

Note: The following is an English translation of the Japanese-language original

October 27, 2022

Abashiri Biomass Power 2 LLC.
Abashiri Biomass Power 3 LLC.
Japan Petroleum Exploration Co., Ltd.
MITSUBISHI GAS CHEMICAL COMPANY, INC.
SMFL MIRAI Partners Company, Limited
TOKYO ENERGY & SYSTEMS INC.
WIND-SMILE Co., Ltd.
Nippon Paper Lumber Co., Ltd.

Abashiri Biomass 2nd Power Plant Commences Commercial Operation

Abashiri Biomass Power 2 LLC. and Abashiri Biomass Power 3 LLC. (hereinafter “the SPCs”), which are promoting the Abashiri Biomass 2nd & 3rd Power Plants Project (hereinafter “the project”) in Abashiri City, Hokkaido, and its six sponsors of the project, which are Japan Petroleum Exploration Co., Ltd. (JAPEX), MITSUBISHI GAS CHEMICAL COMPANY, INC., SMFL MIRAI Partners Company, Limited, TOKYO ENERGY & SYSTEMS INC., WIND-SMILE Co., Ltd. (WS), and Nippon Paper Lumber Co., Ltd. (hereinafter “the six sponsors”) announced that the Abashiri Biomass 2nd Power Plant commenced its commercial operation today.

This project is based on the Abashiri Biomass 2nd & 3rd Power Plants (hereinafter “the plants”), which have an output capacity of 9,900kW for each (total of 19,800kW). The plants use 100% domestic wood chips made from woods in Hokkaido as fuel and sell approximately 140 million kWh of electricity per year for Hokkaido Electric Power Network, Inc. by the FIT system.

With the start of construction in September 2020 and commissioning from May in this year, the 2nd plant commenced its commercial operation today. The 3rd plant has been in construction and aims to commence its commercial operation in February 2023.

Then, the six sponsors, which are highly interested in carbon-neutral business such as the development of renewable energy power generation and the contribution to local economy, participate in the project by investing in the SPCs. The six sponsors support the SPCs’ works and have been entrusted with the specific works in the project from the SPCs.

The outline of the agreement is as below. In addition, please refer to the appendix for the outline of the power plants and the SPCs.

The SPCs and the six sponsors will contribute to increase the power generation from renewable energy systems and to develop the local economy, with the understanding and support from local stakeholders.

<Appendix> Outline of the Project (as of October 27, 2022)

<Reference> Map and Photos (as of October, 2022)

<Appendix> Outline of the Project (as of October 27, 2022)

1. Outline of the Power Plants

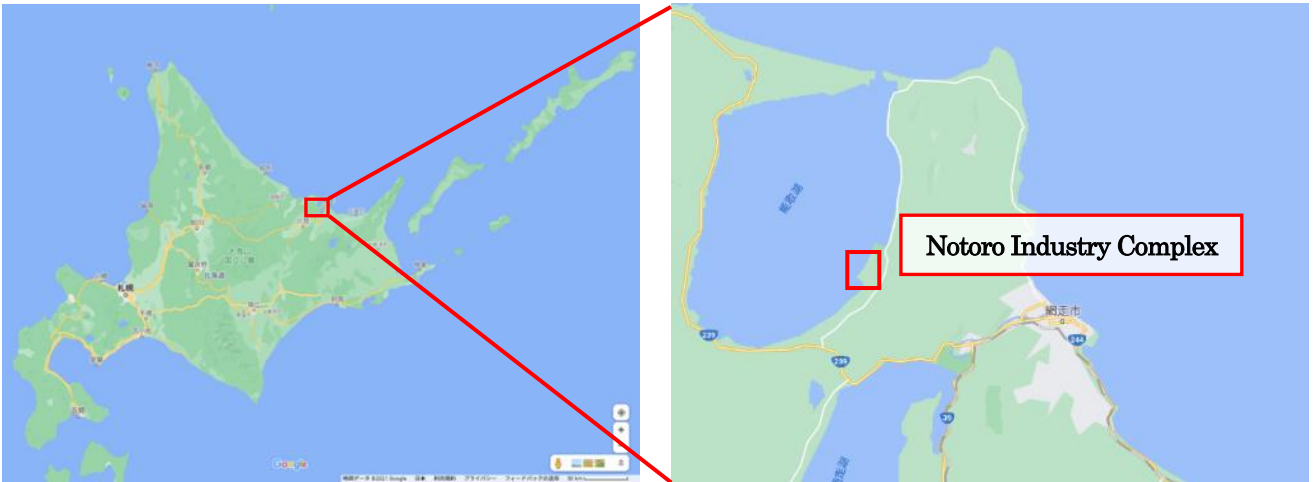
Name	Abashiri Biomass 2 nd Power Plant/ Abashiri Biomass 3 rd Power Plant
Location	4-3 (2 nd Plant)/4-1 (3 rd Plant), Notoro-minato town, Abashiri City, Hokkaido
Land Area	2 nd Plant: 23,743m ³ / 3 rd Plant: 23,162m ³
Power Generation System	Steam power
Fuel	100% domestic wood chips made from woods in Hokkaido: 100%
Output Capacity	2 nd Plant/3 rd Plant each: 9,900kW (total of 19,800kW)
Annual Amount of Electricity Sales	Approximately 140 million kWh (Equivalent to annual electricity consumption of approximately 47,000 households)
Offtaker	Hokkaido Electric Power Network, Inc.
Power Sales Unit Price	Fixed price by FIT for 20 years, approx. 30JPY/kWh of weighted average (Unutilized Wood 32JPY/kWh: approx. 75%, General Wood 24JPY/kWh: approx. 25%)
Start of Construction	2 nd Plant: September 2020 / 3 rd Plant: May 2021
Operation Commencement	2 nd Plant: September 2022 / 3 rd Plant: February 2023 (Planned)
Operator	2 nd Plant: Abashiri Biomass Power 2 LLC. 3 rd Plant: Abashiri Biomass Power 3 LLC.
EPC	WIND-SMILE Co., Ltd.
Asset Management	Japex Green Energy Co., Ltd (100% subsidiary of JAPEX) TOKYO ENERGY & SYSTEMS INC. (in charge of the performance management work)
Fuel Procurement	Nippon Paper Lumber Co., Ltd., WIND-SMILE Co., Ltd.
O&M	WOOD SMILE LLC (100% subsidiary of WS)

2. Outline of SPCs

Company Name	2 nd Plant: Abashiri Biomass Power 2 LLC. 3 rd Plant: Abashiri Biomass Power 3 LLC.												
Head Office	4-3-10, Notoro-minato town, Abashiri City, Hokkaido												
Representative Employee	Representative Partner: Japan Petroleum Exploration Co., Ltd. Job Executer: ISHII Yoshitaka, Representative Director, Executive Vice President												
Sponsors (Investment Ratio)	<table> <tr> <td>Japan Petroleum Exploration Co., Ltd. (JAPEX)</td> <td>33.8%</td> </tr> <tr> <td>MITSUBISHI GAS CHEMICAL COMPANY, INC.</td> <td>33.4%</td> </tr> <tr> <td>SMFL MIRAI Partners Company, Limited</td> <td>20.0%</td> </tr> <tr> <td>TOKYO ENERGY & SYSTEMS INC.</td> <td>7.0%</td> </tr> <tr> <td>WIND-SMILE Co., Ltd. (WS)</td> <td>5.1%</td> </tr> <tr> <td>Nippon Paper Lumber Co., Ltd.</td> <td>0.7%</td> </tr> </table>	Japan Petroleum Exploration Co., Ltd. (JAPEX)	33.8%	MITSUBISHI GAS CHEMICAL COMPANY, INC.	33.4%	SMFL MIRAI Partners Company, Limited	20.0%	TOKYO ENERGY & SYSTEMS INC.	7.0%	WIND-SMILE Co., Ltd. (WS)	5.1%	Nippon Paper Lumber Co., Ltd.	0.7%
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TOKYO ENERGY & SYSTEMS INC.	7.0%												
WIND-SMILE Co., Ltd. (WS)	5.1%												
Nippon Paper Lumber Co., Ltd.	0.7%												

<Reference>

Map around the Power Plants



Photos of the Location (as of October 2022)

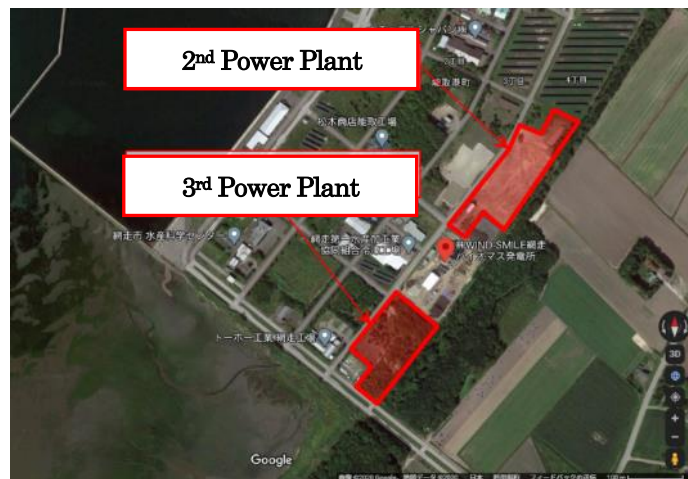
(2nd power plant)



(3rd power plant)



(Bird View of the Location)



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