April 21, 2020

Press Release

Idemitsu Kosan Co.,Ltd.

Announcement on Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending March 2020

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, 2020, previously announced on November 14, 2019, in light of recent operating performance and other factors, as follows:

1. Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2020 (April 1, 2019- March 31, 2020)

	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)	6,100,000	165,000	150,000	100,000	332.71
Current Forecast (B)	6,000,000	(5,000)	(15,000)	(25,000)	(83.18)
Change (B-A)	(100,000)	(170,000)	(165,000)	(125,000)	(415.89)
Change (%)	(1.6%)				
(For Reference) Previous FY Results (FY 3/2019)	4,425,144	179,319	169,121	81,450	401.63

Note) We have completed a share repurchase of 4,060,800 shares up to January 24, 2020. All repurchased shares cancelled on March 31,2020. This cancellation is reflected in the average number of shares for the purposes of calculating the net income per share figure in the consolidated earnings forecast for the fiscal year ending March 2020.

2. Reasons for the Revisions in Earnings Forecasts

We have revised our net sales forecast by 100 billion yen, to 6 trillion yen, mainly as a result of the sudden economic downturn due to widespread COVID-19 infection and a sharp decline in crude oil prices following the breakdown of talks among oil-producing countries aimed at reducing oil production. Our operating income forecast has been revised downward by 170 billion yen relative to the previously announced forecast, to a loss of 5 billion yen, mainly due to increased inventory losses in the petroleum segment and time lag effects from the sharp decline in crude oil prices (110 billion yen negative impact) as well as an expected decrease in petrochemical product margins. As a result, our forecast for net income attributable to owners of the parent has been revised downward by 125 billion yen relative to the previously announced forecast, to a loss of 25 billion yen.

(Segment Information)

(Units: JPY billions)

	Previous Forecast	Current Forecast	Change
Petroleum	31.0	(110.0)	(141.0)
(inventory impact)	*(28.0)*	*(90.0)*	*(62.0)*
(Excluding inventory impact)	*59.0*	*(20.0)*	*(79.0)*
Basic Chemicals	45.0	11.0	(34.0)
Functional Materials	31.0	31.0	0
Power and Renewable Energy	(4.0)	(4.0)	0
Resources	42.0	42.0	0
(Oil Exploration and Production)	*14.0*	*18.0*	*4.0*
(Coal)	*28.0*	*24.0*	*(4.0)*
Others/Reconciliation	(5.0)	0	5.0
Total	140.0	(30.0)	(170.0)

Note) Segment income (Total of operating income and equity earnings (losses) of affiliates)

3. Dividend Forecast
   The fiscal year-end dividend forecasts remain unchanged at ¥80/share (total annual dividend forecast: ¥160/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.