

Cosmo Oil Co., Ltd.
**Presentation on Business Results for First
Quarter of Fiscal Year 2008**

August 4, 2008
Satoshi Miyamoto
Managing Director

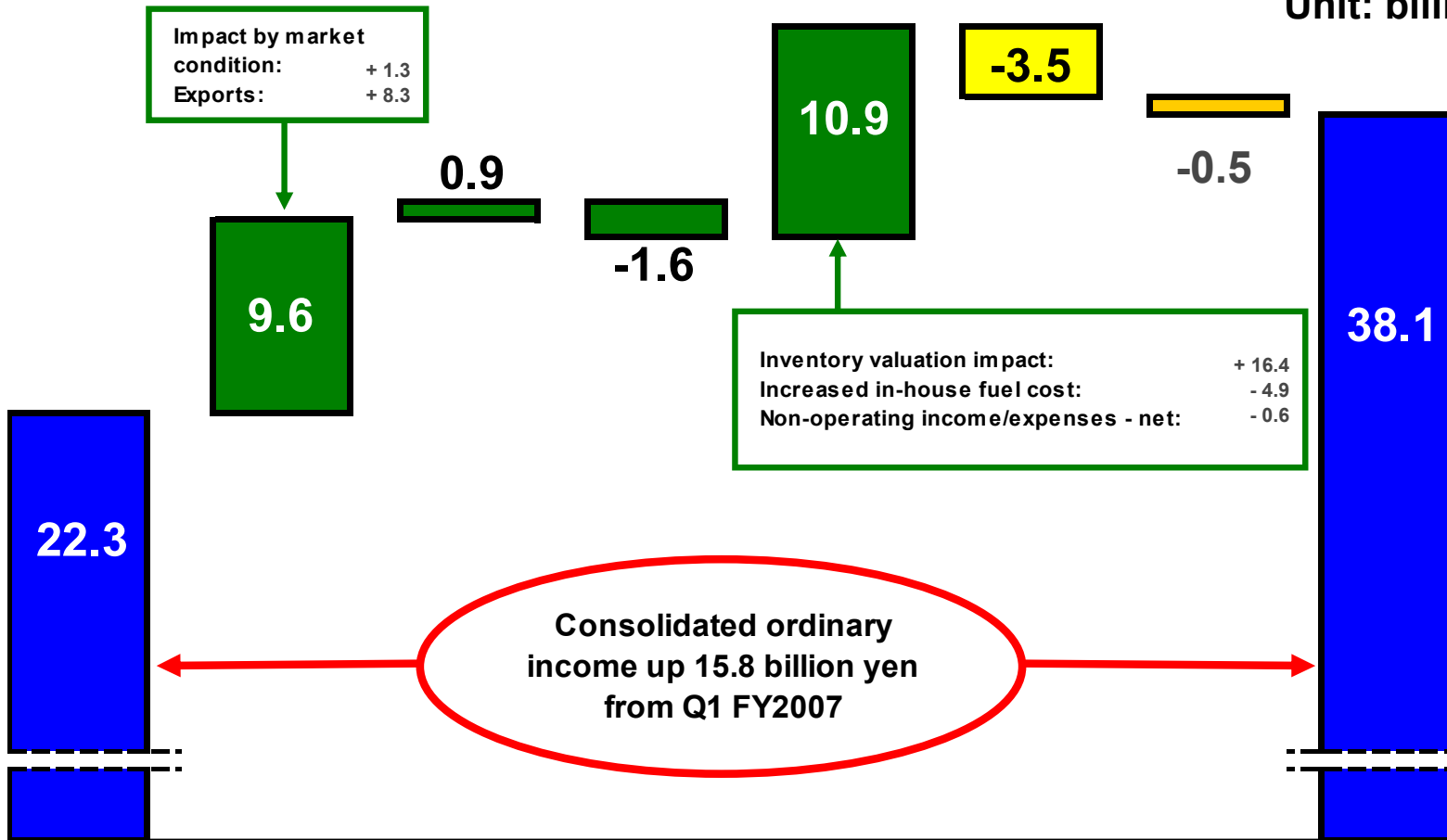
	Q1 FY2008	Q1 FY2007	Change
Consolidated ordinary income	38.1 billion yen	22.3 billion yen	+15.8 billion yen
Inventory valuation impact	36.1 billion yen	19.7 billion yen	+16.4 billion yen



Consolidated Ordinary Income by Business Segment			
	Q1 FY2008	Q1 FY2007	Change
Petroleum	34.7 billion yen	15.0 billion yen	+19.8 billion yen
Oil exploration and production	5.2 billion yen	8.6 billion yen	-3.5 billion yen
Other	-1.8 billion yen	-1.3 billion yen	-0.5 billion yen

[Q1 FY2008 Results] Consolidated Ordinary Income - Analysis of Changes from Q1 FY2007

Unit: billion yen



1Q FY2007 results	1Q FY2008 results						1Q FY2008 results
Ordinary Income	Petroleum Business				Oil exploration and production business	Other business	Ordinary Income
	Market conditions/ Exports	Benefits from Medium-Term Mgmt Plan	Petrochemical	Other			

[Q1 FY2008 Results] Outline of Consolidated Cash Flows and Balance Sheets

	Results as of Jun. 30, 2008	Change from Mar. 31, 2008	Unit: billion yen
Cash flows from operating activities	-38.0	-	
Cash flows from investing activities	-13.7	-	
Cash flows from financing activities	70.0	-	
Cash and cash equivalents at end of the period	98.0	15.3	

	Results as of Jun. 30, 2008	Results as of Mar. 31, 2008	Change
Total Assets	1,765.6	1,627.9	137.7
Net assets	501.4	469.7	31.7
Net worth	475.6	442.9	32.7
Net worth ratio	26.9%	27.2%	Down 0.3 % points
Interest-bearing debts (including zero coupon corporate bonds)	596.2	521.6	74.6
Debt dependence ratio	33.8%	32.0%	Up 1.8 % points
Debt Equity Ratio (Times)	1.3	1.2	Up 0.1 % points
Net interest-bearing debt (including zero coupon corporate bonds)*	498.2	438.9	59.3
Debt dependence ratio	28.2%	27.0%	Up 1.2 % points
Debt Equity Ratio (Times)	1.0	1.0	—

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

[1H FY2008 Outlook] Business Outlook – Change from Previous Forecast (Announced on May 9, 2008)

	Forecast for H1 FY2008	Previous Forecast	Change
Consolidated ordinary income	82.0 billion yen	31.0 billion yen	+51.0 billion yen
Inventory valuation impact	54.0 billion yen	0 billion yen	+54.0 billion yen

Crude oil price and foreign exchange assumptions:

Crude oil price: US\$120/bbl

Yen-dollar exchange rate: ¥105/US\$

* Assumed for July-Sept. 2008

Crude oil price: US\$95/bbl

Yen-dollar exchange rate: ¥100/US\$

* Assumed for FY2008

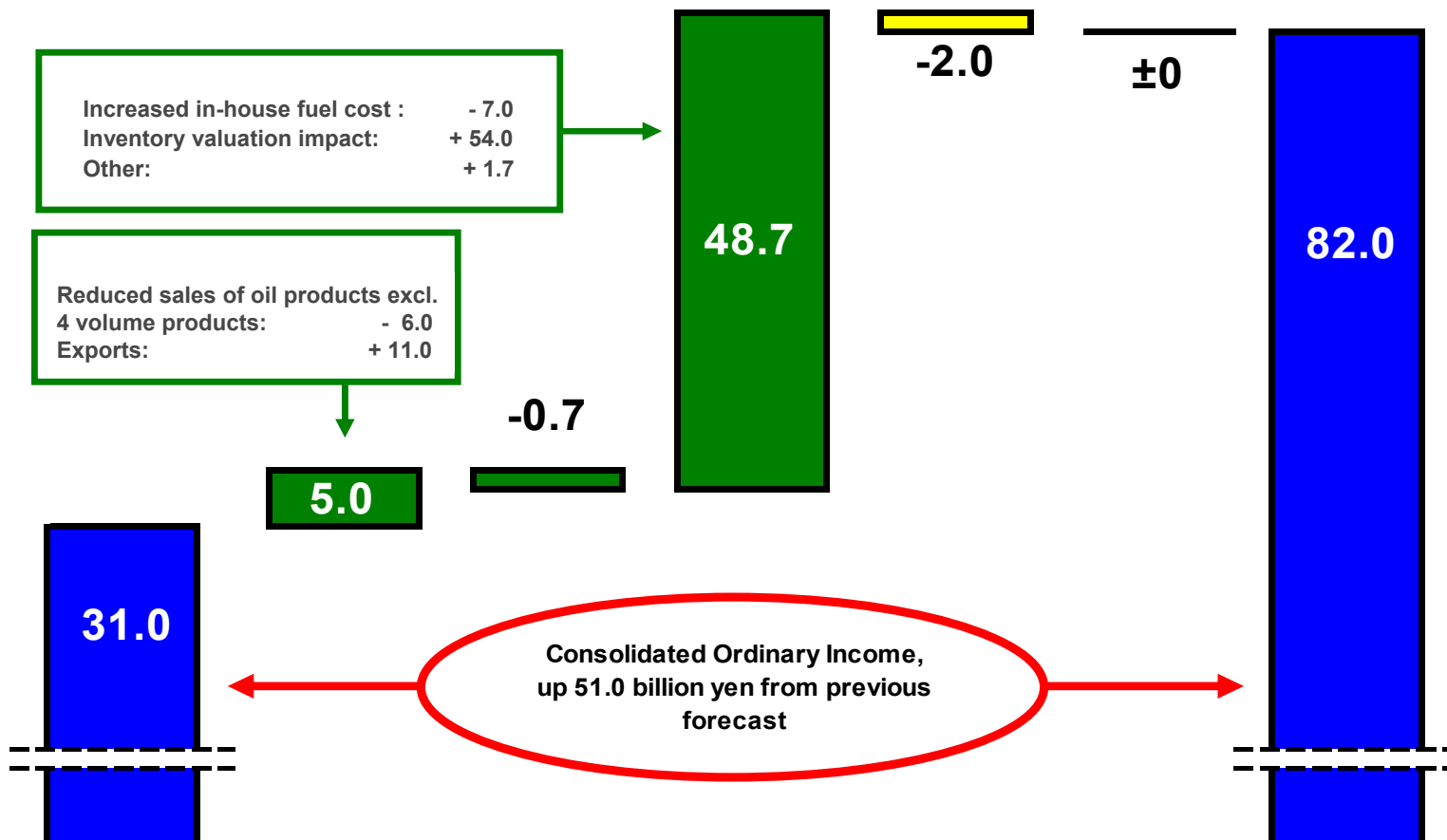


Consolidated Ordinary Income by Business Segment

	Forecast for H1 FY2008	Previous Forecast	Change
Petroleum	58.0 billion yen	5.0 billion yen	+53.0 billion yen
Oil exploration and production	24.0 billion yen	26.0 billion yen	-2.0 billion yen
Other	0 billion yen	0 billion yen	±0 billion yen

[1H FY2008 Outlook] Consolidated Ordinary Income – Updated Analysis of Expected Changes from Previous Forecast (Announced on May 9, 2008)

Unit: billion yen



1H FY2008 Forecast Previously Announced

Updated 1H FY2008 Forecast

Ordinary Income	Petroleum Business			Oil exploration and production business	Other business	Ordinary Income
	Market conditions/ Exports	Petrochemical	Other			

[Q1 FY2008 Results & FY2008 Outlook] Outline of Consolidated Capital Investment

[Q1 FY2008 Results]

<Capital expenditures and depreciation>

	Q1FY08 Results	Change from Q1FY07
Capital expenditures	17.3	9.8
Depreciation expense amount	11.1	0.8

Unit: billion yen

<Capital expenditures by Business Segment>

	Q1FY08 Results	Q1FY07 Results	Change from Q1FY07
Petroleum	12.2	5.0	7.2
<i>Refining and sales</i>	11.5	4.5	7.0
<i>Petrochemical</i>	0.4	0.1	0.3
<i>Other</i>	0.3	0.3	0.0
Oil exploration and production	5.1	2.6	2.5
Other	0.0	0.0	0.0
Total	17.3	7.5	9.8

[FY2008 Outlook]

<Capital expenditures and depreciation>

	FY08 Outlook	Change from FY07
Capital expenditures	80.2	31.2
Depreciation expense amount	42.4	-0.4

* The above forecast remain unchanged from the forecast previously announced (on May 9, 2008)

<Capital expenditures by Business Segment>

	FY08 Outlook	FY07 Results	Change from FY07
Petroleum	60.9	35.1	25.8
<i>Refining and sales</i>	55.7	32.8	22.9
<i>Petrochemical</i>	1.9	1.0	0.9
<i>Other</i>	3.3	1.3	2.0
Oil exploration and production	19.1	13.7	5.4
Other	0.2	0.2	0.0
Total	80.2	49.0	31.2

Supplementary Information

1. **[Q1 FY2008 Results and 1H FY2008 Outlook Assumptions] Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Crude Oil Production Volume**
2. **[Q1 FY2008 Results and 1H FY2008 Outlook Assumptions] Selling Volume**
3. **[Q1 FY2008 Results & FY2008 Outlook] Overall Review of Progress Made by Petroleum Business (on A Non-Consolidated Basis) in the Medium-Term Management Plan (MTMP)**
4. **[Q1 FY2008 Results] Results by Business Segment – Change from Q1 FY2007**
5. **[1H FY2008 Outlook] Business Outlook by Business Segment – Change from Previous Forecast (on May 9, 2008)**
6. **[Q1 FY2008 Results] Self-Service SSs Operational and Cosmo The Cards in Force**
7. **[Q1 FY2008 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>

		Q1FY08 Results	Change from Q1FY07		Assumption for 1H FY08
Purchased price of crude oil	Crude oil (FOB) USD/BRL	109.89	45.91	—	120.00 (Jul-Sept '08)
	JPY/USD exchange rate	102.67	-16.72	—	105.00
	Purchased price of crude oil (tax inclusive) yen/KL	74,551	23,201	—	—
Crude oil refining	Refined crude oil volume (1,000 KL)	6,904	551	108.7%	98.0% (Change from previous forecast)
	Atmospheric distillation operating ratio (Calendar Day)	75.1%	6.0%	—	78.1%
	Atmospheric distillation operating ratio (Streaming Day ^{*1})	88.5%	3.9%	—	—

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

<Crude oil production volume>

		Q1FY08 Results	Investment Ratio
Oil exploration and production subsidiary production volume*2	Abu Dhabi Oil Co., Ltd.	22,234	63.0%
	Qatar Petroleum Development Co., Ltd.	5,270	85.8%
	United Petroleum Development Co., Ltd.	12,981	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 2008 and December 2008 for each company whose accounting period runs from January to December of the calendar year.

[Q1 FY2008 Results and 1H FY2008 Outlook Assumptions] Selling Volume

Supplementary
Information – 2

<Selling volume>

(unit:1,000kl)

		Q1FY08 Results	Q1FY07 Results	Change	Change from Q1FY07 based on its level as 100%	Assumption for 1HFY08 (change from previous forecast)
Selling volume in Japan	Gasoline	1,698	1,721	-23	98.7%	100.6%
	Kerosene	440	439	1	100.3%	102.3%
	Diesel fuel	1,229	1,194	35	103.0%	103.1%
	Heavy fuel oil A	629	635	-6	99.1%	103.3%
	Combined sales of 4 volume products above	3,996	3,988	8	100.2%	102.0%
	Naphtha	1,286	1,726	-440	74.5%	98.2%
	Jet fuel	82	101	-19	81.7%	89.2%
	Heavy fuel oil C	802	716	86	112.0%	86.9%
	incl. CFO for electric power generation	423	282	141	150.0%	80.0%
	Total sales volume in Japan	6,166	6,531	-365	94.4%	98.9%
Export volume	Total volume of diesel fuel and jet fuel	430	227	203	189.4%	100.0%
Total selling volume		10,018	10,227	-209	98.0%	100.1%

[Q1 FY2008 Results & FY2008 Outlook] Overall Review of Progress Made by
 Petroleum Business
 (on A Non-Consolidated Basis) in the Medium-Term Management Plan (MTMP)

Item	Department	Original plan for FY08	Q1FY08 Results	Q2FY08 forecast	1HFY08 forecast	2HFY08 forecast	FY08 forecast	Achievement rate
		(billion yen)	(billion yen)	(billion yen)	(billion yen)	(billion yen)	(billion yen)	(%)
Rationalization	Supply Department	0.6	0.1	0.0	0.1	0.5	0.6	100%
	Sales Department	0.3	0.1	0.0	0.1	0.2	0.3	100%
	Othsr	1.2	0.2	0.3	0.5	0.7	1.2	100%
	Subtotal	2.1	0.4	0.3	0.7	1.4	2.0	95%
Value creation	Supply Department	0.0	0.0	0.0	0.0	0.0	0.0	-
	Sales Department	2.0	0.5	0.5	1.0	1.0	2.0	100%
	Othsr	0.0	0.0	0.0	0.0	0.0	0.0	-
	Subtotal	2.0	0.5	0.5	1.0	1.0	2.0	100%
Grand total		4.1	0.9	0.8	1.7	2.4	4.0	98%

[Q1 FY2008 Results] Results by Business Segment – Change from Q1 FY2007

Supplementary Information – 4

<Results by Business Segment>

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income	
		Change from Q1FY07		Change from Q1FY07		Change from Q1FY07
Petroleum	898.0	155.8	36.4	21.7	34.7	19.8
Oil exploration and production	18.3	2.2	9.8	2.5	5.2	-3.5
Other business	20.0	-0.2	0.7	0.2	0.7	0.2
Write-off	-20.8	-2.6	-2.1	-0.4	-2.5	-0.7
Total	915.5	155.2	44.8	24.0	38.1	15.8

* Figures for the petroleum segment include a positive inventory valuation impact of 36.1 billion yen (up 16.4 billion yen from the first quarter of FY2007.)

* Figures for the petroleum segment also include the petrochemical business's ordinary income of 1.6 billion yen (down 1.6 billion yen from the first quarter of FY2007.)

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.**

[1H FY2008 Outlook] Business Outlook by Segment – Change from Previous Forecast (Announced on May 9, 2008)

<Business Outlook by Segment>

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income	
		Change from previous announcement		Change from previous announcement		Change from previous announcement
Petroleum	1,972.0	298.0	62.0	53.5	58.0	53.0
Oil exploration and production	49.0	2.0	25.0	0.0	24.0	-2.0
Other business	43.0	1.0	0.0	-0.5	1.0	0.0
Write-off	-44.0	-1.0	-1.0	0.0	-1.0	0.0
Total	2,020.0	300.0	86.0	53.0	82.0	51.0

*Figures for the petroleum segment include a positive inventory valuation impact of 54.0 billion yen (up 54.0 billion yen from the previous forecast announced on May 9, 2008.)

*Figures for the petroleum segment also include the petrochemical business's ordinary income of 2.4 billion yen (down 0.7 billion yen from the previous forecast announced on May 9, 2008.)

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

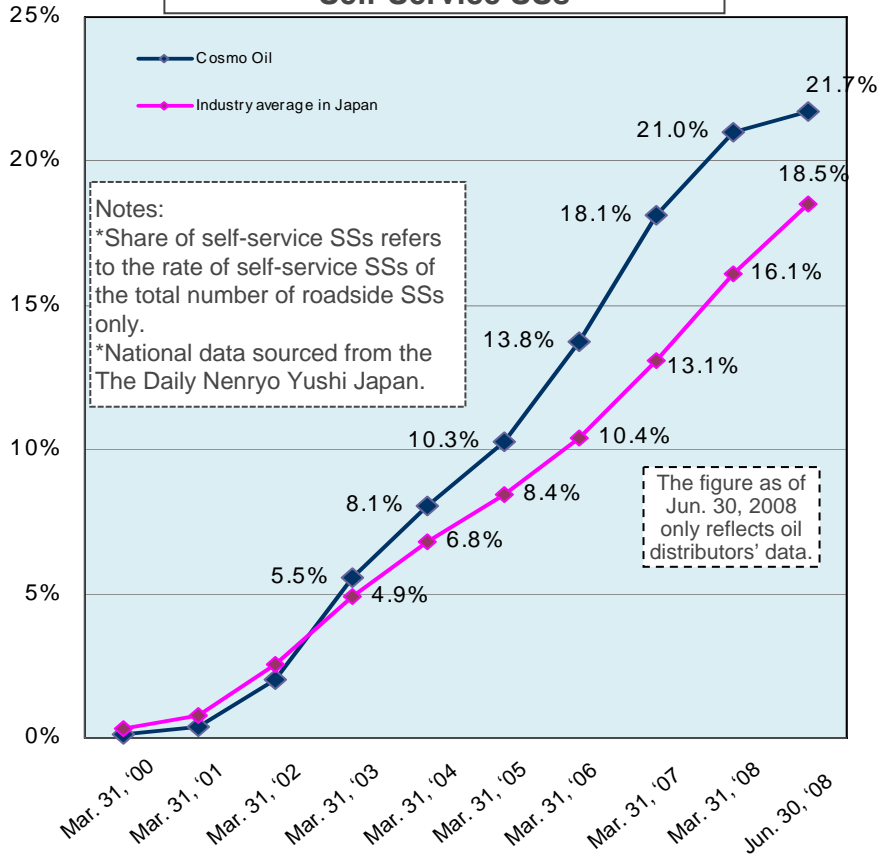
Other: Cosmo Engineering Co., Ltd., Cosmo Trade & Services Co., Ltd., etc.

[Q1 FY2008 Results] Self-Service SSs Operational and Cosmo The Cards in Force

Self-Service SS Business

As of Jun. 30, 2008: 886SSs
 (No. of new SSs opened in Apr.-Jun. '08: 19SSs)
Share of Self-Service SSs: 21.7%

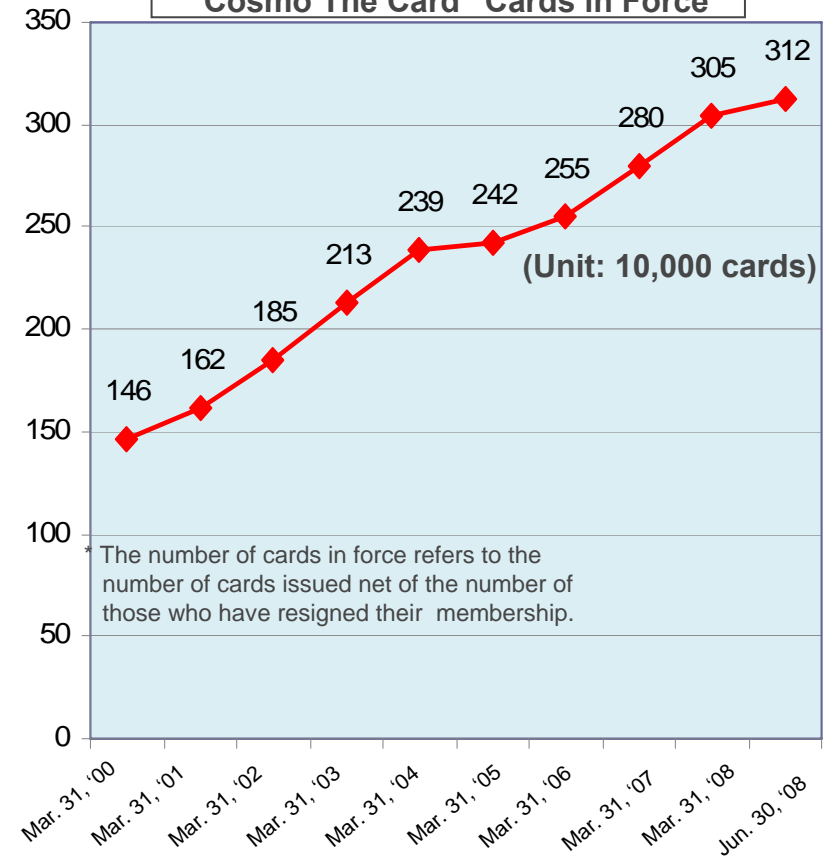
Historical Changes in the Share of Self-Service SSs



Cosmo The Card

As of Jun. 30, 2008: 31.2 mil. cards
 (No. of new cards issued in Apr.-Jun. '08: 70,000 cards)

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



[Q1 FY2008 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

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	Mar 31, '08	Jun 30, '08
Cosmo Oil alone	2,677	2,048	1,970	1,892	1,837	1,764	1,729	1,718	1,916	1,957	1,966
Cosmo Oil Group	5,256	4,600	4,416	3,978	3,736	3,565	3,480	3,451	3,335	3,299	3,244

* 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	Mar 31, '08	Jun 30, '08
No. of DTs	52	45	41	39	39	38	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	Mar 31, '08	Jun 30, '08
Cosmo Oil-owned	1,105	1,065	1,010	977	959	930	899	886	901	870	869
Individually-owned	5,376	5,040	4,769	4,564	4,313	4,112	3,912	3,760	3,515	3,308	3,264
Total	6,481	6,105	5,779	5,541	5,272	5,042	4,811	4,646	4,416	4,178	4,133

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	Mar 31, '08	Jun 30, '08
Cosmo Oil-owned	3	6	16	77	198	279	327	407	500	531	539
Individually-owned	2	2	7	32	87	119	156	219	289	336	347
Self-Service SSs	5	8	23	109	285	398	483	626	789	867	886
Auto B-Cle	-	-	-	217	428	652	652	469	445	414	411

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	Mar 31, '08	Jun 30, '08
No. of cards in force	135	146	162	185	213	239	242	255	280	305	312

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.