

NEWS RELEASE

Aozora Finances Geothermal Power Plant Project for Waita Second Geothermal Power Co., Ltd.

TOKYO April 25, 2024 — Aozora Bank, Ltd. (President and CEO: Hideto Oomi; Head Office: Tokyo) ('Aozora' or 'the Bank') today announced the financing of a geothermal power plant project for Waita Second Geothermal Power Co., Ltd. (Representative Director: Kazuyuki Akaishi; Head Office: Kumamoto) ('Waita Second Geothermal Power') in collaboration with The Kumamoto Bank, Ltd. (President: Toshihiro Sakamoto; Head Office: Kumamoto), The Higo Bank, Ltd. (President: Yoshihisa Kasahara; Head Office: Kumamoto) and Japan Green Investment Corp. for Carbon Neutrality (President and CEO: Yoshihiko Tayoshi; Head Office: Tokyo).

Waita Second Geothermal Power aims to promote regional revitalization and achieve a decarbonized society through its power generation business. Sponsored by Furusato Netsuden Co., Ltd. (Representative Director: Kazuyuki Akaishi; Head Office: Kumamoto), Waita Second Geothermal Power intends to establish a flash-type geothermal power plant in Oguni-cho, Aso-gun, Kumamoto Prefecture. The plant will have an output of 4.995 MW and is scheduled to begin commercial operations in March 2026.

The Aozora Group strives to promote investments and financing that support its customers' initiatives to find solutions to environmental and social issues based on its "Investment and Lending Policies regarding Environmental & Societal Issues." The Group will also continue to proactively contribute to the sustainable development of society by promoting the development and implementation of renewable energy and related technologies that produce high efficiency and low environmental impact.

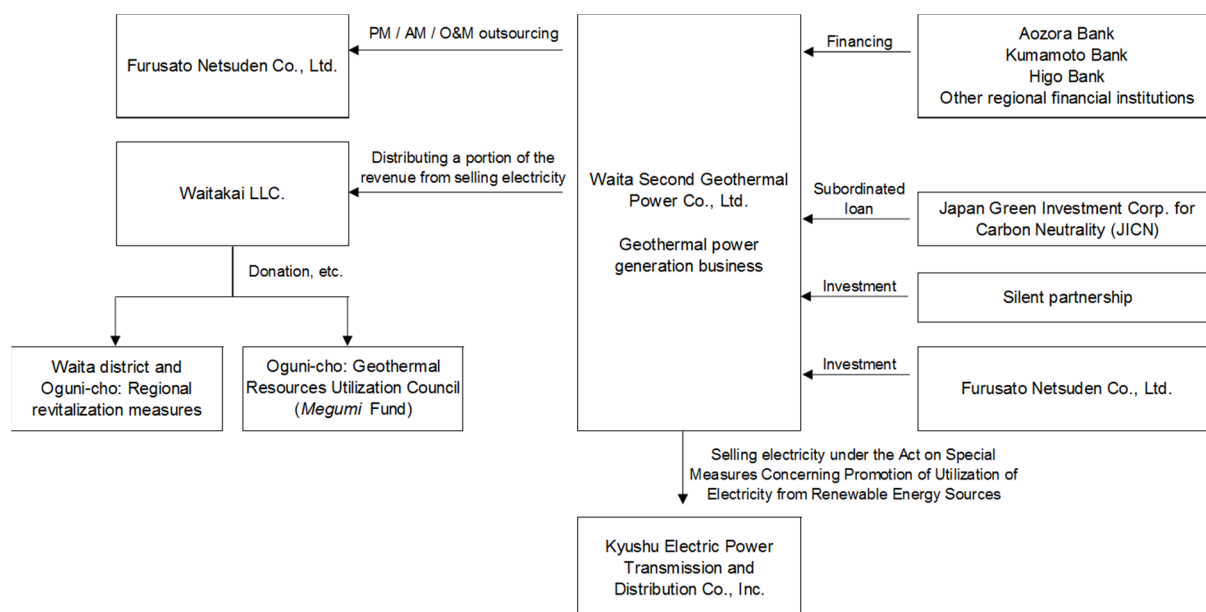
<Overview of Waita Second Geothermal Power>

Company name:	Waita Second Geothermal Power Co., Ltd.
Representative:	Kazuyuki Akaishi
Established:	August 2, 2022
Address:	2322-1 Miyahara, Oguni-cho, Aso-gun, Kumamoto Prefecture
Shareholder:	Furusato Netsuden Co., Ltd.

<Overview of financing>

Borrower:	Waita Second Geothermal Power Co., Ltd.
Agreement date:	March 28, 2024
Lead arranger:	Aozora Bank, Ltd.
Co-arrangers:	The Kumamoto Bank, Ltd.; The Higo Bank, Ltd. (in Japanese alphabetical order)
Subordinated loan provider:	Japan Green Investment Corp. for Carbon Neutrality

<Overview of project structure>



<Effects of this project on the environment and economy>

(1) Reduction in greenhouse gas (GHG) emissions

The supply of renewable energy (geothermal power) from this geothermal power plant will contribute to a reduction in GHG emissions as it serves as an alternative to existing electricity sources. In addition to the reduction that takes place during the power generation process, further reductions in GHG emissions are expected through the reuse of waste heat in various applications such as greenhouse cultivation and drying processes for building materials.

(2) Positive spiral for regional economies and the environment

This project plays a significant role in contributing to regional revitalization as it has a structure where a portion of the revenue from selling electricity will be passed on to the local community. For example, the funds are planned to be used for the development of hot spring facilities and local infrastructure. In addition to plant operations, the effective use of waste heat in various areas is also expected to create employment opportunities for local residents.

With the "Waita Model," which is designed to achieve both profitability and regional revitalization by developing geothermal power plants with the active involvement of local residents while incorporating expertise from external specialists, this project is expected to expand to other hot spring areas with geothermal resources.

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