May 11, 2021

Press Release

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Announcement on the Reduction of Legal Capital Surplus and Reclassification to Other Capital Surplus

Idemitsu Kosan Co.,Ltd. ("Idemitsu") hereby announces that its board of directors convened today and approved the inclusion of a contemplated reduction of legal capital surplus and reclassification to other capital surplus as an agenda item for the 106th annual general meeting of shareholders planned for June 23, 2021, as follows.

1. Objectives

Idemitsu plans to reduce its legal capital surplus and to reclassify the reduced amount to other capital surplus pursuant to Article 448 Paragraph 1 of the Companies Act in order to enhance flexibility in its future capital policies.

2. Overview

Legal capital surplus will be reduced by 416,000,000,000 yen, and the entire reduced amount will be reclassified as other capital surplus. As a result, legal capital surplus will decrease from 458,105,285,625 yen to 42,105,285,625 yen.

3. Schedule

(1) Board resolution date	May 11, 2021
(2) Shareholder resolution date	June 23, 2021 (planned)
(3) Notice for objections of creditors	July 1, 2021 (planned)
(4) Deadline for objections of creditors	August 1, 2021 (planned)
(5) Effective date	August 31, 2021 (planned)

4. Future Outlook

This action will have no impact on financial performance, as it only involves a reclassification of accounts within the "Net Assets" section of the balance sheet.