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Press Release

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Announcement on the Recognition of Extraordinary Losses (Parent alone)

Idemitsu Kosan Co., Ltd. (hereinafter, "Idemitsu") hereby announces that the company recognized extraordinary losses in the second quarter of the fiscal year 2019 ending in March 2020 (Idemitsu parent company alone).

1. Overview of Extraordinary Losses

Idemitsu recognized impairment losses on affiliate interests of 56,696 million yen in connection with the member interest Idemitsu owns in Nghi Son Refinery and Petrochemical LLC (hereinafter, "NSRP") in the second quarter of the fiscal year 2019 ending in March 2020.

The Nghi Son refinery operated by NSRP commenced commercial operations in November 2018. Impairment losses were recognized due to deterioration in the business conditions reflecting delays in the commencement of commercial operations relative to the initial plan, initial problems faced at launch, and deterioration of the overseas market.

2. Impact on Consolidated Financial Performance

The loss referred to above has no impact on our consolidated performance for the fiscal year 2019 ending in March 2020, as such losses are eliminated there will be no net negative impact of such losses in consolidated financial reporting.