July 10, 2014

Press Release

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Announcement Regarding Share Acquisition of Indonesian Coal Company

Idemitsu Kosan Co.,Ltd. (Headquarters: Chiyoda-ku, Tokyo; Representative Director and CEO: Takashi Tsukioka), has acquired 12% share of Pt Mitrabara Adiperdana Tbk, a public listed company in Indonesia (hereinafter referred to as "MA"; Headquarters: Jakarta, Indonesia; President: Khoirudin,), which is one of the Indonesian coal companies within Baramulti Group.

1. Objectives of the acquisition of shares

Baramulti Group holds operating coal mines in Indonesia including Malinau mines which are located in Malinau regency, North Kalimantan province. Malinau mines are owned by MA and producing low sulfur and low ash sub-bituminous coal. Malinau mines are planning to produce in total of 2.5 million ton by the end of 2014, and additional increase after 2015.

In Asian countries, new coal fired power generations are considered to be constructed. Furthermore, demand for steaming coals is expected to be increased, especially for good environmental feature coals (low sulfur and low ash) and low-cost coals.
We have been in good business relations with Baramulti group and acquired 3% share of Pt Baramulti Suksessarana Tbk which is one of Baramulti group companies and holds AGM mine in November 2012. By acquiring the share in MA, we can strengthen the existing relationship with Baramulti. The acquisition of shares in MA will also give us a larger selection of Indonesian coals of which export are increasing to Asian countries and that provides more steady supply for our customers.

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: July 10, 2014
(3) Percentage of shares acquired: 12%

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), 4 million tons per year (from 2015 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 market coal produced in Malinau mines which MA owns in North Kalimantan, 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



- Baramulti Group Organization

