

# **Cosmo Oil Co., Ltd. Presentation on Results for First Quarter of Fiscal 2010**

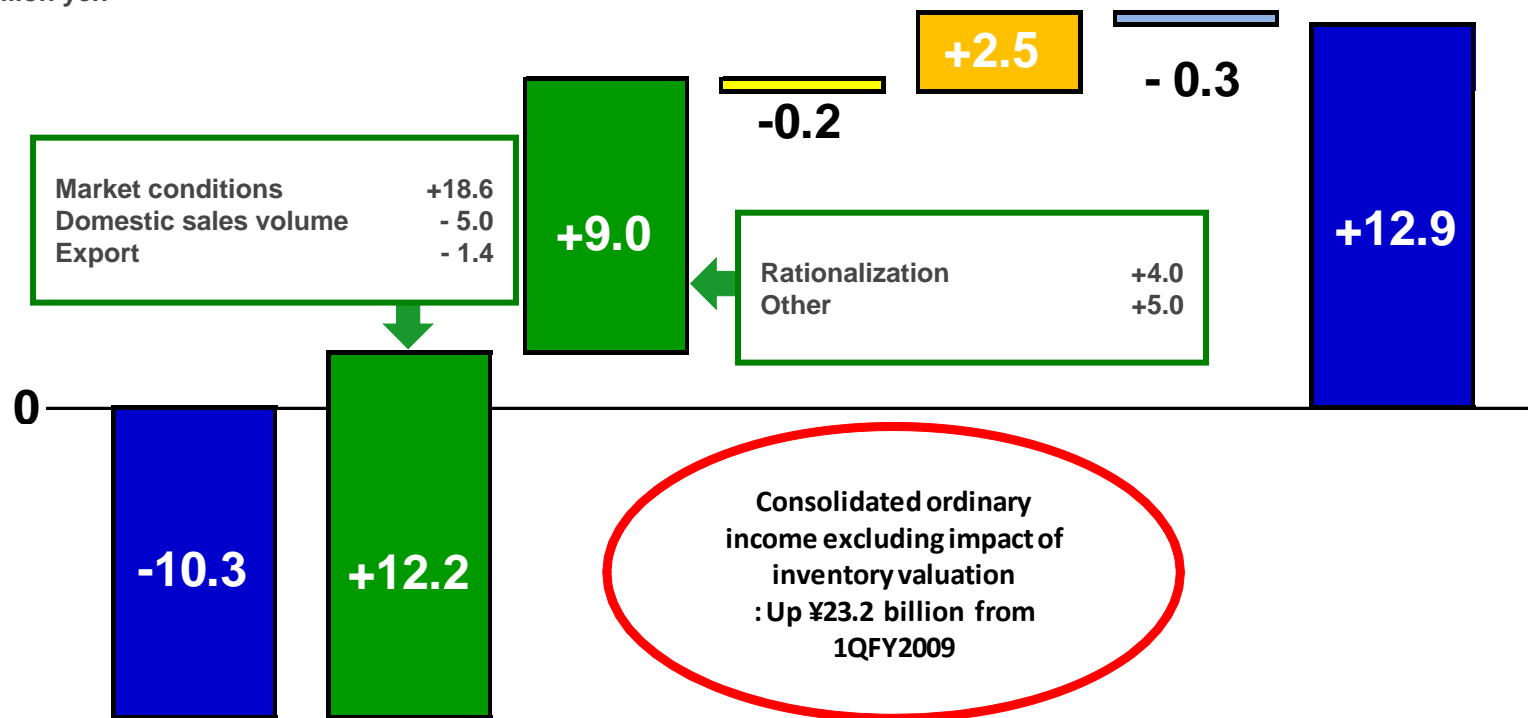
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**August 3, 2010**

**Director, Senior Executive Officer : Satoshi Miyamoto**

# [1Q FY2010 Results] Consolidated Ordinary Income (Excluding Inventory Valuation Impact) - Analysis of Changes from 1Q FY2009

Unit: billion yen



1QFY2009 Results	1Q FY2010 Results					
Ordinary income excl. inventory valuation impact	Petroleum business					Ordinary income excl. inventory valuation impact
	Market conditions and sales volume impact	Other	Petrochemical business	Oil exploration and production business	Other business	

## Outline of Consolidated Cash Flows and Balance Sheets

	Results (As of Jun. 30, '10)	Change from FY10 (As of Mar. 31, '10)	
			Unit: billion yen
<b>Cash flows from operating activities</b>	<b>-52.7</b>	<b>-</b>	
<b>Cash flows from investing activities</b>	<b>-24.8</b>	<b>-</b>	
<b>Cash flows from financing activities</b>	<b>-89.7</b>	<b>-</b>	
<b>Cash and cash equivalents at end of the period</b>	<b>61.3</b>	<b>-167.6</b>	
	Results (As of Jun. 30, '10)	FY09 (As of Mar. 31, '10)	Change
<b>Total Assets</b>	<b>1,483.9</b>	<b>1,645.0</b>	<b>-161.1</b>
<b>Net assets</b>	<b>324.9</b>	<b>331.6</b>	<b>-6.7</b>
<b>Net worth</b>	<b>308.7</b>	<b>315.7</b>	<b>-7.0</b>
<b>Net worth ratio</b>	<b>20.8%</b>	<b>19.2%</b>	<b>Up 1.6 % points</b>
<b>Interest-bearing debts (including zero coupon corporate bonds)</b>	<b>694.9</b>	<b>777.7</b>	<b>-82.8</b>
<b>Debt dependence ratio</b>	<b>46.8%</b>	<b>47.3%</b>	<b>Up 0.5 % points</b>
<b>Debt Equity Ratio</b>	<b>2.3</b>	<b>2.5</b>	<b>Up 0.2 points</b>
<b>Net interest-bearing debt * (including zero coupon corporate bonds)</b>	<b>633.5</b>	<b>548.8</b>	<b>84.7</b>
<b>Debt dependence ratio</b>	<b>42.7%</b>	<b>33.4%</b>	<b>Down 9.3 % points</b>
<b>Debt Equity Ratio</b>	<b>2.1</b>	<b>1.7</b>	<b>Down 0.4 points</b>

\* Total interest-bearing debts net of cash and cash equivalents and short-term working fund balance as of the end of the term

## Supplementary Information

- P3 : [1Q FY2010 Results] Consolidated Income Statements - Changes from 1Q FY2009
- P4 : [1Q FY2010 Results] Highlights of Consolidated Operating results - Changes from 1Q FY2009
- P5 : [1Q FY2010 Results] Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Sensitivity, Crude Oil Production Volume
- P6 : [1Q FY2010 Results] Selling Volume
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# [1Q FY2010 Results] Consolidated Income Statements - Changes from 1Q FY2009

(bn. Yen)

	FY2010 (Apr. – Jun.2010)	FY2009 (Apr. – Jun.2009)	Change
<b>Net sales</b>	627.0	548.5	78.5
Cost of sales	580.7	505.0	75.7
Selling, general and administrative expenses	31.3	33.1	-1.8
<b>Operating income</b>	15.0	10.4	4.6
Non-operating income/expenses, net	0.2	3.3	-3.1
<b>Ordinary income</b>	15.2	13.7	1.5
Extraordinary income/losses, net	-5.4	-1.8	-3.6
Income taxes	6.1	5.8	0.3
Minority interests	0.3	0.4	-0.1
<b>Net income</b>	3.4	5.7	-2.3

**【Reference】**

Impact of inventory valuation	2.3	24.0	-21.7
<b>Operating income excluding the impact of inventory valuation</b>	12.7	-13.6	26.3
<b>Ordinary income excluding the impact of inventory valuation</b>	12.9	-10.3	23.2

# [1Q FY2010 Results] Highlights of Consolidated Operating results - Changes from 1Q FY2009

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	1Q FY2010 Results	1Q FY2009 Results	Change from 1Q FY2009
Consolidated ordinary income	15.2 billion yen	13.7 billion yen	1.5 billion yen
Impact of inventory valuation	2.3 billion yen *	24.0 billion yen	-21.7 billion yen
NET Consolidated ordinary income (loss)	12.9 billion yen	-10.3 billion yen	23.2 billion yen
Purchased price of crude oil JPY/USD exchange rate:	Crude oil: 78.44 USD/B JPY/USD exchange rate: 92.33 yen/USD	Crude oil: 52.40 USD/B JPY/USD exchange rate: 97.94 yen/USD	Crude oil: 26.04 USD/B JPY/USD exchange rate: -5.61 yen/USD



## Consolidated Ordinary Income (loss) by Business Segment

	1Q FY2010 Results	1Q FY2009 Results	Change from 1Q FY2009
Petroleum business	9.2 billion yen	9.0 billion yen	0.2 billion yen
NET Petroleum business	6.9 billion yen	-14.3 billion yen	21.2 billion yen
Petrochemical	0.2 billion yen	0.8 billion yen	-0.6 billion yen
NET Petrochemical business	0.2 billion yen	0.4 billion yen	-0.2 billion yen
Oil E & P business	8.8 billion yen	6.3 billion yen	2.5 billion yen
Other	-3.0 billion yen	-2.4 billion yen	-0.6 billion yen

\* Breakdown of impact of inventory valuation of ¥2.3 billion: Petroleum ¥2.3 billion, Petrochemical ¥0 billion, Other ¥0 billion.

# [1Q FY2010 Results] Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Sensitivity, Crude Oil Production Volume

## <<Crude oil procurement cost and processing volume and topper operating ratios>>

		1Q FY2010 Results	Change from 1Q FY2009	
Purchased price of crude oil	Crude oil (FOB) USD/BBL	78.44	26.04	—
	JPY/USD exchange rate	92.33	-5.61	—
	Purchased price of crude oil (tax inclusive) yen/KL	48,942	13,624	—
Crude oil refining	Refined crude oil volume (1,000 KL)	5,949	-138	97.7%
	Atmospheric distillation operating ratio (Calendar Day)	74.1%	—	*2
	Atmospheric distillation operating ratio (Streaming Day) *1	91.4%	—	*2

\*1: SD: Streaming day indicates operating ratio excluding the impact of suspended operations due to regular repairs and maintenance, etc.

\*2: Effective February 2010, the nameplate capacity of the refineries was reduced (from 635,000 BD to 555,000 BD).

<<Sensitivity>>    · · · Anticipated impact by crude oil price and exchange rate fluctuations on inventory valuation gain, in-house fuel cost and timing differences in accounting processing.  
Taking no impact of the cost or market method into consideration

Crude oil + 1 USD/BBL  
JPY/USD + 1 exchange rate

Petroleum: 1.3 billion yen  
Petroleum: 1.1 billion yen

Oil E&P: 0.9 billion yen  
Oil E&P: 0.7 billion yen

**Levels of responsiveness of results of the current period based on the full-year forecast announced in May 2010.**

## <<Crude oil production volume>>

		1Q FY2010 Results	1Q FY2009 Results	Change	Investment ratio
Oil E&P subsidiary production volume *3	Abu Dhabi Oil Co., Ltd. (BBL/Day)	23,949	24,965	95.9%	63.0%
	Qatar Petroleum Development Co., Ltd. (BBL/Day)	7,024	6,413	109.5%	85.8% *4
	United Petroleum Development Co., Ltd. (BBL/Day)	14,064	14,191	99.1%	35.0% *4

\*3: Production volume:  
Average production volume by a project company during the term  
Production volume of January-March 2010 because each company ends its fiscal year in December.

\*4: Effective July 20, 2010, Cosmo Oil changed its stake in Qatar Petroleum Development Co., Ltd. (from 85.8% to 75.0%).

Effective March 29, 2010, Cosmo Oil changed its stake in United Petroleum Development Co., Ltd. (from 35.0% to 45.0%).

# [1Q FY2010 Results] Selling Volume

(Unit: 1,000KL)

		1Q FY2010 Results	1Q FY2009 Results	Change	Change from 1Q FY2009
Selling volume in Japan	Gasoline	1,520	1,659	-139	91.6%
	Kerosene	382	395	-13	96.8%
	Diesel fuel	1,019	1,134	-115	89.8%
	Heavy fuel oil A	532	556	-24	95.6%
	Combined sales of 4 volume products above	3,453	3,745	-292	92.2%
	Naphtha	1,447	1,569	-122	92.3%
	Jet fuel	116	77	39	150.5%
	Heavy fuel oil C	495	714	-219	69.3%
	incl. Heavy fuel oil C for electric	175	361	-186	48.5%
	Sub-Total	5,511	6,104	-593	90.3%
Middle distillate export volume	Diesel fuel	98	339	-241	28.8%
	Kerosene/JET	38	0	38	-
	Sub-Total	136	339	-203	40.1%
Bond sales, etc.	Jet	387	368	19	105.3%
	Heavy fuel oil C	156	195	-39	79.9%
	Other	157	50	107	316.5%
	Sub-Total	700	613	87	114.3%
Barter deal, etc.		2,207	2,445	-238	90.2%
Total selling volume		8,554	9,501	-947	90.0%



# [1Q FY2010 Results] Results by Business Segment - Changes from 1Q FY2009

## <<Results by Business Segment>>

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Excluding inventory valuation impact)	
		Change from 1Q FY2009		Change from 1Q FY2009		Change from 1Q FY2009		Change from 1Q FY2009
Petroleum	616.9	84.8	9.9	0.0	9.2	0.2	6.9	21.2
Petrochemical	7.9	-1.1	-0.1	0.1	0.2	-0.6	0.2	-0.2
Oil E&P	16.4	7.0	8.4	5.1	8.8	2.5	8.8	2.5
Other Business	16.2	-2.2	0.1	0.0	0.3	0.0	0.3	0.0
Write-off	-30.4	-10.0	-3.3	-0.6	-3.3	-0.6	-3.3	-0.3
<b>Total</b>	<b>627.0</b>	<b>78.5</b>	<b>15.0</b>	<b>4.6</b>	<b>15.2</b>	<b>1.5</b>	<b>12.9</b>	<b>23.2</b>

\* Figures for the petroleum segment include a positive inventory valuation impact of 2.3 billion yen (down 21.0 billion yen from 1Q FY 2009)

\* Figures for the Petrochemical segment include a positive inventory valuation impact of 0 yen (down 0.4 billion yen from 1Q FY 2009)

Petroleum: Cosmo Oil Co., Ltd., Cosmo Oil Sales Co., Ltd., Cosmo Petroleum Gas Co., Ltd., Cosmo Oil Lubricants Co., Ltd., etc.

Petrochemical: Cosmo Matsuyama Oil Co., Ltd., CM Aromatics Co., Ltd., Maruzen Petrochemical Co., Ltd. (owned by the Cosmo Group on the equity method)

Oil E&P: Abu Dhabi Oil Co., Ltd., Qatar Petroleum Development Co., Ltd., United Petroleum Development Co., Ltd. (owned by the Cosmo Group on the equity method), Other

Other: Cosmo Engineering Co.,Ltd., Cosmo Trade & Services Co., Ltd., etc.

# [1Q FY2010 Results] Outline of Consolidated Capital Investment

## <Capital Expenditures, Depreciation, etc.>

Unit: billion yen

	1Q FY2010 Results	1Q FY2009 Results	Change
Capital expenditures	24.2	28.7	-4.5
Depreciation and others	12.0	9.8	2.2

## <Capital expenditures by Business Segment>

Unit: billion yen

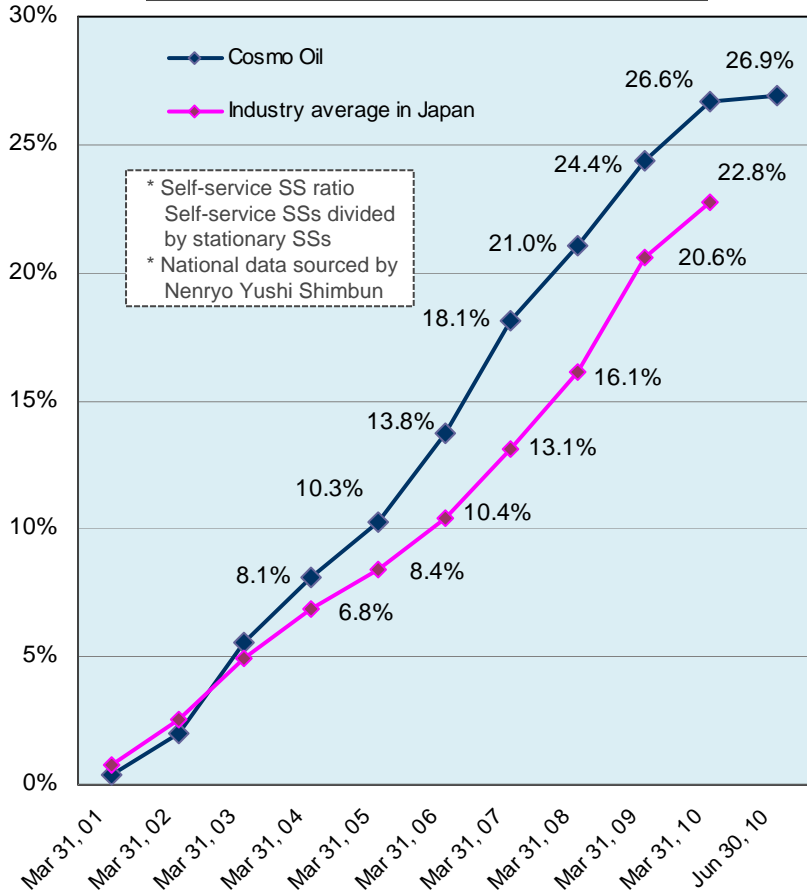
	1Q FY2010 Results	1Q FY2009 Results	Change
Petroleum	18.3	23.4	-5.1
Petrochemical	0.3	0.3	0.0
Oil exploration and production	5.6	4.9	0.7
Other	0.0	0.0	0.0
<b>Total</b>	<b>24.2</b>	<b>28.7</b>	<b>-4.5</b>

# [1Q FY2010 Results] Self-Service SSs Operational and Cosmo The Cards in Force

## Self-Service SS Business

As of Jun. 30, 2010: 1,006 SSs  
Share of Self-Service SSs: 26.9%

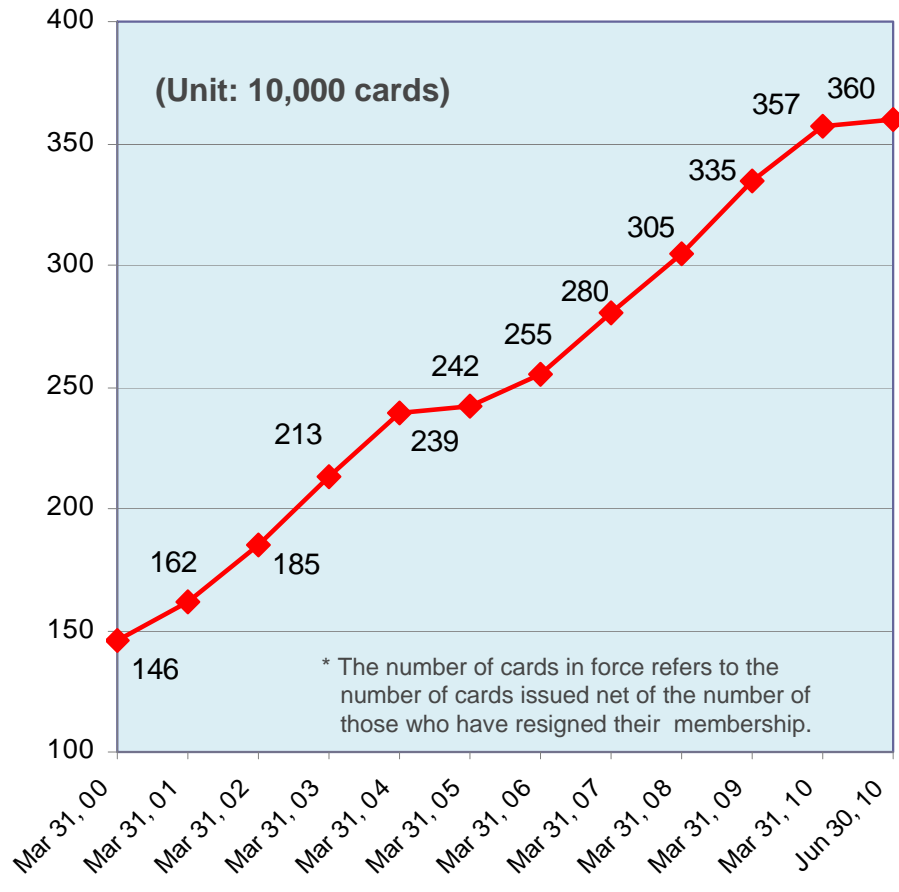
Historical Changes in the Share of Self-Service SSs



## Cosmo The Card

As of Jun. 30, 2010: 3.60 mil. cards

Historical Changes in the Number of "Cosmo The Card" Cards in Force



# [1Q FY2010 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

## Workforce size (No. of persons)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	As of Jun. 30, 2010
Cosmo Oil alone	1,764	1,729	1,718	1,916	1,957	2,064	2,180	2,176
Cosmo Oil Group	3,565	3,480	3,451	3,335	3,299	3,269	3,325	3,388

\* Cosmo Oil Group = No. of employees at Cosmo Oil alone + Transfers from Cosmo Oil (up to FY2008)

Note: Data as of March 31 of each fiscal year

\* Cosmo Oil Group = No. of employees at Cosmo Oil alone + transfers from Cosmo Oil + probationers + elderly employees (as of FY2009)

## No. of oil storage depots (DTs)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	As of Jun. 30, 2010
No. of DTs	38	38	38	38	38	38	36	35

Note: Data as of March 31 of each fiscal year

## Estimated Number of SSs by Operator Type (including mobile stations)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	As of Jun. 30, 2010
Subsidiaries	525	1,065	1,190	1,122	1,104	1,023	1,025	1,004
Dealers	4,517	3,746	3,456	3,294	3,074	2,937	2,786	2,775
Total	5,042	4,811	4,646	4,416	4,178	3,960	3,811	3,779

Note: Data up to FY2005 as of December 31 of each year. Data in FY2006 onwards as of March 31 of the year following each fiscal year

## Number of Self-Service SSs out of the Total Estimated Number of SSs Mentioned Above

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	As of Jun. 30, 2010
Subsidiaries	255	295	370	463	507	551	575	589
Dealers	143	188	256	326	360	404	429	417
Total	398	483	626	789	867	955	1,004	1,006

Note: Data as of March 31 of each fiscal year

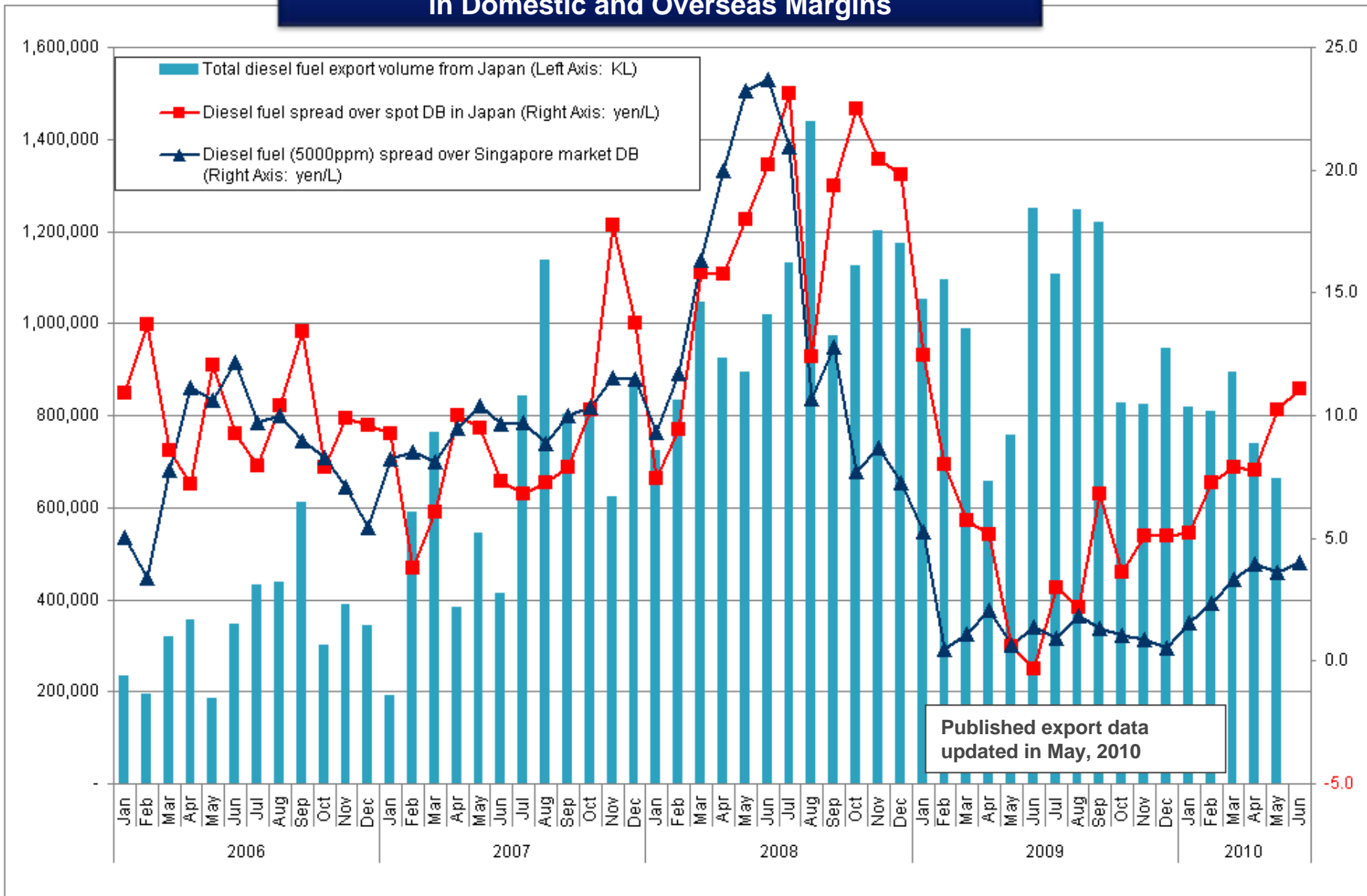
## Cosmo The Card – Number of cards issued (including the number of Opus cards in force from 2006 onwards)

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	As of Jun. 30, 2010
No. of cards in force (10,000 cards)	239	242	255	280	305	335	357	360

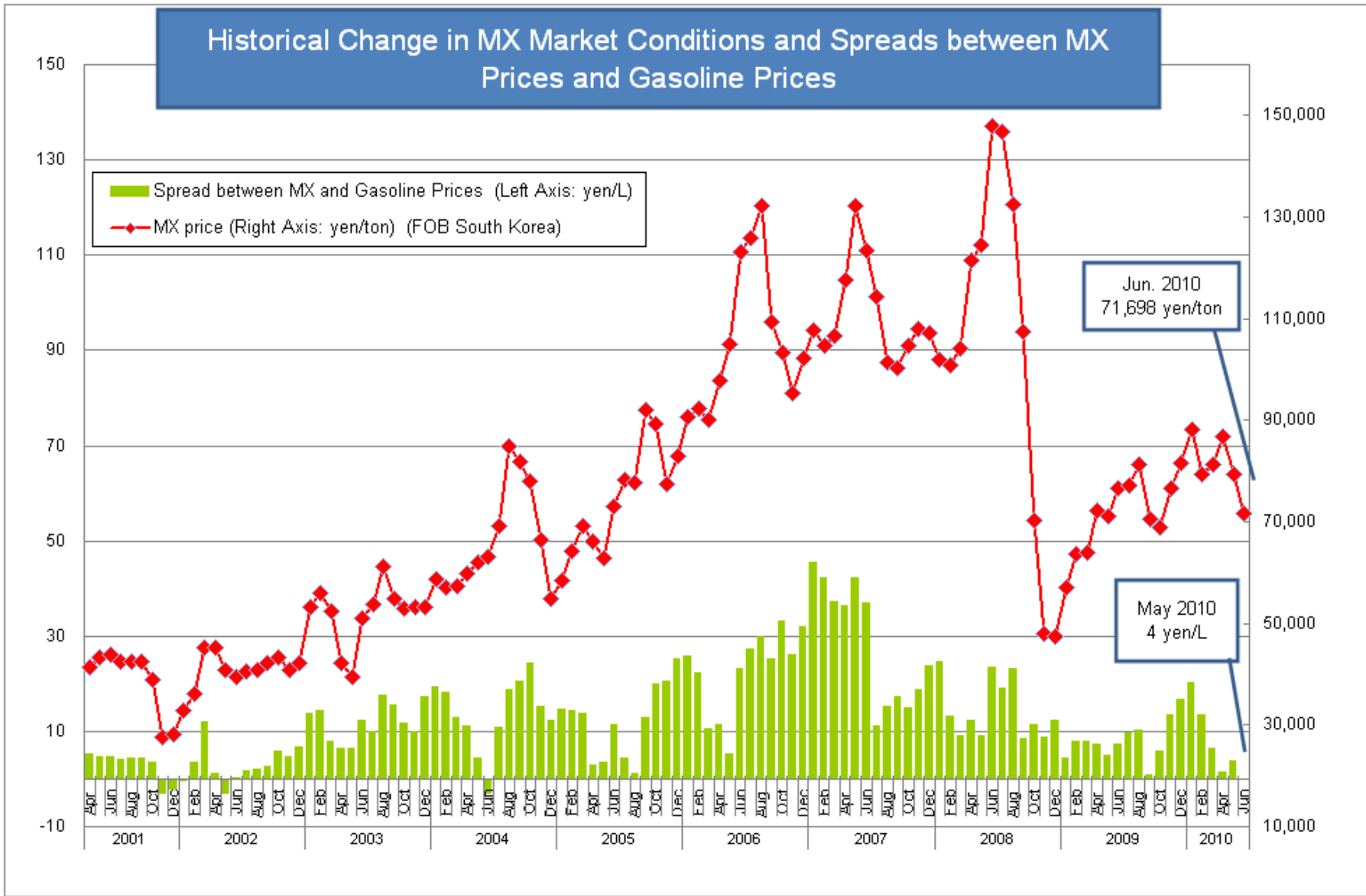
Note: Data as of March 31 of each fiscal year

# [Reference] Historical Changes in Diesel Fuel Export Volume and in Domestic and Overseas Margins

**Historical Changes in Diesel Fuel Export Volume and in Domestic and Overseas Margins**

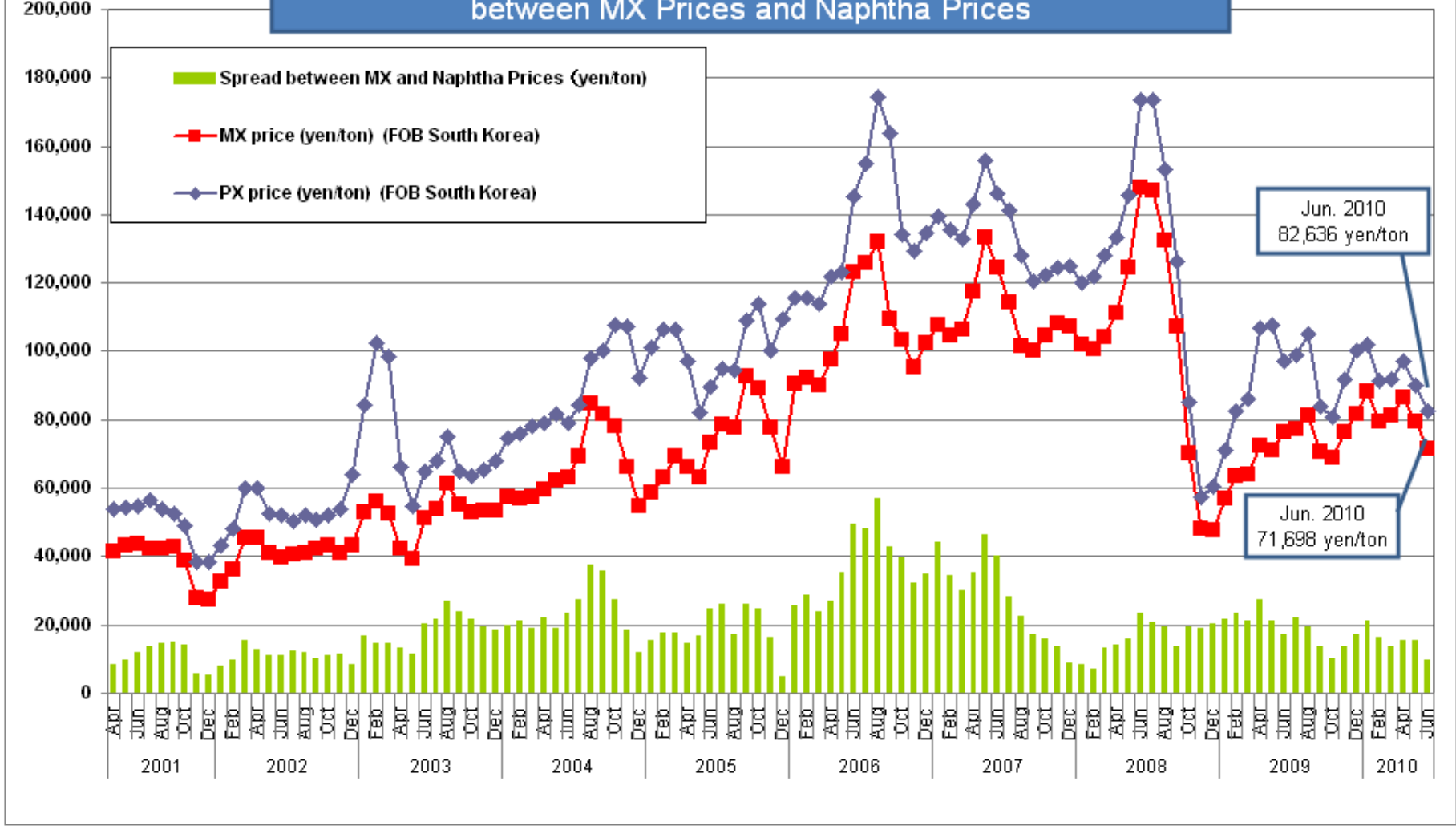


# [Reference] Petrochemical Business - Aromatic Product Market Conditions (1)



# [Reference] Petrochemical Business - Aromatic Product Market Conditions (2)

Historical Change in PX & MX Market Conditions and Spreads between MX Prices and Naphtha Prices



## Cautionary Statement Regarding Forward-Looking Scenarios

This presentation contains statements that constitute forward-looking scenarios. While such forward-looking scenarios may include statements based on a variety of assumptions and relating to our plans, objectives or goals for the future, they do not reflect our commitment or assurance of the realization of such plans, objectives or goals.