



Press Release



MEMBERSHIP

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Announcement on the Revisions of Earnings Forecasts

Idemitsu Kosan Co.,Ltd. (hereinafter, “Idemitsu” or the “Company”) hereby announces that it has revised its earnings forecasts for the first half of the fiscal year ending in March 2016 (April 1-September 30, 2015) previously announced on May 7, 2015, in light of recent operating trends, as follows:

- Revisions of Consolidated Earnings Forecasts for the First Half of the Fiscal Year Ending in March 2016
(April 1-September 30, 2015)

(Units: ¥ million, ¥)

	Net Sales (¥ million)	Operating Income (¥ million)	Ordinary Income (¥ million)	Net income attributable to owners of the parent (¥ million)	Net Income per Share (¥)
Previous Forecast (A)	2,080,000	24,000	21,000	18,000	112.53
Revised Forecast (B)	1,866,000	(10,000)	(12,000)	(7,000)	(43.76)
Change (B-A)	(214,000)	(34,000)	(33,000)	(25,000)	
Change (%)	(10.3)	-	-	-	
(Reference) Financial Results for the First Half of FY2015	2,416,045	43,580	45,655	18,780	117.41

- Reasons for the Revision in Earnings Forecasts

The net sales forecast for the first half of the fiscal year ending March 2016 was revised downward from the previous forecast due to a decrease in crude oil prices, among other factors.

Operating and ordinary income was revised downward from the previous forecast due to the impact of inventory valuation in the petroleum products segment and reduced product margins, among other factors. While no impact from inventory valuation was included in the previous forecast, the revised forecast includes losses of ¥38.0 billion at the operating income level resulting from inventory valuation.

As a result of the above, net income attributable to owners of the parent is expected to decrease relative to the previous forecast.

Note that full year forecasts for the fiscal year ending March 2016 are currently being reviewed and will be announced at the time of the earnings announcement for the first half of FY 3/2016, which is planned for November 4.

(Assumptions)

(Units: US\$/bbl., US\$/ton, ¥/US\$)

	Previous Forecast	Revised Forecast	Change
Crude Oil Price(Dubai)	60.0	55.5	(4.5)
Naphtha Price	524	544	+20
Exchange Rate	120.0	122.8	+2.8

3. Dividend Forecast

The Company's interim and year-end dividend both remain unchanged at ¥25 per share (total of ¥50 per share for the fiscal year).

* 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 for various subsequent events.