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Press Release

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### **Announcement on the Recording of Loss on Valuation of Long-term Loans Receivable from an Affiliate**

Idemitsu Kosan Co.,Ltd. (“Idemitsu”) hereby announces that it has recorded loss on valuation of long-term loans receivable as an extraordinary loss in the fiscal year ended March 2021 (April 1, 2020 – March 31, 2021), as follows.

#### **1. Description of the Loss on Valuation of Long-term Loans Receivable**

In the fiscal year ending March 2021, Idemitsu recorded loss on valuation of 18,114 million yen on overseas subsidiary’s (IDEMITSU ASIA PACIFIC PTE.LTD./Singapore) long-term loans receivable from Nghi Son Refinery and Petrochemical LLC. (“NSRP”/a refining company in Vietnam in which Idemitsu has 35.1% stake.)

#### **2. Reason for Recording the Loss on Valuation**

While operations at NSRP’s Nghi Son Refinery continue to be stable, deterioration of overseas product markets resulting from the COVID-19 pandemic led Idemitsu to measure the fair value of its long-term loans receivable from NSRP based on future expected cash flows. Loss on valuation was recorded, as the measured fair value was less than the book value of the long-term loans receivable.

#### **3. Impact on Consolidated Performance**

The recording of such loss on valuation gives rise to a discrepancy between Idemitsu’s forecasted performance announced on February 9, 2021, and its actual consolidated performance for the fiscal year ended March 2021. For details, please refer to “Announcement on Differences between the Consolidated Financial Results and Forecasts for the Fiscal 2020” announced separately.