



July 11, 2022

Press Release

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Announcement on Transition Bond Issuance

Idemitsu Kosan Co., Ltd. (“Idemitsu”) hereby announces that it has finalized the terms for its transition bond issuance announced on March 22, 2022, as follows.

Idemitsu’s corporate vision for 2030 is to become “Your Reliable Partner for a Brighter Future.” The Company aims to contribute to the resolution of various social challenges through energy material transition to a carbon neutral recycling society, next-generation mobility and community adapted to an aging society, and new materials to make it possible to overcome such challenges. Funds raised through this transition bond issuance will be used for specific initiatives in the above-mentioned business domains, accelerating our efforts towards our vision for 2030.

● Transition Bond Overview

| | | | |
|------|------------------------------------|--|----------------|
| (1) | Issuance amount | 10 billion yen | 10 billion yen |
| (2) | Term | 5 years | 10 years |
| (3) | Coupon | 0.480% | 0.879% |
| (4) | Subscription date | July 8, 2022 | July 8, 2022 |
| (5) | Payment date | July 14, 2022 | July 14, 2022 |
| (6) | Maturity date | July 14, 2027 | July 14, 2032 |
| (7) | Uses of capital | Projects which meet the qualifying criteria set forth in the Idemitsu Kosan Co., Ltd. green/transition bond framework (new expenditures and refinancing of existing expenditures) Creation of CNX center* ¹ (SAF* ² , etc.), power and renewable energy projects, low carbon solutions projects for coal power generation, etc. | |
| (8) | Third-party appraisal organization | DNV Business Assurance Japan K.K. | |
| (9) | Lead underwriters | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Daiwa Securities Co. Ltd. Mizuho Securities Co., Ltd. | |
| (10) | Structuring agent | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. | |
| (11) | Bond rating | A (R&I) | |

*¹ Creation of CNX (Carbon Neutral Transformation) center: Concept of transforming refineries, factories, and other operating facilities to supply bases for next-generation energy such as renewable energy, ammonia, and bio/synthetic fuels

*² SAF: Sustainable Aviation Fuel

- Press release issued on March 22, 2022: “First Case in the Petroleum Sector Selected as a Transition Finance Model Example by the Ministry of Economy, Trade and Industry ~Transition Bond Aimed at Achieving a Decarbonized Society~”
<https://ssl4.eir-parts.net/doc/5019/tdnet/2097945/00.pdf>

- Reference Materials
Idemitsu Kosan Co., Ltd. Green/Transition Bond Framework
https://sustainability.idemitsu.com/pdf/en/508/idss_green-transition-bond_2022_en.pdf

Second-party opinion by DNV Business Assurance Japan K.K.
https://sustainability.idemitsu.com/pdf/en/508/idss_green-transition-bond_spo_2022_en.pdf

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