

September 4, 2020

Kawasaki Kisen Kaisha, Ltd.

Launch of Kobe/Kansai Hydrogen Utilization Council

Kawasaki Kisen Kaisha, Ltd. (Head Office: Chiyoda-ku, Tokyo, Representative Director, President and CEO: Yukikazu Myochin, hereinafter “K”LINE’) is pleased to announce that “K”LINE has participated in the “Kobe/Kansai Hydrogen Utilization Council” founded together with the companies involved in various hydrogen-related projects with the goal of the implementation of a hydrogen society as well as development of hydrogen supply-chain in the Kobe/Kansai area.

Kansai area is one of the most advanced area in the world where various world’s leading projects concerning hydrogen supply and utilization are currently underway including the hydrogen supply chain pilot project with the effective utilization of brown coal in Australia conducted by CO₂-free Hydrogen Energy Supply-chain Technology Research Association (“HySTRA”), demonstration project of hydrogen cogeneration system (“Hydrogen CGS”) at Kobe Port Island, and investigation on the possibilities for the introduction of hydrogen-fueled power generation.

In order to accelerate these efforts to achieve a hydrogen society as well as “Basic Hydrogen Strategy” and “Strategic Roadmap for Hydrogen and Fuel Cells” published by the Japanese government, the companies promoting hydrogen-related business have joined and founded the Council. The member will conduct feasibility study in pursuit of the large-scale utilization of hydrogen in 2030’s by way of unifying experience acquired through existing projects and business resources owned by companies operating in Kobe/Kansai area. The Agency for Natural Resources and Energy at the Ministry of Economy, Trade and Industry, New Energy and Industrial Technology Development Organization (“NEDO”), and Kobe City which is participating in Hydrogen CGS will support the activity of the Council as observers.

In pursuit of our goal, placing the roadmap to implement large-scale commercialized utilization of hydrogen in 2030 as well as formulating a concrete scheme for the verification of commercial utilization of hydrogen in 2025, the Council’s activities will include:

- (1) Consideration on business models of hydrogen utilization in Kansai area through combined study from supply and demand sides to develop large-scale hydrogen supply chain.
- (2) Building a road map for the implementation of hydrogen utilization business models in the Kansai area.
- (3) Policy proposal to the national and local governments, by identifying issues towards the implementation of a hydrogen society.

“K”LINE Group have been promoting its efforts towards the reduction of greenhouse gas (GHG) emissions in line with its long-term guideline concerning environment “K”LINE Environmental Vision 2050 -Blue Sea for the Future-”. “K”LINE will devote its utmost effort to contribute in realization of carbon-free society through the activities of the Council to implement CO2-free hydrogen in society in 2030, besides our participation in HySTRA in 2019.

<Founding Member (Alphabetical order)>

Electric Power Development Co., Ltd., ENEOS Corporation, Iwatani Corporation (*), The Kansai Electric Power Company, Inc., Kawasaki Heavy Industries, Ltd., Kawasaki Kisen Kaisha, Ltd. (“K” LINE), Kobe Steel, Ltd., Marubeni Corporation (*), Mitsubishi Power, Ltd., Obayashi Corporation, and Shell Japan Limited.

(* Lead)

[Reference]

Announcement by the Council, please see attachment.

(Attachment announced by the Council)

4th September 2020

Kobe/Kansai Hydrogen Utilization Council

Launch of New Hydrogen Utilization Council in Kobe/Kansai area

Kobe/Kansai area, Japan – 4th September 2020: 11 Japanese various industries and energy companies involved in hydrogen projects launched a new council named “Kobe/Kansai Hydrogen Utilization Council” (hereinafter, “Council”) with the goal of developing hydrogen utilization methods and to establish a hydrogen supply chain in the Kobe/Kansai area.

The Council will strive for promoting the establishment of a concrete structure of a demonstration project utilizing hydrogen for commercialization by around 2025. The Council will also draw a pathway to realize large-scale commercialization of hydrogen utilization by 2030.

The companies currently involved are: Electric Power Development Co., Ltd., ENEOS Corporation, Iwatani Corporation (Lead), The Kansai Electric Power Company, Incorporated, Kawasaki Heavy Industries, Ltd., Kawasaki Kisen Kaisha, Ltd., Kobe Steel, Ltd., Marubeni Corporation (Lead), Mitsubishi Power, Ltd., Obayashi Corporation, and Shell Japan Limited.

The Kansai area is one of the most advanced regions in the world with regards to hydrogen-related projects. Namely, in addition to the existing hydrogen related facilities in private sector, as New Energy and Industrial Technology Development Organization (hereinafter, “NEDO”) grant projects, several projects are currently underway in the area, including the hydrogen energy supply chain pilot project (Liquefied Hydrogen Receiving Terminal in Kobe Airport Island) implemented by CO₂-free Hydrogen Energy Supply-chain Technology Research Association (“HySTRA”), the demonstration project at Kobe Port Island namely Hydrogen Co-Generation System (hereinafter “Hydrogen CGS”) and investigations on the possibilities for the introduction of hydrogen power generation.

In order to accelerate the concrete actions and to ensure the achievement of the national “Basic Hydrogen Strategy” and “Strategic Roadmap for Hydrogen and Fuel Cells”, the companies promoting hydrogen-related projects in the Kansai area have joined together and founded the Council. By uniting experiences from the existing projects with the knowledge and experience possessed by the companies, the Council will implement a study of the business model for large-scale commercialization of hydrogen utilization by 2030.

Additionally, the Agency for Natural Resources and Energy at the Ministry of Economy, Trade and Industry, NEDO and Kobe City which is participating in Hydrogen CGS, will join the Council as observers.

The following 3 tasks are considered “Priority Actions” for the Council:

- To implement a study of the business models of utilizing hydrogen in the Kansai area by combining the supply and demand sides in order to establish a large-scale hydrogen supply chain
- To build a roadmap for the implementation of hydrogen utilization business models in the Kansai area
- To identify potential implementation issues and make policy recommendations to national and/or local governments

Lastly, in order to realize a hydrogen-based society, it is essential to create regulatory framework and to implement regulatory reform, in addition to the establishment of technology and the reduction of hydrogen production costs on the business side. Therefore, the Council will engage with both the public and private sectors and study business models to identify issues, accelerate necessary actions and make policy recommendations for the large-scale commercialization of hydrogen utilization by 2030.

【Contact for Queries : Lead of the Council】

Iwatani Corporation Public Relations Dept.

Tel : +81-6-7637-3468

Iwatani Corporation Hydrogen Div.

Tel : +81-6-7637-3458

Marubeni Corporation Corporate Communications Dept.

Tel : +81-3-3282-4020

Marubeni Corporation New Energy Business Development Dept.

Tel : +81-3-3282-7896