

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

September 16, 2025

[Press Release]

Japan Petroleum Exploration Co., Ltd.
Shimizu Steel Co., Ltd.

Signed Virtual PPA to Reduce CO₂ Emissions from Steelworks
~Reduce CO₂ emissions equivalent to approximately 30% of the annual electricity consumption
of the entire Tomakomai Steelworks including the electric furnace~

Japan Petroleum Exploration Co., Ltd. (JAPEX) has signed an off-site^{(*)1} virtual PPA (Power Purchase Agreement)^{(*)2} to supply environmental value (CO₂ reduction effect) generated by the “Hokkaido Tomakomai Solar Power Plant”^{(*)3}, scheduled to commence operation in Tomakomai City, Hokkaido in August 2028, to Shimizu Steel Co., Ltd.’s (Shimizu Steel) Tomakomai Steelworks as an aggregator^{(*)4}.

In recent years, in the renewable energy field, supply of non-FIT^{(*)5} electricity and transactions of environmental value are gaining momentum in the market, and there is an urgent need to strengthen ability to respond to the new schemes and systems. Furthermore, need for companies to reduce CO₂ emissions is increasing, driven by factors such as the establishment of legal regulations aimed at reducing CO₂ emissions.

In this situation, JAPEX, aiming to expand its business through the sale of electricity and environmental value as an aggregator, and Shimizu Steel, which was considering introducing an off-site PPA to reduce CO₂ emissions from its steelmaking and rolling mills, have established the off-site virtual PPA scheme and reached this agreement.

This initiative is expected to enable Shimizu Steel to reduce CO₂ emissions equivalent to approximately 30% of the annual electricity consumption of entire its Tomakomai Steelworks including the electric furnace. This also marks JAPEX’s first attempt to arrange virtual PPA as an aggregator.

JAPEX will continue to contribute toward realizing a carbon-neutral society by 2050, not only through developing solar power generation facilities but also by delivering renewable energy and environmental value to customers who require those as an aggregator.

Shimizu Steel will continue to contribute toward realizing a carbon-neutral society by 2050, through recycling of vital resources like scrap iron using eco-friendly green power, and by supplying Hokkaido with rebar that generates no CO₂ in the steelmaking process.

Notes)

*1: Tomakomai TJD Solar LLC, funded by Tomakomai Port Development Co, Ltd., JAPEX, and Development Bank of Japan Inc., is currently developing the project.

September 16, 2025 Joint Press Release from the Three Companies: [“Decided to Construct a 13MW Solar Power Plant in Tomakomai City, Hokkaido- Efforts to Realize Tomakomai City’s “Zero Carbon City” through Investment in Tomakomai TJD Solar GK”](#)

*2: An entity, sometimes referred to as aggregator, which stands between power companies and consumers, controlling the balance of supply and demand for electricity and environmental value.

*3: A model where renewable energy generation facilities are installed at locations separate from the demand sites for electricity or environmental value, and supply those to consumers.

*4: A power agreement purchasing only environmental value, not electricity, from a renewable energy power plant.

*5: Abbreviation for Feed-in Tariff.

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