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Press Release

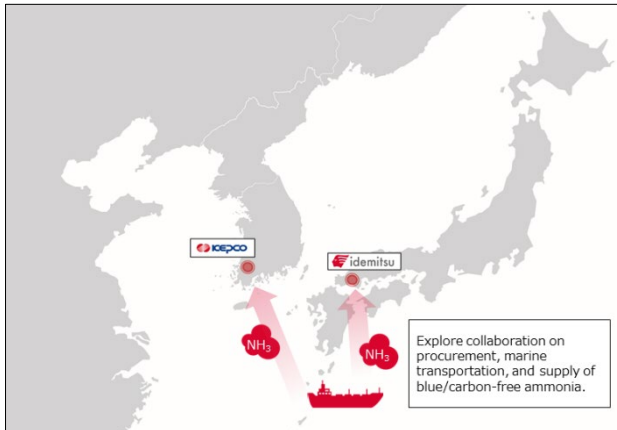
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Collaboration on the Establishment of a Blue/Carbon-free Ammonia Supply Chain with Korea Electric Power Corporation

Idemitsu Kosan Co.,Ltd. (Head office: Chiyoda-ku, Tokyo; Representative Director, President & Chief Executive Officer: Shunichi Kito; hereinafter “Idemitsu”) is pleased to announce that it has signed a Memorandum of Understanding (MOU) with Korea Electric Power Corporation (Head office: Jeollanam-do, Korea; President and CEO: Seung-II Cheong; hereinafter “KEPCO”) for seeking the collaboration on the Establishment of Blue/Carbon-Free Ammonia Supply Chain in Japan and Korea. Both companies will jointly study on procurement, marine transportation, and supply of blue/carbon-free ammonia to each country.

Ammonia, which does not emit CO₂ when combusted, is expected to become a next-generation fuel contributing to the realization of a carbon neutral society. It is particularly attracting attention as a fuel for power generation, especially coal-fired power generation. On the other hand, the reduction of CO₂ emissions through the manufacturing process remains as a challenge. Thus, the production, procurement, and use of blue ammonia, which is produced by capturing and utilizing CO₂ generated in the manufacturing process, and carbon-free ammonia using renewable energy, are now being developed.

Idemitsu plans to trial ammonia co-firing using existing naphtha cracking furnaces and coal boilers at the Tokuyama Complex (Shunan City, Yamaguchi Prefecture), with a view to supplying CO₂-free ammonia to neighboring industrial complexes by establishing an ammonia import terminal utilizing our existing infrastructure in the future. KEPCO, Korea’s largest power producer, aims to co-fire CO₂-free ammonia at its own coal-fired power plants. Under this MOU, both companies, heading toward concrete efforts to utilize fuel ammonia, will study the following collaboration items to accelerate the establishment of a blue/carbon-free ammonia supply chain in Japan and Korea.



Schematic illustration of future collaboration

- Joint search for ammonia production projects around the world
- Optimization of marine fuel ammonia transportation costs through cooperative ship operations.
- Optimization of supply and demand adjustment through mutual product exchange

In the Medium-Term Management Plan (FY2023 - FY2025) released in November 2022, Idemitsu announced our commitment to promote business portfolio transformation through social implementation in the following three business domains.

Energy one step ahead
Steady supply of diverse, eco-friendly CN energy

Diverse resource conservation / circulation solutions
CN solutions for industrial activities and regular consumers

Smart Yorozuya
Diverse energy and mobility centers that support regional lifestyles

This initiative is positioned as an effort to develop and socially implement "Energy one step ahead" among the three business domains that Idemitsu has identified to realize a carbon-neutral society by 2050. Idemitsu will continue to contribute to the realization of a carbon-neutral society through collaboration with various leading companies in Japan and abroad.



MOU signing ceremony (April 14, 2023)