

September 25, 2014

Sanix's Response Regarding the Suspension of Connection Application Replies  
for Commercial Solar Power Generation in Kyushu

1.Suspension of Connection Application Replies for Renewable Energy-based Power Generating Facilities by Kyushu Electric Power Company

On September 24, 2014, Kyushu Electric Power Co., Inc. released a notice titled "Suspension of Replies to Connection Applications for Renewable Energy-based Power Generating Facilities in Mainland Kyushu" (hereinafter, the "Reply Suspension Notice"). An outline of the suspension of replies to connection applications based on the released materials is as follows.

Generating Facilities Affected:	All renewable energy-based power generating facilities including solar power
Types of Facilities:	Low Voltage (except for surplus purchase of less than 10kW), High Voltage, Extra-High Voltage
Application Categories:	New applications and existing applications (prior consultation / connection investigation / applications for connection agreements) However, the following existing applications are exempt. Low Voltage: Those for which invoices for contribution in aid of construction costs have already been sent High Voltage and Extra-High Voltage: Those for which interconnection approval notices have already been sent.
Start Date of Application:	September 25, 2014
Period of Suspension:	Several months

(Refer to the Reply Suspension Notice from Kyushu Electric Power for details.)

2.Sanix's Response

Sanix has focused its management resources on the business field of commercial solar power system and until the previous fiscal year had been engaged in the direct sale and direct installation of solar power generating facilities west from the Chukyo area and the wholesale of components for solar power systems primarily in the Kanto area. Starting the current fiscal year, Sanix has also developed a direct sales and installation network for the East Japan district, mainly in the Kanto region, and has run a solar power sales and installation business nationwide.

According to this latest Reply Suspension Notice from Kyushu Electric Power, for a certain time (several months), no replies will be given for new applications or existing applications under prior consultation, connection investigation or connection agreement application with regard to solar power generating facilities of all sizes throughout mainland Kyushu except for household facilities. Due to this, with some exceptions, it will no longer be possible for Sanix to undertake the installation of solar power facilities for which it has received orders from customers within the Kyushu Electric Power service area.

As described above, while Sanix pursues its business activities on a nationwide scale, it cannot avoid being impacted by the inability to undertake installation work within the Kyushu Electric Power service area. For this reason, Sanix is considering various responses, including diverting its personnel operating within the Kyushu area to other districts. Further, Sanix intends to review personnel hiring plan, advertising plan and business site expansion plan with respect to its future business plans and

make a united company-wide effort to minimize the impact of the reply suspension by Kyushu Electric Power.

### 3.Future Outlook

After undertaking a detailed examination of the impact due to the reply suspension by Kyushu Electric Power and considering the various responses described on 2. Sanix's Response, Sanix will promptly inform stakeholders once our future business policy has been finalized.

For more information, please contact to;  
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