



September 19, 2023

Press Release

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## **Announcement on the Absorption-type Merger (Simple, Short Form Merger) with Idemitsu Green Power Co., Ltd., a Wholly Owned Subsidiary**

Idemitsu Kosan Co., Ltd. (“Idemitsu” or the “Company”) hereby announces that its board of directors today adopted a resolution for the acquisitive merger (the “Merger”) of its wholly owned subsidiary Idemitsu Green Power Co., Ltd. (“Idemitsu Green Power”), which will become effective April 1, 2024, as follows.

Note that some disclosures have been omitted as the Merger will take the form of a simple/short form merger targeting a wholly owned subsidiary.

### 1. Objectives of the Merger

To date, the Company has engaged in the power retail business through 2 entities: Idemitsu and Idemitsu Green Power. Idemitsu Green Power was established as Idemitsu’s wholly owned subsidiary in 2009, engaging in power retail with a focus on renewable energy as the core energy source. In light of Idemitsu’s medium-term strategy for its power and renewable energy business, the Company determined that merging Idemitsu Green Energy into the Company to integrate relevant operations under a single entity will strengthen and enhance the quality of products and services provided to customers and promote the business’s further growth and development.

### 2. Overview of the Merger

#### (1) Merger Schedule

Board Resolution at Idemitsu to Approve the Merger Agreement	September 19, 2023 (today)
Planned Merger Agreement Signing Date	September 26, 2023
Planned Effective Date of the Merger	April 1, 2024

(Note) This Merger is expected to be executed without the need for shareholder approval of the merger agreement at either company, as it qualifies as a simple merger pursuant to Article 796 Paragraph 2 of the Companies Act for Idemitsu as the surviving entity and as a short form merger pursuant to Article 784 Paragraph 1 of the Companies Act for Idemitsu Green Power as the merged entity.

#### (2) Merger Structure

The Merger will take the form of a simple/short form merger with Idemitsu as the surviving entity and Idemitsu Green Power as the merged entity.

#### (3) Allocations relating to the Merger

No consideration will be allocated as a result of this Merger.

(4) Disposition of the merged entity's new share warrants and corporate bonds with new share warrants  
N/A

### 3. Overview of the Parties to the Merger

	Surviving Entity	Merged Entity
1. Company name	Idemitsu Kosan Co., Ltd.	Idemitsu Green Power Co., Ltd.
2. Location	1-2-1 Otemachi, Chiyoda-ku, Tokyo	1-2-1 Otemachi, Chiyoda-ku, Tokyo
3. Title and name of representative	Shunichi Kito, Representative Director & Chief Executive Officer	Masayuki Nakata, Representative Director
4. Business description	Oil refinery and manufacturing and sales of oils and fats Manufacturing and sales of petrochemical products Development, manufacturing, and sales of electronic materials and agriculture drugs Electric power supply business Development, manufacturing, and sales, etc. of petroleum and coal resources	Purchase, sales, and supply of electric power and sales of environmental value
5. Paid-in capital	168,351 million yen	30 million yen
6. Established	March 30, 1940	November 30, 2009
7. Total shares outstanding	297,864,718 shares (As of March 31, 2023)	600 shares
8. Fiscal year end	March 31	March 31
9. Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (trustee account) 13.07% Nissho Kosan Co., Ltd. 9.24% Aramco Overseas Company B.V. 7.88% Public Interest Incorporated Foundation Idemitsu Museum of Arts 6.95% Custody Bank of Japan, Ltd. (Trust account) 5.81% STATE STREET BANK WEST CLIENT TREATY 505234 1.75% Idemitsu Kosan Employee Stockholders Committee 1.72%	Idemitsu Kosan Co., Ltd. 100% (As of March 31, 2023)

	Showa Kosan K.K 1.70% Sumitomo Mitsui Trust bank, Limited 1.40% MUFG Bank, Ltd. 1.40% (As of March 31, 2023)	
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10. Financial position and operational performance in the most recent fiscal year (FY 3/2023)		
	Idemitsu Kosan (consolidated)	Idemitsu Green Power (standalone)
Net assets	1,629,308 million yen	3,726 million yen
Total assets	4,865,370 million yen	9,155 million yen
Net assets per share	5,510.24 yen	6,210,114.04 yen
Net sales	9,456,281 million yen	50,465 million yen
Operating income	282,442 million yen	1,245 million yen
Ordinary income	321,525 million yen	1,250 million yen
Net income attributable to owners of the parent	253,646 million yen	883 million yen
Net income per share	853.37 yen	1,471,149.65 yen

#### 4. Status after the Merger

The Company currently anticipates no changes to its name, location, title and name of representative, business description, paid-in capital, or fiscal year end as a result of this Merger.

#### 5. Future Outlook

The impact of this Merger on consolidated performance is negligible.

(Reference) Current Fiscal Year Forecasts (announced on August 8, 2023) and Previous Fiscal Year Results (Consolidated) (Units: JPY millions)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
Current FY (FY 3/2024)	8,300,000	140,000	150,000	100,000
Previous FY (FY 3/2023)	9,456,281	282,442	321,525	253,646