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Press Release

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Announcement Regarding Additional Share Acquisition of Indonesian Coal Company

Idemitsu Kosan Co.,Ltd. (Headquarters: Chiyoda-ku, Tokyo; Representative Director & Chief Executive Officer: Takashi Tsukioka) is pleased to announce that we have additionally acquired 18% share of Pt Mitrabara Adiperdana Tbk, a public listed company in Indonesia (hereinafter referred to as "MA"), which is one of the Indonesian coal companies within Baramulti Group.

1. Objectives of the additional acquisition of shares

We have been in good business relations with Baramulti group mainly in purchasing their coals and acquired 3% share of Pt Baramulti Suksessarana Tbk which is one of Baramulti group companies and holds AGM mine in November 2012. We acquired 12% share in MA in July 2014, have got additional 18 % share this time and made our total share to 30%. We expect that we can support the activity to improve cost competitiveness of Malinau Mines and further strengthen the existing relationship with Baramulti. The acquisition of shares in MA will also provide us more steady supply of good environmental feature coals and low-cost coals of which exports are increasing to Japan and other Asian countries.

Malinau mines are producing low sulphur and low ash sub-bituminous coal. They are planning to produce in total of 2.5 million ton by the end of 2014, and additional increase after 2015.

This share acquisition is a part of activities toward the restructuring of our coal business which we planned in our 4th medium term plan. We continue to enhance competitiveness of our existing assets and proceed the realignment of our coal business portfolio.

2. Outline of the acquisition of shares

- (1) Shares acquired: stock of Pt Mitrabara Adiperdana Tbk (MA)
- (2) Date acquired: November 11, 2014
- (3) Percentage of shares acquired: 18% (total held shares: 30%)

3. Outline of Pt Mitrabara Adiperdana Tbk (MA)

- (1) Company name: PT Mitrabara Adiperdana Tbk
- (2) Location: Jakarta, Indonesia
- (3) President: Mr. Khoirudin
- (4) Business: Coal production
- (5) Founded: 1992
- (6) Net sales: approx. US\$115 million (2013)

4. Outline of the Malinau mines

- (1) Operating company: PT Mitrabara Adiperdana Tbk (MA), PT Baradinamika Mudasukses Tbk (BDMS : a subsidiary company of MA)
- (2) Location: North Kalimantan Province, Indonesia
- (3) Mine area: approx. 2,961 ha
- (4) Production: 2.5 million tons (calendar year 2014 forecast)
- (5) Mining method: “truck and shovel” open-cut mining method
- (6) Coal attributes: calorific value 5,500 kcal/kg, low sulfur (0.15%), low ash (3.5%)

5. Future outlook

We are continuing to support to enhance cost competitiveness of Malinau Mines which MA owns in North Kalimantan, and to market coal produced in Malinau mines for customers in Japan and other Asian countries.

At present, the effects on the Company’s consolidated financial results are insignificant.

- Location map of Malinau mines and AGM mine

