

April 14, 2023
Shikoku Electric Power Company
Taiyo Oil Company
Taiyo Nippon Sanso Company
Mazda Motor Corporation

Mitsubishi Corporation / Namikata Terminal Company / Mitsubishi Corporation Clean Energy

Establishment of a "Council for utilizing Namikata Terminal as a Hub for introducing Fuel Ammonia"

Shikoku Electric Power Company, Taiyo Oil Company, Taiyo Nippon Sanso Company, Mazda Motor Corporation, Mitsubishi Corporation, Namikata Terminal Company, and Mitsubishi Corporation Clean Energy have agreed to establish the "Council for utilizing Namikata Terminal as a Hub for introducing Fuel Ammonia" (hereinafter referred to as the "Council"). The Council, which Mitsubishi Corporation and Shikoku Electric Power Company serve as joint secretariats, shall study the possibility of turning the Namikata Terminal*¹ located in Imabari City, Ehime Prefecture, into a hub for clean energies. Ehime Prefecture, Imabari City, Saijo City, Niihama City, and Shikokuchuo City will also participate in the Council as observers.

The Council's agenda will include scheduling, legal and regulatory issues, efficient use of the terminal, measures to grow demand for fuel ammonia in the area and other issues, based on the assumption that the existing LPG tanks owned by Mitsubishi Corporation at the terminal will be converted to ammonia tanks and that the terminal will become a hub handling approximately 1 million tonnes of ammonia per year by 2030.

Since the Government of Japan declared that Japan would realize carbon-neutrality by 2050, there have been growing expectations surrounding the potential of ammonia, which has numerous applications, including as a co-firing fuel at thermal power plants, a source of thermoelectricity in general industry, and a source of hydrogen via ammonia cracking technology at hydrogen stations*². Our belief is that the Namikata Terminal can play an important role as a supply hub to realize the establishment of an efficient supply chain of ammonia, in promoting the utilization of ammonia in the Shikoku and Chugoku regions.

The Namikata Terminal handles approximately 1 million tons of LPG and other petroleum products brought in from Japan and overseas each year. In addition to its four decades of experience as an energy hub, the terminal is equipped with several large-scale low-temperature LPG tanks (45,000 tons/unit) that can be converted to ammonia tanks, docking berths for large vessels and other facilities that can quickly respond to region's demand for ammonia.

The Council shall work to unite public and private interests to reestablish the Namikata Terminal as a clean energy hub, create new clean energy industries in the region and help the sustainable development of the local economy.

*¹ Some petroleum-related facilities of the terminal are owned by Taiyo Oil Company and the others are owned by Mitsubishi Corporation. The terminal is operated by Namikata Terminal Company.

*² Technology to extract hydrogen from ammonia.

<Namikata Terminal>



(Photo Credit: Namikata Terminal Company)

<Company Outlines and its Relationship with the Council>

Shikoku Electric Power Company

Year of Establishment: 1951

Headquarters: 2-5 Marunouchi, Takamatsu City, Kagawa Prefecture

Representative: Keisuke Nagai, Director and President

Main Operations: Electric power business of power generation, sales, transmission and distribution as well as the information and telecommunications business and international business.

Relation with the Council: Studying towards the possibility of introducing ammonia to thermal power plants in order to reduce carbon emissions and decarbonize the industry.

Taiyo Oil Company

Year of Establishment: 1941

Headquarters: 2-2-3 Uchisaiwaicho, Chiyoda-ku, Tokyo

Representative: Yutaka Oka, President and Chief Executive Officer

Main Operations: A petroleum wholesaler with the only refinery in Shikoku. Importing petroleum and manufacturing and selling petroleum products and petrochemical products. Operating service stations under the SOLATO brand, mainly in western Japan.

Relationship with the Council: Considering new projects such as hydrogen stations and the other use of ammonia and hydrogen at Shikoku business sites.

Taiyo Nippon Sanso Company

Year of Establishment: 1910

Headquarters: 1-3-26 Koyama, Shinagawa-ku, Tokyo

Representative: Kenji Nagata, President and Chief Executive Officer

Main Operations: Manufacturing and sales of various industrial gases such as oxygen, nitrogen, and argon, LP gas, medical gas, and special gases, as well as fusing equipment and materials, various gas-related equipment, air separation equipment. In addition, assembly, processing, and inspection of electronic components, and facility maintenance.

Relationship with the Council: Considering purification technology for ammonia decomposition hydrogen and the use of hydrogen station technology and knowledge.

<p>Mazda Motor Corporation Year of Establishment: 1920 Headquarters: 3-1 Shinchu, Fuchu-cho, Aki-gun, Hiroshima Representative: Akira Marumoto, Representative Director, President and Chief Executive Officer Main Operations: Manufacturing and sales of passenger cars and trucks. Relationship with the Council: Mazda and Mitsubishi Corporation Clean Energy are considering the use of ammonia as an initiative to decarbonize the in-house power generation facilities at Mazda's plant.</p>
<p>Mitsubishi Corporation Year of Establishment: 1954 Headquarters: 2-3-1 Marunouchi, Chiyoda-ku, Tokyo, Japan Representative: Katsuya Nakanishi, President and Chief Executive Officer Main Operations: MC engages in a wide range of businesses spanning multiple industries and overseen by its Industry DX Group, Next-Generation Energy Business Group and 10 Business Groups: Natural Gas, Industrial Materials, Chemicals Solution, Mineral Resources, Industrial Infrastructure, Automotive & Mobility, Food Industry, Consumer Industry, Power Solution, and Urban Development. Relationship with the Council: Engaging in ammonia manufacturing and trading business and contribute to the stable supply of ammonia to Japan and other Asian countries. Developing ammonia manufacturing business in various parts of the world and establishing a supply chain for Japan and other countries.</p>
<p>Namikata Terminal Company Year of Establishment: 1980 Headquarters: 600, Ko, Namikatachomiyazaki, Imabari City, Ehime Prefecture Representative: Korin Suzuki, President and Chief Executive Officer Main Operations: Receiving, storage and management of liquefied petroleum gas, petrochemicals and petroleum products, ship discharge, lorry discharge, analysis, and management and operation of the Namikata National Oil and Gas Storage Base. Relationship with the Council: Supplying LPG and petroleum products throughout western Japan as an energy supply base. Equipping a large low-temperature LPG tank that can be converted to ammonia, a large berth for ship landing, and other facilities, and considering making Namikata Terminal clean energy supply base.</p>
<p>Mitsubishi Corporation Clean Energy Corporation Year of Establishment: 2022 Headquarters: 2-6-1, Marunouchi, Chiyoda-ku, Tokyo Representative: Takao Fujii, President and Chief Executive Officer Main Operations: Development and operation of renewable energy sources such as onshore wind, solar, and hydroelectric power, and provision of solutions to customers, while coexisting and co-creating with local communities. Relationship with the Council: Mazda and Mitsubishi Corporation Clean Energy are considering the use of ammonia as an initiative to decarbonize the in-house power generation facilities at Mazda's plant.</p>

###