Highlights of Full-Year Results for FY2013 and Plan for FY2014

May 13, 2014

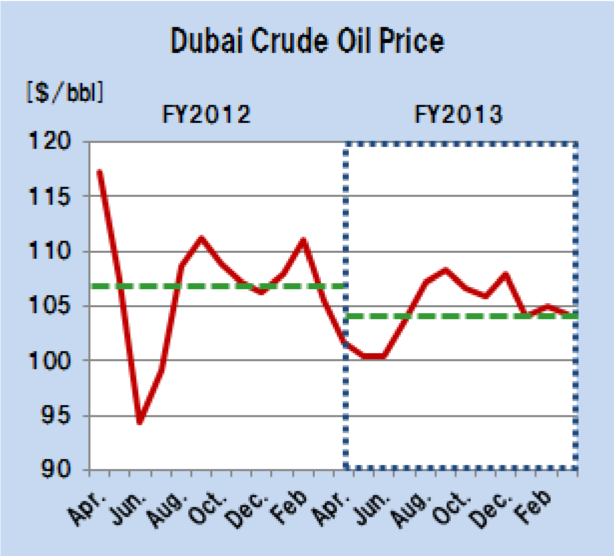
President: Keizo Morikawa

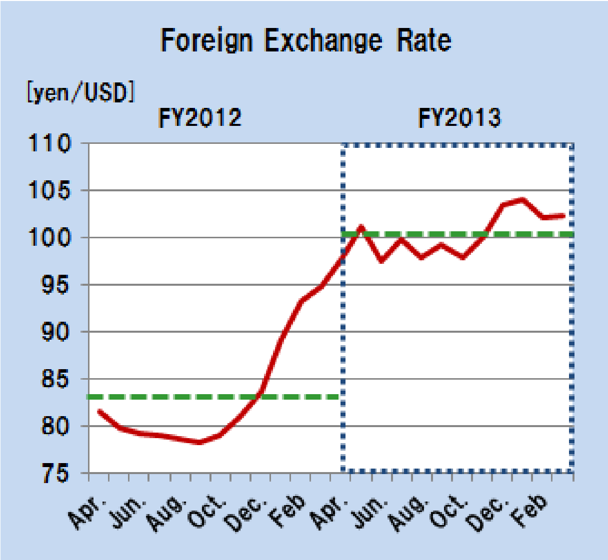
COSMO OIL CO., LTD.

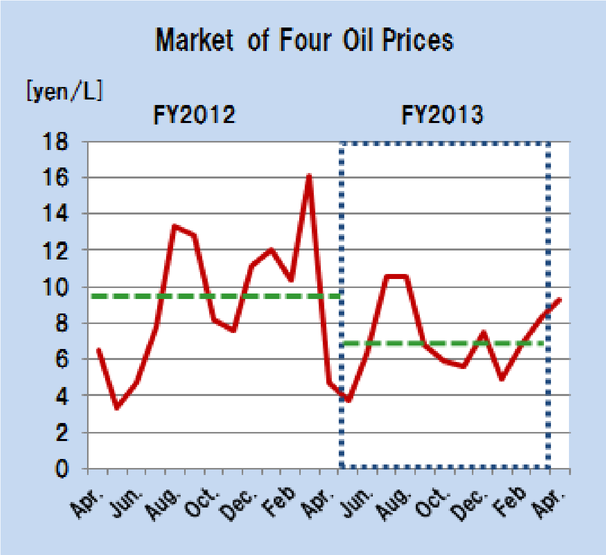
FY 2013 Financials

- The global economy presented a mixed picture. While economic recovery continued in the West, emerging economies saw their currencies depreciate and China experienced an economic slowdown.
  In Japan, financial results in the corporate sector were on the upward trend after the yen weakened and share prices soared on the unprecedented monetary easing adopted by the Bank of Japan (BOJ) in April 2013.
- Crude oil prices remained above USD100 given geopolitical risks in the Middle East and the Ukraine crisis.
- In the foreign exchange market, the yen weakened on the BOJ's monetary easing and the recovery of the U.S. economy.
- The oil product market was more sluggish than in recent years, reflecting a deterioration in the demand-supply situation in Japan and overseas. However, towards the end of the fiscal year, an improvement saw the market return to an upward trend.

Note: A green broken line represents the average for the fiscal year concerned.







* Spot price: nationwide customs clearance crude oil (CIF)

<2013>

- January : HCP commenced the commercial operation of the paraxylene facilities, which have production capacity of 0.8 million tons per year.
- February : Sogo Energy Corporation (former name: Sojitz Energy Corporation) became a member of the Cosmo Group under the new name.
- July : Ceased crude oil processing at Sakaide Refinery (to be rendered as an oil terminal).
- July : Resumed the operation of Chiba Refinery.
- September : Conclusion of Memorandum to Discuss Collaboration Opportunities at Cosmo Oil Chiba Refinery and Kyokuto Petroleum Industries.
- December : Agreement on commencement of discussions concerning the respective integrations of LPG wholesale operations and retail operations.

<2014>

- January : Conclusion of Memorandum of Agreement in relation to strategic comprehensive cooperation with CEPSA in oil-related business.
- January : Announcement of results of oil reserves assessment in oil exploration and production (E&P) business.
- February : The cumulative total number of contracted vehicles in the Cosmo vehicle leasing business exceeded 10,000.
- February : Established Cosmo Energy Exploration & Production Co., Ltd. (wholly owned by Cosmo Oil Co., Ltd.) through the divestiture of the upstream business.

[FY2013 Results]
Consolidated Income Statements - Changes from FY2012

Unit: billion yen

	FY2013 (Apr.-Mar.2014)	FY2012 (Apr.-Mar.2013)	Changes
Net sales	3,537.8	3,166.7	371.1
Cost of sales	3,369.0	2,989.3	379.7
Selling, general and administrative expenses	129.1	125.0	4.1
Operating income	39.7	52.4	-12.7
Non-operating income/expenses, net	2.1	-4.0	6.1
Ordinary income	41.8	48.4	-6.6
Extraordinary income/losses, net	7.6	-51.0	58.6
Income taxes	39.1	76.2	-37.1
Minority interests	6.0	7.1	-1.1
Net income	4.3	-85.9	90.2
Impact of inventory valuation	16.1	15.3	0.8
Ordinary income excluding impact of inventory valuation	25.7	33.1	-7.4
Dubai crude oil price (USD/B)	104.6	107.1	-2.5
JPY/USD exchange rate (yen/USD)	100.24	83.11	17.13

[Key Points in FY2013 Results]

- Actions for rationalization and streamlining were carried out without fail, chiefly in the supply division, including the resumption of operations at Chiba Refinery and the closure of the Sakaide Refinery.
- Ordinary income stood at 41.8 billion yen, or 25.7 billion yen excluding the impact of inventory valuation, down 6.6 billion yen or 7.4 billion yen, respectively, from the preceding year.
- Net income stood at 4.3 billion yen, the first profit in three years, after the elimination of the extraordinary loss on non-operation of Chiba Refinery until the preceding year.

Consolidated Ordinary Income impact of inventory valuation by Business Segment

Unit: billion yen

	FY2013 (Apr.-Mar.2014)	FY2012 (Apr.-Mar.2013)	Changes
Ordinary income excluding impact of inventory valuation	25.7	33.1	-7.4
Petroleum business	-41.4	-39.0	-2.4
Petrochemical business	3.7	3.3	0.4
Oil E & P business	58.1	60.7	-2.6
Other ※	5.3	8.1	-2.8

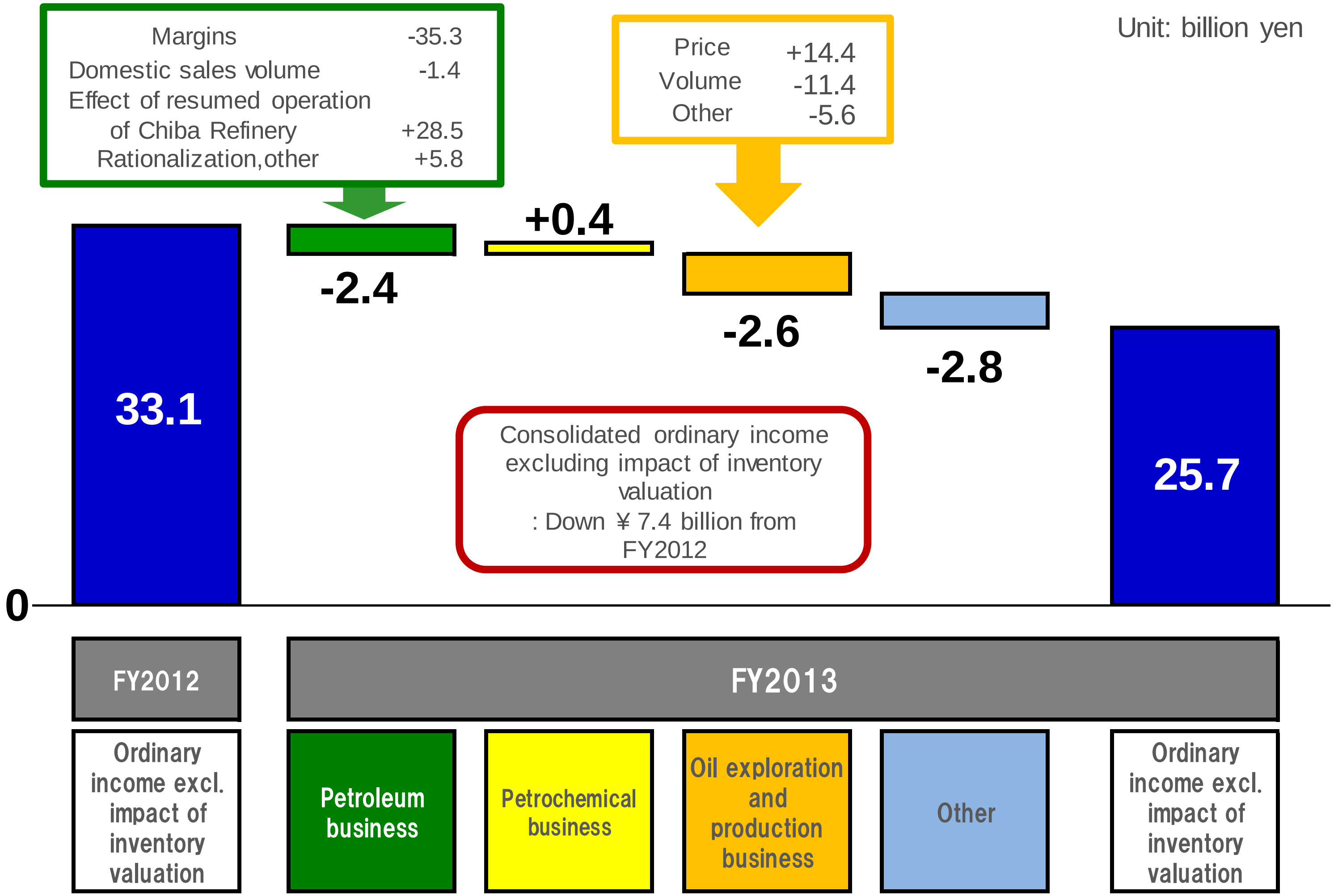
※ includes consolidated accounting processing

[FY2013 Results] Consolidated Ordinary Income Analysis of Changes from FY2012

Key variable factors

Petroleum Business: Lower profits due to deterioration of the product market despite resumed operation of Chiba Refinery

Oil E&P Business : Lower profits after a temporary decrease in production quantity



Outline of Consolidated Balance Sheets and Consolidated Cash Flows

Consolidated Balance Sheets

Unit: billion yen

	FY2014 (As of Dec. 31, '14)	FY2013 (As of Mar. 31, '13)	Changes
Total Assets	1696.8	1743.5	-46.7
Net assets	261.1	256.9	4.2
Net worth	231.9	230.5	1.4
Net worth ratio	0.1	0.1	Up 0.5 points
Interest-bearing debts	863.7	842.9	20.8
Debt dependence ratio	0.5	0.5	Down 2.6 points
Debt Equity Ratio	3.7	3.7	unchanged
Net interest-bearing debt *	723.3	713.2	10.1
Debt dependence ratio	0.4	0.4	Down 1.7 points
Debt Equity Ratio	3.1	3.1	unchanged

* Total interest-bearing debts net of cash and deposits as of the end of the period

Consolidated Cash Flows

Unit: billion yen

	FY2013 (As of Mar. 31, '14)	FY2012 (As of Mar. 31, '13)
Cash flows from operating activities	35.8	-21.0
Cash flows from investing activities	-61.0	-80.5
Cash flows from financing activities	12.6	104.7
Cash and cash equivalents at end of the period	123.3	129.7

Outline of Consolidated Cash Flows and Consolidated Capital Expenditures

- Steady investment was made in renovations, chiefly in the refinery business, including restoration of LPG tanks at Chiba Refinery.
- The investment plan was implemented in accordance with the medium-term management plan. In the oil exploration and production business, some scheduled investments were postponed to the following fiscal year.

Capital Expenditures, Depreciation, etc.

Unit: billion yen

	FY2013 Results	Change from FY2012
Capital expenditures	41.2	-42.2
Depreciation expense amount	35.3	-9.7

Capital Expenditures by Business Segment

Unit: billion yen

	FY2013 Results	FY2012 Results	Changes
Petroleum	33.1	24.1	9.0
Petrochemical	0.6	0.6	0
Oil E&P	8.7	57.3	-48.6
Other	3.1	1.4	1.7
adjustment	-4.3	0	-4.3
Total	41.2	83.4	-42.2

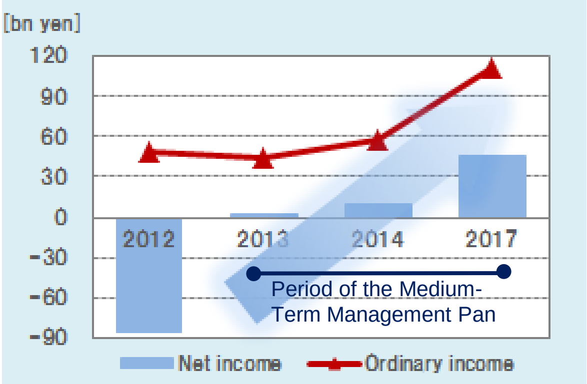
Forecast for FY 2014 Performance

- Carry out programs swiftly and surely in accordance with the four basic policies determined in the 5th Consolidated Medium-Term Management Plan.
- Establish optimal business portfolios in individual businesses and in separate regions including alliances with other companies in a bid to become a vertically integrated global energy company over the long term.

Regain profitability in the refining & marketing sector

- Step up rationalization and streamlining efforts.
  Achieve safe operation and high capacity operation.
- Earn appropriate margins and strengthen the retail business.
- Increase international competitiveness through a joint project with Kyokuto Petroleum Industries, Ltd. at Chiba Refinery.

Income Forecasts for Different Fiscal Years During the Period of the Medium-Term Management Plan



Secure stable returns from investments made during the previous medium-term management plan

- Steadily implement the oil exploration and production business, the petro-chemical business and the renewable energy business.
  Create stable cash flows.

Further strengthen alliances with International Petroleum Investment Company (IPIC) and Hyundai Oilbank (HDO)

- Push ahead with the joint business under the strategic comprehensive cooperation with CEPSA in the IPIC Group.

Further enhance CSR management

- Step up and encourage CSR activities based on priority matters, such as safety management programs, human rights and personnel programs, and environmental conservation programs.

Specific Program 1: Regain profitability in the refining & marketing sector

- The oil refinery sector will continue with rationalization efforts in addition to safe operation and high capacity operation on the basis of rationalization and streamlining, including the closure of Sakaide Refinery and revision to nameplate capacity in a bid to solidify its revenue base.
- The marketing sector will aim to earn appropriate margins and continue the business model change at service stations from the model centered on fuel oil sales to a model of providing car life value.

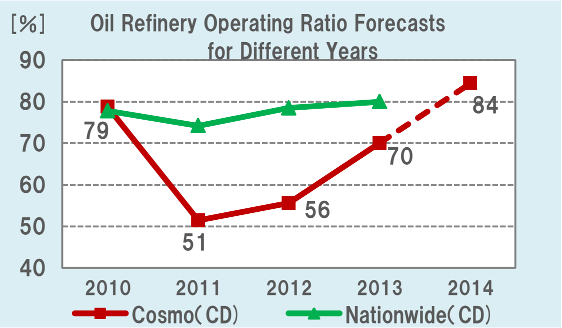
1. Achieve safe operation and high capacity operation.

FY2014 Plan	
Crude Oil Processing Capacity (thousand barrels per day)	Operating Ratio (CD%)
452.0	84%

FY2013 Plan	
Crude Oil Processing Capacity (thousand barrels per day)	Operating Ratio (CD%)
635*	70%

* Value as of April 1, 2013

Sakaide Refinery, processing 140,000 barrels per day, was closed in July 2013.



* The nominal capacity of Yokkaichi Refinery was cut by 43,000 barrels a day to comply with the energy supply structure sophistication law. (It is a provisional action taken at the end of March 2014 and action to comply with the main rules will be taken in consideration of the study on a joint project in the Chiba area.)

2. Continued rationalization of the refining cost

- *Reduce repair costs*: Strict implementation of early purchases, etc.

3. Low inventory operation

- *Reduce inventories*: Inventory reduction by closedown of Sakaide Refinery
  Flexible use of exports

[Crude Oil & Product in Stock Change from End of FY2012]

End of FY2013 (Actual)	End of FY2014 (Plan)	MTMP Final Goal
(thousand kiloliters)	(thousand kiloliters)	(thousand kiloliters)
-670	-870	-850

4. Strengthen the retail business

- *Earn appropriate margins*: Introduction of new price formula, revision to sales channel composition
- *Boost earning power of service stations*:
  Press ahead with the change into a business model of providing car life value with the leasing business as a driving force. Achieve a cumulative total vehicle lease sales of 20,000 units.

- Secure stable returns from investments made during the previous medium-term management plan.
- Carry out the programs planned in the 5th Medium-Term Management Plan.

5. Oil exploration and production business

- Carry out the production plan steadily.
  - ◇ Abu Dhabi Oil: Increase production with two rigs.
  - ◇ Qatar Petroleum Development: Encourage sidetrack drilling.
  - ◇ United Petroleum Development: Continue steady production.

- New concession area (Hail): Steady progress towards the start of production in 2016, currently at the development stage*
  * Acquisition of a concession area -> Exploration -> Evaluation -> Development -> Production

- Joint business with CEPSA: Push ahead with the joint business under the strategic comprehensive cooperation with CEPSA .

6. Petrochemical business

- MX unit and constant operation: Stably supply mixed xylene (MX) to HCP.
  Production capacity: 270,000 metric tons at CM Aromatics, 300,000 metric tons at Yokkaichi Refinery and 30,000 metric tons at Cosmo Matsuyama
- Stably produce HCP (PX): Make use of the new PX unit with massive international competitiveness and annual production capacity of 800,000 metric tons, to ensure stable production.

7. Renewable energy business

- Strengthen the wind power generation business:
  Cosmo Engineering will centrally control construction and repair work currently dispersed among EcoPower Group companies in an attempt to boost the Group's revenues.
- Develop new sites:
  In addition to the three sites that will successively come into operation from FY2014 onward, with an approximate total output of 90,000 kW, aim to develop new sites and diversify fund procurement methods.
  - ◇ Hirogawa, Wakayama Pref.: 20,000 kW (inauguration scheduled in October 2014)
  - ◇ Aizu, Fukushima Pref.: 16,000 kW (inauguration scheduled in March 2015)
  - ◇ Watarai, Mie Pref.: 50,000 kW (inauguration scheduled in the second half of 2016)

- Following the conclusion of a memorandum of understanding in Sep. 2013, an exploratory committee was set up to commence specific considerations and discussions on the equipment plan, the business plan and the joint organization.

<Examples of synergy-based projects already implemented>

- Supply of semi-finished goods (heavy naphtha) with domestic vessels and improvement in ship allocation efficiency at the time of exporting goods
- Quality check in the event of directly exchanging finished or semi-finished products between the desulfurization unit and the RFCC

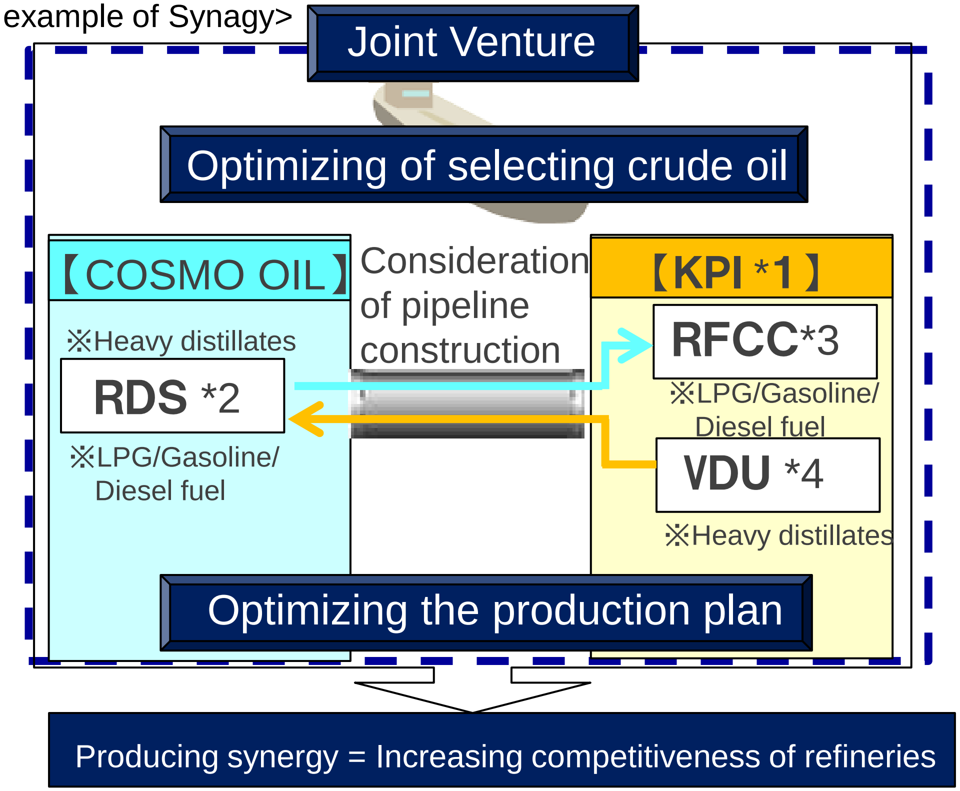
<Matters under consideration>

Matter 1 under consideration: Equipment plan
- Installation of pipelines for integrating the refineries of the two companies
- Optimization of refinery equipment

Matter 2 under consideration: Business plan
- Producing synergy by optimizing selection of crude oil and the production plan
- Seeking opportunities to improve existing equipment (before the pipeline installation)

Matter 3 under consideration: Joint organization
- Outline of a joint venture body for implementing Matters 1 and 2

<An example of Synagy>



＊1)KPI＝KYOKUTO PETROLEUM INDUSTRIES
＊2)RDS＝RESIDUE HYDRODESULFURIZATION
＊3)RFCC＝RESIDUE FLUID CATALYTIC CRACKER
＊4)VDU＝VACUUM DISTILLATION UNIT

FY2014 Full-Year Results Forecast - Changes from FY2013

- The crude oil price and the foreign exchange rate are calculated on the basis of their respective average figures in the past three months.
- Aiming to increase ordinary income by 15.2 billion yen, from FY2013 to 57.0 billion yen.

Unit: billion yen

	FY2014 Forecast	FY2013 Results	Changes
Ordinary income	57.0	41.8	15.2
impact of inventory valuation	0	16.1	-16.1
Ordinary income excluding impact of inventory valuation	57.0	25.7	31.3
Petroleum business	3.0	-41.4	44.4
Petrochemical business	0.5	3.7	-3.2
Oil E & P business	51.0	58.1	-7.1
Other	2.5	5.3	-2.8
Net income	14.0	4.3	9.7
Dividend per Share (Plan) (yen)	4	2	-

【Reference】

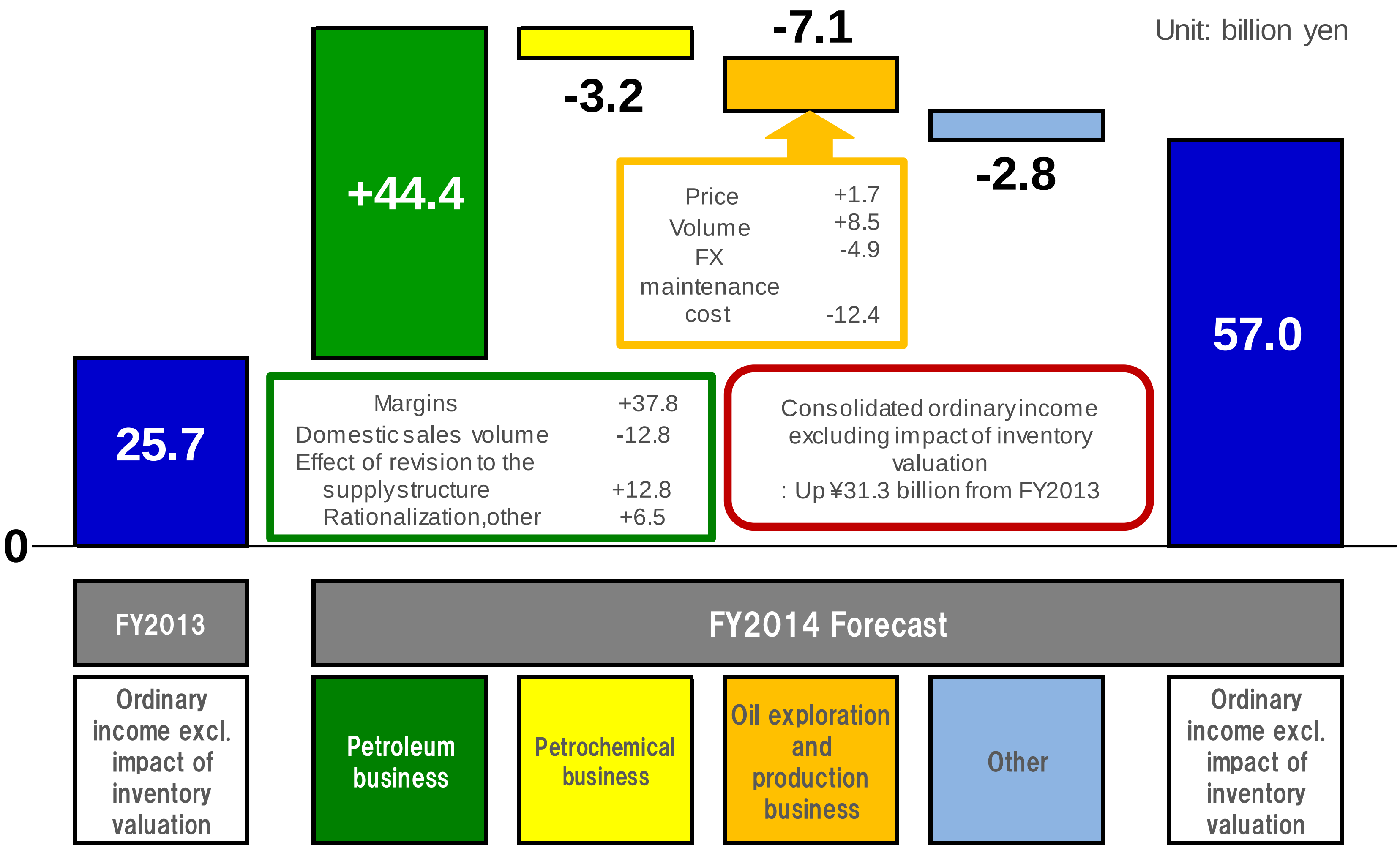
	FY2014 Forecast	FY2013 Results	Changes
Dubai crude oil price (USD/B)	104.0	104.6	-0.6
JPY/USD exchange rate (yen/$)	102.0	100.24	1.76

* For sensitivity to the crude oil price and the foreign exchange rate, see page 24.

Consolidated Ordinary Income (Excluding impact of inventory valuation) - Analysis of Changes from FY 2013

Key variable factors

Petroleum Business:	Significantly higher profit after an improvement in margins and in operating ratios at refineries.
Petrochemical Business:	Lower profit after a deterioration in petrochemical product market conditions.
Oil E&P Business:	Lowe profit in reaction to foreign exchange gains despite of crude oil production volume recovery.



Outline of Consolidated Consolidated Capital Expenditures

- In the petroleum business, capital investment will be increased for the Chiba Renewal Plan, aiming to boost safety and profitability, and for a strategic reserve fund in consideration of further business development.
- In the oil E&P business, capital investment will be increased, reflecting investments postponed from FY2013 and the impact of the depreciation of the Japanese currency.

Capital Expenditures, Depreciation, etc.

Unit: billion yen

	FY2014 Forecast	Changes
Capital expenditures	82.7	41.5
Depreciation expense amount	33.6	−1.7

Capital Expenditures by Business Segment

Unit: billion yen

	FY2014 Forecast	FY2013 Results	Changes
Petroleum	44.2	33.1	11.1
Petrochemical	0.7	0.6	0.1
Oil E&P	33.5	8.7	24.8
Other	6.4	3.1	3.3
adjustment	−2.1	−4.3	2.2
Total	82.7	41.2	41.5

COSMO OIL CO., LTD.

Supplementary Information

[FY2013 Results / FY2014 Forecast] Sales volume

		FY2013 Results	FY2012 Results	Changes	FY2014 Forecast	FY2014 Full Year outlook changes from FY2013
Selling volume in Japan	Gasoline	6,053	5,999	100.9%	5,794	95.7%
	Kerosene	2,261	2,246	100.7%	2,012	89.0%
	Diesel fuel	4,399	4,414	99.6%	4,034	91.7%
	Heavy fuel oil A	1,847	1,963	94.1%	1,612	87.3%
	Sub-Total	14,561	14,622	99.6%	13,451	92.4%
	Naphtha	6,556	5,916	110.8%	6,259	95.5%
	Jet fuel	486	476	101.9%	468	96.5%
	Heavy fuel oil C	2,038	2,993	68.1%	1,659	81.4%
	inc. Heavy fuel oil C for electric	1,185	2,052	57.8%	890	75.1%
	Total	23,640	24,007	98.5%	21,837	92.4%
Middle distillate export volume	Diesel fuel	1,145	45	2546.0%	1,345	117.5%
	Kerosene/Jet	0	0	−	0	−
	Sub-Total	1,145	45	2546.0%	1,345	117.5%
Bond sales, etc.	Jet fuel	1,865	1,647	113.2%	1,947	104.4%
	Heavy fuel oil C	561	521	107.8%	506	90.1%
	Other	618	838	73.8%	423	68.4%
	Sub-Total	3,045	3,006	101.3%	2,876	94.5%
Barter deal, etc.		10,103	9,832	102.8%	9,167	90.7%
Total selling volume		37,932	36,891	102.8%	35,225	92.9%

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

		FY2013	FY2012	Changes from FY2012	
Purchased price of crude oil	Dubai crude oil price (USD/B)	104.60	107.1	-2.50	–
	JPY/USD exchange rate (yen/$)	100.24	83.11	17.13	–
Crude oil refining	Refined crude oil volume (1,000 KL)	21,853	20,804	1,049	105.0%
	CDU operating ratio (Calendar Day)	69.5%	55.6%	13.9%	–
	CDU operating ratio (Streaming Day)*	83.1%	82.0%	1.1%	–

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

[2] Crude oil production volume

	FY2013	FY2012	Changes	
Cosmo Energy Exploration & Production Co., Ltd. (B/D)	36,842	41,555	-4,713	88.7%

*1) The Cosmo Oil Group has a 63.0% stake in Abu Dhabi Oil Co., Ltd., a 75.0% stake in Qatar Petroleum Development Co., Ltd. And a 45.0% stake inUnited Petroleum Development Co., Ltd.

*2) The production volume represents the total production volumes of the three major developers: Abu Dhabi Oil, Qatar Petroleum Development and United Petroleum Development.

Crude Reserves Estimate(Proved and Probable)

(As of Dec. 31, 2013)

Crude Reserves Estimate (working interest base) (*1)		
	mmbls	
①Proved Reserves (*2)	107.0	Note: The above reserves include reserves of new concession area, Hail field.
②Probable Reserves (*3)	98.9	
③Total Proved and Probable Reserves (①+②)	205.9	
(Ref.: Reserves to Production Ratio of Total Proved and Probable Reserves)	about 30 years	Note: The daily average crude production based on working interest reached 19 thousands bopd for FY2013.

(*1) About results of reserves estimate
The assessment of ADOC reserves which deemed to have significant impact on Cosmo's future profitability was carried out in an independent assessment by Gaffney, Cline & Associate (hereinafter, "GCA"), a leading global independent reserve auditor. Their assessment confirmed Cosmo affiliates' internal assessment of remaining reserves. The assessment was carried out in accordance with the 2007 "Petroleum Resources Management System (PRMS)" prepared by the Oil and Gas Reserves Committee of the "Society of Petroleum Engineers" (SPE), and reviewed and jointly sponsored by the "World Petroleum Congress" (WPC), the "American Association of Petroleum Geologists" (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE). The assessment of QPD and UPD reserves were carried out in these companies respectively. These assessments of the reserves do not guarantee the reserves and production from them.

(*2) Proved Reserves
Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. When probabilistic methods are used, there should be at least a 90% probability that the actual quantities recovered will equal or exceed the 1P estimate. (Definition of SPE PRMS 2007 March)

(*3) Probable Reserves
Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate. (Definition of SPE PRMS 2007 March)

FY2013 Results – Changes from FY2012

Unit: billion yen

	Net Sales	Changes from FY2012	Operating Income	Changes from FY2012	Ordinary Income	Changes from FY2012	Ordinary Income (excluding impact of inventory valuation , cost or market method)	Changes from FY2012
Petroleum business	3,463.7	347.5	-17.9	-7.8	-25.3	-1.6	-41.4	-2.4
Petrochemical business	51.6	21.1	1.1	-0.4	3.7	0.4	3.7	0.4
Oil E&P business	88.7	2.8	52.0	-2.3	58.1	-2.6	58.1	-2.6
Other	79.4	-6.9	4.6	1.3	5.5	0.6	5.5	0.6
adjustment	-145.6	6.6	0.1	-3.5	-0.2	-3.4	-0.2	-3.4
Total	3,537.8	371.1	39.7	-12.7	41.8	-6.6	25.7	-7.4

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., Sogo Energy 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	Cosmo Energy Exploration & Production Co., Ltd.,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 business	Cosmo Engineering Co.,Ltd., Cosmo Trade & Services Co., Ltd.,EcoPower Co.,Ltd, etc.

[FY2013 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs , Cards in Force and B-cle Lease

[1] Workforce size (No. of persons)

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Cosmo Oil alone	1,916	1,957	2,064	2,180	2,135	2,025	1,899	1,837
Cosmo Oil Group	3,335	3,299	3,269	3,325	3,268	3,098	2,840	2,782

* 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)

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
No. of DTs	38	38	38	36	35	35	35	35

[3] No. of SSs by Operator Type

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Subsidiary	1,122	1,104	1,023	1,025	967	939	914	899
Dealers	3,237	3,021	2,890	2,743	2,642	2,559	2,411	2,329
Total	4,359	4,125	3,913	3,768	3,609	3,498	3,325	3,228
Mobile SSs	57	53	47	43	36	34	33	34

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

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Subsidiary	463	507	551	575	548	570	550	550
Dealers	326	360	404	429	455	437	449	461
Total	789	867	955	1,004	1,003	1,007	999	1,011
Share of Self-Service SSs	18.1%	21.0%	24.4%	26.6%	27.8%	28.8%	30.0%	31.3%

[5] Cosmo The Card-Number of cards issued (including the number of Opus cards in force)

(Unit: million cards)

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
No. of cards in force	2.80	3.05	3.35	3.57	3.67	3.81	3.97	4.12

[6] Cosmo B-cle Lease -Number of contracted vehicles

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Number of contracted vehicles	-	-	-	-	-	1,287	5,003	11,476

Full-Year FY2014 Forecast, 2013 with Year-on-Year Changes

Unit: billion yen

	Net Sales	Changes from FY2013	Operating Income	Changes from FY2013	Ordinary Income	Changes from FY2013	Ordinary Income (excluding impact of inventory valuation , cost or market method)	Changes from FY2013
Petroleum business	3,368.0	-95.7	11.5	29.4	3.0	28.3	3.0	44.4
Petrochemical business	77.0	25.4	△ 1.0	-2.1	0.5	-3.2	0.5	-3.2
Oil E&P business	100.0	11.3	50.5	-1.5	51.0	-7.1	51.0	-7.1
Other business	75.0	-4.4	4.0	-0.6	5.0	-0.5	5.0	-0.5
adjustment	-155.0	-9.4	△ 3.0	-2.9	-2.5	-2.3	-2.5	-2.3
Total	3,465.0	-72.8	62.0	22.3	57.0	15.2	57.0	31.3

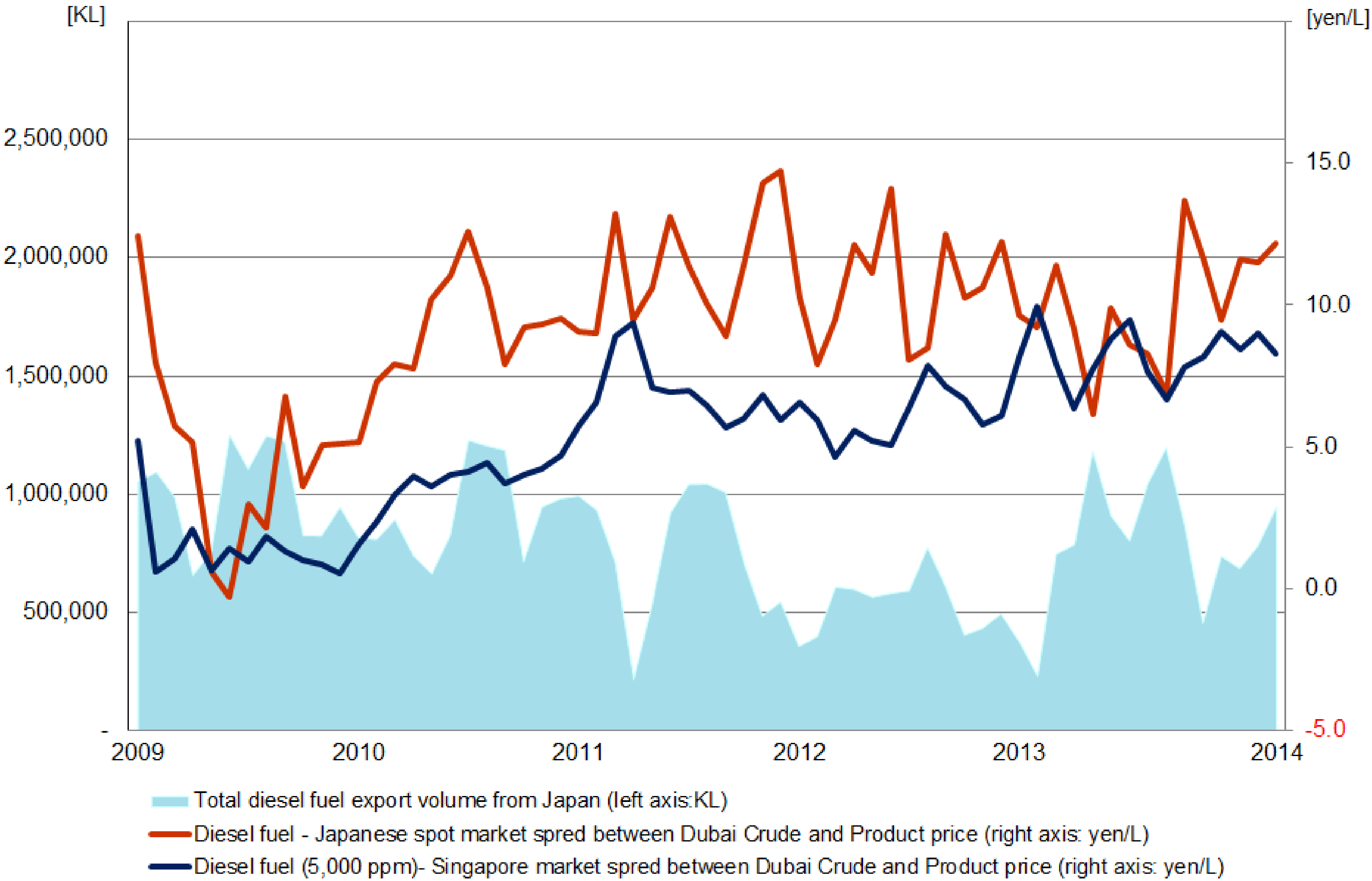
Assumption of Crude Oil Price and Exchange Rate, and Business Sensitivity thereto

	Precondiction	Sensitivity	
		Petroleum Business	Oil E & P Business
Crude oil	104.0 USD/BBL	+ 1.7 billion yen	+ 0.8 billion yen
JPY/USD exchange rate	102.0 yen/USD	+ 1.8 billion yen	+ 0.8 billion yen

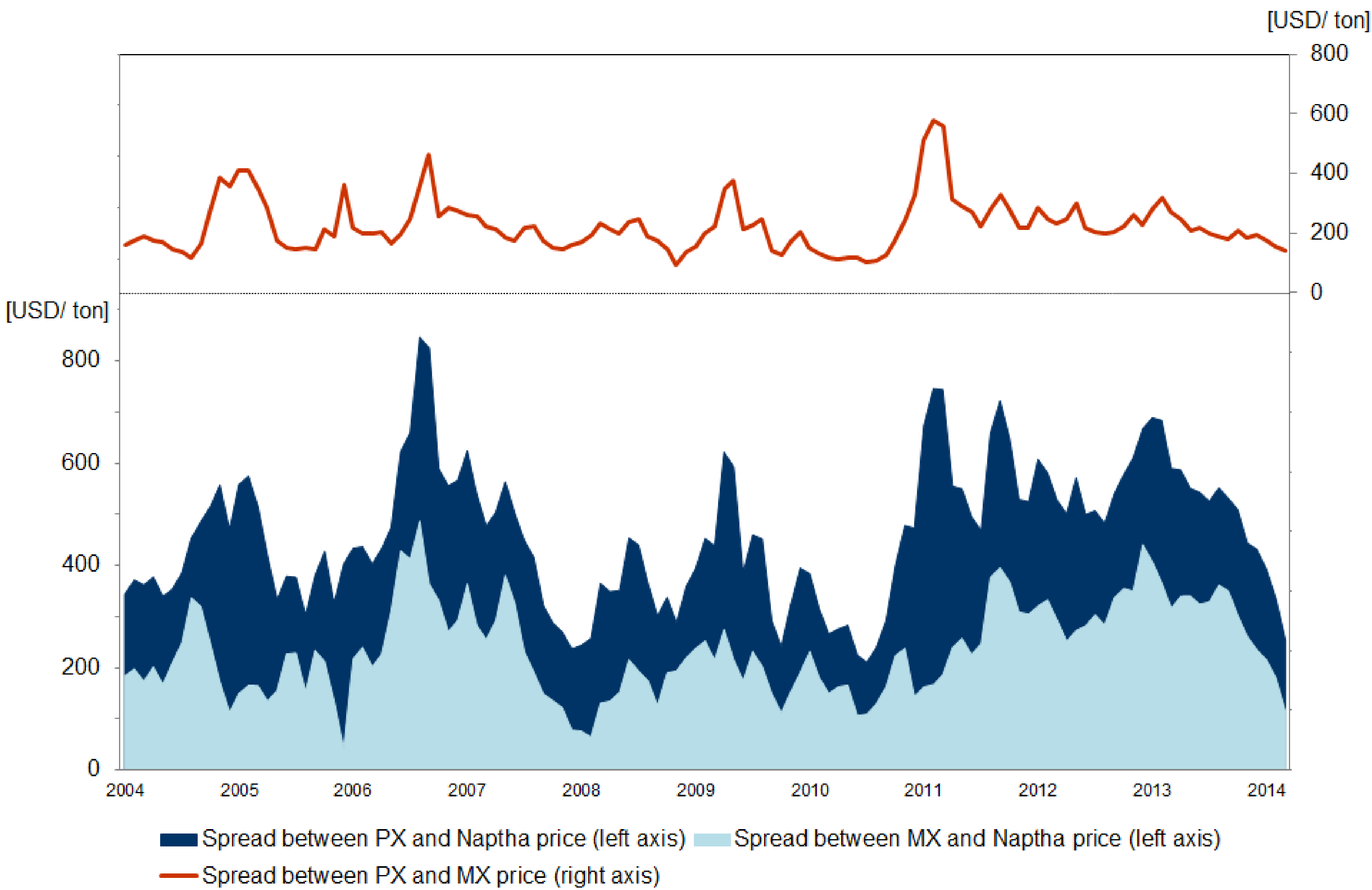
* Figures above refer to impacts by crude oil price and yen-dollar exchange fluctuations on inventory valuation gains, in-house fuel costs and timing difference (by taking no impact by the cost or market method into consideration).

*A year period of Apr. 2014 to March 2015 adopted for sensitivity figure estimation for the petroleum business segment, and a nine-month period of Apr. 2014 to Dec. 2014, for the oil exploration and production business.

Diesel Fuel Export Results and Margin Environment



COSMO OIL CO., LTD.



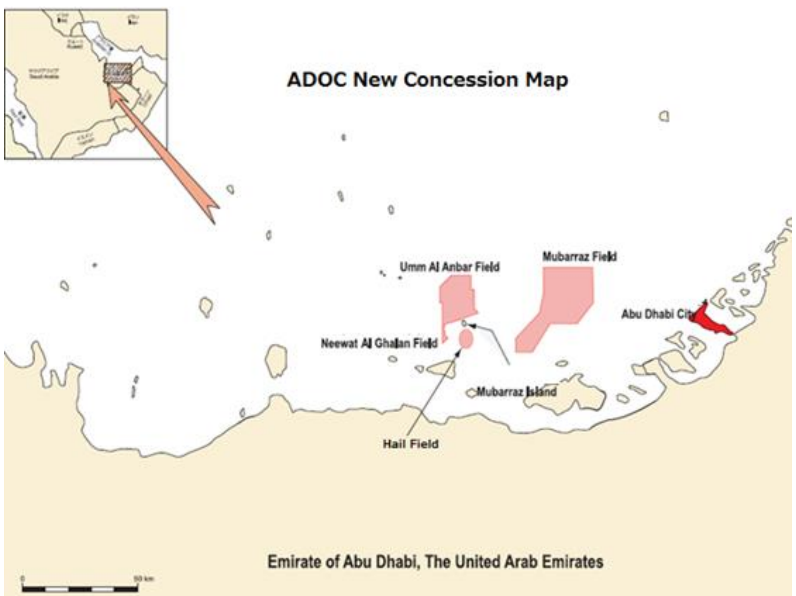
COSMO OIL CO., LTD.

- Development policy : To mainly operate mine lots that have already been discovered and are yet to be developed in the U.A.E. and Qatar (three oil E&P companies)
- Relationships with oil producers : Extend concession agreement to 2042 by maintaining the 40+ year relationship of trust with Abu Dhabi
- Production volume : A total of approximately 37,000 barrels/day from existing oil fields
- Plan to increase production : The Hail oil field is in the development stage, and the reserve is under review. Moving toward beginning production in 2016 by conducting studies on production facilities on the ground, etc.

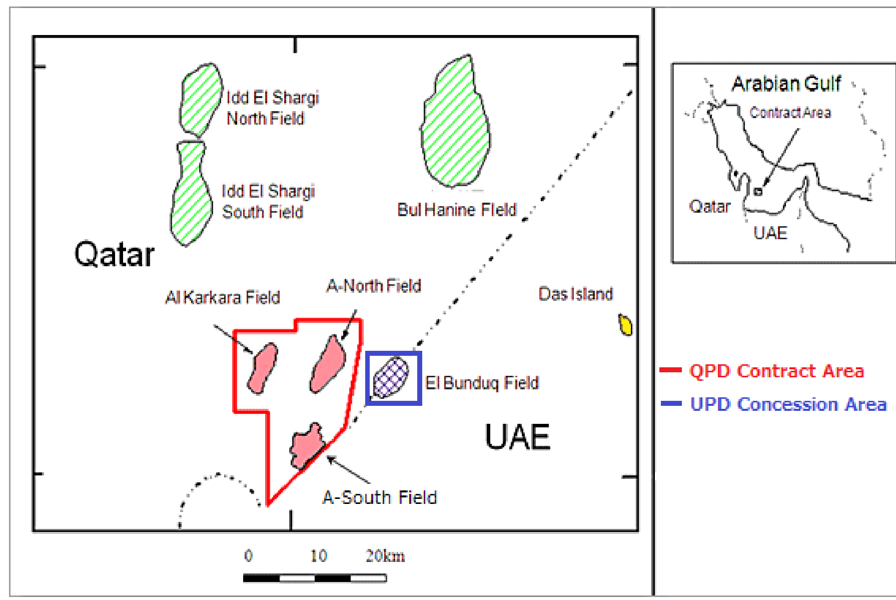
*1) The Cosmo Oil Group has a 63.0% stake in Abu Dhabi Oil Co., Ltd., a 75.0% stake in Qatar Petroleum Development Co., Ltd. and a 45.0% stake in United Petroleum Development Co., Ltd.

*2) The production volume represents the total production volumes of the three major developers: Abu Dhabi Oil, Qatar Petroleum Development and United Petroleum Development.

■Location Map of ADOC Concession Area



■Location Map of QPD Contract and UPD Concession Area



＜Heil Overview＞

(1) The Hail Oil Field is a new mine lot already discovered and yet to be developed.

(2) It is located near the existing oil fields, being expected to reduce development cost

(3) The new Hail Oil Field is expected to produce similar amount of production of current Abu Dhabi Oil.

•As a step in Further strengthening alliances with IPIC, one of the basic policies of the medium-term management plan, a strategic comprehensive cooperation relationship with CEPSA, a Spanish integrated oil company and member of the IPIC Group, has been established. The two companies commenced discussions on the development of mutual business opportunities and commercialization.
• The two companies will join forces with the aim of, among other things, obtaining new oil and gas concessions and expanding business in the upstream business.

< Overview of the comprehensive cooperation relationship >

COSMO

☆ Track record and an established presence in offshore oil field development in the Middle East for almost half a century.
☆Petroleum refining and petrochemical business in Asia, where demand is expanding.

Pursue synergies mainly in the upstream business

CEPSA

☆ Track record in onshore oil and gas field development, mainly in North Africa and South America, as well as abundant human resources.
☆ Very strong financial position backed by capital contribution from the IPIC.

IPIC (Abu Dhabi)

Contribution of about 21%

Contribution of 100%

< Concrete joint business development >

■ January 21, 2014 Conclusion of Memorandum of Agreement in relation to strategic comprehensive cooperation
(Mr. Roig, Director and CEO of CEPSA,
and Mr. Morikawa, Representative Director and President of Cosmo Oil Co., Ltd.
Location: IPIC headquarters building in Abu Dhabi) ⇒

→ Oil and gas E&P Working Group (development of new joint business opportunities in upstream business fields and technical know-how exchange)
→ Strategy Working Group (petrochemicals, oil refining, marketing, etc.)

Topic for December: Commencement of discussions concerning the integrations of LPG wholesale operations and retail operations

- Memorandums concerning the establishment of an integrated wholesale company (Note 1) to bring together LPG wholesale capabilities and an integrated retail company (Note 2) to bring together LPG retail capabilities were concluded on December 24, 2013.
- Our domestic share of sales of general purpose LPG sales will be in the top tier (around 26%).

Note 1: Four companies consisting of Cosmo Co., Ltd., Showa Shell Sekiyu K.K., Sumitomo Corporation, and TonenGeneral Sekiyu K.K.
Note 2: Three companies consisting of Cosmo Co., Ltd., Showa Shell Sekiyu K.K., and Sumitomo Corporation

< Background to the discussions >

☐ Demand in the domestic LPG market is contracting due to accelerated energy-saving efforts and competition with other energy sources, including electricity and city gas.
☐ Structural changes are occurring in the overseas LPG market, as exemplified by the increase in demand primarily in Southeast Asia and Central and South America and diversification in the supply of gas driven by shale gas development.
☐ Through business integration with the above companies, we will seek to strengthen competitiveness and create synergies to become the third leading influence in the industry, on a par with the JX- and Idemitsu-related companies. Together, we will aim to achieve a stable supply of LPG in the domestic market and sustainable development in overseas markets.

< Framework for the integration of business >

	Cosmo Petroleum Gas Co., Ltd.
Sales	95.3 billion yen (March 2013)
Domestic sales volume (excluding electricity and raw materials)	1,055,000 tons
Primary bases	Yokkaichi, Kashima, Oita
Overseas trading volume	—

Integration

Integrated wholesale company	Integrated retail company
About 400 billion yen	About 60 billion yen
About 3,600,000 tons	Number of direct retailers: about 240,000
Kawasaki, Chiba, Kashima, Yokkaichi, Hekinan, Sakai, Oita	—
About 1,000,000 tons	—

< Planned future schedule >

☐ April-June 2014 Conclusion of basic agreements
☐ October-December 2014 Establishment of the integrated wholesale company (commencement of sales operations) and integration of retail sale functions (commencement of sales operations)

Disclaimer
FORWARD-LOOKING STATEMENTS

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable Japanese securities legislation). Such statements and information (together,"forward looking statements") relate to future events or the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities, ultimate recovery of reserves or resources and dates by which certain areas will be explored, developed or reach expected operating capacity, that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek","anticipate", "plan", "continue", "estimate", "expect, "may", "will", "project", "predict", "potential","targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not intend, and does not assume any obligation, to update these forward looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government or other regulatory approvals, actual performance of facilities, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.