

March 1 , 2022

Establishment of a Joint Venture for Solar Power Generation Business in Japan
-Facilitating Electricity Consumers Procuring Renewable Energy and Promoting
Decarbonization-

Sumitomo Corporation
Shikoku Electric Power Company, Incorporated
Sunseap Group Pte. Ltd.

Sumitomo Corporation (Head Office: Chiyoda-ku, Tokyo; Representative Director, President and Chief Executive Officer: Masayuki Hyodo), Shikoku Electric Power Company, Incorporated (Head Office: Takamatsu City, Kagawa Prefecture, Director and President: Keisuke Nagai, hereinafter, “Shikoku Electric”) and Sunseap Group Pte. Ltd. (Head Office: Singapore, CEO and Executive Director: Frank Phuan, hereinafter “Sunseap”), which is an integrated clean energy business company operating in the Asia-Pacific region, have jointly established Sun Trinity LLC to develop and operate in the solar power business in Japan.

The Japanese government is upholding the target of doubling the share of solar power in the country’s energy mix for fiscal 2030. Solar power has been increasingly expected to become a mainstream next-generation energy that contributes to decarbonization. Recently, the solar PPA business (Note 1) has become more center of attention, in which electric power companies install and operate solar power generation facilities for electricity consumers in order to provide both electricity and environmental attributes for a long term.

Sun Trinity will promote the use of renewable energy by electricity consumers through the development and operation of the solar PPA business, thereby contributing to decarbonization. The company can utilize Sumitomo Corporation’s and Shikoku Electric’s long-accumulated expertise in the electric power business and a range of related business infrastructures built over years in Japan by the companies, while also making use of Sunseap’s world-class capability of engineering and procurement of associated equipment for solar power generation. Sun Trinity will use these advantages to provide electricity consumers with optimal renewable energy and environmental attributes through its solar power generation business.

By developing and promoting new electricity and energy services in a proactive manner, Sumitomo Corporation will contribute to the solution of the key social issues that the company identified in June

2020, including the mitigation of climate change and the realization of a circular economy, as well as to the creation of a carbon neutral society.

Shikoku Electric will promote a wide spectrum of measures for carbon neutrality, specifically for low-carbon and decarbonized power sources on the supply side and for more effective use of electricity on the demand side.

Sunseap boasts the top market share in the distributed solar power generation business in the Southeast Asian region. In Singapore, the company has been promoting a range of solar PPA business models and expanding the VPP business (Note 2), ESCO business (Note 3) and EV charging business leveraging its customer base. Also in Japan, it will promote the clean energy business in a comprehensive manner.

(Note 1) Solar power purchase agreement (PPA) business:

There are two types of solar PPA businesses: 1) On-site PPA business, in which electric power companies install and operate solar power generation facilities on rooftops and other locations on the premises of electricity consumers and sell the generated electricity and environmental attributes to consumers; and 2) Off-site PPA business, in which electric power companies install and operate solar power generation facilities in places apart from electricity consumers' facilities and sell the generated power and environmental attributes to the consumers via power grids. Based on PPAs, electricity consumers can procure renewable energy in a stable manner on a long-term basis without making initial investments or paying the management cost.

(Note 2) VPP:

A virtual power plant (VPP) is a business in which distributed energy resources such as small renewable energy and storage battery facilities are controlled and operated in an integrated manner to function like one power plant for the provision of power grid services.

(Note 3) ESCO:

An energy service company (ESCO) is a business that proposes and provides systems, equipment and services that can help customers save energy. An ESCO receives payment based on the cost reduction achieved by the customers, including the reduction of their utility expenses.

<Reference>

■ Outline of the new company

Name: Sun Trinity LLC

Representatives: Toshiki Kashihara, Li Quanquan and Takanori Kitayama

Established: January 2022

Location: 2-3-2 Otemachi, Chiyoda-ku, Tokyo

Line of business: Development and operation of solar PPA business in Japan

■Scheme

