

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

March 8, 2023

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.

### **Abashiri Biomass 3<sup>rd</sup> Power Plant Commences Commercial Operation**

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. (WS), and Nippon Paper Lumber Co., Ltd. (hereinafter “the six sponsors”) announced that the Abashiri Biomass 3<sup>rd</sup> Power Plant commenced its commercial operation today.

This project is based on the Abashiri Biomass 2<sup>nd</sup> & 3<sup>rd</sup> Power Plants (hereinafter “the plants”), which have an output capacity of 9,900kW for each (total of 19,800kW). The 3<sup>rd</sup> plant was in construction from 2021 and commenced its commercial operation on this time with completion of its construction and commissioning. This means that both units of this power plant are now in commercial operation, along with the 2<sup>nd</sup> plant which commenced its commercial operation last October.

The plants use 100% domestic wood chips made from woods in Hokkaido as fuel. The electricity generated by the plants will be sold to Hokkaido Electric Power Network, Inc., approximately 140 million kWh per year by the FIT system.

Then, 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 six sponsors support the SPCs’ works and have been entrusted with the specific works in the project from the SPCs.

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.

Note) \*1: Abashiri Biomass 1<sup>st</sup> Power Plant is owned by WS. (Not eligible for investment in this project)

<Appendix> Outline of the Project (as of March 8, 2023)

<Reference> Map and Photos (as of March, 2023)

<Appendix> Outline of the Project (as of March 8, 2023)

1. Outline of the Power Plants

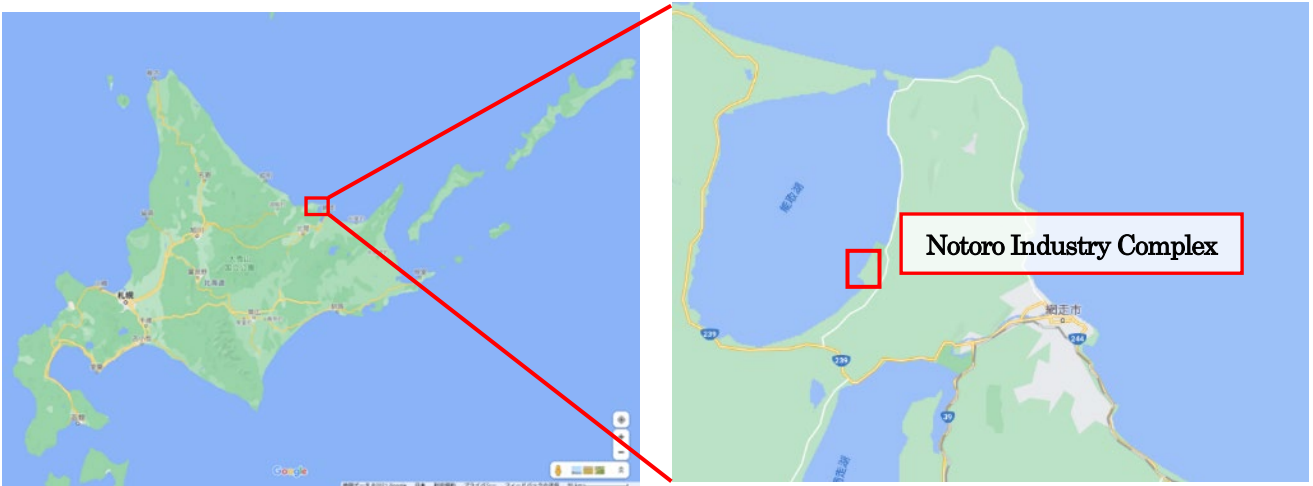
Name	Abashiri Biomass 2 <sup>nd</sup> Power Plant/ Abashiri Biomass 3 <sup>rd</sup> Power Plant
Location	4-3 (2 <sup>nd</sup> Plant)/4-1 (3 <sup>rd</sup> Plant), Notoro-minato town, Abashiri City, Hokkaido
Land Area	2 <sup>nd</sup> Plant: 23,743m <sup>3</sup> / 3 <sup>rd</sup> Plant: 23,162m <sup>3</sup>
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 Amount of Electricity Sales	Approximately 140 million kWh (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: October 2022 / 3 <sup>rd</sup> Plant: March 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 WS)

2. Outline of 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	4-3-10, 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. (WS)</td> <td>5.1%</td> </tr> <tr> <td>Nippon Paper Lumber Co., Ltd.</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. (WS)	5.1%	Nippon Paper Lumber Co., Ltd.	0.7%
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mitsubishi gas chemical company, inc.	33.4%												
SMFL MIRAI Partners Company, Limited	20.0%												
TOKYO ENERGY & SYSTEMS INC.	7.0%												
WIND-SMILE Co., Ltd. (WS)	5.1%												
Nippon Paper Lumber Co., Ltd.	0.7%												

<Reference>

Map around the Power Plants



Photos of the Location (as of March 2023)

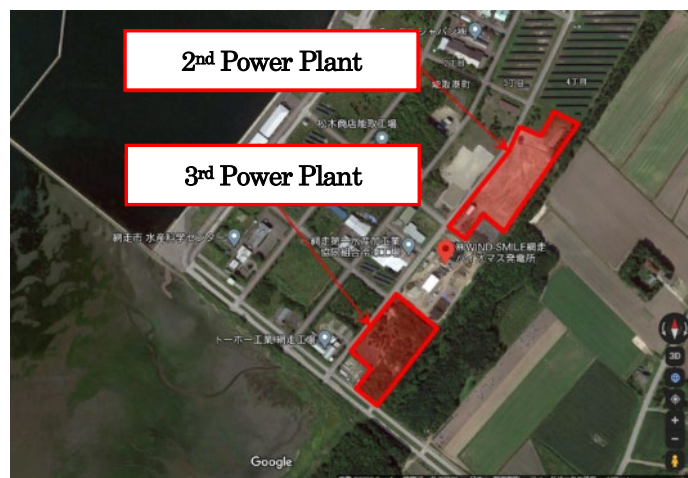
(2nd power plant)



(3rd power plant)



(Bird View of the Location)



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