

# Press Release

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## Baker & McKenzie Advises Sumitomo Trust & Banking in Relation to the Acquisition of the Akashiba Water Power Plant in Japan

Tokyo, December 6, 2010 – Baker & McKenzie GJBJ Tokyo Aoyama Aoki Koma Law Office (Gaikokuho Joint Enterprise) represented the Sumitomo Trust & Banking Co., Ltd as an arranger and a senior lender in relation to the acquisition of the Akashiba Water Power Plant (11.2 MW), owned by Covalent Materials Corporation. Sumitomo Trust has financed JPY 3 billion to the Akashiba Water Power Corporation, which was a special purpose company.

The Akashiba Water Power Plant was built by Denki Kinyu in 1954 as a dam owned by a private company in Yamagata prefecture, Japan, to supply power to their own operation. After Denki Kinyu became a subsidiary of Toshiba Corporation, Toshiba Ceramics built the second water power plant in 1987 along with their increased power demand. Toshiba Ceramics changed their name to Covalent Materials after they seceded from Toshiba Corporation.

The deal involved both acquisition finance and project finance (hybrid finance) in the renewable energy sector which has seen increasing deal activities recently. This is Japan's second transaction involving a non-power company acquiring a water power plant, following the acquisition by Joetsu Energy Service of the hydro-power generation business of Nippon Soda in March, 2008. However, the Akashiba Water Power Plant deal was considered as the first full-scale acquisition and project financing of a water power plant in Japan.

"We are pleased that we could be involved in this ground breaking transaction," said Baker & McKenzie Partner Naoaki Eguchi. "We will continue to assist our clients with their interest in wind power, solar power, bio ethanol, biomass and other renewable energy projects."

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