

Construction of Non-FIT/Non-FIP Solar Power Plants, Including an Agrivoltaic Power Plant, by Osaka Gas, JA Mitsui Leasing, and afterFIT

—The Project Was Selected as a Recipient of the Subsidy for Promoting Consumer-led Introduction of Solar Power Generation—

July 27, 2023

Osaka Gas Co., Ltd.

JA Mitsui Leasing, Ltd.

afterFIT Co., Ltd.

Osaka Gas Co., Ltd. (hereinafter “Osaka Gas”) and JA Mitsui Leasing, Ltd. (hereinafter “JAML”) have decided to implement a project to jointly construct seven non-FIT/non-FIP solar power plants with a total capacity of 8,500 kW (hereinafter “the Plants”) in Japan, including an agrivoltaic solar power plant (hereinafter “the Project”). The construction of the Plants will be carried out based on the selection as a recipient of the Subsidy for Promoting Consumer-led Introduction of Solar Power Generation (FY2022 Budget) ^{*1*2} publicly offered by the Ministry of Economy, Trade and Industry. Osaka Gas will purchase all the electricity generated at the Plants and supply it to customers who need renewable energy.

The Project will be implemented through AO Denryoku 1 Gou LLC, in which Osaka Gas and JAML each have a 50% stake. For five of the Plants, afterFIT Co., Ltd. (hereinafter “afterFIT”) will be responsible for engineering, procurement, and construction. Moreover, afterFIT will carry out operation and maintenance for all seven plants.

Meanwhile, the Project plans to include an agrivoltaic solar power plant ^{*3} which will be constructed in Naganuma-cho, Yubari-gun, Hokkaido. At the plant, solar panels will be installed over agricultural land where crops (pasture grass) are grown while power is generated. Inakagurashi Co., Ltd. will be in charge of cultivating and harvesting the pasture grass and supplying it as feed for livestock to nearby stock farms. This will be the first time for Osaka Gas and afterFIT ^{*4} to engage in an agrivoltaic solar power generation business.

Part of the funds required for the Project will be procured through project financing ^{*5} under a non-recourse financing ^{*6} agreement with MUFG Bank, Ltd. The provision of non-recourse financing for a development project of non-FIT/non-FIP solar power plants, including an agrivoltaic power plant is a pioneering initiative in the domestic financial industry.

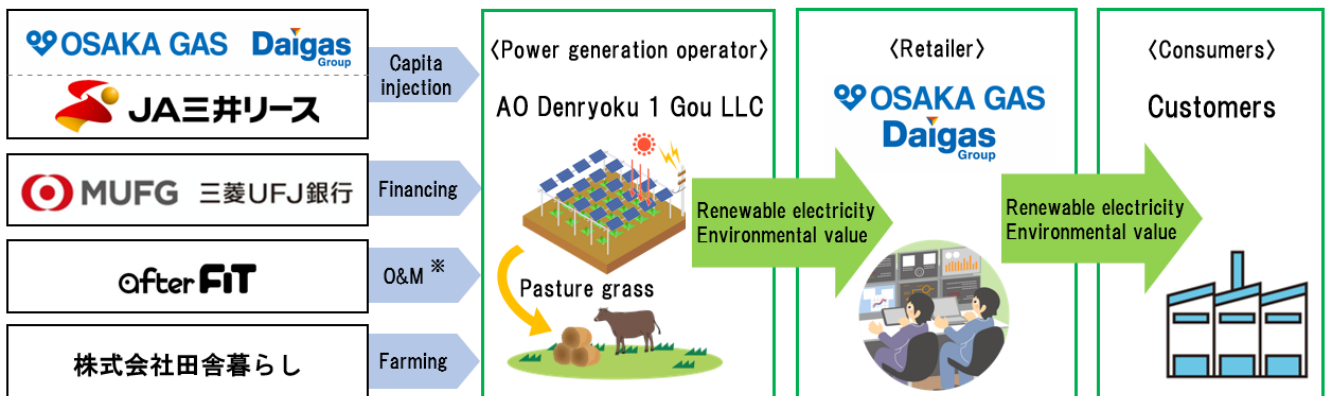
Osaka Gas, JAML, and afterFIT will aim to further expand their collaboration in the renewable energy business and will work to help realize a decarbonized society through the development of renewable energy power plants and the use of renewable energy.

- *1: A subsidy that subsidizes a portion of the cost of introducing solar power generation equipment that is carried out by consumers in collaboration with business operators in order to achieve greenhouse gas reduction targets. The Project was selected as its recipient on September 21, 2022.
- *2: A joint venture between Osaka Gas and GPSS Holdings Inc. was also selected as a recipient of the same subsidy (announced in September 2022).
- *3: By installing solar panels in the space over agricultural land using posts, the power generation business can be conducted while cultivating crops under the panels. This can be expected to provide effects such as stabilization and revitalization of farm management.
- *4: JAML's efforts have included supporting the expansion of the agrivoltaic solar power generation business undertaken by T Agriproduct Co., Ltd. (Announced in March 2022)
- *5: Financing for a specific project, with the repayment source limited to the cash flow from the invested project.
- *6: A financing method in which only the cash flow generated from assets related to the use of financing is used as the source for repayment.

1. Outline of the Plants

Plant types	Non-FIT/non FIP solar power plants
Locations	Hokkaido, Gifu Prefecture, Mie Prefecture, Kyoto Prefecture
Number of power plants	7 plants
Production capacity (total)	Approx. 8,500 kW
Completion (planned)	February 2024

• Scheme of the Project



※Operation and Maintenance

[Attachment 1] Three companies' individual efforts related to renewable energy

Osaka Gas announced the Daigas Group Carbon Neutral Vision in January 2021. Embracing this vision, the Group aims to contribute to spreading the use of renewable energy-based power reaching 5,000 MW*¹ in and outside Japan by FY2030, including in-house development and ownership and procurement from other companies, toward the achievement of carbon neutrality in 2050. Including the Project, the group's contribution to spreading renewable energy power sources, including in-house development/ownership and procurement from other companies, will be worth about 2,240 MW.

JAML group has been promoting sustainability management for 'a better society and future' featured in its management philosophy of "Real Challenge, Real Change." The group works on solving social issues through its corporate activities in order to help realize a sustainable society. Furthermore, the group aims to expand its renewable energy-related businesses by positioning the spread of renewable energy and the promotion of a transition toward decarbonization as a priority initiative in its sustainability management. In the future, the JAML group will continue to expand its renewable energy-related services by working as a group on everything, from finance to business investment and related businesses.

Another partner, afterFIT, takes advantage of its strength of being able to generate, transmit, and sell electricity in one go, and it develops and provides services that solve various problems for the spread of renewable energy. The agricultural land utilization in the Project is one of the measures to address the shortage of land for solar power plants. In addition, the company will continue to contribute to the realization of a low-carbon society through the development of solar carports that make effective use of parking lots and the business of grid storage batteries.

*1: The renewable energy mentioned here includes energy from power sources to which the FIT program applies, such as solar, wind, and biomass power.

[Attachment 2] Companies Profiles

<AO Denryoku 1 Gou LLC>

Company name AO Denryoku 1 Gou LLC
Head office 12-3, Shibadaimon 2-chome, Minato-ku, Tokyo
Representative Representative Member: General Incorporated Association AO Energy
Executor: Ikuhiro Okada
Establishment July 7, 2022
Main business Ownership and management of solar power plants

<Osaka Gas>

Company name Osaka Gas Co., Ltd.
Head office 4-1-2 Hiranomachi, Chuo-ku, Osaka
Representative Representative Director and President, Masataka Fujiwara
Capital 132.16666 billion yen
Establishment April 10, 1897
Main business Production and sale of gas; generation and sale of electricity, etc.

<JAML>

Company name JA Mitsui Leasing, Ltd.
Head office Ginza Mitsui Building, 8-13-1 Ginza, Chuo-ku, Tokyo
Representative President & CEO, Keito Shimbu
Capital 32 billion yen
Establishment April 1, 2008
Main business Leasing, installment sales, financing, etc.

<afterFIT>

Company name afterFIT Co., Ltd.
Head office Hokoku Bldg., 4-6, Shibadaimon 2-chome, Minato-ku, Tokyo
Representative Representative Director, Kanzo Tanimoto
Capital 99 million yen
Establishment April 7, 2017
Main business Electric power business, grid storage battery business, solar power business, etc.

<Inakagurashi Co., Ltd.>

Company name Inakagurashi Co., Ltd.
Head office Higashi 6-sen Kita 2, Naganuma-cho, Yubari-gun, Hokkaido
Representative Representative Director, Yohei Abe
Capital 10 million yen

Establishment

April 25, 2007

Main business

Agriculture, power generation and power plant management