

MARKET SPOTLIGHT: JAPAN



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Japan Market by Shizen Energy Group

22nd April, 2026 @ REM Asia in Singapore

Introduction of Shizen Energy

Our Purpose

***“We take action
for the blue planet.”***



The three founders were raised in the nature-rich countryside of Japan. Shizen Energy was started from the simple mindset ***“be the change”***, three months after experiencing the tragic nuclear accident in 2011.

We believe the biggest impact to sustain our beautiful blue planet is accelerating the energy transition to a 100% renewable-powered planet.

While the human environmental footprint rises and climate change advances, the key to accelerate the energy transition is to connect the ***“grid of common purposes”*** of our friends and partners across the globe and work hand-in-hand. We will co-create, together with our partners, ***a world powered by 100% renewable energy as the first step toward enabling more people to continue living sustainably on Earth.***

Both global and local issues are core to our values. We take pride in solving the underlying issues in society using renewable energy. Our challenge is creating a ***new economic system*** which drives continuous long-term investment towards our future.

Rather than uniform globalization, ***we value globally connected local communities.***

We will take action to sustain the blue planet by creating the business models of the future.

Shizen Energy Group Business Overview

01

Power plant Construction

Development / EPC of renewable energy power plants
(Engineering/Procurement/Construction)



02

Power plant Operation

O&M / AM of renewable energy power plants



03

Expand Renewable Energy

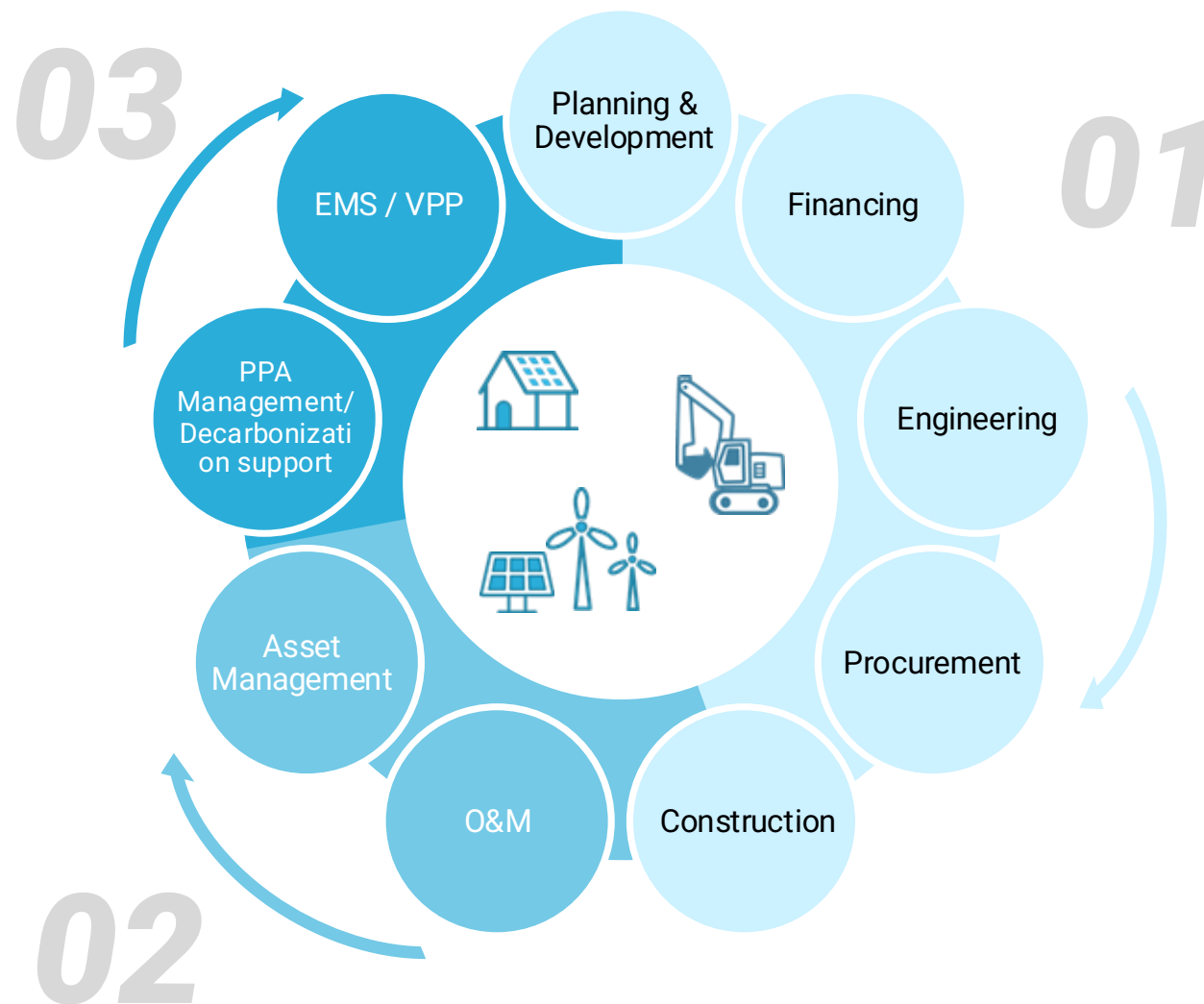
- PPA
- Environment Value Trading
- Energy Management System



03

02

01



Global Achievements & Pipelines

Group Total Development (as of December 2025)

1,601.3 MW

Operating	1,046.0 MW
Under Construction	176.8 MW
Advanced	378.5 MW
(In Development)	4,347.6 MW)

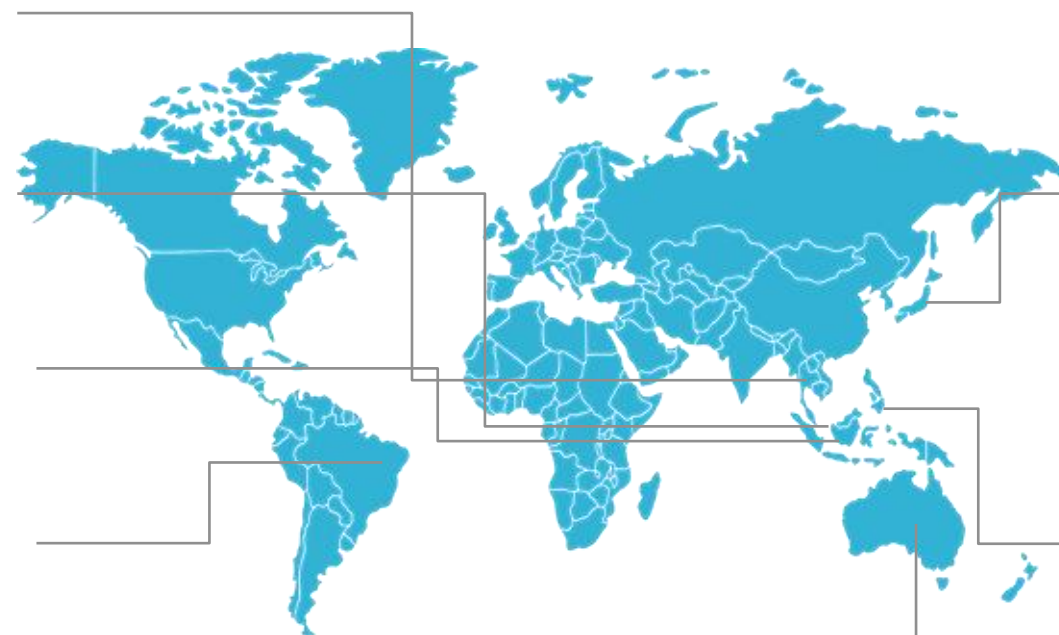
	Solar	1,139.4 MW
	Wind	74.0 MW
	BESS	385.7 MW

Thailand
Operating 31MW

Malaysia
Operating 4MW
Under Construction 56MW
In Development 344MW

Indonesia
Operating 34MW
Under Construction 3MW
In Development 63MW

Brazil
Operating 45MW



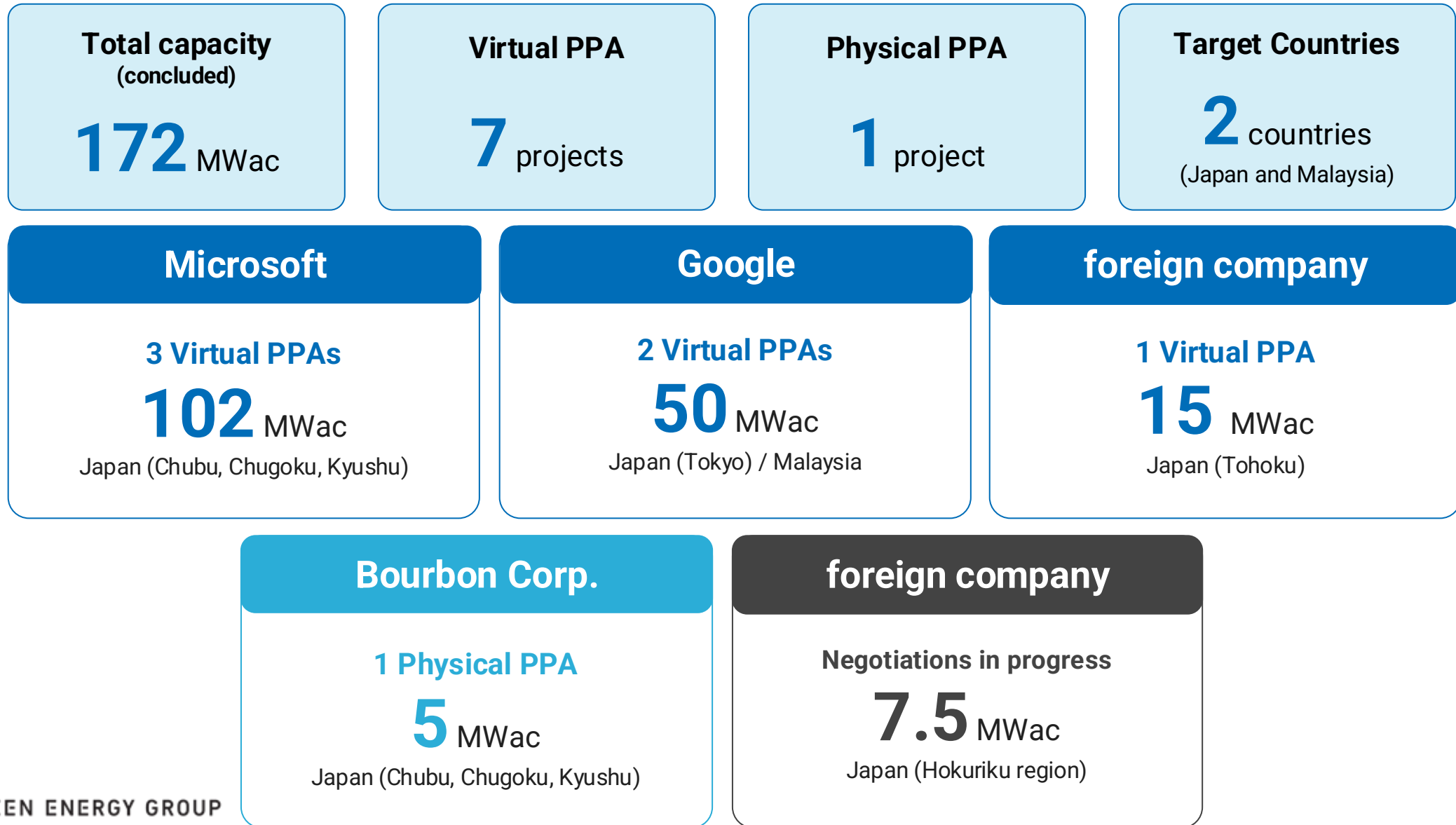
Japan
Operating 872MW
Under Construction 118MW
In Development 3,579MW

Vietnam
Operating 131MW
In Development 36MW

Philippines
In Development 104MW

Oceania
In Development 600MW

Offsite PPA Track Record





Agrivoltaic Project Shibushi city, Kagoshima pref.

In 2021, a large-scale agrivoltaic (solar sharing) project was established across three sites in Shibushi City, Kagoshima Prefecture, covering a total area of 34,401 m². With a combined solar capacity of approximately 2.19 MWp, the project aims to revitalize abandoned farmland and ensure the long-term stability and sustainability of local agriculture by integrating farming with renewable energy. This initiative is a collaborative effort: Shizen Energy spearheads the power generation business, while Takatomi Farm, a local agricultural producer, provides the land and manages farming operations. The project is further supported by the expertise of Chiba Ecological Energy Inc., a leading consultant in the agrivoltaic sector.

Location Matsuyamacho, Shibushi-shi, Kagoshima
Electricity Usage FIT (Feed-in Tariff) electricity sales
Capacity Total approx. 2,190 kWp
System Type Stilted type
Start of Operation April 2021
Crops Pasture grass (Italian Ryegrass)



Vertical Agrivoltaic Project

Obihiro city, Hokkaido

In collaboration with Tokyu Land Corporation and Shizen Energy Inc., a pilot study is being conducted at the university's experimental field. The project is managed by ReENE Shizen Farm LLC, a joint venture between the two companies. This facility features the largest-scale*1 vertical agrivoltaic system in Japan, aiming to promote carbon neutrality and contribute to the sustainable development of the Tokachi region.

*1 Based on research by Tokyu Land Corporation and Shizen Energy.

Location Obihiro-shi, Hokkaido

Power Producer ReENE Shizen Farm LLC

Capacity 743.04kWp (DC) / 500kW (AC)

System Type Vertical/ Bifacial Panels

Start of Operation December 2025

Crops Wheat, Sugar beet, Kidney beans,
Red beans, Grass

Business Model On-site PPA

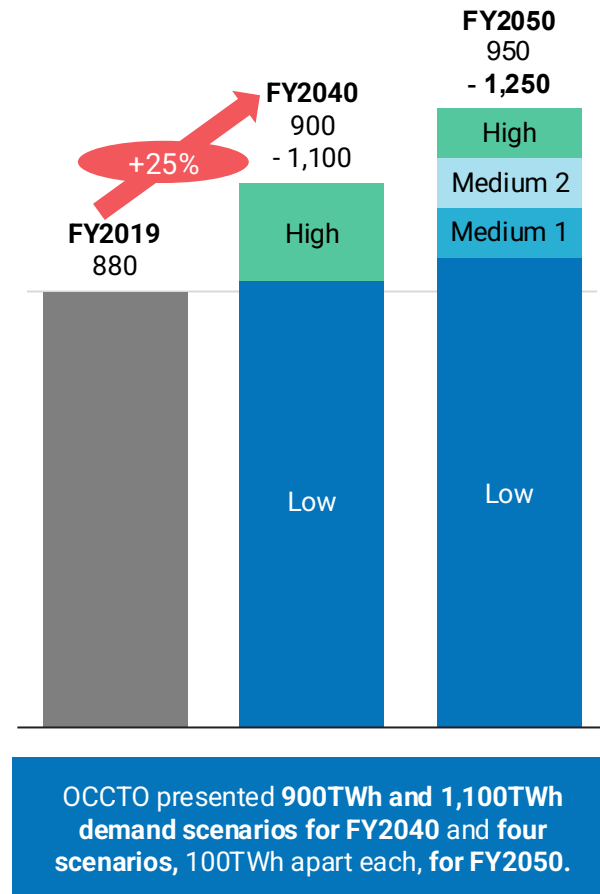
(All power generated is for self-consumption within the university)

Japan Market

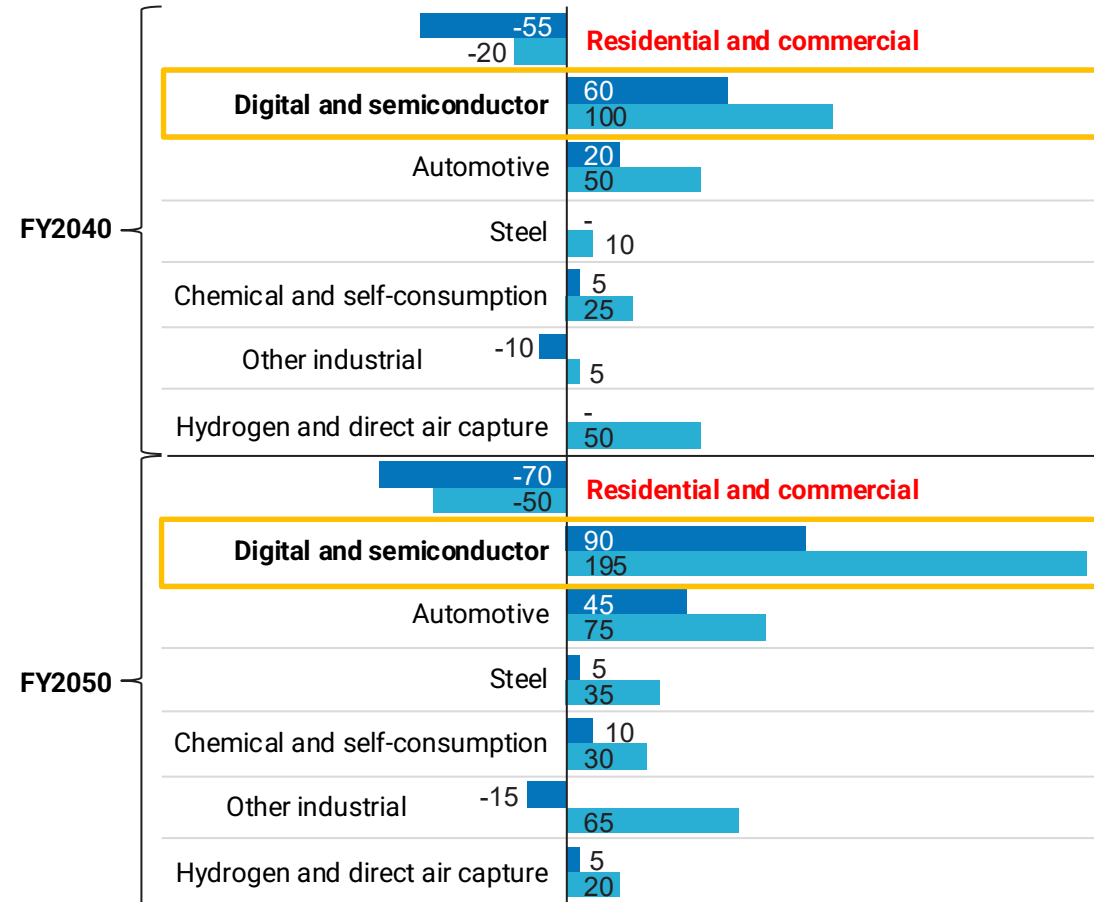
Demand Forecast

STRICTLY CONFIDENTIAL

OCCTO Demand Scenarios TWh



Projected Demand Change by Segment TWh vs. FY2019 actuals



Rapid Growth of Offsite PPA executions in Japan

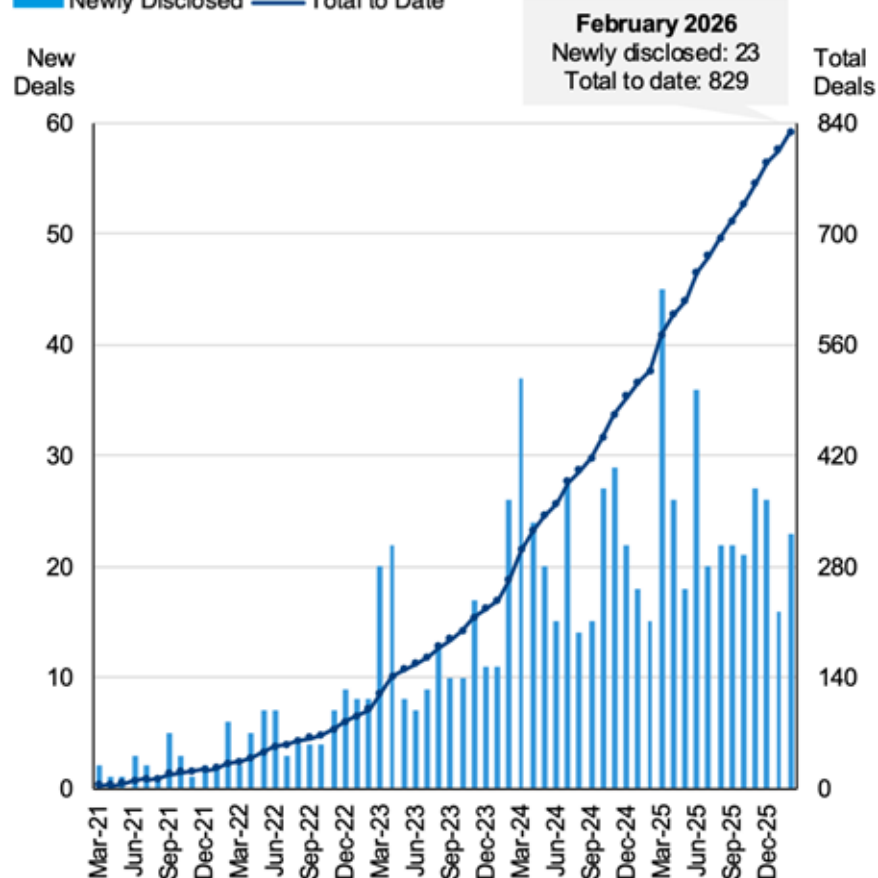
Corporate PPA announcements are rapidly increasing in Japan, despite recent price hikes.



Number of Disclosed PPA Deals in Japan

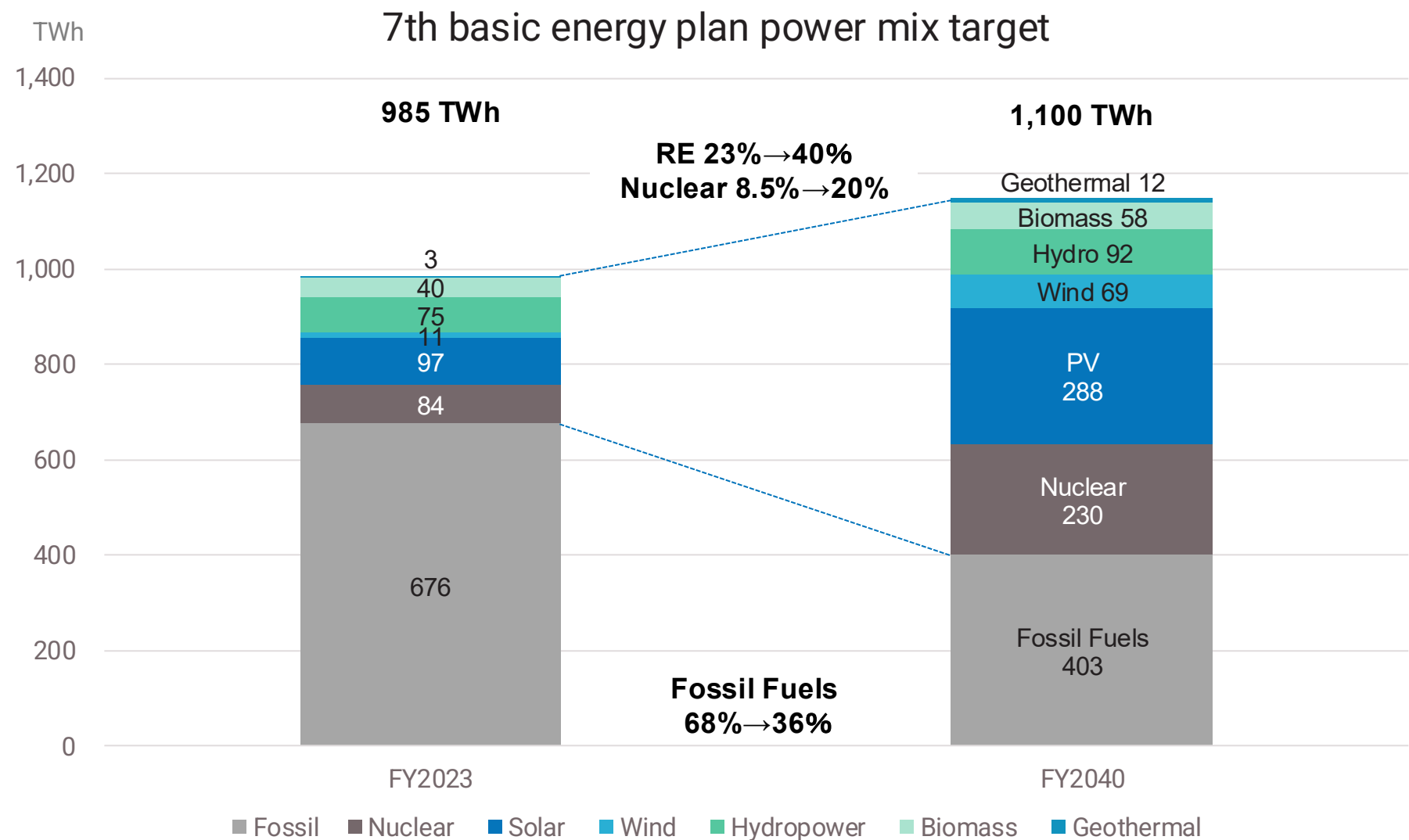
March 2021 – February 2026

— Newly Disclosed — Total to Date



Energy Mix in Japan

STRICTLY CONFIDENTIAL



Key Challenges for Solar Development in Japan

1 Physical constraints

- Limited land availability
- Anti-mega solar movement to protect environment

2 Economic impact

- High costs on grid construction and long construction period
- Weak yen, Inflation

3 EIA regulation

- EIA could be required for over 15MW solar project
- EIA takes 2-3 years, additional 2 mill USD

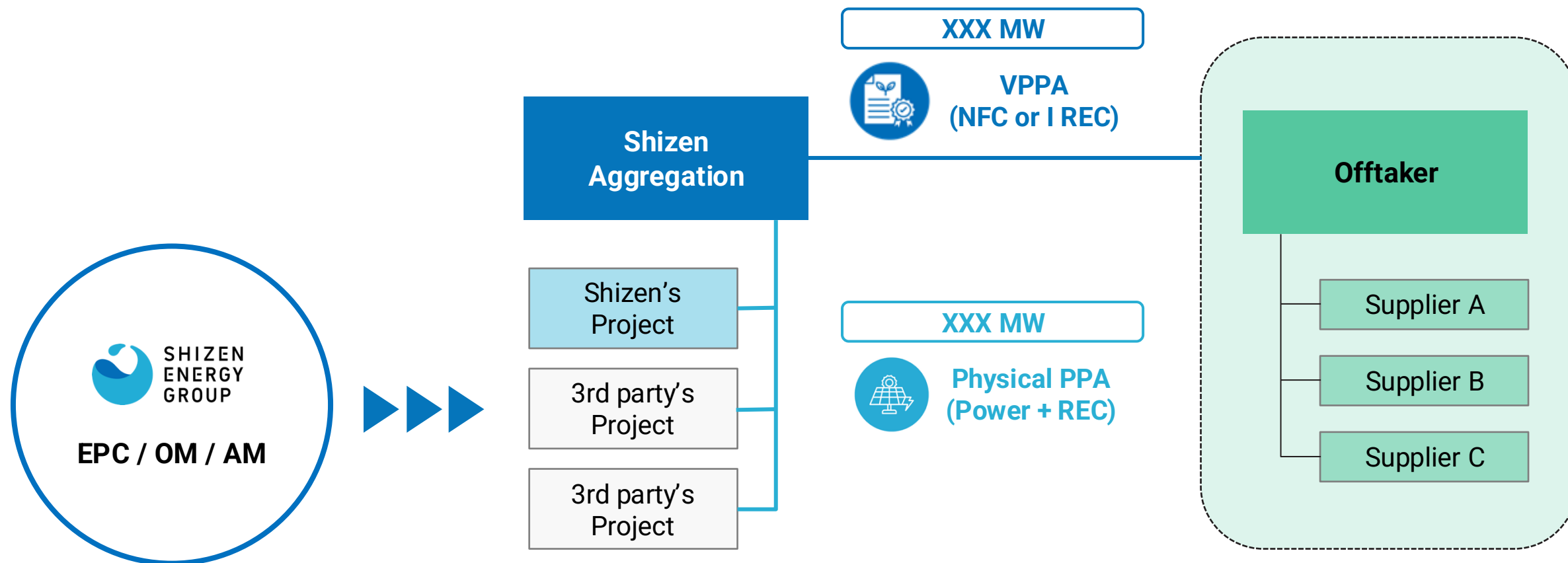
4 No more subsidy

- New solar projects will be excluded from FIT/FIP certification starting FY2027



Aggregation Model

- To meet the massive volume required by these tech giants, we are shifting to an **Aggregation Model**.
- Shizen acts as the central hub, sourcing power not only from our own projects but also from third-party developers, aggregating them into a single, reliable supply for the offtaker.



Collaboration with JERA on 24/7 CFE

- **Shizen Connect** is partnering with **JERA** and its subsidiary **JERA Cross** to launch a **pilot project for 24/7 carbon-free energy**.
- Shizen Connect provides the **battery control platform** that enables real-time remote control and optimization of grid-connected storage systems.
- The project aims to align **hourly renewable energy supply with demand**, going beyond conventional renewable energy credits.
- API integration between **Shizen Connect** and **JERA Cross** will coordinate forecasting, battery scheduling, and performance verification.
- This pilot is a key step toward the **commercialization of 24/7 clean energy solutions in Japan**.



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We take action for the blue planet.



Introduction to Sumitomo Corporation Group/PSE

Entity	Activities in Japanese Renewables Market
 Sumitomo Corporation 	• Awarded by JPX as the Best Market Maker in FY25 for J-Credits. • Development of renewables projects and providing Corporate PPA solutions. • Marketing of FIT NFCs / I-REC and EACs globally. • Providing retail power bundled with Non-FIT NFCs. • Development of I-REC platform(EneTrack) in Japan.
 PACIFIC SUMMIT ENERGY	
Summit Energy Corporation	
	
Trading & Marketing (USA) 	
Power Retail (Japan) 	
IT Services (Japan) 	

Solutions for Renewables in Japan

- In Japan, there are multiple solutions to claim the usage of renewables power, depending on the generation sources and regulatory frameworks. These include FIT NFC, Non-FIT NFC, I-REC and J-Credit.

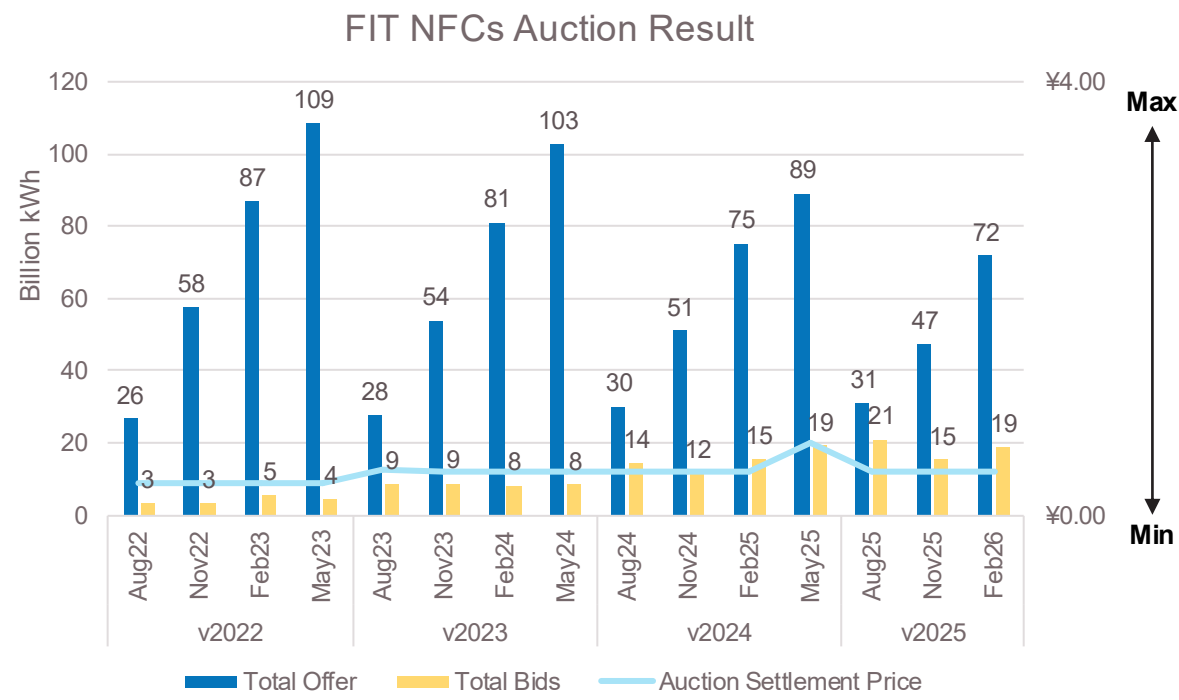
Solution	Eligible Source	Attribute Ownership	Ways of procurement by end user	Key Features
FIT NFC	FIT (Wind, Solar, Small Hydro, Geothermal, Biomass)	Government	JEPX	✓ Most cost-effective solution in Japan ✓ Supplied through quarterly auction ✓ Concerns remain about potential future supply-demand constraints and upcoming revision of the GHG Protocol.
Non-FIT NFC	FIP Large Hydro, ex-FIT etc.	Asset Owner	Corporate PPA Retail Power Provider	✓ The government is actively promoting FIP, including the shift from FIT
I-REC	Non-FIT	Asset Owner	Bilateral EneTrack	✓ Issued under the global standard ✓ Eligible for bilateral transactions ✓ Suitable for mid to long-term procurement
J-Credit	Off-grid (RTS, Biomass)	Asset Owner / Government	Bilateral JPX	✓ Eligible for bilateral transactions ✓ Eligible for GX-ETS, domestic compliance market in Japan.

*1 Feed-in Tariff (2012~) – government assures long-term offtakes at fixed price.

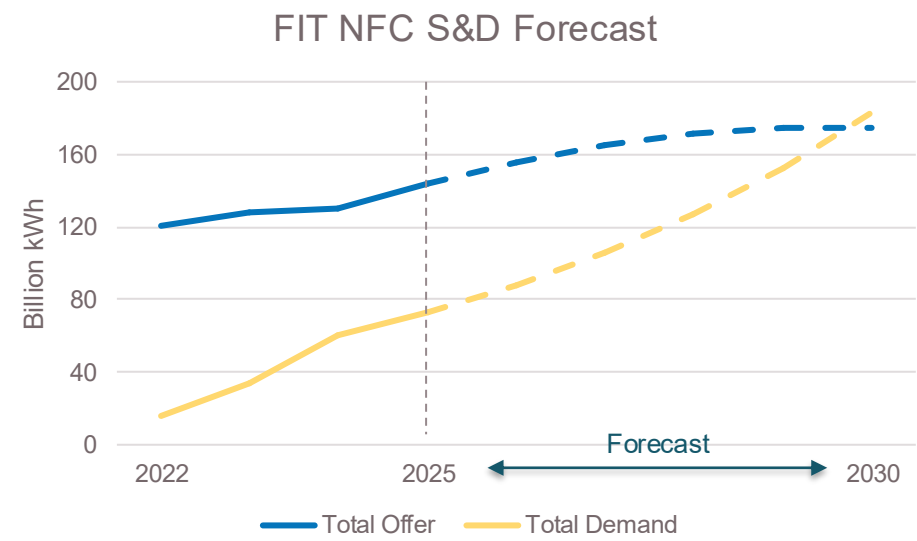
*2 Feed-in Premium (2022~) – government provides certain premium on top of the market power price.

Market Trend of FIT NFCs

- Currently the most accessible and cost-effective solution in Japan would be the use of FIT NFCs.
- The market has been oversupplied with 100% of the bids awarded at the floor price which is currently set at JPY0.4/KWh.
- However, there has been growing concerns regarding long-term supply availability and the potential price increase towards FY2030.



Left side chart: Created by PSE based on data from JEPX



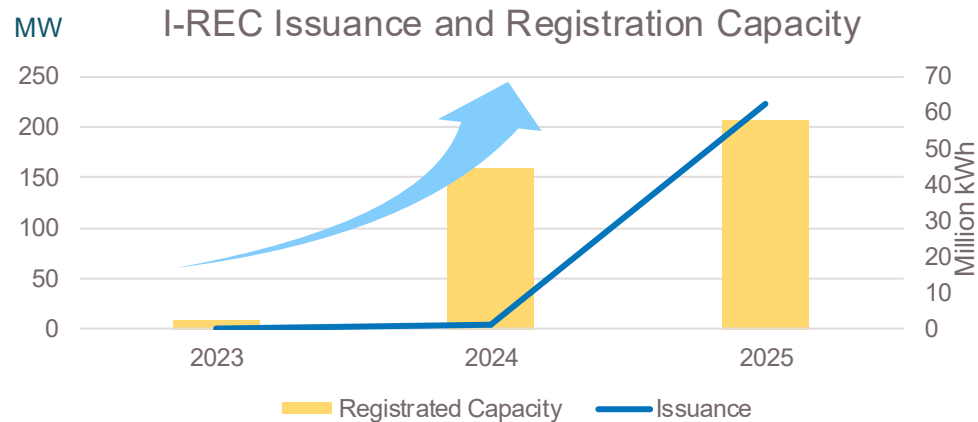
Supply: Less increase - 1) new and existing assets transitioning from FIT to FIP, 2) existing assets expiring from FIT eligibility period.

Demand: Increasing demand - new corporates are participating in the market to achieve their sustainability goals towards 2030.

Right side chart:
-Actual: Created by PSE based on data from JEPX
-Forecast: Created by PSE based on data based on our own assumption

Development I-REC in Japan

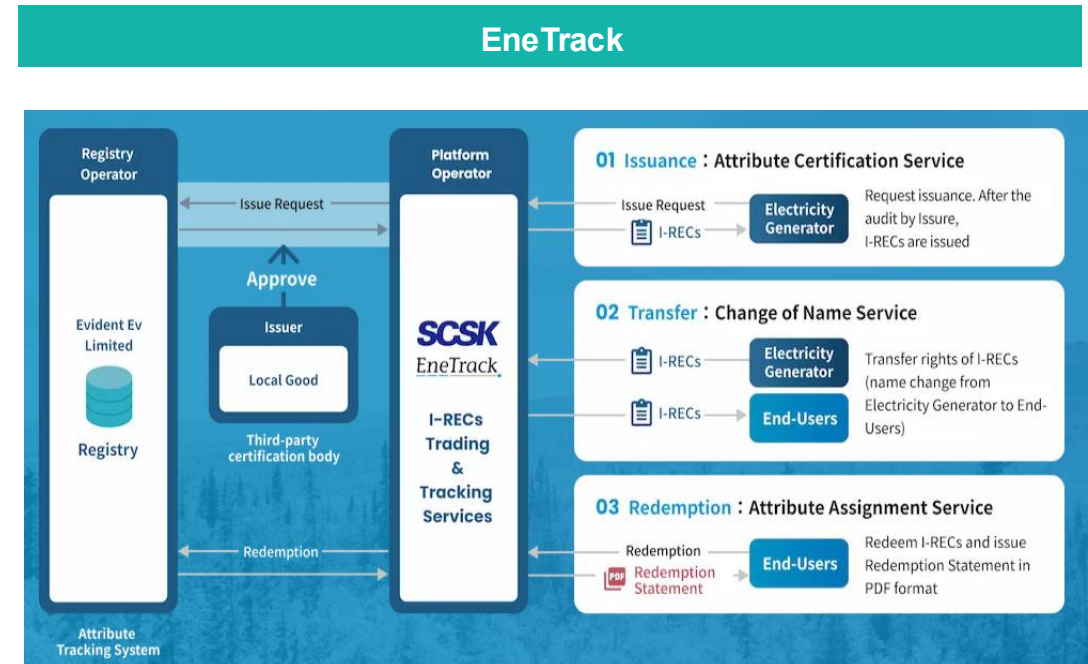
- Following the launch of commercial I-REC issuance in Japan in January 2023, market has grown substantially.
- Unlike NFCs, I-REC enables mid- to long-term procurement and is expected to become essential toward 2030, though low awareness, price gaps with FIT NFCs, and regulatory constraints hinder liquidity.
- SCSK, as the sole domestic platform provider, has developed “EneTrack” to facilitate transactions between developers and end-users.



Pros & Cons from End-

User	+	✓ Available via bilateral transactions tailored to customer requirements.
	+	✓ Mid- to long-term procurement is possible.
-	+	✓ Limitations on eligibility for domestic reporting frameworks*
	+	✓ Lack of liquidity and price competitiveness compared with FIT NFCs

* The Global Warming Countermeasures Act



Left side chart: Created by PSE based on data from I-TRACK Standard public data (as of end-February 2026)

Impact of Upcoming GHG Protocol Revision

- In the upcoming revision of the GHG Protocol, the key topics that are expected to impact the Japanese renewable energy market are Standard Supply Service (SSS) and Deliverability.
- These concepts are being discussed in light of the specific circumstances in Japan, and it will be important to continue monitoring these developments closely.

Standard Supply Service

Requirement for renewable energy from publicly funded, mandated, or shared resources can only be used to claim up to pro rata share of the market boundary.

Potential Impact:

There is a possibility that it will become difficult to make full claims using FIT and some portion of FIP



If these are recognized as SSS, it will be necessary to adopt alternative measures, such as Corporate PPA and I-RECs.

Deliverability

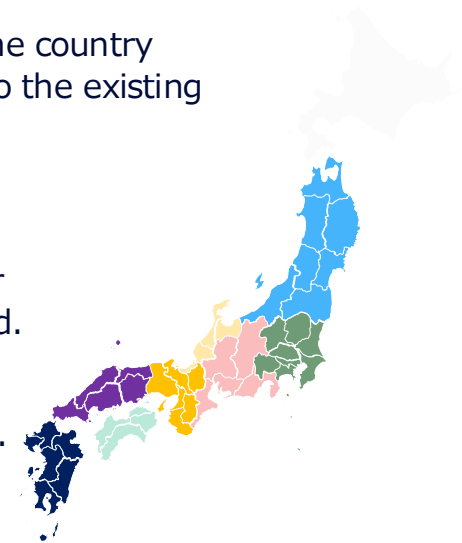
Requirement to procure renewable energy from the same geographic region or grid as electricity consumption.

Potential Impact:

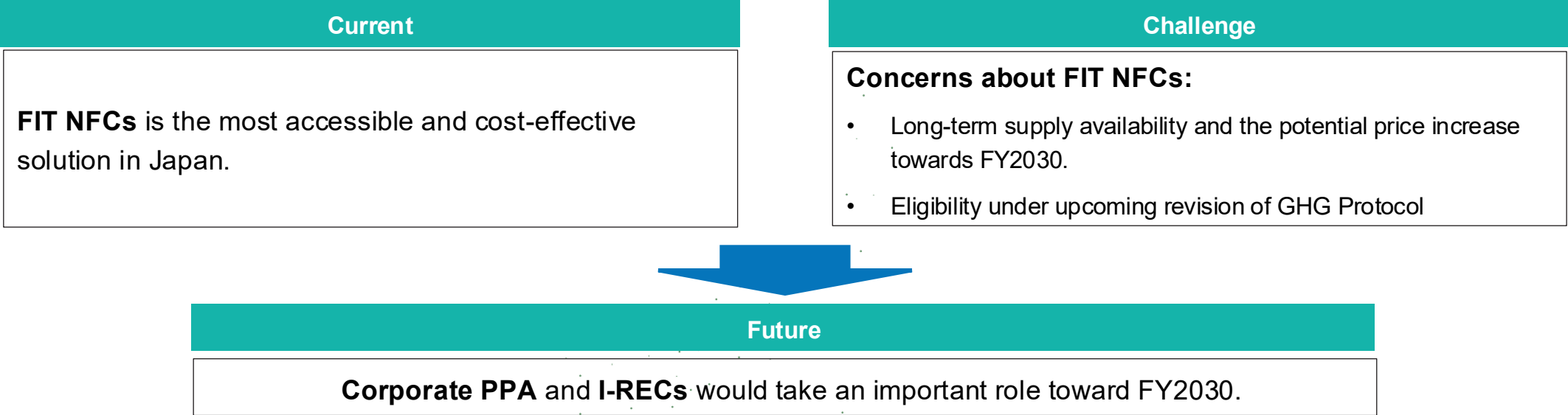
There is a proposal to divide the country into 10 areas, corresponding to the existing electricity pricing zones.

Challenge:

- ✓ Due to geographical constraints, suitable sites for renewable energy are limited.
- ✓ Demand areas are distant from power generation sites.



Key Notes



<Necessary cycle to enhance liquidity of I-RECs>

