

Cosmo Oil Co., Ltd.

Presentation on Results for Third Quarter of Fiscal 2007

February 7, 2008
Satoshi Miyamoto
Managing Director

[Q3 FY2007 Results] Consolidated Operating Highlights

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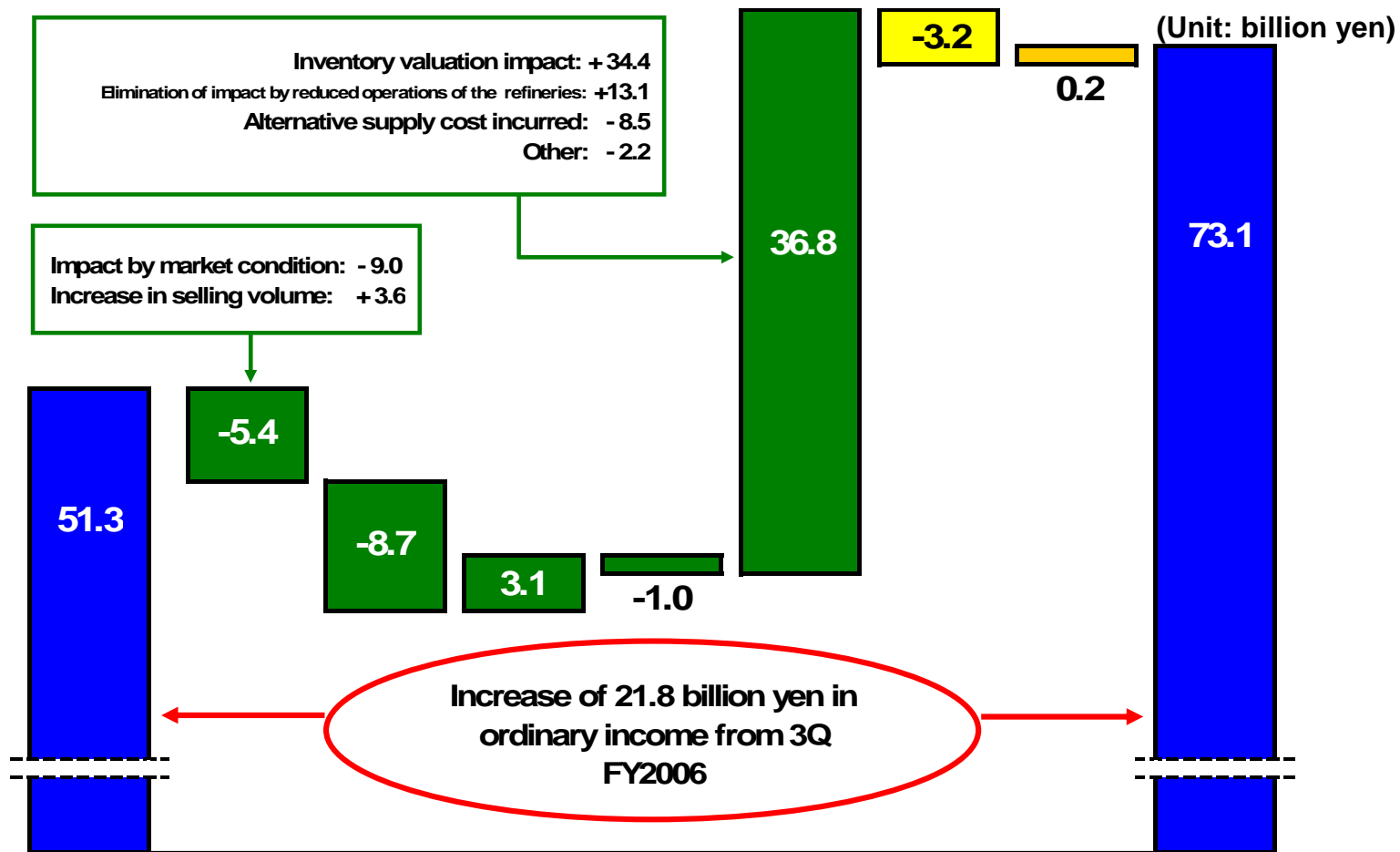
	Q3 FY2007	Q3 FY2006	Change from Q3 FY06
Consolidated ordinary income	73.1 billion yen	51.3 billion yen	+21.8 billion yen
Inventory valuation impact	42.0 billion yen	7.6 billion yen	+34.4 billion yen



Consolidated Ordinary Income by Business Segment

	Q3 FY2007	Q3 FY2006	Change from Q3 FY06
Petroleum	42.6 billion yen	17.8 billion yen	+24.8 billion yen
Oil exploration and production	33.7 billion yen	36.9 billion yen	-3.2 billion yen
Other	-3.2 billion yen	-3.4 billion yen	+0.2 billion yen

[Q3 FY2007 Results] Consolidated Ordinary Income – Analysis of Changes from Q3 FY2006



3Q FY2006 Results	3Q FY2007 Results							
Ordinary Income	Petroleum					Oil exploration and production business	Other business	Ordinary Income
	Market conditions and sales volume impact	Refining facility safety and security enhancement	Benefits from the "Medium-Term Management Plan"	Petrochemical	Other			

[Q3 FY2007 Results]

Outline of Consolidated Cash Flows and Balance Sheet

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	Results	Change from FY06 (As of Mar. 31, '07)
Cash flows from operating activities	-50.8	-
Cash flows from investing activities	-18.8	-
Cash flows from financing activities	38.6	-
Cash and cash equivalents at end of the period	94.6	-31.5

(Unit: billion yen)

	Results	FY06 (As of Mar. 31, '07)	Change
Total Assets	1,776.3	1,579.2	197.1
Net assets	475.5	361.6	113.9
Net worth	450.3	339.7	110.6
Net worth ratio	25.4%	21.5%	Improved by 3.9% points
Interest-bearing debts (including zero coupon corporate bonds)	565.4	609.9	-44.5
Debt dependence ratio	31.8%	38.6%	Improved by 6.8% points
Debt Equity Ratio (Times)	1.3	1.8	Improved by 0.5*
Net interest-bearing debt (including zero coupon corporate bonds)*	470.8	483.8	-13.0
Debt dependence ratio	26.5%	30.6%	Improved by 4.1% points
Debt Equity Ratio (Times)	1.1	1.4	Improved by 0.3*

Note: Net interest-bearing debt is the total interest-bearing debt amount after the deduction of cash and cash equivalents and a short-term working fund balance as of the term-end

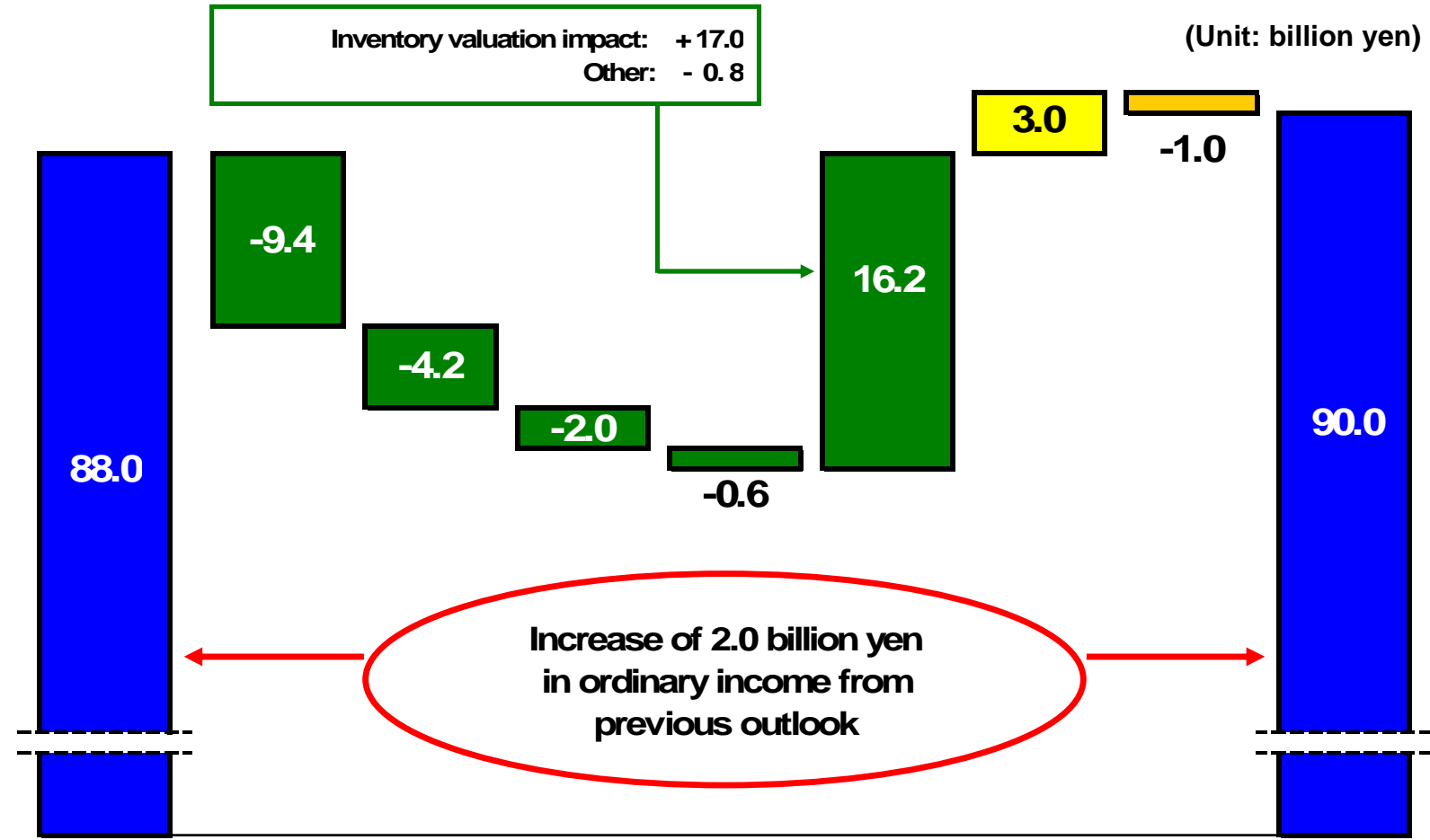
	Outlook	Previous Outlook	Change
Consolidated ordinary income	90 billion yen	88 billion yen	+2 billion yen
Inventory valuation impact	42 billion yen	25 billion yen	+17 billion yen



Consolidated Ordinary Income by Business Segment

	Outlook	Previous Outlook	Change
Petroleum	44 billion yen	44 billion yen	±0 billion yen
Oil exploration and production	48 billion yen	45 billion yen	+3 billion yen
Other	-2 billion yen	-1 billion yen	-1 billion yen

[FY2007 Outlook] Consolidated Ordinary Income – Analysis of Changes from Previous Outlook Announced (on Nov. 6, 2007)



FY2007 Outlook previously announced

Updated FY2007 Outlook

Ordinary Income

Petroleum

- Impact by market condition
- Increase in in-house fuel costs
- Increase in alternative supply costs
- Petrochemical
- Other

Oil exploration and production business

Other business

Ordinary Income

[FY2007 Outlook]

(Unit: billion yen)

<Capital expenditures and depreciation>

	Full-Year FY07 Outlook	Change from FY06
Capital expenditures	59.8	23.7
Depreciation expense amount	42.9	5.1

<Capital expenditures by Business Segment>

	Full-Year FY07 Outlook	FY06 Results	Change from FY06
Petroleum	45.3	27.8	17.5
<i>Refining and sales</i>	41.9	25.7	16.2
<i>Petrochemical</i>	1.0	1.7	-0.7
<i>Other</i>	2.4	0.4	2.0
Oil exploration and production	14.3	8.2	6.1
Other	0.2	0.1	0.1
Total	59.8	36.1	23.7

[Q3 FY2007 Results]

<Capital expenditures and depreciation expenses>

	Results	Change from Q3FY06
Capital expenditures	30.7	6.1
Depreciation expense amount	31.7	3.6

Supplementary Information

1. [Q3 FY2007 Results & FY2007 Outlook Assumptions] Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Crude Oil Production Volume
2. [Q3 FY2007 Results & FY2007 Outlook Assumptions] Selling Price and Volume
3. [Q3 FY2007 Results & FY2007 Forecast] Overall Review of Progress Made by Petroleum Business (on A Non-Consolidated Bases) in the Medium-Term Management Plan (MTMP)
4. [Q3 FY2007 Results] Results by Business Segment: Change from Q3 FY2006
5. [FY2007 Outlook] Business Outlook by Segment: Change from Previous Announcement
6. [Q3 FY2007 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force
7. [Q3 FY2007 Results] Self-Service SSs Operational and Cosmo The Cards in Force
8. [FY2007 Outlook] Business Outlook by Business Segment : Change from FY2006
9. [FY2007 Outlook] Consolidated Ordinary Income – Analysis of Changes from FY2006

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

		Q3 FY07 Results	Change from Q3 FY06		FY07 Assumption
Purchased price of crude oil	Crude oil (FOB) USD/BRL	72.01	8.07	—	85.00 (Jan-Mar)
	JPY/USD exchange rate	117.29	1.09	—	110.00 (Jan-Mar)
	Purchased price of crude oil (tax inclusive) yen/KL	56,564	6,483	—	—
Crude oil refining	Refined crude oil volume (1,000 KL)	20,857	747	103.7%	106.5% (% level of FY06)
	Atmospheric distillation operating ratio (Calendar Day)	75.2%	- 1.5%	—	—
	Atmospheric distillation operating ratio (Streaming Day ^{*1})	87.3%	- 3.4%	—	—

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

<<Crude oil production volume>>

		Q3 FY07 Results	Investment ratio
Oil exploration and production subsidiary production volume ^{*2}	Abu Dhabi Oil Co., Ltd. (BRL/Day)	23,288	63.0%
	Qatar Petroleum Development Co., Ltd. (BRL/Day)	5,290	85.8%
	United Petroleum Development Co., Ltd. (BRL/Day)	16,578	35.0%

*2. Each figure represents an average crude oil production volume at a project company during the term.

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

[Q3 FY2007 Results & FY2007 Outlook Assumptions] Selling Price and Volume

Supplementary
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<<Selling price>>

	Apr. - Dec. 07 Results	Apr. - Dec. 06 Results	Change from Q3 FY06
Selling price (yen/KL)	60,600	52,470	8,130

<<Selling volume>>

(1,000 KL)

		Apr. - Dec. 07 Results	Apr. - Dec. 06 Results	Change	Change from Q3 FY06	FY07 Assumption (% level of FY06)
Selling volume in Japan	Gasoline	5,273	5,179	94	101.8%	101.7%
	Kerosene	1,618	1,748	-130	92.6%	98.6%
	Diesel fuel	3,670	3,606	64	101.8%	101.5%
	Heavy fuel oil A	1,930	2,374	-444	81.3%	83.7%
	Combined sales of 4 volume	12,490	12,907	-417	96.8%	97.9%
	Naphtha	5,210	5,135	75	101.5%	96.0%
	Jet fuel	326	313	13	104.1%	98.7%
	Heavy fuel oil C	2,563	2,019	544	126.9%	139.8%
Total sales volume in Japan		20,589	20,374	215	101.1%	101.4%
Export volume	Total volume of diesel fuel and jet fuel	1,169	760	409	153.8%	149.3%
Total selling volume		32,955	32,688	267	100.8%	101.8%

Item	Department	FY2007 Results & Forecast			Full-Year FY2007 Forecast	Full-Year 2007 Previous Announcement	Change from Previous Announcement
		H1 FY2007 Results	Oct. - Dec. 07 Results	Jan. - Mar. 08 Forecast			
		(billion yen)	(billion yen)	(billion yen)	(billion yen)	(billion yen)	(%)
Rationalization	Supply Department	0.0	0.0	0.0	0.1	0.0	—
	Sales Department	0.5	0.1	0.1	0.7	0.7	100%
	Administrative, Othsr	0.1	0.1	0.1	0.2	0.2	100%
	Subtotal	0.6	0.2	0.2	1.0	0.9	111%
Value creation	Supply Department	0.3	0.2	0.1	0.6	0.6	100%
	Sales Department	1.5	0.3	0.6	2.4	2.8	86%
	Other	0.0	0.0	0.0	0.0	-0.2	0%
	Subtotal	1.8	0.5	0.7	3.0	3.2	94%
Grand total		2.4	0.7	0.9	4.0	4.1	98%

[Q3 FY2007 Results] Results by Business Segment :

Change from Q3 FY2006

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<<Results by Business Segment>>

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income	
		Change from Q3 FY06		Change from Q3 FY06		Change from Q3 FY06
Petroleum	2,484.8	273.8	41.7	24.7	42.6	24.8
Oil exploration and production	58.2	-1.1	31.0	-2.4	33.7	-3.2
Other business	61.3	-0.1	1.4	0.5	1.6	0.4
Write-off	-63.8	-3.1	-4.4	-0.3	-4.8	-0.2
Total	2,540.5	269.5	69.7	22.5	73.1	21.8

*Figures for the petroleum segment include a positive inventory valuation impact of 42.0 billion yen (up 34.4 billion yen from Q3 FY2006.)

*Figures for the petroleum segment also include the petrochemical business's ordinary income of 7.9 billion yen (down 1.0 billion yen from Q3 FY2006.)

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 exploration and production: 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 Co., Ltd., etc.

 **COSMO OIL CO., LTD.**

<http://www.cosmo-oil.co.jp>

[FY2007 Outlook] Business Outlook by Segment: Change from Previous Announcement

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<<Business Outlook by Business Segment>>

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income	
		Change from previous announcement		Change from previous announcement		Change from previous announcement
Petroleum	3,512.0	125.0	44.5	0.5	44.0	0.0
Oil exploration and production	84.0	5.0	45.0	3.0	48.0	3.0
Other business	86.0	-2.0	2.0	0.0	2.0	0.0
Write-off	-92.0	-8.0	-4.0	-1.0	-4.0	-1.0
Total	3,590.0	120.0	87.5	2.5	90.0	2.0

*Figures for the petroleum segment include a positive inventory valuation impact of 42.0 billion yen (up 17.0 billion yen from previous announcement.)

*Figures for the petroleum segment also include the petrochemical business's ordinary income of 9.8 billion yen (down 0.6 billion yen from previous announcement.)

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 exploration and production: 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, Co., Ltd., etc.

 **COSMO OIL CO., LTD.**

<http://www.cosmo-oil.co.jp>

[Q3 FY2007 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

Supplementary Information – 6

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	Dec 31, '07
Cosmo Oil alone	2,677	2,048	1,970	1,892	1,837	1,764	1,729	1,718	1,916	1,963
Cosmo Oil Group	5,256	4,600	4,416	3,978	3,736	3,565	3,480	3,451	3,335	3,323

* 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	Dec 31, '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	Dec 31, '07
Cosmo Oil-owned	1,105	1,065	1,010	977	959	930	899	886	901	885
Individually-owned	5,376	5,040	4,769	4,564	4,313	4,112	3,912	3,760	3,515	3,356
Total	6,481	6,105	5,779	5,541	5,272	5,042	4,811	4,646	4,416	4,241

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	Dec 31, '07
Self-Service	5	8	23	109	285	398	483	626	789	855
Auto B-Cle	-	-	-	217	428	652	652	469	445	430

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	Dec 31, '07	
No. of cards in force (10,000 cards)		135	146	162	185	213	239	242	255	280	298

[Q3 FY2007 Results] Self-Service SSs Operational and Cosmo The Cards in Force

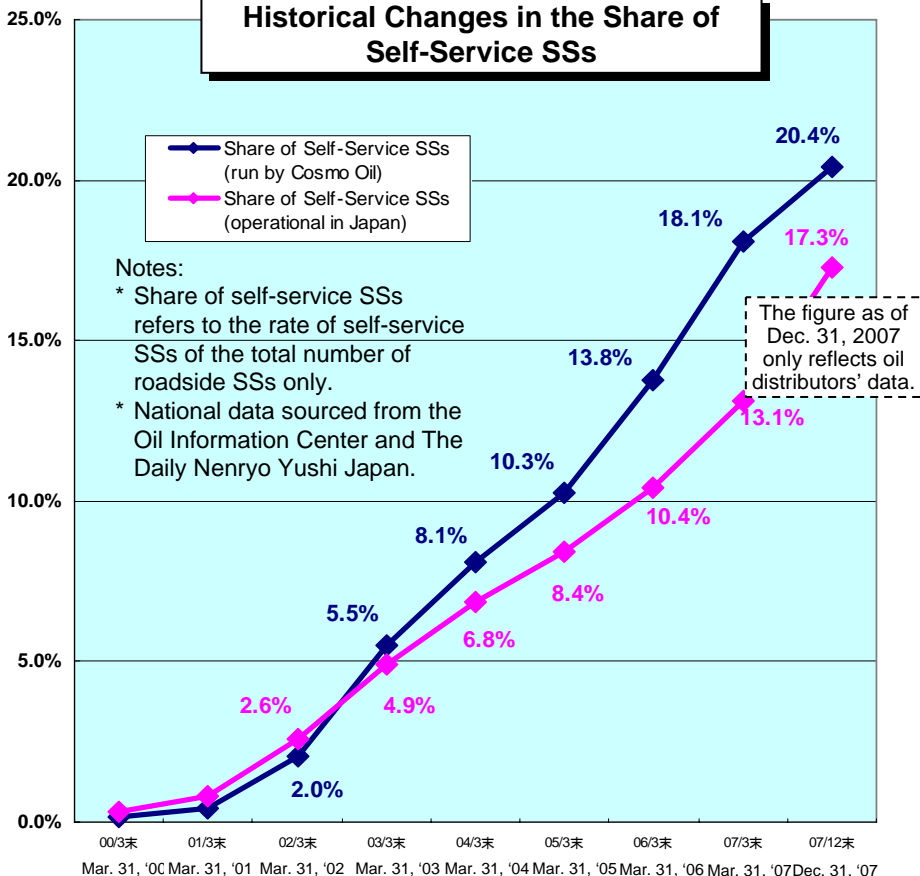
Self-Service SS Business

As of Dec. 31, '07: 855SSs
 (No. of new SSs opened in Apr.-Dec. '07: 66SSs)
Share of Self-Service SSs: 20.4%

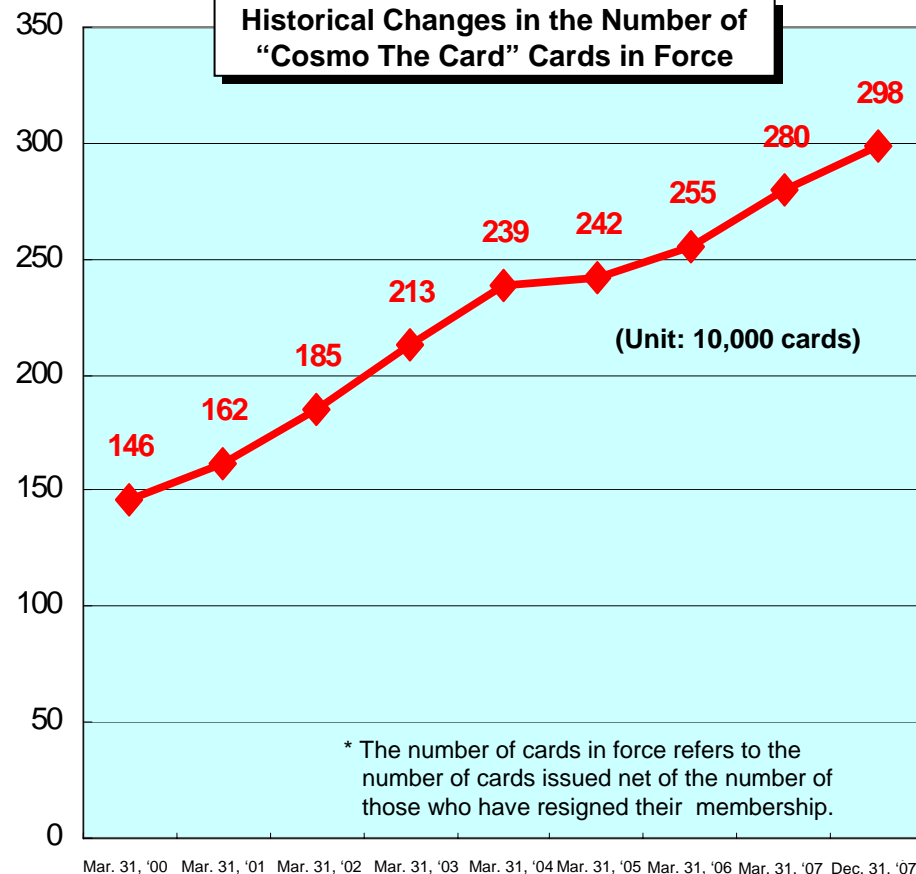
Cosmo The Card

As of Dec. 31, '07: 2.98 mil. cards
 (No. of new cards issued in Apr.-Dec. '07: 180,000 cards)

Historical Changes in the Share of Self-Service SSs



Historical Changes in the Number of "Cosmo The Card" Cards in Force



[FY2007 Outlook] Business Outlook by Business Segment: Change from FY2006

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<<Business Outlook by Business Segment>>

Unit: billion yen

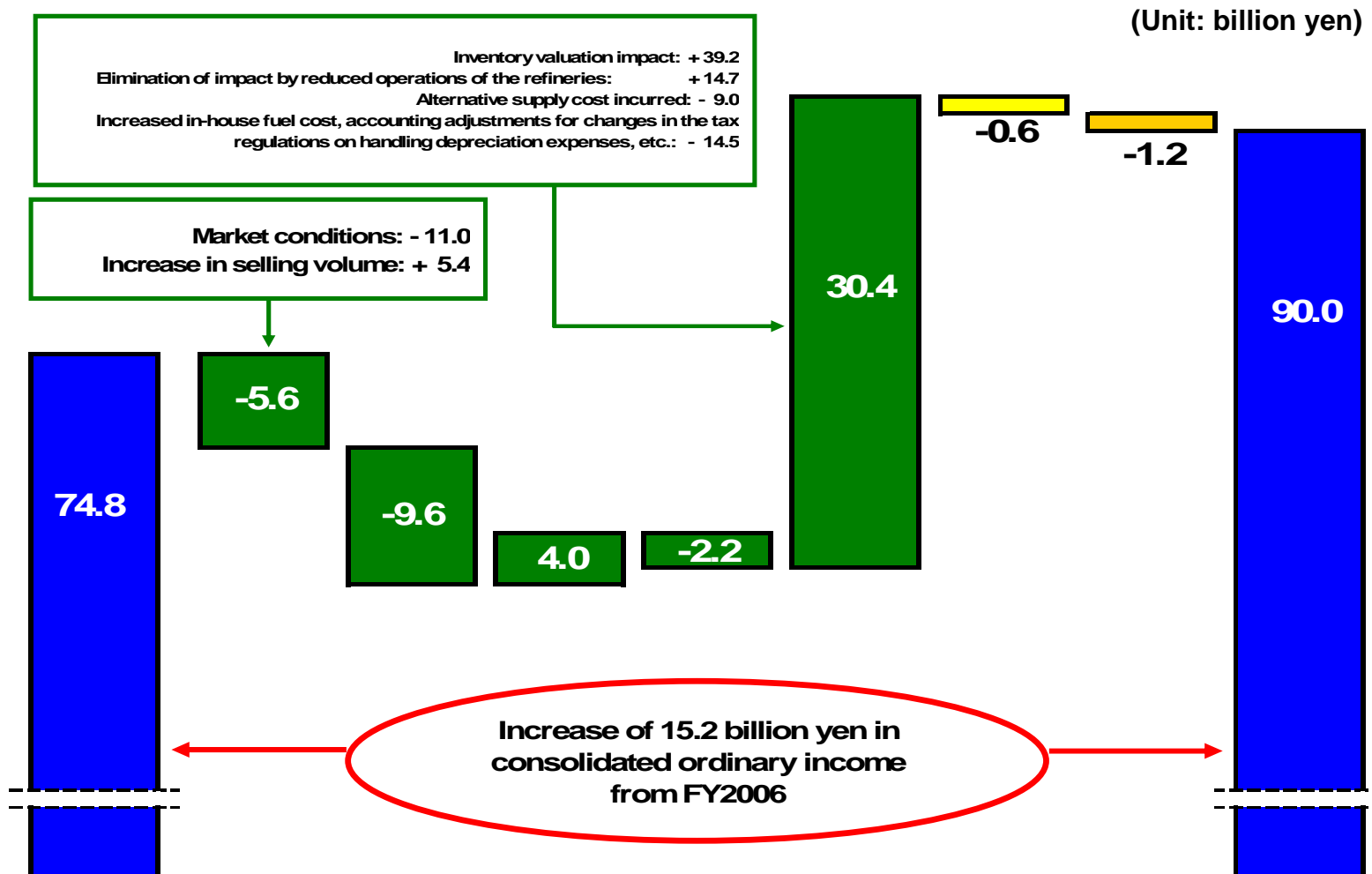
	Net Sales		Operating Income		Ordinary Income	
		Change from previous announcement		Change from previous announcement		Change from previous announcement
Petroleum	3,512.0	527.5	44.5	18.8	44.0	17.0
Oil exploration and production	84.0	5.9	45.0	1.5	48.0	-0.6
Other business	86.0	0.5	2.0	0.4	2.0	0.3
Write-off	-92.0	-6.6	-4.0	-2.8	-4.0	-1.5
Total	3,590.0	527.3	87.5	17.9	90.0	15.2

*Figures for the petroleum segment include a positive inventory valuation impact of 42.0 billion yen (up 39.2 billion yen from FY2006.)

*Figures for the petroleum segment also include the petrochemical business's ordinary income of 9.8 billion yen (down 2.2 billion yen from FY2006)

- 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, Co., Ltd., etc.

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



Full-Year FY2006 Results	FY2007 Business Outlook (Updated)							Ordinary Income
	Petroleum				Oil exploration and production business	Other business		
Ordinary Income	Market conditions and sales volume impact	Refining facility safety and security enhancement	Benefits from the "Medium-Term Management Plan"	Petrochemical	Other	Oil exploration and production business	Other business	Ordinary Income

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.