



March 18, 2013

Press Release

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(Company Code: 5019, TSE, First Sect.)

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**Idemitsu Kosan and Mitsui to sign a basic agreement to commence study on
Alpha Olefins production in the United States**

Idemitsu Kosan Co., Ltd. (“Idemitsu”) (Tokyo Stock Exchange: 5019) and Mitsui & Co., Ltd. (“Mitsui,”) (Tokyo Stock Exchange: 8031) have signed a basic agreement to commence studies through the establishment of a 50-50 joint venture in the United States to produce Linear Alpha Olefins with a newly built world-scale unit. Idemitsu and Mitsui have also reached initial agreement with The Dow Chemical Company of the United States (“Dow,” head office: Midland, Michigan) concerning the procurement of feedstocks for the production of alpha olefins and the supply of a part of its production. Final investment decision is expected to be made by Idemitsu and Mitsui in 2014. This will not result in any changes to the Idemitsu Group’s projected consolidated business performance for the 2012 fiscal year.

Attachment : Press Release

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Idemitsu Kosan Co.,Ltd.
Mitsui & Co., Ltd.

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The project is driven by the shale gas/oil revolution in the United States where sustainable cost advantage is expected. Idemitsu and Mitsui will set forward this overseas project through creation of an alliance formed by Japanese companies to produce functional chemicals by applying the integrated strengths of both companies, including Idemitsu’s technical expertise in the field of alpha olefins, Mitsui’s partnerships with overseas companies capable of supplying cost-advantaged feedstocks, and both companies’ marketing capabilities. The joint venture will secure access to producer cost-based ethylene from Dow’s U.S. Gulf Coast production grid and by forming a partnership with Dow. The schedule calls for the commencement of alpha olefin production in 2016 with an annual output of 330,000 tons. Part of this output will be utilized by Dow, supporting the stable operation of the alpha olefins unit.

Alpha olefins are used as additives in polyethylene and other synthetic resins. They are also widely used in products ranging from detergents to high-performance lubricants and paper-making chemicals. World demand is in excess of 3 million tons and is expected to remain on a steady growth trend. By ensuring the stable growth of this business, Idemitsu and Mitsui will contribute to the growth of a wide range of industries that use alpha olefins.

【Alpha Olefins Unit】

1. Production Capacity	330,000 tons/year (planned)
2. Location	not decided
3. Total Investment Amount	not decided
4. Future Schedule	
2014	Final investment decision (scheduled)
2016	operation start (scheduled)

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