

## juwi Shizen Energy Inc.

**juwi Holdings AG, a renewable energy plant construction firm, establishes joint venture in Tokyo. Using know-how accumulated worldwide, the company aims to further diffuse renewable energy in Japan.**

In January 2013, German-based juwi Holdings AG established a joint venture with the Japanese firm Shizen Energy Inc. called juwi Shizen Energy Inc. located in Tokyo. On January 24, the companies held a press conference at JETRO IBSC Hall for the establishment of their new joint business. The press conference included a significant media presence, indicating that the entry of the world's leading renewable energy-related company to Japan is drawing keen attention from the press.



A scene from the press conference

juwi is a leading EPC (Engineering, Procurement and Construction) company in the industry that consistently engages in work ranging from the search for appropriate locations of renewable energy plants to their planning and design, and even construction and management of the facilities. Since its establishment in 1996, the company has steadily expanded its business scale. Currently, the company has 20 subsidiaries worldwide. The total output of wind power generators and solar power plants established by the company so far reaches 2,500MW and the company provides electricity to

approximately 1.3 million households worldwide.

### Reason for choosing Japan

One of the reasons why juwi decided on full-scale expansion into Japan is that the country has started feed in tariffs (FIT) for renewable energy. In the New Growth Strategy (approved by the cabinet in June 2010), it is stated that the government aims to create a renewable energy related market of 10 trillion yen by 2020, positioning the FIT, which began in July 2012, as one of the core policies. By using the FIT, renewable energy business operators are guaranteed that the electricity generated by renewable energy will be purchased at a fixed price over a long term, considerably reducing the risk of entering the business. As juwi was already considering full-scale entry into the Japanese market, the commencement of the FIT proved a deciding factor.



Mega solar power plant constructed by juwi

### Advantages of juwi Shizen Energy

The newly established juwi Shizen Energy has set a goal for itself to develop "global and local business" throughout various regions of

Japan, utilizing technology which meets global standards. It will take advantage of the strengths of both juwi and Shizen Energy and allow the companies to supplement one another.

The fact that juwi Shizen Energy can use juwi's global purchasing networks and latest construction know-how will serve as a great advantage in entering the Japanese market. juwi has experience participating in various projects around the world, which enables the company to select the most appropriate equipment for a given construction project. Furthermore, a great advantage of the company is that it can provide high-quality equipment at competitive prices because it procures the equipment by using its own global purchasing networks. In addition, it will be possible in some cases to shorten work periods and reduce costs by adopting the latest construction method that other Japanese competitors do not have.

Shizen Energy's record in Japan and know-how are also great assets for juwi Shizen Energy. When establishing a renewable energy plant in Japan, a foreign operator may face many more problems than simply language.

For example, when a foreign plant operator builds a mega solar power plant, in order to obtain permission to use the land, a high level of negotiation capability and flexibility over a long period of time are necessary. The company must gain an understanding of the local government, relevant bodies and laws and ordinances peculiar to Japan such as the Agricultural Land Act and the Building Standards Act. They must also understand how construction will affect and concern neighboring residents. In order to communicate with residents, it is crucial to conduct local-based activities such as holding

continuous briefing sessions and other forms of cooperation with local companies. Furthermore, in the case of a mega solar power plant, billions of yen in initial costs are incurred depending on the transactions, and therefore it is essential to have strong negotiation skills and networks for financing.

Shizen Energy's partnership in the joint venture ensured smooth communication in Japan while juwi was able to take advantage of its own construction know-how and strong purchasing power.



## Future business development

Two mega solar power plants constructed by juwi commenced operations and electric transmissions in Kumamoto in December 2012 and in March 2013, respectively. The company aims to construct renewable energy power plants of one million kW in total by 2017, and projects are underway in various regions in Japan. While the company has operations mainly in solar power generation, it has also started a demonstration project for wind turbines. The company is planning to branch out into various renewable energy projects in the future.

## JETRO's Support

In setting up the subsidiary, JETRO's Invest Japan Business Support Center (IBSC) provided the company with a range of support such as offering temporary office space and providing market overviews in the fields of Japanese renewable energy and information on related subsidy programs offered by local governments. Masaya Hasegawa, President of juwi Shizen Energy

Inc. commented on JETRO's services as follows: "It was very beneficial that JETRO promptly prepared a temporary office for us, as the number of our employees has sharply increased following our joint venture with juwi. Moreover, we appreciate that JETRO

provided us with information on the Japanese energy market which is normally hard to come by, allowing us to conduct operations in an efficient manner."

(October, 2013)

## Corporate history

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1996	juwi Ltd. established in Germany
2013	juwi Shizen Energy Inc. established in Japan, as a joint venture with Shizen Energy Inc.

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Establishment: 2013

Business: Planning, design and construction of renewable energy plants and other operations

Parent company: juwi Holdings AG (Germany), Shizen Energy Inc. (Japan)

URL: <http://www.juwi-shizenenergy.com/>