



# TAIHEIYO CEMENT NEWS LETTER

January 7, 2020

## Start of Biomass Power Generation in Ofunato-shi, Iwate Prefecture

**Ofunato Power Inc. (hereinafter “OPI”; Headquarters: Ofunato, Iwate; President: Yasuhiro Sagara), established as a joint investment of Taiheiyo Cement Corporation (the “Company”; Headquarters: Minato-ku, Tokyo; President: Masafumi Fushihara) and erex Co., Ltd. (“erex”; Headquarters: Chuo-ku, Tokyo; President: Hitoshi Honna), commenced operations at its Ofunato Biomass Power Station located on the grounds of the Company’s Ofunato Plant on January 1, 2020.**

The Company decided in July 2016 to operate a biomass power generation business jointly with erex, taking into account the power generation technology developed through in-house power generation and the contribution to the reduction of greenhouse gas emissions likely to be achieved by the joint venture.

The Ofunato Biomass Power Station has recently been completed and began operations on January 1, 2020. The plant primarily uses palm kernel shell (PKS) as a biomass fuel and uses the renewable energy feed-in-tariff system (FIT), and it plans to generate and sell energy over the next 20 years.

The Company will promote the growth of the use of environmentally friendly, renewable energy sources and contribute to the stimulation of the local economy chiefly through the creation of employment.

### < Overview of the operating company >

Company name	Ofunato Power Inc.
Head office	21-6 Atohama, Akasaki-cho, Ofunato-shi, Iwate Prefecture
Established	August 5, 2016
Capital, etc.	4.0 billion yen
Capital contribution ratio	65% by Taiheiyo Cement and 35% by erex
Business overview	Electric power wholesale supply and all incidental businesses

### < Overview of power generation facility and electric power wholesale supply business >

Location	21-6 Atohama, Akasaki-cho, Ofunato-shi, Iwate Prefecture (on the grounds of Taiheiyo Cement’s Ofunato Plant)
Power generation facility	Circulating fluidized bed boiler and reheat steam turbine
Output	75 MW
Power generation and sale	100% of electric power generated is sold to erex.
Fuel	PKS, etc.
Annual electric power generation	Approximately 520,000 MWh Equivalent to the electricity consumption of approximately 119,000 ordinary households Reduction of CO <sub>2</sub> emissions by approximately 308,000 tons/year

<Ofunato Biomass Power Station>

