August 6, 2020

Press Release

Company Name: Idemitsu Kosan Co.,Ltd.
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(Company Code: 5019, TSE, First Sect.)
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Announcement Regarding the Transfer of the Shares of Shell Lubricants Japan K.K.

Idemitsu Kosan Co.,Ltd. (the "Company") previously announced through its "Announcement Regarding the Commencement of Discussions on the Transfer of the Shell-Branded Lubricants Business" on March 9, 2020 that the Company had determined to commence concrete discussions with Shell International Petroleum Company Limited ("Shell International") on the transfer of all shares of Shell Lubricants Japan K.K. ("SLJ"), a wholly-owned subsidiary of the Company, and certain assets and rights currently held by the Company for the use of SLJ's Shell-branded lubricants business to Shell International's affiliate. The Company hereby announces today that it has determined to transfer all shares of SLJ (the "Transfer"), and it has entered into a share purchase agreement with Shell Overseas Holdings Limited ("Shell").

1. Purpose of the Transfer

The Company has been operating the Idemitsu-branded lubricants business through the Company, and the Shell-branded lubricants business through SLJ, its wholly-owned subsidiary, with the goal of sustaining and expanding the lubricants business. However, the Company considered the future direction of its lubricants business and the status of the business integration, and consequently determined that the establishment of an independent operating structure for the mutually competitive business of each brand, through the transfer of all shares of SLJ to Shell, and that the achievement of its goal of further development and expansion will be optimal, and determined to conduct the Transfer.

After the Transfer, the Company will focus its management resources in the Idemitsu-branded lubricants business, work to continue the development and expansion of the lubricants business as a global supplier of lubricants, and supply the best solutions for customers by utilizing its reliable technology and knowledge.

2. Overview of Shell Lubricants Japan K.K.

(1)	Company Name	Shell Lubricants Japan K.K.	
(2)	Head Office	2-3-2 Daiba, Minato-ku, Tokyo	
(3)	Representative	Representative Director, Chairman Makoto Abe Representative Director, President Tomotsune Soeya	
(4)	Main Business	Lubricants manufacturing, storage, transport, sales, export, import and all other related business	
(5)	Capital	JPY 310,000,000	
(6)	Date Established	May 12, 2017	
(7)	Main Shareholders and Share Ownership Ratio	Idemitsu Kosan Co., Ltd., 100.0%	
(8)	Relationship with the Company	Capital Relationship	The Company owns 100% of SLJ's shares.
		Personal Relationship	The SLJ representative director, director, and statutory auditor are officers or employees from the Company. The Company's employees are seconded to SLJ.
		Business Relationship	The Company provides loan transactions of funds through a cash management system and lease transactions of land, buildings, and facilities for SLJ.

3. Overview of Shell

(1)	Company Name	SHELL OVERSEAS HOLDINGS LIMITED	
(2)	Head Office	Shell Centre, London SE1 7NA, United Kingdom	
(3)	Main Business	Investment and Finance	
(4)	Capital	GBP 1,492,201,474	
(5)	Date Established	December 30, 1957	
(6)	Main Shareholders and Share Ownership Ratio	The Shell Petroleum Company Limited, 99.99% The Asiatic Petroleum Company Limited 00.01%	
(7)	Relationship with the Company	Capital Relationship	None
		Personal Relationship	None
		Business Relationship	None
		Status of Related Parties	None

4. Number of Transferred Shares, and Shareholding before and after the Transfer

(1)	Share Ownership Ratio before the Transfer	100%
(2)	Number of Shares to be transferred	All shares
(3)	Share Ownership Ratio after the Transfer	0%

Note: The transfer price will not be disclosed due to the confidentiality obligations of the parties.

5. Schedule

(1)	Date of the Board of Directors Resolution	August 6, 2020
(2)	Execution Date of the Share Purchase Agreement	August 6, 2020
(3)	Date of Share Transfer	End of December 2020 (scheduled)

Note: Completion of the Transfer is contingent upon the completion of the Japan Fair Trade Commission's corporate merger review.

6. Future Outlook

The effect on the financial performance for the current term of the Company is insignificant.