SUMITOMO FORESTRY CO., LTD.

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Kawasaki Biomass Power Corporation

Kawasaki Biomass Power Plant Starts Generating Electricity

Kawasaki Biomass Power Corporation (Head Office: 16-5 Isoura-cho, Niihama City, Ehime Prefecture; President: Hiroaki Togawa) commences today the operation of its Kawasaki Biomass Power Plant.

The Kawasaki Biomass Power Plant is a wood biomass-fired power plant with a generation capacity of 33 megawatts. Located in the coastal area of Kawasaki City at the heart of the Keihin industrial region, it is Japan's largest power generation facility using only biomass as fuel, and will supply clean energy by burning wood chips collected in Japan's Kanto region.

The new business is operated by three companies: Kawasaki Biomass Electric Power, which will oversee biomass power generation activities; Japan Bio Energy Co., Ltd., which will supply wood chips for fuel; and Japan Bio Energy Holding Co., Ltd., the holding company of Japan Bio Energy. Today's operation start is the culmination of over two years spent on various preparations, including construction of the power station, since the companies initially announced their joint venture on November 26, 2008.

By generating electricity from biomass, the business will not only supply electricity but also promote the reuse and recycling of wood materials, efficient use of forest resources, and protection of the environment, all while making a significant contribution to the mitigation of global warming through carbon-neutral energy.

1. Outline of Kawasaki Biomass Power Plant

(1) Location:	12-6 Ogimachi, Kawasaki-ku, Kawasaki City, Kanagawa Prefecture
(2) Generation capacity:	33 MW (Japan's largest 100% biomass-fired facility)
(3) Fuel:	Wood biomass (planned input volume: 180,000 tons/year)
(4) Major facilities:	Power generation facilities (circulating fluidized bed boiler, turbine generator, cooling tower-type) Air quality facilities (flue gas desulfurization system, flue gas denitration system, dust collector) Wastewater treatment system

(5) Amount of CO_2 abated: 120,000 tons annually; equivalent to 22,000 homes

2. Outline of Construction

Construction history

2009	September	Started foundation work for biomass power station
2010	February	Started construction of biomass power station
	October	Started test operation
2011	February	Completed construction; Commenced operation

3. Related Businesses

Establishment of Japan Bio Energy Co., Ltd.

Recycles wood resources into biomass fuel, and supplies some of the fuel used at Kawasaki Biomass Power Plant. Started operations in October 2010 at a location adjacent to Kawasaki Biomass Power Plant.

4. Reference

Biomass Power Generation Company

Company Name	Kawasaki Biomass Electric Power Corporation
President	Hiroaki Togawa
Head Office	16-5 Isoura, Niihama City, Ehime Prefecture
Capital	500 million yen (Sumitomo Joint Electric Power Co., Ltd. (SJEP): 265 million yen, Sumitomo Forestry Co., Ltd.: 170 million yen, Fuluhashi EPO Corporation: 65 million yen)
Equity Stake	SJEP: 53.0%, Sumitomo Forestry: 34.0%, Fuluhashi EPO: 13.0%
Business Activities	Biomass power generation using wood fuel; sale of electric power

Holding Company of Chip Supplier

Company name	Japan Bio Energy Holding Co., Ltd.
President	Kenji Yada
Head Office	1-3-2 Otemachi, Chiyoda-ku, Tokyo
Capital	51.5 million yen (Sumitomo Forestry: 32.5 million yen, Fuluhashi EPO: 19 million yen)
Equity Stake	Sumitomo Forestry: 63.1%, Fuluhashi EPO: 36.9%
Business Activities	Holding of shares in chip supply company and managerial direction

Chip Supply Company

Company Name	Japan Bio Energy Co., Ltd.
President	Kenji Yada
Head Office	12-7 Ogimachi, Kawasaki-ku, Kawasaki City, Kanagawa Prefecture
Capital	100 million yen (Japan Bio Energy Holding: 51.5 million yen, SJEP: 46.5 million yen, Sumitomo Forestry: 1 million yen, Fuluhashi EPO: 1 million yen)
Equity Stake	Japan Bio Energy Holding: 51.5%, SJEP: 46.5%, Sumitomo Forestry: 1.0%, Fuluhashi EPO: 1.0%
Business Activities	Intermediate processing of industrial waste (wood by-products from construction activities, wooden palettes, etc.); supply and sale of wood chips