

# Consolidated Statements of Cash Flows

Cosmo Oil Company, Limited and Consolidated Subsidiaries

Millions of yen

|   | FY2011<br>(From April 1, 2011<br>to March 31, 2012) | FY2012<br>(From April 1, 2012<br>to March 31, 2013) |
|---|---|---|
| <b>Net cash provided by (used in) operating activities</b>          |   |   |
| Income (loss) before income taxes and minority interests            | ¥ 35,381  | ¥ (2,536)   |
| Depreciation and amortization                                       | 39,738  | 36,789  |
| Amortization of negative goodwill                                   | (1,251)   | (1,281)   |
| Amortization of goodwill  | —   | 206   |
| Impairment loss   | 3,397   | 5,032   |
| Loss (gain) on sales of noncurrent assets                           | (572)   | (502)   |
| Loss (gain) on disposal of noncurrent assets                        | 3,140   | 2,906   |
| Loss on disaster  | 22,694  | —   |
| Loss on accident of asphalt leakage                                 | —   | 14,304  |
| Loss on litigation  | —   | 3,230   |
| Loss (gain) on sales of investment securities                       | (67)  | —   |
| Loss (gain) on sales of stocks of subsidiaries and affiliates       | (946)   | —   |
| Loss (gain) on valuation of investment securities                   | 1,240   | 515   |
| Loss on valuation of stocks of subsidiaries and affiliates          | 19  | —   |
| Insurance income  | (4,639)   | (360)   |
| Interest and dividends income                                       | (2,017)   | (1,974)   |
| Interest expenses   | 12,323  | 12,430  |
| Foreign exchange losses (gains)                                     | 911   | (2,287)   |
| Equity in (earnings) losses of affiliates                           | (2,933)   | (7,083)   |
| Increase (decrease) in allowance for doubtful accounts              | (88)  | (260)   |
| Increase (decrease) in provision for special repairs                | 1,294   | 716   |
| Increase (decrease) in provision for retirement benefits            | 1,148   | 649   |
| Increase (decrease) in provision for business structure improvement | —   | 12,003  |
| Increase (decrease) in provision for environmental measures         | (48)  | 3,350   |
| Decrease (increase) in notes and accounts receivable-trade          | (31,449)  | (14,941)  |
| Recovery of recoverable accounts under production sharing           | 7,512   | 6,414   |
| Decrease (increase) in inventories                                  | (40,547)  | (48,205)  |
| Increase (decrease) in notes and accounts payable-trade             | 50,992  | (23,877)  |
| Decrease (increase) in other current assets                         | (25,549)  | 21,072  |
| Increase (decrease) in other current liabilities                    | 31,149  | 12,640  |
| Decrease (increase) in investments and other assets                 | 3,964   | 1,806   |
| Increase (decrease) in other noncurrent liabilities                 | 1,662   | 2,604   |
| Other, net  | (1,324)   | 3,167   |
| Subtotal  | 105,136   | 36,530  |
| Interest and dividends income received                              | 5,910   | 3,315   |
| Interest expenses paid  | (12,743)  | (12,863)  |
| Payments for loss on disaster                                       | (16,811)  | (7,348)   |
| Payments for loss on litigation                                     | (2,259)   | —   |
| The amount of the money deposit paid                                | (3,225)   | —   |
| Payments for loss on accident of asphalt leakage                    | —   | (12,593)  |
| Proceeds from insurance income                                      | 3,547   | 1,712   |
| Income taxes paid   | (35,937)  | (29,703)  |
| Net cash provided by (used in) operating activities                 | ¥ 43,616  | ¥(20,950)   |

Millions of yen

|   | FY2011<br>(From April 1, 2011<br>to March 31, 2012) | FY2012<br>(From April 1, 2012<br>to March 31, 2013) |
|---|---|---|
| <b>Net cash provided by (used in) investing activities</b>                          |   |   |
| Purchase of short-term investment securities  | ¥ (9)   | ¥ (9)   |
| Proceeds from sales and redemption of securities                                    | 11  | 11  |
| Purchase of investment securities   | (776)   | (411)   |
| Proceeds from sales and redemption of investment securities                         | 226   | 793   |
| Purchase of stocks of subsidiaries and affiliates                                   | (3,791)   | (4,683)   |
| Proceeds from sales and liquidation of stocks of subsidiaries and affiliates        | 1,444   | 62  |
| Purchase of investments in subsidiary resulting in change in scope of consolidation | —   | (6,268)   |
| Purchase of property, plant and equipment   | (17,497)  | (30,415)  |
| Payments for disposal of property, plant and equipment                              | (1,526)   | (2,023)   |
| Proceeds from sales of property, plant and equipment                                | 1,763   | 2,413   |
| Payments for purchases of intangible assets and long-term prepaid expenses          | (7,104)   | (38,284)  |
| Decrease (increase) in short-term loans receivable                                  | 1,204   | (478)   |
| Payments of long-term loans receivable  | (79)  | (106)   |
| Collection of long-term loans receivable  | 264   | 340   |
| Proceeds from withdrawal of time deposits   | —   | 23,657  |
| Payments into time deposits   | —   | (25,125)  |
| Other, net  | 65  | 45  |
| Net cash provided by (used in) investing activities                                 | (25,805)  | (80,481)  |
| <b>Net cash provided by (used in) financing activities</b>                          |   |   |
| Net increase (decrease) in short-term loans payable                                 | 17,436  | 67,435  |
| Proceeds from long-term loans payable   | 50,140  | 85,733  |
| Repayment of long-term loans payable  | (46,504)  | (59,681)  |
| Proceeds from issuance of bonds   | —   | 19,631  |
| Redemption of bonds   | —   | (840)   |
| Cash dividends paid   | (6,779)   | (6,779)   |
| Cash dividends paid to minority shareholders  | (2,576)   | (671)   |
| Proceeds from stock issuance to minority shareholders                               | 28  | 11  |
| Other, net  | (137)   | (144)   |
| Net cash provided by (used in) financing activities                                 | 11,606  | 104,695   |
| Effect of exchange rate change on cash and cash equivalents                         | (1,329)   | 4,005   |
| Net increase (decrease) in cash and cash equivalents                                | 28,088  | 7,268   |
| Cash and cash equivalents at beginning of period                                    | 94,343  | 122,431   |
| Cash and cash equivalents at end of period  | ¥122,431  | ¥129,699  |