May 26, 2020

Press Release

Company Name: Idemitsu Kosan Co., Ltd.
President and Representative Director:
Shunichi Kito
(Company Code: 5019, TSE, First Sect.)
Contact person:
Munehiro Sekine, General Manager,
Investor Relations Office, Finance Department
(TEL: +81-3-3213-9307)

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 fiscal year 2019 ending in March 2020 (non-consolidated; Idemitsu parent company alone).

1. Overview of Extraordinary Losses

Idemitsu recognized non-consolidated impairment losses on affiliate interests of 33,949 million yen in connection with the member interest Idemitsu owns in Nghi Son Refinery and Petrochemical LLC （hereinafter, "NSRP"） in the fiscal year 2019 ending in March 2020.

NSRP achieved stable refinery operation and has demonstrated its capacity to operate reliably at a high utilization rate since the refinery's maintenance shutdown last year. Impairment losses were recognized as a result of the negative inventory impact and pricing time lag effects due to a sharp decline in crude oil prices after March as well as deteriorating product prices in overseas markets.

2. Impact on Consolidated Financial Performance

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