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Press Release

Company Name: Idemitsu Kosan Co.,Ltd.
Representative Director & Chief Executive Officer: Shunichi Kito
(Company Code: 5019, TSE, First Sect.)
Contact person:
Koji Tokumitsu, General Manager, Investor Relations Office, Treasury Department
(TEL: +81-3-3213-9307)

Announcement on Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending March 2019

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, 2019, previously announced on May 15, 2018, in light of recent operating trends and other factors, as follows:

1. Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2019 (April 1, 2018-March 31, 2019)

(Units: JPY millions, JPY)

	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)	3,900,000	154,000	170,000	103,000	495.31
Current Forecast (B)	4,280,000	220,000	250,000	140,000	692.41
Change (B-A)	+380,000	+66,000	+80,000	+37,000	
Change (%)	+9.7%	+42.9%	+47.1%	+35.9%	
(For Reference) Previous FY Results (FY 3/2018)	3,730,690	201,323	226,316	162,307	845.17

Note) We plan to execute a share repurchase of up to 12 million shares on December 28, 2018. This repurchase 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 2019

2. Reasons for the Revisions in Earnings Forecasts

We expect that net sales will increase relative to the precious forecast due to an increase in crude oil prices, among other factors.

The operating income forecast has been revised upward mainly due to inventory revaluation gains, improved margins in the petroleum products segment, and increased coal prices in the resources segment. While the previous forecast did not include the impact of inventory revaluation, the revised operating income forecast includes ¥22.5 billion in inventory revaluation gains.

The ordinary income forecast has also been revised upward due to an increase in equity method investment income, in addition to the above.

As a result, the forecast for net income attributable to owners of the parent has been revised upward.

(Assumptions)

(Units: USD/bbl., USD/ton, JPY/USD)

	Previous Forecast	Revised Forecast	Change
Crude Oil Price (Dubai)	65.0	70.5	+5.5
Naphtha Price	602	633	+31
Exchange Rate	110.0	110.0	0.0

Note) Revised assumptions from July 2018 onward: crude oil price: $70/bbl.; naphtha price: $638/ton, exchange rate: 110 JPY/USD

3. Dividend Forecast
   The interim and fiscal year-end dividend forecasts each remain unchanged at ¥50/share (total annual dividend forecast: ¥100/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.