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Press Release

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Joint Study by Idemitsu Kosan and LOPS on Sustainable Aviation Fuel Feedstock Procurement

Idemitsu Kosan Co.,Ltd. (Head office: Chiyoda-ku, Tokyo; Representative Director, President and Chief Executive Officer: Shunichi Kito; hereinafter referred to as “Idemitsu Kosan”) and LOPS Corporation (Head office: Chiyoda-ku, Tokyo; Managing Director: Kazuki Saito; hereinafter referred to as “LOPS”), which operates an oils and fats business, have agreed to conduct joint studies on the procurement of sustainable aviation fuel (“SAF”) feedstock and have signed a basic agreement. The two companies aim to establish a system to stably procure SAF feedstocks such as used cooking oil (“waste cooking oil”) from various parts of Japan by the late 2020s, in order to implement domestically produced SAF in society.

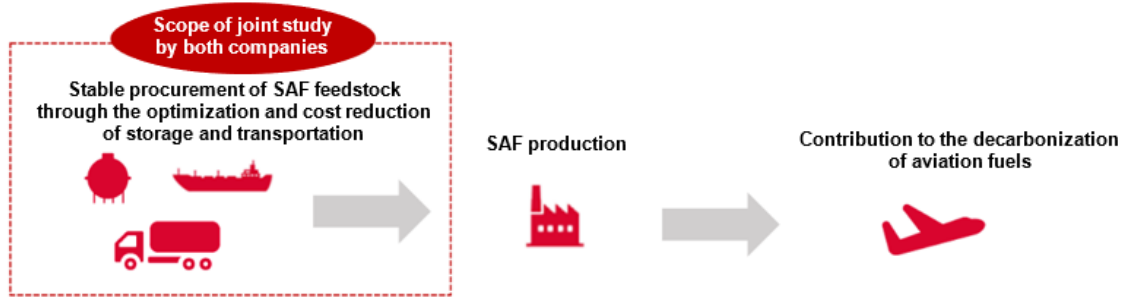
As a specific measure to reduce CO2 emissions in the aviation industry, there is a growing social demand to achieve a stable supply of SAF. SAF is produced from non-fossil derived raw materials, but one of the challenges is to secure raw materials that are less competitive with food crops. Through this agreement, the two companies will utilize Idemitsu Kosan’s petroleum product manufacturing technology, LOPS’ knowledge of animal and vegetable oils and fats, and their respective supply chains to procure SAF feedstocks such as waste cooking oil in Japan, study optimization and cost reduction of storage and marine and land transport, and establish a system and structure for stable procurement.

Idemitsu Kosan is working to establish a domestic SAF production system of 500,000 KL/year to achieve the Japanese government and aviation industry’s goal of replacing 10% of fuel consumption by Japanese airlines with SAF by 2030. To this end, in addition to demonstration using ATJ*1 technology at the Chiba Complex, which is scheduled to begin supply in FY2026, we are also considering deployment of HEFA*2 technology for Unit 2 and beyond, with the aim of starting supply in the late 2020s.

Established in 2007, LOPS is a trading company specializing in oils and fats. LOPS supplies oil and fat feedstocks for various applications backed by friendly and strong partnerships with producers, and has a more than 50% share in the export of waste cooking oil. The company contributes to society as a stabilizer in the oils and fats industry, while working to ensure a stable supply of oils and fats and stabilize the market, always from a global perspective.

Through this agreement, the two companies will contribute to the decarbonization of aviation fuel as they engage in the issues involved in securing SAF feedstock.

[Image of Future Collaboration]



Notes)

*1 ATJ: Alcohol to Jet

A technology and process for producing SAF from ethanol, certified as ASTM D7566 Annex 5, the international standard for SAF.

*2 HEFA: Hydroprocessed Esters and Fatty Acids

A method for producing SAF through the hydroprocessing of waste cooking oil, etc.