

October 15, 2024
Sojitz Corporation

Sojitz Acquires Stake in Major Electrical Construction Company in the U.S. - Integrating Energy Conservation Services to Strengthen its Energy Solution Business -

Sojitz Corporation ("Sojitz") has acquired 90% ownership of Freestate Electric, LLC ("Freestate") through its wholly-owned U.S.-based subsidiary, Sojitz Corporation of America. Founded in 1984 and headquartered in Laurel, Maryland, Freestate provides general electrical construction and maintenance services for a variety of commercial and industrial projects ranging from schools and data centers to hospitals and government facilities, and Freestate is one of the largest electrical solution providers in the Washington Metropolitan area, Northern Virginia, and Greater Maryland. A strategic partnership with Freestate will allow Sojitz to provide a full range of integrated energy solutions designed to meet the increasingly diverse needs of its customers for electrification, decarbonization and energy conversion while further enhancing its energy solution offerings through collaboration with its group companies that implement energy conservation measures.

The U.S. faces surging growth in demand for electrical construction and maintenance services with challenges posed by aging infrastructure and electrification playing an important role in decarbonization pathways across various sectors. A surge in data center development has also accelerated demand for electrical services in the Washington metropolitan area where Freestate's business operations are based, and the area is expected to see a continued growth in population and demand for such services.

Since its inception in 1984, Freestate has provided services for a variety of commercial and industrial projects ranging from schools and data centers to hospitals and government facilities including those that have helped its customers reduce their carbon footprint. Freestate has generated annual revenues of approximately USD 300 million in the past five years.

Sojitz's first foray into the U.S. energy solutions market began in 2021 with the company's acquisition of a majority interest in McClure Company, a mechanical contracting and energy service firm headquartered in Harrisburg, Pennsylvania. Founded in 1953, McClure helps its customers to improve energy efficiency by providing energy-saving upgrades to HVAC (Heating, Ventilation and Air

Conditioning) systems across a wide range of industries spanning healthcare to higher education. Sojitz has also continued to expand its energy conservation businesses* outside the U.S. with the acquisition of Australia's Ellis Air Group in 2023. Ellis Air is an air conditioning and mechanical services company based in Melbourne and established in 1964 that provides energy-efficient design and construction services to its customers in the commercial sector, including hospitals and data centers.

Through this new partnership with Freestate, Sojitz seeks to meet the steadily growing needs of the U.S. energy conservation and electrification market by providing comprehensive energy solutions to its customers with one-stop-shop services from air conditioning and lighting to electrical construction in addition to distributed power and financing solutions. Moving forward, Sojitz plans to expand its energy conservation business to other regions through M&A while continuing to develop its capabilities in the electricity and infrastructure fields as part of its efforts to provide added value, reduce CO₂ emissions, and contribute to the realization of a net zero society.

* Energy-efficiency businesses refer to the proposal and introduction of energy-saving designs and services for client buildings.

[Related Information]

[Company Overview – Freestate Electric, LLC]

Established	1984
Location	13335 Mid Atlantic Blvd, Laurel, MD 20708
Representative Director	Tim Miller
Main Business	General electrical construction services provided in the Washington metropolitan area for residential, commercial, and public facilities (including educational facilities such as universities, elementary schools, and high schools); data centers; and hospitals
Employees	Approximately 1,300