Seibu Bus × ITOCHU ENEX Japan's First Passenger Bus That Runs on "Renewable Diesel" Made from Waste Oil, Etc.

Introducing renewable diesel for passenger vehicles for the first time in Japan, aiming for a decarbonized society

Seibu Bus Co., Ltd. (headquartered in Tokorozawa-shi, Saitama; Representative Director and CEO: Masatoshi Tsukada; hereinafter "Seibu Bus") and ITOCHU ENEX Co., Ltd. (headquartered in Chiyoda-ku, Tokyo; Representative Director, President and CEO: Kenji Okada; hereinafter "ITOCHU ENEX") have announced a collaborative initiative with Neste OYJ Group (headquartered in Finland; CEO: Matti Lehmus; hereinafter "NESTE"), which is one of the world's largest manufacturers of fuels derived from renewable resources (hereinafter "renewable fuels"), to start using renewable diesel (hereinafter "RD") in passenger vehicles (large-size regular transit buses) and to launch <u>"Japan's first passenger bus running on renewable diesel"</u> at Seibu Bus's Tokorozawa office from July 14 (Thu), 2022.

From July 14 (Thu), Seibu Bus will use **100% RD** as a fuel to replace conventional diesel oil on some of the route buses of the company's Tokorozawa office. This is the first time in the Japanese industry that RD fuel has been used in a passenger vehicle operating commercially, which can reduce greenhouse gas emissions. This was made possible by ITOCHU Corporation concluding an import agreement with NESTE for the import of RD to Japan, while ITOCHU ENEX built supply chains for RD transportation and refueling within Japan.

Seibu Bus aims to be a company that contributes to society by promoting initiatives to solve environmental and social problems with safety and security as the top priority. We have been striving to reduce the burden on the global environment by introducing hybrid buses, fuel cell buses, biofuel, and eco-driving, and as we continue to work to be a public transportation provider that is environmentally friendly and can harmonize with the local community, we have now decided to introduce RD, a next-generation biofuel.

Details are as shown on the attached page.



[Image] Bus running on RD (external)

[Attachment]

<u>1. Bus service overview</u>

[Service office] Seibu Bus Tokorozawa office

[Number of buses] 1 regular transit bus (large route bus)

[Service period (planned)] From July 14 (Thu), 2022

[Service route (planned)] [T52] Tokorozawa Station East Exit -- Higashi Tokorozawa Station -- Shiki Station South Exit

[T55] Tokorozawa Station East Exit -- Yasumatsu -- Higashi Tokorozawa Station

2. About NESTE and RD

NESTE is a world-class renewable fuel manufacturer that produces RD that uses waste oil and animal oil, etc., which do not have competitor foods, as raw materials as well as Sustainable Aviation Fuel (hereinafter "SAF"), etc. Through collaboration with ITOCHU over the past few years, NESTE realized supply of SAF to Japan in October 2020. Furthermore, they have now expanded into the RD field to strengthen their initiatives aimed at realizing a recycling-based society.

NESTE's RD is produced by using waste oil and animal oil, etc., which do not have competitor foods, as raw materials and realizes an approximately 90% reduction of GHG emissions compared with the petroleum-based light oil on a life-cycle assessment basis. RD is intended mainly for use in trucks and buses, etc. for transportation as a so-called "drop-in" fuel and allows use of existing vehicles and refueling facilities without modification. It has already been widely distributed, mainly in the US and Europe. As a future generation renewable fuel that can minimize the cost related to decarbonization measures and greatly contribute to the reduction of GHG emissions, expansion of its use is expected in the future land transportation field.

3. Where Seibu Bus is headed: As a public transportation provider that helps solve social problems

Seibu Bus aims to be a company that contributes to society by promoting initiatives to solve environmental and social problems with safety and security as the top priority. With safety and security as the top priority, we will promote sustainable action to continue to solve environmental and social problems.

Main past initiatives

[Initiatives to reduce greenhouse gas emissions]

- Introducing SUSTEO, a biofuel from Euglena
- · Introducing SORA, a volume-sales fuel cell bus that runs on hydrogen

[Initiatives for safe and secure bus transportation]

· Introducing S-tory prologue utilizing digital technology to crew members

[Initiatives to prepare for manpower shortages due to a declining birthrate and aging population]

· Conducting "autonomous driving demonstration experiment"



The bus using biofuel, SUSTEO



The fuel cell bus, SORA



The bus for driver training, S-tory prologue



The autonomous test bus

4. About the sustainable action of the Seibu Group

This initiative may be considered part of the "Sustainability Actions" that the Seibu Group actively promotes to realize a sustainable society based on the Group's "Group Vision" corporate philosophy. [Reference: Seibu Group Sustainability Actions Agenda]



■About the Seibu Group's initiatives related to sustainability

https://www.seibuholdings.co.jp/sustainability/

5. About the ITOCHU ENEX Group's sustainability action

Under its corporate philosophy "The Best Partner for Life and Society - with Energy, with the Car, with the Home -," ITOCHU ENEX Group has set "Responding to Climate Change: Helping to Realize a Carbon-Neutral Society" as one of its sustainability priorities to realize a better global environment and harmonious coexistence with society and is advancing initiatives for environment businesses and next-generation energy. Going forward, the Group will continue to contribute to better lifestyles and a sustainable society through businesses tailored to the new era that helps address social issues.

About the ITOCHU ENEX Group's initiatives related to sustainability <u>https://www.itcenex.com/en/csr/policy/index.html</u>