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Press Release

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### **(Progress of Disclosure Matters) Announcement on Conclusion of Agreement on Assignment of Petrochemicals Manufacturing Equipment**

Idemitsu Kosan Co., Ltd. (Representative Director & Chief Executive Officer: Shunichi Kito, the “Company”) announces that today it has concluded an agreement with ENEOS Corporation (Representative Director, President: Katsuyuki Ota, “ENEOS”) regarding the assignment of petrochemicals manufacturing equipment located at the ENEOS Chita Plant after the Company has been working on the consideration of this assignment as described in the “Announcement on Conclusion of Basic Memorandum Regarding Consideration toward Purchase of Petrochemicals Manufacturing Equipment” disclosed on October 27, 2020, as follows.

#### **1. Manufacturing Equipment Subject to Assignment**

Paraxylene manufacturing plant: 400 thousand tons/year (including ancillary facilities such as a transalkylation unit)

Paraxylene: used as raw material for terephthalic acid (PTA: high purity terephthalic acid, DMT: dimethyl terephthalate) which is an intermediate material in polyester (fiber (yarn and cotton), PET resin). The Company owns manufacturing devices of 479 thousand tons/year in Japan.

#### **2. Background to and Purpose of Assignment**

To prepare for the structural decline in demand for domestic petroleum products and the growth of the petroleum products market associated with the economic growth of Asia, the Company has been working to integrate its refining and chemistry businesses. In particular, as the decline in demand for gasoline fraction is expected to accelerate, the utilization of such gasoline fraction for production and supply of high value-added petroleum raw materials more than ever is an important issue for improving the overall group refineries’ competitiveness and maximizing their value. This assignment is intended to address this issue.

#### **3. Future Outlook**

Subject to completion of the business combination review of the Fair Trade Commission and other procedures, the Company aims to complete this assignment on October 1, 2022.

There is no impact on the Company's business performance in the current fiscal year. The Company will promptly announce what should be disclosed if it arises in the future.

**<Overview of ENEOS Chita Plant>**

Location: Kitahamamachi 25, Chita City, Aichi Prefecture

Beginning of operation: 1973

Site area: Approximately 1,300,000 square meters