



October 27, 2021

Press Release

Company Name: Idemitsu Kosan Co., Ltd.
Representative Director President & Chief Executive
Officer: Shunichi Kito
(Company Code: 5019, TSE, First Sect.)
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Transfer of Part of the Shares of Idemitsu Snorre Oil Development Co., Ltd.

Idemitsu Kosan Co., Ltd. (Head Office: Chiyoda-ku, Tokyo; Representative Director President and Chief Executive Officer: Shunichi Kito; the “Company”) is pleased to announce an agreement with INPEX CORPORATION (Head Office: Minato-ku, Tokyo; Representative Director, President & CEO: Takayuki Ueda; “INPEX”) and Osakagas Summit Resources Co., Ltd. (Head Office: Osaka city, Osaka; President: Sunao Okamoto; “OSR”) for the transfer of part of the shares of its subsidiary, Idemitsu Snorre Oil Development Co., Ltd.*1 (Head Office: Chiyoda-ku, Tokyo; President: Jun Miki; “ISD”) to INPEX (the “Transfer”).

*1: Shareholders (before the completion of the Transfer):
Idemitsu Kosan Co., Ltd. (50.5 %), Osakagas Summit Resources Co., Ltd. (49.5 %)

1. Purpose of the Transfer

The Company has decided to transfer part of the shares (1.0%) of ISD to INPEX. OSR also has agreed to transfer all of its shares (49.5%) of ISD to INPEX; consequently, INPEX will hold 50.5% of the shares of ISD and the Company will continue to hold 49.5% of the shares of ISD upon completion of the Transfer. ISD will become the Company’s equity method affiliated company and this will help to streamline the consolidated balance sheet of the Company. The completion of the Transfer is subject to the approval of the Norwegian Government, and it is estimated to be completed in early 2022.

Through ISD and Idemitsu Petroleum Norge AS*2 (Managing Director: Futoshi Tsuneyama; “IPN”), the Company has continued to conduct its oil and gas business in Norway for over 30 years which includes activities such as exploration, development, and production. The Company and INPEX have already cooperated on offshore gas field production in Vietnam and geothermal projects in Japan, and have built a good relationship as business partners. Through the Transfer, we will operate IPN’s business together by utilizing the technical expertise and project management know-how we have accumulated over the course of the oil and gas business, aiming to further develop the partnership and further grow and develop the oil and gas business in Norway.

Norway actively utilizes low-carbon technologies in its oil and gas field operations as a leading country in low-carbon and de-carbonization efforts. The Company intends to promote low-carbon power generation through the supply of electricity from floating wind turbines and onshore hydroelectric power in the IPN's participating interests.

*2: Shareholder: Idemitsu Snorre Oil Development Co., Ltd. (100 %)

2. Overview of ISD

(1) Company Name	Idemitsu Snorre Oil Development Co., Ltd.
(2) Head Office	2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Representative	President, Jun Miki
(4) Main Business	Exploration, development, production, and sale of petroleum and natural gas through a subsidiary in Norway

3. Future Outlook

The impact on the net income attributable to shareholders of the parent company of the Company is insignificant. The Company will promptly announce what should be disclosed if it arises in the future.