

For Immediate Release

Sumitomo Forestry Co., Ltd.  
SUMITOMO JOINT ELECTRIC POWER CO., LTD.

**Launch of One of Japan's Largest\*<sup>1</sup> Scale 50MW Biomass Power Plants**  
**Mombetsu Biomass Power Plant Commencement of Operations**

Sumitomo Forestry Co., Ltd. announced the commencement of operations today, December 1, at the Mombetsu Biomass Power Plant, operated by Mombetsu Biomass Power Generation Co., Ltd. (President: Seiro Takada; Head office: Mombetsu, Hokkaido Prefecture), a joint venture established with Sumitomo Joint Electric Power Co. Ltd. (President: Kazumune Yamamoto; Head office: Niihama, Ehime Prefecture).

Mombetsu Biomass Power Plant is a 50MW, large-scale biomass power generation facility located in the far north of Japan, using left-over timber and thinnings procured from the Okhotsk area as its main fuel source.



The plant will be fueled using various sources, including wood chips manufactured by the neighboring Okhotsk Bio Energy Corp. (President Masanori Santo; Head Office: Mombetsu, Hokkaido), as well as wood chips collected from collaborating plants, and imported PKS\*<sup>2</sup>. It will also use coal as a supplemental fuel source.

Sumitomo Forestry began its forestry business in Mombetsu in 1917, and will celebrate its 100th anniversary there next year. The company has always endeavored to raise the value of Hokkaido's forestry resources and to contribute to development of, and coexistence with, the community.

By promoting collaboration between the forestry industry and the power generation business, the company will build a business model that is even more deeply rooted in the region, and will strive for long-term, stable operations.

Sumitomo Forestry has established a policy of expanding the scale of its renewable energy power generation to 200MW\*<sup>3</sup> by March 2019, and will continue to accelerate the launch of new businesses.

Sumitomo Joint Electric Power will continue to promote utilization of renewable energy and will consider business expansion in suitable business situations.

\*<sup>1</sup> The largest scale power generation facility in Japan using Japanese materials as its main fuel source (as of December 1, 2016)

\*<sup>2</sup> Palm kernel shell

\*<sup>3</sup> Including planned projects

### 1. Mombetsu Biomass Power Plant Overview

- |                         |  |
|-------------------------|--|
| (1) Location            | 4-6, Shinkocho, Mombetsu, Hokkaido   |
| (2) Generation capacity | 50MW   |
| (3) Fuel                | Wood chips (planned volume: approx. 220,000 tons/year), imported PKS (approx. 50,000 tons/year), coal (approx. 50,000 tons/year) |

- (4) Major facilities      Power generation facilities (circulating fluidized bed boiler, turbine generator, cooling tower-type)

## 2. Construction overview

- November 2014      Commencement of biomass power plant foundation work
- September 2016    Commencement of test operations
- November 2016     Construction completion
- December 2016    Commencement of operations

## 3. Related businesses

Establishment of Okhotsk Bio Energy Corp.

Production of wood chips from wood resources, providing one source of fuel for the power plant. Located adjacent to the power plant, it commenced operations in August 2016.

## 4. Reference

### (1) Biomass power generation company

|                |  |
|----------------|--|
| Company name   | <b>Mombetsu Biomass Power Generation Co., Ltd.</b>   |
| Head Office    | 4-6, Shinkocho, Mombetsu, Hokkaido   |
| Capital        | ¥490 million (Sumitomo Forestry ¥249.9 million and Sumitomo Joint Electric Power ¥240.1 million) |
| Equity share   | Sumitomo Forestry 51%, Sumitomo Joint Electric Power 49%   |
| Representative | Seiro Takada   |
| Operations     | Biomass power generation using wood chips, imported PKS, and coal as a supplementary fuel.       |
| Website        | <a href="http://www.mbep.co.jp/">http://www.mbep.co.jp/</a>                                      |

### (2) Fuel chip producer

|                |  |
|----------------|--|
| Company Name   | <b>Okhotsk Bio Energy Corp.</b>  |
| Head Office    | 4-6, Shinkocho, Mombetsu, Hokkaido   |
| Capital        | ¥100 million (Sumitomo Forestry ¥51 million and Sumitomo Joint Electric Power ¥49 million) |
| Investment     | Sumitomo Forestry 51%, Sumitomo Joint Electric Power 49%                                   |
| Representative | Masanori Santo   |
| Operations     | Production and sale of fuel chips  |