

News Release

February 14, 2024
Proterial, Ltd.

Installation of Large-scale Off-grid Photovoltaic Power Generation System at the Vietnam Base

Proterial, Ltd. (hereinafter, “Proterial”) announces that it has installed and begun operating a large-scale on-premises off-grid photovoltaic power generation system at Proterial Vietnam Co., Ltd. (Hai Duong, Vietnam; hereinafter, “Proterial Vietnam”) on January 9, 2024. This is the first time that an international base of Proterial has installed a large-scale on-premises off-grid photovoltaic power generation system. The system generates approximately 5.5 million kWh of electricity per year,^{*1} which is expected to be about 27%^{*2} of the electricity used by the plant equipment of Proterial Vietnam. The carbon dioxide (CO₂) emissions will be reduced by approximately 4,000 tons per year.^{*1}

1. Background

Proterial has defined a contribution to realizing of a decarbonized society as an important management issue (material issue). Regarding CO₂ emissions from its operations, Proterial aims to achieve a reduction of 38% in FY2030 (from FY2015) as a medium-term target and carbon neutrality by FY2050 as a long-term target, thereby contributing to the transition to a decarbonized society. To this end, Proterial is working to expand the use of renewable energy and to promote energy conservation.

2. Overview

Proterial’s installation of the large-scale on-premises off-grid photovoltaic power generation system at Proterial Vietnam is the first time this has been done at international base. It started operating on January 9, 2024.

Using a so-called Third Party Ownership/Power Purchase Agreement (TPO/PPA) model for photovoltaic power generation, this project is designed to achieve the efficient installation of a renewable energy system on the Company’s property. The TPO/PPA model is a mechanism in which a power user (the facility owner)



Proterial Vietnam’s photovoltaic power generation system

purchases electricity generated with a PV power system installed by a company that owns and operates the system (the power seller) on the ground or roof of the premises of the facility owner. The facility owner (Proterial Vietnam) does not have to bear the initial cost of the installation of the system or the cost of maintenance operations, is freed from the need to manage the system, and can handle the photovoltaic power generation system as an off-balance sheet^{*3} item. This means that the facility owner can reduce the risk of the investment while introducing renewable energy at a large scale. Furthermore, Vietnam is promoting the use of renewable energy as a nation due to the need for environmental conservation and infrastructure development, and local operators are actively developing the TPO/PPA model. This has enabled Proterial to implement the large-scale project quickly.

Having implemented large-scale initiatives for photovoltaic power generation using the TPO/PPA model in Kumagaya and Moka, Proterial aims to ensure an output of more than 35,000 MWh/year in FY2030 as a general plan for the introduction of renewable energy (FY2022: approx. 484 MWh/year). Proterial will further contribute to the realization of a decarbonized society as a green enabler by developing and offering new products that aid environmental preservation throughout the entire product lifecycle (environmentally

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conscious products) as well as introducing renewable energy and promoting energy saving to reduce the CO₂ emissions of its businesses.

Location	Proterial Vietnam Co., Ltd. (Vietnam, Hai Duong Province)
Planning and operation	I-Renewable Energy Vietnam Co., Ltd. (operating company fully owned by ITOCHU Corporation)
Design and installation	Thang Tien Group
Annual electricity production (estimated)	5.5 million kWh (First fiscal year)
Annual estimated reduction in CO₂ emissions	4,000 tons (First fiscal year)

*1 Based on the conditions assumed by I-Renewable Energy Vietnam.

*2 Percentage of energy that is renewable energy (compared to electricity usage in FY2021)

*3 Property that is not recorded as an asset on the balance sheet.

Media Inquiries: Corporate Communications Dept.

https://www.cntct.proterial.com/contact/publish/inquiry_eng?g=01&c=001-01

■ About PROTERIAL

PROTERIAL

“Proterial” reflects the essence of our corporate philosophy, which consists of three elements: Mission: “Make the best quality available to everyone;” Vision: “Leading sustainability by high performance;” and Values: “Unflinching integrity” and “United by respect.” It combines “**pro-**” with the word “**material.**”

“Pro-” represents our “three pros”:

- **Professional — work that exceeds expectations**
- **Progressive — a spirit that keeps challenging**
- **Proactive — an enterprising attitude**

“Material” refers to the high-performance materials that our original technologies produce and underpinned by the three pros. With our focus on solving customer issues and bringing new levels of value, we promise to contribute to the realization of a sustainable society through the products and services that embody our philosophy.

■ Proterial, Ltd. — Company Overview

Established: April 1956

Head office: Toyosu Prime Square, 5-6-36 Toyosu, Koto-ku, Tokyo 135-0061, Japan

Capital: 310 million yen (as of March 31, 2023)

Representative: Sean M. Stack

Representative Director, Chairman, President, and Chief Executive Officer (CEO)

Sales revenue: 1,118.9 billion yen (Term ended March 2023)

History: 1910: Founded as Tobata Foundry Co.

1937: Merged with Hitachi, Ltd.

1956: Established separately as Hitachi Metals Industries, Ltd.

2023: Company separated from the Hitachi Group, and renamed from Hitachi Metals, Ltd. to Proterial, Ltd.

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