

**Cosmo Oil Co., Ltd. New Consolidated  
Medium-Term Management Plan  
Progress Made in Fiscal Year 2005  
and Future Policy**

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**May 17, 2006**

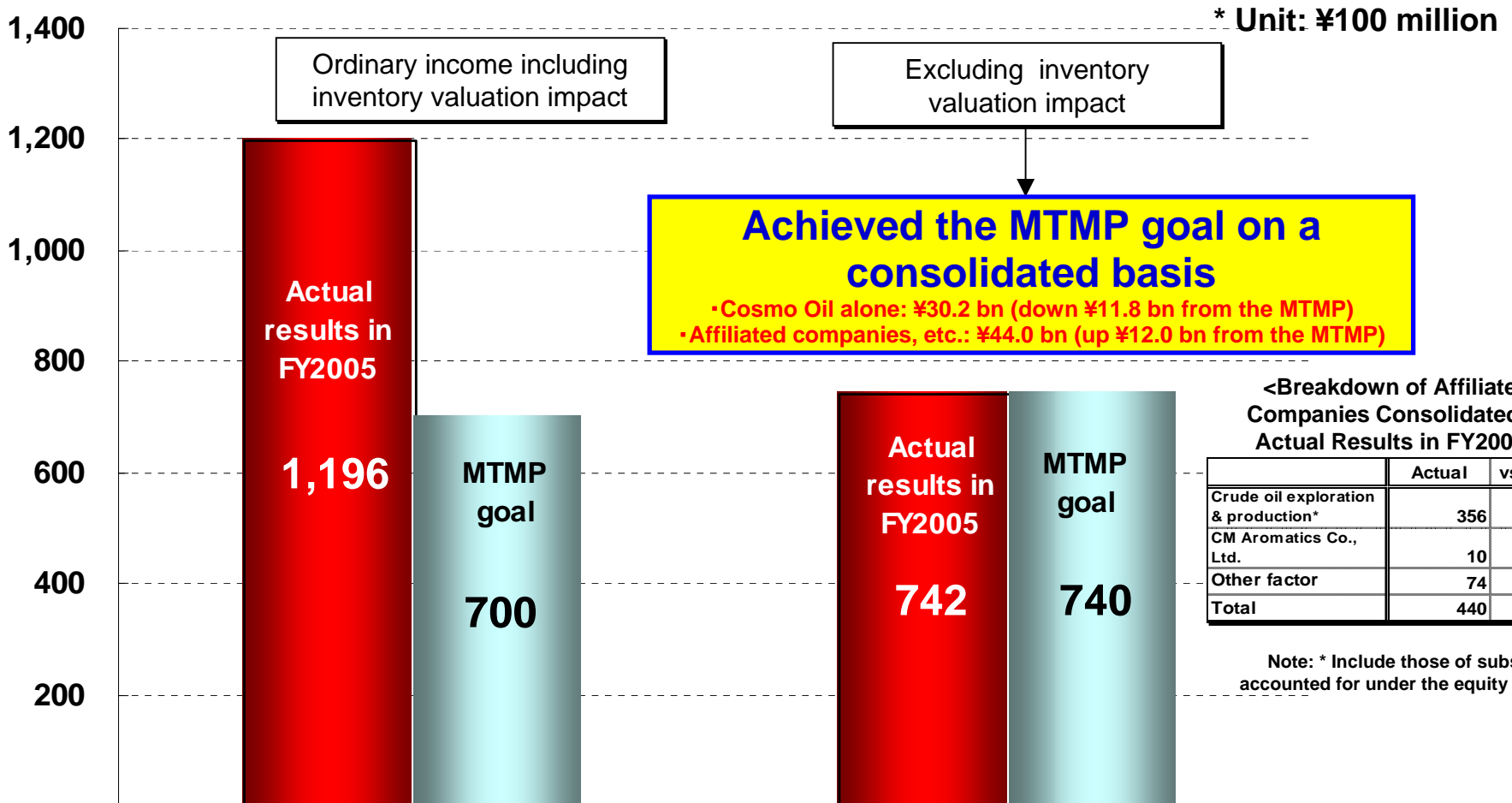
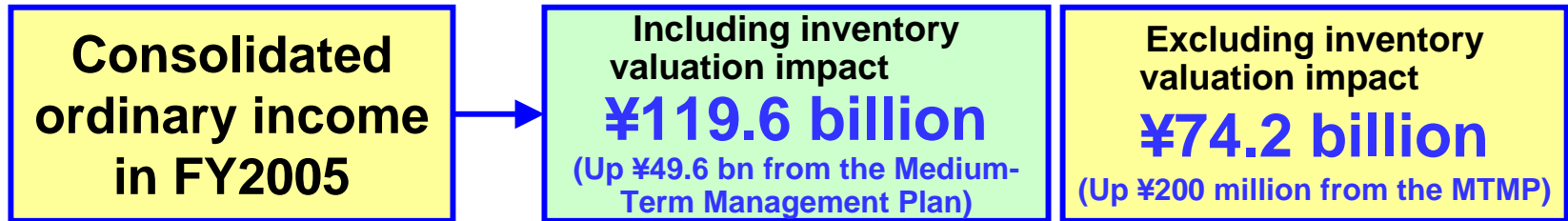
**Yaichi Kimura, President**

**Naomasa Kondo, Satoshi Miyamoto,  
Managing Director**

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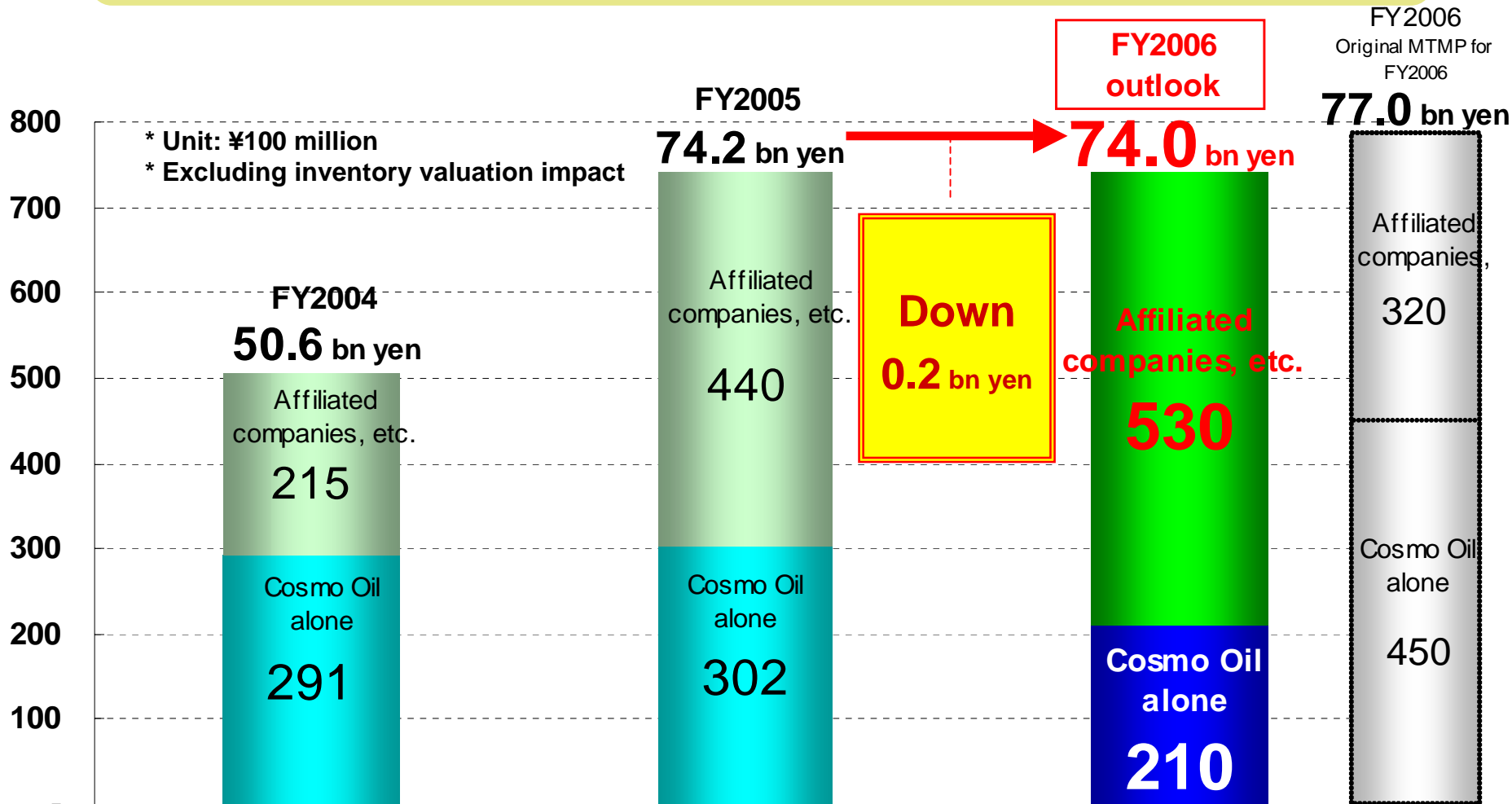
# Overall Review of FY2005 Results



# Outlook of Ordinary Income for FY2006

Crude oil price estimated at \$56.5 per barrel  
Exchange rate estimated at ¥115.0 per US\$

Ordinary income forecast for FY2006  
(Excluding inventory valuation impact)  
**¥74 billion**



## Ensure that various programs for the MTMP will be put into action

<Cosmo Oil alone>

Promote value creation and rationalization

<Crude oil exploration and production>

Maintain and increase the production volume

<Petrochemical>

Enhance the capacity of the CM Aromatics Co., Ltd. business

**Consolidated ordinary income**

Decrease by

**¥200 million**

(from FY2005)

(FY2005) (Outlook for FY2006)  
¥74.2 bn → ¥74.0 bn

Note:

- \* Excluding inventory valuation impact
- \* Crude oil exploration and production business results include those of subsidiaries accounted for under the equity method.

**Cosmo Oil alone:  
Decrease by  
¥9.2 bn**

(FY2005) (FY2006)  
¥30.2 bn → ¥21.0 bn

**Affiliated companies:  
Increase by  
¥9.0 bn**

(FY2005) (FY2006)  
¥44.0 bn → ¥53.0 bn

Value creation and rationalization effectiveness:

To increase by ¥61.0 bn

Potential impact by accidents:

To decrease by ¥10.0 bn

Other factors: To reduce by ¥5.3 bn

Crude oil exploration & production\*:

To increase by ¥9.2 bn

CM Aromatics Co., Ltd.:

To increase by ¥0.5 bn

Other affiliated companies, etc.:

To decrease by ¥0.7 bn

# [FY2005 Results] Consolidated Income Statement – Highlights

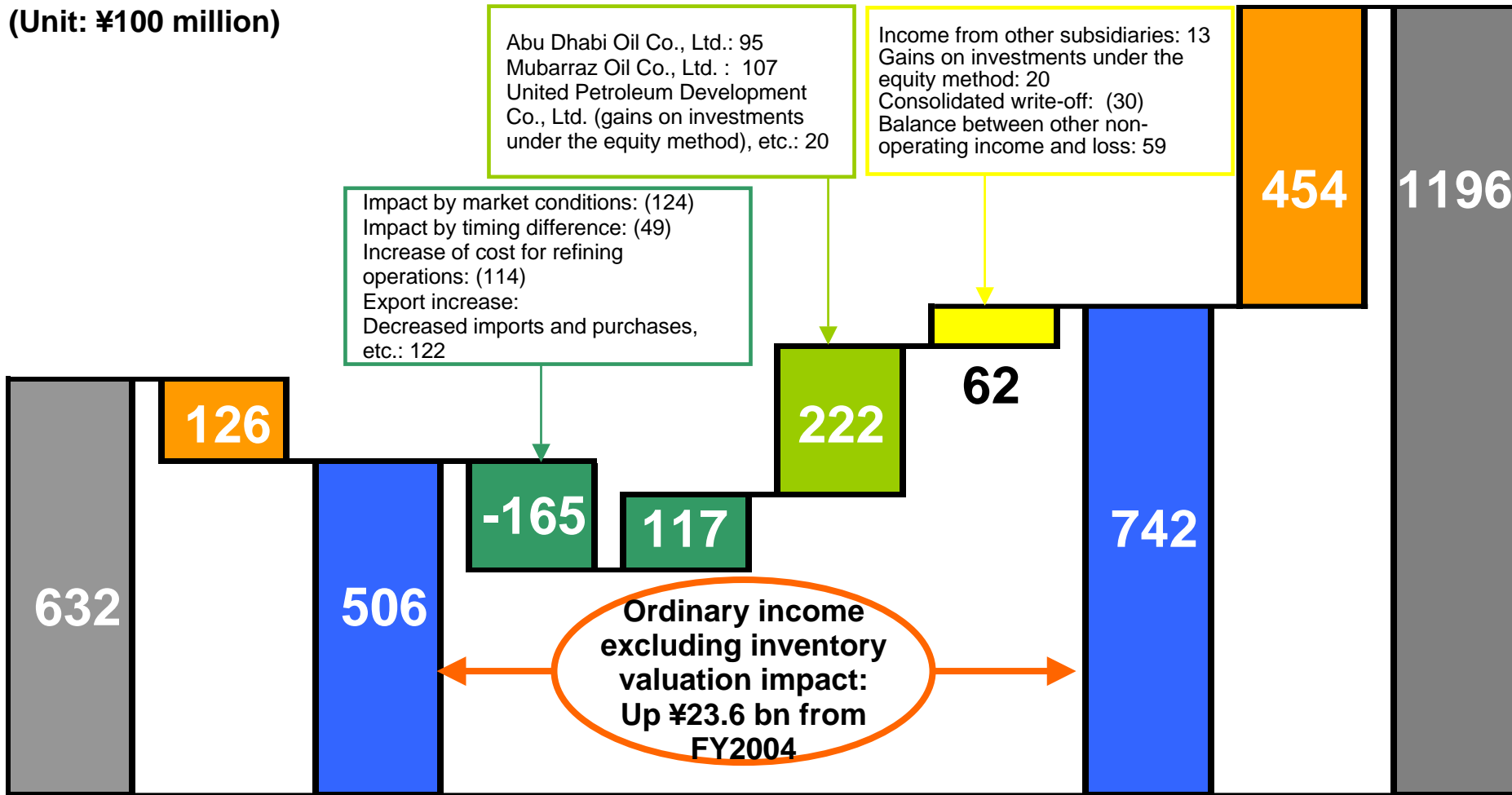
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(Unit: ¥100 million)

	Actuals FY2005		Change from FY2004	
		Cosmo Oil alone		Cosmo Oil alone
Net sales	26,706	24,954	5,160	5,304
Operating Income	1,112	751	455	277
Ordinary Income	1,196	756	564	339
(Inventory valuation impact)	454	454	328	328
(Excluding inventory valuation impact)	742	302	236	11
Net Income	618	465	354	328

\* For information about crude oil prices, selling volumes and their growth, selling prices, etc. please refer to Supplementary Information – 1

(Unit: ¥100 million)



Actual FY2004 results			Actual FY2005 results						
Ordinary Income	Inventory valuation impact	Ordinary income excluding inventory valuation impact	Cosmo Oil alone		Oil exploring and producing subsidiaries	Other	Ordinary income excluding inventory valuation impact	Inventory valuation impact	Ordinary Income
			Impact by market condition, etc.	Benefit from the MTMP Plan					

# [FY2005 Results] Consolidated Subsidiaries - Results of Major Consolidated Subsidiaries and Subsidiaries Owned Under the Equity Method

(Unit: ¥100 million)

## <Major Consolidated Subsidiaries – Ordinary Income>

		Actual FY2005	Change from FY2004	Description for key factors affecting results
Major crude Oil Exploration And Production subsidiaries	Abu Dhabi Oil Co., Ltd.	214	95	1. Crude oil price hike (36.6 → 52.7\$/ BBL) 2. Yen's depreciation (108.8 yen/US\$→109.1 yen/US\$), etc.
	Mubarraz Oil Co., Ltd.	107	107	1. Crude oil price hike (36.6 → 52.7\$/ BBL) 2. Yen's depreciation (108.8 yen/US\$→109.1yen/US\$), etc.
	United Petroleum Development Co., Ltd. (owned by the Cosmo Group on the equity method)	35	20	1. Crude oil price hike (36.6 → 53.3\$/ BBL) 2. Yen's depreciation (108.2 yen/US\$→110.2 yen/US\$), etc.
	<b>Total</b>	<b>356</b>	<b>222</b>	
<b>Marketing subsidiaries</b>		<b>17</b>	<b>-1</b>	Expense increase due to self-service SS construction
<b>Other consolidated subsidiaries</b>		<b>68</b>	<b>14</b>	

\* Please refer to Supplementary Information -3 for information on actual results by major consolidated subsidiary and by business segment

## <Gains (losses) from investments in subsidiaries and affiliates accounted for under the equity method>

	Actual FY2005	Change from FY2004
Gains (losses) from investments	96	41



(Unit: ¥100 million)

	Actual FY2005	Change from FY2004	Major factor
Cash flow from operating activities	-207	-	Increased accounts receivable, inventories, etc. due to crude oil price increases
Cash flow from investing activities	-13	-	
Cash flow from financing activities	396	-	
Cash and cash equivalents at end of the period	566	185	

	Actual FY2005	Change from FY2004
Total Assets	14,636	1,404
Shareholders' Equity	3,125	846
Shareholders' Equity Ratio	21.4%	4.2%
Interest-bearing debts (including zero coupon corporate bonds)	5,224	246
Debt dependence ratio	35.7%	1.9% improved
Debt Equity Ratio	1.7	0.5 improved
Net interest-bearing debt (including zero coupon corporate bonds)	4,658	-30
Debt dependence ratio	31.8%	3.6% improved
Debt Equity Ratio	1.5	0.5 improved

(Unit: ¥100 million)

	Forecast result		Change from FY2005	
		Cosmo Oil alone		Cosmo Oil alone
Net sales	26,800	25,000	94	46
Operating Income	690	170	-422	-581
Ordinary Income	660	130	-536	-626
(Inventory valuation impact)	-80	-80	-534	-534
(Excluding inventory valuation impact)	740	210	-2	-92
Net Income	220	65	-398	-400

**Forecast dividend  
(for the year ending March 2007)  
Outlook for FY2006**

**Annual dividend of ¥8 per share**

<Assumptions for business forecast>

	Full year
Purchased price of crude oil: FOB (USD/BBL)	56.50
Exchange rate (JPY/USD)	115.00

\* For information about detailed assumptions for forecast results, please refer to Supplementary Information – 1  
 \* For information about forecast results by major consolidated subsidiary and business segment, please refer to Supplementary Information – 7



◆ Actual FY2005 results

Total improvement in ordinary income:  
¥11.7 bn  
% achievement vs. original goal in MTMP:  
133%

◆ Plan for FY2006

Forecast for  
improvement in ordinary  
income: ¥6.1 bn

\* Unit: ¥100 million, %

		FY2005			FY2006 Plan
		Original MTMP	Actual	Achievement	
Value creation	Supply Department	28	48	171%	15
	Sales Department	39	49	126%	24
	Other departments	1	0	0%	1
	<b>Subtotal</b>	<b>68</b>	<b>97</b>	<b>143%</b>	<b>40</b>
Rationalization	Supply Department	17	15	88%	11
	Sales Department	0	0	N.A.	5
	Other departments	3	5	167%	5
	<b>Subtotal</b>	<b>20</b>	<b>20</b>	<b>100%</b>	<b>21</b>
Grand total	Supply Department	45	63	140%	26
	Sales Department	39	49	126%	29
	Other departments	4	5	125%	6
	<b>Total</b>	<b>88</b>	<b>117</b>	<b>133%</b>	<b>61</b>

◆ Major efforts to make:

1. Value creation

→ Execute earnings improvement programs at oil refineries

2. Rationalization

→ Reduce energy, repair, maintenance and operating costs and expenses

(Unit: ¥100 million)

	FY2005 Results		
	MTMP	Actual	Achievement
Value creation	28	48	171%
Rationalization	17	15	88%
Total	45	63	140%

	FY2006 Plan
Value creation	15
Rationalization	11
Total	26

**Basic Policy**

**Improve distribution and oil product structures and further enhance the mass sales channel**

Improved by **¥4.9 bn** (up  
¥1.0 bn from the MTMP) in  
FY2005

FY2006 goal is to improve by  
**¥2.4 bn**

**Targets to enhance**  
(continued from  
the past)

**Distribution**

Marketing subsidiaries and  
independent local SS  
operators

**Oil products**

Gasoline and diesel fuel

**Retail channel**

Service stations (SSs)

**Marketing subsidiaries**

**Continue enhancement  
strategies**

Self-Service SSs

Auto B-cle network

Cosmo The Card

Horizontal  
deployment  
of Cosmo  
Oil's  
expertise

**Independent SS operators**

**Enhance Cosmo Oil's  
partnerships with them**

Self-Service SSs

Auto B-cle network

Cosmo The Card

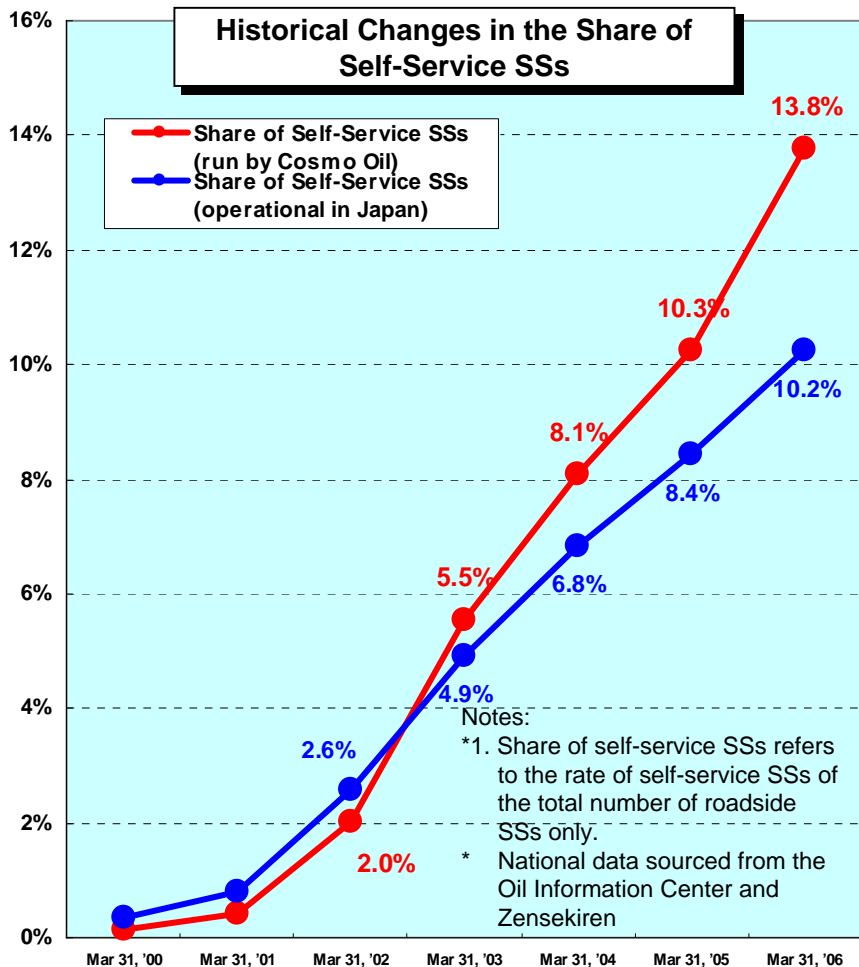
Improve management of  
independent SS operators

## Self-Service SS Business

**As of March 31, 2006: 626 SSs**

(No. of newly opened SSs in FY2005: 143 SSs)

**Share of self-service SSs\*1: 13.8%**

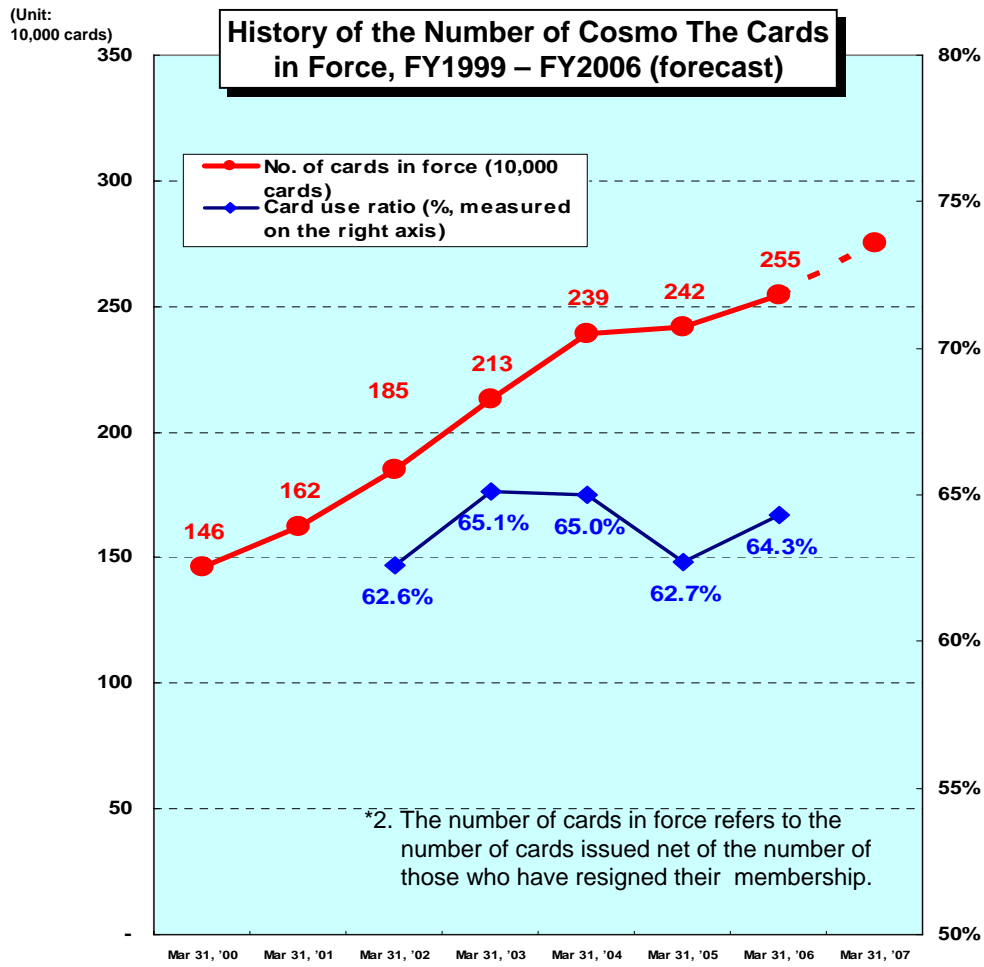


## Cosmo The Card \*2

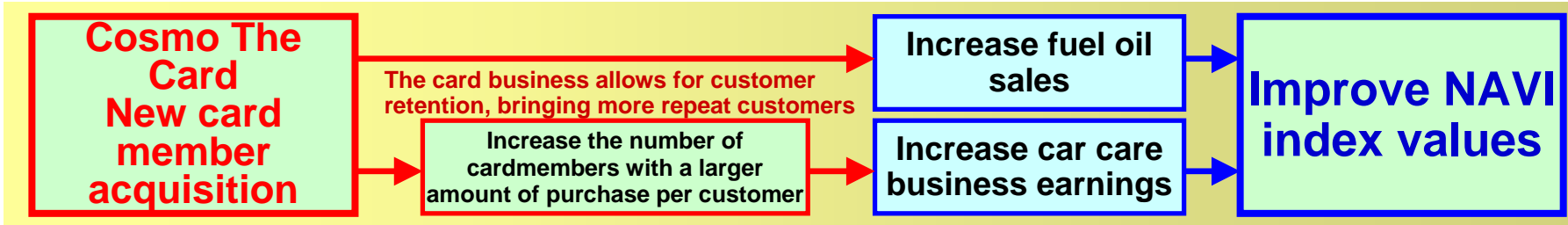
**As of March 31, 2006: 2.55 million in force**

(Increase in FY2005: 130,000 cards)

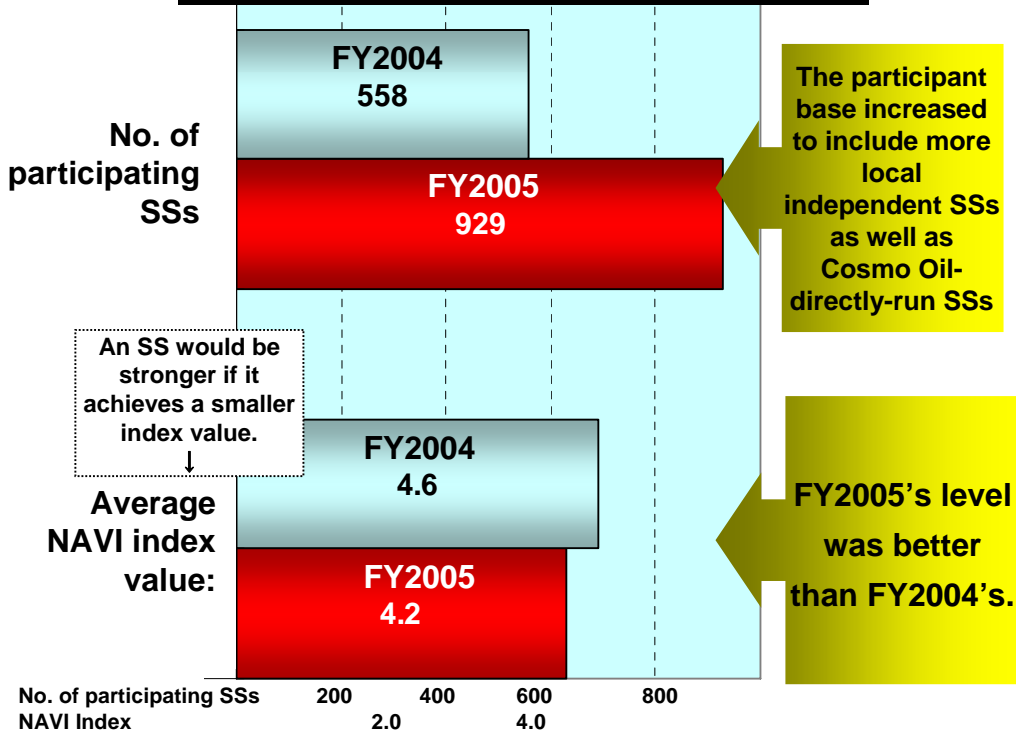
**Card use ratio: 64.3%**



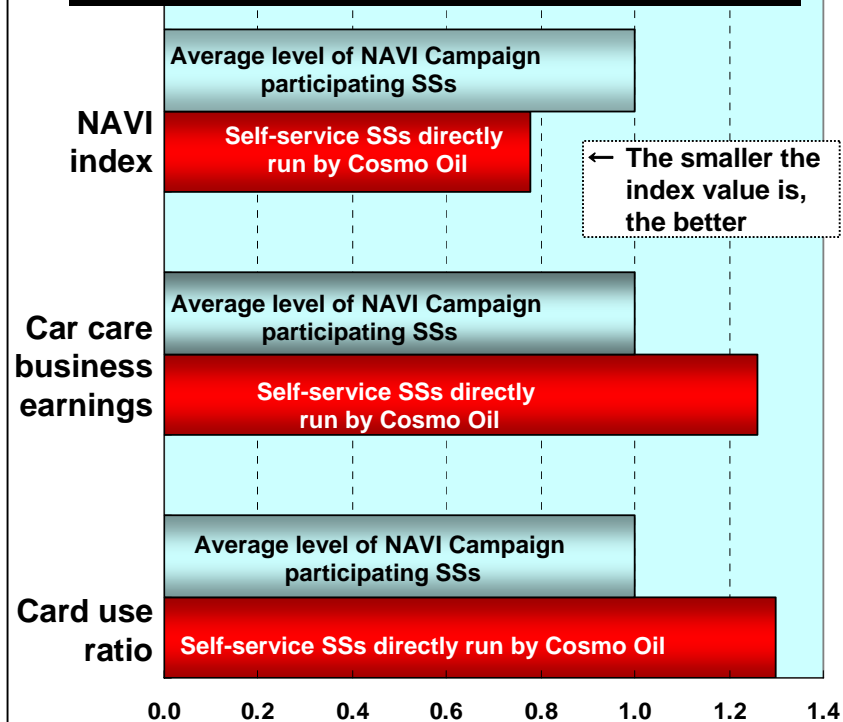
◆SS Earnings Improvement Process and Examples of Results



FY2005 "NAVI Zero Campaign" Execution



Self-service SSs in which Cosmo Oil invests Vs. average NAVI Campaign participating SSs (based on the average level of the campaign participating SSs as "1")



\* For more information about NAVI Index, please refer to the final page



# [Progress Status in the Current Management Plan] Launch of the Cosmo the Card Opus(Credit Card)

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## Outline of the new card

- The card requires no annual membership fee, with internationally accepted credit card options (of VISA, MasterCard and JCB)
- It is jointly issued by Cosmo Oil and Aeon Credit Service Co., Ltd.
- New cards can be issued immediately at SSs (like the existing Cosmo The Card)
- Cosmo The Card Opus “Eco” will also become available.

## Objective

- The new joint card will allow Cosmo Oil to offer new convenient services to customers so that the company can acquire new card customers, in addition to existing proprietary Cosmo The Card cardmembers.
- The new card is scheduled to be launched in June 2006.

**Commercial crude oil production started on March 13, 2006  
(at 6,000 barrels a day)**



**Features**

**1. Environmental-friendly operations**

- The first Qatar exploration area implementing the “sour gas injection” technology on the sea since the start of production. (The technology is designed to re-inject all of the gas emitting together with the crude oil production process back into the ground through pressurization, instead of combusting the gas in the air)

**2. The project is independently operated by Japanese companies**

**<Outline of Commercial Production Plan>**

Production period: FY2005~FY2016  
 Production volume: Early stage: About 6,000 BD  
 Max: About 10,000 BD  
 Crude oil quality: API: About 40  
 To be shipped as Qatar Marine Oil from Halul Island

**<Outline of Qatar Petroleum Development Co., Ltd.>**

Established in: September 1997  
 Capital: ¥3,148 million  
 Invested by: Cosmo Oil at 85.8% and Sojitz corp. at 14.2%

Exploration area map



Qatar Petroleum Development Co., Ltd. Forecast for FY2006 results

Item	Unit	FY2006 forecast
Net Sales	100 M yen	104
Operating Income	100 M yen	21
Ordinary Income	100 M yen	16
Production volume	B/D	6,000

\* Note: For more information, please refer to “Supplementary Information 7”

● July 2005:

To acquire, from Maruzen Petrochemical Co., Ltd., the mixed xylene manufacturing unit (with annual capacity of 100,000 tons) of its Chiba Plant to start manufacturing and marketing of mixed xylene

- Established on: April 1, 2005
- Capital: ¥100 million
- Invested by:
  - Cosmo Oil Co., Ltd. at 65%
  - Maruzen Petrochemical Co., Ltd. at 35%
- Line of Business: material procurement, manufacturing, storage and marketing of mixed xylene

● FY2005 results

Backed by strong growth in the demand for polyester materials owing to economic growth in China, market dynamism hovered at a high level throughout the year, with sales at the business more than offset by a raw material cost increase due to crude oil price hikes.

<Sales and Ordinary Income and Expenses>

Item	FY2005		FY2006 forecast
	MTMP	Actual	
Sales	109	169	429
Ordinary income	1	10	15

(Unit: ¥100 million)

<FY2006 Plan>

● July 2006:

Expand production capacity to 270,000 tons per year.

Progress is expected to be made in accordance with the Medium-Term Management Plan.

(When the above and 30,000 tons produced by Cosmo Matsuyama Oil Co., Ltd. a year are combined, total production capacity is expected to be increased to 300,000 tons per year.)

## Supplementary Information

1. **[FY2005 Results and FY2006 Assumptions] Crude Oil Procurement and Processing Volume, Product Sales Prices and Volume, Crude Oil Production Volume**
2. **[FY2005 Results and FY2006 Forecast] Overall Review of Progress Made by Oil Business (on A Non-Consolidated Basis) in the Medium-Term Management Plan (MTMP)**
3. **[FY2005 Results] Full-Year Results by Major Consolidated Subsidiary and Business Segment vs. FY2004 Results**
4. **[FY2005 Results] Full-Year Results by Major Consolidated Subsidiary and Business Segment vs. Revised Plan Previously Announced (on Feb. 14, 2006)**
5. **[FY2005 Results] Full-Year Results by Major Consolidated Subsidiary and Business Segment vs. MTMP Goals**
6. **[FY2005 Results] Consolidated Ordinary Income –Analysis of Changes from MTMP Goals**
7. **[FY2006 Forecast] Outlook for Full-Year Results by Major Consolidated Subsidiary and Business Segment vs. FY2005 Results**
8. **[FY2006 Forecast] Historical Changes of EBITDA after Inventory Valuation Adjustments, (FY1996 - FY2006 (Forecast))**
9. **[FY2005 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force**

**[FY2005 Results and FY2006 Assumptions] Crude Oil Procurement and Processing Costs, Product Sales Prices and Volume, Crude Oil Production Volume**

**Supplementary Information – 1**

		FY2005 results	Change	% change	FY2006 assumption
<b>Purchased price of crude oil</b>	Crude oil (FOB) USD/BBL	54.31	17.17	—	56.5
	JPY/USD exchange rate	112.85	5.16(Weaker yen)	—	115.0
	Purchased price of crude oil (tax inclusive) yen/KL	41,960	13,577	—	
<b>Crude oil refining</b>	Refined crude oil volume (1,000 KL)	30,708	1,164	103.9%	
	Atmospheric distillation operating ratio (Calendar Day)	88.9%	3.3%	—	
	Atmospheric distillation operating ratio (Streaming Day*)	95.2%	2.9%	—	
<b>Selling price</b>	Selling price (yen/KL)	42,910	10,800	—	
<b>Sales volume</b>	Gasoline	6,958	-34	99.5%	100.3%
	Kerosene	3,507	-10	99.7%	95.7%
	Diesel fuel	4,831	-29	99.4%	97.7%
	Heavy fuel oil A	3,795	-98	97.5%	96.1%
	Combined sales of 4 volume products above (1,000 KL)	19,091	-171	99.1%	97.9%
	Naphtha	7,165	179	102.6%	98.7%
	Jet fuel	336	-76	81.5%	99.2%
	Heavy fuel oil C	3,127	-389	88.9%	88.3%
	Total sales volume in Japan (1,000 KL)	29,719	-457	98.5%	97.1%
	Total sales volume (1,000 KL)	46,314	1,012	102.2%	98.0%
	High-octane gasoline ratio (%)	16.25%	-1.06%	—	—
	<b>Crude oil exploration and production subsidiary production volume*2</b>	Abu Dhabi Oil Co., Ltd. (B/D)	15,730	(Invested by Cosmo Oil at 62.6% as of December 31, 2005)	
Mubarraz Oil Co., Ltd. (B/D)		9,120	(Invested by Cosmo Oil at 62.6% as of December 31, 2005)		
United Petroleum Development Co., Ltd. (B/D)		18,790	(Invested by Cosmo Oil at 35.0%)		

\*1. Streaming day indicates operating ratio excluding impact of suspended operations due to regular repairs and maintenance, etc.

\*2. Each figure represents the average crude oil production volume at a project company during the year. Cosmo Oil undertakes the volume equivalent to its investment ratio in the company.

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[FY2005 Results and FY2006 Forecast] Overall Review of Progress Made by Oil Business (on A Non-Consolidated Basis) in the Medium-Term Management Plan (MTMP)

Supplementary Information – 2

Item	Department	FY2005 results							FY2006 forecast
		H1	H2	Full year					
				Results	Original MTMP goal	Revised MTMP goal on Feb. 14	Achievement (vs. original goal)	Achievement (vs. revised goal)	
(100 million yen)	(100 million yen)	(100 million yen)	(100 million yen)	(100 million yen)	(100 million yen)	(%)	(%)	(100 million yen)	
Rationalization	Supply Department	7	8	15	17	15	88%	100%	11
	Sales & Marketing Department	0	0	0	0	0	—	—	5
	Administrative	2	3	5	3	5	167%	100%	5
	Subtotal	9	11	20	20	20	100%	100%	21
Value creation	Supply Department	14	34	48	28	43	171%	113%	15
	Sales & Marketing Department	25	24	49	39	49	126%	100%	24
	Other	0	0	0	1	0	0%	—	1
	Subtotal	39	58	97	68	92	143%	106%	40
Grand total		48	69	117	88	112	133%	105%	61

# [FY2005 Results] Full-Year Results by Major Consolidated Subsidiary and Business Segment vs. FY2004 Results

Supplementary Information – 3

<Operating highlights by major consolidated subsidiary>

(Unit: ¥100 million)

	Net Sales		Operating Income		Ordinary Income		Net Income	
		Change from FY2004		Change from FY2004		Change from FY2004		Change from FY2004
Cosmo Oil Co., Ltd.	24,954	5,304	751	277	756	339	465	328
Abu Dhabi Oil Co., Ltd.	522	155	203	77	214	95	45	42
Mubarraz Oil Co., Ltd.	172	172	103	103	107	107	16	16
Marketing subsidiaries	3,579	528	22	2	17	-1	-4	15
Cosmo Oil Lubricants Co., Ltd.	335	32	12	2	13	3	8	1
Cosmo Matsuyama Oil Co., Ltd.	250	50	16	-1	16	0	9	0
CM Aromatics Co., Ltd.	169	169	10	10	10	10	4	4

\* Net income above is an amount equivalent to the ratio of investment by Cosmo Oil in each business entity

<Gains on investments under the equity method>

	FY2005	Change from FY2004
Gains (losses) from investments	96	41

<Capital investment and depreciation>

	FY2005	Change from FY2004
Capital investment	318	17
Depreciation expense amount	283	34

<Operating highlights by business segment>

	Net Sales	Operating Income	
			Change from FY2004
Petroleum business	26,174	835	288
Oil exploration and production business	505	294	174
Other business	694	10	11
Write-off	-667	-27	-18

**[FY2005 Results] Full-Year Results by Major Consolidated Subsidiary and Business Segment vs. Revised Plan Previously Announced (on Feb. 14, 2006)**

**Supplementary Information – 4**

**<Operating highlights by major consolidated subsidiary>**

**(Unit: ¥100 million)**

	Net Sales		Operating Income		Ordinary Income		Net Income	
		Change from Revised Plan		Change from Revised Plan		Change from Revised Plan		Change from Revised Plan
Cosmo Oil Co., Ltd.	24,954	54	751	21	756	26	465	15
Abu Dhabi Oil Co., Ltd.	522	0	203	1	214	-4	45	-3
Mubarraz Oil Co., Ltd.	172	0	103	2	107	2	16	-1
Marketing subsidiaries	3,579	83	22	-2	17	-2	-4	-2
Cosmo Oil Lubricants Co., Ltd.	335	6	12	1	13	1	8	0
Cosmo Matsuyama Oil Co., Ltd.	250	-1	16	1	16	1	9	0
CM Aromatics Co., Ltd.	169	10	10	3	10	3	4	1

\* Net income above is an amount equivalent to the ratio of investment by Cosmo Oil in each business entity

**<Gains on investments under the equity method>**

	FY2005	Change from Revised Plan
Gains (losses) from investments	96	1

**<Capital investment and depreciation>**

	FY2005	Change from Revised Plan
Capital investment	318	-59
Depreciation expense amount	283	-1

**<Operating highlights by business segment>**

	Net Sales	Operating Income	
			Change from Revised Plan
Petroleum business	26,174	835	35
Oil exploration and production business	505	294	4
Other business	694	10	0
Write-off	-667	-27	3



# [FY2005 Results] Full-Year Results by Major Consolidated Subsidiary and Business Segment vs. MTMP Goals

Supplementary Information – 5

<Operating highlights by major consolidated subsidiary>

(Unit: ¥100 million)

	Net Sales		Operating Income		Ordinary Income		Net Income	
		Change from Original MTMP		Change from Original MTMP		Change from Original MTMP		Change from Original MTMP
Cosmo Oil Co., Ltd.	24,954	5,254	751	351	756	376	465	255
Abu Dhabi Oil Co., Ltd.	522	261	203	51	214	65	45	14
Mubarraz Oil Co., Ltd.	172	41	103	34	107	38	16	4
Marketing subsidiaries	3,579	105	22	-5	17	-8	-4	-14
Cosmo Oil Lubricants Co., Ltd.	335	25	12	-5	13	-5	8	-2
Cosmo Matsuyama Oil Co., Ltd.	250	56	16	5	16	6	9	3
CM Aromatics Co., Ltd.	169	59	10	10	10	10	4	4

\* Net income above is an amount equivalent to the ratio of investment by Cosmo Oil in each business entity

<Gains on investments under the equity method>

	FY2005	Change from Original MTMP
Gains (losses) from investments	96	41

<Capital investment and depreciation>

	FY2005	Change from Original MTMP
Capital investment	318	-127
Depreciation expense amount	283	-8

<Operating highlights by business segment>

	Net Sales	Operating Income	
			Change from Original MTMP
Petroleum business	26,174	835	355
Oil exploration and production business	505	294	74
Other business/ Write-off	27	-17	-27



[FY2006 Forecast] Outlook for Full-Year Results by Major Consolidated Subsidiary and Business Segment vs. FY2005 Results

Supplementary Information – 7

<Operating highlights by major consolidated subsidiary>

(Unit: ¥100 million)

	Net Sales		Operating Income		Ordinary Income		Net Income <sup>(*2)</sup>	
		Change from FY2005		Change from FY2005		Change from FY2005		Change from FY2005
Cosmo Oil Co., Ltd.	25,000	46	170	-581	130	-626	65	-400
Abu Dhabi Oil Co., Ltd. *1	643	121	410	104	403	82	81	20
Qatar Petroleum Development Co., Ltd.	104	104	21	22	16	16	-1	-1
Marketing subsidiaries	3,901	323	7	-15	5	-12	-2	2
Cosmo Oil Lubricants Co., Ltd.	365	31	11	-1	12	-1	6	-2
Cosmo Matsuyama Oil Co., Ltd.	261	12	7	-9	7	-9	4	-5
CM Aromatics Co., Ltd.	429	260	16	6	15	5	6	2

Notes: \*1. Abu Dhabi Oil Co., Ltd. and Mubarraz Oil Co., Ltd. were merged into Abu Dhabi Oil Co., Ltd., effective January 1, 2006.

\*2. The net income for each subsidiary above is the equivalent of the investment ratio of Cosmo Oil in the subsidiary.

<Gains on investments under the equity method>

	FY2006 forecast	Change from FY2005
Gains (losses) from investments	58	-38

<Capital investment and depreciation>

	FY2006 forecast	Change from FY2005
Capital investment	450	132
Depreciation expense amount	341	58

<Operating highlights by business segment>

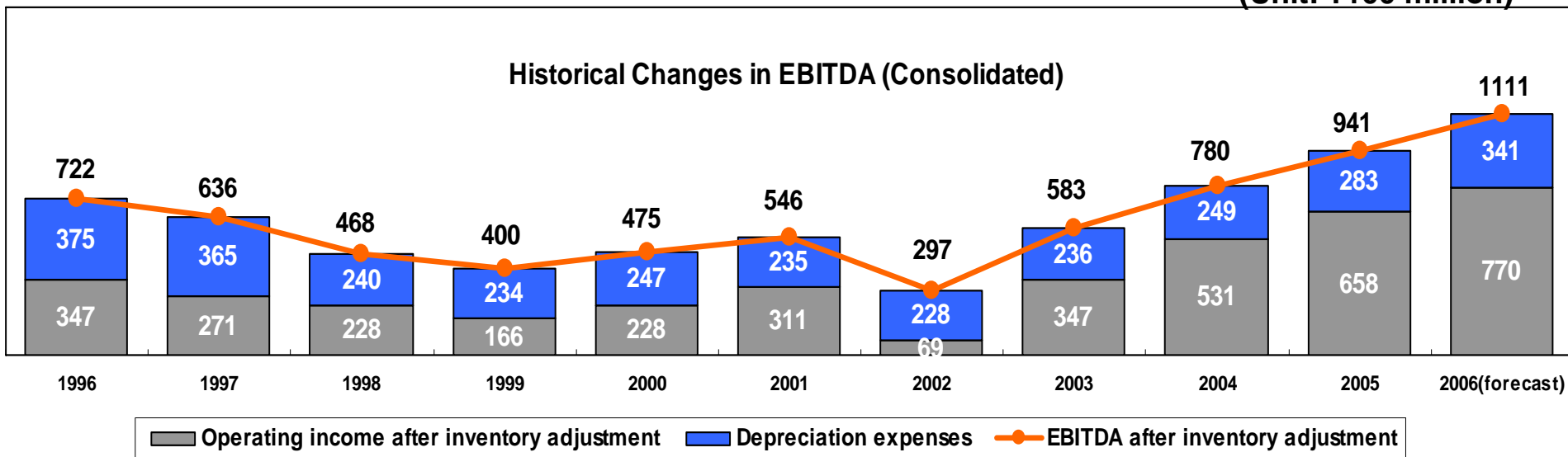
	Net Sales	Operating Income	
			Change from FY2005
Petroleum business	26,140	260	-575
Oil exploration and production business	750	420	126
Other business	750	15	5
Write-off	-840	-5	22

# [FY2006 Forecast] Historical Changes EBITDA (Consolidated) Excluding Inventory Valuation Impact

Supplementary  
Information – 8

(Unit: ¥100 million)

## Historical Changes in EBITDA (Consolidated)



	2001	2002	2003	2004	2005	2006 (forecast)
Operating income on an accounting basis	221	242	252	657	1,112	690
Impact by inventory valuation on the weighted average method (on operating income)	-90	173	-95	126	454	-80
Operating income after inventory adjustment (accounting operating income net of inventory valuation impact)	311	69	347	531	658	770

The inventory valuation method has been changed since FY2000

# [FY2005 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

Supplementary Information – 9

## Workforce size (No. of persons)

	Mar 31, '98	Mar 31, '99	Mar 31, '00	Mar 31, '01	Mar 31, '02	Mar 31, '03	Mar 31, '04	Mar 31, '05	Mar 31, '06
Cosmo Oil alone	3,109	2,677	2,048	1,970	1,892	1,837	1,764	1,729	1,718
Cosmo Oil Group	5,678	5,256	4,600	4,416	3,978	3,736	3,565	3,480	3,451

\* Cosmo Oil Group = No. of employees at Cosmo Oil alone + Transfers from Cosmo Oil

## No. of oil storage depots (DTs)

	Mar 31, '98	Mar 31, '99	Mar 31, '00	Mar 31, '01	Mar 31, '02	Mar 31, '03	Mar 31, '04	Sept. 30, '05	Mar 31, '06
No. of DTs	57	52	45	41	39	39	38	38	38

## No. of Cosmo Oil-affiliated SSs (including mobile stations)

	Mar 31, '98	Mar 31, '99	Mar 31, '00	Mar 31, '01	Mar 31, '02	Mar 31, '03	Mar 31, '04	Mar 31, '05	Mar 31, '06
Cosmo Oil-owned	1,172	1,105	1,065	1,010	977	959	930	899	886
Individually-owned	5,614	5,376	5,040	4,769	4,564	4,313	4,112	3,912	3,760
Total	6,786	6,481	6,105	5,779	5,541	5,272	5,042	4,811	4,646

## Number of Self-Service SSs and Auto B-cle SSs

	Mar 31, '99	Mar 31, '00	Mar 31, '01	Mar 31, '02	Mar 31, '03	Mar 31, '04	Mar 31, '05	Mar 31, '06
Self-Service SSs	5	8	23	109	285	398	483	626
Auto B-Cle SSs	-	-	-	217	428	652	652	469*

\* The adoption of the more rigorous definition of Auto B-cle SSs reduced the number of such SSs, while the number of Auto B-cle SS networks (59) remained unchanged.

## Cosmo The Card – Number of cards issued (10,000 cards)

	Mar 31, '99	Mar 31, '00	Mar 31, '01	Mar 31, '02	Mar 31, '03	Mar 31, '04	Mar 31, '05	Mar 31, '06
No. of cards in force	135	146	162	185	213	239	242	255

# Cautionary Statement Regarding Forward-Looking Scenarios

**This presentation contains statements that constitute forward-looking scenarios. While such forward-looking scenarios may include statements based on a variety of assumptions and relating to our plans, objectives or goals for the future, they do not reflect our commitment or assurance of the realization of such plans, objectives or goals.**

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About the NAVI Index:

- ◆ A management evaluation index introduced by Cosmo Oil to help its Group member SSs strengthen their management. An SS operator would become stronger if it achieves a smaller index value (or potentially even below zero).
- ◆ It is designed to help the SS minimize its operating costs, while maximizing a value added gross margin (to be earned from selling car inspection, car wash and other services and spare tires and other products) and automobile fuel oil (gasoline and diesel oil) sales.

<Calculation Method>

$$\text{SS NAVI Index} = \frac{\text{Direct SS operating expenses} - \text{Value added gross margin}}{\text{Automobile fuel sales volume}}$$