Presentation on Results for the 2nd Quarter FY2020

November 10,2020

Idemitsu Kosan Co.,Ltd.

Summary of Financial Results

FY2020 2Q Financial overview

- ✓ Operating losses were reported in FY2020 2Q mainly due to inventory impact
- ✓ Segment income excluding inventory impact decreased by ¥37.1 billion year-on-year, due to a continued decrease in demand following the COVID-19 pandemic and increased losses from NSRP

[¥ billions]

	FY2019 2Q	FY2020 2Q	Change
Operating Income + Equity Income	**48.7**	**(25.1)**	**(73.9)**
Inventory impact	***(21.0)***	***(57.7)***	***(36.7)***
Excluding inventory impact	***69.7***	***32.6***	***(37.1)***
Net Income Attributable to Owners of the Parent	**45.3**	**(32.1)**	**(77.5)**
Excluding inventory impact	***59.9***	***7.9***	***(52.0)***

FY2020 dividend forecasts

Interim:60, FY end: 60 , FY total: 120

* No changes from the previous announcement

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Summary of Financial Results

FY2020 Forecast overview

- ✓ The operating income outlook for FY2020 was revised to reflect ¥50 billion in inventory impact losses, as the initial forecast assumed a Dubai crude oil price of $40/bbl
- ✓ The forecast for segment income excluding inventory impact was revised upward to reflect recovery in economic activity

[¥ billions]

	5/26 Forecast	Revised Forecast	Change
Operating Income + Equity Income	**25.0**	**(5.0)**	**(30.0)**
Inventory impact	***0.0***	***(50.0)***	***(50.0)***
Excluding inventory impact	***25.0***	***45.0***	***20.0***
Net Income Attributable to Owners of the Parent	**5.0**	**(20.0)**	**(25.0)**
Excluding inventory impact	***5.0***	***15.0***	***10.0***

Revision of the Medium-term Plan

- ✓ Idemitsu plans to announce a revised medium-term plan (for FY2021-2022) which reflects recent changes in the operating environment, revisions of Basic Energy Plan and impact of the COVID-19 pandemic.

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Key Topics

Impact of COVID 19 Pandemic on Idemitsu's Operations

- ✓ While sales of the 4 core products recovered to about 90% year-on-year in Jul-Sep, jet fuel remained at about 40% of the previous year

	1Q	2Q	1H	2H Forecast
4 Core Products	**87.8**	**89.9**	**88.8**	**97.6**
Jet Fuel	**23.5**	**43.1**	**32.2**	**44.9**

[%]

*Sales growth rate (year on year)

- ✓ Idemitsu continues to face a difficult operating environment, with weakness in the basic chemicals market, a decease in resource prices, and reduced demand for functional materials since the beginning of the fiscal year

Status of Nghi Son Refinery in Vietnam

- ✓ Refinery operations have continued to be stable after the completion of facilities inspections and repairs/maintenance work at the end of last year
- ✓ Profits have improved since 1Q (Jan-Mar) as crude oil prices began to increase in 2Q (Apr-Jun), leading to gain from inventory impact

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Initiatives Amid the COVID-19 Pandemic

Cost Reduction	• Savings of ¥5 billion relative to 1H last year due to elimination of unnecessary spending • Forecasting ¥10 billion reduction for the full-year compared to last year through continued strengthening of expense control and focused initiatives to enhance operational efficiency and competitiveness
Reduction in Invest-ments	• Re-evaluate investment in light of the operating environment; ¥20 billion reduction (based on expenditures) vs. plan for the fiscal year through delays and size reductions of maintenance projects • Take this as an opportunity to revamp the operating structure; consider investments in growth and next-generation businesses
Stable Supply while Preventing Infection	• Engage in committed infection prevention measures in each Idemitsu Group manufacturing/logistics/sales location to ensure continued stable supply of petroleum products, etc. • Conduct regular repair/maintenance work required by law or for safety while engaging in infection prevention measures (reduce scope of construction, etc.) in 3 Group refineries/offices during 1H
Work Style Reforms/ Acceleration of Digitalization	• In addition to infection prevention measures, take this as an opportunity to promote work style reforms, continuing to adapt to flexible working formats (1H average office attendance: about 30% ※head office and branch) • Go beyond work at home to launch specific initiatives in various areas, including improvement of maintenance operations at refineries and promotion of digital marketing

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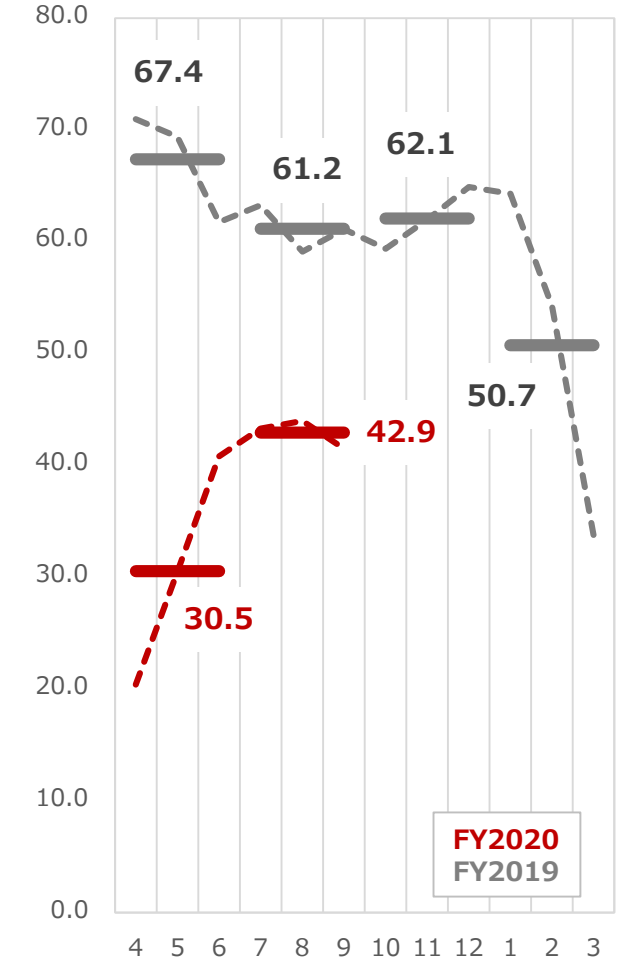
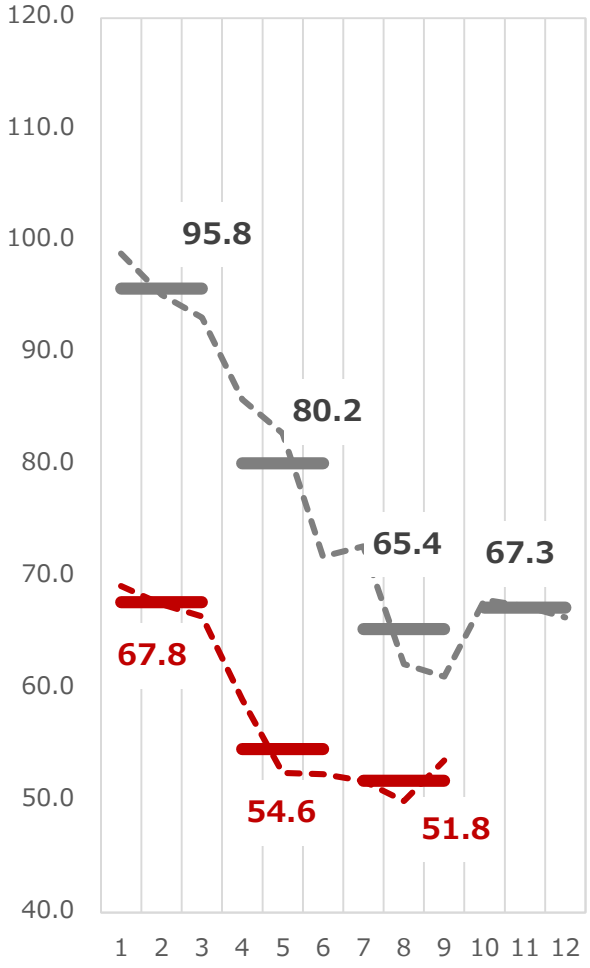
Operating Environment

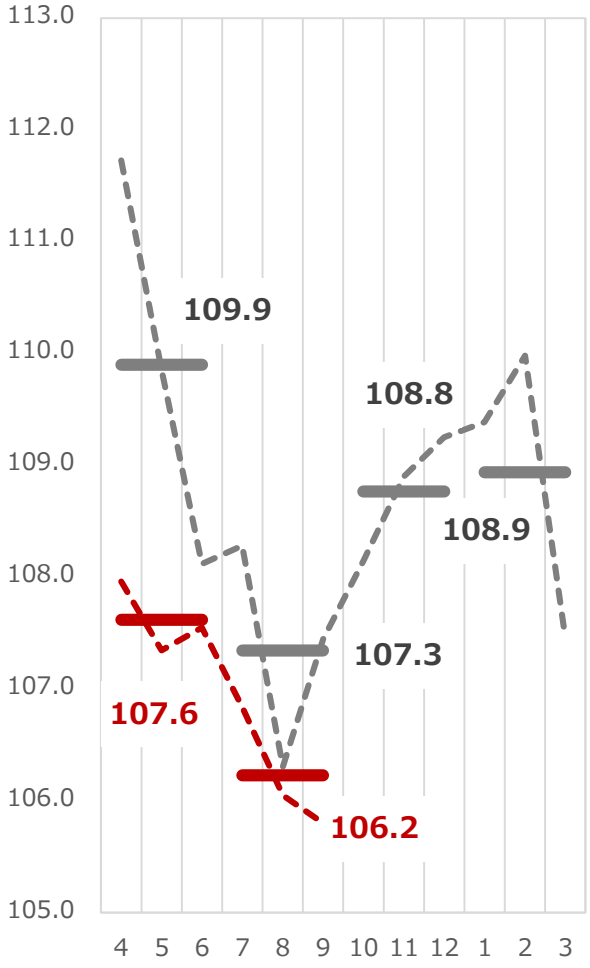
Dubai Crude Oil Price



Australian Coal Spot price



Exchange Rate (USD)



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Overview

Crude Oil / Coal / Exchange Rates

[USD/bbl, USD/ton, JPY/USD]

	FY2019 2Q	FY2020 2Q	Change	
Crude Oil (Dubai)	64.3	36.7	(27.5)	(42.8%)
Crude Oil (Brent)*	66.0	39.7	(26.3)	(39.9%)
Thermal Coal *	88.1	61.2	(26.9)	(30.5%)
Exchange Rate (TTM)	108.6	106.9	(1.7)	(1.6%)

*Brent prices and thermal coal prices are averages based on the calendar year (January-June).

Consolidated Income Statement (Summary)

[¥ billions]

	FY2019 2Q	FY2020 2Q	Change	
Net Sales	3,000.0	2,015.7	(984.3)	(32.8%)
Operating Income	60.3	3.1	(57.2)	(94.8%)
Inventory impact	*(21.0)*	*(57.7)*	*(36.7)*	–
Equity Income	(11.6)	(28.3)	(16.7)	–
Operating Income + Equity Income	**48.7**	**(25.1)**	**(73.9)**	**–**
Excluding inventory impact	***69.7***	***32.6***	***(37.1)***	***(53.3%)***
Ordinary Income	53.1	(25.8)	(78.9)	–
Extraordinary Gain/Loss	15.8	(7.2)	(23.0)	–
Net Income Attributable to Owners of the Parent	**45.3**	**(32.1)**	**(77.5)**	**–**
Excluding inventory impact	***59.9***	***7.9***	***(52.0)***	***(86.8%)***

※Gross average method of inventory valuation
※"Inventory impact" represents the impact of inventory valuation and the reduction in book value of inventory assets

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Segment Information

Operating Income + Equity Income

[¥ billions]

	FY2019 2Q	FY2020 2Q	Change	
Petroleum	**(5.5)**	**(30.3)**	**(24.8)**	**–**
Excluding inventory impact	*15.4*	*27.3*	*11.9*	*77.3%*
Basic Chemicals	**14.3**	**(2.0)**	**(16.3)**	**–**
Functional Materials	**13.7**	**6.2**	**(7.5)**	**(54.8%)**
Power and Renewable Energy	**0.4**	**(0.5)**	**(0.9)**	**–**
Resources*	**26.4**	**3.6**	**(22.8)**	**(86.3%)**
Oil Exploration and Production	*8.6*	*2.5*	*(6.2)*	*(71.3%)*
Coal	*17.8*	*1.1*	*(16.7)*	*(93.6%)*
Others/Reconciliation	**(0.6)**	**(2.1)**	**(1.5)**	**–**
Total	**48.7**	**(25.1)**	**(73.9)**	**–**
Excluding inventory impact	***69.7***	***32.6***	***(37.1)***	***(53.3%)***

*Fiscal years for Australian coal operations and Oil Exploration and Production included in the Resources Business end in December

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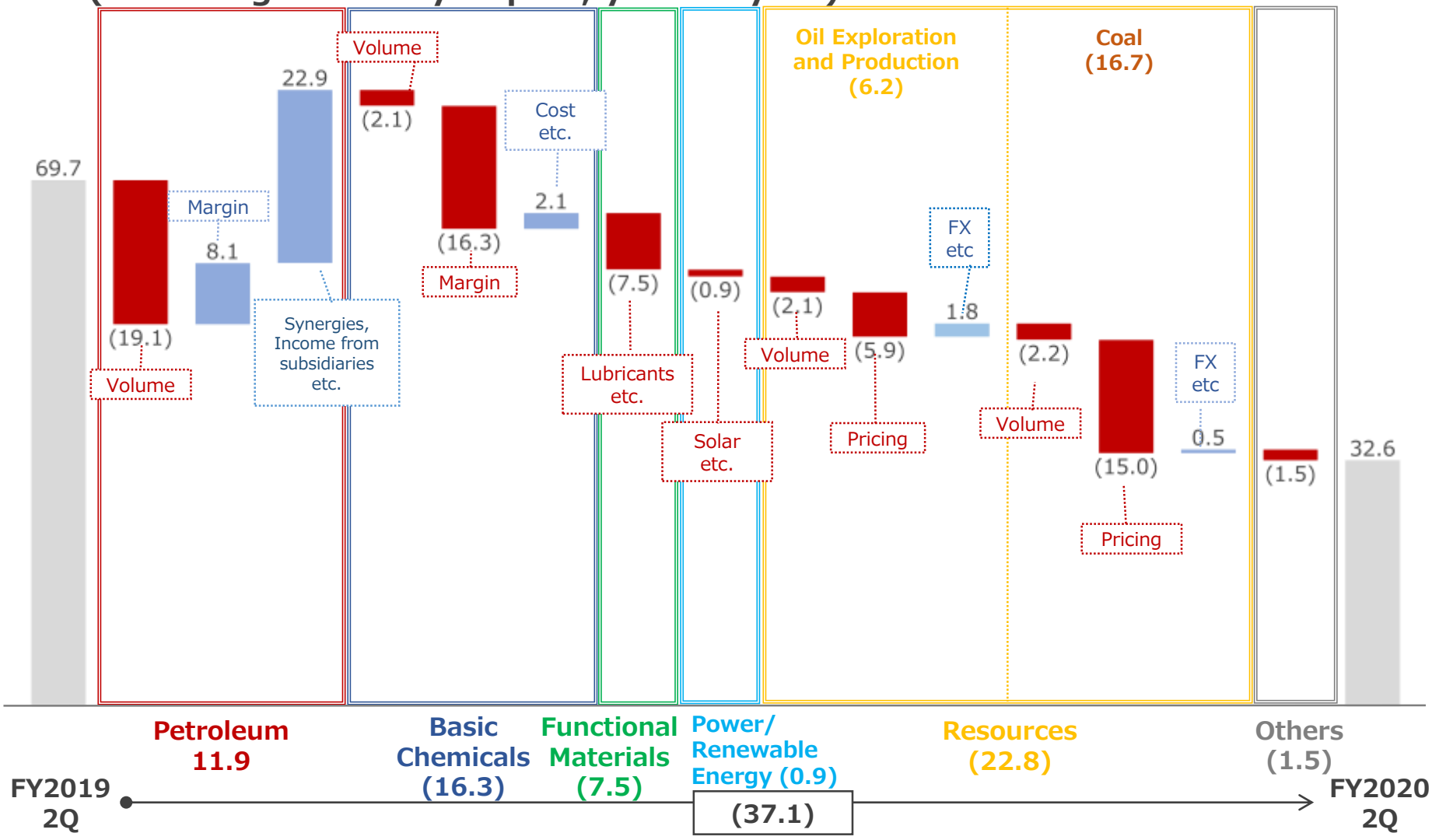
Segment Information

■ Factors Affecting Operating Income + Equity Income (excluding inventory impact, year on year)

[¥ billions]



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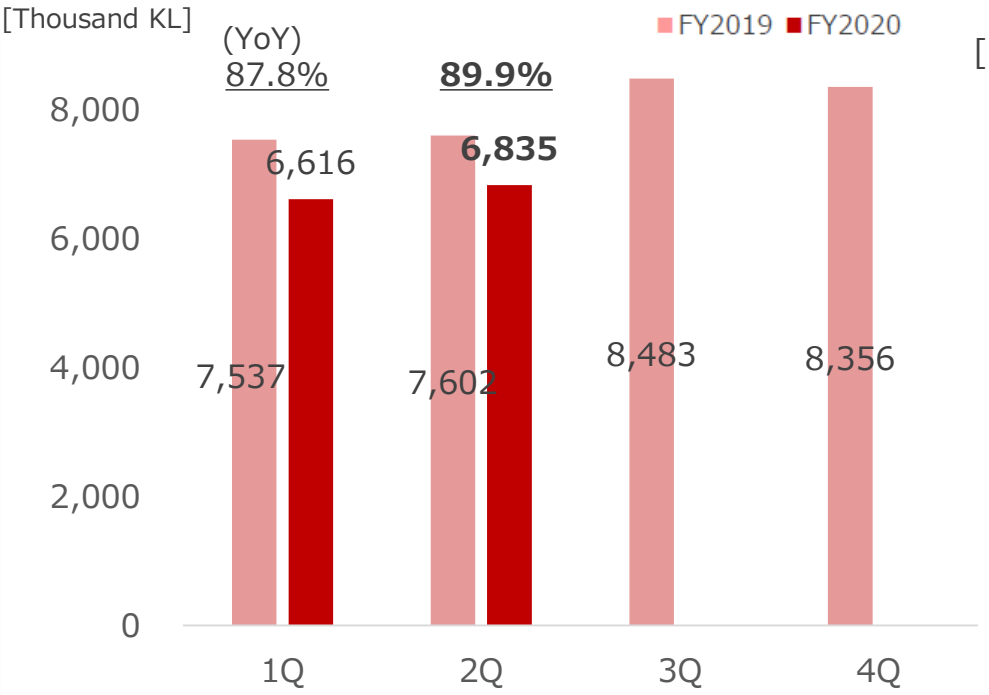
Segment Information

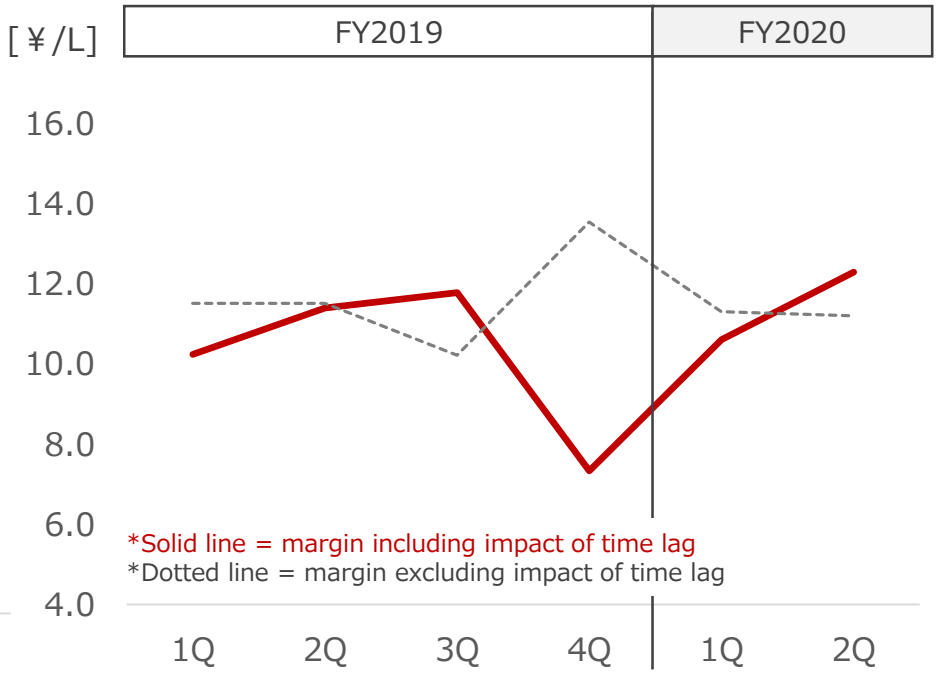
[Petroleum] YoY ¥11.9 bn (FY19 2Q : ¥15.4 bn ➡ FY20 2Q : ¥27.3 bn)

<Year-on-year Change in Petroleum sales volume (4 Core Products)>



<Trends in Domestic Petroleum Product Margins*>

*Average of gasoline, diesel oil, kerosene, and heavy oil A margins (domestic spot –crude oil)



- ✓ Sales volume of core products such as gasoline and diesel oil decreased due to decrease demand amid the COVID-19 pandemic
- ✓ Refining margins improved on a year-on-year basis
- ✓ Integration synergies and income from subsidiaries exceeded the impact of equity losses and reduced jet fuel sales, leading to a year-on-year increase in segment income

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Segment Information

[Basic Chemicals] YoY- ¥16.3 bn (FY19 2Q : ¥14.3 bn ➡ FY20 2Q : -¥2.0 bn)

✓ Decreased due to reduced styrene monomer and paraxylene margins

Product	FY2019 2Q		FY2020 2Q		Change	
	Price	Margin	Price	Margin	Price	Margin
PX	860	**343**	520	**185**	(340)	**(158)**
MX	697	**180**	419	**90**	(278)	**(90)**
SM	1,037	**520**	634	**299**	(403)	**(221)**

[Functional Materials] YoY-¥7.5 bn (FY19 2Q : ¥13.7 bn ➡ FY20 2Q : ¥6.2 bn)

✓ Decreased due to decline in lubricants demand and weakened PC market following the COVID-19 pandemic

[Power/Renewable Energy] YoY-¥0.9 bn (FY19 2Q : ¥0.4 bn ➡ FY20 2Q : -¥0.5 bn)

✓ Profits from the power business were flat on a year-on-year basis
✓ Solar business was down due to the volume and unit prices decline which more than offset cost savings

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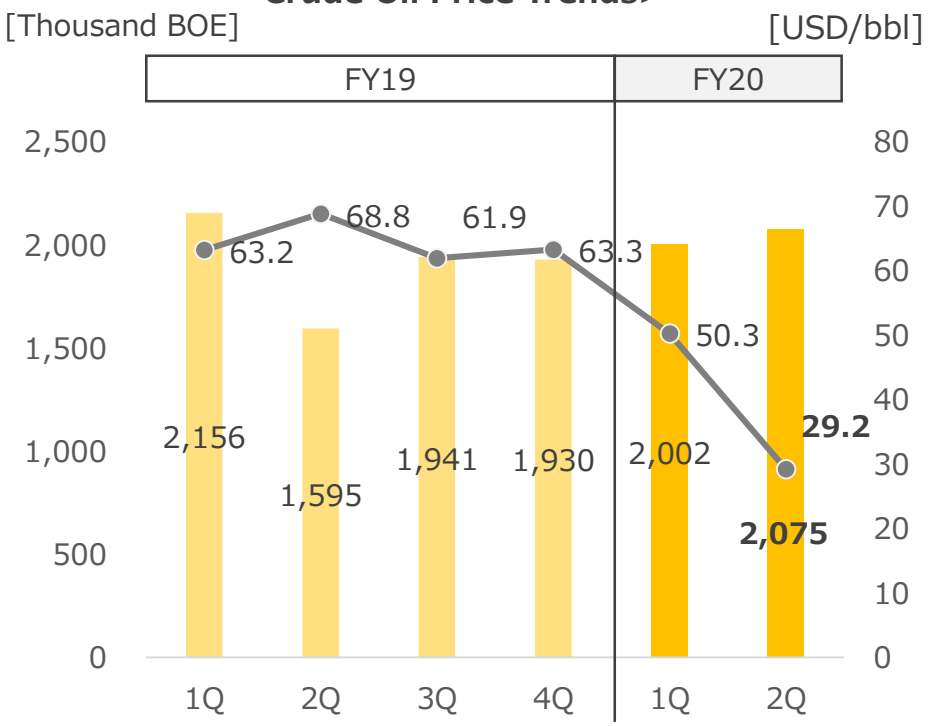
Segment Information

[Oil E&P] YoY -¥6.2 bn

(FY19 2Q : 8.6 bn ➡ FY20 2Q : 2.5 bn)

<Crude Oil Production Volume and Brent Crude Oil Price Trends>

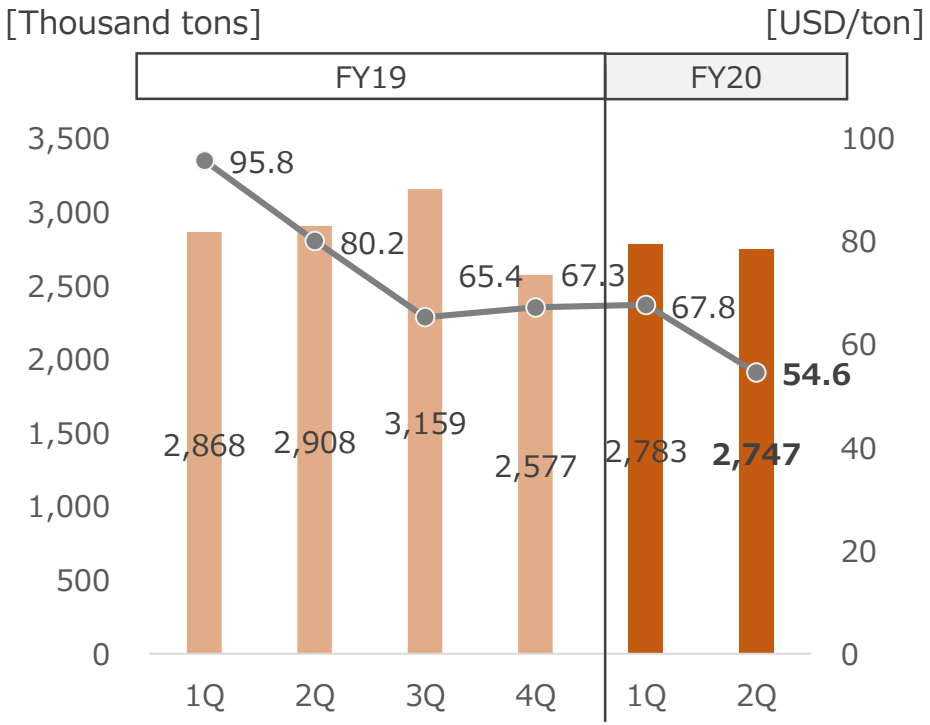


✓ Decrease in profits due to time lag in volume recognition and pricing factors resulting from a fall in crude oil prices

[Coal] YoY -¥16.7 bn

(FY19 2Q : 17.8 bn ➡ FY20 2Q : 1.1 bn)

<Coal Production Volume and Australian Coal Spot Price Trends>



✓ Decrease in profits due to pricing factors resulting from a weaker coal market

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Balance Sheet

[¥ billions]

	3/31/2020	6/30/2020	Change		3/31/2020	6/30/2020	Change
Cash and Deposits	132.2	105.0	(27.2)	Total Current Liabilities	1,648.4	1,531.7	(116.7)
Receivables, Inventory,etc.	1,418.1	1,274.5	(143.6)	Total Fixed Liabilities	1,038.0	1,044.6	6.7
Total Current Assets	1,550.3	1,379.5	(170.8)	Total Liabilities	2,686.4	2,576.4	(110.0)
Tangible Fixed Assets	1,478.1	1,490.7	12.6	Shareholders' Equity and Other Comprehensive Income	1,150.0	1,090.1	(59.9)
Other Fixed Assets	858.5	844.3	(14.2)	Noncontrolling Interests	50.6	48.0	(2.5)
Total Fixed Assets	2,336.6	2,335.0	(1.6)	Total Net Assets	1,200.6	1,138.1	(62.4)
Total Assets	3,886.9	3,714.5	(172.4)	Total Liabilities and Net Assets	3,886.9	3,714.5	(172.4)

Net D/E ratio	1.05	1.17	0.13
Total Interest - bearing Debt	1,336.3	1,383.9	47.6
Equity ratio	29.6%	29.3%	(0.2%)

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Statement of Cash Flows

[¥ billions]

Cash Flows from Operating Activities	**48.3**
Net income before tax	(33.1)
Depreciation expense	47.7
Change in working capital	94.1
Other	(60.4)
Cash Flows from Investing Activities	**(91.7)**
Purchase of tangible fixed assets	(70.4)
Other	(21.3)
Cash Flows from Financing Activities	**21.9**
Change in borrowings	51.4
Dividend payments	(23.8)
Other	(5.7)
Translation gains/losses	(5.0)
Change in cash and deposits	(26.5)
Cash and cash equivalents – Beginning balance	**129.3**
Cash and cash equivalents – Ending balance	**102.8**

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FY2020 1H: ESG Topics

Environment

1. **Entered into an agreement to supply 100% renewable energy including after-FIT power to metropolitan-owned facilities**
   https://www.idss.co.jp/news/2020/200821.html
2. **Cultivating sorghum for biomass power generation in idle areas of Ensham coal mines in Australia**
   https://www.idss.co.jp/news/2020/200903_1.html

Society

1. **Engaged in dialogue with suppliers based on the sustainable procurement policy**
2. **Formulated plans relating to diversity and inclusion efforts**
   - Established targets for success of female employees (number of females in managerial roles, % of females among new recruits, rate of use of paid absences)
   - Introduce HR system to permit employment until age 65

   https://www.idss.co.jp/news/2020/200401_1.html

Other

Achieved MSCI ESG rating of AA (Sep)

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Changes in Assumptions for 2020 Forecasts in Light of the COVID-19 Pandemic

<table>
<tr><th>Segment</th><th>Assumptions for May 26 Forecasts</th><th>Assumptions for Revised Forecasts</th></tr>
<tr><td>Petroleum</td><td>□ Reduction in fuel demand due to government requests to stay at home and decrease in economic activity
[Year-on-year change in sales volume]
<table><tr><th></th><th>Annual</th></tr><tr><td>Gasoline</td><td>(12%)</td></tr><tr><td>Kerosene</td><td>+7%</td></tr><tr><td>Diesel Oil</td><td>(8%)</td></tr><tr><td>Heavy Fuel Oil A</td><td>(10%)</td></tr><tr><td>Jet Fuel</td><td>(50%)</td></tr></table></td><td>□ <u>Recovery in domestic demand due to economic stimuli such as “Go To”</u>
[Year-on-year change in sales volume]
<table><tr><th></th><th>Annual Forecast</th><th>1H Result</th><th>2H Forecast</th></tr><tr><td>Gasoline</td><td><u>(10%)</u></td><td>(15%)</td><td><u>(5%)</u></td></tr><tr><td>Kerosene</td><td><u>+8%</u></td><td>(1%)</td><td><u>+11%</u></td></tr><tr><td>Diesel Oil</td><td><u>(8%)</u></td><td>(10%)</td><td><u>(5%)</u></td></tr><tr><td>Heavy Fuel Oil A</td><td><u>(6%)</u></td><td>(4%)</td><td><u>(7%)</u></td></tr><tr><td>Jet Fuel</td><td><u>(62%)</u></td><td>(68%)</td><td><u>(55%)</u></td></tr></table></td></tr>
<tr><td>Nghi Son Refinery</td><td>□ Minimal impact on fuel oil demand as restrictions on leaving home were lifted in Vietnam</td><td>□ <u>Infection under control in Vietnam but weaker markets due to slow demand recovery in Asia</u></td></tr>
<tr><td>Basic Chemicals</td><td>□ Sales volume to remain unchanged year-on-year; softer product markets due to worsening of supply/demand balance</td><td>□ <u>Further decrease in sales volume due to reduced demand and further weakening of product markets</u></td></tr>
<tr><td>Functional Materials</td><td>□ Lubricants: Decrease in sales volume and 10-20% decrease in exports due to reduced factory operation
□ Functional chemicals: Reduction in PC demand for automotives, etc.; weaker markets</td><td>□ <u>Lubricants: Demand on a recovery trend, particularly in Japan and North America</u>
□ <u>Functional chemicals: Both demand and markets on a recovery trend</u></td></tr>
<tr><td>Power/ Renewable Energy</td><td>□ Power: Limited impact as decrease in high voltage use offset by increase in low voltage use due to people staying at home
□ Solar: Reduction in factory capacity utilization due to reduction in sales volume</td><td>□ (No major change from previous announcement)</td></tr>
<tr><td>Oil E&P</td><td>□ Profit decrease due to fall in crude oil price; +10% production due to reversal of past one-time factors</td><td>□ <u>Some recovery in demand; increased crude oil price assumption; volume assumption unchanged</u></td></tr>
<tr><td>Coal</td><td>□ Reduced demand due to economic slowdown; production to remain flat despite fall in coal price</td><td>□ <u>Reduced coal price assumptions due to slow demand recover; volume assumption unchanged</u></td></tr>
</table>

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Overview

Crude Oil / Coal / Exchange Rates

[USD/bbl, USD/ton, JPY/USD]

	5/26 Forecast	Revised Forecast	Change		Assumptions (2nd half)
Crude Oil (Dubai)	25.0	38.4	13.4	53.6%	40.0
Crude Oil (Brent)*	30.0	42.6	12.6	42.0%	41.0
Thermal Coal *	55.0	56.6	1.6	2.9%	52.0
Exchange Rate (TTM)	105.0	106.0	1.0	0.9%	105.0

*Brent prices and thermal coal prices are averages based on the calendar year (January-December).

Consolidated Income Statement (Summary)

[¥ billions]

	5/26 Forecast	Revised Forecast	Change	
Net Sales	3,900.0	4,300.0	400.0	10.3%
Operating Income	60.0	35.0	(25.0)	(41.7%)
Inventory impact	*0.0*	*(50.0)*	*(50.0)*	–
Equity Income	(35.0)	(40.0)	(5.0)	–
Operating Income + Equity Income	**25.0**	**(5.0)**	**(30.0)**	**–**
Excluding inventory impact	***25.0***	***45.0***	***20.0***	***80.0%***
Ordinary Income	**30.0**	**(2.0)**	**(32.0)**	**–**
Extraordinary Gain/Loss	**(10.0)**	**(2.0)**	**8.0**	**–**
Net Income Attributable to Owners of the Parent	**5.0**	**(20.0)**	**(25.0)**	**–**
Excluding inventory impact	***5.0***	***15.0***	***10.0***	***200.0%***

※Gross average method of inventory valuation
※"Inventory impact" represents the impact of inventory valuation and the reduction in book value of inventory assets

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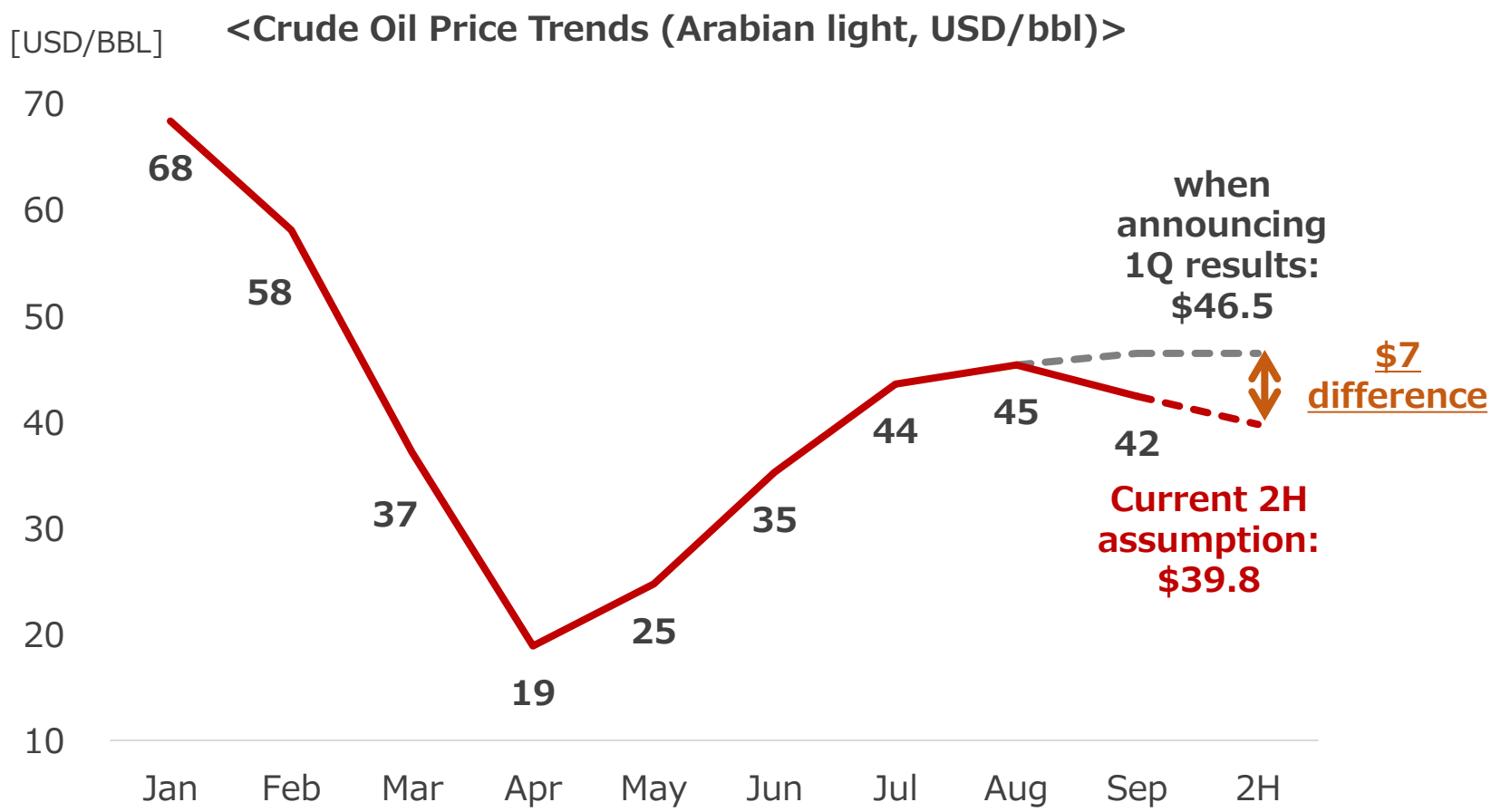
Inventory Impact



✓ When announcing 1Q results, we expected that inventory impact would be resolved by FY end. However, the $7/bbl reduction in the crude oil (Arabian light) price assumption led us to anticipate inventory valuation losses of about ¥50 billion in FY2020

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Segment Information

Operating Income + Equity Income

[¥ billions]

	5/26 Forecast	Revised Forecast	Change	
Petroleum	**35.0**	**(3.0)**	**(38.0)**	**–**
Excluding inventory impact	*35.0*	*47.0*	*12.0*	*34.3%*
Basic Chemicals	**0.0**	**(6.0)**	**(6.0)**	**–**
Functional Materials	**0.0**	**10.0**	**10.0**	**–**
Power and Renewable Energy	**(5.0)**	**(5.0)**	**0.0**	**–**
Resources*	(3.0)	2.0	5.0	–
Oil Exploration and Production	*(3.0)*	*4.0*	*7.0*	–
Coal	*0.0*	*(2.0)*	*(2.0)*	–
Others/Reconciliation	(2.0)	(3.0)	(1.0)	–
Total	25.0	(5.0)	(30.0)	–
Excluding inventory impact	*25.0*	*45.0*	*20.0*	*80.0%*

* Fiscal years for Australian coal operations and Oil Exploration and Production included in the Resources Business end in December

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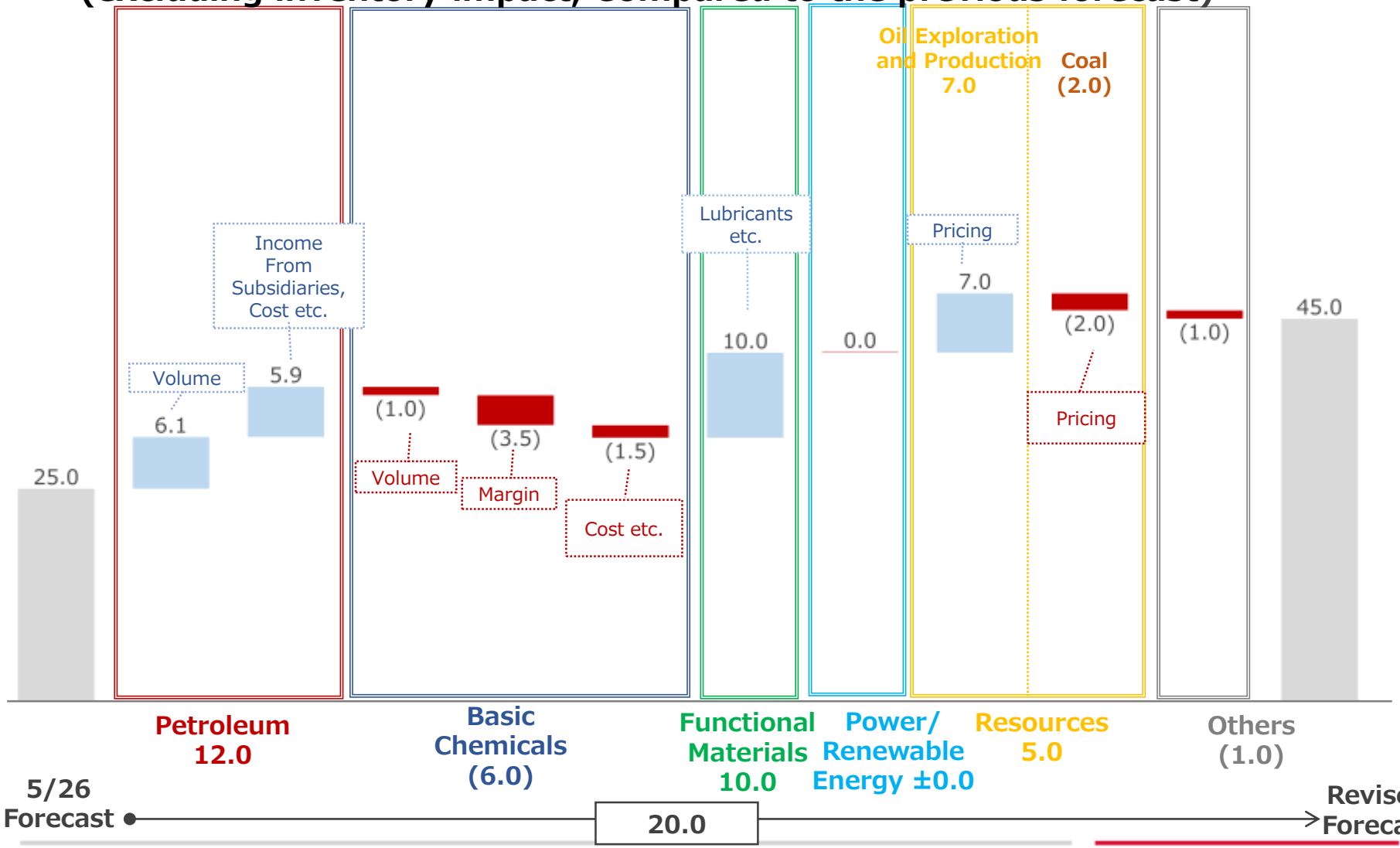
Segment Information

■ Factors Affecting Operating Income + Equity Income (excluding inventory impact, Compared to the previous forecast)

[¥ billions]



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Reference Materials

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Overview of the Company

Petroleum Segment

- Refining Capacity **945,000 BD** *1)
- Domestic fuel oil sales volume **41 million KL/year**
- Number of service stations **6,400**

Basic Chemicals Segment

(Production Capacity)

- Ethylene **1 mil tons/year**
- Paraxylene **1.42 mil tons/year** *2)
- Styrene monomers **0.79 mil tons/year**

Power and Renewable Energy Segment

- Power generation capacity **1.2GW**
  - Renewable energy **0.2GW**
- Solar panel production capacity **1GW/year**

Functional Materials Segment

(Lubricants, performance chemicals, electronic materials, functional asphalt, agricultural-biotechnology, solid electrolyte)

- Lubricants sales volume **1.2 mil KL/year** *3
- Performance chemicals production capacity
  Engineering plastics: **150,000 tons/year**
  Adhesive materials: **75,000 tons/year**
- OLED materials production capacity **10 tons/year**

Resources Segment

- Crude oil production **21,000 BD**
- Thermal coal production **12 mil tons/year**

***1 1,090,000 barrels/day when adding the refining capacity of Fuji Oil, Co.,Ltd with which a petroleum products trade agreement has been signed**

***2 Including mixed xylene production capacity**

***3 Lubricants sales volume excludes sales by Shell Lubricants Japan K.K.**

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Financial Data

Net Sales by Segment

[¥ billions]

	FY2019 2Q	FY2020 2Q	Change	
Petroleum	**2,368.8**	**1,570.7**	**(798.2)**	**(33.7%)**
Basic Chemicals	**234.3**	**144.0**	**(90.3)**	**(38.5%)**
Functional Materials	**196.0**	**155.4**	**(40.7)**	**(20.7%)**
Power and Renewable Energy	**64.3**	**62.2**	**(2.2)**	**(3.4%)**
Resources*	**135.6**	**82.3**	**(53.3)**	**(39.3%)**
Oil Exploration and Production	*26.0*	*12.3*	*(13.8)*	*(52.9%)*
Coal	*109.6*	*70.1*	*(39.5)*	*(36.1%)*
Others/Reconciliation	**1.0**	**1.2**	**0.3**	**26.4%**
Total	**3,000.0**	**2,015.7**	**(984.3)**	**(32.8%)**

*Fiscal years for Australian coal operations and Oil Exploration and Production included in the Resources Business end in December

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Financial Data

Quarterly segment income (accumulated、excluding inventory impact)

[¥ billions]

	FY2019 1Q	FY2019 2Q	FY2019 3Q	FY2019	FY2020 1Q	FY2020 2Q
Petroleum	3.5	15.4	26.1	(20.1)	(9.4)	27.3
Equity income	(2.7)	(14.9)	(26.0)	(32.7)	(27.2)	(28.8)
Basic Chemicals	5.9	14.3	18.0	11.9	0.1	(2.0)
Equity income	0.4	0.9	1.1	1.6	0.3	0.4
Functional Materials	6.4	13.7	20.2	28.4	4.8	6.2
Equity income	0.4	0.8	1.2	1.9	0.1	(0.3)
Power and Renewable Energy	0.8	0.4	(0.5)	(0.5)	0.1	(0.5)
Equity income	0.0	(0.0)	0.3	0.6	(0.1)	(0.2)
Resources						
-Oil Exploration and Production	6.7	8.6	12.2	17.8	2.2	2.5
Equity income	–	–	–	–	–	–
-Coal	9.5	17.8	22.3	24.0	1.0	1.1
Equity income	0.1	0.4	0.7	0.9	0.4	0.7
Others/Reconciliation	(1.8)	(0.6)	(1.5)	1.5	(1.9)	(2.1)
Equity income	0.6	1.3	1.9	5.4	(0.4)	(0.0)
Total	31.1	69.7	96.7	63.1	(3.1)	32.6
Equity income	(1.3)	(11.6)	(20.7)	(22.4)	(26.7)	(28.3)

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Sales and Production

Sales Volume(Petroleum Segment)

[Thousand KL,%]

	FY 2019 2Q	FY 2020 2Q	Change	
Gasoline	7,385	6,308	(1,077)	(14.6%)
Naphtha	115	162	47	41.2%
Jet Fuel	2,626	844	(1,782)	(67.8%)
Kerosene	985	971	(14)	(1.4%)
Diesel Oil	5,343	4,799	(544)	(10.2%)
Heavy Fuel Oil A	1,426	1,372	(54)	(3.8%)
Heavy Fuel Oil C	1,504	1,467	(37)	(2.5%)
Toal Domestic Sales Volume	**19,385**	**15,924**	**(3,461)**	**(17.9%)**
Exported Volume	1,709	768	(941)	(55.1%)
Total Sales Volume	**21,093**	**16,692**	**(4,401)**	**(20.9%)**

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Sales and Production

Sales Volume (Basic Chemicals Segment)

[Thousand tons,%]

	FY 2019 2Q	FY 2020 2Q	Change	
Basic Chemicals	2,148	1,975	(173)	(8.1%)

※There was an error in FY2019 2Q figure released last year, which has corrected as above.

Sales Volume (Functional Materials Segment)

[Thousand KL, Thousand tons,%]

	FY 2019 2Q	FY 2020 2Q	Change	
Lubricants	605	476	(129)	(21.3%)
Performance Chemicals	314	301	(13)	(4.3%)

*Includes sales of overseas licenses
*Lubricant oil sales volume excludes sales by Shell Lubricants Japan K.K.

Sales Volume (Power and Renewable Energy Segment)

[Million kWh,%]

	FY 2019 2Q	FY 2020 2Q	Change	
Retail Power Sales	1,354	1,759	405	29.9%

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Sales and Production

Oil E&P – Production Volume, including Gas (Resources Segment)

[Thousand BOED,%]

	FY 2019 2Q	FY 2020 2Q	Change	
Norway	20.7	22.4	1.7	8.2%
Total('000BOE)	3,751	4,077	326	8.7%

*Figures based on interest owned by Idemitsu's resource development subsidiaries

Coal – Production Volume (Resources Segment)

[Thousand tons,%]

	FY 2019 2Q	FY 2020 2Q	Change	
Ensham	2,024	2,117	92	4.6%
Muswellbrook	535	426	(109)	(20.3%)
Boggabri	2,605	2,276	(329)	(12.6%)
Sub Total	**5,164**	**4,819**	**(345)**	**(6.7%)**
Malinau	612	712	99	16.2%
Total Production Volume	**5,776**	**5,530**	**(246)**	**(4.3%)**

*Figures based on interest owned by Idemitsu Group
*Fiscal years for Oil Exploration and Production and Coal operations end in December

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Sales and Production - Forecast

Sales Volume(Petroleum Segment)

[Thousand KL,%]

	FY 2019	Revised Forecast	Change	
Gasoline	14,119	12,710	(1,409)	(10.0%)
Naphtha	265	280	15	5.5%
Jet Fuel	4,979	1,900	(3,079)	(61.8%)
Kerosene	3,940	4,250	310	7.9%
Diesel Oil	10,585	9,780	(805)	(7.6%)
Heavy Fuel Oil A	3,335	3,150	(185)	(5.5%)
Heavy Fuel Oil C	3,332	3,190	(142)	(4.3%)
Toal Domestic Sales Volume	**40,554**	**35,260**	**(5,294)**	**(13.1%)**
Exported Volume	3,811	4,210	399	10.5%
Total Sales Volume	**44,365**	**39,470**	**(4,895)**	**(11.0%)**

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Sales and Production - Forecast

Sales Volume (Basic Chemicals Segment)

[Thousand tons,%]

	FY 2019	Revised Forecast	Change	
Basic Chemicals	4,065	3,760	(305)	(7.5%)

Sales Volume (Functional Materials Segment)

[Thousand KL, Thousand tons,%]

	FY 2019	Revised Forecast	Change	
Lubricants	1,192	1,070	(122)	(10.2%)
Performance Chemicals	620	610	(10)	(1.6%)

*Includes sales of overseas licenses
*Lubricant oil sales volume excludes sales by Shell Lubricants Japan K.K.

Sales Volume (Power and Renewable Energy Segment)

[Million kWh,%]

	FY 2019	Revised Forecast	Change	
Retail Power Sales	2,903	3,500	597	20.6%

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Sales and Production - Forecast

Oil E&P Production Volume, including Gas (Resources Segment)

[Thousand BOED,%]

	FY 2019	Revised Forecast	Change	
Norway	20.9	22.9	2.0	9.7%
Vietnam	0.0	0.3	0.3	–
Total('000BOED)	20.9	23.2	2.3	10.9%
Total('000BOE)	7,622	8,460	838	10.9%

*Figures based on interest owned by Idemitsu's resource development subsidiaries

Coal Production Volume (Resources Segment)

[Thousand tons,%]

	FY 2019	Revised Forecast	Change	
Ensham	4,144	4,450	306	7.4%
Muswellbrook	1,177	1,180	3	0.3%
Boggabri	4,935	5,240	305	6.2%
Sub Total	**10,256**	**10,870**	**613**	**6.0%**
Malinau	1256	1,200	(56)	(4.5%)
Total Production Volume	**11,513**	**12,070**	**557**	**4.8%**

*Figures based on interest owned by Idemitsu Group
*Fiscal years for Oil Exploration and Production and Coal operations end in December

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Sensitivity

Impact on FY earnings

Items	Range	Impact on earnings
Crude Oil	1 $/bbl Decrease	Petroleum (¥4.0 billion) Fuel cost, etc. ¥1.0 billion Inventory impact (¥5.0 billion)
		Oil Exploration & Production (¥1.0 billion)
Foreign Exchange JPY/USD	1 JPY/$ Appreciation	Petroleum (¥2.5 billion) Fuel cost, etc. ¥0.5 billion Inventory impact (¥3.0 billion)
		Basic Chemicals (¥0.5 billion)

*In addition to the above, the resources businesses are impacted by fluctuations in exchange rates with other currencies (NOK, AUD, etc.)

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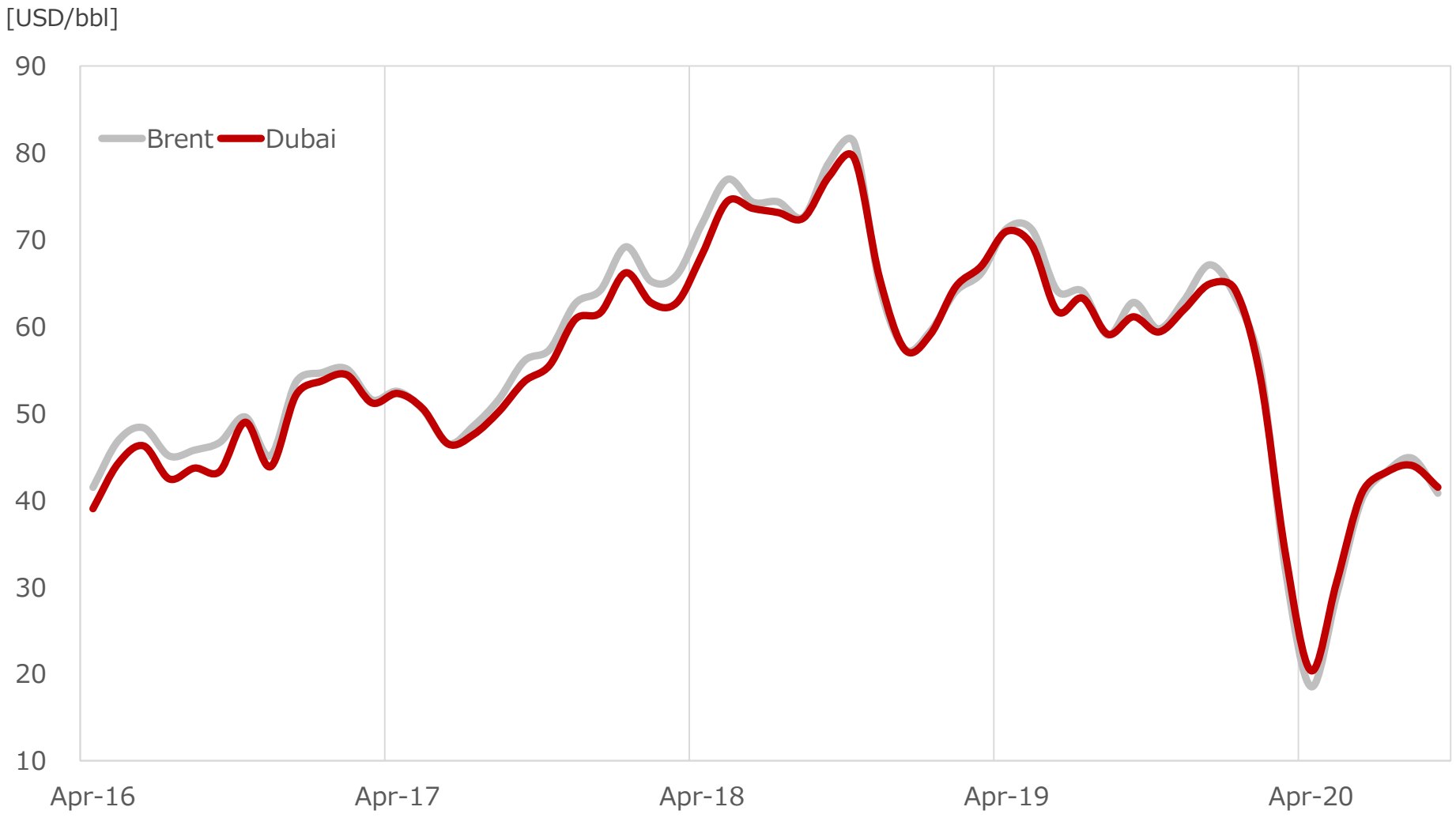
Crude Oil Prices (Dubai and Brent)



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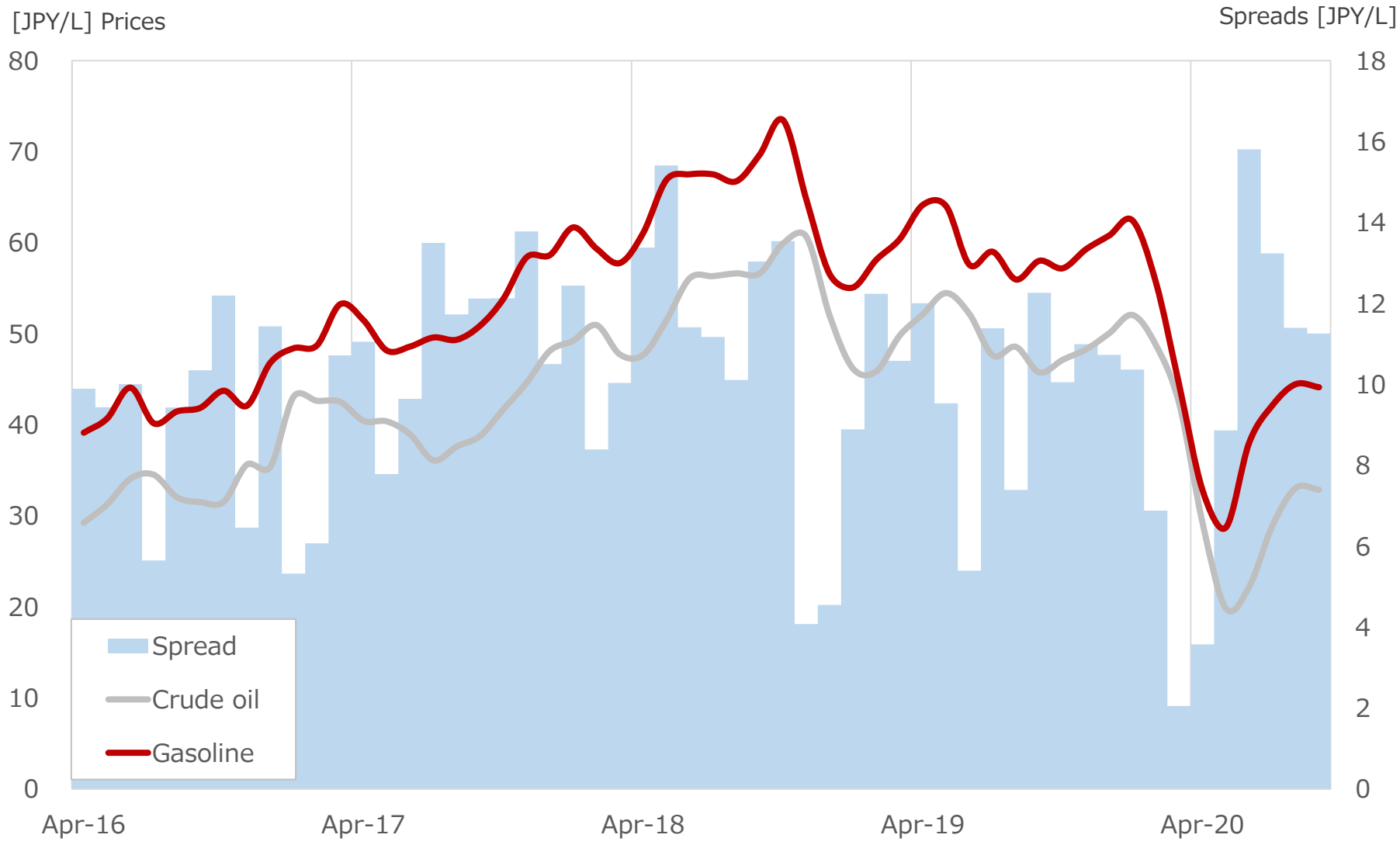
Gasoline – Crude Oil (Domestic spot prices and Spreads)



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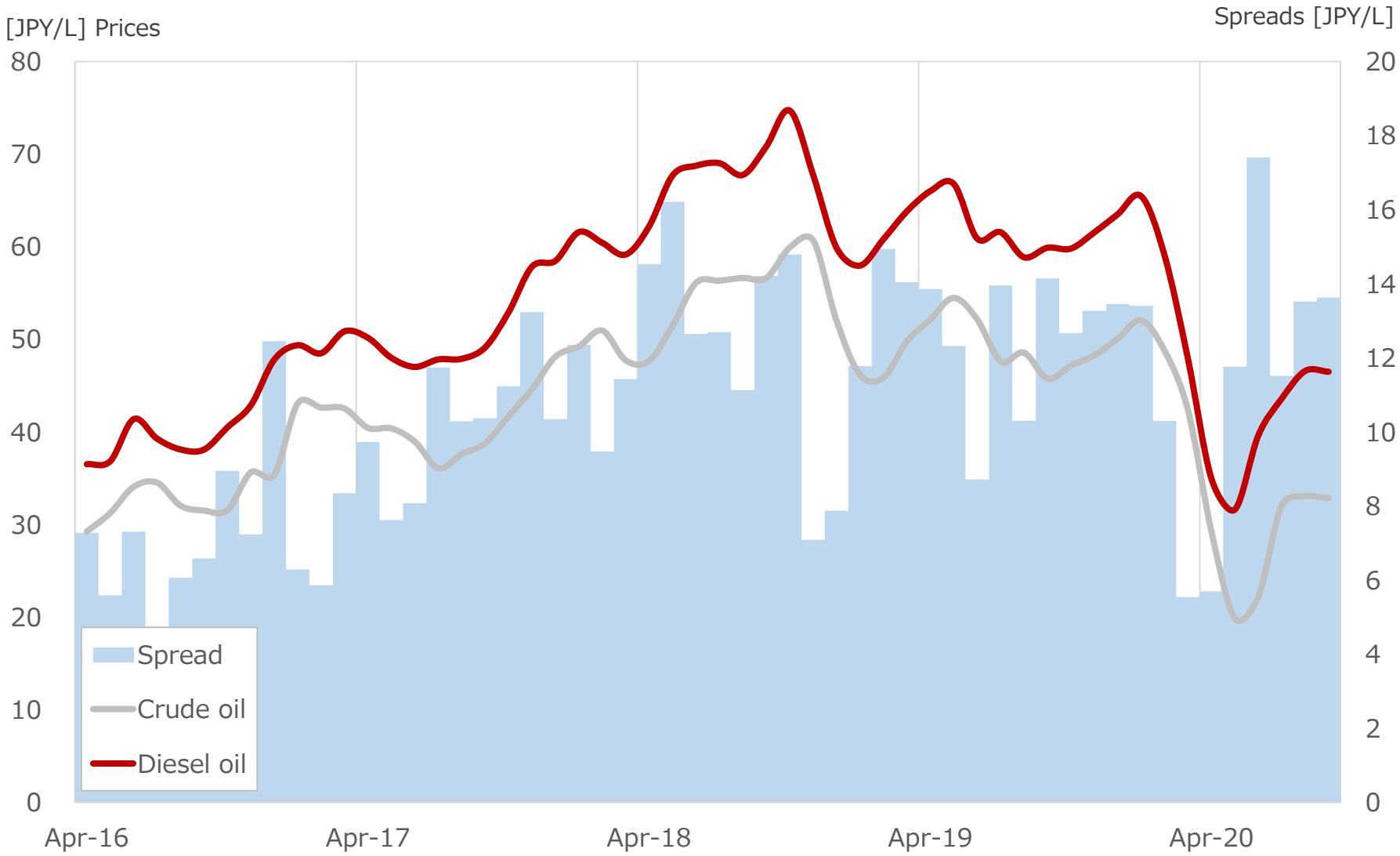
Diesel Oil – Crude Oil (Domestic spot prices and Spreads)



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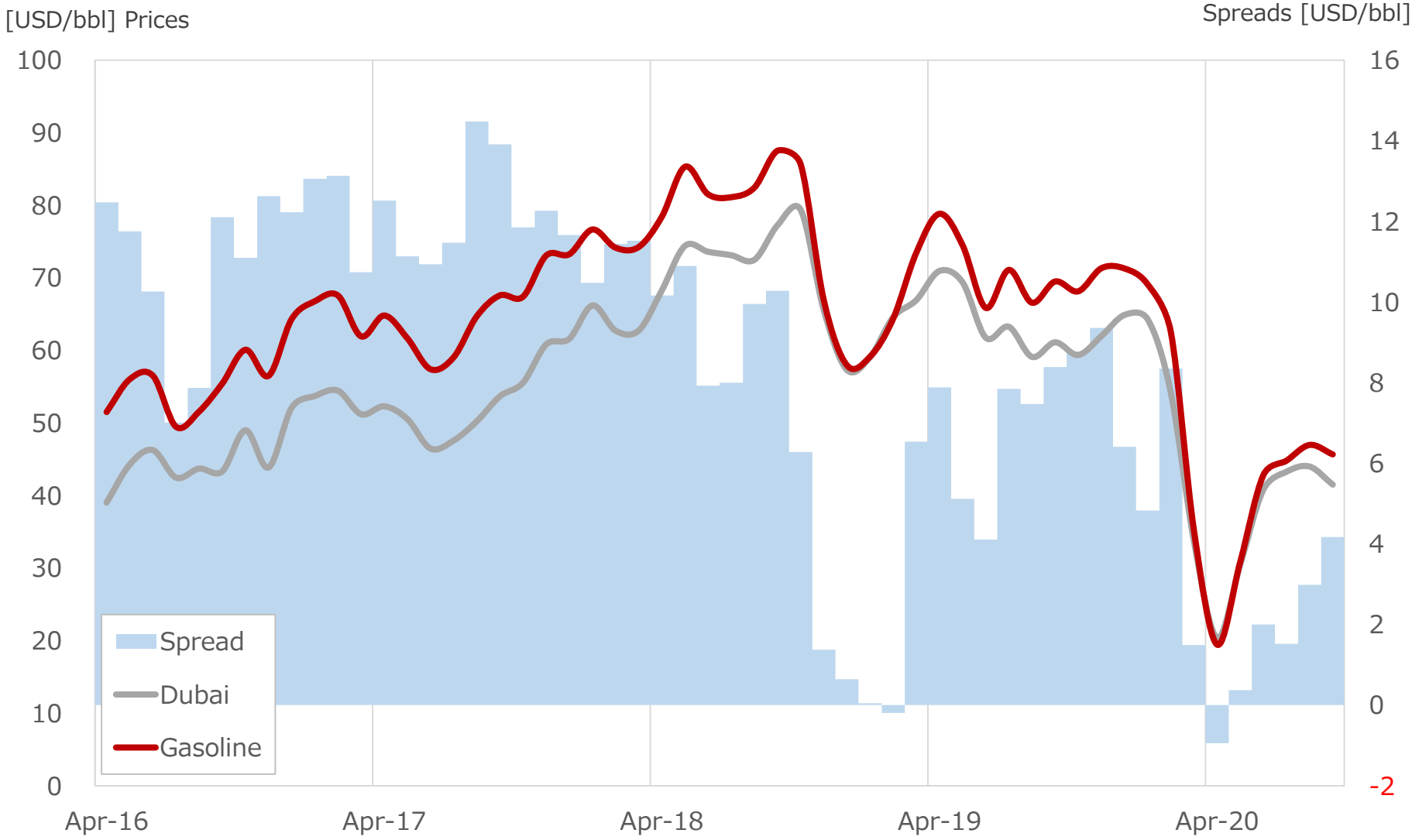
Gasoline – Crude Oil (Singapore spot prices and Spreads)



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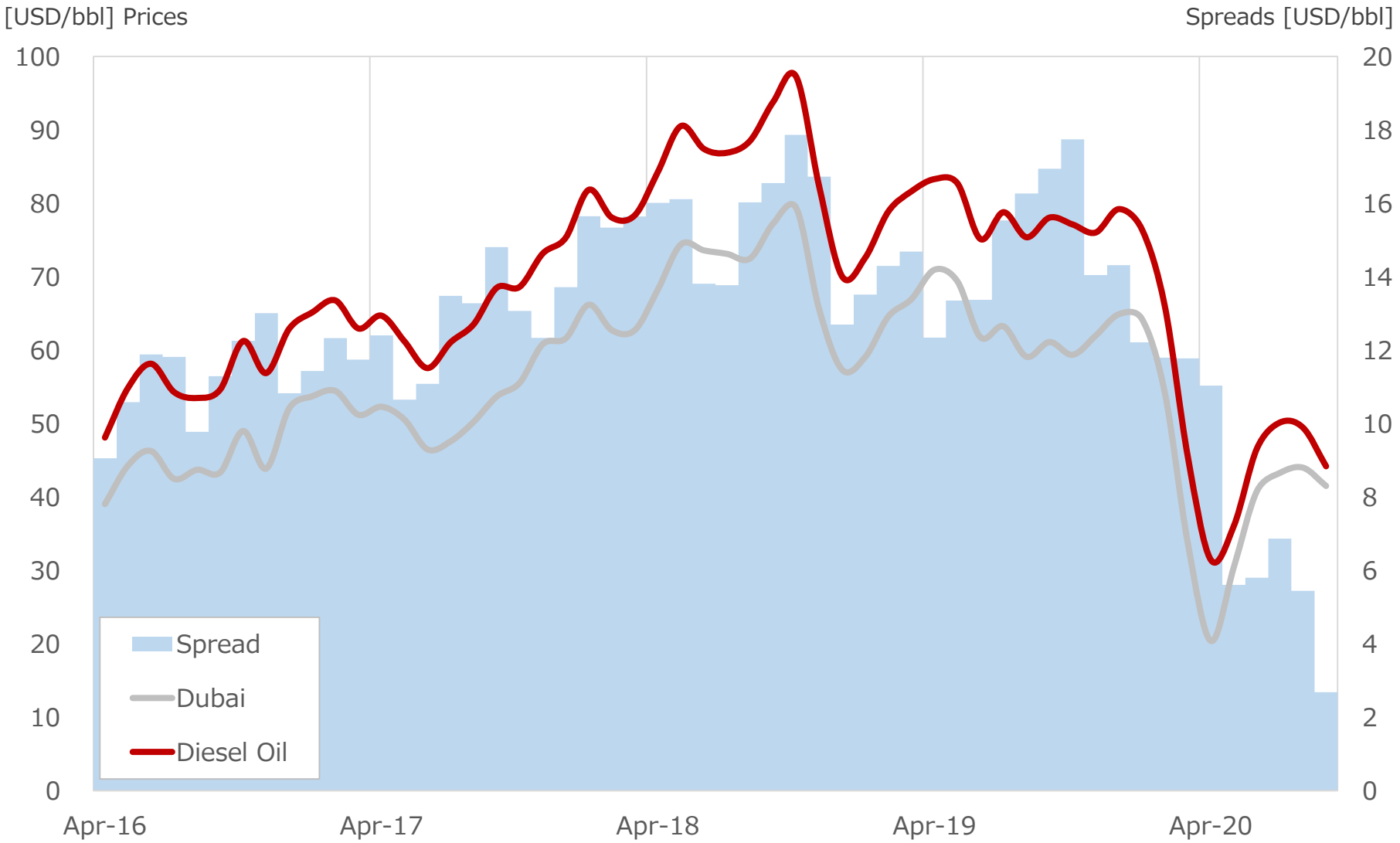
Diesel Oil – Crude Oil (Singapore Spot prices and Spreads)



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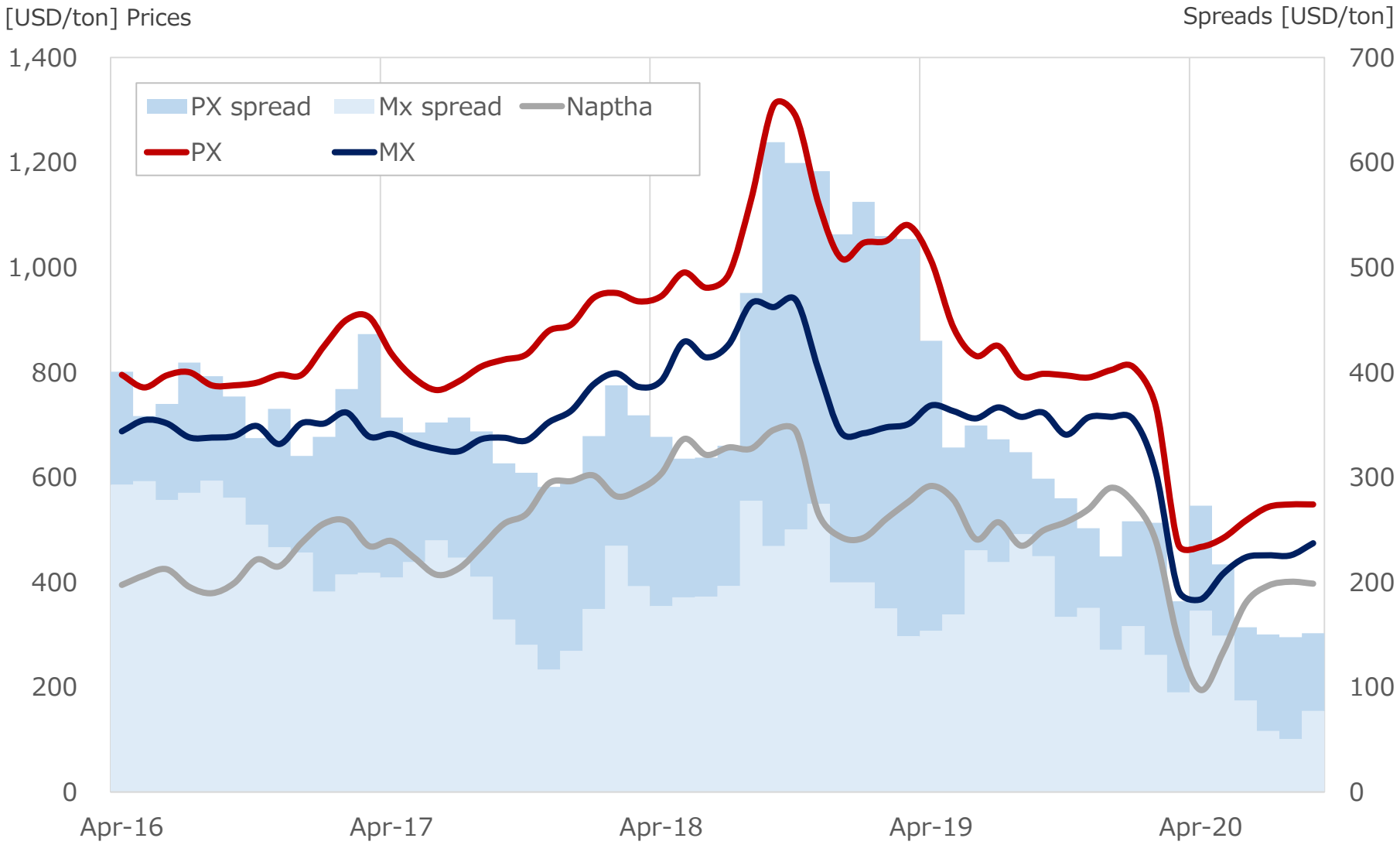
Paraxylene, Mixed xylene, Naptha (Prices and Spreads)



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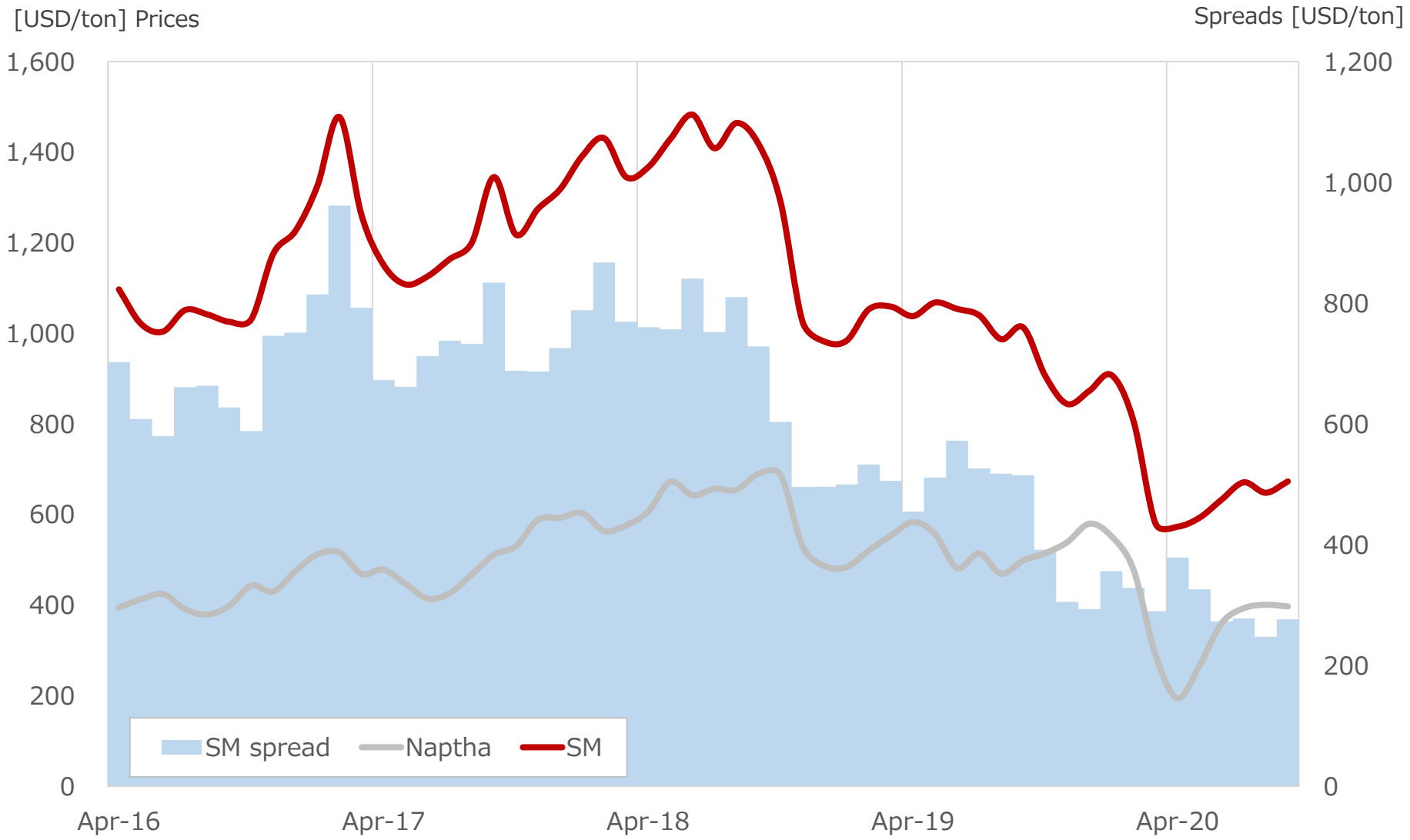
Styrene Monomer, Naptha (Prices and Spreads)



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Operational data

Refineries Utilization

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 2Q
Idemitsu Kosan	88%	88%	88%	87%	70%
Former Showa Shell	85%	88%	93%		

* Utilization rate based on BCD

Number of Service Stations

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 2Q
Idemitsu Kosan	3,589	3,545	3,501	3,446	3,437
Former Showa Shell	3,123	3,028	2,964	2,938	2,905
Total	6,712	6,573	6,465	6,384	6,342

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Precaution statement about forecasts

Any information about forecasts for the Company's operating results, management strategy and management policy contained in this documents other than historical facts is prepared, according to judgments made by the top management of the Company based on information available as of the publication of the document.

Actual business environments contain potential risk factors and uncertainties including economic situations, crude oil prices, trends in petroleum products, market conditions, currency exchange rates and interest rates.

Consequently, actual operating results of the Company may substantially differ from forecasts due to changes in the important factors mentioned above.

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