

News Release

February 15, 2024
Proterial, Ltd.

One of Japan's Largest^{*1} Captive Use Solar Power Generation Facilities Begins Full-Scale Operations

Proterial, Ltd., has introduced a photovoltaic power generation facility with a total output of approximately 10 megawatts (MW) of solar cell modules, one of the largest on-site captive use solar power generation facilities in Japan. The facility was built in the Kumagaya district, centered around our Kumagaya Works and the Global Research & Innovative Technology Center. Full-scale operations began on February 1, 2024. The 11.5 million kWh/year of electric power generated by the facility is expected to be used entirely within the district, and will amount to approximately 10% of its electric power consumption.^{*2} In addition, this will result in a 5,100 tons/year reduction in carbon dioxide (CO₂) emissions.

The Proterial Group is working to expand the use of renewable energy, aiming to achieve a seventy-fold increase from the approximately 0.48 million kWh/year (483 MWh/year) in FY2022 to over 35 million kWh/year (35,000 MWh/year) in FY2030. This project is the core initiative of this program. As a green enabler, in addition to working to reduce CO₂ emissions from its own operations by introducing renewable energy and promoting energy conservation, Proterial is committed to contributing to the creation of decarbonized societies by developing and offering advanced products (environmentally friendly products) that contribute to overcoming climate change issues.



Photo: One of Japan's largest captive use solar power generation facilities installed in the Kumagaya district.

Overview

Location of installation	Proterial, Ltd., Kumagaya district (Kumagaya City, Saitama Prefecture)
Design and construction	Sharp Energy Solutions Corporation
Total output of solar modules	9,705 kW (approximately 10 MW)
Annual electricity production (estimated) ^{*3}	11.5 million kWh (first FY)

Proterial, Ltd.

Toyosu Prime Square, 5-6-36 Toyosu, Koto-ku, Tokyo 135-0061, Japan
www.proterial.com/e

The Group positions its contribution to the creation of decarbonized societies to be a key corporate challenge (materiality). We aim to contribute to the transition to decarbonized societies by reducing CO₂ emissions from our own operations by 38% in FY2030 (compared to FY2015) as our mid-term target, and achieve carbon neutrality by 2050 as our long-term target. To this end, we are working to expand our employment of renewable energy and promote energy conservation.

The aim of this project is to efficiently employ renewable energy by utilizing the TPO/PPA model (Third Party Ownership/Power Purchase Agreement) for solar power generation and using company-owned land within our plant site. The TPO/PPA model is a scheme in which a solar power system is installed by a company that owns and manages solar power generation equipment (power sales contractor) on a site, roof, or other space provided by the owner of a facility, and the electricity generated is provided to the power consumer of the facility (facility owner) for a fee. This has the advantage of enabling the facility owner (Proterial) to use renewable energy on a large scale while reducing risk by off-balancing its solar power generation.*⁴ In addition, Kumagaya City is suited for solar power generation as it enjoys longer sunlight hours than the national average. Large-scale and highly efficient solar power generation systems can be installed on the site by making use of approximately 90,000 m² of company-owned land, including unused land and sports fields that are relatively free of obstructions.

Based on its overall plan for introducing renewable energy, the Group has also been actively installing renewable energy equipment at sites in areas outside of Kumagaya, including in the Moka area centered around the Moka Works. Solar power generation operations at this site based on the TPO/PPA model launched in April 2023 (estimated annual power generation in the first year: approximately 2.5 million kWh/year).

*1: According to our research. One of the largest on-site captive use solar power generation facilities in Japan in operation by the end of January 2024.

*2: Percentage at the start of operation

*3: Based on conditions presumed by the power sales contractor

*4: 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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