

Cosmo Oil Co., Ltd. Presentation on Results for First Quarter of Fiscal 2011

August 2, 2011
Director: Satoshi Miyamoto

Unit: billion yen

	1Q FY2011	1Q FY2010	Changes from 1Q FY2010
Net sales	715.3	627.0	88.3
Cost of sales	654.4	580.7	73.7
Selling, general and administrative expenses	31.3	31.3	0.0
Operating income	29.6	15.0	14.6
Non-operating income/expenses, net	1.7	0.2	1.5
Ordinary income	31.4	15.2	16.2
Extraordinary income/losses, net	-5.8	-5.4	-0.4
Income taxes	11.3	6.1	5.2
Minority interests	1.2	0.3	0.9
Net income	13.0	3.4	9.6

【Reference】

Impact of inventory valuation	22.6	2.3	20.3
Operating income excluding impact of inventory valuation	7.0	12.7	-5.7
Ordinary income excluding impact of inventory valuation	8.8	12.9	-4.1

Unit: billion yen

	1Q FY2011	1Q FY2010	Changes from 1Q FY2010
Consolidated ordinary income	31.4	15.2	16.2
Impact of inventory valuation	22.6	2.3	20.3
NET Consolidated ordinary income	8.8	12.9	-4.1
①Purchased price of crude oil	①111.96 USD/B	①78.44 USD/B	①33.52 USD/B
②JPY/USD exchange rate	②82.05 yen/USD	②92.33 yen/USD	②-10.28 yen/USD

Unit: billion yen

Consolidated Ordinary Income by Business Segment

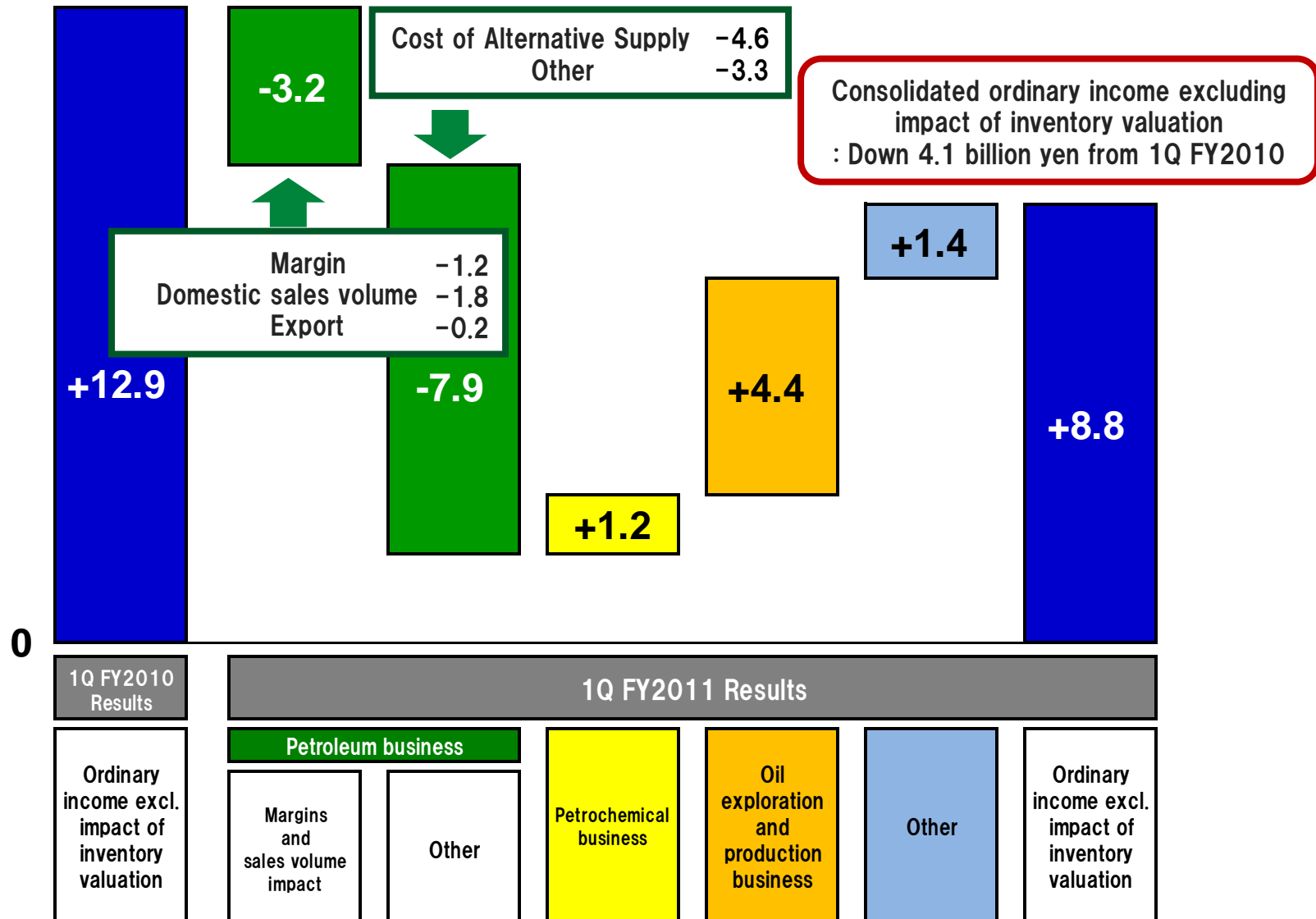
	1Q FY2011	1Q FY2010	Changes from 1Q FY2010
Petroleum business	18.4*	9.2	9.2
NET Petroleum business	-4.2	6.9	-11.1
Petrochemical business	1.4	0.2	1.2
NET Petrochemical business	1.4	0.2	1.2
Oil E & P business	13.2	8.8	4.4
Other	-1.6	-3.0	1.4

Notes: * Includes impact of inventory valuation 22.6 billion yen

[1Q FY2011 Results] Consolidated Ordinary Income

(Excluding impact of inventory valuation) – Analysis of Changes from 1Q FY2010

Unit: billion yen



Unit: billion yen

	1Q FY2011 (As of Jun. 30, '11)	FY2010 (As of Mar. 31, '11)	Changes
Total Assets	1,616.4	1,579.4	37.0
Net assets	356.6	350.2	6.4
Net worth	337.8	332.7	5.1
Net worth ratio	20.9%	21.1%	Down 0.2 points
Interest-bearing debts	706.6	700.1	6.5
Debt dependence ratio	43.7%	44.3%	Improved by 0.6 points
Debt Equity Ratio	2.1	2.1	No change
Net interest-bearing debt *	599.1	605.8	-6.7
Debt dependence ratio	37.1%	38.4%	Improved by 1.3 points
Debt Equity Ratio	1.8	1.8	No change

* 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

- P5: [1Q FY2011 Results] Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Sensitivity, Crude Oil Production Volume
- P6: [1Q FY2011 Results] Selling volume
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- P8: [1Q FY2011 Results] Highlights of Consolidated Capital Investment
- P9: [1Q FY2011 Results] Self-Service SSs Operational and Cosmo The Cards in Force
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[1Q FY2011 Results] Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Sensitivity, Crude Oil Production Volume

[1] Crude oil procurement cost and processing volume and topper operating ratios

		1Q FY2011	1Q FY2010	Changes from 1Q FY2010	
Purchased price of crude oil	Crude oil (FOB) USD/BBL	111.96	78.44	33.52	—
	JPY/USD exchange rate	82.05	92.33	-10.28	—
	Purchased price of crude oil (tax inclusive) yen/KL	61,188	48,942	12,246	—
Crude oil refining	Refined crude oil volume (1,000 KL)	4,895	5,949	-1,054	82.3%
	Atmospheric distillation operating ratio (Calendar Day)	53.3%	74.1%	-20.8%	—
	Atmospheric distillation operating ratio (Streaming Day)	85.3%	91.4%	-6.1%	—

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

* The nameplate capacity reduced (from 635,000 BD to 555,000 BD), effective Feb. 2, 2010 and the capacity increased (from 555,000 BD to 635,000 BD), effective March 15, 2011.

Unit: billion yen

[2] Sensitivity

	Petroleum Business	Oil E & P Business
Crude oil + 1 USD/BBL	1.4	0.7
JPY/USD + 1 exchange rate	1.2	0.6

* Figures above refer to impacts by crude oil price and yen-dollar exchange fluctuations on inventory valuation gains, in-house fuel costs and timing difference (by taking no impact by the cost or market method into consideration).

* Sensitivity figures above are based on the FY2011 business outlook announced in May 2011.

[3] Crude oil production volume

		1Q FY2011	1Q FY2010	Change	Investment ratio
Oil E & P subsidiary production volume (BBL/D)	Abu Dhabi Oil Co., Ltd.	22,796	23,949	95.2%	63.0%
	Qatar Petroleum Development Co., Ltd.	5,307	7,024	75.6%	75.0%
	United Petroleum Development Co., Ltd.	11,655	14,064	82.9%	45.0%

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

(Unit:1,000KL)

		1Q FY2011 Results	1Q FY2010 Results	Changes	Changes from 1Q FY2010
Sales volume in Japan	Gasoline	1,443	1,520	-77	95.0%
	Kerosene	314	382	-68	82.2%
	Diesel fuel	1,075	1,019	56	105.4%
	Heavy fuel oil A	476	532	-56	89.4%
	Sub-Total	3,308	3,453	-145	95.8%
	Naphtha	1,542	1,447	95	106.5%
	Jet fuel	110	116	-6	95.6%
	Heavy fuel oil C	440	495	-55	88.9%
	inc. Heavy fuel oil C for electric	133	175	-42	75.8%
	Sub-Total	5,401	5,511	-110	98.0%
Middle distillate export volume	Diesel fuel	98	98	-0	99.8%
	Kerosene/Jet	19	38	-19	48.8%
	Sub-Total	116	136	-20	85.5%
Bond sales, etc.	Jet fuel	371	387	-16	95.7%
	Heavy fuel oil C	150	156	-6	96.1%
	Other	123	157	-34	78.3%
	Sub-Total	644	700	-56	91.9%
Barter deal, etc.		2,161	2,207	-46	98.0%
Total sales volume		8,322	8,554	-232	97.3%

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Inventory valuation excluding cost or market method impact)	
		Change from 1Q FY2010		Change from 1Q FY2010		Change from 1Q FY2010		Change from 1Q FY2010
Petroleum business	699.9	83.0	19.3	9.4	18.4	9.2	-4.2	-11.1
Petrochemical business	6.3	-1.6	0.3	0.4	1.4	1.2	1.4	1.2
Oil E & P business	19.9	3.5	11.8	3.4	13.2	4.4	13.2	4.4
Other	11.5	-4.7	-0.3	-0.4	-0.1	-0.4	-0.1	-0.4
Write-off	-22.3	8.1	-1.5	1.8	-1.5	1.8	-1.5	1.8
Total	715.3	88.3	29.6	14.6	31.4	16.2	8.8	-4.1

- Inventory valuation impact on the petroleum business amounted to 22.6 billion yen in 1Q FY2011 (up 20.3 billion yen from 1Q FY2010)
- Zero inventory valuation impact on the petrochemical business in 1Q FY2011 (no change from the 1Q FY2010)

Cosmo Group of Companies (by Segment)

- Petroleum business : Cosmo Oil Co., Ltd., Cosmo Oil Sales Corp, Cosmo Petroleum Gas Co., Ltd., Cosmo Oil Lubricants Co., Ltd., etc.
- Petrochemical business : Cosmo Matsuyama Oil Co., Ltd., CM Aromatics Co., Ltd., Maruzen Petrochemical Co., Ltd. (owned by the Cosmo Oil Group on the equity method), HC Petrochem Co., Ltd. (owned by the Cosmo Oil Group on the equity method)
- Oil E & P business : Abu Dhabi Oil Co., Ltd., Qatar Petroleum Development Co., Ltd., United Petroleum Development Co., Ltd. (owned by the Cosmo Oli Group on the equity method), etc.
- Other : Cosmo Engineering Co.,Ltd., Cosmo Trade & Services Co., Ltd., etc.

Capital Expenditures, Depreciation, etc.

Unit:billion yen

	1Q FY2011 Results	Change from 1Q FY2010
Capital expenditures	5.7	-18.5
Depreciation expense amount, etc	12.5	0.5

Capital expenditures by Business Segment

Unit:billion yen

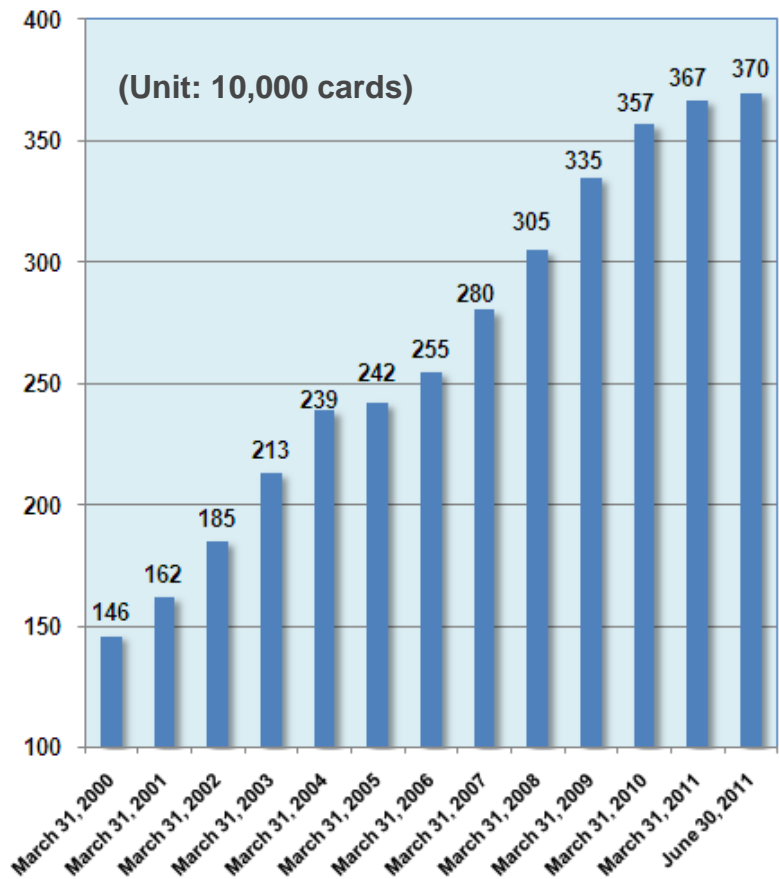
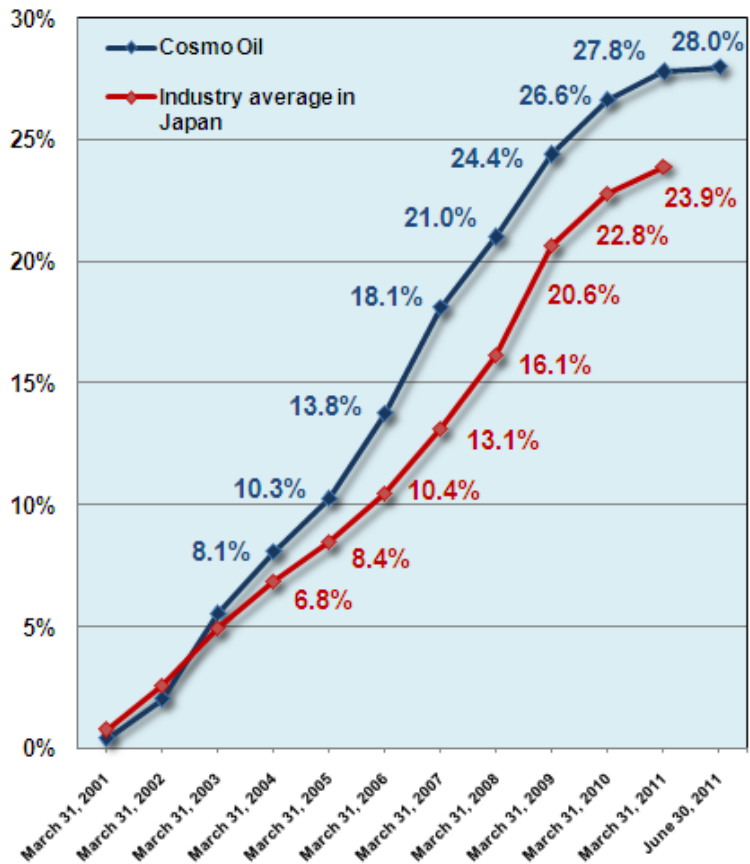
	1Q FY2011 Results	1Q FY2010 Results	Change from 1Q FY2010
Petroleum	2.1	18.6	-16.5
Petrochemical	0.1	0.3	-0.2
Oil exploration and production	3.1	5.6	-2.5
Other	0.1	0.0	0.1
Adjustments	0.3	-0.3	0.6
Total	5.7	24.2	-18.5

Historical Changes in the Share of Self-Service SSs

As of Jun. 30, 2011: 1,003 SS
Share of Self-Service SSs: 28.0 %

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

As of Jun. 30, 2011: 3.7 mil. cards



- * Self-service SS ratio: Self-service SSs divided by stationary SSs
- * National data sourced by Nenryo Yushi Shimbum
- * No national data available as of June 30, 2011

- * The number of cards in force refers to the number of cards issued net of the number of those who have resigned their membership.

[1Q FY2011 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

[1] Workforce size (No. of persons)

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	1Q FY2011
Cosmo Oil alone	1,729	1,718	1,916	1,957	2,064	2,180	2,135	2,083
Cosmo Oil Group	3,480	3,451	3,335	3,299	3,269	3,325	3,268	3,234

* Data as of March 31 of each fiscal year.

* Group headcounts combine those of non-consolidated Cosmo Oil (up until FY2008), while combining those of non-consolidated Cosmo Oil, with those transferred, probationary employees and with senior employees (in FY2009 onwards).

[2] No. of oil storage depots (DTs)

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	1Q FY2011
No. of DTs	38	38	38	38	38	36	35	35

[3] Estimated No. of SSs by Operator Type (including mobile stations)

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	1Q FY2011
Subsidiary	1,065	1,190	1,122	1,104	1,023	1,025	967	966
Dealers	3,746	3,456	3,294	3,074	2,937	2,786	2,678	2,650
Total	4,811	4,646	4,416	4,178	3,960	3,811	3,645	3,616

* 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

[4] No. of Self-Service SSs out of the Total Estimated No. of SSs Mentioned [3] above.

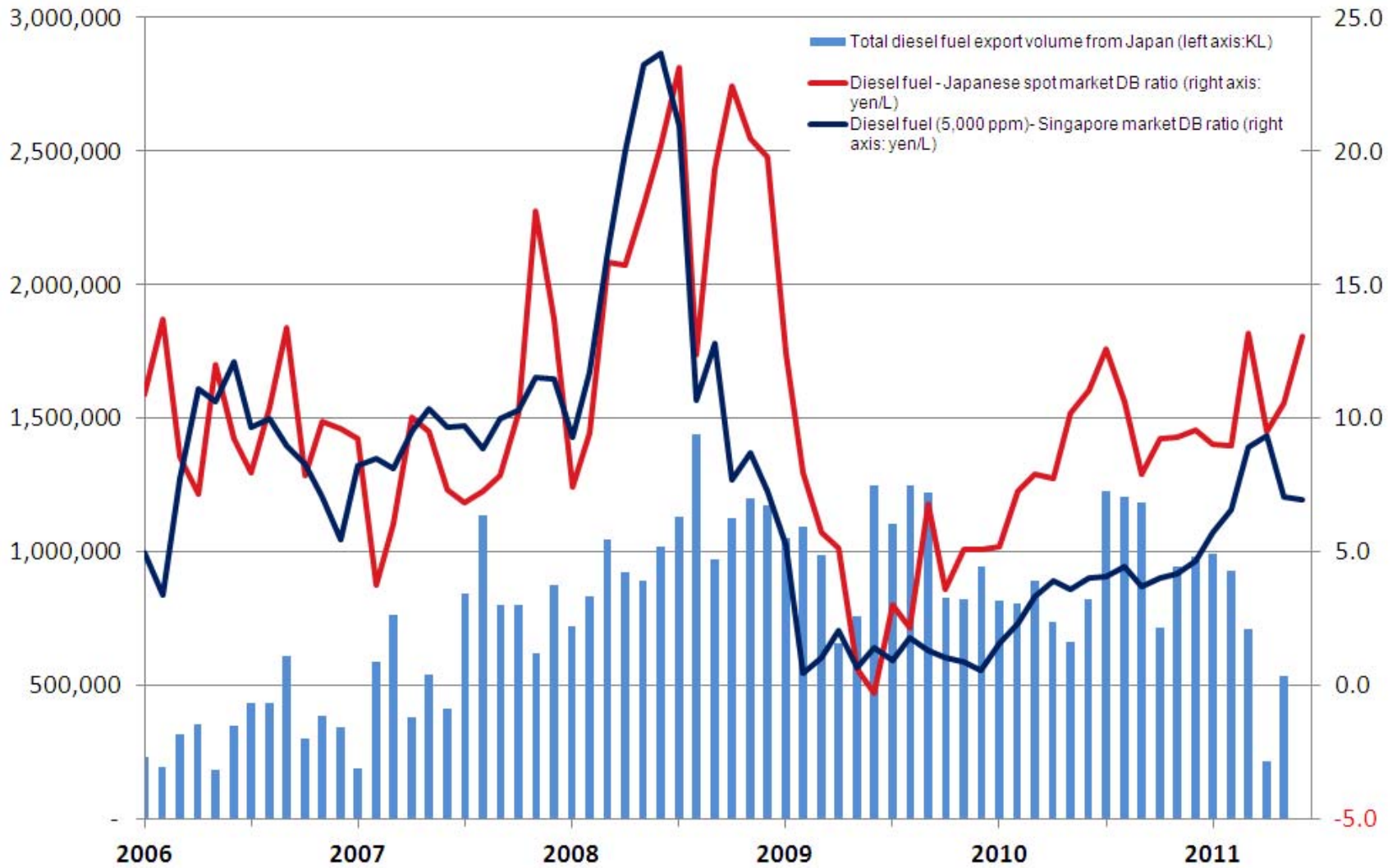
	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	1Q FY2011
Subsidiary	295	370	463	507	551	575	548	553
Dealers	188	256	326	360	404	429	455	450
Total	483	626	789	867	955	1,004	1,003	1,003

(Unit: 10,000 cards)

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

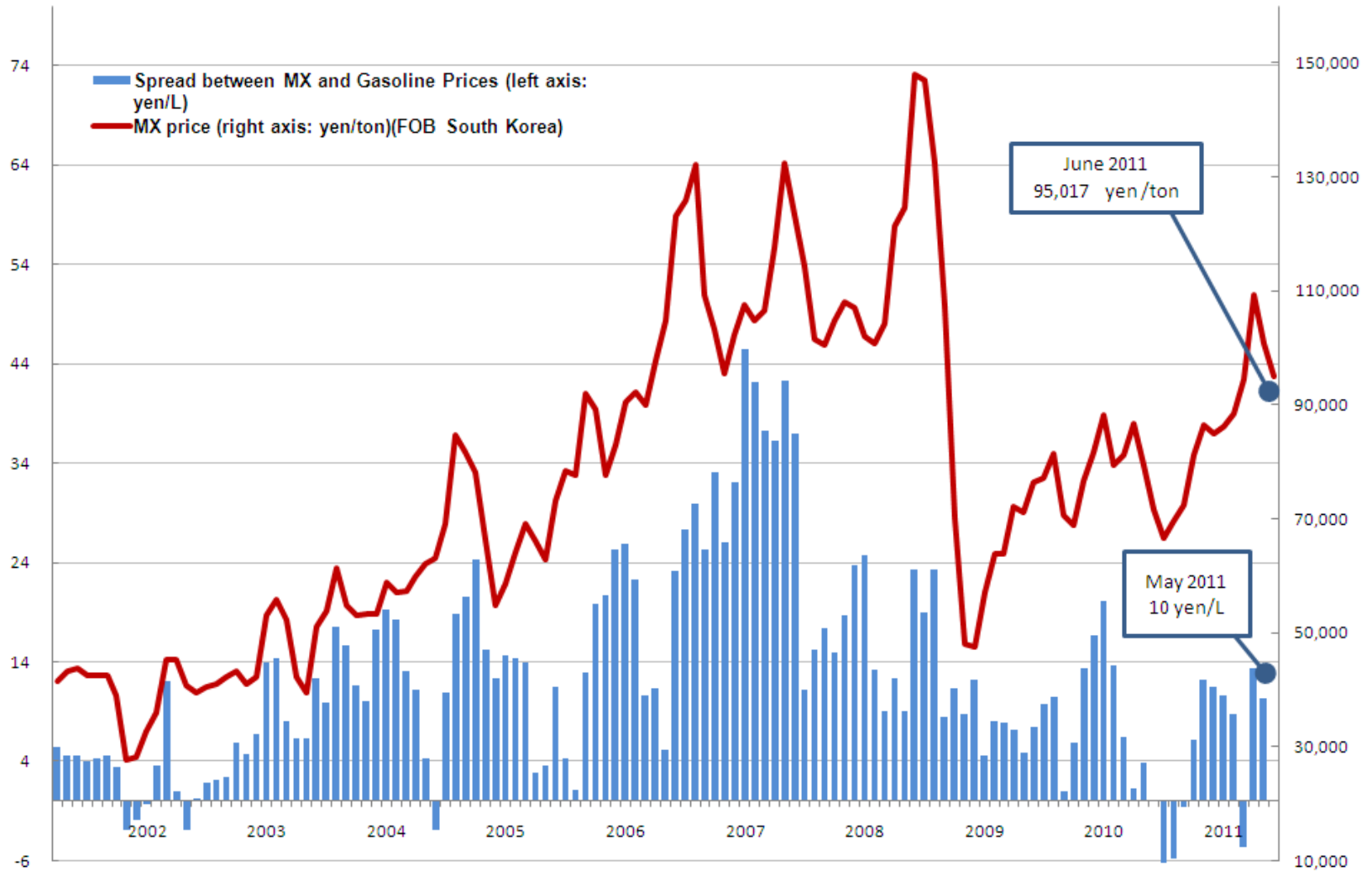
	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	1Q FY2011
No. of cards in force	242	255	280	305	335	357	367	370

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

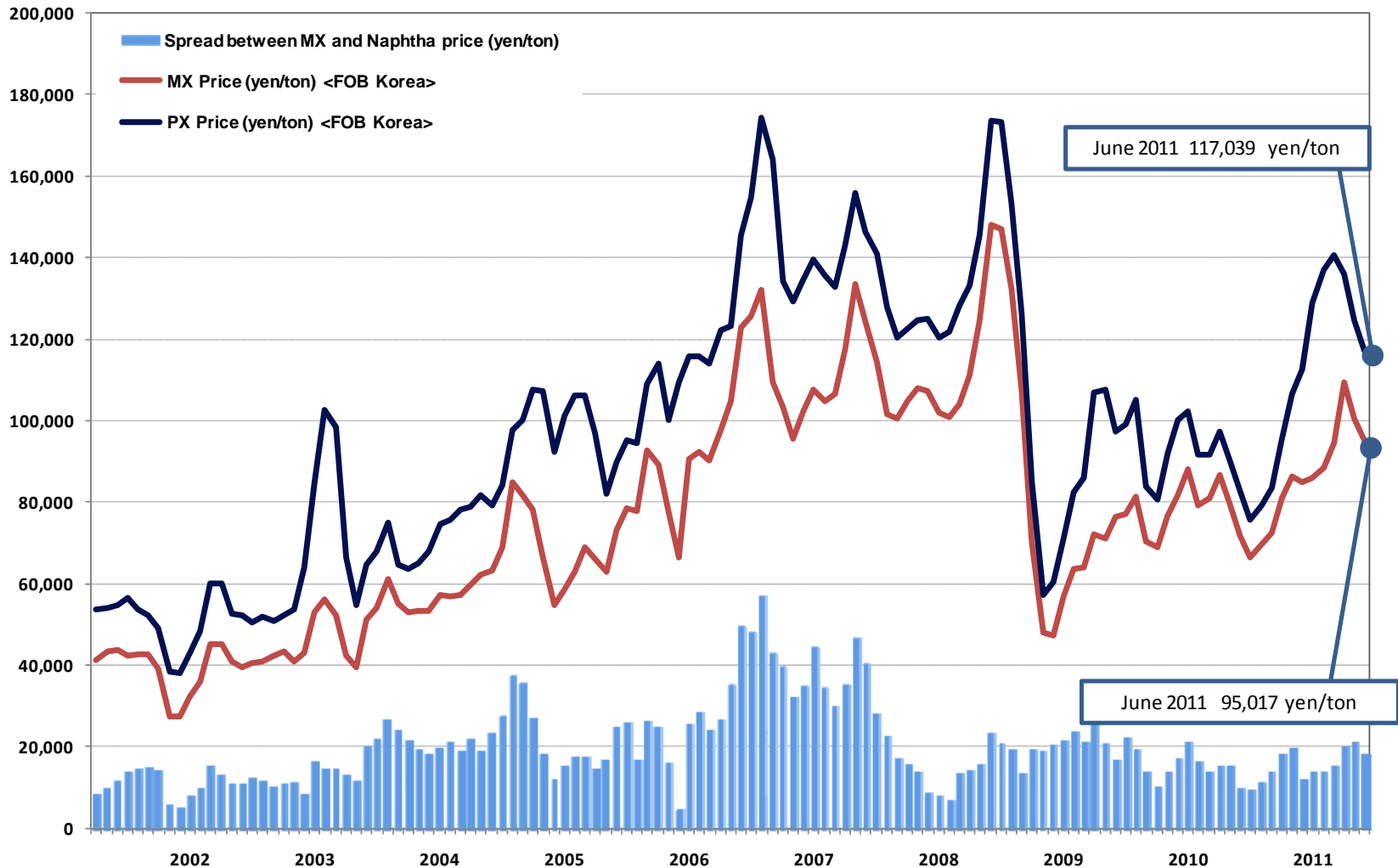


Published export data updated in May, 2011

Historical Change in MX Market Conditions and Spreads between MX Prices and Gasoline Prices



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.