

Replacement and Operation of Hydro Power Plants in Tottori Prefecture

~Japan's First Hydro Power Plant PFI Project ~

Marubeni Corporation (hereinafter, "Marubeni") composed a consortium through Mibugawa Electric Power (100% subsidiary of Marubeni and hereinafter, "Mibugawa") with Chubu Electric Power, Chubu, and Miho Technos. The consortium won a bid for a project by which a special purpose company (hereinafter, "SPC") established by the consortium will replace and operate hydro power plants that are currently operated by Tottori Prefecture. Operation by the SPC will start on September 1st, 2020.

This project is Japan's first hydro power plant PFI*¹ project. The terms of the project transfer the operation rights of 4 dam-conduit type hydro power plants (Tsukuyone power plant, Oshika 1st power plant, Oshika 2nd power plant and Hinogawa 1st power plant) that are currently operated by Tottori prefecture to the SPC for a period of 20 years.

In May 2020, the SPC was established as, "M&C Tottori Hydro Power Co., Ltd." and signed specific project contract with Tottori Prefecture in July, 2020.

By working towards the achievement of the tasks below, the SPC will strive to contribute to regional businesses in industries like food and electric power.

◆ Replacement:

The SPC will replace the Oshika 1st power plant, Oshika 2nd power plant and Hinogawa 1st power plant in accordance with the feed-in-tariff law.

◆ Operation and Maintenance;

The SPC will operate and maintain Tsukuyone power plant, Oshika 1st power plant, Oshika 2nd power plant and Hinogawa 1st power plant.

Electric power generated from this project will cover the annual electric power needs of 28,000 households. The SPC will operate these hydro plants based on the idea that social contribution is indispensable for carrying out the hydro power business.

This project aims to establish a local-closed operation and maintenance system that involves people outside Tottori Prefecture and trains them to operate and maintain the hydro plants.

Marubeni believes that this project can contribute to the growth of the local economy over the long term by contributing to local businesses and raising Tottori Prefecture's presence in the hydro power business.

This project uses a project finance scheme by syndicate loan party where Sumitomo Mitsui Banking Corporation, a company known for its financial expertise and excellent track record, is leader.

Additionally, this project will use a green bond assessment from Rating and Investment Information, Inc. and use green loan finance that aims to promote and support environmentally sustainable economic activity. Marubeni, through Mibugawa PFI, issued the Notification Regarding Business Policies Pertaining to

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Sustainability in Relation to Coal-Fired Power Generation Business and Renewable Energy Generation Business in September, 2018 for the purpose of contributing to the fight against global climate change and will continue to expand its business activities in the renewable energy power sector throughout the world.

*1 style of public work where a public facility is designed, constructed or replaced using private company's money and know-how for management and technologies.

<Outline of power plant>

SPC : M&C Tottori Hydro Power Co., Ltd. (CEO : Naoki Ito)

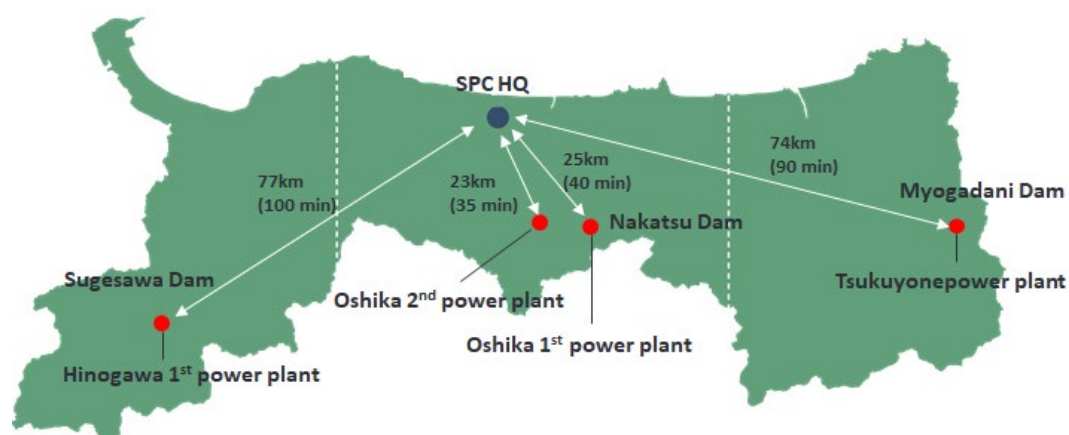
Name of Plant	Capacity	Commercial operating date (Schedule)	Duration of power purchase	Offtaker
Tsukuyone	7,890kW	2020	20 years	Chugoku Electric Power Transmission & Distribution Company, Incorporated
Oshika 1 st	3,690kW	2024		
Oshika 2 nd	4,990kW	2023		
Hinogawa 1 st	4,300kW	2024		

<Outline of Mibugawa's business>

Mibugawa has been managing hydro power businesses since 1962 and now operates 9 power plants in Nagano prefecture, 3 in Yamanashi prefecture, 3 in Fukushima prefecture, 3 in Hiroshima prefecture, 1 in Miyagi prefecture and 2 in Shizuoka prefecture.

Also, in recent years, Mibugawa develops solar power businesses and now operates 8 power plants in Hokkaido prefecture, 3 in Nagano prefecture, 3 in Niigata prefecture, 1 in Fukushima prefecture, 1 in Shizuoka prefecture and 1 in Ibaraki prefecture.

<Area Map>



<Related Municipalities>

Wakasa city, Yazu city, Misasa city, Kurayoshi city, Hino city and Hinan city

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<Pictures of the Hydro Plants>

Tsukuyone



Oshika 1st



Oshika 2nd



Hinogawa 1st

