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Press Release

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World's Largest Scale Black Pellet Plant Starts Commercial Operation
Vietnam's First Commercial Plant With 120,000 ton Capacity to Support Decarbonization

Idemitsu Kosan Co.,Ltd. (Headquarters: Chiyoda-ku, Tokyo; President and CEO: Noriaki Sakai, "Idemitsu") has commenced commercial operation of its newly constructed plant in Gia Lai Province (formerly Binh Dinh Province), Vietnam, to produce black pellets ("BP"), a type of biomass fuel, on October 8. The plant is Vietnam's first commercial scale BP production facility, and with an annual production capacity of 120,000 ton, ranks among the world's largest. BP produced at this plant, branded as Idemitsu Green Energy Pellet™ ("IGEP"), will be supplied as an alternative fuel to coal, primarily to support Japanese coal customers' decarbonization goals.



Photo: BP plant of Idemitsu Green Energy Vietnam, a wholly-owned subsidiary of Idemitsu

BP are a biomass-based energy resource made from materials such as wood that undergo thermal processing. While BP emit CO₂ during combustion, woods used as raw material absorb CO₂ through photosynthesis in the growth process, resulting in a net "carbon-neutral" status. IGEP is specifically designed to meet the decarbonization needs of customers currently using coal.

Since 2020, Idemitsu has operated a small-scale BP demonstration plant in Vietnam. During this time, trial batches of IGEP have been supplied to approximately 20 companies in Japan, where it

has been evaluated as a viable alternative fuel to coal. IGEP is a high-calorie fuel made from torrefied wood pellets. Compared to other biomass fuels, IGEP offers handling properties similar to coal, enabling a smoother transition without requiring major modifications to existing facilities of coal customers.



Photo: Idemitsu Green Energy Pellet™ (IGEP)

As part of Idemitsu's Vision for 2030, "Your Reliable Partner for a Brighter Future," Idemitsu aims to supply 3 million tons of BP annually. Idemitsu remains committed to ensuring a stable energy supply while helping customers achieve their decarbonization goals. We will also contribute to the development of Vietnamese society through job creation and sustainable wood use.