



April 19, 2016

Press Release

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

Announcement on the Reporting of Extraordinary Losses and Revisions of 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, 2016, previously announced on February 2, 2016, in light of recent operating trends, as follows:

1. Reporting of Extraordinary Losses in the Resources Business

Idemitsu reported approximately 24.3 billion yen in impairment losses in its third quarter financials for the fiscal year ending March 2016, due to the decline in crude oil prices during the second half of last year.

Additional impairment losses on fixed assets of approximately 9.2 billion yen will be reported in the fourth quarter as a result of reviewing the medium-term production plan in oil fields of the Norwegian North Sea.

2. Revisions to Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2016

(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)	3,750,000	3,000	2,000	(13,000)	(81.27)
Revised Forecast (B)	3,570,000	(19,500)	(21,500)	(36,000)	(225.07)
Change (B-A)	(180,000)	(22,500)	(23,500)	(23,000)	
Change (%)	(4.8)	-	-	-	
(For reference) Previous FY Results (FY 3/2015)	4,629,732	(104,798)	(107,618)	(137,958)	(862.50)

3. Reasons for the Revisions in Earnings Forecasts

We forecast that the net sales forecast will be downward from the previous forecast due to the decrease in crude oil prices, etc.

Operating and ordinary income is revised downward from the previous forecast despite a forecasted profit increase in operations such as the petrochemical products segment, due to increased inventory valuation losses (previous forecast: 80.0 billion yen; current forecast: ¥122.0 billion yen) resulting from the decline in crude oil prices. Net Income attributable to owners of the parent is revised downward due to extraordinary losses in the oil exploration and production business, in addition to the above.

(Assumptions)

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

	Previous	Revised	Change
Crude Oil Price(Dubai)	46.7	45.5	(1.2)
Naphtha Price	489	486	(3)
Exchange Rate	122.0	121.1	(0.9)

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 the forecasted figures for various subsequent events.