

December 18, 2023
Sumitomo Corporation
JFE Steel Corporation
Sumitomo Osaka Cement Co., Ltd.
Kawasaki Kisen Kaisha, Ltd.
Woodside Energy Ltd

MOU for Feasibility Study to Realize "Setouchi / Shikoku CO2 Hub Concept"

Sumitomo Corporation (Sumitomo), JFE Steel Corporation (JFE), Sumitomo Osaka Cement Co., Ltd. (SOC), Kawasaki Kisen Kaisha, Ltd. ("K" LINE) and Woodside Energy Ltd (Woodside) have signed a non-binding memorandum of understanding (MOU) to jointly conduct a business feasibility study aimed at aggregating CO2 from the Setouchi and Shikoku regions and then transporting those emissions to Australia for permanent storage.

This study will investigate the feasibility of collecting CO2 by small-sized vessels from emitters scattered in multiple areas in Setouchi and Shikoku regions, storing those emissions temporarily at a hub port (*1) in Japan before the CO2 is transported to Australia by large-sized vessels for sequestration/storage. By collectively handling CO2 emitted from multiple regions, industries, and companies in the Setouchi and Shikoku regions, we aim to scale up and reduce costs, and work together to build a CCS (*2) value chain that would be difficult for individual companies to achieve.

The Japanese government has set a goal of implementing a policy to develop a business environment to initiate CCS projects by 2030 in its "Basic Policy for Realizing of GX" (*3). Sumitomo, JFE, SOC, "K" LINE and Woodside intend to leverage each company's knowledge and experiences to contribute to the realization of a carbon-neutral society through this feasibility study.

On December 16th, an MOU ceremony was held at the ASEAN-Japan Economic Co-Creation Forum in the presence of Minister of Economy, Trade and Industry, Ken Saito to commemorate the conclusion of this MOU.



"The Scene of the MOU Ceremony at the ASEAN-Japan Economic Co-Creation Forum"

<Each company's comment on this initiative>

■ Sumitomo Corporation

Sumitomo Corporation has highlighted mitigation of climate change as one of its key areas of focus and has committed to being carbon neutral by 2050. Sumitomo Corporation recognizes that CCUS (*4) is a key technology to combat climate change, and in January 2023 established a dedicated global CCUS team within the Energy Innovation Initiative. This new team will capitalize on existing resources to establish new business along the whole CCUS value chain, including CO₂ separation and capture, transport and storage and utilization of the captured carbon. This feasibility study is being carried out in collaboration with Metal Product Business Unit, which are working for GX (Green Transformation) with the steel industry and Living Related & Real Estate Business Unit.

■ JFE

JFE Group has formulated the JFE Group Environmental Management Vision 2050, and has positioned addressing climate change issues as the most important management issue, and is strongly promoting efforts to resolve these issues. In addition to working on the development of various ultra-innovative technologies such as carbon recycled blast furnaces and direct reduction steelmaking, JFE aims to achieve carbon neutrality by utilizing CCUS, which includes inter-company collaboration and industrial complex collaboration. In order to build the CCUS value chain, we will accelerate our efforts by expanding and strengthening inter-company collaboration, including in Japan and overseas.

■ SOC

Based on the 2050 Carbon Neutral (CN) Vision "SOCN2050," SOC Group will take on the challenge of realizing CN by mobilizing every possible CO₂ reduction measures in Japan and overseas by 2050. As a characteristic of CO₂ emissions of the cement production, more than half of the CO₂ emissions come from the process derived from limestone, which is the main raw material, in addition to energy-

derived CO₂. Full utilization of CCUS as well as non-fossil energy is essential in order to realize CN. SOC is working on CCU to mineralize CO₂ as artificial limestone (CaCO₃) in the NEDO's Green Innovation Fund Project, however, SOC believes that CCS is indispensable for the realization of CN. Therefore, as SOC has main cement plants in Setouchi and Shikoku regions, we recognize the great significance of participating in this initiative.

■ “K” LINE

“K” LINE group is promoting a variety of initiatives to support the low-carbon and carbon-free for both ourselves and society in accordance with its long-term environmental policy, ““K” LINE Environmental Vision 2050”. In the field of CCS, we are planning to start the world's first full-scale carbon capture and storage (CCS) transport from next year. We will apply the knowledge gained through the operation of these vessels, which will be launched sequentially in Japan and overseas, to future business development, including this project, with the aim of realizing a sustainable society and enhancing corporate value.

■ Woodside Energy

Woodside is a global energy company, founded in Australia with a spirit of innovation and determination. Woodside aim to thrive through the global energy transition with a low cost, lower carbon, profitable, resilient and diversified portfolio. Our focus in operations remains on safety, reliability, efficiency and environmental performance, leveraging more than 35 years of operating experience. We have growth opportunities across gas, oil and new energy. The company's success is due in part to its technical expertise, financial strength, and experienced workforce. As a result, Woodside is well-positioned to continue executing large projects well into the future.

*1 hub port: A port established to temporarily store CO₂ aggregated from multiple emission sources by small-sized vessels.

*2 Carbon Capture, and Storage.

*3 "Basic Policy for the Realization of GX" (Released as of Feb 10th, 2023 by METI (Ministry of Economy, Trade and Industry, JAPAN))

*4 CCUS: Carbon Capture, Utilization and Storage.

For inquiries, please contact:

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