first aims to launch a vanadium electrolyte manufacturing plant (35MWh capacity) for redox flow batteries within the current year. This will be the first commercial-scale electrolyte manufacturing facility in Australia, and its construction will be supported by the Queensland State Government's Industry Partnership Program, a public-private partnership program related to the promotion of the storage battery industry. In the future, the company plans to increase

its vanadium electrolyte production capacity to 350 MWh or more per year. The goal is to begin mining vanadium through mine development by the end of 2024.

In order to contribute to the realization of a carbon-neutral society while fulfilling its responsibility to provide a stable supply of energy, the Company has adopted “Your Reliable Partner for a Brighter Future” as its 2030 vision. In addition, in its medium-term business plan (FY2023-FY2025) announced on November 16 last year, the Company established a new vision for 2050, “Shaping Change.” As the trend of energy conversion to decarbonization accelerates worldwide, Idemitsu has been promoting our participation in the rare metals business and knowledge-gaining efforts by leveraging the business foundation Idemitsu has built up through about 40 years of coal mining operations in Australia. We see the business foundation that Idemitsu, a Japanese company, has as a source of business opportunities in Australia, which is leading the transition from fossil fuels to renewable energy. We will continue proactively responding to energy transition in Australia and creating low-carbon and decarbonization businesses.

[Reference]

Release dated October 26, 2022

Idemitsu invests in Vecco, which promotes a vanadium project in Australia

<https://www.idemitsu.com/en/news/2022/221026.html>