

May 22, 2009

Sojitz Corporation

## **Sojitz Group Set to Invest in Major South Korean Solar Power Generation System Integrator**

**— Entering Solar Power Generation Business in Asia's Largest Market —**

Sojitz Corporation is teaming up with Sojitz Pla-Net Corporation (head office in Minato Ward, Tokyo; Toshihisa Horikoshi, President), a wholly owned subsidiary active in the synthetic resin business, to enter into capital participation in Taihan Techren Co., Ltd. (head office in Seoul, South Korea), a leading solar power generation system integrator. For Sojitz, this move will pave the way to enter the solar power generation business in South Korea. The company will be assuming a 34% equity stake in Taihan Techren, with the value of the stock to be procured in this participation valued at approximately 350 million yen.

Taihan Techren is a wholly owned subsidiary of Taihan Electric Wire Co., Ltd., South Korea's second largest electric wire manufacturer. The company is a solar power generation system integrator involved in projects that range from the designing of solar power generation plants to procurement of materials, construction works, power generation business agent operation, maintenance and more. As a dedicated system integrator business entity, Taihan Techren is the leading company in South Korea. In August of 2008, meanwhile, Sojitz Pla-Net supplied Taihan Techren with high-efficiency thin-film solar cell modules and inverters. With this order serving as the main impetus, the Sojitz Group, based on its belief that the South Korean market for solar power generation is set to expand from here on, reached the decision to enter the solar power business.

In South Korea, the initiative was taken from early on to move in the direction of expanding solar power generation. In October 2001, for example, the government introduced the Feed-in Tariff (FiT) system, an incentive structure designed to

encourage purchases of renewable energy at fixed prices that has expanded worldwide with Europe as the primary focus. On the strength of this move, South Korea has emerged as Asia's most advanced solar power nation, with its market for that genre of power generation growing to become the fourth largest in the world as well. In South Korea today, a total capacity of approximately 300 megawatts ("mega" meaning "1 million") of solar power generation is already in operation, with plans calling for support to be given to another 200 megawatts of such power generation through the FiT scheme. The South Korean government, operating under the Green New Deal launched in January of this year, is set to inject the equivalent of some 38 billion dollars of capital into environmental projects over the next four years. The public sector is engaged in the development of highly energy efficient and eco-friendly buildings and construction work of some two million green homes will be started in the near future.

From 2012, South Korea also plans to introduce the Renewable Portfolio Standard (RPS), a mechanism that requires energy supply companies to produce a specified portion of their power from renewable energy sources. This announcement is prompting projections of further expansion of solar power generation in the country over the years to come as well.

With regard to the overall solar power generation market, hopes are high that growth will not be limited to Europe, North America, South Korea and other conventionally large markets. With the Japanese government also promoting its own approach to this sector through the low-carbon revolution christened as the "Cool Earth Partnership," expectations are growing that the trend toward solar will spread to the world's developing nations as well. For its part, the Sojitz Group is positioning solar power generation as a major priority in the business fields to be newly cultivated under its "Shine 2011" medium-term management plan. To support that vision, this April marked the launch of the "Solar Business Development Team," a cross-sectional organization spanning all Sojitz divisions (the team consists of 26 members). This unique new unit will be spearheading the push to forge an integrated value chain from the upstream to the downstream sectors of the solar power generation business. The goal is to

effectively mobilize the power and prowess of Sojitz as a general trading company to further expand the sphere of this critical business category to a genuinely global level.



【Solar power generation equipment supplied by Sojitz Pla-Net to Taihan Techren】

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