



Showa Shell Sekiyu K.K.
7/9/2009

Announcement on the Investment in the Third CIS Photovoltaic Module Plant of Showa Shell Solar K.K.

Showa Shell Sekiyu K.K. (Chairman: Shigeya Kato, Headquarters: Daiba, Minato-ku, Tokyo) and its 100% subsidiary Showa Shell Solar K.K. (President: Shigeaki Kameda, Headquarters: Daiba, Minato-ku, Tokyo) have decided to construct their third CIS photovoltaic (PV) plant in Miyazaki Prefecture, which is planned to start operations in 2011.

The photovoltaic market is expected to grow significantly with improvements in subsidy programs for residential photovoltaic systems in Japan and the launching of Green New Deal Policy in the U.S., as the world accelerates movement towards a low carbon society.

The annual production capacity of the third plant is 900 megawatt, with an investment of approximately 100 billion yen. Including the first plant and the second plant that are already in operation, Showa Shell's total annual production capacity is expected to reach approximately 1 gigawatt (1,000 megawatt). Showa Shell will purchase the Miyazaki Plant owned by Hitachi Plasma Display Ltd. located in Kunitomi-cho, Higashimorokata-gun, Miyazaki, and install equipment there to quickly construct the new plant. Production from the plant will be sold in Japan and around the world for various uses including residential, industrial and solar power generation.

With this investment decision, Showa Shell steps forward in pursuing its Medium Term Business Vision, "EPOCH 2010: Conquer the Change, Pioneer the Future," in which expansion of the solar business is a key priority.

Showa Shell Solar K.K. and its CIS Photovoltaic (PV) Modules

Showa Shell Solar developed leading technology in manufacturing thin-film CIS photovoltaic modules (product name: "SOLACIS") and started commercial production at the first plant ("Miyazaki Plant", annual production capacity 20MW) in 2007. This April, the second plant ("Second Miyazaki Plant", annual production capacity 60MW) was completed, and commercial production started in June. At Atsugi Research Center, research and development of leading production technology for the third plant is conducted.

【Outline of Showa Shell Solar K.K.】

Address of Headquarters:	Daiba Frontier Building, 2-3-2 Daiba, Minato-ku, Tokyo
Representative:	Shigeaki Kameda (President, Representative Director)
Capital:	2.62 billion yen
Capital Structure:	100% Showa Shell Sekiyu K.K.
Number of Employees:	Approximately 450 people

【Outline of Third Miyazaki Plant】

Address:	Kunitomi-cho, Higashimorokata-gun, Miyazaki
Annual Production Capacity:	900MW
Amount of Investment:	100 billion yen
Start of Operation:	Within the second half of 2011 (plan)
Number of Employees:	Approximately 800 people (at the start of operation)
Area:	Approximately 400,000 m ²

CIS PV modules are leading edge solar panels, composed of Copper, Indium and Selenium, without the use of silicon. CIS modules are generally regarded as the most promising technology among all the thin-film photovoltaic applications. CIS modules have already achieved the highest efficiency level among the thin-film photovoltaic applications, and the potential is high for further improving the conversion efficiency with this technology. Compared to crystalline silicon photovoltaic modules that

are the current mainstream, CIS modules can be produced at lower cost with less raw materials required and approximately half the manufacturing process steps. In addition, CIS modules are environmentally friendly products with a drastically reduced energy payback time (period required for the recovery of energy consumed during manufacturing through power generation), and Showa Shell's CIS modules do not contain toxic materials such as lead and cadmium.

Because of its innovative technology, Showa Shell CIS PV modules were awarded the Minister of Economy, Trade and Industry Prize, the highest award presented at the 12th New Energy Awards sponsored by the New Energy Foundation. Showa Shell's CIS modules also received the Prize for Excellence (Manufacturing and Technology Development Category) at the 2nd Monozukuri Nippon Grand Awards held by Japanese Ministry of Economy, Trade and Industry. With its superior design and solid black color that are well suited for rooftops, Showa Shell CIS modules were honored with the Ecology Design Prize of the Good Design Awards in 2007.

【Awards】



【Examples of installation】



About Showa Shell Solar K.K.

Showa Shell Solar Kabushiki Kaisha is the world's reliable CIS module manufacturer and a 100% subsidiary of Showa Shell Sekiyu Kabushiki Kaisha, one of the major Japanese oil companies.

<http://www.showashell-solar.co.jp/> (Japanese only)