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Press Release

Company Name: Idemitsu Kosan Co., Ltd.
Representative Director & Chief Executive Officer:
Shunichi Kito
(Company Code: 5019, TSE Prime Market)
Contact person:
Daisuke Mogi, General Manager,
Investor Relations Office, Finance & Accounting
Department (TEL: +81-3-3213-9307)

Idemitsu Kosan, KUMHO Petrochemical and Sumitomo Corporation sign MOU to Create a Bio Material Supply Chain

Idemitsu Kosan Co., Ltd., KUMHO Petrochemical Co., Ltd., and Sumitomo Corporation have signed Memorandum of Understanding (MOU) to establish a long-term collaboration for the development and further growth of the sustainable polymers and chemicals market in Asia.

In this project, Idemitsu, the largest SM manufacturer in Japan, will produce bio-SM in the mass balance method**, and KUMHO, the largest synthetic rubber manufacturer in South Korea, will produce bio-SSBR (Solution Styrene Butadiene Rubber)*, one of main products for high-functional tires by using bio-SM. Sumitomo Corporation will be coordinating the collaboration and develop bio material market. The companies plan to commence production of biopolymer in 2024.

Bio-SM is from bio-naphtha that is bio-based raw material such as waste and residues. Conventionally, naphtha is extracted from crude oil and has been widely used to produce basic chemical elements such as ethylene and butadiene. By increasing the use of bio-SM from bio-naphtha, the companies expect to reduce carbon and greenhouse gas (GHG) generation, or carbon footprint, as well as strengthen ESG management cooperation network.

*bio-SSBR : SSBR is a synthetic rubber made from Styrene Monomer and Butadiene and given its properties of wear resistance and high mechanical strength, it is used across different sectors which include car tire, hose and anti-vibration rubber.

**mass balance method : a mass balance method that assigns properties to parts of products according to the inputs of raw materials with those properties when blending biomass-derived raw materials with certain properties with petroleum-based raw materials without such properties in processing those materials into finished products and distributing them.