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Press Release

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Idemitsu and Fuji Oil Announce the Signing of a Capital and Business Alliance Agreement and the Acquisition of Fuji Oil shares (Securities code: 5017) by Idemitsu as the Act of Accumulating Stocks

~Strengthening the Petroleum Business in the Keiyo Area and Initiatives towards Decarbonization~

Idemitsu Kosan Co., Ltd. (headquarters: Chiyoda-ku, Tokyo; Representative Director and Chief Executive Officer: Shunichi Kito; hereinafter "Idemitsu") and Fuji Oil Company, Ltd. (headquarters: Shinagawa-ku, Tokyo; Representing Director, President: Shigeto Yamamoto; hereinafter "Fuji Oil") hereby announce that the two companies have entered into a capital and business alliance agreement (hereinafter "Agreement") aimed at strengthening collaboration in the petroleum business and implementing initiatives towards future decarbonization.

As a part of the capital and business alliance, Idemitsu also entered into an agreement (hereinafter "Share Purchase Agreement") today to acquire all 6,839,920 shares of Fuji Oil (8.75% of total shares outstanding) owned by JERA Co., Inc. (headquarters: Chuo-ku, Tokyo; President, Director, CEO and COO: Hisahide Okuda; hereinafter "JERA") in an off-market transaction (hereinafter "Share Acquisition"). As a result, Idemitsu Kosan now owns 17,035,520 shares (21.79% of the total number

of issued shares), including 10,195,600 shares of Fuji Oil it currently holds (13.04% of the total number of issued shares), and will make Fuji Oil an equity method affiliate.

The execution of Share Acquisition is subject to the receipt of a notification from the Fair Trade Commission that a cease and desist order based on the Act on Prohibition of Private Monopoly and Maintenance of Fair Trade will not be issued.

In addition, note that Share Acquisition will be considered a stock accumulation as set forth in Article 167 Paragraph 1 of the Financial Instruments and Exchange Act and Article 31 of the Financial Instruments and Exchange Act Enforcement Ordinance.

1. Background and Rationale for the Capital and Business Alliance

Idemitsu's Chiba Complex, located in Ichihara-shi, Chiba Prefecture, consists of a refinery and a petrochemical plant, providing an efficient and integrated production framework. The refinery commenced operations in 1963 and supports strong demand mainly from the metropolitan area with its numerous state-of-the-art equipment and systems. The petrochemical plant commenced operations in 1975 and produces resins such as ethylene and polypropylene.

Like Idemitsu, Fuji Oil has a refinery (Sodegaura Refinery) within the Keiyo Rinkai Complex. Sodegaura Refinery is connected by a pipeline to the neighboring Chiba Plant owned by Sumitomo Chemical. Idemitsu's Chiba Complex, Fuji Oil's Sodegaura Refinery, and Sumitomo Chemical's Chiba Plant therefore have an efficient joint production framework in place.

Keiyo Rinkai Complex not only possesses rapid supply routes for petroleum and petrochemical products for major consumption areas in the metropolitan area, but also has import/export routes to supply petroleum and petrochemical products overseas. Such geographic advantages allow for flexible responses to changes in domestic and foreign demand.

Domestic demand for petroleum and petrochemical products is expected to decrease in the long term due to the decreasing population and trends towards energy/resource conservation and a recycling-oriented society. On the other hand, strong demand is expected to be maintained in countries experiencing continued economic development, such as those in Southeast Asia.

Idemitsu and Fuji Oil entered into Agreement to create synergies in the existing petroleum business mainly through collaboration between Idemitsu's Chiba Complex and Fuji Oil's Sodegaura Refinery and to establish a manufacturing and supply hub to supply oil to the Keiyo area and to promote carbon-neutral fuel going forward.

2. Description of the Capital and Business Alliance

Idemitsu and Fuji Oil will implement the following to enhance efficiency and competitiveness in petroleum manufacturing and supply by further enhancing collaboration between the two companies by leveraging the two refineries and to create a shared flagship hub for next-generation carbon-neutral

fuel.

- (1) Collaborate in crude oil and naphtha procurement and freight allocation operations
- (2) Jointly manage periodic shut down maintenance (SDM) (optimize SDM timing, dispatch personnel during SDM, etc.)
- (3) Consider other synergies that contribute to maximizing profits for both parties
- (4) Consider investments aimed at creating next-generation supply hubs
- (5) Idemitsu will appoint two part-time director candidates to Fuji Oil's board

3. Overview of the Parties to the Capital and Business Alliance

(1) Company name	Idemitsu Kosan Co., Ltd.	Fuji Oil Company, Ltd.
(2) Location	1-2-1 Otemachi, Chiyoda-ku, Tokyo	Tennozu Parkside Building 2-5-8 Higashi-shinagawa, Shinagawa-ku, Tokyo
(3) Title and name of representative	Shunichi Kito, Representative Director & Chief Executive Officer	Shigeto Yamamoto, Representing Director, President
(4) Business description	petroleum business, basic chemicals business, functional materials business, power and renewable energy business, resources business	Importing of crude oil, petroleum refinery, and the manufacturing, processing, storage, import, export, purchase, sale, etc. of oil and petrochemical products
(5) Paid-in capital	168,351 million yen	24,467 million yen
(6) Established	March 30, 1940	January 31, 2003
(7) Major shareholders and shareholding ratio (%)	<p>The Master Trust Bank of Japan, Ltd. (trustee account) 13.57</p> <p>Nissho Kosan Co., Ltd. 9.60</p> <p>Aramco Overseas Company B.V. 8.18</p> <p>(standing proxy: Anderson Mori & Tomotsune)</p> <p>Idemitsu Museum of Arts 7.22</p> <p>Custody Bank of Japan, Ltd. (trustee account) 5.35</p> <p>STATE STREET BANK WEST CLIENT-TREATY 505234 1.90</p>	<p>Idemitsu Kosan Co., Ltd. 13.04</p> <p>JERA Co., Ltd. 8.84</p> <p>Kuwait Petroleum Corporation 7.51</p> <p>Kingdom of Saudi Arabia Government 7.51</p> <p>The Master Trust Bank of Japan, Ltd. (trustee account) 7.03</p> <p>Nippon Yusen Kabushiki Kaisha 3.55</p> <p>ENEOS Holdings, Inc. 1.74</p>

	(standing proxy: Mizuho Bank, Ltd.) Showa Co., Ltd. 1.76 Idemitsu Kosan Employee Stock Ownership Association 1.72 Sumitomo Mitsui Banking Corporation 1.46 J.P. Morgan Japan K.K. 1.29 As of September 30, 2023	Custody Bank of Japan, Ltd. (trustee account) 1.58 Kiyo Koyama 1.50 As of March 31, 2024				
(8) Relationship between Idemitsu and Fuji Oil	Capital Relationship	Idemitsu owns 10,195,600 common shares of Fuji Oil. Idemitsu has entered into an agreement to purchase 6,839,920 common shares of Fuji Oil from JERA.				
	Personal Relationship	Idemitsu has appointed 1 part-time director to Fuji Oil's board. Agreement stipulates that Idemitsu has the right to nominate 2 part-time director candidates to Fuji Oil's board.				
	Commercial Relationship	Idemitsu and Fuji Oil enter into a purchase agreement to engage in ongoing transactions involving oil products.				
	Status as Related Parties	Idemitsu is the leading shareholder of Fuji oil. Fuji Oil will become Fuji Oil an equity method affiliate of Idemitsu after the execution of Share Acquisition.				
(9) Consolidated Operating Performance and Consolidated Financial Position (Last 3 Years)						
	Idemitsu			Fuji Oil		
Fiscal year	FY 3/2021	FY 3/2022	FY 3/2023	FY 3/2021	FY 3/2022	FY 3/2023
Consolidated Net Assets	1,215,136 million yen	1,436,512 million yen	1,629,308 million yen	48,188 million yen	64,539 million yen	71,658 million yen
Consolidated Total Assets	3,954,443 million yen	4,601,183 million yen	4,865,370 million yen	253,007 million yen	352,842 million yen	336,985 million yen
Consolidated Net Assets per Share	3,871.69yen	4,749.70yen	5,510.24yen	623.28yen	835.28yen	926.31yen
Consolidated	4,556,620	6,686,761	9,456,281	344,612	486,014	850,863

Revenues	million yen	million yen	million yen	million yen	million yen	million yen
Consolidated Operating Income	140,062 million yen	434,453 million yen	282,442 million yen	7,098 million yen	16,251 million yen	5,028 million yen
Consolidated Ordinary Income	108,372 million yen	459,275 million yen	321,525 million yen	8,293 million yen	16,076 million yen	4,704 million yen
Net Income Attributable to Owners of the Parent	34,920 million yen	279,498 million yen	253,646 million yen	6,528 million yen	15,203 million yen	3,575 million yen
Consolidated Net Income per Share	117.47 yen	940.15 yen	853.37 yen	84.72 yen	197.29 yen	46.36 yen
Dividends per Share	120.00 yen	170.00 yen	120.00 yen	10.00 yen	10.00 yen	10.00 yen

Note 1 (7) Major shareholders and shareholding ratios (%) are the ratios of the number of owned shares to the total number of issued shares (excluding treasury stock).

Note 2 (7) Major shareholders and shareholding ratios (%) in Fuji Oil have been updated from the shareholder list as of September 30, 2023, taking into account "Notice regarding changes in major shareholders and the largest shareholder who is a major shareholder" disclosed on March 19, 2024.

4. Schedule

(1) Signing date of Agreement and Share Purchase Agreement	April 16, 2024
(2) Expected completion date of the stock transfer process pursuant to Share Purchase Agreement	To be determined

5. Description of Share Acquisition as the Act of Accumulating stocks

(1) Securities Code	5017
(2) Target Security Name	Fuji Oil Company, Ltd.
(3) Number of Acquired Shares	6,839,920 common shares
(4) Acquisition Cost	2,462 million yen
(5) Percentage of Voting Rights	8.87%
(6) Expected Acquisition Date	To be determined

Note (5) Percentage of Voting Rights is calculated that the total number of outstanding shares as of September 30, 2023, 78,183,677 shares, minus the number of shares without voting rights as of the same date, 1,038,677 shares, which is the number of voting rights of all shareholders related to the shares, 771,450 as the denominator. Also, it is rounded up at the third decimal place.

6. Future Outlook

Idemitsu will make Fuji Oil an equity method affiliate as a result of Share Acquisition but the impact of this alliance on corporate performance is negligible. Any items worthy of disclosure will be announced in a timely manner upon occurrence.

In addition, as stated in the " Announcement regarding stock acquisition of Fuji Oil Co., Ltd. (Securities code: 5017) as the act of accumulating stocks "announced by Idemitsu on March 19, 2024, Idemitsu is not intending to acquire further Fuji Oil shares at this time.