

Cosmo Oil Co., Ltd. Presentation on Results for First Quarter of Fiscal Year 2007

**August 3, 2007
Satoshi Miyamoto
Managing Director**

[Q1 FY2007 Results] Consolidated Operating Highlights

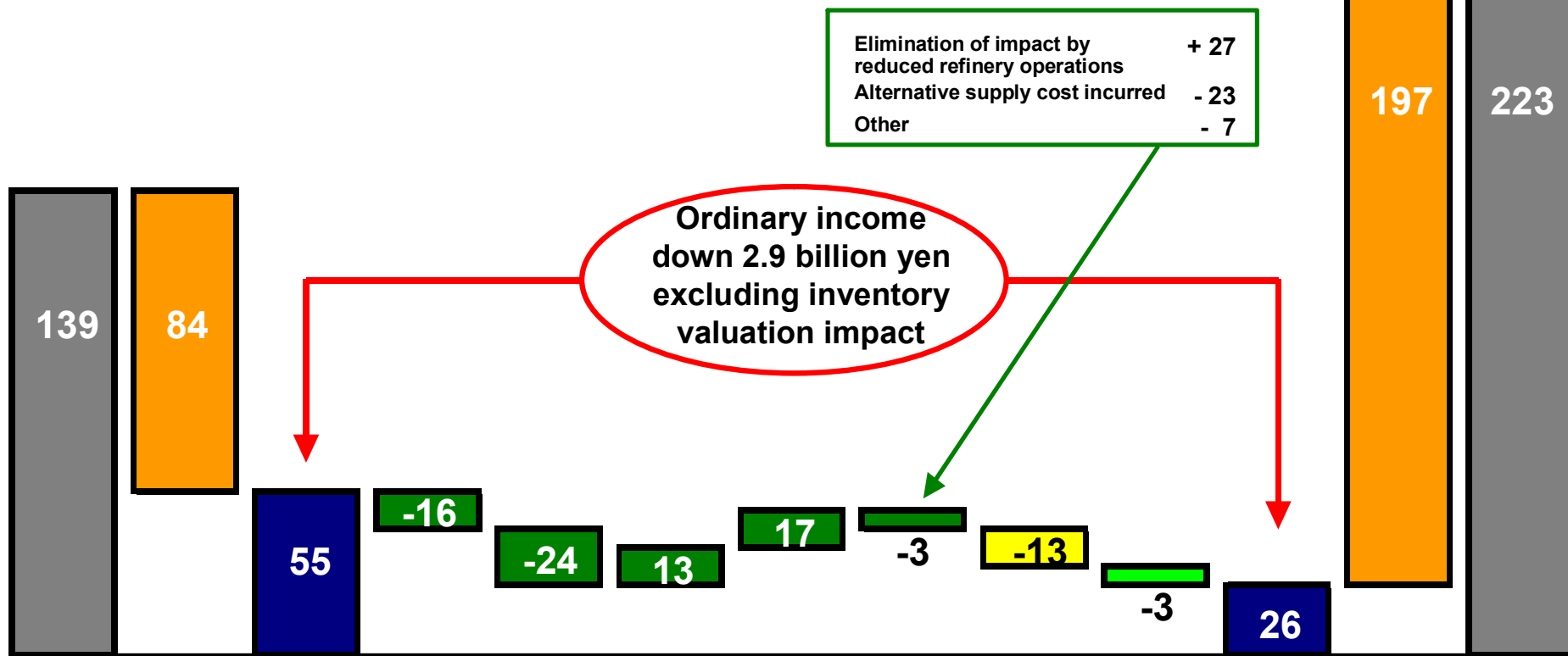
	Q1 FY2007	Change from Q1 FY06
Consolidated ordinary income	22.3 billion yen	+8.4 billion yen
Inventory valuation impact	19.7 billion yen	+11.3 billion yen
Consolidated ordinary income (Excluding inventory valuation impact)	2.6 billion yen	-2.9 billion yen



Results by Segment		
	Ordinary Income (Excluding inventory valuation impact)	Change from Q1 FY06
Petroleum	-4.7 billion yen	-1.3 billion yen
Oil resource development	8.6 billion yen	-1.3 billion yen
Other	-1.3 billion yen	-0.3 billion yen

[Q1 FY2007 Results] Consolidated Ordinary Income – Analysis of Changes from Q1 FY2006

(Unit: 100 million yen)



Q1 FY2006 results			Q1 FY2007 results									
Ordinary Income	Inventory valuation impact	Ordinary income excluding inventory valuation impact	Petroleum					Oil resource development	Other	Ordinary income excluding inventory valuation impact	Inventory valuation impact	Ordinary Income
			Impact by market condition, etc.	Refinery safety & security enhancement	New Medium-Term Management Plan benefit	Petrochemical	Other					

[Q1 FY2007 Results]

Outline of Consolidated Cash Flows and Balance Sheets

	As of June 30, 2007	Change from Mar. 31, 2007	(Unit: 100 million yen)
Cash flow from operating activities	50	-	
Cash flow from investing activities	-31	-	
Cash flow from financing activities	-22	-	
Cash and cash equivalents at end of the period	1,258	-3	

	As of June 30, 2007	Change from Mar. 31, 2007	Change
Total Assets	16,175	15,792	383
Net assets	3,739	3,616	123
Total shareholder's equity *1	3,519	3,397	122
Total shareholder's equity ratio	21.8%	21.5%	Improved by 0.3% points
Interest-bearing debts (including zero coupon corporate bonds)	6,117	6,099	18
Debt dependence ratio	37.8%	38.6%	Improved by 0.8% points
Debt Equity Ratio	1.7	1.8	Improved by 0.1% points
Net interest-bearing debt (including zero coupon corporate bonds)	4,859	4,838	21
Debt dependence ratio	30.0%	30.6%	Improved by 0.6% points
Debt Equity Ratio *2	1.4	1.4	—

*1 Total shareholder's equity = Net assets – Minority interest

*2 Net interest-bearing debt refers to total interest-bearing debt after the deduction of cash and cash equivalents and a short-term working fund balance at the end of the term.

1) Business Outlook vs. Previous Announcement (May 15, 2007)

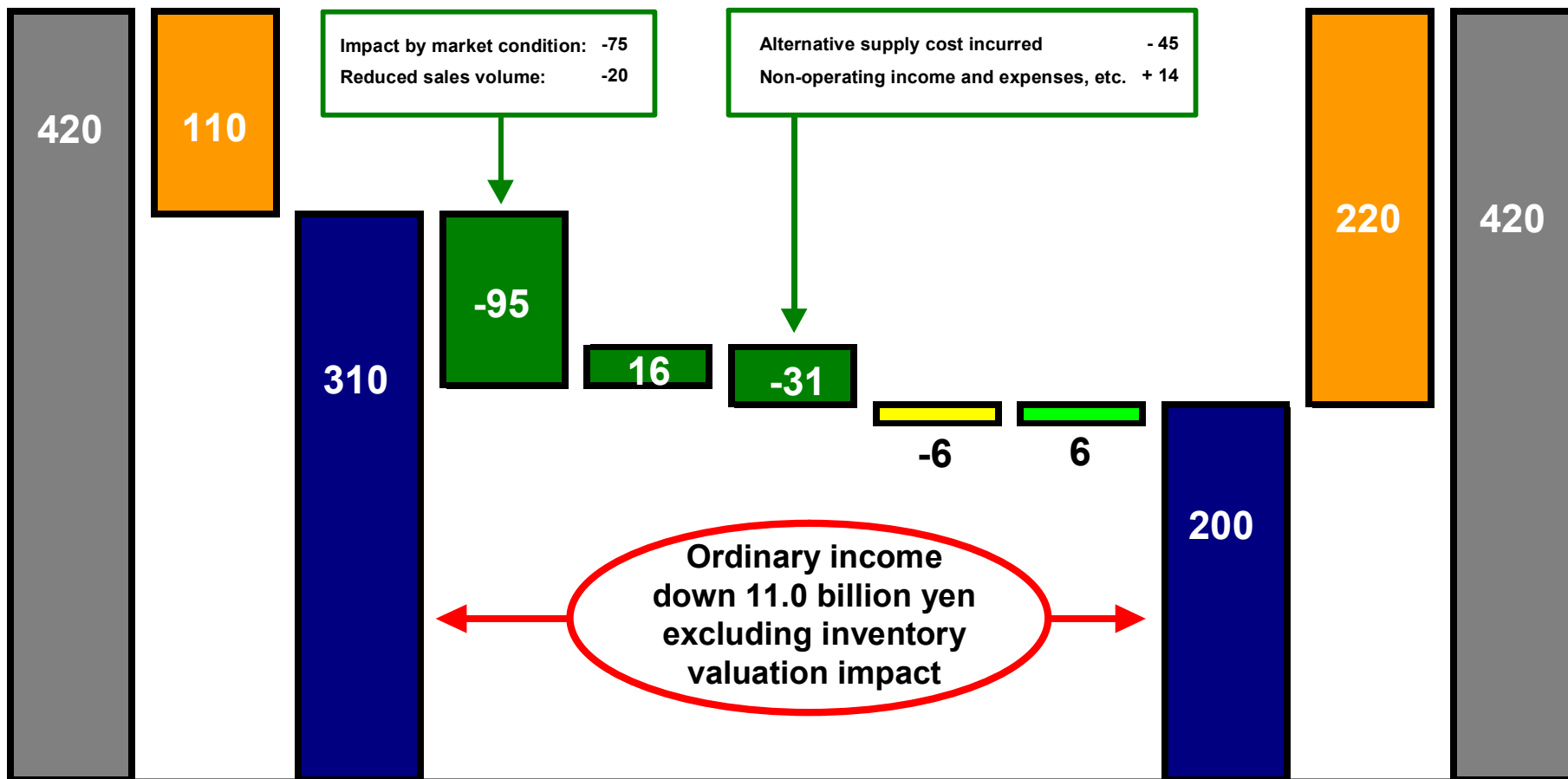
	H1 FY2007 (ending Sept. 30, 2007)	Change from previous announcement
Consolidated ordinary income	42 billion yen	±0 billion yen
Inventory valuation impact	22 billion yen	11 billion yen
Consolidated ordinary income (Excluding inventory valuation impact)	20 billion yen	-11 billion yen


Business Outlook by Segment

	Ordinary Income (Excluding inventory valuation impact)	Change from previous announcement
Petroleum	-3 billion yen	-11 billion yen
Oil resource development	21 billion yen	-0.6 billion yen
Other	2 billion yen	0.6 billion yen

[H1 FY2007 Outlook] 2) Forecast for Consolidated Ordinary Income – Analysis of Changes from Previous Forecast Announced (on May 15, 2007)

(Unit: 100 million yen)



H1 FY2007 forecast previously announced | Updated H1 FY2007 forecast

Ordinary Income	Inventory valuation impact	Ordinary income excluding inventory valuation impact	Petroleum			Oil resource development	Other	Ordinary income excluding inventory valuation impact	Inventory valuation impact	Ordinary Income
			Market conditions and sales volume impact	Petrochemical	Other					

[Q1 FY2007 Results and Full-Year Forecast] Outline of Consolidated Capital Investment

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[Q1 FY2007 Results]

(Unit: 100 million yen)

<Capital investment and depreciation>

	Q1 FY07 Actuals	Change from Q1 FY06
Capital investment	75	6
Depreciation expense amount	103	29

<Capital Investment by Segment>

	Q1 FY07	Q1 FY06	Change from Q1 FY06
Petroleum	50	59	-9
Oil resource development	25	9	16
Other	0	1	-1
Total	75	69	6

[Full-Year FY2007 Outlook]

<Capital investment and depreciation>

	Full-Year FY07	Change from FY06
Capital investment	432	71
Depreciation expense amount	419	41

<Capital Investment by Segment>

	Full-Year FY07 Outlook	Full-Year FY06 Actuals	Change from FY06
Petroleum	267	278	-11
Oil resource development	162	82	80
Other	3	2	1
Total	432	361	71

* The above full-year outlook for FY2007 remains unchanged from the previous forecast announced on May 15, 2007.

Supplementary Information

1. **[Q1 FY2007 Results & H1 FY2007 Forecast Assumptions]**
Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Crude Oil Production Volume
2. **[Q1 FY2007 Results & H1 FY2007 Forecast Assumptions]**
Product-Specific Sales Volume
3. **[Q1 FY2007 Results & H1 FY2007 Outlook]**
Overall Review of Progress Made by Petroleum Business (on A Non-Consolidated Basis) in the Medium-Term Management Plan (MTMP)
4. **[Q1 FY2007 Results]**
Q1 FY2007 Results by Business Segment vs. Q1 FY2006 Results
5. **[H1 FY2007 Forecast]**
First Half-Year Forecast by Business Segment vs. Previous Announcement
6. **[Q1 FY2006 Results]**
Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

<<Crude oil procurement cost and processing volume and topper operating ratios>>

		Q1 FY07 Actuals	Change from Q1 FY06		H1 FY07 Assumption
Purchased price of crude oil	Crude oil (FOB) USD/BRL	63.98	0.57	—	65.00 (Jul-Sept.07)
	JPY/USD exchange rate	119.39	3.92	—	120.00 (Jul-Sept.07)
	Purchased price of crude oil (tax inclusive) yen/KL	51,350	1,965	—	—
Crude oil refining	Refined crude oil volume (1,000 KL)	6,353	-934	87.2%	97.9% (% level of H1 FY06)
	Atmospheric distillation operating ratio (Calendar Day)	69.1%	-15.5%	—	—
	Atmospheric distillation operating ratio (Streaming Day ^{*1})	84.6%	-12.1%	—	—

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

<<Crude oil production volume>>

		Q1 FY07 Actuals	Investment ratio
Oil resource development subsidiary production volume ^{*2}	Abu Dhabi Oil Co., Ltd. (BRL/Day)	22.272	63.0%
	Qatar Petroleum Development Co., Ltd. (BRL/Day)	5.740	85.8%
	United Petroleum Development Co., Ltd. (BRL/Day)	17.577	35.0%

*2. Each figure represents an average crude oil production volume at a project company during the term. Cosmo Oil purchases crude oil from each company based on its investment ratio in it.

The crude oil production period was between January 2007 and March 2007 for each company whose accounting period runs from January to December of the calendar year.

<<Selling volume>>

	Q1 FY07 Actuals	Change from Q1 FY06	H1 FY07 Assumption (% level of H1 FY06)
Sales volume in Japan	Gasoline	106.1%	102.4%
	Kerosene	85.6%	88.7%
	Diesel fuel	104.4%	103.4%
	Heavy fuel oil A	78.5%	79.7%
	Combined sales of 4 volume products above	97.6%	96.9%
	Naphtha	109.9%	101.4%
	Jet fuel	115.9%	118.7%
	Heavy fuel oil C	103.8%	112.1%
	Total sales volume in Japan	101.5%	99.9%
Export volume	Total volume of diesel fuel and jet fuel	104.6%	132.9%
Total sales volume		99.1%	99.9%

Item	Department	Q1 FY07 Actuals & H1 FY07 Outlook			
		Apr-Jun '07 Actuals	Jul-Sept '07 Outlook	H1 Outlook-Total	Change from previous announcement
Rationalization		(100 million yen)	(100 million yen)	(100 million yen)	(%)
	Supply Department	0	0	0	-
	Sales Department	2	3	5	109%
	Administrative, Othsr	1	0	1	92%
	Subtotal	3	3	6	101%
Value creation	Supply Department	2	1	3	44%
	Sales Department	8	8	16	159%
	Other	0	0	0	-
	Subtotal	10	9	19	111%
Grand total		13	12	25	108%

[Q1 FY2007 Results] Q1 FY2007 Results by Business Segment vs. Q1 FY2006 Results

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<<Results by Segment>>

Unit: 100 million yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Excluding inventory valuation impact)	
		Change from Q1 FY06		Change from Q1 FY06		Change from Q1 FY06		Change from Q1 FY06
Petroleum	7,423	651	147	101	150	100	-47	-13
Oil resource development	162	3	74	-17	86	-13	86	-13
Other	202	27	5	3	6	3	6	3
Write-off	-184	4	-18	-6	-19	-6	-19	-6
Total	7,603	685	208	81	223	84	26	-29

* The petroleum business segment above includes combined ordinary income of 3.2 billion yen (up 1.7 billion yen from Q1 FY2006) reported by the petrochemical businesses.

Petroleum: Cosmo Oil Co., Ltd., Cosmo Oil Sales Co., Ltd., Cosmo Petroleum Gas Co., Ltd.,
Cosmo Oil Lubricants Co., Ltd., etc.

Including petrochemical: Cosmo Matsuyama Oil Co., Ltd., CM Aromatics Co., Ltd.,
Maruzen Petrochemical Co., Ltd. (owned by the Cosmo Group on the equity method)

Oil resource development: Abu Dhabi Oil Co., Ltd., Qatar Petroleum Development Co., Ltd.,
United Petroleum Development Co., Ltd. (owned by the Cosmo Group on the equity method), Other

Other: Cosmo Engineering Co., Ltd., Cosmo Trade & Services, etc.

<<Capital investment and depreciation>>

	Q1 FY07 Actuals	Change from Q1 FY06
Capital investment	75	6
Depreciation expense amount	103	29

[H1 FY2007 Forecast] First Half-Year Forecast by Business Segment vs. **Previous Announcement**

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<<First-Half FY2007 Business Outlook by Segment>>

Unit: 100 million yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Excluding inventory valuation impact)	
		Change from previous announcement		Change from previous announcement		Change from previous announcement		Change from previous announcement
Petroleum	15,410	700	200	-10	190	0	-30	-110
Oil resource development	360	0	180	-10	210	-6	210	-6
Other	400	0	10	0	10	2	10	2
Write-off	-370	0	10	0	10	4	10	4
Total	15,800	700	400	-20	420	0	200	-110

* The petroleum segment above includes combined ordinary income of 5.2 billion yen expected to be earned by the petrochemical businesses (up 1.6 billion yen from the previous forecast announced on May 15, 2007).

Petroleum: Cosmo Oil Co., Ltd., Cosmo Oil Sales Co., Ltd., Cosmo Petroleum Gas Co., Ltd., Cosmo Oil Lubricants Co., Ltd., etc.

Including petrochemical: Cosmo Matsuyama Oil Co., Ltd., CM Aromatics Co., Ltd., Maruzen Petrochemical Co., Ltd. (owned by the Cosmo Group on the equity method)

Oil resource development: Abu Dhabi Oil Co., Ltd., Qatar Petroleum Development Co., Ltd., United Petroleum Development Co., Ltd. (owned by the Cosmo Group on the equity method), Other

Other: Cosmo Engineering Co.,Ltd., Cosmo Trade & Services, etc.

[Q1 FY2007 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

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Workforce size (No. of persons)

	Mar 31, '99	Mar 31, '00	Mar 31, '01	Mar 31, '02	Mar 31, '03	Mar 31, '04	Mar 31, '05	Mar 31, '06	Mar 31, '07	Jun 30, '07
Cosmo Oil alone	2,677	2,048	1,970	1,892	1,837	1,764	1,729	1,718	1,916	1,893
Cosmo Oil Group	5,256	4,600	4,416	3,978	3,736	3,565	3,480	3,451	3,335	3,297

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

No. of oil storage depots (DTs)

	Mar 31, '99	Mar 31, '00	Mar 31, '01	Mar 31, '02	Mar 31, '03	Mar 31, '04	Mar 31, '05	Mar 31, '06	Mar 31, '07	Jun 30, '07
No. of DTs	52	45	41	39	39	38	38	38	38	38

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

	Mar 31, '99	Mar 31, '00	Mar 31, '01	Mar 31, '02	Mar 31, '03	Mar 31, '04	Mar 31, '05	Mar 31, '06	Mar 31, '07	Jun 30, '07
Cosmo Oil-owned	1,105	1,065	1,010	977	959	930	899	886	901	892
Individually-owned	5,376	5,040	4,769	4,564	4,313	4,112	3,912	3,760	3,515	3,454
Total	6,481	6,105	5,779	5,541	5,272	5,042	4,811	4,646	4,416	4,346

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	Mar 31, '07	Jun 30, '07
Self-Service	5	8	23	109	285	398	483	626	789	818
Auto B-Cle	-	-	-	217	428	652	652	469	445	445

Cosmo The Card – Number of cards issued (including the number of Opus cards in force from March 31, 2007 onwards)

	Mar 31, '99	Mar 31, '00	Mar 31, '01	Mar 31, '02	Mar 31, '03	Mar 31, '04	Mar 31, '05	Mar 31, '06	Mar 31, '07	Jun 30, '07	
No. of cards in force (10,000 cards)		135	146	162	185	213	239	242	255	280	286

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.