

Cosmo Oil Co., Ltd.
**The Third Consolidated Medium-Term
Management Plan**
**Progress Made in the First Half of
FY2009 and Future Policy**

November 5, 2009

Representative Director and President: Yaichi Kimura
Managing Director: Satoshi Miyamoto, Hideto Matsumura

Today's Agenda



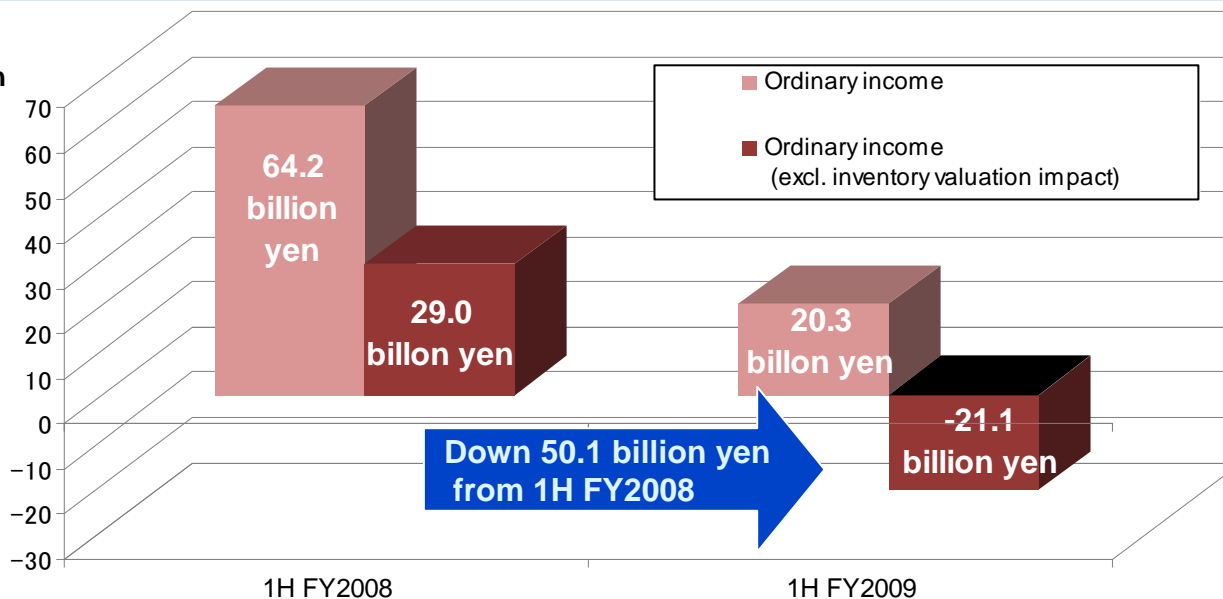
Results of the First Half of FY2009 - Changes from 1H FY2008

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Summary

- Crude oil prices hovered at a high level
- Reduced oil product demand both inside and outside Japan due to the impact of the global recession

Unit: billion yen



Key Points of Results of 1H FY2009

Petroleum business

Lower refining margin in Japan and deteriorated overseas market conditions significantly reduced profit from 1H FY2008.

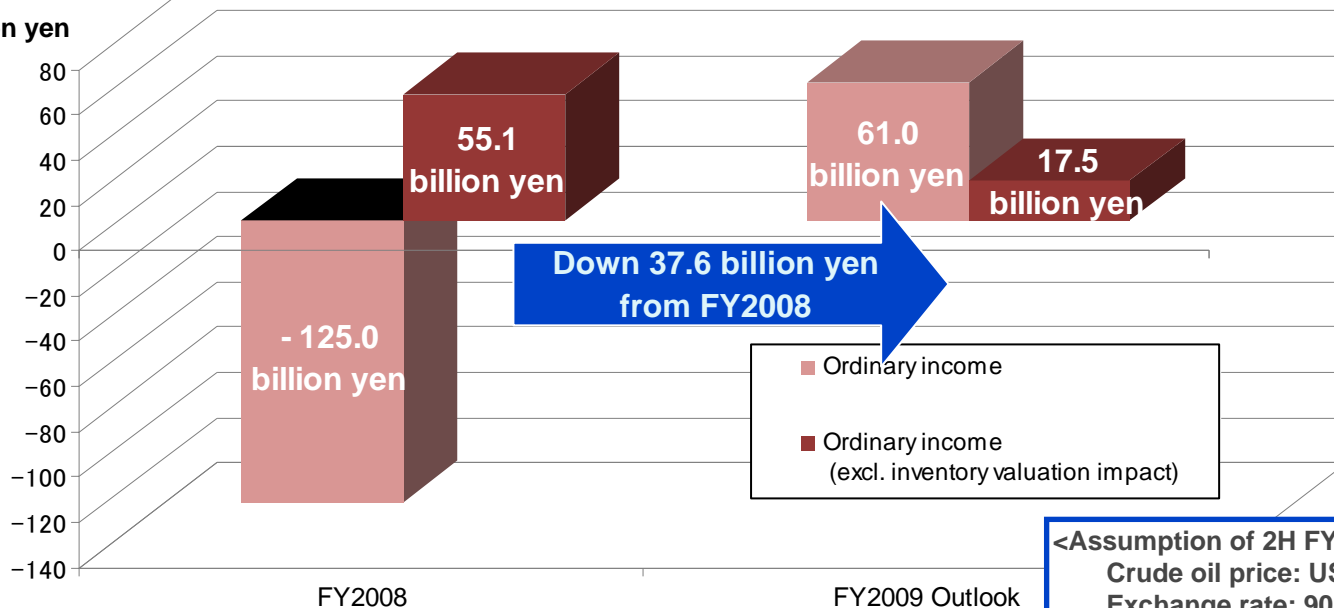
Oil E & P business

Lower crude oil prices than 1H FY2008 reduced profit.

Summary

- Crude oil prices expected to hover at a high level and the assumption that the market environment may continue to be difficult.
- The company aims at achieving the annual business plan for 2H FY2009.

Unit: billion yen



Management Policy for Full-Year (2H) FY2009

Petroleum business

Execute the strategic operations of refining facilities toward appropriate market condition adjustments to strive for actively increasing margins to secure profit.

Oil E & P business

Under the environment where crude oil prices may hold high, make stable oil production to secure profit.

FY2005-09: Strategic moves for future growth ⇒ FY2010 onwards: Establish the earnings base

Environment foresight

- <Inside Japan>**
Accelerating reductions in demand for oil products and on-going changes in the demand structure
- <Outside Japan>**
Increasing demand for petroleum and petrochemical products
- <Crude oil prices>**
May continue to hold high

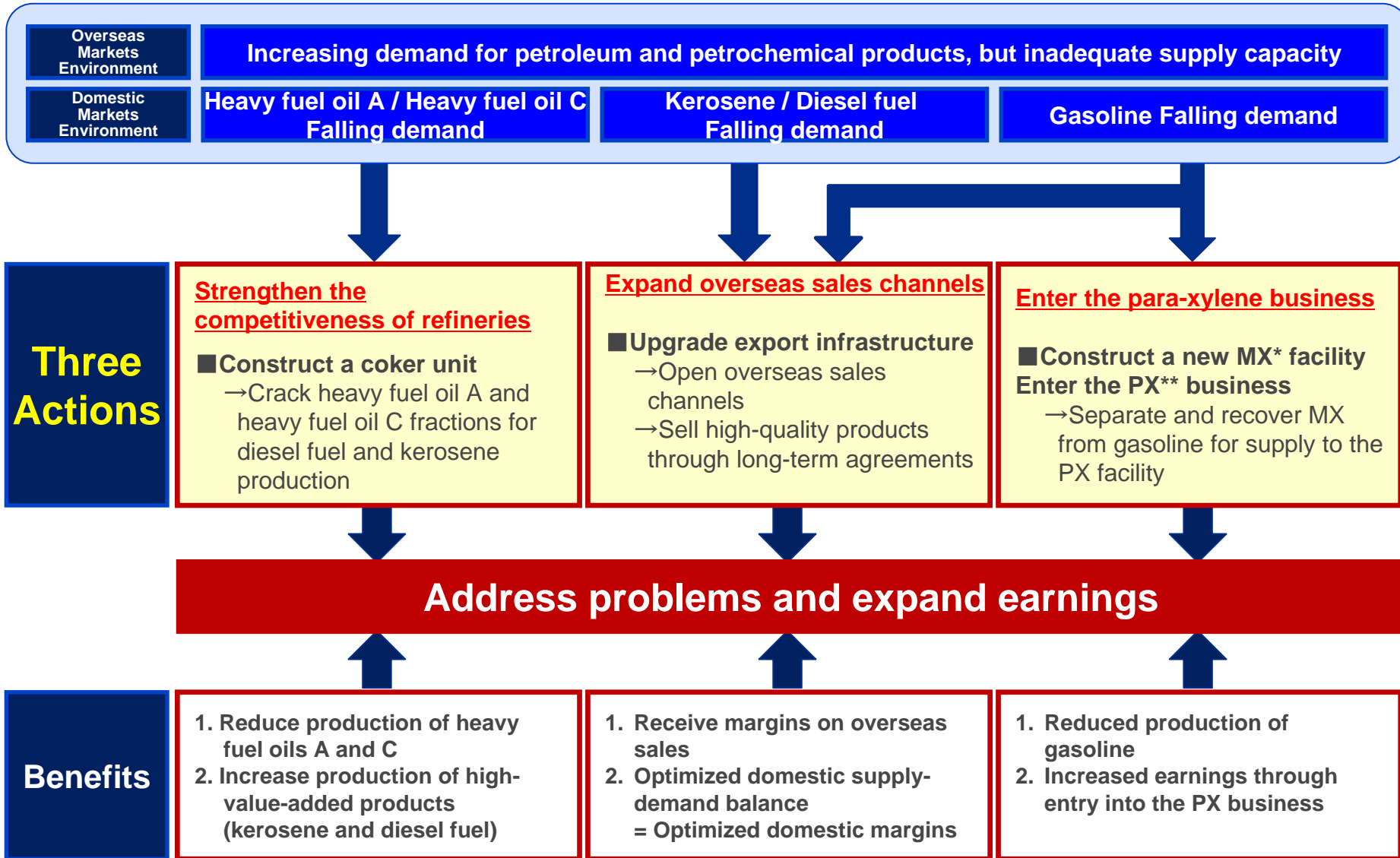
Next Medium-Term Management Plan (FY2010-12) – Action plan

- Maximize the use of the coker unit
- Break into the PX* business on a full-scale basis
Get the new MX** plant started
- Restructure the oil and petrochemical product portfolio and sales channels therefor on a global scale.
- Increase crude oil volume to enhance exploration and production
- Put plans for new other projects than oil-related business into reality as early as possible
- Further rationalization



Improve profitability and financial structure qualitatively

*PX: Paraxylene
**MX: Mixed xylene



*MX: Mixed xylene
**PX: Paraxylene

**Signing of Agreement with Hyundai Oilbank (HDO),
an IPIC group company, in relation to the establishment
of a Paraxylene Business Joint Venture Company (JVC)**

- ◆ Outline of the Joint Venture Business Plan:
 - JVC to be established in November 2009
 - Investment ratio: Cosmo 50%, HDO 50%
 - Production structure and scale:
 - a) Existing PX plant using naphtha as feedstock (380kton/year, to be purchased from HDO in December 2009)
 - b) New PX plant using mixed-xylene ("MX") as feedstock (800kton/year, expected to start operation in 2013)
 - Investment value of about 100 billion yen:
 - Money invested: About 30 bn yen (about 15 bn yen by Cosmo Oil)
 - Money borrowed: About 70 bn yen (by the JVC)

**Establish a new MX
distillation plant at
Yokkaichi Refinery**

- ◆ Outline of the investment plan:
 - Operations to be started in 2011
 - Production scale: 300,000 tons/year
⇒ Gasoline
Reduction of 700,000 kl/year
 - Investment value: About 5 billion yen

**Overwhelmingly strong cost
competitiveness owing to scale merit**

**Responding to the decrease in the
domestic demand for gasoline**

Enrich the product portfolio through integrated crude oil-PX production

Overwhelmingly strong cost competitiveness owing to scale merit

- ◆ The world's largest PX production scale -- 800,000 tons a year at the new plant and 1.18 mil tons a year at a single refinery

PX business entry to enrich the product portfolio covering highly value added business areas

- ◆ Capturing the margin between crude oil and PX
- ◆ PX is the raw material for various essential commodities such as polyester fiber, PET resins, etc. that has no direct substitutes
 - ⇒ Demand for polyester is correlated with the rising population and PX is expected to expand at a steady rate

Taking advantage of the best timing to invest

- ◆ An investment plan aiming at an expected increase in the PX margin after 2013

Enjoying the merits of expanding business abroad (Korea)

◆ Utilization of the preferential tax treatment

Korea

- Lower corporation tax rate: currently 24.2% which will decrease down to 22.0% from 2010
- Preferential tax treatment for foreign companies (foreign investment ratio 50%): preferential tax rate for 7 years(*) (1st -5th year: 11%, 6th -7th year: 16.5%, 22.0% thereafter)

Japan

- Exemption of tax charge against dividends received from a foreign subsidiary. From Apr. 2009, only the foreign tax rate will apply against almost all taxable income

Note: The application of the above preferential tax treatment subject to the examination by the ROK authorities. 7 years of application after taxable income generation.

Utilizing HDO's know-how and resources

- ◆ Utilization of HDO's business know-how and resources (e.g. human capital, land, plant infrastructure)

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

**2H FY2009
Plan**

- Additional rig installation by Abu Dhabi Oil to maintain production volume and keep production stable
- Qatar Petroleum Development steadily working on development toward the kick-off of commercial production of the "A-Structure South Oil Field"

Abu Dhabi

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

Qatar

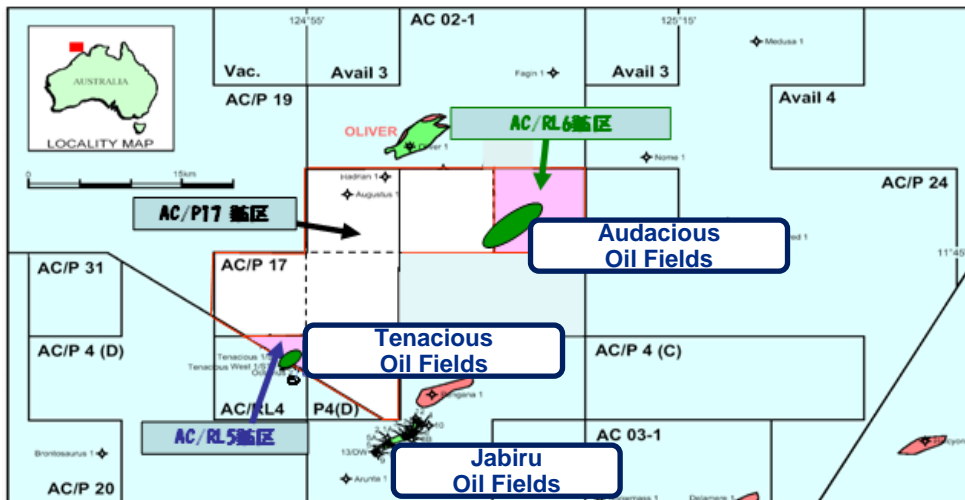
<Under production> Qatar Petroleum Development Co., Ltd.,
 <Start production> A-Structure South Oil Field scheduled for FY 2010
 <Under exploration> Block 3 and Blok 11 Mine Lots

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

Mine Lot Map in Australia



- ◆ 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

[Growth Strategy] Further Enhancement in Profitability of Oil Refining and Marketing Business – Sales in Japan

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

Basic Policy

Build the sales base that could secure sufficient profitability even in the low-margin environment

1H FY2009

Quality market share expansion

Combined ratio of Cosmo Oil marketing companies + Brand core dealers : 51% (FY2010)

46%

Self-Service SSs Operational

Self-service SS ratio: 26%

Proprietary card issuance

Number of cards in force: 3.48 million

Price formula plan

Market-linked wholesale price formula plan and weekly price setting plan (adopted in April 2009)

- 100% market-linked
- 75% market-linked + 25% crude oil cost
- 50% market-linked + 50% crude oil cost

※ Floor price = crude oil price (CIF) + petroleum tax + in-house fuel cost

Added in Oct. 2009

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.



Cosmo Oil supplies for about 80% of the global ALA demand

(2) Concentrated solar power generation

(3) Biomass ethanol

(4) Solar power generation

[1H FY2009 Results] Highlights of Consolidated Operating results - Changes from 1H FY2008

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	1H FY2009	1H FY2008	Change from 1H FY2008
Consolidated ordinary income	20.3billion yen	64.2billion yen	-43.9billion yen
<i>Impact of the inventory valuation</i>	<i>41.4billion yen*</i>	<i>35.2billion yen</i>	<i>6.2billion yen</i>
Consolidated Ordinary Income (Excluding Inventory Evaluation Impact)	-21.1billion yen	29.0billion yen	-50.1billion yen
Purchased price of crude oil JPY/USD exchange rate:	Crude oil price: 60.80 USD/B Exchange rate: 96.33 yen/USD	Crude oil price: 117.01 USD/B Exchange rate: 105.37yen/USD	Crude oil price: -56.21 USD/B Exchange rate: -9.04yen/USD

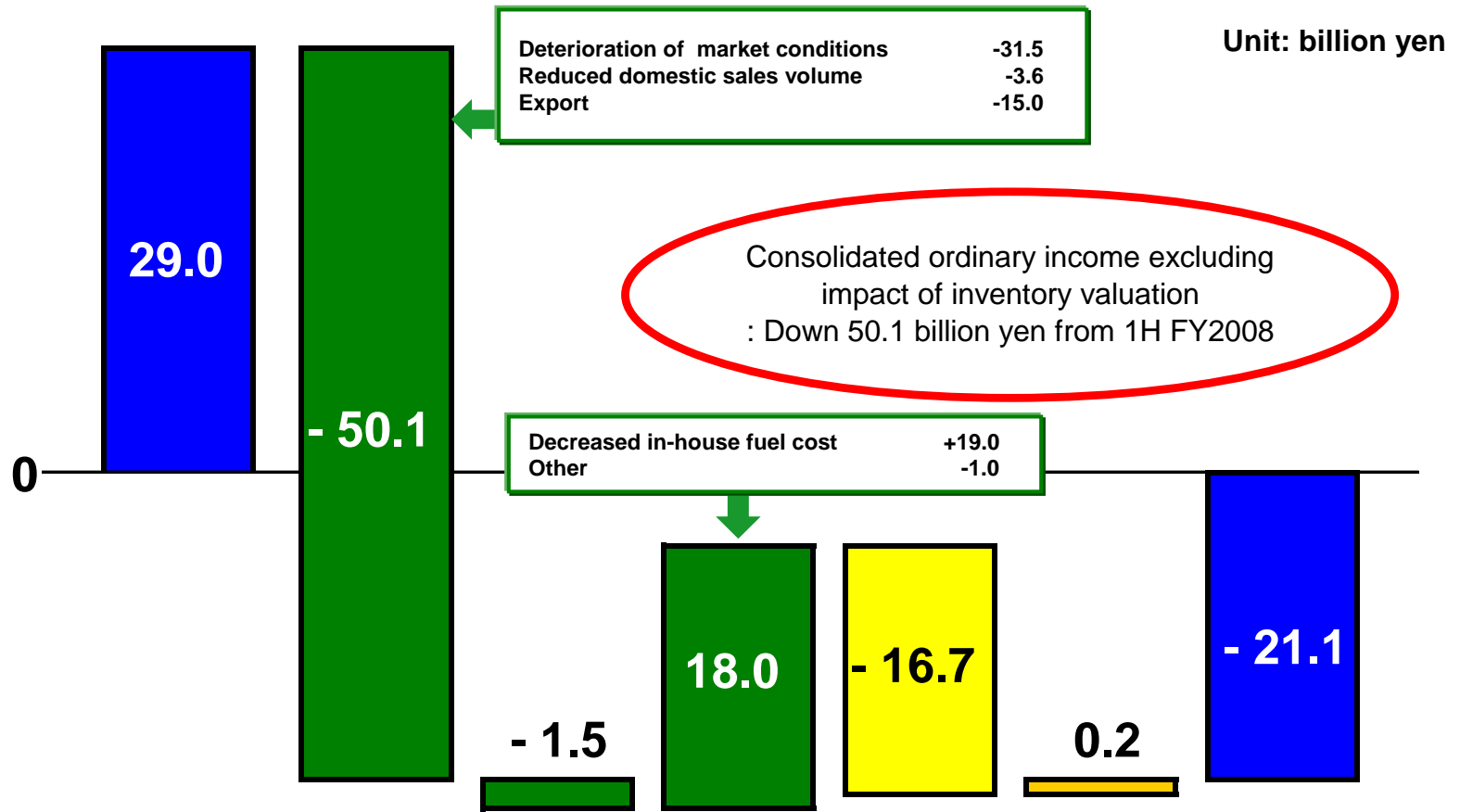


Consolidated Ordinary Income by Business Segment

	1H FY2009	1H FY2008	Change from 1H FY2008
Petroleum business	8.9billion yen	35.2billion yen	-26.3billion yen
<i>Petrochemical</i>	<i>1.6billion yen</i>	<i>3.1billion yen</i>	<i>-1.5billion yen</i>
<i>Impact of the inventory valuation</i>	<i>41.3billion yen*</i>	<i>34.0billion yen</i>	<i>7.3billion yen</i>
Petroleum business excluding petrochemical business results and inventory valuation impact	-34.0billion yen	-1.9billion yen	-32.1billion yen
Oil E & P business	12.8billion yen	29.5billion yen	-16.7billion yen
Other	-1.4billion yen*	-0.5billion yen	-0.9billion yen

*Breakdown of negative inventory valuation impact of 41.4 billion yen: 41.3 billion yen from the petroleum business segment and 0.1 billion yen from the "other business" segment.

[1H FY2009 Results] Consolidated Ordinary Income (Excluding Inventory Evaluation Impact) – Analysis of Changes from 1H FY2008



1H FY2008 Results	1H FY2009 Results					Ordinary income excl. inventory valuation impact
Ordinary income excl. inventory valuation impact	Petroleum business			Oil exploration and production business	Other business	Ordinary income excl. inventory valuation impact
	Margins and sales volume impact	Petrochemical	Other			

[1H FY2009 Results] Outline of Consolidated Cash Flows and Balance Sheets

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	Results (As of Sept. 30, '09)	Change from FY2008 (As of Mar. 31, '09)	Unit: billion yen
Cash flows from operating activities	-40.3	-	
Cash flows from investing activities	-54.2	-	
Cash flows from financing activities	13.0	-	
Cash and cash equivalents at end of the period	79.5	-80.4	

	Results (As of Sept. 30, '09)	FY2008 (As of Mar. 31, '09)	Change
Total Assets	1,410.0	1,440.4	-30.4
Net assets	351.5	347.4	4.1
Net worth	331.3	328.4	2.9
Net worth ratio	23.5%	22.8%	Improved by 0.7 points
Interest-bearing debts (including zero coupon corporate bonds)	615.6	598.6	17.0
Debt dependence ratio	43.7%	41.6%	Down 2.1 points
Debt Equity Ratio	1.9	1.8	Down 0.1 points
Net interest-bearing debt * (including zero coupon corporate bonds)	536.1	438.7	97.4
Debt dependence ratio	38.0%	30.5%	Down 7.5 points
Debt Equity Ratio	1.6	1.3	Down 0.3 points

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

 **COSMO OIL CO., LTD.**

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[FY2009 Outlook] Highlights of Consolidated Business Outlook - Changes from Previous Announcement

	Updated Full-Year FY2009 Outlook	Previous Full-Year FY2009 Outlook	Change from Previous Announcement
Consolidated ordinary income	61.0billion yen	82.0billion yen	-21.0billion yen
<i>Impact of the inventory valuation</i>	<i>43.5billion yen</i>	<i>20.0billion yen</i>	<i>23.5billion yen</i>
Consolidated Ordinary Income (Excluding Inventory Evaluation Impact)	17.5billion yen	62.0billion yen	-44.5billion yen
Assumption for business outlook	Crude oil price: 66.8 USD/B Exchange rate: 92.8yen/USD	Crude oil price: 50.0 USD/B Exchangerate:100.0yen/USD	Crude oil price: 16.8 USD/B Exchange rate: -7.2yen/USD

2H Assumptions

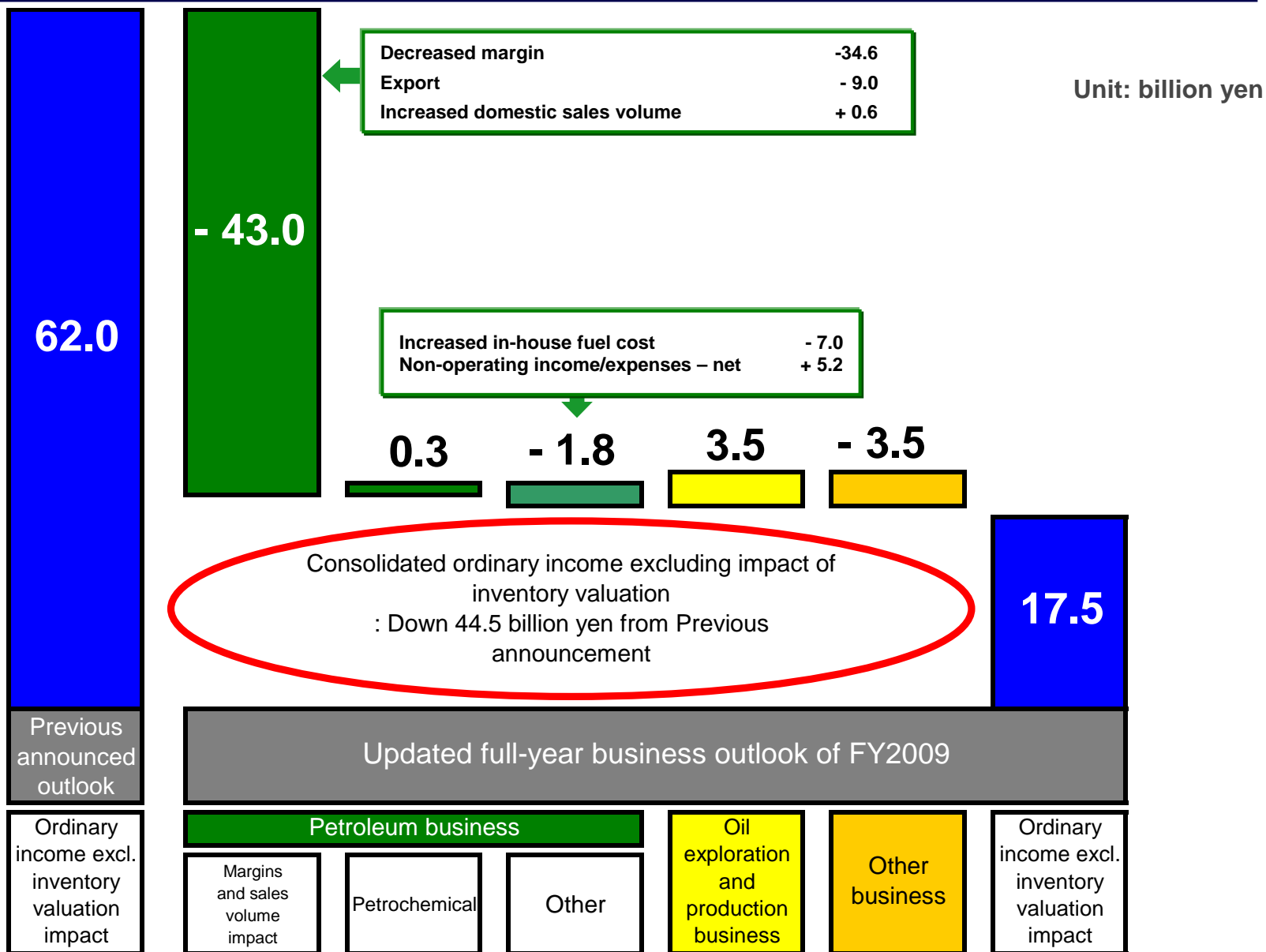
Crude oil price: 70.0USD/B
Exchange rate: 90.0yen/USD

■ Note: Please refer to Supplementary Information -2 for sensitivity

Consolidated Ordinary Income by Business Segment

	Updated Full-Year FY2009 Outlook	Previous Full-Year FY2009 Outlook	Change from Previous Announcement
Petroleum business	34.0billion yen	55.0billion yen	-21.0billion yen
<i>Petrochemical</i>	<i>3.3billion yen</i>	<i>-3.0billion yen</i>	<i>0.3billion yen</i>
<i>Impact of the inventory valuation</i>	<i>43.5billion yen</i>	<i>20.0billion yen</i>	<i>23.5billion yen</i>
Petroleum business excluding petrochemical business outlook and inventory valuation impact	-12.8billion yen	32.0billion yen	-44.8billion yen
Oil E & P business	28.5billion yen	25.0billion yen	3.5billion yen
Other	-1.5billion yen	2.0billion yen	-3.5billion yen

[FY2009 Outlook] Consolidated Ordinary Income (Excluding Inventory Evaluation Impact) – Analysis of Changes from Previous Announcement



Supplementary Information

1. [1H FY2009 Results] Consolidated Income Statements - Changes from 1H FY2008
2. [Results and Business Outlook Assumption] Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Sensitivity, Crude Oil Production Volume
3. [Results and Business Outlook Assumption] Selling volume
4. [1H FY2009 Results & FY2009 Outlook] Outline of Consolidated Capital Investment
5. [1H FY2009 Results] Results by Business Segment - Changes from 1H FY2008
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10. [1H FY2009 Results] Self-Service SSs Operational and Cosmo The Cards in Force
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12. [Growth Strategy] Refining Competitiveness Enhancement
13. [Growth Strategy] Expansion of Overseas Sales (Exports)
14. [Reference] Overseas Market Demand Forecast (1) – The West Coast of U.S. and Australia
15. [Reference] Overseas Market Demand Forecast (2)-1 <Chile>
16. [Reference] Overseas Market Demand Forecast (2)-2 <Chile>
17. [Reference] Diesel Fuel Export Results and Margin Environment
18. [Reference] Petrochemical Business - Aromatic Product Market Conditions (1)
19. [Reference] Petrochemical Business - Aromatic Product Market Conditions (2)
20. [Growth Strategy] Growth strategy from entering into the PX Business
21. [Growth Strategy] New Business Expansion – ALA
22. [Growth Strategy] New Business Expansion – Other New Environmental Businesses

[1H FY2009 Results] Consolidated Income Statements

Changes from 1H FY2008

Supplementary
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	1H FY2009 (Apr.-Sep.2009)	1H FY2008 (Apr.-Sep.2008)	(bn. Yen) Change	(Change)
Net sales	1,141.9	2,014.5	-872.6	(-43.3%)
Cost of sales	1,060.2	1,874.5	-814.3	
Selling, general and administrative	66.1	74.2	-8.1	
Operating income	15.6	65.9	-50.3	(-76.3%)
Non-operating income/expenses, net	4.7	-1.7	6.4	
Ordinary income	20.3	64.2	-43.9	(-68.3%)
Extraordinary income/losses, net	-4.9	4.6	-9.5	
Income taxes	9.0	36.9	-27.9	
Minority interests	1.2	1.4	-0.2	
Net income	5.2	30.5	-25.3	(-83.0%)

【Reference】

Impact of inventory valuation	41.4	35.2	6.2
Operating income excluding the impact of inventory valuation	-25.8	30.7	-56.5
Ordinary income excluding the impact of inventory valuation	-21.1	29.0	-50.1

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

	1H FY2009 Results	Change from 1H FY2008		Full Year Assumption	
Purchased price of crude oil	Crude oil (FOB) USD/BBL	60.80	-56.21	—	66.8 (2H FY'09 assumption: 70.0)
	JPY/USD exchange rate	96.33	-9.04	—	92.8 (2H FY'09 assumption: 90.0)
	Purchased price of crude oil (tax inclusive) yen/KL	39,956	-41,722	—	—
Crude oil refining	Refined crude oil volume (1,000 KL)	12,693	-1,009	92.6%	97.4% (Vs May 7, '09 forecast: 97.8%)
	Atmospheric distillation operating ratio (Calendar Day)	68.7%	5.5%	—	73.8% (Vs May 7, '09 forecast: 97.5%)
	Atmospheric distillation operating ratio (Streaming Day)	84.4%	-2.2%	—	86.0% (Vs May 7, '09 forecast: 97.6%)

*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
JPY/UD + 1 exchange rate

Petroleum: 1.6 billion yen
Petroleum: 1.3 billion yen

Oil E&P: 0.4 billion yen
Oil E&P: 0.3 billion yen

<<Crude oil production volume>>

	1H FY2009 Results	Investment ratio
Abu Dhabi Oil Co., Ltd. (BBL/Day)	24,207	63.0%
Oil E&P subsidiary production volume *2		
Qatar Petroleum Development Co., Ltd. (BBL/Day)	6,446	85.8%
United Petroleum Development Co., Ltd. (BBL/Day)	14,029	35.0%

*2 Production volume: Average production volume by a project company during the term
Production volume of January-June 2009 because each company ends its fiscal year in December.

[Results and Business Outlook Assumption] Selling volume

		(1,000 KL)					
		1H FY2009 Results	1H FY2008 Results	Change	Change from 1H FY2008	FY2009-Full Year Assumption change from Previous Announcement	FY2009-Full Year Assumption change from FY2008
Selling volume in Japan	Gasoline	3,368	3,298	70	102.1%	102.9%	100.4%
	Kerosene	642	698	-56	92.0%	99.5%	89.8%
	Diesel fuel	2,222	2,368	-147	93.8%	97.7%	95.2%
	Heavy fuel oil A	1,050	1,188	-138	88.4%	95.4%	90.2%
	Combined sales of 4 volume products above	7,281	7,552	-271	96.4%	99.6%	95.5%
	Naphtha	3,267	2,941	327	111.1%	113.6%	105.6%
	Jet fuel	187	185	2	101.1%	97.4%	96.2%
	Heavy fuel oil C	1,299	1,591	-292	81.6%	98.9%	84.1%
	incl. Heavy fuel oil C for electric power	619	885	-266	69.9%	93.5%	74.1%
	Sub-Total	12,034	12,269	-235	98.1%	102.6%	96.4%
Middle distillate export volume	Diesel fuel	620	797	-177	77.8%	90.0%	96.8%
	Kerosene/JET	110	101	9	108.7%	54.3%	236.7%
	Sub-Total	730	898	-168	81.3%	82.2%	105.9%
Bond sales, etc.	Jet	752	829	-76	90.8%	99.3%	94.7%
	Heavy fuel oil C	348	391	-42	89.1%	98.2%	90.5%
	Other	75	87	-13	85.5%	89.5%	203.0%
Sub-Total	1,175	1,307	-131	89.9%	97.2%	103.0%	
Barter deal, etc.		4,867	5,414	-548	89.9%	100.2%	93.3%
Total selling volume		18,806	19,888	-1,082	94.6%	100.5%	96.3%

[1H FY2009 Results & FY2009 Outlook] Outline of Consolidated Capital Investment

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[1H FY2009 Results]

Unit: billion yen

<Capital Expenditures, Depreciation, etc.>

	1H FY2009 Results	Change from 1H FY2008
Capital expenditures	53.4	22.5
Depreciation expense amount	20.5	-2.7

<Capital expenditures by Business Segment>

	1H FY2009 Results	1H FY2008 Results	Change from 1H FY2008
Petroleum	44.5	24.5	20.0
<i>Refining and marketing</i>	43.7	21.2	22.5
<i>Petrochemical</i>	0.3	0.7	-0.4
<i>Other</i>	0.5	2.6	-2.1
Oil exploration and production	8.8	6.3	2.5
Other	0.1	0.1	0.0
Total	53.4	30.9	22.5

[FY2009 Outlook]

<Capital Expenditures, Depreciation, etc.>

	FY2009 Outlook	Change from Previous Announcement	Change from FY2008
Capital expenditures	119.1	-9.5	52.1
Depreciation expense amount	44.1	0.2	2.6

<Capital expenditures by Business Segment>

	FY2009 Outlook	Previous Announcement	Change from Previous Announcement	Change from FY2008
Petroleum	103.9	103.5	0.4	55.6
<i>Refining and marketing</i>	103.3	102.8	0.5	57.2
<i>Petrochemical</i>	1.2	1.0	0.2	-0.3
<i>Other</i>	-0.6	-0.3	-0.3	-1.3
Oil exploration and production	14.9	24.8	-9.9	-3.6
Other	0.3	0.3	0.0	0.1
Total	119.1	128.6	-9.5	52.1

[1H FY2009 Results] Results by Business Segment – Changes from 1H FY2008

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<Results by Business Segment>

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Excluding inventory valuation and cost or market method impact)	
		Change from 1H FY2008		Change from 1H FY2008		Change from 1H FY2008		Change from 1H FY2008
Petroleum	1,123.0	-844.7	6.9	-29.3	8.9	-26.3	-32.4	-33.6
Oil E&P	24.7	-23.2	10.2	-19.4	12.8	-16.7	12.8	-16.7
Other Business	42.3	-2.7	0.6	-0.3	0.8	-0.2	0.8	-0.2
Write-off	-48.1	-2.0	-2.1	-1.3	-2.2	-0.7	-2.3	0.4
Total	1,141.9	-872.6	15.6	-50.3	20.3	-43.9	-21.1	-50.1

* Figures for the petroleum segment include a positive inventory valuation impact of 41.3 billion yen (up 7.3 billion yen from 1H FY 2008)

* Figures for the petroleum segment also include the petrochemical business's ordinary income of 1.6 billion yen (down 1.5 billion yen from 1H FY 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 E&P: 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.

[FY2009 Outlook] Business Outlook by Business Segment - Changes from Previous Announcement

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<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 Previous Announcement		Change from Previous Announcement		Change from Previous Announcement		Change from Previous Announcement
Petroleum	2,549.0	317.0	32.0	-28.0	34.0	-21.0	-9.5	-44.5
Oil E&P	60.0	3.0	27.0	4.0	28.5	3.5	28.5	3.5
Other Business	90.0	4.0	2.0	0.0	2.0	0.0	2.0	0.0
Write-off	-99.0	-24.0	-3.0	-3.0	-3.5	-3.5	-3.5	-3.5
Total	2,600.0	300.0	58.0	-27.0	61.0	-21.0	17.5	-44.5

* Figures for the petroleum segment include a positive inventory valuation impact of 43.5 billion yen (up 23.5 billion yen from previous announcement)

* Figures for the petroleum segment also include the petrochemical business's ordinary income of 4.3 billion yen (down 7.7 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 E&P: 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.

[FY2009 Outlook] Highlights of Consolidated Business Outlook - Changes from FY2008

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	Updated Full-Year FY2009 Outlook	FY2008	Change from FY2008
Consolidated ordinary income	61.0billion yen	-125.0billion yen	186.0billion yen
<i>Impact of the inventory valuation</i>	<i>43.5billion yen</i>	<i>-180.1billion yen</i>	<i>223.6billion yen</i>
Consolidated Ordinary Income (Excluding Inventory Evaluation Impact)	17.5billion yen	55.1billion yen	-37.6billion yen
Assumption for business outlook	Crude oil price: 66.8 USD/B Exchange rate: 92.8yen/USD	Crude oil price: 85.4 USD/B Exchange rate: 102.9yen/USD	Crude oil price:-18.6 USD/B Exchange rate: -10.1yen/USD

2H Assumptions

Crude oil price: 70.0USD/B
Exchange rate: 90.0yen/USD

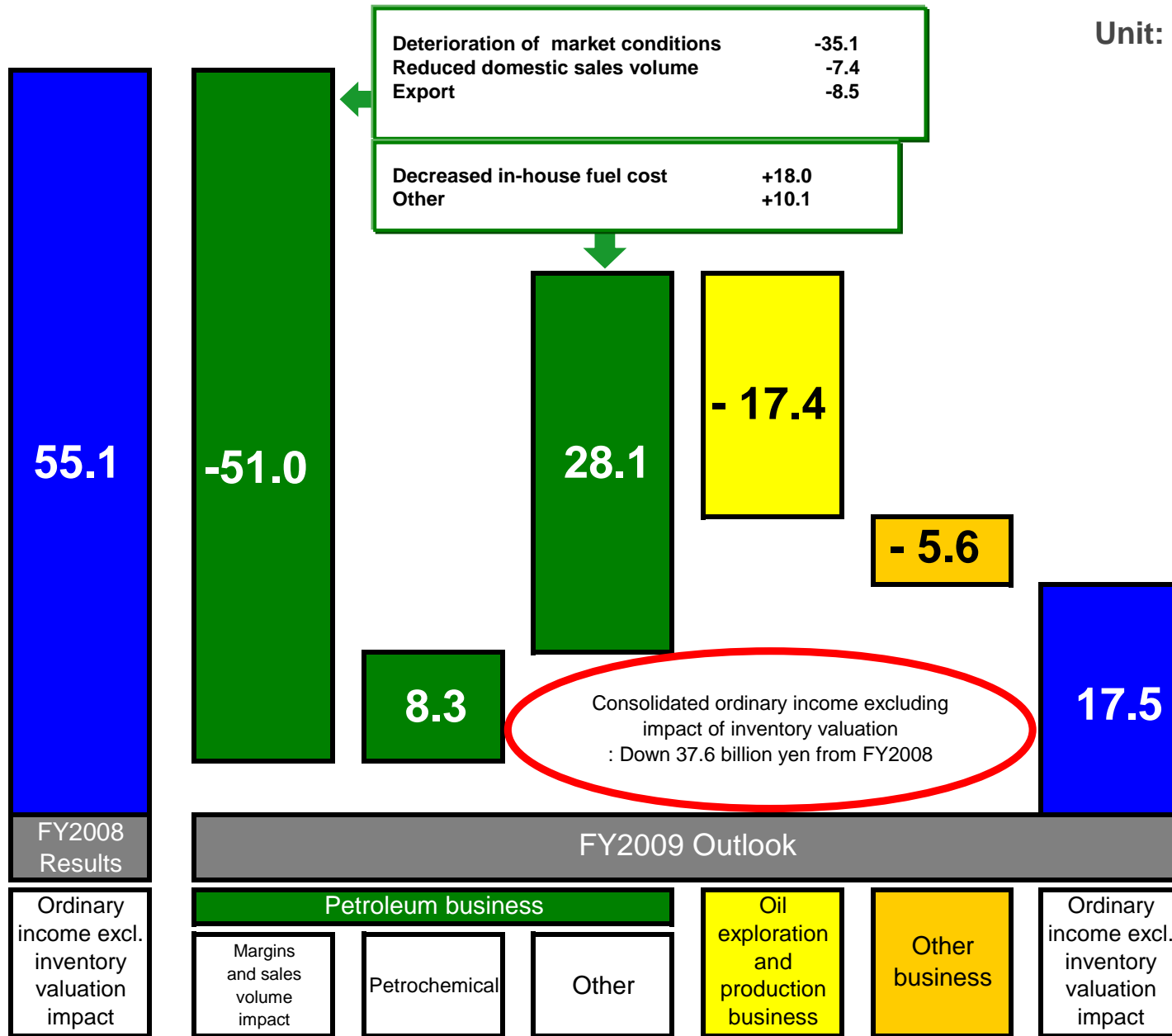
■ Note: Please refer to Supplementary Information -2 for sensitivity

Consolidated Ordinary Income by Business Segment

	Updated Full-Year FY2009 Outlook	FY2008	Change from FY2008
Petroleum business	34.0billion yen	-175.1billion yen	209.1billion yen
<i>Petrochemical</i>	<i>3.3billion yen</i>	<i>-5.0billion yen</i>	<i>8.3billion yen</i>
<i>Impact of the inventory valuation</i>	<i>43.5billion yen</i>	<i>-180.2billion yen</i>	<i>223.7billion yen</i>
Petroleum business excluding petrochemical business outlook and inventory valuation impact	-12.8billion yen	10.1billion yen	-22.9billion yen
Oil E & P business	28.5billion yen	45.9billion yen	-17.4billion yen
Other	-1.5billion yen	4.1billion yen	-5.6billion yen

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

Unit: billion yen



[FY2009 Outlook] Business Outlook by Business Segment - Changes from FY2008

Supplementary
Information – 9

<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
Petroleum	2,549.0	-803.9	32.0	194.6	34.0	209.1	-9.5	-14.6
Oil E&P	60.0	-29.1	27.0	-23.8	28.5	-17.4	28.5	-17.4
Other Business	90.0	-1.8	2.0	-0.2	2.0	-0.4	2.0	-0.4
Write-off	-99.0	6.6	-3.0	-5.6	-3.5	-5.3	-3.5	-5.2
Total	2,600.0	-828.2	58.0	165.0	61.0	186.0	17.5	-37.6

*Figures for the petroleum segment include a positive inventory valuation impact of 43.5 billion yen (up 223.6 billion yen from FY 2008)

*Figures for the petroleum segment also include the petrochemical business's ordinary income of 4.3 billion yen (up 2.3 billion yen from FY 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 E&P: 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.

[1H FY2009 Results] Self-Service SSs Operational and Cosmo The Cards in Force

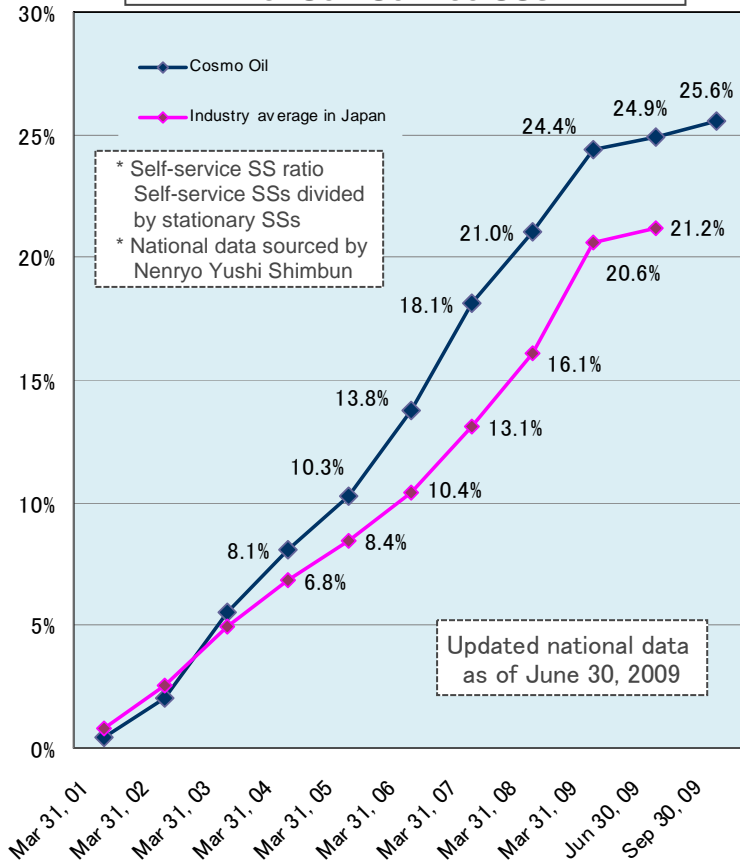
Self-Service SS Business

As of Sep. 30, 2009: 986 SSs
 (No. of new SSs opened in Apr.-Sep. '09: 31 SSs)
 Share of Self-Service SSs: 25.6%

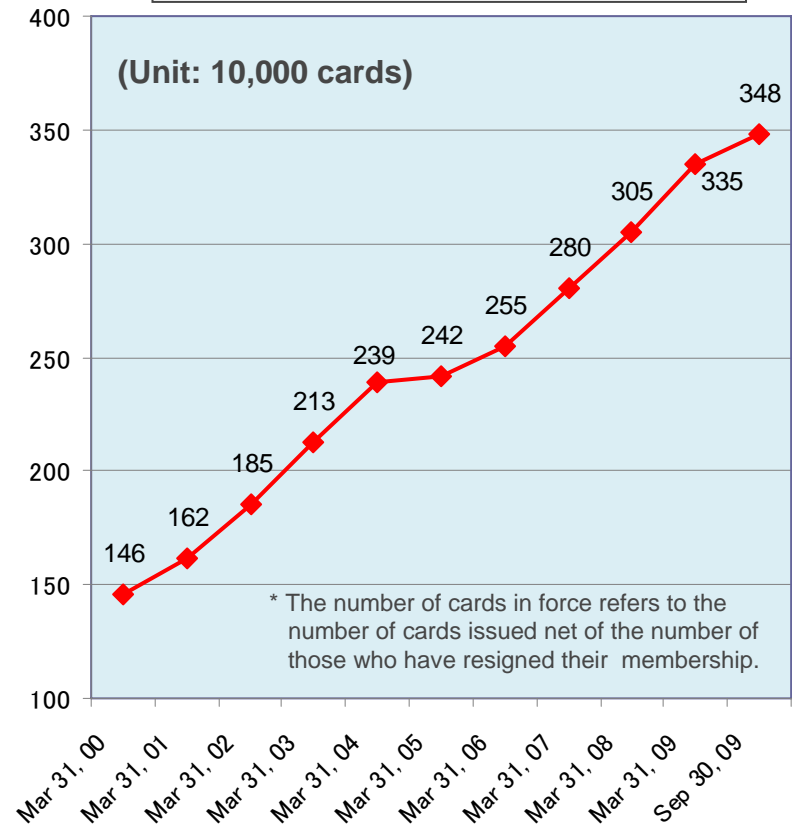
Cosmo The Card

As of Sep. 30, 2009: 3.48 mil. cards
 (No. of new cards issued in Apr.-Sep. '09: 130,000 cards)

Historical Changes in the Share of Self-Service SSs



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



[1H FY2009 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

Workforce size (No. of persons)

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	As of Sep. 30, 2009
Cosmo Oil alone	1,837	1,764	1,729	1,718	1,916	1,957	2,064	2,191
Cosmo Oil Group	3,736	3,565	3,480	3,451	3,335	3,299	3,269	3,371

* 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)

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	As of Sep. 30, 2009
No. of DTs	39	38	38	38	38	38	38	37

Note: Data as of March 31 of each fiscal year

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

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	As of Sep. 30, 2009
Subsidiaries	505	525	1,065	1,190	1,122	1,104	1,023	1,039
Dealers	4,767	4,517	3,746	3,456	3,294	3,074	2,937	2,859
Total	5,272	5,042	4,811	4,646	4,416	4,178	3,960	3,898

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

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	As of Sep. 30, 2009
Subsidiaries	159	255	295	370	463	507	551	566
Dealers	126	143	188	256	326	360	404	420
Total	285	398	483	626	789	867	955	986

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)

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	As of Sep. 30, 2009
No. of cards in force (10,000 cards)	213	239	242	255	280	305	336	348

Note: Data as of March 31 of each fiscal year

[Growth Strategy] Refining Competitiveness Enhancement

Maximize utilization of the coker unit at Sakai Refinery

Respond to declining demand for heavy oil fraction

⇒ Realize the oil product composition for production that can meet the demand structure

Coker (25,000 barrels a day)

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

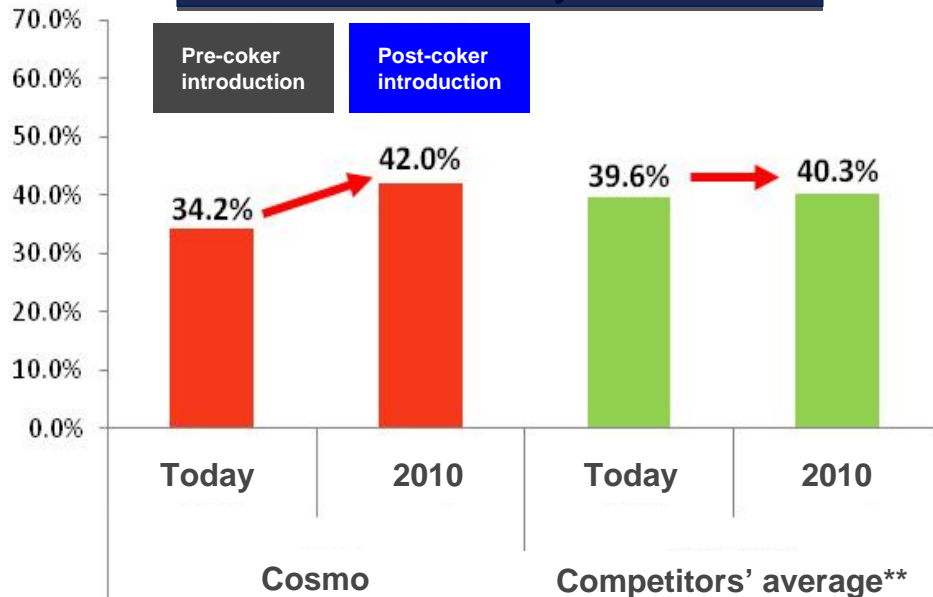


Diesel fuel hydrodesulfurization unit (25,000 barrels a day)

- Heavy fuel oil A fraction ⇒ Jet fuel (kerosene) and diesel fuel

Note: No gasoline production

Comparison in bottom unit installation ratios* between today and FY2010



- ◆ Heavy oil cracking capability higher than the average of competitors
- ◆ Reduce production of less profitable oil product ⇒ Heavy oil fraction – down 1.6 mil kl/year



Realize the product composition for production that can meet the demand structure
Improve refinery competitiveness

Note:

* Ratio of the installation of cracking facilities (such as FCC, direct desulfurization, hydrogenated cracking and thermal cracking units) against the topper capacity.

**An average installation ration at competitors for FY2010 is estimated by Cosmo Oil based on their publicized information.

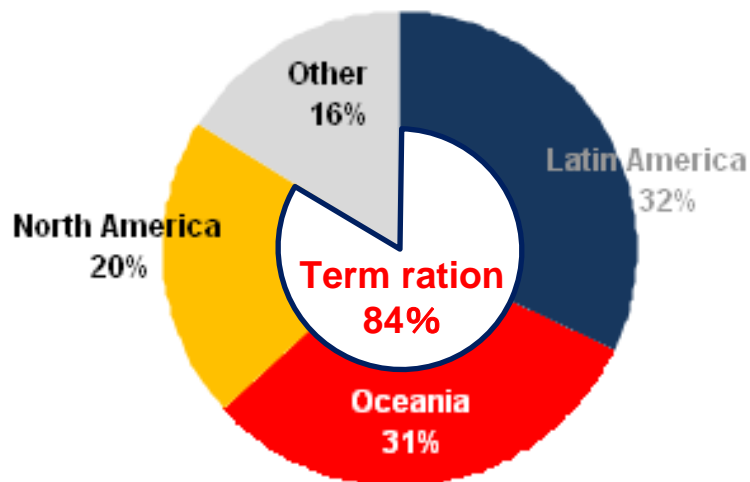
[Growth Strategy] Expansion of Overseas Sales (Exports)

Sales expansion targeted at areas from which higher demand is expected

◆ The decreasing demand for oil products in Japan ⇒ Secure stable overseas sales channels

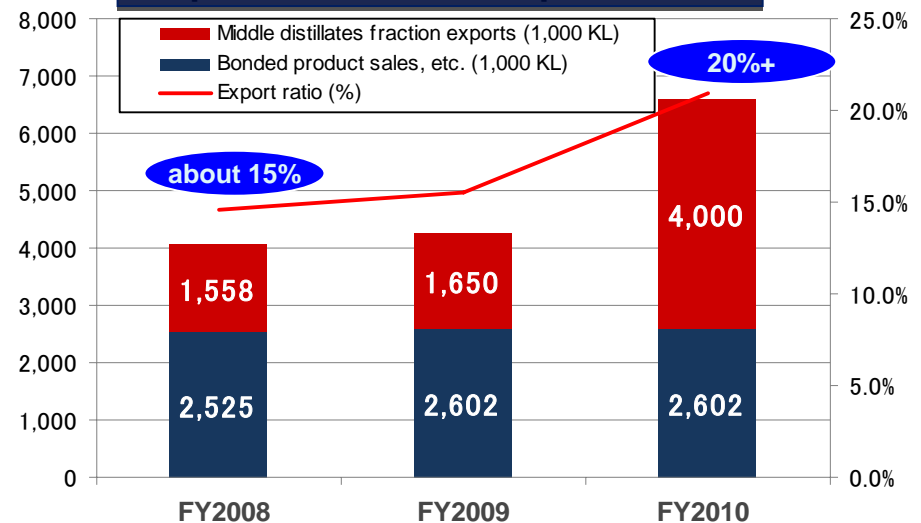
- Oil products for overseas sales: Middle distillates (diesel fuel, jet fuel and kerosene)/Gasoline exports under consideration
- Overseas sales markets: Long-term contract-based export sales/Entry barrier of rigorous environmental regulations
 - Oceania Strong demand backed by strong mining business and economic recovery earlier than expected
 - Latin America (Chile) Higher demand for diesel fuel backed by increasing power demand and strong mining business
 - North America Current economic aggravation expected to bottom out in FY2010 toward recovery

Shares of Export Destinations (1H FY2009)



Note: *The share of North America includes local procurements for the North America market

Export Volume and Export Ratios



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

[Reference] Overseas Market Demand Forecast (1) – The West Coast of U.S. and Australia

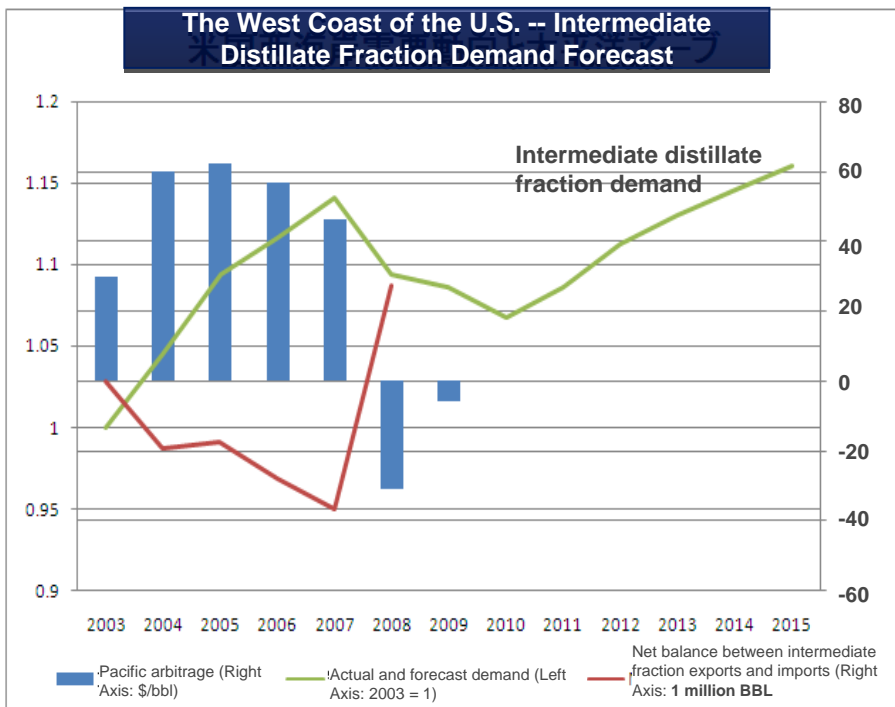
■ The West Coast of U.S.

Currently, there are no opportunities for arbitrage dealings partly due to economic recession but the decline in demand is expected to hit the bottom in FY2010 for a recovery.

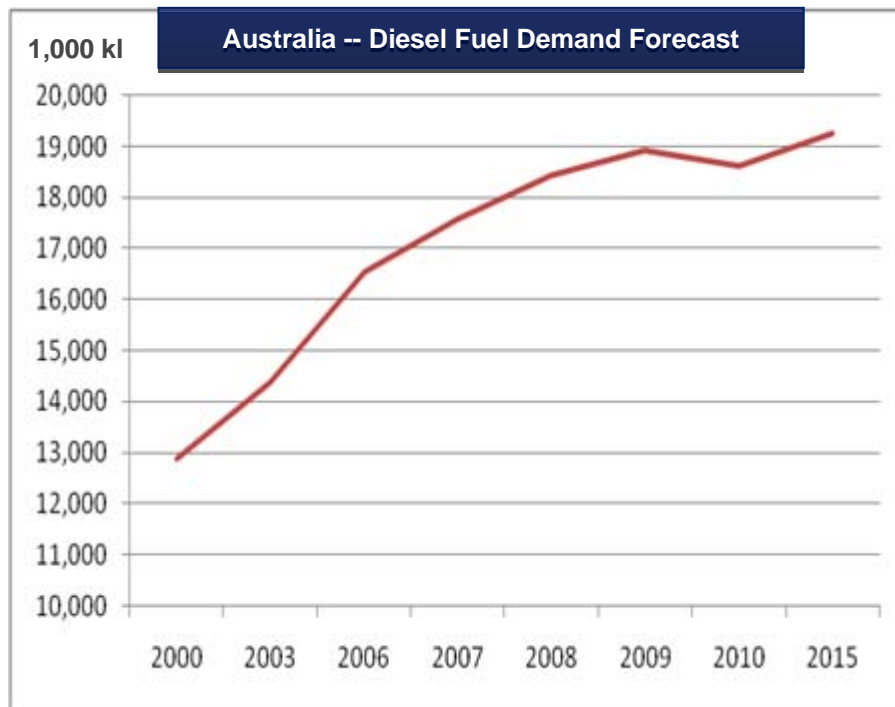
■ Australia

The mining and transportation sectors account for 80% of the total demand for diesel fuel in the country. The strong mining sector is expected to continue to increase the diesel fuel demand.

The West Coast of the U.S. -- Intermediate Distillate Fraction Demand Forecast



Australia -- Diesel Fuel Demand Forecast



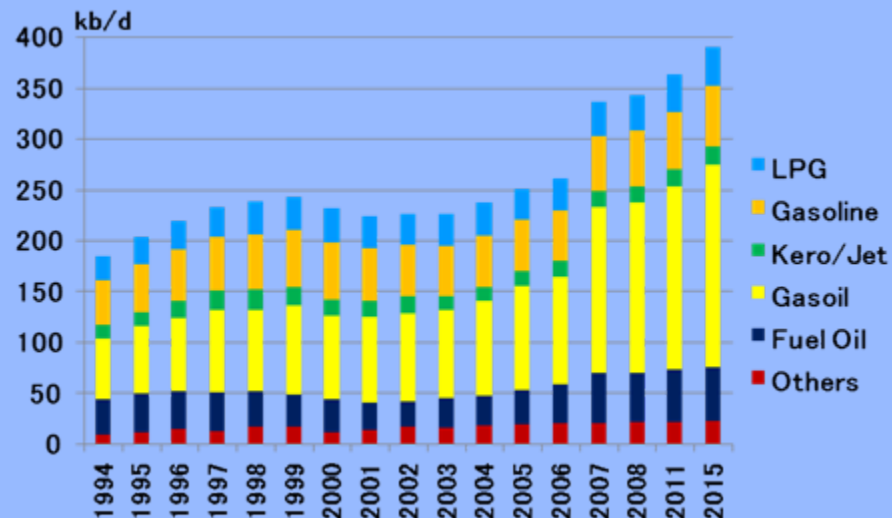
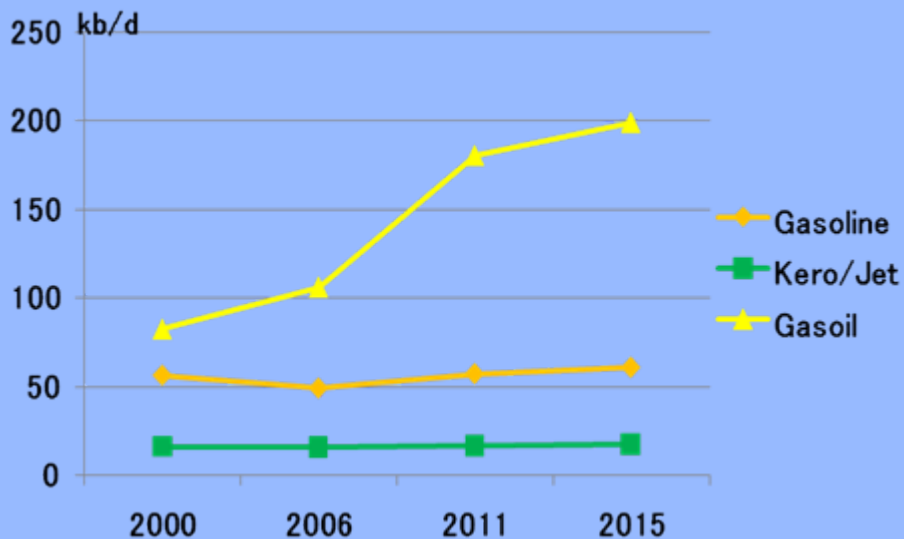
Source: The U.S. Energy Information Administration (EIA) Demand Outlook in March 2009

[Reference] Overseas Market Demand Forecast (2)-1 <Chile>

■ Chile

The demand for diesel fuel is expected to increase particularly from the electricity and mining (for transportation) sectors in the future.

Chile - Forecast for Demand for Oil Products in Primary Energies



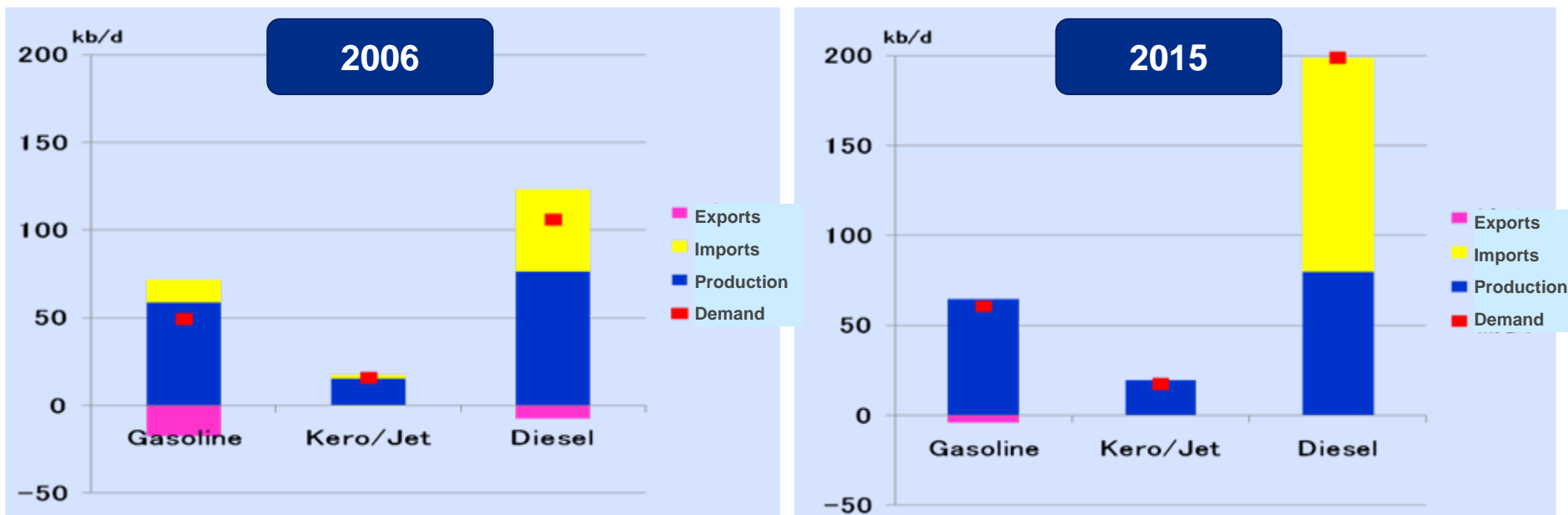
Source: The U.S. Energy Information Administration (EIA) Demand Outlook in March 2009

[Reference] Overseas Market Demand Forecast (2)-2 <Chile>

■ Chile

As the demand for diesel fuel for power generation and transportation is expected to increase, the increase in demand is likely to be filled not by domestic supply but by imports.

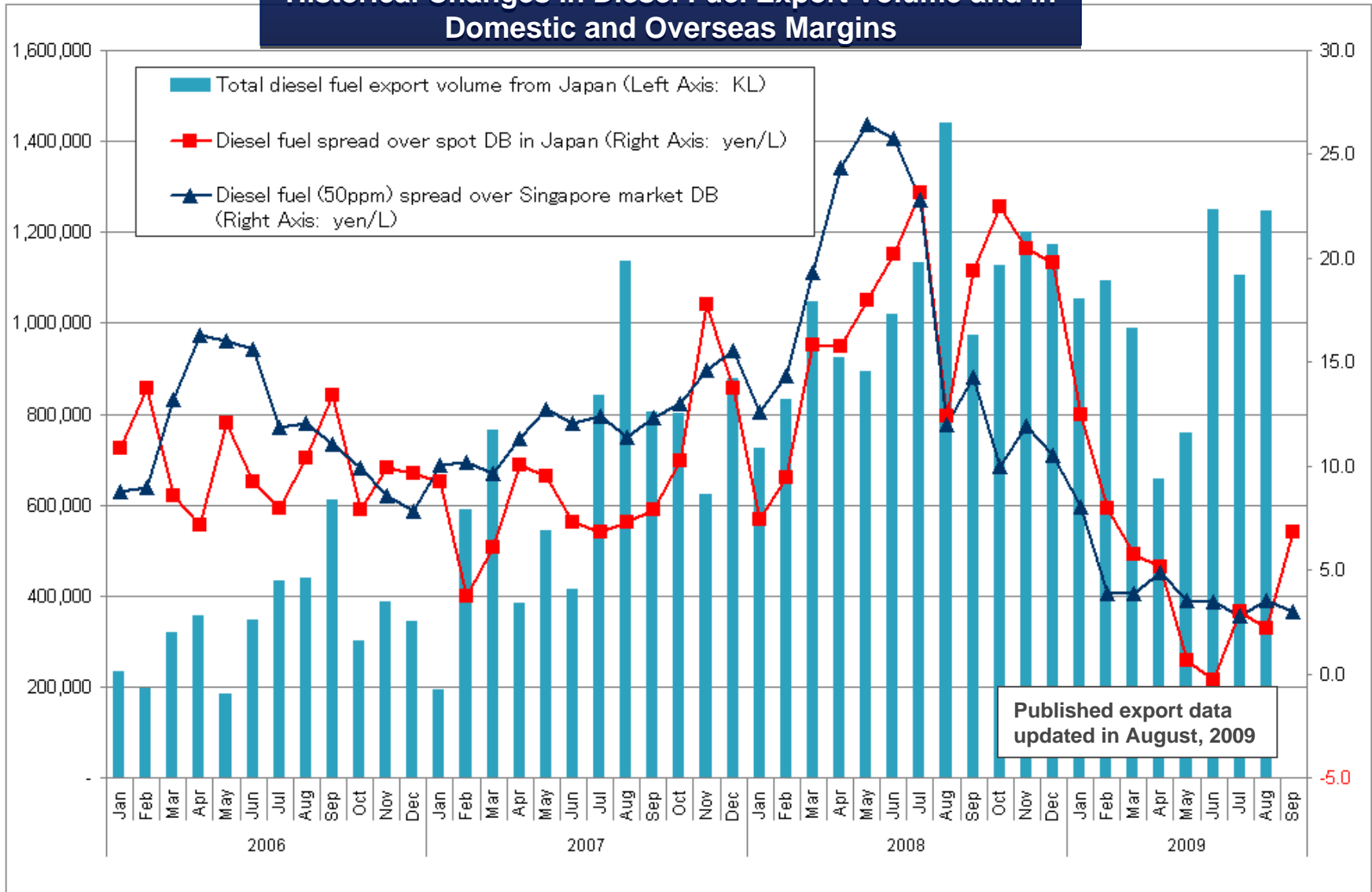
Chile - Forecast for Balance between Supply and Demand by Oil Product in Primary Energies



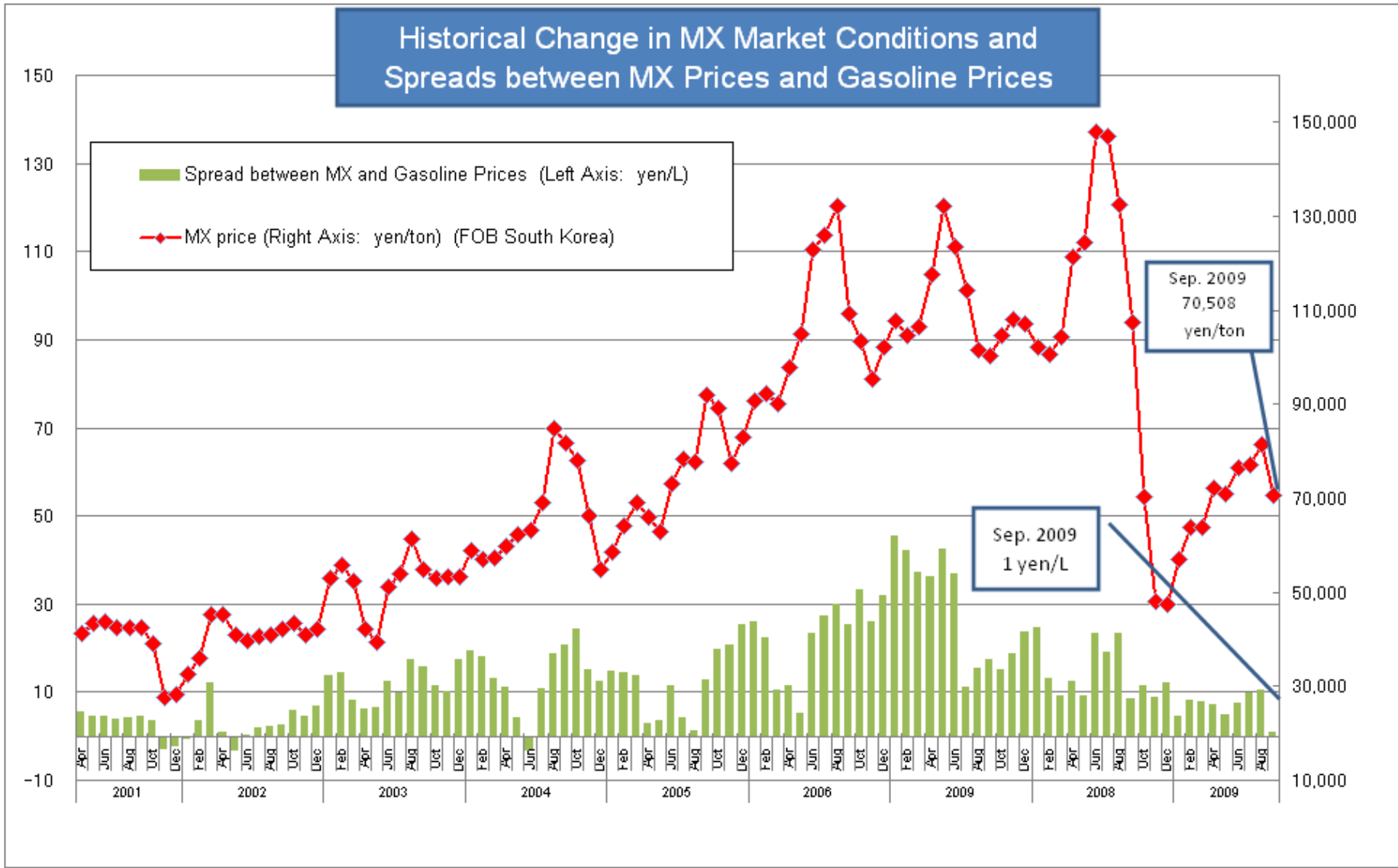
Source: The U.S. Energy Information Administration (EIA) Demand Outlook in March 2009

[Reference] Diesel Fuel Export Results and Margin Environment

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

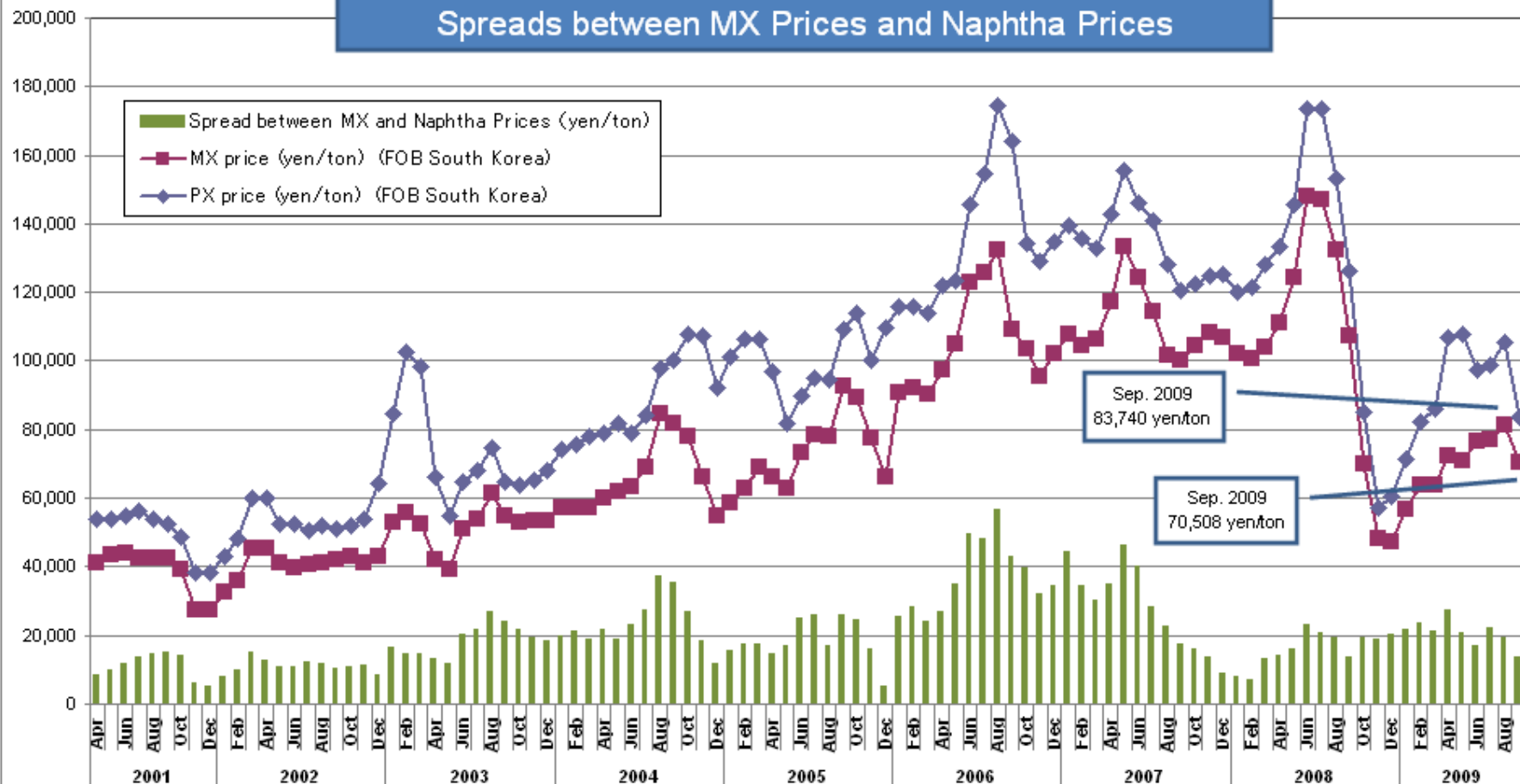


[Reference] Petrochemical Business - Aromatic Product Market Conditions (1)



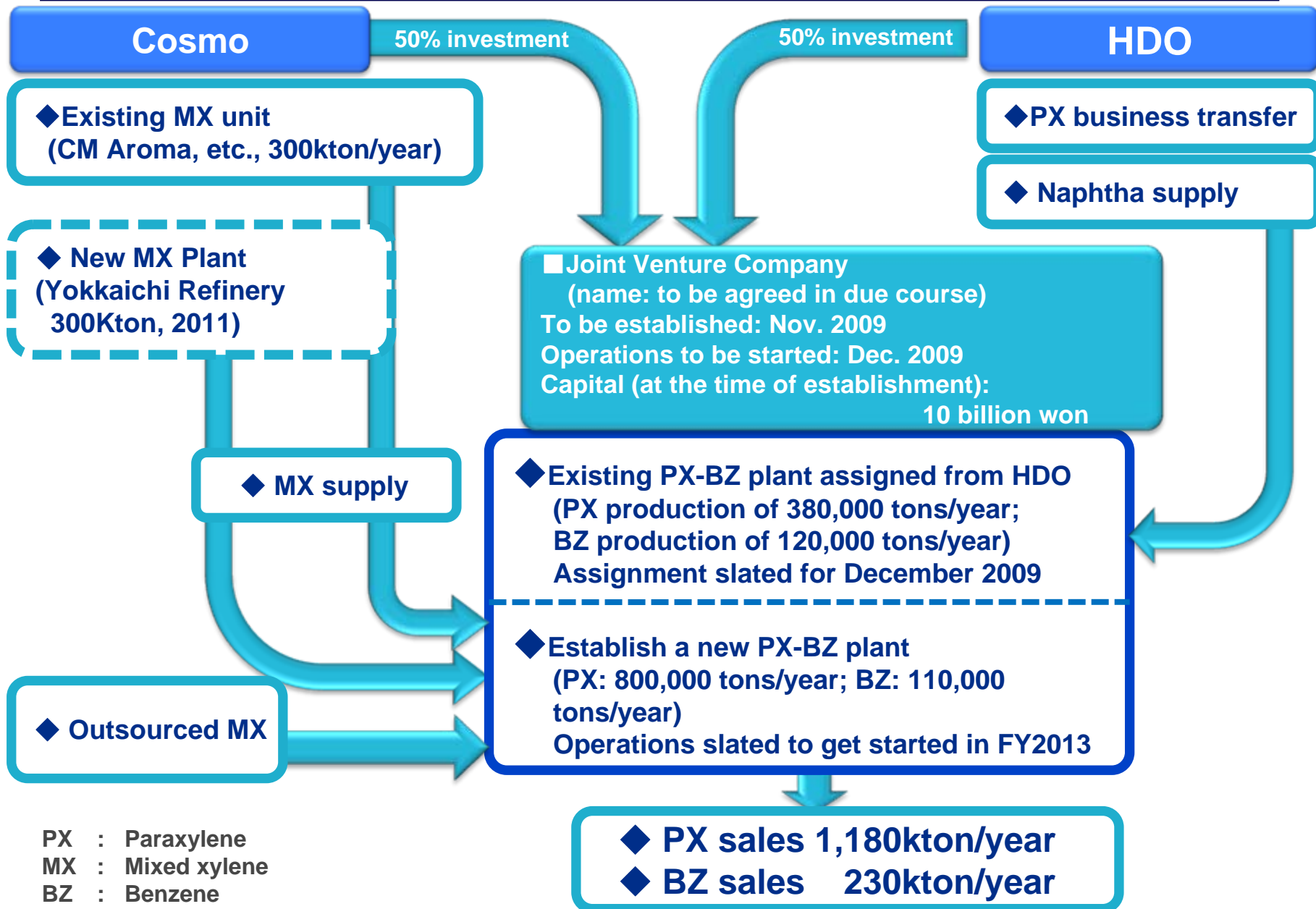
[Reference] Petrochemical Business - Aromatic Product Market Conditions (2)

Historical Change in PX & MX Market Conditions and Spreads between MX Prices and Naphtha Prices



[Growth Strategy]

Growth strategy from entering into the PX business



[Growth Strategy] New Business Expansion – ALA

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

ALA

Raw
material

Raw material business

◆ Projects in blue indicate businesses commercially launched

- ◆ Currently manufacturing and selling the technical product for fertilizers, healthy food, animal feed and reagents for lab tests
- ◆ Currently preparing for the systems for manufacturing and selling the technical product for pharmaceutical products

Cosmo Oil supplies for about 80%
of the global ALA demand

Finalized
product

Fertilizer business

- ◆ Currently selling liquid fertilizers of “Pentakeep” (for the agriculture market) and “PentaGarden” (for horticulture market)
 - ⇒ Increase sales volume (both in Japan and Europe) and develop new markets (in China and the U.S.)
 - ⇒ Established “Cosmo Oil (Shanghai),” a local subsidiary in China to start marketing the products (from Sept. 2009)
 - ⇒ Got regulatory registration procedures as fertilizers completed in the U.S. (already approved in the Washington and Oregon States, and subject to approval in the California State)
- ◆ Develop and sell solid fertilizers ⇒ Demo-test currently underway by using prototype products

Animal feed business

- ◆ Already got a newly-developed product registered with the regulator as a raw material for fish feed and currently selling in Japan (selling a finished product through a partner company)
- ◆ Develop and sell animal feed for Japan, the U.S. and Europe ⇒ Currently conducting market research and lab tests, etc. necessary for regulatory approval

Pharmaceutical, cosmetics and healthy food businesses

- ◆ Cosmetics (hand and face cream products currently sold by a partner company)
- ◆ Substance used for diagnostic tests during brain tumor surgeries and cancer treatment
 - ⇒ Got ALA Pharma GmbH, a joint venture company, established (with SBI ALA Promo and Medac in Germany)
- ◆ Healthy food
- ◆ Hair growth reagents ⇒ Signed a joint venture agreement with Milbon Corp. to develop and manufacture a hair growth reagents product (in Nov. 2008)
Currently under preparations for clinical tests to gather data to file an application to get the product registered with the Ministry of Health, Labour and Welfare in the non-pharmaceutical category.

Sold by the joint
venture company SBI
ALA Promo Co., Ltd.

[Growth Strategy] New Business Expansion – Other New Environmental Businesses

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 joint research and development agreement with the partners to develop the CSP generation technology (in Dec. 2007)
A verification plant being under construction in Abu Dhabi (completed in Dec. 2009) Verification test gets started.

Biomass ethanol (1)

- **Partner:** The Papua New Guinea (PNG) government and East Sepik provincial government
- **Objective:** Grow a crop as a raw material for biomass fuel production (which project is assumed to be promoted via a JV company to be established together with the PNG state and provincial governments and local residents)
- **Progress in business development:**
Signed an MOU with the local government 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 Works clarified technological issues about the project and is currently making feasibility studies to verify the possibility of such manufacturing.

Biomass ethanol (3)

- **Partner:** Toyota Motor Corporation and the National Institute of Advanced Industrial Science & Technology (AIST)
- **Objective:** Develop the biomass to liquid (BTL) technology
- **Progress in business development:**
The technology development jointly made by Toyota and the AIST to manufacture diesel fuel from biomass has been adopted as a subsidized project by the New Energy and Industrial Technology Development Organization (NEDO)

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.