



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

April 1, 2022

Japan Petroleum Exploration Co., Ltd.

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New Sponsors Participate in Abashiri Biomass Power Generation Project

Japan Petroleum Exploration Co., Ltd. (JAPEX, Head Office: Chiyoda-ku, Tokyo, Representative Director and President: FUJITA Masahiro) announced that new three sponsors, MITSUBISHI GAS CHEMICAL COMPANY, INC., SMFL MIRAI Partners Company, Limited, and TOKYO ENERGY & SYSTEMS INC., have completed necessary process for their participation in the biomass power generation project (hereinafter “the project”), mainly the development of the 2nd and 3rd of Abashiri biomass power plants (hereinafter “the power plants”) on March 31, 2022.

The project was originally launched by WIND-SMILE Co., Ltd. (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 development since September 2020 by the two special purpose companies for the power plants (hereinafter “the SPCs”), which is to use 100% domestic wood chips as fuel made by woods in Hokkaido. In September 2021, JAPEX and Nippon Paper Lumber Co., Ltd. participated in the project in line with the capital increase of the SPCs. Besides, the three new sponsors participated in the project by purchasing a part of our share at this time.

Each of the power plants has an output scale of 9,900kW (total of 19,800kW), and its construction works are proceeding by WINS with the aim of the commercial operation commencement in August 2022 for the 2nd plant and December 2022 for the 3rd plant. The sponsors, including new three ones, will play their roles and support the SPCs’ works. JAPEX has been entrusted the asset management work through Japex Green Energy Co., Ltd. (JGE, 100% subsidiary). Furthermore, we will transfer the consignment contract in the performance management, a part of the asset management works, to TOKYO ENERGY & SYSTEMS INC., one of the new sponsors.

Please refer the appendix for the outline of the project such as the power plants and the SPCs, including its new investment ratio with new sponsors.

JAPEX, with the 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.

Note) * The performance management work is such as data confirmations of power plant availability, power generation, and operation status of generation facilities and related equipment as well as monitoring and advices to safety and quality management status for keeping good operations of the plants

<Appendix> Outline of the project (as of March 31, 2022)

<Reference> Map and Photos of the power plant (as of the end of March 2022)

Appendix Outline of the project (as of March 31, 2022)

1. Outline of the 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: 23,743m ³ / 3 rd Plant: 23,162m ³
Generation Method	Steam power
Output Scale	2 nd Plant/3 rd Plant each: 9,900kW (total of 19,800kW)
Generation Fuel	100% domestic wood chips made by woods in 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: August 2022* (planned) / 3 rd Plant: December 2022 (planned)
Business Entity	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 WINS)

Note) Changed the planned schedule of commercial operation commencement from May 2022 to August 2022, due to affections of COVID-19 disasters and others.

2. Outline of the two SPCs

Company Name	2 nd Plant: Abashiri Biomass Power 2 LLC. 3 rd Plant: Abashiri Biomass Power 3 LLC.																		
Head Office	3-3-2, Notoro-minato town, Abashiri city, Hokkaido																		
Representative	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> <td></td> </tr> <tr> <td>MITSUBISHI GAS CHEMICAL COMPANY, INC.</td> <td>33.4%</td> <td>(New sponsor)</td> </tr> <tr> <td>SMFL MIRAI Partners Company, Limited</td> <td>20.0%</td> <td>(New sponsor)</td> </tr> <tr> <td>TOKYO ENERGY & SYSTEMS INC.</td> <td>7.0%</td> <td>(New sponsor)</td> </tr> <tr> <td>WIND-SMILE Co., Ltd. (WINS)</td> <td>5.1%</td> <td></td> </tr> <tr> <td>Nippon Paper Lumber Co., Ltd. (NPL)</td> <td>0.7%</td> <td></td> </tr> </table>	Japan Petroleum Exploration Co., Ltd. (JAPEX)	33.8%		MITSUBISHI GAS CHEMICAL COMPANY, INC.	33.4%	(New sponsor)	SMFL MIRAI Partners Company, Limited	20.0%	(New sponsor)	TOKYO ENERGY & SYSTEMS INC.	7.0%	(New sponsor)	WIND-SMILE Co., Ltd. (WINS)	5.1%		Nippon Paper Lumber Co., Ltd. (NPL)	0.7%	
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Nippon Paper Lumber Co., Ltd. (NPL)	0.7%																		

Note) * Reference: Investment ratio before participating in the new three sponsors was JAPEX94.3%, WINDS5.0% and NPL0.7%.

<Reference>

Map around the Power Plants



Photos of Plants Site (as of the end of March 2022)

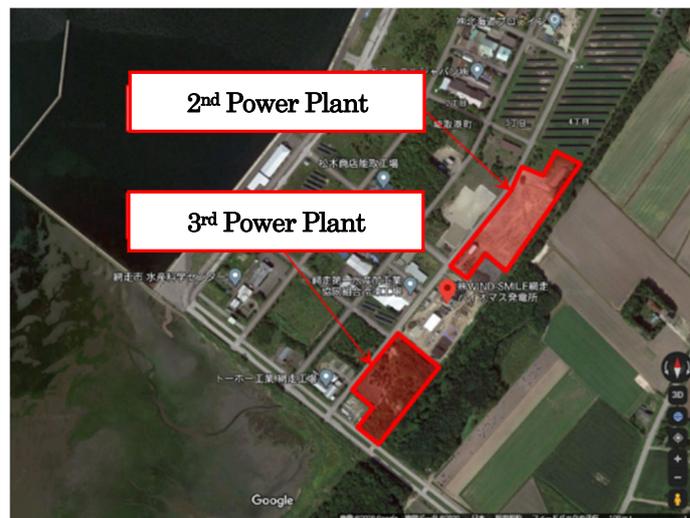
(2nd plant)



(3rd plant)



(Bird View of the Plants Site)



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