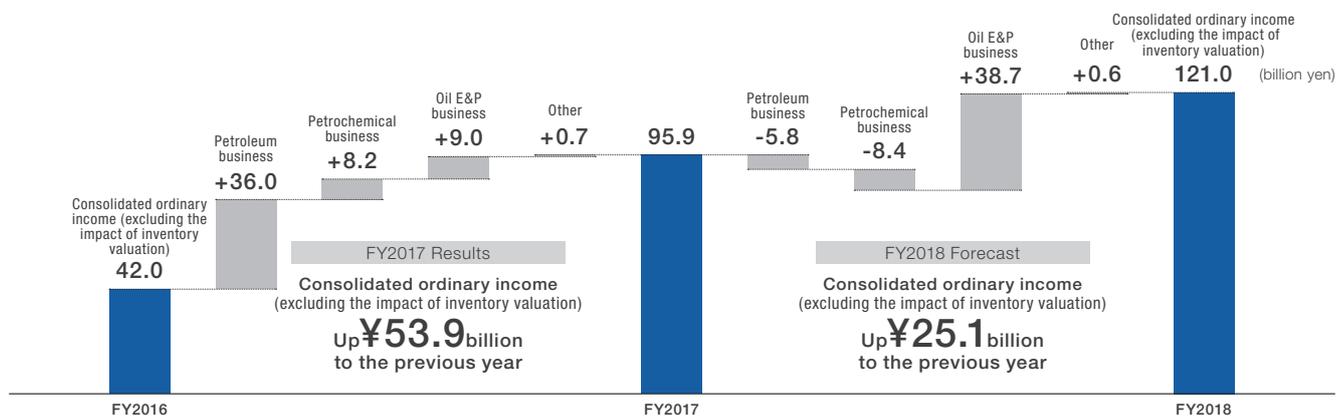


Business Results & Forecast, Cash Flows' situation, and Analysis of Financial Position

FY2017 Results / FY2018 Forecast

Consolidated ordinary income (excluding the impact of inventory valuation): Analysis of changes from the previous year

Key Variable Factors							
FY2017 Results		(billion yen)		FY2018 Forecast		(billion yen)	
Petroleum business	Profit increased thanks to the achievement of the safe operation and high operating ratios of the refineries and the appropriate margin resulted from the improved domestic supply-demand balance.	Margins & Domestic sales volume	+33.7	Lower profit expected, reflecting sales activities for generating profits that are consistent with the decrease of the crude oil processing amount, although we expect to utilize the pipeline of Chiba Refinery and secure a high operating ratio at refineries and an appropriate margin.	Margins & Domestic sales volume	-6.6	
		Export	-2.7		Export	+3.7	
		Other	+5.0		Other	-2.9	
Petrochemical business	Profit increased thanks to the firm market conditions and the increased sales volume by the absence of regular maintenance.	Price	+6.6	Lower profit expected due to a reduction in sales volume resulting from regular maintenance at Maruzen Petrochemical.	Price	-1.2	
		Volume	+3.0		Volume	-5.7	
		Other	-1.4		Other	-1.5	
Oil E&P business	Profit increased thanks to the higher oil price.	Price	+13.3	Higher profit expected, thanks to an increase in production resulting from the Hail Oil Field.	Price	+12.4	
		Volume	-1.2		Volume	+36.2	
		Other	-3.1		Other	-9.9	



	FY2016 Results	Changes (FY2017 result - FY2016 result)	FY2017 Results	Changes (FY2018 forecast - FY2017 result)	FY2018 Forecast (billion yen)
Petroleum business	1.8	36.0	37.8	-5.8	32.0
Petrochemical business	22.2	8.2	30.4	-8.4	22.0
Oil E&P business	9.3	9.0	18.3	38.7	57.0
Other	8.7	0.7	9.4	0.6	10.0
Total	42.0	53.9	95.9	25.1	121.0

FY2017 Results

Outline of Consolidated Cash Flows and Consolidated Balance Sheet

- Free cash flow improved significantly.
- Our financial condition recovered steadily with reduced interest-bearing debt.

Consolidated Cash Flows		
(billion yen)	FY2016	FY2017
Cash flows from operating activities(1)	47.6	192.6
Cash flows from investing activities(2)	-112.0	-96.4
Free cash flow (1+2)	-64.4	96.2
Cash flows from financing activities	9.6	-76.8
Cash and cash equivalents at end of the period	36.1	55.1

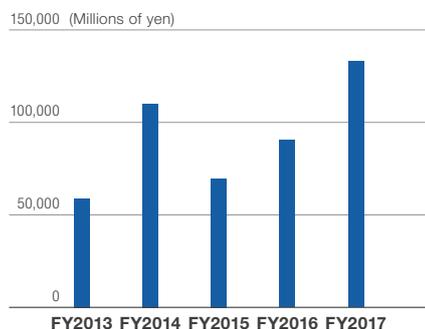
Consolidated Balance Sheet			
(billion yen)	FY2016 (As of Mar. 31, 2017)	FY2017 (As of Mar. 31, 2018)	Changes
Total Assets	1,525.7	1,690.9	165.2
Net assets	272.8	356.1	83.3
Net worth	164.7	238.7	74.0
Net worth ratio	10.8%	14.1%	Up 3.3 points
Net interest-bearing debt ¹	727.3	635.8	-91.5
Net debt-to-equity ratio (times) ²	3.6	2.3	Up 1.3 points

1. Total interest-bearing debts net of cash and deposits etc. as of the end of the period
 2. Calculated on the basis that 50% of the ¥60 billion Hybrid Loan made on April 1, 2015 is included in Equity.

Major Indicators

EBITDA excluding the Impact of Inventory Valuation

■ EBITDA excluding the impact of inventory valuation

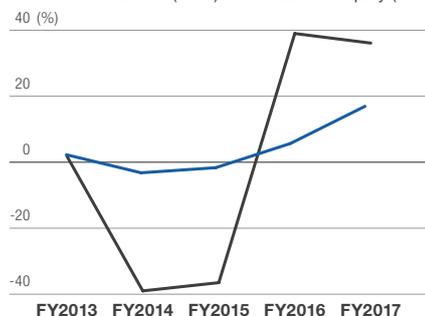


	FY2013	FY2014	FY2015	FY2016	FY2017
Operating income excluding the impact of inventory valuation	¥23,647	¥77,730	¥38,961	¥52,782	¥90,824
Depreciation and amortization ¹	35,330	32,399	30,713	37,769	42,130
EBITDA excluding the impact of inventory valuation ²	58,977	110,129	69,674	90,551	132,954

1. Including "Recovery of recoverable accounts under production sharing"
 2. EBITDA excluding the impact of inventory valuation = Operating income excluding the impact of inventory valuation + Depreciation and amortization

ROA and ROE

— Return on assets (ROA) — Return on equity (ROE)

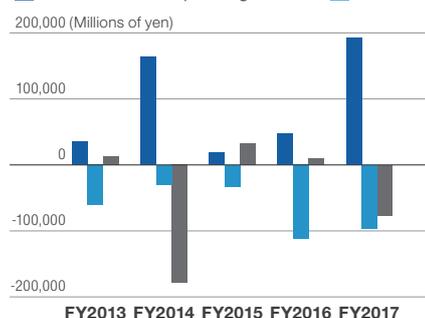


	FY2013	FY2014	FY2015	FY2016	FY2017
Profit (loss) attributable to owners of parent	¥4,348	¥-77,729	¥-50,230	¥53,235	¥72,813
Total assets	1,696,831	1,428,628	1,409,615	1,525,679	1,690,889
Net worth	231,927	167,194	108,046	164,722	238,677
Return on assets (ROA) ¹ (%)	0.3	-5.0	-3.5	3.6	4.5
Return on equity (ROE) ² (%)	1.9	-39.0	-36.5	39.0	36.1

1. ROA = Profit (loss) attributable to owners of parent / Average total assets at beginning and end of the fiscal year × 100
 2. ROE = Profit (loss) attributable to owners of parent / Average shareholders' equity at beginning and end of the fiscal year × 100

Consolidated Cash Flows

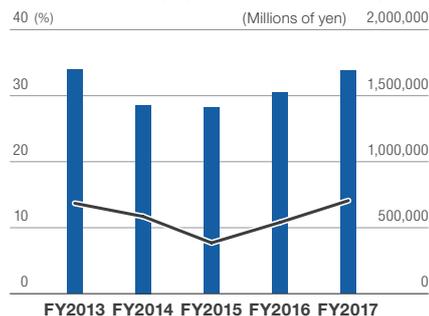
■ Cash flows from operating activities ■ Cash flows from investing activities ■ Cash flows from financing activities



	FY2013	FY2014	FY2015	FY2016	FY2017
Cash flows from operating activities	¥35,837	¥163,384	¥18,427	¥47,625	¥192,634
Cash flows from investing activities	-61,007	-30,126	-32,839	-112,038	-96,432
Cash flows from financing activities	12,555	-178,920	32,499	9,626	-76,757
Cash and cash equivalents at the end of year	123,280	80,765	89,418	36,126	55,148

Total Assets, Net Worth Ratio, and Net Debt-to-Equity Ratio¹

— Net worth ratio (LH) ■ Total assets (RH)



	FY2013	FY2014	FY2015	FY2016	FY2017
Total assets	¥1,696,831	¥1,428,628	¥1,409,615	¥1,525,679	¥1,690,889
Net interest-bearing debt ²	723,257	597,701	666,179	727,258	635,763
Net worth	231,927	167,194	108,046	164,722	238,677
Net worth ratio (%)	13.7	11.7	7.7	10.8	14.1
Net debt-to-equity ratio (times)	3.1	3.6	4.6	3.6	2.3

1. Calculated on the basis that 50% of 60 billion yen Hybrid Loan made on April 1 2015 is included in Equity
 2. Total interest-bearing debts net of cash and deposits etc. as of the end of the period

Consolidated Balance Sheets

ASSETS	FY2016 (As of March 31, 2017)	FY2017 (As of March 31, 2018)
	Millions of yen	Millions of yen
Current assets		
Cash and deposits	¥ 45,292	¥ 64,690
Notes and accounts receivable-trade	216,602	264,930
Merchandise and finished goods	111,905	132,880
Work in process	279	576
Raw materials and supplies	131,181	131,893
Accounts receivable-other	36,010	44,088
Deferred tax assets	3,760	7,661
Other	16,752	18,269
Allowance for doubtful accounts	-181	-169
Total current assets	561,604	664,821
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	150,866	205,787
Oil storage depots, net	33,027	35,178
Machinery, equipment and vehicles, net	161,690	183,447
Land	320,496	317,989
Lease assets, net	674	624
Construction in progress	99,980	67,123
Other, net	6,584	7,435
Total property, plant and equipment	773,320	817,585
Intangible assets		
Software	3,032	3,244
Goodwill	721	—
Other	40,830	38,771
Total intangible assets	44,585	42,016
Investments and other assets		
Investment securities	105,720	122,653
Long-term loans receivable	2,857	1,615
Long-term prepaid expenses	6,716	5,769
Net defined benefit asset	1,928	2,415
Cost recovery under production sharing	17,302	21,894
Deferred tax assets	2,608	3,093
Other	8,899	9,039
Allowance for doubtful accounts	-365	-401
Total investments and other assets	145,667	166,080
Total noncurrent assets	963,573	1,025,682
Deferred assets		
Bond issuance cost	502	385
Total deferred assets	502	385
Total assets	¥1,525,679	¥1,690,889

FY2016 (As of March 31, 2017)

FY2017 (As of March 31, 2018)

LIABILITIES

Millions of yen

Millions of yen

Current liabilities

Notes and accounts payable-trade	¥ 170,539	¥ 274,410
Short-term loans payable	225,169	206,690
Commercial paper	51,400	62,900
Accounts payable-other	92,428	109,316
Accrued volatile oil and other petroleum taxes	66,528	84,801
Income taxes payable	11,237	15,338
Accrued expenses	3,182	5,130
Provision for bonuses	5,326	7,516
Provision for directors' bonuses	315	620
Deferred tax liabilities	266	7
Provision for business structure improvement	2,001	—
Other	27,079	33,423
Total current liabilities	655,473	800,153

Noncurrent liabilities

Bonds payable	46,700	46,700
Long-term loans payable	449,282	384,164
Deferred tax liabilities	33,608	35,623
Deferred tax liabilities for land revaluation	5,243	5,182
Provision for special repairs	13,781	17,830
Provision for business structure improvement	212	1,050
Provision for environmental measures	1,997	1,729
Net defined benefit liability	5,516	3,212
Provision for executive remuneration BIP trust	296	340
Asset retirement obligations	19,338	20,568
Other	21,441	18,186
Total noncurrent liabilities	597,420	534,589

Total liabilities

¥1,252,893

¥1,334,743

NET ASSETS**Shareholders' equity**

Capital stock	¥ 40,000	¥ 40,000
Capital surplus	84,359	84,359
Retained earnings	49,985	118,701
Treasury shares	-1,113	-1,091
Total shareholders' equity	173,231	241,970

Accumulated other comprehensive income

Valuation difference on available-for-sale securities	4,794	6,379
Deferred gains or losses on hedges	-233	-267
Revaluation reserve for land	-20,576	-20,923
Foreign currency translation adjustment	7,215	8,715
Remeasurements of defined benefit plans	292	2,803
Total accumulated other comprehensive income	-8,508	-3,292

Non-controlling interests

108,063

117,468

Total net assets

272,786

356,146

Total liabilities and net assets

¥1,525,679

¥1,690,889

Consolidated Statements of Income

	FY2016 (From April 1, 2016 to March 31, 2017)	FY2017 (From April 1, 2017 to March 31, 2018)
	Millions of yen	Millions of yen
Net sales	¥2,292,280	¥2,523,106
Cost of sales	2,079,727	2,282,710
Gross profit	212,553	240,395
Selling, general and administrative expenses	120,370	128,526
Operating income	92,182	111,868
Non-operating income		
Interest income	218	341
Dividends income	671	1,015
Rent income on noncurrent assets	1,144	1,153
Share of profit entities accounted for using equity method	1,796	11,937
Foreign exchange gains	—	2,533
Other	2,764	2,754
Total non-operating income	6,594	19,737
Non-operating expenses		
Interest expenses	12,274	12,125
Foreign exchange losses	1,058	—
Other	3,995	2,630
Total non-operating expenses	17,328	14,755
Ordinary income	81,448	116,850
Extraordinary income		
Gain on sales of noncurrent assets	322	2,457
Gain on sales of investment securities	910	433
Gain on sales of shares of subsidiaries and associates	1,282	—
Subsidy income	3,346	3,027
Gain on bargain purchase	493	—
Insurance income	—	463
Other	558	220
Total extraordinary income	6,914	6,603
Extraordinary loss		
Loss on sales of noncurrent assets	195	266
Loss on disposal of noncurrent assets	6,274	8,173
Impairment loss	842	1,516
Loss on valuation of investment securities	808	187
Business structure improvement expenses	802	2,840
Loss on closing the oil terminal	—	1,056
Other	873	138
Total extraordinary losses	9,796	14,179
Profit before income taxes	78,565	109,274
Income taxes—current	18,267	28,687
Income taxes—deferred	644	-3,515
Total income taxes	18,912	25,172
Profit	59,652	84,101
Profit attributable to non-controlling interests	6,417	11,288
Profit attributable to owners of parent	¥ 53,235	¥ 72,813

Consolidated Statements of Cash Flows

FY2016
(From April 1, 2016 to March 31, 2017)

FY2017
(From April 1, 2017 to March 31, 2018)

Millions of yen

Millions of yen

Cash flows from operating activities

Profit before income taxes	¥ 78,565	¥ 109,274
Depreciation	34,507	38,348
Gain on bargain purchase	-493	—
Amortization of goodwill	730	721
Impairment loss	842	1,516
Loss (gain) on sales of non-current assets	-127	-2,191
Business structure improvement expenses	802	2,840
Loss (gain) on disposal of non-current assets	6,274	8,173
Loss (gain) on sales of investment securities	-910	-433
Loss (gain) on valuation of investment securities	808	187
Loss (gain) on sales of shares of subsidiaries and associates	-1,282	—
Subsidy income	-3,346	-3,027
Loss on closing the oil terminal	—	1,056
Interest and dividend income	-890	-1,357
Insurance income	—	-463
Interest expenses	12,274	12,125
Foreign exchange losses (gains)	754	-963
Share of (profit) loss of entities accounted for using equity method	-1,796	-11,937
Increase (decrease) in allowance for doubtful accounts	-148	23
Increase (decrease) in provision for special repairs	-2,375	4,048
Increase (decrease) in provision for environmental measures	-583	-544
Increase (decrease) in net defined benefit asset (liability)	581	-301
Decrease (increase) in notes and accounts receivable-trade	-23,948	-49,738
Recovery of recoverable accounts under production sharing	3,262	3,782
Decrease (increase) in inventories	-61,495	-22,085
Increase (decrease) in notes and accounts payable-trade	55,031	105,026
Decrease (increase) in other current assets	-1,528	-8,822
Increase (decrease) in other current liabilities	-22,773	41,132
Decrease (increase) in investments and other assets	1,699	628
Increase (decrease) in other non-current liabilities	-2,306	-1,520
Other, net	1,535	44
Subtotal	73,665	225,542
Interest and dividend income received	1,014	3,860
Interest expenses paid	-12,407	-12,323
Payments for business structure improvement expenses	-3,916	-4,056
Proceeds from subsidy income	3,487	3,752
Proceeds from insurance income	—	234
Income taxes paid	-14,218	-24,374
Net cash provided by (used in) operating activities	¥ 47,625	¥ 192,634

Consolidated Statements of Cash Flows

	FY2016 (From April 1, 2016 to March 31, 2017)	FY2017 (From April 1, 2017 to March 31, 2018)
	Millions of yen	Millions of yen
Cash flows from investing activities		
Purchase of investment securities	¥ -1,341	¥ -1,457
Proceeds from sales and redemption of investment securities	7,190	401
Purchase of shares of subsidiaries and associates	-1,240	-3,623
Proceeds from sales and liquidation of shares of subsidiaries and associates	178	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	1,261	—
Purchase of property, plant and equipment	-108,683	-96,780
Payments for disposal of property, plant and equipment	-4,310	-3,261
Proceeds from sales of property, plant and equipment	593	17,470
Payments for purchases of intangible assets and long-term prepaid expenses	-5,977	-9,859
Decrease (increase) in short-term loans receivable	399	44
Payments of long-term loans receivable	-1,425	-225
Collection of long-term loans receivable	589	485
Payments into time deposits	-489	-33
Proceeds from withdrawal of time deposits	—	22
Proceeds from withdrawal of investments in silent partnership	1,233	157
Other, net	-15	227
Net cash provided by (used in) investing activities	-112,038	-96,432
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-2,828	-21,563
Proceeds from long-term loans payable	43,861	47,859
Repayment of long-term loans payable	-66,333	-107,887
Payments into deposits of restricted withdrawals	-6,393	—
Net increase (decrease) in commercial paper	39,400	11,500
Cash dividends paid	-3,359	-4,204
Dividends paid to non-controlling interests	-947	-2,361
Proceeds from share issuance to non-controlling shareholders	6,229	—
Other, net	-4	-98
Net cash provided by (used in) financing activities	9,626	-76,757
Effect of exchange rate change on cash and cash equivalents	-621	-422
Net increase (decrease) in cash and cash equivalents	-55,408	19,021
Cash and cash equivalents at beginning of period	89,418	36,126
Increase in cash and cash equivalents from newly consolidated subsidiary	2,107	—
Increase (decrease) in cash and cash equivalents resulting from merger of subsidiaries	8	—
Cash and cash equivalents at end of period	¥ 36,126	¥ 55,148