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AAPMEDIA RELEASE PR56258 NEC Acquires Grid **Energy** Storage and Commercial Systems Business of A123 Systems from Wanxiang

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NEC Corporation (NEC; TSE: 6701) (<http://www.nec.com/>) announced on March 24 the **acquisition** of the A123 **Energy** Solutions (<http://www.a123energy.com/>) business unit of A123 Systems, LLC. This **acquisition**, for approximately USD \$100 **million**, strengthens the **energy** storage capability of NEC's smart **energy** business. An agreement on the terms of the deal has been finalized and a new **company** "NEC **Energy** Solutions" is slated to begin operation in June 2014 under the direction of NEC. A123's existing cell manufacturing and sales, research and development, and automotive **operations** will remain the core focus of A123 Systems, LLC.

With this **acquisition**, NEC will become the world's leading supplier of lithium-ion grid **energy** storage systems. A123 **Energy** Solutions has deployed over 110MW of its Grid Storage Solutions (GSS (TM)) worldwide with the vast majority of these systems already in revenue service. NEC **Energy** Solutions, with access to NEC Corporation's world-class ICT and A123 **Energy** Solutions' system integrations expertise, is now better prepared to address the increasing global need for **energy** storage.

"With these combined strengths, NEC **Energy** Solutions will be able to help satisfy the growing demand for **energy** storage worldwide, whether driven by increased penetration of renewable **energy**, more effective grid stabilization services, or the desire for reinforcement of existing transmission and distribution grids," said Takemitsu Kunio, Senior Vice President of NEC Corporation. "Improving **energy** reliability, sustainability, and security, we will provide turn-key **energy** storage solutions, ranging from utility-side storage at the megawatt scale, down to behind-the-meter storage at the kilowatt scale."

A123 Systems, through its A123 **Energy** Solutions unit, is a leader in lithium-ion grid **energy** storage systems. A123 **Energy** Solutions has supplied some of the world's leading utility companies and independent power producers, including applications in North America, South America, Europe, the UK, and Asia, including recent 2MW and 500kW installations in **China**.

"We are delighted by the combination of strengths of the two companies," said Bud Collins, President of A123 **Energy** Solutions. "Combining our experience in the grid storage space with the world's leading utilities and power producers, NEC's strength in ICT, and its lithium-ion manufacturing scale, we believe the resulting **company** will be a formidable organization, well-equipped to handle the emerging smart **energy** sector across the globe."

Source: NEC Corporation

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