

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 May 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)	2,600,000	98,000	98,000	66,000	175.24
Revised forecast (B)	3,200,000	158,000	160,000	100,000	265.51
Change (B-A)	600,000	60,000	62,000	34,000	
Change (%)	23.1	61.2	63.3	51.5	
(Reference) Financial result for FY2017	2,045,936	78,477	92,973	42,751	113.51

(Note) Figures of “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)	2,450,000	80,000	52,000	138.07
Revised forecast (B)	3,000,000	146,000	99,000	262.82
Change (B-A)	550,000	66,000	47,000	
Change (%)	22.4	82.5	90.4	
(Reference) Financial result for FY2017	1,908,970	87,488	48,092	127.67

(Note) Figures of “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 May 2018, consolidated and non-consolidated sales, operating income, ordinary income and net income 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 ¥129.0 billion for FY2018.

The above forecasts are based on Dubai crude oil price at US\$75 per barrel and exchange rate at ¥110 per dollar for the period from July 2018 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, and 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.