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Press Release

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Joint-Venture Company Established in Wood Biomass Power-Generation Business

Tosa Electric Railway Co., Ltd. (head office: Kochi-city, Kochi Prefecture; President: Akikazu Takemoto), Kochi Prefecture Federation of Forest Owner's Cooperative Associations (head office: Kochi-city, Kochi Prefecture; Chairperson: Fumitomo Toda), and Idemitsu Kosan Co., Ltd. (head office: Chiyoda-ku, Tokyo; President: Kazuhisa Nakano) today established Tosa Green Power Corporation in preparation for entering the wood biomass power-generation business. The new company will aim to begin operation of a power plant in April 2015 in the city of Kochi.

The three parties of Tosa Electric Railway Co., Ltd., the Kochi Prefecture Federation of Forest Owner's Cooperative Associations, and Idemitsu Kosan Co., Ltd. have established this joint-venture company with main objectives that include jointly contributing to forestry improvement through effective utilization of forestry resources, reducing carbon-dioxide emissions through use of renewable energy, and promoting an energy business based on local production for local consumption. They plan to advance studies of entry to the wood biomass power-generation business.

The planned wood biomass power plant will be the first integrated power plant in Japan including the crushing and drying processes for unused wood materials. It is planned to function as an environmentally friendly power plant through means including use of fuel consisting of 100% unused wood materials, control of plant noise and odor, and planting of green zones. Green power generated at the plant will be used for purposes such as powering streetcars to contribute to the local community.

Plans call for this project to employ the feed-in tariff system for renewable energy and the fund for acceleration of forest improvement. The project will contribute in areas including forest revitalization, reduction of CO2 emissions through use of renewable energy, and promotion of local industry.

Company outline
1. Name: Tosa Green Power Corporation
2. Location: Niida, Kochi-city, Kochi Prefecture
3. Representative: Akikazu Takemoto
(President and Representative Director, Tosa Electric Railway Co., Ltd.)
4. Date incorporated: January 23, 2013
5. Capital: JPY 250 million
6. Investment ratios: 50% by Idemitsu Kosan Co., Ltd., 25% by Tosa Electric Railway Co., Ltd., and 25% by the Kochi Prefecture Federation of Forest Owner's Cooperative Associations
7. Business: Wood biomass power generation

Outline of power plant (planned)
1. Location: To be newly constructed in Niida, Kochi-city
(on the site of a lumber-industry complex)
2. Generating capacity:5,000 kilowatts
3. Expected annual power generation: approx. 36 million kilowatt-hours (kWh)
(Equivalent to the power consumed by approx.
10,000 households)
4. Fuel consumption: 70,000 - 80,000 tons/year
5. CO2 emissions reductions: 20,000 tons/year
6. Number of employees: 20

(Reference information)

Outline of parent companies

Name	Tosa Electric Railway Co., Ltd.
Location	12-7 Sanbashidori 4-chome, Kochi-city, Kochi Prefecture
Representative	Akikazu Takemoto, President and Representative Director
Date incorporated	August 1, 1922 (founded July 8, 1903)
Capital	JPY 495 million
Lines of business	Transportation and shipping

Name	Kochi Prefecture Federation of Forest Owner's Cooperative Associations
Location	1-35 Honmachi 4-chome, Kochi-city, Kochi Prefecture
Representative	Fumitomo Toda, Representative Chairperson
Date incorporated	November 10, 1941
Capital	JPY 697,660,500
Lines of business	Sale of forestry products and other products produced by members, guidance on forestry management for members' benefit

Name	Idemitsu Kosan Co., Ltd.
Location	3-1-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Kazuhisa Nakano, President and Representative Director
Date incorporated	March 30, 1940 (founded June 20, 1911)
Capital	JPY 108.6 billion
Lines of business	Petroleum refining and manufacture and sale of oils Manufacture and sale of petrochemical products