Cosmo Oil Co., Ltd.
The 5th Consolidated Medium-Term Management Plan

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Outline of the 5th Consolidated Medium-Term Management Plan

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Macro Environmental Assumptions (FY2013–17)

Crude Oil Price Assumption:

Dubai crude oil price assumed at 90-110 USD /bbl

- Growing oil demand led by emerging countries
- Expected increase in production of shale gas and oil

JPY–USD Exchange Rate Assumption:

80–100yen/USD

- Change in the financial policy to meet the requirements of the Japanese government
- Concerns about potential adverse impact on energy and other prices in Japan from import-induced inflation

Demand Assumption (Annualized):

Fuel demand in Japan Negative growth of 2.5%

- Penetration of ecologically minded cars and fuel efficiency improvements of cars
- Development of energy savings in industrial fuels

5 years to establish a solid business foothold for further expansion

- Regain profitability in the refining & marketing sector
- Secure stable income from investments made during the previous medium term management plan
- Further strengthen alliances with IPIC and Hyundai Oilbank
- Further enhance CSR management

Improvement in the Group's financial framework through profitability and pursuit of an early resumption of dividend payments to shareholders

Over the long term, the Cosmo Oil Group aims to become a "Vertically Integrated Global Energy Company"

Profit and Other Financial Goals

Assumptions:

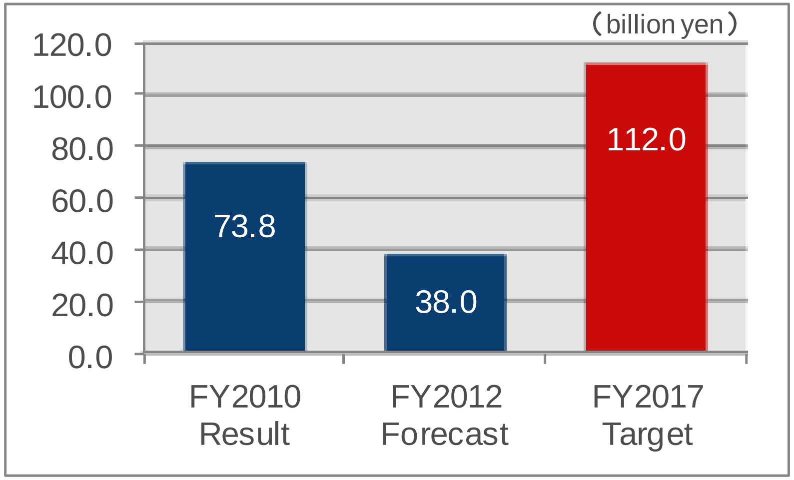
Item	Assumption
Dubai crude oil price	100 USD/B
JPY–USD exchange rate	90 yen/USD
Demand in Japan (Annualized)	-2.1%

Profit & Other Financial Goals:

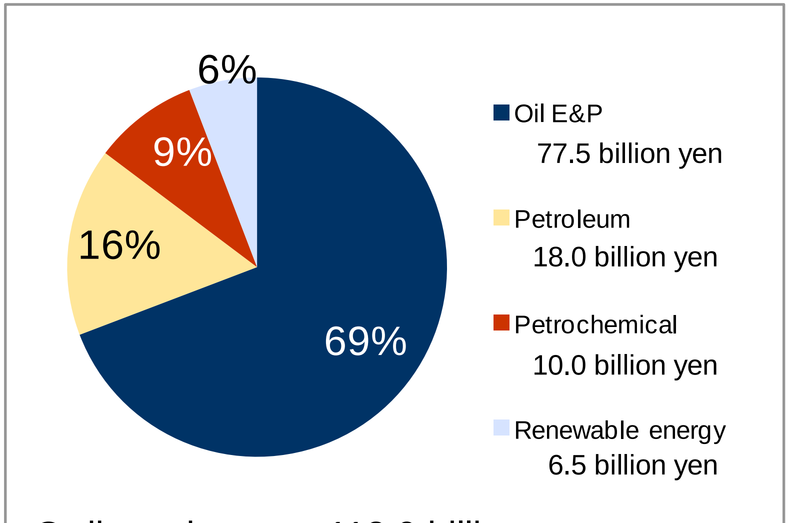
Item	FY2012	FY2017 Target	Changes
Ordinary Income (billion yen)	38.0*1	112.0	+74.0
Net Income (billion yen)	-74.0*1	45.0	+119.0
Net assets (billion yen)	253.4*2	415.5	+162.1
Net worth ratio (%)	14.2*2	21.5	7.3 pts. improved
Net debt/equity ratio (times)	2.9*2	1.6	1.3 pts. Improved

NB.
*1 FY2012 ordinary income and net income refer to the figures for the full year plan announced on Nov. 1, 2012.
*2 FY2012 net assets, net worth ratio, and net D/E ratio refer to actual 3Q results.

Historical Changes in Consolidated Ordinary Income (excluding inventory valuation impact)



Business Structure of the Ordinary Income Target for FY2017:



Ordinary income: 112.0 billion yen

The goal of ordinary income for the FY2017 plan is 112.0 billion yen, up 74.0 billion yen from 38.0 billion yen forecast for FY2012.

Regain profitability in the refining & marketing sector:

Program 1. Further Enhancement of Safe Refinery Operation and Stable Supply	+ 22.0 billion yen
Program 2. Extensive Rationalization Focusing mainly on the Supply Division	+ 23.0 billion yen
Program 3. Strengthening the Retail Business	+ 6.0 billion yen

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

Program 4. Petrochemical Business: Paraxylene (PX) production from new unit at "Hyundai Cosmo Petrochemical"	+ 12.0 billion yen
Program 5. Oil Exploration & Production Business: Production from "Hail Field" by "Abu Dhabi Oil Co., Ltd."	+ 20.0 billion yen
Program 6. Renewable Energy Businesses: Increase in earnings at EcoPower Co., Ltd.	+ 3.0 billion yen

PDCA cycle will be strictly made in order to fully implement the above 6 Programs.

※ NB.
In addition to the factors described above, other factors that may affect ordinary income for FY2017 include an impact of -16.0 billion yen brought about by a decreased selling volume and +4.0 billion yen in costs based on consolidated accounting procedures.
Please refer to the Step Chart on Page 11 for more detailed information.
(green box) refers to positive impact on ordinary income for FY2017 (in comparison with FY2012)

Outlook for Cash Balance (FY2013-17)

Incoming Cash:
370 billion yen

Outgoing Cash:
280 billion yen

Depreciation:
180 billion yen

Investment Costs:
280 billion yen

Return on Investment:
190 billion yen

Free Cash Flow:
90 billion yen
Interest-bearing debt reduction
Dividend payment

+

Inventory reduction effect, mainly from closing of the Sakaide Refinery:
50 billion yen
850,000 kl inventory reduction

Incoming Cash:

- Fruits of the investments itemized in the growth strategy, as already executed in the 4th Medium-Term Management Plan. The investments were funded from within the retained earnings.

Outgoing Cash:

- Execute investments in the oil exploration and production business, the greatest growth driver, and in the refineries for safer operations.
- Made decisions on how to use free cash flow after considering the level of profit each year and the balance between interest-bearing debt reduction and dividend payments.

Recovery of Financial Health:

- Also, slim down the balance sheet through a variety of measures including selling selected businesses, in addition to interest-bearing debt reduction.

Investment Plan

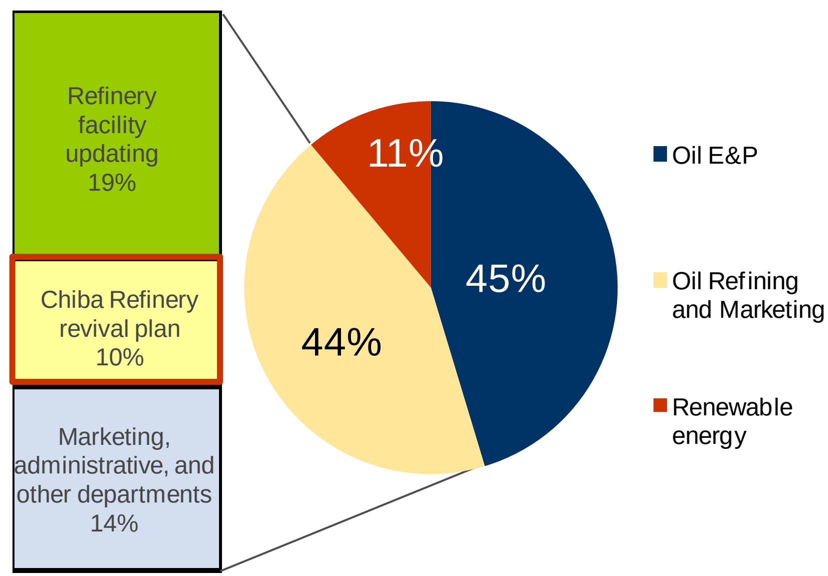
Investment Policy:

- Make the maximum investment in the highly profitable oil exploration and production business (accounting for about 45% of total investment costs)
- Make investments in the refineries for safer operations and a more stable supply, especially with the project to improve fundamental safety and profitability at the Chiba Refinery, for which a special account, “Chiba Refinery Revival Plan,” has been set up.

Breakdown of the Investment Plan:

Oil Exploration and Production Business: - New Hail oilfield development, etc.	127 billion yen
Oil Refining and Marketing Business: - Refinery facility updating - Chiba Refinery revival plan -Marketing, administrative, and other departments.	122 billion yen Approx. 54 billion yen Approx. 28 billion yen Approx. ¥40 billion yen
Renewable energy businesses: Overseas and other projects: - Investments in new wind turbine construction, etc.	 31 billion yen
FY2013-17	**Total 280 billion yen**

Business-Specific Investment Shares:



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Supplementary Information on Details of the “Six Programs”

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Hardware Aspects: Investing management resources in refinery facilities

- Execute the Chiba Refinery Revival Plan

Software Aspects: Improvement of On-Site Forces and Legal Compliance

- Rebuild the operating process using external consultants
- Use the PDCA cycle extensively for safe, secure operations

Positive impact led by resumed operations of the Chiba Refinery on ordinary income for FY 2017 is estimated at 22.0 billion yen

Program 2. Extensive Rationalization Focusing mainly on the Supply Division

Execute exhaustive rationalization programs at various departments to reduce fixed costs by 22.7billion yen, down from FY2012.
Also, execute efficiency improvement programs at affiliated companies, thereby increasing ordinary income on a consolidated basis.

Outline of the Rationalization Plan:

FY2017 (vs. FY2012)		Major Programs
Oil Refining Department	-12.6 billion yen	Effect of closing the Sakaide Refinery, reductions in repair costs, etc.
Staff-related Costs	-3.3 billion yen	Staff downsizing , etc.
Controllable Costs	-1.7billion yen	Review of general and administrative expenses, etc.
Other	-5.0billion yen	Integration and realignment of logistics stations, etc.
Total: -22.7 billion yen		Positive impact on ordinary income for FY 2017 is estimated at 23.0 billion yen

Program 3. Strengthening the Retail Business

Execute the following retail business enhancement programs in response to potential reductions in earnings due to lower domestic sales volumes, thereby increasing earnings of the petroleum product sales and marketing business.

Further improved profitability for Cosmo Oil Sales Corp.

This subsidiary has already established its position as the top runner in the retail business sector and aims at earning further profits.

Promote Cosmo B-cle Lease

Accelerate transforming the business model of service stations from conventional “fuel oil margin-centric” to “car life value proposition”.

Realize synergy in manufacturing and sales through the acquisition of Sogo Energy Corporation (former Sojitz Energy Corporation)

Incorporate benefits brought by higher sales volume and by the same or higher levels of distribution margins and refinery capacity utilization rates into the Group’s business, as well as actively use the trading function of Sogo Energy.

総合エネルギー

Enhance partnerships with the Aeon Group and partners in different industrial sectors

Introduce WAON electronic cash payment and work with the Aeon Group to guide customers to each other’s businesses.

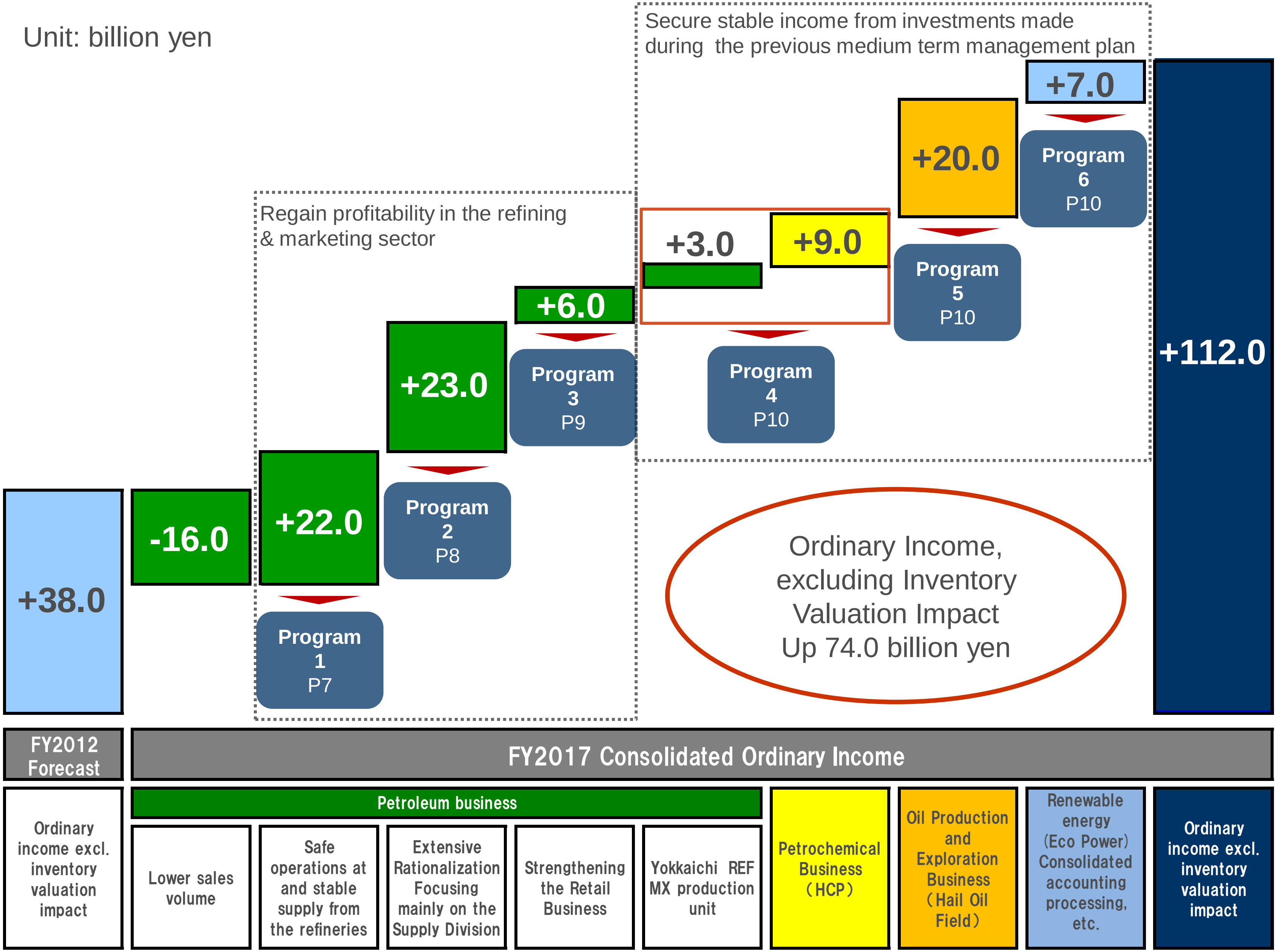
Positive impact on ordinary income for FY 2017 is estimated at 6.0 billion yen

Programs 4–6. Secure stable income from investments made during the previous medium term management plan

Ensure recovery of costs for the growth investments made in the 4th Consolidated Medium-Term Management Plan, in the petrochemical, oil exploration and production, and renewable energy businesses.

Petrochemical Business Program 4 Keep the refinery more competitive by shifting more toward petrochemical production	Yokkaichi Refinery	Started operations of the MX production unit.	Positive impact on ordinary income for FY 2017 is estimated at 12.0 billion yen
	HCP	Commercial production of PX at the new production unit started in January 2013, earlier than the original plan.	
Oil Exploration and Production business Program 5 Diversify project portfolio by making effective use of the Company's good relations with oil producing countries	Abu Dhabi Oil Co.,Ltd.	December 2012 saw the concession agreement renewed for the existing oilfields and another concession agreement become effective for the new Hail oilfield development. Aim at starting commercial production of Hail before the end of 2016.	Positive impact on ordinary income for FY 2017 is estimated at 20.0 billion yen
Renewable energy businesses Program 6 Growth in the wind power generation business	EcoPower	The enhanced maintenance capability led to EcoPower achieving and maintaining profitability.A tailwind from the Japanese government's FIT introduction allowed the subsidiary to speed up new site development.	Positive impact on ordinary income for FY 2017 is estimated at 3.0 billion yen

Analysis of changes in the FY2017 Earnings Target from the FY2012 Earnings Forecast



Data Sheet

Target for FY2017 (P/L • B/S • Sales volume)

P/L • B/S

Unit: billion yen

	FY2012 Forecast	FY2017 Target	Changes
Operating income ※	41.0	112.0	71.0
Ordinary income ※	38.0	112.0	74.0
Net income	-74.0	45.0	119.0

	FY2012 (As of Dec. 31, '12)	Target (As of Mar. 31, '17)	Changes
Total Assets	1,606.6	1,671.0	64.4
Net assets	253.4	415.5	162.1
Net worth ratio	14.2%	21.5%	7.3%
Debt Equity Ratio	2.9	1.6	? 1.3

※ Excluding impact of inventory valuation

Sales volume

Unit: million litre

Selling volume in Japan	FY2012 Forecast	FY2017 Target	Changes	Changes
Gasoline	6,035	5,718	-317	94.8%
Kerosene	2,290	2,028	-262	88.6%
Diesel fuel	4,370	3,986	-384	91.2%
Heavy fuel oil A	2,008	1,788	-220	89.0%
Sub-Total	14,702	13,520	-1,182	92.0%
Naphtha	6,054	5,360	-694	88.5%
Jet fuel	476	476	0	100.0%
Heavy fuel oil C	3,104	2,255	-849	72.6%
inc. Heavy fuel oil C for electric	2,100	1,379	-721	65.7%
Other	1,133	1,315	182	116.1%
Total	25,468	22,924	-2,544	90.0%

Forecast for FY2012

Full-Year FY2012 Forecast Announced on November 1, 2012 with Year-on-Year Changes

Unit: billion yen

FY2012 Forecast	Net Sales	Changes from FY2011	Operating Income	Changes from FY2011	Ordinary Income	Changes from FY2011	Ordinary Income (excluding impact of inventory valuation , cost or market	Changes from FY2011
Petroleum business	2,970.0	-85.6	-24.0	-36.8	-33.0	-41.0	-20.0	-2.8
Petrochemical business	31.0	1.6	1.0	0.1	1.0	-1.1	1.0	-1.1
Oil E&P business	86.0	-1.6	53.0	1.2	57.5	5.5	57.5	5.5
Other	82.0	10.4	2.5	1.0	4.0	1.1	4.0	1.1
Write-off	-129.0	5.5	-4.5	-1.1	-4.5	-0.9	-4.5	-0.9
Total	3,040.0	-69.7	28.0	-35.6	25.0	-36.4	38.0	1.8

Precondition

- Purchased price of crude oil 108.20 USD/B
- JPY/USD exchange rate 78.70 yen/USD

Sensitivity

	Petroleum Business	Oil E & P Business
Crude oil + 1 USD/BBL	2.1 billion yen	0.3 billion yen
JPY/USD + 1 exchange rate	2.9 billion yen	0.4 billion yen

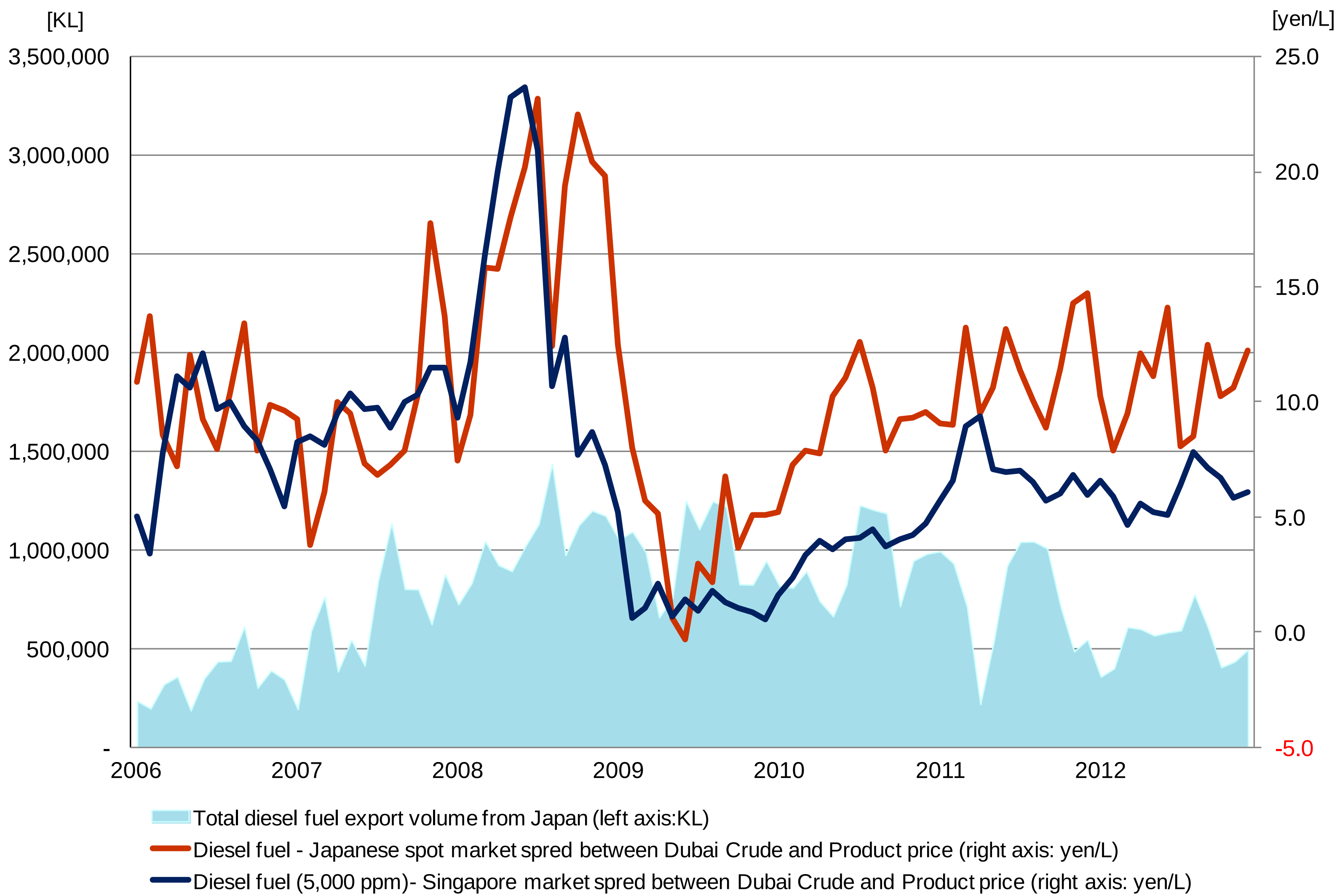
* Figures above refer to impacts by crude oil price and yen-dollar exchange fluctuations on inventory valuation gains, in-house fuel costs and timing difference (by taking no impact by the cost or market method into consideration).

*Sensitivity data above is based on the full-year FY2012 forecast announced in Nov. 2012.

*A six-month period of Oct. 2012 to March 2013 adopted for sensitivity figure estimation for the petroleum business segment, and a three-month period of Oct. 2012 to Dec. 2012, for the oil exploration and production business.

Diesel Fuel Export Results and Margin Environment

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



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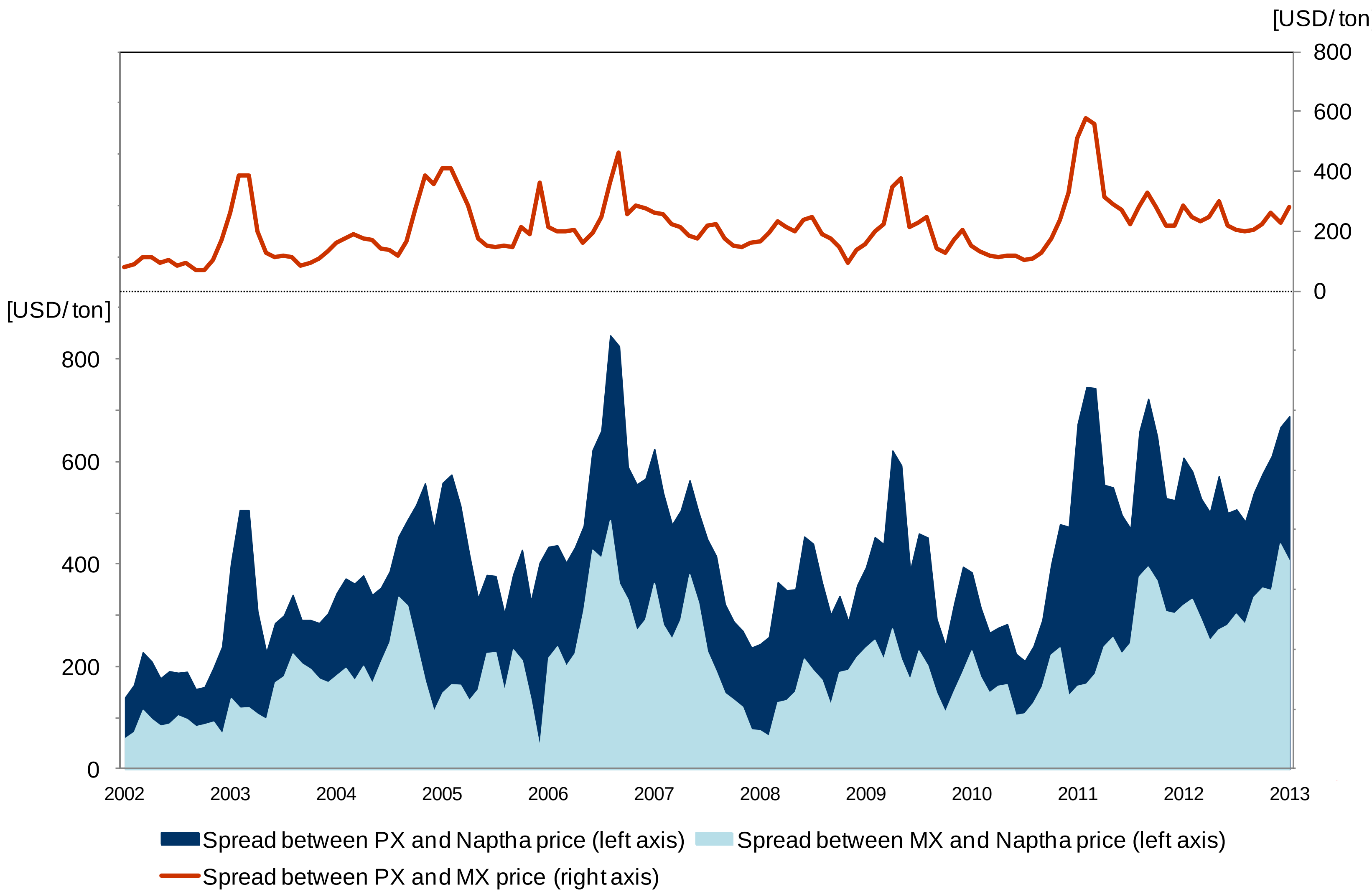
Petrochemical business Aromatic Product Market Conditions



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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.