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Baker McKenzie advises on the development and project financing of a natural gas-fired power generation project at Soma Port in Fukushima Prefecture

Tokyo, Japan, 25 April 2017 – Baker & McKenzie (Gaikokuho Joint Enterprise) advised Fukushima Gas Power Co., Ltd. (FGP) and its sponsors Japan Petroleum Exploration Co., Ltd., Mitsui & Co., Ltd., Osaka Gas Co., Ltd., Mitsubishi Gas Chemical Co., Inc. and Hokkaido Electric Power Co., Inc. on the development and project financing of a natural gas-fired power generation project at Soma Port in Shinchi Town, Fukushima Prefecture.

This project aims to construct the Fukushima Natural Gas Power Plant, which will include two 590 megawatt Gas Turbine Combined-Cycle (GTCC) power generation units, for a total of 1,180 megawatts, and an LNG storage tank and LNG vaporization equipment are to be additionally installed at JAPEX's Soma LNG Terminal, which is currently under construction at the site adjacent to the power plant site. Financing will be arranged by the Development Bank of Japan Inc., Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation and the Bank of Tokyo-Mitsubishi UFJ, Ltd. as lead arrangers under a project financing scheme. Approximately 140 billion yen (USD 1.2 billion*) in syndicated loans will be raised.

This project is positioned as part of the Fukushima International Research Industrial City (Innovation Coast) Framework's "New Energy Generation; Low Environmental Impact Energy Introduction" program. This program was incorporated into the "Basic Policy on Economic and Fiscal Management and Reform" (adopted by the Cabinet in June 2014) and is expected to contribute to the development of industry and the regeneration of the coastal area of Fukushima Prefecture.

The Firm's team was led by Naoaki Eguchi, head of the Tokyo office's Banking & Finance Practice Group, and partner Tsutomu Kobayashi, with the strong support of associates Hiroki Watanabe, Takehito Sekiguchi, Takuya Wada, Hiroyuki Kitamura, Kan Kumano and Masayoshi Kobayashi.

Mr. Eguchi had the following comments on this matter. "We feel greatly honored to have been able to support our clients in a project so meaningful to the reconstruction and revitalization of Fukushima Prefecture. We are dedicated to continuing to provide clients with valuable legal advice in areas of social significance."

*1 USD = 116 JPY

- Ends -

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Naoaki Eguchi is the head of the Firm's Banking & Finance Practice Group in Tokyo and a member of the Asia Pacific Banking & Finance Group steering committee. He has been involved in more than 100 project financing and finance lease deals in connection with solar, wind, biomass, geothermal, and small hydroelectric power projects totalling approximately 1,750 megawatts in capacity. In 2017, the Tokyo office's Banking & Finance Practice Group was recognized as "Band 1" (Banking & Finance: International) by *Chambers Asia-Pacific* and *The Legal 500 Asia Pacific*.



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Tsutomu Kobayashi is a member of the Firm's Banking & Finance Practice Group in Tokyo. He primarily works in the area of structured finance, including project finance and acquisition finance. He was seconded for one year in 2010 to the London Office of Baker McKenzie and to the structured finance department of Sumitomo Mitsui Banking Corporation Europe Limited (London), where he worked mainly on energy-related project finance.

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