



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

July 31, 2017

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Commencement of Construction on Fukushima Natural Gas Power Plant

Japan Petroleum Exploration Co., Ltd. (JAPEX) announced that Fukushima Gas Power Co., Ltd. (hereinafter "FGP"), which is a project company established by the five business partner companies (hereinafter "the business partners") including JAPEX to conduct the Natural Gas-fired Power Generation Project at Soma Port in Shinchi Town, Fukushima Prefecture (hereinafter "the project") completed to submit the construction plan of the Fukushima Natural Gas Power Plant (hereinafter "the power plant") in accordance with the Electricity Business Act and will commence the construction work of the power plant in October 2017.

The power plant is the base of the project promoting by FGP and the business partners including JAPEX and its commercialization was decided in October 2016. After the decision, FGP had been proceeding the preparation process and work for the commencement of construction work on the power plant. Since satisfying the condition for the commencement of construction work by completing submission of the construction plan in addition to the completion of the environmental assessment on July, FGP will start the soil improvement work on August and will commence the construction work of the power plant in October.

This power plant will use natural gas for fuel in view of lower environmental burden, and will have GTCC (Gas Turbine Combined-Cycle) units which generate electric powers in higher efficiency and pursue to make contributions to the stable supply of electricity at lower costs and with environmental consideration, and the growth of the economy and industry in the surrounding areas of the power plant.

FGP and the business partners will be proceeding the construction work of the power plant aiming the commencement in 2020 with safety management as the first priority upon considerations for environmental protection with understanding and cooperation by the local residents and the relevant authorities.

Please refer to the appendix given in the link about the latest information on FGP, including an outline of the power plant, shareholders, and their investment ratio as attached the appendix of this release.

The impact of this matter to the consolidated financial forecasts of the fiscal year ending March 31, 2018 is minor, and we will disclose its impact in future appropriately when we recognize.

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Appendix :
1. The Outline of Fukushima Natural Gas Power Plant
2. Corporate Profile of Fukushima Gas Power Co., Ltd. (As of July 31, 2017)

Appendix

1. The Outline of Fukushima Natural Gas Power Plant

Name	Fukushima Natural Gas Power 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)
Capacity	1.18 million kW (2 units of 0.59 million kW)



The Bird's-eye View Image of the Plant



Wide-Area Map of the Plant Site

2. Corporate Profile of Fukushima Gas Power Co., Ltd. (As of July 31, 2017)

Name	Fukushima Gas Power Co., Ltd. (abbreviation: FGP)	
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%
	Mitsui & Co., Ltd.	29%
	Osaka Gas Co., Ltd.	20%
	Mitsubishi Gas Chemical Co., Inc.	9%
	Hokkaido Electric Power Co., Inc.	9%
Business Area	Promoting the Natural Gas-Fired Electric Power Generation Business	