

November 11, 2014

TonenGeneral Sekiyu K.K.
Contact:
Public and Government Relations
EMG Marketing Godo Kaisha
Tel: 03-6713-4400

Investment in Biomass Power Generation

TonenGeneral Sekiyu K.K. (head office: Minato-ku, Tokyo; president: Jun Mutoh; "TonenGeneral" herein), having established the Electric Power Business Department within its organization in August of this year, is working to develop its electric power business as one of the growth strategies in its medium-term business plan. To this end, TonenGeneral is continuing its efforts to expand its electric power business through projects such as the development of competitive power sources in conjunction with other power businesses and retailers.

As a first step toward the development of its electric power business, TonenGeneral will acquire a 10% stake in eREX New Energy Saiki Co., Ltd. This investment will facilitate the acquisition of expertise in fuel procurement, operations management and electrical power sales.

We continue to study options for electric power development, considering region, scale, type of electric power, economic feasibility, business partners and other factors, while taking into account environmental assessments, for competitive thermal power generation projects utilizing our tangible and intangible assets.

As an energy business firmly rooted in Japan, the TonenGeneral Group will continue to respond swiftly to changing times and customer needs, and provide high-value-added services.

Overview of eREX New Energy Saiki Co., Ltd. and power plant

1. eREX New Energy Saiki Co., Ltd.			
Representative	Hitoshi Honna		
Paid-in capital (incl. capital reserves)	1,608 million yen		
Investment ratio	eREX Co., Ltd.		70%
	Sigma Power Holdings Limited Liability Company		20%
	(wholly owned subsidiary of Toshiba Corporation)		
	TonenGeneral Sekiyu K.K.		10%
2. Overview of power plant			
Address	337-1 Hiana, Saiki City, Oita (in the Taiheiyo Cement Corporation Oita plant's Saiki plant)		
Power generation method	Biomass power generation (using biomass fuel from palm kernel shells)		
Main fuel source	PKS (palm kernel shells)		
Output	50,000KW		
Start of commercial operation	Autumn 2016		

[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.]