

# **Presentation on Results for the 2nd Quarter FY 2017**

**Idemitsu Kosan Co.,Ltd.**

**November 14, 2017**



## **1. FY 2017 2nd Quarter Results**

### **(1) Overview**

### **(2) Segment Information**

## **2. Forecast for FY2017 Performance**

### **(1) Overview**

### **(2) Segment Information**

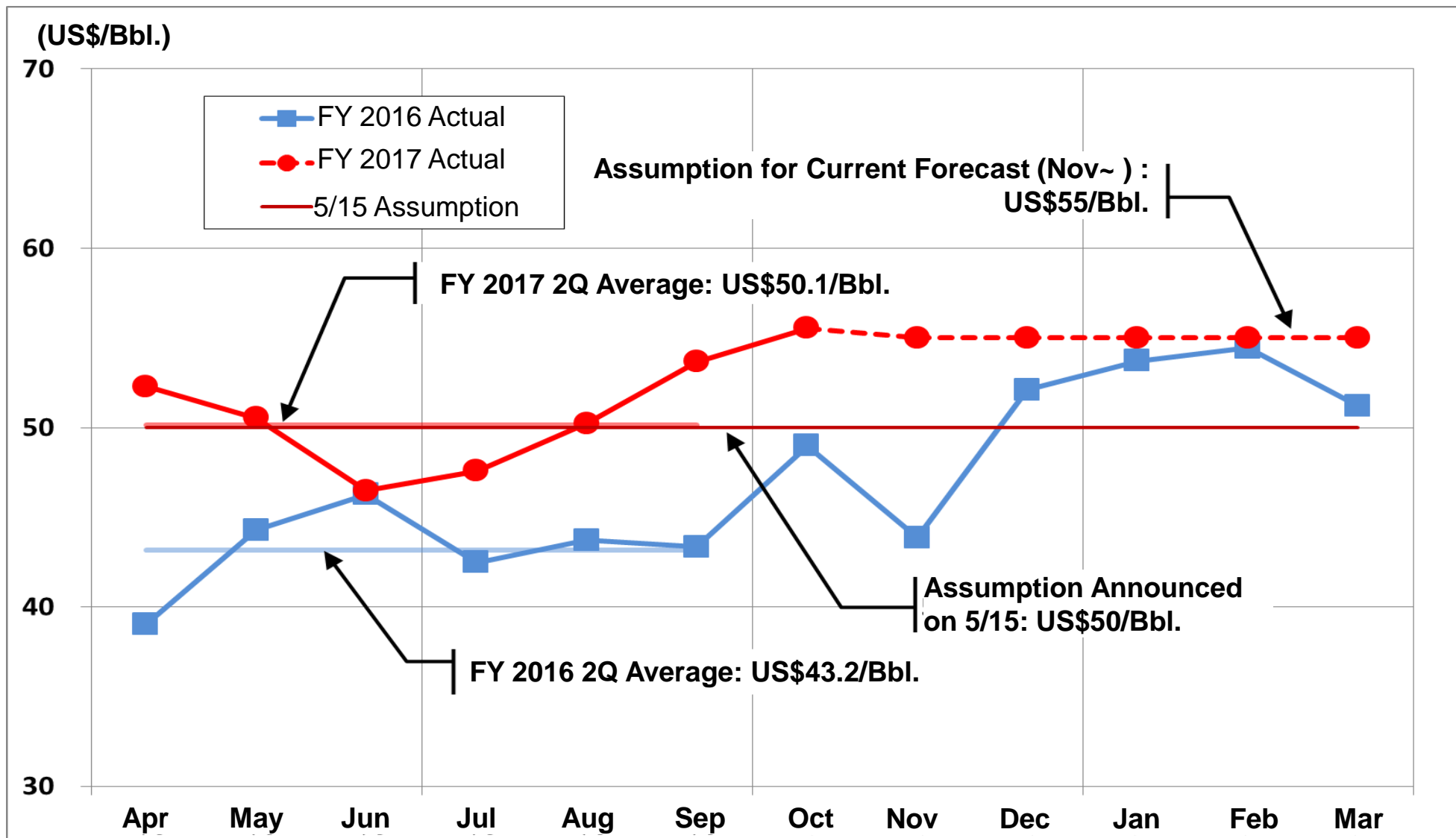
### **(3) Dividend Forecasts**

## **3. Reference Materials**

# Crude Oil Price Trends

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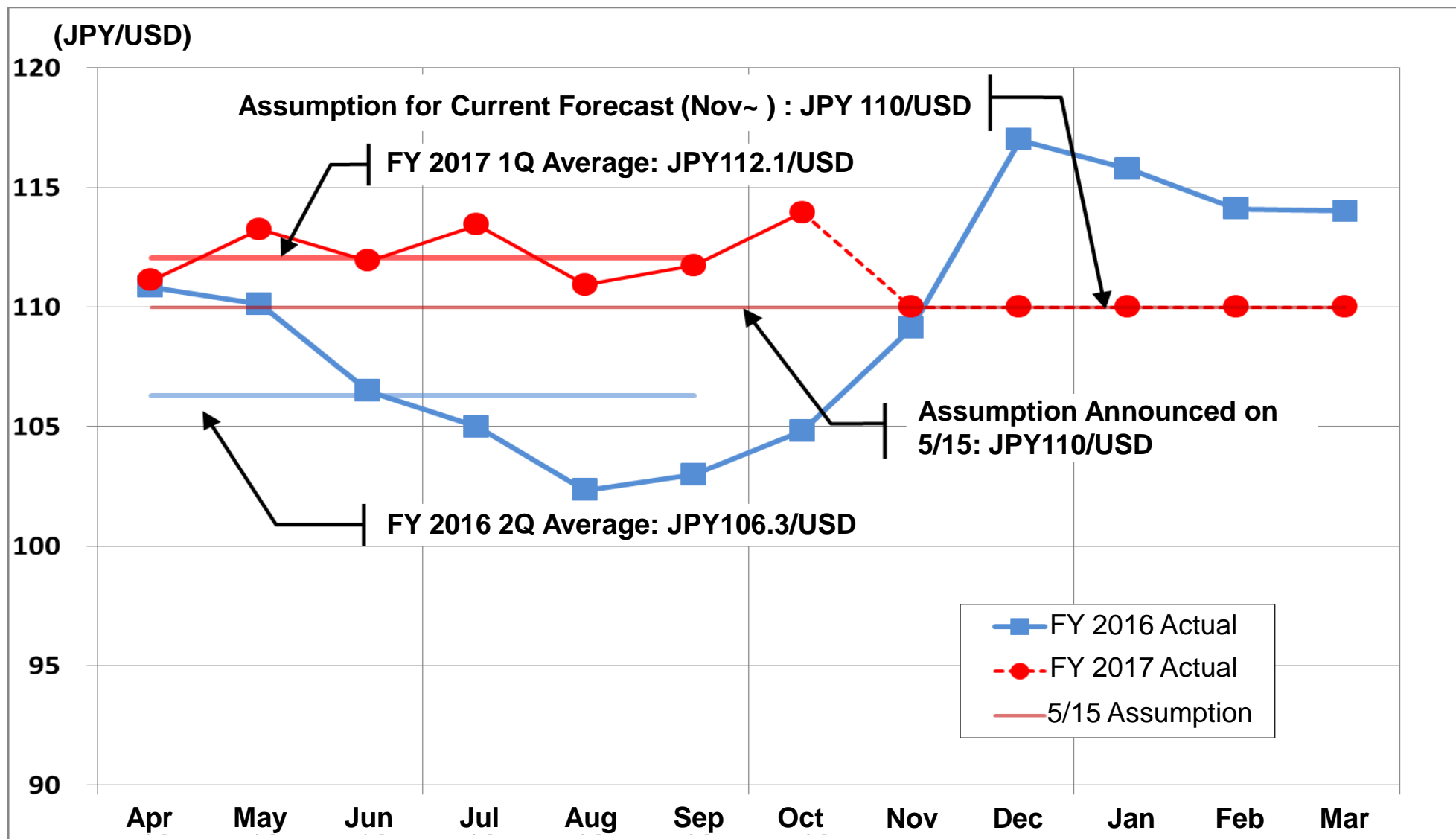
## <Monthly Dubai Crude Oil Price Trends and Assumptions for Performance Forecasts>



# JPY/USD Exchange Rate (TTS) Trends

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<Monthly JPY/USD Exchange Rate Trends and Assumptions for Performance Forecasts>



## <FY 2017 2nd Quarter Results>

- Operating income increased by ¥53.6 billion year-on-year to ¥86.1 billion, mainly due to improved petroleum product margins and increases in crude oil and coal prices
- Ordinary income increased by ¥57.5 billion year-on-year to ¥89.5 billion yen, and as a result, net income attributable to owners of the parent increased by ¥34.6 billion to ¥57.3 billion

## <Forecast for FY2017 Performance>

- Our operating income forecast was revised upward by ¥36 billion to ¥160 billion and forecast for net income attributable to owners of the parent was revised upward by ¥11 billion to ¥100 billion, mainly as a result of improved petroleum product margins and increases in coal prices

## <Dividend Forecasts>

- We will pay out FY 2017 interim dividends of ¥40 per share, which is ¥15 per share higher than the previous forecast
- We have also revised our fiscal end year dividend forecast upward by ¥15 per share to ¥40 per share, and as a result, our annual dividend forecast was revised upward by ¥30 per share, to ¥80 per share

## **1. FY 2017 2nd Quarter Results**

# (1) Overview

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## 1) Crude Oil / Exchange Rates

(Units: \$/Bbl., \$/Ton, ¥/\$)

|                         | FY2016 2Q | FY2017 2Q | Change |       |
|-------------------------|-----------|-----------|--------|-------|
| Crude Oil (DB FOB)      | 43.2      | 50.1      | 6.9    | 16.0% |
| Crude Oil (Brent)       | 39.7      | 51.8      | 12.1   | 30.5% |
| Naphtha Price (Customs) | 404       | 465       | 61     | 15.1% |
| Thermal Coal (NEWC)     | 51.3      | 81.8      | 31     | 59.5% |
| Exchange Rate (TTS)     | 106.3     | 112.1     | 5.8    | 5.5%  |

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

## 2) Consolidated Income Statement (Summary)

(Units: ¥ billion)

|   | FY2016 2Q | FY2017 2Q | Change |        |
|---|-----------|-----------|--------|--------|
| Net Sales                                       | 1,426.3   | 1,697.4   | 271.0  | 19.0%  |
| Operating Income                                | 32.5      | 86.1      | 53.6   | 164.7% |
| <i>(Inventory impact)</i>                       | (4.8)     | (6.0)     | (1.2)  | —      |
| <i>(Excluding inventory impact)</i>             | 37.3      | 92.1      | 54.8   | 146.9% |
| Non-operating Income/Loss                       | (0.5)     | 3.4       | 3.9    | —      |
| Ordinary Income                                 | 32.1      | 89.5      | 57.5   | 179.1% |
| Extraordinary Gain/Loss                         | (0.1)     | (0.7)     | (0.6)  | —      |
| Net Income attributable to owners of the parent | 22.7      | 57.3      | 34.6   | 152.0% |
| <i>(Excluding inventory impact)</i>             | 26.0      | 61.5      | 35.4   | 136.0% |

\* Gross average method of inventory valuation

\* “Inventory impact” represents the impact of inventory valuation and the reduction in book value of inventory assets

\* Figures rounded to the nearest billion yen

## (2) Segment Information

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### 1) Operating Income

(Units: ¥ billions)

|                                       | FY2016 2Q    | FY2017 2Q    | Change      |                |
|---------------------------------------|--------------|--------------|-------------|----------------|
| <b>Petroleum Products</b>             | <b>13.5</b>  | <b>31.2</b>  | <b>17.7</b> | <b>131.4%</b>  |
| <i>(Excluding inventory impact)</i>   | <b>18.2</b>  | <b>37.1</b>  | <b>19.0</b> | <b>104.4%</b>  |
| <b>Petrochemical Products</b>         | <b>16.9</b>  | <b>20.6</b>  | <b>3.8</b>  | <b>22.3%</b>   |
| <b>Resources</b>                      | <b>2.3</b>   | <b>32.8</b>  | <b>30.5</b> | <b>1317.6%</b> |
| <i>Oil Exploration and Production</i> | <b>1.5</b>   | <b>14.0</b>  | <b>12.5</b> | <b>807.4%</b>  |
| <i>Coal, etc.</i>                     | <b>0.8</b>   | <b>18.8</b>  | <b>18.1</b> | <b>2335.5%</b> |
| <b>Others</b>                         | <b>1.6</b>   | <b>3.1</b>   | <b>1.5</b>  | <b>96.9%</b>   |
| <b>Reconciliation</b>                 | <b>(1.7)</b> | <b>(1.6)</b> | <b>0.1</b>  | <b>—</b>       |
| <b>Total</b>                          | <b>32.5</b>  | <b>86.1</b>  | <b>53.6</b> | <b>164.7%</b>  |
| <i>(Excluding inventory impact)</i>   | <b>37.3</b>  | <b>92.1</b>  | <b>54.8</b> | <b>146.9%</b>  |

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

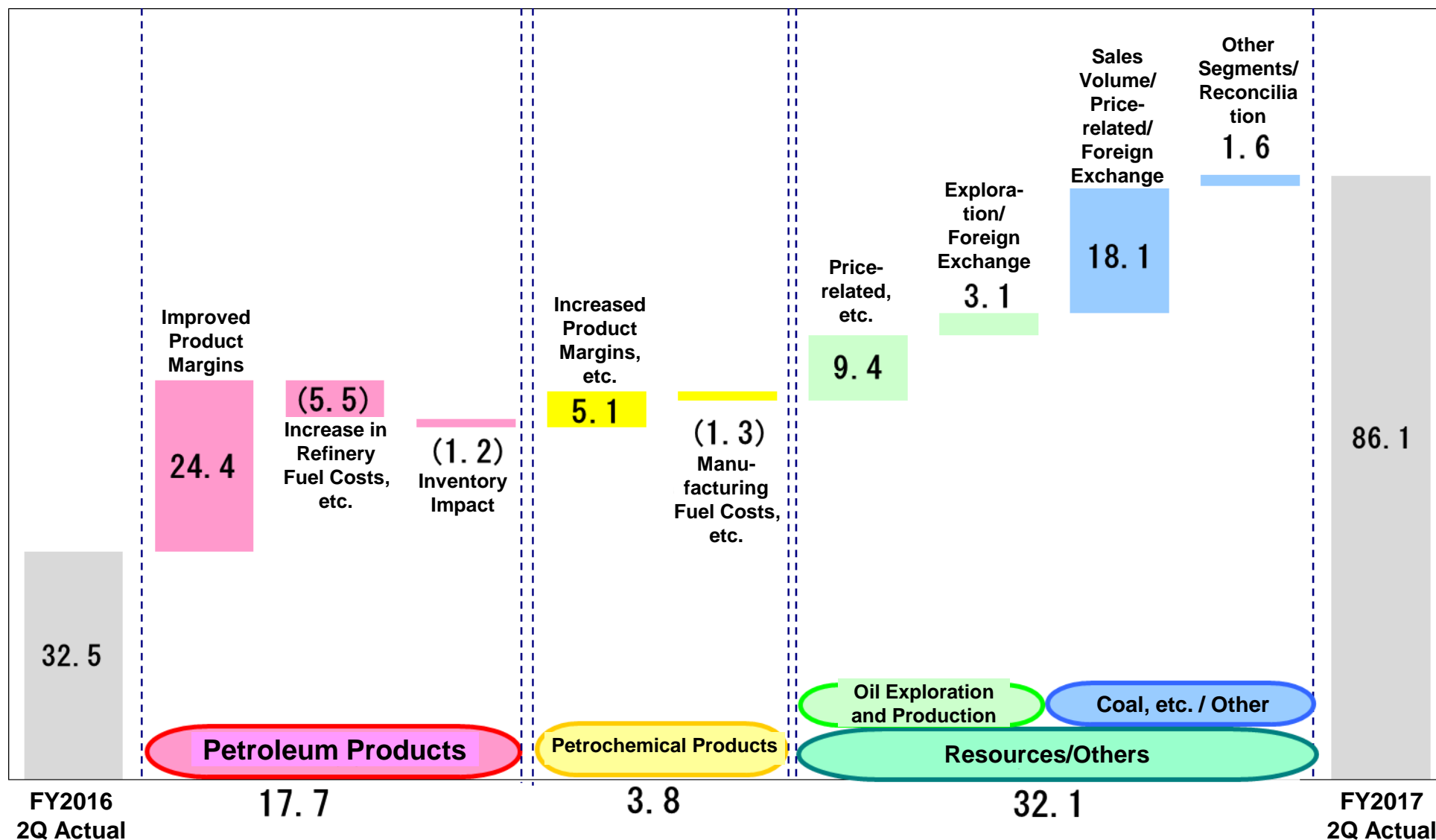


## (2) Segment Information

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### 2) Analysis of Factors Affecting Operating Income (Year-on-year)

(Units: ¥ billions)



## **2. Forecast for FY2017 Performance**

# (1) Overview

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## 1) Crude Oil / Exchange Rates

(Units: \$/Bbl., \$/Ton, ¥/\$)

|                         | May 15 Forecast | Revised Forecast | Difference |       |
|-------------------------|-----------------|------------------|------------|-------|
| Crude Oil (DB FOB)      | 50.0            | 52.6             | 2.6        | 5.2%  |
| Crude Oil (Brent)       | 53.0            | 54.9             | 1.9        | 3.6%  |
| Naphtha Price (Customs) | 469             | 490              | 21         | 4.5%  |
| Thermal Coal (NEWC)     | 70.0            | 88.0             | 18.0       | 25.7% |
| Exchange Rate (TTS)     | 110.0           | 111.0            | 1.0        | 0.9%  |

| Assumptions<br>(Nov-Mar average) |
|----------------------------------|
| 55.0                             |
| 58.0                             |
| 515                              |
| 95                               |
| 110.0                            |

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

## 2) Consolidated Income Statement (Summary)

(Units: ¥ billion)

|   | May 15 Forecast | Revised Forecast | Difference |       |
|---|-----------------|------------------|------------|-------|
| Net Sales                                       | 3,500.0         | 3,600.0          | 100.0      | 2.9%  |
| Operating Income                                | 124.0           | 160.0            | 36.0       | 29.0% |
| <i>(Inventory impact)</i>                       | 0.0             | 0.0              | 0.0        | —     |
| <i>(Excluding inventory impact)</i>             | 124.0           | 160.0            | 36.0       | 29.0% |
| Non-operating Income/Loss                       | 16.0            | 16.0             | 0.0        | 0.0%  |
| Ordinary Income                                 | 140.0           | 176.0            | 36.0       | 25.7% |
| Extraordinary Gain/Loss                         | (6.0)           | (20.0)           | (14.0)     | —     |
| Net Income attributable to owners of the parent | 89.0            | 100.0            | 11.0       | 12.4% |
| <i>(Excluding inventory impact)</i>             | 89.0            | 100.0            | 11.0       | 12.4% |

\* Gross average method of inventory valuation

\* “Inventory impact” represents the impact of inventory valuation and the reduction in book value of inventory assets

\* Figures rounded to the nearest billion yen

## (2) Segment Information

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### 1) Operating Income

(Units: ¥ billions)

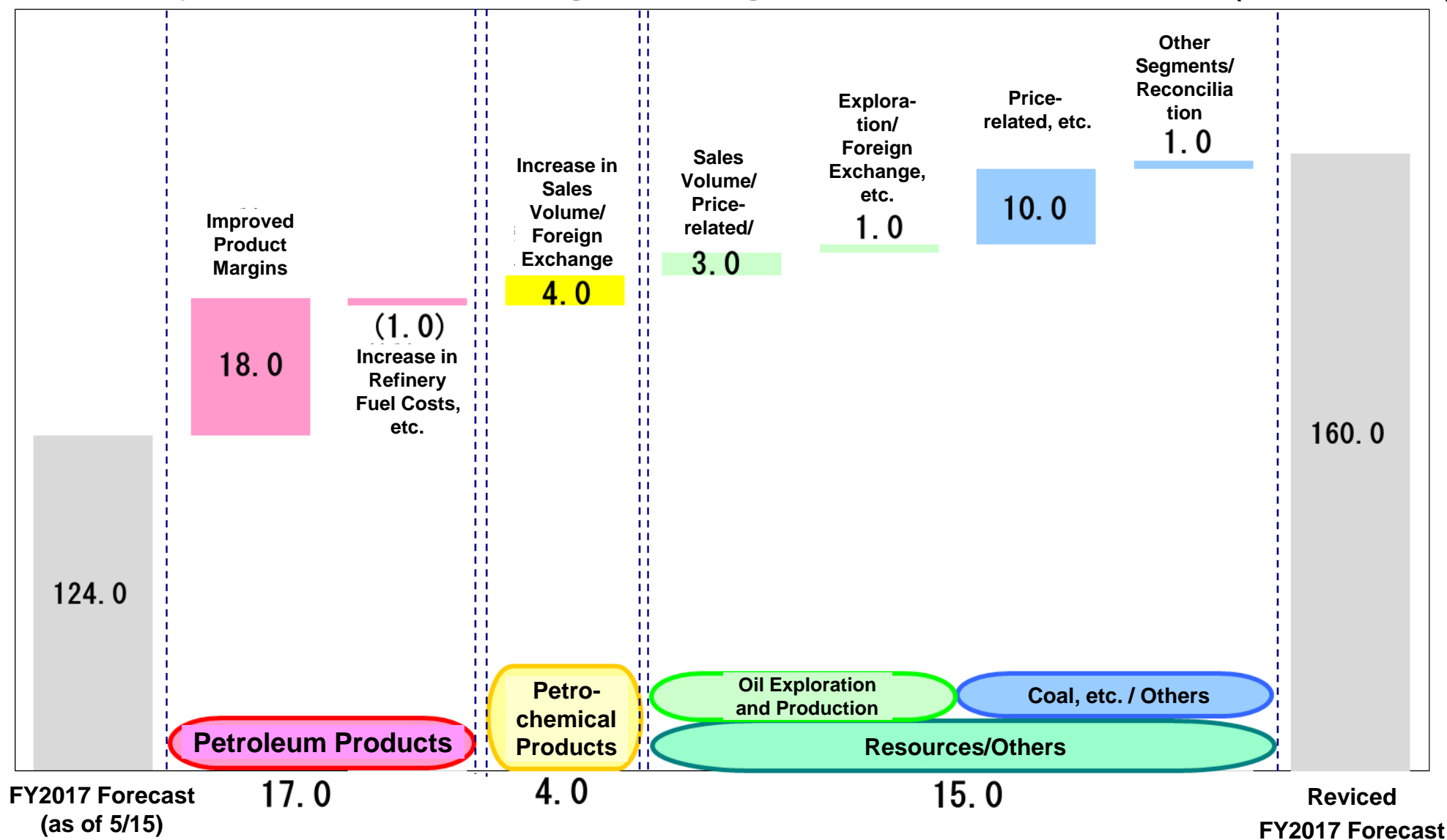
|                                       | May 15 Forecast | Current Forecast | Difference  |              |
|---------------------------------------|-----------------|------------------|-------------|--------------|
| <b>Petroleum Products</b>             | <b>48.0</b>     | <b>65.0</b>      | <b>17.0</b> | <b>35.4%</b> |
| <i>(Excluding inventory impact)</i>   | <i>48.0</i>     | <i>65.0</i>      | <i>17.0</i> | <i>35.4%</i> |
| <b>Petrochemical Products</b>         | <b>31.0</b>     | <b>35.0</b>      | <b>4.0</b>  | <b>12.9%</b> |
| <b>Resources</b>                      | <b>43.0</b>     | <b>57.0</b>      | <b>14.0</b> | <b>32.6%</b> |
| <i>Oil Exploration and Production</i> | <i>16.0</i>     | <i>20.0</i>      | <i>4.0</i>  | <i>25.0%</i> |
| <i>Coal, etc.</i>                     | <i>27.0</i>     | <i>37.0</i>      | <i>10.0</i> | <i>37.0%</i> |
| <b>Others</b>                         | <b>6.0</b>      | <b>7.0</b>       | <b>1.0</b>  | <b>16.7%</b> |
| <b>Reconciliation</b>                 | <b>(4.0)</b>    | <b>(4.0)</b>     | <b>0.0</b>  | <b>—</b>     |
| <b>Total</b>                          | <b>124.0</b>    | <b>160.0</b>     | <b>36.0</b> | <b>29.0%</b> |
| <i>(Excluding inventory impact)</i>   | <i>124.0</i>    | <i>160.0</i>     | <i>36.0</i> | <i>29.0%</i> |

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

## (2) Segment Information

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### 2) Analysis of Factors Affecting Operating Income (vs. 5/15 forecasts) (Units: ¥ billions)



### (3) Dividend Forecasts

#### ■ Dividends per Share

Taking into account our interim results and performance forecast among other factors, we revised our FY 2017 interim and end year dividends forecast upward by ¥15 per share, to ¥40 per share, for an annual total forecast upward revision of ¥30 per share, to ¥80 per share

|                    | Interim | FY End | Annual Total |
|--------------------|---------|--------|--------------|
| FY2016 (actual)    | ¥25     | ¥25    | ¥50          |
| FY2017 (actual)    | ¥40     | —      | —            |
| FY2017 (forecasts) | —       | ¥40    | ¥80          |

### **3. Reference Materials**

## **1. Financial Reporting**

**(1) Net Sales by Segment**

**(2) Extraordinary Gains/Losses**

**(3) Consolidated Balance Sheet**

**(4) Consolidated Statement of Cash Flows**

## **2. Sensitivity**

## **3. Sales and Production**

**(1) Sales/Production Volume**

**(2) Sales/Production Volume Forecast**

## **4. Foreign Exchange**

## **5. Market Conditions**

## **6. Capacity Utilization at Refineries**

## **7. Number of Service Stations**



# 1. Financial Reporting

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## (1)-1 FY 2017 2Q Net Sales by Segment

(Units: ¥ billions)

|                                       | FY2016 2Q      | FY2017 2Q      | Change       |              |
|---------------------------------------|----------------|----------------|--------------|--------------|
| Petroleum Products                    | 1,086.6        | 1,294.0        | 207.4        | 19.1%        |
| Petrochemical Products                | 208.1          | 228.3          | 20.3         | 9.7%         |
| Resources                             | 104.8          | 143.5          | 38.8         | 37.0%        |
| <i>Oil Exploration and Production</i> | 33.3           | 42.5           | 9.2          | 27.6%        |
| <i>Coal, etc.</i>                     | 71.4           | 101.0          | 29.6         | 41.4%        |
| Others/Reconciliation                 | 26.9           | 31.5           | 4.6          | 17.2%        |
| <b>Total</b>                          | <b>1,426.3</b> | <b>1,697.4</b> | <b>271.0</b> | <b>19.0%</b> |

# 1. Financial Reporting

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## (1)-2 FY 2017 Net Sales Forecast by Segment

(Units: ¥ billions)

|   | May 15 Forecast | Revised Forecast | Difference   |             |
|---|-----------------|------------------|--------------|-------------|
| <b>Petroleum Products</b>                     | <b>2,720.0</b>  | <b>2,820.0</b>   | <b>100.0</b> | <b>3.7%</b> |
| <b>Petrochemical Products</b>                 | <b>430.0</b>    | <b>430.0</b>     | <b>0.0</b>   | <b>0.0%</b> |
| <b>Resources</b>                              | <b>290.0</b>    | <b>290.0</b>     | <b>0.0</b>   | <b>0.0%</b> |
| <i>Oil Exploration<br/>    and Production</i> | <i>75.0</i>     | <i>75.0</i>      | <i>0.0</i>   | <i>0.0%</i> |
| <i>Coal, etc.</i>                             | <i>215.0</i>    | <i>215.0</i>     | <i>0.0</i>   | <i>0.0%</i> |
| <b>Others/Reconciliation</b>                  | <b>60.0</b>     | <b>60.0</b>      | <b>0.0</b>   | <b>0.0%</b> |
| <b>Total</b>                                  | <b>3,500.0</b>  | <b>3,600.0</b>   | <b>100.0</b> | <b>2.9%</b> |

# 1. Financial Reporting

## (2) Extraordinary Gains/Losses

(Units: ¥ billions)

|   |  | FY2016 2Q    | FY2017 2Q    | Change       |
|---|--|--------------|--------------|--------------|
|   | Gain on Sale of Fixed Assets               | 1.3          | 0.9          | (0.4)        |
|   | Gain on Sale of Affiliate Stock            | 0.0          | 0.0          | 0.0          |
|   | Other                                      | 0.3          | 0.0          | (0.3)        |
|   | <b>Total Extraordinary Gains</b>           | <b>1.6</b>   | <b>0.9</b>   | <b>(0.7)</b> |
|   | Loss on Sale and Depletion of Fixed Assets | 1.3          | 0.8          | (0.5)        |
|   | Impairment Losses                          | 0.4          | 0.8          | 0.4          |
|   | Other                                      | 0.1          | 0.0          | (0.0)        |
|   | <b>Total Extraordinary Losses</b>          | <b>1.7</b>   | <b>1.6</b>   | <b>(0.1)</b> |
| <b>Total Extraordinary Gains/Losses</b> |  | <b>(0.1)</b> | <b>(0.7)</b> | <b>(0.6)</b> |

# 1. Financial Reporting



## (3) Consolidated Balance Sheet

(Units: ¥ billions)

|                       | 3/31/2017 | 9/30/2017 | Change |                                  | 3/31/2017 | 9/30/2017 | Change  |
|-----------------------|-----------|-----------|--------|----------------------------------|-----------|-----------|---------|
| Cash and Deposits     | 91.4      | 149.6     | 58.2   | Payables                         | 331.6     | 291.8     | (39.8)  |
| Receivables           | 327.4     | 311.1     | (16.3) | Short-term Borrowings            | 471.6     | 351.0     | (120.5) |
| Inventory             | 430.9     | 423.3     | (7.6)  | Other Current Liabilities        | 341.8     | 397.3     | 55.5    |
| Other Current Assets  | 110.1     | 112.1     | 2.0    | Total Current Liabilities        | 1,145.0   | 1,040.2   | (104.8) |
|                       |           |           |        | Long-term Borrowings             | 579.1     | 548.1     | (31.0)  |
|                       |           |           |        | Other Fixed Liabilities          | 297.6     | 288.1     | (9.5)   |
| Total Current Assets  | 959.8     | 996.0     | 36.3   | Total Fixed Liabilities          | 876.7     | 836.2     | (40.5)  |
| Tangible Fixed Assets | 1,022.1   | 1,014.3   | (7.8)  | Total Liabilities                | 2,021.7   | 1,876.4   | (145.3) |
| (Land)                | 584.4     | 584.3     | 0.0    | Shareholders' Equity             | 429.2     | 604.0     | 174.8   |
| (Other)               | 437.7     | 430.0     | (7.8)  | Other Comprehensive Income       | 154.6     | 153.6     | (0.1)   |
| Other Fixed Assets    | 659.8     | 659.0     | (0.8)  | Noncontrolling Interests         | 36.1      | 35.3      | (0.9)   |
| Total Fixed Assets    | 1,681.9   | 1,673.2   | (8.6)  | Total Net Assets                 | 619.9     | 792.9     | 173.0   |
| Total Assets          | 2,641.6   | 2,669.3   | 27.7   | Total Liabilities and Net Assets | 2,641.6   | 2,699.3   | 27.7    |

|                             |         |       |         |
|-----------------------------|---------|-------|---------|
| Total Interest-bearing Debt | 1,052.3 | 900.7 | (151.6) |
| Equity Ratio                | 22.1%   | 28.4% | 6.3%    |
| Net D/E ratio               | 1.65    | 0.99  | 0.65    |

# 1. Financial Reporting

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## (4) Consolidated Statement of Cash Flows

(Units: ¥ billions)

|   | FY2016 2Q     | FY2017 2Q     | Change        |
|---|---------------|---------------|---------------|
| <b>CF from Operating Activities</b>                 | <b>32.9</b>   | <b>136.3</b>  | <b>103.4</b>  |
| Net Income before Tax Adjustments                   | 32.0          | 88.9          | 56.9          |
| Depreciation Expense                                | 33.8          | 34.3          | 0.5           |
| Increase in Sales Receivables and Inventory         | ▲ 10.4        | 24.0          | 34.4          |
| Other   | ▲ 22.5        | ▲ 10.9        | 11.6          |
| <b>CF from Investing Activities</b>                 | <b>▲ 33.8</b> | <b>▲ 41.4</b> | <b>(7.6)</b>  |
| Purchase of Tangible Fixed Assets                   | ▲ 21.5        | ▲ 27.2        | (5.7)         |
| Other   | ▲ 12.2        | ▲ 14.2        | (1.9)         |
| <b>CF from Financing Activities</b>                 | <b>▲ 11.6</b> | <b>▲ 37.1</b> | <b>(25.5)</b> |
| Increase (Decrease) in Borrowings, etc.             | ▲ 4.9         | ▲ 148.8       | (143.9)       |
| Proceeds from issuance of stock                     | —             | 118.6         | 118.6         |
| Other   | ▲ 6.8         | ▲ 7.0         | (0.2)         |
| <b>Translation Gains/Losses</b>                     | <b>▲ 9.5</b>  | <b>0.4</b>    | <b>9.9</b>    |
| <b>Increase in Cash and Cash Equivalents</b>        | <b>▲ 22.0</b> | <b>5.8</b>    | <b>27.8</b>   |
| <b>Cash and Cash Equivalents- Beginning Balance</b> | <b>118.8</b>  | <b>90.1</b>   | <b>(28.7)</b> |
| <b>Cash and Cash Equivalents- Ending Balance</b>    | <b>96.8</b>   | <b>148.3</b>  | <b>51.5</b>   |

## 2. Sensitivity

### (1) Impact of a US\$1/bbl. Increase in Crude Oil Prices(Nov~)

|   |  |                         |
|---|--|-------------------------|
| <b>Petroleum<br/>Products</b>           | <b>Increase in refinery<br/>fuel costs, etc.</b> | <b>( ¥ 0.2 billion)</b> |
|   | <b>Inventory impact</b>                          | <b>¥ 2.0 billion</b>    |
|   |  | <b>¥ 1.8 billion</b>    |
| <b>Oil Exploration &amp; Production</b> |  | <b>¥ 0.3billion</b>     |

### (2) Impact of a 1 JPY/USD Depreciation(Nov~)

|   |  |                         |
|---|--|-------------------------|
| <b>Petroleum<br/>Products</b>           | <b>Increase in refinery<br/>fuel costs, etc.</b> | <b>( ¥ 0.1 billion)</b> |
|   | <b>Inventory impact</b>                          | <b>¥ 1.0 billion</b>    |
|   |  | <b>¥ 0.9 billion</b>    |
| <b>Petrochemical Products</b>           |  | <b>¥ 0.2billion</b>     |
| <b>Oil Exploration &amp; Production</b> |  | <b>—</b>                |

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

### 3. Sales and Production

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#### (1) — 1. Sales Volume (Domestic Fuel Oil Sales Volume: Non-consolidated)

(Units: Thousand KL, %)

|                                   | FY 2016 2Q    | FY 2017 2Q    | Change       |                |
|-----------------------------------|---------------|---------------|--------------|----------------|
| <b>Gasoline</b>                   | <b>4,089</b>  | <b>4,048</b>  | <b>(41)</b>  | <b>(1.0%)</b>  |
| <b>(Premium-Unleaded)</b>         | <b>449</b>    | <b>435</b>    | <b>(14)</b>  | <b>(3.1%)</b>  |
| <b>(Regular-Unleaded)</b>         | <b>3,641</b>  | <b>3,613</b>  | <b>(27)</b>  | <b>(0.8%)</b>  |
| <b>Naphtha</b>                    | <b>110</b>    | <b>112</b>    | <b>2</b>     | <b>1.8%</b>    |
| <b>Jet Fuel</b>                   | <b>834</b>    | <b>933</b>    | <b>99</b>    | <b>11.9%</b>   |
| <b>Kerosene</b>                   | <b>521</b>    | <b>542</b>    | <b>21</b>    | <b>4.0%</b>    |
| <b>Diesel Oil</b>                 | <b>2,949</b>  | <b>3,052</b>  | <b>103</b>   | <b>3.5%</b>    |
| <b>Heavy Fuel Oil A</b>           | <b>962</b>    | <b>960</b>    | <b>(2)</b>   | <b>(0.2%)</b>  |
| <b>Heavy Fuel Oil C</b>           | <b>1,089</b>  | <b>1,106</b>  | <b>16</b>    | <b>1.5%</b>    |
| <b>Toal Domestic Sales Volume</b> | <b>10,555</b> | <b>10,753</b> | <b>198</b>   | <b>1.9%</b>    |
| <b>Exported Volume</b>            | <b>2,026</b>  | <b>1,683</b>  | <b>(344)</b> | <b>(17.0%)</b> |
| <b>(General Exports)</b>          | <b>1,015</b>  | <b>740</b>    | <b>(275)</b> | <b>(27.1%)</b> |
| <b>Total Sales Volume</b>         | <b>12,581</b> | <b>12,435</b> | <b>(146)</b> | <b>(1.2%)</b>  |

### 3. Sales and Production

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#### (1) — 2. Sales Volume (Petrochemical Products: Non-consolidated)

(Units: Thousand tons, %)

|                              | FY 2016 2Q | FY 2017 2Q | Change |        |
|------------------------------|------------|------------|--------|--------|
| Petrochemical Products-Total | 1,630      | 1,626      | (4)    | (0.2%) |
| (Basic Chemicals)            | 1,609      | 1,605      | (4)    | (0.3%) |
| (Performance Chemicals)      | 22         | 22         | 0      | 1.1%   |

#### (1) — 3. Sales Volume (Lubricants)

(Units: Thousand KL, %)

|            | FY 2016 2Q | FY 2017 2Q | Change |      |
|------------|------------|------------|--------|------|
| Lubricants | 577        | 606        | 29     | 5.0% |

\*Includes sales of overseas licenses



### 3. Sales and Production

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#### (1) – 4. Oil Exploration & Production – Production Volume (including Gas)

(Units: Thousand BOED)

|                        | FY 2016 2Q   | FY 2017 2Q   | Change     |             |
|------------------------|--------------|--------------|------------|-------------|
| Norway                 | 34.2         | 37.1         | 2.9        | 8.5%        |
| United Kingdom         | 4.7          | 4.9          | 0.1        | 3.1%        |
| Vietnam                | 0.3          | 0.0          | (0.3)      | (100.0%)    |
| <b>Total('000BOED)</b> | <b>39.2</b>  | <b>42.0</b>  | <b>2.8</b> | <b>7.1%</b> |
| <b>Total('000BOE)</b>  | <b>7,133</b> | <b>7,595</b> | <b>461</b> | <b>6.5%</b> |

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

#### (1) – 5. Coal – Production Volume

(Units: Thousand tons)

|                                | FY 2016 2Q   | FY 2017 2Q   | Change       |               |
|--------------------------------|--------------|--------------|--------------|---------------|
| Ensham                         | 2,084        | 1,874        | (210)        | (10.1%)       |
| Muswellbrook                   | 748          | 708          | (40)         | (5.3%)        |
| Boggabri                       | 2,818        | 2,772        | (46)         | (1.6%)        |
| Tarawonga                      | 294          | 369          | 75           | 25.5%         |
| <b>Sub Total</b>               | <b>5,944</b> | <b>5,723</b> | <b>(221)</b> | <b>(3.7%)</b> |
| Malinau                        | 578          | 594          | 16           | 2.8%          |
| <b>Total Production Volume</b> | <b>6,522</b> | <b>6,317</b> | <b>(205)</b> | <b>▲ 3.1%</b> |

\*Figures based on interest owned by Idemitsu Group

\*Fiscal years for Oil Exploration and Production and Coal operations end in December

### 3. Sales and Production

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#### (2) — 1. Sales Forecasts (Domestic Fuel Oil Sales Volume: Non-consolidated)

(Units: Thousand KL, %)

|                            | May 15<br>Forecast | Revised<br>Forecast | Difference |        |
|----------------------------|--------------------|---------------------|------------|--------|
| Gasoline                   | 7,780              | 7,910               | 130        | 1.7%   |
| (Premium-Unleaded)         | 840                | 850                 | 10         | 1.2%   |
| (Regular-Unleaded)         | 6,940              | 7,060               | 120        | 1.7%   |
| Naphtha                    | 260                | 260                 | 0          | 0.0%   |
| Jet Fuel                   | 1,670              | 1,830               | 160        | 9.6%   |
| Kerosene                   | 2,430              | 2,390               | (40)       | (1.6%) |
| Diesel Oil                 | 6,020              | 6,080               | 60         | 1.0%   |
| Heavy Fuel Oil A           | 2,360              | 2,260               | (100)      | (4.2%) |
| Heavy Fuel Oil C           | 2,090              | 2,220               | 130        | 6.2%   |
| Toal Domestic Sales Volume | 22,610             | 22,950              | 340        | 1.5%   |
| Exported Volume            | 3,380              | 3,360               | (20)       | (0.6%) |
| (General Exports)          | 1,430              | 1,450               | 20         | 1.4%   |
| Total Sales Volume         | 25,990             | 26,310              | 320        | 1.2%   |

### 3. Sales and Production

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#### (2) — 2.Sales Forecasts (Petrochemical Products: Non-consolidated)

(Units:Thousand tons, %)

|                              | May 15<br>Forecast | Revised<br>Forecast | Difference |      |
|------------------------------|--------------------|---------------------|------------|------|
| Petrochemical Products-Total | 3,390              | 3,470               | 80         | 2.4% |
| (Basic Chemicals)            | 3,340              | 3,420               | 80         | 2.4% |
| (Performance Chemicals)      | 50                 | 50                  | 0          | 0.0% |

#### (2) — 3.Sales Forecasts (Lubricants)

(Units:Thousand KL,%)

|            | May 15<br>Forecast | Revised<br>Forecast | Difference |      |
|------------|--------------------|---------------------|------------|------|
| Lubricants | 1,260              | 1,260               | 0          | 0.0% |

\*Includes sales of overseas licenses

### 3. Sales and Production

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#### (2) – 4. Oil Exploration & Production – Production Volume Forecasts (including Gas) (Units: Thousand BOED)

|                        | May 15<br>Forecast | Revised<br>Forecast | Difference |             |
|------------------------|--------------------|---------------------|------------|-------------|
| Norway                 | 30.7               | 32.8                | 2.2        | 7.1%        |
| United Kingdom         | 4.6                | 4.6                 | (0.0)      | (0.6%)      |
| Vietnam                | 0.0                | 0.0                 | 0.0        | 0.0%        |
| <b>Total('000BOED)</b> | <b>35.3</b>        | <b>37.4</b>         | <b>2.2</b> | <b>6.1%</b> |
| <b>Total('000BOE)</b>  | <b>12,870</b>      | <b>13,660</b>       | <b>790</b> | <b>6.1%</b> |

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

#### (2) – 5. Coal – Production Volume Forecasts

(Units: Thousand tons)

|                                | May 15<br>Forecast | Revised<br>Forecast | Difference |             |
|--------------------------------|--------------------|---------------------|------------|-------------|
| Ensham                         | 4,370              | 4,400               | 30         | 0.7%        |
| Muswellbrook                   | 1,500              | 1,500               | 0          | 0.0%        |
| Boggabri                       | 5,650              | 5,700               | 50         | 0.9%        |
| Tarawonga                      | 620                | 710                 | 90         | 14.5%       |
| <b>Sub Total</b>               | <b>12,140</b>      | <b>12,310</b>       | <b>170</b> | <b>1.4%</b> |
| Malinau                        | 1,200              | 1,260               | 60         | 5.0%        |
| <b>Total Production Volume</b> | <b>13,340</b>      | <b>13,570</b>       | <b>230</b> | <b>1.7%</b> |

\*Figures based on interest owned by Idemitsu Group

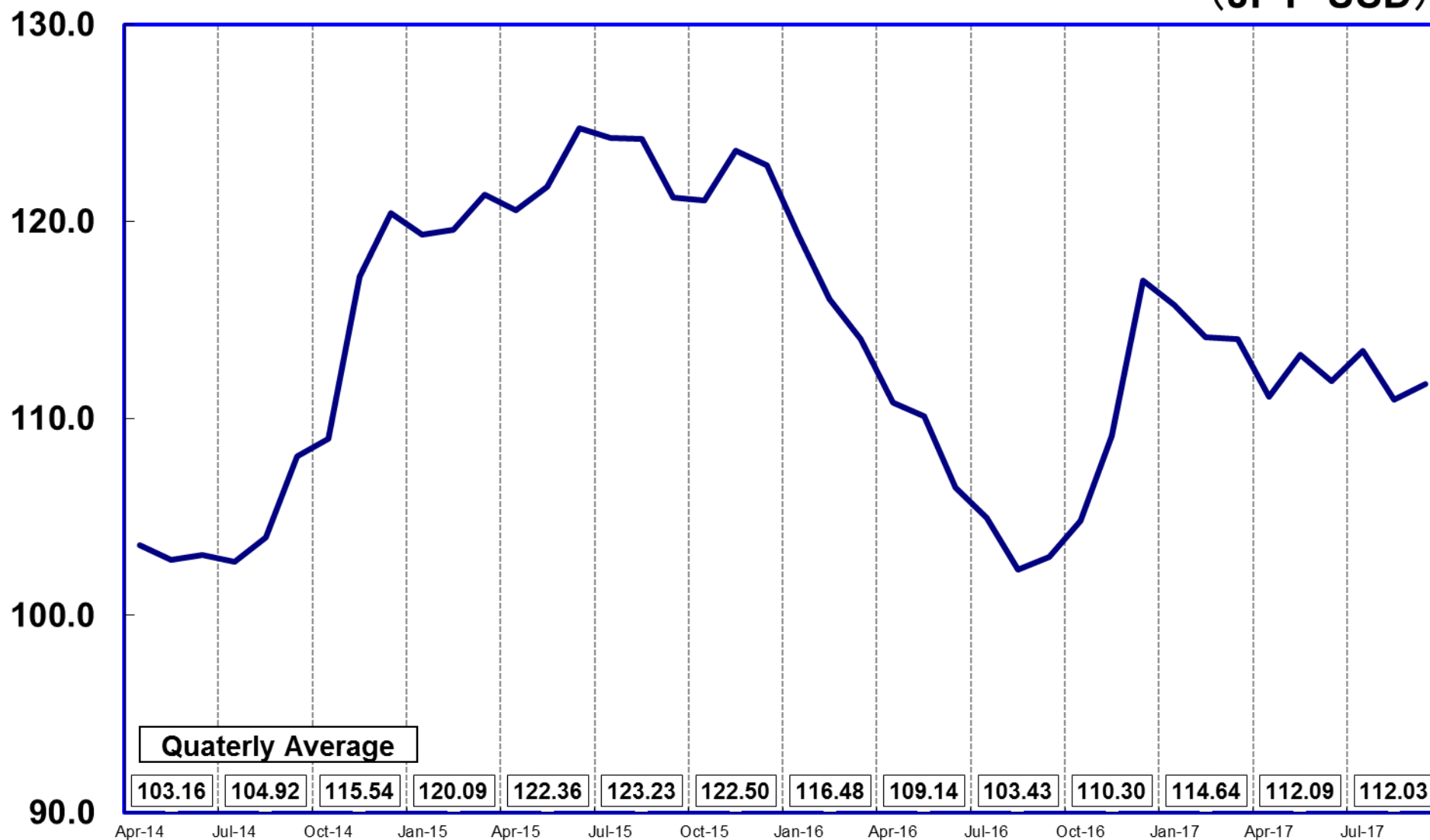
\*Fiscal years for Oil Exploration and Production and Coal operations end in December

## 4. Foreign Exchange

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(1)USD

(JPY・USD)

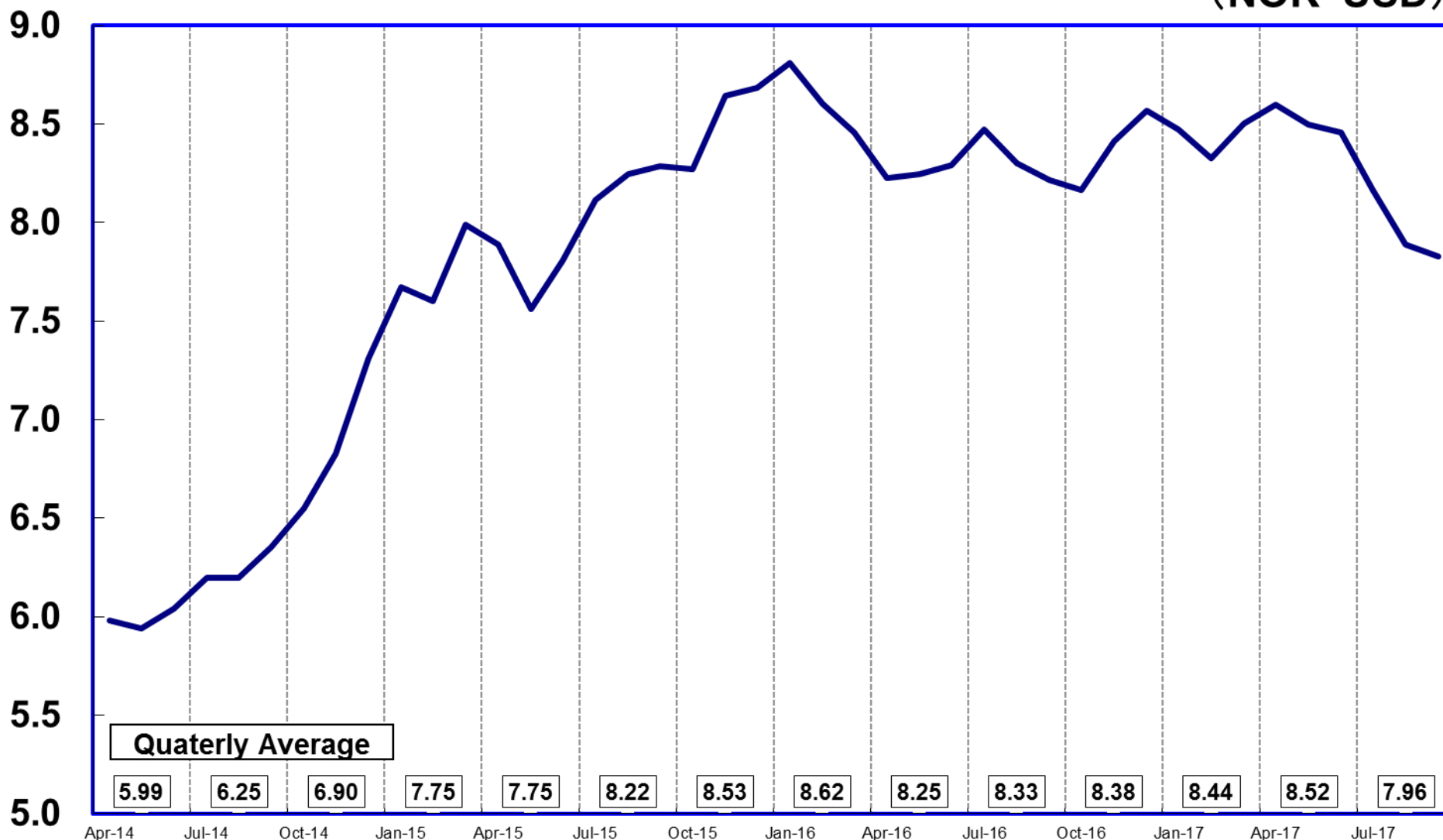


# 4. Foreign Exchange

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## (2) Norwegian Krone

(NOK-USD)

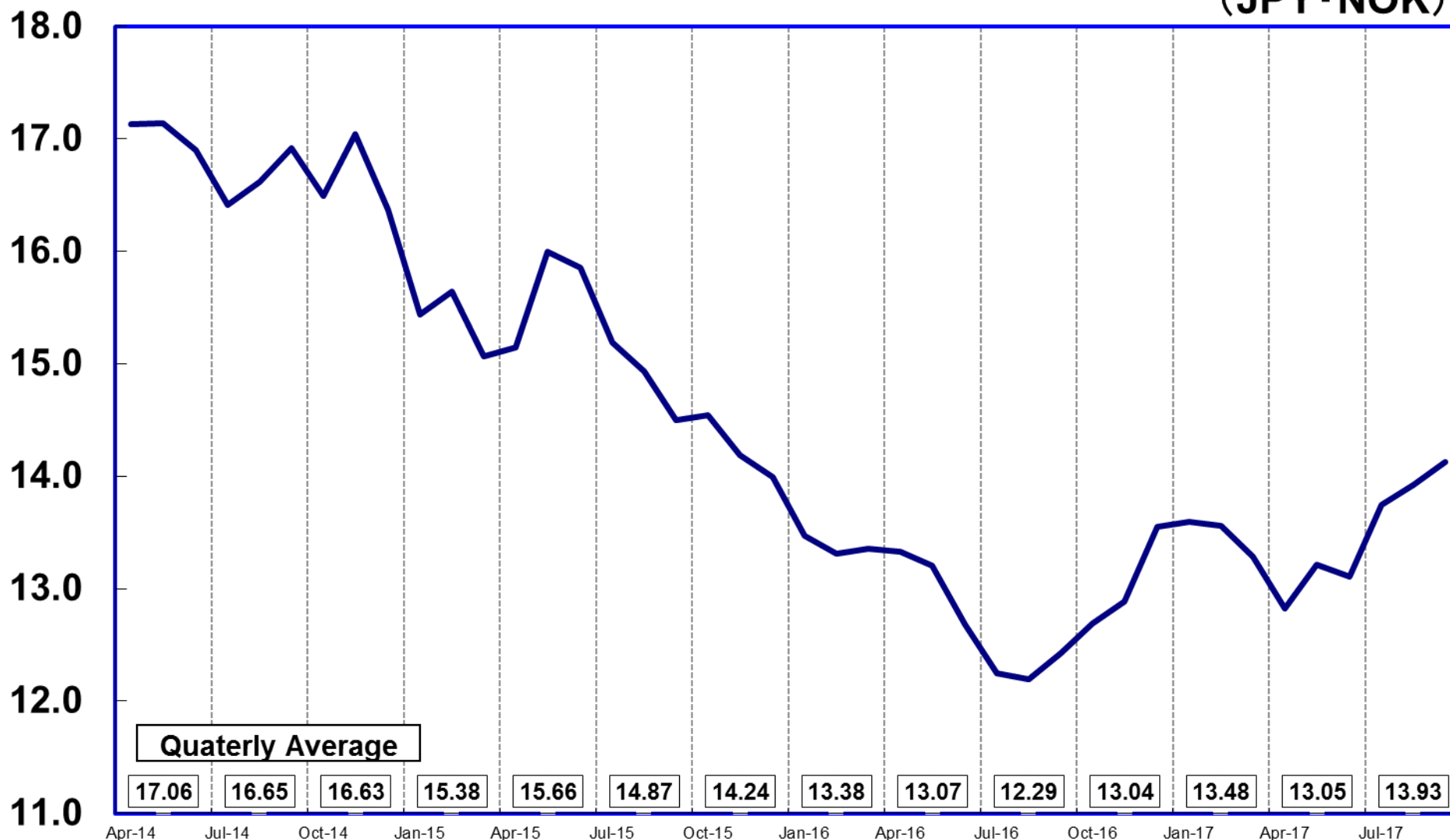


## 4. Foreign Exchange

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### (3) Norwegian Krone

(JPY・NOK)

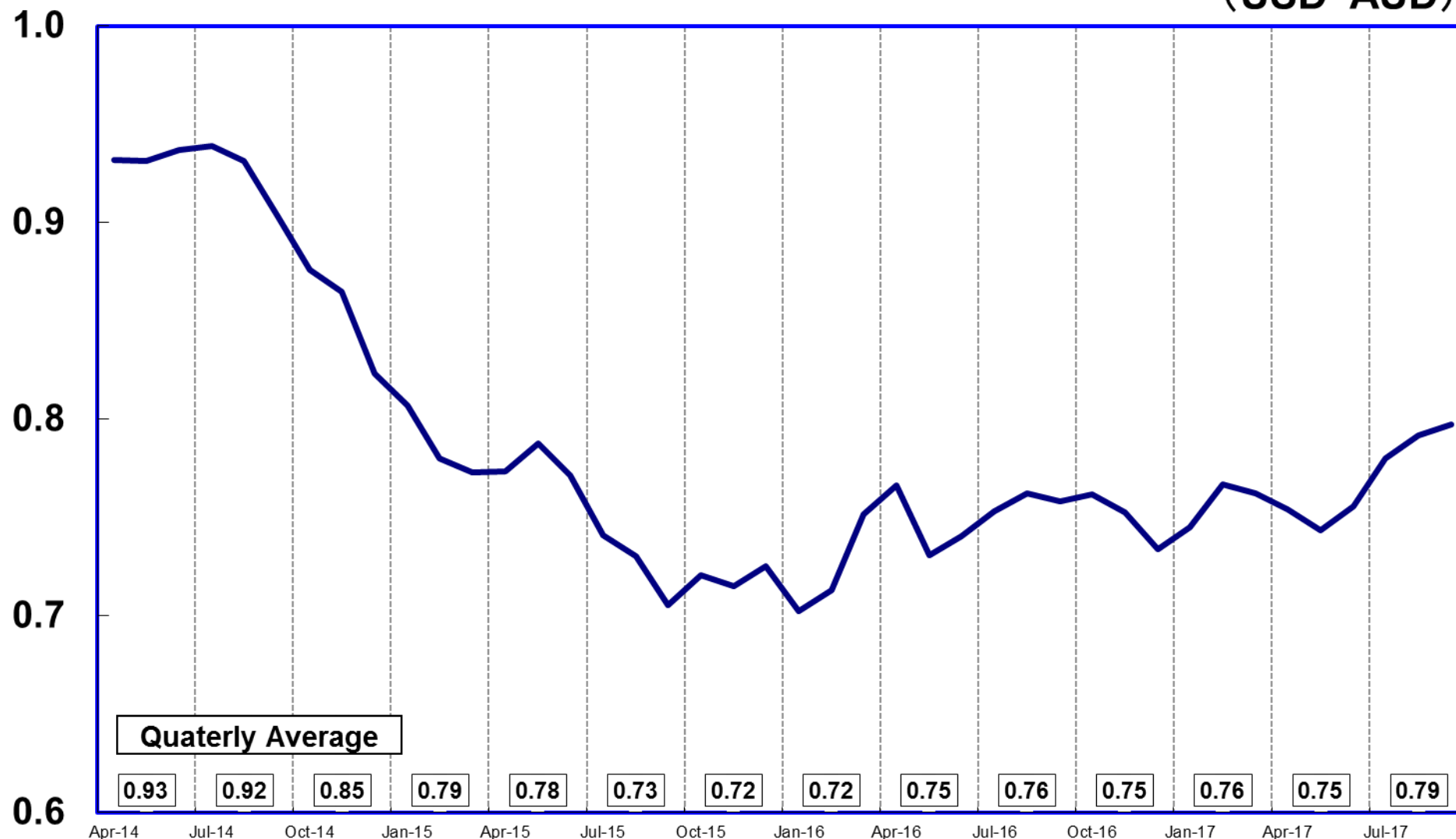


## 4. Foreign Exchange

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### (4) Australian Dollar

(USD·AUD)



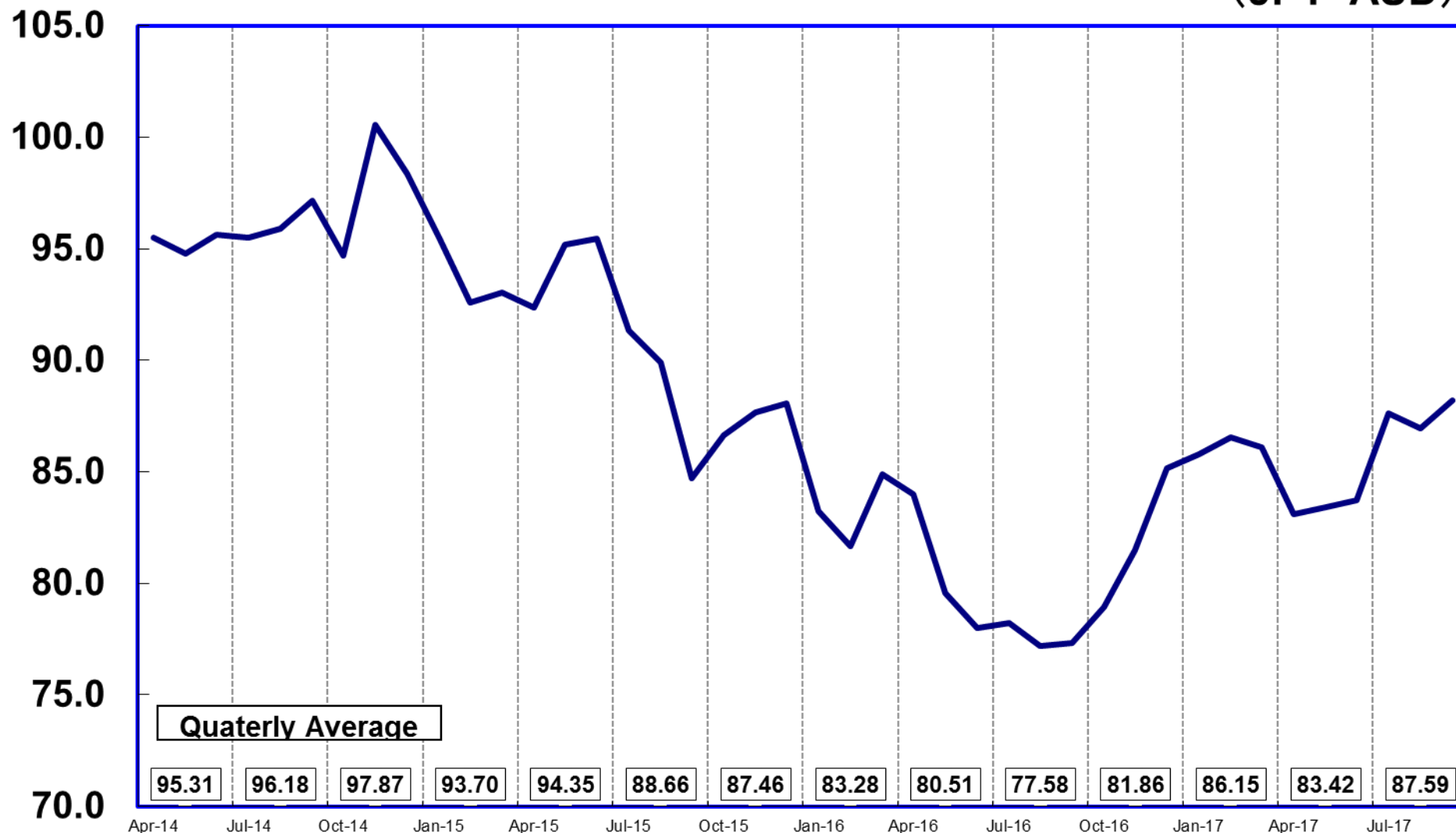


## 4. Foreign Exchange

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### (5) Australian Dollar

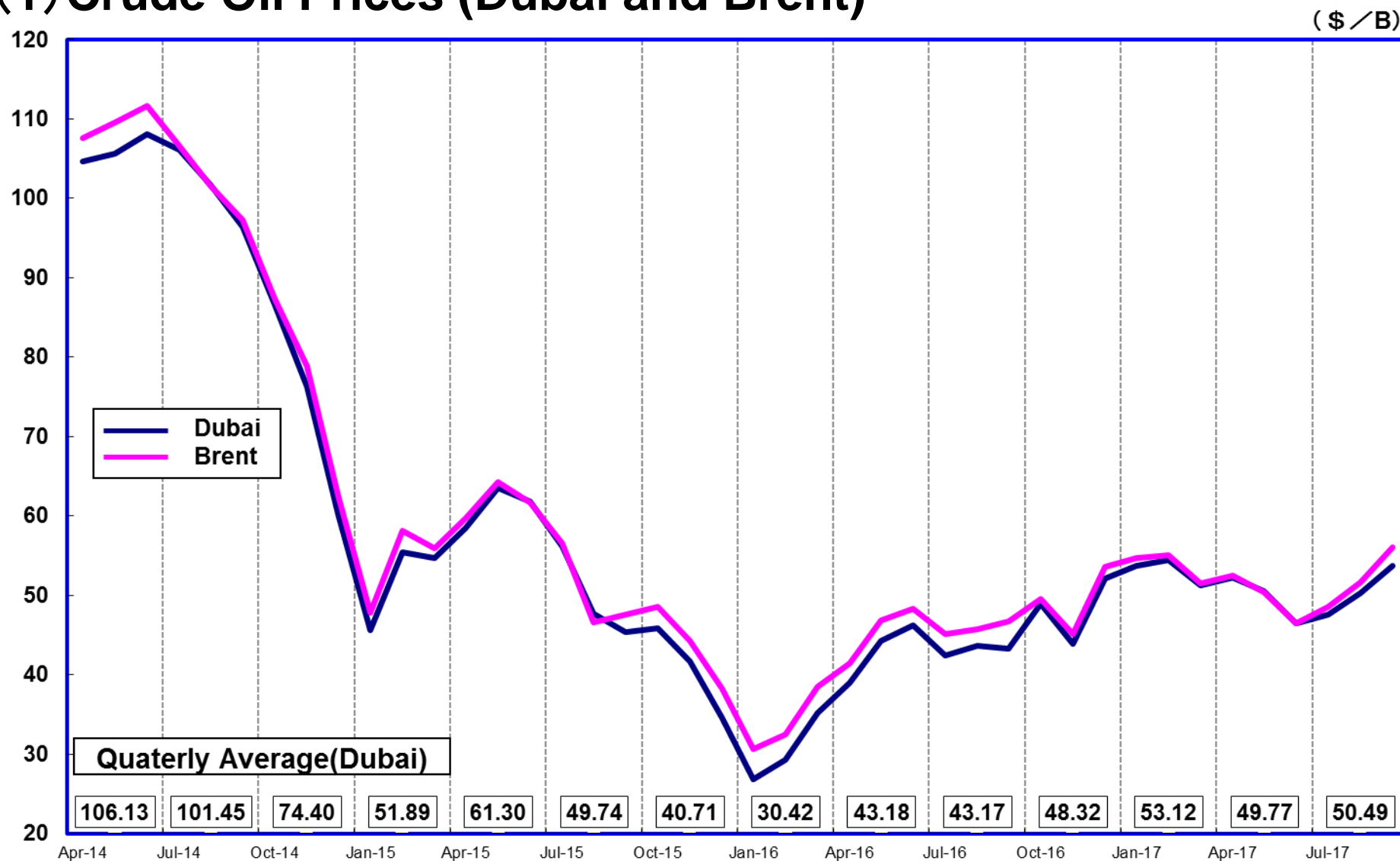
(JPY・AUD)



# 5. Market Conditions

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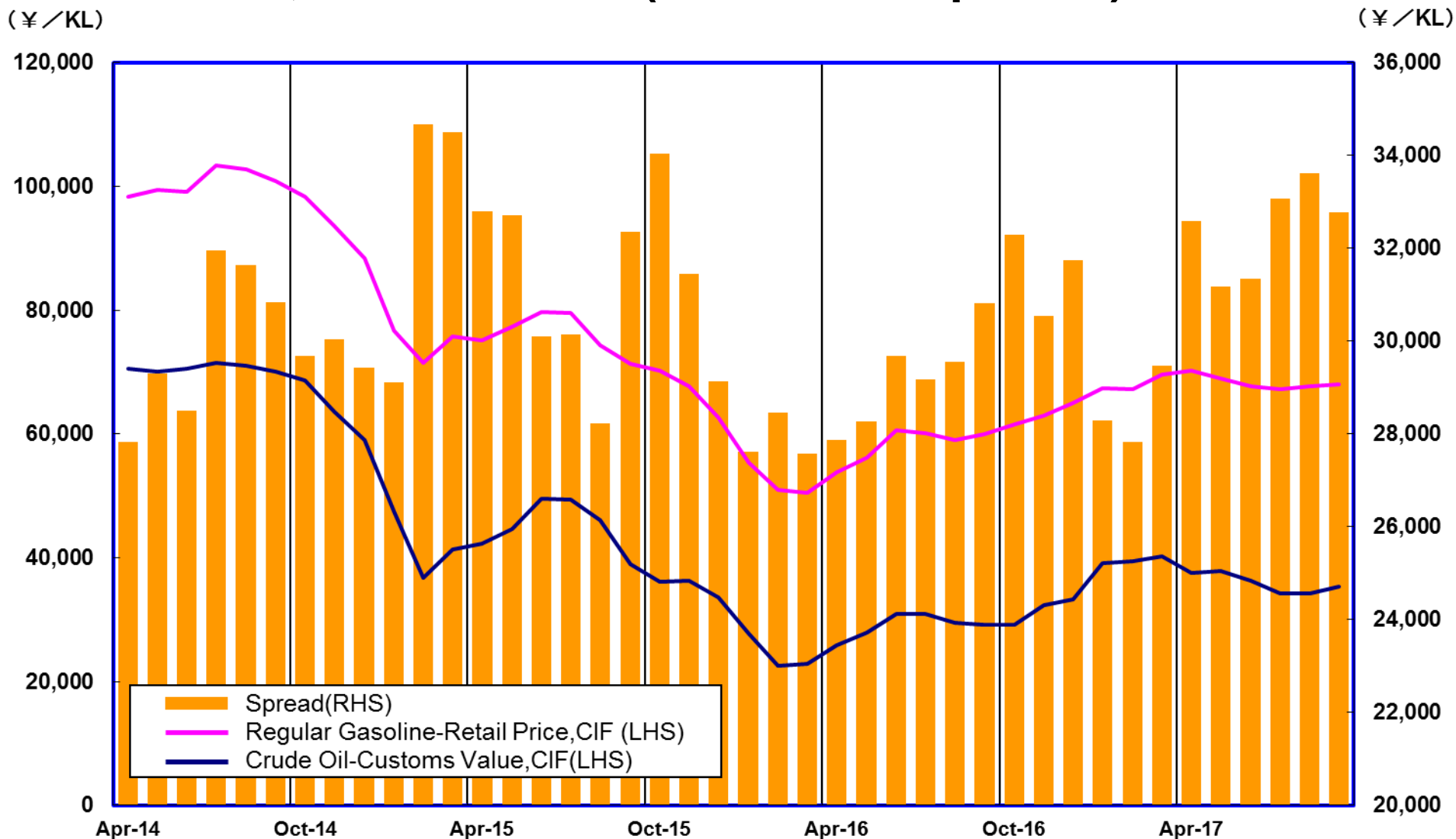
## (1) Crude Oil Prices (Dubai and Brent)



# 5. Market Conditions

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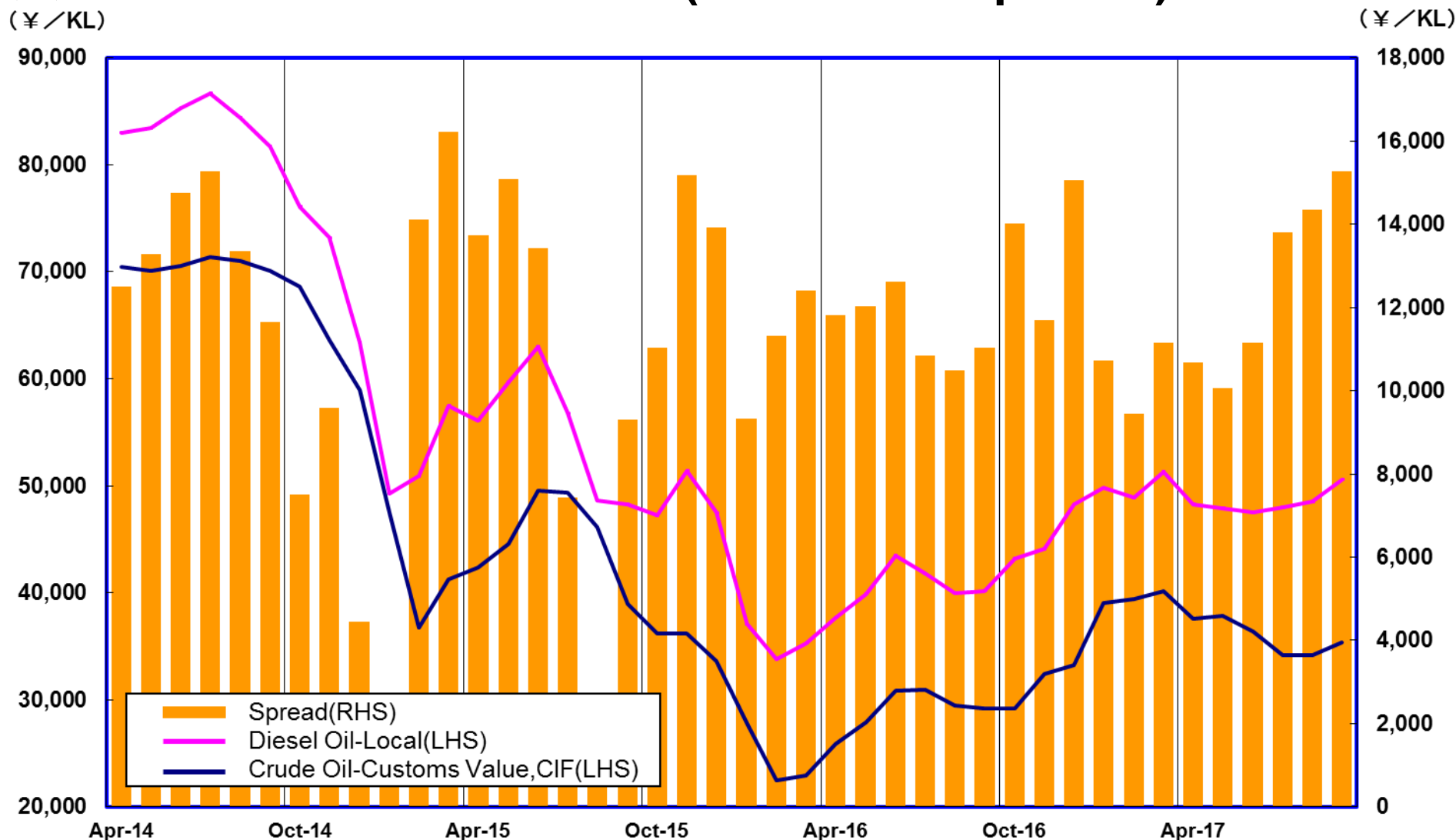
## (2) Gasoline, Crude Oil CIF (Prices and Spreads)



# 5. Market Conditions

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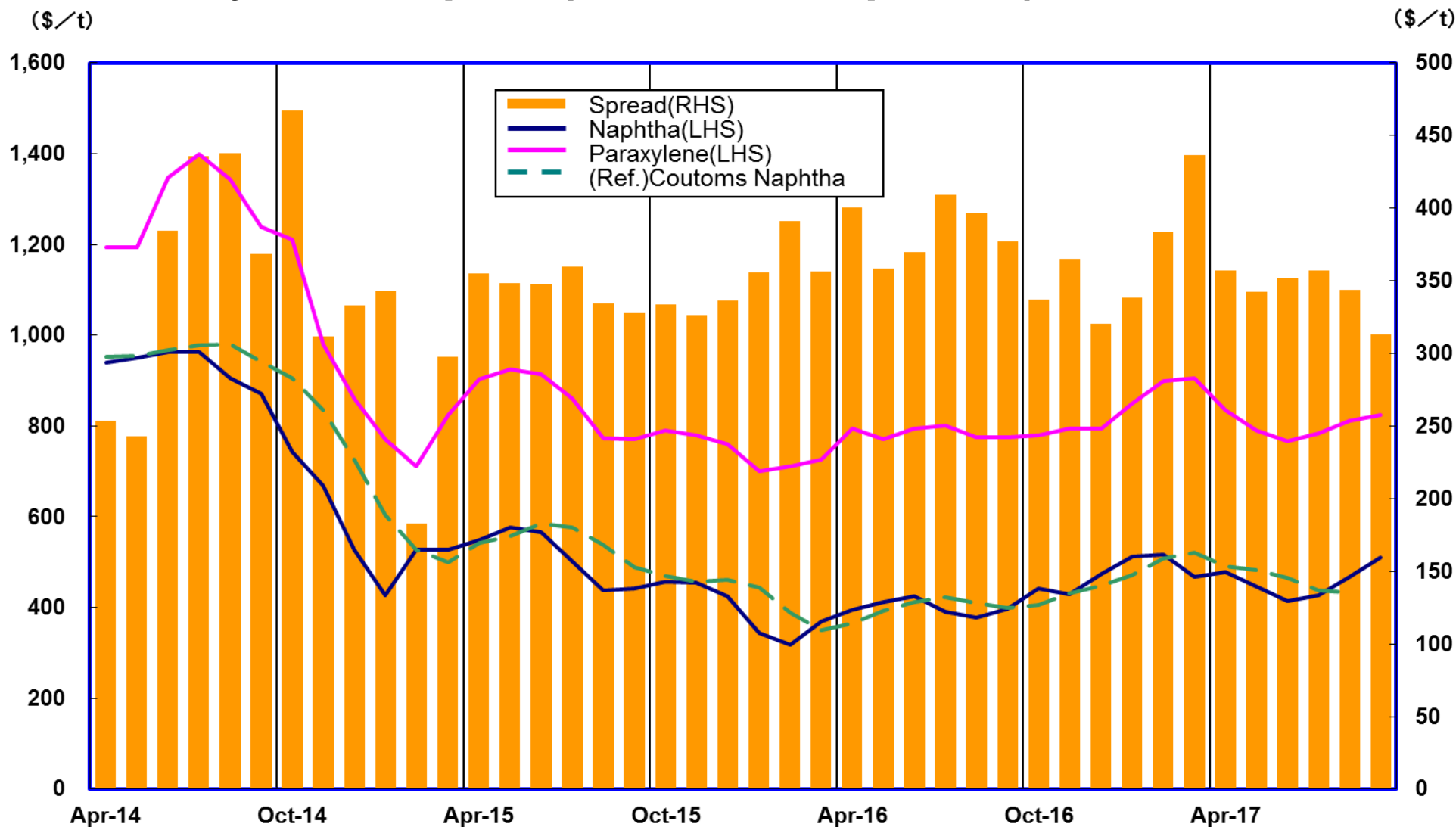
## (3) Diesel Oil – Crude Oil CIF (Prices and Spreads)



# 5. Market Conditions

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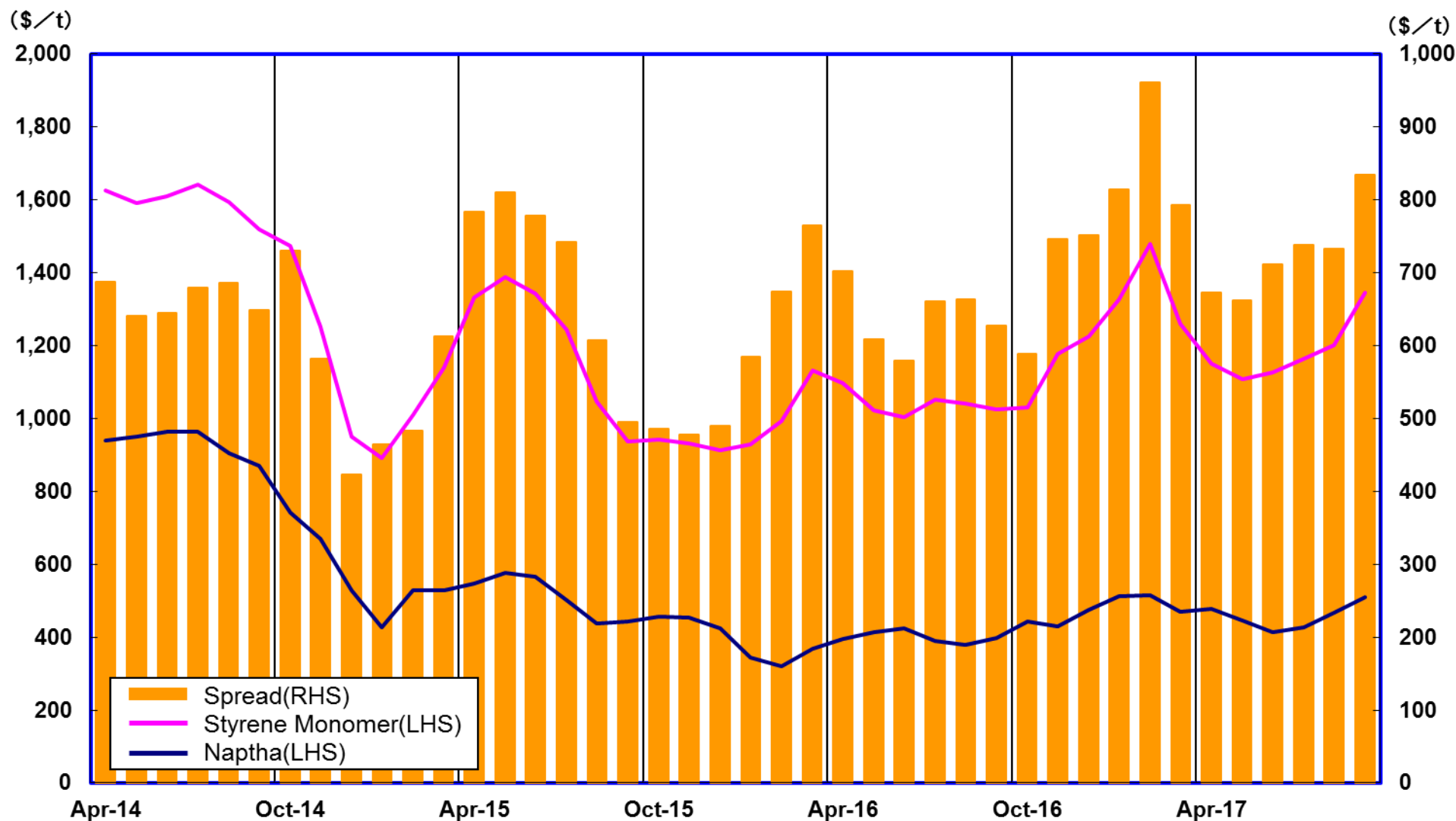
## (4) Paraxylene, Naptha (Prices and Spreads)



# 5. Market Conditions

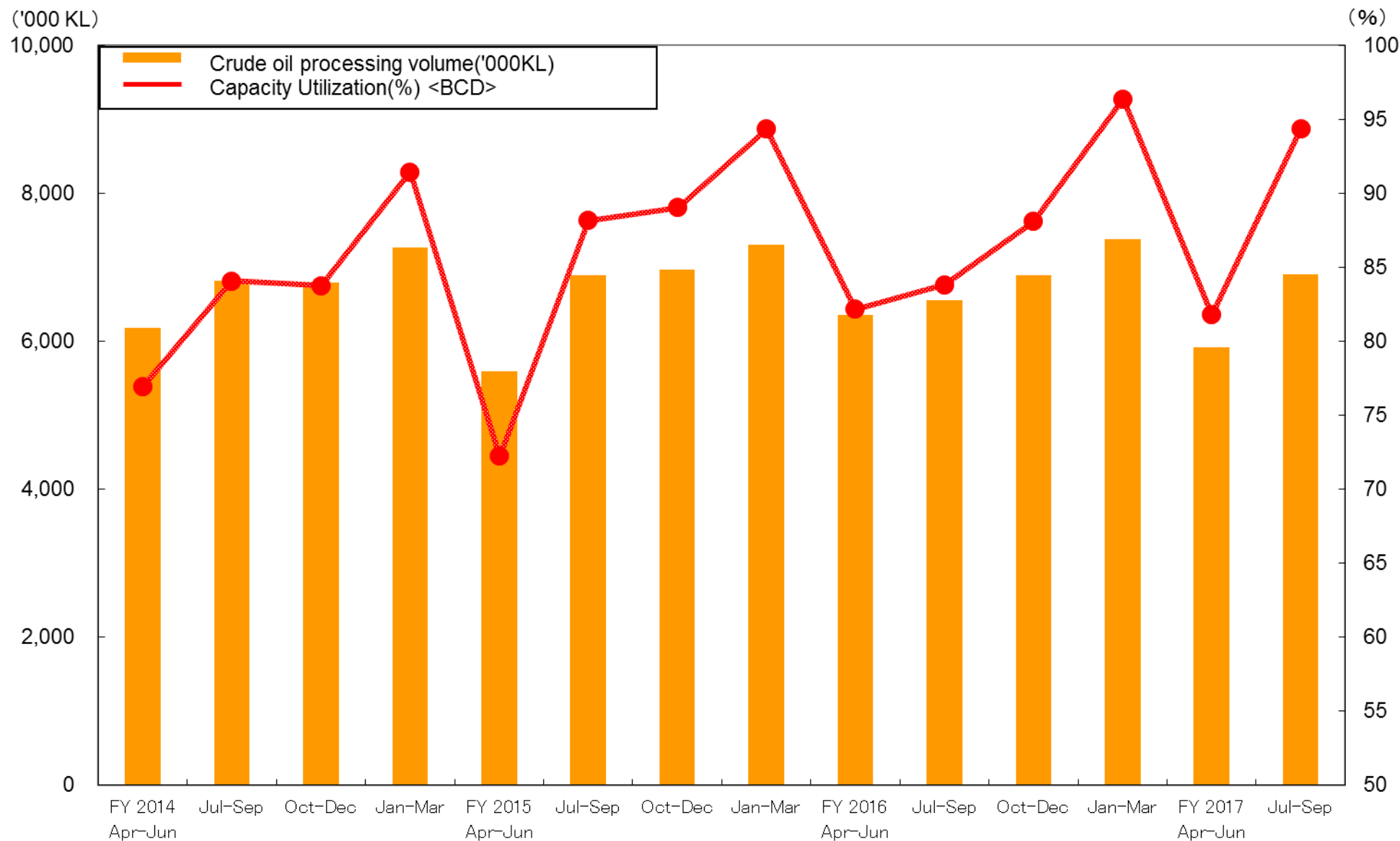
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## (5) Styrene Monomer, Naptha (Prices and Spreads)



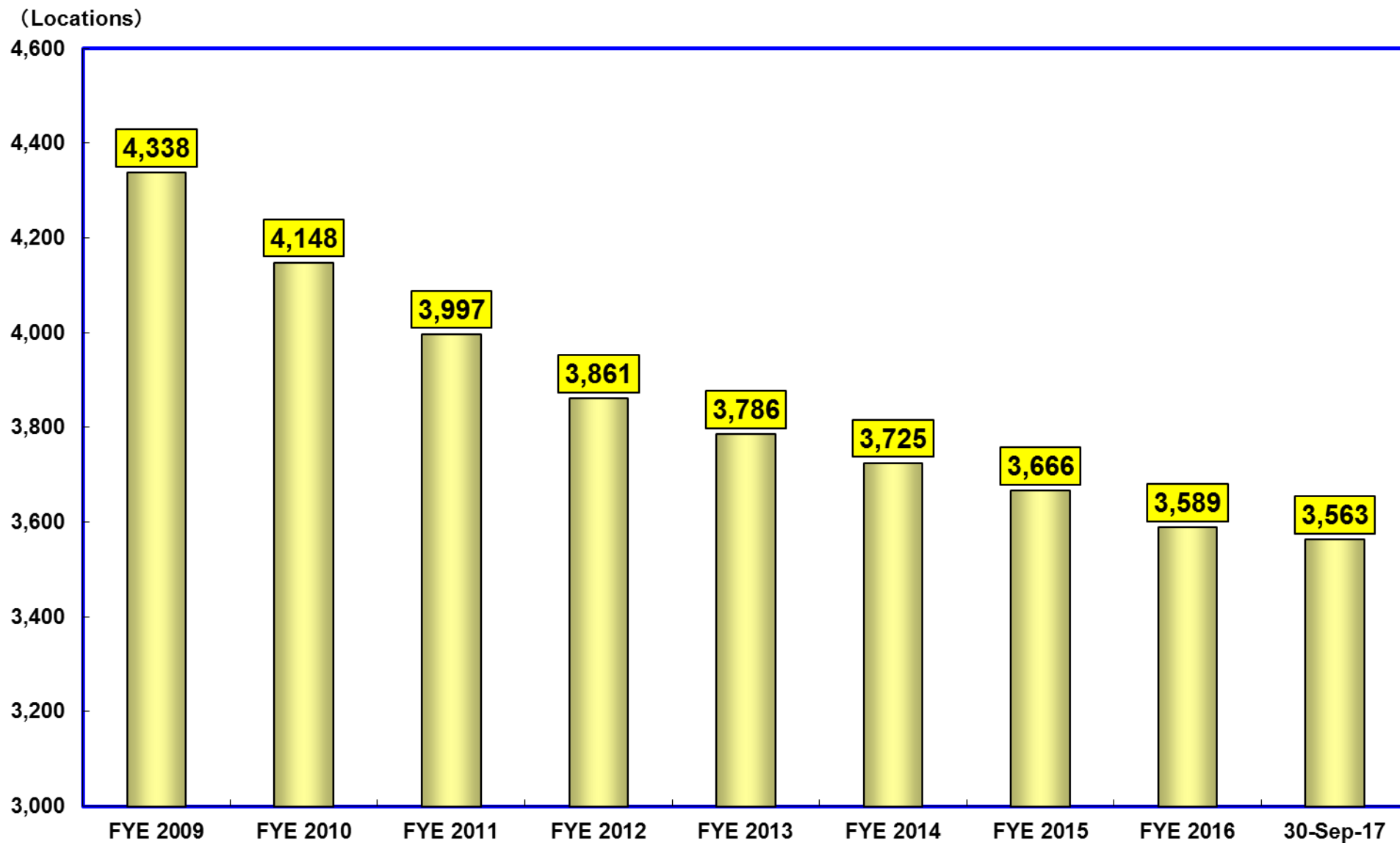
# 6. Capacity Utilization at Refineries

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# 7. Number of Service Stations

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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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