



NEWS RELEASE

Showa Shell Sekiyu Group Considers Unification of Solar Assets Under Solar Frontier

Next step in company's journey of global CIS leadership

Tokyo—June, 18th, 2014 — Showa Shell Sekiyu K.K. ("Showa Shell") announced that its Board of Directors has approved a plan to consider reorganizing the Showa Shell Sekiyu Group in order to unify its solar energy-related assets under Solar Frontier K.K. ("Solar Frontier").

Showa Shell started research activities with solar in the early 1970s in response to the oil shock that significantly impacted Japan. In 1993, the company decided to focus its solar research exclusively on CIS (Copper, Indium, and Selenium) technology while working in conjunction with NEDO (New Energy and Industrial Technology Development Organization), a division of the Japan government's METI organization (Ministry of Economy, Trade, and Industry). The company commercialized CIS technology in 2007 with the opening of its first production plant, and today its plants produce almost a gigawatt of CIS solar modules each year. The R&D assets have remained in Showa Shell while the production facilities, other assets, and sales activities are part of Solar Frontier, a wholly-owned subsidiary of Showa Shell.

The successful research program with CIS continues today with numerous world records to its credit. The research program also provides critical support to Solar Frontier's large-scale manufacturing operations. The reorganization being considered includes the transfer of the solar-related R&D assets and other assets currently in Showa Shell Sekiyu's portfolio to Solar Frontier, bringing all solar-related activities under the Solar Frontier umbrella.

Today's competitive and rapidly-changing solar market in Japan and around the world requires a quick response to market conditions. Showa Shell's study is an effort to organize the company in a way that enables flexibility and efficiency in its solar business operations. Solar Frontier's competitive edge in the industry relies heavily on the R&D program and the intellectual properties in CIS technology that have been developed by Showa Shell and NEDO since 1993. This success has resulted in Solar Frontier becoming the global leader in the CIS solar market.

As Solar Frontier continues to grow its market presence, this transfer of Showa Shell-owned assets will enable the company to streamline its organization and strengthen comprehensive operational capabilities, from R&D to manufacturing to supply and sales. This will reinforce Solar Frontier's competitiveness and increase its corporate value with the aim to increase the value of the Showa Shell Sekiyu Group as a whole.

Showa Shell Sekiyu K.K.

Showa Shell Sekiyu K.K. is listed on the Tokyo Stock Exchange and has roots dating back more than 100 years in the downstream energy business.

About Solar Frontier

Solar Frontier K.K., a 100% subsidiary of Showa Shell Sekiyu K.K. (TYO:5002) ("Solar Frontier"), has a mission to create the most economical, ecological solar energy solutions on Earth. Building on a legacy of work in solar energy since the 1970s, Solar Frontier today develops and manufactures CIS (denoting copper, indium, selenium) thin-film solar modules for customers in all sectors around the world. Solar Frontier's gigawatt-scale production facilities in Miyazaki, Japan, integrate compelling economical and ecological advantages into every module: from lower energy requirements in manufacturing to the higher overall output (kWh) of CIS in real operating conditions. Solar Frontier is headquartered in Tokyo, with offices in Europe, the U.S.A., and the Middle East. Visit www.solar-frontier.com for more information.

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