

ITOCHU ENEX Announces Beginning of Collaboration to Increase Distribution of RD40 Renewable Diesel Fuel

ITOCHU Corporation (headquartered in Minato-ku, Tokyo; Keita Ishii, President & COO; hereinafter “ITOCHU”), ITOCHU ENEX CO., LTD. (headquartered in Chiyoda-ku, Tokyo; Tomofumi Yoshida, Representative Director, President and Chief Executive Officer; hereinafter “ITOCHU ENEX”), INPEX CORPORATION (headquartered in Minato-ku, Tokyo; Takayuki Ueda, President and Chief Executive Officer; hereinafter “INPEX”), its fully owned subsidiary INPEX JAPAN KK (headquartered in Minato-ku, Tokyo; Hiromi Sugiyama and Masaru Miyanaga, President and Chief Executive Officer; hereinafter “INPEX JAPAN”), and INPEX LOGISTICS (Japan) Co., Ltd. (headquartered in Joetsu, Niigata; Amane Kubota, President; hereafter “INPEX LOGISTICS”) commenced the commercial production and supply of RD40^{*1} late in September. The four companies are collaborating in cooperation with the Neste OYJ group (headquartered in Finland; Heikki Malinen, CEO; hereafter “Neste”), the world's largest renewable fuel manufacturer. RD40 is a fuel based on diesel fuel that is a maximum of 40% renewable diesel (hereinafter “RD”).

The goal of the collaboration is to supply diesel fuel to 18 tank trucks carrying petroleum products that INPEX LOGISTICS distributes in the Hokuriku and Koshinetsu regions. The ITOCHU Group and the INPEX Group will construct a supply chain for mixing fuels and refueling using the INPEX Group's business network in the Hokuriku and Koshinetsu regions. The four companies will work together to ensure the nationwide distribution of RD40.



Refueling a tank truck with RD40



INPEX LOGISTICS tank truck being refueled with RD40

■ Past RD initiatives

In May 2021, ITOCHU realized the commercial use of 100% RD fuel for trucks delivering goods to the stores of Family Mart Co., Ltd. (headquartered in Minato-ku, Tokyo; Representative Director and President: Kensuke Hosomi), the first use of an alternative fuel in Japan^{*2}. Additionally, ITOCHU and ITOCHU ENEX have collaborated to establish a supply chain for the delivery of 100% RD products that includes the construction of fueling stations, contributing to the reduction of greenhouse gas emissions in the transportation, construction and other industries. In June 2022, RD was used for the first time in Japan to fuel tank trucks owned by the INPEX Group and used to transport petroleum products^{*3}. Because of accomplishments like these, Japanese customers have praised Neste's ability to stably supply its products and the excellent quality of these products.

■ Towards the increased popularity of RD

Due to their properties, it is possible to use diesel fuel and RD mixed together. However, regulations in Japan limit the use of 100% RD fuels to special RD vehicles and its concurrent use with diesel fuel is not permitted. RD40 is not subject to these limitations, and its combined use with diesel fuel is permitted. For example, if a vehicle is short of fuel while operating, it can be refueled with diesel fuel. This improves the convenience and also contributes to the popularity of RD.

The four companies will continue to collaborate to ensure that RD40 is introduced in the next fiscal year in the land transportation, construction, airport, port and railway industries which the INPEX Group and the ITOCHU Group operate within.

ITOCHU has established its The Brand-New Deal: Profit Opportunities are Shifting Downstream management policy and is developing its business areas by tracking the needs of sellers, buyers and consumers as they diversify along with the changes in society and by pioneering and transforming its businesses, beginning with its downstream operations. Additionally, through the expansion of renewable fuels, ITOCHU will stand by its customers and contribute to the realization of a recycling-oriented and decarbonized society.

To achieve carbon neutrality, ITOCHU ENEX will continue striving to provide eco-friendly energy services, such as making greater use of utilizing renewable energy and helping customers save energy and cut electricity costs.

The INPEX Group will proactively reform its energy structure to realize a society with net zero carbon emissions by 2050 while fulfilling domestic and international demand for energy based on its Long-term Strategy and Medium-term Business Plan (INPEX Vision @2022) that were published in February 2022.

■ Role of each company



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| <ul style="list-style-type: none">- Procuring RD from Neste- Promoting collaboration with ITOCHU ENEX to roll out the RD40 business across Japan | <ul style="list-style-type: none">- Mixing RD with diesel fuel, producing RD40 | <ul style="list-style-type: none">- Using RD40 in INPEX LOGISTICS vehicles- Identifying and increasing the number of RD40 consumers in the Hokuriku and Koshinetsu regions |
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*1 RD40 can be mixed with standard diesel fuel because it is classified as diesel fuel under the Local Tax Act

*2 [ITOCHU ENEX Announces Renewable Resource-Based Fuel Business in Land Transportation in Cooperation with NESTE Facilitating use of commercial delivery vehicles for the first time in Japan | News 2021 | ITOCHU ENEX CO.,LTD.](#)

*3 [Collaboration in the business of renewable fuel in the land transportation field - Utilizing Renewable Diesel in tank trucks for the first time in Japan - | News 2022 | ITOCHU ENEX CO.,LTD.](#)

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