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Press Release

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MOU with HIF Global for Strategic Partnership in the Field of e-fuels

Idemitsu Kosan Co.,Ltd. (Head Office: Chiyoda-ku, Tokyo; Representative Director, President and Chief Executive Officer: Shunichi Kito, hereinafter referred to as "Idemitsu") has signed a strategic partnership MOU with HIF Global (hereinafter referred to as "HIF"), a producer of e-fuels in South America, North America, Australia and other regions, to accelerate the production, practical application, and diffusion of e-fuels in Japan.

e-fuels are liquid fuels produced by synthesizing hydrogen from renewable energy sources and atmospheric CO₂. The fuels are attracting attention as an energy source that achieves carbon neutrality (virtually zero CO₂ emissions) throughout the entire product life cycle, from raw material production to product use. They are expected to be socially implemented as an early decarbonization measure because it is possible to utilize existing infrastructures such as storage tanks and pipelines for distribution, and the engines of automobiles, ships, and aircrafts can be used without the need to modify.

So far, Idemitsu has had talks with HIF for early social implementation of e-fuels, and has done activities such as visiting the Haru Oni verification test facility located in the south region of Chile, Magallanes. In order to further accelerate the discussion through the signing of the MOU, Idemitsu will jointly consider the following items with HIF.

- Procurement and domestic supply of e-fuels from overseas projects
- Joint investment in e-fuels production facilities in Japan and overseas
- International transportation and utilization of CO₂ collected in Japan (conversion into raw materials)

At the same time, we will obtain samples of e-gasoline produced by HIF to confirm factors such as its environmental impact and performance for the practical application and diffusion in Japan. In addition, we will also move ahead with considerations into the production of e-fuels at the Group's refineries and complexes, aiming to establish a system for the production and supply of e-fuels in Japan by the late 2020's.

In the "Medium-Term Management Plan (FY2023 - FY2025)" announced in November 2022, Idemitsu announced our commitment to promote business portfolio transformation through social implementation in the three business domains such as "Energy one step ahead", "Diverse resource conservation /circulation solutions" and "Smart Yorozuya" to realize a carbon-neutral society in 2050. This initiative is positioned as an effort to develop and socially implement "Energy one step ahead" and "Diverse resource conservation /circulation solutions" among the three business domains. Idemitsu will contribute to the realization of a carbon-neutral society by promoting the practical application and diffusion of e-fuels.

■ About HIF

HIF Global is the world's leading eFuels company, developing projects to convert hydrogen using low cost renewable power into carbon neutral liquid eFuels that can be transported and utilized in existing infrastructure. The name HIF represents the mission of the company: to provide Highly Innovative Fuels to make decarbonization of the planet possible. HIF Chile, HIF USA, HIF Asia Pacific, and HIF EMEA are wholly owned subsidiaries of HIF Global. HIF Global started producing the first liters of synthetic Fuels from the Haru Oni Demonstration Facility in Magallanes, Chile in December 2022 and intends to begin construction of the commercial scale HIF Matagorda eFuels Facility in Texas in 1Q2024. HIF Global's first Australian development, in Tasmania, was announced in July 2022. For more information, visit www.hifglobal.com