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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 Full-year Earnings Forecasts for the Fiscal Year Ending March 2019

Idemitsu Kosan Co.,Ltd. (hereinafter, "we" or "Idemitsu") hereby announces that it has revised its consolidated earnings forecasts for the fiscal year ending March 31, 2019, previously announced on August 14, 2018, in light of recent operating trends among 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)	4,280,000	220,000	250,000	140,000	690.34
Revised Forecast (B)	4,270,000	169,000	163,000	60,000	295.86
Change (B-A)	(10,000)	(51,000)	(87,000)	(80,000)	
Change (%)	(0.2)	(23.2)	(34.8)	(57.1)	
(For Reference) Previous FY Results (FY 3/2018)	3,730,690	201,323	226,316	162,307	845.17

2. Reasons for the Revisions in Earnings Forecasts

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

The operating income forecast has been revised downward mainly due to a decrease in inventory valuation gains and reduced margins in the petroleum products segment. While the previous forecast included ¥22.5 billion in inventory valuation gains, the currently revised operating income forecast does not include any valuation gain/loss.

The ordinary income forecast has also been revised downward due to a decrease in equity in earnings of affiliates.

Our forecast for net income attributable to owners of the parent has been revised downward due to an increase in business integration costs, in addition to the above factors.

(Assumptions)

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

	Previous Forecast	Revised Forecast	Change
Crude Oil Price (Dubai)	70.5	68.4	(2.1)
Naphtha Price	633	619	(14)
Exchange Rate	110.0	111.6	+1.6

Note) Revised assumptions from January 2019 onward: crude oil price: $60/bbl.;
naphtha price: $522/ton, exchange rate: 110 JPY/USD

3. Dividend Forecast

The fiscal year-end dividend forecast remains unchanged at ¥50/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.