



Note: This release is a summary of the Japanese-language original

March 31, 2017

Company Name: Japan Petroleum Exploration Co., Ltd. (JAPEX)

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**Project Finance Contract by Fukushima Gas Power Co., Ltd.  
on the Natural Gas-Fired Power Generation Project at Soma Port in Fukushima**

Japan Petroleum Exploration Co., Ltd. (hereinafter “JAPEX”) announced that Fukushima Gas Power Co., Ltd. (hereinafter “FGP”) signed a contract of the syndicated loan with Development Bank of Japan Inc. as the lead arranger today on the Natural Gas-fired Power Generation Project at Soma Port in Shinchi Town, Fukushima Prefecture (hereinafter “the project”), that FGP and its five business partner companies including JAPEX have been carrying out such as the construction of the natural gas-fired electric power generation plant and others. The outline of this contract is as follows:

<Outline of the Contract>

1. Loan Type: Syndicated Loan by Project Finance
2. Loan Amount: Approximately JPY 140 billion
3. Closing Date: March 31, 2017
4. Borrower: Fukushima Gas Power Co., Ltd. (FGP)
5. Lead Arrangers: Development Bank of Japan Inc., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd.
6. Agents: Development Bank of Japan Inc., Mizuho Bank, Ltd.
7. Syndicate Group: Development Bank of Japan Inc., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., The 77 Bank, Ltd., The Toho Bank, Ltd.

FGP has evaluated the overall condition to promote the project in view of its finance aspect such as prospects of cash flow after the commencement of the power plant and current market situation of low-interest rate. Eventually, FGP made a conclusion that it would be the most suitable for the project to utilize project finance of nonrecourse loan type to repay using their business revenue.

FGP has been conducting an environmental assessment in accordance with the Environmental Impact Assessment Law and plans to commence construction of the power plant at the Soma Port right after the completion of the assessment around summer 2017.

The latest information on FGP including an outline of the power plant, shareholders, and their investment ratios are shown in the appendix below.

Under the changes of the market environment such as introduction of the Electricity System Reform Bill to realize full liberalization of entry to the electricity retail business and demand for reduction of CO2 emissions, FGP and its five business partner companies including JAPEX will continue contributing to the stable supply of electric power generation at lower costs and with lower environmental burden, for the growth of the economy and industry in the surrounding areas of the power plant.

The impact of this matter to the consolidated financial forecast of the fiscal year ending March 31, 2017 is minor, and we will disclose its impact in future appropriately when we recognize.

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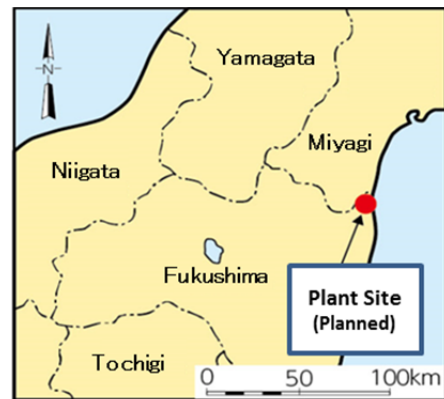
[Appendix]

1. The Outline of the Electric Power Generation Plant (Planned)

Name	Fukushima Natural Gas Electric Power Generation Plant	
Site	Soma Port No.4 Warf, Shinchi Town, Fukushima Prefecture * Neighboring JAPEX Soma LNG Terminal	
Method	Gas Turbine and Steam Power (Combined Cycle)	
Fuel	Natural Gas (Vaporized LNG) * Outsourcing operation of LNG vaporization and vaporized natural gas supply to JAPEX Soma LNG Terminal neighboring the power plant site	
Capacity	1.18 million kW (2 units of 0.59 million kW)	
Schedule	2017 Summer	Commencement of Construction * After Completion of Environmental Assessment Process
	2019 Autumn	Start of Commissioning
	2020 Spring	Commencement of Commercial Operation (Generate 0.59 million kW) * Generate 1.18 million kW after 2020 Summer



The Bird's-eye View Image of the Plant



Wide-Area Map of the Plant Site

2. Corporate Profile (As of October 11, 2016)

Name	Fukushima Gas Power Co., Ltd.	
Head Office	Sapia Tower, 1-7-12, Chiyoda-ku, Tokyo 100-0005 Japan Tel: +81-3-6268-7128	
Date of Foundation	April 23, 2015	
Representative	Shoichi Ishii, President and Chief Executive Officer (Executive Vice President and Executive Officer of Japan Petroleum Exploration Co., Ltd.)	
Capital Stock	Capital Stock: 537 million yen / Capital Reserve: 537 million yen	
Shareholders (Investment Ratio)	Japan Petroleum Exploration Co., Ltd.	33.0%
	Mitsui & Co., Ltd.	29.0%
	Osaka Gas Co., Ltd.	20.0%
	Mitsubishi Gas Chemical Co., Inc	9.0%
	Hokkaido Electric Power Co., Inc.	9.0%
Business Area	Promoting the Natural Gas-Fired Electric Power Generation Business	