

For Reference Only

January 24, 2018

Tokyo Century and 7 Other Companies Announce Progress of Development Plan for Max. 480-Megawatt Solar Power Project

Companies exploring plan to construct and operate solar power project
located on agricultural land on Ukujima island, Nagasaki, Japan

Kyocera Corporation, Kyudenko Corporation, and Mizuho Bank, Ltd. which have been jointly investigating the possibility of operating a maximum 480-megawatt (MW) solar power project on the island of Ukujima (Sasebo City, Nagasaki Pref., Japan) since June 2014, have announced that the project has entered a new phase with the inclusion of five other participants: SPCG Public Company Limited, Tokyo Century Corporation, Furukawa Electric Co., Ltd., Tsuboi Corporation, and The Eighteenth Bank, Limited.

Photovolt Development Partners GmbH (hereafter “PVDP”) began planning the solar power project in April 2013 with the aim of helping to contribute to environmental protection and economic revitalization on the remote island. It has been agreed that the feed-in tariff (FIT) rights would be transferred from PVDP to the newly established special purpose company named “Ukujima Future Energy Holdings G.K.,” and it will restart as a new project. Approximately 200 billion yen (approx. USD1.80 billion*¹) in investment is planned for the project, with a goal of starting construction in FY2018 (fiscal year ending March 2019). The project plans to utilize approximately 1,650,000 Kyocera high-output multicrystalline silicon solar modules to create a 480MW system that would generate an estimated 515,000MWh per year. By constructing a 64-kilometer undersea cable between Ukujima and the island of Kyushu, all power produced from the project will be sold to the local utility company, Kyushu Electric Power Co., Inc., based on the national FIT program for renewable energy.

Under the plan, a land management company would lease agricultural land or deserted arable land on the island from respective owners to then be subleased to a special purpose company named “Ukujima Future Energy G.K.” — a subsidiary of the Ukujima Future Energy Holdings G.K., to construct and operate the solar power systems. In this project, some of the solar systems would be constructed on stilts, allowing the land to be concurrently utilized for both power generation and agriculture.

In concurrence with the benefits of this project entering its next phase, Kyocera, Kyudenko, SPCG, Tokyo Century, Furukawa Electric, Tsuboi, Mizuho Bank and The Eighteenth Bank will continue to explore the project with the aim to achieve an environmentally friendly business model using solar power, while contributing to the development of the island’s agricultural base. As one of the participants of this project, SPCG is Thailand’s leading solar power project developers operating 36 solar power plants totaling 260MW on a land area of 2,000 acres, and the company has been collaborating with Kyocera since 2009.

The companies involved will work with the Nagasaki prefectural government, the city of Sasebo and authorities in the community to investigate the most appropriate business model and ensure that environment protection is considered in the selection of sites and construction of the solar power systems.

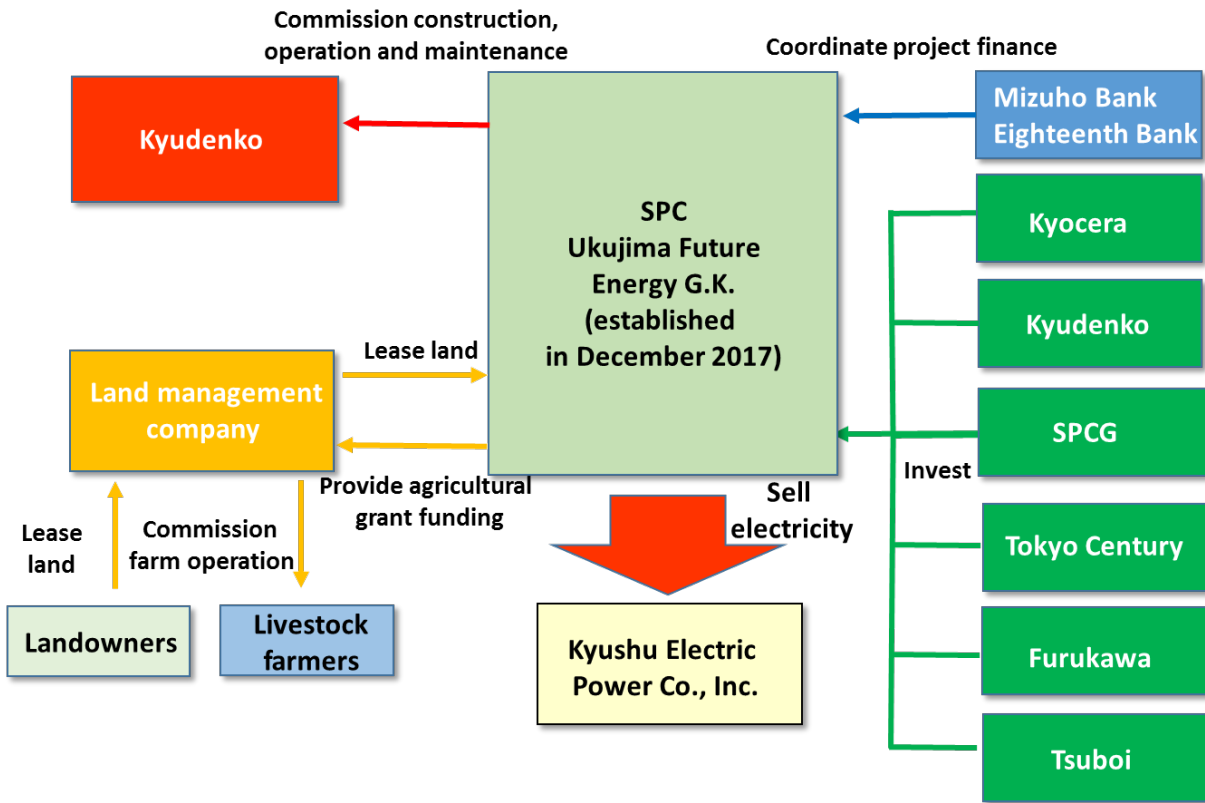
Project Overview

Project name	Ukujima Mega Solar Project (tentative name)
Participant companies (planned)	Kyudenko Corporation; Kyocera Corporation; SPCG Public Company Limited; Tokyo Century Corporation; Furukawa Electric Co., Ltd.; Tsuboi Corporation; Mizuho Bank, Ltd.; The Eighteenth Bank, Limited
Power output	480MW *The power produced from the project will be sold to the local utility company, Kyushu Electric Power Co., Inc.
Annual power generation (estimated)	515,000MWh (estimated) Equivalent to approx. 173,000 typical households* ²
Annual CO ₂ reduction	Approx. 274,750t* ³
Construction site (planned)	Ukujima, Sasebo City, Nagasaki Prefecture, Japan (island area: approx. 24,930,000m ² ; population: approx. 2,000)
Investment	Approx. 200 billion yen (planned)
Start of construction	FY2018 (fiscal year ending March 2019)

*1 For the reader's convenience, based on an exchange rate of JPY111 = USD1 (as of January 11, 2018).

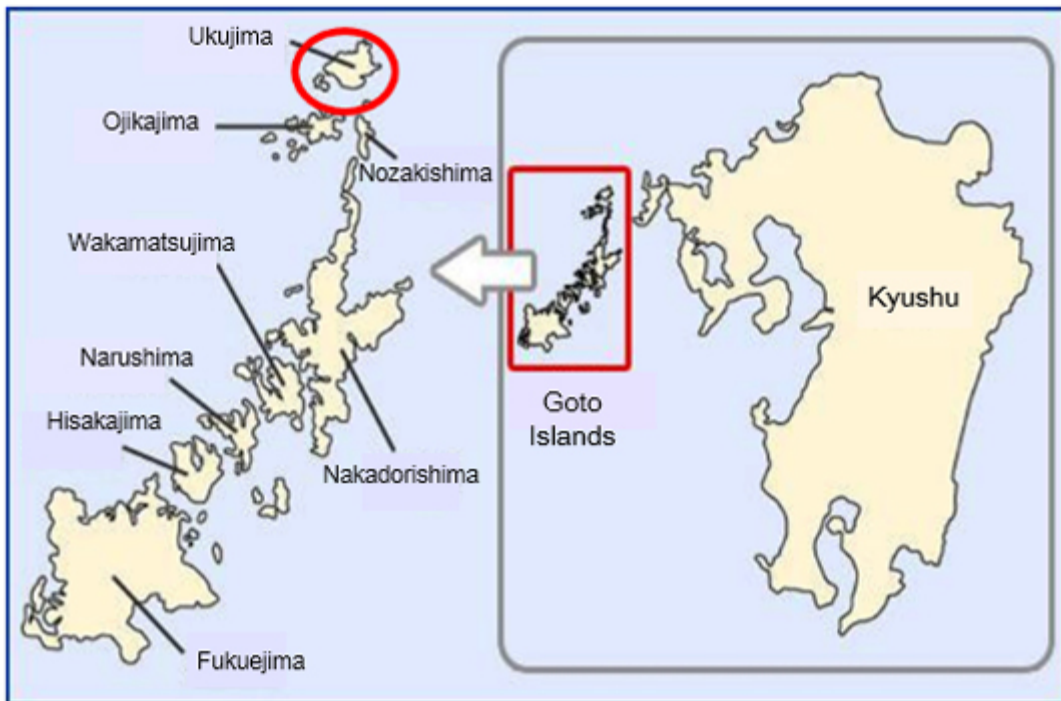
*2 Based on an average annual use of 2,973.6kWh per household. Source: Japan Atomic Energy Relations Organization

*3 Based on calculations derived from standards created by JPEA.



Scheme of planned project

* This is a simplified image of the current conceptual plan. The actual scheme is subject to change.



Map of the Goto Islands

About Tokyo Century Corporation: Tokyo Century Corporation (TOKYO: 8439) (<https://www.tokyocentury.co.jp/en/>) was launched in 2009 through the merger of Century Leasing System, Inc. and Tokyo Leasing Co., Ltd. Its core lines of business include equipment leasing, specialty financing, domestic automobile financing and international business, with operations in 37 countries and regions around the world. Tokyo Century is focused on high-growth areas that transcend the boundaries of leasing and finance, such as aviation, solar power generation, and robot dispatch (rental) businesses. As of the year ended March 31, 2017, the company's consolidated operating assets reached total of 3.2 trillion yen (approx. USD28.7 billion), and the company's market capitalization stood at 404 billion yen (approx. USD3.6 billion).

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