

June 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.

**Signing of Green Loan Financing Agreement  
for Abashiri Biomass 2<sup>nd</sup> & 3<sup>rd</sup> Power Plants Project**

Abashiri Biomass Power 2 LLC. and Abashiri Biomass Power 3 LLC. (hereinafter “the SPCs”), which are promoting the Abashiri Biomass 2<sup>nd</sup> & 3<sup>rd</sup> 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. (WINS), and Nippon Paper Lumber Co., Ltd. (hereinafter “the six sponsors”) announced that the SPCs have signed a syndicate-type green loan financing agreement (hereinafter “the agreement”) for promoting the project today.

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 Abashiri Biomass 2<sup>nd</sup> & 3<sup>rd</sup> Power Plants (hereinafter “the power plants”) have an output capacity of 9,900kW for each (total of 19,800kW), and use 100% domestic wood chips made from woods in Hokkaido as fuel. The power plants have been in construction since September 2020, aiming to commence commercial operation of 2<sup>nd</sup> plant in August 2022, and 3<sup>rd</sup> plant in February 2023. The six sponsors support the SPCs’ works and have been entrusted with the specific works in the project from the SPCs.

With regard to the agreement, the project has acquired the conformity evaluation of the “Green Loan Principals” and the “Green Loan and Sustainability Linked Loan Guidelines of Ministry of the Environment” by Rating and Investment Information, Inc. (R&I), a third-party evaluation organization, based on the promotion as a green project, the CO<sub>2</sub> emission reduction effect of approximately 84,831tons a year, by supplying electricity from the power plants, and addressing a green initiatives by each sponsor.

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.

## [Outline of the agreement]

### <Agreement - 1>

- Borrower : Abashiri Biomass Power 2 LLC.
- Amount price : 5.7 billion yen
- Purpose : Project fund
- Date of signing agreement : June 27, 2022
- Date of performance of agreement : June 30, 2022
- Agreement period : 15 years and 3 months
- Finance arranger : Mizuho Bank, Ltd.

### <Agreement - 2>

- Borrower : Abashiri Biomass Power 3 LLC.
- Amount price : 5.4 billion yen
- Purpose : Project fund
- Date of signing agreement : June 27, 2022
- Date of performance of agreement : June 30, 2022
- Agreement period : 15 years and 3 months
- Finance arranger : Mizuho Bank, Ltd.

### Note)

\*1: A project by the companies or local governments that contribute to solving environmental problems.

\*2: Estimated emission amount compared with electricity from current power composition.

\*3: An international guideline for loan limited to environmental use, formulated in March 2018 by Loan Market Association (LMA) of United Kingdom, and Asia Pacific Loan Market Association (APLMA), which is a regional industry association of Asia Pacific area headquartered in Hong Kong. In December 2018, The Loan Syndication and Trading Association (LSTA) of United States has joined the guideline.

<Appendix> Outline of the project (as of June 27, 2022)

<Reference> Map and Photos of the power plants (as of June 2022)

<Appendix> Outline of the project (as of June 27, 2022)

1. Outline of the power plants

Name	Abashiri Biomass 2 <sup>nd</sup> Power Plant/ Abashiri Biomass 3 <sup>rd</sup> Power Plant
Location	4-3 (2 <sup>nd</sup> Plant)/4-1 (3 <sup>rd</sup> Plant), Notoro-minato town, Abashiri City, Hokkaido
Land Area	2 <sup>nd</sup> Plant: 23,743m <sup>3</sup> / 3 <sup>rd</sup> Plant: 23,162m <sup>3</sup>
Power Generation System	Steam power
Fuel	100% domestic wood chips made from woods in Hokkaido: 100%
Output Capacity	2 <sup>nd</sup> Plant/3 <sup>rd</sup> Plant each: 9,900kW (total of 19,800kW)
Annual Electricity Production	156,810,000kWh (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 <sup>nd</sup> Plant: September 2020 / 3 <sup>rd</sup> Plant: May 2021
Operation Commencement	2 <sup>nd</sup> Plant: August 2022* (planned) / 3 <sup>rd</sup> Plant: February 2023*
Operator	2 <sup>nd</sup> Plant: Abashiri Biomass Power 2 LLC. 3 <sup>rd</sup> 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)

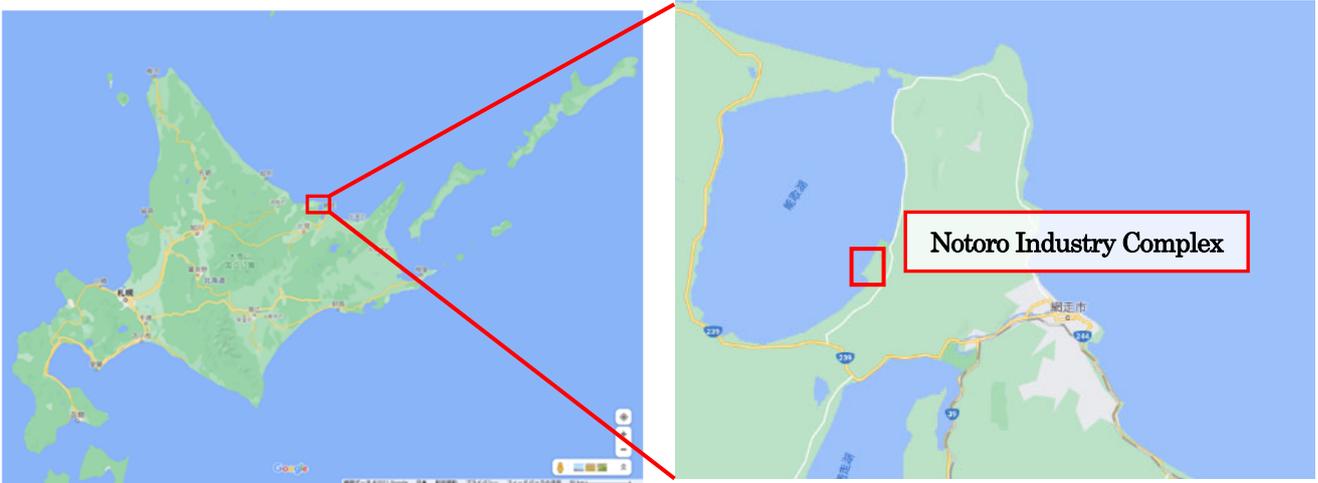
Note) \*Planned schedule of commercial operation commencement was changed from December 2022 to February 2023, due to disruptions of global logistics by Ukraine invasion and others.

2. Outline of the two SPCs

Company Name	2 <sup>nd</sup> Plant: Abashiri Biomass Power 2 LLC. 3 <sup>rd</sup> Plant: Abashiri Biomass Power 3 LLC.												
Head Office	3-3-2, 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 &amp; SYSTEMS INC.</td> <td>7.0%</td> </tr> <tr> <td>WIND-SMILE Co., Ltd. (WINS)</td> <td>5.1%</td> </tr> <tr> <td>Nippon Paper Lumber Co., Ltd. (NPL)</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. (WINS)	5.1%	Nippon Paper Lumber Co., Ltd. (NPL)	0.7%
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<Reference>

Map around the Power Plants



Photos of the Location (as of the June 2022)

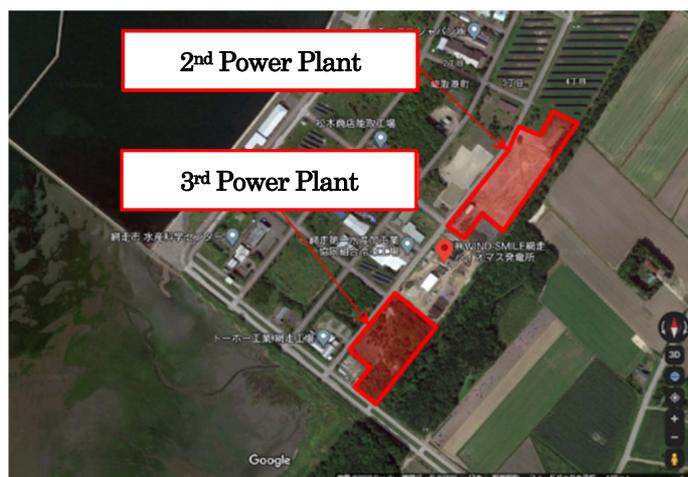
(2<sup>nd</sup> power plant)



(3<sup>rd</sup> power plant)



(Bird View of the Location)



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