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Press Release

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Announcement to Open New Lubricant Production Plant in Huizhou, China

In order to strengthen its supply functions in China in response to growing demand for high-performance lubricants in that market, Idemitsu Kosan Co.,Ltd. (Head Office: Chiyoda-ku, Tokyo; President and Representative Director: Shunichi Kito; hereinafter, “Idemitsu”) plans to open its second facility in China, the Huizhou Plant, through Huizhou Idemitsu Lube Co., Ltd. (President: Daisuke Sumitomo ; a wholly owned subsidiary established in September 2018). Completion of this new plant, a state-of-the-art facility with annual production capacity of 120,000 KL, is targeted for 2020.

As a result of the progress of the automotive and other industries, demand for lubricants continues to increase in China, already the world's largest lubricant market. Solid growth is projected for the future as well.

Idemitsu's first lubricants plant in China began operation in 2004, with the establishment of Tianjin Idemitsu Lubricants Co., Ltd in 2003. (now Idemitsu Lube China Co., Ltd.). Since then, it has established subsidiaries in Shanghai, Guangzhou, Changchun, Beijing, and Chongqing in order to build a sales structure for lubricants in China. It also opened a development center in Shanghai in October 2018, in order to swiftly develop lubricants products suited to the needs of the Chinese market. With this opening of its second plant in China, with annual production capacity of 120,000 KL, Idemitsu aims to secure a stable supply of energy to handle sales that continue to grow from year to year.

In the future as well, Idemitsu will continue aiming both to establish production and sales structures with deep roots in the Chinese market, and to strengthen and grow its business as a global supplier of lubricants.

Note that there is no impact on the Company’s consolidated performance in fiscal year 2019.

Overview of Huizhou Idemitsu Lube Co., Ltd.

(1) Name: Huizhou Idemitsu Lube Co., Ltd.
(2) Address: Room 1008, Innovation Building, No.1, Science and Technology Road, Science and Technology Innovation Park, West District, Daya Bay, Huizhou, Guangdong, P.R.China
(3) Capital: RMB260 million (approx. JPY4.31 billion)
(4) Ownership: A wholly owned subsidiary of Idemitsu
(5) Representative: Daisuke Sumitomo, President
(6) Established: September 25, 2018

Overview of the Huizhou Plant

(1) Name: Huizhou Idemitsu Lube Co., Ltd., Huizhou Plant
(2) Address: No.18, Aotou Binhai Avenue, Daya Bay, Huizhou, Guangdong, P.R.China
(3) Land area: 100,000 sqm
(4) Production capacity: 120,000 KL/year
(5) Products: Automotive (engine, transmission, etc.) and industrial lubricants and related products
(6) Commercial operation to begin: during FY2020 (planned)

End