



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

October 1, 2021

Japan Petroleum Exploration Co., Ltd.

Participation in Abashiri Biomass Power Generation Project

Japan Petroleum Exploration Co., Ltd. (JAPEX) participated in the biomass power generation project (hereinafter “the project”), consisting of the 2nd and 3rd of the Abashiri Biomass Power Plant, which is under development in the Notoro Industrial Complex at Abashiri city, Hokkaido.

The project was originally launched by WIND-SMILE Co., Ltd. (hereinafter “WINS”), which mainly engaged in the development and design, sales, construction, and operation and management of natural energy power generation systems. Currently, the project is under construction by the two special purpose companies (SPC) for the 2nd and 3rd plants (hereinafter “the two SPCs”), as the business owners which were established by WINS. The 2nd plant is scheduled to start commercial operation in May 2022, and the 3rd plant in December 2022. The output scale for each plant is 9,900kW (total of 9,800kW), planning to use domestic wood chips from Hokkaido.

Our participation in the project is due to the match of interest between WINS and us: WINS had been seeking new sponsors of the project as the development progress of 2nd and 3rd plants, and JAPEX had been aiming to participate in renewable power generation project that will enable us to acquire experience and knowledge in business operations and make a significant contribution to the local community. JAPEX completed the participation procedure in the project by the investment to the two SPCs on September 30, 2021.

Please refer the appendix for the outline of the project such as power plants and the two SPCs.

JAPEX, with the two SPCs and sponsors, will contribute to expanding the use of electricity derived from renewable energy sources with low environmental impact and developing local economies, with the understanding and support from local stakeholders.

Appendix Outline of the Project

Note) The following information in the appendix is all as of October 1, 2021.

1. Power Plants

Name	Abashiri Biomass 2 nd Power Plant/ Abashiri Biomass 3 rd Power Plant
Plant Site	4-3 (2 nd Plant)/4-1 (3 rd Plant), Notoro-minato town, Abashiri city, Hokkaido
Land Area	2 nd Plant: 23,630m ³ / 3 rd Plant: 13,783m ³
Generation Method	Steam power
Output Scale	2 nd Plant/3 rd Plant each: 9,900kW (total of 19,800kW)
Generation Fuel	Domestic Wood Chips from Hokkaido: 100%
Offtaker	Hokkaido Electric Power Network, Inc.
Unit Sales 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: May 2022 (planned) / 3 rd Plant: December 2022 (planned)
Business Owner	2 nd Plant: Abashiri Biomass 2 nd Power Plant LLC. 3 rd Plant: Abashiri Biomass 3 rd Power Plant LLC.

2. Business Owners

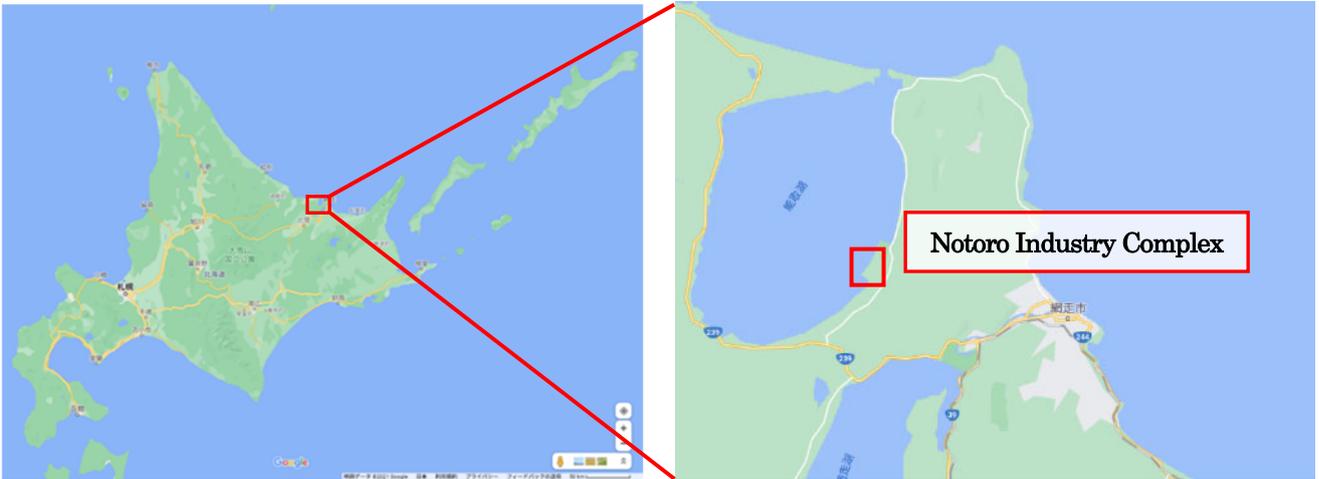
Company Name	2 nd Plant: Abashiri Biomass 2 nd Power Plant LLC. 3 rd Plant: Abashiri Biomass 3 rd Power Plant LLC.
Head Office	3-3-2, Notoro-minato town, Abashiri city, Hokkaido
Representative *1	Representative Partner: Japan Petroleum Exploration Co., Ltd. Job Executer: ISHII Yoshitaka, Representative Director, Executive Vice President
Sponsors/ Investment Ratio *2	Japan Petroleum Exploration Co., Ltd. 94.3% WIND-SMILE Co., Ltd. 5.0% Nippon Paper Lumber Co., Ltd. 0.7%

Note) *1: Changed on September 30, 2021

*2: Investment ratio after capital increase through investment by each sponsors on September 30, 2021

<Reference>

Map around the Power Plants



Photos of Plants Site (as of the end of September 2021)

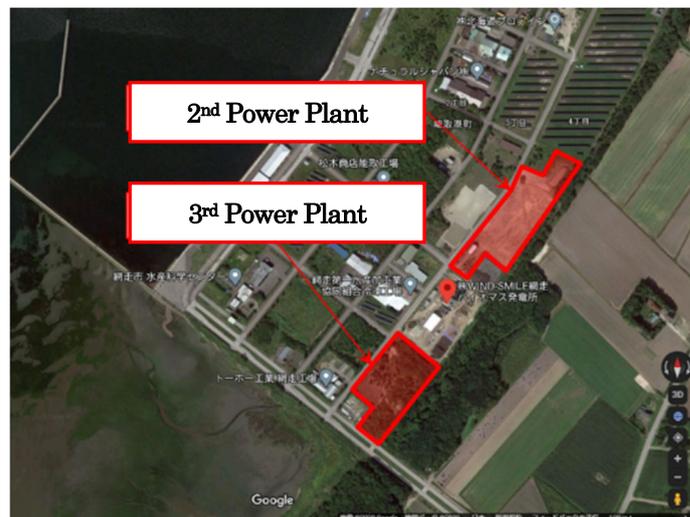
(2nd Power Plant)



(3rd Power Plant)



(Bird View of the Plants Site)



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