

Cosmo Oil Co., Ltd.
The Fourth Consolidated Medium-Term
Management Plan
Progress Made in FY2011 and Future Policy

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Today's Agenda



Actual Consolidated Ordinary Income for FY2011 (Excluding Inventory Valuation Impact) of 36.2 billion yen (Down 37.6 billion yen from FY2010) ; a significant decrease primarily reflecting suspended operations of the Chiba Refinery

■ **Suspended Operations of the Chiba Refinery**

- ⇒ 1) Alternative supply cost burden (*)
- 2) Suspended exports of petroleum products
- 3) Shrunk margins

■ **Despite of decreased crude oil production, Oil E&P business underpinned the earnings of the Cosmo Oil Group.**

(*) Alternative supply cost :

Additional cost necessary for imports of petroleum products from overseas and for purchases of such products in Japan in order to make up for reduced production due to the suspended operations of the refinery, thereby assuming the Company's responsibility for stable supply of energy.

Forecast for Consolidated Ordinary Income (Excluding Inventory Valuation Impact) for FY2012 : 94.0 billion yen (Up 57.8 billion yen from FY2011); profit improvement expected to be driven by the Petroleum and the Oil E&P Business. FY2012 is the Year to Complete the 4th Medium-Term Management Plan

■ **Resumption in Operations of the Chiba Refinery**

- ⇒ 1) Elimination of alternative supply cost burden
- 2) Resumption of exports
- 3) Optimization of margins

■ **Crude oil production recovery in volume**

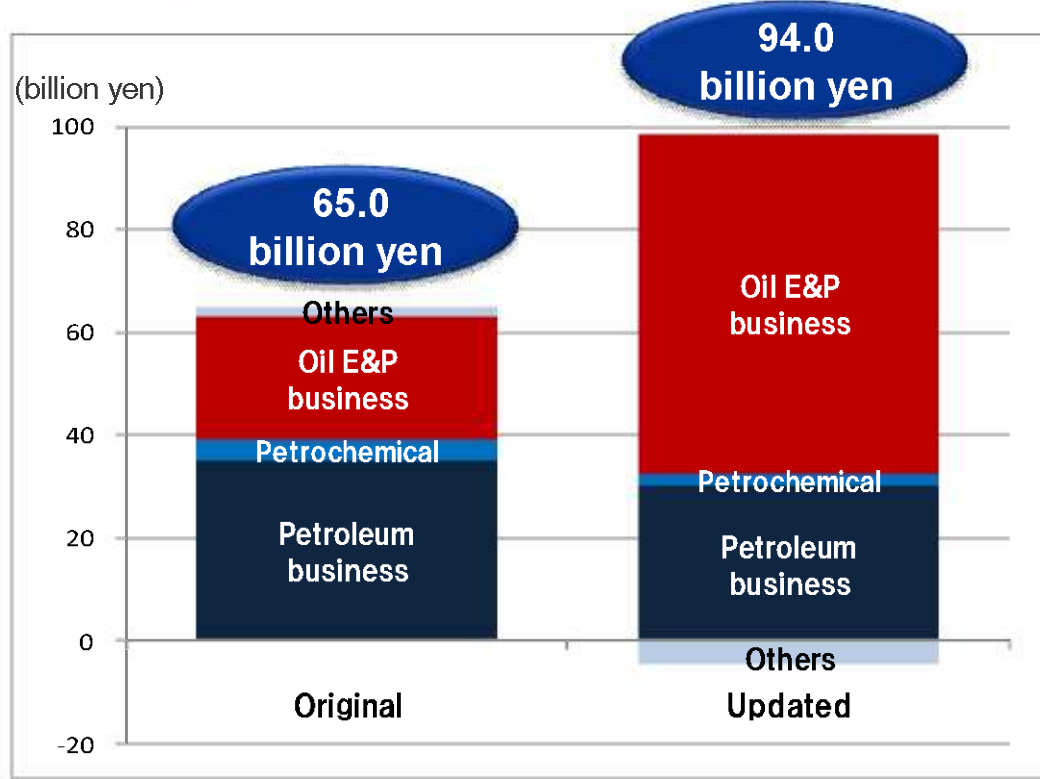
■ **Refining capacity reduction**

Safe and stable operations of the Chiba Refinery represent the major premise of profit recovery.

FY2012 – Updated Profit Plan (vs. the Originally Announced Medium-Term Management Plan: Excluding Inventory Valuation Impact)

**VS. the Originally Announced Plan, Up 29.0 billion yen in Profit
significant profit increase expected due to profit increase brought
by the Oil E&P Business**

**FY2012 - Consolidated Ordinary Income Plan
(Excluding Inventory Valuation Impact)**



<Assumptions>

	Original	Updated
Crude oil price (USD/BBL)	75.0	115.0
JPY/USD exchange rate	90.0	80.0

Scheme toward Crude Oil Production Increase

Qatar

- **New oil field :**
A-Structure South oil field (April 2011 ~)
Implement stable production as early as possible to establish the level of 9,000 barrels/day (BD) (up from conventional 6,000 BD)

Abu Dhabi

- **A new mine lot : Hail oil field**
Currently under preparations for 3-D earthquake mine exploration

Australia

- **AC/P4 Mining Lot**
Shift toward drilling operations at the oil well under exploration



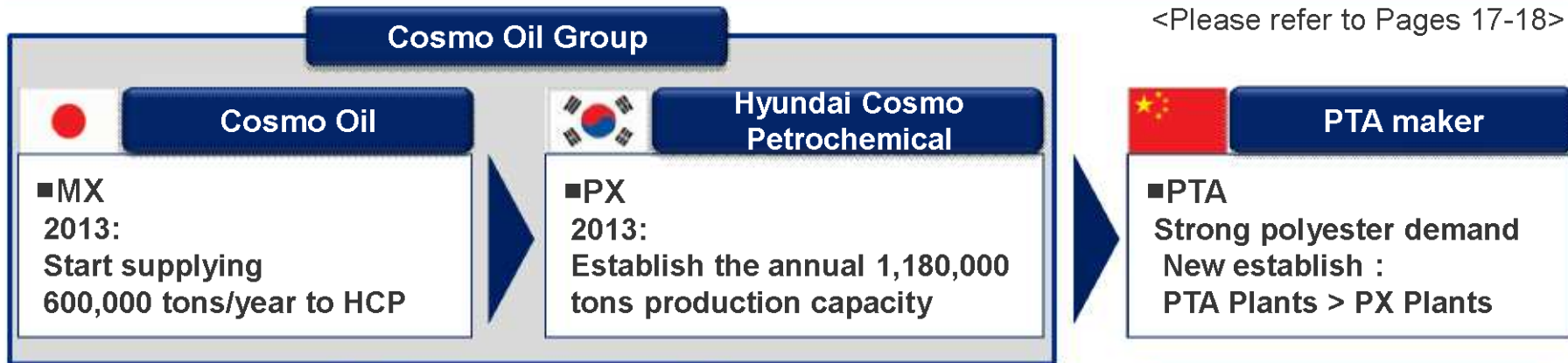
Mine lot map
<Please refer to Pages 14-16>

Receive maximum benefit brought by high levels of crude oil prices
⇒ **Expand the profit scale for the oil exploration and production business**

Expand the Aromatic Compound Business

- MX production capacity : Existing unit 300,000 + **New unit 300,000** (April 2012) ⇒ 600,000 tons/year
- PX production capacity : Existing unit 380,000 + **New unit 800,000** (December 2012) ⇒ 1,180,000 tons/year
- BZ production capacity : Existing unit 120,000 + **New unit 110,000** (December 2012) ⇒ 230,000 tons/year

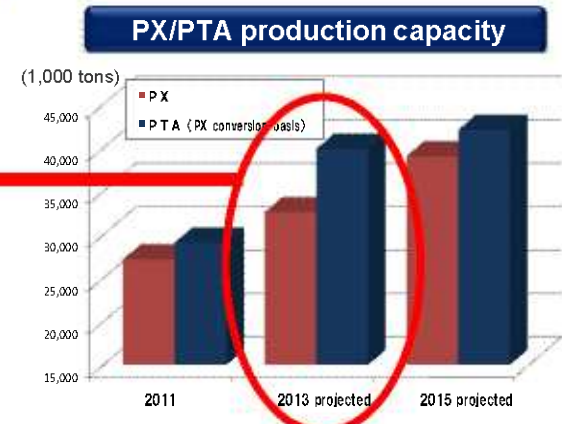
<Please refer to Pages 17-18>



Start production at the time of tight PX demand/supply

↓

Grow the Petrochemical Business into one of the major income streams for the Group



* MX = Mixed xylene * BZ = Benzene
 * PX = Paraxylene * PTA = Purified Terephthalic acid

* Production capacity in the Asia, Oceania and Middle East regions
 * The above chart developed by Cosmo Oil by referring to CMAI, Chemical Daily, etc.

Actual Results of EcoPower Co., Ltd. Until FY2011-End

- Enhanced maintenance capability to ensure stable income at existing operating sites.
- After the 2010 acquisition by Cosmo Oil Group, a turnaround into profit was achieved.



Direction in FY2012 Onward

The feed-in tariff scheme for renewable energy sourced electricity scheduled to be launched, effective July 1, 2012 to improve business viability of EcoPower

Increase in priority access to the grid system of electricity produced by renewable energy sources and deregulation promotion to increase business opportunities



Aim to earn more income through the wind power business and consider developing new sites for power generation

1

Adverse impact by suspended operations of the Chiba Refinery reached about 54.0 billion yen centering on alternative supply cost. This was combined with reduction in a part of deferred tax assets due to tax reforms, resulting in recording net loss of 9.1 billion yen in FY2011.

2

FY2012 is expected to see resumed operations of the Chiba Refinery to almost eliminate alternative supply cost and to see full-fledged resumption of exports of petroleum products. Flexible production adjustments will also be made to optimize petroleum product margins, forecast to increase profit led by the petroleum business.

[FY2011 Results] Consolidated Income Statements - Changes from FY2010

Unit: billion yen

	FY2011 (Results)	FY2010 (Results)	Changes
Net sales	3,109.7	2,771.5	338.2
Cost of sales	2,918.2	2,539.0	379.2
Selling, general and administrative expenses	127.9	128.4	-0.5
Operating income	63.6	104.1	-40.5
Non-operating income/expenses, net	-2.2	-8.0	5.8
Ordinary income	61.4	96.1	-34.7
Extraordinary income/losses, net	-26.0	-22.6	-3.4
Income taxes	38.9	42.2	-3.3
Minority interests	5.6	2.4	3.2
Net income (loss)	-9.1	28.9	-38.0

【Reference】

Impact of inventory valuation	25.2	22.3	2.9
Operating income excluding impact of inventory valuation	38.4	81.8	-43.4
Ordinary income excluding impact of inventory valuation	36.2	73.8	-37.6

Unit: billion yen

	FY2011 (Results)	FY2010 (Results)	Changes
Consolidated ordinary income	61.4	96.1	-34.7
Impact of inventory valuation	25.2	22.3	2.9
NET Consolidated ordinary income	36.2	73.8	-37.6
①Purchased price of crude oil	①110.87 USD/B	①82.17 USD/B	①28.70 USD/B
②JPY/USD exchange rate	②79.02 yen/USD	②86.04 yen/USD	②-7.02 yen/USD

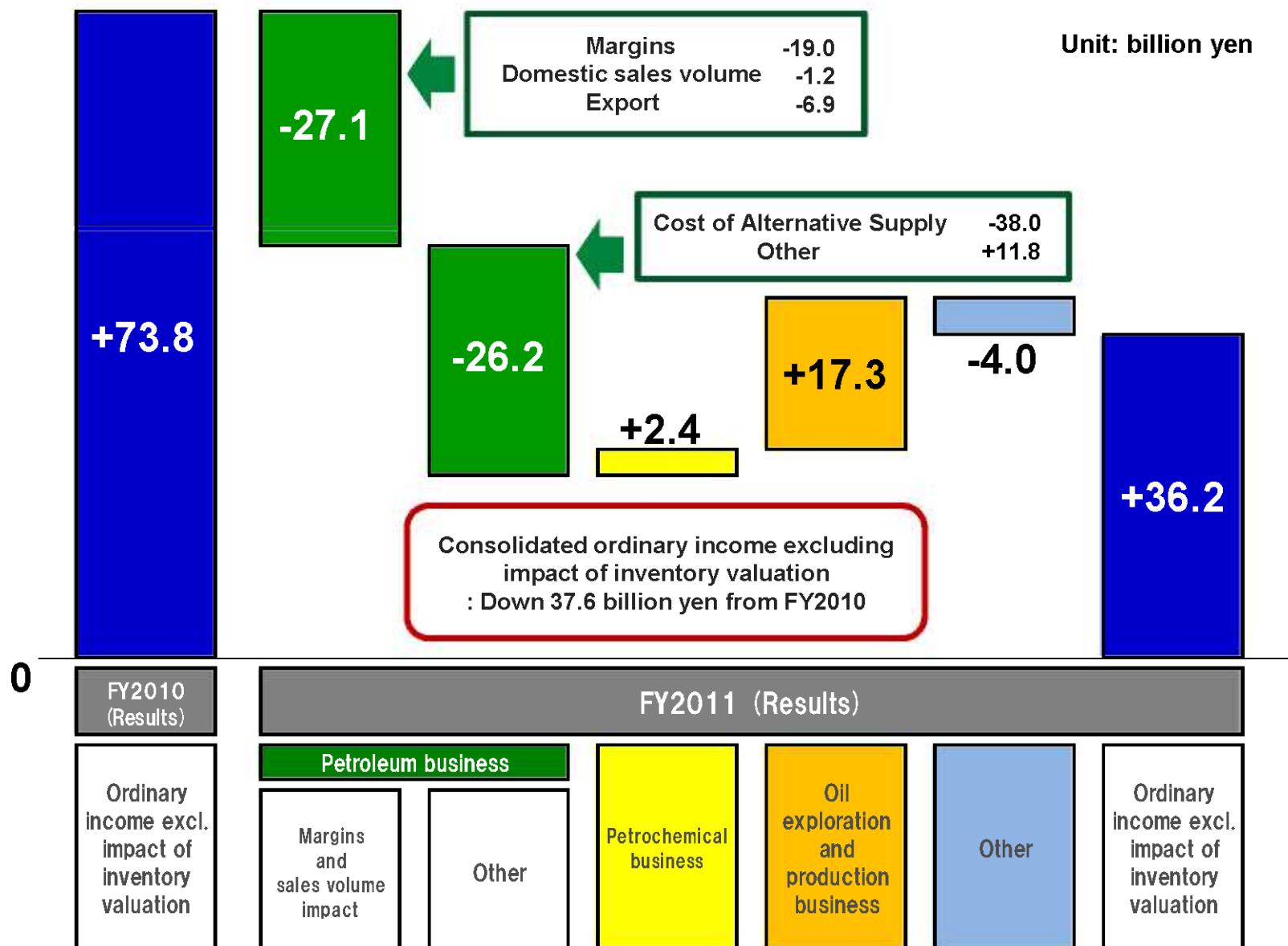
Unit: billion yen

Consolidated Ordinary Income by Business Segment

	FY2011 (Results)	FY2010 (Results)	Changes
Petroleum business	8.0*	58.4	-50.4
NET Petroleum business	-17.2	36.1	-53.3
Petrochemical business	2.1	-0.3	2.4
NET Petrochemical business	2.1	-0.3	2.4
Oil E & P business	52.0	34.7	17.3
Other	-0.7	3.3	-4.0

Notes: * Includes impact of inventory valuation ¥ 25.2billion

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



[FY2011 Results] Outline of Consolidated Cash Flows and Balance Sheet

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	FY2011(Results) (As of Mar. 31, '12)	Change from FY10 (As of Mar. 31, '11)	Unit: billion yen
Cash flows from operating activities	43.6	–	
Cash flows from investing activities	-25.8	–	
Cash flows from financing activities	11.6	–	
Cash and cash equivalents at end of the period	122.4	28.1	

	FY2011(Results) (As of Mar. 31, '12)	FY2010(Results) (As of Mar. 31, '11)	Changes
Total Assets	1,675.1	1,579.4	95.7
Net assets	337.4	350.2	-12.8
Net worth	316.9	332.7	-15.8
Net worth ratio	18.9%	21.1%	Down 2.2 points
Interest-bearing debts	721.2	700.1	21.1
Debt dependence ratio	43.1%	44.3%	Up 1.2 points
Debt Equity Ratio	2.3	2.1	Down 0.2 points
Net interest-bearing debt *	598.8	605.8	-7.0
Debt dependence ratio	35.7%	38.4%	Up 2.7 points
Debt Equity Ratio	1.9	1.8	Down 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

Unit: billion yen

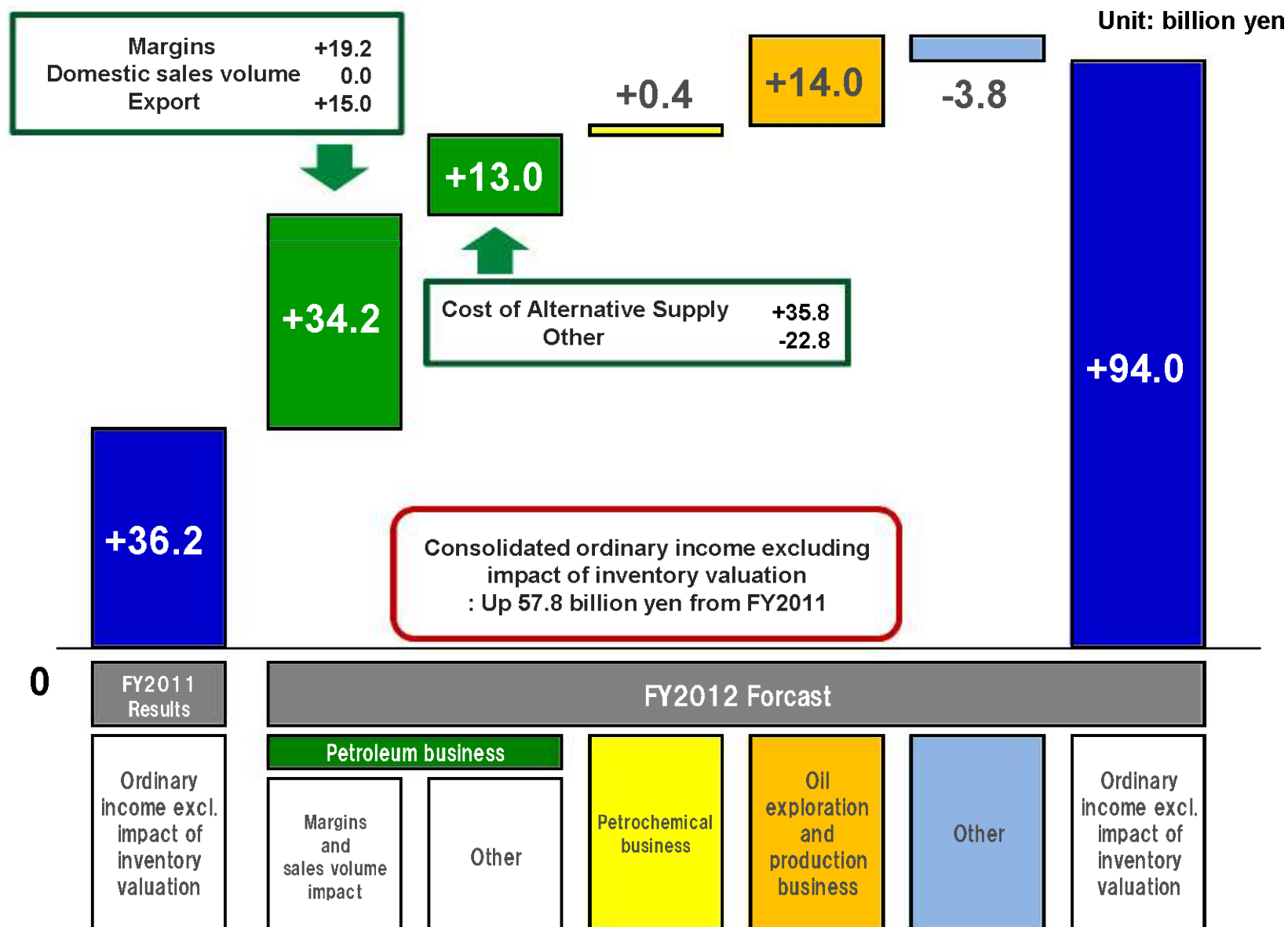
	FY2012 (Forecast)	FY2011 (Results)	Changes
Consolidated ordinary income	94.0	61.4	32.6
Impact of inventory valuation	0.0	25.2	-25.2
NET Consolidated ordinary income	94.0	36.2	57.8
①Purchased price of crude oil	①115.00 USD/B	①110.87 USD/B	①4.13 USD/B
②JPY/USD exchange rate	②80.00 yen/USD	②79.02 yen/USD	②0.98 yen/USD

Unit: billion yen

Consolidated Ordinary Income by Business Segment

	FY2012 (Forecast)	FY2011 (Results)	Changes
Petroleum business	30.0	8.0	22.0
NET Petroleum business	30.0	-17.2	47.2
Petrochemical business	2.5	2.1	0.4
NET Petrochemical business	2.5	2.1	0.4
Oil E & P business	66.0	52.0	14.0
Other	-4.5	-0.7	-3.8

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

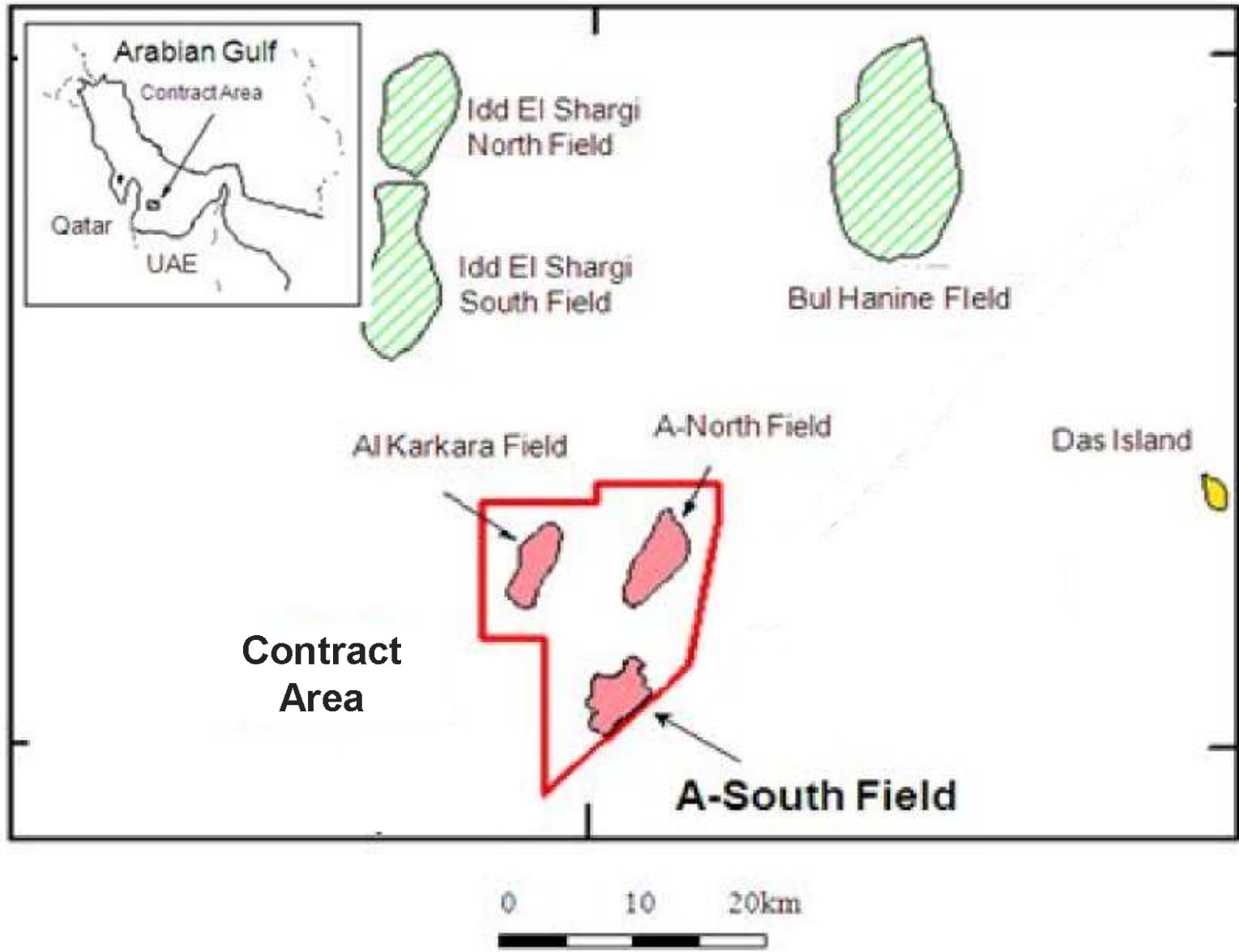


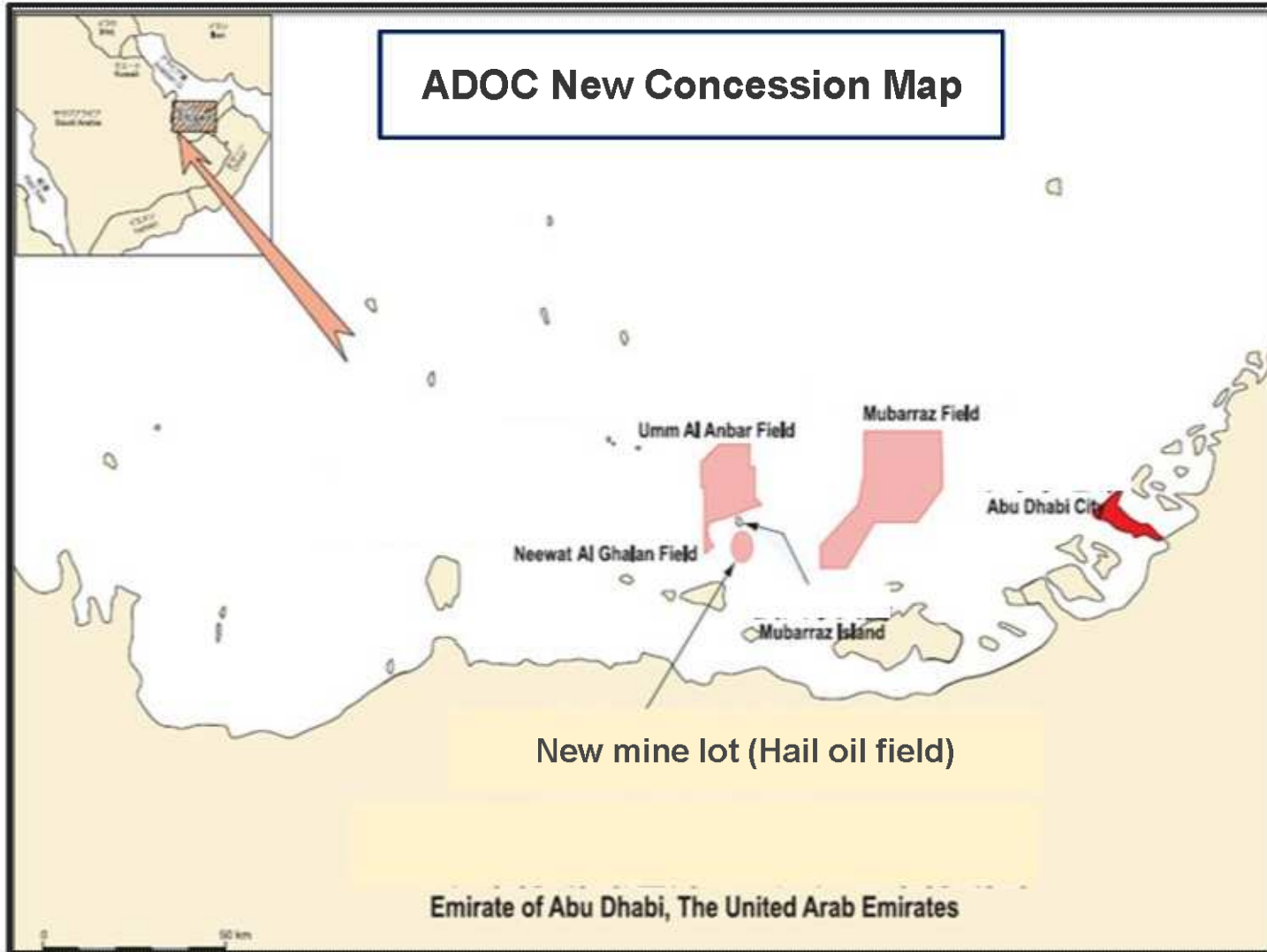
Supplementary Information

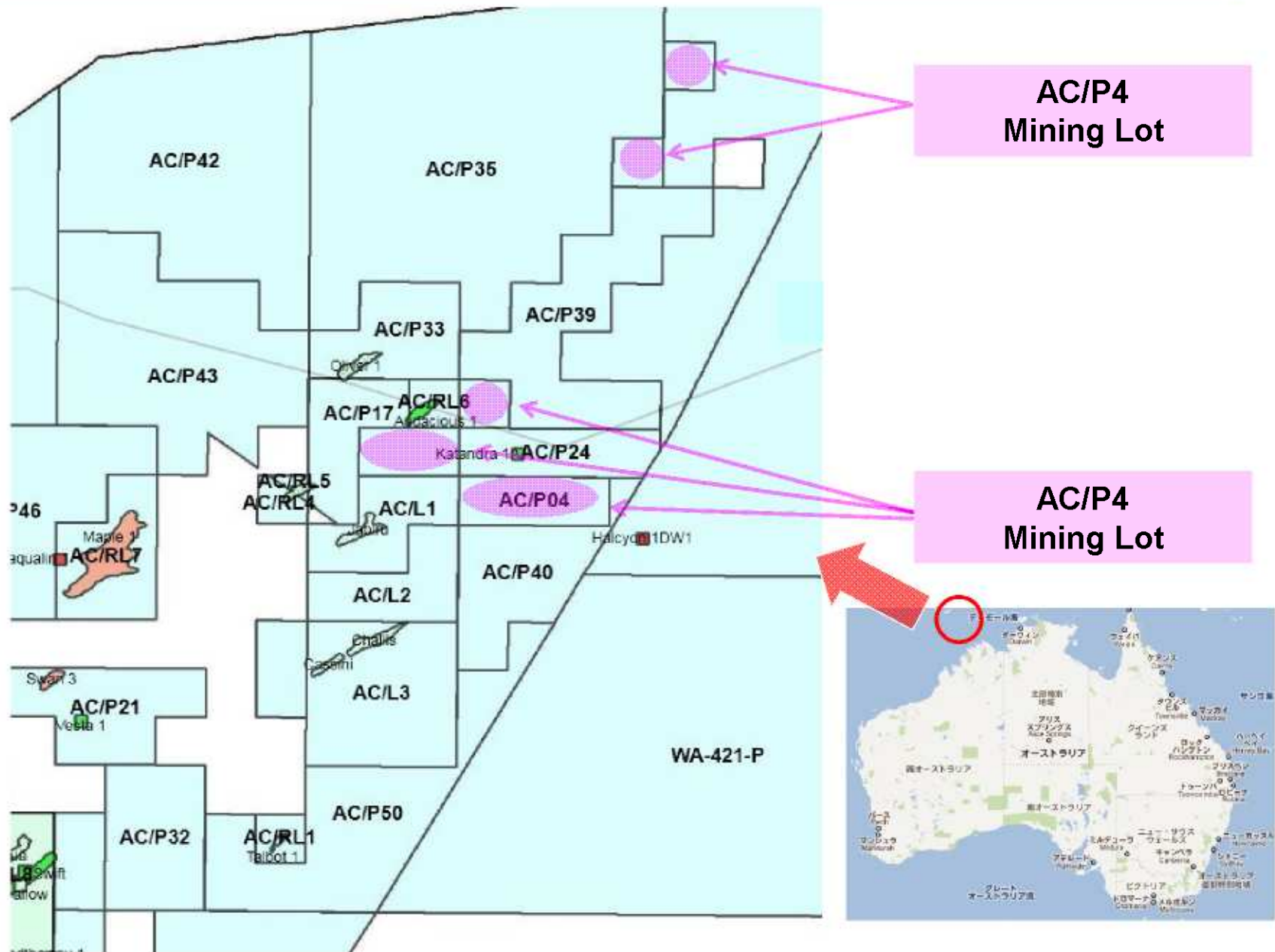
- P14-16: [Reference] Petrochemical Mine Lot Map (Qatar, Abu Dhabi, Australia)
- P17-18: [The 4th Medium-Term Management Plan (Petrochemical business)]
Aromatic Compound Business Expansion (Entry into the PX Business (1)(2))
- P19: [The 4th Medium-Term Management Plan (Environmental and New Energy Businesses)]
ALA Business
- P20: [FY2011 Results & FY2012 Forecast] Selling volume
- P21: [FY2011 Results] Crude Oil Procurement Cost and Processing Volume,
Topper Operating Ratios, Crude Oil Production Volume
- P22: [FY2011 Results & FY2012 Forecast] Segment-Specific Analysis on A Year-On-Year
Basis and Sensitivity
- P23: [FY2011 Results & FY2012 Forecast] Outline of Capital Expenditures and Depreciation
Expenses
- P24: [FY2011 Results] Historical Changes in the Number of Employees, Oil Storage Depots,
SSs and Cards in Force
- P25: [Reference] Diesel Fuel Export Results and Margin Environment
- P26-27: [Reference] Petrochemical business Aromatic Product Market Conditions (1)&(2)

* Updated “Data Book” and “Glossaries” can be viewed at the following Company’s IR website:

<http://www.cosmo-oil.co.jp/ir/financial/index.html>









Enjoying the merits of expanding business abroad (Korea)

- 1. Use a favorable corporate tax rate (of 22.0%)
- 2. Preferential tax treatment for foreign companies
【Preferential tax after taxable income generation】
 - ① 1st -5th year : 11.0%
 - ② 6th -7th year : 16.5%
 - ③ 8th - : 22.0%

PX

HCP

MX



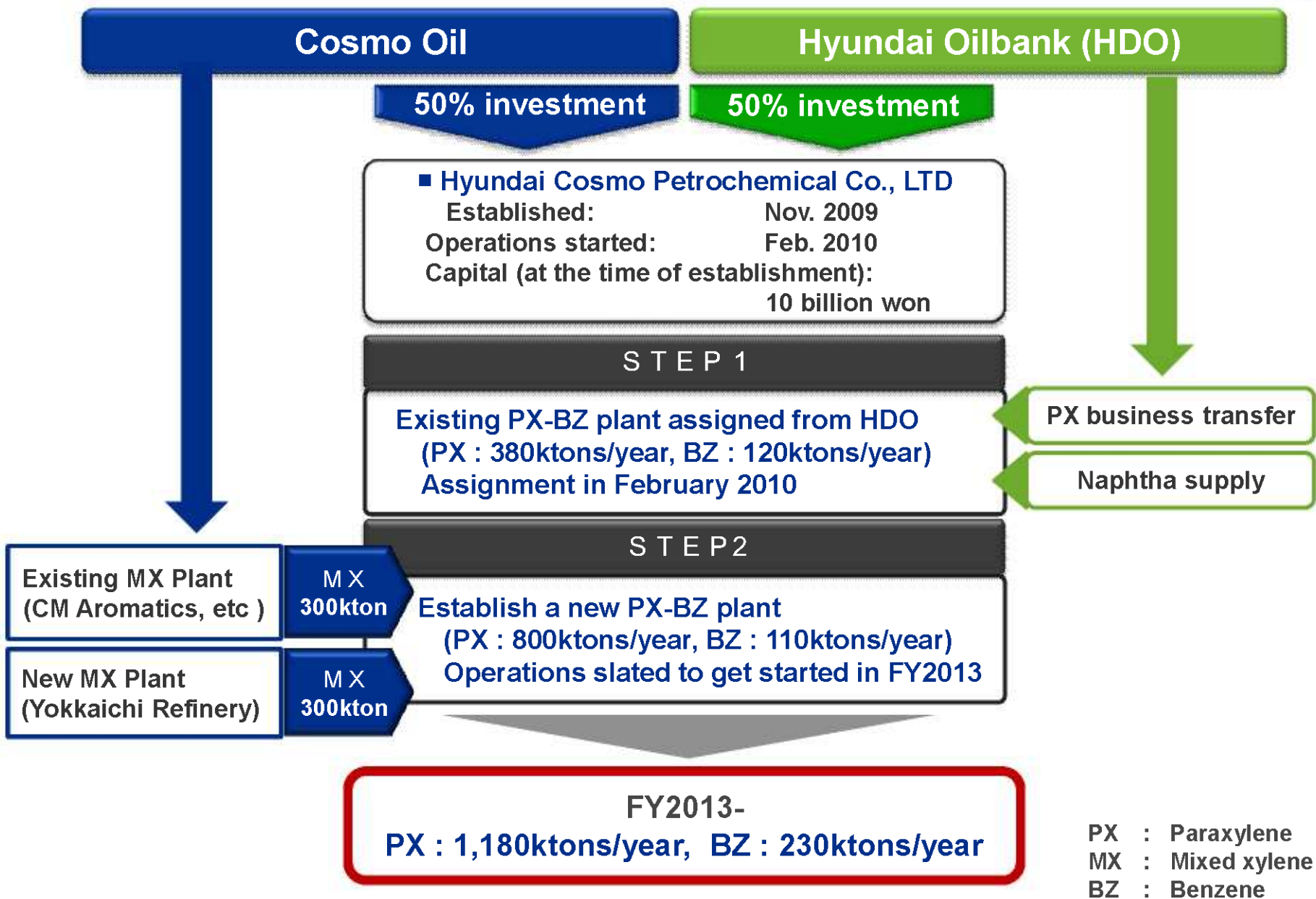
Enjoying of expanding China market

- 1. Strong polyester demand
- 2. Increase in the PX margin

Japanese Tax and MX Plants

- 1. Exemption of tax charge against dividends received from a foreign subsidiary.
- 2. Using MX plants in Cosmo Oil Group
 - Existing MX unit (CM Aromatics, etc.,)
 - New MX Plant (Yokkaichi Refinery)
 - = Total : 600ktons / year

[The 4th Medium-Term Management Plan (Petrochemical business)]
 Aromatic Compound Business Expansion (Entry into the PX Business 2)



New business evolution in the field of environment & ecology

Raw material

Raw material business ◆ Projects in blue indicate businesses commercially launched

- ◆ Currently manufacturing and selling the technical product for fertilizers, healthy food, animal feed and reagents for lab tests
- ◆ Currently preparing for the systems for manufacturing and selling the technical product for pharmaceutical products

Cosmo Oil supplies for about 80% of the global ALA demand

Finalized Products

Fertilizer business

- ◆ Currently selling liquid fertilizers of “Pentakeep” (for the agriculture market) and “PentaGarden” (for horticulture market)
- ⇒ The liquid fertilizer line for the agriculture market marks strong sales (in the Netherlands, Italy and other parts of Europe in addition to Japan)
- ⇒ Launch a new product in March 2012 in the liquid fertilizer line for the horticulture market

Animal feed business

- ◆ Already got a newly-developed product registered with the regulator as a raw material for fish feed and currently selling in Japan (finished product now being sold by Intervet)

Pharmaceutical, cosmetics and healthy food businesses

- ◆ Healthy food ⇒ Nutritional supplement product launched by a partner company (in Japan)
- ◆ Cosmetics (hand and face cream products currently sold by a partner company)
- ◆ Substance used for diagnostic tests during brain tumor surgeries and cancer treatment
 - ⇒ Clinical trial currently underway for an intraoperative diagnostic drug for brain tumors
- ◆ Hair growth reagents ⇒ Under development jointly with Milbon Co.

Being promoted by SBI Group

[FY2011 Results - FY2012 Forecast] Sales volume

Unit: million litre

		FY2011 (Results)	FY2010 (Results)	Changes	Changes	Forecast for FY2012 changes from FY2011
Selling volume in Japan	Gasoline	6,249	6,316	-67	98.9%	100.4%
	Kerosene	2,416	2,442	-26	98.9%	98.1%
	Diesel fuel	4,615	4,462	153	103.4%	98.6%
	Heavy fuel oil A	2,196	2,429	-233	90.4%	90.5%
	Sub-Total	15,476	15,649	-173	98.9%	98.1%
	Naphtha	6,224	6,693	-469	93.0%	107.4%
	Jet fuel	477	533	-56	89.4%	103.3%
	Heavy fuel oil C	2,555	2,075	480	123.2%	112.9%
	inc. Heavy fuel oil C for electric	1,402	840	562	166.9%	127.2%
	Sub-Total	24,732	24,950	-218	99.1%	102.1%
Middle distillate export volume	Diesel fuel	145	907	-762	16.0%	1036.6%
	Kerosene/Jet	64	219	-155	29.3%	754.7%
	Sub-Total	209	1,125	-916	18.6%	949.2%
Bond sales, etc.	Jet fuel	1,535	1,598	-63	96.1%	103.3%
	Heavy fuel oil C	492	542	-50	90.7%	100.6%
	Other	408	426	-18	95.9%	169.8%
	Sub-Total	2,435	2,566	-131	94.9%	113.9%
Barter deal, etc.	9,717	10,184	-467	95.4%	95.4%	
Total selling volume	37,094	38,825	-1,731	95.5%	105.9%	

[FY2011 Results] Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Crude Oil Production Volume

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

		FY2011	FY2010	Changes from FY2010	
Purchased price of crude oil	Crude oil (FOB) USD/BBL	110.87	82.17	28.70	—
	JPY/USD exchange rate	79.02	86.04	-7.02	—
	Purchased price of crude oil (tax inclusive) yen/KL	58,610	47,777	10,833	—
Crude oil refining	Refined crude oil volume (1,000 KL)	19,148	25,562	-6,414	74.9%
	Atmospheric distillation operating ratio (Calendar Day)	51.4%	78.8%	-27.4%	—
	Atmospheric distillation operating ratio (Streaming Day)	86.2%	89.6%	-3.4%	—

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

* The official topper capacity reduced (from 635,000 BD to 555,000 BD), effective Feb. 2, 2010 and the capacity increased (from 555,000 BD to 635,000 BD), effective March 15, 2011.

[2] Crude oil production volume

		FY2011	FY2010	Changes	Investment ratio
Oil E & P subsidiary production volume (BBL/D)	Abu Dhabi Oil Co., Ltd.	22,059	22,909	96.3%	63.0%
	Qatar Petroleum Development Co., Ltd.	6,208	6,236	99.5%	75.0%
	United Petroleum Development Co., Ltd.	10,411	13,009	80.0%	45.0%

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

[FY2011 Results - FY2012 Forecast] Business Segment , Sensitivity

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Unit: billion yen

FY2011 Results	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Inventory valuation excluding cost or market method impact)	
		Changes from FY2010		Changes from FY2010		Changes from FY2010		Changes from FY2010
Petroleum business	3,055.6	326.8	12.8	-53.5	8.0	-50.4	-17.2	-53.3
Petrochemical business	29.4	-16.5	0.9	0.5	2.1	2.4	2.1	2.4
Oil E&P business	87.6	17.7	51.8	16.5	52.0	17.3	52.0	17.3
Other	71.6	2.9	1.5	0.2	2.9	0.2	2.9	0.2
Write-off	-134.5	7.3	-3.4	-4.2	-3.6	-4.2	-3.6	-4.2
Total	3,109.7	338.2	63.6	-40.5	61.4	-34.7	36.2	-37.6

Unit: billion yen

FY2012 Forecast	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Inventory valuation excluding cost or market method impact)	
		Changes from FY2011		Changes from FY2011		Changes from FY2011		Changes from FY2011
Petroleum business	3,260.0	204.4	37.5	24.7	30.0	22.0	30.0	47.2
Petrochemical business	48.0	18.6	1.0	0.1	2.5	0.4	2.5	0.4
Oil E&P business	98.0	10.4	63.0	11.2	66.0	14.0	66.0	14.0
Other	85.0	13.4	2.0	0.5	3.0	0.1	3.0	0.1
Write-off	-141.0	-6.5	-7.5	-4.1	-7.5	-3.9	-7.5	-3.9
Total	3,350.0	240.3	96.0	32.4	94.0	32.6	94.0	57.8

Sensitivity

	Petroleum Business	Oil E & P Business
Crude oil + 1 USD/BBL	1.2 billion yen	0.6 billion yen
JPY/USD + 1 exchange rate	1.7 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 twelve-month period of Apr. 2012 to March 2013 adopted for sensitivity figure estimation for the petroleum business segment, and a nine-month period of Apr. 2012 to Dec. 2012, for the oil exploration and production business.

[FY2011 Results - FY2012 Forecast] Highlights of Consolidated Capital Investment

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Capital Expenditures, Depreciation, etc.

[FY2011 Results]

Unit : billion yen

	FY2011 Results	Change from FY2010
Capital expenditures	27.9	-36.5
Depreciation expense amount	50.6	-0.5

[FY2012 Forecast]

	FY2012 Forecast	Change from FY2011
Capital expenditures	94.7	66.8
Depreciation expense amount	45.3	-5.3

Capital expenditures by Business Segment

[FY2011 Results]

Unit : billion yen

	FY2011 Results	FY2010 Results	Changes
Petroleum	17.5	42.6	-25.1
Petrochemical	0.5	1.1	-0.6
Oil E&P	9.6	22.0	-12.4
Other	0.2	0.1	0.1
adjustment	0.1	-1.4	1.5
Total	27.9	64.4	-36.5

[FY2012 Forecast]

	FY2012 Forecast	FY2011 Results	Changes
Petroleum	27.4	17.5	9.9
Petrochemical	0.9	0.5	0.4
Oil E&P	64.1	9.6	54.5
Other	3.5	0.2	3.3
adjustment	-1.2	0.1	-1.3
Total	94.7	27.9	66.8

[FY2011 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

[1] Workforce size (No. of persons)

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Cosmo Oil alone	1,729	1,718	1,916	1,957	2,064	2,180	2,135	2,025
Cosmo Oil Group	3,480	3,451	3,335	3,299	3,269	3,325	3,268	3,098

* Data as of March 31 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)

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
No. of DTs	38	38	38	38	38	36	35	35

[3] Estimated No. of SSs by Operator Type

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Subsidiary	1,065	1,190	1,122	1,104	1,023	1,025	967	939
Dealers	3,639	3,361	3,237	3,021	2,890	2,743	2,642	2,559
Total	4,704	4,551	4,359	4,125	3,913	3,768	3,609	3,498
Mobile SSs	107	95	57	53	47	43	36	34

* Data up to FY2005 as of December 31 of each year. Data in FY2006 onwards as of March 31 of the year following each fiscal year

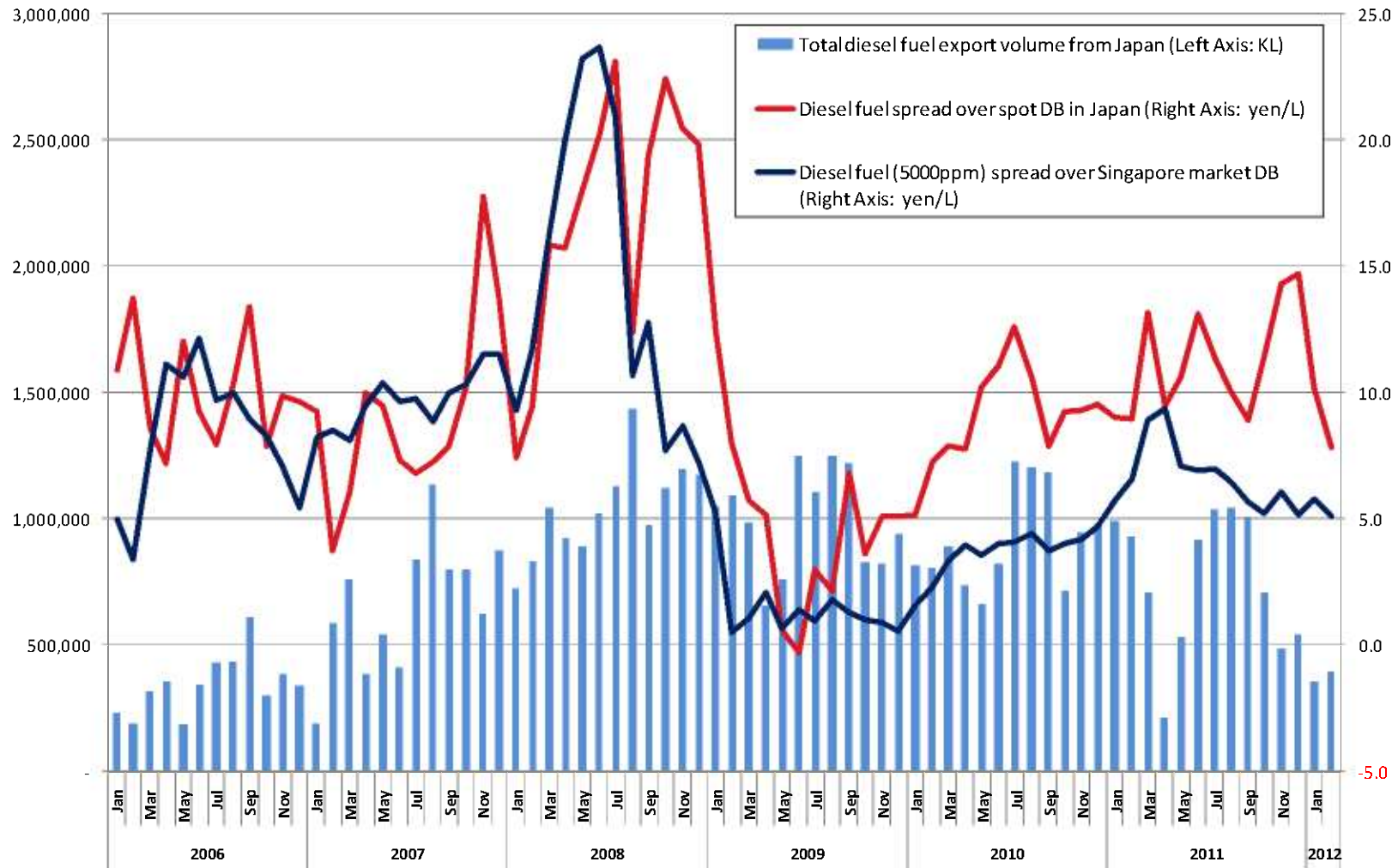
[4] No. of Self-Service SSs out of the Total Estimated No. of SSs Mentioned [3] above.

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Subsidiary	295	370	463	507	551	575	548	570
Dealers	188	256	326	360	404	429	455	437
Total	483	626	789	867	955	1,004	1,003	1,007
Share of Self-Service SSs	10.3%	13.8%	18.1%	21.0%	24.4%	26.6%	27.8%	28.8%

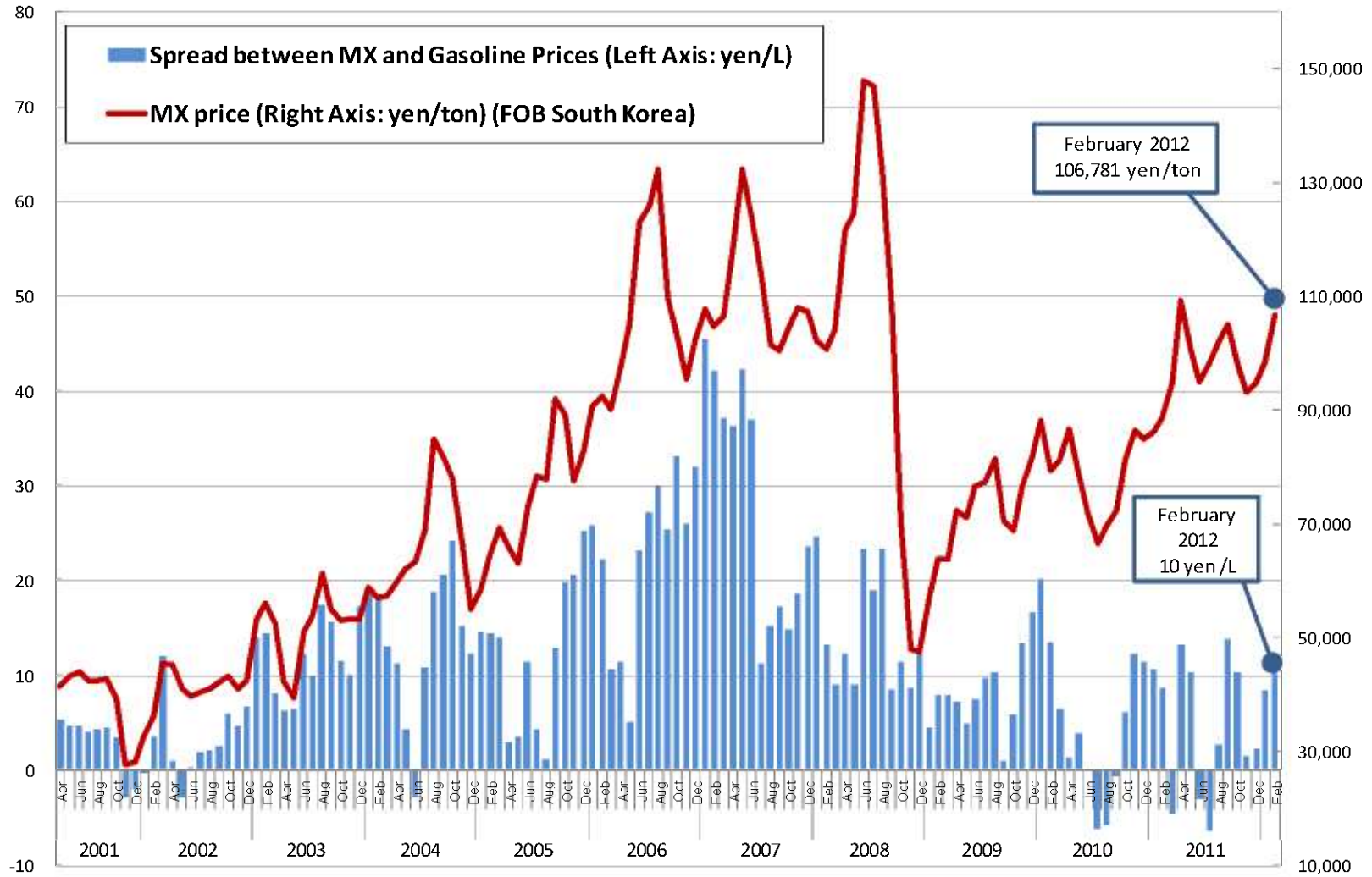
[5] Cosmo The Card – Number of cards issued (including the number of Opus cards in force from 2006 onwards) (Unit: million cards)

	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
No. of cards in force	2.42	2.55	2.80	3.05	3.35	3.57	3.67	3.93

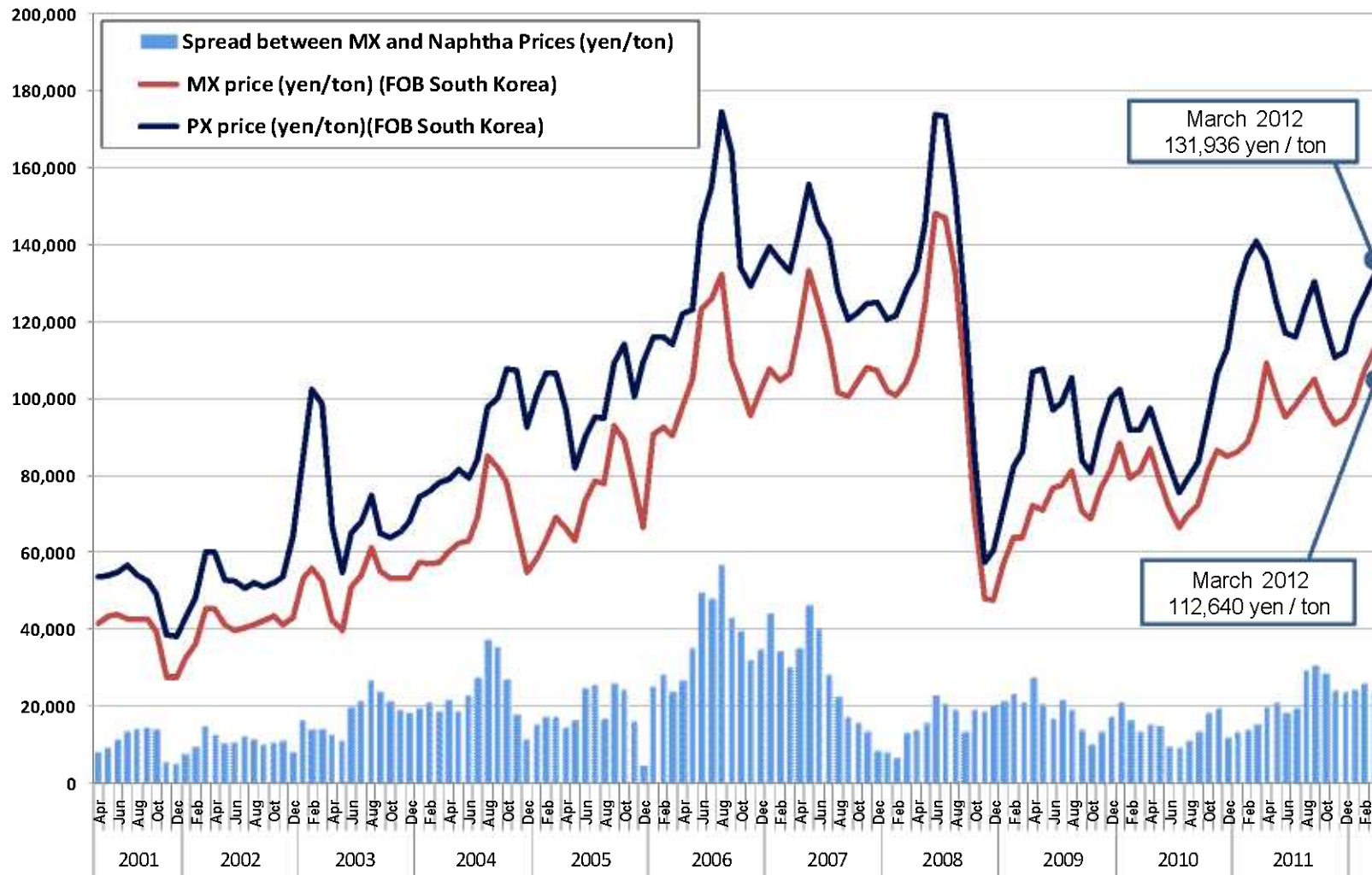
Historical Changes in Diesel Fuel Export Volume and in Domestic and Overseas Margins



Historical Change in MX Market Conditions and Spreads between MX Prices and Gasoline Prices



Historical Change in PX & MX Market Conditions and Spreads between MX Prices and Naphtha Prices



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.