



February 21, 2025  
Cosmo Energy Holdings Co., Ltd.  
Cosmo Oil Co., Ltd.

Cosmo Oil's Bioethanol-Derived SAF-ATJ Production Business  
Selected in METI Open Call Project,  
Marking Another Step Toward the Popularization of Locally Made SAF

Cosmo Energy Group company, Cosmo Oil Co., Ltd. (hereafter, "the Company"), announced that its locally made Sustainable Aviation Fuel (SAF) business<sup>2</sup>, developed with Mitsui & Co., Ltd. (hereafter, "Mitsui") using Alcohol-to-Jet (ATJ)<sup>1</sup> technology, has been selected for a FY2024 subsidy from Japan's Ministry of Economy, Trade and Industry (METI). The subsidy, awarded through an open call for project proposals, supports the development of a SAF production and supply system as part of efforts to promote the transition to a decarbonized, growth-oriented economy (hereafter, "the Project").

The Project aims to establish a stable SAF supply chain and create related businesses by combining stable plant operations, jet fuel quality control capabilities, and logistics experience gained through the Company's oil refining business with Mitsui's ethanol procurement function.

SAF is expected to see a rapid increase in global demand as a key solution for reducing CO<sub>2</sub> emissions in the aviation industry. Currently, SAF production using HEFA technology<sup>3</sup>, which relies on used cooking oil as feedstock, is primarily conducted overseas. The Cosmo Energy Group plans to produce and supply approximately 30,000 kiloliters of SAF per year from FY2025 at its Sakai Refinery<sup>4</sup>.

At the same time, securing sustainable feedstock remains a challenge for the further large-scale roll out of SAF produced using HEFA technology. To address this issue, the Company plans to adopt the ATJ technology of U.S.-based LanzaJet, which uses bioethanol as a raw material that can be stably procured globally, and aims to establish a stable supply system to meet the expected growth in SAF demand.

In the Project, the Company aims to produce and supply approximately 150,000 kiloliters of SAF and about 17,000 kiloliters of renewable diesel per year at the Sakaide Distribution Terminal<sup>5</sup> starting in 2029. Additionally, it plans to leverage the terminal and the potential of existing assets, etc. to further explore the possibilities of next-generation energy and next-generation businesses.

The Cosmo Energy Group has identified the expansion of businesses that contribute to

addressing climate change as a priority issue amid the global trend toward decarbonization. Aiming to contribute to the decarbonization of the aviation industry and the stable supply of low-carbon liquid fuels, the Group is committed to further accelerating the establishment of a domestic SAF production and supply system as well as discussions regarding future business expansion.

1. Alcohol-to-Jet (ATJ) technology: A technology that employs a catalytic process to produce Sustainable Aviation Fuel (SAF) from alcohol (ethanol).

2. Press release issued July 28, 2022

[\*Cosmo Oil and Mitsui to Jointly Explore Domestic SAF Production Business Using Alcohol-to-Jet \(ATJ\) Technology\*](#) (available in Japanese only)

3. HEFA technology: A technology to produce SAF from Hydro processed Esters and Fatty Acids (HEFA)

4. Press release issued January 10, 2025

[\*Cosmo Oil Completes Construction of its New SAF Production Facility\*](#) (available in Japanese only)

5. The Sakaide Distribution Terminal (1-1 Bannosumidori-cho, Sakaide, Kagawa) ceased crude oil refining in 2013 and currently functions as a distribution terminal.

(End)

(The official language for Cosmo Energy Group's filings with the Tokyo Stock Exchange and Japanese authorities, and for communications with our shareholders, is Japanese. We have posted English versions of some of this information on this website. While these English versions have been prepared in good faith, Cosmo Energy Group does not accept responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.)