

To whom it may concern

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Announcement of Revisions in the Financial Forecasts for the Second Quarter ended on 30 June 2018

In view of recent trends in performance, Showa Shell Sekiyu K.K. has revised the financial forecasts for the second quarter ended on 30 June 2018, previously released on 9 May 2018 as follows:

1 Revisions in the forecast of consolidated financial results for the second quarter ended on 30 June 2018 (From 1 January 2018 to 30 June 2018)

	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)	1,040,000	38,000	38,000	26,000	69.03
Revised forecasts (B)	1,222,000	73,000	75,000	46,000	123.56
Change (B-A)	182,000	35,000	37,000	20,000	
Change (%)	17.5	92.1	97.4	76.9	
(Reference) Second quarter results 2017	947,473	23,362	27,323	16,046	42.61

2 Revisions in the forecast of non-consolidated financial results for the second quarter ended on 30 June 2018 (From 1 January 2018 to 30 June 2018)

	Sales	Ordinary income	Net income	Net income per share
	Million Yen	Million Yen	Million Yen	Yen
Last announcement (A)	970,000	35,000	23,000	61.07
Revised forecasts (B)	1,150,000	74,000	51,000	135.86
Change (B-A)	180,000	39,000	28,000	
Change (%)	18.6	111.4	121.7	
(Reference) Second quarter results 2017	882,442	33,301	22,381	59.43

3 Reasons for the revision

Compared to our earlier forecasts released on 9 May 2018, consolidated and non-consolidated sales, operating income, ordinary income and net income for the second quarter are expected to increase due to the positive impact on inventory valuation from unexpected increases in crude oil prices and improved margins for petroleum products. The relevant consolidated ordinary income excluding the impact of the inventory valuation is expected to total ¥55.0 billion for the second quarter.

The Company has not revised forecasts of consolidated and non-consolidated financial results for the accounting period ending on 31 March 2019, but will promptly disclose revisions of financial forecasts if necessary.

(Note)

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