

September 19, 2007

**Press Release**

Idemitsu Kosan Co., Ltd.  
Japan Energy Corporation

**Strengthening Collaboration in the Chukyo Region**

1. Idemitsu Kosan Co., Ltd (headquarters: Marunouchi 3-chome, Chiyoda-ku, Tokyo; President: Akihiko Tembo; hereinafter Idemitsu) and Japan Energy Corporation (headquarters: Toranomom 2-chome, Minato-ku, Tokyo; President: Isao Matsushita; hereinafter J-Energy) have agreed to launch detailed discussions concerning collaboration between their refineries in the Chukyo region for the purpose of strengthening each companies' competitiveness.
2. Due to proximity of the refineries in the region (Idemitsu: Aichi Refinery; J-Energy: Chita Oil Refinery), the two refineries have already begun utilizing both of crude oil discharge facilities through Isewan Sea Berth K.K. (headquarters: Chita-shi, Aichi prefecture; President: Shigetoshi Furukawa), a joint-investment company by Idemitsu and J-Energy.
3. We have decided to seek for further collaborative opportunities between the two refineries, in order to survive the Japanese market where the profitability is deteriorating, as a structural change in the petroleum demand continues. Therefore, we have launched discussions over various matters such as expansion of barter trades in petroleum products and components, efficient utilization of storage tanks, and mutual cooperation during periodical maintenance of facilities.
4. We have established a special committee to address detailed discussions toward broad scale of collaboration. Furthermore, the two companies will explore the possibility of more opportunities to improve their competitiveness in the Japanese oil industry, if necessary, collaborative locations might not be limited to the Chukyo region.

**(Reference) Outline of both companies' refineries in the Chukyo region**

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## Outline of both companies' refineries in the Chukyo region

1. Aichi Refinery, Idemitsu Kosan Co., Ltd.
  - (1) Location: 11 Minamihama-machi, Chita-shi, Aichi prefecture
  - (2) Plant Manager: Kazutoshi Niimura
  - (3) Site area: about 2,070,000 m<sup>2</sup> (630,000 tsubo)
  - (4) Start of operation: October 1975
  - (5) Crude oil processing capacity: 160,000 bpd
  - (6) Main products: petroleum products, petrochemical products (acrylic acid)
  - (7) Storage capacity: [crude oil: about 1,900,000 kL] [products: about 1,100,000 kL]
  - (8) Employees: 340 (as of March-end 2007)
  
2. Chita Oil Refinery, Japan Energy Corporation
  - (1) Location: 25 Kitahama-machi, Chita-shi, Aichi prefecture
  - (2) Plant Manager: Junji Matsuoka
  - (3) Site area: about 1,300,000 m<sup>2</sup> (390,000 tsubo)
  - (4) Start of operation: October 1973
  - (5) Crude oil processing capacity: none (decommissioned crude oil distillation in June 2001)
  - (6) Main products: petrochemical products (paraxylene, cyclohexane), petroleum products
  - (7) Storage capacity: [crude oil: about 800,000 kL] [products: about 1,000,000 kL]
  - (8) Employees: 110 (as of March-end 2007)