



August 4, 2015

Overview of Business Results for the First Quarter of Fiscal Year Ending March 2016 [Japanese Standard Form] (Consolidated)

Name of the Company: Cosmo Oil Co., Ltd. Shares traded: TSE
 Company Code: 5007 URL <http://www.cosmo-oil.co.jp/>
 Name of Representative: Keizo Morikawa (Title) President
 Name of Person to contact: Seiko Takagi (Title) General Manager of Corporate Communication Dept. Phone: 03-3798-3180
Corporate Planning Unit
 Scheduled date to file quarterly report: August 4, 2015 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 2016 (For the period from April 1, 2015 to June 30, 2015)

(1) Consolidated operating results (cumulative total) (Figures in % refer to changes from the same quarter a year earlier)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent for the First Quarter	
	million yen	%	million yen	%	million yen	%	million yen	%
First Quarter, FY2015	595,382	-20.0	22,877	372.1	22,163	966.4	13,671	-
First Quarter, FY2014	744,400	-9.5	4,846	325.0	2,078	-46.4	-6,478	-

Note: Comprehensive income First Quarter, FY2015: 16,902 million yen (—%) First Quarter, FY2014: -5,554 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, FY2015	16.14	-
First Quarter, FY2014	-7.65	-

(2) Consolidated Financial Position

	Total assets	Net assets	Net Worth ratio
	million yen	million yen	%
First Quarter, FY2015	1,418,619	224,018	13.0
FY2014	1,428,628	207,520	11.7

[Reference] Net worth First Quarter, FY2015: 183,860 million yen FY2014: 167,194 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
FY2014	-	0.00	-	0.00	0.00
FY2015	-	-	-	-	-
FY2015 (outlook)	-	0.00	-	40.00	40.00

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

The company is planning for the transformation to the Holding Company-Structure through the solo share transfer method whose effective date on October 1, 2015.

As for expected dividends on March 2016, the holding company's dividends per share is listed in the case of the Holding Company's dividends 0.1 share are allocated to the company's dividends per share.

3. Consolidated Business Outlook for FY2015 (April 1, 2015 to March 31, 2016)

(% indicates for FY2015 change from the corresponding period of FY 2014, while for 1H FY2015 change from 1H FY2014)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
1H FY2015	1,236,000	-20.4	26,000	104.7	20,500	319.6	8,000	-	9.44
FY2015	2,621,000	-13.7	58,500	-	49,000	-	21,000	-	247.92

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

The company is planning for the transformation to the Holding Company-Structure through the solo share transfer method whose effective date on October 1, 2015.

As for consolidated business outlook on March 2016, the holding company's net income per share is listed in the case of the Holding Company's net income 0.1 share are allocated to the company's net income per share.

Notes to Consolidated Financial Statements

(1) Change in significant subsidiaries during the first quarter : Yes

Newly — (Name of Company) — Exception 1 (Name of Company) GYXIS CORPORATION (Cosmo Petroleum Gas Co., Ltd changed its corporate name to GYXIS CORPORATION on April 1, 2015)

(2) Adoption 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.: | Yes |
| 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 (Ordinary shares)

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 of the end of the current quarter)

First Quarter , FY2015	847,705,087 shares	FY2014	847,705,087 shares
First Quarter , FY2015	670,596 shares	FY2014	669,281 shares
First Quarter , FY2015	847,035,207 shares	First Quarter , FY2014	847,047,720 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 have been completed.

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

The consolidated business outlook for the first half of FY2015 and FY2015 is not updated from the previous announcement made on May 12, 2015.

It is 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) Explanation Concerning 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.

Supplementary information will be uploaded on the COSMO OIL website on August 4, 2015.

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

(1) Explanation Concerning Information regarding Consolidated Operating Results

Consolidated net sales for the first quarter of FY2015 were ¥595.4 billion (down ¥149.0 billion from the same period of FY2014), operating income ¥22.9 billion (up ¥18.1 billion from the same period of FY2014), ordinary income ¥22.2 billion (up ¥20.1 billion from the same period of FY2014) and profit attributable to owners of parent for the period ¥13.7 billion (loss ¥6.5 billion in the same period of FY2014).

The operating results for the first quarter of FY2015 by business segment are as follows :

- 1) In the petroleum business segment, the net sales decreased due to the decline in the sales price of oil products. However, the earnings were improved significantly since products markets were strong. As a result, the segment reported net sales of ¥588.1 billion for the first quarter of FY2015 (down ¥145.3 billion from the same period of FY2014) and segment income of ¥18.0 billion (segment loss ¥6.1 billion in the same period of FY2014).
- 2) In the petrochemical business segment, the petrochemical products sales volume increased and the markets showed a recovery trend. As a result, the segment reported net sales of ¥8.6 billion for the first quarter of FY2015 (up ¥1.0 billion from the same period FY2014) and segment income of ¥1.4 billion (segment loss ¥1.8 billion in the same period of FY2014).
- 3) In the oil exploration and production business segment, due to the decline in the sales price of crude oil, the segment reported net sales of ¥11.0 billion for the first quarter of FY2015 (down ¥7.5 billion from the same period of FY2014) and segment income of ¥2.6 billion (down ¥7.0 billion from the same period of FY2014).

(2) Explanation Concerning 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 FY2015, total assets as of June 30, 2015 amounted to ¥1,418.6 billion, down ¥10.0 billion from March 31, 2015, the end of FY2014, mainly reflecting decreased accounts receivable-trade and accounts payable-trade due to the seasonal decline in sales volume.

Net assets as of June 30, 2015 amounted to ¥224.0 billion with a net worth ratio of 13.0%.

(3) Explanation Concerning Information regarding Consolidated Business Outlook

The consolidated business outlook for the first half of FY2015 and FY2015 is not updated from the previous announcement made on May 12, 2015.

2. Information about the summary of business results (Notes to Consolidated Financial Statements)

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

For the reason that GYXIS CORPORATION (Cosmo Petroleum Gas Co., Ltd changed its corporate name to GYXIS CORPORATION on April 1, 2015) correspond to the jointly controlled entities, the company is not included in the scope of consolidation, but applied Equity Method from the first quarter of fiscal year ending March 2016.

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

Changes in Accounting Policies

(Application of Accounting Standard for Business Combinations)

The Accounting Standard for Business Combinations (ASBJ Statement No.21 of September 13, 2013, hereinafter referred to as the "Accounting Standard for Business Combinations"), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22 of September 13, 2013, hereinafter referred to as the "Accounting Standard for Consolidated Financial Statements"), and the Accounting Standard for Business Divestitures (ASBJ Statement No.7 of September 13, 2013, hereinafter referred to as the "Accounting Standard for Business Divestitures") and others have been applied from the first three months of the consolidated fiscal year under review. Differences caused by changes in the company's holdings in subsidiaries that continue to be under its control are recorded as capital surplus, and expenses related to acquisition are now recorded as expenses for the consolidated fiscal year in which they were incurred. In addition, regarding business combinations conducted after the beginning of the first three months of the consolidated fiscal year under review, revisions to the purchase price allocation following the determination of the provisional accounting methods are now reflected in the quarterly financial statements for the three-month period of the consolidated fiscal term in which the business combination occurred. In addition, the three-month net income and other statements have been changed accordingly, and minority interest has been changed to non-controlling interest. To reflect

these changes, the company has revised the financial statements for the first three months of the previous consolidated fiscal term and the previous consolidated fiscal year.

The Accounting Standard for Business Combinations and other standards are applied in accordance with the transitional treatment stipulated in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures, and are applied from the beginning of the first three months of the consolidated fiscal term under review onwards.

This change in policy has no monetary effect on the quarterly consolidated financial statements.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit: million yen)

	FY2014 (As of March 31, 2015)	1Q FY2015 (As of June 30, 2015)
Assets		
Current assets		
Cash and deposits	95,171	58,918
Notes and accounts receivable-trade	202,469	160,459
Merchandise and finished goods	131,430	136,205
Work in process	273	459
Raw materials and supplies	125,086	166,907
Other	67,259	67,008
Allowance for doubtful accounts	-113	-103
Total current assets	621,578	589,856
Noncurrent assets		
Property, plant and equipment		
Land	310,040	305,211
Other, net	305,391	305,388
Total property, plant and equipment	615,432	610,599
Intangible assets	49,459	48,630
Investments and other assets		
Investment securities	118,788	144,109
Other	23,448	25,515
Allowance for doubtful accounts	-583	-576
Total investments and other assets	141,653	169,049
Total noncurrent assets	806,545	828,279
Deferred assets		
Bond issuance cost	504	483
Total deferred assets	504	483
Total assets	1,428,628	1,418,619
Liabilities		
Current liabilities		
Notes and accounts payable-trade	182,417	157,143
Short-term loans payable	179,512	188,700
Accounts payable-other	198,315	144,366
Income taxes payable	11,234	7,598
Provision	2,705	2,628
Other	29,674	22,312
Total current liabilities	603,860	522,750
Noncurrent liabilities		
Bonds payable	37,700	37,700
Long-term loans payable	475,659	532,065
Net defined benefit liability	8,833	8,166
Provision	14,405	14,465
Other	80,648	79,452
Total noncurrent liabilities	617,247	671,850
Total liabilities	1,221,107	1,194,600

(Unit: million yen)

	FY2014 (As of March 31, 2015)	1Q FY2015 (As of June 30, 2015)
Net assets		
Shareholders' equity		
Capital stock	107,246	107,246
Capital surplus	16,967	16,967
Retained earnings	7,942	21,969
Treasury shares	-145	-145
Total shareholders' equity	132,010	146,038
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,505	7,516
Deferred gains or losses on hedges	749	624
Revaluation reserve for land	21,249	21,337
Foreign currency translation adjustment	10,568	10,603
Remeasurements of defined benefit plans	-2,890	-2,260
Total accumulated other comprehensive income	35,183	37,821
Non-controlling interests	40,326	40,158
Total net assets	207,520	224,018
Total liabilities and net assets	1,428,628	1,418,619

(2) Consolidated Statements of Income and Comprehensive Income
 (Consolidated Statements of Income)
 (Consolidated the first three months of FY2015 statements of income)

(Unit: million yen)

	1Q FY2014 (From April 1, 2014 to June 30, 2014)	1Q FY2015 (From April 1, 2015 to June 30, 2015)
Net sales	744,400	595,382
Cost of sales	708,500	543,642
Gross profit	35,900	51,739
Selling, general and administrative expenses	31,054	28,862
Operating income	4,846	22,877
Non-operating income		
Interest income	83	68
Dividends income	445	1,006
Share of profit of entities accounted for using equity method	—	1,024
Other	1,473	1,064
Total non-operating income	2,003	3,164
Non-operating expenses		
Interest expenses	3,182	3,223
Share of loss of entities accounted for using equity method	619	—
Other	968	654
Total non-operating expenses	4,771	3,878
Ordinary income	2,078	22,163
Extraordinary income		
Gain on sales of noncurrent assets	184	56
Gain on change in equity	—	1,565
Total extraordinary income	184	1,622
Extraordinary loss		
Loss on sales of noncurrent assets	21	—
Loss on disposal of noncurrent assets	743	748
Impairment loss	16	47
Loss on valuation of investment securities	157	10
Business structure improvement expenses	1,011	812
Total extraordinary losses	1,950	1,618
Income before income taxes	311	22,166
Income taxes	5,643	7,813
Profit (loss)	-5,331	14,353
Profit attributable to non-controlling interests	1,146	682
Profit (loss) attributable to owners of parent	-6,478	13,671

(Consolidated Statements of Comprehensive Income)

(Consolidated the first three months of FY2015 statements of comprehensive income)

(Unit: million yen)

	1Q FY2014 (From April 1, 2014 to June 30, 2014)	1Q FY2015 (From April 1, 2015 to June 30, 2015)
Profit (loss)	-5,331	14,353
Other comprehensive income		
Valuation difference on available-for-sale securities	660	1,722
Deferred gains or losses on hedges	-403	-63
Foreign currency translation adjustment	-265	248
Remeasurements of defined benefit plans	463	665
Share of other comprehensive income of entities accounted for using equity method	-678	-23
Total other comprehensive income	-222	2,549
Comprehensive income	-5,554	16,902
(Breakdown)		
Comprehensive income attributable to owners of parent	-6,696	16,221
Comprehensive income attributable to non-controlling interests	1,142	681

(3)Notes to Quarterly Consolidated Financial Statements

(Notes to going concern assumption)

None

(Notes to remarkable changes in Shareholders' Equity)

None

(Segment Information)

1Q FY2014 (From April 1, 2014 to June 30, 2014)

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	723,731	2,887	12,555	5,225	—	744,400
Inter-segment	9,660	4,737	5,928	8,562	-28,889	—
Total	733,392	7,625	18,484	13,787	-28,889	744,400
Segment Income (Loss)	-6,106	-1,758	9,575	500	-132	2,078

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" -132 million yen includes -6 million yen for internal eliminations, -1 million yen for inventory adjustments and -124 million yen for adjustment of fixed assets.

3 Segment Income (Loss) is adjusted to ordinary income of consolidated quarterly statements of income.

1Q FY2015 (From April 1, 2015 to June 30, 2015)

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	578,775	3,630	7,658	5,317	—	595,382
Inter-segment	9,342	4,983	3,374	9,129	-26,829	—
Total	588,118	8,614	11,032	14,447	-26,829	595,382
Segment Income	18,011	1,400	2,623	541	-414	22,163

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" -414 million yen includes 25 million yen for internal eliminations, -101 million yen for inventory adjustments and -338 million yen for adjustment of fixed assets.

3 Segment Income is adjusted to ordinary income of consolidated quarterly statements of income.

(Significant Subsequent Events)

(Important Company Splitting)

Cosmo Oil Co., Ltd. resolved at its Board of Directors meeting held on August 4, 2015 to succeed Fuel Oil Sales Business, Car Lease Business and Asset Management Business related to Subsidiary Shares of the Company to “Cosmo Oil Marketing Co., Ltd.” which is the Company’s wholly owned subsidiary and Service Station Property Management Business of the Company to Cosmo Oil Property Service Co., Ltd. through this absorption-type company splitting.

As for details, please refer to our timely disclosure information “Announcement on Company Splitting (Simple Absorption-Type Company Splitting) along with Transformation of Holding Company Structure” or press release on web site.