

Method of Business Integration between Nippon Oil Corporation and Kyushu Oil



Nippon Oil Corporation (hereinafter, “Nippon Oil”, Head office: Minato-ku, Tokyo, President: Shinji Nishio) and Kyushu Oil Co., Ltd. (hereinafter, “Kyushu Oil”, Head office: Chiyoda-ku, Tokyo, President: Makoto Kihara), which announced on March 18, 2008 a business integration of both companies effective October 1, 2008, have determined the specific method of integration through discussions by both companies and shareholders of Kyushu Oil as stated below.

1. Business Integration Process:

(1) Kyushu Oil shall become a wholly owned subsidiary of Nippon Oil Corporation by the end of August 2008 based on the following procedures.

- i. Kyushu Oil shall acquire 80% of its stock holdings from shareholders of Kyushu Oil other than Nippon Oil.
- ii. Nippon Oil shall acquire 20% of stock holdings of Kyushu Oil from shareholders of Kyushu Oil other than Nippon Oil.
- iii. The price of Kyushu Oil stocks acquired by Kyushu Oil and Nippon Oil shall be ¥650 per stock.

(2) As of October 1, 2008, Kyushu Oil shall be integrated into Nippon Oil and Nippon Petroleum Refining Company, Limited (a wholly owned subsidiary of Nippon Oil. Hereinafter, “Nippon Petroleum Refining”) based on the following procedures.

- i. The head office and branch offices (Tokyo and Fukuoka) of Kyushu Oil shall be consolidated into Nippon Oil by merger.
- ii. Oita Refinery of Kyushu Oil shall be consolidated into Nippon Petroleum Refining by demerger.

2. Schedule

June 27, 2008:	Conclusion of a stock transfer and acquisition contract between Nippon Oil, Kyushu Oil and shareholders of Kyushu Oil.
End of July 2008 (plan):	Conclusion of a merger contract between Nippon Oil and Kyushu Oil Conclusion of a demerger contract between Nippon Petroleum Refining and Kyushu Oil (Specific content of the merger and demerger contracts will be announced as soon as details have been established)
End of August 2008 (plan):	Kyushu Oil becomes a wholly owned subsidiary of Nippon Oil
October 1, 2008 (plan):	Business integration (merger/demerger)

3. Future prospects

The effect of this business integration on the consolidated results of Nippon Oil will be announced as soon as specific figures have been established.

(Appendix)  [Basic Facts about Nippon Oil Corporation and Kyushu Oil Co., Ltd. \(PDF:58.4KB\)](#)

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