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Notice concerning the Acquisition of the Right of First Refusal in Negotiations about the Transfer of Biomass Power Generation Operations to the Company

For deliberations of the viability of biomass power generation operations it was resolved at the board of directors' meeting of the Company convened on October 31, 2013, to acquire as detailed below the right of first refusal in negotiations concerning the transfer of the said power generation plant to the Company. Notably, this is to give notice that with regard to the acquisition of the right of first refusal an agreement with the negotiation counterparty has been reached on this day.

1. Reason

Following the taking of effect of the "Act on Special Measures Concerning the Procurement of Renewable Energy by Electric Utilities" on July 1, 2012, and the subsequent rise in general interest in renewable energy, the Company has been actively engaged in the development and construction of solar energy power generation facilities. Of late, for deliberations concerning the diversified business development in renewable energy in addition to the Solar Business Division operations currently being promoted by the Company, the Company has acquired the right of first refusal concerning the transfer of a biomass power plant to the Company.

At the stage when power generation for sale attains its full scale, the power plant concerned will have a capacity of 15 MW of biomass (vegetable oil) derived power output. This biomass (vegetable-oil) power plant is almost without precedent in Japan and is seen to enable the further promotion of renewable energy diffusion that has been an operating principle of the Company.

2. Project implementation schedule (prospective)

Privileged negotiation period: October 31, 2013 to mid-December 2013
Conclusion of agreement: Mid-December 2013
Power plant acquisition date: End of April 2014

The above schedule is subject to change depending on the verification procedures, etc., conducted by the Company.

3. Outlook

If the verification procedures to be implemented by the Company result in a decision to proceed with this power generation project, full operations will be initiated in the next fiscal year. The current fiscal year is therefore not affected.