

NEWS RELEASE

March 30, 2020

To whom it may concern,

Mizuho Leasing Co., Ltd.

Acquisition of Equity Interest on The Rooftop Photovoltaic Power Generation Business in 235 Locations throughout Japan

Mizuho Leasing Company, Limited (hereinafter “Mizuho Leasing”) hereby announces that equity interest on the rooftop photovoltaic power generation business (in 235 locations and a total of 31MW of electric energy) operated by Dairoku Nihon Solar Power LLC (hereinafter “Dairoku Nihon Solar”) was acquired.

This case deals with the rooftop photovoltaic power generation business developed by Daini Denryoku K.K. (headquartered in Chuo-ku, Osaka, Chairman and CEO : Susumu Okamoto; hereinafter “Daini Denryoku”) which rent roofs of factories and offices owned by third parties, and the total sum of power output is 31 MW. The rooftop photovoltaic power generation facility can be developed in a relatively short period of time without land preparation. The number of facilities adopting this solar system is increasing as it is a renewable energy power source with little impact on the environment. The power generated from such facilities is for self-consumption (Note 1) and sold under a feed-in tariff.

The self-consumption model adopts the PPA model (Note 2). From the perspective of ‘local production for local consumption’ and its additionality (Note 3) of being a source of renewable energy production, the self-consumption system has gathered attention. Also, for electricity consumers, there are benefits such as; low initial costs, low equipment maintenance and management costs for this PPA model.

Daini Denryoku is one of the group companies of Choshu Industry Co., Ltd. (headquartered in Sanyo-Onodashi, Yamaguchi, President: Susumu Okamoto) which deals with solar power systems, hydrogen energy infrastructure systems, biomass energy and semiconductor manufacturing equipment. Daini Denryoku started participating in the electricity utility industry from 2012, which mainly dealt with solar systems for rooftops. Now it has grown into a company with a rich background in the installation of photovoltaic power generation systems on roofs in a total of 1,760 locations.

In Mizuho Leasing Group's Sixth Mid-term Management Plan (FY 2019–FY 2023), our group has made fields involving the environment and energy one of our focal points.

We are working to provide solutions in the area of renewable energy as well as to provide energy saving solutions to our customers. The group aims to realize a sustainable society by promoting a decarbonized society through this business activity.

[Business Overview]

Business property	Rooftop photovoltaic power generation facilities in 235 locations
Output (in total)	31 MW
Method of selling power	(1) Based on a feed-in tariff (2) Based on a feed-in tariff for excessive power in addition to self-consumption (3) Self-consumption

(Note 1) Self-consumption in this notice is defined as using the power generated by solar panels at the facility where the panels are installed.

(Note 2) The PPA model stands for "Power Purchase Agreement" (a contract for selling electricity) and it is a business model that in which the business operator who deals with the PPA model installs the power generating system in the land or facility owned by power consumers and usage fee is incurred by them.

(Note 3) In this context, 'additionality' means that procuring power using renewable energy leads to the promotion of construction and investment for new renewable energy facilities.

[Examples of facilities which have adopted the rooftop photovoltaic power generation system]



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