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Press Release

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Announcement on the Reporting of Extraordinary Losses and Revisions to Earnings Forecasts

Idemitsu Kosan Co.,Ltd. (hereinafter “we” or “Idemitsu”) hereby announces that it has reported extraordinary losses and revised its earnings forecasts for the fiscal year ending March 31, 2015, previously announced on February 3, 2015, in light of recent operating trends, as follows.

1. Reporting of Extraordinary Losses in the Resources Business

Idemitsu reported 26.7 billion yen in impairment losses in its third quarter financials for the fiscal year ending March 2015, due to the decline in resource prices since last year.

The business plan for the oil exploration and production business in the British North Sea has been revised, as we could not anticipate a subsequent recovery in crude oil prices. We reached the conclusion that, as a result of the above, it would be extremely difficult to shift to the development phase of a part of new oil field projects in the British North Sea in the foreseeable future. Thus, we will report impairment losses from oil exploration and production operations in the British North Sea as additional extraordinary losses of approximately 39.2 billion yen in the fourth quarter financials for the fiscal year ending March 2015.

The above extraordinary losses will lead Idemitsu to report additional extraordinary losses of approximately 34 billion yen in its non-consolidated financial statements for the fourth quarter as a loss on valuation of stocks of affiliates.

2. Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2015

(Units: JPY millions, JPY)

| | Net Sales (JPY millions) | Operating Income (JPY millions) | Ordinary Income (JPY millions) | Net Income (JPY millions) | Net Income per Share (JPY) |
|--|--------------------------------|--|---|---------------------------------|----------------------------------|
| Previous Forecast (A) | 4,540,000 | (120,000) | (122,000) | (98,000) | (612.68) |
| Revised Forecast (B) | 4,630,000 | (105,000) | (108,000) | (138,000) | (862.75) |
| Change (B-A) | 90,000 | 15,000 | 14,000 | (40,000) | |
| Change (%) | 2.0 | — | — | — | |
| (Reference) Previous Fiscal Year Performance (FY 3/2014) | 5,034,995 | 78,197 | 81,921 | 36,294 | 226.90 |

Note) Idemitsu executed a 4-for-1 stock split of its common shares effective January 1, 2014. For the sake of comparison, net income per share for the previous fiscal year has been adjusted to figures which assume that the stock split took place at the beginning of the previous fiscal year.

3. Reasons for the Revision in Earnings Forecasts

We forecast that the net sales forecast will exceed previously announced forecast due to the increase in crude oil prices, etc.

Operating and ordinary losses are expected to decrease relative to the previous forecasts due to a recovery in petroleum product margins, among other factors. On the other hand, net loss is expected to increase due to the extraordinary losses detailed in above 1. as well as the impact of FY2015 Tax Reform.

(Assumptions)

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

| | Previous Forecast | Revised Forecast | Change |
|-------------------------|-------------------|------------------|--------|
| Crude Oil Price (Dubai) | 82.7 | 83.5 | 0.8 |
| Naphtha Price | 820 | 817 | (3) |
| Exchange Rate | 110.9 | 110.9 | 0.0 |

4. Dividend Forecast

The forecasted fiscal year-end dividend remains unchanged at 25 yen per share.

* The above earnings forecasts are based on information available as of the announcement date of this document. Actual results may differ from forecasted figures for various subsequent events.