

Report on Performance in FY2012

(April 1, 2012 - March 31, 2013)

May 16, 2013

AOC Holdings, Inc.



AOC Holdings, Inc. (TSE:5017)
www.aochd.co.jp

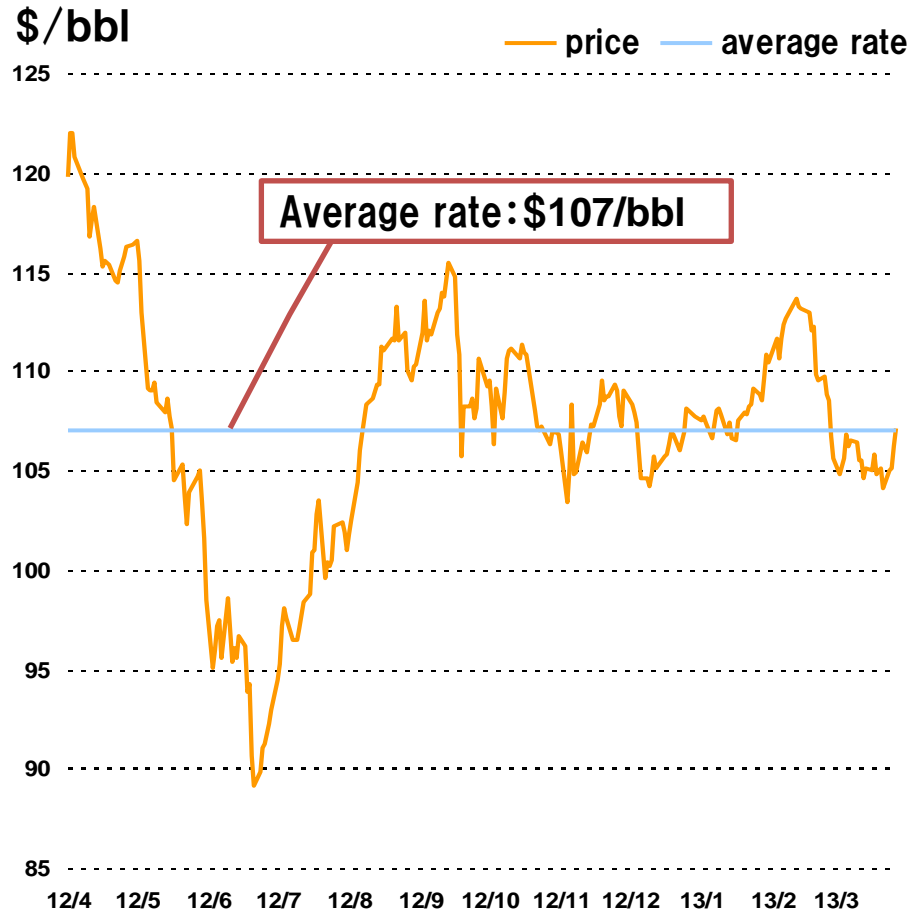




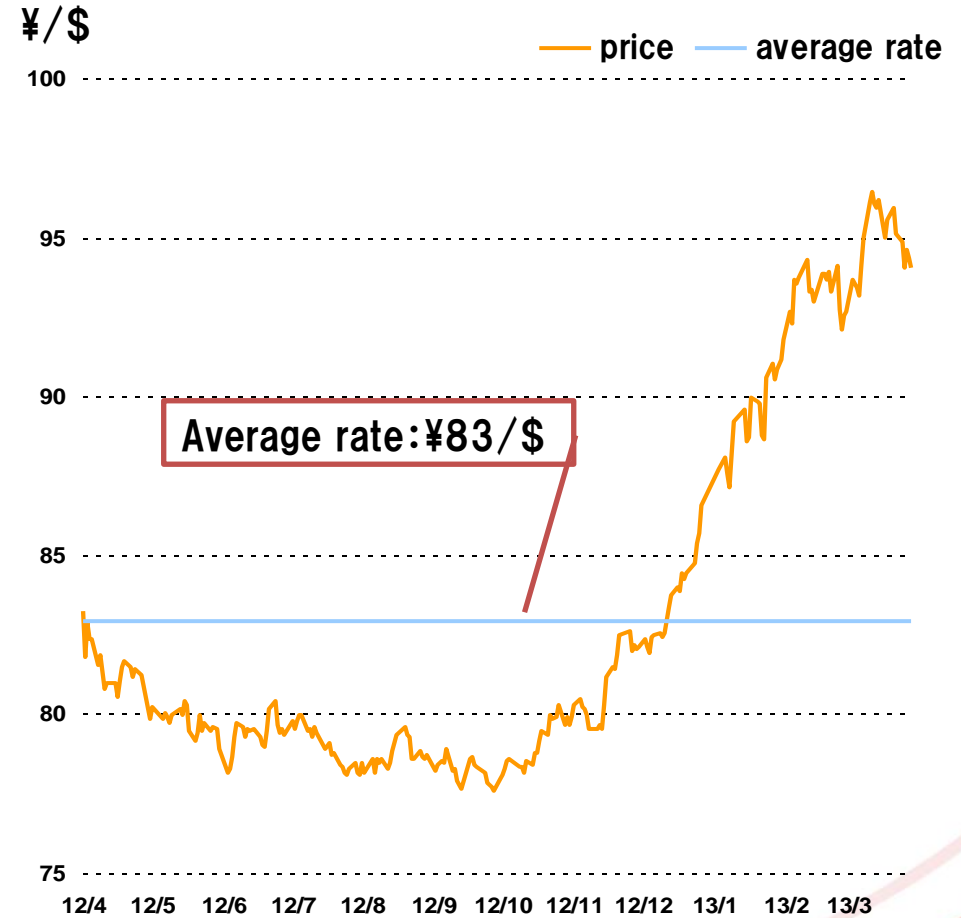
Consolidated Financial Results for FY2012

Transition of oil price and exchange rate

Dubai crude oil price



Exchange rate (TTM)



Consolidated Financial Results for FY2012

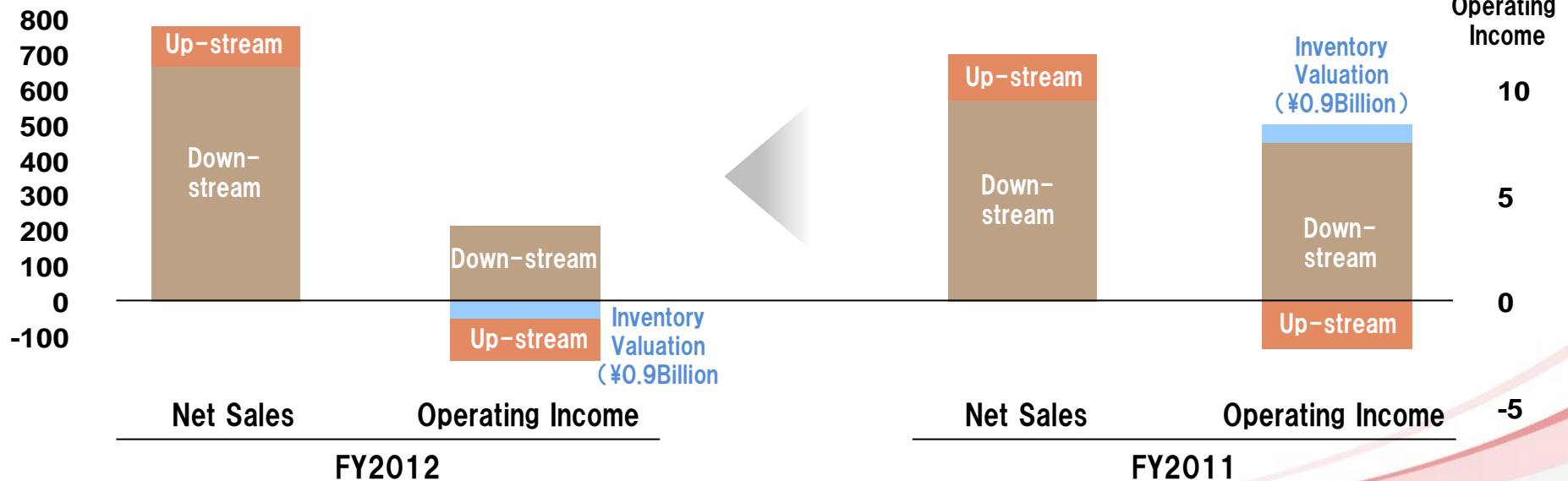
-Changes from FY2011-



(¥Billion)

	FY2012 \$107.1 / bbl ¥82.9 / \$			FY2011 \$110.1 / bbl ¥79.1 / \$			Change \$(3.0) / bbl ¥3.8 / \$			
	Up-stream	Down-stream	Total	Up-stream	Down-stream	Total	Up-stream	Down-stream	Total	%
Net Sales	113.0	667.0	780.0	129.3	572.3	701.6	-16.3	+94.7	+78.3	+11%
Operating Income	(2.0)	3.6	1.5	(2.2)	7.5	5.2	+0.1	-3.9	-3.7	-70%
Excl. Inventory Valuation		4.4	2.3		6.5	4.3		-2.1	-1.9	-44%
Ordinary Income	3.0	0.2	3.2	(2.9)	4.2	1.3	+5.9	-3.9	+1.9	+151%
Net Income	(12.9)	(0.1)	(13.0)	(0.9)	4.3	3.3	-11.9	-4.4	-16.3	-

Net Sales



Sales Volume and Prices of Crude Oils



	Sales Volume (Thousand bbls/day)			Sales Prices (\$/bbl)	
	FY2012	FY2011	Change	FY2012	FY2011
Crude Oil under Crude Oil Sales and Purchase Agreement with Kuwait (Khafji crude oil)	35.4	40.7	-13%	104.73	109.20
Interests Oil (Ekofisk crude oil*)	0.1	0.2	-50%	112.31	112.98
Total	35.5	40.9	-13%	—	—

*January–December

Sales Volume of Petroleum Products



(Thousand Kiloliters)

	FY2012	FY2011	Change (%)
Gasoline	1,951	1,808	+7.9%
Naphtha	287	325	-11.7%
Jet fuel	688	901	-23.6%
Kerosene	625	471	+32.7%
Diesel fuel (Gas oil)	1,371	1,390	-1.4%
Heavy fuel oil A	95	56	+69.6%
Heavy fuel oil C	1,396	1,172	+19.1%
[incl. for electric power]	[1,317]	[1,066]	[+23.5%]
Benzene	215	168	+28.0%
Xylene	322	306	+5.2%
Propane and Propylene	192	143	+34.3%
Petroleum Pitch	371	357	+3.9%
Others	612	344	+77.9%
Sub-total	8,131	7,447	+9.2%
Barter deals	540	354	+52.5%
Total	8,671	7,801	+11.2%
Crude refining volume	8,256	7,609	+8.5%

Net Sales by Segment and Segment Income

(¥ Billion)

	FY2012		FY2011		Change	
	Oil/Gas Development and Sales	Oil Refinery and Sales	Oil/Gas Development and Sales	Oil Refinery and Sales	Oil/Gas Development and Sales	Oil Refinery and Sales
Net Sales	113.0	667.0	129.3	572.3	-16.3	+94.7
Segment Income	3.0	0.2	(2.9)	4.2	+5.9	-3.9

* Internal transactions are eliminated

		Factors of Increase		Factors of Decrease	
Net Sales (%)	Oil/Gas Development and Sales			● Fall of sales prices	-4
	Oil Refinery and Sales	● Rise of sales prices	+3	● Decrease of sales volume	-13
Segment Income (¥Billion)	Oil/Gas Development and Sales	● Foreign exchange gain	+5.7	● Effects of opening inventories	-1.8
	Oil Refinery and Sales	● Decrease of exploration cost	+0.2	● Deterioration of margin for Petroleum pitch	-4.2
		● Improvement of margins for petrochemical products	+4.6	● Deterioration of margins for Petroleum products	-1.8
				● Loss of the subsidiary in Singapore	-0.5

Extraordinary loss

		(¥ million)
Impairment losses of fixed assets of Norske AEDC	①	20,129
The tax refund estimated amount by the Norway taxation system	②	9,445
Net amount of loss	③ = ① - ②	10,685
Decrease of fixed assets of Northwest October block	④	4,862
Total of extraordinary loss	⑤ = ① + ④	24,992
Net amount of loss	⑥ = ③ + ④	15,547

Increase and Decrease in Consolidated Balance Sheet



(¥Billion)

	FY2012	FY2011	Change	Major Factors Increase / Decrease
Current assets	228.2	261.7	(33.4)	Inventories (25.7)
Noncurrent assets	132.6	148.2	(15.6)	Property, plant and equipment (20.0) loans receivable(KGOC) (4.5) Exploration and development investments (4.1) Deferred tax assets +11.1
Total assets	360.8	409.9	(49.0)	
Current liabilities	236.9	249.6	(12.7)	Accounts payable-trade (27.6) Borrowings +13.0
Noncurrent liabilities	42.8	65.5	(22.6)	Loans payable (27.8) (incl. KGOC (4.5)) Provision for repairs +2.2
Total liabilities	279.7	315.1	(35.4)	
Total net assets	81.1	94.7	(13.6)	Retained earnings (13.4)
Total liabilities and net assets	360.8	409.9	(49.0)	

KGOC (Kuwait Gulf Oil Company) : The partner point of the financing agreement of Kuwait

AOC Holdings, Inc.

Consolidated Statements of Cash Flows



(¥Billion)

	FY2012	FY2011	Major Factors in FY2012	
Net cash provided by (used in) operating activities	5.6	(0.8)	Depreciation and amortization	9.8
			Decrease in inventories	25.7
			Increase in notes and accounts payable-trade	(27.6)
Net cash provided by (used in) investing activities	5.4	8.4	Collection of loans receivable	8.0
Net cash provided by (used in) financing activities	(16.2)	(6.6)	Decrease of long term loans (net)	(13.3)
Net increase/decrease in cash and cash equivalents	0.3	(0.3)		
Cash and cash equivalents at beginning of year	18.0	17.3		
Cash and cash equivalents at end of year	13.2	18.0		



Forecast on Consolidated Financial Results for FY2013

(April 1, 2013–March 31, 2014)

Assumptions

Dubai crude oil price	Heavy-Light Crude Oil Price Gaps (Price differential between Arabian heavy and Arabian light crude oil)	Exchange rate
\$ 105 / Bbl	\$ 4. 0 / Bbl	¥ 95 / \$

Task & Plan

- Major turnaround of Sodegaura Refinery once in four years
(CDU: shut-down May13-June16)
- Maintaining full operation of Sodegaura Refinery after T/A
- Flexible utilization of facilities in response to demand fluctuation of Fuel oil C for electric power
- Petroleum products sales volume: 7,586,000 kl

Crude Oil

(Thousand Barrels/day)

	FY2013 (Plan)	FY2012 (Actual)	Change (%)
Khafji crude oil (Sales and Purchase Agreement with Kuwait)	20.0	35.4	-43.5%
Ekofisk crude oil (Norwegian North Sea)	0.0	0.1	—
Total	20.0	35.5	-43.6%

Petroleum Products

Gasoline	1,841	1,951	-5.6%
Naphtha	222	287	-22.6%
Middle distillate	2,842	2,779	+2.3%
Heavy fuel oil C [incl. for electric power]	762 [714]	1,396 [1,317]	-45.4% [-45.8%]
Benzene and Xylene	507	537	-5.6%
Others	1,051	1,175	-10.6%
Sub-Total	7,229	8,131	-11.1%
Barter deals	357	540	-33.9%
Total	7,586	8,671	-12.5%
Crude refining volume	7,275	8,256	-11.9%

Forecast on Consolidated Profit and Loss for FY2013



(¥Billion)

	FY2013 (Plan) \$105.0 / bbl ¥95 / \$	FY2012 (Actual) \$107.1 / bbl ¥83 / \$	Change \$ (2.1) / bbl ¥12 / \$	
Net Sales	710.0	780.0	-70.0	-9 %
Operating Income	4.4	1.5	+2.8	184 %
Excl. inventory valuation	5.0	2.3	+2.7	117 %
Ordinary Income	1.2	3.2	-1.9	-63 %
Net Income	1.4	(13.0)	+14.4	—

Increase / Decrease Factors of Operating Income

Increase Factors		Decrease Factors	
Loss reduction by up-stream segment restructuring	+1.8	Deterioration of margin for Petroleum products	-4.6
Effects of opening inventories	+0.2	Deterioration of margin for Petroleum pitch	-1.3
Improvement of margins for Petrochemical products	+4.8		
Improvement of the subsidiary in Singapore	+1.5		

■ Cautions with respect to Forward-Looking Statement ■

The financial forecasts, management targets, and any other estimates and projections of the Company presented in this report are based on information available to management as of the date set forth within.

Please note that actual results may vary significantly from projected forecasts due to various uncertain factors, and as such, readers should take care when making investment decisions based solely on the forecasts herein.

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