

Shizen Energy signs Virtual PPA with Microsoft - Financial close achieved on 25 MWac Inuyama solar project -

- Shizen Energy has signed a 20-year virtual PPA with Microsoft for a solar project in Inuyama City, Aichi Prefecture.
- This is Microsoft's first PPA in Japan and the largest single asset solar power plant contracted under a corporate PPA in Japan to reach financial close
- The project has been financed by Societe Generale.

Shizen Energy Inc. (Shizen Energy) has signed a 20-year virtual power purchase agreement (VPPA) with Microsoft to provide renewable energy from a 25MWac (*1) solar farm in Inuyama City, Aichi Prefecture. The VPPA, which represents a long-term commitment similar to other power purchase agreements (PPAs) Microsoft has signed globally, was instrumental in helping Shizen Energy achieve financial close on the Inuyama project. This is Microsoft's first PPA in the country, helps add clean energy to the electricity grid, and supports Microsoft's goals of achieving 100% renewable energy by 2025.

The largest single asset solar power plant to be contracted under a virtual corporate PPA in Japan to reach financial close

JUWI Shizen Energy Inc. (JSE) is currently constructing the 25 MWac solar power plant in Inuyama City, Aichi Prefecture, which will be the largest (*2) single asset solar power plant contracted under a virtual corporate PPA in Japan to reach financial close. The plant is scheduled to start operation in December 2023.

Non-recourse project finance

The development and construction of the project has been financed by non-recourse finance in the amount of 10.9 billion yen from Societe Generale. This is the first case of non-recourse project finance being used for the combination of a VPPA in Japan for the sale of non-fossil fuel certificates (NFCs) and long term contracted electricity sales including balancing. (*3) Toshiba Energy Systems & Solutions Corporation (Toshiba ESS) will manage the electricity from a solar power plant developed and operated by Shizen Energy in Inuyama City, Aichi prefecture by selling the power to the market as an aggregator. Toshiba ESS has been performing operation of balancing and market trading operations on behalf of power generators for a long period of time. Under this contract, the company will prepare and submit power generation forecasts and generation plans, and will also bear the imbalance risk in the event of a difference between planned and actual results.

For Shizen Energy, this is the first project in Japan financed by an international lender.

Development by Shizen Energy Group

Shizen Energy will be responsible for overall coordination, financing, and asset management of the project, while JSE will be in charge of development and EPC, and JUWI Shizen Energy Operation Inc. will conduct O&M. This project is a major accomplishment for the Shizen Energy Group, which provides seamless, integrated solutions for renewable energy power plants.

"Shizen Energy's expertise and presence in the Japanese market is enabling our first renewable energy purchase in Japan and it's great to see near-term supply for our 100% renewable energy goal." said Adrian Anderson, General Manager, Renewable and Carbon Free Energy at Microsoft. "A commercial structure like this is important to promoting grid decarbonization in the country."

Cedric Chatel, Managing Director, Energy + Group at Societe Generale said, "With our knowledge of renewable asset classes in Japan and corporate PPA financings in the other energy markets, Societe Generale can capitalise on our expertise in designing and implementing an innovative first-of-a-kind financing for the benefit of Shizen Energy. We appreciate the trust that Shizen Energy have placed in us and the opportunity to have contributed to this landmark milestone for financing the energy transition in Japan"

Oliver Senter, Executive Officer of Shizen Energy responsible for Investment & Strategy said "The Inuyama project represents the strongest elements of Shizen Energy Group, from years of local development through to construction, and also PPA arrangement with an innovative and international financial scheme. We look forward to enabling more projects with a similar structure as we increasingly focus on PPA projects to support our customers to decarbonise in Japan, Asia and the Americas."

*1 31MW DC equivalent

*2 based on research of publicly available information at the time of the contract

*3 based on research of publicly available information at the time of the contract



【About Societe Generale】

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth. Committed to the positive transformations of the world's societies and economies, Societe Generale and its teams seek to build, day after day, together with its clients, a better and sustainable future through responsible and innovative financial solutions.

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 117,000 members of staff in 66 countries and supports on a daily basis 25 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses: French Retail Banking, International Retail Banking, Insurance and Financial Services, and Global Banking and Investor Solutions.

For more information, you can follow us on Twitter @societegenerale or visit our website [societegenerale.com](https://www.societegenerale.com).

【About Shizen Energy Inc.】

Founded in June 2011. With the company purpose of "We take action for the blue planet," the company's business includes development, financing, and asset management of renewable energy power plants using solar power, wind power, small-scale hydroelectric power, and biomass. Since 2016, the company has also been focusing on its international operations, expanding its development and power generation projects in areas such as Southeast Asia and Brazil. In 2019, the company also entered the energy tech business, offering micro-grid and VPP construction, smart charging and discharging services for EVs, and other services through its self-developed EMS (energy management system). Shizen Energy Group has been involved in more than 1 GW of renewable energy generation internationally.

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