



October 28, 2021

Hokkaido Electric Power Company

Mitsubishi Corporation

MC and Hokuden to form Hydro Power Alliance in Hokkaido's Donan Region
Optimizing Hydro Power to Help Realize Carbon Neutrality

Hokkaido Electric Power Company (Hokuden) and Mitsubishi Corporation (MC) are pleased to announce that we will be establishing a new joint venture in November 2021 that will be dedicated to hydroelectric power generation. The company, Donan Hydroelectric LLC (Donan Hydro), will be headquartered in Hakodate City, Hokkaido Prefecture. In conjunction with the new joint venture's establishment, Hokuden and MC have also agreed to form a hydroelectric power alliance that will service Hokkaido's Donan region.

Our alliance will begin by Hokuden replacing in stages five existing power plants in Southern Hokkaido Prefecture, with Donan Hydro managing their operations thereafter. The five plants that will be replaced are all located in the Donan region. They include four that are directly owned by Hokuden (Nanae Power Station, Isoyagawa Daiichi Power Plant, Isoyagawa Daini Power Plant, and Ainumanai Hydro Plant), and one owned by Hokuden's subsidiary Eco Energy Corporation, Ltd. (Ono Power Station).

Our alliance will combine Hokuden's long-established expertise in hydro power generation with MC's global know-how in renewable energies, thereby enabling both efficient replacements of the existing facilities and long-term stability of the new plants' operations.

MC and Hokuden are committed to leveraging Japan's domestically produced energy resources. Recognizing its worth in the context of renewable energy, we shall endeavor to optimize hydro power generated by the Donan region's valuable water resources and do our part to help Japan achieve carbon neutrality.

[Applicable SDGs]



Attachment: Overview of the Alliance

Inquiries

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Overview of Alliance

Joint Venture

Company Name	Donan Hydroelectric LLC
Address	1-2-1 Tomioka, Hakodate City, Hokkaido
Date of Establishment	November 2021 (planned)
Capital	10 million yen
Ownership Ratio	Hokkaido Electric Power Company: 50% Mitsubishi Corporation: 50%
Operations	Design, construction, operation, and maintenance of hydroelectric power plants and sales of electricity.

Shareholder Roles

Hokkaido Electric Power Company	Plant maintenance, local customer and media relations, licensing and permit acquisitions, etc.
Mitsubishi Corporation	Management of the joint venture company, as well as its contracts, financing, and so on.

Applicable Power Plants

Name of Facility	Nanae	Isoyagawa Daiichi	Isoyagawa Daini	Ainumanai	Ono
Capacity (kW)	10,000	2,400	1,250	2,000	1,500
Date Facility Went Online	Feb. 1965	Jun. 1924	Jul. 1929	Dec. 1930	Sep. 1985
Scheduled Shutdown Date	Mar. 2024	Mar. 2024	Mar. 2024	Mar. 2023	May 2023
Date Replacement Facility To Go Online	May 2026	Mar. 2025	May 2025	Jan. 2024	Apr. 2024

Location of Power Plants

