

**Cosmo Oil Co., Ltd.**  
**Presentation on Results for**  
**First Quarter of Fiscal 2012**

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

**1** During the first quarter of FY2012 (from April to June 2012), the oil exploration and production business segment sustained earnings, while petroleum product margins aggravated in the petroleum business segment, resulting in reporting consolidated ordinary loss of ¥0.6 billion excluding inventory evaluation.

**2** A review of its current financial position led to the Company's decision to reduce deferred tax assets from the conservative perspective. This significantly adversely impacted results for the current term to result in reporting consolidated net loss of ¥66.7 billion. The Company will review tax assets regularly on a quarterly basis, while checking future earnings situations.

**3** The asphalt leakage accident that occurred on June 28, 2012 is currently investigated by the accident investigation committee to identify possible causes of the accident, and its impact on the operation plan for Chiba Refinery is also precisely studied. Careful monitoring of the possible impact of the accident on full-year business results, as well as an uncertain crude oil price trend made the Company decide not to revise the business outlook previously announced, as of the end of the first quarter of FY2012.

Unit: billion yen

	1Q FY2012 (Apr.-Jun.2012)	1Q FY2011 (Apr.-Jun.2011)	Changes
Net sales	755.7	715.3	40.4
Cost of sales	747.1	654.4	92.7
Selling, general and administrative expenses	30.0	31.3	-1.3
Operating income	-21.4	29.6	-51.0
Non-operating income/expenses, net	-0.5	1.7	-2.2
Ordinary income	-21.9	31.4	-53.3
Extraordinary income/losses, net	0.1	-5.8	5.9
Income taxes	42.6	11.3	31.3
Minority interests	2.3	1.2	1.1
Net income	-66.7	13.0	-79.7

## 【Reference】

Impact of inventory valuation	-21.3	22.6	-43.9
Operating income excluding impact of inventory valuation	-0.1	7.0	-7.1
Ordinary income excluding impact of inventory valuation	-0.6	8.8	-9.4

Unit: billion yen

	1Q FY2012	1Q FY2011	Changes
Consolidated ordinary income	-21.9	31.4	-53.3
Impact of inventory valuation	-21.3*	22.6	-43.9
NET Consolidated ordinary income	-0.6	8.8	-9.4
①Purchased price of crude oil ②JPY/USD exchange rate	①116.45USD/B ②81.48 yen/USD	①111.96USD/B ②82.05yen/USD	①4.49 USD/B ②-0.57 yen/USD

Unit: billion yen

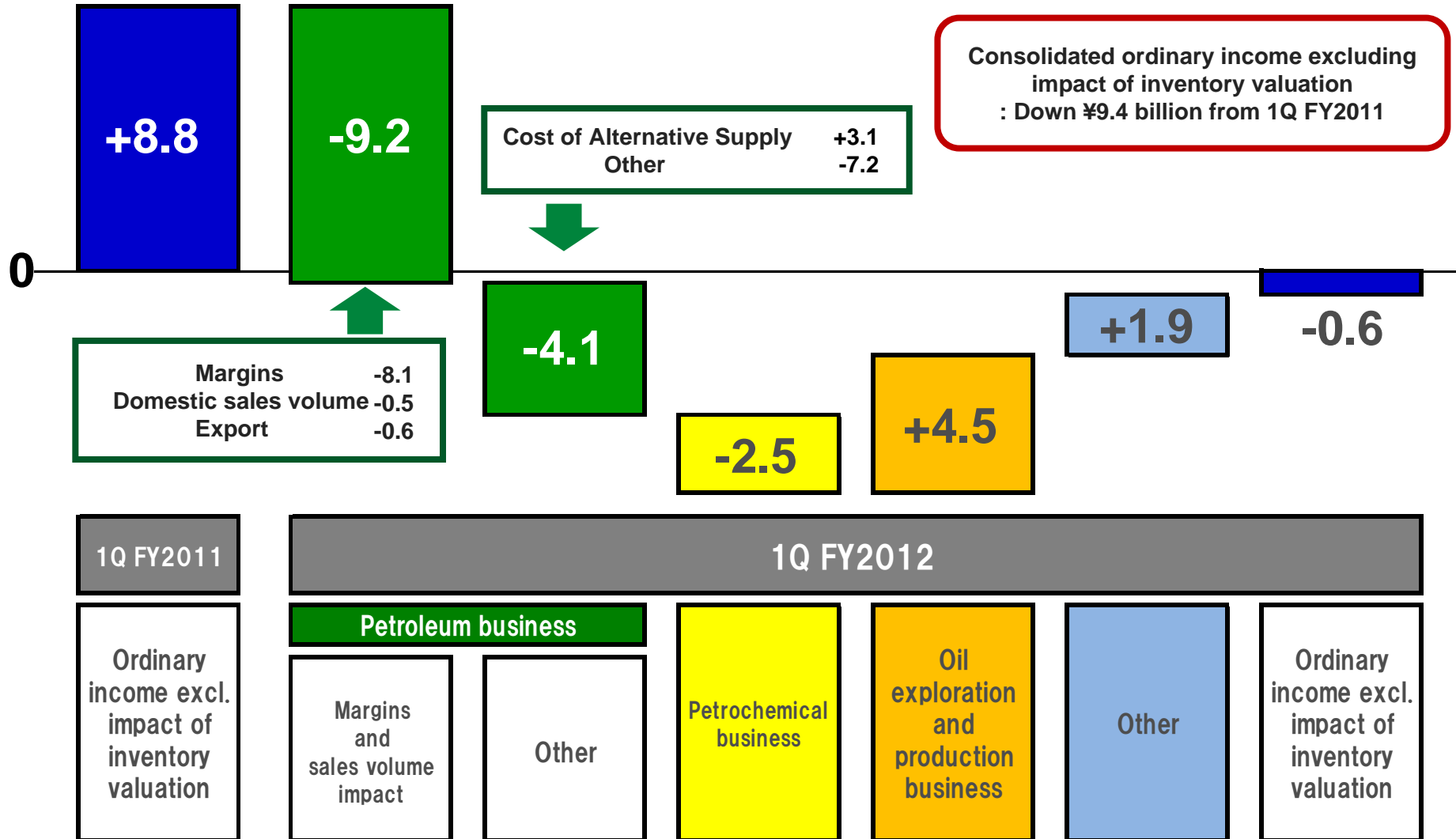
### Consolidated Ordinary Income by Business Segment

	1Q FY2012	1Q FY2011	Changes
Petroleum business	-38.8	18.4	-57.2
NET Petroleum business	-17.5	-4.2	-13.3
Petrochemical business	-1.1	1.4	-2.5
NET Petrochemical business	-1.1	1.4	-2.5
Oil E & P business	17.7	13.2	4.5
Other	0.3	-1.6	1.9

Notes: \* Impact of inventory valuation of petroleum business -21.3 billion yen

[1Q FY2012 Results] Consolidated Ordinary Income  
 (Excluding impact of inventory valuation) – Analysis of Changes from 1Q FY2011

Unit: billion yen



Unit: billion yen

	FY2012 (As of Jun. 30, '12)	FY2012 (As of Mar. 31, '12)	Changes
Total Assets	1,533.4	1,675.1	-141.6
Net assets	264.9	337.4	-72.5
Net worth	242.1	316.9	-74.8
Net worth ratio	15.8%	18.9%	Down 3.1 points
Interest-bearing debts	761.7	721.2	40.5
Debt dependence ratio	49.7%	43.1%	Down 6.6 points
Debt Equity Ratio	3.1	2.3	Down 0.8 points
Net interest-bearing debt *	653.5	598.8	54.7
Debt dependence ratio	42.6%	35.7%	Down 6.9 points
Debt Equity Ratio	2.7	1.9	Down 0.8 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: [1Q FY2012 Results] Sales volume
- P7: [1Q FY2012 Results] Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Crude Oil Production Volume
- P8: [1Q FY2012 Results] Results by Business Segment – Changes from 1Q FY2011
- P9: [1Q FY2012 Results] Highlights of Consolidated Capital Investment
- P10: [1Q FY2012 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force
- P11: [Reference: Forecast for Full-Year FY2012] 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

		1Q FY2012	1Q FY2011	Changes	Changes
Selling volume in Japan	Gasoline	1,428	1,443	-15	99.0%
	Kerosene	274	314	-40	87.3%
	Diesel fuel	1,103	1,075	28	102.7%
	Heavy fuel oil A	436	476	-40	91.6%
	<b>Sub-Total</b>	<b>3,242</b>	<b>3,308</b>	<b>-66</b>	<b>98.0%</b>
	Naphtha	1,329	1,542	-213	86.2%
	Jet fuel	92	110	-18	82.9%
	Heavy fuel oil C	700	440	260	159.1%
	inc. Heavy fuel oil C for electric	453	133	320	341.5%
	<b>Sub-Total</b>	<b>5,363</b>	<b>5,401</b>	<b>-38</b>	<b>99.3%</b>
Middle distillate export volume	Diesel fuel	45	98	-53	46.1%
	Kerosene/Jet	0	19	-19	0.0%
	<b>Sub-Total</b>	<b>45</b>	<b>116</b>	<b>-71</b>	<b>38.7%</b>
Bond sales, etc.	Jet fuel	437	371	66	117.8%
	Heavy fuel oil C	129	150	-21	86.0%
	Other	255	123	132	207.5%
	<b>Sub-Total</b>	<b>821</b>	<b>644</b>	<b>177</b>	<b>127.5%</b>
Barter deal, etc.		1,968	2,161	-193	91.0%
<b>Total selling volume</b>		<b>8,197</b>	<b>8,322</b>	<b>-125</b>	<b>98.5%</b>



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

		1Q FY2012	1Q FY2011	Changes from 1Q FY2011	
Purchased price of crude oil	Crude oil (FOB) USD/BBL	116.45	111.96	4.49	—
	JPY/USD exchange rate	81.48	82.05	-0.57	—
	Purchased price of crude oil (tax inclusive) yen/KL	63,057	61,188	1,869	—
Crude oil refining	Refined crude oil volume (1,000 KL)	5,604	4,895	709	114.5%
	Atmospheric distillation operating ratio (Calendar Day)	61.0%	53.3%	7.7%	—
	Atmospheric distillation operating ratio (Streaming Day)	84.3%	85.3%	-1.0%	—

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

**[2] Crude oil production volume**

		1Q FY2012	1Q FY2011	Changes	Investment ratio
Oil E & P subsidiary production volume (BBL/D)	Abu Dhabi Oil Co., Ltd.	21,246	22,796	93.2%	63.0%
	Qatar Petroleum Development Co., Ltd.	7,562	5,307	142.5%	75.0%
	United Petroleum Development Co., Ltd.	12,156	11,655	104.3%	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: billion yen

1Q FY2012 Results	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Inventory valuation excluding cost or market method impact)	
		Changes from FY2011		Changes from FY2011		Changes from FY2011		Changes from FY2011
Petroleum business	736.3	36.4	-35.6	-54.9	-38.8	-57.2	-17.5	-13.3
Petrochemical business	7.1	0.8	0.1	-0.2	-1.1	-2.5	-1.1	-2.5
Oil E&P business	22.2	2.3	14.2	2.4	17.7	4.5	17.7	4.5
Other	15.1	3.6	-0.1	0.2	0.2	0.3	0.2	0.3
Write-off	-25.0	-2.7	0.0	1.5	0.1	1.6	0.1	1.6
<b>Total</b>	<b>755.7</b>	<b>40.4</b>	<b>-21.4</b>	<b>-51.0</b>	<b>-21.9</b>	<b>-53.3</b>	<b>-0.6</b>	<b>-9.4</b>

-Inventory valuation impact on the petroleum business amounted to -21.3 billion yen in 1Q FY2012 (down 43.9 billion yen from 1Q FY2011)

### 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 Oli Group on the equity method), etc.
Other	: Cosmo Engineering Co.,Ltd., Cosmo Trade & Services Co., Ltd.,EcoPower Co.,Ltd, etc.

Capital Expenditures, Depreciation, etc.

Unit:billion yen

	1Q FY2012 Results	Change from 1Q FY2011
Capital expenditures	9.4	3.7
Depreciation expense amount	11.4	-1.1

Capital expenditures by Business Segment

Unit:billion yen

	1Q FY2012 Results	1Q FY2011 Results	Changes
Petroleum	6.7	2.1	4.6
Petrochemical	0.2	0.1	0.1
Oil E&P	2.7	3.1	-0.4
Other	0.1	0.1	0.0
adjustment	-0.3	0.3	-0.6
Total	9.4	5.7	3.7

# [1Q FY2012 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

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

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	1Q FY2012
Cosmo Oil alone	1,718	1,916	1,957	2,064	2,180	2,135	2,025	1,982
Cosmo Oil Group	3,451	3,335	3,299	3,269	3,325	3,268	3,098	3,035

\* Data as of the end of March 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)

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	1Q FY2012
No. of DTs	38	38	38	38	36	35	35	35

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

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	1Q FY2012
Subsidiary	1,190	1,122	1,104	1,023	1,025	967	939	934
Dealers	3,361	3,237	3,021	2,890	2,743	2,642	2,559	2,532
Total	4,551	4,359	4,125	3,913	3,768	3,609	3,498	3,466
Mobile SSs	95	57	53	47	43	36	34	33

\* Data up to FY2005 as of the end of December of each year. Data in FY2006 onwards as of the end of March of the year following each fiscal year

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

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	1Q FY2012
Subsidiary	370	463	507	551	575	548	570	570
Dealers	256	326	360	404	429	455	437	438
Total	626	789	867	955	1,004	1,003	1,007	1,008
Share of Self-Service SSs	13.8%	18.1%	21.0%	24.4%	26.6%	27.8%	28.8%	29.1%

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

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	1Q FY2012
No. of cards in force	2.55	2.80	3.05	3.35	3.57	3.67	3.81	3.87

Unit: billion yen

FY2012 Forecast	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Inventory valuation excluding cost or market method impact)	
		Changes from FY2011		Changes from FY2011		Changes from FY2011		Changes from FY2011
Petroleum business	3,260.0	204.4	37.5	24.7	30.0	22.0	30.0	47.2
Petrochemical business	48.0	18.6	1.0	0.1	2.5	0.4	2.5	0.4
Oil E&P business	98.0	10.4	63.0	11.2	66.0	14.0	66.0	14.0
Other	85.0	13.4	2.0	0.5	3.0	0.1	3.0	0.1
Write-off	-141.0	-6.5	-7.5	-4.1	-7.5	-3.9	-7.5	-3.9
<b>Total</b>	<b>3,350.0</b>	<b>240.3</b>	<b>96.0</b>	<b>32.4</b>	<b>94.0</b>	<b>32.6</b>	<b>94.0</b>	<b>57.8</b>

Assumed crude oil price at which crude oil would be imported to Japan (full-year): USD115.0/B

Assumed exchange rate (full-year) : JPY80.0 per USD

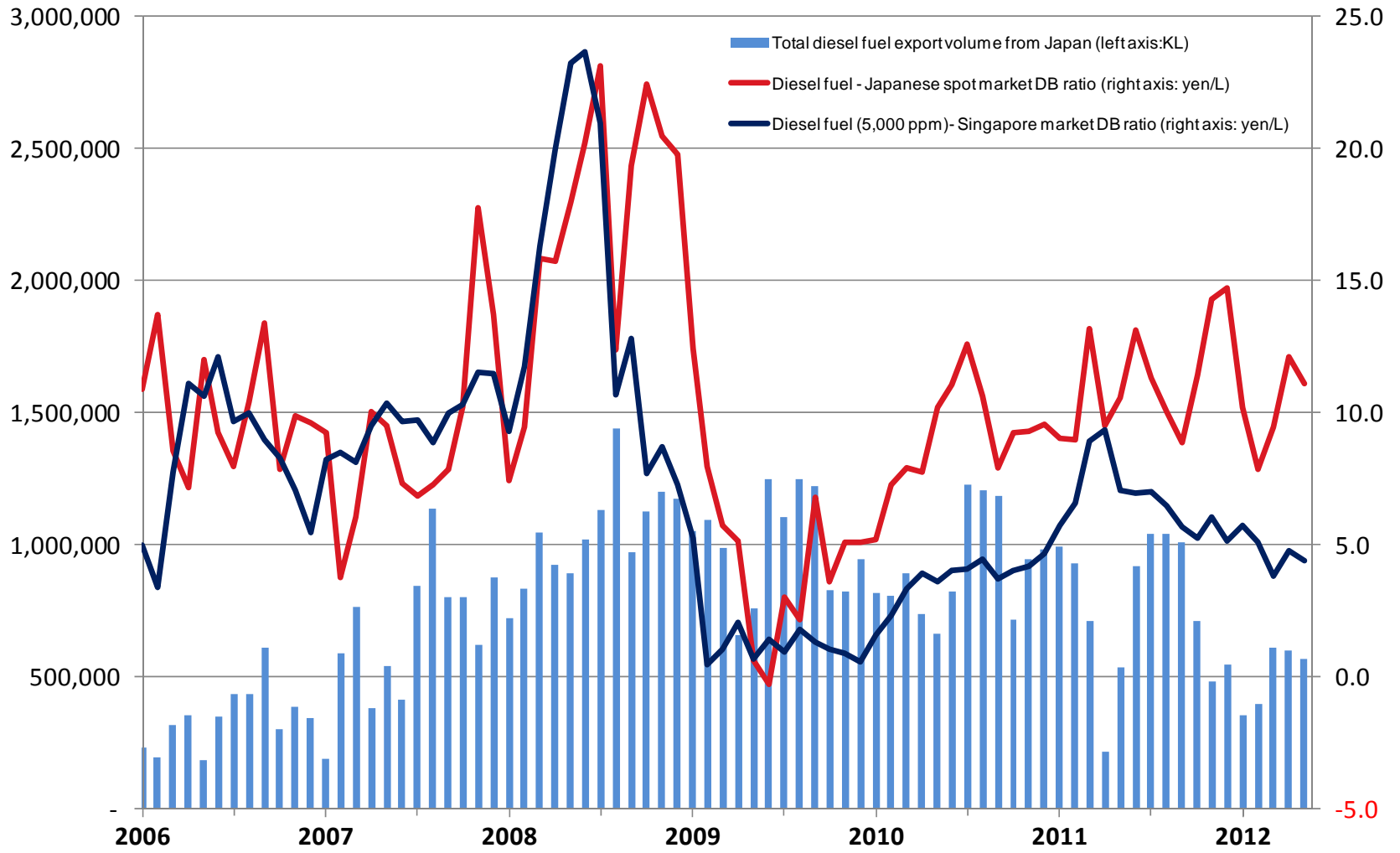
### Sensitivity

	Petroleum Business	Oil E & P Business
Crude oil + 1 USD/BBL	1.2 billion yen	0.6 billion yen
JPY/USD + 1 exchange rate	1.7 billion yen	0.8 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).

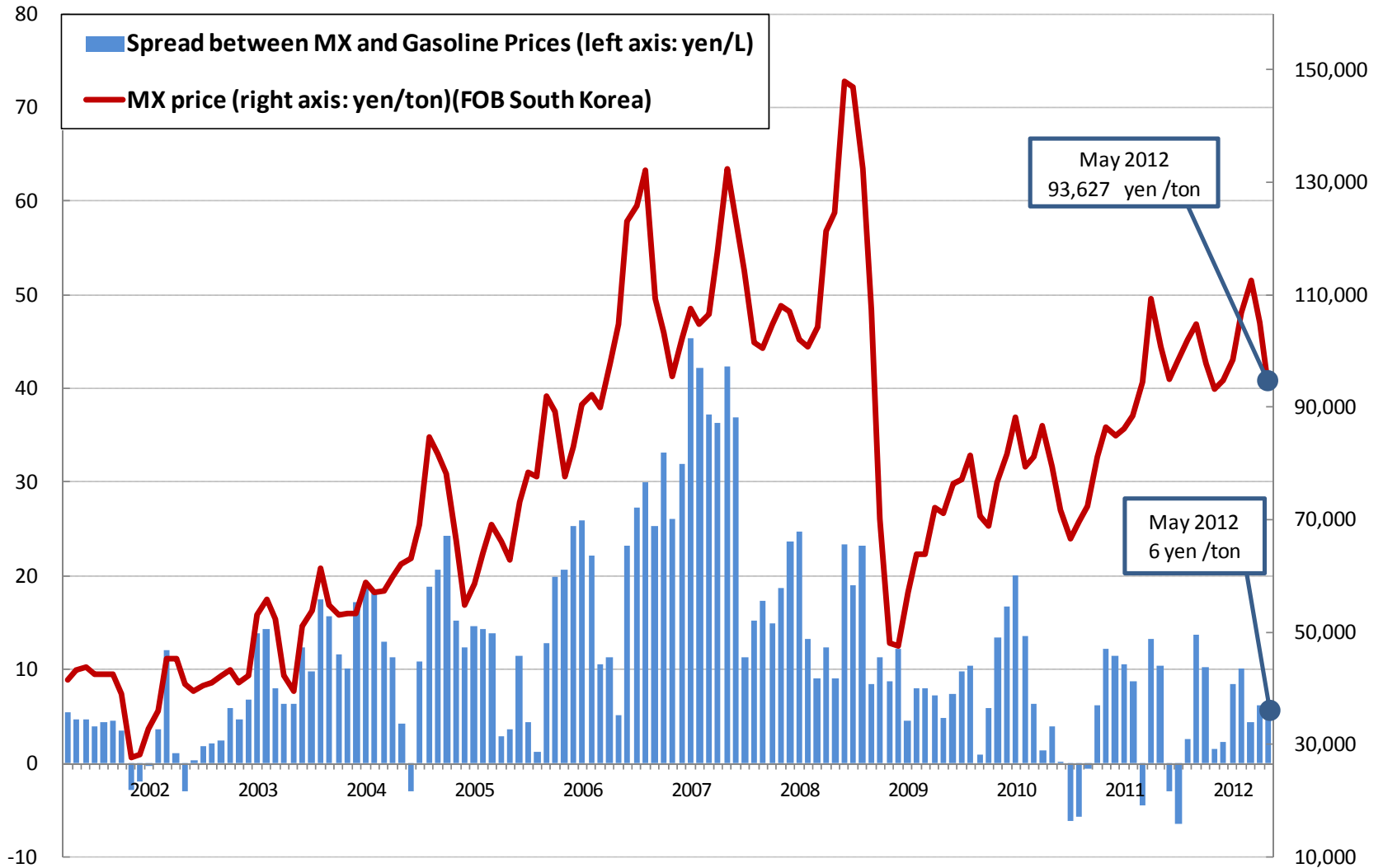
\* A twelve-month period of Apr. 2012 to March 2013 adopted for sensitivity figure estimation for the petroleum business segment, and a nine-month period of Apr. 2012 to Dec. 2012, for the oil exploration and production business.

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

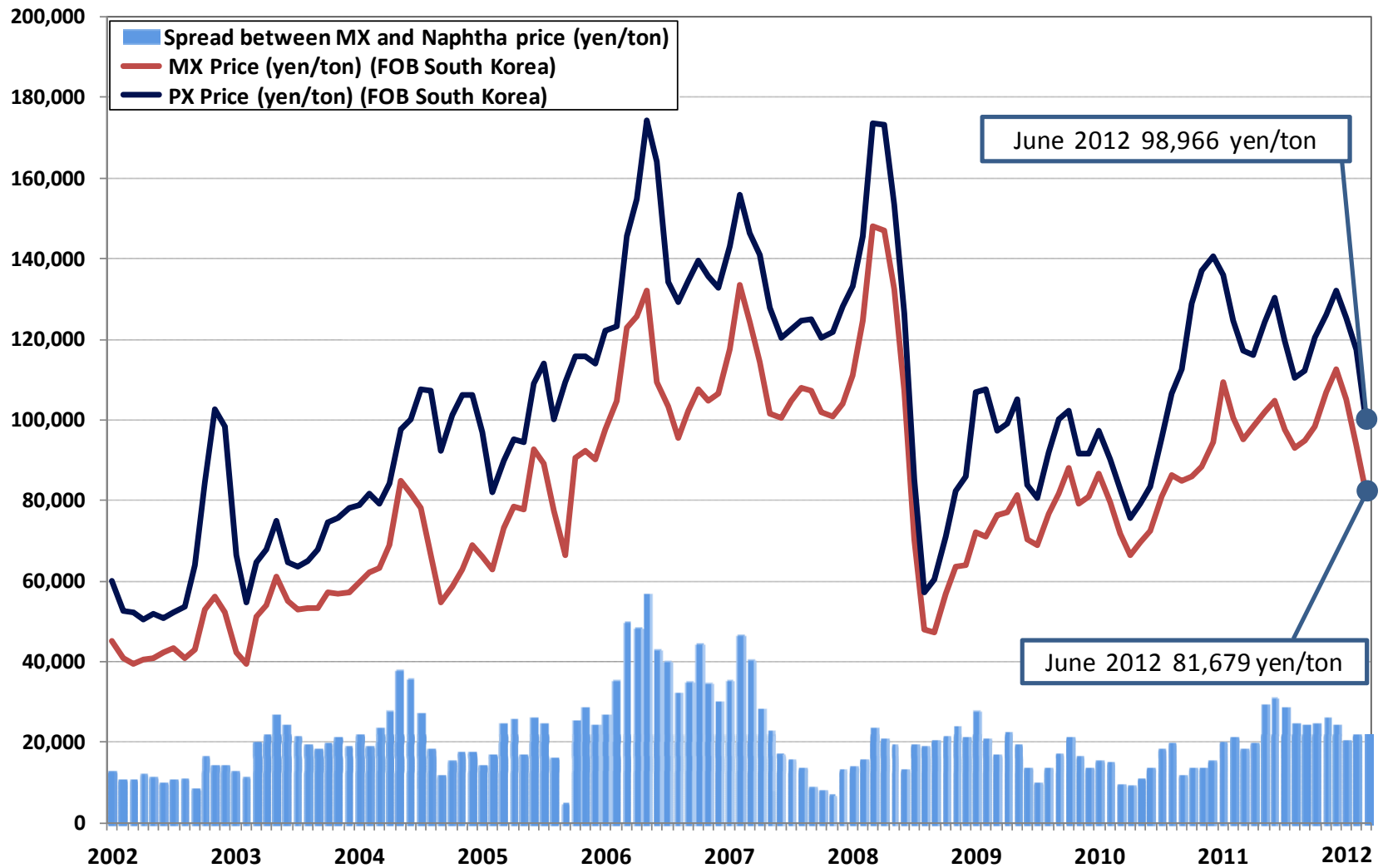


Published export data updated in May, 2012

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.**