



August 2, 2012

Overview of Business Results for the First Quarter of Fiscal Year Ending March 2013 [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: Keizo Morikawa (Title) President
 Name of Person to contact: Akihiko Tobinaga (Title) General Manager of Corporate Communication Dept. Phone: 03-3798-3180
 Scheduled date to file quarterly report: August 2, 2012
 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 2013 (For the period from April 1, 2012 to June 30, 2012)

(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, FY2012	755,691	5.6	-21,353	-	-21,882	-	-66,733	-
First Quarter, FY2011	715,346	14.1	29,647	98.3	31,368	106.6	12,981	277.6

[Reference] Comprehensive income First Quarter, FY2012: -65,695 million yen (-%) First Quarter, FY2011: 13,080 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, FY2012	-78.78	-
First Quarter, FY2011	15.32	-

(2) Consolidated Financial Position

	Total assets	Net assets	Net Worth ratio	Net assets per share
	million yen	million yen	%	yen sen
First Quarter, FY2012	1,533,438	264,929	15.8	285.83
FY2011	1,675,070	337,437	18.9	374.15

[Reference] Net worth First Quarter, FY2012: 242,115 million yen FY2011: 316,931 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
FY2011	-	0.00	-	8.00	8.00
FY2012	-				
FY2012 (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 FY2012 (April 1, 2012 to March 31, 2013)

(% indicates for FY2012 change from the corresponding period of FY 2011, while for 1H FY2012 change from 1H FY2011)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
1H FY2012	1,620,000	11.5	28,000	1.9	26,000	-5.8	7,000	147.3	8.26
FY2012	3,350,000	7.7	96,000	51.0	94,000	53.0	35,000	-	41.32

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

Notes to Consolidated Financial Statements

(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: | Yes |
| 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, FY2012	847,705,087 shares	FY2011	847,705,087 shares
First Quarter, FY2012	638,273 shares	FY2011	639,196 shares
First Quarter, FY2012	847,066,383 shares	First Quarter, FY2011	847,072,701 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:

As for the consolidated business outlook for the first half of FY2012 and FY2012, variable factors, such as crude oil price and exchange rate trends, are currently under careful research and therefore, no change is made from the previous announcement made on May 8, 2012. If any revision is found necessary, depending on research results, updated information will be timely announced.

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 FY2012 were ¥755.7 billion (up ¥40.4 billion from the same period of FY2011), operating loss ¥21.4 billion (operating income ¥29.6 billion for the same period of FY2011), ordinary loss ¥21.9 billion (ordinary income ¥31.4 billion for the same period of FY2011) and net loss for the period ¥66.7 billion (net income ¥13.0 billion for the same period of FY2011).

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

- 1) In the petroleum business segment reduced profit for the first quarter of FY2012, mainly reflecting that despite of a moderate recovery seen in consumer spending one year after the impact of the East Japan Great Earthquake, oil product demands were still on the decline and product market conditions remained weak.
A decline in crude oil prices significantly adversely impacted the inventory valuation. As a result, the segment reported sales of ¥736.3 billion (up ¥36.4 billion) for the first quarter of FY2012 and segment loss of ¥38.8 billion (segment income ¥18.4 billion for the same period of FY2011).
- 2) The petrochemical business segment reported net sales of ¥7.1 billion (up ¥0.8 billion from the same period of FY2011) reflecting an increase in the selling volume, but segment loss of ¥1.1 billion (segment income ¥1.4 billion for the same period of FY2011), mainly reflecting aggravated market conditions.
- 3) The oil exploration and production business segment reported net sales of ¥22.2 billion for the first quarter of FY2012 (up ¥2.3 billion from the same period of FY2011) and segment income of ¥17.7 billion (up ¥4.5 billion from the same period of FY2011), mainly reflecting crude oil prices higher than in the first quarter of FY2011.

(2) Qualitative Information regarding Consolidated Financial Position

As for the consolidated financial position of the Company as of the end of the first quarter of FY2012 (June 30, 2012), total assets amounted to ¥1,533.4 billion, down ¥141.7 billion from the end of FY2011 (March 31, 2012), mainly reflecting lower crude oil prices for the first quarter of FY2012 resulting in a reduction in inventory assets and a reduction in current assets, such as notes and accounts receivable-trade and accounts receivable-other.

Net assets amounted to ¥264.9 billion, down ¥72.5 billion from March 31, 2012, mainly reflecting the review of the realizability of deferred tax assets resulting in a reduction in retained earnings, with a net worth ratio of 15.8%.

(3) Qualitative Information regarding Consolidated Business Outlook

As for the consolidated business outlook for the first half of FY2012 and FY2012, variable factors, such as crude oil price and exchange rate trends, are currently under careful research and therefore, no change is made from the previous announcement made on May 8, 2012. If any revision is found necessary, depending on research results, updated information will be timely announced.

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

(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) Changes in Accounting Policies, Accounting Estimates and Restatements

Changes in Accounting Estimates

(Change of the Number of Years of Useful Life)

Abu Dhabi Oil Co., Ltd., a consolidated subsidiary of the Company, conventionally calculated depreciation by using the number of years of useful life for the oil wells currently operational, as defined by the concession agreements, among buildings and structures included in the account item of property, plant and equipment. However, by taking the opportunity of the recent execution of the new concession agreement, a review was conducted about the durability and other conditions of these assets currently owned. As a result, it was revealed that they can be used for longer years. Therefore, the number of years of useful life of the oil wells is changed to 30 years, and said change will be effective from the first quarter of consolidated fiscal year 2012 and be adopted over the years to come.

This change reduced depreciation expenses by ¥529 million for the first quarter of FY2012 as compared with the conventional calculation method, and also reduced operating loss, ordinary loss and loss before income taxes and minority interests by the same amount.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Unit: million yen)

	FY2011 (As of March 31, 2012)	1Q FY2012 (As of June 30, 2012)
Assets		
Current assets		
Cash and deposits	122,031	107,059
Notes and accounts receivable-trade	261,067	212,750
Merchandise and finished goods	232,505	243,562
Work in process	1,051	1,179
Raw materials and supplies	210,004	178,543
Other	94,043	65,687
Allowance for doubtful accounts	-292	-140
Total current assets	920,412	808,641
Noncurrent assets		
Property, plant and equipment		
Land	299,772	298,549
Other, net	280,473	279,460
Total property, plant and equipment	580,246	578,010
Intangible assets	9,517	9,356
Investments and other assets		
Other	165,499	138,036
Allowance for doubtful accounts	-863	-847
Total investments and other assets	164,635	137,188
Total noncurrent assets	754,400	724,555
Deferred assets		
Bond issuance cost	257	241
Total deferred assets	257	241
Total assets	1,675,070	1,533,438
Liabilities		
Current liabilities		
Notes and accounts payable-trade	294,906	196,164
Short-term loans payable	207,447	237,658
Current portion of bonds	840	840
Accounts payable-other	199,970	193,121
Income taxes payable	12,181	6,878
Provision for loss on disaster	3,512	2,883
Other	25,417	36,106
Total current liabilities	744,275	673,654
Noncurrent liabilities		
Bonds payable	56,160	56,160
Long-term loans payable	456,755	455,058
Provision for special repairs	7,984	7,914
Provision for retirement benefits	6,795	6,909
Other	65,661	68,811
Total noncurrent liabilities	593,357	594,854
Total liabilities	1,337,632	1,268,508

(Unit: million yen)

	FY2011 (As of March 31, 2012)	1Q FY2012 (As of June 30, 2012)
Net assets		
Shareholders' equity		
Capital stock	107,246	107,246
Capital surplus	89,440	89,440
Retained earnings	103,454	29,953
Treasury stock	-140	-140
Total shareholders' equity	300,001	226,500
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,540	386
Deferred gains or losses on hedges	2,579	1,307
Revaluation reserve for land	18,776	18,764
Foreign currency translation adjustment	-5,965	-4,843
Total accumulated other comprehensive income	16,930	15,614
Minority interests	20,506	22,814
Total net assets	337,437	264,929
Total liabilities and net assets	1,675,070	1,533,438

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(Consolidated first quarterly statements of income)

(Unit: million yen)

	1Q FY2011 (From April 1, 2011 to June 30, 2011)	1Q FY2012 (From April 1, 2012 to June 30, 2012)
Net sales	715,346	755,691
Cost of sales	654,393	747,060
Gross profit	60,953	8,630
Selling, general and administrative expenses	31,306	29,984
Operating income (loss)	29,647	-21,353
Non-operating income		
Interest income	33	44
Dividends income	551	450
Foreign exchange gains	899	2,561
Equity in earnings of affiliates	2,419	548
Other	2,138	1,053
Total non-operating income	6,042	4,659
Non-operating expenses		
Interest expenses	3,078	3,024
Loss on valuation of derivatives	—	1,196
Other	1,243	967
Total non-operating expenses	4,322	5,188
Ordinary income (loss)	31,368	-21,882
Extraordinary income		
Gain on sales of noncurrent assets	34	680
Gain on sales of subsidiaries and affiliates' stocks	78	—
Insurance income	—	360
Total extraordinary income	112	1,041
Extraordinary loss		
Loss on sales of noncurrent assets	8	37
Loss on disposal of noncurrent assets	211	552
Impairment loss	77	76
Loss on valuation of investment securities	900	288
Loss on disaster	4,731	—
Total extraordinary losses	5,929	954
Income (loss) before income taxes and minority interests	25,551	-21,795
Income taxes	11,338	42,603
Income (loss) before minority interests	14,213	-64,398
Minority interests in income	1,232	2,334
Net income (loss)	12,981	-66,733

(Consolidated Statements of Comprehensive Income)
(Consolidated first quarterly statements of Comprehensive Income)

	(Unit: million yen)	
	1Q FY2011 (From April 1, 2011 to June 30, 2011)	1Q FY2012 (From April 1, 2012 to June 30, 2012)
Income (loss) before minority interests	14,213	-64,398
Other comprehensive income		
Valuation difference on available-for-sale securities	181	-1,062
Deferred gains or losses on hedges	-1,519	-1,337
Foreign currency translation adjustment	-513	-127
Share of other comprehensive income of associates accounted for using equity method	719	1,230
Total other comprehensive income	-1,132	-1,296
Comprehensive income	13,080	-65,695
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	11,843	-68,036
Comprehensive income attributable to minority interests	1,237	2,341

(3) Notes to going concern

None

(4) Notes to remarkable changes in Shareholders' Equity

None

(5) Segment Information

(Segment Information)

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

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	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.

1Q FY2012 (From April 1, 2012 to June 30, 2012)

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	730,949	2,826	17,552	4,363	—	755,691
Inter-segment	5,338	4,265	4,599	10,781	-24,984	—
Total	736,288	7,091	22,151	15,145	-24,984	755,691
Segment Income(Loss)	-38,795	-1,091	17,717	166	120	-21,882

- 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" 120 million yen includes -578 million yen for internal eliminations, 731 million yen for inventory adjustments and -29 million yen for adjustment of fixed assets.
- 3 Segment Income(Loss) is adjusted to ordinary loss of Consolidated quarterly statements of income.

Supplementary information for the results of 1Q of Fiscal Year 2012

Cosmo Oil Co., Ltd.

	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	①116.45USD/B	①111.96USD/B	①4.49 USD/B
②JPY/USD exchange rate	②81.48 yen/USD	②82.05yen/USD	②-0.57 yen/USD

Unit: billion yen

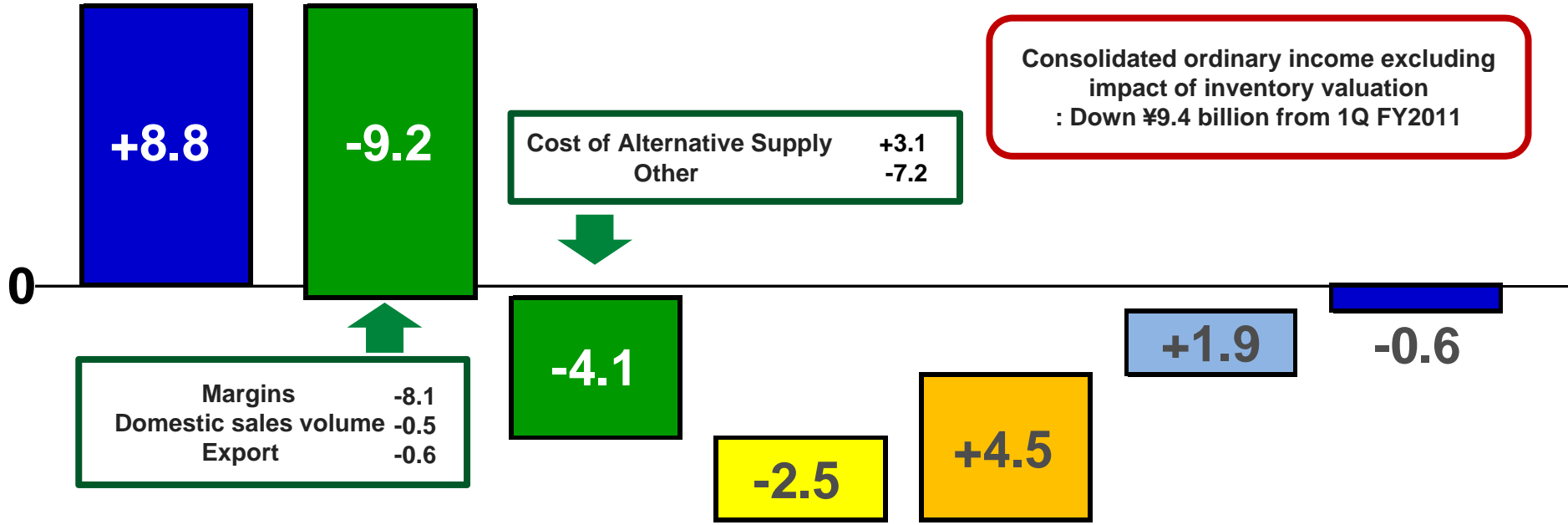
Consolidated Ordinary Income by Business Segment

	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

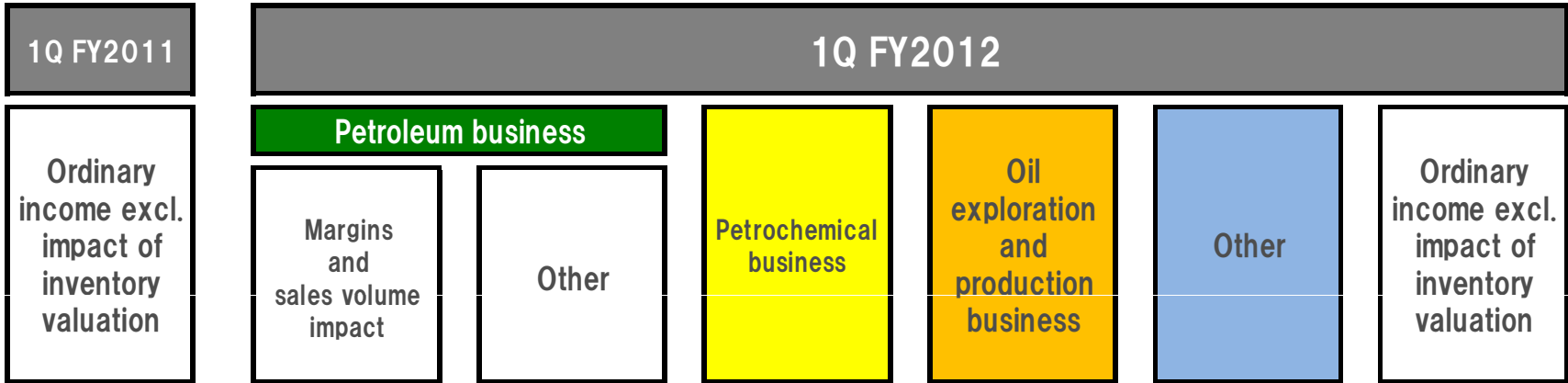
Notes: * Impact of inventory valuation of petroleum business -21.3 billion yen

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

Unit: billion yen



Consolidated ordinary income excluding impact of inventory valuation : Down ¥9.4 billion from 1Q FY2011



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

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%
	Sub-Total	3,242	3,308	-66	98.0%
	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%
	Sub-Total	5,363	5,401	-38	99.3%
Middle distillate export volume	Diesel fuel	45	98	-53	46.1%
	Kerosene/Jet	0	19	-19	0.0%
	Sub-Total	45	116	-71	38.7%
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%
	Sub-Total	821	644	177	127.5%
Barter deal, etc.		1,968	2,161	-193	91.0%
Total selling volume		8,197	8,322	-125	98.5%