

Press Release

August 4, 2020  
Shizen Energy Inc.

## **Shizen Energy Completes Construction of Second Solar Power Plant in Brazil To Supply Power to 66 Drugstore Chain Locations**

Shizen Energia do Brasil Ltda (“Shizen Brazil”), a joint venture of Shizen Energy Inc. (“Shizen Energy”) from Japan and local partner MS Consultoria e Suporte, and Brazilian real estate developer Espaço Y completed the power grid connections on July 27th, 2020 for the 1.1 MW (DC) solar power plant Elzi Portela which has been under construction since November 19th, 2019 in Brasilia, Brazil. The power plant is expected to begin commercial operations before the end of August 2020. Elzi Portela will be Shizen Brazil’s second solar power plant in Brazil.

This project has built a 1.1 MW (DC) mega-solar plant that will operate in Brasilia, Brazil. Power generated by the plant will be supplied through a remote net-metering system to 66 Drogafuji (operating company: Drogaria Alameda Ltda) drugstore locations in Brazil. Power supplied from the plant is expected to reduce the utilities expenses of Drogafuji by approximately 20%.

Drogafuji Representative Antonio Fernandes mentions environmental conservation and lower energy costs as the reasons for choosing renewable energy for his drugstores. In addition to seeking an environmentally friendly, sustainable way of doing business, this project will also reduce Drogafuji’s energy costs which comprise a full 2% of its total revenues.

Brazil is among the 10 largest consumers of energy in the world (as of 2018), with electricity demand expected to increase even more over the next few years. Power generated from renewable energy resources comprises 80.3% of Brazil’s total power generation capacity, with hydroelectric power being the main source. However, strong government support since 2012 has promoted other methods of power generation such as wind and solar. Solar power in particular has grown to comprise a total installed capacity of 5,764 MW in Brazil as of May 2020<sup>\*2</sup>. With the high potential offered by 1.4 times as much solar irradiation as Japan, expectations are high that solar power usage in Brazil will continue to grow<sup>\*3</sup>.

Advocating “We take action for the blue planet” as its purpose, Shizen Brazil will utilize renewable energy power plant expertise from Japan as it continues striving to boost the prevalence of renewable energy power plants, and build a sustainable society according to the needs of Brazil.

\*1: “Net-metering” is a utility billing mechanism for distributed energy system owners. With net-metering, consumers are only billed for the difference between the energy purchased and consumed from the grid, and the energy generated by their own facilities. When the amount of generated power surpasses that of consumption, the surplus can be carried forward to the following month. In the U.S., net-metering is adopted in 43 out of 50 states and in Washington D.C. In November 2015, the Brazilian government revised its laws regarding net-metering and is facilitating the introduction of renewable energy.

\*2: ABSOLAR, Energia Solar Fotovoltaica no Brasil, June 2020, Date seen: June 25, 2020, <http://www.absolar.org.br/infografico-absolar.html>

\*3: Noriaki Kishimoto, Brazil, The Land of Renewable Energy:

Capabilities and Efforts to Reduce Reliance on Hydropower, overseas investments and loans, March 2020,  
Date seen: June 5, 2020, <https://nipo-brasil.org/wp-content/uploads/2020/04/471984deba9e6614d899aaa31eed7b92.pdf>

### [Project Outline]

Name of facility	Elzi Portela
Location of PV Power Plant	Brasília, Distrito Federal, Brazil
PV power plant owner	Espaço Y and Shizen Brazil
Output of PV Power Plant	1,101MW (DC)
Start of construction	19, November, 2019
Grid connection date	27, July, 2020

### [Picture of Elzi Portela solar power plant]



### [About Espaço Y]

Founded 25 years ago, Espaço Y operates multiple businesses, including Real Estate development, construction, call center, and others. Espaço Y is a local reference in the construction, property, and telco industries. The company joined the renewable energy segment in 2018 after announcing a partnership with Japanese Shizen Brazil. Espaço Y's stalwart is to develop great places to live, and to do so with a commitment to social responsibility and sustainable development.

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### [About Shizen Energy Inc.]

Founded in June 2011 with the mission of "We take action for the blue planet.", Shizen Energy group has contributed to the development of approximately 1 gigawatt (as of the end of December 2019) worth of renewable energy across Japan. It is engaged in all services required for

the installation and operation of solar, wind, small hydroelectric, and other renewable energy power plants, such as development, EPC (engineering, procurement, construction), O&M (operation and maintenance), electricity retail market, and asset management. The company intends to construct photovoltaic power plants in countries around the world, beginning with the regions of Asia and South America. More specifically, in 2018, it launched the construction of such plants in Indonesia and Brazil.

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