

Cosmo Oil Co., Ltd.
Presentation on Results for
First Quarter of Fiscal 2013

August 1, 2013
Senior Executive Officer
Muneyuki Sano

The 5th Consolidated Medium-Term Management Plan makes a good start.

<Basic Policy> Regain profitability in the refining & marketing sector

Chiba Refinery : Operation resumed with two toppers

Sakaide Refinery : Closed down

(already reported on July 31)

Towards safe operations and stable supply at three refineries



LPG tanks newly installed at Chiba Refinery

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Outline of Q1 Results

For April-June 2013, consolidated ordinary income reached 4.1 billion yen, excluding the impact of inventory valuation, up 4.7 billion yen year on year, despite the sluggish market conditions for oil products.

It is chiefly due to:

- (1) resumption of operation of a single topper at Chiba refinery to regain earning power; and
- (2) inauguration of a new BTX unit at Hyundai Cosmo Petrochemical (HCP) to boost its sales.

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Full-Year Business Outlook

Due to uncertainty of yen-dollar exchange rate and crude oil price trades in Jul 2013 -Mar 2014, no revision is made in the full-year business outlook as of today.

Unit: billion yen

	1Q FY2013 (Apr.-Jun.2013)	1Q FY2012 (Apr.-Jun.2012)	Changes
Net sales	822.3	755.7	66.6
Cost of sales	791.8	747.1	44.7
Selling, general and administrative expenses	29.4	30.0	-0.6
Operating income	1.1	-21.4	22.5
Non-operating income/expenses, net	2.8	-0.5	3.3
Ordinary income	3.9	-21.9	25.8
Extraordinary income/losses, net	0.6	0.1	0.5
Income taxes	7.9	42.6	-34.7
Minority interests	1.3	2.3	-1.0
Net income	-4.7	-66.7	62.0

【Reference】

Impact of inventory valuation	-0.2	-21.3	21.1
Operating income excluding impact of inventory valuation	1.3	-0.1	1.4
Ordinary income excluding impact of inventory valuation	4.1	-0.6	4.7

Unit: billion yen

	1Q FY2013	1Q FY2012	Changes
Consolidated ordinary income	3.9	-21.9	25.8
Impact of inventory valuation	-0.2	-21.3	21.1
Consolidated ordinary income excluding impact of inventory valuation	4.1	-0.6	4.7
Net income	-4.7	-66.7	62.0
①Purchased price of crude oil	103.24 USD/B	116.45 USD/B	-13.21 USD/B
②JPY/USD exchange rate	97.96 yen/USD	81.48 yen/USD	16.48 yen/USD

Consolidated Ordinary Income by Business Segment

	1Q FY2013	1Q FY2012	Changes
Petroleum business	-12.9	-38.8	25.9
Petroleum business excluding impact of inventory valuation	-12.7	-17.5	4.8
Petrochemical business	1.9	-1.1	3.0
Petrochemical business excluding impact of inventory valuation	1.9	-1.1	3.0
Oil E & P business	12.0	17.7	-5.7
Other	2.9	0.3	2.6

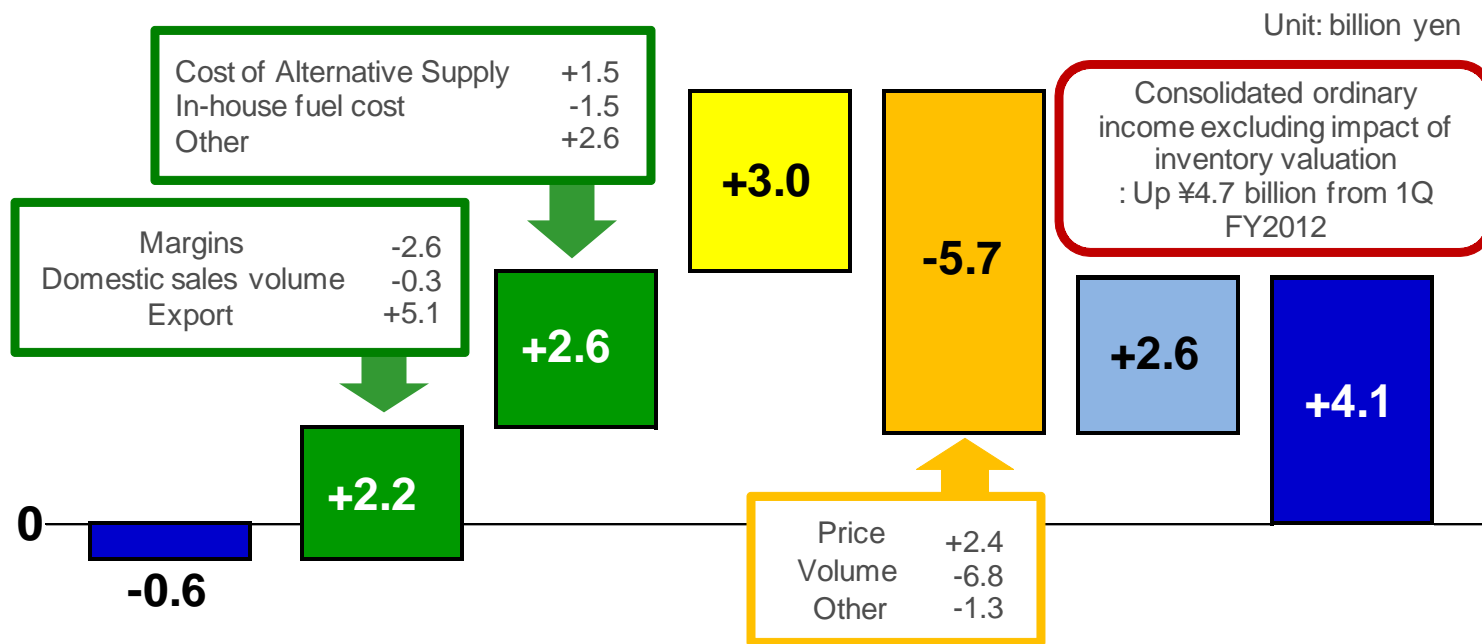
* impact of inventory valuation

Petroleum business : 1Q FY2013 -0.2 billion , 1Q FY2012 -21.3 billion

[1Q FY2013 Results] Consolidated Ordinary Income
 (Excluding impact of inventory valuation) – Analysis of Changes from 1Q FY2012

Key variable factors

- Petroleum Business** : Income increased after a resumption of exports despite the weakness of the product market
- Petrochemical Business** : Income increased following sales growth after the launch of the new BTX unit at HCP and strong market conditions
- Oil E & P Business** : Income decreased after a quantity slide resulting from troubled production



1Q FY2012	1Q FY2013					
Ordinary income excl. impact of inventory valuation	Petroleum business		Petrochemical business	Oil exploration and production business	Other	Ordinary income excl. impact of inventory valuation
	Margins and sales volume	other				

Unit: billion yen

	FY2013 (As of Jun. 30, '13)	FY2013 (As of Mar. 31, '13)	Changes
Total Assets	1,669.9	1,743.5	-73.6
Net assets	256.9	256.9	0
Net worth	229.1	230.5	-1.4
Net worth ratio	13.7%	13.2%	Up 0.5 points
Interest-bearing debts	826.7	842.9	-16.2
Debt dependence ratio	49.5%	48.3%	Down 1.2 points
Debt Equity Ratio	3.6	3.7	Up 0.1 points
Net interest-bearing debt *	695.8	713.2	-17.4
Debt dependence ratio	41.7%	40.9%	Down 0.8 points
Debt Equity Ratio	3.0	3.1	Up 0.1 points

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

Capital Expenditures, Depreciation, etc.

	Unit: billion yen	
	1Q FY2013 Results	Change from 1Q FY2012
Capital expenditures	7.7	-1.7
Depreciation expense amount	9.5	-1.9

Capital expenditures by Business Segment

	Unit: billion yen		
	1Q FY2013 Results	1Q FY2012 Results	Changes
Petroleum	6.7	6.7	0
Petrochemical	0.1	0.2	-0.1
Oil E&P	2.0	2.7	-0.7
Other	0.6	0.1	0.5
adjustment	-1.7	-0.3	-1.4
Total	7.7	9.4	-1.7

Supplementary Information

- P8** : [1Q FY2013 Results] Sales volume
- P9** : [1Q FY2013 Results]Crude Oil Procurement Cost and Processing Volume,
Topper Operating Ratios, Crude Oil Production Volume
- P10** : [1Q FY2013 Results] Results by Business Segment – Changes from 1Q FY2012
- P11** : [1Q FY2013 Results] Historical Changes in the Number of Employees, Oil Storage
Depots, SSs and Cards in Force
- P12** : [FY2013 Forecast] Forecast by Business Segment, Assumption of Crude Oil Price
and Exchange Rate, and Business Sensitivity thereto
- P13** : Diesel Fuel Export Results and Margin Environment
- P14** : Petrochemical business Aromatic Product Market Conditions

		Unit: million litre				FY2013 Full Year outlook changes from FY2012
		1Q FY2013 Results	1Q FY2012 Results	Changes	Changes	
Selling volume in Japan	Gasoline	1,468	1,428	40	102.8%	99.4%
	Kerosene	297	274	23	108.3%	100.0%
	Diesel fuel	1,068	1,103	-35	96.8%	95.1%
	Heavy fuel oil A	382	436	-54	87.7%	98.9%
	Sub-Total	3,216	3,242	-26	99.2%	98.1%
	Naphtha	1,657	1,329	328	124.7%	100.0%
	Jet fuel	93	92	1	101.4%	100.1%
	Heavy fuel oil C	448	700	-252	64.0%	92.1%
	inc. Heavy fuel oil C for electric	229	453	-224	50.5%	87.9%
	Sub-Total	5,414	5,363	51	100.9%	97.9%
Middle distillate export volume	Diesel fuel	619	45	574	1375.8%	2855.4%
	Kerosene/Jet	0	0	0	-	-
	Sub-Total	619	45	574	1375.8%	3429.2%
Bond sales, etc.	Jet fuel	431	437	-6	98.6%	107.3%
	Heavy fuel oil C	140	129	11	108.8%	105.7%
	Other	328	255	73	128.7%	57.0%
	Sub-Total	899	821	78	109.6%	93.0%
Barter deal, etc.		2,202	1,968	234	111.9%	108.5%
Total selling volume		9,133	8,197	936	111.4%	104.3%

[1] Crude oil procurement cost, processing volume and topper operating ratios

		1Q FY2013	1Q FY2012	Changes from 1Q FY2012	
Purchased price of crude oil	Crude oil (FOB) USD/BBL	103.24	116.45	-13.21	—
	JPY/USD exchange rate	97.96	81.48	16.48	—
	Purchased price of crude oil (tax inclusive) yen/KL	67,198	63,057	4,141	—
Crude oil refining	Refined crude oil volume (1,000 KL)	6,141	5,604	537	109.6%
	Atmospheric distillation operating ratio (Calendar Day)	66.8%	61.0%	5.8%	—
	Atmospheric distillation operating ratio (Streaming Day) *	81.3%	84.3%	-3.0%	—

*Streaming day indicates operating ratio excluding the impact of suspended operations due to regular repairs and maintenance, etc.

[2] Crude oil production volume

		1Q FY2013	1Q FY2012	Changes	Investment ratio
Oil E & P subsidiary production volume (BBL/D)	Abu Dhabi Oil Co., Ltd.	16,880	21,246	79.5%	63.0%
	Qatar Petroleum Development Co., Ltd.	6,819	7,562	90.2%	75.0%
	United Petroleum Development Co., Ltd.	13,462	12,156	110.7%	45.0%

* Production volume: Average Production volume by a project company during the term. Production volume of January-March, because each company ends its fiscal year in December.

1Q FY2013 Results – Changes from 1Q FY2012

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (excluding impact of inventory valuation, cost or market method)	
		Changes from 1Q FY2012		Changes from 1Q FY2012		Changes from 1Q FY2012		Changes from 1Q FY2012
Petroleum business	808.4	72.1	-10.8	24.8	-12.9	25.9	-12.7	4.8
Petrochemical business	6.8	-0.3	0.2	0.1	1.9	3.0	1.9	3.0
Oil E&P business	16.2	-6.0	9.2	-5.0	12.0	-5.7	12.0	-5.7
Other adjustment	15.3	0.2	0.9	1.0	1.3	1.1	1.3	1.1
	-24.4	0.6	1.6	1.6	1.6	1.5	1.6	1.5
Total	822.3	66.6	1.1	22.5	3.9	25.8	4.1	4.7

Cosmo Group of Companies (by Segment)

Petroleum business	Cosmo Oil Co., Ltd., Cosmo Oil Sales Corp, Cosmo Petroleum Gas Co., Ltd., Cosmo Oil Lubricants Co., Ltd., Sogo Energy Co., Ltd., etc.
Petrochemical business	Cosmo Matsuyama Oil Co., Ltd., CM Aromatics Co., Ltd., Maruzen Petrochemical Co., Ltd. (owned by the Cosmo Oil Group on the equity method), Hyundai Cosmo Petrochemical Co., Ltd. (owned by the Cosmo Oil Group on the equity method)
Oil E & P business	Abu Dhabi Oil Co., Ltd., Qatar Petroleum Development Co., Ltd., United Petroleum Development Co., Ltd. etc. (owned by the Cosmo Oil Group on the equity method), etc.
Other	Cosmo Engineering Co., Ltd., Cosmo Trade & Services Co., Ltd., EcoPower Co., Ltd., etc.

[1Q FY2013 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

[1] Workforce size (No. of persons)

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	1Q FY2013
Cosmo Oil alone	1,916	1,957	2,064	2,180	2,135	2,025	1,899	1,915
Cosmo Oil Group	3,335	3,299	3,269	3,325	3,268	3,098	2,840	2,858

* Data as of the end of March of each fiscal year.

* Group headcounts combine those of non-consolidated Cosmo Oil (up until FY2008), while combining those of non-consolidated Cosmo Oil, with those transferred, probationary employees and with senior employees (in FY2009 onwards).

[2] No. of oil storage depots (DTs)

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	1Q FY2013
No. of DTs	38	38	38	36	35	35	35	35

[3] No. of SSs by Operator Type

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	1Q FY2013
Subsidiary	1,122	1,104	1,023	1,025	967	939	914	910
Dealers	3,237	3,021	2,890	2,743	2,642	2,559	2,411	2,388
Total	4,359	4,125	3,913	3,768	3,609	3,498	3,325	3,298
Mobile SSs	57	53	47	43	36	34	33	32

* Data up to FY2005 as of the end of December of each year. Data in FY2006 onwards as of the end of March of the year following each fiscal year

[4] No. of Self-Service SSs out of the Total No. of SSs Mentioned [3] above.

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	1Q FY2013
Subsidiary	463	507	551	575	548	570	550	551
Dealers	326	360	404	429	455	437	449	450
Total	789	867	955	1,004	1,003	1,007	999	1,001
Share of Self-Service SSs	18.1%	21.0%	24.4%	26.6%	27.8%	28.8%	30.0%	30.4%

[5] Cosmo The Card-Number of cards issued (including the number of Opus cards in force from 2006 onwards)

(Unit: million cards)

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	1Q FY2013
No. of cards in force	2.80	3.05	3.35	3.57	3.67	3.81	3.97	4.00

Full-Year FY2013 Forecast, 2012 with Year-on-Year Changes

Unit: billion yen

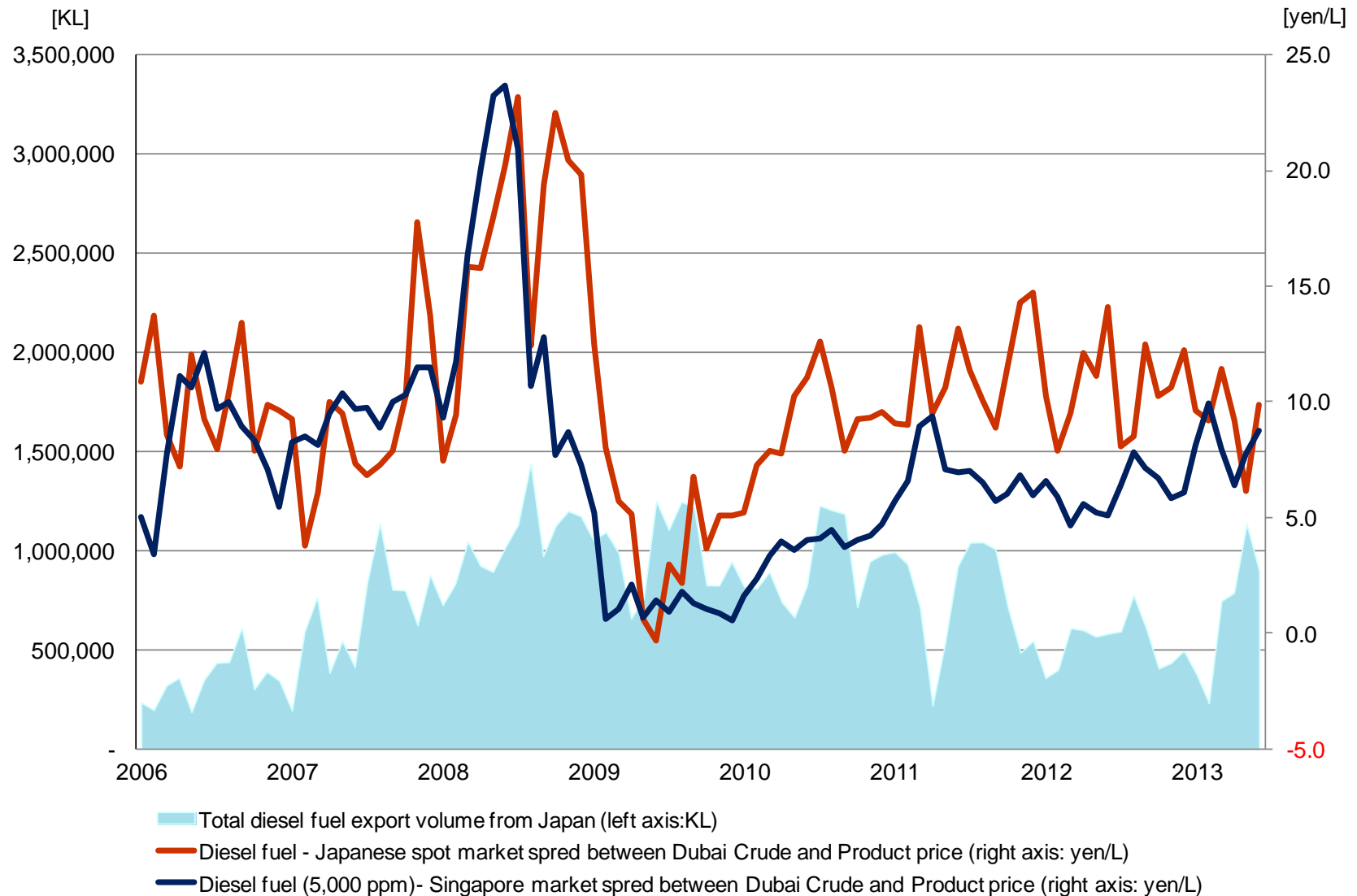
	Net Sales		Operating Income		Ordinary Income		Ordinary Income (excluding impact of inventory valuation, cost or market method)	
		Changes from FY2012		Changes from FY2012		Changes from FY2012		Changes from FY2012
Petroleum business	3,460.0	343.8	11.5	21.6	3.0	26.7	3.0	42.0
Petrochemical business	80.0	49.5	2.0	0.5	3.5	0.2	3.5	0.2
Oil E&P business	98.0	12.1	53.0	-1.3	55.5	-5.2	55.5	-5.2
Other	70.0	-16.3	3.0	-0.3	4.5	-0.4	4.5	-0.4
adjustment	-158.0	-5.8	-5.5	-8.9	-5.5	-8.7	-5.5	-8.7
Total	3,550.0	383.3	64.0	11.6	61.0	12.6	61.0	27.9

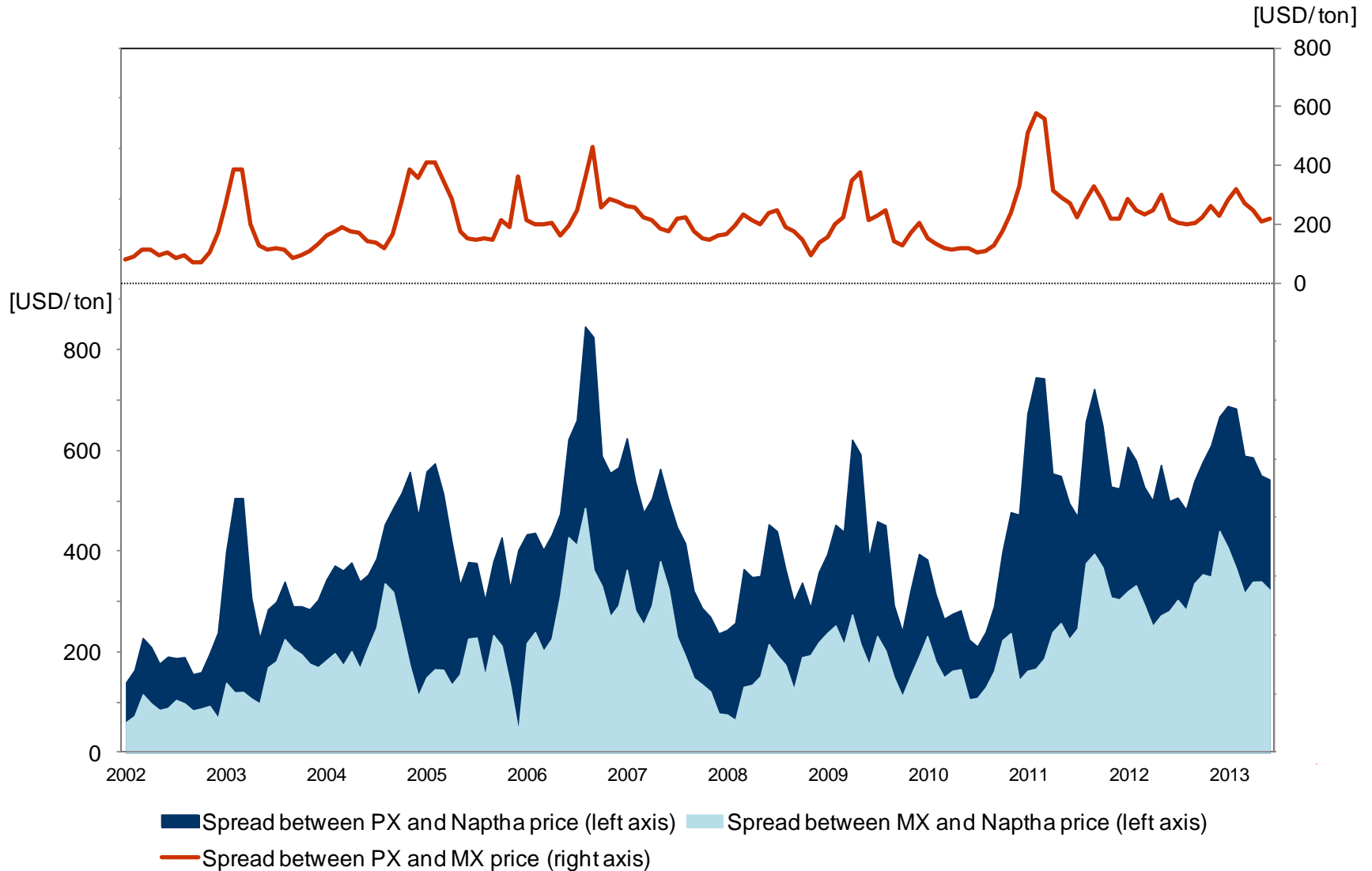
Assumption of Crude Oil Price and Exchange Rate, and Business Sensitivity thereto

	Precondition	Sensitivity	
		Petroleum Business	Oil E & P Business
Crude oil	100.0 USD/BBL	+1.9 billion yen	+0.8 billion yen
JPY/USD exchange rate	100.0 yen/USD	+1.9 billion yen	+0.8 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).

*A year period of Apr. 2013 to March 2014 adopted for sensitivity figure estimation for the petroleum business segment, and a nine-month period of Apr. 2013 to Dec. 2013, for the oil exploration and production business.





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.