



February 2, 2012

Overview of Business Results for the Third 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: February 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 Third Quarter of Fiscal Year Ending March 2012 (For the period from April 1, 2011 to December 31, 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 third quarter	
	million yen	%	million yen	%	million yen	%	million yen	%
Third Quarter, FY2011	2,229,502	11.7	28,527	-49.8	24,208	-52.8	-16,390	-
Third Quarter, FY2010	1,995,778	10.8	56,878	448.3	51,278	349.3	14,514	-

[Reference] Comprehensive income Third Quarter, FY2011: -14,711 million yen (-%) Third Quarter, FY2010: 11,442 million yen (-%)

	Net income per share for the third quarter	Diluted net income per share for the third quarter
	yen sen	yen sen
Third Quarter, FY2011	-19.35	-
Third Quarter, FY2010	17.13	16.75

(2) Consolidated Financial Position

	Total assets	Net assets	Net Worth ratio	Net assets per share
	million yen	million yen	%	yen sen
Third Quarter, FY2011	1,625,168	328,766	19.0	364.18
FY2010	1,579,424	350,239	21.1	392.80

[Reference] Net worth Third Quarter, FY2011: 308,489 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	-	0.00	-		
FY2011 (outlook)				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 change from the corresponding period of FY 2010)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen sen
FY2011	3,070,000	10.8	74,000	-28.9	72,000	-25.1	0	-100.0	0.00

Note: Change made in figures of the consolidated business outlook as of the end of the current quarter from the previous announcement: Yes

4. Others

(1) Change in significant subsidiaries during the current 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)

Third Quarter, FY2011	847,705,087 shares	FY2010	847,705,087 shares
Third Quarter, FY2011	636,046 shares	FY2010	631,461 shares
Third Quarter, FY2011	847,071,547 shares	Third Quarter of FY2010	847,086,530 shares

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)

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 full year of FY2011 is updated from the previous announcement made on November 2, 2011.

The forward-looking statements including the business outlook are based on information available as of the published date of this release and actual results may materially differ from the forecast subject to variable 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 nine-month period of FY2011 were ¥2,229.5 billion (up ¥233.7 billion from the same period of FY2010), operating income ¥28.5 billion (down ¥28.4 billion), ordinary income ¥24.2 billion (down ¥27.1 billion) and net loss for the period ¥16.4 billion (net income ¥14.5 billion as of same period of FY2010).

The operating results for the first nine-month period of FY2011 by business segment are as follows:

- 1) As for the petroleum business, though the economy of Japan was in the underlying tone of recovery from the Great East Japan Earthquake during the term, the year-on-year decline in the demand for oil products, increased alternative supply cost and other negative factors reduced profit. On the other hand, crude oil price hikes rose to a positive inventory valuation impact. As a result, the petroleum business segment reports net sales of ¥21,873.3 billion for the first nine months of FY2011 (up ¥228.7 billion from the same period of FY2010) and segment loss of ¥6.1 billion (segment income ¥24.1 billion as of same period of FY2010).
- 2) The petrochemical business segment was benefited by a market recovery. As a result, the segment reported sales of ¥21.8 billion for the first nine-month period of FY2011 (down ¥8.6 billion from the same period of FY2010) and segment income of ¥1.3 billion (segment loss ¥1.0 billion as of same period of FY2010).
- 3) The oil exploration and production business segment saw crude oil prices keep higher during the first nine-month period of FY2011 than during the same period of FY2010. As a result, the segment reported sales of ¥61.0 billion for the first nine-month of FY2011 (up ¥6.4 billion from the same period of FY2010) and segment income of ¥36.1 billion (up ¥8.3 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 nine-month period of FY2011, total assets as of December 31, 2011 amounted to ¥1,625.2 billion, up ¥45.8 billion from March 31, 2011, the end of the full-year FY2010, mainly reflecting increased inventories to meet the high product demand period of the upcoming season. Net assets as of December 31, 2011 amounted to ¥328.8 billion, down ¥21.4 billion from March 31, 2011, with a net worth ratio of 19.0%.

(3) Qualitative Information regarding Consolidated Business Outlook

As for consolidated business outlook for the full year of FY2011, in comparison with the previous announcement (made on November 2, 2011), the proclamation of the "law to revise part of the Income Tax Law and other laws to rebuild the tax system in response to structural changes in the economy and society of Japan" and of the "law on special measures related to securing financial sources necessary to execute programs for recovery from the Great East Japan Earthquake" caused a revision in corporate tax rates and other matters, making the Company anticipated to reverse a part of its deferred tax assets to reduce net income for the full-year of FY2011. As a result, the Company is estimated to report net income of ¥0 billion (down ¥13.0 billion from the previous forecast).

The above business outlook was determined by the Company based on information available as of the date of release of this report and actual results may differ from the outlook herein due.

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	3Q FY2011
	(As of March 31, 2011)	(As of December 31, 2011)
Assets		
Current assets		
Cash and deposits	94,343	101,391
Notes and accounts receivable-trade	229,618	226,842
Merchandise and finished goods	204,867	251,018
Work in process	985	1,389
Raw materials and supplies	197,122	183,717
Other	66,759	98,562
Allowance for doubtful accounts	-332	-270
Total current assets	793,363	862,652
Noncurrent assets		
Property, plant and equipment		
Land	302,808	301,104
Other, net	300,831	285,509
Total property, plant and equipment	603,639	586,613
Intangible assets	11,517	10,988
Investments and other assets		
Other	171,492	165,574
Allowance for doubtful accounts	-912	-934
Total investments and other assets	170,579	164,639
Total noncurrent assets	785,736	762,241
Deferred assets		
Bond issuance cost	324	274
Total deferred assets	324	274
Total assets	1,579,424	1,625,168
Liabilities		
Current liabilities		
Notes and accounts payable-trade	243,914	260,540
Short-term loans payable	176,366	202,478
Commercial papers	—	21,000
Accounts payable-other	151,767	188,313
Income taxes payable	7,252	10,378
Provision for loss on disaster	4,237	2,587
Other	38,636	25,488
Total current liabilities	622,173	710,786
Noncurrent liabilities		
Bonds payable	57,000	57,000
Long-term loans payable	466,765	449,809
Provision for special repairs	6,689	7,457
Provision for retirement benefits	5,647	5,248
Other	70,909	66,100
Total noncurrent liabilities	607,011	585,615
Total liabilities	1,229,185	1,296,401

(Unit: million yen)

	FY2010 (As of March 31, 2011)	3Q FY2011 (As of December 31, 2011)
Net assets		
Shareholders' equity		
Capital stock	107,246	107,246
Capital surplus	89,440	89,440
Retained earnings	119,803	96,570
Treasury stock	-138	-139
Total shareholders' equity	316,351	293,118
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	669	495
Deferred gains or losses on hedges	6,459	3,362
Revaluation reserve for land	14,147	18,351
Foreign currency translation adjustment	-4,898	-6,838
Total accumulated other comprehensive income	16,378	15,370
Minority interests	17,508	20,277
Total net assets	350,239	328,766
Total liabilities and net assets	1,579,424	1,625,168

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

(Consolidated third quarterly statements of income)

(Unit: million yen)

	3Q FY2010 (From April 1, 2010 to December 31, 2010)	3Q FY2011 (From April 1, 2011 to December 31, 2011)
Net sales	1,995,778	2,229,502
Cost of sales	1,844,551	2,106,986
Gross profit	151,227	122,515
Selling, general and administrative expenses	94,348	93,988
Operating income	56,878	28,527
Non-operating income		
Interest income	159	87
Dividends income	847	910
Equity in earnings of affiliates	238	1,657
Other	4,414	4,619
Total non-operating income	5,659	7,274
Non-operating expenses		
Interest expenses	9,122	9,225
Other	2,137	2,367
Total non-operating expenses	11,259	11,593
Ordinary income	51,278	24,208
Extraordinary income		
Gain on sales of noncurrent assets	367	494
Gain on sales of investment securities	—	65
Gain on allotment of investment securities	151	—
Gain on sales of subsidiaries and affiliates' stocks	13	78
Compensation income	—	186
Total extraordinary income	533	825
Extraordinary loss		
Loss on sales of noncurrent assets	100	65
Loss on disposal of noncurrent assets	1,767	1,522
Impairment loss	2,356	1,604
Loss on valuation of investment securities	170	2,233
Loss on sales of stocks of subsidiaries and affiliates	22	—
Loss on valuation of stocks of subsidiaries and affiliates	—	19
Loss on disaster	—	14,393
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,660	—
Loss on disposal of recoverable accounts under production	3,523	—
Other	—	92
Total extraordinary losses	9,601	19,931
Income before income taxes and minority interests	42,209	5,102
Income taxes	24,643	18,738
Income (loss) before minority interests	17,565	-13,636
Minority interests in income	3,051	2,754
Net income (loss)	14,514	-16,390

(Consolidated Statements of Comprehensive Income)

(Consolidated third quarterly statements of Comprehensive Income)

(Unit: million yen)

	3Q FY2010 (From April 1, 2010 to December 31, 2010)	3Q FY2011 (From April 1, 2011 to December 31, 2011)
Income (loss) before minority interests	17,565	-13,636
Other comprehensive income		
Valuation difference on available-for-sale securities	1,262	23
Deferred gains or losses on hedges	-3,348	-3,234
Revaluation reserve for land	—	4,142
Foreign currency translation adjustment	-3,098	-1,064
Share of other comprehensive income of associates accounted for using equity method	-939	-941
Total other comprehensive income	-6,123	-1,074
Comprehensive income	11,442	-14,711
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	8,410	-17,460
Comprehensive income attributable to minority interests	3,031	2,749

(3) Notes to going concern

None

(4) Segment Information

(Segment Information)

3Q FY2010 (From April 1, 2010 to December 31, 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	1,933,065	13,254	27,363	22,095	—	1,995,778
Inter-segment	25,490	17,167	27,272	31,537	-101,467	—
Total	1,958,555	30,421	54,635	53,633	-101,467	1,995,778
Segment Income (Loss)	24,078	-1,036	27,773	1,311	-848	51,278

- 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" -848 million yen includes 43 million yen for internal eliminations, -659 million yen for inventory adjustments and -230 million yen for adjustment of fixed assets.
- 3 Segment Income (Loss) is adjusted to ordinary income of Consolidated quarterly statements of income.

3Q FY2011 (From April 1, 2011 to December 31, 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	2,169,408	9,810	34,276	16,006	—	2,229,502
Inter-segment	17,903	12,011	26,766	35,551	-92,232	—
Total	2,187,312	21,821	61,043	51,557	-92,232	2,229,502
Segment Income(Loss)	-6,106	1,303	36,070	1,335	-8,395	24,208

- 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" -8,395 million yen includes -665 million yen for internal eliminations, -7,709 million yen for inventory adjustments and -15 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 3Q of Fiscal Year 2011

Cosmo Oil Co., Ltd.

Unit: billion yen

	3Q FY2011 (Apr.-Dec.2011)	3Q FY2010 (Apr.-Dec.2010)	Changes
Net sales	2,229.5	1,995.8	233.7
Cost of sales	2,107.0	1,844.6	262.4
Selling, general and administrative expenses	94.0	94.3	-0.3
Operating income	28.5	56.9	-28.4
Non-operating income/expenses, net	-4.3	-5.6	1.3
Ordinary income	24.2	51.3	-27.1
Extraordinary income/losses, net	-19.1	-9.1	-10.0
Income taxes	18.7	24.6	-5.9
Minority interests	2.8	3.1	-0.3
Net income (loss)	-16.4	14.5	-30.9
【Reference】			
Impact of inventory valuation	13.6	-3.8	17.4
Operating income excluding impact of inventory valuation	14.9	60.7	-45.8
Ordinary income excluding impact of inventory valuation	10.6	55.1	-44.5

[3Q FY2011 Results] Outline of Consolidated Operating results
 - Changes from 3Q FY2010

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Unit: billion yen

	3Q FY2011	3Q FY2010	Changes
Consolidated ordinary income	24.2	51.3	-27.1
Impact of inventory valuation	13.6	-3.8	17.4
NET Consolidated ordinary income	10.6	55.1	-44.5
①Purchased price of crude oil	①109.59 USD/B	①77.60 USD/B	①31.99 USD/B
②JPY/USD exchange rate	②79.43 yen/USD	②87.43 yen/USD	②-8.00 yen/USD

Unit: billion yen

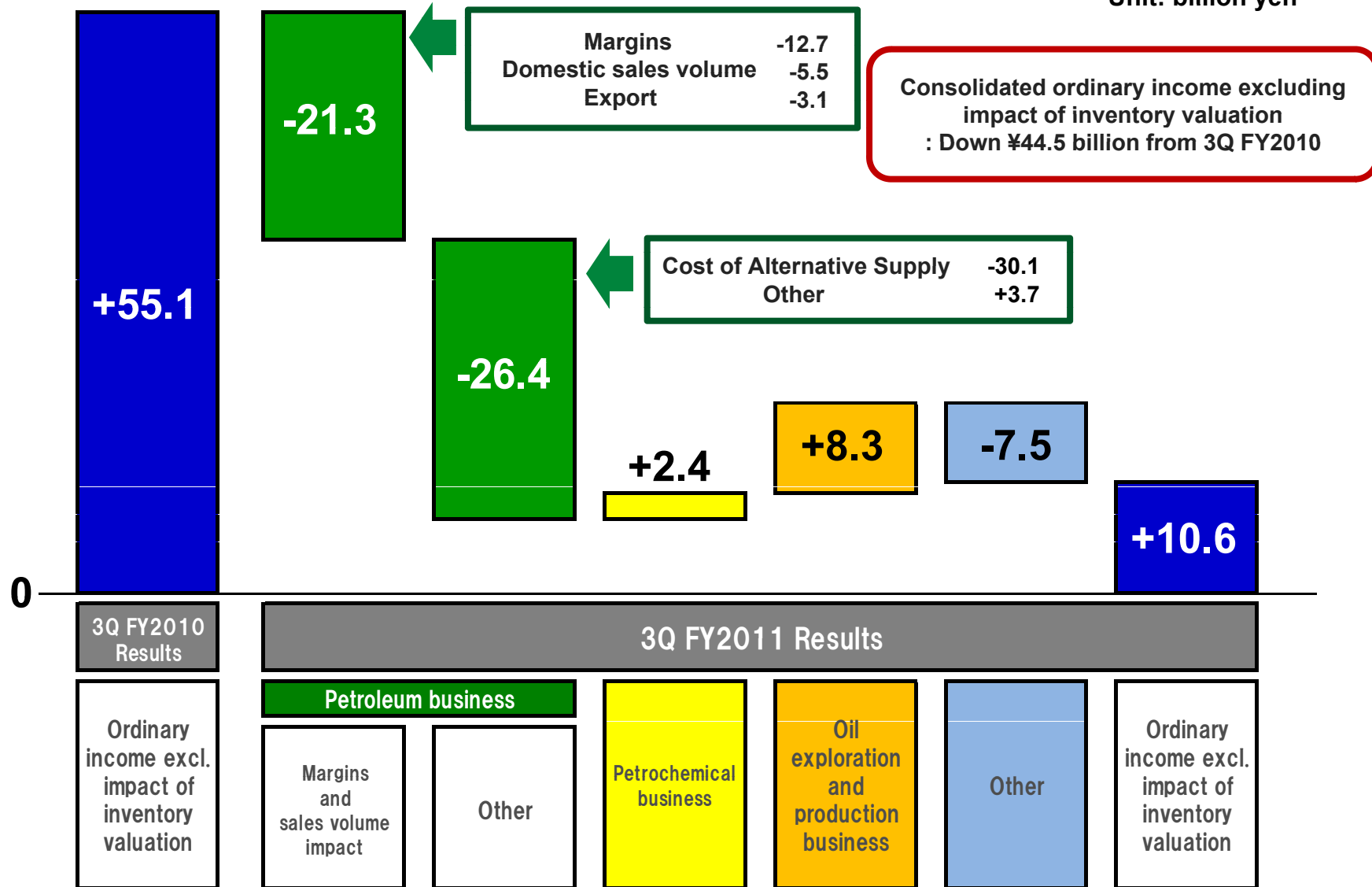
Consolidated Ordinary Income by Business Segment

	3Q FY2011	3Q FY2010	Changes
Petroleum business	-6.1*	24.1	-30.2
NET Petroleum business	-19.8	27.9	-47.7
Petrochemical business	1.3**	-1.0	2.3
NET Petrochemical business	1.4	-1.0	2.4
Oil E & P business	36.1	27.8	8.3
Other	-7.1	0.4	-7.5

Notes: * Includes impact of inventory valuation ¥ 13.7billion ** Includes impact of inventory valuation ¥ -0.1 billion

[3Q FY2011 Results] Consolidated Ordinary Income (Excluding impact of inventory valuation) – Analysis of Changes from 3Q FY2010

Unit: billion yen



Unit: billion yen

	Results (As of Dec. 31, '11)	FY10 (As of Mar. 31, '11)	Changes
Total Assets	1,625.2	1,579.4	45.8
Net assets	328.8	350.2	-21.4
Net worth	308.5	332.7	-24.2
Net worth ratio	19.0%	21.1%	Down 2.1 points
Interest-bearing debts	730.3	700.1	30.2
Debt dependence ratio	44.9%	44.3%	Down 0.6 points
Debt Equity Ratio	2.4	2.1	Down 0.3 points
Net interest-bearing debt *	628.5	605.8	22.7
Debt dependence ratio	38.7%	38.4%	Down 0.3 points
Debt Equity Ratio	2.0	1.8	Down 0.2 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:1,000KL

		3Q FY2011 Results	3Q FY2010 Results	Changes	Changes	FY2011 Full Year outlook changes from FY2010
Selling volume in Japan	Gasoline	4,725	4,882	-157	96.8%	96.4%
	Kerosene	1,313	1,394	-81	94.2%	94.3%
	Diesel fuel	3,425	3,402	23	100.7%	102.5%
	Heavy fuel oil A	1,523	1,745	-222	87.3%	87.7%
	Sub-Total	10,986	11,423	-437	96.2%	96.5%
	Naphtha	4,766	5,048	-282	94.4%	98.8%
	Jet fuel	357	395	-38	90.4%	82.0%
	Heavy fuel oil C	1,669	1,563	106	106.8%	114.0%
	inc. Heavy fuel oil C for electric	792	631	161	125.6%	140.8%
	Sub-Total	17,778	18,429	-651	96.5%	98.2%
Middle distillate export volume	Diesel fuel	98	555	-457	17.6%	32.5%
	Kerosene/Jet	64	153	-89	42.0%	29.4%
	Sub-Total	162	708	-546	22.8%	31.9%
Bond sales, etc.	Jet fuel	1,168	1,217	-49	96.0%	97.7%
	Heavy fuel oil C	397	401	-4	99.1%	101.5%
	Other	288	279	9	103.1%	89.0%
	Sub-Total	1,853	1,896	-43	97.7%	97.1%
Barter deal, etc.		7,249	7,249	0	100.0%	88.9%
Total selling volume		27,041	28,282	-1,241	95.6%	93.8%