



(English Translation)

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To whom it may concern

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**Announcement of revisions in the forecast for the year-end dividends  
(dividend increase) for fiscal year 2018**

Showa Shell Sekiyu K.K. has announced that the Board of Directors resolved at the meeting held today to revise the year-end dividends for fiscal year 2018 detailed as below.

As we announced in the released document on July 10, 2018, “Announcement Regarding Execution of Business Integration Agreement”, the extraordinary general meeting of shareholders is scheduled to be held in December 2018 in executing the business integration with Idemitsu Kosan. The year-end dividends will be officially decided at the extraordinary general meeting of shareholders.

**1. Reasons for the revision in the forecast for the year-end dividends**

In the Mid-Term Business Strategy formulated in 2017, the Company stated that further focus on “additional shareholder return” and “strategic investment for the future growth” as our basic policy of cash allocation.

As stated in the document “Announcement of Revisions in the Financial Forecasts for FY2018” released today, we expect a record-high profit for this accounting period with free cash flow far exceeding the original estimate. Given such circumstances, we decided to revise the year-end dividends for fiscal year 2018 upward by 53.5 yen/share from 31.5 yen/share to 85 yen/share as an additional shareholder return based on the Mid-Term Business Strategy. Total dividends per share for fiscal year 2018 will be 106 yen/share together with the interim dividend of 21 yen/share.

If the year-end dividends is resolved at the extraordinary general meeting of shareholders to be held in December 2018 at the level announced in the document released today, “Announcement Regarding Share Repurchase”, total payout ratio will be around 50% for fiscal year 2018.

## 2. Details of the revision

	Dividend per share					
	End of 1 <sup>st</sup> quarter	End of 2 <sup>nd</sup> quarter	End of 3 <sup>rd</sup> quarter	End of 4 <sup>th</sup> quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen	Yen
Last announcement (Released on Feb 14, 2018)	—	—	—	—	31.50	52.50
Revised forecast			—	—	85.00	106.00
Actual dividends (for fiscal year 2018)	—	21.00				
Actual dividends (for fiscal year 2017)	—	19.00	—	—	21.00	40.00

(Notes) A partial amendment to the Articles of Incorporation was approved at the 106th Annual General Meeting of Shareholders held on March 28, 2018, recording dates of interim dividend and year-end dividend have been changed since the year-end dividends for the Company's 107<sup>th</sup> business year, which is the elapsed period of the business year change.  
The dividend forecast for the fiscal year 2018 is based on the accounting period for 15 months, as the change of accounting period was approved at the Annual General Meeting of Shareholders held on March 28, 2018.

End