

Idemitsu Kosan Established Lubricants Sales Company in Mexico

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Idemitsu Kosan Co., Ltd. announces that on March 20, 2013, it established Idemitsu Lubricants Mexico S.A. de C.V. in Mexico City, Mexico. Plans call for the new company to begin business operations in June 2013.

Mexico is attracting attention as a new growth market following on the heels of the BRICs markets. It continues to experience stable growth centered on the auto industry. With a population of approximately 110 million, Mexico is expected to see growing domestic demand in the future thanks to its easy access to Central and South American markets, in addition to serving as a base for exports to the North American market.

In 2012, Mexico's motor-vehicle production reached 2.88 million units (growth rate of 12.8%), and strong growth is projected in demand for high-performance lubricants including automotive oil.

The Company established Idemitsu Lube Mexico with the aim of further improving customer services and constructing Idemitsu's original manufacturing and sales network.

Through establishing a sales base in Mexico City and strengthening sales of lubricants in Mexico, the Company will enhance its sales of lubricants in the domestic market of Mexico and target a sales volume for lubricants of about 10,000 KL per year and an annual turnover of US\$22 million (approx.JPY2.2 billion) by 2015.

The Company will continue strengthening and expanding its businesses in order to identify and thoroughly respond to customer needs.

Outline of new company

Name	Idemitsu Lubricants Mexico S.A. de C.V.
Location	Mexico City, Mexico
Date incorporated	March 20, 2013
Capital	USD 1.5 million (approx. JPY 150 million)
Investors	Idemitsu Kosan Co., Ltd., Idemitsu Lubricants America Corporation
Representative	Tomoyuki Kodama, President and Director
Products	Full ranges of automotive and motorcycle engine oils and industrial lubricants, and related products
Employees	12 (at the start of business operations, including two seconded employees)

Source: Idemitsu Kosan Co., Ltd.