March 2, 2015

Press Release

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Announcement of Decision to Construct a Binary Geothermal Power Station at the Takigami Office of Idemitsu Oita Geothermal Co., Ltd.

Idemitsu Kosan Co.,Ltd. (Head Office: Chiyoda-ku, Tokyo; Representative Director and CEO: Takashi Tsukioka) announces that it has decided to construct a binary geothermal power plant at the Takigami Office of Idemitsu Oita Geothermal Co., Ltd. (President: Seiji Moriyama), its wholly-owned subsidiary.

1. Summary of the construct a Binary Geothermal Power Station

Idemitsu Oita Geothermal Co., Ltd., Takigami Office had been supplying geothermal steam to generate 25,000 kW at Takigami (Geothermal) Power Station of Kyushu Electric Power Company Inc. (hereinafter Kyushu Electric) since the power station started operation in 1996. Boosting its supply in June 2010 in response to an increase in Kyushu Electric's output to 27,500 kW, over the past 18 years it has helped the electric company to maintain one of the highest utilization factors of facilities in Japan.

Idemitsu Kosan has recently decided to construct a binary geothermal power plant on the site of the Takigami Office with a view to utilizing hot water before reinjection.

Binary geothermal power generation is a method of electricity generation that uses two fluids, water as the heat source and another medium with a low boiling point; that is why the method includes the word "binary" in its name. This method of power generation enables the use of low temperature geothermal fluid than is traditionally used to produce electricity.

Idemitsu Kosan will expand its supply of electricity produced from domestic, clean and renewable sources such as geothermal heat, thereby contributing to Japan's energy security through the diversification of energy sources.

2. Anticipated Earnings

This decision has no impact on FY2014 consolidated forecasts.

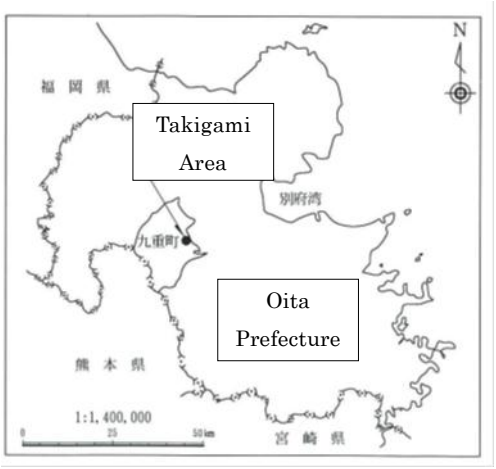
[Outline of Takigami Binary Geothermal Power Plant]

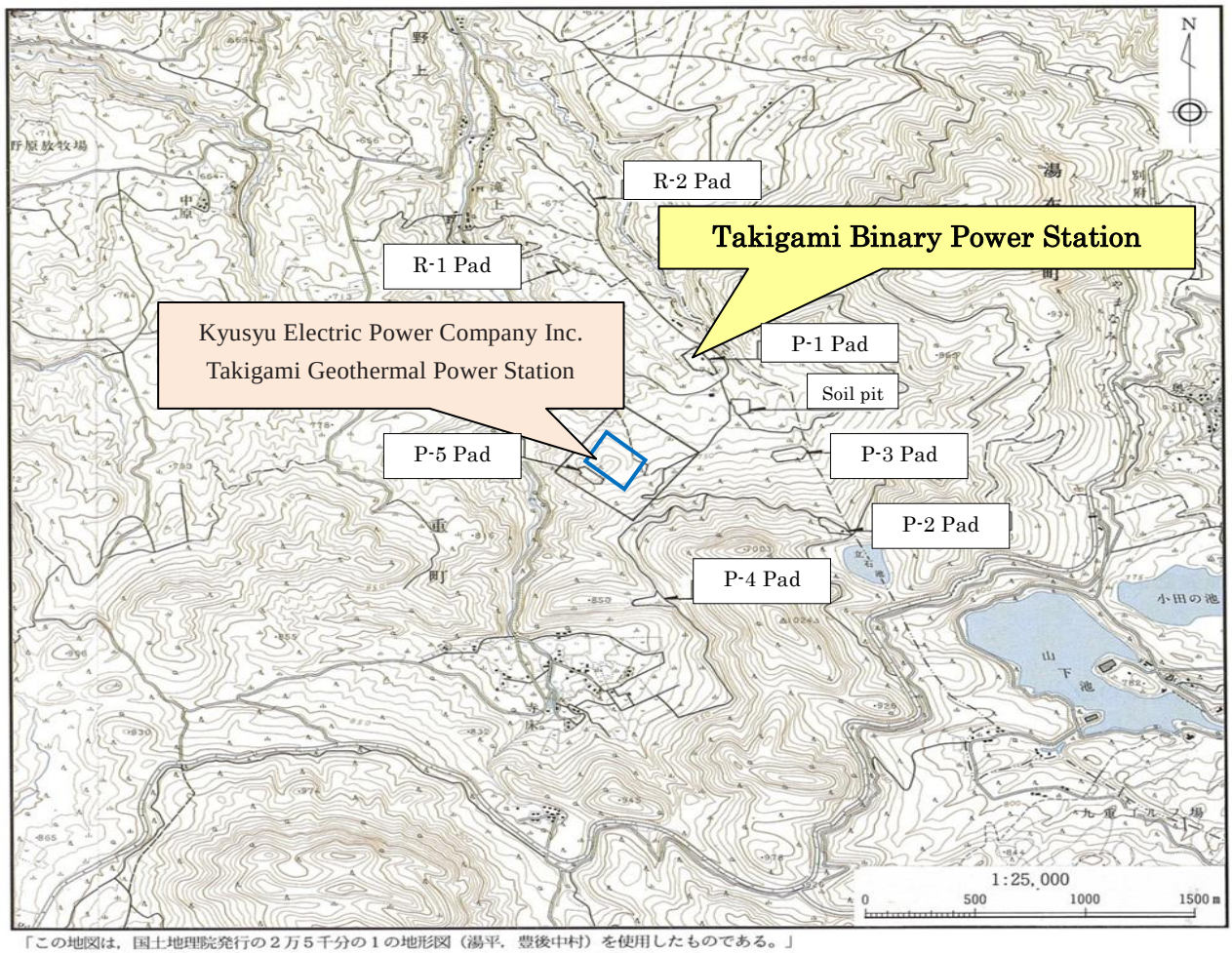
Name	Takigami Binary Geothermal Power Plant
Location	3330-152 Oaza Nogami, Kokonoe-machi, Kusu-gun, Oita (on the site of Production Pad No. 1)
Generation capacity	5,050 kW
Annual generation scale	31 million kWh
Line of business	Geothermal power generation business (using the feed-in tariff for electricity from renewable energy sources)
Start of operation	March 2017 (scheduled)

[Outline of Idemitsu Oita Geothermal Co., Ltd., Takigami Office]

Name	Idemitsu Oita Geothermal Co., Ltd., Takigami Office
Location	2862-12 Oaza Nogami, Kokonoe-machi, Kusu-gun, Oita
Line of business	Supply of geothermal steam to Takigami Power Station of Kyushu Electric Power Company Inc.
* Ref. Takigami Power Station, Kyushu Electric	Location: 2862-12 Oaza Nogami, Kokonoe-machi, Kusu-gun, Oita Generation capacity: 27,500 kW (rated output) Annual generation scale: 197 million kWh

(Reference: Location of Takigami Binary Power Station)





「この地図は，国土地理院発行の２万５千分の１の地形図（湯平，豊後中村）を使用したものである。」

*R: Return, P: Production

Source: Revised environmental impact assessment report, Takigami Thermal Power Station, August 1994, Kyusyu Electric Power Company Inc.