

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

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**February 2, 2012**  
**Director: Satoshi Miyamoto**

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Earnings in the Q3 FY 2011 (Oct.-Dec. 2011) period were disappointing mainly reflecting lower petroleum product margins and unexpectedly higher alternative supply costs due to suspended operations of the Chiba Refinery than the previous forecast.

2

Based on actual quarterly results above and in view of future Iran affairs, crude oil price movements and other factors, the forecast for consolidated ordinary income for the full-year FY2011 remains unchanged.

3

To reflect impact from the recent tax reforms, the Company only revised the forecast for consolidated net income for the full-year FY2011.

Unit: billion yen

	3Q FY2011 (Apr.-Dec.2011)	3Q FY2010 (Apr.-Dec.2010)	Changes
Net sales	2,229.5	1,995.8	233.7
Cost of sales	2,107.0	1,844.6	262.4
Selling, general and administrative expenses	94.0	94.3	-0.3
<b>Operating income</b>	<b>28.5</b>	<b>56.9</b>	<b>-28.4</b>
Non-operating income/expenses, net	-4.3	-5.6	1.3
<b>Ordinary income</b>	<b>24.2</b>	<b>51.3</b>	<b>-27.1</b>
Extraordinary income/losses, net	-19.1	-9.1	-10.0
Income taxes	18.7	24.6	-5.9
Minority interests	2.8	3.1	-0.3
<b>Net income (loss)</b>	<b>-16.4</b>	<b>14.5</b>	<b>-30.9</b>

**【Reference】**

Impact of inventory valuation	13.6	-3.8	17.4
Operating income excluding impact of inventory valuation	14.9	60.7	-45.8
<b>Ordinary income excluding impact of inventory valuation</b>	<b>10.6</b>	<b>55.1</b>	<b>-44.5</b>

Unit: billion yen

	3Q FY2011	3Q FY2010	Changes
Consolidated ordinary income	24.2	51.3	-27.1
Impact of inventory valuation	13.6	-3.8	17.4
NET Consolidated ordinary income	10.6	55.1	-44.5
①Purchased price of crude oil ②JPY/USD exchange rate	①109.59 USD/B ②79.43 yen/USD	①77.60 USD/B ②87.43 yen/USD	①31.99 USD/B ②-8.00 yen/USD

Unit: billion yen

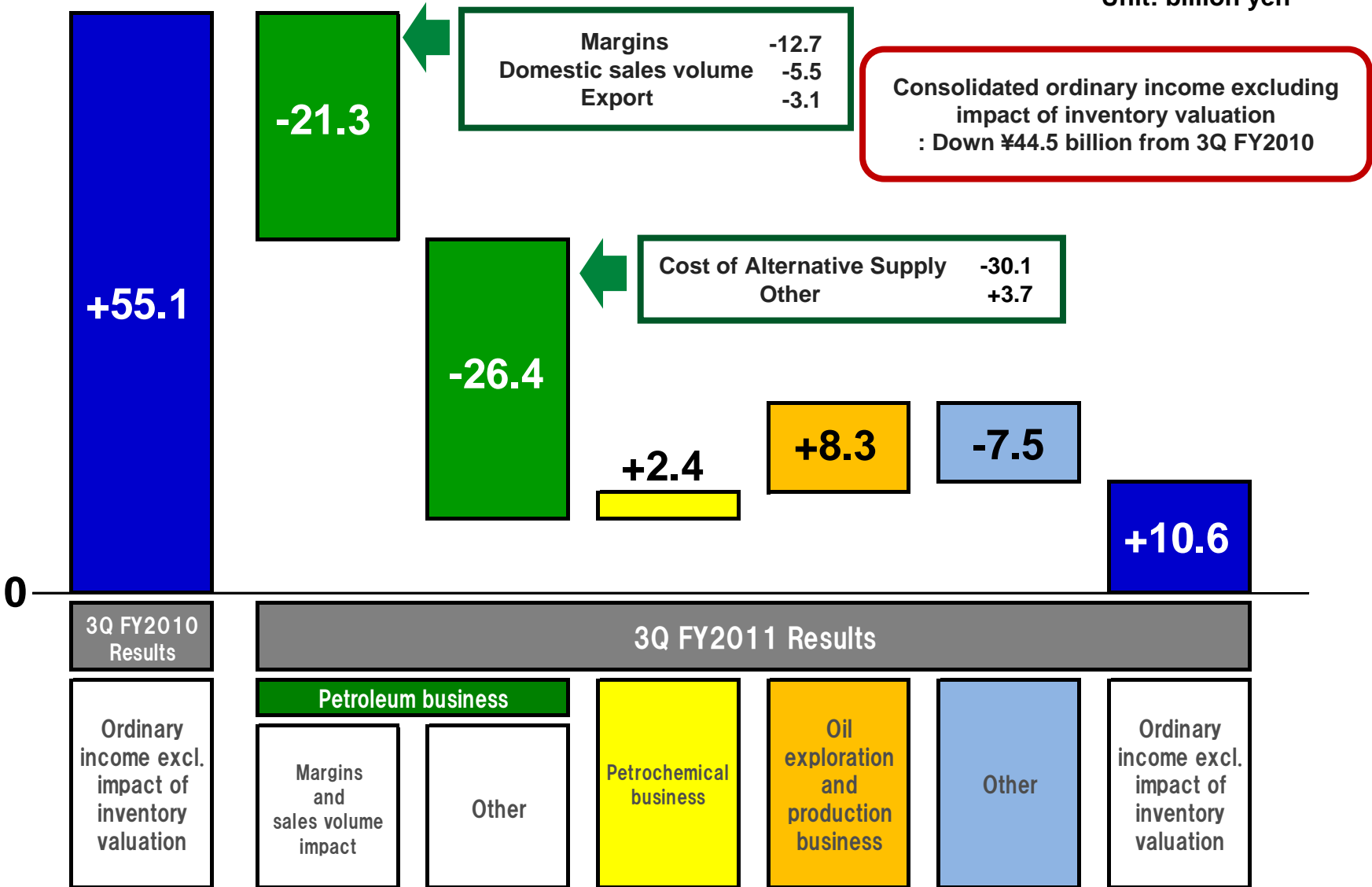
### Consolidated Ordinary Income by Business Segment

	3Q FY2011	3Q FY2010	Changes
Petroleum business	-6.1*	24.1	-30.2
NET Petroleum business	-19.8	27.9	-47.7
Petrochemical business	1.3**	-1.0	2.3
NET Petrochemical business	1.4	-1.0	2.4
Oil E & P business	36.1	27.8	8.3
Other	-7.1	0.4	-7.5

Notes: \* Includes impact of inventory valuation ¥ 13.7billion \*\* Includes impact of inventory valuation ¥ -0.1 billion

[3Q FY2011 Results] Consolidated Ordinary Income (Excluding impact of inventory valuation) – Analysis of Changes from 3Q FY2010

Unit: billion yen



Unit: billion yen

	FY2011 (As of Dec. 31, '11)	FY2010 (As of Mar. 31, '11)	Changes
Total Assets	1,625.2	1,579.4	45.8
Net assets	328.8	350.2	-21.4
Net worth	308.5	332.7	-24.2
Net worth ratio	19.0%	21.1%	Down 2.1 points
Interest-bearing debts	730.3	700.1	30.2
Debt dependence ratio	44.9%	44.3%	Down 0.6 points
Debt Equity Ratio	2.4	2.1	Down 0.3 points
Net interest-bearing debt *	628.5	605.8	22.7
Debt dependence ratio	38.7%	38.4%	Down 0.3 points
Debt Equity Ratio	2.0	1.8	Down 0.2 points

\* 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

- P6: [3Q FY2011 Results] Sales volume
- P7: [3Q FY2011 Results] Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Crude Oil Production Volume
- P8: [3Q FY2011 Results] Results by Business Segment – Changes from 3Q FY2010
- P9: [3Q FY2011 Results] Highlights of Consolidated Capital Investment
- P10: [3Q FY2011 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force
- P11: [Reference: Forecast for Full-Year FY2011] Forecast by Business Segment, Assumption of Crude Oil Price and Exchange Rate, and Business Sensitivity thereto
- P12: [Reference] Diesel Fuel Export Results and Margin Environment
- P13: [Reference] Petrochemical business Aromatic Product Market Conditions 1
- P14: [Reference] Petrochemical business Aromatic Product Market Conditions 2

Unit: million litre

		3Q FY2011 Results	3Q FY2010 Results	Changes	Changes	FY2011 Full Year outlook changes from FY2010
Selling volume in Japan	Gasoline	4,725	4,882	-157	96.8%	96.4%
	Kerosene	1,313	1,394	-81	94.2%	94.3%
	Diesel fuel	3,425	3,402	23	100.7%	102.5%
	Heavy fuel oil A	1,523	1,745	-222	87.3%	87.7%
	<b>Sub-Total</b>	<b>10,986</b>	<b>11,423</b>	<b>-437</b>	<b>96.2%</b>	<b>96.5%</b>
	Naphtha	4,766	5,048	-282	94.4%	98.8%
	Jet fuel	357	395	-38	90.4%	82.0%
	Heavy fuel oil C	1,669	1,563	106	106.8%	114.0%
	inc. Heavy fuel oil C for electric	792	631	161	125.6%	140.8%
	<b>Sub-Total</b>	<b>17,778</b>	<b>18,429</b>	<b>-651</b>	<b>96.5%</b>	<b>98.2%</b>
Middle distillate export volume	Diesel fuel	98	555	-457	17.6%	32.5%
	Kerosene/Jet	64	153	-89	42.0%	29.4%
	<b>Sub-Total</b>	<b>162</b>	<b>708</b>	<b>-546</b>	<b>22.8%</b>	<b>31.9%</b>
Bond sales, etc.	Jet fuel	1,168	1,217	-49	96.0%	97.7%
	Heavy fuel oil C	397	401	-4	99.1%	101.5%
	Other	288	279	9	103.1%	89.0%
	<b>Sub-Total</b>	<b>1,853</b>	<b>1,896</b>	<b>-43</b>	<b>97.7%</b>	<b>97.1%</b>
Barter deal, etc.		7,249	7,249	0	100.0%	88.9%
<b>Total selling volume</b>		<b>27,041</b>	<b>28,282</b>	<b>-1,241</b>	<b>95.6%</b>	<b>93.8%</b>



# [3Q FY2011 Results]Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Crude Oil Production Volume

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

		3Q FY2011	3Q FY2010	Changes from 3Q FY2010	
Purchased price of crude oil	Crude oil (FOB) USD/BBL	109.59	77.60	31.99	—
	JPY/USD exchange rate	79.43	87.43	-8.00	—
	Purchased price of crude oil (tax inclusive) yen/KL	58,286	45,956	12,330	—
Crude oil refining	Refined crude oil volume (1,000 KL)	13,802	18,891	-5,089	73.1%
	Atmospheric distillation operating ratio (Calendar Day)	49.1%	77.8%	-28.7%	—
	Atmospheric distillation operating ratio (Streaming Day)	85.0%	89.4%	-4.4%	—

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

\* The official topper 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.

## [2] Crude oil production volume

		3Q FY2011	3Q FY2010	Changes	Investment ratio
Oil E & P subsidiary production volume (BBL/D)	Abu Dhabi Oil Co., Ltd.	22,111	23,688	93.3%	63.0%
	Qatar Petroleum Development Co., Ltd.	5,835	6,350	91.9%	75.0%
	United Petroleum Development Co., Ltd.	9,803	13,808	71.0%	45.0%

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

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Inventory valuation excluding cost or market method impact)	
		Changes from 3Q FY2010		Changes from 3Q FY2010		Changes from 3Q FY2010		Changes from 3Q FY2010
Petroleum business	2,187.3	228.7	-1.1	-30.3	-6.1	-30.2	-19.8	-47.7
Petrochemical business	21.8	-8.6	0.6	0.8	1.3	2.3	1.4	2.4
Oil E & P business	61.0	6.4	36.8	8.5	36.1	8.3	36.1	8.3
Other	51.6	-2.0	0.5	0.1	1.3	0.0	1.3	0.0
Write-off	-92.2	9.2	-8.3	-7.5	-8.4	-7.5	-8.4	-7.5
<b>Total</b>	<b>2,229.5</b>	<b>233.7</b>	<b>28.5</b>	<b>-28.4</b>	<b>24.2</b>	<b>-27.1</b>	<b>10.6</b>	<b>-44.5</b>

-Inventory valuation impact on the petroleum business amounted to 13.7 billion yen in 3Q FY2011 (up 17.5 billion yen from 3Q FY2010)

-Inventory valuation impact on the petrochemical business amounted to -0.1 billion yen in 3Q FY2011 (down 0.1 billion yen from 3Q 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), Hyundai Cosmo Petrochemical 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. etc. (owned by the Cosmo Oil Group on the equity method), etc.
Other	: Cosmo Engineering Co., Ltd., Cosmo Trade & Services Co., Ltd., etc.

Capital Expenditures, Depreciation, etc.

Unit:billion yen

	3Q FY2011 Results	Change from 3Q FY2010
Capital expenditures	20.5	-33.7
Depreciation expense amount	37.5	-0.2

Capital expenditures by Business Segment

Unit:billion yen

	3Q FY2011 Results	3Q FY2010 Results	Changes
Petroleum	12.1	38.8	-26.7
Petrochemical	0.3	0.6	-0.3
Oil exploration and production	7.4	16.7	-9.3
Other	0.3	0.1	0.2
adjustment	0.4	-2.0	2.4
Total	20.5	54.2	-33.7

# [3Q FY2011 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

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## [1] Workforce size (No. of persons)

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	3Q FY2011
Cosmo Oil alone	1,729	1,718	1,916	1,957	2,064	2,180	2,135	2,056
Cosmo Oil Group	3,480	3,451	3,335	3,299	3,269	3,325	3,268	3,148

\* 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	3Q FY2011
No. of DTs	38	38	38	38	38	36	35	35

## [3] Estimated No. of SSs by Operator Type

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	3Q FY2011
Subsidiary	1,065	1,190	1,122	1,104	1,023	1,025	967	958
Dealers	3,639	3,361	3,237	3,021	2,890	2,743	2,642	2,583
<b>Total</b>	<b>4,704</b>	<b>4,551</b>	<b>4,359</b>	<b>4,125</b>	<b>3,913</b>	<b>3,768</b>	<b>3,609</b>	<b>3,541</b>
Mobile SSs	107	95	57	53	47	43	36	34

\* 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	3Q FY2011
Subsidiary	295	370	463	507	551	575	548	551
Dealers	188	256	326	360	404	429	455	458
<b>Total</b>	<b>483</b>	<b>626</b>	<b>789</b>	<b>867</b>	<b>955</b>	<b>1,004</b>	<b>1,003</b>	<b>1,009</b>
Share of Self-Service SSs	10.3%	13.8%	18.1%	21.0%	24.4%	26.6%	27.8%	28.5%

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

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	3Q FY2011
No. of cards in force	2.42	2.55	2.80	3.05	3.35	3.57	3.67	3.88

Full-Year FY2011 Forecast Announced on November 2, 2011 with Year-on-Year Changes

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Inventory valuation excluding cost or market method impact)	
		Changes from FY2010		Changes from FY2010		Changes from FY2010		Changes from FY2010
Petroleum business	3,001.0	272.2	18.5	-47.8	12.5	-45.9	0.5	-35.6
Petrochemical business	29.0	-16.9	0.5	0.1	1.5	1.8	1.5	1.8
Oil E & P business	93.0	23.1	54.0	18.7	56.0	21.3	56.0	21.3
Other	75.0	6.3	1.5	0.2	2.5	-0.2	2.5	-0.2
Write-off	-128.0	13.8	-0.5	-1.3	-0.5	-1.1	-0.5	-1.1
Total	3,070.0	298.5	74.0	-30.1	72.0	-24.1	60.0	-13.8

- Inventory valuation impact on the petroleum business amounted to 12.0 billion yen in FY2011
- Zero inventory valuation impact on the petrochemical business in FY2011

Assumed crude oil price at which crude oil would be imported to Japan (full-year): USD108.0/B

Assumed exchange rate (full-year) : JPY78.9 per USD

Sensitivity

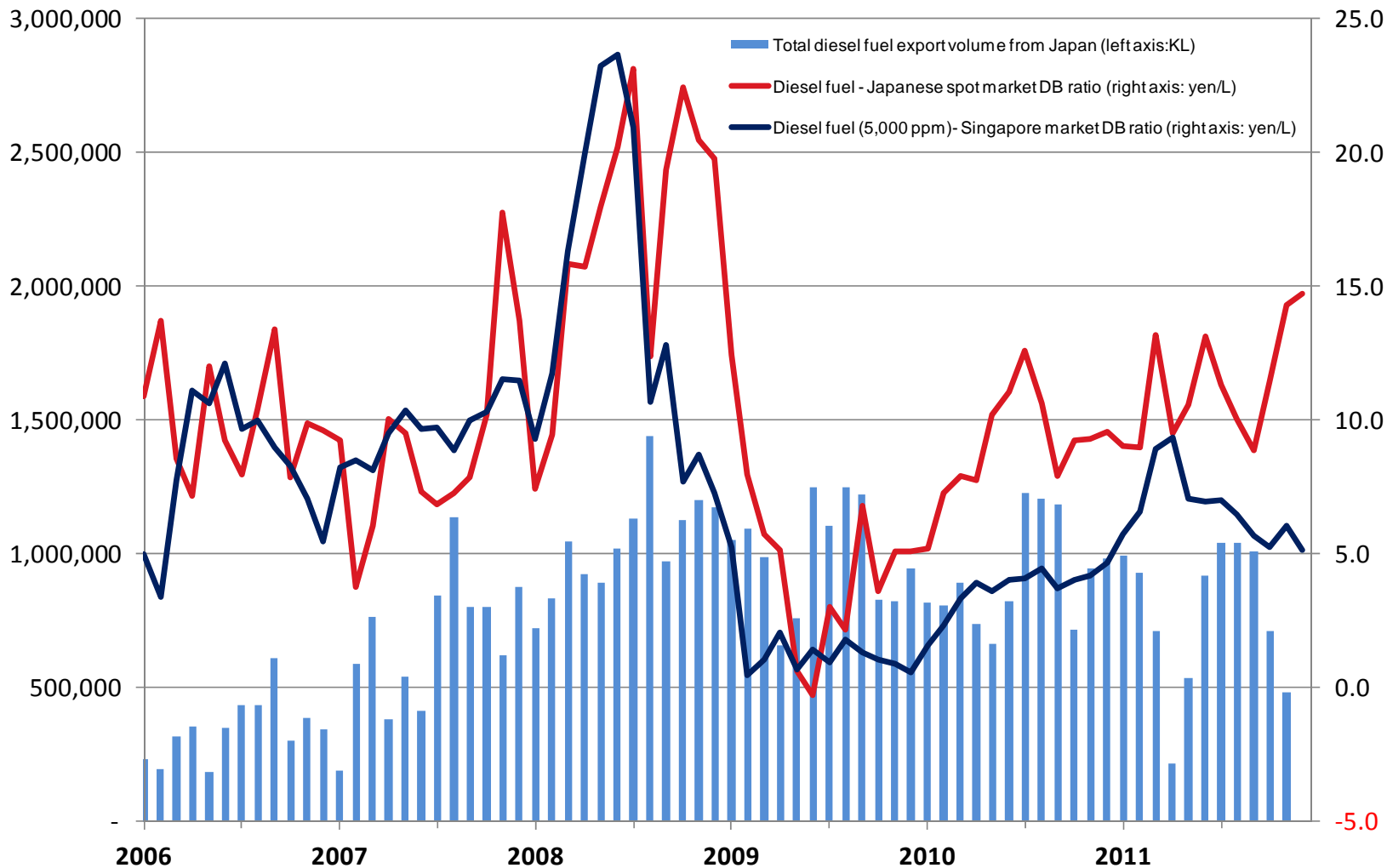
	Petroleum Business	Oil E & P Business
Crude oil + 1 USD/BBL	2.0 billion yen	0.2 billion yen
JPY/USD + 1 exchange rate	2.7 billion yen	0.3 billion yen

\* 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).

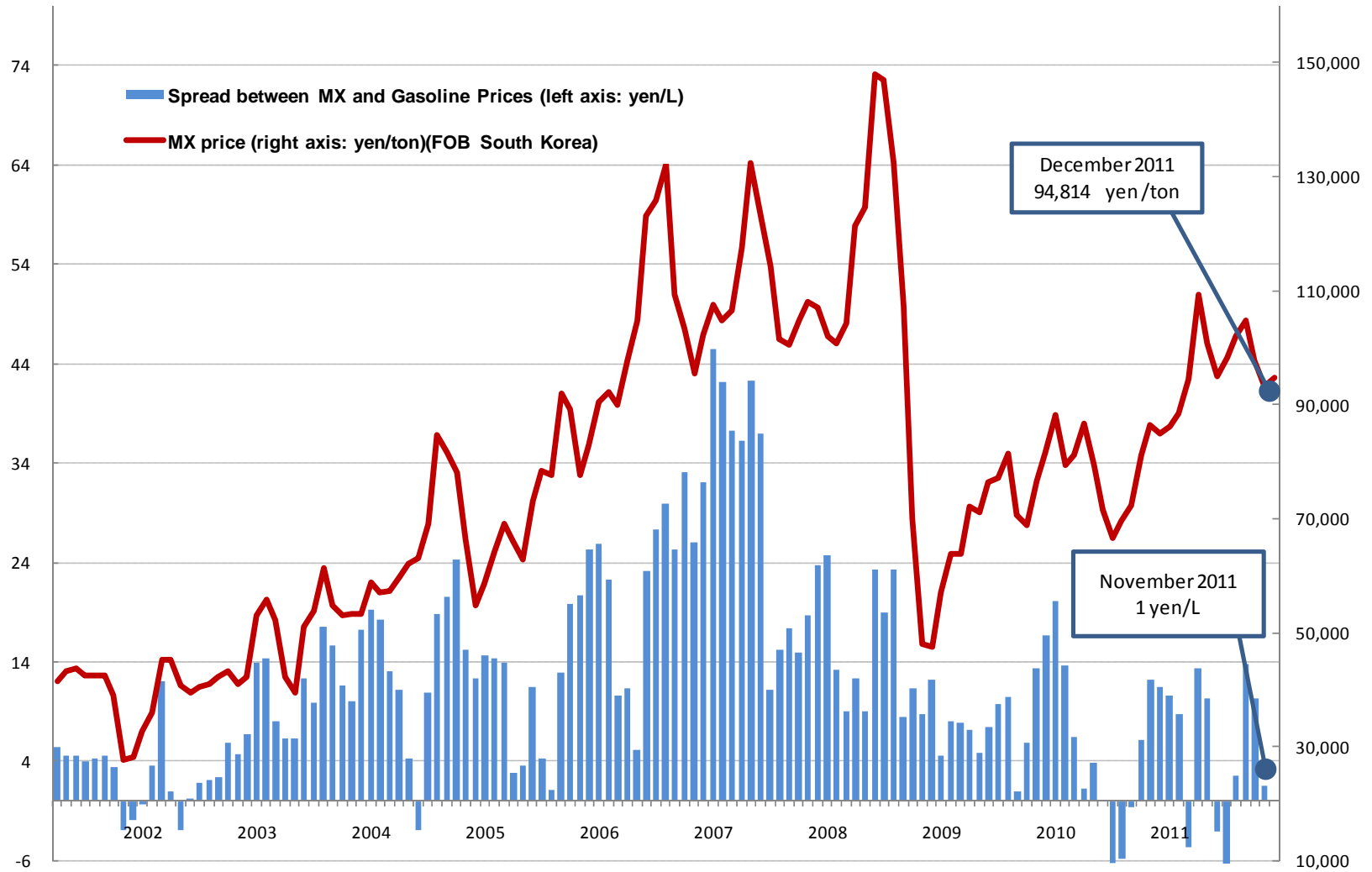
\*Sensitivity data above is based on the full-year FY2011 forecast announced in Nov. 2011.

A six-month period of Oct. 2011 to March 2012 adopted for sensitivity figure estimation for the petroleum business segment, and a three-month period of Oct. 2011 to Dec. 2011, for the oil exploration and production business.

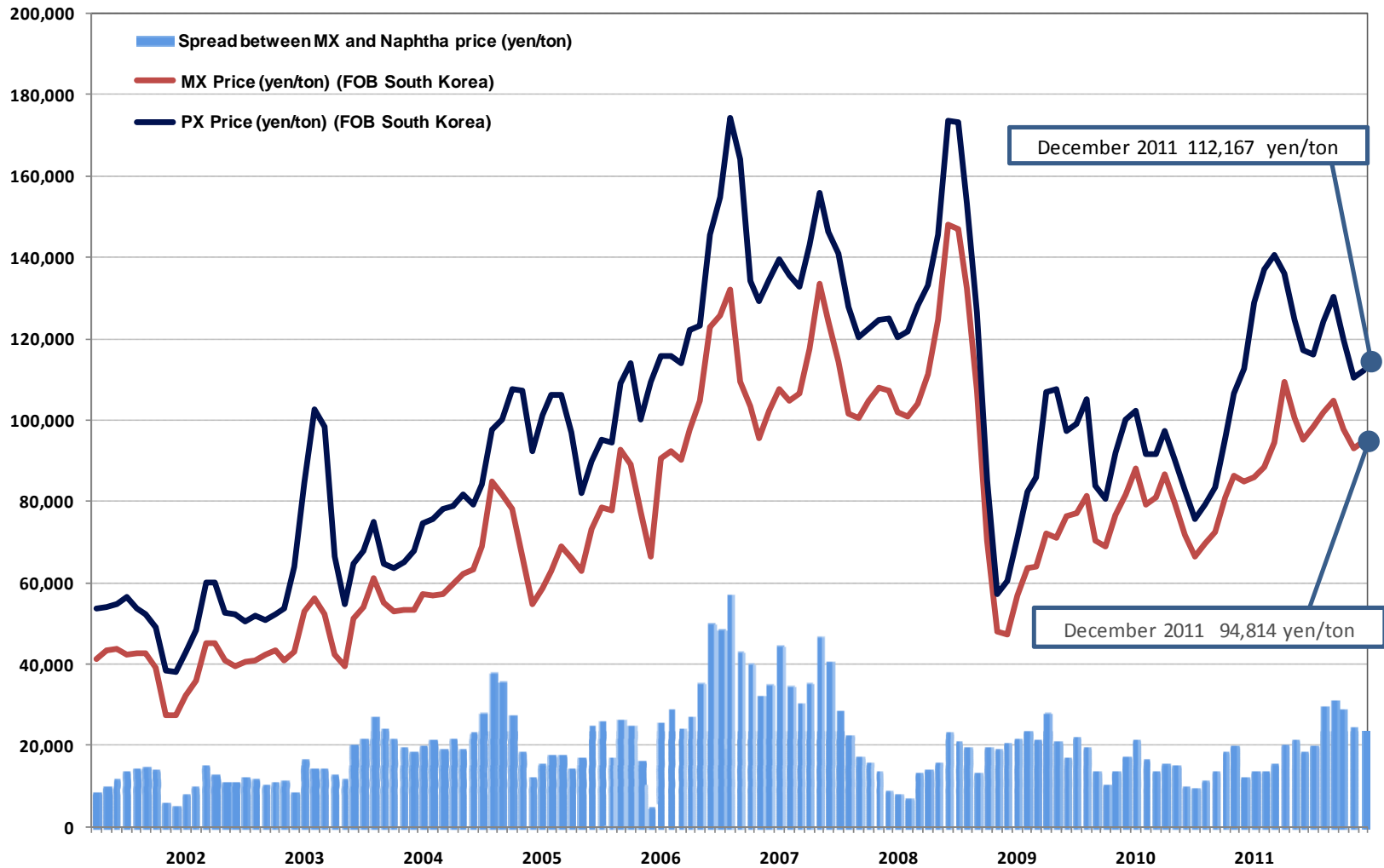
Historical Changes in Diesel Fuel Export Volume and in Domestic and Overseas Margins



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.**