

May 22, 2024  
Sojitz Corporation

## Sojitz Concludes Joint Venture Agreement to Enter the District Cooling Business in Saudi Arabia - Contributing to Regional Decarbonization through Supply of Cooling Services -

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Sojitz Corporation (“Sojitz”) and FAS Energy for Trading Company LLC (“FAS Energy”), a power and energy business owned by Saudi FAS Holding, have concluded a joint venture agreement to establish a local subsidiary through joint investment. Sojitz aims to develop the district cooling business in Saudi Arabia through this agreement, beginning with projects such as providing cooling services\*<sup>1</sup> to real estate constructed by the Saudi FAS Holding group. This joint venture marks Sojitz’s first foray into the district cooling business in Saudi Arabia.



[Signing ceremony participants from left to right: Turki Al Hokair CEO at FAS Energy and  
Takefumi Nishikawa COO Energy Solution & Healthcare Division at Sojitz Corporation]

Although Saudi Arabia has one of the highest CO<sub>2</sub> emission rates in the Middle East, the country is actively engaged in decarbonization efforts, and the Saudi government has announced a target of achieving net zero carbon emissions by 2060. Increased real estate development, backed by population

and economic growth, has increased demand for district cooling services, which reduce CO<sub>2</sub> emissions compared to individual air conditioning equipment.

Saudi FAS Holding is a leading conglomerate in Saudi Arabia, expanding its business across various sectors such as retail, real estate, and entertainment. FAS Energy, a subsidiary of the group, is responsible for developing the power and energy business. FAS Energy is now aiming to diversify its business areas by entering into the district cooling sector, and the company has decided to explore collaboration opportunities with Sojitz, which is engaged in energy-related businesses around the world.

Amid the global trend toward decarbonization, the markets for energy-saving services and distributed power supply continues to expand rapidly. Sojitz will continue to support the growth of its equity interests engaged in decarbonization-related technologies at the energy interface, while leveraging the functions and ideas of its infrastructure-based business models to enhance value. Under Medium-term Management Plan 2026, Sojitz has established the energy solutions field as a strategic focus area, and this district cooling business is one such energy solutions business.

Through this business, Sojitz strives to supply district cooling services while leveraging the experience it has gained through energy-efficiency businesses in the U.S. and Australia <sup>\*2</sup> as well as other power generation businesses across the globe, with the aim of contributing to CO<sub>2</sub> emission reduction and decarbonization efforts in Saudi Arabia.

<sup>\*1</sup>: District cooling services reduce CO<sub>2</sub> emissions by replacing individual air conditioning equipment with high efficiency cooling systems that use chilled water.

<sup>\*2</sup>: Energy-efficiency businesses refer to the proposal and introduction of energy-saving designs and services for client buildings. McClure Company, an energy conservation business, became a consolidated subsidiary of Sojitz in 2021. Australia's energy conservation business Ellis Air Group Pty Ltd. also became a consolidated subsidiary of Sojitz in 2023. Sojitz is providing both McClure and Ellis Air with development functions for their renewable energy generation and supply businesses while increasing value through initiatives that combine energy-saving services.

[Related Information]

[Company Overview – FAS ENERGY FOR TRADING COMPANY LLC]

Established	2013
Location	Riyadh, Saudi Arabia
Representative Director	Turki Al Hokair
Main Business	Power and energy business in Saudi Arabia