April 15, 2025

Press Release

Company Name: Idemitsu Kosan Co.,Ltd.
Representative Director & Chief Executive Officer:
Noriaki Sakai
(Company Code: 5019, TSE Prime Market)
Contact person:
Daisuke Mogi, General Manager,
Investor Relations Office, Finance & Accounting Department
(TEL: +81-3-3213-9307)

Announcement on the Absorption-type Merger (Simple, Short Form Merger) with RS ENERGY 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 ENERGY K.K. ("RS ENERGY"), which will become effective July 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 ENERGY has only partially owned shares in subsidiaries since Idemitsu Kosan took over all businesses and employment contracts with all employees, etc., from the former Showa Shell Sekiyu before the trade name change. To integrate relevant operations under a single entity will enhance the productivity, etc., the Company determined that merging RS ENERGY into the Company.

2. Overview of the Merger
   (1) Merger Schedule

Board Resolution at Idemitsu to Approve the Merger Agreement	April 15, 2025 (today)
Planned Merger Agreement Signing Date	April 22, 2025
Planned Effective Date of the Merger	July 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 ENERGY 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 ENERGY 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 ENERGY K.K.
2. Location	1-2-1 Otemachi, Chiyoda-ku, Tokyo	1-2-1 Otemachi, Chiyoda-ku, Tokyo
3. Title and name of representative	Noriaki Sakai, Representative Director & Chief Executive Officer	Shintaro Ishida, 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	Production and sale of petroleum, petroleum alternative energy, petrochemicals, fats, oils and coal Production, trading, import and export of solar cells and liquid crystal materials Businesses related to electricity, etc.
5. Paid-in capital	168,351 million yen	100 million yen
6. Established	March 30, 1940	August 1, 1942
7. Total shares outstanding	1,358,078,690 shares (As of March 31, 2025)	372,424,311 shares (As of March 31, 2025)
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 ENERGY (standalone)
Net assets	1,812,531 million yen	2,555 million yen
Total assets	5,012,295 million yen	2,555 million yen
Net assets per share	1,305.18 yen	6.86 yen
Net sales	8,719,201 million yen	-
Operating income	346,316 million yen	(3) million yen
Ordinary income	385,246 million yen	(3) million yen
Net income attributable to owners of the parent	228,518 million yen	(3) million yen
Net income per share	161.32 yen	(0.01) 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 February 12, 2025) 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)	9,200,000	204,000	245,000	145,000
Previous FY (FY 3/2024)	8,719,201	346,316	385,246	228,518