



MEMBERSHIP

August 31, 2018

Press Release

Company Name: Idemitsu Kosan Co.,Ltd.
Representative Director & Chief Executive
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Announcement on Commercial Production of Mixed Xylene at Aichi Refinery

In August 2018, Idemitsu Kosan Co.,Ltd (Head Office: Chiyoda-ku, Tokyo; Representative Director and CEO: Shunichi Kito) began commercial operation for mixed xylene at its Aichi Refinery (location: Chita, Aichi Prefecture; Director: Atsushi Yamamoto).

Under its Fifth Consolidated Medium-term Management Plan, which calls for promotion of the fuel-to-chemical* business, Idemitsu has made progress on installation of new equipment at the Aichi Refinery. The Aichi Refinery recently completed and began commercial operation of its mixed xylene equipment*2. With production capacity of 170,000 t/year, this equipment not only will contribute to expansion of the petrochemical business but also will enable us to flexibly deal with changing supply and demand trend of petroleum products and petrochemical raw materials.

This product is used widely as a base raw material in products commonly used in everyday living, such as polyester textiles and PET plastic bottles. Plans call for selling it chiefly in Asian markets, where demand is booming (with growth of 5%/year). Through deeper integration of our strengths in the petroleum business and the petrochemicals business, we will continue to contribute to more enriched society and living while also supporting the social infrastructure as an energy supplier. Note that there is no impact on the Company's consolidated performance in fiscal year 2018.

* Fuel to Chemical

Optimization of production efficiency through means such as utilizing gasoline fraction in chemicals

* 2 Mixed xylene equipment (reformed gasoline xylene recovery equipment)

Facilities used to extract mixed xylene through distilled separation of aroma ingredients in gasoline