

For Reference Only

January 30, 2024

Acquisition of Equity Interest in Portfolio of Solar Power Plants in the United Kingdom

Tokyo Century Corporation (Tokyo Century) will co-invest in 34 operating solar power plants (total output of 303 MW) in the U.K. with Schroders Greencoat-managed funds. Schroders Greencoat is the specialist infrastructure renewables manager of Schroders Capital, the private markets platform of the Schroders Group, a global investment firm with headquarters in the UK.

Tokyo Century and Schroders Greencoat managed funds will co-invest in 34 plants out of a portfolio of 53 subsidized solar power plants that began commercial operation between 2014 and 2017 in various locations in the U.K. The remaining 19 plants will also be acquired, by funds managed by Schroders Greencoat.

In the U.K., certain renewable energy power producers can generate ample revenue not only from electricity sales but also through the Renewable Obligation Certificates (ROC) scheme*¹, which assigns value to environmental benefits while promoting the widespread use of renewable energy. 31 of the 34 solar power plants are entitled to receive ROCs in the aforementioned acquisition, with the other power plants benefiting from a Feed-in-Tariff. Moreover, solar power generation is considered a primary energy source in the U.K., and its government plans to increase output five-fold from the current 14 GW to 70 GW by 2035.

Since 2012, Tokyo Century has actively participated in solar power generation projects in Japan, and it is aiming to expand overseas renewable energy projects as a growth strategy of its Medium-Term Management Plan 2027. Schroders Greencoat, a leading manager in the U.K., boasts an impressive 5.6GW of renewable energy generation assets spread across 301 sites, and partnering with the company aligns with Tokyo Century's objective of a full-scale entry into the solar power generation business in the U.K. Additionally, Tokyo Century will further concentrate its resources on expanding renewable energy projects in Europe and North America toward achieving its financial targets outlined in the Medium-Term Management Plan 2027 and contributing to the widespread use of clean energy.

Outline of Schroders Greencoat LLP

(1) Company name	Schroders Greencoat LLP (head office: London, U.K.)
(2) Assets under management	JPY1,540 billion
(3) Number of assets	301 sites (wind: 146, solar: 134, biomass: 18, geothermal: 3)
(4) Business	Renewable energy in Europe and North America

Outline of Tokyo Century's renewable energy business as of September 30, 2023

(1) Number of plants	146
(2) Energy generation capacity* ²	758 MW (including 398 MW of solar power generated by Kyocera TCL Solar LLC)
(3) Projected energy generation capacity at the end of FY2024	1 GW

*1 Under the scheme, certified power producers can sell environmental certificates issued in proportion to the amount of electricity generated at a price set by the government, while power suppliers are required to procure a certain amount of electricity derived from renewable energy (new applications for the scheme ended in 2017).

*2 Calculated based on equity interest in operational plants and excludes power generated through leasing and financing of solar panels.

About Schroders Greencoat

Schroders Greencoat LLP, formerly Greencoat Capital LLP, is a specialist manager dedicated to the renewable energy infrastructure sector. With teams in London, Dublin, Frankfurt, Amsterdam, Copenhagen, and Madrid, as well as in New York and Chicago, and over £8.6 billion under management*, Schroders Greencoat is one of the largest dedicated managers in Europe. It was founded in 2009 and currently has fund mandates with strategies investing into wind, solar, and energy transition assets including bioenergy, renewable heat and hydrogen in the UK, Europe and the United States. In total, the company manages renewable infrastructure assets with an aggregate net generation capacity of over 5.6 GW*.

For more information, please visit <https://www.schrodersgreencoat.com>.

* as of 30 June 2023

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