

August 31, 2015

TonenGeneral Sekiyu K.K.
Kanden Energy Solution Co., Inc.

Establishment of Ichihara Thermal Power Generation Godo Kaisha and Acceptance by Tokyo Electric Power Company of Bid for Thermal Electric Power Generation

TonenGeneral Sekiyu K.K. (head office: Minato-ku, Tokyo; president: Jun Mutoh; "TonenGeneral" herein) and Kanden Energy Solution Co., Inc. (head office: Nakanoshima, Kita-ku, Osaka; president: Ryohei Shirai; "Kenes" herein), in order to advance evaluation of a project for the construction of a coal-fired electric power plant utilizing land on the premises of the TonenGeneral Chiba refinery, have established a company called Ichihara Thermal Power Generation Godo Kaisha ("the new company" herein) in Ichihara City, Chiba. In addition, in March of this year, TonenGeneral and Kenes submitted a bid in response to a 2014 bid invitation for thermal electric power generation issued by the Tokyo Electric Power Company ("Tokyo Electric" herein), and the two companies were notified today that their bid had been accepted. The two companies will consult with Tokyo Electric regarding the conclusion of electric power supply contracts and other matters.

The aim of the project is to provide a low-cost, stable supply of electric power from a high-efficiency, large-capacity coal-fired thermal power plant utilizing the geographical advantages of the proximity of the plant to the nation's capital, as well as TonenGeneral's project management experience and Kenes' knowledge and expertise in thermal power plant processes ranging from construction to operation and maintenance.

As we move ahead with this project, centered on the new company, for the development of electric power generation, we seek to reduce the burden on the environment through the utilization of the latest technology and other efforts. We also plan to submit a preliminary environmental impact statement to the Minister of Economy, Trade and Industry, the Chiba prefectural government, the Ichihara City government and other local governments, in accordance with the Environmental Impact Assessment Law, at the beginning of September.

As competition in the electric power industry gains momentum, we anticipate that this project will enable us to expand our electric power business in the Tokyo metropolitan area. We ask for the continued understanding and support of the national government, local governments and local communities as we continue our evaluation of the project.

Overview of construction plan for thermal power plant

Planned location: On the premises of the TonenGeneral Sekiyu Chiba refinery

Output: Approx. 1 million kW

Fuel: Coal

Start of operation: 2024 (plan)

Overview of Ichihara Thermal Power Generation Godo Kaisha

Head office: On the premises of the TonenGeneral Sekiyu Chiba refinery

President: Jun Kuwabara

Paid-in capital: 100 Myen

Date established: August 17, 2015

Investment ratio: TonenGeneral: 50%, Kenes: 50%

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[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.]