



February 14, 2018

Press Release

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## Announcement on the Revisions to Consolidated Earnings Forecasts

**Idemitsu Kosan Co.,Ltd. (hereinafter, “we” or the “Idemitsu”) hereby announces that it has revised its consolidated earnings forecasts for the fiscal year ending March 31, 2018, previously announced on November 14, 2017, in light of recent operating trends, as follows:**

### 1. Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2018 (April 1, 2017-March 31, 2018)

(Units: JPY millions, JPY)

	Net Sales (JPY millions)	Operating Income (JPY millions)	Ordinary Income (JPY millions)	Net Income attributable to owners of the parent (JPY millions)	Net Income per Share (JPY)
Previous Forecast (A)	3,600,000	160,000	176,000	100,000	520.72
Revised Forecast (B)	3,650,000	206,000	230,000	160,000	856.38
Change (B-A)	+50,000	+46,000	+54,000	+60,000	
Change (%)	+1.4%	+28.8%	+30.7%	+60.0%	
(For Reference) Previous FY Results (FY 3/2017)	3,190,347	135,234	139,968	88,164	551.19

### 2. Reasons for the Revisions in Earnings Forecasts

We expect that net sales will increase relative to the previous forecast due to an increase in crude oil prices, among other factors.

Operating and ordinary income have also been revised upward due to the gains on inventory valuation, improved product margins in the petroleum products segment, and an increase in coal prices in the resources segment. While Idemitsu had not factored in inventory valuation in the previous forecast, we included expected inventory valuation gains of 28.0 billion yen in the revised operating income forecast.

In addition to the above, net income attributable to owners of the parent was further revised upward as a result of extraordinary gains from the sale of Idemitsu Petroleum UK Ltd. shares disclosed in “Announcement Concerning the Transfer of the upstream business in the UK North Sea” announced on October 18, 2017, as well as accompanying deductibles from losses arising in past fiscal years.

(Assumptions)

(Units: USD/bbl., USD/ton, JPY/USD)

	Previous Forecast	Revised Forecast	Change
Crude Oil Price (Dubai)	52.6	54.9	+2.3
Naphtha Price	490	513	+23
Exchange Rate	111.0	112.0	+1.0

Note) Current assumptions from February onward: crude oil price: \$60/bbl.; naphtha price: \$585/ton; foreign exchange rate: 110 JPY/USD.

### 3. Dividend Forecast

The forecasted fiscal year-end dividend remains unchanged at 40 yen per share.

\* The above earnings forecasts are based on information available as of the announcement date of this document. Actual results may differ from the forecasted figures due to various subsequent events.