

Toyota Tsusho, Eurus Energy, and Iwatani Consider Starting Onsite Low-Carbon Hydrogen Production and Supply Project at Aichi Steel

Toyota Tsusho Corporation (“Toyota Tsusho”), Eurus Energy Holdings Corporation (“Eurus Energy”), and Iwatani Corporation (“Iwatani”) announced today that they will jointly work to build an onsite project model to produce and supply hydrogen by utilizing renewable electricity at customer sites.

The project has been recently certified by the Ministry of Economy, Trade and Industry under the “Support Focusing on the Price Gap*¹” scheme based on the Hydrogen Society Promotion Act, which supports the use of low-carbon hydrogen, etc. for a smooth transition to a decarbonized growth-oriented economic structure.” The companies will proceed by discussing the start of an onsite low-carbon hydrogen production and supply project (the “Project”) at Aichi Steel Corporation’s (“Aichi Steel”) Chita Plant (Tokai, Aichi Prefecture), aiming to commence operations around 2030.

Background

Low-carbon hydrogen derived from renewable energy is expected to be an important energy source for achieving carbon neutrality by 2050. However, the production and supply of hydrogen still face many challenges in terms of cost and regulatory frameworks, posing barriers to its widespread adoption.

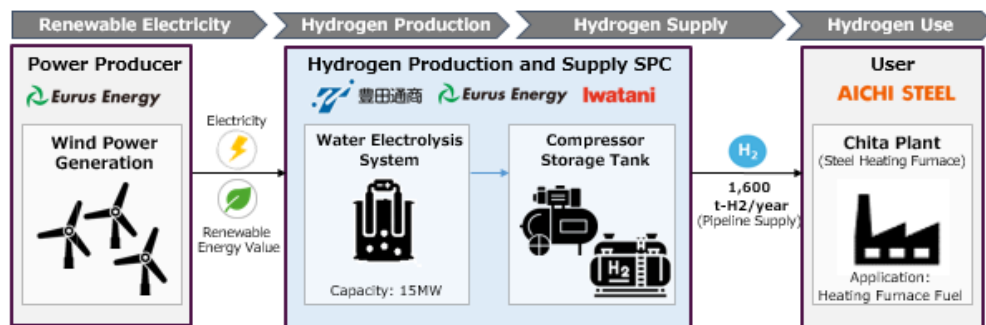
Against this backdrop, the government has established a project plan certification system and support measures based on the Hydrogen Society Promotion Act, which came into effect in October 2024. A support measure focusing on the price gap provides a subsidy scheme that compensates for the gap between the production cost of low-carbon hydrogen, etc., and existing raw material and fuel prices.

With institutional support by the government for the supply and use of hydrogen now fully launched, collaboration among relevant parties, mainly in the industrial sector, is expected to be further promoted, accelerating efforts toward the early realization of a hydrogen society.

Overview of the Project

In this Project, a water electrolysis system (planned to adopt the system produced and sold by Chiyoda Corporation using Toyota Motor Corporation’s stacks*²) that produces hydrogen will be installed on the premises of Aichi Steel’s Chita Plant. Using electricity from wind power plants owned by Eurus Energy, low-carbon hydrogen will be produced and supplied onsite. At Aichi Steel, this hydrogen will be used in place of natural gas in some of the heating furnaces for steel and iron materials.

The three companies will establish a joint company in March 2027. After engineering and installing the equipment, they will build a system capable of producing and supplying approximately 1,600 tons of hydrogen annually, aiming to commence operations around 2030.



Through the Project, the three companies will build an optimal onsite low-carbon hydrogen production and supply model and, by improving the performance and functionality of water electrolysis technology, contribute to creating a hydrogen society promoted by the government. In addition, the Project is positioned as an important initiative to promote the social implementation of hydrogen in the Chubu region. As first movers^{*3}, the three companies will also collaborate with the Chubu Region Hydrogen and Ammonia Social Implementation Promotion Council^{*4} to contribute to achieving carbon neutrality.

*1 A scheme that supports the difference between the price of low-carbon hydrogen, etc. (standard price) and the price of existing raw materials and fuels (reference price) for 15 years, so that certified low-carbon hydrogen suppliers can continuously supply low-carbon hydrogen, etc., according to the certified plan.

*2 Core system for electrolysis technology in hydrogen production

*3 Project operators that plan to start supplying low-carbon hydrogen and ammonia in Japan by around 2030.

*4 A council established in February 2022 to ensure that local governments and economic organizations work together to achieve the social implementation of hydrogen and ammonia in the Chubu region, aiming for carbon neutrality by 2050.

Reference 1. Overview of Each Company

Toyota Tsusho

Company name	Toyota Tsusho Corporation
Location	4-9-8 Meieki, Nakamura-ku, Nagoya
Established	July 1, 1948
Representative	Toshimitsu Imai, Representative Director, President & CEO
Business description	Domestic trading of various goods, import and export trading, offshore trading, construction contracting, agency business for various types of insurance, and other businesses
Website	https://www.toyota-tsusho.com/english/

Eurus Energy

Company name	Eurus Energy Holdings Corporation
Location	Otemachi First Square West Tower, 1-5-1 Otemachi, Chiyoda-ku, Tokyo
Established	November 1, 2001
Representative	Tetsuya Suwabe, Representative Director, President & CEO
Business description	Wind and solar power generation, storage, and sales, etc.
Website	https://www.eurus-energy.com/en/

Iwatani

Company name	Iwatani Corporation
Location	3-6-4, Hommachi, Chuo-ku, Osaka, Osaka
Established	February 2, 1945
Representative	Hiroshi Majima, President
Business description	Integrated energy, industrial gases, machinery, materials, and other businesses
Website	https://www.iwatani.co.jp/eng/