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Company name	TAKEEI CORPORATION
Representative	Mitsuo Abe, President and Representative Director (Code: 2151, First Section of the Tokyo Stock Exchange)
Contact	Takeshi Uekawa, Director and Managing Executive Officer (TEL 03-6361-6871)

## Notice of Woody Biomass Power Generation Project in Togane City, Chiba Prefecture

We have decided to specifically plan a wooden biomass power generation business in Togane city, Chiba Prefecture. The details are as follows.

### 1. Background and Reasons for Entry into the Business

In our Group's renewable energy business, four wooden biomass power plants in the Tohoku region and two plants in the Tokyo metropolitan area are in operation. In addition, TAKEEI Forestry Co., Ltd. ("TAKEEI Forestry") aims to contribute not only to the stable procurement of fuel materials, but also to the regeneration and revitalization of the forestry.

Togane city, located in the central part of Chiba Prefecture, has been a crowded area of logistics for many years, and is still a hub for traffic at present. The Sanbu region, including Togane city, is also known as the producing region of Sanbu-sugi (cedar), which has excellent wood property for lumber, such as straight trunks and consistent thickness. In recent years, damage to Sanbu-sugi caused by "sugi bult-rot disease" has been increasing, and it is thought that the increase in abandoned forests due to the decline of the forestry industry is one factor. As aging progresses, not only does it lose value as a material, but also there is a risk of falling due to strong typhoons and other winds, power outages, and the segmentation of traffic. Prevention of expansion of this disease and disposal of damaged trees are urgent tasks.

Hanamaki Biomass Power Generation Co., Ltd. (Hanamaki city, Iwate Prefecture) has already succeeded in using the specialty Akamatsu (Japanese red pine), a local specialty, as fuel for power generation after a series of joint researches and experiments with Hanamaki city and local forestry cooperatives, which were killed by the pine weevil.

In light of this background, we have decided to make use of our accumulated know-how

and plan to enter into the woody biomass power generation business using forest thinnings in Chiba Prefecture, including Sanbu-sugi trees and trees damaged by sugi bult-rot disease, as fuel, with the cooperation of Togane city and local forestry companies, including Shipping Cooperative Association in the prefecture.

## 2. Woody Biomass Power Generation Project Scheme

The woody biomass power generation project will take the form of a collaboration with Marutoshi Corporation ("Marutoshi"), a local forestry company in Togane city that carries out a series of operations in-house, from clearing and logging to recycling, and will build a power plant on the premises of the Chiba Prefecture Timber Market Cooperative to generate and sell electricity. Fuel chips are purchased from Marutoshi and other forestry companies, and the company decides to make effective use of timber generated by natural disasters, such as 3 million cubic meters of windfall timber generated by a large typhoon in 2019. In addition, by leveraging synergies with TAKEEI Forestry, we will be responsible for a series of forestry processes, from seedling rearing and afforestation to reforestation, thinning and transportation. In the 50-100 year plan, we will aim to regenerate forests throughout Chiba Prefecture and build a new resource circulation model.

Appropriately managed forests have a solid root in the ground, and make a strong ground where no sand is drained even in heavy rains. They also have high water-preserving power and prevent flooding. In addition, mineral-rich water, filtered by healthy forests, will flow through to the rivers, eventually helping to enrich the ocean's environment. Through this project, we will contribute to the achievement of [7. AFFORDABLE AND CLEAN ENERGY], [14. LIFE BELOW WATER], and [15. LIFE ON LAND] out of the 17 targets of SDGs (Sustainable Development Goals). As a comprehensive environmental company, we will further contribute to a resource recycling-oriented society.

## 3. Outline of power generation facilities currently decided

(1)	Scheduled site	Yamada, Togane city, Chiba Prefecture (Planning to lease the site of the Timber Market Cooperative Association in Chiba Prefecture)
(2)	Annual operating time	330 days/year (planned)
(3)	Generation output	9,990kW Annual power consumption is equivalent to approximately 22,000 households (Estimated based on the assumption that power consumption of ordinary households is 300 kWh/month) ※Number of households in Togane city as of June 1, 2021: 27,337

(4)	Method of selling electricity	Feed-in tariff (FIT)
(5)	Start of selling electricity	Scheduled for around 2024

#### 4. Planned Sites of Wood Biomass Power Plants

