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Press Release

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Announcement on the construction of a geothermal power plant in Yuzawa City, Akita Prefecture

Idemitsu Kosan Co.,Ltd. (Head Office: Chiyoda-ku, Tokyo, Representative Director, President and Chief Executive Officer: Shunichi Kito), INPEX CORPORATION (Head Office: Minato-ku, Tokyo, President and Chief Executive Officer: Takayuki Ueda) and Mitsui Oil Exploration Co., Ltd. (Head Office: Chiyoda-ku, Tokyo, President and Chief Executive Officer: Hirotaka Hamamoto) have decided to enter into the construction phase of a geothermal power plant in Yuzawa City, Akita Prefecture (Katatsumuri Yama Power Plant, Output: 14,990kW). The power plant will be built halfway up Katatsumuri Yama mountain (hereinafter referred to as “the Oyasu District”) and operated by Oyasu Geothermal Co., Ltd. (established in September 2018; hereinafter referred to “Oyasu Geothermal”), a company financed by the three companies. Operations are scheduled to commence in March 2027.

Applying their underground resources development technologies and expertise, beginning in 2011, the three companies have carried out studies of commercialization including joint exploration of underground resources in the Oyasu District, verification of the scale of resources and economic assessment. The investigation was subsidized by the Japan Oil, Gas and Metals National Corporation (hereinafter referred to as “JOGMEC”).

Based on the decision that commercialization was feasible as a result of the investigation, the three companies have decided to enter into the construction phase of the “Katatsumuri Yama Power Plant.” Going forward, necessary national and local procedures will be taken. Construction is scheduled to be supported by a loan guarantee from JOGMEC. Power generated will be certified under the Feed-in Tariff System for Renewable Energy (FIT system). (40 yen + tax per 1kWh for 15 years)

As a result of evaluation of data from production tests (verification tests to assess production capacity) conducted over a period of three months in 2021, it is projected that long-term stable production of geothermal fluid (steam and hot water) equivalent to an output of approximately 15MW will be possible. Moreover, with a design planned to be eco-friendly and harmonized with the surrounding scenery, the three companies will undertake the construction and operation of the Katatsumuri Yama Power Plant as a facility that will contribute to the region.

Expectations of geothermal energy have been growing more and more in recent years as a renewable energy source capable of delivering stable supplies of electricity unaffected by weather. The three companies will continue to proactively promote the dissemination and expansion of the use of renewable energy to contribute to the realization of energy security and a low-carbon society in Japan.

1. Overview of the power plant

Name: Katatsumuri Yama Power Plant

Location: Yuzawa City, Akita Prefecture

Output: 14,990kW

Power generation method: Double flash method

Start of commercial operation: Scheduled for March 2027

2. Overview of Oyasu Geothermal Co., Ltd.

Location: 1-2-1 Otemachi, Chiyoda-ku, Tokyo

Name of Representative: Hiroki Goto

Capital: 100 million yen

Investment ratios: Idemitsu Kosan Co., Ltd. (42.5%)

INPEX CORPORATION(42.5%)

Mitsui Oil Exploration Co., Ltd. (15%)

3. Future outlook

This business will have minimal impact on Idemitsu's performance.