Implementation of Biomass Power Generation Business

TonenGeneral Sekiyu K.K. (head office: Minato-ku, Tokyo; representative director and president: Jun Mutoh; “TonenGeneral” herein) and JGC Corporation (head office: Nishi-ku, Yokohama; chairman and representative director: Masayuki Sato; “JGC” herein) have decided to jointly establish Muroran Biomass Power Generation G.K. (“the new company” herein) and implement a biomass power generation business, utilizing idle land owned by TonenGeneral and located in Kohoku-cho, Muroran City, Hokkaido.

For the new company, construction of an environmentally-conscious, high-efficiency biomass power generation plant is planned, which will be one of the largest wood-biomass-fueled power generation facilities in Japan. The new business will also utilize renewable energy feed-in tariffs. Through this project, fully utilizing TonenGeneral’s expertise in electric power source development and JGC’s expertise in the power generation business and power generation facility design and construction in Japan and abroad while advancing the new business in a safe and stable manner, the two companies will contribute to the development and revitalization of the communities where the operations of the new business will be conducted.

Having designated the electric power business as one of its growth options, the TonenGeneral Group aims to provide consumers with a long-term, stable supply of electric power by advancing its electric power business in the areas of electric power source development and electric power sales. Establishment of the new business is part of initiatives, including TonenGeneral’s advancement of the development of high-efficiency thermal power sources, for the diversification of electric power sources, and is aligned with national policy promoting the introduction and growth of renewable energy. Along with its efforts to mitigate effects on the environment, the TonenGeneral Group will continue to make effective use of limited resources and work to maintain a sustainable environment.

Since the mid-2000s, JGC has been an independent power producer using conventional fuel, and since 2010 has worked on projects in Japan and abroad for renewable energy power generation using solar heat and sunlight, achieving excellent business results and gaining considerable knowledge in domestic and overseas power generation businesses. In addition, in its medium term business plan, Beyond the Horizon, announced in May of this year, JGC stated its intention to enhance and expand its business in the field of infrastructure, and has designated the environmental and new energy business as an area for business expansion. Participation in the new company is aligned with this policy. By actively pursuing the development of the renewable energy power generation business, JGC will continue to its global contributions to the realization of a sustainable society.
Overview of Muroran Biomass Power Generation G.K. (planned)
Head office: Minato-ku, Tokyo (to be moved to Muroran City, the site of construction, with commencement of construction in August 2017)
President: Masayuki Enokida
Paid-in capital: 100 Myen
Date established: October 11, 2016
Investment ratio: TonenGeneral: 90%, JGC: 10%

Overview of biomass power generation plant construction plan
Planned project site: Idle land owned by TonenGeneral in Kohoku-cho, Muroran City, Hokkaido
Area: Approximately 40,000 m²
Electric power output: 74,900 kW
Fuel: Wood biomass (mainly palm kernel shells)
Power generation facilities: Circulating fluidized bed boiler, reheat condensing turbine
Start of construction: 2017 (planned)
Start of operation: Spring 2020 (planned)

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[The official language for TonenGeneral Sekiyu's filings with the Tokyo Stock Exchange and Japanese authorities, and for communications with our shareholders, is Japanese. We have posted English versions of some of this information on this website. While these English versions have been prepared in good faith, TonenGeneral Sekiyu does not accept responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.]