COSMO OIL CO., LTD.

Annual Report 2013

for the year ended March 31, 2013

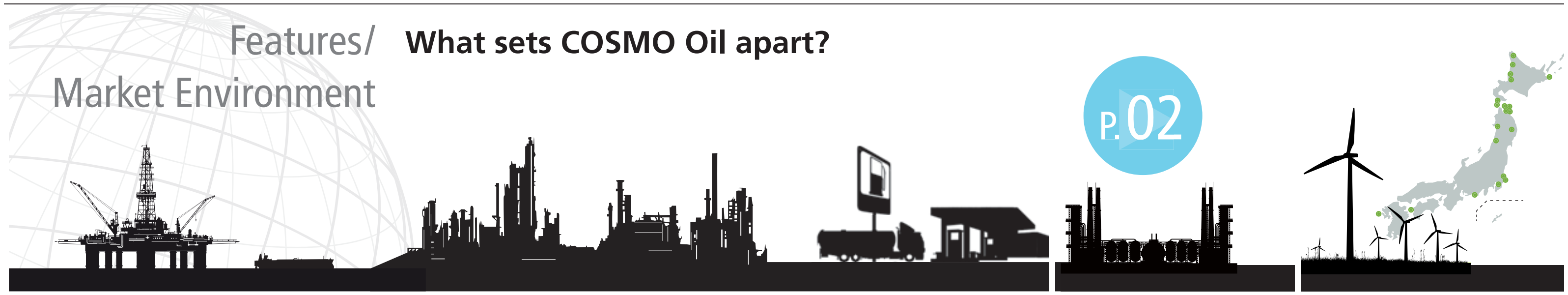
Moving Forward on a Growth Path

President, Chief Executive Officer

KEIZO MORIKAWA

The Cosmo Oil Group launched its five-year Medium-Term Management Plan in April 2013. In order to secure a robust operating platform, the Group is committed to regaining profitability in the refining and marketing sector while enhancing and expanding its crude oil development, petrochemical, renewable energy, and related business portfolios.

The Cosmo Oil Group is driven by its mission to fulfill the diverse needs of society by ensuring the stable supply of energy. With this as our guiding light, we will embark on a new journey to become a vertically integrated global energy company from a long-term perspective.



BUILDING A PLATFORM FOR FUTURE GROWTH

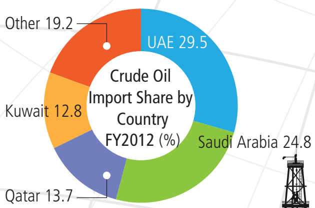
What sets COSMO Oil apart?

Features

OIL EXPLORATION AND PRODUCTION BUSINESS

Trends in the Ratio of Crude Oil Self-Development

Fiscal 2010 approx. 4.6%
→Fiscal 2012 approx. 5.5%



Core Areas:

Abu Dhabi, United Arab Emirates (U.A.E.)

- Fiscal 2012 crude oil production volume
  Abu Dhabi Oil Co., Ltd. 21,062 barrels/day
  United Petroleum Development Co., Ltd. (Abu Dhabi & Qatar ocean boundary) 13,447 barrels/day
- Acquired a new concession agreement for the Hail Oil Field with plans to commence production in fiscal 2016

Qatar

- Fiscal 2012 crude oil production volume
  Qatar Petroleum Development Co., Ltd. 7,047 barrels/day

Sub-Core Areas:

Australia

- Plans in place for the drilling of exploration wells at the AC/P4 mining lot

PETROLEUM BUSINESS

Total Refining Capacity (Barrels/day)

• Chiba Refinery	Refining Capacity: 220,000
• Yokkaichi Refinery	Refining Capacity: 175,000
• Sakai Refinery	Refining Capacity: 100,000
• Sakaide Refinery	Refining Capacity: 140,000 Scheduled to close in July 2013
	Total: 635,000

Trends in Refinery Capacity Utilization Rates

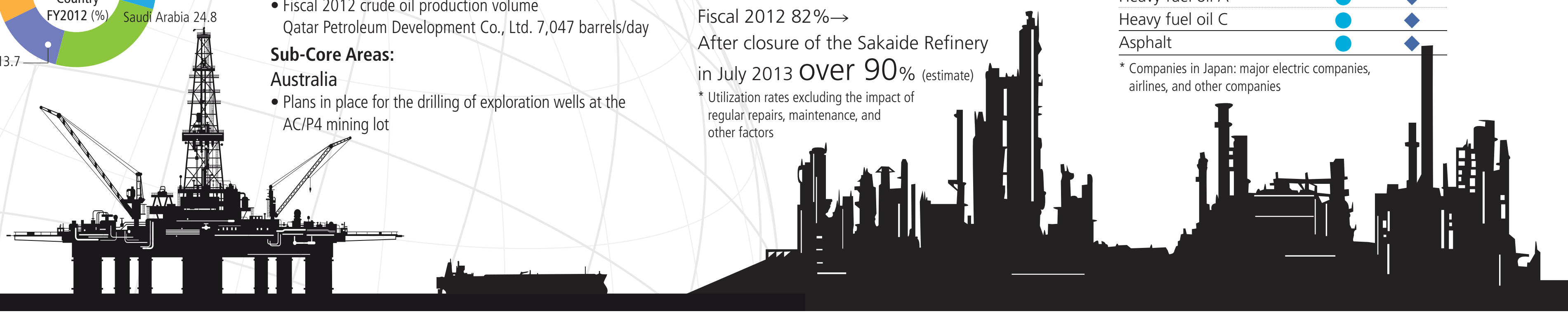
Fiscal 2012 82%→
After closure of the Sakaide Refinery in July 2013 over 90% (estimate)

* Utilization rates excluding the impact of regular repairs, maintenance, and other factors

Marketing Structure by Petroleum Products

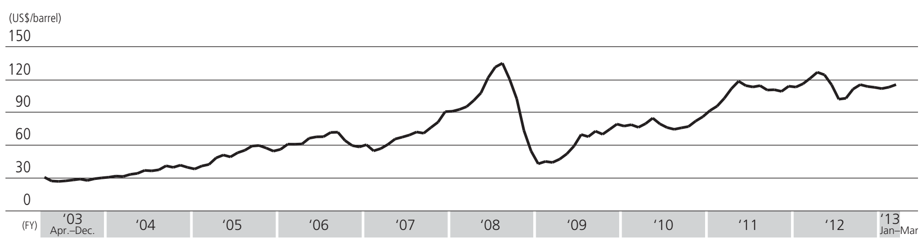
Petroleum Product	SSs in Japan	Companies in Japan	Overseas Export
LP gas	●	●	
Gasoline	●		
Naphtha		●	
Kerosene	●	●	
Jet fuel		●	◆
Diesel fuel	●	●	◆
Heavy fuel oil A		●	◆
Heavy fuel oil C		●	◆
Asphalt		●	◆

* Companies in Japan: major electric companies, airlines, and other companies

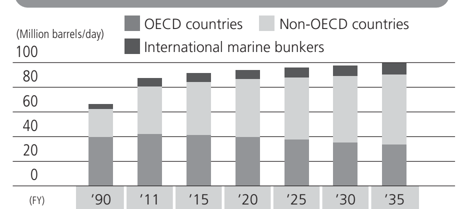


Market Environment

Crude Oil CIF Prices (April 2003 – March 2013)

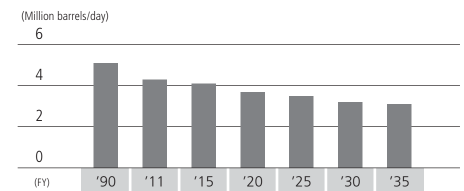


Outlook for Global Demand for Petroleum Products



Source: IEA "World Energy Outlook 2012"

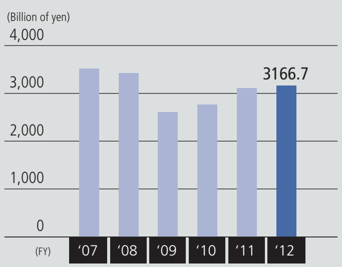
Outlook for Demand for Petroleum Products in Japan



Source: IEA "World Energy Outlook 2012"

Consolidated Financial Highlights

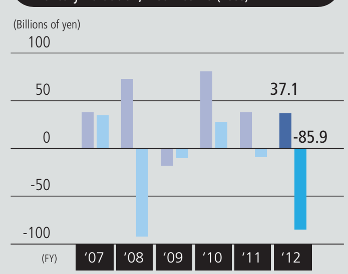
Net Sales



Net Sales

- Sales prices increased on the back of an upswing in crude oil prices resulting from the weak yen
- Turning to foreign currency exchange markets, the value of the yen appreciated from a rate of ¥83 per U.S. dollar as of the beginning of the period to ¥77 yen per U.S. dollar in September 2012. Thereafter, growing expectations toward extensive monetary relaxation policies adopted by the Bank of Japan drove down the value of the yen to ¥96 per U.S. dollar in March 2013.

Operating Income (Loss) Excluding the Impact of Inventory Valuation, Net Income (Loss)



Operating Income Excluding the Impact of Inventory Valuation

- On an operating income basis, earnings in the oil exploration and production business improved due mainly to the increase in crude oil prices. In contrast, earnings declined in the petroleum business owing largely to weak market conditions in Japan's four mainstay products and declining demand.

Net Loss

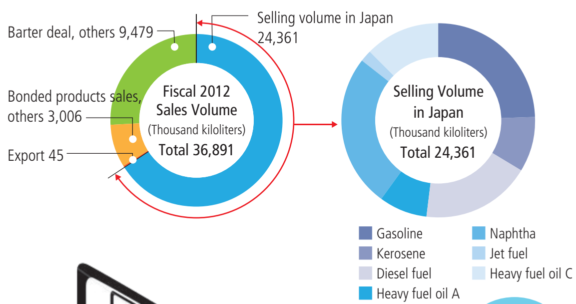
- Tax expenses increased due mainly to the reversal of deferred income taxes attributable to a review of the realizability of deferred tax assets
- During the fiscal year under review, the Company provided for losses relating to the closure of the Sakaide Refinery. At the same time, Cosmo Oil incurred an extraordinary loss in connection with fixed costs relating to the suspension of operations at the Chiba Refinery

Operating income (loss) excluding the impact of inventory valuation / Net income (loss)

PETROCHEMICAL BUSINESS

WIND POWER GENERATION BUSINESS

Fiscal 2012 Composition of Petroleum Product Sales



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Manufactured Chemicals and Production Capacity (Tonnes/year)

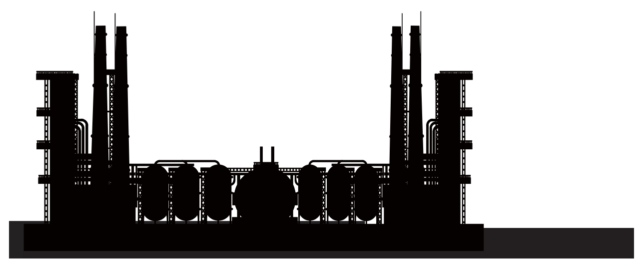
Hyundai Cosmo Petrochemical Co., Ltd. (HCP)
- Para-xylene*: 1,180,000
- Benzene*: 250,000

Cosmo Oil Co., Ltd. Yokkaichi Refinery
- Mixed xylene: 300,000

CM Aromatics Co., L td.
- Mixed xylene: 270,000

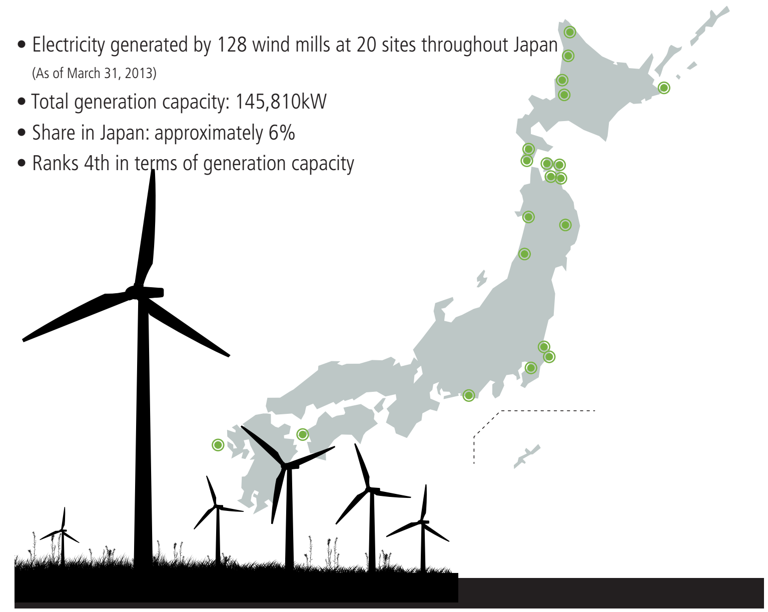
Cosmo Matsuyama Oil Co., Ltd.
- Mixed xylene: 30,000

* HCP is also responsible for sales

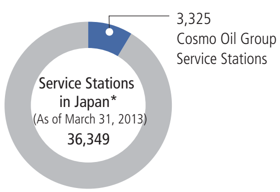


Main Wind Power Generation Sites Operated by EcoPower

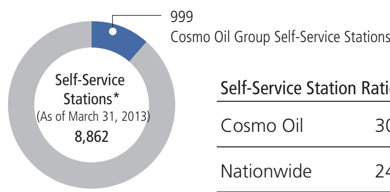
- Electricity generated by 128 wind mills at 20 sites throughout Japan (As of March 31, 2013)
- Total generation capacity: 145,810kW
- Share in Japan: approximately 6%
- Ranks 4th in terms of generation capacity



Number of Service Stations in Japan



Number of Self-Service Gasoline Stations



Self-Service Station Ratio	
Cosmo Oil	30%
Nationwide	24%

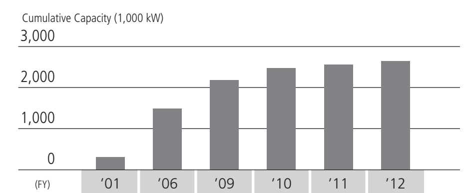
* Source: The Petroleum Association of Japan (PAJ) "Petroleum Industry in Japan 2013" (Released by: The Oil Information Center of Japan's Ministry of Economy, Trade and Industry (METI)

Global Demand for Para-xylene

		Global Total	Asia Total	Breakdown of Asia	
				China	India
Demand (Millions of tonnes)	FY2011	27.5	21.6	7.9	2.1
	FY2017	39.1	31.1	16.8	3.4
Increase (Millions of tonnes)	FY 2011-2017	11.5	9.5	8.9	1.3
Rate of Growth (%)	FY 2011-2017	6.0	6.3	13.4	8.4

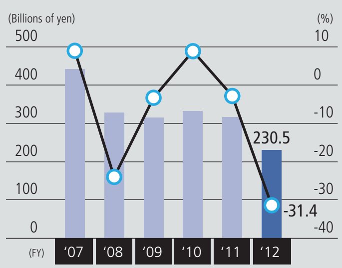
Source: "Forecast of Global Supply and Demand Trends for Petrochemical Products" issued by Japan's Ministry of Economy, Trade and Industry (April 2013)

Trends in Wind Power Generation Capacity (Cumulative) in Japan

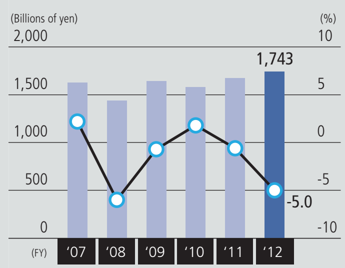


Source: Japan Wind Power Association

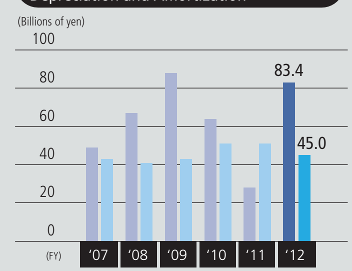
Net Assets Excluding Minority Interests, ROE



Total Assets , ROA



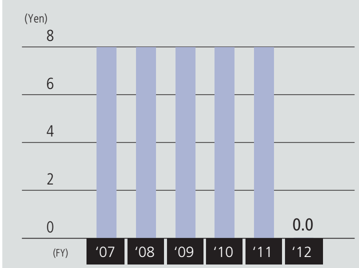
Capital Expenditures, Depreciation and Amortization



* Depreciation and amortization includes recovery of recoverable accounts under production sharing from FY2006 through FY2012. In FY2011 and FY2012, depreciation and amortization also includes depreciation applicable to fixed assets idled as a result of the fire at the Chiba Refinery caused by the Great East Japan Earthquake.

Capital expenditures
Depreciation and amortizations

Cash Dividends per Share



Actual Results 01

Progress in Rationalizing the Company's Operations

Focusing Mainly on Marketing

Rationalization of oil refining operations carried into the new medium-term management plan

Over the three-year period from fiscal 2010 to fiscal 2012, the plan was to rationalize operations by approximately ¥25.0 billion. Cosmo Oil got off to a good start with rationalization efforts totaling ¥15.7 billion in fiscal 2010. Buffeted by the Great East Japan Earthquake in March 2011, however, the Company was forced to suspend part of the plan due to the shutdown of operations at the Chiba Refinery. As a result, rationalization initiatives from fiscal 2011 to fiscal 2012 were held to ¥1.9 billion. Taking into account the aforementioned factors, rationalization results totaled ¥17.6 billion for the three-year period, or 70% of the original target.

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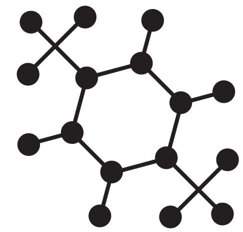

Actual Results 02

Fostering New Mainstay Businesses

Boosting the Company's presence and standing in the para-xylene (PX) manufacturing business

Hyundai Cosmo Petrochemical Co., Ltd. (HCP), a joint venture with South Korea-based Hyundai Oilbank Co., Ltd. (HDO), completed construction of the world's largest PX production unit, increasing annual capacity by 800,000 tonnes. Commercial production commenced in January 2013.

In addition, consolidated subsidiaries CM Aromatics Co., Ltd. and Cosmo Matsuyama Oil Co., Ltd. undertake the production of mixed xylene (MX), a basic constituent of PX, in Japan. To complement this production, a new MX production facility with an annual capacity of 300,000 tonnes was completed within the Yokkaichi Refinery in 2011. As a result, the Cosmo Oil Group has the capacity to supply 1,180,000 tonnes of PX, 600,000 tonnes of MX, and 250,000 tonnes of benzene annually through its petrochemical business.

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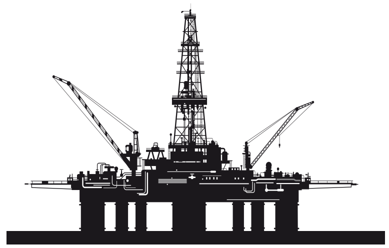
Rationalization and New Businesses

Actual Results 03



Efficiently Expanding Business in Core Areas

Strengthening the oil exploration & production business

In February 2011, Abu Dhabi Oil Co., Ltd. (ADOC) signed a New 30-Year Concession Agreement covering three existing U.A.E. oil fields and an additional concession area, namely the Hail Field. The Hail Field is located adjacent to ADOC's existing three oil fields. This additional area is distinguished in its ability to shorten the period needed for production by utilizing existing equipment while holding down investment costs. In addition, Qatar Petroleum Development Co., Ltd. (QPD) commenced production at the A-South Oil Field in April 2011.

Please see page 14, 15

Actual Results 04

Expanding Activities Outside the Oil Domain

Engaging in wind power generation operations in earnest

Recognizing the stable supply of energy as a core underlying mission of the Company, Cosmo Oil has engaged in wind power generation operations in Sakata City, Yamagata Prefecture since 2004 as a part of efforts to promote the use of renewable energy. In March 2010, the Company acquired EcoPower Co., Ltd., Japan's fourth-largest wind power generating company, marking its full-scale entry into the renewable energy market. EcoPower has a total generation capacity of 145,810 kW, with a share of around 6% of the domestic market.

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Fostering the ALA (5-Amino Levulinic Acid) business

ALA is an amino acid that is essential to sustaining living organisms. Cosmo Oil Group successfully developed a low-cost, mass production method using a fermentation process that enables the application of ALA across a wider range of fields. Under its Fourth Consolidated Medium-Term Management Plan, the Company expanded its lineup of fertilizers containing ALA for garden use while promoting pharmaceutical research and development as a part of efforts to broaden the scope of the ALA business.

Strategic Moves for the Next Generation

BUILDING A PLATFORM FOR FUTURE GROWTH

Q.01 | What are your thoughts after completing your first year as president? Taking stock, can you give us your views on the Cosmo Oil Group's mission?

A.01 |

Over the past 12 months, management has been called on to address several key issues. In particular, decisions were made regarding the closure of the Sakaide Refinery and the acquisition of Sojitz Energy Corporation. As we embark on a new journey under our Fifth Consolidated Medium-Term Management Plan in fiscal 2013, we will focus on increasing profitability and building a robust operating platform.

The petroleum products that we handle help protect people's lives and lifestyles. The Great East Japan Earthquake again reaffirmed the important roles played by such essential items as kerosene, which brings us warmth, and diesel fuel and gasoline, which transport much needed emergency supplies to disaster-stricken areas. At the same time, oil is a basic ingredient in the manufacture of a broad spectrum of petrochemical products. As an indispensable component of daily life, oil products can be found in a host of essential commodities.

Against this backdrop, the Cosmo Oil Group is united in its mission to deliver stable, high-quality petroleum products to its customers.

Q.02 | How do you view operating and macroeconomic conditions in the energy sector?

A.02 |

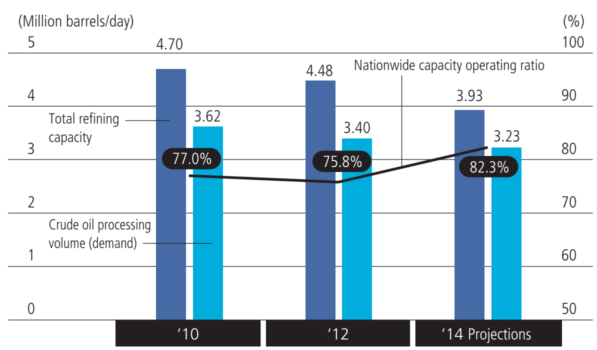
Demand for oil in Japan is currently on the decline. In contrast, global demand is projected to expand modestly. Buoyed by the continuous growth in demand in emerging countries, coupled with an estimated upswing in the supply of shale oil and gas, the price of crude oil is forecast to hover between US$90/barrel to US$110/barrel going forward.

Turning to foreign currency exchange rates, future movements are shrouded in uncertainty. This is attributable to a variety of factors including shifts in financial policies in Japan, trends in the domestic trade balance, and economic conditions in the U.S. and Europe. Under these circumstances, the US$ is anticipated to fluctuate between ¥80 to ¥100.

Looking at the environment for petroleum product margins, Japan's Act on Sophisticated Methods of Energy Supply Structures* is accelerating cutbacks in refining capacities at each company and narrowing the demand gap. While margins are anticipated to stabilize in the future, there remains little room for complacency.

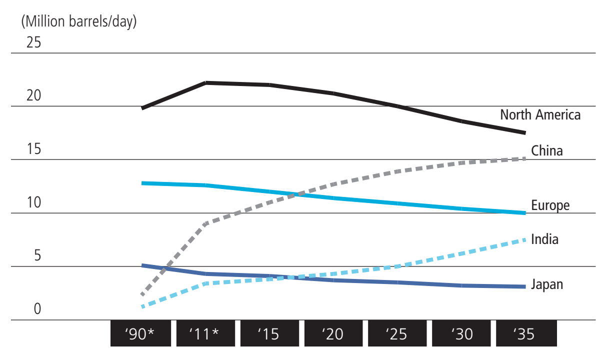
*This act promotes the use of non-fossil resources and more effective use of fossil sources by energy supply businesses.

Total Refining Capacity in Japan/Crude Oil Processing Volume/ Nationwide Capacity Operating Ratio



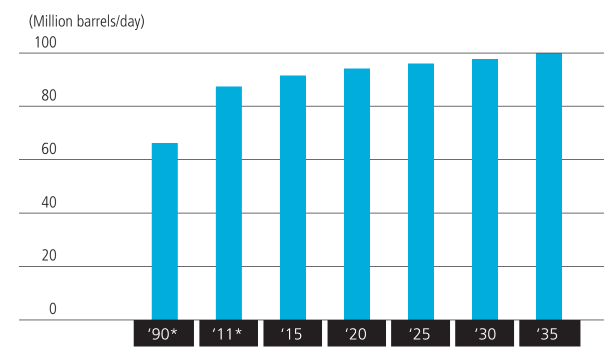
Source: The Ministry of Economy, Trade and Industry (METI) of Japan, "Natural Resources and Energy Statistics"
*Total refining capacity and crude oil processing volume data are averages for the 12-month January to December period.
*2014 total refining capacity data represent the figure after factoring in the refining capacity reduction plans of each company publicly disclosed as of March 2013.
*2014 crude oil processing volume data are based on 2012 results (3.4 million barrels/day) and calculated on the assumption of an annualized decline of 2.5%.

International Oil Demand Outlook



Source: IEA "World Energy Outlook 2012"
*Results

World Oil Demand Outlook



Source: IEA "World Energy Outlook 2012"
*Results

Basic Policy

Five years to establish a solid business foothold for further expansion	• Regain profitability in the refining & marketing sector • Secure stable income from investments made during the previous medium-term management plan • Further strengthen alliances with IPIC and Hyundai Oilbank • Further enhance CSR management	Improvement in the Group's financial framework through profitability and pursuit of an early resumption of dividend payments to shareholders

Over the long term, the Cosmo Oil Group aims to become a vertically integrated global energy company.

Q.03 Please tell us about the basic policies of the Fifth Consolidated Medium-Term Management Plan?

A.03

Under our new five-year medium-term management plan, we will establish a solid business foothold for further expansion. Under this overarching theme, we have identified four basic policies. (Please refer to the diagram above.)

First and foremost, we will pursue measures to arrest the decline in profitability caused by the prolonged shutdown of operations at the Chiba Refinery. From a marketing perspective, we will establish an earnings structure that is insulated from downturns in domestic oil demand, place considerable emphasis on expanding car care earnings, and take bold steps toward transforming our business model as a company that provides car life value.

From fiscal 2013, we will harvest the seeds sown during the period of the previous plan, taking steps to realize returns on strategic investments. As a result, we will generate concrete earnings in our three oil exploration and production, petrochemicals, and renewable energy businesses.

We will strengthen our alliances with International Petroleum Investment Company (IPIC),* our principal shareholder, and South Korea-based Hyundai Oilbank Co., Ltd. (HDO), with whom we have formed a joint venture. We engage in periodic discussions with IPIC, focusing on upstream businesses with an eye toward uncovering new opportunities in our value chain.

Finally, we engage in CSR management in order to fulfill our corporate social responsibility. In addition to complying with regulations and engaging in business activities in a conscientious manner, we employ a thoroughgoing PDCA cycle to ensure ongoing improvement of our operating structure.

Based on the aforementioned policies, we aim to become a vertically integrated global energy company over the long term.

*Established in 1984, IPIC is an energy-related investment company that is wholly owned by the Emirate of Abu Dhabi. The company invests in oil and gas projects outside the Emirate over the long term. IPIC acquired approximately 20% of the Company's shares following a third-party allocation on September 18, 2007.

Q.04 | What are your profit and other financial goals for fiscal 2017, the final year of the plan?

A.04 |

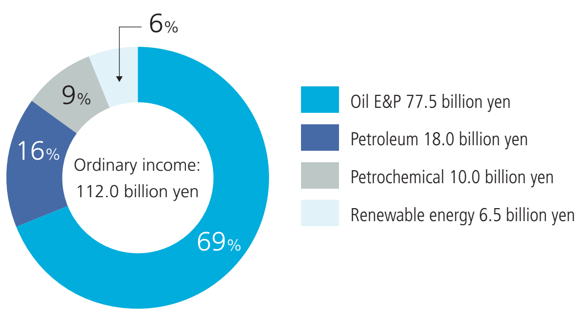
Regaining profitability is our foremost priority through to fiscal 2017. Our goal is to lift ordinary income (excluding inventory valuation impact) by ¥78.9 billion from ¥33.1 billion in fiscal 2012 to ¥112 billion over the next five years. Breaking this ordinary income* target down by business, we expect oil exploration and production, oil refining and marketing, petrochemicals, and renewable energy activities to contribute 69%, 16%, 9%, and 6%, respectively. Moreover, we plan to raise our net worth ratio by 8.3 percentage points to 21.5% and our net debt-to-equity ratio by 1.5 points to 1.6 times between fiscal 2012 and fiscal 2017 by increasing profitability and enhancing our financial position. Building on these figures, we will focus on curtailing interest-bearing debt while taking into consideration current conditions. We will also consider measures aimed at streamlining our balance sheet including the disposal of select businesses.

*This and similar subsequent references to ordinary income all exclude inventory valuation impact.

Assumptions

Item	Assumption
Dubai crude oil price	100 USD/bbl
JPY/USD exchange rate	90 yen/USD
Demand in Japan (Annualized)	-2.1%

FY2017 Ordinary Income Target by Segment (Consolidated)
(excluding inventory valuation impact)

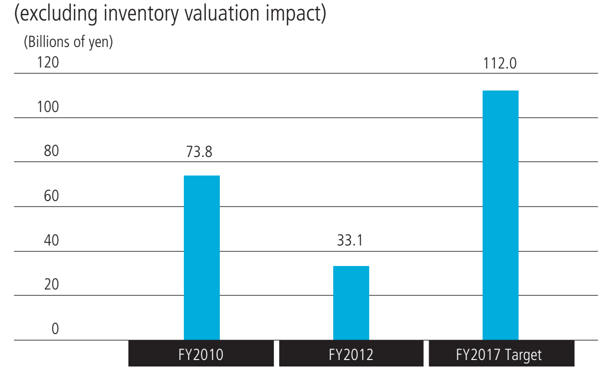


Profit & Other Financial Goals

Item	FY2012	FY2017 Target	Change
Ordinary income* (billion yen)	33.1	112.0	+78.9
Net income (billion yen)	-85.9	45.0	+130.9
Net assets (billion yen)	256.9	415.5	+158.6
Net worth ratio (%)	13.2	21.5	+8.3 pts.
Net debt/equity ratio (times)	3.1	1.6	+1.5 pts.

*excluding inventory valuation impact

Historical Changes in Consolidated Ordinary Income
(excluding inventory valuation impact)

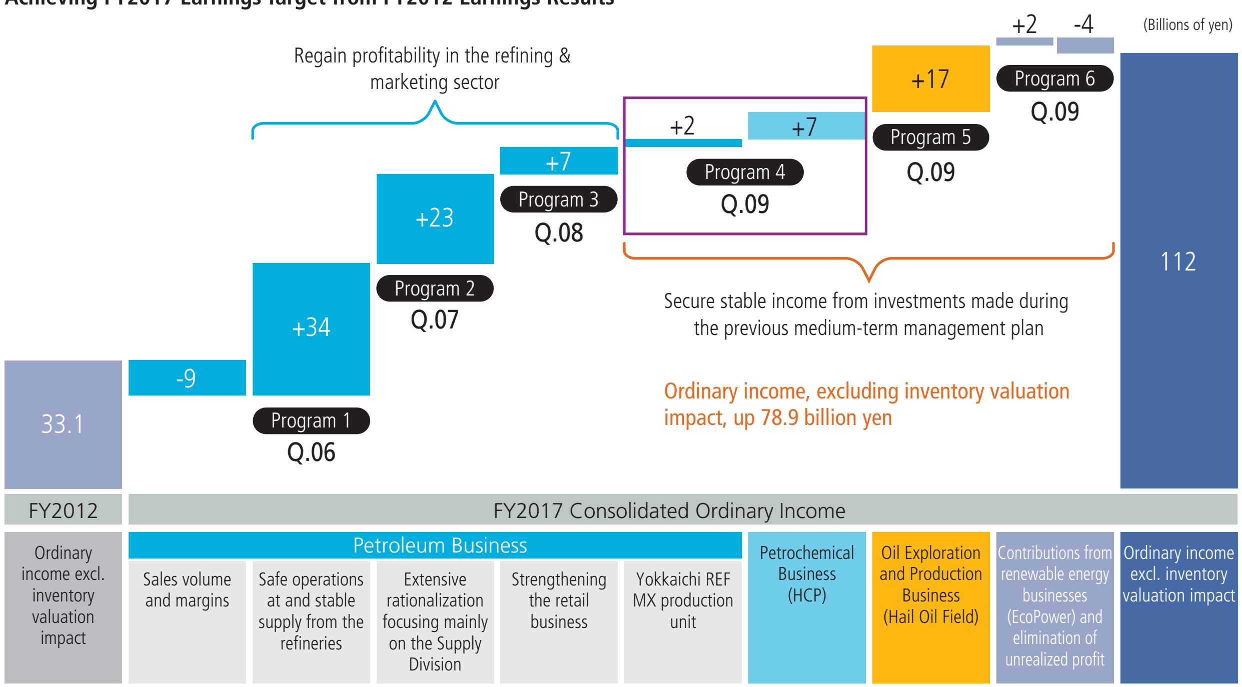


Q.05 | What measures do you plan to take to achieve your fiscal 2017 profit and other financial goals?

A.05

Details of how we plan to lift ordinary income from the level recorded in fiscal 2012 by ¥78.9 billion to ¥112 billion in fiscal 2017 are outlined in the diagram below. Our ability to achieve this goal rests on two broad initiatives: regaining profitability in the refining and marketing sector, and securing stable income from investments made during the previous medium-term management plan. In specific terms, we anticipate reducing the cost of finding alternative supplies by ensuring the complete resumption of operations at the Chiba Refinery from July 2013. In addition to curtailing costs following the closure of the Sakaide Refinery, we will adhere strictly to a policy of fixed cost reduction. At the same time, we will increase profitability particularly in our petrochemical as well as oil exploration and production businesses. A detailed explanation of these six programs is provided in response to questions six to ten.

Achieving FY2017 Earnings Target from FY2012 Earnings Results



"Six Programs" under the Basic Policy

Achieving 112 billion yen in ordinary income for FY2017

Regain profitability in the refining & marketing sector	
Program 1 Further Enhancement of Safe Refinery Operation and Stable Supply	+ 34 billion yen
Program 2 Extensive Rationalization Focusing Mainly on the Supply Division	+ 23 billion yen
Program 3 Strengthening the Retail Business	+ 7 billion yen
Secure stable income from investments made during the previous medium-term management plan	
Program 4 Petrochemical Business: Para-xylene (PX) production from new unit at Hyundai Cosmo Petrochemical	+ 9 billion yen
Program 5 Oil Exploration & Production Business: Production from Hail Field by Abu Dhabi Oil Co., Ltd.	+ 17 billion yen
Program 6 Renewable Energy Businesses: Increase in earnings at EcoPower Co., Ltd.	+ 2 billion yen

Note: In addition to the above, other factors that may affect ordinary income for FY2017 include an impact of -9 billion yen brought about by changes in sales volume and margins, and -4 billion yen attributable to the elimination of unrealized profit.

Q.06 The first program entails the further enhancement of safe refinery operations and stable supply. What concrete measures do you have in mind?

A.06

Our Chiba Refinery was forced to suspend operations for two years due to damage following the Great East Japan Earthquake in 2011 and asphalt leakage in June 2012. This placed considerable downward pressure on profits. As one initiative under our Fifth Consolidated Medium-Term Management Plan we will further enhance the safety of refinery operations and bolster efforts aimed at securing stable supply. Of the Chiba Refinery's two atmospheric distillation (topper) units, operations were resumed using one unit with a capacity of 120,000 barrels/day in January 2013. With both units projected to come back on line this summer, we anticipate an increase in profits due mainly to subsequent cutbacks in the cost of finding alternative supplies and the resumption of export activities.

Accounting for these measures, the positive impact on ordinary income in fiscal 2017 is estimated at approximately ¥34 billion compared with the level recorded in fiscal 2012.

We also took steps to put in place the Chiba Refinery Revival Plan in order to ensure long-term safety and approved the allocation of ¥28 billion, representing 10% of the total investments identified under our Medium-Term Management Plan. This investment is earmarked as a part of our exhaustive structural improvement program at the refinery.

In the past, the partial replacement of equipment has made up the bulk of our repairs and maintenance strategy. Moving forward, we will substantially enhance safety by adopting a broad-based approach. This will entail placing greater emphasis on updating and improving facilities. While investment costs will rise over the short term, this initiative will help to minimize repairs and maintenance expenses on a long-term basis. We expect investors will recognize the positive impact of this forward-looking investment on securing safe operations and profitability at the refinery.

Outline of the Rationalization Plan

FY2017 (vs. FY2012)		Major Programs
Oil Refining Department	-12.6 billion yen	Effect of closing the Sakaide Refinery, reductions in repair costs, etc.
Staff-related Costs	-3.3 billion yen	Staff downsizing, etc.
Controllable Costs	-1.7 billion yen	Review of general and administrative expenses, etc.
Other	-5.0 billion yen	Integration and realignment of logistics stations, etc.
Total:	-22.7 billion yen	Positive impact on ordinary income for FY2017 is estimated at 23 billion yen

Q.07 Please tell us more about your plans for extensive rationalization, the second program, focusing mainly on the Supply Division.

A.07

A central program of our rationalization plan and the review of our supply structure is the proposed proactive closure of the Sakaide Refinery in July 2013. In addition to the direct benefit of a cutback in fixed expenses, reducing the number of refineries from four to three is expected to help maintain a high operating ratio and keep our refinery network more competitive. Rationalization will extend across all areas, including personnel, with plans to curtail fixed costs by approximately 20% over the next five years. We will also take up the challenge of selecting a variety of crude oils in our procurement endeavors. By using heavy crude oil in the refining process, we will work to lower procurement costs.

Through these means, the positive impact on ordinary income for fiscal 2017 is estimated at around ¥23 billion compared with fiscal 2012.

Q.08 | Amid the steady decline in demand for petroleum products in Japan, you have identified strengthening the retail business as a third program in efforts to regain profitability in the retail and marketing sector. Can you elaborate further on this program?

A.08

The Cosmo Oil Group has worked diligently to reform its earnings structure. In order to address the decline in demand for petroleum products, we have stepped up efforts to move away from our conventional focus on fuel oil margins to place greater emphasis on total car life, a field which is estimated at ¥27 trillion. Of this total, the car care market, which comprises components and after-sales service and excludes automobile sales and insurance, accounts for around ¥10 trillion with service stations representing less than 10%. In order to lift this share, we will focus our attention on service stations that put forward car life value propositions. By transforming our business model, we will better ensure our standing as a viable going concern.

Particular attention will be paid to aggressively promoting the auto-leasing activities of Cosmo B-cle Lease. Since adopting a nationwide development approach in April 2011, we have achieved significant progress. On a cumulative basis, the number of auto-leasing contracts surpassed 5,000 as of March 31, 2013, up from 3,000 four months earlier. With an annual target of 10,000 vehicles in fiscal 2017, we will strive to further expand this business going forward.

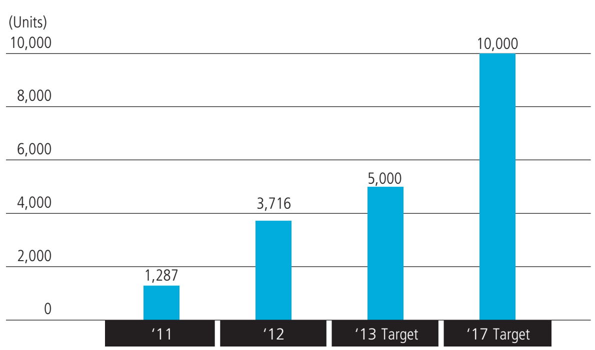
In addition, we will bolster ties with the AEON Group* and pursue partnerships in different sectors in order to promote the reciprocal transfer of customers while increasing our customer base. In this manner, every effort will be made to maximize synergy effects.

In January 2013, we included Sojitz Energy Corporation in our scope of consolidation as a subsidiary company, boasting annual oil marketing capabilities totaling two million kiloliters. Operations were re-launched under the new name, Sogo Energy Corporation, in February 2013. By combining the vast procurement resources, customer base, personnel, and know-how of Sojitz Energy Corporation with the proven brand prowess of our marketing business in Japan, we are confident of our ability to reinforce our retail presence.

The positive impact of these endeavors on ordinary income in fiscal 2017 is estimated at approximately ¥7 billion compared with fiscal 2012.

*Japan's largest shopping mall developer and operator

The Number of Cosmo B-cle Lease Annual Contracts



Q.09 Looking at efforts to secure stable income from investments made during the previous medium-term management plan, please provide details of strategic investments and any projections regarding recoveries on investments during the period of the new plan.

A.09

As a countermeasure aimed at addressing the decline in gasoline demand in Japan, we are targeting further growth in our petrochemical business by diverting surplus gasoline constituents to para-xylene (PX) production. We are also bolstering production capabilities for PX and mixed xylene (MX), basic raw materials in the manufacture of such everyday commodities as polyester fiber and PET bottles, which are enjoying a sudden surge in demand in emerging countries. As a part of these endeavors, we brought online an MX production unit (annual capacity 300,000 tonnes) at our Yokkaichi Refinery in 2011. Moreover, we established Hyundai Cosmo Petrochemical Co., Ltd. (HCP), a joint-venture company with Hyundai Oilbank Co., Ltd. (HDO), and commenced commercial PX production with an annual capacity of 800,000 tonnes in January 2013. Together with its existing capacity of 380,000 tonnes, this will bring HCP's annual production to a world leading 1,180,000 tonnes. **On this basis, contributions to ordinary income in fiscal 2017 from the petrochemical business are estimated at ¥9 billion compared with fiscal 2012.**

In our oil exploration and production business, our subsidiary Abu Dhabi Oil Co., Ltd. executed a new 30-year concession agreement over the three existing Mubarraz, Umm Al Anbar, and Neewat Al Ghalan oil fields in December 2012, while acquiring additional concessions over the Hail Oil Field, which includes undeveloped reservoirs. This new oil field is estimated to have a similar production capacity (approximately 20,000 barrels) to those of the existing three fields. Amid expectations that the price of crude oil will continue to hover at a high level, the start of production from 2016 is projected to contribute significantly to earnings. **Taking the aforementioned into consideration, the oil exploration and production business is forecast to boost ordinary income by ¥17 billion in fiscal 2017 compared with fiscal 2012.**

Turning finally to activities in the renewable energy sector, the introduction of Japan's feed-in tariff (FIT) scheme in July 2012 has fixed the rate that can be charged by wind power generation firms producing more than 20 kW at ¥23.10/kWh over the next 20 years. EcoPower Co., Ltd., which was included in the Group's scope of consolidation as a subsidiary company in 2010, has taken a strong first step toward harnessing its full potential. By enhancing its maintenance capability, the company has increased its operating rate and turned a profit in its first year of operations. Building on our existing generation capacity of 145,810 kW, we plan to construct three new sites, which will add a further 90,000 kW by fiscal 2016. This is expected to substantially boost profits. In the solar power business, we established the joint-venture company, CSD Solar,* with a generation capacity of 26,000 kW in January 2013. Plans are in place to commence partial commercial operations at the end of 2013. **Based on these factors, the renewable energy business is projected to have an estimated ¥2 billion positive impact on ordinary income in fiscal 2017 compared with fiscal 2012.**

*A joint-venture mega-solar business formed by Cosmo Oil Co., Ltd., Showa Shell Sekiyu K.K., and Development Bank of Japan Inc. (DBJ).

Hyundai Cosmo Petrochemical Co., Ltd. para-xylene (PX) production unit

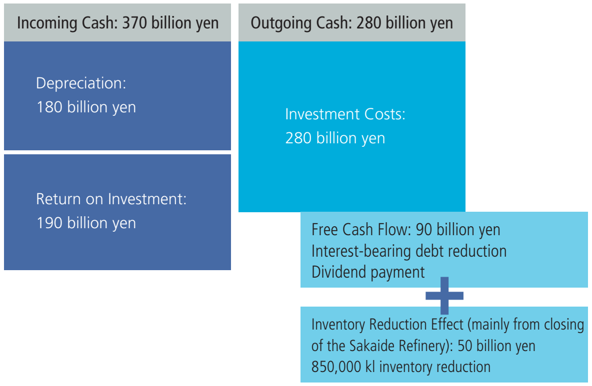
Signing of the new Hail Field concession agreement

EcoPower Co., Ltd. Hasaki Wind Farm

Secure Stable Income from Investments Made during Fourth Consolidated Medium-term Management Plan

Program 4 **Petrochemical Business:** Keep the refinery competitive by shifting more toward petrochemical production	Cosmo Oil Co., Ltd. (Yokkaichi Refinery)	Started operations of the MX production unit.	Positive impact on ordinary income for FY2017 is estimated at 9 billion yen
	Hyundai Cosmo Petrochemical Co., Ltd.	Commercial production of PX at the new production unit started in January 2013, earlier than the original plan.	
Program 5 **Oil Exploration and Production Business:** Diversify project portfolio by making effective use of the Company's good relations with oil producing countries	Abu Dhabi Oil Co., Ltd.	December 2012 saw the concession agreement renewed for the existing oil fields and another concession agreement become effective for the new Hail Field development. Aim at starting commercial production at the Hail Field before the end of 2016.	Positive impact on ordinary income for FY2017 is estimated at 17 billion yen
Program 6 **Renewable Energy Businesses:** Growth in the wind power generation business	EcoPower Co., Ltd.	The enhanced maintenance capability led to EcoPower achieving and maintaining profitability. A tailwind from the Japanese government's FIT introduction allowed the subsidiary to speed up new site development.	Positive impact on ordinary income for FY2017 is estimated at 2 billion yen

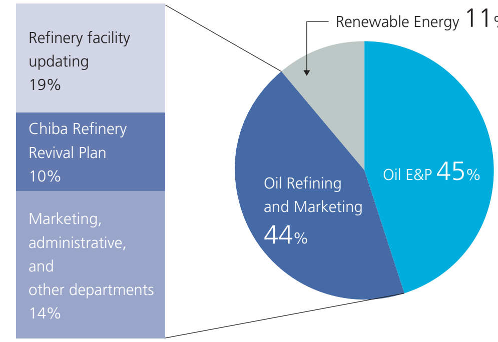
Outlook for Cash Balance (FY2013-2017)



Breakdown of the Investment Plan

Oil Exploration and Production Business:	
– New Hail Field development, etc.	127 billion yen
Oil Refining and Marketing Business:	122 billion yen
– Refinery facility updating	Approx. 54 billion yen
– Chiba Refinery Revival Plan	Approx. 28 billion yen
– Marketing, administrative, and other departments	Approx. 40 billion yen
Renewable Energy Businesses:	
Overseas and Other Projects:	31 billion yen
– Investments in new wind turbine construction, etc.	
FY2013-17	Total 280 billion yen

Business-Specific Investment Shares



Q.10 During the Fifth Consolidated Medium-Term Management Plan, the Group is clearly working to stabilize its oil refining and marketing operations while reaping the benefits of its growth initiatives. Could you please elaborate on how the Group plans to utilize the cash generated going forward?

A.10

Please refer to the diagram above left. Incoming cash over the five-year period from fiscal 2013 to fiscal 2017 is projected to total ¥370 billion. Outgoing cash, on the other hand, is estimated at ¥280 billion. Plans are in place to fund investments from retained earnings, with the largest portion amounting to ¥127 billion, or 45% allocated to the principal oil exploration and production business as a growth driver. As a part of efforts to secure safer operations and stable supply in the oil refining and marketing business, we will allocate ¥122 billion, or 44%. This includes the previously mentioned ¥28 billion which has been earmarked to help carry out the Chiba Refinery Revival Plan. With the bulk of the Group's investment in the oil exploration and production business channeled toward discovered as well as undeveloped areas of the Hail Oil Field, we remain confident that our exposure differs greatly from the excessive risks generally associated with development investments and that there is a high probability of securing a substantial return.

For the aforementioned reasons, free cash flow over the five-year period of the plan is anticipated to total ¥90 billion. After factoring in a further ¥50 billion attributable to inventory reduction effects mainly from the closing of the Sakaide Refinery, we plan to bolster our financial position by reducing interest-bearing debt.

With an eye toward providing adequate returns to shareholders, we are focusing on the early resumption of dividend payments from fiscal 2013. The amount of cash dividends paid will be determined each fiscal year based on the Group's business earnings.

Q.11 | In closing, could you please pass on a message to overseas institutional investors?

A.11 |

The suspension of operations over an extended period at the Chiba Refinery in the aftermath of the Great East Japan Earthquake has substantially impacted our bottom line. I would like to extend my sincere apologies to all investors for the considerable anxiety and concern this has caused.

In fiscal 2013, each and every member of the Cosmo Oil Group will work in unison to secure the safety of refinery operations and stable supply, refocus energies toward boosting earnings at each individual business unit, ensure a definitive return to profit, and realize the early resumption of dividend payments.

At the same time, we will redouble our efforts in the area of CSR management in order to fulfill our responsibilities to society. Moving forward, our aim is to become an energy company that is consistently held in high esteem.

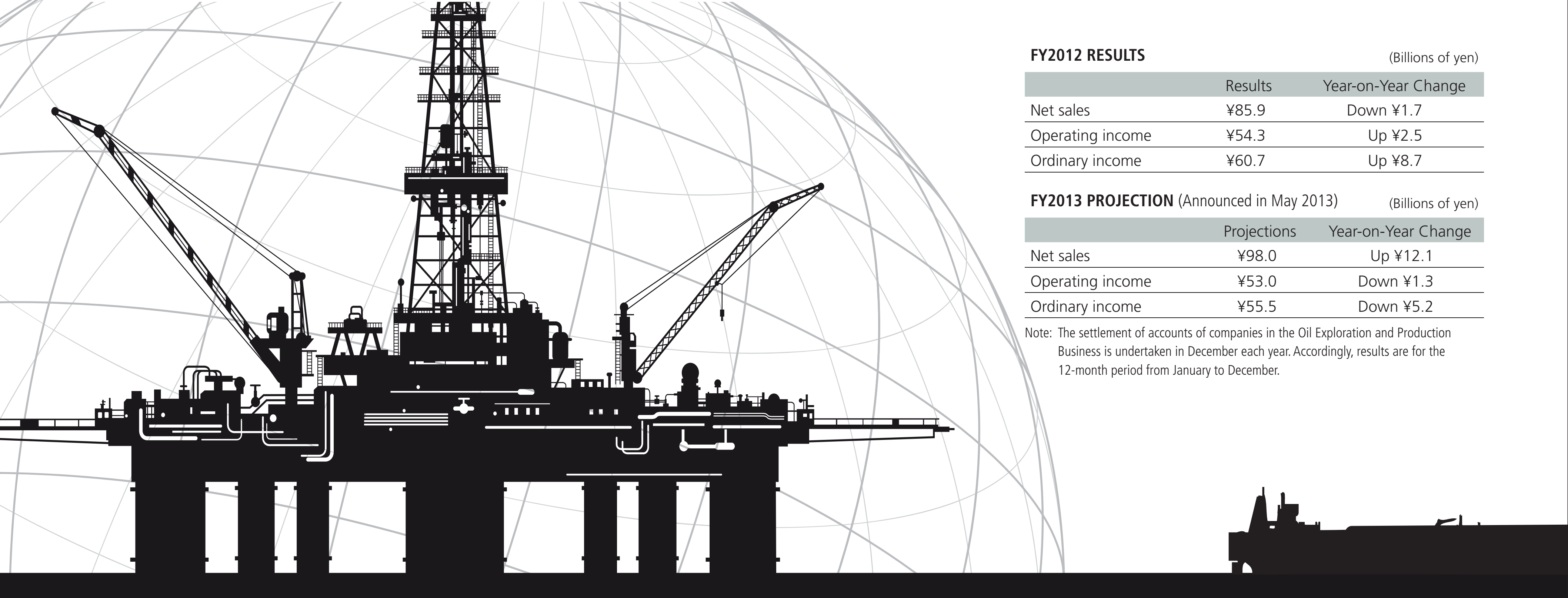
As we work toward achieving our established goals, we kindly request the continued support and understanding of all shareholders and investors.

President, Chief Executive Officer

K. Morikawa

Keizo Morikawa

Review of Operations: Oil Exploration and Production Business



FY2012 RESULTS (Billions of yen)

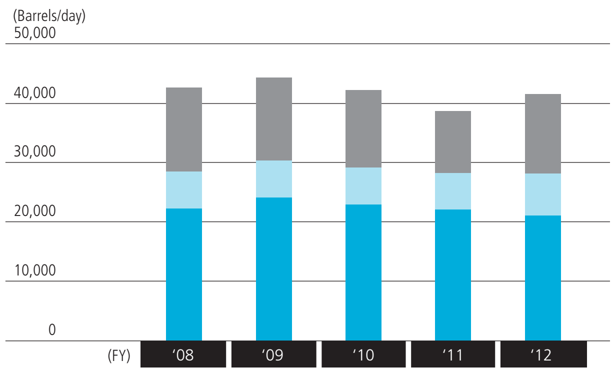
	Results	Year-on-Year Change
Net sales	¥85.9	Down ¥1.7
Operating income	¥54.3	Up ¥2.5
Ordinary income	¥60.7	Up ¥8.7

FY2013 PROJECTION (Announced in May 2013) (Billions of yen)

	Projections	Year-on-Year Change
Net sales	¥98.0	Up ¥12.1
Operating income	¥53.0	Down ¥1.3
Ordinary income	¥55.5	Down ¥5.2

Note: The settlement of accounts of companies in the Oil Exploration and Production Business is undertaken in December each year. Accordingly, results are for the 12-month period from January to December.

Trends in Oil Production by Cosmo Oil Group Project Companies



Abu Dhabi Oil Co., Ltd. Qatar Petroleum Development Co., Ltd.
United Petroleum Development Co.,Ltd.

STRATEGIES

The Oil Exploration and Production Business will strive to increase the total crude oil production volume through the stable operation of existing oil fields and the development of newly discovered fields, underpinned by the Group's relationships with oil-producing nations.

The New Concession Agreement concluded with the Supreme Petroleum Council of Abu Dhabi, the United Arab Emirates in February 2011 came into effect in December 2012. Valid for 30 years, this New Agreement covers the three existing Mubarraz, Umm Al Anbar, and Neewat Al Ghalan fields and the additional Hail Field concession area.

Mine Lot Map in Qatar

Mine Lot Map in Abu Dhabi

FY2012 PERFORMANCE

In FY2012, Abu Dhabi Oil Co., Ltd. (ADOC), Qatar Petroleum Development Co., Ltd. (QPD), and United Petroleum Development Co., Ltd. (UPD) experienced stable continuous production. As a result, total oil production by the three project companies in the Cosmo Oil Group amounted to 41,556 barrels/day, up 7.4% compared with the previous fiscal year.

Dubai crude oil was around the US$105/barrel range at the beginning of the period. This climbed to the US$120/barrel range following suggestions that Iran would close the Straits of Hormuz toward the end of January. Fueled by renewed concerns surrounding the financial crisis in Europe, the price of Dubai crude oil temporarily fell below US$90/barrel in June. Thereafter, the price again surged to above US$115/barrel around the end of September. For the full fiscal year, the price of crude oil increased US$3/barrel year on year.

Accounting for this upswing in price, the Oil Exploration and Petroleum Business segment posted a ¥1.7 billion year-on-year decrease in net sales to ¥85.9 billion, and a ¥8.7 billion rise in ordinary income to ¥60.7 billion.

OUTLOOK FOR FY2013

In fiscal 2013, the average crude oil price and exchange rate are forecast at US$100/barrel and ¥100 per U.S. dollar, respectively. Oil exploration and production activities in the core Middle East region are expected to remain stable.

Looking ahead, net sales are projected to climb ¥12.1 billion to ¥98.0 billion on the back of the weak yen. Taking into consideration forecast stable oil production, on the other hand, operating expenses are forecast to increase resulting in an anticipated decline in ordinary income of ¥5.2 billion to ¥55.5 billion.

On an individual exploration and production basis, ADOC will undertake evaluation activities including the drilling of evaluation wells at the Hail Oil Field. After confirming the level of reserves, steps will be taken to drill production wells and construct ground facilities with an eye to early production during 2016. Having confirmed the existence of promising oil structures at the AC/P4 mining lot in Australia, the drilling of exploration wells will commence during the current year. Results will then form the basis for determining exploration policies.

Crude Oil Production by Cosmo Oil Group Project Companies in Core Areas

(Barrels/day)

Company	Oil fields currently producing	FY2012	FY2011	Change	Investment ratio
ADOC	• Mubarraz Field • Umm Al Anbar Field • Neewat Al Ghalan Field	21,062	22,059	-4.5%	63%
QPD	• A-North Field • Al Karkara Field • A-South Field	7,047	6,208	+13.5%	75%
UPD	• El Bunduq Field	13,447	10,411	+29.2%	45%
Total for the three companies		41,556	38,678	+7.4%	—

* Production volumes are averages for the calendar year as all three companies have book-closing periods ending in December.

Review of Operations: Petroleum Business

FY2012 RESULTS (Billions of yen)

	Results	Year-on-Year Change
Net sales	¥3,116.2	Up ¥60.6
Operating income (loss)	¥(10.1)	Down ¥22.9
Ordinary income (loss)	¥(23.7)	Down ¥31.7
Impact of inventory valuation	¥15.3	Down ¥9.9

FY2013 PROJECTION (Announced in May 2013) (Billions of yen)

	Projections	Year-on-Year Change
Net sales	¥3,460.0	Up ¥343.8
Operating income	¥11.5	Up ¥21.6
Ordinary income	¥3.0	Up ¥26.7
Impact of inventory valuation	¥0.0	Down ¥15.3

STRATEGIES

With the full-scale resumption of operations at the Chiba Refinery, the Petroleum Business will strive to return to profitability by overhauling its export structure and optimizing petroleum product profit margins by responding flexibly to supply-demand conditions.

FY2012 PERFORMANCE

Overall demand for petroleum products in Japan exceeded the previous period in FY2012. Despite stagnant demand for gasoline and kerosene, this overall increase was largely attributable to the upswing in heavy fuel oil C used for electric power generation reflecting the shutdown of operations at nuclear power stations resulting in improved operating ratios at thermal power generation plants. From the Company's perspective, demand in Japan decreased 1.5% during the period under review as effects were felt from the shutdown of the Chiba Refinery, despite increased sales of heavy fuel oil C.

Export volumes were impacted by scarce available capacity following the suspension of operations at the Chiba Refinery. Exports of diesel fuel were also held to 45,000 kl. As a result, total sales volume edged down 0.5% year on year.

Against the backdrop of this operating environment, the Petroleum Business segment posted net sales of ¥3,116.2 billion, up ¥60.6 billion. This was mainly due to the increase in sales prices as a result of the weak yen and the upswing in sales of heavy fuel oil C used for electric power generation. Cosmo Oil incurred an ordinary loss in the Petroleum Business segment of ¥23.7 billion. This was compared with ordinary income of ¥8.0 billion in FY2011. Despite a substantial decrease in the cost of finding alternative supplies as a result of the suspension of operations at the Chiba Refinery, this deterioration in earnings was largely attributable to the impact of the decline in sales volume.

OUTLOOK FOR FY2013

Looking at sales volume in Japan in the year ending March 2014, results from a domestic demand perspective are forecast to decline 2.1%. This is mainly due to the downturn in demand from thermal power plants for heavy fuel oil C. Turning to exports, the available capacity is expected to recover on the back of the resumption of operations at the Chiba Refinery. The target for middle distillate export volume has been set at 1,540,000 kl compared with the export of 45,000 kl in the previous fiscal year.

Cosmo Oil's Total Sales Volume and Estimates (Announced In May 2013)

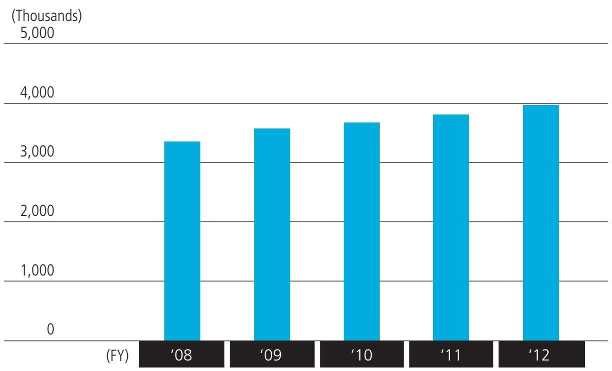
(Thousand kiloliters)

	FY2012	FY2011	Change	FY2013 Estimate (% change from FY2012)
Domestic sales	24,361	24,732	-1.5%	-2.1%
Gasoline	5,999	6,249	-4.0%	-0.6%
Kerosene	2,246	2,416	-7.0%	0
Diesel fuel	4,414	4,615	-4.4%	-4.9%
Heavy fuel oil A	1,963	2,196	-10.6%	-1.1%
Naphtha	6,270	6,224	+0.7%	0
Jet fuel	476	477	-0.2%	+0.1%
Heavy fuel oil C	2,993	2,555	+17.1%	-7.9%
Middle distillate export volume (Diesel fuel and jet fuel)	45	209	-78.5%	+3,329.2%
Total sales volume	36,891	37,094	-0.5%	+4.3%

From a profit perspective, we project a substantial jump in earnings owing to the significant decline in alternative supply costs due to the reopening of the Chiba Refinery and the resumption of export activity.

As a result, in FY2013, we forecast segment net sales of ¥3,460.0 billion, up ¥343.8 billion, and ordinary income of ¥3.0 billion, a positive turnaround of ¥26.7 billion.

Trends in the Number of Active Cosmo the Card (Credit Cards)



MAJOR INITIATIVES

Strengthen Marketing Capabilities

Amid the continued decline in demand in Japan for such automobile fuels as gasoline and diesel fuel, Cosmo Oil has placed considerable weight on strengthening initiatives at service stations in an effort to build a stable domestic sales channel.

We have commenced an electronic cash-based settlement service focusing on our Cosmo the Card credit card while aggressively promoting a variety of campaigns through our service station network. As a result, the number of active card members has increased 160,000 for a total membership of 3,970,000.

In our Cosmo B-cle Lease business, we have introduced a flat-rate system encompassing maintenance, tax, and other expenses. At the same time, we have taken steps to complement our package of services with discount privileges. These initiatives have been well received by the market with the cumulative total number of automobile leases breaking through the 5,000 level in March 2013.

Moving forward, Sojitz Energy Corporation, which directly operates service stations and engages in the wholesale of petroleum products, was included in the Company's scope of consolidation as a subsidiary on January 31, 2013. The name of the company was then changed to Sogo Energy Corporation. Looking ahead, we will work to maximize the synergy benefits between the wide-ranging procurement sources, customer base, human resources, and know-how acquired from Sojitz Energy and our petroleum product stable supply capabilities, logistics network, customer base, high brand image, and Cosmo the Card credit card membership.

Building on these measures, we will make every effort to capture customers and to further increase service station profitability.

Review of Operations: Petrochemical Business

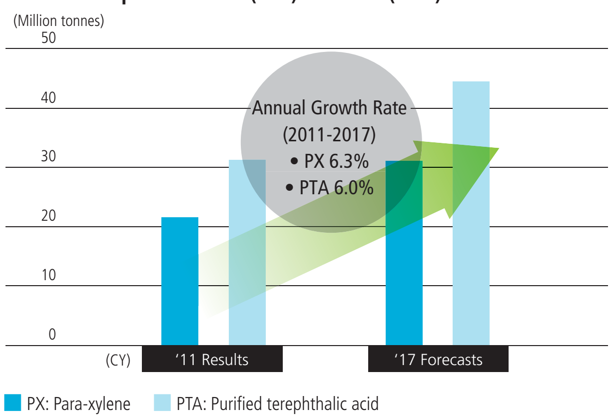
FY2012 RESULTS (Billions of yen)

	Results	Year-on-Year Change
Net sales	¥30.5	Up ¥1.1
Operating income	¥1.5	Up ¥0.6
Ordinary income	¥3.3	Up ¥1.2
Impact of inventory valuation	¥0.0	Up ¥0.0

FY2013 PROJECTION (Announced in May 2013) (Billions of yen)

	Projections	Year-on-Year Change
Net sales	¥80.0	Up ¥49.5
Operating income	¥2.0	Up ¥0.5
Ordinary income	¥3.5	Up ¥0.2
Impact of inventory valuation	¥0.0	Up ¥0.0

Outlook for Para-Xylene (PX) and Purified Terephthalic Acid (PTA) Demand (Asia)



STRATEGIES

The Petrochemical Business will endeavor to improve profitability by accelerating the shift to the production of para-xylene (PX) and its main ingredient, mixed xylene (MX).

FY2012 PERFORMANCE

Buoyed by the improvement in market conditions for aromatic products including MX and benzene, net sales in the Petrochemical Business segment increased ¥1.1 billion year on year to ¥30.5 billion. Due mainly to the recovery in market conditions and contributions from improved profits at Hyundai Cosmo Petrochemical Co., Ltd. (HCP), an equity-method affiliate*, ordinary income for the fiscal year under review climbed ¥1.2 billion to ¥3.3 billion.

* A joint-venture company established in November 2009 with Hyundai Oilbank Co., Ltd. (HDO).

OUTLOOK FOR FY2013

A new PX facility with an annual production capacity of 800,000 tonnes was completed at HCP, which engages in the supply of MX. Commercial production commenced from January 2013. Together with the existing 380,000 tonnes, this brings the Cosmo Oil Group's production capacity to a world-leading 1,180,000 tonnes. As a result, net sales in the Petrochemical Business segment are projected to reach ¥80.0 billion, an increase of ¥49.5 billion year on year. In light of volatile conditions in the petrochemical products market over the short term, we have adopted a conservative approach toward profits. Ordinary income in FY2013 is expected to show a slight improvement rising ¥0.2 billion year on year to ¥3.5 billion.

Looking ahead, we will engage in the production of MX and PX, a raw material used in the production of polyester, as a measure to counter the decline in gasoline demand. With indications of a definitive upswing in demand for polyester, particularly in China, we will actively market PX in China and the Asia region.

As a world-class manufacturer and supplier of PX, Cosmo Oil will work to enhance the value of petrochemical raw materials, which is expected to witness overseas demand growth, while taking into consideration demand trends for gasoline in Japan. In addition, we will boost earnings by capturing this increase in demand.

MX/PX Production Volume

MX	(Tonnes/year)
Cosmo Oil Co., Ltd., Yokkaichi Refinery	300,000
CM Aromatics Co., Ltd.	270,000
Cosmo Matsuyama Oil Co., Ltd.	30,000
Total	600,000

PX	(Tonnes/year)
Hyundai Cosmo Petrochemical Co., Ltd. (HCP)	1,180,000
Total	1,180,000

MAJOR INITIATIVES

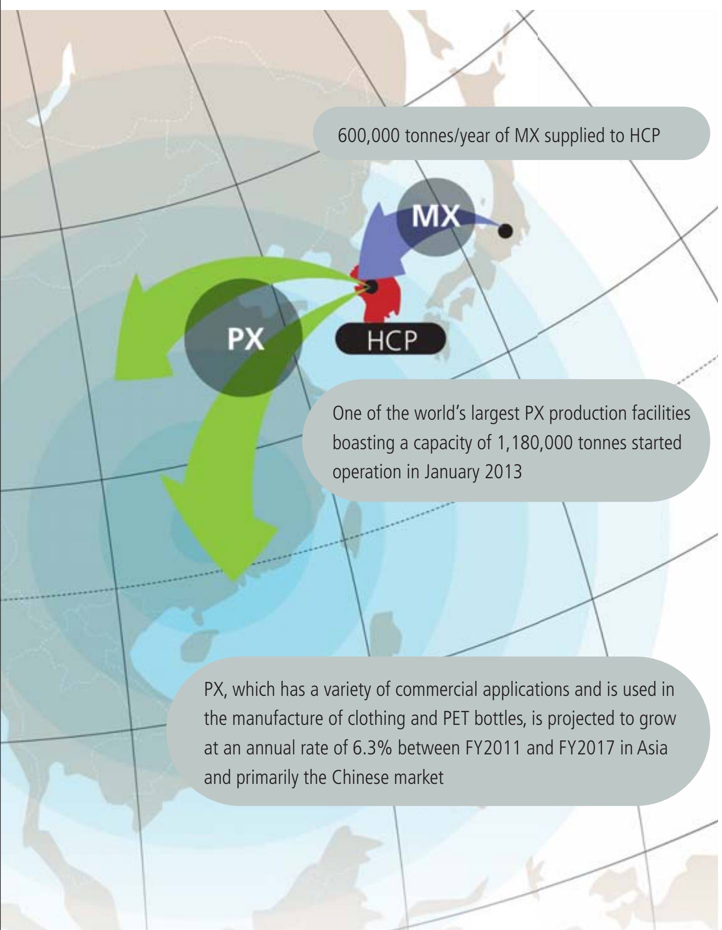
PX Trends and Plan

The Cosmo Oil Group is projecting fuel demand in Japan to decrease at an annual rate of 2.5% between 2013 and 2017. This is largely attributable to improvements in fuel efficiency on the back of widespread acceptance of ecologically minded cars and developments in energy efficient industrial fuels.

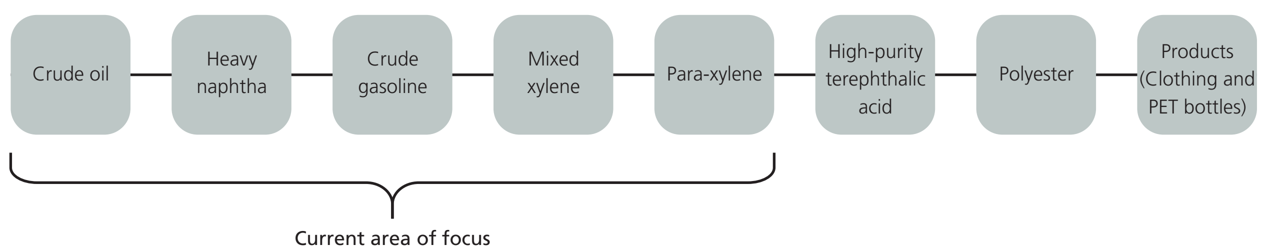
Meanwhile, MX, which is produced by the same raw materials as gasoline, and PX, of which MX is a raw material, are projected to experience an increase in demand, as previously mentioned. According to an announcement by Japan's Ministry of Economy, Trade and Industry (METI), PX demand in Asia was 21,600,000 tonnes in 2011, an increase of 2.9% compared with the previous fiscal year. In addition, demand for purified terephthalic acid (PTA), which is made from PX amounted to 31,300,000 tonnes, in Asia, up 4.0% year on year. PTA is a principal raw material in the manufacture of such commodities as polyester fibers and PET bottles. Asia and particularly China accounts for around 80% of global demand. The average annual growth rate in Asia is projected at the high level of approximately 6% for both PX and PTA from 2011 to 2017.

The Cosmo Oil Group is strategically expanding its Petrochemical Business, which makes effective use of gasoline constituents, in order to balance the twin needs of growing its business overseas and implementing measures against falling demand for gasoline in Japan. From 2013, the Group will produce 600,000 tonnes and 1,180,000 tonnes of MX and PX, respectively, on an annual basis. From a PX perspective, this will place Cosmo Oil at a top level worldwide. Under the 5th Consolidated Medium-Term Management Plan, which began in fiscal 2013, the Group has also projected ¥10.0 billion as its ordinary income target for fiscal 2017. This accounts for approximately 10% of the Group total forecast ordinary income for the period.

Para-Xylene Production Business Arrangement



Para-Xylene Refining Process



Review of Operations: Other Businesses

FY2012 RESULTS (Billions of yen)

	Results	Year-on-Year Change
Net sales	¥86.3	Up ¥14.7
Operating income	¥3.3	Up ¥1.8
Ordinary income	¥4.9	Up ¥2.0

FY2013 PROJECTION (Announced in May 2013) (Billions of yen)

	Projections	Year-on-Year Change
Net sales	¥70.0	Down ¥16.3
Operating income	¥3.0	Down ¥0.3
Ordinary income	¥4.5	Down ¥0.4

STRATEGIES

The Cosmo Oil Group will focus on the renewable energy field with a particular emphasis on wind power generation. Moreover, we will consider the potential of the 5-Amino Levulinic Acid (ALA) business.

OTHER BUSINESS RESULTS

Net sales in other businesses were ¥86.3 billion, up ¥14.7 billion compared with the previous fiscal year. Focusing mainly on the wind power generation business, ordinary income came to ¥4.9 billion, an increase of ¥2.0 billion year on year. A key factor in this upswing was the introduction of the feed-in tariff (FIT) scheme for renewable energy in July 2012.

MAJOR INITIATIVES

Present and Future of Renewable Energy

The Cosmo Oil Group has identified the stable supply of energy as a key theme and is focusing on the renewable energy sector. Looking specifically at wind power generation, the Group is bolstering the maintenance capabilities of EcoPower Co., Ltd., a wind power generation company that ranks fourth in its sector in Japan, and has successfully increased the operating ratios of its power generation facilities. Recognized as a turning point, the launch of a renewable energy FIT scheme has driven the sector forward. Revenues and earnings have surged dramatically in fiscal 2012. Looking ahead, the Group will undertake investment from a medium- to long-term perspective. This includes plans to develop new wind power generation sites totaling 90,000 kWh at three locations in Japan by fiscal 2016.

Furthermore, Cosmo Oil, Showa Shell Sekiyu K.K., and Development Bank of Japan Inc. established the joint-venture company CSD Solar as a part of efforts to enter the mega-solar business in January 2013. Facilities will be constructed at several idle sites owned by the Company with commercial operation to commence at certain sites within the current fiscal year.

The Potential of 5-Amino Levulinic Acid (ALA)

ALA is a naturally occurring amino acid present in all living organisms. Utilizing the Company’s proprietary fermentation process, successful steps have been taken to mass produce this substance. Cosmo Oil engages in the supply of ALA active ingredients and boasts a global market share of 80%. Currently, the Cosmo Oil Group is manufacturing and marketing a wide range of products containing ALA including fertilizers, animal feed, and health food products. The Group is looking to apply ALA in the development of supplements while using ALA characteristics to enable the intraoperative diagnosis and treatment of encephaloma and cancer. Research is also being conducted into the use of ALA as a treatment for diabetes and as an important ingredient in hair treatment products. Moving forward, the Cosmo Oil Group will continue to engage in product development and research with the aim of further expanding its business.

Progress in the ALA Business

		Existing Business	New Fields
Raw Material	Raw Material Business	• Manufacture and sale of active ingredients for fertilizers, animal feed, health food products, and reagents for laboratory tests (Cosmo Oil supplies raw materials and boasts an approximate 80% share of the global ALA market)	■ Manufacture and sale of active pharmaceutical ingredients
Finished Products	Fertilizer Business	• Liquid fertilizer: PENTAKEEP (for agricultural use) • Liquid fertilizer: PENTAGARDEN (for horticultural use) • Solid fertilizer: PENTAGARDEN Pellet (for horticultural use)	
	Animal Feed Business	• Sale of a raw material for fish feed in Japan	
	Pharmaceuticals, Cosmetics, and Health Food Businesses	• Sale of health food products and nutritional supplements (the SBI Group) • Sale of cosmetics (the SBI Group)	■ Intraoperative diagnosis for encephaloma (clinical trials currently underway) ■ Cancer treatment ■ Hair treatment products (under joint development with Milbon Co., Ltd.)

CSR Management

COSMO OIL GROUP MANAGEMENT VISION AND CSR MANAGEMENT

COSMO OIL GROUP MANAGEMENT VISION

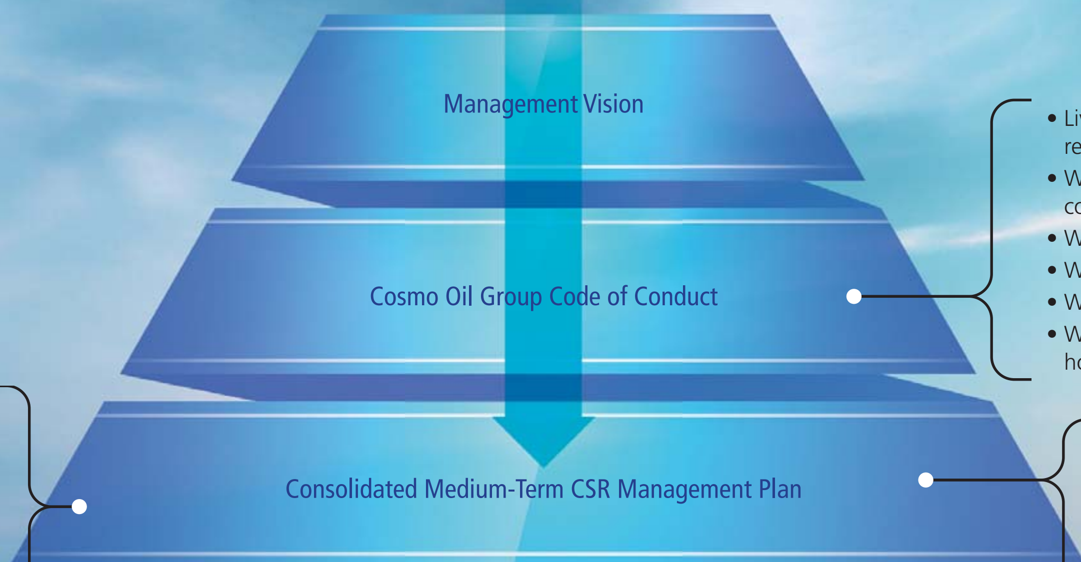
In striving for harmony and symbiosis between our planet, humankind, and society,
we aim for sustainable growth toward a future of limitless possibilities.

Harmony and Symbiosis

- Harmony and Symbiosis with the Global Environment
- Harmony and Symbiosis between Energy and Society
- Harmony and Symbiosis between Companies and Society

Creating Future Value

- Creating the Value of "Customer First"
- Creating Value from the Diverse Ideas of the Individual
- Creating Value by Expressing Collective Wisdom



Cosmo Oil Group Code of Conduct:

- Live up to customer expectations concerning reliability and satisfaction
- We aspire to become a safe, accident-free company
- We value people
- We take care of the global environment
- We value communications with society
- We strive to maintain our position as an honest company

Consolidated Medium-Term CSR Management Plan:

- Improve functioning of CSR promotion structure
- Strengthen safety management
- Enhance human rights/personnel policies
- Promote environmental initiatives
- Promote communication activities that respond to society

Highest key priorities

I. Strict safety management
II. Work with integrity

Existing key priorities

III. Enhance human rights/personnel policies
IV. Promote environmental initiatives
V. Implement better internal and external communication

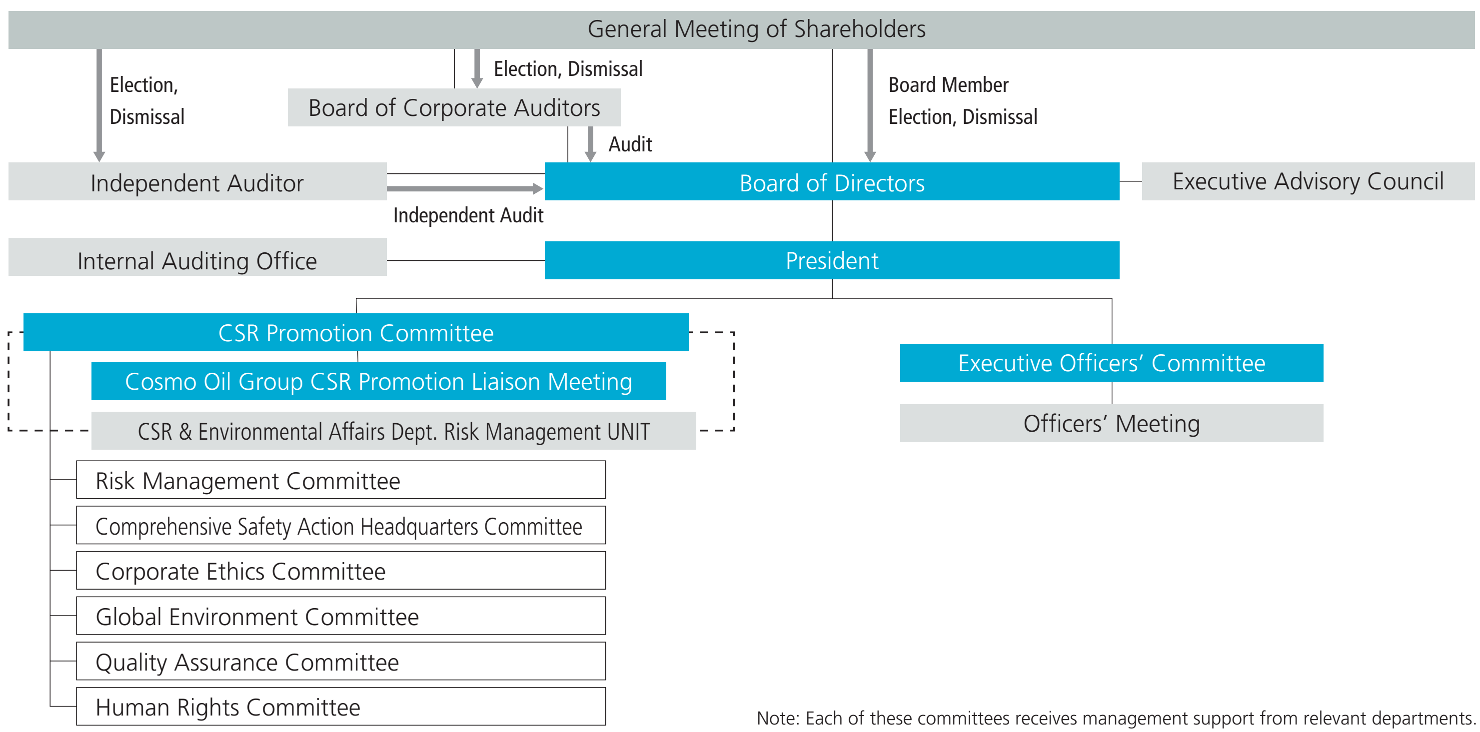
Corporate Governance

BASIC STANCE ON CORPORATE GOVERNANCE

Aiming to satisfy the requirements of investors and all other stakeholders to the utmost, we seek to achieve corporate governance that "manages operations more transparently and efficiently, implements decisions swiftly, and thoroughly scrutinizes risk management and compliance." We have established the Cosmo Oil Group Management Vision, and the Cosmo Oil Group Code of Conduct, which serve as our guiding principles for achieving our goals.

The Group recognizes that the standards of corporate governance are susceptible to change along with global trends and revisions to corporate legislation. Accordingly, while keeping an eye on these trends, we will continue to examine the best possible system for the Group by drawing on cases of excellent corporate governance systems in other countries.

Corporate governance structure
(As of June 25, 2013)



Note: Each of these committees receives management support from relevant departments.

CORPORATE GOVERNANCE STRUCTURE, MEASURES, AND IMPLEMENTATION STATUS

DIRECTORS AND BOARD OF DIRECTORS

• Board of Directors

The Board of Directors is the Group's top decision-making organ. It is responsible for resolving legal and regulatory issues and items in the Articles of Incorporation. The Board also establishes management policy and supervises directors' execution of business duties.

To enable prompt decision-making on management-related matters, we have set the maximum number of directors at 15.

• Appointment and Term

A provision in the Articles of Incorporation stipulates that directors shall be appointed by a method other than accumulative voting.

In order to clarify evaluation and responsibility for fiscal year results, the term of appointment has been shortened to the period from appointment through to the conclusion of the general meeting of shareholders held to finalize matters regarding the fiscal year that ends within a year of a director's appointment.

• Outside Directors

Two of the Board's 10 directors are appointed from outside the Group. Although outside directors do not have dedicated staff, they have immediate access to necessary information via the Corporate Planning Department.

• Separation of Roles of Chairman and President

Under the structure adopted by the Cosmo Oil Group, the Chairman heads meetings of the Board of Directors (except when concurrently president).

• Frequency and Attendance

Regulations governing the Board of Directors stipulate that in principle meetings are to be held once monthly, and that extraordinary meetings are to be held when necessary. At meetings, directors make decisions on important management-related matters and examine progress on business initiatives and measures for resolving problems.

In fiscal 2012, the Board of Directors met on 12 occasions. In addition to the Fifth Medium-Term Management Plan, major topics regularly covered at these meetings included the status of sales, imports and exports, supply and demand as well as monthly income summaries.

Directors		Attendance Ratio*	
8 Directors		100%	
2 Outside Directors	Mohamed Al Hamli	83%	10 of 12
	Mohamed Al Mehairi	90%	9 of 10

* Attendance ratios are calculated for the period from April 1, 2012 to March 31, 2013.
* Mohamed Al Mehairi was appointed to the position of outside director on June 26, 2012.

• Nominations and Evaluation by the Executive Advisory Council

The Council is responsible for evaluating the performance of directors, determining director remuneration, and deliberating on the selection of directors and auditors nominated for election at general meetings of shareholders. As an organ responsible for clarifying responsibility for management outcomes, the Council has been separated from the Board of Directors to ensure greater fairness and transparency.

	Remuneration
Remuneration Paid to 11 Directors	¥330.0 million
Remuneration Paid to 3 Outside Directors Included in the Above	¥24.0 million

* Included one outside director, who retired upon the completion of the 106th Ordinary General Meeting of Shareholders held on June 26, 2012.
Payments to directors exclude the employee salary portion paid to employees who hold the concurrent position of director.

EXECUTIVE OFFICER SYSTEM

The Company has introduced an executive officer system to separate management oversight and business execution, as well as to facilitate swift responses to changes in the operating environment. To clarify the roles and responsibilities of "Directors" in charge of decision-making and management oversight and those of "Executive Officers" in charge of business execution, the Group began appointing, as necessary, individuals to the executive officer positions of "Chief Executive Officer," "Senior Managing Executive Officer," and "Senior Executive Officer."

• Appointment and Term

The Board of Directors appoints executive officers recommended by the Executive Advisory Council for one-year terms. The executive officers work under the Board of Directors and the president.

Important decision-making, deliberation, and information sharing concerning the execution of business are the responsibilities of the following committees.

• Executive Officers' Committee

This committee is charged with making decisions and deliberating on basic policies and important matters concerning the execution of business in accordance with basic management policies determined by the Board of Directors. Regulations governing the Committee stipulate that it meets once weekly, and that additional meetings are convened as required. With the president as the chair of the committee, its membership comprises executive officers and auditors nominated by the President.

• Officers' Meeting

This group was established below the Executive Officers' Committee to ensure the swift Group-wide implementation of matters decided by the Executive Officers' Committee. The Officers' Meeting convenes once monthly.

AUDITORS

• Board of Corporate Auditors

Members of the Board of Corporate Auditors attend Board of Directors' meetings and Executive Officers' Committee meetings to monitor the execution of business activities by directors and executive officers. They conduct effective audits in a fair manner by working closely with accounting auditors, internal audit entities, and the auditors of affiliates.

At present, the Board consists of five auditors: three full-time auditors (one who is a full-time outside auditor) and two outside auditors.

• Outside Auditors

Three of the five corporate auditors are outside auditors, one of whom works full time. The full-time outside auditor attends Board of Directors' meetings and other important committee meetings. The Company's audit secretariat provides administrative support to all auditors.

Background and Reason for Selection of Outside Auditors

Hirokazu Ando (full-time)

Background

Former executive officer and general manager of the Group Planning Department at Mitsubishi UFJ Financial Group (formerly UFJ Holdings Inc.) Currently, an independent officer of Cosmo Oil.

Reason for selection

Mr. Ando has extensive experience in a broad range of industries besides the petroleum industry. He is a former executive officer and general manager of UFJ Holdings Inc. (currently Mitsubishi UFJ Financial Group), one of the Company's main business partners. A considerable period of time has elapsed since Mr. Ando retired from UFJ Holdings in June 2003, and the business relationship between the Company and UFJ Holdings is not deemed excessive. Consequently, Mr. Ando maintains a position of independence with no conflicts of interest between himself and regular shareholders.

Sakae Kanno

Background

Former executive vice president of The Kansai Electric Power Co., Inc.

Reason for selection

Mr. Kanno has extensive experience in a broad range of industries besides the petroleum industry. Although he has experience as a director and corporate auditor of The Kansai Electric Power Co., Inc., one of the Company's business partners, the business relationship between the Company and The Kansai Electric Power Co., Inc. is not deemed excessive. Consequently, Mr. Kanno maintains a position of independence with no conflicts of interest between himself and regular shareholders.

Yoshitsugu Kondo

Background

Joint Representative of Sano Sogo Law Office (formerly SANOCONDOW LAW OFFICE). Currently, an independent officer of Cosmo Oil.

Reason for selection

As an attorney, Mr. Kondo has expertise in corporate law and possesses ample knowledge of corporate governance. Although Mr. Kondo is a partner attorney at a law office with which Cosmo Oil has a legal advisory contract, the value of this contract is not sufficient to cause pecuniary dependence on the Company. Consequently, Mr. Kondo maintains a position of independence with no conflicts of interest between himself and regular shareholders.

• Meetings and Attendance

In principle, the Board of Corporate Auditors meets once monthly, and at other times as necessary. The Board receives reports from the auditors based on the audit policies, plans, and schedule determined by the Board, and presents proposals to directors as required. The Board convened 12 times during fiscal 2012.

Attendance Ratio				
Outside Auditors	Board of Directors (12 times)		Board of Corporate Auditors (12 times)	
Hirokazu Ando	100%	12 of 12	100%	12 of 12
Hajime Miyamoto	89%	8 of 9	89%	8 of 9
Yoshitsugu Kondo	100%	12 of 12	100%	12 of 12

* Attendance ratios are calculated for the period from April 1, 2012 to March 31, 2013.
* Outside auditor Hajime Miyamoto passed away on January 30, 2013.

Corporate Auditor Remuneration (Fiscal 2012)

	Remuneration
Remuneration Paid to 6 Auditors	¥90.0 million
Remuneration Paid to 3 Outside Auditors Included in the Above	¥41.0 million

* Included one corporate auditor, who retired upon the completion of the 106th Ordinary General Meeting of Shareholders held on June 26, 2012 and one outside auditor, who passed away on January 30, 2013.

INTERNAL AUDITING SYSTEM

The Company's Internal Auditing Office, which is under the direct supervision of the president, has 11 full-time staff members. The Office conducts audits of the Company and Group subsidiaries in accordance with the annual internal auditing plan formulated by the Executive Officers' Committee. In addition to making specific suggestions for improving business efficiency, the Internal Auditing Office submits audit reports to senior management, the Executive Officers' Committee, and corporate auditors.

ACCOUNTING AUDITS

In the fiscal year ended March 31, 2013, the Group's accounts were audited independently by KPMG AZSA LLC in accordance with Japan's Corporation Law and the Financial Instruments and Exchange Law. Designated limited liability and certified public accountants Masahiko Kobayashi, Naoto Yokoi, and Koji Yoshida were assigned by KPMG AZSA LLC to audit the Company's accounts. 12 additional certified public accountants and 18 assistants also participated in the audit.

Independent Audit Company Remuneration

	Remuneration
Remuneration Payable to the Independent Audit Company for Work Undertaken in Connection with the Fiscal Year under Review	¥120.0 million
Total Amount of Monies and Other Financial Benefits Payable by the Company and Its Subsidiaries	¥211.0 million

* A breakdown and clear classification of the amount payable in connection with audits in accordance with Japan's Companies Act and remuneration for audits in accordance with Japan's Financial Instruments and Exchange Act with respect to the audit agreement concluded between the Company and Independent Auditor have not been provided. Taking into consideration the practical difficulties in providing such a breakdown and classification, the amount of remuneration payable in connection with the fiscal year under review is provided as a sum total.

INTERNAL CONTROL SYSTEM: COMPLIANCE AND RISK MANAGEMENT

INTERNAL CONTROL SYSTEM FUNDAMENTALS

Cosmo Oil has established systems to ensure effective risk management, internal auditing, and auditing by corporate auditors. The Cosmo Oil Group CSR Promotion Committee, which is under the direct supervision of the president, manages the Group's CSR initiatives and internal controls. The Committee also shares information concerning CSR management with affiliates.

• Financial Reporting System

Since April 2008, it has been mandatory for all corporations in Japan to comply with new standards for the evaluation and auditing of internal controls over financial reporting in accordance with Japan's Financial Instruments and Exchange Law. An evaluation of internal controls relating to the reliability of financial reporting as required by the Law found that as of March 31, 2013, the internal control systems of the Company and its subsidiaries were "effective." An evaluation by the Company's independent auditor found its internal controls were appropriate.

• Corporate Ethics Training

The Cosmo Oil Group conducts annual corporate ethics training for Group employees with the objective of maintaining a high level of awareness of corporate ethics. In addition to providing training tailored to job levels, Group company presidents lead training sessions following specific themes at each affiliated company.

In fiscal 2012, President Morikawa gave a keynote address to all business segments entitled Top Commitment, and discussed recent initiatives in corporate ethics. The Group also concentrated on raising awareness of information management among all of the employees through training sessions on information security and the appropriate use of information systems. Ethics training sessions were held for sales staff concerning the Antimonopoly Act and the Act Concerning the Maintenance of Quality of Gasoline, etc. In addition, ethics training sessions specifically designed for engineers were held again this year following the theme "creating safety" with the aim of raising awareness of safety issues. The total number of participants in fiscal 2012 was 3,798.

• Corporate Ethics Consultation Helpline Overview and Case Record

The Cosmo Oil Group has set up internal and external helplines for consultation or reporting of legal or ethical problems concerning Group operations. Internal consultation is available through the Corporate Ethics Consultation helpline located in the Corporate Ethics Promotion Office and a consultation helpline for matters related to sexual or power harassment located in the Personnel Department. A helpline has also been established to enable direct consultation with external experts to ensure anonymity and avoid any adverse repercussions for the person seeking consultation. In fiscal 2012, nine consultation cases were recorded.

• Risk Management Measures and Business Continuity Plan Revisions

The Cosmo Oil Group has established the Risk Management Committee under the CSR Promotion Committee charged with companywide; 1) risk examination and 2) categorization, 3) countermeasures consideration and 4) implementation, and 5) a monitoring and evaluation cycle implementation. Recent risk issues encompass cyberterrorism, mental health, and new strains of influenza as well as earthquakes. The committee responds to and considers those risks together with related committees and departments to ensure that nothing is overlooked.

Regarding the business continuity plan (BCP) in the case of an earthquake, we conducted a comprehensive review of our response to the Great East Japan Earthquake and made revisions to the Group's Tokyo Earthquake BCP Manual. We also have a Tokai, East Nankai, and Nankai Earthquake BCP Manual.

In addition, the Company conducted comprehensive BCP drills on March 5, 2013, one based on a scenario of damage caused by an earthquake in the Tokai, East Nankai, and Nankai region and another on an earthquake in the Tokyo metropolitan area. BCP drills will be an ongoing part of our risk management activities as we seek to further strengthen our preparedness framework for a major disaster.

INITIATIVES AIMED AT REINFORCING CORPORATE GOVERNANCE

• Share Acquisition Guidelines

In June 2006, the Cosmo Oil Group established share acquisition guidelines as an internal standard for executives who own Company shares to encourage continued long-term increases in corporate value. The Group does not grant stock options to directors.

• Basic Policy on Large-Scale Share Acquisition

At the present time, the Cosmo Oil Group does not have a specific policy in place for handling shareholders with multiple voting rights that would enable them to control resolutions on the Group's financial and business policies. Nor has the Company introduced measures for defending such attempts to gain control. However, we plan to examine whether such measures are required in order to maintain and enhance shareholder value. We will do this by considering changes to laws and regulations, changes in the operating environment, the wishes of shareholders, and cases of the introduction of such measures by other companies.

• Ordinary General Meeting of Shareholders

In Japan, there is a tendency for companies to hold their annual general shareholder meetings around the same time. In order to encourage as many Cosmo Oil shareholders as possible to attend our meetings, the Group schedules its annual meeting so that it does not clash with the majority of other meetings. In addition to introducing a system enabling shareholders to exercise their voting rights via the Internet, institutional investors are able to exercise their rights promptly and accurately using our institutional investor electronic proxy voting platform.

CSR Activities

A company is a part of society. It must therefore earn the recognition of society in order to grow and develop. Moreover, society must be peaceful and healthy, and the global environment must be properly protected. We are committed to fulfilling our corporate responsibilities and making broad contributions to society. To this end, we seek to serve as a company where each and every employee embraces a social contribution mindset.

Basic policy of social contribution activities

- Activities unique to the Cosmo Oil Group
- Full personnel participation
- Lasting presence regardless of the Group's business status

Concept of social contribution activities

- To educate children who will be part of the future society
- To preserve the global environment—the foundations of a sustainable society
- To form a peaceful, considerate, and cultural society

Social Contribution Activities

The 20th Cosmo Waku Waku Camp

In an effort to give something back to the automobile-based society and to contribute to society as a good corporate citizen, Cosmo Oil has held the annual "Cosmo Waku Waku Camp," a nature camp for elementary school-aged children who have been orphaned as a result of traffic accidents, since 1993.

The 20th camp held in Yamanashi Prefecture in fiscal 2012 was based on the theme "Our Adventure — A Product of Nature." Twelve Cosmo Group employees from across Japan took part in a camp on a voluntary basis together with experienced support staff from outside the Group. The camp was held at a location without electricity, running water, or gas, and together with the children, everyone gathered items for use from the natural surroundings. In addition to teaching children about the importance of nature, this camp was an opportunity to promote communication and interaction among participants. The camp was a rousing success and helped children make new friends and exchange thoughts with staff. It also emphasized the magic and wonder of the natural environment.

At the camp

Environmental Protection Activities

The Cosmo Oil Eco Card Fund and Eco Tour — Living with Flying Squirrels: Satoyama Regeneration Project

The Cosmo Oil Eco Card Fund draws on donations from Cosmo the Card holders as well as donations that represent a portion of the sale of the Cosmo Oil Group to engage in activities across the two broad themes of "restoring and preserving the environment in Japan and overseas" and "fostering the next generation." In specific terms, donations are used to fund "Living with Our Planet" projects that tackle a host of key environmental issues.

In an effort to nurture a forested area northeast of Mt. Fuji in which flying squirrels and humankind can coexist, 132 wildlife surveys were conducted during fiscal 2012. Working to promote the development of forests in the same area, forest thinning was also undertaken across an area of 0.2 hectares. Moreover, Eco Tours were organized to allow Fund supporters and cardholders to gain first-hand experience of the Fund's activities. Two tours were held during autumn 2012. Participants helped plant mature walnut and Japanese beech trees standing as high as five meters that would serve both as their home and source of food. In the future, as the development of an environment in which wildlife can flourish and thrive takes hold, steps will be taken to plant broad-leaved trees, which will provide a source of food.

Participants planting walnut trees

Directors and Auditors

(As of June 25, 2013)

Representative Directors

Chairman
Yaichi Kimura

President, Chief Executive Officer
Keizo Morikawa

Senior Managing Executive Officer
Atsuto Tamura
Corporate Management Unit

Directors

Senior Managing Executive Officer
Hideto Matsumura
Risk Management Unit
Technology & Research Unit

Senior Executive Officer
Hisashi Kobayashi
Supply Business Unit

Senior Executive Officer
Isao Kusakabe
Resources E&P Business Unit

Senior Executive Officer
Hirohiko Ogiwara
Sales Business Unit

Senior Executive Officer
Hiroshi Kiriyama
Corporate Planning Unit

Outside Directors

Mohamed Al Hamli

Mohamed Al Mehairi

Audit and Supervisory Board Members

Hideo Suzuki (full time)
Kazuto Ichikawa (full time)

Outside audit and Supervisory Board Members

Hirokazu Ando (full time)
Yoshitsugu Kondo
Sakae Kanno

*The three outside auditors are also independent directors who are unlikely to have conflicts of interest with general shareholders.

Senior Executive Officers

Katsuhisa Ohtaki
General Manager, Chiba Refinery

Muneyuki Sano
Assistant of Director
for Corporate Management Unit

Yasushi Ohe
Project Development Business Unit

Executive Officers

Koji Goto
General Manager, Sakaide Refinery

Kenichi Taki
General Manager, Accounting Dept.

Kiyoshi Kumazawa
Assistant of Director for Supply Business Unit
General Manager, Supply Dept.

Kimio Katayanagi
General Manager, Resources E&P Dept.

Hirohiko Kato
General Manager,
Industrial Fuel Marketing Dept.

Hiroo Iura
General Manager, Tokyo Branch

Akihiko Tobinaga
General Manager, Finance Dept.

Yasuaki Iwata
Assistant of Director for Supply Business Unit
General Manager,
Production & Technology Dept.

Kaoru Sato
General Manager, Refinery Safety Dept.

Kozo Ogasawara
General Manager, Yokkaichi Refinery

The Internal Auditing Office reports directly to the President.

Financial Data

Note: On pages 38-39, the figures up until FY2009 had been rounded up or down to the nearest million. From FY2010 onward, the figures have been rounded off to the nearest million. On pages 40-47, the figures have been rounded up or down to the nearest million. On pages 48-61, the figures have been rounded off to the nearest million.

11-Year Selected Financial and Operating Data

Cosmo Oil Company, Limited and Consolidated Subsidiaries

Millions of yen

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
For The Year						
Net sales	¥1,902,768	¥1,916,278	¥2,154,559	¥2,670,628	¥3,062,744	¥3,523,087
Petroleum*	1,832,598	1,863,091	2,105,257	2,617,446	2,984,516	3,442,186
Petrochemical	—	—	—	—	—	—
Oil exploration and production	33,397	31,646	36,903	50,476	78,132	84,069
Other	73,928	66,734	83,006	69,369	85,517	99,010
Elimination and corporate	(37,157)	(45,194)	(70,607)	(66,663)	(85,421)	(102,178)
Cost of sales	1,754,853	1,758,858	1,956,160	2,422,272	2,852,242	3,290,688
Selling, general and administrative expenses	123,748	132,174	132,701	137,108	140,859	148,602
Operating income (loss)	24,167	25,246	65,698	111,248	69,643	83,797
Inventory valuation gain (loss)	17,300	(9,500)	12,600	45,400	2,800	45,000
Operating income (loss) excluding the impact of inventory valuation	6,867	34,746	53,098	65,848	66,843	38,797
Income (loss) before income taxes and minority interests	12,966	17,592	47,533	120,393	71,243	95,561
Net income (loss)	3,426	8,179	26,415	61,795	26,536	35,153
Capital expenditures	24,132	36,573	30,113	31,762	36,127	48,958
R&D costs	3,867	3,558	3,635	3,483	3,753	3,840
Depreciation and amortization	22,843	23,632	24,927	28,313	37,788	42,776
Cash flows from operating activities	(26,975)	101,827	40,494	(20,685)	25,005	(4,215)
Cash flows from investing activities	(12,811)	(32,709)	(36,577)	(1,348)	(35,868)	(32,806)
Cash flows from financing activities	10,127	(7,679)	(70,163)	39,608	80,023	(5,229)
At Year-End						
Total assets	¥1,246,730	¥1,260,092	¥1,323,149	¥1,463,579	¥1,579,156	¥1,627,904
Minority interests	24,773	24,887	17,945	20,803	21,912	26,815
Net assets excluding minority interests	193,595	204,806	227,897	312,504	339,701	442,912
Total current assets	557,460	560,843	611,213	762,404	882,082	933,722
Total current liabilities	659,223	659,402	692,620	733,452	811,846	812,028
Interest-bearing debt	562,649	559,259	497,804	522,430	609,890	521,605
Shares of common stock issued (thousands)	631,705	631,705	631,705	671,705	671,705	847,705

Yen

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
Per Share Data						
Net income (loss)	¥ 5.42	¥ 12.95	¥ 41.73	¥ 94.54	¥ 39.54	¥ 46.72
Diluted net income	—	12.74	—	92.17	37.91	44.98
Net assets	306.67	324.43	360.93	465.48	506.15	522.84
Cash dividends	6.00	6.00	8.00	10.00	8.00	8.00
Ratios						
Return on assets (ROA) (%)	0.3	0.7	2.0	4.4	1.7	2.2
Return on equity (ROE) (%)	1.8	4.1	12.2	22.9	8.0	9.0
Equity ratio (%)	15.5	16.3	17.2	21.4	21.5	27.2
Debt-to-total capital ratio (%)	74.4	73.2	68.6	62.6	64.2	54.1
Debt-to-total assets (%)	45.1	44.4	37.6	35.7	38.6	32.0
Debt-to-equity ratio (times)	2.9	2.7	2.2	1.7	1.8	1.2

Notes: 1. U.S. dollar amounts are translated from Japanese yen, for the convenience of readers only, at the rate of ¥94.05 to US$1.00, the approximate rate of exchange prevailing on March 31, 2013.
2. Effective from FY2002, the Company adopted a new standard for earnings per share; prior-year figures have not been restated.
3. Recorded inventory valuation gains (losses) from FY2000 through FY2007 are based on the periodic average method of inventory valuation, whereas recorded inventory valuation gains (losses) from FY2009 are based on the lower of cost or market method as dictated by ASBJ (Accounting Standards Board of Japan) Statement No. 9, "Accounting Standard for Measurement of Inventories."

FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)	
						For The Year
¥3,428,211	¥2,612,141	¥2,771,523	¥3,109,746	¥3,166,689	$33,670,271	Net sales
3,352,916	2,565,153	2,728,754	3,055,628	3,116,214	33,133,589	Petroleum*
—	—	45,940	29,422	30,469	323,966	Petrochemical
89,054	59,553	69,938	87,644	85,943	913,801	Oil exploration and production
91,790	88,470	68,652	71,628	86,312	917,725	Other
(105,549)	(101,035)	(141,762)	(134,577)	(152,250)	(1,618,820)	Elimination and corporate
3,389,408	2,435,366	2,539,032	2,918,238	2,989,274	31,783,881	Cost of sales
145,809	142,568	128,393	127,937	124,992	1,328,995	Selling, general and administrative expenses
(107,006)	34,207	104,097	63,570	52,422	557,384	Operating income (loss)
(180,100)	52,600	22,300	25,200	15,264	162,297	Inventory valuation gain (loss)
73,094	(18,393)	81,797	38,370	37,158	395,088	Operating income (loss) excluding the impact of inventory valuation
(117,180)	35,527	73,451	35,381	(2,536)	(26,964)	Income (loss) before income taxes and minority interests
(92,430)	(10,741)	28,933	(9,084)	(85,882)	(913,153)	Net income (loss)
67,025	87,677	64,369	27,933	83,429	887,071	Capital expenditures
3,863	3,657	3,834	3,791	3,765	40,032	R&D costs
41,492	42,746	51,068	50,601	44,953	477,969	Depreciation and amortization
82,136	2,262	26,297	43,616	(20,950)	(222,754)	Cash flows from operating activities
(55,953)	(93,306)	(73,109)	(25,805)	(80,481)	(855,726)	Cash flows from investing activities
57,854	159,302	(86,077)	11,606	104,695	1,113,184	Cash flows from financing activities
						At Year-End
¥1,440,396	¥1,645,048	¥1,579,424	¥1,675,070	¥1,743,492	$18,537,927	Total assets
19,016	15,833	17,508	20,506	26,475	281,499	Minority interests
328,434	315,747	332,730	316,931	230,457	2,450,367	Net assets excluding minority interests
688,310	845,337	793,363	920,412	967,148	10,283,339	Total current assets
683,883	744,174	622,173	744,275	816,611	8,682,733	Total current liabilities
598,609	777,739	700,131	721,203	842,889	8,962,137	Interest-bearing debt
847,705	847,705	847,705	847,705	847,705		Shares of common stock issued (thousands)
				Yen	U.S. dollars	
						Per Share Data
¥ (109.11)	¥ (12.68)	¥ 34.16	¥ (10.72)	¥ (101.39)	$ (1.08)	Net income (loss)
—	—	33.58	—	—	—	Diluted net income
387.71	372.74	392.80	374.15	272.07	2.89	Net assets
8.00	8.00	8.00	8.00	0.00	0	Cash dividends
						Ratios
(6.0)	(0.7)	1.8	(0.6)	(5.0)		Return on assets (ROA) (%)
(24.0)	(3.3)	8.9	(2.8)	(31.4)		Return on equity (ROE) (%)
22.8	19.2	21.1	18.9	13.2		Equity ratio (%)
64.6	71.1	67.8	69.5	78.5		Debt-to-total capital ratio (%)
41.6	47.3	44.3	43.1	48.3		Debt-to-total assets (%)
1.8	2.5	2.1	2.3	3.7		Debt-to-equity ratio (times)

4. Depreciation and amortization includes recovery of recoverable accounts under production sharing from FY2006 through FY2010. In FY2011, depreciation and amortization includes recovery of recoverable accounts under production sharing as well as depreciation applicable to fixed assets idled as a result of the fire at the Chiba Refinery caused by the Great East Japan Earthquake.
5. Up to and including FY2005, net assets excluding minority interests per share was presented rather than net assets per share.
6. Up to and including FY2005, ROE was calculated as net income divided by net assets excluding minority interests.
7. Up to and including FY2005, the debt-to-equity ratio was calculated using net assets excluding minority interests.
8. Up until FY2009, the figures had been rounded up or down to the nearest million. From FY2010 onward, the figures have been rounded off to the nearest million.

* The Petrochemical Business, which had previously been included in the Petroleum Business segment, was made a separate segment from FY2010.

Management's Discussion and Analysis

Operating Environment

In fiscal 2012, ended March 31, 2013, Japan's economy staged a gradual recovery on the strength of demand from reconstruction projects in the wake of the Great East Japan Earthquake and the introduction of the emergency stimulus package by the government. Nonetheless, the economy continued to deal with challenges that included weaker exports, reflecting the sluggish global economy.

In these circumstances, domestic demand for the petroleum products gasoline and kerosene remained level with the previous term, given an increase in the demand for the heavy fuel oil used to generate electricity at thermal power plants as a result of their increased capacity ratios. Accordingly, overall demand exceeded levels recorded in the previous period.

Looking at crude oil prices, the Dubai crude oil price stood at US$119/barrel at the beginning of fiscal 2012, but it temporarily dropped below US$90/barrel, mainly reflecting the European debt crisis. However, with rising tensions in the Middle East, the average price throughout the year was at the level of US$106/barrel.

As for exchange rates, the Japanese yen was at the level of ¥83 per U.S. dollar at the beginning of fiscal 2012. Coupled with the monetary easing policy adopted by the U.S. government and the reemergence of the debt crisis in Europe, the Japanese yen continued to appreciate to the ¥77 range in September 2012. However, it then began to depreciate, mainly reflecting rising anticipation that the Japanese government would adopt an extensive monetary relaxation policy. As a result, the yen stood at the level of ¥96 per U.S. dollar in March 2013.

Looking at the petroleum product market conditions in Japan, the retail prices of mass market products and industrial fuels, which are tied to crude oil prices, experienced a downturn from the beginning of the fiscal year under review but gradually rose after summer.

Results of Operations

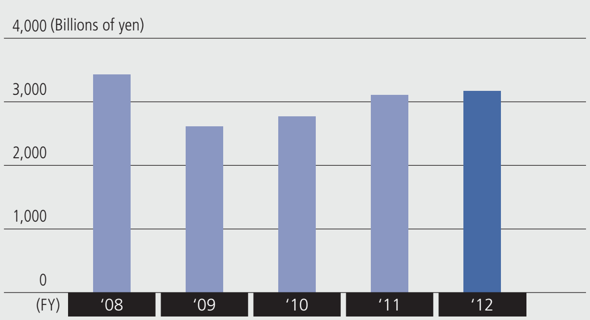
Overview

Against the backdrop of this operating environment, consolidated net sales for the fiscal year under review amounted to ¥3,166.7 billion, up ¥57.0 billion compared with the previous fiscal year. From a profit perspective, operating income declined ¥11.1 billion, to ¥52.4 billion. After accounting for extraordinary items and deducting income taxes, the Group posted a net loss of ¥85.9 billion, compared with the net loss of ¥9.1 billion in fiscal 2011. Due to the impact of the weak yen, the Group reported an inventory valuation gain of ¥15.3 billion. Excluding the impact of this inventory valuation, operating income was ¥37.1 billion.

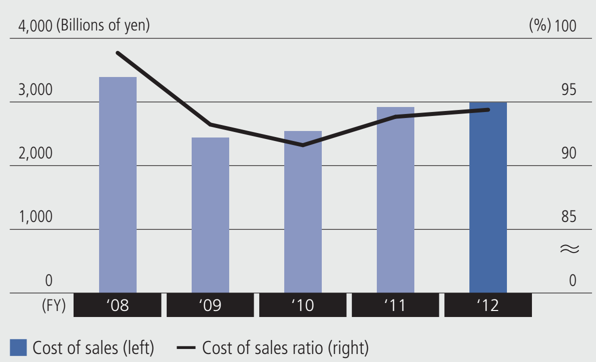
Operating Income

Operating income in fiscal 2012 declined ¥11.1 billion compared with the previous

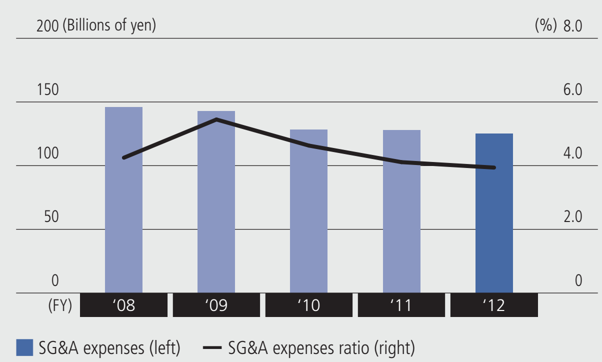
Net sales



Cost of sales, Cost of sales ratio



SG&A expenses, SG&A expenses ratio



fiscal year, to ¥52.4 billion.

Excluding the impact of inventory valuation, operating income declined ¥1.3 billion compared with the previous fiscal year, to ¥37.1 billion. While the partial resumption of operations at the Chiba Refinery helped drive up earnings thanks to the year-on-year drop in costs incurred to find alternative supplies, profit in the Petroleum Business decreased owing largely to the slump in market conditions for the segment's four mainstay products and the downturn in sales volume. On a positive note, earnings increased in the Oil Exploration and Production Business due primarily to the increase in crude oil prices. Earnings also improved in other businesses following the introduction of the Feed-in-Tariff (FIT) scheme, which entails the purchase of renewable energy sources at a fixed price.

Ordinary Income

After adding/deducting non-operating items incurred in regular business activities, ordinary income declined ¥13.0 billion, to ¥48.4 billion. During the fiscal year under review, an extraordinary loss totaling ¥11.6 billion was recorded for fixed costs associated with the suspension of operations at the Chiba Refinery to December 2012. Despite the year-on-year improvement of ¥4.6 billion in these expenses, the impact on ordinary income remained negative. Excluding the impact of the inventory valuation, ordinary income declined ¥3.1 billion, to ¥33.1 billion.

Ordinary income by segment (including the impact of inventory valuation) is presented as follows.

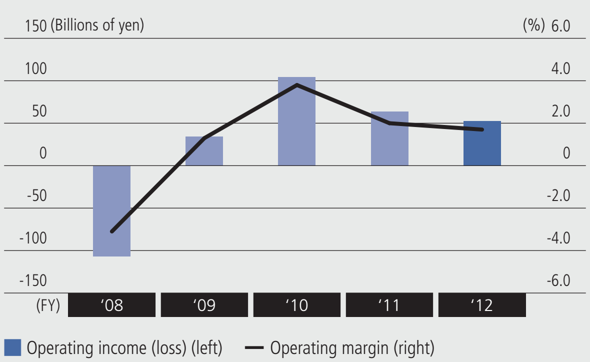
(Billions of yen)

	FY2012	FY2011	Change
Petroleum	**-23.7**	8.0	-31.7
Petrochemical	**3.3**	2.1	+1.2
Oil Exploration and Production	**60.7**	52.0	+8.7
Other	**4.9**	2.9	+2.0
Adjustments	**3.2**	-3.6	+6.8
Consolidated ordinary income	**48.4**	61.4	-13.0
Purchase price of crude oil	**US109.90$/bbl**	US110.87$/bbl	-US$0.97/bbl
JPY/USD Exchange rate	**¥82.70/US$**	¥79.02/US$	+¥3.68/US$

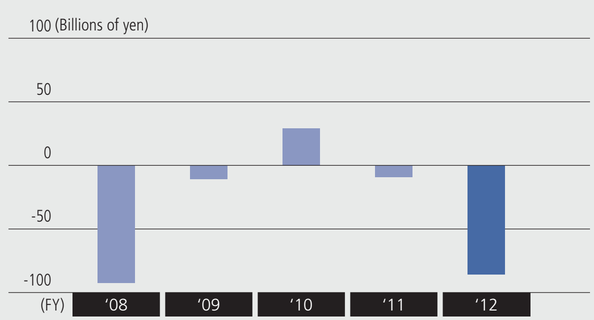
Net Income

In the fiscal year under review, the Group reported an extraordinary loss of ¥52.2 billion. This extraordinary loss was mainly comprised of business structure improvement expenses, which came to ¥20.3 billion and represented provisions made for removal expenses in connection with the closure of the Sakaide Refinery and maintenance and repair expenses incurred at the Chiba Refinery, and extraordinary loss totaling ¥11.6 billion representing fixed costs at the Chiba Refinery. In addition, steps were taken to reverse deferred tax assets following a review of realizability. This contributed to an increase in income taxes-deferred to ¥44.7 billion, up ¥43.8 billion. As a result, total income taxes surged ¥37.3 billion year on year to ¥76.2 billion. On

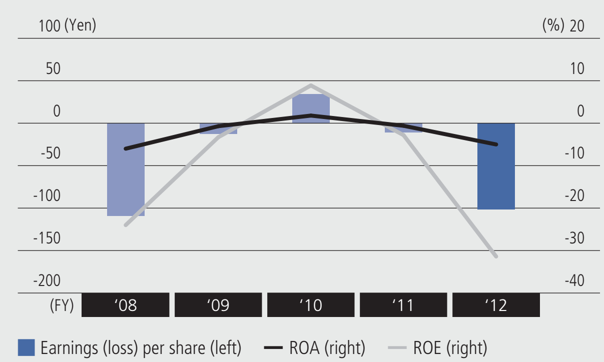
Operating income (loss), Operating margin



Net income (loss)



Earnings (loss) per share, ROA, ROE



this basis, the Group recorded a net loss for the period of ¥85.9 billion, an increase of ¥76.8 billion compared with the previous fiscal year.

Outlook

The Cosmo Oil Group has positioned its Fifth Consolidated Medium-Term Management Plan, which covers the period from fiscal 2013 to fiscal 2017, as a five-year roadmap by which it will establish a solid business foothold for further expansion. During this period, the Group will work to regain profitability in the Petroleum Business and steadily recoup strategic investments made mainly in the Petrochemical and Oil Exploration and Production businesses under the Fourth Consolidated Medium-Term Management Plan. As of July 31, 2013, operations at the Chiba Refinery had fully resumed. At the same time, the Group has completed steps aimed at developing a robust supply structure. As a result, considerable energy will be channeled toward strengthening sales. In addition to the forecast boost to marketing capabilities following the acquisition of Sojitz Energy Corporation in January 2013, the Group will target a substantial increase in earnings on the back of a full-fledged resumption of export activities.

For fiscal 2013, the Group anticipates a crude oil price of US$100/barrel and an exchange rate of ¥100 per U.S. dollar. On this basis, consolidated net sales are forecast to reach ¥3,550.0 billion, up ¥383.3 billion compared with fiscal 2012, consolidated operating income to come in at ¥64.0 billion, an increase of ¥11.6 billion year on year, consolidated ordinary income to total ¥61.0 billion, up ¥12.6 billion, and consolidated net income to amount to ¥16.0 billion, compared with the consolidated net loss for fiscal 2012 of ¥85.9 billion.

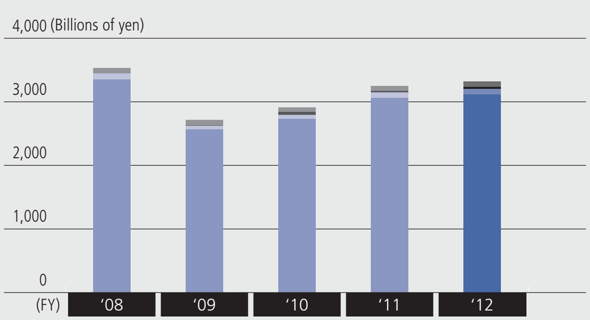
Segment Information

Petroleum

In the Petroleum Business, sales increased ¥60.6 billion compared with the previous fiscal year, to ¥3,116.2 billion mainly reflecting higher sales prices on the back of the weak yen and increased sales of heavy fuel oil C for electric power generation. On the earnings front, however, the Petroleum Business reported a segment loss of ¥23.7 billion compared with segment income of ¥8.0 billion in fiscal 2011. This was largely attributable to the downturn in product market conditions and the drop in sales volume.

Turning to fiscal 2013, the Petroleum Business is expected to benefit from a lower year-on-year burden with respect to alternative supply costs. This reflects efforts to ramp up measures aimed at securing safe operations at refineries and stable supply. The forecast substantial increase in product exports is also projected to ensure a positive operating environment. As a result, the Petroleum Business is anticipated to report higher earnings for fiscal 2013 compared with fiscal 2012. Looking at improvements in the margin environment, the Group is adopting a conservative

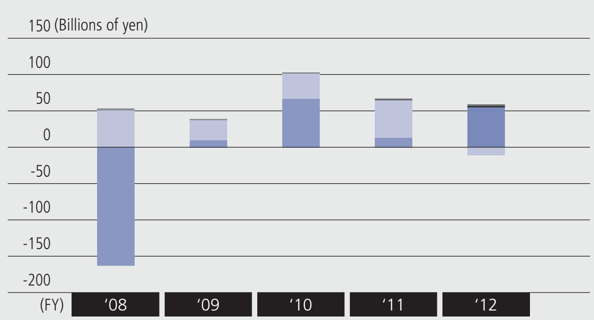
Segment sales



Petroleum Business Segment Oil Exploration and Production Business Segment
Petrochemical Business Segment Other Business Segment

Note: The Petrochemical Business, which had previously been included in the Petroleum Business segment, was made a separate segment from FY2010.

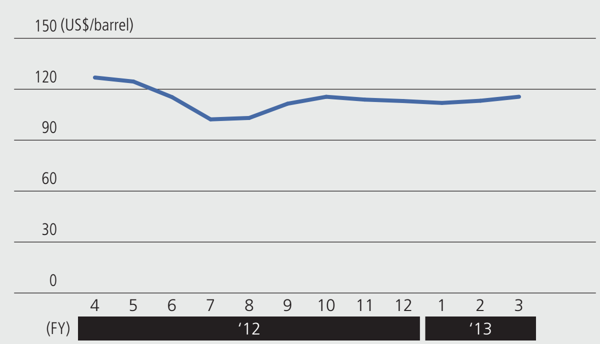
Segment operating income (loss)



Petroleum Business Segment Oil Exploration and Production Business Segment
Petrochemical Business Segment Other Business Segment

Note: The Petrochemical Business, which had previously been included in the Petroleum Business segment, was made a separate segment from FY2010.

Crude oil price (CIF)



approach. Every effort will, however, be made to boost earnings by promoting the shift to more economical heavier forms of crude oil, and building an agile production and sales structure. Taking into consideration each of these measures and factors, sales in this segment are forecast to reach ¥3,460.0 billion, an increase of ¥343.8 billion. Segment income is estimated to total ¥3.0 billion, a positive turnaround of ¥26.7 billion.

Petrochemicals

In the Petrochemicals Business, sales climbed ¥1.1 billion, to ¥30.5 billion. This largely reflected the recovery in market conditions for aromatic petrochemical products including benzene and mixed xylene. Segment income in fiscal 2012 came to ¥3.3 billion, an increase of ¥1.2 billion compared with the previous fiscal year.

Buoyed by such factors as the start of new unit operations at Hyundai Cosmo Petrochemical Co., Ltd. (HCP), segment earnings are projected to increase in fiscal 2013. Sales in the Petrochemicals Business are expected to reach ¥80.0 billion, up ¥49.5 billion year on year while segment income is forecast to total ¥3.5 billion, an improvement of ¥0.2 billion against the backdrop of projected conservative petrochemical product market conditions.

Oil Exploration and Production

Sales in the Oil Exploration and Production Business came to ¥85.9 billion, down ¥1.7 billion, and income totaled ¥60.7 billion, up ¥8.7 billion.

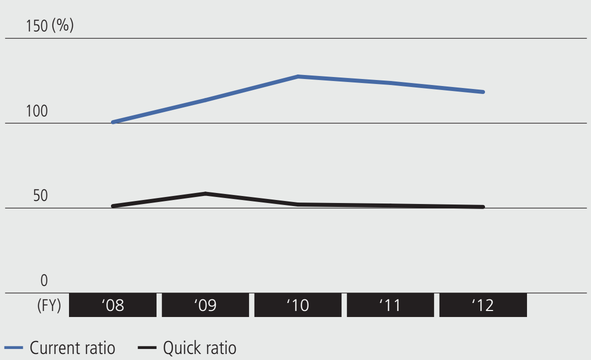
Looking at forecasts for the next fiscal year in this segment, earnings are projected to fall owing mainly to the upswing in operating expenses commensurate with efforts to ensure the ongoing steady production of crude oil. As a result, sales in the Oil Exploration and Production Business are forecast to reach ¥98.0 billion, an increase of ¥12.1 billion, while income is projected to fall ¥5.2 billion, to ¥55.5 billion.

Sources of Liquidity and Funds

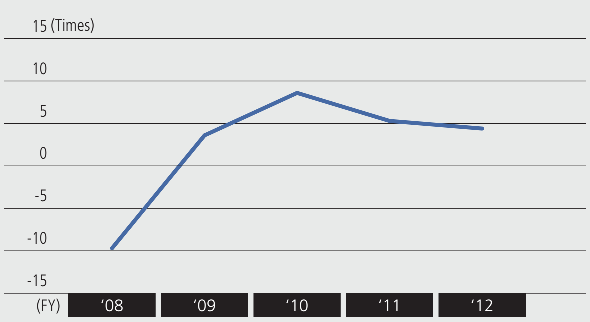
The Cosmo Oil Group's core petroleum business is its principal source of income. While rising crude oil prices benefit sales and operating income in the Company's Oil Exploration and Production Business segment, high tax rates in oil producing countries mean that the negative impact in terms of cash inflow is limited.

In the Petroleum Business segment, there is a noticeable lag between the import of crude oil and the receipt of funds from the sale of petroleum products. This is because the transportation of crude oil requires a significant amount of time. Also, the Company is obligated to maintain reserves equivalent to 70 days of domestic sales volume. Because it is entirely dependent on imports of raw materials, the Cosmo Oil Group is also affected significantly by fluctuations in exchange rates, which influence

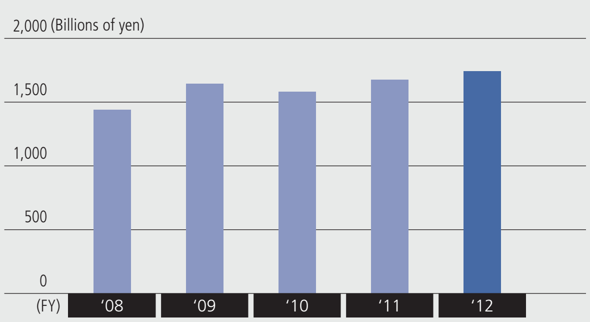
Current ratio, Quick ratio



Interest coverage ratio



Total assets



import costs, and in domestic sales prices. The Company engages in forward foreign exchange contracts to hedge this risk.

The Company must undertake short-term borrowings from time to time to provide additional working capital to facilitate crude oil imports. Long-term debt as of the fiscal year-end totaled ¥489.3 billion, up ¥32.5 billion, or 7.1%, year on year. Total interest-bearing debt increased ¥121.7 billion, or 16.9%, to ¥842.9 billion.

In November 2012, Japan Credit Rating Agency, Ltd. (JCR) downgraded the Company's long-term issuer rating from BBB+ to BBB. This decision largely reflects JCR's assessment that it will take some time before the Company can improve its financial structure that has deteriorated more than previously thought due in part to delays in the resumption of operations at the Chiba Refinery, the full reversal of deferred tax assets, and the temporary increase in oil exploration and development-related investment.

In December 2012, Moody's Japan K.K. (Moody's) decided to downgrade the Company's long-term issuer rating to Ba1 from Baa3. This rating action is a measure of Moody's concern that any improvement in the Company's balance sheet structure will take much longer than expected, given the persistent erosion in profitability attributable to the suspension of operations at the Chiba Refinery.

The Cosmo Oil Group plans strategic capital investments under its Fifth Consolidated Medium-Term Management Plan. Moving forward, the Company will seek to flexibly raise funds while monitoring market trends, and at the same time endeavor to optimize its balance sheet, thereby reinforcing its financial condition and ensuring its ability to support strategic investments.

Financial Position

Assets

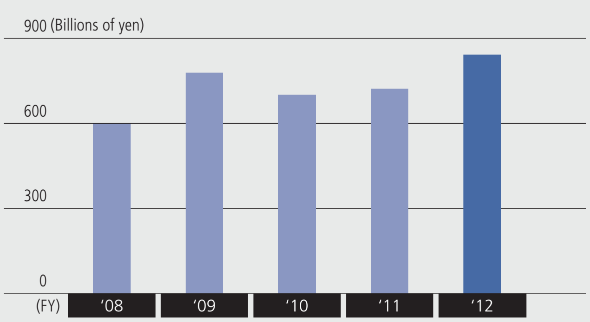
As of March 31, 2013, total assets amounted to ¥1,743.5 billion, up ¥68.4 billion from a year earlier. This was mainly due to a ¥46.7 billion rise in current assets, to ¥967.1 billion. Major factors boosting current assets were increases in accounts receivable and inventory assets, stemming from the upswing in crude oil prices due mainly to the weak yen.

Liabilities and Net Assets

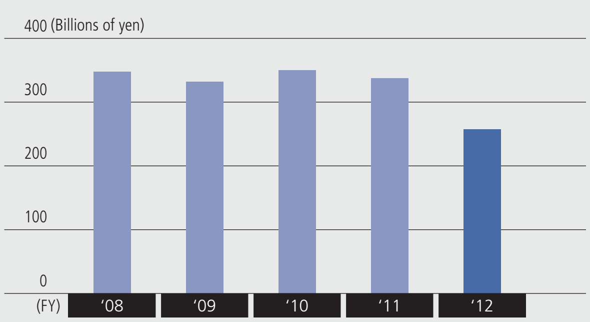
Total liabilities as of the fiscal year-end stood at ¥1,486.6 billion, up ¥148.9 billion from a year earlier. This was mainly due to a ¥72.3 billion rise in current liabilities, to ¥816.6 billion, stemming primarily from the increase in short-term loans payable, and a ¥76.6 billion upswing in noncurrent liabilities, to ¥669.9 billion, largely reflecting the higher balance of long-term loans payable.

Net assets declined ¥80.5 billion, to ¥256.9 billion, owing mainly to the drop in retained earnings. The equity ratio was 13.2% as of the fiscal year-end.

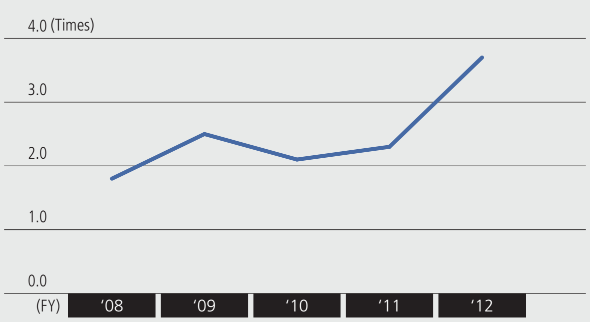
Interest-bearing debt



Net assets



Debt-to-equity ratio



Cash Flows

Net cash used in operating activities amounted to ¥21.0 billion. The main cash outflows were the increase in notes and accounts receivable-trade and the increase in inventories reflecting such factors as the upswing in crude oil prices as well as the decrease in notes and accounts payable owing mainly to cutbacks in the cost of finding alternative supplies stemming from the suspension of operations at the Chiba Refinery.

Net cash used in investing activities totaled ¥80.5 billion owing primarily to the purchase of fixed assets.

Net cash provided by financing activities was ¥104.7 billion. This was due mainly to increases in borrowings.

As a result, cash and cash equivalents as of the fiscal year-end totaled ¥129.7 billion, up ¥7.3 billion from a year earlier.

(Billions of yen)

	FY2012	FY2011	Change
Cash flows from operating activities	**-21.0**	43.6	-64.6
Cash flows from investing activities	**-80.5**	-25.8	-54.7
Cash flows from financing activities	**104.7**	11.6	+93.1
Cash and cash equivalents at fiscal year-end	**129.7**	122.4	+7.3
Ratio of cash flows to interest-bearing debt (years)	—	16.5	—

Note: The ratio of cash flows to interest-bearing debt = Interest-bearing debt divided by operating cash flows

Capital Expenditures

In the fiscal year under review, the Company made total capital expenditures of ¥83.4 billion, up ¥55.5 billion from the previous year. In the Petroleum Business, expenditure was directed toward production facilities at the refineries, marketing facilities including the new construction and refurbishment of self-service stations, and consolidated subsidiaries. In the Petrochemical Business, the principal investment was related to production facilities of Cosmo Matsuyama Oil Co., Ltd., a consolidated subsidiary. Major capital expenditures in the Oil Exploration and Production Business included outlays for production facilities by Abu Dhabi Oil Co., Ltd., a consolidated subsidiary. Other substantial expenditures comprised investments in wind power generation facilities by consolidated subsidiary EcoPower Co., Ltd. During fiscal 2012, the Company did not dispose of or sell any important facilities in each of its mainstay businesses.

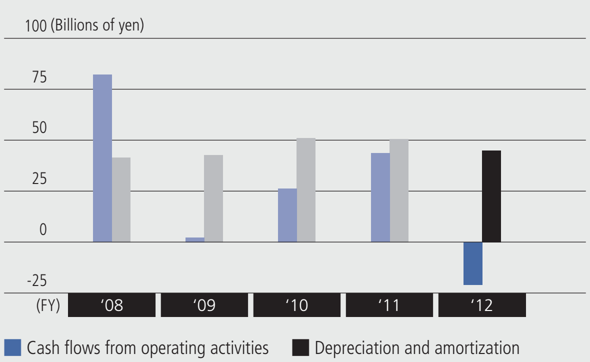
Capital expenditures by segment are summarized as follows.

(Billions of yen)

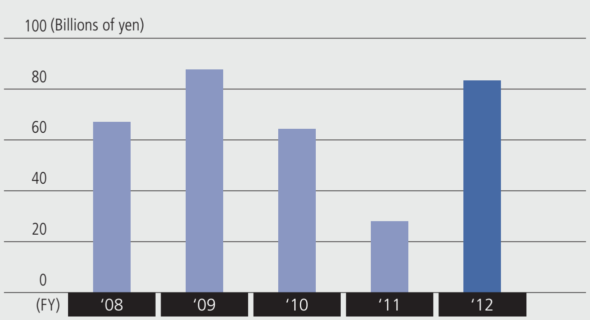
	FY2012	FY2011	Change
Petroleum	**24.1**	17.5	+6.6
Petrochemical	**0.6**	0.5	+0.1
Oil Exploration and Production	**57.3**	9.6	+47.7
Depreciation and Amortization	**45.0**	50.6	-5.6

Notes: 1. Capital expenditure is recorded on an inspection basis.
2. Depreciation and amortization included recovery of recoverable accounts under production sharing as well as depreciation applicable to such items as intangible fixed assets and long-term prepaid expenses.

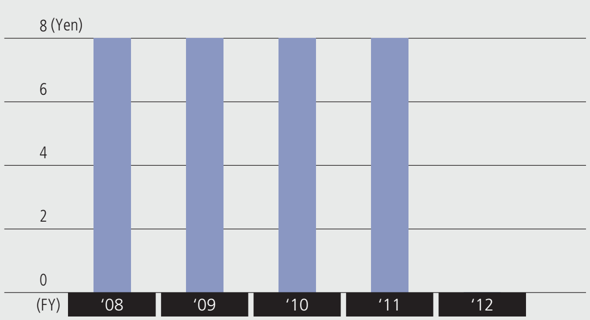
Cash flows from operating activities, Depreciation and amortization



Capital expenditures



Cash dividends per share



Basic Policy Regarding Earnings Appropriation

The Company places particular emphasis on shareholder returns. Its basic policy is to maintain stable dividend payments by taking financial structural enhancement, future business development, business results and balanced fund positions into due consideration. However, considering the financial situation, among other factors, the Company has regrettably decided not to pay dividends for the term under review.

Turning to the payment of dividends for fiscal 2013, Cosmo Oil's policy concerns take into consideration the need to improve its earnings foundation. This in turn draws on the Company's ability to secure safe operations at its refineries when ensuring stable supply. With this as its base, the payment of future dividends will then depend on operating results and the Company's financial condition.

Business and Other Risks

The Cosmo Oil Group's business performance and financial condition are subject to a number of factors that in the future could have a significant impact. The following is a summary of major risk factors that the Group incurs in the course of its business development. The Group proactively discloses all risks that it considers important to those investing in Cosmo Oil stock, including external factors over which the Group has no control and which have little probability of occurring. Moreover, the following risks are not all-inclusive of the risks associated with investment in Cosmo Oil stock.

(1) Supply and Demand Trends

Sales of gasoline, kerosene and diesel fuel comprise a major portion of the Group's total sales and are strongly affected by general trends in personal consumption. In addition, the demand for naphtha is strongly affected by demand trends in the petrochemical industry, while the demand for diesel fuel is strongly affected by the transportation industry, and the demand for heavy fuel oil, by the electric power and shipping industries. As a result, changes in economic as well as weather conditions can cause fluctuations in demand, which, in turn, can have a material impact on the scale of the Group's sales.

(2) Crude Oil Prices and Procurement

Crude oil prices are significantly affected by demand and production trends. In terms of demand trends, the impact of large consuming nations, such as the United States, and of Asian nations showing rapid economic growth (particularly China) is highly significant. Increases and decreases in the crude oil production by Middle East oil-producing nations primarily have a large impact on production trends. In addition to political instability, such as the outbreak of war around oil-producing nations, and terrorism and other uncertainties that could significantly affect crude oil prices and crude oil procurement by the Group, production stoppages at the Group's production bases could also have a material impact on the Group's business performance and financial condition.

The Group uses the weighted average method to value crude oil inventories. Therefore, lower crude oil prices can have a material impact on the Group's operating performance and financial condition, such as a heavier cost burden the Group might have to bear for actual market conditions.

(3) Foreign Exchange Rate Fluctuations

The Group imports crude oil and oil products from overseas, and usually pays for these imports in U.S. dollars, which means that fluctuations in foreign exchange rates can cause currency losses or gains. In order to minimize the impact of foreign exchange rates, the Group engages in currency hedge transactions. However, as a weaker yen results in higher procurement costs, exchange rate fluctuations can have a material impact on the Group's business performance and financial condition.

Foreign exchange rate fluctuations can also have a material impact when the financial statements of consolidated subsidiaries outside Japan and associated companies accounted for in the equity method are restated in Japanese yen.

(4) Market Impact

As mentioned above, the cost of the Group's major oil products is determined by international market prices of crude oil and foreign exchange rates. On the other hand, the Group's marketing activities are mainly conducted within Japan, and selling prices are determined by domestic market conditions. Consequently, gaps and/or time lags between international and domestic market prices can have a material impact on the Group's business performance and financial condition.

(5) Interest Rate Fluctuations

Interest rate fluctuations can lead to higher borrowing costs if interest rates rise. Thus, interest rate fluctuations can have an impact on the Group's borrowing costs and can materially affect the Group's business performance and financial condition.

(6) Asset Valuation Fluctuations

Depending on economic circumstances, valuation losses because of fluctuations in the value of assets, such as land and marketable securities that are held by the Group, could have a material impact on the business performance and financial condition of the Group.

(7) Competition Risk

The Group is engaged in stiff competition with domestic and overseas companies mainly in the oil business. While the Group is working to maintain and improve its competitiveness, the inability to maintain efficient business operations relative to competing companies may have a material impact on the Group's business performance and financial condition.

(8) Impact by Natural Disasters and Accidents

As its refineries handle large volumes of flammable materials, the Group takes particular care in implementing various safety measures to prevent accidents caused by human errors, and to avoid workplace injuries. Notwithstanding these precautions, the occurrence of an earthquake, other natural disasters, or unforeseen accidents can result in unavoidable stoppages of operations. As a result of the Great East Japan Earthquake of March 11, 2011, for example, the Group was forced to suspend operations of the Chiba Refinery for a certain period and consequently incur losses and restoration costs. In addition, accidents in non-refinery operations, such as oil storage depots, service stations, marine tankers, and tanker trucks, could noticeably affect the Group's operations and have a material impact on its business performance and financial condition.

(9) Impact by Regulations Applicable to the Oil Industry

Various regulations regarding pollution and environmental issues that affect the oil industry have been implemented, and the Group bears the cost of complying with these regulations. As more stringent environmental countermeasures are expected, the Group recognizes the possibility that it could be subject to new laws, regulations, and taxes. Going forward, there is a risk that new laws or amendments to existing laws will result in an additional cost burden for the Group. In promoting its CSR management efforts, the Group positions legal compliance as an integral part of such efforts, establishing the necessary systems and striving to enhance the morale of all employees. However, if the risk of legal infraction materializes because of human error or other factors, the Group may become subject to government penalties that would obstruct business operations, reduce the level of trust among customers, and damage the Group's brand image, which could, in turn, affect the Group's operating performance. For example, one of the Company's refineries was subject to administrative penalties by the Nuclear and Industrial Safety Agency of the Ministry of Economy, Trade and Industry. This incurred additional maintenance costs, which had an impact on the Group's business performance.

(10) Information Management

In terms of information management, malicious software countermeasures and personal information protection measures have been implemented to strengthen the Group's internal IT system security. In addition, the Group has established internal monitoring procedures and regulations on how to handle confidential information, including customer information, and it has contracted external third parties to have them implement supervision and audits over the management and handling of confidential information within the Group. However, the materialization of risks, such as any loss, leakage or alteration of confidential information, including personal information, for any reason, could result in a loss of customer trust and tarnish the Group's brand image, which, in turn, could have a material impact on the Group's business performance.

Consolidated Balance Sheets

Cosmo Oil Company, Limited and Consolidated Subsidiaries

Millions of yen

	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
ASSETS		
Current assets		
Cash and deposits	¥ 122,031	¥ 130,264
Notes and accounts receivable-trade	261,067	282,889
Short-term investment securities	413	512
Merchandise and finished goods	232,505	248,524
Work in process	1,051	998
Raw materials and supplies	210,004	242,378
Accounts receivable-other	60,861	34,886
Deferred tax assets	6,712	3,325
Other	26,056	23,703
Allowance for doubtful accounts	(292)	(334)
Total current assets	920,412	967,148
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	100,167	104,986
Oil storage depots, net	17,381	19,000
Machinery, equipment and vehicles, net	149,529	132,903
Land	299,772	304,495
Lease assets, net	575	615
Construction in progress	6,346	14,628
Other, net	6,474	6,079
Total property, plant and equipment	580,246	582,709
Intangible assets		
Leasehold right	986	945
Software	3,090	2,411
Goodwill	3	3,645
Other	5,436	44,516
Total intangible assets	9,517	51,518
Investments and other assets		
Investment securities	102,062	118,770
Investments in capital	214	221
Long-term loans receivable	1,434	1,282
Long-term prepaid expenses	4,315	3,795
Deferred tax assets	32,230	1,791
Other	25,243	16,337
Allowance for doubtful accounts	(863)	(613)
Total investments and other assets	164,635	141,586
Total noncurrent assets	754,400	775,814
Deferred assets		
Bond issuance cost	257	529
Total deferred assets	257	529
Total assets	¥1,675,070	¥1,743,492

Millions of yen

	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	¥ 294,906	¥ 277,934
Short-term loans payable	207,447	277,429
Current portion of bonds	840	1,680
Accounts payable-other	100,184	123,991
Accrued volatile oil and other petroleum taxes	99,786	97,708
Income taxes payable	12,181	10,175
Accrued consumption taxes	3,744	1,406
Accrued expenses	9,279	7,194
Deferred tax liabilities	5	847
Provision for loss on disaster	3,512	648
Provision for business structure improvement	—	7,743
Provision for environmental measures	—	26
Other	12,388	9,824
Total current liabilities	744,275	816,611
Noncurrent liabilities		
Bonds payable	56,160	74,480
Long-term loans payable	456,755	489,299
Deferred tax liabilities	10,042	19,690
Deferred tax liabilities for land revaluation	29,027	29,301
Provision for special repairs	7,984	8,700
Provision for retirement benefits	6,795	8,506
Provision for business structure improvement	—	4,260
Provision for environmental measures	723	4,058
Negative goodwill	3,769	2,512
Other	22,098	29,138
Total noncurrent liabilities	593,357	669,948
Total liabilities	¥1,337,632	¥1,486,559
NET ASSETS		
Shareholders' equity		
Capital stock	¥ 107,246	¥ 107,246
Capital surplus	89,440	89,440
Retained earnings	103,454	10,531
Treasury stock	(140)	(140)
Total shareholders' equity	300,001	207,078
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,540	3,770
Deferred gains or losses on hedges	2,579	1,422
Revaluation reserve for land	18,776	19,037
Foreign currency translation adjustment	(5,965)	(851)
Total accumulated other comprehensive income	16,930	23,378
Minority interests	20,506	26,475
Total net assets	337,437	256,932
Total liabilities and net assets	¥1,675,070	¥1,743,492

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

Cosmo Oil Company, Limited and Consolidated Subsidiaries

Millions of yen

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Net sales	¥3,109,746	¥3,166,689
Cost of sale	2,918,238	2,989,274
Gross profit	191,508	177,415
Selling, general and administrative expenses	127,937	124,992
Operating income	63,570	52,422
Non-operating income		
Interest income	119	196
Dividends income	1,898	1,778
Rent income on noncurrent assets	1,221	1,101
Amortization of negative goodwill	1,251	1,281
Foreign exchange gains	451	—
Equity in earnings of affiliates	2,933	7,083
Gain on valuation of derivatives	1,668	—
Other	3,955	3,758
Total non-operating income	13,498	15,200
Non-operating expenses		
Interest expenses	12,323	12,430
Foreign exchange losses	—	1,242
Other	3,324	5,510
Total non-operating expenses	15,648	19,183
Ordinary income	61,420	48,439
Extraordinary income		
Gain on sales of noncurrent assets	642	904
Gain on sales of investment securities	67	—
Gain on sales of subsidiaries and affiliates' stocks	946	—
Insurance income	4,639	360
Compensation income	186	—
Total extraordinary income	6,482	1,264
Extraordinary loss		
Loss on sales of noncurrent assets	70	401
Loss on disposal of noncurrent assets	3,140	2,906
Impairment loss	3,397	5,032
Loss on valuation of investment securities	1,240	515
Loss on valuation of stocks of subsidiaries and affiliates	19	—
Business structure improvement expenses	—	20,334
Loss on accident of asphalt leakage	—	14,304
Environmental expenses	—	3,559
Loss on litigation	—	3,230
Loss on recoverable accounts under production sharing	—	1,955
Loss on disaster	22,694	—
Retirement benefit expenses	1,844	—
Other	¥ 112	¥ —

Millions of yen

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Continue		
Total extraordinary losses	¥32,520	¥ 52,240
Income (loss) before income taxes and minority interests	35,381	(2,536)
Income taxes-current	37,973	31,500
Income taxes-deferred	944	44,700
Total income taxes	38,917	76,200
Income (loss) before minority interests	(3,535)	(78,736)
Minority interests in income	5,548	7,145
Net income (loss)	¥ (9,084)	¥(85,882)

(Consolidated Statements of Comprehensive Income)

Millions of yen

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Other comprehensive income		
Valuation difference on available-for-sale securities	939	2,190
Deferred gains or losses on hedges	(3,933)	(1,104)
Revaluation reserve for land	4,143	—
Foreign currency translation adjustment	(492)	1,740
Share of other comprehensive income of associates accounted for using equity method	(593)	3,367
Total other comprehensive income	63	6,193
Comprehensive income	(3,471)	(72,543)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(9,017)	(79,694)
Comprehensive income attributable to minority interests	¥ 5,545	¥ 7,151

Consolidated Statements of Changes in Net Assets

Cosmo Oil Company, Limited and Consolidated Subsidiaries

Millions of yen

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	¥107,246	¥107,246
Balance at the end of current period	107,246	107,246
Capital surplus		
Balance at the beginning of current period	89,440	89,440
Changes of items during the period		
Disposal of treasury stock	(0)	(0)
Total changes of items during the period	(0)	(0)
Balance at the end of current period	89,440	89,440
Retained earnings		
Balance at the beginning of current period	119,803	103,454
Changes of items during the period		
Dividends from surplus	(6,779)	(6,779)
Net income (loss)	(9,084)	(85,882)
Reversal of revaluation reserve for land	(485)	(260)
Total changes of items during the period	(16,348)	(92,922)
Balance at the end of current period	103,454	10,531
Treasury stock		
Balance at the beginning of current period	(138)	(140)
Changes of items during the period		
Purchase of treasury stock	(1)	(1)
Disposal of treasury stock	0	0
Total changes of items during the period	(1)	(0)
Balance at the end of current period	(140)	(140)
Total shareholders' equity		
Balance at the beginning of current period	316,351	300,001
Changes of items during the period		
Dividends from surplus	(6,779)	(6,779)
Net income (loss)	(9,084)	(85,882)
Reversal of revaluation reserve for land	(485)	(260)
Purchase of treasury stock	(1)	(1)
Disposal of treasury stock	0	0
Total changes of items during the period	(16,350)	(92,923)
Balance at the end of current period	300,001	207,078
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	669	1,540
Changes of items during the period		
Net changes of items other than shareholders' equity	870	2,230
Total changes of items during the period	870	2,230
Balance at the end of current period	¥ 1,540	¥ 3,770

Millions of yen

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Deferred gains or losses on hedges		
Balance at the beginning of current period	¥ 6,459	¥ 2,579
Changes of items during the period		
Net changes of items other than shareholders' equity	(3,879)	(1,156)
Total changes of items during the period	(3,879)	(1,156)
Balance at the end of current period	2,579	1,422
Revaluation reserve for land		
Balance at the beginning of current period	14,147	18,776
Changes of items during the period		
Reversal of revaluation reserve for land	485	260
Net changes of items other than shareholders' equity	4,143	—
Total changes of items during the period	4,628	260
Balance at the end of current period	18,776	19,037
Foreign currency translation adjustment		
Balance at the beginning of current period	(4,898)	(5,965)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,067)	5,113
Total changes of items during the period	(1,067)	5,113
Balance at the end of current period	(5,965)	(851)
Total accumulated other comprehensive income		
Balance at the beginning of current period	16,378	16,930
Changes of items during the period		
Reversal of revaluation reserve for land	485	260
Net changes of items other than shareholders' equity	66	6,187
Total changes of items during the period	551	6,448
Balance at the end of current period	16,930	23,378
Minority interests		
Balance at the beginning of current period	17,508	20,506
Changes of items during the period		
Net changes of items other than shareholders' equity	2,997	5,969
Total changes of items during the period	2,997	5,969
Balance at the end of current period	20,506	26,475
Total net assets		
Balance at the beginning of current period	350,239	337,437
Changes of items during the period		
Dividends from surplus	(6,779)	(6,779)
Net income (loss)	(9,084)	(85,882)
Purchase of treasury stock	(1)	(1)
Disposal of treasury stock	0	0
Net changes of items other than shareholders' equity	3,063	12,156
Total changes of items during the period	(12,801)	(80,505)
Balance at the end of current period	¥337,437	¥256,932

Consolidated Statements of Cash Flows

Cosmo Oil Company, Limited and Consolidated Subsidiaries

Millions of yen

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Net cash provided by (used in) operating activities		
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 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Net cash provided by (used in) investing activities		
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)
Net cash provided by (used in) financing activities		
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

Notes to Consolidated Financial Statements

1 Notes to going concern

None

2 Notes concerning Important Items that Provide the Basic Information for the Development of the Consolidated Financial Statements

1. Items concerning the Scope of Consolidation for Reporting

(1) Number of consolidated subsidiaries: 38

Sogo Energy Corporation was included in the scope of the consolidated subsidiaries of the Company, since it became a subsidiary of the company through stock acquisition during FY2012.

(2) Major Non-consolidated Subsidiaries:

Tohoku Cosmo Gas Co., Ltd.

Reason for exclusion from accounting consolidation:

The Company has 18 subsidiaries that were excluded from its consolidated subsidiaries because they are small businesses and their respective total assets, net sales, and net income/loss and retained earnings (both amounts equivalent to what is accounted for under the equity method) have no material impact on the consolidated financial statements of the Company.

2. Items concerning the Application of the Equity Method

(1) Number of Non-consolidated Subsidiaries Accounted for Using the Equity Method:18

Major subsidiaries: Tohoku Cosmo Gas Co., Ltd.

Sakai LPG Terminal Co., Ltd. was excluded from the scope of consolidated companies accounted for using the equity method due to the sale of all of its shares owned by the Company during FY2012.

Hiroshima Cosmo Gas Co., Ltd. and Yamato Trading Co. L.L.C. were excluded from the application of the equity method since their liquidation processes were completed during FY2012.

(2) Number of Affiliated Companies Accounted for Using the Equity Method: 6

Maruzen Petrochemical Co., Ltd., United Petroleum Development Co., Ltd., Tozai Oil Terminal Co., Ltd., Okinawa CTS Corp., GotoKishiku Wind Power Laboratory Co., Ltd. and Hyundai Cosmo Petrochemical Co., Ltd.

(3) Major Business Entities of Affiliated Companies Not Accounted for Using the Equity Method:

Ogishima Oil Terminal Co., Ltd., Kasumi Sanbashi Kanri Co., Ltd.

Reasons for Exclusion from the Application of the Equity Method:

The equity method does not apply to the above affiliates because their net income/loss and retained earnings (both amounts equivalent to what is accounted for under the equity method) have little impact on the consolidated financial statements of the Company on an individual basis, nor have any material impact on them on an aggregate basis.

(4) Special Remarks Necessary to Make concerning the Procedures of the Application of the Equity Method:

As for the subsidiaries and affiliates which are subject to the application of the equity method and which have different accounting periods from that of the Company, such business entities' financial statements for their accounting periods are used for reporting herein.

3. Items concerning the Accounting Periods of the Consolidated Subsidiaries

Of the 38 consolidated subsidiaries, Abu Dhabi Oil Co., Ltd., Qatar Petroleum Development Co., Ltd., Cosmo Oil Ashmore Ltd., Cosmo Oil International Pte. Ltd., Cosmo Oil (U.K.) Plc., Cosmo Oil Europe B.V. and Cosmo Oil (Shanghai) Co., Ltd. adopt a fiscal year ending December 31 and Akita Wind Power Laboratory Co., Ltd. adopts a fiscal year ending February 28, respectively. The consolidated financial statements herein have been developed by using their financial reports as of December 31, 2012 or February 28, 2013 and any material transactions arising between end of their fiscal year and consolidated fiscal year, the date for the consolidated settlement of accounts for the Company, are reflected on the consolidated financial statements herein by making necessary adjustments.

4. Items concerning the Accounting Standards

(1) Significant Asset Valuation Standards and Methods

1) Securities:

a. Securities held to maturity: Stated at amortized cost method

b. Other securities:

— Securities available for sale with fair market value:

Stated at fair value based on market values applicable on the date of consolidated settlement of accounts (in which all differences between the carrying amounts and the fair values are reported as a separate component of net assets, while the cost of securities sold is calculated by the moving average method)

— Securities with no available fair market value:

Stated at cost determined by the moving average method

2) Inventories:

Principally stated at cost determined by the weighted average method (however, the amounts of inventories stated in the balance sheet were computed by using the method that book values are reduced to reflect declines in profitability)

3) Derivative financial instruments:

Stated at fair value

(2) Significant Depreciable Assets and Depreciation Methods

1) Property, Plant and Equipment (except lease assets):

The straight line method is mainly adopted to calculate depreciation expenses for these asset items. The number of years of their useful lives and their residual value are calculated based on the criteria defined under the Corporation Tax Law of Japan, providing that the economic useful life of 15 years is adopted for the Company's service stations by taking their actual past performances into consideration and the economic useful life of 14 years is adopted for the Company's Coker Unit. As for Abu Dhabi Oil Co., Ltd., a consolidated subsidiary of the Company, adopts the number of years for useful life as defined in the concession agreements and economic useful life by taking into account the durability and other conditions of the assets currently owned. As for EcoPower Co., Ltd., a consolidated subsidiary of the Company, and its subsidiaries, an economic useful life of 20 years is mainly adopted for the windmills operated by them.

2) Intangible Assets (except lease assets):

The straight line method is mainly adopted to calculate depreciation expenses for these asset items. The number of years of their useful lives is calculated based on the criteria defined under the Corporate Income Tax Law of Japan, providing that amortization expenses for the software used by the Company is calculated on the straight line method over the period of its availability in-house (5 years).

3) Lease assets:

Leased assets involving finance lease transactions under which the ownership of the leased assets is transferred to lessees:

The method to calculate depreciation expenses for such assets is the same as that applied to noncurrent assets owned by the Company.

Leased assets involving finance lease transactions under which the ownership of the leased assets is not transferred to lessees:

The method to calculate depreciation for such assets is the straight line method with their residual values being zero over their leased periods used as the number of years for useful life.

Out of finance lease transactions other than those under which the ownership of the leased assets is considered to be transferred to lessees, such transactions, of which the lease term each commenced before the initial year of the application of the ASBJ Statement No. 13 "Accounting Standards for Lease Transactions", are continuously accounted for in conformity with the accounting process applicable to operating lease transactions.

4) Long-term Prepaid Expenses:

The equal installment method is adopted to calculate depreciation expenses for these account items over the period defined under the Corporate Income Tax Law of Japan.

(3) Accounting Process Applied to Deferred Assets

Bond Issuance Cost:

The cost for bond issuance is amortized in the straight line method over the term of redemption.

(4) Standards for Recording Significant Allowance/Provisions

1) Allowance for Doubtful Accounts

An estimated amount of irrecoverable debts is set aside against any potential losses on the failure to collect the accounts receivable.

a. Ordinary accounts receivable: The amount of allowance calculated at the actual ratio of bad debts.

b. Highly doubtful receivables and claims in bankruptcy and reorganization, etc.: The amount of allowance calculated based on the evaluation of financial situations of individual accounts involved.

2) Provision for loss on disaster

The Company recorded a reasonably estimated amount, expected to be incurred as of March 31, 2013, of costs for removal and restoration of its assets damaged by the Great East Japan Earthquake in March 2011.

3) Provision for special repairs

A provision is set aside to cover expenses arising from the inspection and repairs of the oil tanks subject to the open regular inspection in compliance with the Fire Service Law of Japan, and an amount equal to the estimated cost of periodically required repairs was added to the provision for FY2012.

As for Cosmo Matsuyama Oil Co., Ltd., one of the subsidiaries of the Company, a certain amount of money to cover expenses arising from regular repairs of the machinery and equipment of its refinery was recorded for FY2012 in addition to the above charge.

4) Provision for retirement benefits

A provision is put aside to cover retirement and severance benefits payable to employees and a certain amount was recorded based on the estimated amount of projected benefit obligation and the fair value of the pension assets as of March 31, 2013. Actual gains and losses are recognized in expenses at an amount prorated in the straight line method over a certain number of years (from 8 to 10 years), which is within the average of the estimated remaining years of service to be performed by the employees at the time of accrual, commencing with the fiscal year following the accrual time.

Prior service cost obligation is recognized as an expense item at an amount prorated in the straight line method over a certain number of years (from 8 to 10 years) within the average of the remaining years of service to be performed by the employees at the time of accrual.

5) Provision for business structure improvement

The Company recorded the estimated amount of a provision to cover expenses and losses that were expected to be incurred in the near future following the closure of the refinery and the legal measures associated with the operations of the refinery.

6) Provision for environmental measures

The Company recorded the estimated amount of a provision to cover expenses to treat contaminated soil.

It also recorded the estimated amount of a provision to cover expenses to treat the PCB waste in accordance with the Law Concerning Special Measures Against Polychlorinated Biphenyl Waste.

(5) Important Standards for Revenue and Cost recognition

Standards for Recognition of Construction Revenue and Cost

As for recognition of revenues from constructions undertaken by the Company, the percentage of completion method (the percentage of construction is estimated based on the method of the ratio of actual cost incurred to total estimated cost) is applied to construction contracts in process in which the outcome of the construction activity is deemed certain by the end of FY2012, while the completed contract method is applied to other construction contracts.

(6) Standards for Conversion of Significant Foreign Currency-Denominated Assets and Liabilities into Japanese Yen

Receivables and payables denominated in foreign currencies are translated into Japanese yen at the fiscal year-end spot exchange rates with resulting gains or losses included in the current statements of income.

All the items of the financial statements of subsidiaries which are stated in currencies other than Japanese yen are translated into Japanese yen at the fiscal year-end spot exchange rate of each subsidiary. The resulting foreign currency translation adjustments are included among adjustments in net assets.

(7) Significant Hedge Accounting Methods

1) Hedge Accounting Methods

The deferred hedge accounting method is used to process hedging transactions, providing that the exceptional method is applied to treat interest rate swap contracts that meet the requirements for exceptional treatments as established by the Accounting Standards of Japan.

2) Hedging Instruments and Hedged Items

(Currency)

Hedging Instrument	Hedged Item
Forward exchange, Currency option	Foreign currency credit and debt

(Interest rate)

Hedging Instrument	Hedged Item
Interest rate swap	Borrowings

(Commodity)

Hedging Instrument	Hedged Item
Crude oil/Product swaps, Crude oil/Product futures trading	Crude oil/Product trading

3) Hedging Policy

In accordance with internal rules that determine derivate transaction-related authority levels and transaction value limits, hedging activities are undertaken within specified limits to hedge fluctuation risks of interest rates and commodity prices.

4) Method of Evaluating Hedge Effectiveness

The Company evaluates hedge effectiveness once every six months by comparing cumulative changes in cash flows from or changes in fair value of hedged items, with the corresponding changes in the hedging instruments. The evaluation of hedge effectiveness is not considered necessary for certain interest rate swaps, which are used to hedge and meet certain hedging criteria.

(8) Amortization period and the amortization method for goodwill

Goodwill items are in principle amortized in accordance with the equal installment method over 5 years, providing that small amount ones are amortized in a lump sum.

(9) Scope of Cash and Cash Equivalents Reported in Statements of Consolidated Cash Flows

In preparing the consolidated statements of cash flows, cash on hand, readily available deposits and short-term investments, which are highly liquid, only exposed to small risks for value changes and have maturities of terms not exceeding three months at the time of purchase, are considered to be cash and cash equivalents.

(10) Other Important Items Necessary to Develop Consolidated Financial Statements

1) Accounting Process for Consumption Tax, etc.

As for how to account for national and local consumption taxes, all domestic transactions are accounted for by excluding these tax amounts from the amounts thereof.

2) Accounting Process for Cost Recovery under Production Sharing

Some of its consolidated subsidiaries account for crude oil exploration and development and other related costs spent under the production sharing agreements. After the inception of crude oil production, they recover these costs by receiving products under the same agreements. They are stated in the "Other" item of the "Investment and other assets" account on the consolidated balance sheet herein.

3) Accounting for introduction of tax consolidation

The Company files a tax return under the consolidated corporate-tax system from the fiscal year ending March 31, 2014, which allows companies to base tax payments on the combined profits or losses of the parent company and its wholly owned domestic subsidiaries.

Accordingly the parent company and its wholly owned domestic subsidiaries are accounting based on "Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 1)" (ASBJ Practical Issues Task Force (PITF) No. 5, March 18, 2011) and "Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 2)" (ASBJ Practical Issues Task Force (PITF) No. 7, June 30, 2010)

3 Changes in Representation Methods

(Consolidated Balance Sheet)

"Provision for environmental measures" included in "Other" assets of the "Noncurrent liabilities" section of the Consolidated Balance Sheet for FY2011 are stated as a separate account item in the Consolidated Balance Sheet for FY2012 due to an increase in their importance.

As a result, the amount of ¥22,821 million stated in "Other" of "Noncurrent liabilities" in the Consolidated Balance Sheet for FY2011 is reclassified into "Provision for environmental measures" of ¥723 million and "Other" of ¥22,098 million for the Consolidated Balance Sheet of FY2012.

(Consolidated Statements of Cash Flows)

The Company finds it necessary that "Increase (decrease) in provision for environmental measures," which were included in "Increase (decrease) in other noncurrent liabilities" of "Net cash provided by (used in) operating activities" in the previous consolidated fiscal year, should be stated as a separate account item in FY2012 due to the increased importance of its financial value of the account item; therefore, in order to reflect this change in the representation method in the FY2012, necessary reclassification of the financial statements presented in the previous fiscal year has been made.

As a result, the amount of ¥1,613 million stated in "Increase (decrease) in other noncurrent liabilities" of "Net cash provided by (used in) operating activities" in the Consolidated Statements of Cash Flows for FY2011 is reclassified into "Increase (decrease) in provision for environmental measures" of ¥ -48 million and "Increase (decrease) in other noncurrent liabilities" of ¥1,662 million for the Consolidated Statements of Cash Flows of FY2011.

(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 deprecation 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 consolidated fiscal year 2012 and be adopted over the years to come. This change decreased depreciation expenses for FY2012 by ¥1,979 million as compared with the conventional method. And operating income and ordinary income for FY2012 were increased by ¥1,790 million, loss before income taxes was reduced by the same amount.

(Changes in estimation of provision)

The Company recorded estimated expenses for treating a small amount of PCB as environmental expenses under extraordinary loss in FY2012, in addition to expenses for treating the highly-concentrated PCB waste that had been recorded as the provision for environmental measures, because it became possible to obtain a reasonable estimate of the expenses for treating the waste with a small amount of PCB.

This change increased loss before income taxes and minority interests for the FY2012 by ¥1,797 million as compared with the conventional method.

4 Notes to Consolidated Financial Statements

(Notes to Consolidated Balance Sheet)

(Millions of yen)

	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
1. Accumulated depreciation for property, plant and equipment	¥766,731	¥782,746
2. Pledged assets		
1) Plant foundation		
Pledged assets	¥329,320	¥324,431
Secured liabilities	¥99,833	¥71,310
2) Assets other than plant foundation		
Pledged assets	¥11,701	¥10,963
Secured liabilities	¥4,171	¥3,264
3. Contingencies		
Guaranty Liabilities	¥11,714	¥10,883

The Company guarantees loans obtained by companies and individuals other than consolidated subsidiaries from financial institutions, etc.

4. Revaluation of land

The Company and three of its consolidated subsidiaries revalued their land properties used for business under the "Law concerning Revaluation Reserve for Land" (Law No. 34 issued on March 31, 1998). The income tax portion on variances due to revaluation is stated in the "Deferred tax liabilities for land revaluation" account in the "Liabilities" section on the Consolidated Balance Sheet and the revaluation variances, net of the income tax portion, are stated in the "Revaluation reserve for land" account in the "net assets" section on the Consolidated Balance Sheet.

—Revaluation method

The land sites for the refineries were valued in accordance with the appraisal provided in Paragraph 5 of Article 2 of the "Enforcement Ordinance for the Law concerning the Revaluation Reserve for Land" (Government Ordinance No. 119 issued on March 31, 1998), and other land sites were valued by referring to the road ratings provided in Paragraph 4 of Article 2 of the "Enforcement Ordinance for the Law concerning the Revaluation Reserve for Land," as well as making some rational adjustments.

—Date of revaluation

March 31, 2002 (and December 31, 2001 completed by one consolidated subsidiary)

(Millions of yen)

	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
—Difference between the total amount of the revalued land at fair value as of March 31 of each year and their total carrying amount after revaluation	¥(101,499)	¥(105,828)

(Notes to Consolidated Statements of Income)

(Millions of yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
1. Selling, general and administrative expenses		
Outsourcing expense	¥22,238	¥22,419
Salaries and wages	¥19,829	¥19,851
Freight expense	¥20,481	¥17,009
Rent expense	¥13,094	¥12,963
Depreciation expense	¥6,823	¥6,362
Retirement and severance benefit payment to employees	¥2,156	¥2,422
Amount transferred to allowance for doubtful accounts	¥162	¥140
2. Research and development expenses included in administrative expenses and production cost	¥3,791	¥3,765

3. Business structure improvement expenses

The Company recorded expenses related to the closure of the refinery and the legal measures associated with the operations of the refinery as business structure improvement expenses under the extraordinary loss on the consolidated statements of income for FY2012, with the breakdown of major items including:

Expenses related to the closure of the refinery	¥7,666
Expenses related to the legal measures associated with the operations of the refinery	¥12,668

The amount of business structure improvement expenses includes ¥12,003 million transferred to the provision for business structure improvement.

4. Loss on accident of asphalt leakage

The Company recorded the loss from the asphalt leakage at the Chiba Refinery that took place in June 2012 as a loss on an asphalt leakage accident under extraordinary loss on the consolidated statements of income for FY2012, with the breakdown of major items including:

Fixed costs incurred during the period of suspended operations	¥11,808
Restoration expenses, etc.	¥2,495

(Notes to Consolidated Statements of Changes in Net Assets)

FY2011 (From April 1, 2011 to March 31, 2012)

1. Types and Total Number of Outstanding Stock and of Treasury Stock

(Number of shares)

	Type of stock	Total number of shares as of April 1, 2011	Increase in the number of shares during the year	Decrease in the number of shares during the year	Total number of shares as of March 31, 2012
Outstanding shares	Ordinary shares	847,705,087	—	—	847,705,087
Treasury stock	Ordinary shares	631,461	7,835	100	639,196

Note: The increase in the number of ordinary shares in the category of treasury stock shown above reflects the Company's purchases of less-than-round-lot shares, while the decrease in the number of treasury stock reflects the Company's sales of less-than-round-lot shares by meeting requests for sales thereof.

2. Distribution of Surplus

(1) Dividend Payments

(Resolution adopted by)	Type of stock	Total dividend amount	Dividend per share	Record date	Effective date
Shareholders' Meeting held on June 23, 2011	Ordinary shares	¥6,779 million	¥8	March 31, 2011	June 24, 2011

(2) The dividend payment for which the base date belongs to FY2011 but for which the effective date comes FY2012

(Resolution adopted by)	Type of stock	Total dividend amount	Funded by	Dividend per share	Record date	Effective date
Shareholders' Meeting held on June 26, 2012	Ordinary shares	¥6,779 million	Retained earnings	¥8	March 31, 2012	June 27, 2012

FY2012 (From April 1, 2012 to March 31, 2013)

1. Types and Total Number of Outstanding Stock and of Treasury Stock

	Type of stock	Total number of shares as of April 1, 2012	Increase in the number of shares during the year	Decrease in the number of shares during the year	Total number of shares as of March 31, 2013
Outstanding shares	Ordinary shares	847,705,087	—	—	847,705,087
Treasury stock	Ordinary shares	639,196	6,811	1,850	644,157

Note: The increase in the number of ordinary shares in the category of treasury stock shown above reflects the Company's purchases of less-than-round-lot shares, while the decrease in the number of treasury stock reflects the Company's sales of less-than-round-lot shares by meeting requests for sales thereof.

2. Distribution of Surplus

Dividend Payments

(Resolution adopted by)	Type of stock	Total dividend amount	Dividend per share	Record date	Effective date
Shareholders' Meeting held on June 26, 2012	Ordinary shares	¥6,779 million	¥8	March 31, 2012	June 27, 2012

(Notes to Consolidated Statements of Cash Flows)

1. Relations between the amounts of cash and cash equivalents as of March 31, 2012 and 2013 and the account items shown in the consolidated balance sheet

(Millions of yen)

	FY2011 From April 1, 2011 to March 31, 2012 (As of March 31, 2012)
Cash and deposits	¥122,031
Cash and cash equivalents	¥413
Total	¥122,445
Securities with time between acquisition and redemption for 3 months or more	¥(14)
Cash and cash equivalents	¥122,431

(Millions of yen)

	FY2012 From April 1, 2012 to March 31, 2013 (As of March 31, 2013)
Cash and deposits	¥130,264
Cash and cash equivalents	¥512
Total	¥130,776
Securities with time between acquisition and redemption for 3 months or more	¥(12)
Deposits of more than 3 months	¥(1,064)
Cash and cash equivalents	¥129,699

2. Major Breakdown of Assets and Liabilities of Newly Consolidated Companies through Share Acquisition by the Company:

The major breakdown of the assets and liabilities of Sogo Energy Corporation, newly consolidated into the accounts of the Company through its share acquisition during the FY2012, and relations between the total amount of the shares of the newly consolidated subsidiary acquired by the Company and net payments from such acquisition at the time when the consolidation became effective, are stated as follows:

(Millions of yen)

	FY2012 From April 1, 2012 to March 31, 2013 (As of March 31, 2013)
Current assets	¥22,188
Noncurrent assets	¥7,406
Goodwill	¥3,476
Current liabilities	¥(23,323)
Noncurrent liabilities	¥(3,084)
Minority interests	¥(0)
Total amount of the shares of the newly consolidated subsidiary acquired by the Company	¥6,663
Transfer amount from investment securities	¥(7)
Cash and cash equivalents of the newly consolidated subsidiaries	¥(388)
Balance: Purchase of investments in subsidiary resulting in change in scope of consolidation	¥6,268

(Segment information)

1. Overview of Reporting Segments

The reporting segments of the Cosmo Group are comprised of those entities where obtaining separate financial reports are possible and those which the board members regularly review and decide distribution of management resources.

The Cosmo Group conducts "Petroleum Business", "Petrochemicals Business" and "Petroleum Exploration and Production Business" and Cosmo Oil or its affiliate companies operate these businesses independently depending on the type of services or products handled.

Therefore the 3 reporting segments by the Cosmo Group are, "Petroleum Business", "Petrochemicals Business" and Petroleum Exploration and Production Business, based on the services and/or the products handled.

In further detail, "Petroleum Business" produces and markets gasoline, naphtha, kerosene, diesel, fuel oil, crude oil, lubricants, LPG, asphalt, etc. "Petrochemicals Business" produces and markets mixed xylene, para-xylene, benzene, toluene, solvents, etc. Petroleum Exploration and Production Business explores and produces crude oil.

2. Methods to Determine Net Sales, Income or Loss, Assets, Liabilities and Other Items by Business Segment

The accounting methods by business segment reported herein are almost the same as the description of the "Notes concerning Important Items that Provide the Basic Information for the Development of the Consolidated Financial Statements".

Profit by business segment is stated on an ordinary income basis.

3. Information about net sales and income or loss amounts by segment reported FY2011(From April 1, 2011 to March 31, 2012)

(Millions of yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Other Note: 1	Adjustments Note: 2	Consolidated Note: 3
Net sales						
Outside customers	3,031,193	12,715	43,457	22,380	—	3,109,746
Inter-segment	24,435	16,706	44,187	49,248	(134,577)	—
Total	3,055,628	29,422	87,644	71,628	(134,577)	3,109,746
Segment Income (Loss)	7,996	2,079	52,023	2,879	(3,558)	61,420
Other items						
Depreciation and amortization	32,163	969	6,086	1,358	(839)	39,738
Amortization of goodwill and negative goodwill	(6)	—	—	1,257	—	1,251
Interest income	82	3	26	39	(32)	119
Interest expenses	12,041	4	136	173	(32)	12,323
Equity earnings of affiliates (Loss)	(10)	1,231	1,739	(26)	—	2,933

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" ¥-3,558 million includes ¥-724 million for internal eliminations, ¥-2,735 million for inventory adjustments and ¥-93 million for adjustment of noncurrent assets.
3 Segment Income (Loss) is adjusted to ordinary income of consolidated statements of income.
4 No asset allocation is made into each segment, so that the description of such information is omitted.

(Millions of yen)

	Petroleum business	Petrochemical business	Oil exploration and production business	Other Note: 1	Adjustments Note: 2	Consolidated Note: 3
Net sales						
Outside customers	3,091,739	12,458	37,531	24,961	—	3,166,689
Inter-segment	24,474	18,011	48,412	61,351	(152,250)	—
Total	3,116,214	30,469	85,943	86,312	(152,250)	3,166,689
Segment Income (Loss)	(23,681)	3,329	60,688	4,857	3,245	48,439
Other items						
Depreciation and amortization	31,880	784	3,742	1,348	(966)	36,789
Amortization of goodwill	3	—	6	196	—	206
Amortization of negative goodwill	—	—	—	1,281	—	1,281
Interest income	90	2	96	30	(22)	196
Interest expenses	12,224	2	111	113	(22)	12,430
Equity earnings of affiliates (Loss)	918	1,838	4,308	17	—	7,083

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" ¥3,245 million includes ¥-192 million for internal eliminations, ¥3,624 million for inventory adjustments and ¥-175 million adjustment of noncurrent assets.
3 Segment Income (Loss) is adjusted to ordinary income of consolidated statements of income.
4 No asset allocation is made into each segment, so that the description of such information is omitted.

(Information about Business Combinations, etc.)

(Corporate integration through Acquisition)

FY2012 (From April 1, 2012 to March 31, 2013)

1. Outline of the business combination

(1) Names of companies acquired and the description of their businesses

Names of companies acquired Sojitz Energy Corporation

Line of business Sales of oil products

(2) Major reasons for the business combination

The business combination was carried out to establish a strong domestic sales structure.

The Company expects to strengthen its domestic sales business by using a variety of procurement resources, the customer base, human resources and know-how that Sojitz Energy Corporation possesses, and exert synergy effects through the Company's ability to steadily supply petroleum products, as well as its extensive logistics network and customer base.

(3) Date of business combination

January 31, 2013

(4) Legal form of business combination

Acquisition of shares by cash

(5) Names after integration

Sogo Energy Corporation

(6) Ratio of voting right acquired

Ratio of voting rights held immediately before the business combination date	0.15%
Ratio of voting rights additionally acquired on the business combination date	99.37%
Ratio of voting rights after the acquisition	99.52%

(7) Main background for determining a target company

The Company acquired a majority of the voting rights of Sojitz Energy Corporation through the acquisition of its stocks in cash.

2. Period of business results of the acquired companies included in the financial statement

Since the companies were regarded as being acquired on March 31, 2013, none of their business results is included in the financial statements of the Company.

3. Acquisition Cost of the Companies and Breakdown of the Cost

(Millions of yen)

Consideration as a result of acquisition:	
Cash used to additionally acquire the common stocks of Sojitz Energy Corporation that the Company held immediately before the business combination	¥6,484
Expenses directly incurred for acquisition:	
Advisory and other expenses	¥147
Acquisition cost:	¥6,631

4. Amounts of goodwill incurred, reasons for goodwill generated, amortization method and period

(1) Amounts of goodwill incurred

¥3,476 million

(2) Reasons for goodwill generated

Excess earning capability that is expected to be achieved through improved profitability on the back of the synergy effects.

(3) Amortization method and period

Amortized equally 5 years

5. The amounts of assets and liabilities taken over from the acquired companies on the day of business combination and major breakdown thereof

(Millions of yen)

Current assets	¥22,188
Noncurrent assets	¥7,406
Total assets	¥29,595
Current liabilities	¥23,323
Noncurrent liabilities	¥3,084
Total liabilities	¥26,407

(Per-share Information)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Net assets per share (¥)	374.15	272.07
Net loss per share (¥)	10.72	101.39

Note: 1. Since no diluted securities exist, diluted net income per share is omitted.
2. The basic information used to calculate net loss per share for the years ended March 31, 2012 and 2013 is as follows.

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Net loss per share		
Net loss for the year (¥mil)	9,084	85,882
Amount that does not belong to ordinary share holders (¥mil)	—	—
Net loss that belongs to ordinary shares (¥mil)	9,084	85,882
Average number of ordinary shares outstanding during the year (thousands of shares)	847,070	847,064

(Material Contingencies)

At a meeting of its Board of Directors held on May 14, 2013, the Company resolved that it would present a proposal for the reduction of legal capital surplus and legal retained earnings and the appropriation of surplus at the Ordinary General Meeting of Shareholders that is scheduled to be held on June 25, 2013.

For more information, please refer to the notice published today (May 14, 2013) titled "The reduction of legal capital surplus and legal retained earnings and the appropriation of surplus."

Facts and Figures

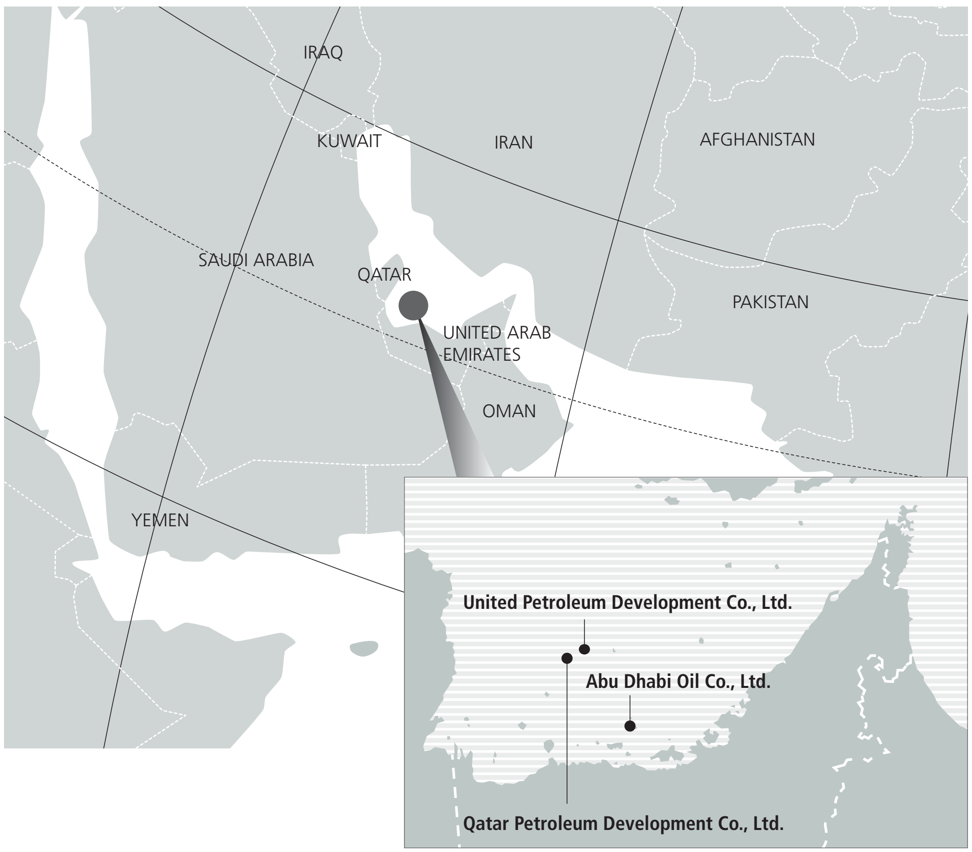
Notes: 1. Unless otherwise indicated, "FY2012" indicates the period that began on April 1, 2012 and ended on March 31, 2013.
2. U.S. dollar amounts have been translated from yen, for convenience only, at the rate of ¥94.05 = US$1, the approximate exchange rate prevailing on March 31, 2013.
3. The data ascribed to Cosmo Oil in this fact book represent figures for Cosmo Oil Company, Limited, its consolidated subsidiaries and affiliated companies that are accounted for by the equity method. Data has been reclassified in certain sections so as to allow comparisons with overseas companies.
4. On pages 63–77, the figures up until FY2009 had been rounded up or down to the nearest million. From FY2010 onward, the figures have been rounded off to the nearest million. On pages 78–85, the figures have been rounded off to the nearest million.

Oil Exploration and Production

Major Petroleum Development Companies (Fiscal year to March 31, 2013 actual)

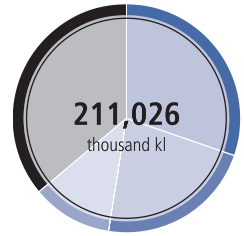
	Abu Dhabi Oil Co., Ltd.	Qatar Petroleum Development Co., Ltd.	United Petroleum Development Co., Ltd.
Crude oil production (Barrels/day)	21,062	7,047	13,447
Shareholders (%)			
Cosmo Oil Co., Ltd.	63.0	75.0	45.0
Other Private Sector	37.0	25.0	55.0

Note: Average production volume for January-December, as the company's financial year ends in December.



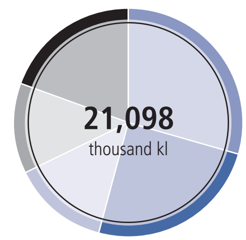
Crude Oil Imports

Crude Oil Import Share by Country (Total Industry/Cosmo Oil)
(Fiscal year to March 31, 2013 actual)



Total industry (%)	
Saudi Arabia	30.4
United Arab Emirates	22.1
Qatar	11.4
Others	36.1

Note: Others includes countries where percentage of imports is less than 10%.
Source: Petroleum Association of Japan, "Crude Oil Import by Countries"

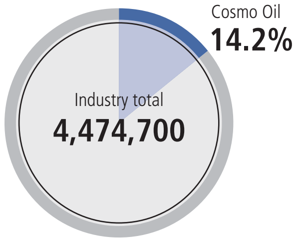


Cosmo Oil (%)	
United Arab Emirates	29.5
Saudi Arabia	24.8
Qatar	13.7
Kuwait	12.8
Others	19.2

Note: Others includes countries where percentage of imports is less than 10%.

Refining: 1

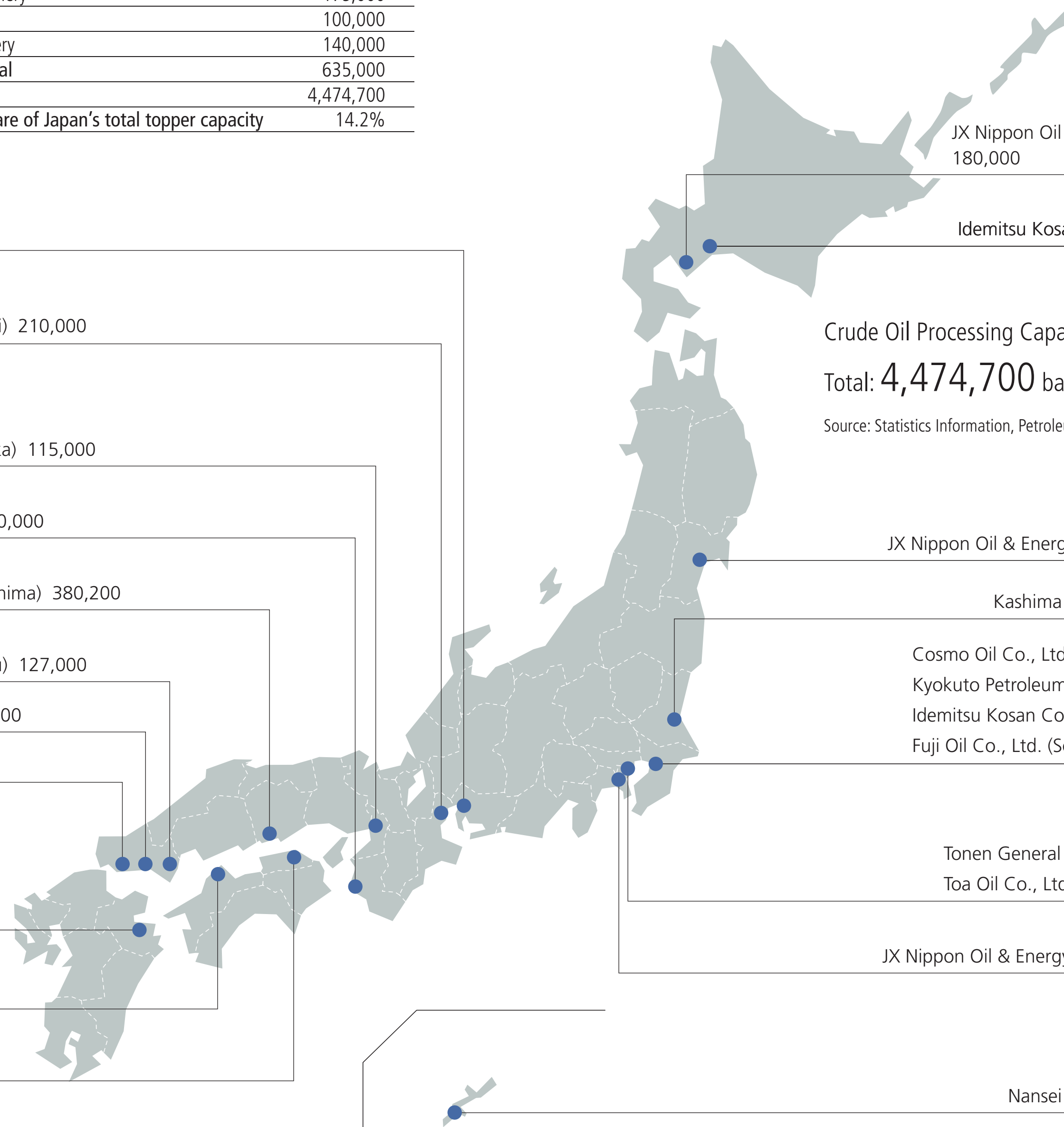
Processing Capacity by Refinery (As of April 30, 2013) (Barrels/day)



Chiba Refinery	220,000
Yokkaichi Refinery	175,000
Sakai Refinery	100,000
Sakaide Refinery	140,000
Cosmo Oil total	635,000
Industry total	4,474,700
Cosmo Oil share of Japan's total topper capacity	14.2%

Refinery Location and Crude Oil Processing Capacity in the Japanese Petroleum Industry

(As of April 30, 2013) (Barrels/day)

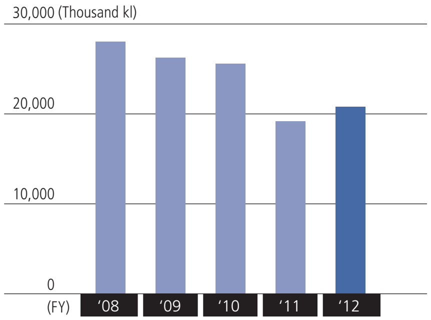


Crude Oil Processing Capacity

Total: 4,474,700 barrels per day (26 refineries)

Source: Statistics Information, Petroleum Association of Japan

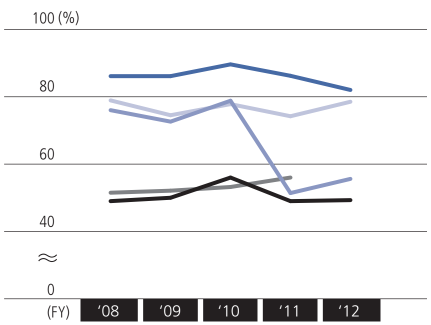
Volume of Crude Oil Processed



(Thousand kl)

	FY2008	FY2009	FY2010	FY2011	FY2012
Volume of Crude Oil Processed	27,999	26,231	25,562	19,148	20,804

Topper Capacity Utilization Rate, Secondary Unit Ratio



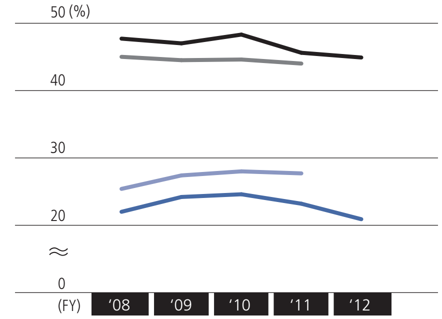
(%)

	FY2008	FY2009	FY2010	FY2011	FY2012
Topper capacity utilization rate					
Cosmo Oil (SD)	86.1	86.1	89.6	86.2	82.0
Cosmo Oil (CD)	76.0	72.6	78.8	51.4	55.6
Industry average (CD)	78.9	74.5	77.8	74.2	78.5
FCC capacity utilization rate					
Cosmo Oil	72.7	78.0	73.5	49.8	48.7
Secondary unit ratio					
Cosmo Oil	49.0	50.0	56.0	49.0	49.3
Industry average	51.5	52.1	53.2	56.0	N.A.

Notes: 1. SD: stream-day basis CD: calendar-day basis
2. Secondary units include direct desulfurization units, catalytic reformer units, fluid catalytic cracking units and alkylation units. Secondary unit ratio is based on Petroleum Association of Japan data.

Source: Ministry of Economy, Trade and Industry, "Yearbook of Mineral Resources and Petroleum Products Statistics"

Yields of Gasoline and Four Middle Distillates (Jet Fuel, Kerosene, Diesel Fuel, and Heavy Fuel Oil A)

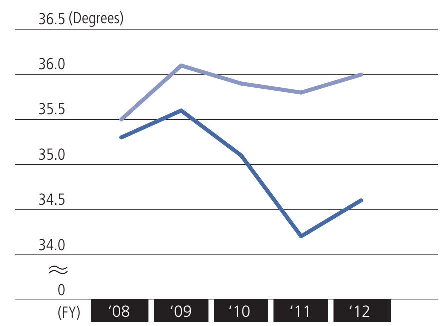


(%)

	FY2008	FY2009	FY2010	FY2011	FY2012
Gasoline					
Cosmo Oil	22.0	24.2	24.6	23.2	20.9
Industry average	25.4	27.4	28.0	27.7	N.A.
Four middle distillates					
Cosmo Oil	47.7	47.0	48.3	45.6	44.9
Industry average	45.0	44.5	44.6	44.0	N.A.

Source: Ministry of Economy, Trade and Industry, "Yearbook of Mineral Resources and Petroleum Products Statistics"

API Gravity



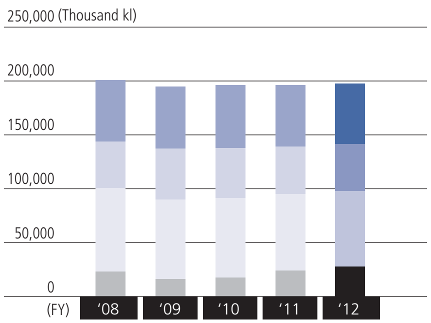
(Degrees)

	FY2008	FY2009	FY2010	FY2011	FY2012
Cosmo Oil	35.3	35.6	35.1	34.2	34.6
Industry average	35.5	36.1	35.9	35.8	36.0

Source: Ministry of Economy, Trade and Industry, "Yearbook of Mineral Resources and Petroleum Products Statistics"

Domestic Sales by Product (Total Industry/Cosmo Oil)

Total industry

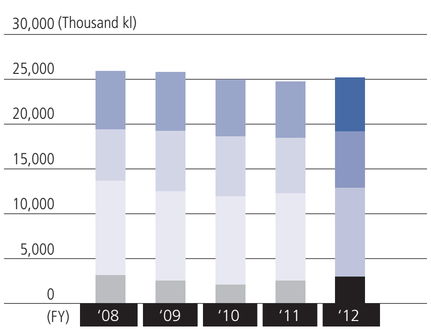


(Thousand kl)

	FY2008	FY2009	FY2010	FY2011	FY2012
Gasoline	57,473	57,522	58,197	57,214	56,447
Naphtha	42,873	47,225	46,668	43,728	43,172
Four middle distillates	77,539	73,731	73,753	71,370	70,158
Jet fuel	5,676	5,229	5,154	4,204	3,965
Kerosene	20,250	20,062	20,332	19,619	18,991
Diesel fuel	33,722	32,391	32,864	32,866	33,443
Heavy fuel oil A	17,891	16,049	15,404	14,680	13,759
Heavy fuel oil C	23,158	16,277	17,330	23,743	27,742
Total	201,042	194,755	195,948	196,055	197,520

Source: Ministry of Economy, Trade and Industry, "Natural Resources and Energy Statistics"

Cosmo Oil

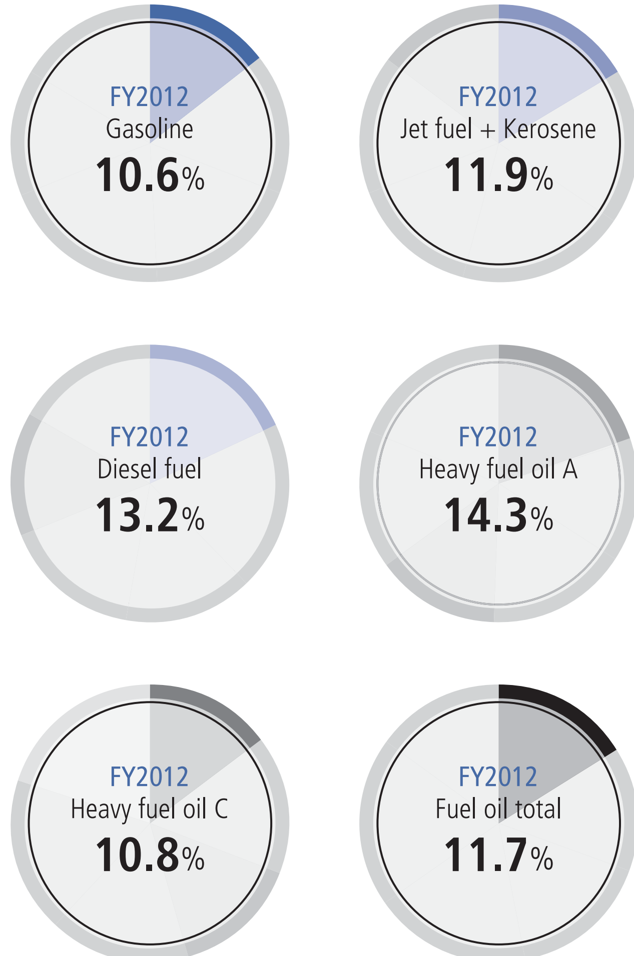


(Thousand kl)

	FY2008	FY2009	FY2010	FY2011	FY2012
Gasoline	6,486	6,584	6,316	6,249	5,999
Naphtha	5,734	6,749	6,693	6,224	6,270
Four middle distillates	10,504	9,916	9,867	9,704	9,909
Jet fuel	424	443	533	477	476
Kerosene	2,687	2,458	2,442	2,416	2,246
Diesel fuel	4,728	4,526	4,462	4,615	4,414
Heavy fuel oil A	2,665	2,489	2,429	2,196	1,963
Heavy fuel oil C	3,165	2,553	2,075	2,555	2,993
Total	25,891	25,802	24,950	24,732	24,361

Source: Ministry of Economy, Trade and Industry, "Natural Resources and Energy Statistics"

Market Share by Product



(%)

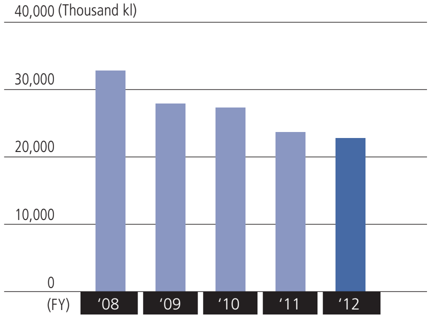
	FY2008	FY2009	FY2010	FY2011	FY2012
Gasoline	11.3	11.4	10.9	10.9	10.6
Jet fuel + Kerosene	12.0	11.5	11.7	12.1	11.9
Diesel fuel	14.0	14.0	13.6	14.0	13.2
Heavy fuel oil A	14.9	15.5	15.8	15.0	14.3
Heavy fuel oil C	13.7	15.7	12.0	10.8	10.8
Fuel oil total	12.7	12.9	12.2	12.2	11.7

Note: The total market share for fuel oil excludes naphtha sales (on a volume basis).
Source: Ministry of Economy, Trade and Industry, "Natural Resources and Energy Statistics"

Sales: 2

Exports by Product (Total Industry/Cosmo Oil)

Total industry exports

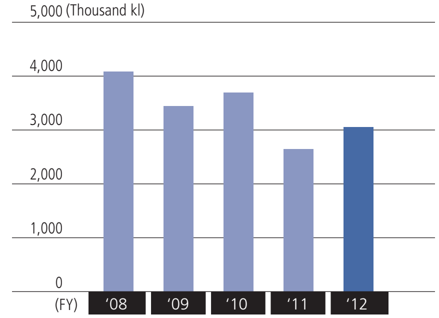


(Thousand kl)

	FY2008	FY2009	FY2010	FY2011	FY2012
Diesel	13,020	11,358	11,046	7,619	6,410
Kerosene/Jet fuel	N.A.	N.A.	N.A.	N.A.	N.A.
Total	13,020	11,358	11,046	7,619	6,410
Bonded products sales, others					
Jet fuel	10,080	8,376	8,936	8,694	9,056
Heavy fuel oil C	9,274	7,798	7,172	6,792	7,149
Others	444	357	198	600	144
Total	19,798	16,531	16,306	16,086	16,349
Total exports	32,819	27,888	27,352	23,705	22,759

Source: Ministry of Economy, Trade and Industry, "Natural Resources and Energy Statistics"

Cosmo Oil exports

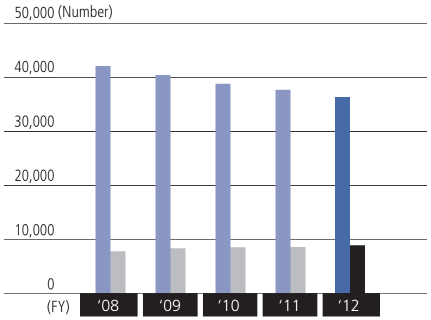


(Thousand kl)

	FY2008	FY2009	FY2010	FY2011	FY2012
Diesel	1,457	991	907	145	45
Kerosene/Jet fuel	101	110	219	64	0
Total	1,558	1,101	1,125	209	45
Bonded products sales, others					
Jet fuel	1,587	1,478	1,598	1,535	1,647
Heavy fuel oil C	716	716	542	492	521
Others	222	145	426	408	838
Total	2,525	2,339	2,566	2,435	3,006
Total exports	4,083	3,440	3,691	2,644	3,051

Source: Ministry of Economy, Trade and Industry, "Natural Resources and Energy Statistics"

Number of Service Stations (Nationwide)

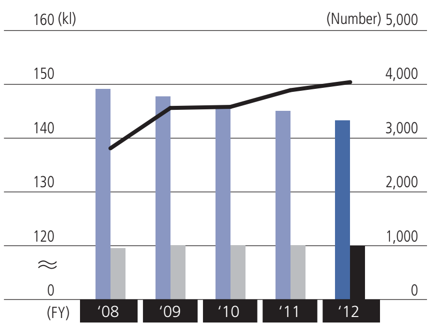


	FY2008	FY2009	FY2010	FY2011	FY2012
Nationwide					
Number of national brand SS	31,836	30,339	29,001	27,918	26,629
Number of non-brand SS	10,254	10,018	9,776	9,825	9,720
■ Total (SS)	42,090	40,357	38,777	37,743	36,349
Number of national brand self SS	6,596	6,906	6,935	7,001	7172
Number of non-brand self SS	1,178	1,390	1,514	1,595	1690
■ Total (Self SS)	7,774	8,296	8,449	8,596	8,862

Notes: 1. Total number of SS in Japan is based on "Law on the Quality Control of Gasoline and Other Fuels."
2. The number of self SS is included in the number of SS.

Source: Number of nationwide SS compiled by the Agency for Natural Resources and Energy, number of wholesaler SS compiled by the Daily Nenryo Yushi Japan, number of other SS represents the difference between the number of nationwide SS and the number of distributor SS.

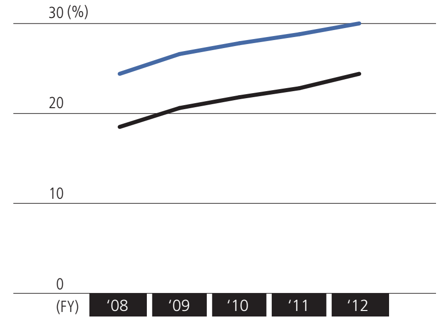
Gasoline Volume Sold per Service Station (Cosmo Oil)



	FY2008	FY2009	FY2010	FY2011	FY2012
Cosmo Oil					
■ Number of SS (right scale)	3,913	3,768	3,609	3,498	3,325
■ Number of self SS (right scale)	955	1,004	1,003	1,007	999
— Gasoline volume sold per SS (kl/month/SS) (left scale)	138.1	145.6	145.8	148.9	150.4

Notes: 1. Gasoline volume sold per SS = The annual volume of gasoline sold by the Group ÷ number of SS at the end of each year ÷ 12 months
2. The number of self SS is included in the number of SS.

Self-service Station Ratio

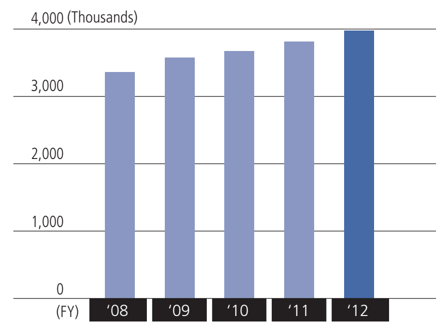


(%)

	FY2008	FY2009	FY2010	FY2011	FY2012
— Cosmo Oil	24.4	26.6	27.8	28.8	30.0
— Nationwide	18.5	20.6	21.8	22.8	24.4

Source: Nationwide SS is based on data provided by the Oil Information Center and National Federation of Petroleum Commercial Associations and National Federation of Petroleum Co-op Associations.

Number of Active Cosmo the Card (Credit Cards)

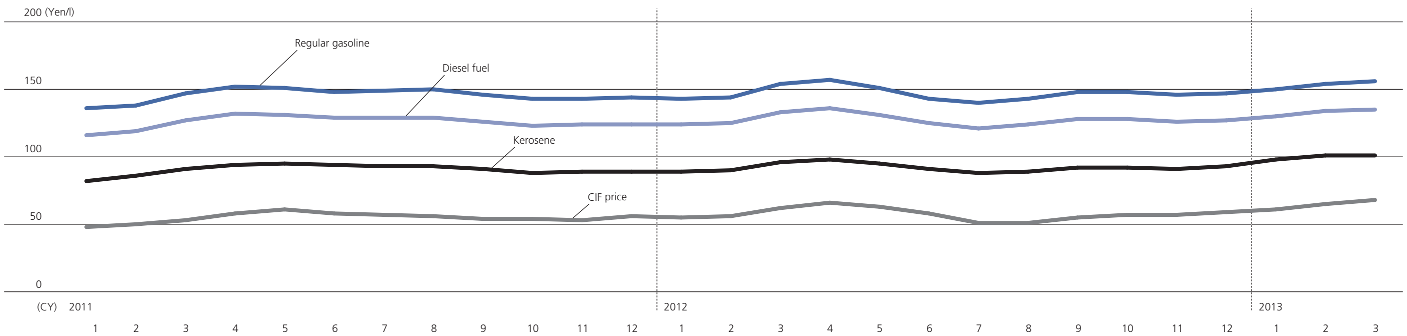


(Thousands)

	FY2008	FY2009	FY2010	FY2011	FY2012
■ Total number of active cards	3,357	3,570	3,667	3,813	3,972

Note: Total number of active cards = Total number of cards issued – Total number of deactivated cards

Retail Prices for Petroleum Products (Regular Gasoline, Diesel Fuel, and Kerosene) (Industry Average)



(Yen/l)

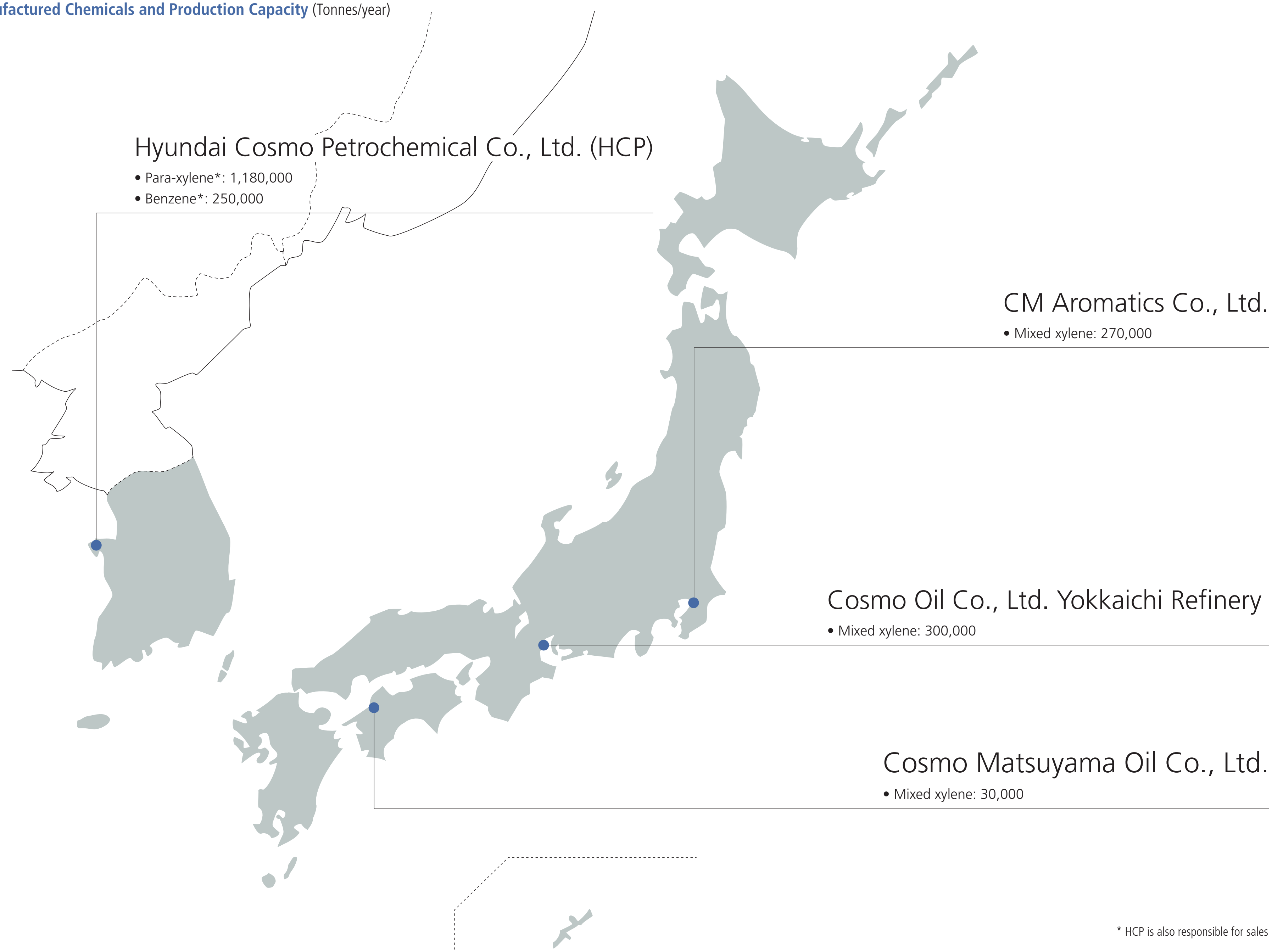
2011	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Regular gasoline	136	138	147	152	151	148	149	150	146	143	143	144
Diesel fuel	116	119	127	132	131	129	129	129	126	123	124	124
Kerosene	82	86	91	94	95	94	93	93	91	88	89	89
CIF price	48	50	53	58	61	58	57	56	54	54	53	56

2012	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
Regular gasoline	143	144	154	157	151	143	140	143	148	148	146	147
Diesel fuel	124	125	133	136	131	125	121	124	128	128	126	127
Kerosene	89	90	96	98	95	91	88	89	92	92	91	93
CIF price	55	56	62	66	63	58	51	51	55	57	57	59

2013	Jan.	Feb.	Mar.
Regular gasoline	150	154	156
Diesel fuel	130	134	135
Kerosene	98	101	101
CIF price	61	65	68

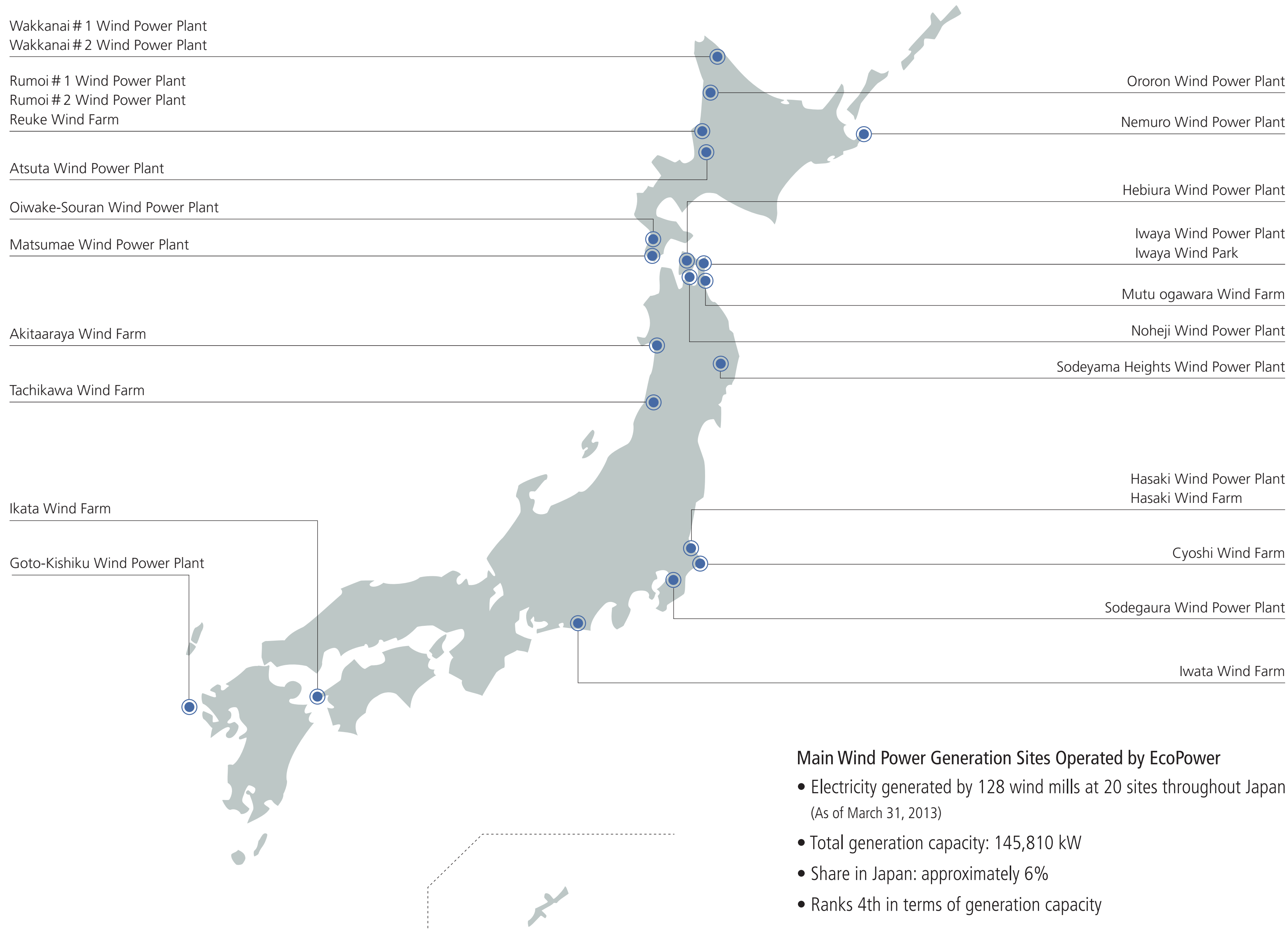
Note: Figures for regular gasoline and diesel fuel prices include crude oil tariffs, either gasoline taxes or diesel fuel transaction taxes and consumption taxes. Kerosene prices include oil tariffs, oil taxes and consumption taxes.
Source: Agency for Natural Resources and Energy "Petroleum Product Price Data" and Petroleum Association of Japan "Oil Statistics"

Manufactured Chemicals and Production Capacity (Tonnes/year)



* HCP is also responsible for sales

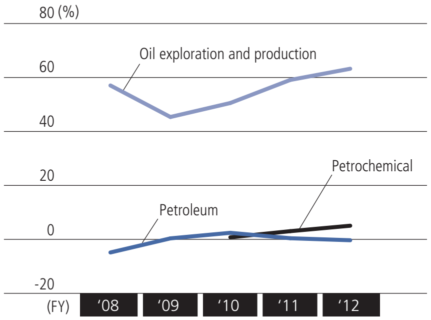
Wind Power Generation Business



Main Wind Power Generation Sites Operated by EcoPower

- Electricity generated by 128 wind mills at 20 sites throughout Japan (As of March 31, 2013)
- Total generation capacity: 145,810 kW
- Share in Japan: approximately 6%
- Ranks 4th in terms of generation capacity

Segment Operating Income Ratio



	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
Segment sales						
Petroleum	¥3,352,916	¥2,565,153	¥2,728,754	¥3,055,628	¥3,116,214	$33,133,589
Petrochemical	—	—	45,940	29,422	30,469	323,966
Oil exploration and production	89,054	59,553	69,938	87,644	85,943	913,801
Others	91,790	88,470	68,652	71,628	86,312	917,725
Elimination and corporate	(105,549)	(101,035)	(141,762)	(134,577)	(152,250)	(1,618,820)
Total	3,428,211	2,612,141	2,771,523	3,109,746	3,166,689	33,670,271
Segment operating income (loss)						
Petroleum	(162,646)	9,470	66,268	12,778	(10,120)	(107,602)
Petrochemical	—	—	356	894	1,542	16,396
Oil exploration and production	50,780	27,001	35,334	51,768	54,325	577,618
Others	2,242	2,073	1,298	1,534	3,281	34,886
Elimination and corporate	2,618	(4,337)	842	(3,405)	3,392	36,066
Total	(107,006)	36,411	104,098	63,570	52,422	557,384

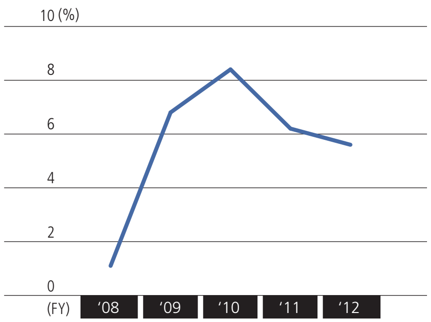
						(%)
Segment operating income ratio						
Petroleum	(4.85)	0.37	2.43	0.42	(0.32)	—
Petrochemical	—	—	0.77	3.04	5.06	—
Oil exploration and production	57.02	45.34	50.52	59.07	63.21	—

Notes: 1. Effective from the beginning of the consolidated fiscal year ending March 31, 2012, the Company adopted the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (the ASBJ Statement No. 17 issued on March 27, 2009) and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (the ASBJ Guidance No. 20 issued on March 21, 2008).

2. The Petrochemical Business, which had previously been included in the Petroleum Business segment, was made a separate segment from FY2010.

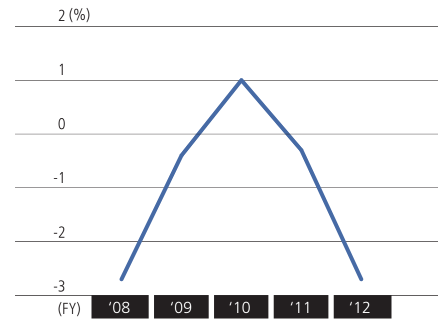
Profitability

Gross Profit Ratio



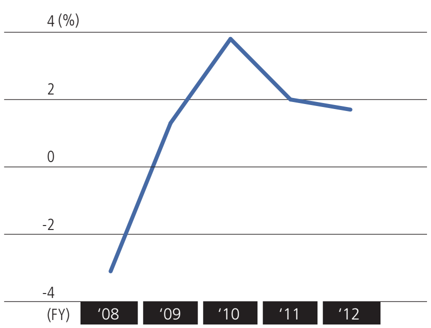
	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
Net sales	¥3,428,211	¥2,612,141	¥2,771,523	¥3,109,746	¥3,166,689	$33,670,271
Gross profit	38,803	176,775	232,490	191,508	177,415	1,886,390
— Gross profit ratio (%)	1.1	6.8	8.4	6.2	5.6	—

Return on Sales



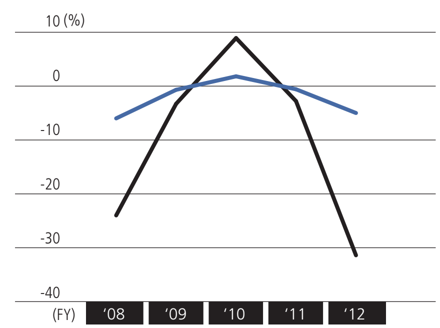
	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
Net sales	¥3,428,211	2,612,141	¥2,771,523	¥3,109,746	¥3,166,689	$33,670,271
Net income (loss)	(92,430)	(10,741)	28,933	(9,084)	(85,882)	(913,153)
— Return on sales (%)	(2.7)	(0.4)	1.0	(0.3)	(2.7)	—

Operating Income Ratio



	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
Net sales	¥3,428,211	¥2,612,141	¥2,771,523	¥3,109,746	¥3,166,689	$33,670,271
Operating income (loss)	(107,006)	34,207	104,097	63,570	52,422	557,384
— Operating income ratio (%)	(3.1)	1.3	3.8	2.0	1.7	—

ROA/ROE

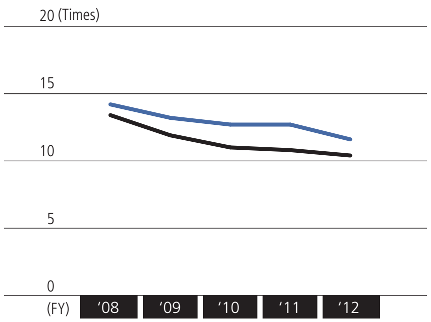


	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
Net income (loss)	¥ (92,430)	¥ (10,741)	¥ 28,933	¥ (9,084)	¥ (85,882)	$ (913,153)
Total assets	1,440,396	1,645,048	1,579,424	1,675,070	1,743,492	18,537,927
Total shareholders' equity	328,434	315,747	332,730	316,931	230,457	2,450,367
— Return on assets (ROA) (%)	(6.0)	(0.7)	1.8	(0.6)	(5.0)	—
— Return on equity (ROE) (%)	(24.0)	(3.3)	8.9	(2.8)	(31.4)	—

Notes: 1. ROA = Net income ÷ Average total assets at beginning and end of the fiscal year × 100
2. ROE = Net income ÷ Average shareholders' equity at beginning and end of the fiscal year × 100

Efficiency/Productivity

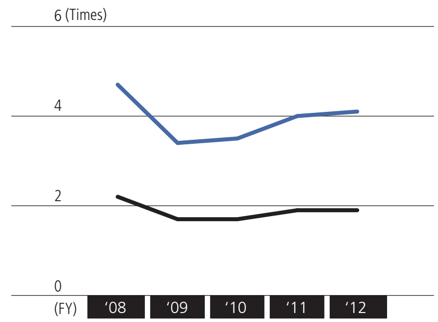
Trade Receivables Turnover, Inventory Turnover, Accounts Payable Turnover



	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
Notes and accounts receivable, trade	¥ 189,036	¥ 206,168	¥ 229,618	¥ 261,067	¥282,889	$3,007,858
Inventories	239,092	311,542	402,975	443,562	491,902	5,230,218
— Trade receivables turnover (times)*	14.2	13.2	12.7	12.7	11.6	—
Notes and accounts payable, trade	191,883	216,112	243,914	294,906	277,934	2,955,173
Cost of sales	3,389,408	2,435,366	2,539,032	2,918,238	2,989,274	31,783,881
— Accounts payable turnover (times)*	13.4	11.9	11.0	10.8	10.4	—

*Calculated based on average trade receivables, total assets, and inventories at the beginning and end of each fiscal year.

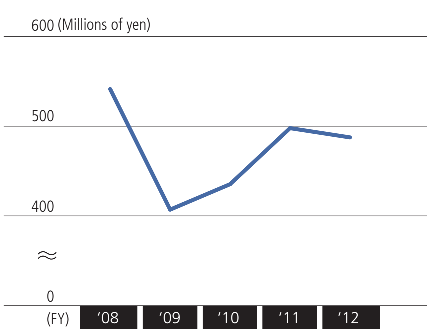
Fixed Assets Turnover, Total Assets Turnover



	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
Total assets	¥1,440,396	¥1,645,048	¥1,579,424	¥1,675,070	¥1,743,492	$18,537,927
Fixed assets	752,086	799,569	785,736	754,400	775,814	8,248,953
— Fixed Assets turnover (times)*	4.7	3.4	3.5	4.0	4.1	—
— Total assets turnover (times)*	2.2	1.7	1.7	1.9	1.9	—

*Calculated based on average trade receivables, total assets, and inventories at the beginning and end of each fiscal year.

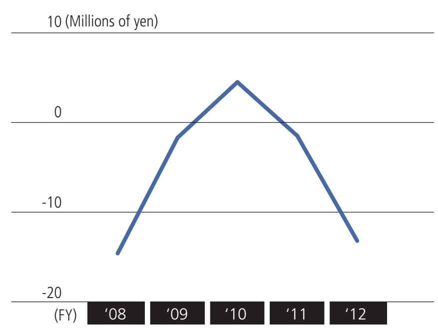
Net Sales per Employee



	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
— Net sales per employee	¥541.2	¥407.0	¥435.3	¥497.7	¥487.4	$5,182
Consolidated number of employees	6,335	6,418	6,366	6,247	6,496	—

Note: Net sales per employee are based on the average number of employees at the beginning and end of each fiscal year.

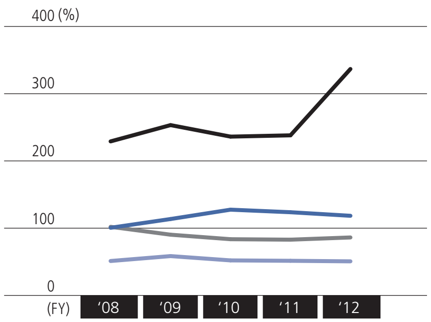
Net Income (loss) per Employee



	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
— Net income (loss) per employee	¥ (14.6)	¥ (1.7)	¥ 4.5	¥ (1.5)	¥ (13.2)	$(140.6)
Consolidated number of employees	6,335	6,418	6,366	6,247	6,496	—

Stability

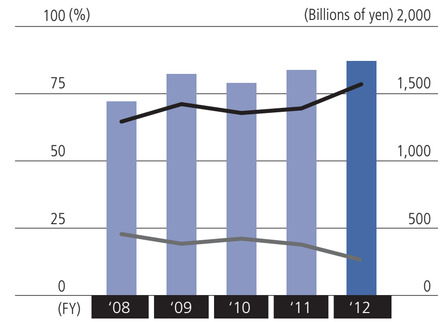
Current Ratio, Quick Ratio, Fixed Ratio, Fixed Assets Capitalization



	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
Current ratio (%)	100.6	113.6	127.5	123.7	118.4	—
Quick ratio (%)	51.2	58.5	52.1	51.5	50.7	—
Fixed ratio (%)	229.0	253.2	236.1	238.0	336.6	—
Fixed assets capitalization (%)	102.0	90.3	83.6	82.9	86.2	—
Short-term debt	¥261,778	¥269,514	¥176,366	¥208,287	¥279,109	$2,967,666
Long-term debt, less current maturities	336,831	490,225	523,765	512,915	563,779	5,994,460

Notes: 1. Short-term debt includes the current maturities of long-term debt.
2. Current ratio = Current assets at fiscal year-end ÷ Current liabilities × 100
3. Quick ratio = (Cash and bank deposits + Notes and accounts receivable + Marketable securities) ÷ Current liabilities × 100
4. Fixed ratio = Fixed assets ÷ Net assets excluding minority interests × 100
5. Fixed assets capitalization = Fixed assets ÷ (Net assets excluding minority interests + Long-term liabilities)

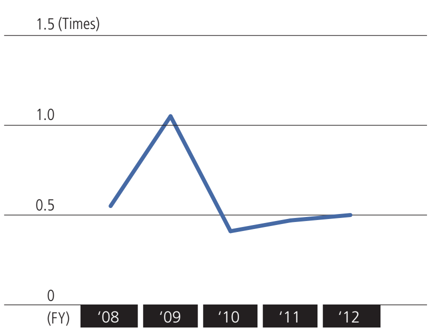
Total Assets, Debt-to-Total Capital Ratio, Equity Ratio



	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
Total assets	¥1,440,396	¥1,645,048	¥1,579,424	¥1,675,070	¥1,743,492	$18,537,927
Interest-bearing debt	598,609	777,739	700,131	721,203	842,889	8,962,137
Net assets excluding minority interests	328,434	315,747	332,730	316,931	230,456	2,450,356
Debt-to-total capital ratio (%)	64.6	71.1	67.8	69.5	78.5	—
Total debt to total assets (%)	41.6	47.3	44.3	43.1	48.3	—
Equity ratio (%)	22.8	19.2	21.1	18.9	13.2	—
Debt-to-equity ratio (times)	1.8	2.5	2.1	2.3	3.7	—

Note: Debt-to-total capital ratio = Interest-bearing debt ÷ (Interest-bearing debt + Net assets excluding minority interests)

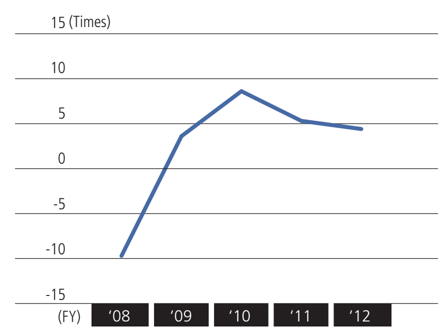
Liquidity



	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
Cash and deposits and marketable securities	¥158,434	¥228,919	¥94,357	¥122,445	¥130,776	$1,390,494
Liquidity (times)	0.55	1.05	0.41	0.47	0.50	—

Note: Liquidity = (Cash deposits + Securities) ÷ Net sales (monthly average)

Interest Coverage

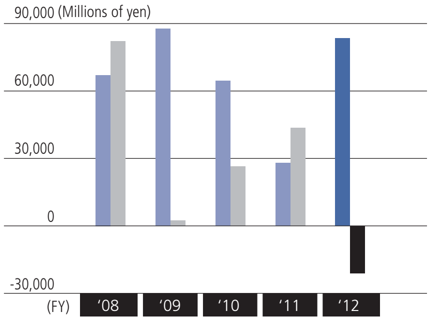


	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
Interest expenses	¥ 10,767	¥ 9,855	¥ 12,242	¥12,323	¥12,430	$132,164
Interest and dividend income	2,317	1,411	1,321	2,017	1,974	20,989
Operating income (loss)	(107,006)	34,207	104,097	63,570	52,422	557,384
Interest coverage (times)	(9.7)	3.6	8.6	5.3	4.4	—

Note: Interest coverage = (Operating income + Interest and dividend income) ÷ Interest expense

Cash Flows

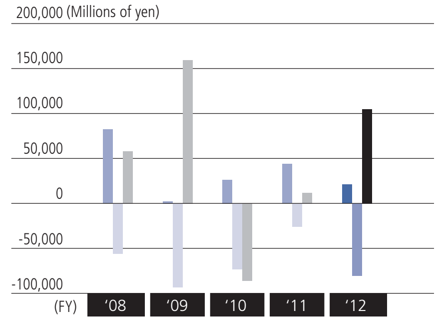
Cash Flows from Operating Activities and Capital Expenditures



	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
■ Capital expenditures	¥ 67,025	¥ 87,677	¥64,369	¥27,933	¥83,429	$887,071
Depreciation and amortization	41,492	42,746	51,068	50,601	44,953	477,969
Net income (loss)	(92,430)	(10,741)	28,933	(9,084)	(85,882)	(913,153)
Cash dividends paid and bonuses to directors and statutory auditors	6,780	4,237	6,779	6,779	6,779	72,079
■ Cash flows from operating activities	82,136	2,262	26,297	43,616	(20,950)	(222,754)

Notes: 1. Figures for capital investment include intangible fixed assets and long-term prepaid expenses.
2. Depreciation and amortization includes recovery of recoverable accounts under production sharing from FY2007 through FY2010. In FY2011, depreciation and amortization includes recovery of recoverable accounts under production sharing as well as depreciation applicable to fixed assets idled as a result of the fire at the Chiba Refinery caused by the Great East Japan Earthquake.

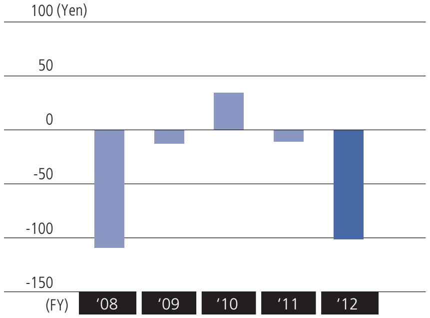
Cash Flows by Activity



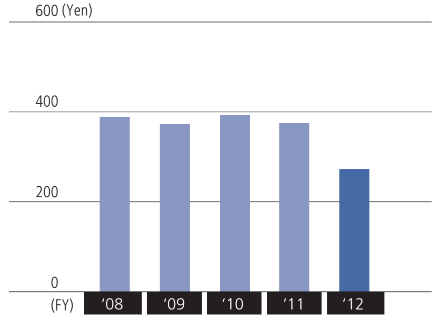
	FY2008	FY2009	FY2010	FY2011	FY2012 (Millions of yen)	FY2012 (Thousands of U.S. dollars)
■ Cash flows from operating activities	¥ 82,136	¥ 2,262	¥ 26,297	¥ 43,616	¥ (20,950)	$ (222,754)
■ Cash flows from investing activities	(55,953)	(93,306)	(73,109)	(25,805)	(80,481)	(855,726)
■ Cash flows from financing activities	57,854	159,302	(86,077)	11,606	104,695	1,113,184
Cash and cash equivalents at the end of year	159,920	228,908	94,343	122,431	129,699	1,379,043

Per Share Data

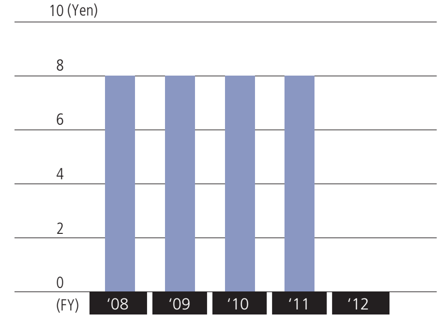
Net Income (Loss) per Share



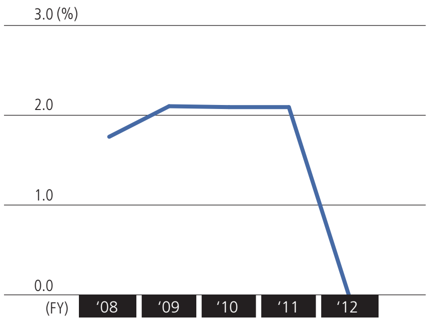
Net Assets per Share



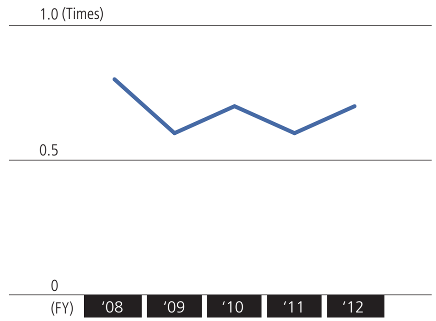
Cash Dividends per Share



Dividends on Equity



Price Book Value Ratio (PBR)



					Millions of yen	Thousands of U.S. dollars
	FY2008	FY2009	FY2010	FY2011	FY2012	FY2012
Stock price at the end of fiscal year (¥, $)	¥ 298	¥ 226	¥ 259	¥ 230	¥ 198	$ 2.11
Cash dividends per share (¥, $)	8.00	8.00	8.00	8.00	0.00	0
Cash dividends	6,779	6,779	6,779	6,779	0	0
Number of shares of common stock (millions)	847.7	847.7	847.7	847.7	847.7	—
Net income (loss)	(92,430)	(10,741)	28,933	(9,084)	(85,882)	(913,153)
Net assets excluding minority interests	328,434	315,747	332,730	316,931	230,456	2,450,356
Payout ratio (%)	—	—	23.42	—	—	—
Dividends on equity (%)	1.76	2.10	2.09	2.09	0.00	0
					Yen	U.S. dollars
Net income (loss) per share (¥, $)	¥ (109.11)	¥ (12.68)	¥ 34.16	¥ (10.72)	¥ (101.39)	$ (1.08)
Diluted net income per share (¥, $)	—	—	33.58	—	—	—
Net assets per share (¥, $)	387.71	372.74	392.8	374.15	272.07	2.89
PER (times)	—	—	7.6	—	—	—
PBR (times)	0.8	0.6	0.7	0.6	0.7	—

Notes: 1. DOE = Dividend amount ÷ Average beginning and end of period shareholders' equity × 100
2. Net income (loss) per share is based on the average number of outstanding shares.
3. Figures for PER and PBR are calculated based on the closing price of the Company's shares listed on the First Section of the Tokyo Stock Exchange on the last trading day in March of each year. These figures are for the parent company only.
4. Dividend payout ratio, diluted net income, and PER are not presented for fiscal years with a net loss.

Consolidated Financial Statements: **Consolidated Balance Sheets** (March 31, 2009, 2010, 2011, 2012 and 2013)

Millions of yen

	FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)	FY2010 (As of March 31, 2011)	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
ASSETS					
Current assets					
Cash and deposits	¥ 147,451	¥ 226,608	¥ 94,343	¥ 122,031	¥ 130,264
Notes and accounts receivable-trade	189,036	206,168	229,618	261,067	282,889
Short-term investment securities	13,983	2,310	14	413	512
Merchandise and finished goods	116,732	145,720	204,867	232,505	248,524
Work in process	1,198	469	985	1,051	998
Raw materials and supplies	121,160	165,351	197,122	210,004	242,378
Accounts receivable-other	57,781	50,844	28,405	60,861	34,886
Deferred tax assets	7,321	3,890	3,680	6,712	3,325
Other	34,046	44,193	34,659	26,056	23,703
Allowance for doubtful accounts	(402)	(222)	(332)	(292)	(334)
Total current assets	688,310	845,336	793,363	920,412	967,148
Noncurrent assets					
Property, plant and equipment					
Buildings and structures, net	94,611	102,058	103,949	100,167	104,986
Oil storage depots, net	11,030	14,233	16,551	17,381	19,000
Machinery, equipment and vehicles, net	76,732	104,156	163,298	149,529	132,903
Land	305,565	303,104	302,808	299,772	304,495
Lease assets, net	91	659	641	575	615
Construction in progress	46,665	65,157	9,026	6,346	14,628
Other, net	8,719	8,322	7,362	6,474	6,079
Total property, plant and equipment	543,416	597,693	603,639	580,246	582,709
Intangible assets					
Leasehold right	1,201	1,142	1,125	986	945
Software	3,206	4,236	3,587	3,090	2,411
Goodwill	107	17	10	3	3,645
Other	7,668	7,166	6,794	5,436	44,516
Total intangible assets	12,183	12,563	11,517	9,517	51,518
Investments and other assets					
Investment securities	88,471	100,950	99,668	102,062	118,770
Investments in capital	185	188	202	214	221
Long-term loans receivable	1,987	1,790	1,314	1,434	1,282
Long-term prepaid expenses	6,970	6,095	4,840	4,315	3,795
Deferred tax assets	63,179	46,888	35,081	32,230	1,791
Other	36,570	34,275	30,384	25,243	16,337
Allowance for doubtful accounts	(878)	(876)	(912)	(863)	(613)
Total investments and other assets	196,485	189,312	170,579	164,635	141,586
Total noncurrent assets	752,085	799,569	785,736	754,400	775,814
Deferred assets					
Bond issuance cost	—	142	324	257	529
Total deferred assets	—	142	324	257	529
Total assets	¥1,440,395	¥1,645,048	¥1,579,424	¥1,675,070	¥1,743,492

Millions of yen

	FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)	FY2010 (As of March 31, 2011)	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
LIABILITIES					
Current liabilities					
Notes and accounts payable-trade	¥ 191,883	¥ 216,111	¥ 243,914	¥ 294,906	¥ 277,934
Short-term loans payable	261,778	269,514	176,366	207,447	277,429
Current portion of bonds	—	18,000	—	840	1,680
Accounts payable-other	71,523	95,337	80,336	100,184	123,991
Accrued volatile oil and other petroleum taxes	112,663	107,457	71,431	99,786	97,708
Income taxes payable	5,770	9,194	7,252	12,181	10,175
Accrued consumption taxes	201	613	13,222	3,744	1,406
Accrued expenses	11,202	10,525	11,023	9,279	7,194
Deferred tax liabilities	4	2,330	567	5	847
Provision for loss on disaster	—	—	4,237	3,512	648
Provision for loss on construction contracts	327	—	—	—	—
Provision for business structure improvement	—	—	—	—	7,743
Provision for environmental measures	—	—	—	—	26
Other	28,537	15,091	13,823	12,388	9,824
Total current liabilities	683,883	744,174	622,173	744,275	816,611
Noncurrent liabilities					
Bonds payable	—	15,000	57,000	56,160	74,480
Bonds with subscription rights to shares	18,000	—	—	—	—
Long-term loans payable	318,830	475,225	466,765	456,755	489,299
Deferred tax liabilities	6,957	8,806	11,268	10,042	19,690
Deferred tax liabilities for land revaluation	33,492	33,293	33,210	29,027	29,301
Provision for special repairs	6,676	6,333	6,689	7,984	8,700
Provision for retirement benefits	6,096	5,899	5,647	6,795	8,506
Provision for business structure improvement	—	—	—	—	4,260
Provision for environmental measures	—	—	—	723	4,058
Negative goodwill	—	6,284	5,027	3,769	2,512
Other	19,009	18,449	21,403	22,098	29,138
Total noncurrent liabilities	409,063	569,293	607,011	593,357	669,948
Total liabilities	1,092,946	1,313,468	1,229,185	1,337,632	1,486,559
NET ASSETS					
Shareholders' equity					
Capital stock	107,246	107,246	107,246	107,246	107,246
Capital surplus	89,440	89,440	89,440	89,440	89,440
Retained earnings	115,732	99,685	119,803	103,454	10,531
Treasury stock	(129)	(134)	(138)	(140)	(140)
Total shareholders' equity	312,290	296,239	316,351	300,001	207,078
Accumulated other comprehensive income					
Valuation difference on available-for-sale securities	(2,099)	(529)	669	1,540	3,770
Deferred gains or losses on hedges	8,084	8,761	6,459	2,579	1,422
Revaluation reserve for land	11,523	12,593	14,147	18,776	19,037
Foreign currency translation adjustment	(1,365)	(1,318)	(4,898)	(5,965)	(851)
Total accumulated other comprehensive income*	16,142	19,507	16,378	16,930	23,378
Minority interests	19,015	15,832	17,508	20,506	26,475
Total net assets	347,449	331,579	350,239	337,437	256,932
Total liabilities and net assets	¥1,440,395	¥1,645,048	¥1,579,424	¥1,675,070	¥1,743,492

* Effective from FY2010, the Company adopts the "Accounting Standard for Comprehensive Income" (ASBJ Statement No. 25 issued on June 30, 2010). However, the amounts of "accumulated.

Consolidated Statements of Income (Years ended March 31, 2009, 2010, 2011, 2012 and 2013)

Millions of yen

	FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)	FY2010 (As of March 31, 2011)	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
Net sales	¥3,428,211	¥2,612,141	¥2,771,523	¥3,109,746	¥3,166,689
Cost of sales	3,389,407	2,435,365	2,539,032	2,918,238	2,989,274
Gross profit	38,803	176,775	232,490	191,508	177,415
Selling, general and administrative expenses	145,809	142,568	128,393	127,937	124,992
Operating income	(107,005)	34,207	104,097	63,570	52,422
Non-operating income					
Interest income	1,485	495	150	119	196
Dividends income	831	915	1,171	1,898	1,778
Rent income on noncurrent assets	982	1,136	1,190	1,221	1,101
Amortization of negative goodwill	—	—	1,251	1,251	1,281
Foreign exchange gains	—	2,581	106	451	—
Equity in earnings of affiliates	—	7,348	407	2,933	7,083
Gain on valuation of derivatives	—	223	—	1,668	—
Other	5,897	3,832	3,519	3,955	3,758
Total non-operating income	9,197	16,533	7,797	13,498	15,200
Non-operating expenses					
Interest expenses	10,767	9,855	12,242	12,323	12,430
Equity in losses of affiliates	1,126	—	—	—	—
Foreign exchange losses	9,325	—	—	—	1,242
Other	5,975	4,474	3,557	3,324	5,510
Total non-operating expenses	27,195	14,329	15,799	15,648	19,183
Ordinary income	(125,004)	36,411	96,094	61,420	48,439
Extraordinary income					
Gain on sales of noncurrent assets	6,899	5,206	1,044	642	904
Gain on sales of investment securities	4,193	110	—	67	—
Gain on allotment of investment securities	—	—	151	—	—
Gain on sales of subsidiaries and affiliates' stocks	—	1,994	13	946	—
Gain on insurance adjustment	1,749	—	—	—	—
Insurance income	—	—	—	4,639	360
Compensation income	—	—	—	186	—
Other	182	389	—	—	—
Total extraordinary income	13,025	7,700	1,209	6,482	1,264
Extraordinary loss					
Loss on sales of noncurrent assets	216	96	213	70	401
Loss on disposal of noncurrent assets	3,417	3,752	3,521	3,140	2,906
Impairment loss	1,239	1,976	3,857	3,397	5,032
Loss on sales of investment securities	—	450	—	—	—
Loss on sales of stocks of subsidiaries and affiliates	—	—	22	—	—
Loss on valuation of investment securities	—	2,183	2,983	1,240	515
Loss on valuation of stocks of subsidiaries and affiliates	—	—	29	19	—
Business structure improvement expenses	—	—	—	—	20,334
Loss on accident of asphalt leakage	—	—	—	—	14,304
Environmental expenses	—	—	—	—	3,559
Loss on litigation	—	—	2,291	—	3,230
Loss on adjustment for changes of accounting standard	—	—	1,660	—	—
Loss on recoverable accounts under production sharing	—	—	—	—	1,995
Loss on disaster	—	—	5,749	22,694	—
Loss on disposal of recoverable accounts under production sharing	—	—	3,523	—	—
Retirement benefit expenses	—	—	—	1,844	—
Other	327	125	—	112	—
Total extraordinary losses	5,200	8,584	23,852	32,520	52,240
Income (loss) before income taxes and minority interests	(117,179)	35,526	73,451	35,381	(2,536)
Income taxes-current	43,828	21,948	27,958	37,973	31,500
Income taxes-deferred	(71,522)	21,540	14,175	944	44,700
Total income taxes	(27,694)	43,488	42,133	38,917	76,200
Income (loss) before minority interests	—	—	31,318	(3,535)	(78,736)
Minority interests in income	2,944	2,778	2,384	5,548	7,145
Net income (loss)	¥ (92,429)	¥ (10,740)	¥ 28,933	¥ (9,084)	¥ (85,882)

Consolidated Statements of Comprehensive Income (Years ended March 31, 2012 and 2013)

Millions of yen

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Income (loss) before minority interests	¥(3,535)	¥(78,736)
Other comprehensive income		
Valuation difference on available-for-sale securities	939	2,190
Deferred gains or losses on hedges	(3,933)	(1,104)
Revaluation reserve for land	4,143	—
Foreign currency translation adjustment	(492)	1,740
Share of other comprehensive income of associates accounted for using equity method	(593)	3,367
Total other comprehensive income	63	6,193
Comprehensive income	(3,471)	(72,543)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(9,017)	(79,694)
Comprehensive income attributable to minority interests	¥ 5,545	¥ 7,151

Consolidated Statements of Changes in Net Assets (Year ended March 31, 2013)

Millions of yen

	FY2012 (From April 1, 2012 to March 31, 2013)
Shareholders' equity	
Capital stock	
Balance at the beginning of current period	¥107,246
Balance at the end of current period	107,246
Capital surplus	
Balance at the beginning of current period	89,440
Changes of items during the period	
Disposal of treasury stock	(0)
Total changes of items during the period	(0)
Balance at the end of current period	89,440
Retained earnings	
Balance at the beginning of current period	103,454
Changes of items during the period	
Dividends from surplus	(6,779)
Net income (loss)	(85,882)
Reversal of revaluation reserve for land	(260)
Total changes of items during the period	(92,922)
Balance at the end of current period	10,531
Treasury stock	
Balance at the beginning of current period	(140)
Changes of items during the period	
Purchase of treasury stock	(1)
Disposal of treasury stock	0
Total changes of items during the period	(0)
Balance at the end of current period	(140)
Total shareholders' equity	
Balance at the beginning of current period	300,001
Changes of items during the period	
Dividends from surplus	(6,779)
Net income (loss)	(85,882)
Reversal of revaluation reserve for land	(260)
Purchase of treasury stock	(1)
Disposal of treasury stock	0
Total changes of items during the period	(92,923)
Balance at the end of current period	207,078
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	
Balance at the beginning of current period	1,540
Changes of items during the period	
Net changes of items other than shareholders' equity	2,230
Total changes of items during the period	2,230
Balance at the end of current period	3,770
Deferred gains or losses on hedges	
Balance at beginning of current period	2,579
Changes of items during the period	
Net changes of items other than shareholders' equity	(1,156)
Total changes of items during the period	(1,156)
Balance at the end of current period	¥ 1,422

Millions of yen

	FY2012 (From April 1, 2012 to March 31, 2013)
Revaluation reserve for land	
Balance at the beginning of current period	¥ 18,776
Changes of items during the period	
Reversal of revaluation reserve for land	260
Total changes of items during the period	260
Balance at the end of current period	19,037
Foreign currency translation adjustment	
Balance at the beginning of current period	(5,965)
Changes of items during the period	
Net changes of items other than shareholders' equity	5,113
Total changes of items during the period	5,113
Balance at the end of current period	(851)
Total accumulated other comprehensive income	
Balance at the beginning of current period	16,930
Changes of items during the period	
Reversal of revaluation reserve for land	260
Net changes of items other than shareholders' equity	6,187
Total changes of items during the period	6,448
Balance at the end of current period	23,378
Minority interests	
Balance at the beginning of current period	20,506
Changes of items during the period	
Net changes of items other than shareholders' equity	5,969
Total changes of items during the period	5,969
Balance at the end of current period	26,475
Total net assets	
Balance at the beginning of current period	337,437
Changes of items during the period	
Dividends from surplus	(6,779)
Net income (loss)	(85,882)
Purchase of treasury stock	(1)
Disposal of treasury stock	0
Net changes of items other than shareholders' equity	12,156
Total changes of items during the period	(80,505)
Balance at the end of current period	¥256,932

Consolidated Statements of Cash Flows (Years ended March 31, 2009, 2010, 2011, 2012 and 2013)

Millions of yen

	FY2008 (From April 1, 2008 to March 31, 2009)	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Net cash provided by (used in) operating activities					
Income (loss) before income taxes and minority interests	¥(117,179)	¥ 35,526	¥ 73,451	¥ 35,381	¥ (2,536)
Depreciation and amortization	34,966	37,994	44,218	39,738	36,789
Amortization of negative goodwill	—	—	(1,251)	(1,251)	(1,281)
Amortization of goodwill	75	89	—	—	206
Impairment loss	1,239	1,976	3,857	3,397	5,032
Loss (gain) on sales of noncurrent assets	(6,682)	(5,110)	(831)	(572)	(502)
Loss (gain) on disposal of noncurrent assets	3,417	3,748	3,521	3,140	2,906
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	—	1,660	—	—
Loss on disaster	—	—	5,749	22,694	—
Loss on accident of asphalt leakage	—	—	—	—	14,304
Loss on disposal of recoverable accounts under production sharing	—	—	3,523	—	—
Loss on litigation	—	—	2,291	—	3,230
Loss (gain) on sales of investment securities	—	340	—	(67)	—
Loss (gain) on sales of stocks of subsidiaries and affiliates	—	(1,994)	9	(946)	—
Loss (gain) on valuation of investment securities	—	2,183	2,983	1,240	515
Loss on valuation of stocks of subsidiaries and affiliates	—	—	29	19	—
Gain on allotment of investment securities	—	—	(151)	—	—
Gain on insurance claim	(1,749)	—	—	—	—
Insurance income	—	—	—	(4,639)	(360)
Interest and dividends income	(2,317)	(1,410)	(1,322)	(2,017)	(1,974)
Interest expenses	10,767	9,855	12,242	12,323	12,430
Foreign exchange losses (gains)	—	(833)	1,440	911	(2,287)
Equity in (earnings) losses of affiliates	1,126	(7,348)	(407)	(2,933)	(7,083)
Increase (decrease) in allowance for doubtful accounts	(293)	(182)	145	(88)	(260)
Increase (decrease) in provision for special repairs	(690)	(342)	355	1,294	716
Increase (decrease) in provision for retirement benefits	(158)	(227)	(252)	1,148	649
Increase (decrease) in provision for business structure improvement	—	—	—	—	12,003
Increase (decrease) in provision for environmental measures	—	—	—	(48)	3,350
Increase (decrease) in other provision	303	(323)	1	—	—
Decrease (increase) in notes and accounts receivable-trade	103,774	(16,570)	(24,048)	(31,449)	(14,941)
Recovery of recoverable accounts under production sharing	6,524	4,750	6,850	7,512	6,414
Decrease (increase) in inventories	200,933	(72,346)	(92,696)	(40,547)	(48,205)
Increase (decrease) in notes and accounts payable-trade	(120,036)	39,808	27,802	50,992	(23,877)
Decrease (increase) in other current assets	12,281	(135)	15,244	(25,549)	21,072
Increase (decrease) in other current liabilities	28,466	(14,679)	(33,138)	31,149	12,640
Decrease (increase) in investments and other assets	2,692	5,272	4,731	3,964	1,806
Increase (decrease) in other noncurrent liabilities	(279)	(2,975)	(330)	1,662	2,604
Other, net	1,675	393	(127)	(1,324)	3,167
Subtotal	158,856	17,457	55,553	105,136	36,530
Interest and dividends income received	5,545	10,871	4,230	5,910	3,315
Interest expenses paid	(10,872)	(9,818)	(12,726)	(12,743)	(12,863)
Payments for loss on disaster	—	—	(118)	(16,811)	(7,348)
Payments for loss on litigation	—	—	(31)	(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	930	—	132	3,547	1,712
Income taxes paid	(72,325)	(16,248)	(20,742)	(35,937)	(29,703)
Net cash (used in) provided by operating activities	¥ 82,135	¥ 2,261	¥ 26,297	¥ 43,616	¥(20,950)

Millions of yen

	FY2008 (From April 1, 2008 to March 31, 2009)	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Net cash provided by (used in) investing activities					
Purchase of short-term investment securities	¥ (508)	¥ (9)	¥ (9)	¥ (9)	¥ (9)
Proceeds from sales and redemption of securities	—	1,510	10	11	11
Proceeds from sales of short-term investment securities	509	—	—	—	—
Purchase of investment securities	(5,029)	(7,784)	(276)	(776)	(411)
Proceeds from sales and redemption of investment securities	—	3,462	140	226	793
Proceeds from sales of investment securities	6,416	—	—	—	—
Purchase of stocks of subsidiaries and affiliates	—	(13,976)	(6,131)	(3,791)	(4,683)
Proceeds from sales of stocks of subsidiaries and affiliates	923	2,614	482	1,444	62
Purchase of investments in subsidiary resulting in change in scope of consolidation	—	—	—	—	(6,268)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	—	1,333	—	—	—
Purchase of property, plant and equipment	(55,213)	(72,956)	(59,600)	(17,497)	(30,415)
Payments for disposal of property, plant and equipment	(1,761)	(2,807)	(1,403)	(1,526)	(2,023)
Proceeds from sales of property, plant and equipment	10,815	9,829	5,901	1,763	2,413
Payments for purchases of intangible fixed assets and long-term prepaid expenses	(14,026)	(10,466)	(13,682)	(7,104)	(38,284)
Decrease (increase) in short-term loans receivable	1,378	(4,600)	869	1,204	(478)
Payments of long-term loans receivable	(796)	(55)	(55)	(79)	(106)
Collection of long-term loans receivable	1,444	414	482	264	340
Proceeds from withdrawal of time deposits	—	—	—	—	23,657
Payments into time deposits	—	—	—	—	(25,125)
Other, net	(104)	187	163	65	45
Net cash provided by (used in) investing activities	(55,953)	(93,305)	(73,109)	(25,805)	(80,481)
Net cash provided by (used in) financing activities					
Net increase (decrease) in short-term loans payable	46,840	12,757	(107,286)	17,436	67,435
Proceeds from long-term loans payable	111,230	177,476	36,289	50,140	85,733
Repayment of long-term loans payable	(77,914)	(34,892)	(30,836)	(46,504)	(59,681)
Proceeds from issuance of bonds	—	15,000	41,775	—	19,631
Redemption of portion of bonds with subscription rights to shares	—	—	(18,000)	—	—
Redemption of bonds	(2,500)	—	—	—	(840)
Cash dividends paid	(6,779)	(4,237)	(6,779)	(6,779)	(6,779)
Cash dividends paid to minority shareholders	(13,548)	(6,741)	(1,126)	(2,576)	(671)
Proceeds from stock issuance to minority shareholders	541	—	—	28	11
Other, net	(15)	(60)	(114)	(137)	(144)
Net cash provided by (used in) financing activities	57,853	159,301	(86,077)	11,606	104,695
Effect of exchange rate change on cash and cash equivalents	(6,791)	729	(1,674)	(1,329)	4,005
Net increase (decrease) in cash and cash equivalents	77,245	68,987	(134,564)	28,088	7,268
Cash and cash equivalents at beginning of period	82,674	159,919	228,907	94,343	122,431
Cash and cash equivalents at end of period	¥159,919	¥228,907	¥ 94,343	¥122,431	¥129,699

Group Information (As of March 31, 2013)

Oil Exploration and Production Business

Oil exploration and production

● ABU DHABI OIL CO., LTD. (JAPAN) ¥10,090 million 63.0%
● QATAR PETROLEUM DEVELOPMENT CO., LTD. (JAPAN) ¥3,148 million 75.0%
■ UNITED PETROLEUM DEVELOPMENT CO., LTD. ¥2,010 million 45.0%

Others: ● 1 company
○ 2 companies
□ 1 company

Petroleum Business

Import and export of crude oil and oil products

● COSMO OIL INTERNATIONAL PTE. LTD. S$19,500,000 100%
● COSMO OIL (U.K.) PLC. US$4,982,000 100%

Others: ● 1 company

Marine transportation of crude oil and oil products

□ NIPPON GLOBAL TANKER CO., LTD. ¥50 million 35.0%

Other Businesses

Engineering, insurance, leasing, etc.

● COSMO ENGINEERING CO., LTD. ¥390 million 100%
● COSMO TRADE & SERVICE CO., LTD. ¥200 million 100%

Others: ○ 6 companies
□ 2 companies

Crude oil & oil products

Marine transportation

Construction of refining plants and others

COSMO OIL CO., LTD.

Refining of crude oil/Sales of petroleum products/Management of leased real estate

Lubricant-base oil

Lubricating oil production

● COSMO OIL LUBRICANTS CO., LTD. ¥1,620 million 100%

Stockpiling

● HOKUTO KOGYO CO., LTD. ¥20 million 100%
■ TOZAI OIL TERMINAL CO., LTD. ¥480 million 50.0%
■ OKINAWA CTS CORP. ¥495 million 35.0%
□ OGISHIMA OIL TERMINAL CO., LTD. ¥10 million 50%

Others: ● 2 companies
□ 3 companies

Distribution and shipping

● COSMO KAIUN CO., LTD. ¥330 million 100%
● SAKAIDE COSMO KOSAN CO., LTD. ¥30 million 100%
● COSMO DELIVERY SERVICE CO., LTD. ¥50 million 100%

Others: ● 6 companies
○ 2 companies
□ 8 companies

Petrochemical material

Manufacturing and sales of petrochemical products

● COSMO MATSUYAMA OIL CO., LTD. ¥3,500 million 100%
● CM AROMATICS CO., LTD. ¥100 million 65.0%
■ MARUZEN PETROCHEMICAL CO., LTD. ¥10,000 million 43.9%
■ HYUNDAI COSMO PETROCHEMICAL CO., LTD. ₩582,200 million 50.0%

Marketing & sales of petroleum products

● COSMO PETROLEUM GAS CO., LTD. ¥3,500 million 100%
● COSMO OIL LUBRICANTS CO., LTD. ¥1,620 million 100%
● COSMO OIL SALES CORP. ¥80 million 100%
● SOGO ENERGY CORP. ¥500 million 99.9%

Others: ● 5 companies
○ 8 companies
□ 10 companies

Management of leased real estate

● COSMO BUSINESS SUPPORT CO., LTD. ¥90 million 100%

Others: □ 1 company

Production and distribution of ALA-containing products

● COSMO ALA CO., LTD. ¥462 million 100%
● COSMO OIL (SHANGHAI) CO., LTD. US$300,000 100%

Wind power generation business

● ECO POWER CO., LTD. ¥7,164 million 99.1%

Others: ● 8 companies
■ 1 company

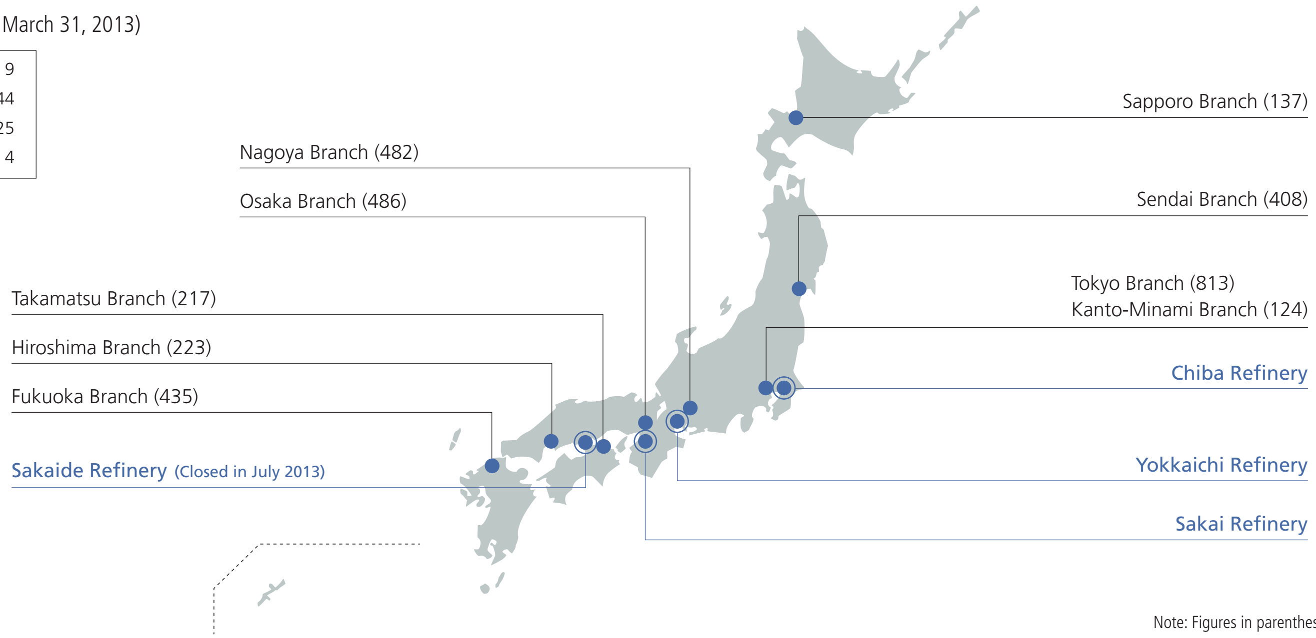
CUSTOMERS

● Consolidated subsidiaries
■ Affiliated companies accounted for under the equity method
○ Unaffiliated companies accounted for under the equity method
□ Affiliated companies not accounted for under the equity method

Lower line: Amount of money = Capital % = Percentage of voting rights

Branches and Refineries (As of March 31, 2013)

Branches	9
SS Operators	244
Service Stations (SS)	3,325
Refineries	4



Note: Figures in parentheses show the number of service stations.

Principal Overseas Bases (As of March 31, 2013)

■ Overseas Offices	4
● Overseas Subsidiaries	4

Share Information (As of March 31, 2013)

Ordinary general meeting of shareholders	June
Transfer agent for common stock	Sumitomo Mitsui Trust Bank, Limited
Number of common shares issued	847,705,087 shares
Number of shareholders	38,194
Number of shares per trading unit	1,000 shares
Stock listing	Tokyo*, Osaka*, Nagoya

*These cash equity markets merged on July 16, 2013.

Principal Shareholders (As of March 31, 2013)

	Investment in the Company	
Shareholder	Number of shares owned (Thousands)	Percentage of total shares issued (%)
Infinity Alliance Limited*	176,000	20.76
Japan Trustee Services Bank, Ltd. (Trust account)	57,287	6.76
Mizuho Corporate Bank, Ltd.	31,320	3.69
The Master Trust Bank of Japan, Ltd. (Trust account)	21,737	2.56
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	19,750	2.33
Mitsui Sumitomo Insurance Co., Ltd.	18,878	2.22
The Kansai Electric Power Co., Inc.	18,600	2.19
Aioi Nissay Dowa Insurance Co., Ltd.	18,583	2.19
Tokio Marine & Nichido Fire Insurance Co., Ltd.	17,335	2.04
Sompo Japan Insurance Inc.	15,792	1.86

*Special-purpose company established by the International Petroleum Investment Company (IPIC)

Bond Issue Information

Unsecured Bonds (No. 20)

Date of issue	January 29, 2010
Balance of debt at March 31, 2012	¥15.0 billion
Balance of debt at March 31, 2013	¥14.2 billion
Due date	January 31, 2017

Unsecured Bonds (No. 21)

Date of issue	September 21, 2010
Balance of debt at March 31, 2012	¥22.0 billion
Balance of debt at March 31, 2013	¥22.0 billion
Due date	September 18, 2015

Unsecured Bonds (No. 22)

Date of issue	December 9, 2010
Balance of debt at March 31, 2012	¥10.0 billion
Balance of debt at March 31, 2013	¥10.0 billion
Due date	December 9, 2014

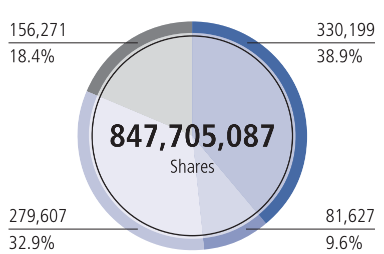
Unsecured Bonds (No. 23)

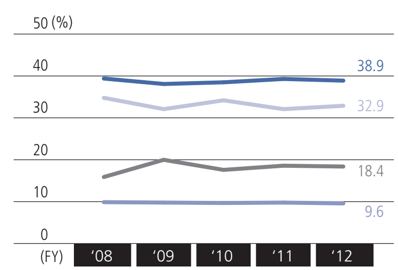
Date of issue	December 9, 2010
Balance of debt at March 31, 2012	¥10.0 billion
Balance of debt at March 31, 2013	¥10.0 billion
Due date	December 9, 2016

Unsecured Bonds (No. 24)

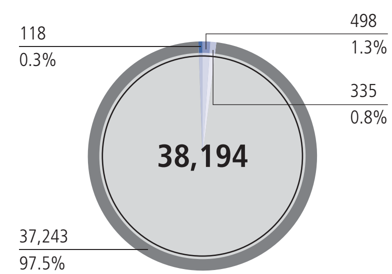
Date of issue	August 28, 2012
Balance of debt at March 31, 2012	—
Balance of debt at March 31, 2013	¥20.0 billion
Due date	August 28, 2020

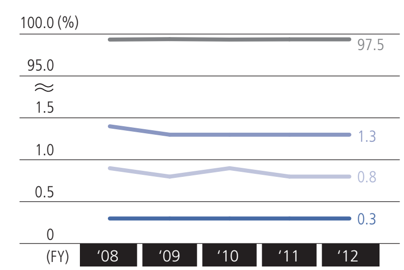
Number of Shares/Trend of Shares by Types of Shareholders (Thousands of shares, rounded down)





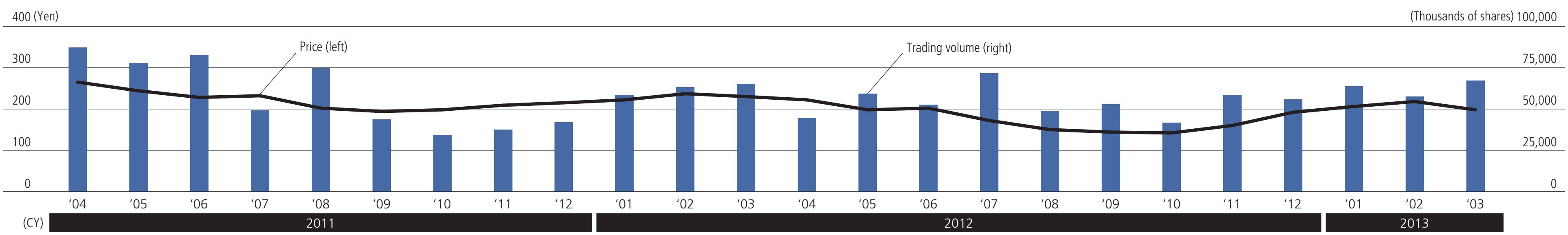
Number of Shareholders/Trend of Shareholders





■ Japanese financial institutions and securities firms (including trust accounts) ■ Other Japanese companies and corporations ■ Foreign investors ■ Japanese individuals and others

Stock Information



Corporate Data (As of March 31, 2013)

Company Name	COSMO OIL CO., LTD.
Head Office	Toshiba Bldg., 1-1, Shibaura 1-chome, Minato-ku
Phone	+81-3-3798-3211
Fax	+81-3-3798-3237
URL	http://www.cosmo-oil.co.jp
Established	April 1, 1986
Common Shares	Authorized: 1,700,000,000, Issued: 847,705,087
Paid-in Capital	¥107,246,816,126
Type of Business	Refining and sales of oil products
Fiscal Year-End	March 31
Number of Employees	1,899
Branches (9 locations)	Sapporo, Sendai, Tokyo, Kanto-Minami, Nagoya, Osaka, Hiroshima, Takamatsu, Fukuoka
Refineries (4 locations)	Chiba, Yokkaichi, Sakai, Sakaide (Closed in July 2013)
Principal Overseas Bases	• Overseas Offices (4 locations) Beijing, Shanghai, Abu Dhabi, Doha • Subsidiaries (4 locations) COSMO OIL OF U.S.A. INC. COSMO OIL INTERNATIONAL PTE. LTD. COSMO OIL (U.K.) PLC. COSMO OIL (SHANGHAI) CO., LTD.
Number of SS Operators	244

Inquiries:
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