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Press Release

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### Idemitsu sign MOU on Synthetic Fuel (e-fuel) with Aramco, ENEOS

**Idemitsu Kosan (Head Office: Chiyoda-ku, Tokyo; President and CEO: Shunichi Kito; hereafter "Idemitsu") announced today that it has entered into a Memorandum of Understanding (MOU) with Saudi Arabian Oil Company, (President & CEO: Amin H. Al-Nasser; hereafter "Aramco"), and ENEOS Corporation (Head Office: Chiyoda-ku, Tokyo; President & CEO: Takeshi Saito; hereinafter "ENEOS"). Aramco, ENEOS and Idemitsu intend to collaborate together on the technical and practical application and diffusion of synthetic fuel (e-fuel) in Japan and, to this end, have signed an MOU on July 16, 2023.**



MOU signing ceremony with Aramco and ENEOS

(At a business roundtable attended by dignitaries from Japan and Saudi Arabia on July 16, 2023)

Synthetic fuel (e-fuel) is a liquid fuel produced by synthesizing hydrogen derived from renewable energy and captured CO<sub>2</sub>. It is attracting attention, as these fuels have significant potential to reduce greenhouse gas emissions from the transport sector. It is expected to be an early lower-carbon solution because it could possibly be distributed using existing infrastructure such as storage tanks and pipelines, and has the potential to be used without modifying the engines of automobiles, ships, and aircraft.

Toward the early social implementation of synthetic fuels, Idemitsu is studying the procurement of synthetic fuels from overseas projects as well as their practical application and diffusion in Japan. We are also studying the production of synthetic fuels at our group refineries and offices in Japan, aiming to establish a production and supply system for synthetic fuels by the late 2020s.

Through this MOU, Aramco and ENEOS, which have supported Japan's energy security through reliable oil supply, as well as our company, aim to leverage their respective technologies and expertise in liquid fuels and internal combustion engines with the goal of accelerating the introduction of synthetic fuels, a potential next-generation low-carbon fuel.

In the "[Medium-Term Management Plan \(FY2023 - FY2025\)](#)" announced in November 2022, we expressed our commitment to promote business portfolio transformation through social implementation in the following three business domains.



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 areas that our company has identified to realize a carbon-neutral society in 2050.