News Release
July 25, 2024
Nippon Electric Glass Co., Ltd.

# Virtual Power Purchase Agreement (VPPA) for Solar Power Signed in Malaysia
# Promoting Efforts towards Carbon Neutrality

Nippon Electric Glass (Malaysia) Sdn. Bhd. (Head office: Shah Alam, Selangor, Malaysia; Managing Director: Masaya Kubo; hereinafter "NEGM"), a subsidiary of Nippon Electric Glass Co., Ltd., has entered into a Virtual Power Purchase Agreement (VPPA)[*1] with Res Hijau Sdn. Bhd., a special purpose company of Ditrolic Energy Holdings Sdn. Bhd.[*2] (Head office: Johor Bahru, Johor, Malaysia; Group Chief Executive Officer: Mr. Tham Chee Aun), a renewable energy power generation company.

A VPPA is a means for consumers to virtually procure only the environmental value[*3] of renewable energy electricity generated off-site, and in Malaysia it can only be implemented by companies approved under the Corporate Green Power Programme (CGPP[*4]), a program launched by the government in 2023. NEGM will procure the environmental value derived from Ditrolic Energy's new solar power plant in the northern Malaysia Peninsula, which will effectively reduce $CO_2$ by approximately 41,000t-$CO_2$ per year.

Managing director Kubo said, "NEGM is honored to collaborate with Ditrolic Energy on this project in Malaysia, a country that has introduced various policies toward decarbonization. This project is also an important and significant step forward for NEG group's commitment to carbon neutrality."

To achieve carbon neutrality by 2050, NEG Group has prepared an action plan for reducing $CO_2$ emissions and is promoting various initiatives. The conclusion of this VPPA is part of those efforts. The group will continue to expand the use of all-electric melting to more products and promote the development of technologies that contribute to carbon neutrality, as well as help prevent global warming by procuring renewable electricity and obtaining environmental values both internally and externally.

**Overview**

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| 1. Power plant type: | Solar power generation |
| 2. Planned power plant sites: | Kedah, Malaysia |
| 3. Scheduled start of power generation: | December 2025 |
| 4. Contract period: | 20 years |
| 5. Annual power generation forecast: | Approx. 75 GWh (equivalent to the annual electricity consumption of approx. 18,000 general households) |

*1 VPPA: Under a physical PPA (PPPA), which has been popular so far, power generators and consumers trade electricity and environmental value as a set, whereas under a VPPA, environmental value is traded separately from electricity. Therefore, a VPPA can be used even if the power plant and the consumer are located in different areas served by different power transmission and distribution operators, and it does not affect the existing power supply contract.

*2 Ditrolic Energy Holdings Sdn. Bhd.: one of the largest Southeast Asian integrated energy companies, delivering total clean energy primarily solar to various industries including airports, educational institutions, healthcare, manufacturing, and more. By offering renewable energy, Ditrolic Energy enable customers to achieve their net zero-carbon goals.

*3 Environmental value: The added value of renewable electricity, which is that it does not emit $CO_2$.

*4 CGPP: A Malaysian government initiative to promote renewable energy that allows business consumers to virtually purchase solar energy from solar power producers.

**About Nippon Electric Glass Co., Ltd.**

Nippon Electric Glass Co., Ltd., headquartered in Otsu, Shiga, Japan, is one of the world's leading specialty glass manufacturers. Our specialty glass, which brings about new functionalities, is transformed into various products such as sheets, tubes, fibers, and powders. These products are used in a wide range of fields including semiconductors, displays, automotive, electronics, medical, and energy industries. The specialty glass developed through the technology and achievements we have refined over our 70-year history is highly regarded across various sectors, from everyday life to the forefront of industry.

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- Representative: Akira Kishimoto, President
- Established: December 1949
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