

July 12, 2017

Press Release

Company: Idemitsu Kosan Co., Ltd.
Representative Director & Chief Executive Officer:
Takashi Tsukioka
(Company Code: 5019, TSE 1st Section)
Contact person:
Koji Tokumitsu, General Manager, Investor
Relations Office, Treasury Department
(Tel: +81-3-3213-9307)

Notice on Determination of Issue Price, etc.

Idemitsu Kosan Co., Ltd. (the “**Company**”) hereby announces that the Company has determined the issue price and other matters related to the issuance of new shares resolved at the Board of Directors’ meeting held on July 3, 2017.

Issuance of New Shares by Way of Global Offering

- | | |
|--|---|
| (1) Class and Number of Shares to be Offered | Total of (i), (ii) and (iii) below, 48,000,000 shares of common stock of the Company. |
| | (i) 33,600,000 shares of common stock of the Company to be underwritten and purchased by the Japanese underwriters in the Japanese public offering. |
| | (ii) 8,139,200 shares of common stock of the Company to be underwritten and purchased by the international managers in the international offering. |
| | (iii) Up to 6,260,800 shares of common stock of the Company to be additionally issued and purchased by the international managers in the international offering upon exercise of the over-allotment option. |
| (2) Issue Price (Offer Price)
(Note) 1 | <u>2,600 yen per share</u> |
| (3) Aggregate Amount of Issue Price
(Note) 2 | <u>124,800,000,000 yen</u> |
| (4) Amount to be Paid in
(Note) 1 | <u>2,489.36 yen per share</u> |
| (5) Aggregate Amount of Amount to be Paid in
(Note) 2 | <u>119,489,280,000 yen</u> |

Note: This press release does not constitute an offer of securities for sale in the United States. The securities referred to above have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The securities referred to above may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.
--

(6) Amount of Stated Capital and Additional Paid-in Capital to be Increased (Note) 2	<u>The amount of stated capital to be increased</u> <u>59,744,640,000 yen</u> <u>The amount of additional paid-in capital to be increased</u> <u>59,744,640,000 yen</u>
--	--

(7) Subscription Period (in the Japanese Public Offering)	<u>From July 13, 2017 (Thu.) to July 14, 2017 (Fri.)</u>
---	--

(8) Payment Date	<u>July 20, 2017 (Thu.)</u>
------------------	-----------------------------

(Note)

1. Underwriters will underwrite and purchase the shares at the amount to be paid in, and offer the same at the issue price (offer price).
2. The figures represent the relevant figures where the international managers exercised all rights indicated in (1)(iii) above.

<Reference>

- | | |
|---|---------------------------------------|
| 1. Calculation of Issue Price | |
| (1) Reference Date of Calculation and Price | <u>July 12, 2017 (Wed.) 2,766 yen</u> |
| (2) Discount Rate | <u>6.00 percent</u> |
| 2. Use of Proceeds | |

The Company plans to apply all of the net proceeds from the Japanese public offering and the international offering in the aggregate amount of approximately up to 118,590,280,000 yen, to (i) fund investments and loans for Nghi Son Refinery and Petrochemical LLC, an affiliate of the Company; P.T. Idemitsu Lube Techno Indonesia and Idemitsu Lube India Pvt Ltd., the Company's overseas subsidiaries; Idemitsu Q8 Petroleum LLC, a joint venture of the Company and Kuwait Petroleum International Ltd.; and Idemitsu Formosa Specialty Chemicals Corporation, a joint venture of the Company and Formosa Petrochemical Corp., by the end of March 2020 in a total amount of 25,500 million yen, (ii) fund investments in plant and equipment, such as a C8 splitter (distillation columns) at the Aichi Refinery, OLED materials manufacturing equipment and survey equipment for new geothermal energy business sites by the end of March 2020 in a total amount of 11,220 million yen, (iii) funds for the Company's research and development in advanced technology areas, such as development and expansion of the use of OLED materials, as well as facilities to verify the industrialization of solid electrolytes in a total amount of 15,500 million yen by the end of March 2020; and (iv) the repayment of short-term loan(s), which was in the amount of 159,000 million yen, that the Company borrowed from a financial institution upon the acquisition of Showa Shell Sekiyu K.K. shares with respect to the remaining amounts by the end of March 2018.

For details on the use of proceeds, please refer to the "Notice on Issuance of New Shares by Way of Global Offering" dated July 3, 2017.

End

<p>Note: This press release does not constitute an offer of securities for sale in the United States. The securities referred to above have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). The securities referred to above may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.</p>
