



August 2, 2011

## Overview of Business Results for the First Quarter of Fiscal Year Ending March 2012 [Japanese Standard Form] (Consolidated)

Name of the Company: Cosmo Oil Co., Ltd. Shares traded: TSE, OSE, and NSE  
 Company Code: 5007 URL <http://www.cosmo-oil.co.jp>  
 Name of Representative: Yaichi Kimura (Title) President  
 Name of Person to contact: Kunihiko Shoda (Title) General Manager of Corporate Communication Dept. Phone: 03-3798-3180  
 Scheduled date to file quarterly report: August 2, 2011  
 Dividend payment is to be started on: —  
 Availability of the Quarterly Financial Result Supplementary Information: Yes  
 Execution of the Quarterly Financial Result Presentation Meeting: Yes (for analysts and institutional investors)

Note: Figures less than 1 million are rounded down.

### 1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 2012 (For the period from April 1, 2011 to June 30, 2011)

#### (1) Consolidated operating results (cumulative total)

(Figures in % refer to changes from the same quarter a year earlier)

	Net sales		Operating income		Ordinary income		Net income for the first quarter	
	million yen	%	million yen	%	million yen	%	million yen	%
First Quarter, FY2011	715,346	14.1	29,647	98.3	31,368	106.6	12,981	277.6
First Quarter, FY2010	626,983	14.3	14,953	43.1	15,184	11.2	3,438	-39.9

[Reference] Comprehensive income First Quarter, FY2011: 13,080 million yen (—%) First Quarter, FY2010: 79 million yen (—%)

	Net income per share for the first quarter	Diluted net income per share for the first quarter
	yen sen	yen sen
First Quarter, FY2011	15.32	-
First Quarter, FY2010	4.06	3.92

#### (2) Consolidated Financial Position

	Total assets	Net assets	Net Worth ratio	Net assets per share
	million yen	million yen	%	yen sen
First Quarter, FY2011	1,616,408	356,559	20.9	398.78
FY2010	1,579,424	350,239	21.1	392.80

[Reference] Net worth First Quarter, FY2011: 337,793 million yen FY2010: 332,730 million yen

### 2. Dividend Payment Results and Outlook

	Annual dividend per share Total				
	As of Q1-end	As of Q2-end	As of Q3-end	As of Fiscal Year-end	Full Year
	yen sen	yen sen	yen sen	yen sen	yen sen
FY2010	-	0.00	-	8.00	8.00
FY2011	-				
FY2011 (outlook)		0.00	-	8.00	8.00

Note: Revision made in the forecast dividend as of the end of the current quarter: No

### 3. Consolidated Business Outlook for FY2011 (April 1, 2011 to March 31, 2012)

(% indicates for FY2011 change from the corresponding period of FY 2010, while for 1H FY2011 change from 1H FY2010)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
1H FY2011	1,350,000	4.0	27,000	-9.0	24,000	-10.1	6,000	374.1	7.08
FY2011	2,920,000	5.4	90,000	-13.5	84,000	-12.6	28,000	-3.2	33.05

Note: Change made in figures of the consolidated business outlook as of the end of the current quarter from the previous announcement: No

4. Others

(1) Change in significant subsidiaries during the first quarter : No

Newly — (Name of Company) — Exception — (Name of Company) —

(2) Adoption of convenient method in accounting and of accounting method uniquely adopted to prepare consolidated financial statements for the current quarter: Yes

(3) Changes in Accounting Policies, Accounting Estimates and Restatements:

1. Changes in accounting policies due to revisions of accounting standards, etc.: No

2. Changes in accounting policies for reasons other than the Item 1: No

3. Changes in accounting estimates: No

4. Restatements: No

(4) Total Number of Outstanding Shares (Common Stock)

(1) Number of outstanding shares as of end of the period (including treasury stock)

(2) Number of shares of treasury stock as of end of the period

(3) Average Number of shares outstanding during the period (or the cumulative consolidated accounting period as the end of the current quarter)

First Quarter of FY2011	847,705,087 shares	FY2010	847,705,087 shares
First Quarter of FY2011	633,361 shares	FY2010	631,461 shares
First Quarter of FY2011	847,072,701 shares	First Quarter of FY2010	847,090,517 shares

Note: Information about quarterly review procedure execution:

This release on the overview of quarterly business results is outside the scope of the quarterly report review procedures under the Financial Instruments and Exchange Act in Japan but as of the day of the disclosure of this release, the quarterly report review procedures under the Financial Instruments and Exchange Act had been completed.

Note: Request for appropriate use of the business outlook and other special remarks:

The consolidated business outlook for the first half of FY2011 and FY2011 are not updated from the previous announcement (made on May 9, 2011).

They are based on information available as of the published date of this release and actual results may differ from the forecast subject to various factors

that may arise in the future. As for details, please refer to the “(3) Qualitative Information regarding Consolidated Business Outlook”

of the “1. Qualitative information about results for and at the end of the current quarter” on Page 2 of the Supporting data

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[1. Qualitative information about results for and at the end of the current quarter]

(1) Qualitative Information regarding Consolidated Operating Results

Consolidated net sales for the first quarter of FY2011 were ¥715.3 billion (up ¥88.3 billion from the same period of FY2010), operating income, ¥29.6 billion (up ¥14.6 billion), ordinary income ¥31.4 billion (up ¥16.2 billion) and net income for the period ¥13.0 billion (up ¥9.6 billion).

The operating results for the first three months by business segment are as follows:

- 1) In the petroleum business, the Great East Japan Earthquake stagnated the demand for petroleum products in Japan, reducing the selling volume and increasing alternative supply cost burdens, resulting in reducing profit. However, crude oil price hikes gave rise to a significantly positive inventory valuation impact. As a result, the segment reported sales of ¥699.9 billion (up ¥83.0 billion) for the first quarter of FY2011 and segment income of ¥18.4 billion (up ¥9.2 billion).
- 2) The petrochemical business segment was benefited by a market recovery. As a result, the segment reported sales of ¥6.3 billion (down ¥1.6 billion) for the first quarter of FY2011 and segment income of ¥1.4 billion (up ¥1.2 billion).
- 3) The oil exploration and production business segment saw oil prices keep high during the quarter. As a result, the segment reported sales of ¥19.9 billion (up ¥3.5 billion) for the first quarter of FY2011 and segment income of ¥13.2 billion (up ¥4.4 billion).

(2) Qualitative Information regarding Consolidated Financial Position

As for the Company's financial position on a consolidated basis as of the end of the first quarter of FY2011, total assets as of June 30, 2011 amounted to ¥1,616.4 billion, up ¥37.0 billion from March 31, 2011, the end of the full-year FY2010, mainly reflecting increased inventories due to increased crude oil prices. Net assets as of June 30, 2011 amounted to ¥356.6 billion, up ¥6.4 billion from March 31, 2011, with a net worth ratio of 20.9%.

(3) Qualitative Information regarding Consolidated Business Outlook

The consolidated business outlook for the first half of FY2011 and FY2011 are not updated from the previous announcement (made on May 9, 2011).

They are based on information available as of the published date of this release and actual results may differ from the forecast subject to various factors that may arise in the future.

[2. Information about the summary of business results (other)]

(1) Change in significant subsidiaries during the current accounting period:

None

(2) Adoption of accounting method uniquely adopted to prepare consolidated financial statements for the current quarter:

The Company calculates tax expenses for the Company and some of its consolidated subsidiaries by multiplying a reasonably estimated effective tax rate by net income before taxes for the current quarter.

Income tax adjustments are included in the "income taxes" account stated in the Consolidated Statements of Income.

## 3. Consolidated Financial Statements

## (1) Consolidated Balance Sheet

	(Unit: million yen)	
	FY2010	1Q FY2011
	(As of Mar. 31, 2011)	(As of Jun. 30, 2011)
<b>Assets</b>		
Current assets		
Cash and deposits	94,343	107,504
Notes and accounts receivable-trade	229,618	216,350
Merchandise and finished goods	204,867	240,755
Work in process	985	1,188
Raw materials and supplies	197,122	196,193
Other	66,759	76,087
Allowance for doubtful accounts	-332	-240
Total current assets	793,363	837,839
Noncurrent assets		
Property, plant and equipment		
Land	302,808	302,694
Other, net	300,831	294,194
Total property, plant and equipment	603,639	596,888
Intangible assets	11,517	11,361
Investments and other assets		
Other	171,492	170,918
Allowance for doubtful accounts	-912	-907
Total investments and other assets	170,579	170,010
Total noncurrent assets	785,736	778,260
Deferred assets		
Bond issuance cost	324	307
Total deferred assets	324	307
Total assets	1,579,424	1,616,408
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	243,914	255,357
Short-term loans payable	176,366	203,366
Accounts payable-other	151,767	163,953
Income taxes payable	7,252	11,602
Provision for loss on disaster	4,237	3,253
Other	38,636	35,586
Total current liabilities	622,173	673,119
Noncurrent liabilities		
Bonds payable	57,000	57,000
Long-term loans payable	466,765	446,225
Provision for special repairs	6,689	7,035
Provision for retirement benefits	5,647	5,546
Other	70,909	70,922
Total noncurrent liabilities	607,011	586,729
Total liabilities	1,229,185	1,259,849

(Unit: million yen)

	FY2010 (As of Mar. 31, 2011)	1Q FY2011 (As of Jun. 30, 2011)
Net assets		
Shareholders' equity		
Capital stock	107,246	107,246
Capital surplus	89,440	89,440
Retained earnings	119,803	126,008
Treasury stock	-138	-139
Total shareholders' equity	316,351	322,556
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	669	857
Deferred gains or losses on hedges	6,459	5,089
Revaluation reserve for land	14,147	14,144
Foreign currency translation adjustment	-4,898	-4,853
Total accumulated other comprehensive income	16,378	15,236
Minority interests	17,508	18,765
Total net assets	350,239	356,559
Total liabilities and net assets	1,579,424	1,616,408

## (2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Consolidated first quarterly statements of income)

(Unit: million yen)

	1Q FY2010 (From April 1, 2010 to June 30, 2010)	1Q FY2011 (From April 1, 2011 to June 30, 2011)
Net sales	626,983	715,346
Cost of sales	580,666	654,393
Gross profit	46,317	60,953
Selling, general and administrative expenses	31,363	31,306
Operating income	14,953	29,647
Non-operating income		
Interest income	68	33
Dividends income	561	551
Equity in earnings of affiliates	1,232	2,419
Other	2,082	3,037
Total non-operating income	3,944	6,042
Non-operating expenses		
Interest expenses	3,013	3,078
Other	698	1,243
Total non-operating expenses	3,712	4,322
Ordinary income	15,184	31,368
Extraordinary income		
Gain on sales of noncurrent assets	192	34
Gain on sales of subsidiaries and affiliates' stocks	—	78
Gain on allotment of investment securities	151	—
Total extraordinary income	344	112
Extraordinary loss		
Loss on sales of noncurrent assets	23	8
Loss on disposal of noncurrent assets	368	211
Impairment loss	176	77
Loss on valuation of investment securities	—	900
Loss on disaster	—	4,731
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,660	—
Loss on disposal of recoverable accounts under production sharing	3,523	—
Total extraordinary losses	5,753	5,929
Income before income taxes and minority interests	9,775	25,551
Income taxes	6,037	11,338
Income before minority interests	3,737	14,213
Minority interests in income	299	1,232
Net income	3,438	12,981

(Consolidated Statements of Comprehensive Income)		(Unit: million yen)	
(Consolidated first quarterly statements of Comprehensive Income)		1Q FY2010	1Q FY2011
		(From April 1, 2010 to June 30, 2010)	(From April 1, 2011 to June 30, 2011)
Income before minority interests		3,737	14,213
Other comprehensive income			
Valuation difference on available-for-sale securities		-1,620	181
Deferred gains or losses on hedges		-1,927	-1,519
Foreign currency translation adjustment		-13	-513
Share of other comprehensive income of associates accounted for using equity method		-97	719
Total other comprehensive income		-3,658	-1,132
Comprehensive income		79	13,080
Comprehensive income attributable to			
Comprehensive income attributable to owners of the parent		-224	11,843
Comprehensive income attributable to minority interests		304	1,237



## (3) Notes to going concern

None

## (4) Segment Information

(Segment Information)

1Q FY2010 (From April 1, 2010 to June 30, 2010)

Information about net sales and income or loss amounts by segment reported

(unit: million yen)

	Petroleum	Petrochemical	Oil exploration and production	Other Note:1	Adjustments Note:2	Consolidated Note:3
Net sales						
Outside customers	609,191	3,435	8,334	6,022	—	626,983
Inter-segment	7,702	4,423	8,078	10,165	-30,369	—
Total	616,894	7,858	16,412	16,188	-30,369	626,983
Segment Income	9,196	174	8,799	292	-3,277	15,184

- Note 1 "Other" is segment of non-classified, including construction works, insurance agency, leasing, travel agency and wind power generation, etc..
- 2 Segment Income in "Adjustments" -3,277 million yen includes -40 million yen for internal eliminations, -3,051 million yen for inventory adjustments and -183 million yen for adjustment of fixed assets.
- 3 Segment Income is adjusted to ordinary income of Consolidated quarterly statements of income.

Information about net sales and income or loss amounts by segment reported

1Q FY2011 (From April 1, 2011 to June 30, 2011)

(unit: million yen)

	Petroleum	Petrochemical	Oil exploration and production	Other Note:1	Adjustments Note:2	Consolidated Note:3
Net sales						
Outside customers	693,875	3,279	13,971	4,219	—	715,346
Inter-segment	5,977	3,005	5,915	7,321	-22,219	—
Total	699,852	6,285	19,887	11,541	-22,219	715,346
Segment Income(Loss)	18,355	1,381	13,194	-77	-1,486	31,368

- Note 1 "Other" is segment of non-classified, including construction works, insurance agency, leasing, travel agency and wind power generation, etc..
- 2 Segment Income(Loss) in "Adjustments" -1,486 million yen includes -107 million yen for internal eliminations, -1,536 million yen for inventory adjustments and 161 million yen for adjustment of fixed assets.
- 3 Segment Income(Loss) is adjusted to ordinary income of Consolidated quarterly statements of income.

## (5) Notes to remarkable changes in Shareholders' Equity

None

# Supplementary information for the results of 1Q of Fiscal Year 2011

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**Cosmo Oil Co., Ltd.**

# [1Q FY2011 Results] Consolidated Income Statements

1

Unit: billion yen

	1Q FY2011	1Q FY2010	Changes from 1Q FY2010
<b>Net sales</b>	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
<b>Operating income</b>	29.6	15.0	14.6
Non-operating income/expenses, net	1.7	0.2	1.5
<b>Ordinary income</b>	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
<b>Net income</b>	13.0	3.4	9.6

## 【Reference】

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

# [1Q FY2011 Results]

## Consolidated Operating results - Changes from 1Q FY2010

2

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

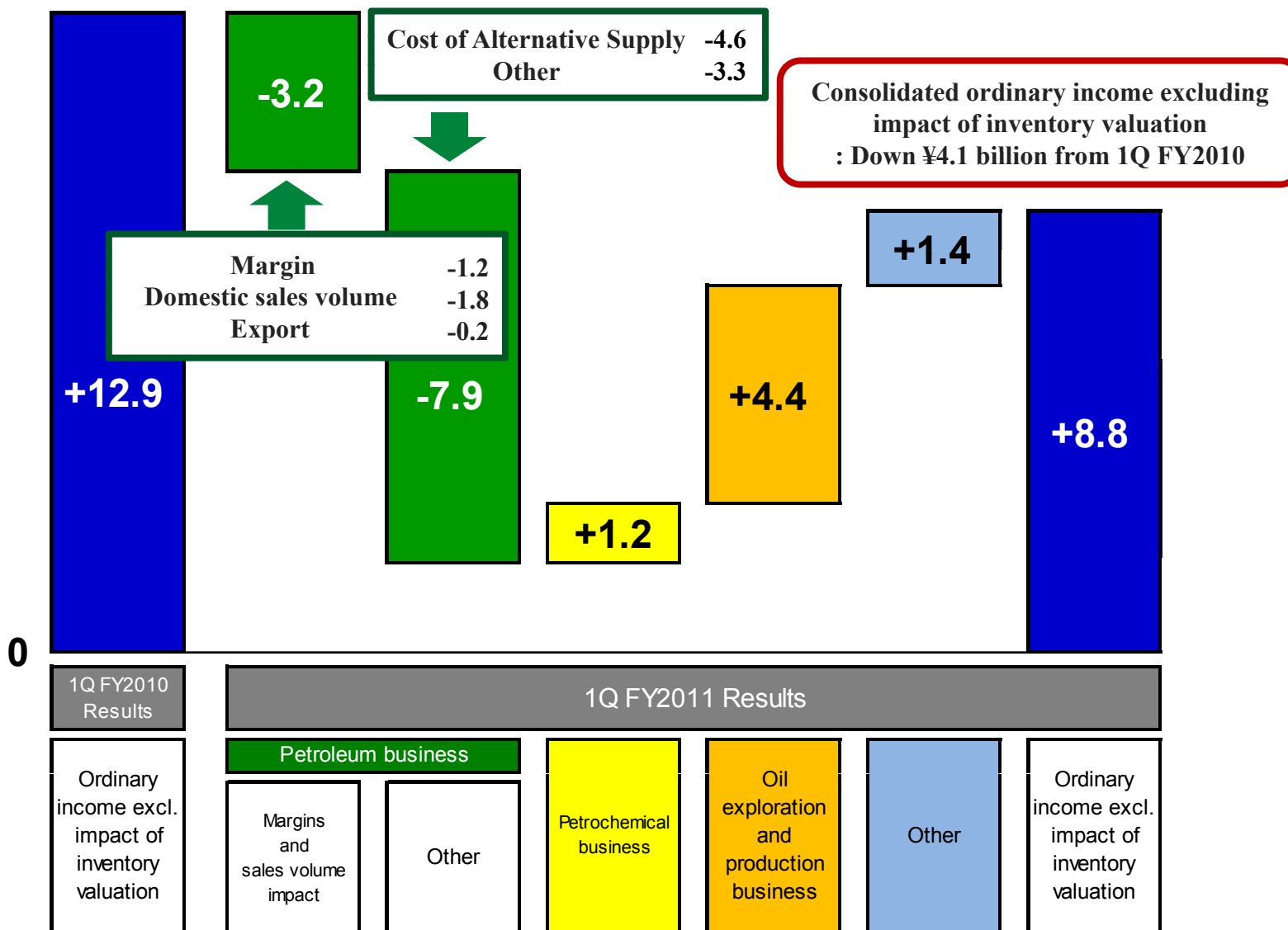
### Consolidated Ordinary Income by Business Segment

	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

# [1Q FY2011 Results] Consolidated Ordinary Income (Excluding impact of inventory valuation) – Analysis of Changes from 1Q FY2010

Unit: billion yen



## [1Q FY2011 Results] Outline of Balance Sheets

Unit: billion yen

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

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

# [1Q FY2011 Results] Sales volume

(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%
	<b>Sub-Total</b>	<b>3,308</b>	<b>3,453</b>	<b>-145</b>	<b>95.8%</b>
	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%
	<b>Sub-Total</b>	<b>5,401</b>	<b>5,511</b>	<b>-110</b>	<b>98.0%</b>
Middle distillate export volume	Diesel fuel	98	98	- 0	99.8%
	Kerosene/Jet	19	38	-19	48.8%
	<b>Sub-Total</b>	<b>116</b>	<b>136</b>	<b>-20</b>	<b>85.5%</b>
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%
	<b>Sub-Total</b>	<b>644</b>	<b>700</b>	<b>-56</b>	<b>91.9%</b>
Barter deal, etc.		2,161	2,207	-46	98.0%
<b>Total sales volume</b>		<b>8,322</b>	<b>8,554</b>	<b>-232</b>	<b>97.3%</b>