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Press release

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Announcement on Starting Service Station Business through IdemitsuQ8 Petroleum as the First Foreign Company in Vietnam

Idemitsu Kosan Co.,Ltd. (Head Office: Chiyoda-ku, Tokyo; Representative Director and CEO: Takashi Tsukioka; hereinafter, the “Company”) and Kuwait Petroleum International Ltd. (Head Office: Kuwait City; hereinafter, “KPI”), plan to begin operating a service station business in Hanoi, Vietnam through Idemitsu Q8 Petroleum LLC, a 50:50 joint venture of the two companies.

In overseas growth markets centered on the Pacific Rim, the Company is making progress on building the foundations of businesses ranging from production and procurement of petroleum products through the sale of such products. In April 2016, the Company and KPI—investors in Nghi Son Refinery and Petrochemicals Limited Liability Company in Vietnam—established Idemitsu Q8 Petroleum Limited Liability Company to engage in the businesses of wholesale, and retail of petroleum products.

Idemitsu Q8 Petroleum LLC will be the first foreign company to build and operate a service station in Vietnam, inside Hanoi’s Thang Long Industrial Park, which is home to the facilities of numerous Japanese firms.

This service station will differentiate itself from local competitors through proactively adopting and firmly establishing operations expertise based on the Company’s experiences operating service stations in Japan and KPI experiences operating service stations under the Q8 brand in Europe. It also will strive to improve customer convenience through adoption of the first full POS/card system in Vietnam—a system whose benefits include cashless fueling and management of fuel used by customers’ vehicles.

In the area of environmental measures, it will incorporate consideration for the environment through state-of-the-art technologies, by installing safe, eco-friendly underground tanks that meet the latest safety standards, while also cooperating proactively in the establishment of legal and regulatory systems related to the prevention of oil leaks, which remain underdeveloped in Vietnam.

Starting with this service station, Idemitsu Q8 Petroleum LLC first will build a sales channel by opening a network of service stations concentrated on the area between Hai Phong Port and Hanoi along National Highway 5, home to a concentration of mainly logistics demand.

It will contribute to development in Vietnam, a market expected to see continued strong growth in demand for petroleum products, through supplying the nation’s consumers with a stable supply of such products.

Note that there is no impact on the Company’s consolidated performance in fiscal year 2017.

Overview of the Thang Long Industrial Park Service Station

1. Location: Inside the Thang Long Industrial Park, Hanoi
2. Land area: approx. 6000 m²



Sign



SS Appearance



Driveway

[Reference]

1. Overview of the two-investor companies

Idemitsu Kosan Co.,Ltd.

Name	Idemitsu Kosan Co.,Ltd.
Location	1-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo, Japan
Employees	9,139 (consolidated, as of March 31, 2017)
URL	http://www.idemitsu.co.jp/
Lines of business	Petroleum refining and manufacturing and sale of oil products Manufacturing and sale of petrochemical products Exploration, development, and extraction of petroleum, coal, geothermal resources, and other mineral resources

Kuwait Petroleum International Ltd. (KPI)

Name	Kuwait Petroleum International Ltd.
Location	Kuwait City, Kuwait
Employees	More than 5000
URL	http://www.Q8.com/
Lines of business	Petroleum refining and manufacture and sale of oil products Operates under the Q8 brand in Europe, Asia, and North America Service stations: 4,790; daily sales volume: 450,000 Bbl