November 12, 2024

Press Release

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Representative Director & Chief Executive Officer:
Shunichi Kito
(Company Code: 5019, TSE Prime Market)
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Announcement on the Absorption-type Merger (Simple, Short Form Merger) with RS Renewables K.K., a Wholly Owned Subsidiary

Idemitsu Kosan Co., Ltd. ("Idemitsu" or the "Company") hereby announces that its board of directors today adopted a resolution for the acquisitive merger (the "Merger") of its wholly owned subsidiary RS Renewables K.K. ("RS Renewables"), which will become effective April 1, 2025, as follows.

Note that some disclosures have been omitted as the Merger will take the form of a simple/short form merger targeting a wholly owned subsidiary.

1. Objectives of the Merger

RS Renewables engages in power generation by the owned solar power plants, power retail and supply businesses, investments in solar power generation projects and solar power plants operating businesses. In light of Idemitsu's medium-term strategy for its power and renewable energy businesses, the Company determined that merging RS Renewables into the Company to integrate relevant operations under a single entity will enhance the productivity, etc.

2. Overview of the Merger

(1) Merger Schedule

Board Resolution at Idemitsu to Approve the Merger Agreement	November 12, 2024 (today)
Planned Merger Agreement Signing Date	November 29, 2024
Planned Effective Date of the Merger	April 1, 2025

(Note) This Merger is expected to be executed without the need for shareholder approval of the merger agreement at either company, as it qualifies as a simple merger pursuant to Article 796 Paragraph 2 of the Companies Act for Idemitsu as the surviving entity and as a short form merger pursuant to Article 784 Paragraph 1 of the Companies Act for RS Renewables as the merged entity.

(2) Merger Structure

The Merger will take the form of a simple/short form merger with Idemitsu as the surviving entity and RS Renewables as the merged entity.

(3) Allocations relating to the Merger

No consideration will be allocated as a result of this Merger.

(4) Disposition of the merged entity's new share warrants and corporate bonds with new share warrants

N/A

3. Overview of the Parties to the Merger

	Surviving Entity	Merged Entity
1. Company name	Idemitsu Kosan Co., Ltd.	RS Renewables K.K.
2. Location	1-2-1 Otemachi, Chiyoda-ku, Tokyo	1-2-1 Otemachi, Chiyoda-ku, Tokyo
3. Title and name of representative	Shunichi Kito, Representative Director & Chief Executive Officer	Koji Sasaki, Representative Director
4. Business description	Oil refinery and manufacturing and sales of oils and fats Manufacturing and sales of petrochemical products Development, manufacturing, and sales of electronic materials and agriculture drugs Electric power supply business Development, manufacturing, and sales, etc. of petroleum and coal resources	Power generation by solar power plants, power retail and supply businesses, investments in solar power generation projects and solar power plants operating businesses, etc.
5. Paid-in capital	168,351 million yen	100 million yen
6. Established	March 30, 1940	January 5, 2018
7. Total shares outstanding	1,392,642,290 shares (As of March 31, 2024)	62,000 shares
8. Fiscal year end	March 31	March 31
9. Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (trustee account) 14.10% Nissho Kosan Co., Ltd. 9.81% Aramco Overseas Company B.V. 8.36% Public Interest Incorporated Foundation Idemitsu Museum of Arts 7.38% Custody Bank of Japan, Ltd. (Trust account) 5.60% Showa Kosan K.K 1.80% Idemitsu Kosan Employee Stockholders Committee 1.75% JP Morgan Securities Japan Co., Ltd. 1.64%	Idemitsu Kosan Co., Ltd. 100% (As of March 31, 2024)

	STATE STREET BANK WEST CLIENT TREATY 505234 1.49% Sumitomo Mitsui Trust bank, Limited 1.12% (As of March 31, 2024)	

10. Financial position and operational performance in the most recent fiscal year (FY 3/2024)		
	Idemitsu Kosan (consolidated)	RS Renewables (standalone)
Net assets	1,812,531 million yen	2,410 million yen
Total assets	5,012,295 million yen	21,399 million yen
Net assets per share	1,305.18 yen	38,871.54 yen
Net sales	8,719,201 million yen	1,109 million yen
Operating income	346,316 million yen	(191) million yen
Ordinary income	385,246 million yen	787 million yen
Net income attributable to owners of the parent	228,518 million yen	614 million yen
Net income per share	161.32 yen	9,908.05 yen

4. Status after the Merger

The Company currently anticipates no changes to its name, location, title and name of representative, business description, paid-in capital, or fiscal year end as a result of this Merger.

5. Future Outlook

The impact of this Merger on consolidated performance is negligible.

(Reference) Current Fiscal Year Forecasts (announced on May 14, 2024) and Previous Fiscal Year Results (Consolidated) (Units: JPY millions)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent
Current FY Forecasts (FY 3/2025)	8,700,000	169,000	188,000	125,000
Previous FY (FY 3/2024)	8,719,201	346,316	385,246	228,518