

October 5, 2023

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)

PETRONAS AND IDEMITSU COLLABORATE TO ACCELERATE DEVELOPMENT OF SUSTAINABLE AVIATION FUEL FOR THE AVIATION INDUSTRY

TOKYO – 5th October 2023 – PETRONAS and Idemitsu Kosan Co.,Ltd. (Idemitsu) have signed a Memorandum of Understanding (MOU) to enhance capabilities across the supply chain and optimise the route to market for Sustainable Aviation Fuel (SAF), marking a significant step in both companies' ongoing commitment to producing lower carbon energy solutions for customers worldwide.

Under the terms of the MOU, PETRONAS and Idemitsu will focus on a feasibility study to scale-up bio feedstock possibilities, production cost analysis and security in ensuring a steady and efficient supply chain for the sustainable development of SAF. This includes exploring the supply potential of non-edible oil feedstock trees suitable to produce SAF, such as Pongamia and Jatropha.

In addition, both companies will also work on establishing a robust SAF sales and distribution network to ensure SAF accessibility to airlines.



MOU signing ceremony.

PETRONAS Executive Vice President and Chief Executive Officer of Downstream, Datuk Sazali Hamzah said, “Our partnership with Idemitsu builds on a legacy of almost five decades of shared ambition to address the everchanging energy needs worldwide. In the latest collaboration, our valued partner will continue to have access to our distinctive advantage, enabling us to collectively deliver impactful outcomes for the benefits of our end customers. This is the standard of value we consistently offer to our business-to-business customers.”

Idemitsu Director and Managing Executive Officer Masahiko Sawa said, “As the two companies have overcome various challenges together, we expect this new initiative will contribute to the achievement of carbon neutrality in the aviation industry through the early implementation and deployment of SAF in society. Idemitsu is engaged in the development of various raw materials and marketing for SAF, and we will utilise and further develop them in this joint study.”

With ongoing endeavours in the space of cleaner energy solutions, PETRONAS will soon have the capacity for large scale production of SAF and other types of biofuels by 2026 through its biorefinery in Pengerang, Johor and co-processing in Melaka. This will enable PETRONAS to capture markets beyond aviation to include transportation as well as Formula One and its logistics team.

PETRONAS also boasts strong global presence which the partnership is able to tap in order to access a broader range of feedstocks while seizing market growth opportunities within the expanding SAF sector worldwide.

Idemitsu's expertise resides in its technologies to produce SAF from non-fossil renewables to help create a competitive future for the aviation industry. This is exemplified by its ATJ and HEFA technologies, which convert ethanol and waste cooking oils respectively into SAF.

Idemitsu is working to establish a domestic SAF production system of 500,000 KL/year to achieve the goal set by the Government of Japan and the aviation industry to replace 10% of JET fuel consumption refuelled by airlines in Japan with SAF by 2030. To this end, in addition to demonstration using ATJ technology at the Chiba Complex, Idemitsu is also considering deployment of HEFA technology for Unit 2 and beyond, with the aim of starting supply in the late 2020s.

- END -

About Petroliam Nasional Berhad (PETRONAS):

PETRONAS is a dynamic global energy group with presence in over 100 countries. The Group produces and delivers energy and solutions that power society's progress in a responsible and sustainable manner.

PETRONAS seeks energy potential across the globe, optimising value through its integrated business model. Its Group portfolio includes cleaner conventional and renewable resources and a ready range of advanced products and adaptive solutions.

Sustainability is at the core of what the Group does, as it harnesses the good in energy to elevate and enrich lives. People are its strength and partners for growth, driving passion for innovation to progress towards the future of energy sustainability.

About Idemitsu Kosan Co., Ltd (Idemitsu):

Idemitsu is a Japanese petroleum company that owns and operates oil platforms, refineries, produces and sells petroleum, oils, and petrochemical products, and operates gas stations. Idemitsu is also the second largest petroleum refiner in Japan.

Idemitsu aims to achieve carbon neutrality for emissions from its own operations by 2050.