

To whom it may concern

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Announcement of Revisions in the Financial Forecasts for FY2018

In view of recent trends in performance, Showa Shell Sekiyu K.K. has revised the financial forecasts, previously released on 9 August 2018 as follows:

1 Revisions in the forecast of consolidated financial results for FY2018 (From 1 January 2018 to 31 March 2019)

	Sales	Operating income	Ordinary income	Net income attributable to owners of the Parent	Net income per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Last announcement (A)	3,200,000	158,000	160,000	100,000	265.51
Revised forecast (B)	3,000,000	75,000	80,000	25,000	66.60
Change (B-A)	△200,000	△83,000	△80,000	△75,000	
Change (%)	△6.3	△52.5	△50.0	△75.0	
(Reference) Financial result for FY2017	2,045,936	78,477	92,973	42,751	113.51

(Note) Figures of “Last announcement” and “Revised forecast” are based on the accounting period for 15 months from 1 January 2018 to 31 March 2019, and figures of “Financial result for FY2017” are based on the accounting period for 12 months from 1 January 2017 to 31 December 2017.

2 Revisions in the forecast of non-consolidated financial results for FY2018 (From 1 January 2018 to 31 March 2019)

	Sales	Ordinary income	Net income	Net income per share
	Million Yen	Million Yen	Million Yen	Yen
Last announcement (A)	3,000,000	146,000	99,000	262.82
Revised forecast (B)	2,900,000	80,000	5,000	13.32
Change (B-A)	△100,000	△66,000	△94,000	
Change (%)	△3.3	△45.2	△94.9	
(Reference) Financial result for FY2017	1,908,970	87,488	48,092	127.67

(Note) Figures of “Last announcement” and “Revised forecast” are based on the accounting period for 15 months from 1 January 2018 to 31 March 2019, and figures of “Financial result for FY2017” are based on the accounting period for 12 months from 1 January 2017 to 31 December 2017.

3 Reasons for the revision

Compared to our earlier forecasts released on 9 August 2018, consolidated and non-consolidated operating income, ordinary income and net income are expected to decrease due to the negative impact on inventory valuation from unexpected decreases in crude oil prices and declining average unit sales price caused by the stiffening price competition in the market for solar panels. The relevant consolidated ordinary income excluding the impact of inventory valuation is expected to total 80 billion yen for FY2018.

The above forecasts are based on Dubai crude oil price at 60 US dollars per barrel and exchange rate at 110 yen per dollar for the period from January 2019 to March 2019.

(Note)

The business forecasts above are based on the information available as of the date of the press release of the document, which include various risks and uncertainties. Actual results could differ from the business forecasts due to changes in economic conditions, market trends, exchange rate and other factors.