ITOCHU Oil Exploration Co., Ltd.

ITOCHU Oil Exploration Co., Ltd. Announces Participation in Project to Research and Develop CO_2 Underground Storage Technology

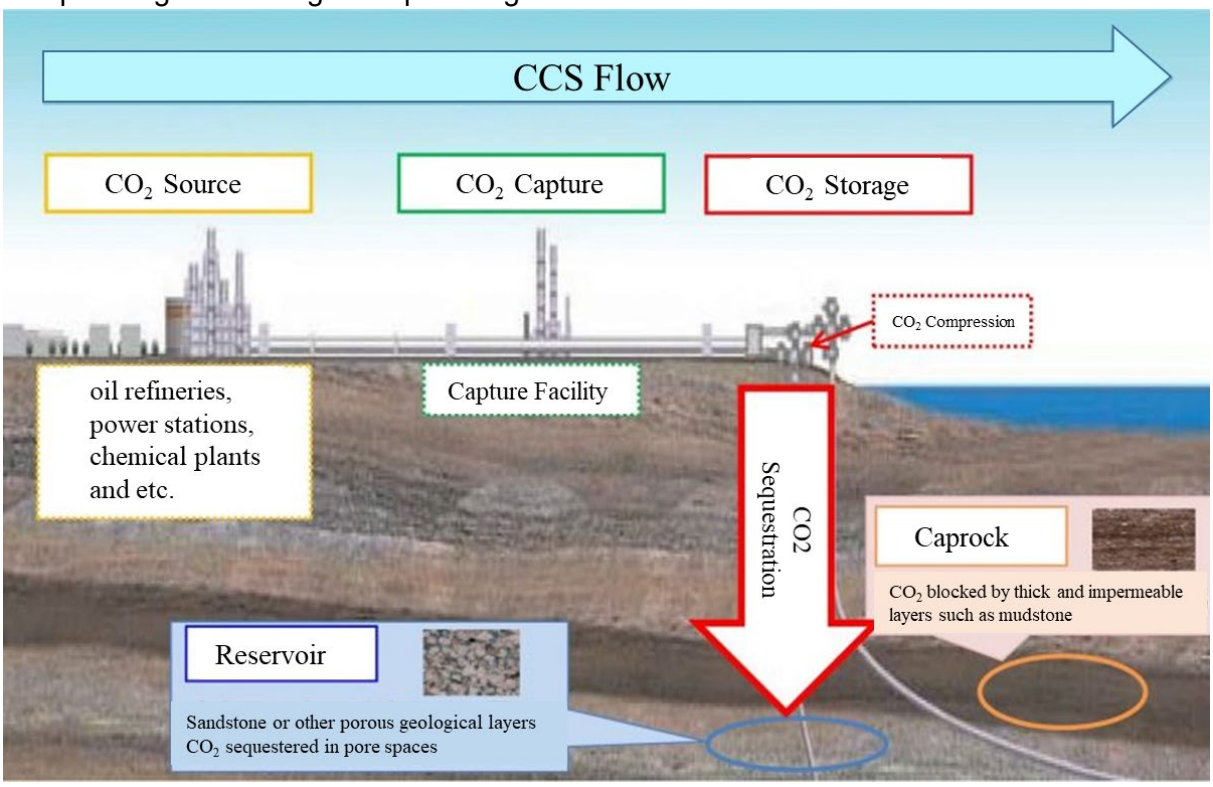
ITOCHU Oil Exploration Co., Ltd. (headquartered in Minato-ku, Tokyo; Shuichi Arase, President & CEO; hereinafter "CIECO") announced today that, together with ITOCHU Corporation (headquartered in Minato-ku, Tokyo; Keita Ishii, President & COO; hereinafter "ITOCHU"), it is joining the Geological Carbon Dioxide Storage Technology Research Association (hereinafter "Research Association") to participate in a project to research and develop technologies for underground sequestration of carbon dioxide (hereinafter CO_2).

Amid gathering momentum for decarbonization around the world, Japan declared in October 2020 that the country will be carbon neutral by 2050. To achieve this goal, CO_2 capture and storage technology (hereinafter CCS) is expected to be a significant measure to reduce CO_2 in both the energy sector (power stations etc.) and the industrial sector (factories etc.), which account for more than 60% of all CO_2 emissions in Japan. To achieve the long-term goals* set out in the Paris Agreement, it is thought that CCS will account for approximately 9% of CO_2 reduction in 2050. Where social implementation of CCS is concerned, the United States and Europe are already preparing the environment for commercialization, but in Japan public and private initiatives are needed to address issues such as identifying and securing suitable storage sites, CO_2 transportation, and social receptivity of CO_2 storage.

Aiming for social implementation of CCS in Japan, the Research Association will carry out research and development with the goals of obtaining social receptivity for CCS, and developing technologies specializing in underground storage of CO_2 on a practical scale that is suited to the storage sites (1 million tons/year). Through activities at the Research Association, CIECO will accumulate technical knowledge on CCS. Also, by supporting ITOCHU's work on economic analysis from a technical perspective, CIECO intends to contribute to the swift implementation of the Research Association's stated goal of safe, large-scale, and efficient CCS.

◆ About CO_2 capture and CCS Technology

CCS is the abbreviation for Carbon Dioxide Capture and Storage. It is a technology that separates and captures CO_2 emissions from power stations, chemical plants and etc., before compressing and storing it deep underground.



(Source: Agency for Natural Resources and Energy)

◆ Outline of the Geological Carbon Dioxide Storage Technology Research Association

(1) Summary of initiatives aimed at practical implementation

- Establish safety management technologies for large-scale CO_2 compression/storage facilities
- Establish effective compression/utilization technologies for large-scale storage sites
- Prepare conditions for CCS dissemination, prepare standards

(2) Address: 9-2, Kizugawadai, Kizugawa-Shi, Kyoto

On the premises of the Research Institute of Innovative Technology for the Earth

(3) Chairman: Shinichi Hiramatsu (Oyo Corporation, Advisor)

Association members: OYO Corporation, INPEX CORPORATION, Japan Petroleum Exploration Co., Ltd., Taisei Corporation, Electric Power Development Co.,Ltd., JX Nippon Oil & Gas Exploration Corporation, National Institute of Advanced Industrial Science and Technology (AIST), Research Institute of Innovative Technology for the Earth, ITOCHU Corporation, ITOCHU Oil Exploration Co., Ltd.

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*The so-called 2ºC goal of keeping the average rise in global temperatures below two degrees Celsius from pre-industrial levels.