



July 10, 2013

Press Release

Company Name: Idemitsu Kosan Co.,Ltd.
Representative Director
& Chief Executive Officer: Takashi Tsukioka
(Company Code: 5019, TSE, First Sect.)
Contact person:
Taiji Hashidoko, Manager, Investor Relations
Office, Treasury Department
(TEL: +81-3-3213-9307)

Announcement on Issuance of Unsecured Straight Bonds

Idemitsu Kosan Co.,Ltd. (hereinafter, “Idemitsu” or the “Company”) hereby announces that it has determined the terms and conditions for the issuance of its 3rd Series Unsecured Straight Bonds (with inter-bond pari passu clause) as outlined below.

Details

Idemitsu Kosan Co.,Ltd. 3rd Series Unsecured Straight Bonds (with inter-bond pari passu clause)

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| (1) Total amount of issue | : ¥25 billion |
| (2) Denomination of each bond | : ¥100 million |
| (3) Application of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. | : The Bonds are subject to the application of provisions of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. (the “Act”). Pursuant to a provision of Article 67, Paragraph 1 of the Act, bond certificates shall not be issued for the Bonds. |
| (4) Interest rate | : 0.72% per annum |
| (5) Issue price | : ¥100 per face value ¥100 |
| (6) Redemption price | : ¥100 per face value ¥100 |
| (7) Term and Redemption method | : 5 years |
| i. Maturity date | : The Principal of the Bonds shall be redeemed in a lump sum on July 17, 2018. |
| ii. Retirement by purchase | : The Company may repurchase the Bonds on or after the day after the Closing date, unless otherwise provided for by the Book-entry transfer institution. |
| (8) Interest payment date | : January 17 and July 17 of each year |
| (9) Offering period | : July 10, 2013 |
| (10) Closing date | : July 17, 2013 |
| (11) Method of offering | : Public offering in Japan |
| (12) Collateral | : The Bonds are neither secured by any collateral nor guaranteed, and there are no particular assets reserved for the payment of the Bonds. |
| (13) Financial covenants | : Negative pledge clause (with inter-bond pari passu clause) attached |
| (14) Underwriters | : SMBC Nikko Securities Inc., Mitsubishi UFJ Morgan Stanley Securities Co.,Ltd., Daiwa Securities Co.,Ltd. and Mizuho Securities Co.,Ltd. |
| (15) Place for application | : Head offices and domestic branch offices of the Underwriters |
| (16) Fiscal, Issuing and Paying agent | : Sumitomo Mitsui Banking Corporation |
| (17) Book-entry transfer institution | : Japan Securities Depository Center, Incorporated |
| (18) Rating | : A- (Japan Credit Rating Agency, Ltd.) |

Note: This press release has been prepared for the sole purpose of publicly announcing the issuance of the Company's 3rd Unsecured Straight Bonds, and not for the purpose of soliciting investment or engaging in any othersimilar activities within or outside Japan.