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Press Release

Company Name: Idemitsu Kosan Co.,Ltd.
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Announcement on Establishment of a Local Subsidiary Related to the OLED Business in China

Idemitsu Kosan Co.,Ltd. (Head Office: Chiyoda-ku, Tokyo; Representative Director and CEO: Takashi Tsukioka) established a local subsidiary in China on May 15, 2017, in order to enhance even further its ability to meet its customers' needs in preparation for future growth in the demand for OLED materials based on the vigorous investment in OLED manufacturing facilities in China.

1. Background and objectives of establishing the new company in China

   Recent years have seen considerable advances in the use of OLED displays in numerous products, including smartphones and large-screen TVs. In China, there has been vigorous investment in OLED manufacturing facilities, mainly by major display manufacturers, due to the government's policy of promoting the display industry in China. China is therefore expected to develop remarkably as an OLED display manufacturing country in the future.

   Idemitsu opened a representative office for its OLED materials business in Shanghai in 2015, and gathered information on the Chinese market and customers. Now, Idemitsu has established a local subsidiary in Shanghai as part of its efforts to enhance even further its ability to meet its customers' needs in preparation for future growth in the demand for OLED materials in China.

   Following its establishment of operations in South Korea, Taiwan and Switzerland, this will be Idemitsu's fourth overseas base related to the OLED materials business. Going forward, Idemitsu intends to enhance its systems for development, manufacture and sales, and to strengthen its business as a global manufacturer of OLED materials in order to meet its customers' needs.

2. Overview of the new company

(1) Company Name	Idemitsu Electronic Materials (Shanghai) Co.,Ltd.
(2) Location	12-05 523 Loushanguan Road, Changning District, Shanghai
(3) Date of established	May 15, 2017
(4) Capital	5.3 million yuan (RMB) *Approximately 90 million yen
(5) Ownership	Idemitsu Kosan 100%

3. Future outlook

   This matter will have no effect on our company's consolidated financial performance for the 2017fiscal year.