

**Cosmo Oil Co., Ltd.**  
**The Third Consolidated Medium-Term Management Plan**  
**Fiscal Year 2008 Results and Future**  
**Management Policy**

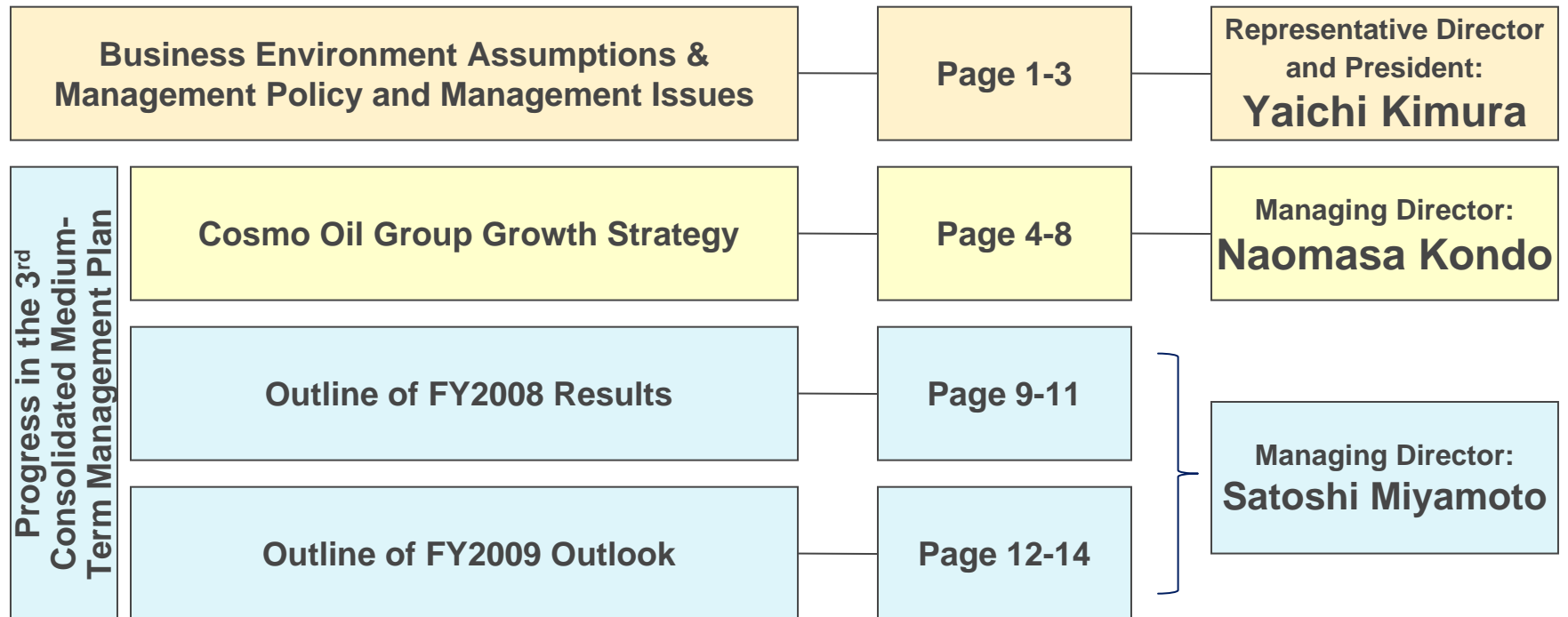
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**May 8, 2009**

**Representative Director and President: Yaichi Kimura**  
**Managing Director: Naomasa Kondo, Satoshi Miyamoto**

# Today's Agenda

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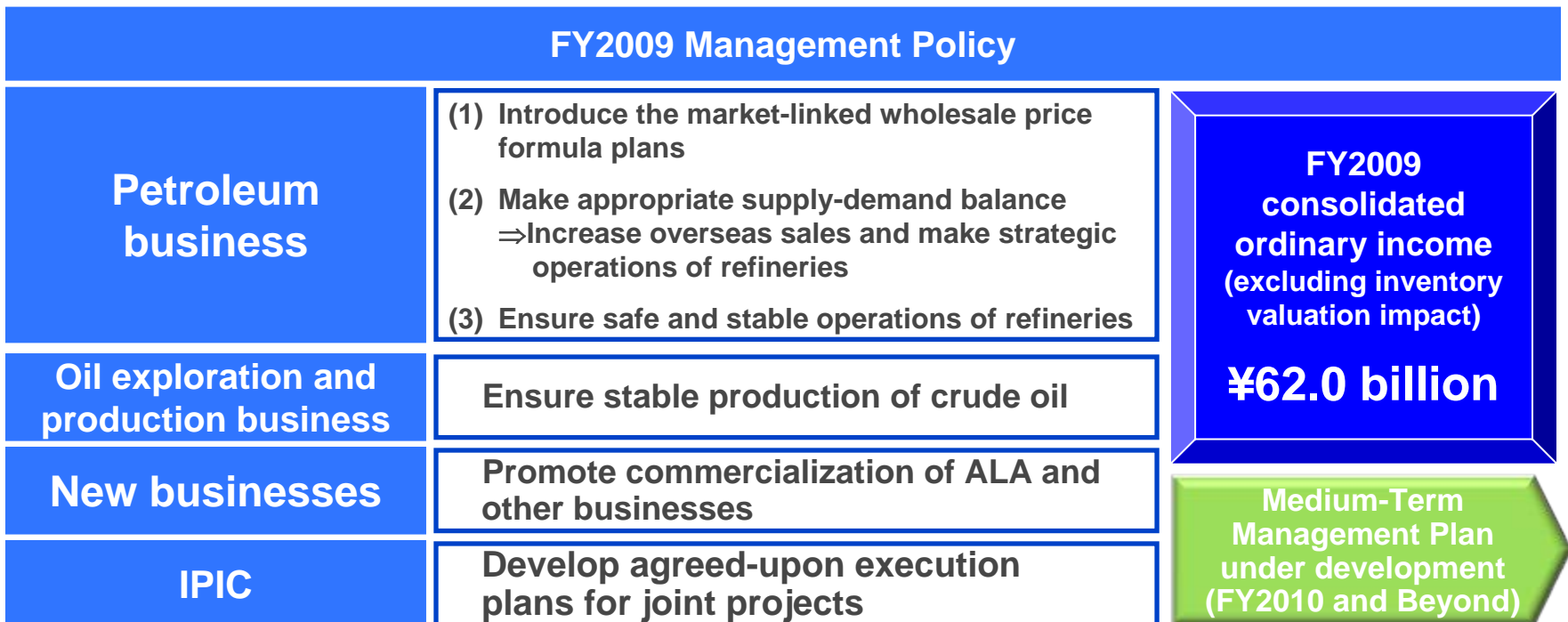
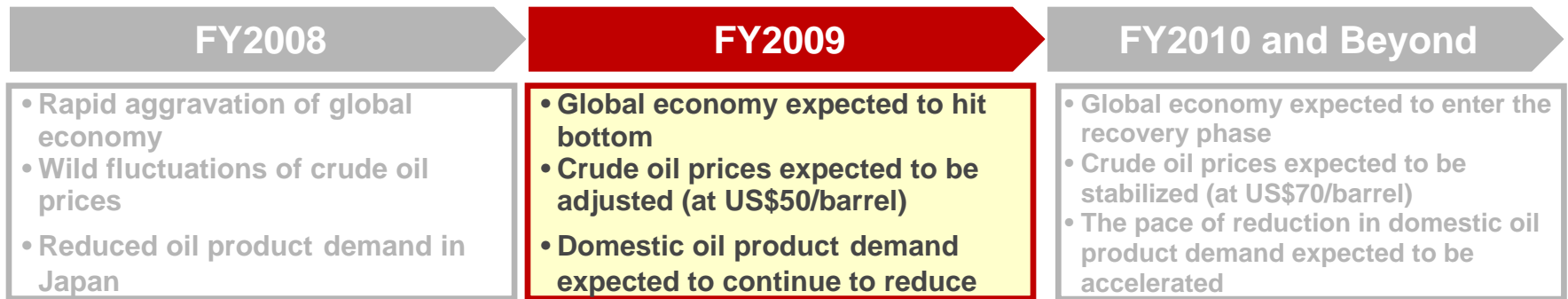


FY2008	FY2009	FY2010 and Beyond
<ul style="list-style-type: none"> <li>• Rapid aggravation of global economy</li> <li>• Wild fluctuations of crude oil prices</li> <li>• Reduced oil product demand in Japan</li> </ul>	<ul style="list-style-type: none"> <li>• Global economy expected to hit bottom</li> <li>• Crude oil prices expected to be adjusted (at US\$50/barrel)</li> <li>• Domestic oil product demand expected to continue to reduce</li> </ul>	<ul style="list-style-type: none"> <li>• Global economy expected to enter the recovery phase</li> <li>• Crude oil prices expected to be stabilized (at US\$70/barrel)</li> <li>• The pace of reduction in domestic oil product demand expected to be accelerated</li> </ul>



## Review of FY2008 (Initial Year of the 3rd Consolidated Medium-Term Management Plan)

<p><b>Petroleum business</b></p>	<ul style="list-style-type: none"> <li>(1) Improved margins of 4 oil products ○</li> <li>(2) Enhanced export infrastructure ○</li> <li>(3) Increased overseas sales ○</li> <li>(4) An incident at a refinery ×</li> <li>(5) Coker construction progress on scheduled ○</li> </ul>	<p><b>FY2008 consolidated ordinary income (excluding inventory valuation impact)</b></p> <p><b>¥55.1 billion</b></p> <p><b>Down ¥17.9 billion from the initial plan</b></p>
<p><b>Oil exploration and production business</b></p>	<p>Increased crude oil production in Qatar Petroleum Development Co., Ltd. ○</p>	



# FY2010 and Beyond: Business Environment Assumptions and Management Issues

FY2008	FY2009	FY2010 and Beyond
<ul style="list-style-type: none"> <li>• Rapid aggravation of global economy</li> <li>• Wild fluctuations of crude oil prices</li> <li>• Reduced oil product demand in Japan</li> </ul>	<ul style="list-style-type: none"> <li>• Global economy expected to hit bottom</li> <li>• Crude oil prices expected to be adjusted (at US\$50/barrel)</li> <li>• Domestic oil product demand expected to continue to reduce</li> </ul>	<ul style="list-style-type: none"> <li>• Global economy expected to enter the recovery phase</li> <li>• Crude oil prices expected to be stabilized (at US\$70/barrel)</li> <li>• The pace of reduction in domestic oil product demand expected to be accelerated</li> </ul>



## Management Issues for FY2010 and Beyond

Promote the Next Consolidated Medium-Term Management Plan (for FY2010 onwards)

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Maximize cash flows

Return values to shareholders

<b>Petroleum business</b>	<ul style="list-style-type: none"> <li>(1) Maximize coker utilization to increase profit</li> <li>(2) Consider supply system optimization</li> <li>(3) Consider measures to cope with anticipated reductions in gasoline demand</li> <li>(4) Increase a quality market share to increase profit</li> </ul>
Oil exploration and production business	Invest in crude oil exploration to increase production volume
New businesses	Broaden the business portfolio
IPIC	Promote the joint business projects

# [Programs for Management Plan] – Acceleration of Implementation of Growth Strategies – Oil exploration and production business

Promote the Oil exploration and production business based on reliable relations with oil producing countries



- Invest in low- risk projects
- Pivot the business on the core areas (of Abu Dhabi and Qatar) and the sub-core area (of Australia)
- Make early cash flow recovery
- Focus on operatorship to build the technology and know-how and experience

## Abu Dhabi

<Under production> Abu Dhabi Oil Co., Ltd. and United Petroleum Development Co., Ltd.

## Qatar

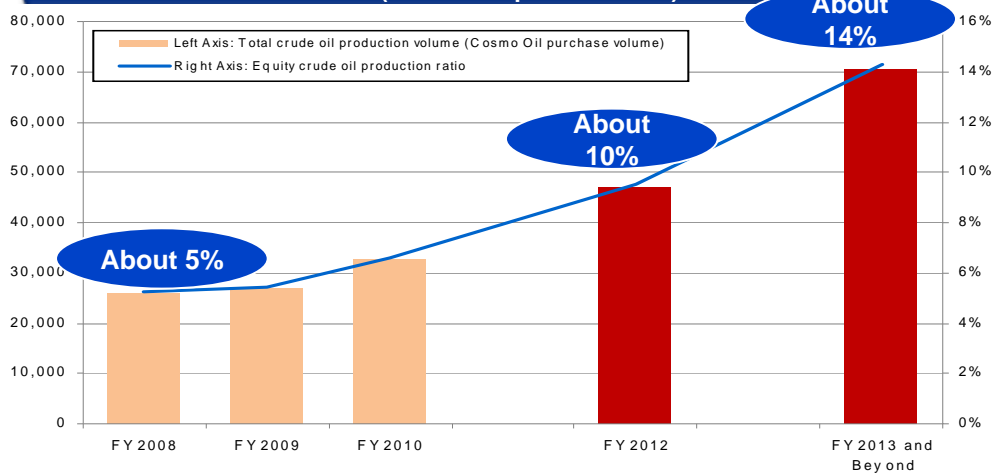
<Under production> Qatar Petroleum Development Co., Ltd.,  
 <Start production> A-Structure South Oil Field scheduled for 2010  
 <Under exploration> Block 3 and Blok 11 Mine Lots

## Australia

<Start production> Audacious and Tenacious Oil Fields scheduled for 2012  
 <Under exploration> AC/P 32 Mine Lot

## New oil exploration projects through collaboration with IPIC

Outlook for Crude Oil Production Volume and Equity Crude Oil Production Ratio (in the best possible case)



◆ Stable production in existing oil fields  
 ◆ Start production in new oil fields and mine lots in addition to the above

↓

**Achieve the original goal of 10% equity crude oil production ratio**

# [Programs for Management Plan] – Further Enhancement in Profitability of Oil Refining and Marketing Business – Refining Competitiveness

Maximize utilization of the coker unit at Sakai Refinery

Expected Benefit from Management Plan:  
¥9.9 billion (for FY2010)

## Coker (25,000 barrels a day)

- Use more heavy crude oil for refining → Crude oil procurement at lower cost
- Crack heavy fuel oil C fraction



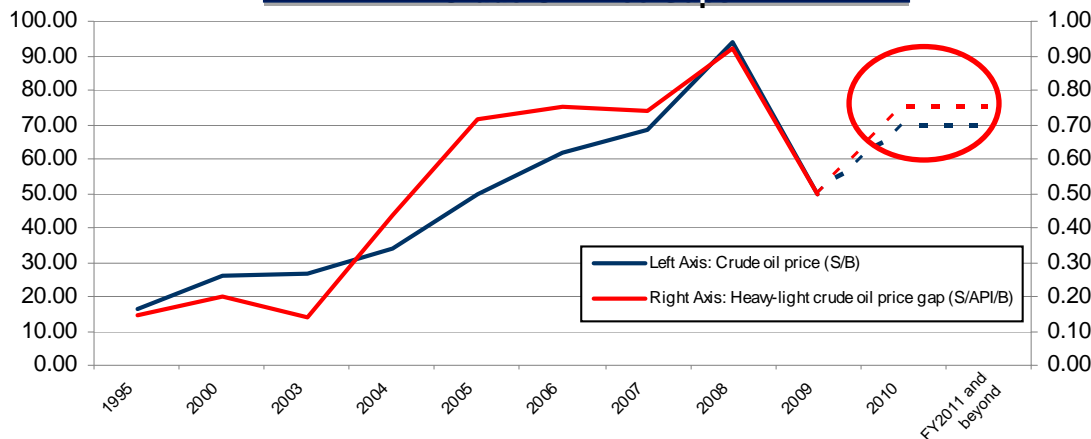
## Diesel fuel hydrodesulfurization unit (25,000 barrels a day)

- Heavy fuel oil A fraction ⇒ Jet fuel (kerosene) and diesel fuel
- Note: No gasoline production

### “Reduction in Procurement Cost” and “More Production of Highly Value-Added Products”

- Cost reductions by using heavy crude oil for refining: Benefit brought by heavy-light crude oil price gap  
⇒ Reduce crude oil API degree used for refining by 1.6 points (at 4 refineries)
- Additional value creation by producing more lighter distillates: Benefit brought by light-heavy product price gap  
⇒ Increase in production (of diesel fuel, jet fuel and kerosene) → Increase overseas sales

Changes in Crude Oil Prices and Heavy-Light Crude Oil Price Gaps



### <Outlook>

The heavy-light crude oil price gap expected to widen toward 2010

**Higher crude oil price ⇔ Wider heavy-light crude oil price gap**

Heavy-light crude oil price gap: Price gap between Saudi Arabian AXL and AH  
Light-heavy product price gap: Price gap between jet fuel and high sulfur-content heavy fuel oil

## Increase Overseas Sales (Exports) to Increase Margin

◆ Respond to the decreasing demand for oil products in Japan and the increasing demand for oil products worldwide

■ Oil products for overseas sales: Middle distillates (diesel fuel, jet fuel and kerosene)/ Gasoline exports under consideration

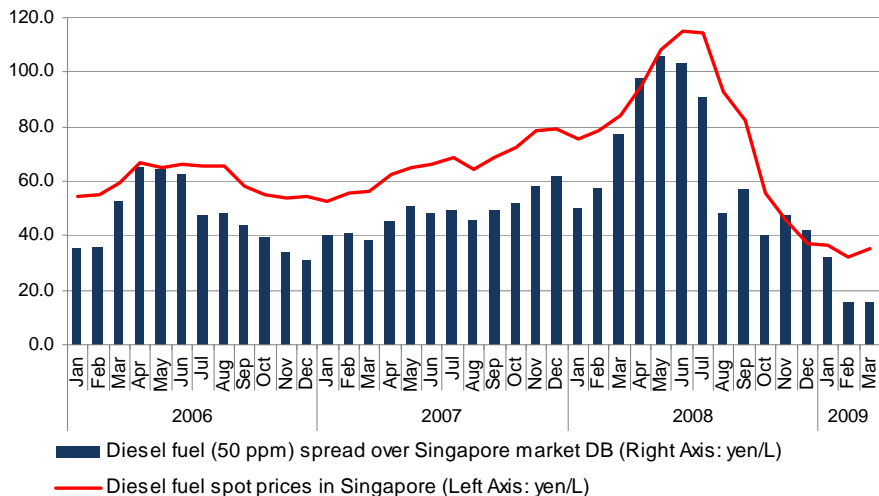
■ Overseas sales markets: Long-term contract-based export sales **Term ratio of about 70%**

North America, Latin America and Oceania

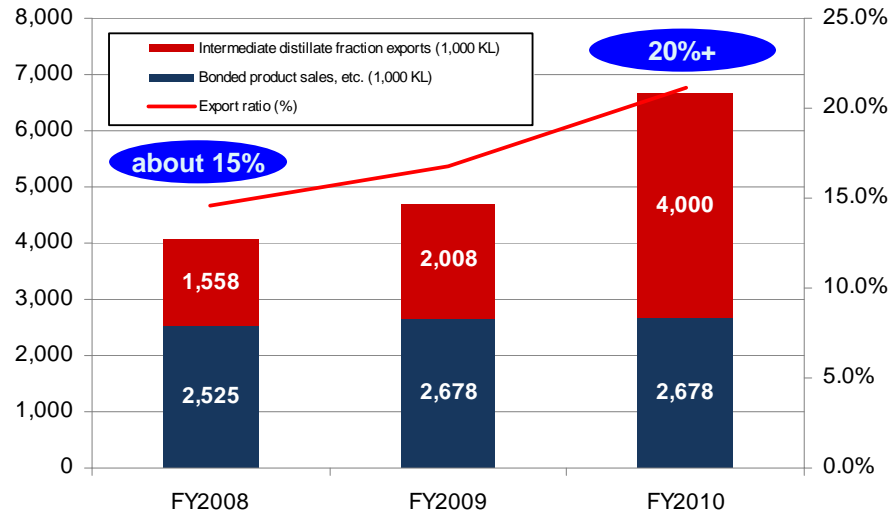
\* Export lower-sulfur-content premium products to regions with strict environmental regulations

Asia \* The target markets to include those with demand expected to grow rapidly in the future

### Overseas Diesel Fuel Market Trends



### Export Volume and Export Ratios



Export volume (intermediate distillate fraction exports + bonded product sales, etc.) / Total crude oil refining volume



Price Formula Revision + Quality Market Share Expansion + Appropriate Supply-Demand Balance

Enhance the sales infrastructure in Japan

**Price formula plan**

Market-Linked Wholesale Price Formula Plans and Weekly Price Setting Methods (Effective from April 2009)

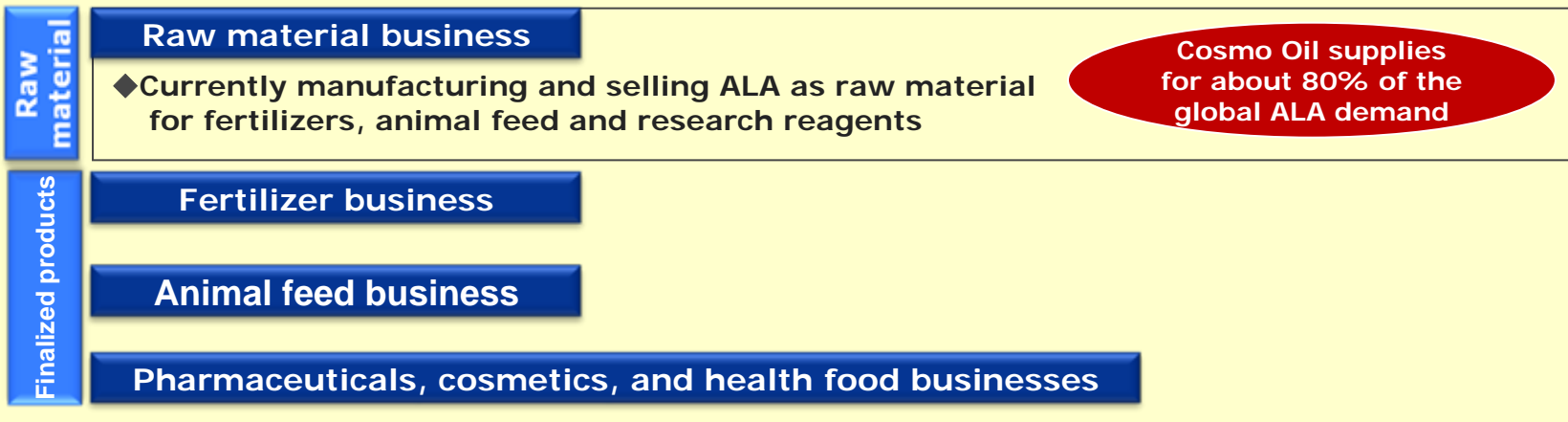
- 100% market-linked plan
- 50% market-linked + 50% crude oil cost plan

	FY2010 Plans	FY2008 Results
Quality market share expansion	Increase the share of quality dealers of the total dealers : 51%	45%
Self-Service SSS Operational	Goal for a self-service SS ratio of total SSS operational : 30%	24%
Proprietary card issuance	Goal for the number of Cosmo The Cards issued in force : 3.34 million	3.35 million

New business evolution in the field of environment & ecology  
expected to grow into a pillar ensuring the future income stream ⇒

## (1) ALA

5-aminolevulinic acid (ALA) is a natural amino acid contained in the bodies of animals and plants where it is used to form hemoglobin in blood and chlorophyll. Cosmo Oil has successfully developed the new process\* to manufacture ALA at a large volume with lower cost than conventional process (Note: \*The fermentation process patented by Cosmo Oil). It is expected to find applications in agricultural, stock farming, medical and other diverse businesses.



(2) Concentrated solar power generation

(3) Biomass ethanol

(4) Solar power generation

# [FY2008 Results] Consolidated Operating Highlights Change from FY2007

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	FY2008 Results	FY2007 Results	Change from FY2007
Consolidated ordinary income	-125.0 billion yen	94.3 billion yen	-219.3 billion yen
<i>Impact of inventory valuation and cost or market method adoption</i>	<i>-180.1 billion yen</i>	<i>-45.0 billion yen</i>	<i>-225.1 billion yen</i>
<b>NET Consolidated ordinary income</b>	<b>55.1 billion yen</b>	<b>49.3 billion yen</b>	<b>5.8 billion yen</b>
Purchased price of crude oil JPY/USD exchange rate:	Crude oil: 85.35 \$/B JPY/USD exchange rate: 102.94 yen/\$	Crude oil: 77.14 \$/B JPY/USD exchange rate: 114.52 yen/\$	Crude oil: 8.21 \$/B JPY/USD exchange rate: -11.58 yen/\$

## Consolidated Ordinary Income by Business Segment

	FY2008 Results	FY2007 Results	Change from FY2007
Petroleum business	-175.1 billion yen	46.5 billion yen	-221.5 billion yen
<i>Petrochemical</i>	<i>-5.0 billion yen</i>	<i>9.0 billion yen</i>	<i>-14.1 billion yen</i>
<i>Impact of inventory valuation and cost or market method adoption</i>	<i>-180.2 billion yen *1</i>	<i>45.0 billion yen</i>	<i>-225.2 billion yen</i>
<b>NET Petroleum business</b>	<b>10.1 billion yen</b>	<b>-7.5 billion yen</b>	<b>17.8 billion yen</b>
Oil exploration and production business	45.9 billion yen	46.9 billion yen	-1.0 billion yen
Other	4.1 billion yen*2	0.9 billion yen	3.2 billion yen

Notes: \*1 Negative impact of inventory valuation of ¥171.6 billion and negative impact of the adoption of the cost or market method of ¥8.6 billion.  
\*2 Including ¥100 million of consolidated adjustment due to the adoption of the cost or market method.



	Results (As of Mar. 31, '09)	Change from FY2007 (As of Mar. 31, '08)	Unit: billion yen
Cash flow from operating activities	82.1	-	
Cash flow from investing activities	-56.0	-	
Cash flow from financing activities	57.9	-	
Cash and cash equivalents at end of the period	159.9	77.2	

	Results (As of Mar. 31, '09)	Results (As of Mar. 31, '08)	Change
Total Assets	1,440.4	1,627.9	-187.5
Net assets	347.4	469.7	-122.3
Net worth	328.4	442.9	-114.5
Net worth ratio	22.8%	27.2%	Down 4.4 point
Interest-bearing debts (including zero coupon corporate bonds)	598.6	521.6	77.0
Debt dependence ratio	41.6%	32.0%	Down 9.6 point
Debt Equity Ratio (Times)	1.8	1.2	Down 0.6 point
Net interest-bearing debt (including zero coupon corporate bonds)*	438.7	438.9	-0.2
Debt dependence ratio	30.5%	27.0%	Down 3.5 point
Debt Equity Ratio (Times)	1.3	1.0	Down 0.3 point

\* Total interest-bearing debts net of cash and cash equivalents and short-term working fund balance as of the end of the term

# [FY2009 Outlook] Highlights of Consolidated Business Outlook - Change from FY2008

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	FY2009 Outlook	FY2008 Results	Change from FY2008
Consolidated ordinary income	82.0 billion yen	-125.0 billion yen	207.0 billion yen
<i>Impact of inventory valuation and cost or market method adoption</i>	<i>-20.0 billion yen</i>	<i>-180.1 billion yen</i>	<i>200.1 billion yen</i>
NET Consolidated ordinary income	62.0 billion yen	55.1 billion yen	6.9 billion yen
Assumption for business outlook	Crude oil: 50.00\$/B JPY/USD exchange rate: 100.00 JPY/USD	Crude oil: 85.35\$/B JPY/USD exchange rate: 102.94 JPY/USD	Crude oil: -35.35\$/B JPY/USD exchange rate: -2.94 JPY/USD

■ Note: Please refer to Page 15 for sensitivity

## Consolidated Ordinary Income by Business Segment

	FY2009 Outlook	FY2008 Results	Change from FY2008
Petroleum business	55.0 billion yen	-175.1 billion yen	230.1 billion yen
<i>Petrochemical</i>	<i>3.0 billion yen</i>	<i>-5.0 billion yen</i>	<i>8.0 billion yen</i>
<i>Impact of inventory valuation and cost or market method adoption</i>	<i>20.0 billion yen *1</i>	<i>-180.2 billion yen</i>	<i>200.2 billion yen</i>
NET Petroleum business	32.0 billion yen	10.1 billion yen	21.9 billion yen
Oil exploration and production business	25.0 billion yen	45.9 billion yen	-20.9 billion yen
Other	2.0 billion yen	4.1 billion yen	-2.2 billion yen

Notes: \*1 Positive impact of inventory valuation of ¥11.4 billion  
Positive impact of lower of cost or market method adoption of ¥8.6 billion

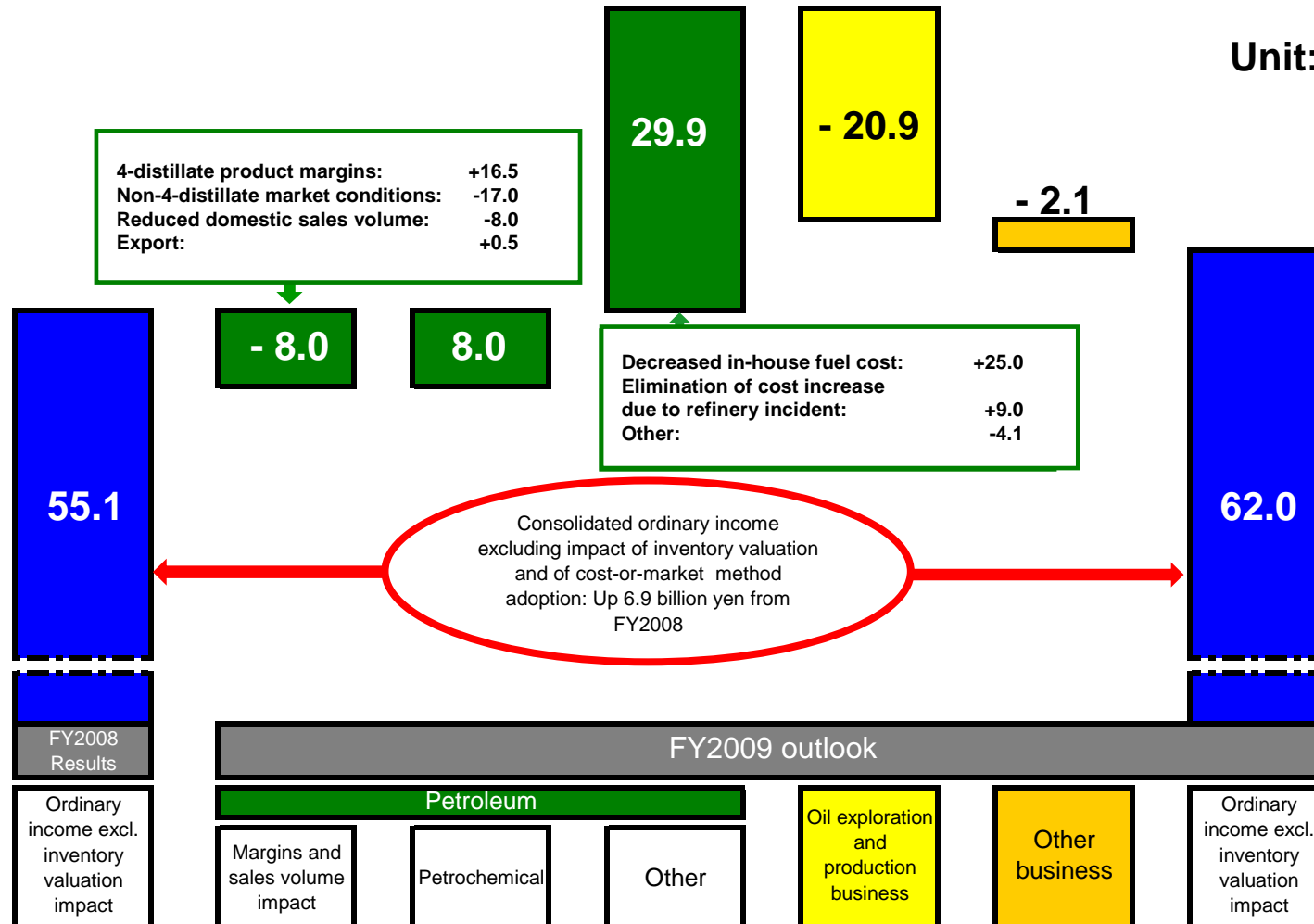
# [FY2009 Outlook] Consolidated Ordinary Income (Excluding Inventory Evaluation Impact) - Analysis of Changes from FY2008

**Key point**

**Consolidated ordinary income excluding impact of inventory valuation and of cost-or-market method adoption: Up ¥6.9 billion from FY2008**

- Improved 4 distillate product market conditions
- Lower profit earned by the crude oil E&P business
- Decreased in-house fuel cost
- Improved profit earned by the petrochemical business
- Reduced domestic sales volume

Unit: billion yen



# [FY2008 Results & FY2009 Outlook]

## Outline of Consolidated Capital Investment

### [FY2008 Results]

<Capital investment and depreciation>

Unit: billion yen

<Key point>

	FY2008 Results	Change from FY2007
Capital investment	67.0	18.0
Depreciation and others	41.5	-1.3

- (1) Investment for the Sakai refinery coker
- (2) Oil drilling investment in Abu Dhabi, Qatar, etc.

### [FY2009 Outlook]

<Capital investment and depreciation>

Unit: billion yen

<Key point>

	FY2009 Outlook	Change from FY2008
Capital investment	128.6	61.6
Depreciation and others	43.9	2.4

- (1) Investment for the Sakai refinery coker
- (2) Oil drilling investment in Abu Dhabi, Qatar, etc.

■ For more information about capital expenditure, please refer to Page 18.



## [Supplementary Information]

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- |  |               |
|--|---------------|
| <b>1. FY2008 Results and FY2009 Outlook</b>          | <b>P15-20</b> |
| <b>2. Sales-Related Data</b>                         | <b>P21-23</b> |
| <b>3. Data Related to the Petrochemical Business</b> | <b>P24-25</b> |
| <b>4. Reference Information about New Businesses</b> | <b>P26-27</b> |

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

		FY2008 Results	Change from FY2007		FY2009 Outlook
Purchased price of crude oil	Crude oil (FOB) USD/BBL	85.35	8.21	—	50.00
	JPY/USD exchange rate	102.94	△ 11.58	—	100.00
	Purchased price of crude oil (tax inclusive) yen/KL	59,182	66	—	—
Crude oil refining	Refined crude oil volume (1,000 KL)	27,999	△ 929	96.8%	99.6%
	Atmospheric distillation operating ratio (Calendar Day)	76.0%	△ 2.3%	—	75.7%
	Atmospheric distillation operating ratio (Streaming Day <sup>*1</sup> )	86.1%	△ 1.4%	—	88.1%

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

<<Sensitivity>> . . . Anticipated impact by crude oil price and exchange rate fluctuations on inventory valuation gain, in-house fuel cost and timing differences in accounting processing.  
Taking no impact of the cost or market method into consideration

Crude oil + 1 USD/BBL	Petroleum: 1.8 billion yen	Oil exploration and production: 0.9 billion yen
JPY/UD +1 exchange rate	Petroleum: 0.9 billion yen	Oil exploration and production: 0.5 billion yen

<<Crude oil production volume>>

		FY2008 Results	Investment ratio
Oil exploration and production subsidiary production volume <sup>*2</sup>	Abu Dhabi Oil Co., Ltd. (BBL/Day)	22,246	63.0%
	Qatar Petroleum Development Co., Ltd. (BBL/Day)	6,177	85.8%
	United Petroleum Development Co., Ltd. (BBL/Day)	14,167	35.0%

\*2 Production volume: Average production volume by a project company during the term  
Production volume of January-December 2008 because each company ends its fiscal year in December.

# [FY2008 Results & FY2009 Outlook] Selling Volume

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<<Selling volume>>

(1,000 KL)

		FY2008 Results	FY2007 Results	Change	Change from FY2007	FY2009 Outlook (% level of FY2008)
Selling volume in Japan	Gasoline	6,486	6,848	-361	94.7%	97.6%
	Kerosene	2,687	2,811	-123	95.6%	90.3%
	Diesel fuel	4,728	4,864	-136	97.2%	97.5%
	Heavy fuel oil A	2,665	2,752	-87	96.8%	94.6%
	Combined sales of 4 volume products above	16,567	17,275	-708	95.9%	95.9%
	Naphtha	5,734	6,940	-1,206	82.6%	92.9%
	Jet fuel	424	445	-21	95.3%	98.8%
	Heavy fuel oil C	3,165	3,597	-432	88.0%	85.0%
	incl. Heavy fuel oil C for electric power	1,759	1,944	-185	90.5%	79.2%
	Sub-total	25,891	28,258	-2,367	91.6%	93.9%
Export volume	Diesel fuel	1,457	1,331	126	109.4%	107.6%
	Kerosene/JET	101	259	-158	39.1%	435.6%
	Sub-total	1,558	1,590	-32	98.0%	128.9%
Bond sales, etc.	JET	1,587	1,766	-179	89.8%	95.4%
	Heavy fuel oil C	716	783	-67	91.4%	92.2%
	Other	222	135	87	164.4%	226.7%
	Sub-total	2,525	2,684	-159	94.1%	106.0%
Barter deal, etc.		11,210	12,430	-1,219	90.2%	93.1%
Total selling volume		41,184	44,962	-3,778	91.6%	95.8%

**[FY2008 Results] Overall Review of Progress Made by Petroleum Business  
(on A Non-Consolidated Bases) in the Medium-Term Management Plan**

Item	Department	FY2008 Results		
		Apr.- Dec. '08 Results	Jan.- Mar. '09 Results	FY2008 Results
<b>Rationali- zation</b>		(billion yen)	(billion yen)	(billion yen)
	Supply Department	<b>0.3</b>	<b>0.1</b>	<b>0.4</b>
	Sales Department	<b>0.5</b>	<b>0.1</b>	<b>0.6</b>
	Other	<b>0.6</b>	<b>0.6</b>	<b>1.2</b>
	<b>Subtotal</b>	<b>1.4</b>	<b>0.8</b>	<b>2.2</b>
<b>Value creation</b>	Supply Department	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
	Sales Department	<b>1.5</b>	<b>0.5</b>	<b>2.0</b>
	Other	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
	<b>Subtotal</b>	<b>1.5</b>	<b>0.5</b>	<b>2.0</b>
<b>Grand total</b>		<b>2.9</b>	<b>1.3</b>	<b>4.2</b>

## [FY2008 Results]

### <Capital investment and depreciation>

Unit: billion yen

	FY2008 Results	Change from FY2007
Capital investment	67.0	18.0
Depreciation and others	41.5	-1.3

### <Capital Investment by Business Segment>

Unit: billion yen

	FY2008 Results	FY2007 Results	Change from FY2007
Petroleum	48.3	35.1	13.2
<i>Refining and marketing</i>	46.1	32.8	13.3
<i>Petrochemical</i>	1.5	1.0	0.5
<i>Other</i>	0.7	1.3	-0.6
Oil exploration and production	18.5	13.7	4.8
Other	0.2	0.2	0.0
<b>Total</b>	<b>67.0</b>	<b>49.0</b>	<b>18.0</b>

## [FY2009 Outlook]

### <Capital investment and depreciation>

Unit: billion yen

	FY2009 Outlook	Change from FY2008
Capital investment	128.6	61.6
Depreciation and others	43.9	2.4

### <Capital Investment by Business Segment>

Unit: billion yen

	FY2009 Outlook	FY2008 Results	Change from FY2008
Petroleum	103.5	48.3	55.2
<i>Refining and marketing</i>	102.8	46.1	56.7
<i>Petrochemical</i>	1.0	1.5	-0.5
<i>Other</i>	-0.3	0.7	-1.0
Oil exploration and production	24.8	18.5	6.3
Other	0.3	0.2	0.1
<b>Total</b>	<b>128.6</b>	<b>67.0</b>	<b>61.6</b>

## <<Results by Business Segment >>

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Excluding inventory valuation and cost or market method impact)	
		Change from FY2007		Change from FY2007		Change from FY2007		Change from FY2007
<b>Petroleum</b>	3,352.9	-89.3	-162.6	-202.0	-175.1	-221.5	5.1	3.7
Oil exploration and production	89.1	5.0	50.8	7.3	45.9	-1.0	45.9	-1.0
Other business	91.8	-7.2	2.2	-0.3	2.4	-0.5	2.4	-0.5
Write-off	-105.6	-3.4	2.6	4.2	1.8	3.7	1.7	3.6
<b>Total</b>	<b>3,428.2</b>	<b>-94.9</b>	<b>-107.0</b>	<b>-190.8</b>	<b>-125.0</b>	<b>-219.3</b>	<b>55.1</b>	<b>5.8</b>

\* Including negative impact of inventory valuation of ¥171.6 billion (down ¥216.6 billion) in the petroleum business.

\* Including negative impact of the adoption of the lower of cost or market method of ¥8.5 billion (down ¥8.5 billion) in the petroleum business.

\* Including ordinary loss of ¥6.0 billion reported by the petrochemical business (down ¥15.1 billion) in the petroleum business.

**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.

## <<Business Outlook by Business Segment>>

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Excluding inventory valuation and cost or market method impact)	
		Change from FY2008		Change from FY2008		Change from FY2008		Change from FY2008
<b>Petroleum</b>	2,232.0	-1,120.9	60.0	222.6	55.0	230.1	35.0	29.9
Oil exploration and production	57.0	-32.1	23.0	-27.8	25.0	-20.9	25.0	-20.9
Other business	86.0	-5.8	2.0	-0.2	2.0	-0.4	2.0	-0.4
Write-off	-75.0	30.6	0.0	-2.6	0.0	-1.8	0.0	-1.7
<b>Total</b>	<b>2,300.0</b>	<b>-1,128.2</b>	<b>85.0</b>	<b>192.0</b>	<b>82.0</b>	<b>207.0</b>	<b>62.0</b>	<b>6.9</b>

- \* Including positive impact of inventory valuation of ¥11.4 billion (up ¥183.0 billion) in the petroleum business.
- \* Including positive impact of the adoption of the lower of cost or market method of ¥8.6 billion (up ¥17.1 billion) in the petroleum business.
- \* Including ordinary income of ¥4.0 billion reported by the petrochemical business (up ¥10.0 billion) in the petroleum business.

**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)

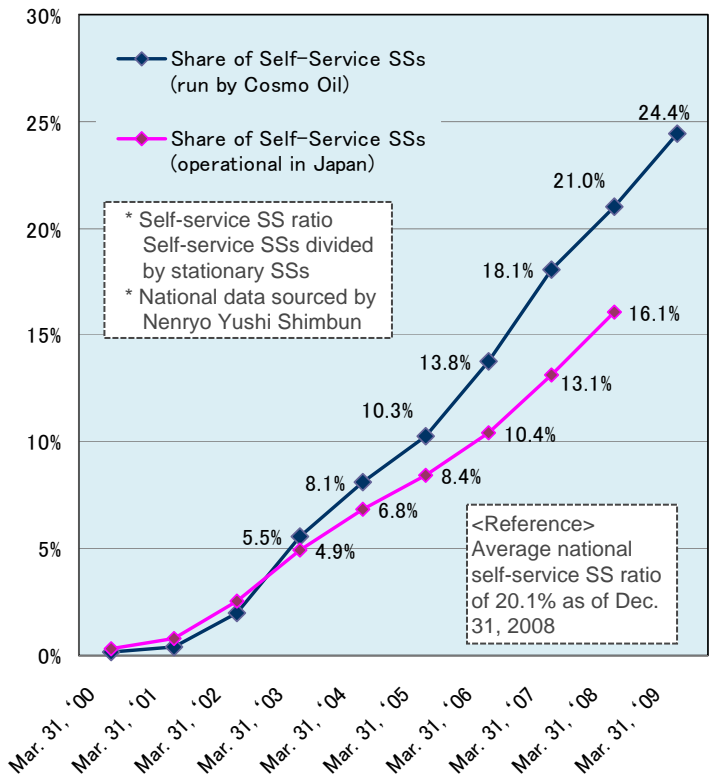
**Oil exploration and production:** Abu Dhabi Oil Co., Ltd., Qatar Petroleum Development Co., Ltd.,  
United Petroleum Development Co., Ltd. (owned by the Cosmo Group on the  
equity method), Other

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

### Self-Service SS Business

As of Mar. 31, '09: 955SSs  
 (No. of new SSs opened in FY 2008: 88SSs)  
 Share of Self-Service SSs: 24.4%

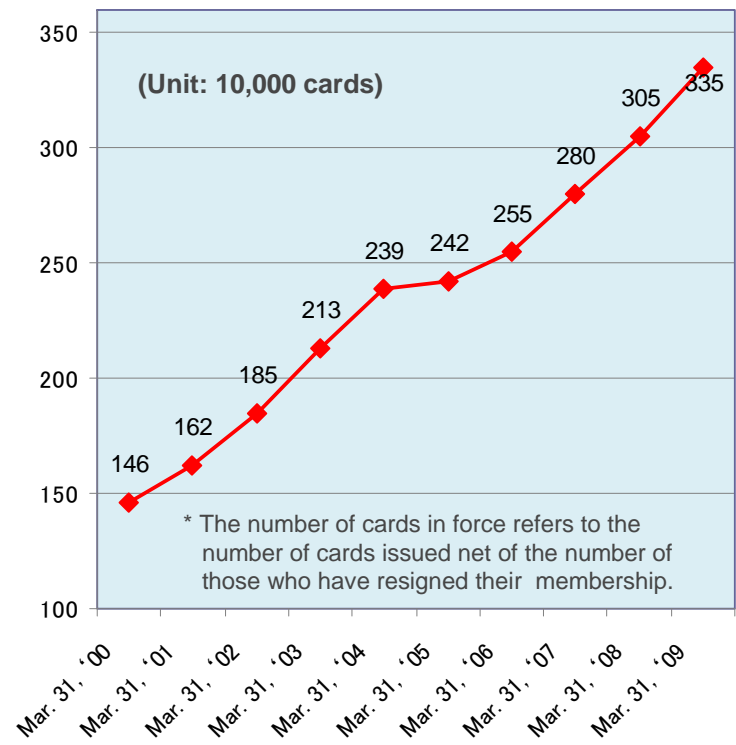
Historical Changes in the Share of Self-Service SSs



### Cosmo The Card

As of Mar. 31, '09: 3.35 mil. cards  
 (No. of new cards issued in FY 2008: 300,000 cards)

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





# [FY2008 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

## Workforce size (No. of persons)

	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
Cosmo Oil alone	1,892	1,837	1,764	1,729	1,718	1,916	1,957	2,064
Cosmo Oil Group	3,978	3,736	3,565	3,480	3,451	3,335	3,299	3,269

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

Note: Data as of March 31 of each fiscal year

## No. of oil storage depots (DTs)

	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
No. of DTs	39	39	38	38	38	38	38	38

Note: Data as of March 31 of each fiscal year

## Estimated Number of SSs by Operator Type (including mobile stations)

	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
Subsidiaries	543	505	525	1,065	1,190	1,122	1,104	1,023
Dealers	4,998	4,767	4,517	3,746	3,456	3,294	3,074	2,937
<b>Total</b>	<b>5,541</b>	<b>5,272</b>	<b>5,042</b>	<b>4,811</b>	<b>4,646</b>	<b>4,416</b>	<b>4,178</b>	<b>3,960</b>

Note: Data up to FY2005 as of December 31 of each year. Data in FY2006 onwards as of March 31 of the year following each fiscal year

## Number of Self-Service SSs out of the Total Estimated Number of SSs Mentioned Above

	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
Subsidiaries	66	159	255	295	370	463	507	551
Dealers	43	126	143	188	256	326	360	404
<b>Total</b>	<b>109</b>	<b>285</b>	<b>398</b>	<b>483</b>	<b>626</b>	<b>789</b>	<b>867</b>	<b>955</b>

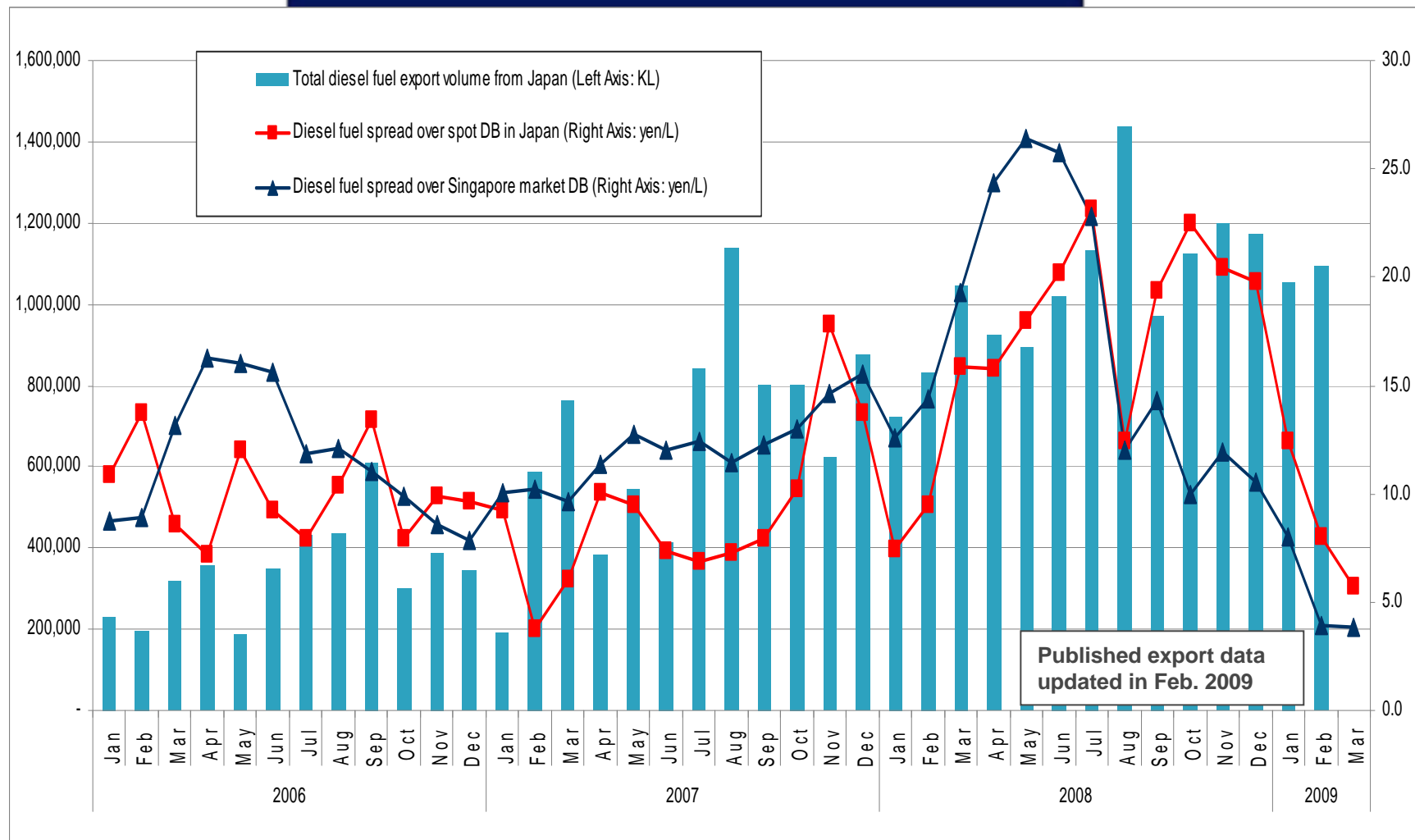
Note: Data as of March 31 of each fiscal year

## Cosmo The Card – Number of cards issued (including the number of Opus cards in force from 2006 onwards)

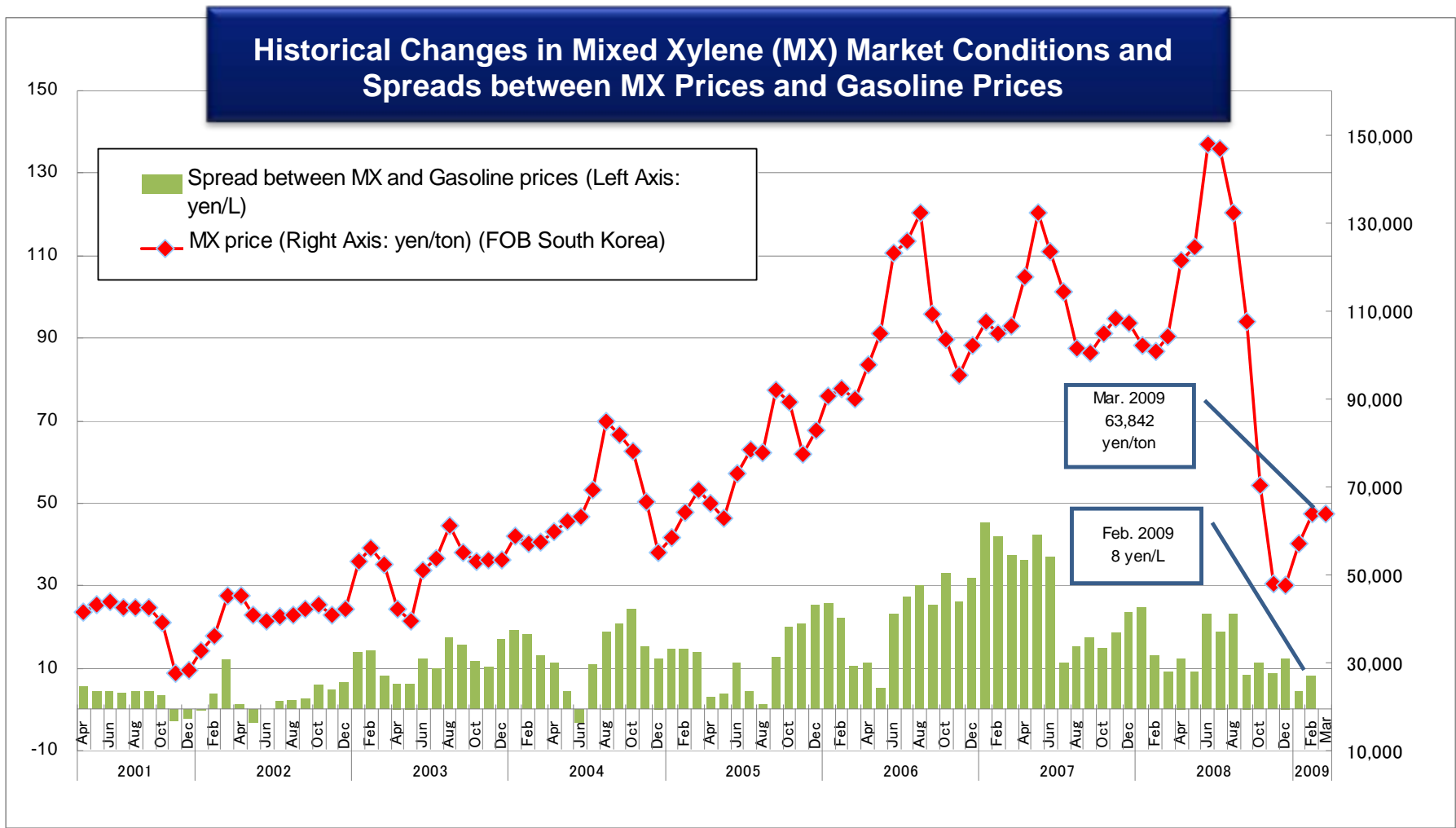
	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
No. of cards in force (10,000 cards)	185	213	239	242	255	280	305	336

Note: Data as of March 31 of each fiscal year

## Historical Changes in Diesel Fuel Export Volume and in Domestic and Overseas Margins

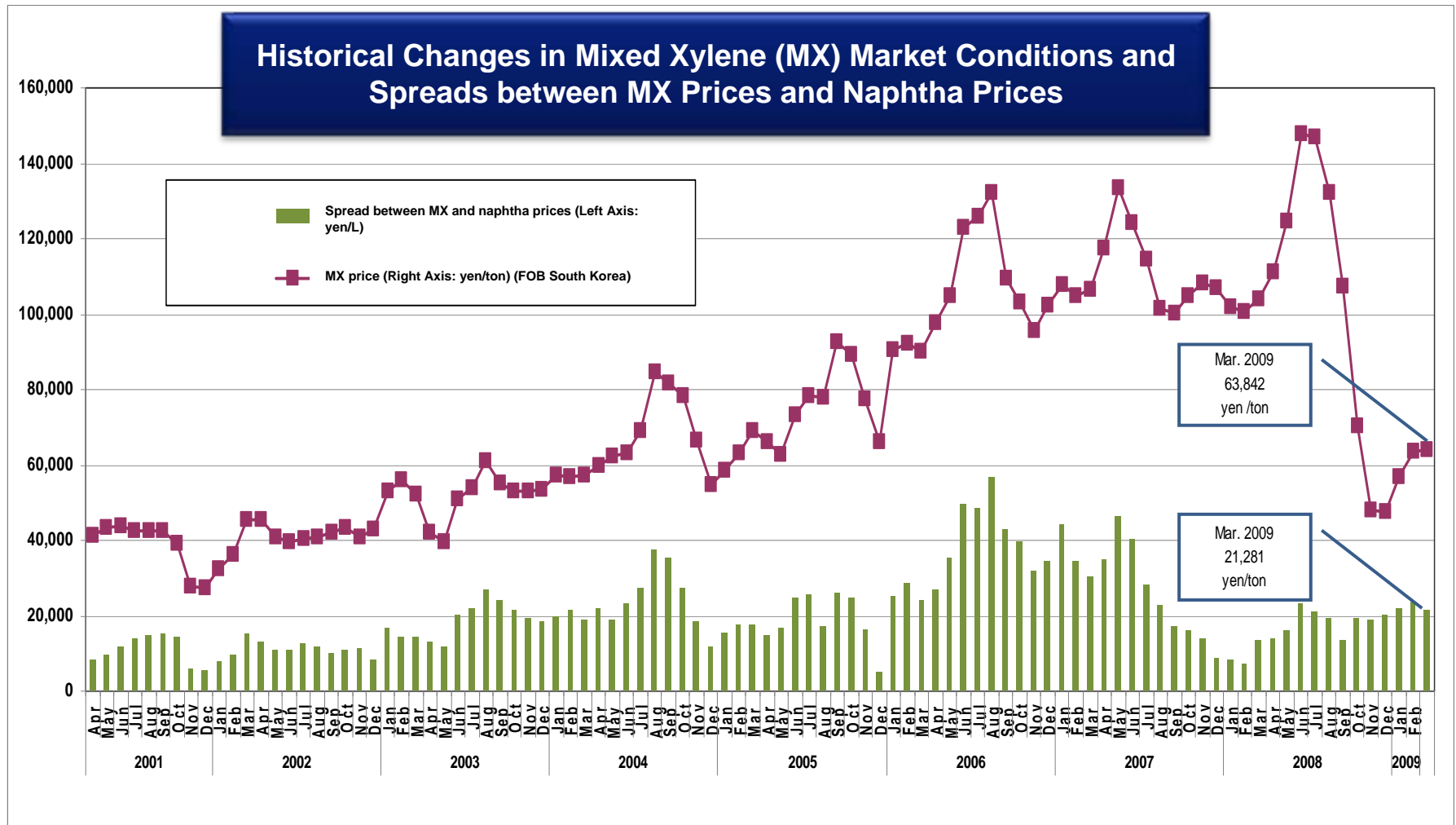


# [Programs for Management Plan] – Petrochemical Business – Mixed Xylene Market Conditions



Information about spreads vs. gasoline prices updated in February 2009.

# [Programs for Management Plan] – Petrochemical Business – Mixed Xylene Market Conditions



New business evolution in the field of environment & ecology expected to grow into a pillar ensuring the future income stream ⇒

## ALA

5-aminolevulinic acid (ALA) is a natural amino acid contained in the bodies of animals and plants where it is used to form hemoglobin in blood and chlorophyll. Cosmo Oil has successfully developed the new process\* to manufacture ALA at a large volume with lower cost than conventional process (Note: \*The fermentation process patented by Cosmo Oil). It is expected to find applications in agricultural, stock farming, medical and other diverse businesses.

Raw material	<b>Raw material business</b>	<p>◆Projects in blue indicate businesses commercially launched</p> <ul style="list-style-type: none"> <li>◆Currently manufacturing and selling ALA as raw material for fertilizers, animal feed and research reagents</li> <li>◆Currently preparing for the manufacture and sales of ALA as raw material for pharmaceutical and health food products</li> </ul>	<p>Cosmo Oil supplies for about 80% of the global ALA demand</p>
	Finalized products	<b>Fertilizer business</b>	<ul style="list-style-type: none"> <li>◆Liquid fertilizers: Currently selling “PENTAKEEP” series for agricultural market and “PENTA GARDEN” series for home gardening market ⇒ Aims for the increase in sales volume both in Japan and Europe and development of the new markets such as China and the U.S.</li> <li>◆Solid fertilizers: Product development started ⇒ Aims for bringing the product to market ASAP</li> </ul>
<b>Animal feed business</b>		<ul style="list-style-type: none"> <li>◆Raw material for fish feed: Registered and currently sold as a finished product in Japan through a partner company</li> <li>◆Livestock feeds: Aims at Japan, the U.S. and Europe ⇒ Currently conducting market research and lab test necessary for regulatory approval</li> </ul>	
<b>Pharmaceuticals, cosmetics, and health food businesses</b>		<p>*Developed and sold by SBI ALA Promo, a JV with SBI Group</p> <ul style="list-style-type: none"> <li>◆Cosmetics*: Started the sales of hand and face cream products from a partner company</li> <li>◆Pharmaceuticals*: Drugs for intra-operative photodynamic diagnosis (PDD) of brain tumor and photodynamic therapy (PDT) of cancers</li> <li>◆Health food*</li> <li>◆Hair-growth reagents: Signed a JV agreement (in Nov. 2008) with Milbon Corp. to develop and manufacture products ⇒ Currently preparing for clinical tests necessary for filing an application for an approval by the Ministry of Health, Labor &amp; Welfare as quasi-drugs</li> </ul>	

**New business evolution in the field of environment & ecology  
⇒ expected to grow into a pillar ensuring the future income stream**

## Concentrated Solar Power (CSP) Generation

- **Partner:** MASDAR (an organization funded by the Abu Dhabi government) and the Tokyo Institute of Technology
- **Objective:** Launch a new CSP generation business in the area which is in the sunbelt region and which has a high demand for power in particular.
- **Progress in business development:**  
Signed a Collaborative Research and Development agreement with the partners to develop the CSP generation technology (in Dec. 2007)  
A pilot plant being under construction in Abu Dhabi (scheduled to be completed in Dec. 2009)

## Biomass Ethanol (1)

- **Partner:** The Papua New Guinea (PNG) government and the East Sepik provincial government
- **Objective:** Grow crops as a raw material for bio-fuels production (which project is assumed to be promoted via a JV company to be established together with the East Sepik provincial government and local residents)
- **Progress in business development:**  
Signed an MOU with the governments to conduct feasibility studies (in Nov. 2008), followed by cropland candidate proposal by the local partner.

## Biomass Ethanol (2)

- **Partner:** Nippon Paper Chemicals Co., Ltd. and Biomaterial in Tokyo (a company to develop the technology to manufacture cellulose biomass ethanol)
- **Objective:** Commercialize manufacturing of biomass ethanol using second-generation raw materials (from plants or wood).
- **Progress in business development:**  
Nippon Paper Chemicals' Gotsu Mill clarified technological issues about the project and is currently making feasibility studies to verify the possibility of such manufacturing.

## Solar Power Generation

- **Objective:** Launch a new business to manufacture polysilicon (polycrystalline silicon) in the future
- **Progress in business development:**  
Make research-level development of the technology to manufacture polysilicon (polycrystalline silicon) at lower cost.

## 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.