

November 14, 2019

Press Release

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Announcement Regarding Acquisition of Treasury Shares and Cancellation of Treasury Shares

(Acquisition of Treasury Shares pursuant to the Articles of Incorporation under the Provision of Article 459, Paragraph 1 of the Companies Act of Japan and Cancellation of Treasury Shares pursuant to the Provision of Article 178 of the Companies Act of Japan)

Idemitsu Kosan Co.,Ltd. (“we” or the “Company”) hereby announces that its board of directors meeting resolved today to acquire its treasury shares pursuant to the Articles of Incorporation, under the provision of Article 459, paragraph 1 of the Companies Act of Japan, and to cancel treasury shares pursuant to the provision of Article 178 of the Companies Act of Japan.

1. Reasons for the Acquisition of Treasury Shares

For the purpose of continuously aiming to improve the capital efficiency and earnings per share through the decrease in number of shares, as well as to increase profit return to the shareholders, the Company will return the total current net profit for FY 2019 to FY 2021 to its shareholders at 50% or more (no less than 10% of such shareholder return will be allotted to the acquisition of treasury shares each fiscal year). Based on the earnings forecast for FY 2019 announced today, we will implement the acquisition of treasury shares in order to achieve a total payout ratio of 50% in FY 2019 (calculated based on the current net profit excluding inventory impact).

2. Details of Acquisition

- (1) Type of shares to be acquired
Common shares of the Company
- (2) Aggregate number of shares to be acquired
4.8 million shares (upper limit)
(1.59% of the total number of the issued shares, excluding treasury shares)
- (3) Aggregate amount of purchase price
12 billion yen (upper limit)
- (4) Acquisition period
From November 15, 2019 to March 24, 2020
- (5) Acquisition method
Market purchase

3. Details of Cancellation

- (1) Type of shares to be cancelled
Common shares of the Company
- (2) Number of shares to be cancelled
Number of all treasury shares acquired under 2. above
- (3) Scheduled date of cancellation
April 30, 2020

(Reference) Treasury shares held as of September 30, 2019

- (1) The total number of the issued shares (excluding treasury shares): 301,911,196 shares
- (2) The number of treasury shares: 14,322 shares

End