

FOR IMMEDIATE RELEASE

TOKYO GAS ACQUIRES TWO BIOMASS PROJECTS IN JAPAN FROM EQUIS

26 August, 2020 – Equis Pte Ltd (“Equis”) today executed binding documentation for the sale of 100% of the 51.5 MW Fushiki Manyofuto Biomass Power Plant in Toyama, Japan (“Toyama Project”) and the 75 MW Ichihara Yawatafuto Biomass Power Plant in Chiba, Japan (“Ichihara Project”) to Prominet Power Co Ltd, a wholly owned subsidiary of Tokyo Gas Co Ltd (“Tokyo Gas”). The transaction is expected to close in September 2020.

The Toyama Project and Ichihara Project (“Projects”) are 100% owned by Equis Asia Fund 2 and the divestment to Tokyo Gas forms part of a planned exit of assets from various Equis’ funds.

In line with the business’ focus as Asia Pacific’s leading infrastructure asset developer, Equis has established Equis Development Pte Ltd (“Equis Development”), a Singapore headquartered company, through which all future equity investments will be made by Equis. Equis is no longer raising new private equity funds and is now focused on greenfield development of high-quality renewable energy, waste processing and recycling infrastructure assets in developed markets across the region.

The engineering, procurement and construction of the Toyama and Ichihara Projects will be carried out by Toyo Engineering under full turnkey lump-sum contracts. The Projects will sell 100% of their power under 20-year, fixed feed-in-tariff (“FIT”) of US\$0.23¹/kWh (JPY 24/kWh) power purchase agreements with Hokuriku Electric Power Company and TEPCO Power Grid Inc, a wholly owned subsidiary of Tokyo Electric Power Company under Japan’s renewable energy FIT system. The Projects generate energy from 100% wood pellets certified for chain of custody by an independent certification organization recognized by the Ministry of Economy, Trade and Industry in Japan under 20-year, fixed quantity and fixed price supply contracts.

The Toyama Project is under construction and is scheduled to achieve commercial operation in October 2021. The Project secured US\$232 million (JPY 24.6 billion) of non-recourse project financing committed from nine (9) syndication banks led by Sumitomo Mitsui Trust Bank and Shinsei Bank.

The Ichihara Project will issue a notice to proceed with construction on Monday, 31 August 2020. Construction is expected to commence in October 2020, with commercial operation date scheduled for January 2024. The Project secured US\$410 million (JPY 43.5 billion) of non-recourse project financing committed from twenty (20) syndication banks led by Chiba Bank.

The energy produced by the Projects is sufficient to supply the needs of approximately 189,000 households² and, by displacing a traditional coal power plant, will save approximately 120,900 tonnes of greenhouse gas emissions per annum³, which is equivalent to removing 25,690 passenger vehicles from Japanese roads each year⁴.

Japan-based Equis Development Managing Director Lance Comes stated, “We are excited to be a part of Tokyo Gas’ mission to achieve “net-zero CO2 emissions” by 2050. The Equis Development team has a proven track record of developing sustainable biomass projects in Japan, which provide stable renewable baseload power, minimize emissions and generate significant opportunities for local communities.”

Equis Development employs a regional team of professionals specialized in developing and operating biomass, renewables and waste treatment businesses, including 23 based in Japan. Equis plans to commit over US\$2 billion into the renewable energy and waste related infrastructure sectors across Australia, Japan, South Korea and Taiwan over the next two years.

¹ All dollar figures referenced assumes a FX rate of 1:106 for USD: JPY.

² The Projects are projected to produce 997,326,000 kWh of energy in 2020. According to data from Enerdata, as of May 2016, the average Japanese household consumes 5,275 kWh of energy each year. This means the Projects could sufficiently supply the needs of approximately 189,000 households (997,326,000 kWh / 5,275 kWh).

³ According to data from Greenhouse Gas Protocol, as of May 2015, Japan has a greenhouse gas emissions factor of 0.0005510 tonne CO2eq/kWh. Factoring in the projected 428,631 tonnes of greenhouse gas emitted, the Projects will save approximately 120,900 tonnes of greenhouse gas emissions per annum [(997,326,000 kWh * 0.0005510 tonne CO2eq/kWh) - 428,631 tonnes].

⁴ According to data from the United States Environment Protection Agency, as of 2017, 1,000 Metric Tonne of Co2 is equivalent to greenhouse gas emissions from 213 passenger vehicles driven for one year. This means that the approximately 120,900 tonnes of greenhouse gas emissions saved by the Projects is equivalent to removing 25,690 passenger vehicles from Japanese roads each year [(120,896 tonnes / 1,000) * 213].

As part of its ongoing commitment to Japan, Equis Development owns (separate from its fund business) and is developing the 50 MW Niigata East Port Biomass Power Plant in Niigata, Japan and the 50 MW Tomatoh Biomass Power Plant in Hokkaido, Japan ("Equis Projects"). The Equis Projects are at an earlier stage of development than the Projects sold to Tokyo Gas. They will require US\$536 million of capital and are scheduled to commence construction in 2021.

About Equis Development Pte Ltd

Equis Development Pte Ltd, or Equis Development, is Asia-Pacific's leading renewable energy and waste infrastructure developer and operator with a successful track record of having developed over 200 renewable energy and waste infrastructure projects across the region. Equis has offices in Australia, Korea, Japan and Singapore with a focus on the developed markets within the Asia-Pacific region.



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