

IMPACT INVESTMENT

CLIMATE POLICY PROJECT

»PEOPLESHOME«

ENERGY INVESTMENT

JAPAN



10 MEGAWATT RENEWABLE GRID POWER

ULRICH KRETZSCHMAR



The issue of environment has never been more important than today.

PEOPLESHOME Impact Investments link the renewable energy generation with the enhancement of infrastructure in emerging markets.

Ulrich Kretzschmar, 2017

Ulrich Kretzschmar, Founder
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THE BUSINESS

Japan has a large scale of Solar yields with a moderate location characteristics and perform secure energy generation.

The investment scheme is based on the provision of international equity (15.9%).

The Industrial and Commercial Bank of China could provide a loan of up to 1,152 million JPY for 10 Megawatt in total.

Assuming this loan financing the equity/loan ratio would be at 1 : 5.4
 The project has a stable cash flow which is guaranteed by the national government (FiT/PPA calculation is at 27.8 JPY/KWh) and has a strong value of saleability and is projected for 20 years (Dividends Guarantee 50.7%).

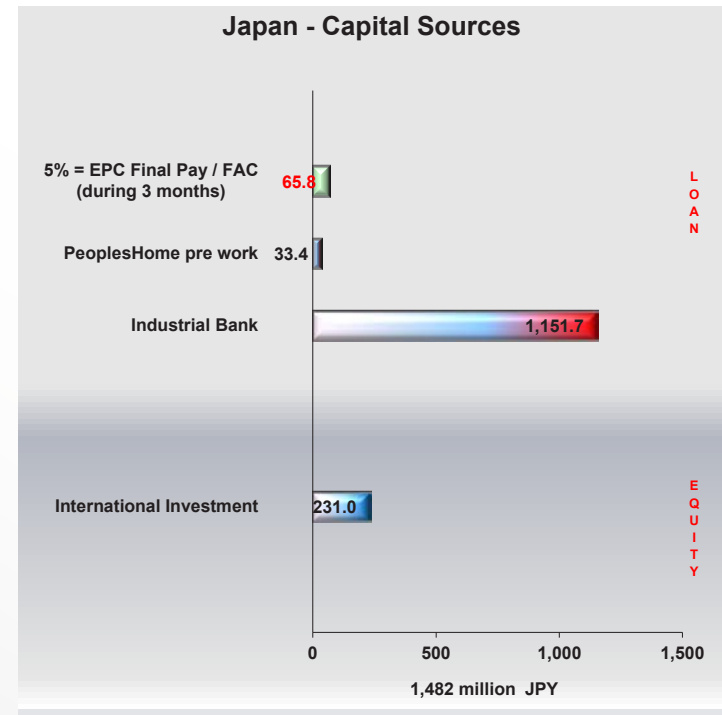
Programmatic carbon income is no part of the financial projections. It is estimated up to 2.5% of the investment cost throughout the entire operating period.



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Japan - Capital Sources



Project Driver
NAZURA & PARTNER

Lead Investor
Family Office

Country Investor
National Institution or Entity

Prime Contractor
World Technology Leader

Project Initiator
PEOPLESHOME & Associates

Operator
National Company

Power Purchaser
National Electricity Provider

Rent to Land Owner
Local Municipality

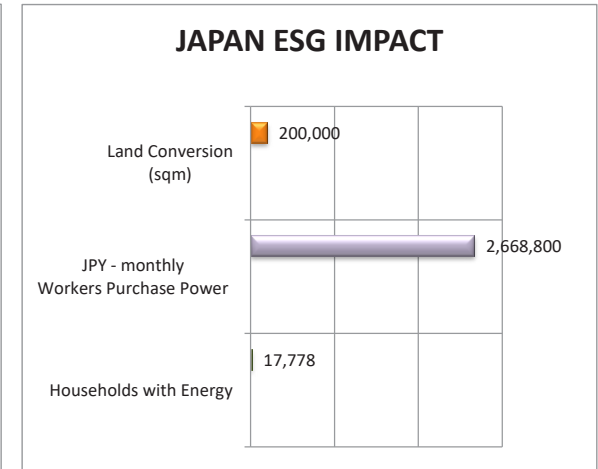
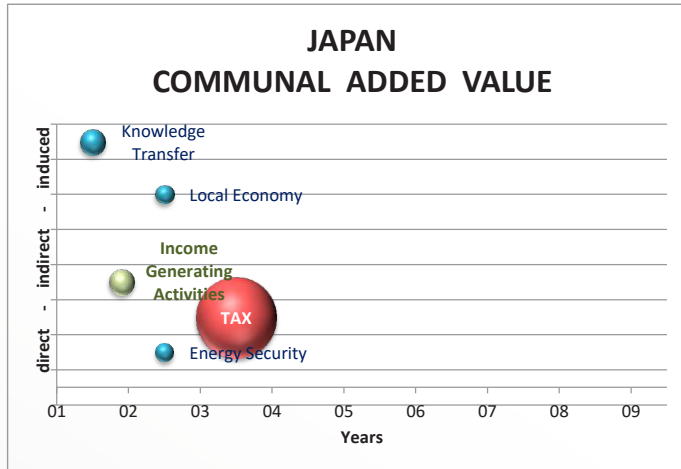
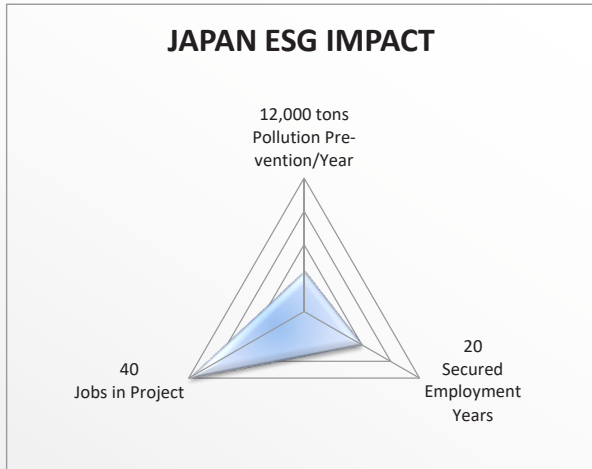
Knowledge Transfer
International University Collaboration

let the Sun/Wind work with you

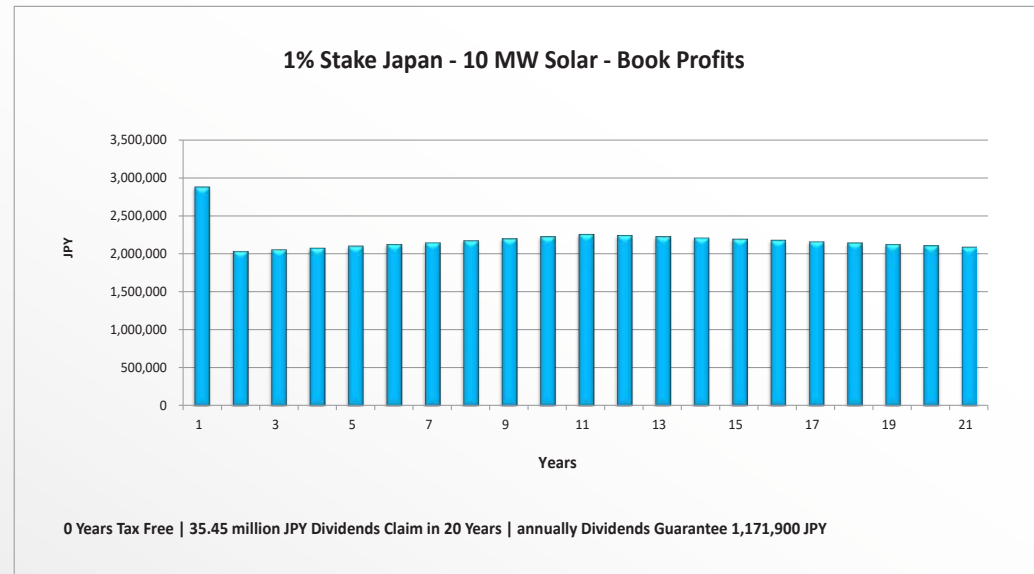


ESG IMPACT & DIVIDENDS

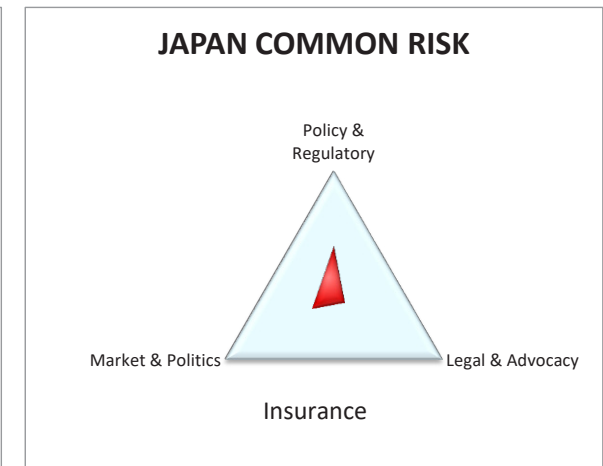
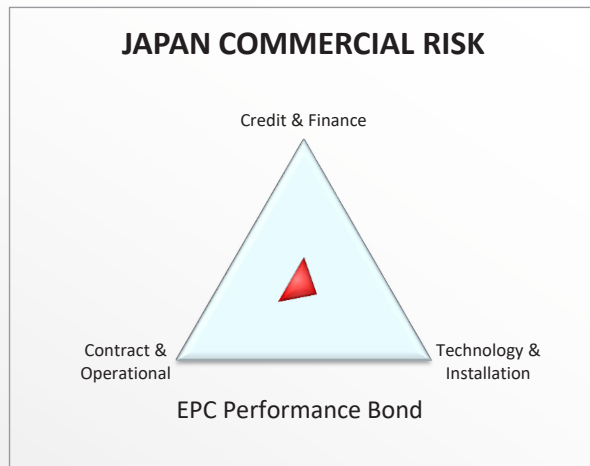
ENVIRONMENT - SOCIAL - GOVERNANCE



Japan Invest	1,448,520,224 JPY
PeoplesHome (pre-work)	33,360,000 JPY ✓
External Capital	1,151,711,009 JPY ✓
Private Equity	231,020,296 JPY ✓
Final Pay out of Revenues	65,788,918 JPY ✓
ROI (20 years)	14.3 %
Net Present Value	3,319,669,639 JPY
Profitability Index	14.4
Price per installed Kilowatt	131,578 JPY
Operating & Maintenance 5% / year	52,469,559 JPY
IRR (20 years)	23.38 %
DSCR	2.55



CRC RISKS & INVESTORS RELATION



ROI

14.3%

NPV

3,320M JPY

IRR

23.4%

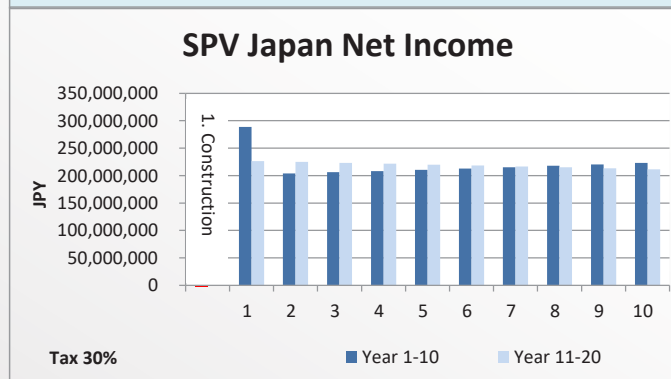
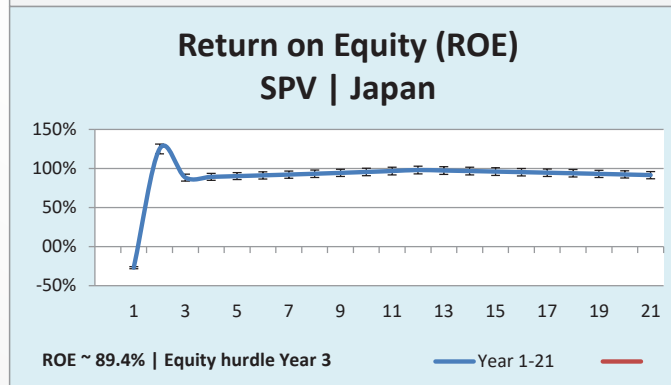
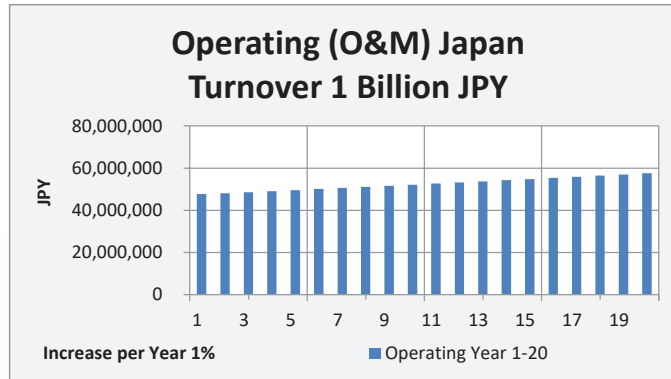
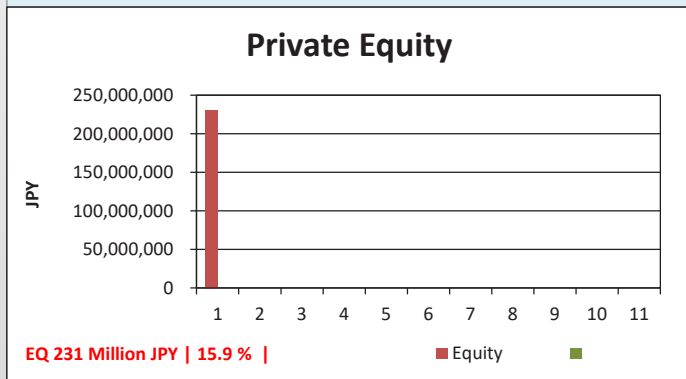
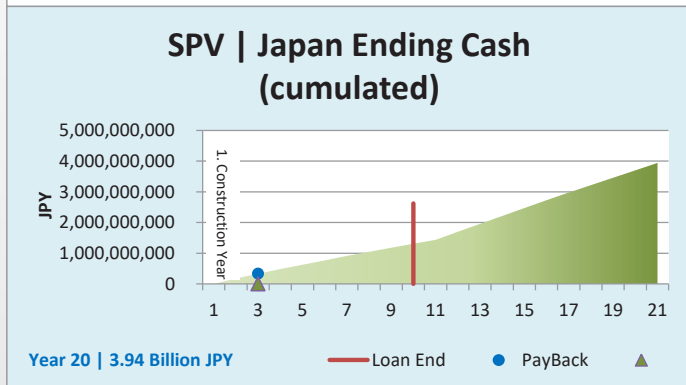
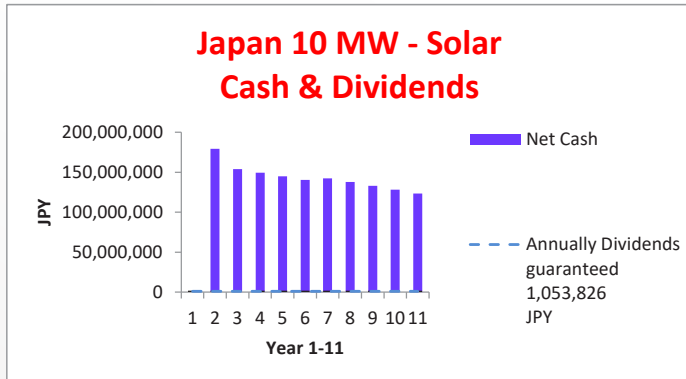
FINANCIAL PROJECTION

SUMMARY

Japan Solar Power Park Total Power 10 MW
S--131578:22240

I	Volumes	JPY	1 USD = 111.20 JPY	08.17
	Houses (re-investment proposal)	0		F 0
	Renewable Energy	10 MW Solar Power		
	Served Households	17,778 (à 75 Kwh/m) (16 GWh/Year - Gain 1,600)		
	Village Land	0 ha 111.20 JPY/sqm		
	Land Surface - Solar Power Park	20 ha 0.00 JPY/sqm		
II	Use of Capital	1,448,520,224 JPY		
	Technology & Production Machinery	1,315,778,368 JPY	Price per KW Std. - Premium - IDC 131578 141522 144852	
	Land	0 JPY		
	* Construction Material Houses	0 JPY		
	* Labour Cost	0 JPY		
	Infrastructure + Labour Cost	0 JPY		
	Management + Fees & IDC	132,741,855 JPY		
	Qualification Budget	0 JPY		
	Social Village Package	0 JPY		
III	Capital Part 2017	1,416,091,305 JPY	15.9% Projected Equity 10%	
	PeoplesHome pre-costs	33,360,000 JPY	shares 15.0%	actual 2.3%
	National Loans	0 JPY		0.0%
	International Loans (IR ~4.5%)	1,151,711,009 JPY		84.0%
	National Grants	0 JPY		0.0%
	International Grants	0 JPY		0.0%
	National Investments	0 JPY	20.0%	0.0%
	International Investments	231,020,296 JPY	65.0%	15.9%
	Co-/Interims Investment	0 JPY		0.0%
			100.0%	102.3%
IV	Social Impact			
	Jobs	40		
	Purchase Power	2,668,800 JPY	per Month	
V	Common Numbers			
	Houses per Year (construction)	0		
	House Sale Price	0 JPY		
	Tax to pay per Year	482,432,377 JPY	Average (30% tax rate)	
	Project Locations	1		
	Total Projected Carbon Credits	13,785,242 JPY	extra Income (not in the Finance Scheme)	
	Power Purchase Agreement	27.80 JPY	per Kwh (break even 16.6/ 13.47 JPY)	
	- Japan			
	Yearly FIT Progression	0.00 %		
	Electricity Market Price KWh	22.24 JPY	2017	
	Electricity Price Inflation	4.00 %	per Year	
	Japan Surplus	4,301,973,050 JPY	(20 Years)	
	- Net Income Operator	52,469,559 JPY	per Year	
VI	R-O-E + Pre Costs			
	Feasibility Study	30,580,000 JPY		
	Working Capital	38,364,000 JPY	2,899,764,621 JPY Stuttgarter Model	
	R-O-E (NPM 51.5%), ROI 14.3%	89.4 %	3,319,669,639 JPY NPV	

FINANCIAL PROJECTION



KEY NUMBERS - 2.8.2017|14:23

10 MW Solar 1,600 Investment	1,448,520,224 JPY
Equity	231,020,296 JPY
Loan	1,185,071,009 JPY
Supplier Final Payment	65,788,918 JPY
Sub-payment	0 JPY
Global Interest Rate	4.5 %
Grants	0 JPY
R-O-E 20 years after tax	89.4 %
R-O-I 20 years after tax	14.3 %
NPV 20 years before tax (IR 4%)	3,319,669,639 JPY
Company Value (Stuttgarter Model)	2,899,764,621 JPY
Guaranteed Pay-out Dividends	50.73 %
Pay Back Period	3 Years
PPA /KWh	27.80 JPY
FiT/PPA Rise Anually	0.00 %
1% Profit Ø per Year	2,064,592 JPY
1 \$-cent Income PPA/FiT (20 Years)	332,176,640 JPY
Off-taker Power Break Even	Year 7 2024
Tax Exemption	0 Years
Country Surplus in 20 Years	4,301,973,050 JPY
Nat-Capital : Int'l.-Capital Quote	0 : 1
Equity : Loan Quote	1 : 5.4

FINANCIAL PROJECTION

FINANCIAL ANALYSIS MODEL

ANALYST'S NAME Dr. Glenn L. Stevens - <http://staging-cms.fandm.edu/glenn-stevens>
 NAME OF COMPANY Japan Solar Power Park Total Power 10 MW

FIRST CALENDAR YEAR OF DATA 2017 JPY

NUMBER OF YEARS OF DATA 5

Equity 231,020,296

CUHBU

INCOME STATEMENT

	Start Year	Year 1	Year 2	Year 3	Year 4
Sales Revenue	0	444,800,000	441,686,400	438,572,800	435,459,200
Less: Cost of Goods Sold	0	0	0	0	0
Gross Profits	0	444,800,000	441,686,400	438,572,800	435,459,200
Less: Operating Expenses:					
Operating Expense	0	47,658,986	48,135,478	48,616,751	49,102,918
General / Admin. Exp.	0	0	0	0	0
Lease Expense	0	0	0	0	0
Depreciation Expense	28,971,617	56,784,368	54,512,994	52,332,474	50,239,175
Total Operating Expenses	28,971,617	104,443,354	102,648,471	100,949,225	99,342,093
Operating Profits	(28,971,617)	340,356,646	339,037,929	337,623,575	336,117,107
Less: Interest Expense	33,299,396	51,826,995	47,609,376	43,201,963	38,596,217
Net Profits Before Taxes	(62,271,013)	288,529,651	291,428,553	294,421,612	297,520,891
Less: Taxes	0	0	87,428,566	88,326,484	89,256,267
Net Profit After Taxes	(62,271,013)	288,529,651	203,999,987	206,095,128	208,264,624
Less: Pref. Stock Divds.	0	0	0	0	0
Earnings available for Common Stockholders		288,529,651	203,999,987	206,095,128	208,264,624

BALANCE SHEET

Current Assets:

Cash	0	179,128,216	333,026,692	482,432,377	627,308,512
Marketable Securities	0	0	0	0	0
Accounts Receivable	0	0	0	0	0
Inventories	0	0	0	0	0
Total Current Assets	0	179,128,216	333,026,692	482,432,377	627,308,512
Gross Fixed Assets (at cost):					
Land & Buildings	0	0	0	0	0
Machinery and Equipment	1,419,609,211	1,362,824,843	1,308,311,849	1,255,979,375	1,205,740,200
Furniture & Fixtures	0	0	0	0	0
Vehicles	0	0	0	0	0
Other (Inc. Fin. Leases)	0	0	0	0	0
Total Gross Fixed Assets	1,419,609,211	1,362,824,843	1,308,311,849	1,255,979,375	1,205,740,200
Less: Accumulated Depreciation	0	0	0	0	0
Net Fixed Assets	1,419,609,211	1,362,824,843	1,308,311,849	1,255,979,375	1,205,740,200
Other Assets	0	0	0	0	0
Total Assets	1,419,609,211	1,541,953,058	1,641,338,541	1,738,411,752	1,833,048,712

Current Liabilities:

Accounts Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
Accruals	0	0	0	0	0
Taxes Payable	0	0	0	0	0
Other Current Liabilities	0	0	0	0	0
Total Current Liabilities	0	0	0	0	0
L / T Debt (Inc. Financial Leases)	1,250,859,927	1,084,674,124	980,059,619	871,037,702	757,410,038
Total Liabilities	1,250,859,927	1,084,674,124	980,059,619	871,037,702	757,410,038
Preferred Stock	0	0	0	0	0
Common Stock !!	168,749,284	457,278,934	661,278,921	867,374,050	1,075,638,673
Paid-In Capital In Excess of Par	0	0	0	0	0
Retained Earnings	0	0	0	0	0
Total Stockholders' Equity	168,749,284	457,278,934	661,278,921	867,374,050	1,075,638,673
Total Liab. & Stockholders' Equity	1,419,609,211	1,541,953,058	1,641,338,541	1,738,411,752	1,833,048,712

FINANCIAL PROJECTION

	Start Year	Year 1	Year 2	Year 3	Year 4
10 MW Japan					
Number of Common Shares	100	100	100	100	100
End-of-Year Stock Price					
RATIO ANALYSIS					
Current Ratio	no curr. Liabi.	no curr. Liabi.	no curr. Liabi.	no curr. Liabi.	no curr. Liabi.
Quick Ratio	no curr. Liabi.	no curr. Liabi.	no curr. Liabi.	no curr. Liabi.	no curr. Liabi.
Inventory Turnover	no Inventories	no Inventories	no Inventories	no Inventories	no Inventories
Average Collection Period		0.00	0.00	0.00	0.00
Fixed Asset Turnover	0.00	0.33	0.34	0.35	0.36
Total Asset Turnover	0.00	0.29	0.27	0.25	0.24
Debt Ratio	0.88	0.70	0.60	0.50	0.41
Debt-to-Equity	7.41	2.37	1.48	1.00	0.70
Times Interest Earned		6.57	7.12	7.82	8.71
Gross Profit Margin		100.00%	100.00%	100.00%	100.00%
Operating Profit Margin		76.52%	76.76%	76.98%	77.19%
Net Profit Margin		64.87%	46.19%	46.99%	47.83%
Return on Total Assets (ROA)		18.71%	12.43%	11.86%	11.36%
Return on Equity (ROE)		124.89%	88.30%	89.21%	90.15%
Earnings Per Share		2,885,297	2,040,000	2,060,951	2,082,646
IPJ Japan - 20%		57,705,930	40,799,997	41,219,026	41,652,925
Price/Earnings Ratio					
DUPONT ANALYSIS					
Net Profit AT/Sales		64.87%	46.19%	46.99%	47.83%
Sales/Total Assets	0.00%	28.85%	26.91%	25.23%	23.76%
ROA		18.71%	12.43%	11.86%	11.36%
Net Profit AT/Total Assets	0.00%	18.71%	12.43%	11.86%	11.36%
Total Assets/Stockholders' Equity	841.25%	337.20%	248.21%	200.42%	170.41%
ROE	0.00%	63.10%	30.85%	23.76%	19.36%

STATEMENT OF CASH FLOWS

CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit after Taxes		288,529,651	203,999,987	206,095,128	208,264,624
Depreciation		56,784,368	54,512,994	52,332,474	50,239,175
Decrease in Accts. Receiv.		0	0	0	0
Decrease in Inventories		0	0	0	0
Decrease in Other Assets		0	0	0	0
Increase in Accounts Pay.		0	0	0	0
Increase in Accruals		0	0	0	0
Increase in Taxes Payable		0	0	0	0
Increase in Other Cur. Lia.		0	0	0	0
Cash Flow from Oper. Act.		345,314,019	258,512,981	258,427,602	258,503,799
CASH FLOW FROM INVESTMENT ACTIVITIES					
Increase in Gross Fixed Assets		56,784,368	54,512,994	52,332,474	50,239,175
Cash Flow from Investments		56,784,368	54,512,994	52,332,474	50,239,175
CASH FLOW FROM FINANCING ACTIVITIES					
Increase in Notes Payable		0	0	0	0
Increase in Long-Term Debt		(166,185,803)	(104,614,505)	(109,021,917)	(113,627,664)
Changes in Stockholders' Equity		288,529,651	203,999,987	206,095,128	208,264,624
Preferred Dividends Paid		0	0	0	0
Common Dividends Paid		0	0	0	0
Cash Flow from Financing Activities		122,343,847	99,385,482	97,073,211	94,636,960
Net Incr. in Cash / Mark. Securities		524,442,235	412,411,457	407,833,287	403,379,933