



May 15, 2018

Press Release

Company name: Idemitsu Kosan Co.,Ltd.
Representative Director and CEO: Shunichi Kito

Announcement on Extraordinary Losses Resulting from the Transition to a Defined Contribution Pension System

Idemitsu Kosan Co.,Ltd. (the “Company” or “Idemitsu”) hereby announces that is reported extraordinary losses in the fiscal year ended March 2018, in connection with its transition to a defined contribution pension system, as detailed below.

Note that consolidated earnings forecasts for the fiscal year ended March 2018 disclosed on February 14, 2018, in “Announcement on the Revisions to Consolidated Earnings Forecasts” include the impact from this transition.

1. Background

Idemitsu transferred allowances previously provided as a part of employees’ compensation packages to a defined benefits pension system in the fiscal year ended March 2018 and transitioned to a defined contribution pension system effective April 1, 2018. As a result, the Company reported extraordinary losses in the fiscal year ended March 2018.

2. Impact on FY 3/2018 Financials

Idemitsu reported extraordinary losses of ¥13.8 billion in connection with its transition to a defined contribution pension system in its parent and consolidated financial statements for the fiscal year ended March 2018. For further details, please refer to “Consolidated Financial Results for the Fiscal Year 2017 [Japan GAAP]” announced on the date hereof.

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