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Press Release

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Representative Director & Chief Executive Officer: Shunichi Kito
(Company Code: 5019, TSE Prime Market)
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Collaboration with Zen-Noh Grain Corporation to secure SAF feedstocks and develop business in North America

Idemitsu Kosan Co.,Ltd. (Head office: Chiyoda-ku, Tokyo; Representative Director, President and Chief Executive Officer: Shunichi Kito; hereinafter referred to as the Company) has signed a Memorandum of Understanding (MOU) with Zen-Noh Grain Corporation (Headquarters: Covington, Louisiana, USA; hereinafter referred to as Zen-Noh Grain), a subsidiary of the National Federation of Agricultural Cooperative Associations, regarding "strategic cooperation in establishing an SAF supply chain." The purpose of this agreement is to secure a variety of vegetable oil feedstock for HEFA[*1] technology, a sustainable aviation fuel (SAF) production technology, to develop SAF business in North America and to consider supplying vegetable oil feedstock to Japan.

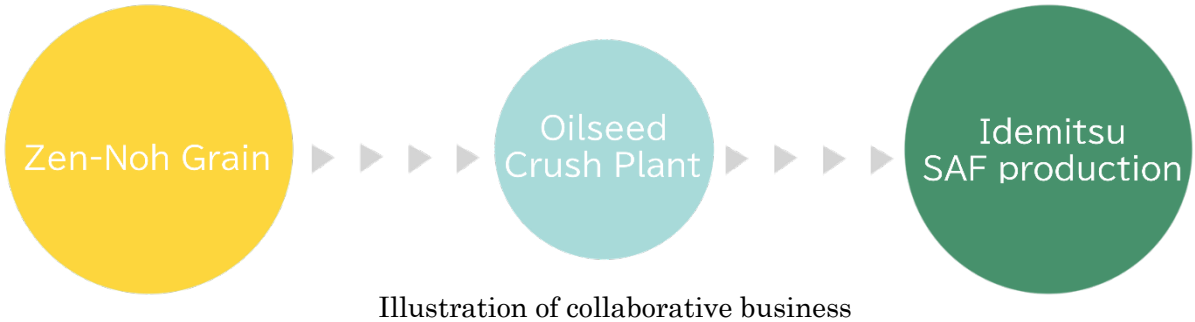

Illustration of collaborative business

To meet growing demand for SAF, it is necessary to establish production technology and flexible feedstock procurement. The Company has set a goal of establishing an annual supply system of 500,000 kl of SAF by 2030, and is conducting verification production by introducing ATJ[*2] technology at its Chiba Complex using the GI Fund, as well as studying SAF production using HEFA technology at its Tokuyama Complex.

While vegetable oils are used as feedstocks for HEFA technology, securing HEFA feedstock oil to meet the growing demand for SAF worldwide presents a challenge. To secure oil as a feedstock, the Company will collaborate with Zen-Noh Grain, which operates on a scale comparable to grain majors in the United States, to verify the use of vegetable oil, mainly soybean oil, and vegetable oil derived from inedible oilseeds grown as cover crops (green manure) in the back-crop.

Details of the collaboration are as follows.

- Development of SAF business opportunities in the U.S. and Japan by crushing soybeans handled by Zen-Noh Grain as the HEFA feedstock, and supply of the feedstock for the Company's SAF production.
- Study, verification and development for commercialization of oilseed feedstock (assuming camelina, carinata, and winter canola[*3] as cover crop) in North America.
- Research on the use of oil extraction residue from pongamia[*4] used as feedstock as animal feed in Japan

The Company will promote social implementation of domestically produced SAF through the establishment of SAF production technology and diversification of feedstocks. In the long term, the Company will also consider collaboration with the National Federation of Agricultural Cooperative Associations to realize a diverse and environmentally friendly CN energy society, not only in the SAF business, but also in the areas such as the collection of used plastics in Japan.

*1 HEFA: Hydroprocessed Esters and Fatty Acids
Hydrogenated esters and fatty acids obtained by hydrogenation of vegetable oils, etc. This production technology and process is certified as ASTM D7566 Annex 2, an international standard for SAF.
*2 ATJ: Alcohol to Jet
A technology and process for producing SAF from ethanol, certified as ASTM D7566 Annex 5, an international standard for SAF.
*3 Camelina, carinata, and winter canola:
Inedible cruciferous plants It is also used as a rotation crop for soybeans, corn, wheat, etc.
*4 Pongamia:
An inedible legume found in Southeast Asia and Oceania. The tree has high oil yield efficiency from seeds and is expected to be utilized as SAF feedstock.

■ Outline of Zen-Noh Grain

(1) Location: 1127 Highway 190, East Service Road, Covington, LA 70433, United States of America
(2) Representative: Charles Colbert, President & CEO
(3) Business: Established in 1979 as a grain export base mainly for Japan in the U.S. by the National Federation of Agricultural Cooperative Associations Group. The grain export elevator and inland grain and oilseed origination infrastructure enhance to create a robust integrated supply chain of origination, transportation, and export as the facility with the world's largest shipping capacity.

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