



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

August 24, 2020

Company Name: Japan Petroleum Exploration Co., Ltd. (JAPEX)
Representative: Masahiro Fujita, Representative Director and President
Security Code: 1662 (First Section of Tokyo Stock Exchange)
Inquiries: Corporate Communication Office
TEL.: +81-3-6268-7110

Commercial Operation Commencement of FGP Fukushima Natural Gas Power Plant No.2 Unit

Japan Petroleum Exploration Co., Ltd. (JAPEX) announced that the No.2 unit of Fukushima Natural Gas Power Plant (hereinafter "the power plant") commenced commercial operation today at 0:00 AM. The power plant has been under construction by Fukushima Gas Power Co., Ltd. (Main Office: Chiyoda-ku, Tokyo, President and Chief Executive Officer: Yoshitaka Ishii, hereinafter "FGP"), which is a project company to promote the project of natural gas-fired power generation at Soma Port in Shinchi Town, Fukushima Prefecture (hereinafter "the project"), which JAPEX participate as the project partner.

As the basement of the project, the power plant had been under construction at Soma Port No.4 Warf, since the investment decision in October 2016 by FGP and its shareholders: JAPEX, Mitsui & Co., Ltd., Osaka Gas Co., Ltd., Mitsubishi Gas Chemical Co., Inc., Hokkaido Electric Power Co., Inc.

Together with the No.1 Unit commenced commercial operation on April 30, 2020, the power plant's generation capacity is a total of 1.18 million kW (two units of 0.59 million kW). The power plant uses regasified LNG (Liquefied Natural Gas) for fuel, as the lowest emission of Green House Gas (GHG) and air pollutants among fossil fuels*¹ and adopts GTCC (Gas Turbine Combined-Cycle) with highly generation efficiency of 61%*² by utilizing the latest technologies to the proven model.

The No.2 LNG tank with 230,000 kL capacity and additional regasification equipment of the second construction phase in Soma LNG terminal was transferred to full-scale operation in the time with the commercial operation of No.2 Unit of the power plant. Under the contract with FGP, JAPEX conducts management of the facilities constructed in the second construction phase, as well as storage and regasification of LNG fuel used for power generation, and supply of re-gasified gas to the power plant based on the tolling method*³ this project applies.

Please refer to the appendix for the outline of the power plant and the corporate profile of FGP.

By operating the power plant stably with safety management as the first priority, JAPEX, together with its five business partners, will stably supply electricity with lower cost and lower environmental burden that can respond to changes in the market environment such as deregulation of the electric market and reduction of GHG, as well as making mid to long term contribution for rebuilding industrial bases and new urban development in Hama-dori area, Fukushima Prefecture, which Fukushima Innovation Coast Framework*⁴ is aiming for. Also, towards the realization of "Growth to the Integrated Energy Company Utilizing Oil and Gas E&P and its Supply Basis," as raised in our Long-term Vision and Mid-term Business Plan, JAPEX will proceed on our business and contribution to the local society through our business.

The impact of this matter on the consolidated financial forecasts for the fiscal year ending March 31, 2021 is already recognized in the latest forecasts.

(Photo in August 2020)



Bird view of Fukushima Natural Gas Power Plant (right and back sides are Soma LNG Terminal of JAPEX)



Ground view of the power plant
(right hand front: Unit 2, back left : Unit1)



Ground view of the power plant
(frontside: Unit 2, right hand back: Unit1)

Notes

- *1: Such substances include carbon dioxide, which compose majority of GHG, Sulfur oxides (SO_x), nitrogen oxides (NO_x), which are considered as factors of air pollution, and others.
- *2: Generation Efficiency (Based on Lower Heat Generation)
- *3: Each project partners, which are shareholders of the project, procures LNG on their own as a fuel in accordance with the electricity they need, and deliver it to FGP. Then, FGP will convert delivered LNG into electricity accordance with the volume of the LNG and deliver it back to project partners in, for each project partners to sell electricity on their own.
- *4: The Power Plant plan is one of the project in "New Energy Generation: Low Environmental Impact Energy Introduction" included in the Fukushima International Research Industrial City (Innovation Coast) Framework, as a part of "Basic Policy on Economic and Fiscal Management and Reform" adopted by the Cabinet in June 2014.

< Previous Announcement Link >

- ["Commercial Operation Commencement of FGP Fukushima Natural Gas Power Plant No.1 Unit,"](#) on May 7, 2020

Appendix

Outline of Fukushima Natural Gas Power Plant

Name	Fukushima Natural Gas Power Plant
Site	Soma Port No.4 Warf, Shinchi Town, Fukushima Prefecture
Area	10 ha
Method	Gas Turbine and Steam Power (Gas Turbine Combined Cycle (GTCC) type)
Capacity	1.18 million kW (two units of 0.59 million kW)
Fuel	Natural Gas (Regasified LNG) * Storage and regasification of LNG will be entrusted to JAPEX Soma LNG Terminal, located adjacent to the plant
Generating Efficiency	Approximately 61% (Based on Lower Heat Generation)

Historical Events

October 2016	Decision on commercialization of the natural gas-fired power generation project at the Soma port
August 2017	Start of preparatory work (ground stabilization etc.)
October 2017	Start of powerplant construction
December 2019	Operation Commencement of Unit 1 (first parallel operation: started power generation and sent electricity to transmission system)
April 2020	Commercial Operation Commencement of Unit 1 (April 30)
May 2020	Operation Commencement of Unit 2
August 2020	Commercial Operation Commencement of Unit 2 (August 24)

Corporate Profile of Fukushima Gas Power Co., Ltd. (As of April 30, 2020)

Name	Fukushima Gas Power Co., Ltd. (Abbreviation: FGP)	
Head Office	Sapia Tower, 1-7-12, Chiyoda-ku, Tokyo 100-0005 Japan	
Foundation	April 23, 2015	
Representative	Yoshitaka Ishii, President and Chief Executive Officer (Director and Managing Executive Officer of Japan Petroleum Exploration Co., Ltd.)	
Capital Stock	1,074 million yen (Capital Stock: 537 million yen / Capital Reserve: 537 million yen)	
Shareholders (Business Partners) / Investment Ratio	Japan Petroleum Exploration Co., Ltd.	33%
	Mitsui & Co., Ltd.	29%
	Osaka Gas Co., Ltd.	20%
	Mitsubishi Gas Chemical Co., Inc.	9%
	Hokkaido Electric Power Co., Inc.	9%
Main Business	Promoting the Natural Gas-Fired Electric Power Generation Business	
Local Office	Fukushima Natural Gas Power Plant	