



March 11, 2019

To whom it may concern,

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Representative: President, Toru Masuzawa
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Notice on Commencement of Operation of Small Wind Power Generation Business by SPC Scheme

Please be informed that we decided in the Board of Directors held today on commencement of joint operation of the small wind power plants by entering into the assignment agreement of invested equity between Aura-Green Energy, Co., Ltd. (hereafter "Aura-Green Energy") holding the power selling right (fixed purchase price: 55/kWh) and limited liability company, GP Energy D, and sales agreement of right held by Aura-Green Energy.

1. Overview

Our group has been actively promoting development of the small wind power plants as a pillar of the next renewable energy generation business. This activity is to aim for early commercialization and profit expansion between us and Aura-Green Energy which holds the power selling right for early expansion of small wind power generation business.

For this activity, our subsidiary, limited liability company, GP Energy D has made half investment jointly with Aura-Green Energy which holds the power selling right and will purchase the power selling right held by it to construct small wind power plants.

In specific, we will acquire the power selling right for 15 units in Donan region of Hokkaido with good wind condition where higher performance can be expected to aim for early interconnection. We are planning to sequentially further increase small wind power plants.

We will also develop and implement real-time diagnosis (monitoring) technology using IoT sensor for dynamic status and supporting column structure of many windmills in academic-industrial alliance. By using these technologies, we will explore the regions with good wind condition which have not been yet recognized in order to increase small power plants.

Our group will continuously endeavor to introduce, penetrate and promote renewable energy.

2. Future perspective

We will make announcement as soon as we know its impact on performance of the current term and specific details.