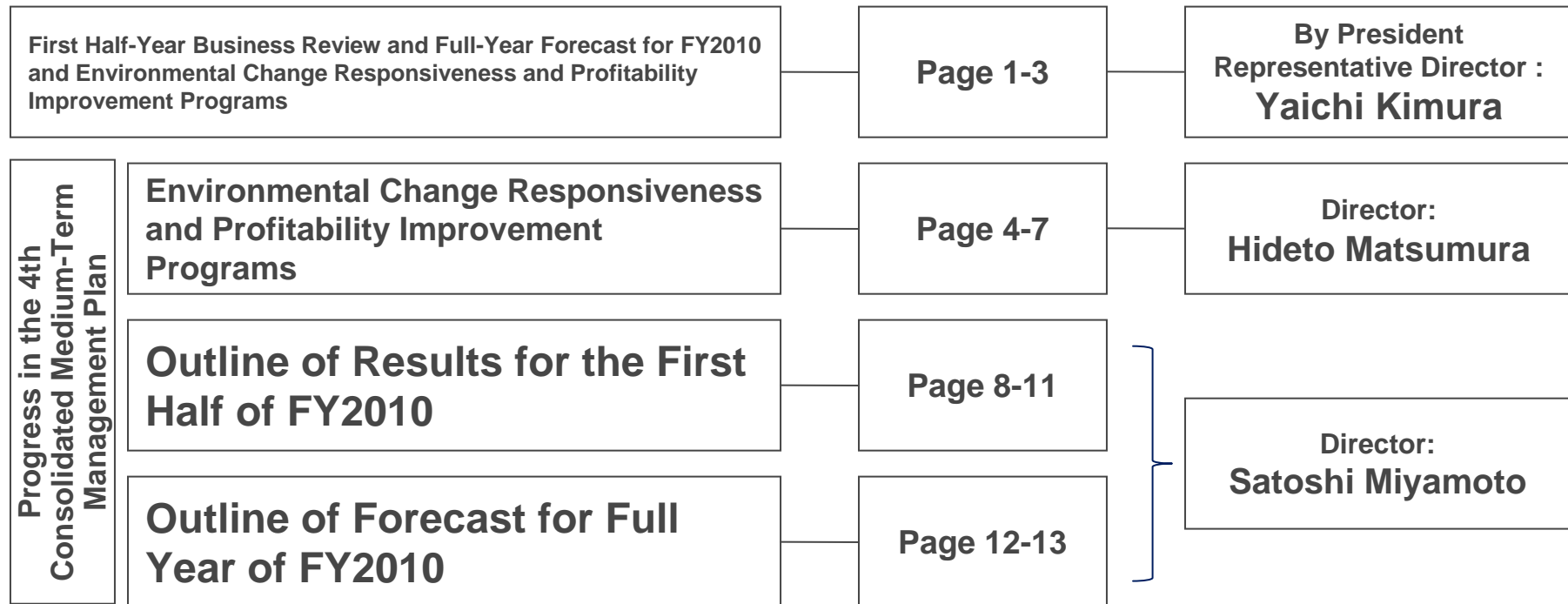


Cosmo Oil Co., Ltd.
**The Fourth Consolidated Medium-Term
Management Plan**
**Progress Made in the First Half of
FY2010 and Future Policy**

November 5, 2010

President ,Representative Director : Yaichi Kimura
Directors: Satoshi Miyamoto, Hideto Matsumura

Today's Agenda



Summary · Improved margin · Promotion of rationalization (cost reduction)

	1H FY2010	1H FY2009	Change from 1H FY2009
Consolidated ordinary income	26.7billion yen	20.3billion yen	6.4billion yen
Impact of the inventory valuation	-12.9billion yen	41.4billion yen	-54.3billion yen
Consolidated ordinary income (Excluding inventory evaluation impact)	39.6billion yen	-21.1billion yen	60.7billion yen

Highlights of Results of First Half-Year FY2010

Petroleum business	<ul style="list-style-type: none"> · Revision of the market-linked wholesale pricing formula plan · Continuation of disciplined operations by balancing demand-supply relations · Steady implementation of rationalization (cost reduction)
Petrochemical business	<ul style="list-style-type: none"> · Aggravation of petrochemical market conditions
Oil E & P business	<ul style="list-style-type: none"> · Benefited from higher crude oil price levels owing to stable production



Upwardly revised full-year business outlook thanks to improved petroleum product market conditions

	Forecast for Full-Year FY2010	FY2010 previous announcement	Change from previous announcement
Consolidated ordinary income	66.0billion yen	58.0billion yen	8.0billion yen
Impact of the inventory valuation	-8.0billion yen	0	-8.0billion yen
Consolidated ordinary income (Excluding inventory evaluation impact)	74.0billion yen	58.0billion yen	16.0billion yen
①Purchased price of crude oil ②JPY/USD exchange rate:	①78.0USD/B ②85.5 yen/USD	①75.0US/B ②90.0 yen/USD	①3.0USD/B ②-4.5 yen/USD

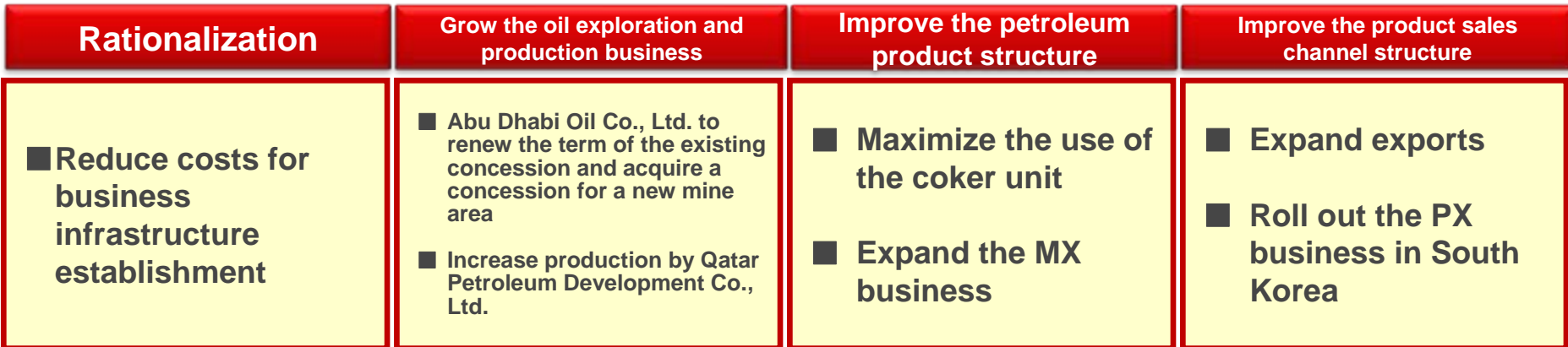
Management Policy for the Second Half Year of FY2010 Onwards

- Promote programs for responsiveness to environmental changes and for improvement in profitability
- Re-enhance its financial base
- Promote CSR-focused management
- Stable return of profits to shareholders (in the form of dividends)



[Management Policy] Environmental Change Responsiveness and Profitability Improvement Programs

* MX=Mixed xylene
* PX=Paraxylene



Improve margins and profitability ⇒ Re-enhance its financial base

Promote CSR-focused business management

[Profit Growth Program] Rationalization

Rationalization Plan

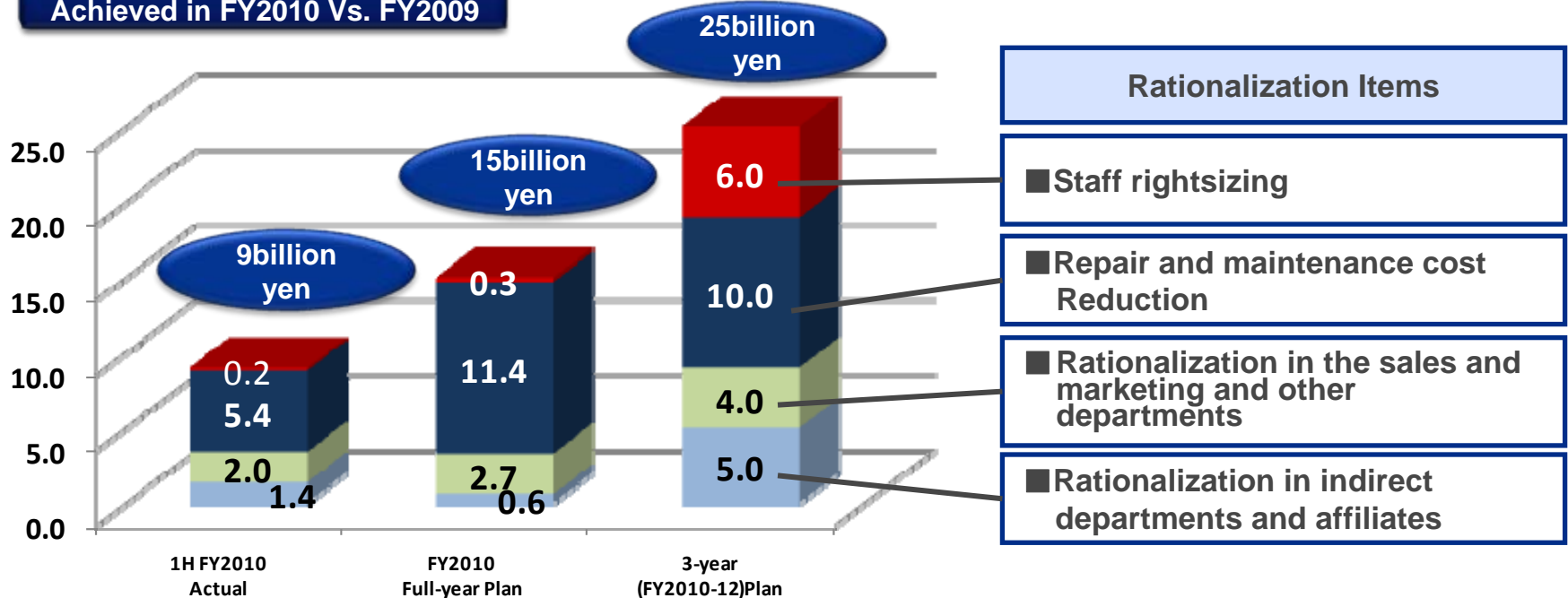
Progress

Progress made in rationalization (cost reduction) as scheduled in the plan released at the beginning of FY2010

Achievement ratio of 1H FY2010: 60%

Vs. FY2010 Plan (standard achievement ratio: 50%)

Amounts of Rationalization Achieved in FY2010 Vs. FY2009



Note: A reduction in repair and maintenance cost is expected to be smaller for FY2012, since regular repair and maintenance work planned for FY2012 would cost more than FY2010.

**Promote the oil E and P business
based on reliable relations with oil producing countries for profit growth:**

- Talks underway to renew the term (30-year) of the existing concession and to acquire a concession for a new mine area at Abu Dhabi Oil Co., Ltd
- Kick off commercial production of “A-Structure South Oil Field” by Qatar Petroleum Development Co., Ltd.
- Drilling operations underway to start production as early as possible in “Audacious and Tenacious Oil Fields” in Australia

**The Cosmo Oil Group’s Competitive Advantage in the
Oil Exploration and Production Business:**

■ Keep strongly reliable relations with Abu Dhabi:

- Reliable relations established with the country through crude oil exploration and production over 40 years
- Strategic partnership with IPIC

■ Oil exploration and production operations in less risky areas:

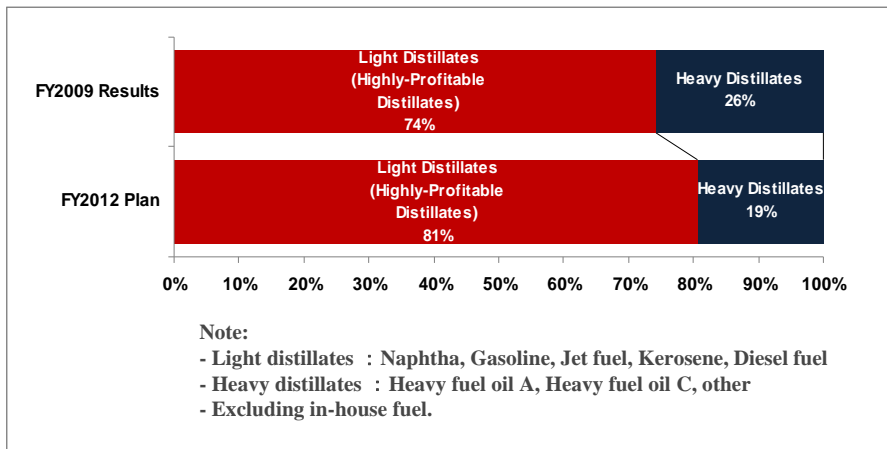
- Exploration, development and production risks ⇒ minimal
- Geopolitical risks ⇒ minimal

<Reference: Supplementary Information 4>

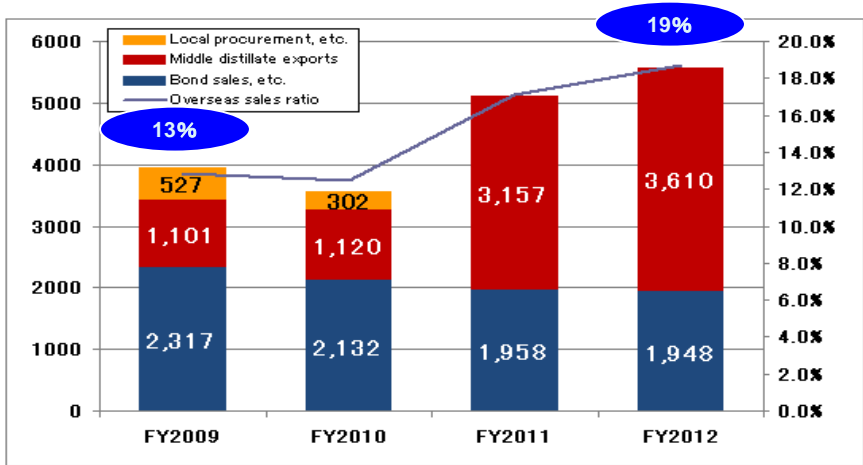
Maximize use of the coker unit and overseas sales channels for profit growth:

- **Improve the petroleum product structure (for production):**
 - Heavy oil fraction ⇒ Shift toward producing more of middle distillates
- **Improve the sales channel structure (for export growth):**
 - Export all of incremental production of middle distillates (to increase overseas sales)

Improve the petroleum product structure (for production)



Improve the sales channel structure (for export growth)



<Reference: Supplementary Information 5-6>

Entry into the PX Business
(by establishing a joint venture with Hyundai Oilbank (HDO)) for profit growth:

■ Establishment of a new MX production unit	➔	MX: 300,000-ton ⇒ 600,000-ton capacity a year
■ Working on building a new PX production unit		PX: 380,000-ton ⇒ 1,180,000-ton capacity a year

Outline of the PX Joint Venture Business Plan

- Company name: HC Petrochem Co.,LTD (established in Nov. 2009)
- Investment ratio: Cosmo Oil 50%; HDO 50%
- Production structure and size:
 - a) Existing PX plant using naphtha as feedstock (380,000 tons/year, to be assigned to HDO in Feb. 2010)
 - b) New PX plant using MX as feedstock (800,000 tons/year, to be operational in 2013)

Outline of the MX production unit

- Place of installation: Cosmo Oil Yokkaichi Refinery
- Scheduled to be operational: 2011
- Production size: 300,000 tons/year
⇒ Reduction in gasoline production by 700,000 kl/year

* MX=Mixed xylene
* PX=Paraxylene



- Improve the petroleum product structure: Gasoline ⇒ MX
Respond to reduced gasoline demand in Japan by shifting toward producing more of a highly value-added product
- Improve the product sales channel structure: Supply all MX produced to a new PX production plant (in ROK)
Export PX, a raw material used to produce polyester, to China with growing demand expected.

Consolidated Income Statements - Changes from 1H FY2009

(bn. Yen)

	1H FY10 (Apr.-Sep.2010)	1H FY09 (Apr.-Sep.2009)	Change
Net sales	1,297.5	1,141.9	155.6
Cost of sales	1,204.4	1,060.2	144.2
Selling, general and administrative expenses	63.4	66.1	-2.7
Operating income	29.7	15.6	14.1
Non-operating income/expenses, net	-3.0	4.7	-7.7
Ordinary income	26.7	20.3	6.4
Extraordinary income/losses, net	-11.8	-4.9	-6.9
Income taxes	11.7	9.0	2.7
Minority interests	1.9	1.2	0.7
Net income	1.3	5.2	-3.9

[Reference]

Impact of inventory valuation	-12.9	41.4	-54.3
Operating income excluding the impact of inventory valuation	42.6	-25.8	68.4
Ordinary income excluding the impact of inventory valuation	39.6	-21.1	60.7

[1H FY2010 Results] Summary of Consolidated Operating Results

- Changes from 1H FY2009

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	1H FY2010	1H FY2009	Changes from 1H FY2009
Consolidated ordinary income	26.7billion yen	20.3billion yen	6.4billion yen
Impact of the inventory valuation	-12.9billion yen	41.4billion yen	-54.3billion yen
Consolidated ordinary income (Excluding inventory evaluation impact)	39.6billion yen	-21.1billion yen	60.7billion yen
①Purchased price of crude oil ②JPY/USD exchange rate:	①75.68 USD/B ②90.10 yen/USD	①60.80 USD/B ②96.33 yen/USD	①14.88 USD/B ②-6.23 yen/USD

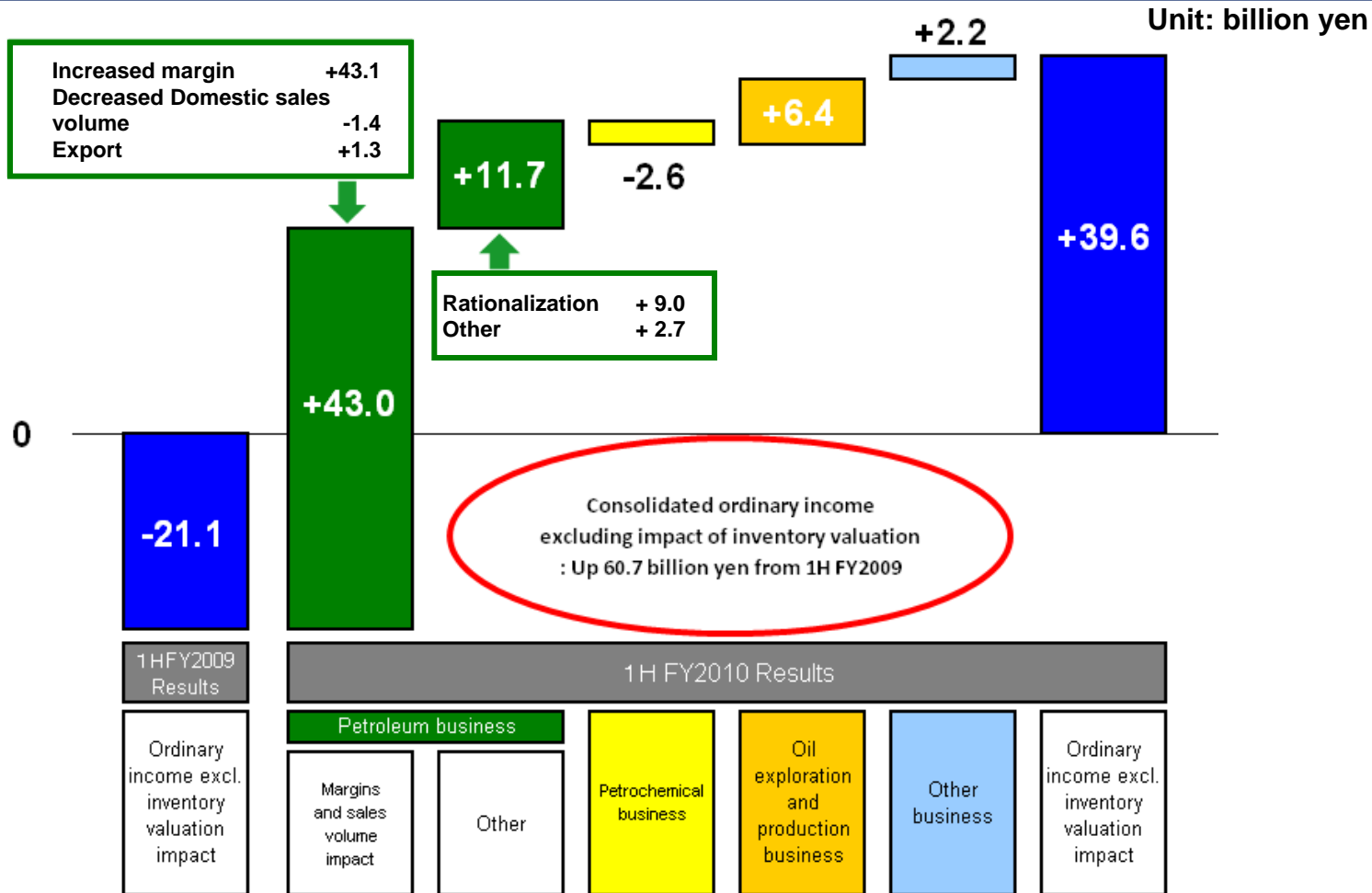
Consolidated Ordinary Income by Business Segment

	1H FY2010	1H FY2009	Changes from 1H FY2009
Petroleum business	8.1billion yen	6.3billion yen	1.8billion yen
Petroleum business (Excluding inventory evaluation)	20.7billion yen	-34.0billion yen	54.7billion yen
Petrochemical business	-1.3billion yen	2.6billion yen	-3.9billion yen
Petrochemical Business (Excluding inventory evaluation)	-1.0billion yen	1.6billion yen	-2.6billion yen
Oil E & P business	19.2billion yen	12.8billion yen	6.4billion yen
Other	0.7billion yen	-1.4billion yen	2.1billion yen

[1H FY2010 Results] Consolidated Ordinary Income (Excluding Inventory Evaluation Impact) – Analysis of Changes from 1H FY2009



- Significant improvement in margin (vs. 1H FY2009) ⇒ Gained the level of margin as planned at the beginning of the fiscal year
- Steady implementation of rationalization (cost reduction) as planned at the beginning of the fiscal year



[1H FY2010 Results] Outline of Consolidated Cash Flows and Balance Sheets

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	Results (As of Sep. 30, '10)	Change from FY09 (As of Mar. 31, '10)	Unit: billion yen
Cash flows from operating activities	49.4	-	
Cash flows from investing activities	-38.5	-	
Cash flows from financing activities	-118.5	-	
Cash and cash equivalents at end of the period	120.4	-108.5	

	Results (As of Sep. 30, '10)	FY09 (As of Mar. 31, '10)	Change
Total Assets	1,485.7	1,645.0	-159.3
Net assets	322.5	331.6	-9.1
Net worth	304.3	315.7	-11.4
Net worth ratio	20.5%	19.2%	Improved by 1.3 points
Interest-bearing debts (including zero coupon corporate bonds)	666.0	777.7	-111.7
Debt dependence ratio	44.8%	47.3%	Improved by 2.5 points
Debt Equity Ratio	2.2	2.5	Improved by 0.3 points
Net interest-bearing debt * (including zero coupon corporate bonds)	545.6	548.8	-3.2
Debt dependence ratio	36.7%	33.4%	Down 3.3 points
Debt Equity Ratio	1.8	1.7	Down 0.1 points

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

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[FY2010 Outlook] Summary of Consolidated Business Outlook

- Changes from Previous Announcement

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	FY2010 Outlook	Previous Announcement	Changes from Previous Announcement
Consolidated ordinary income	66.0billion yen	58.0billion yen	8.0billion yen
Impact of the inventory valuation	-8.0billion yen	0	-8.0billion yen
Consolidated ordinary income (Excluding inventory evaluation impact)	74.0billion yen	58.0billion yen	16.0billion yen
①Purchased price of crude oil ②JPY/USD exchange rate	①78.00 USD/B ②85.50 yen/USD	① 75.00 USD/B ② 90.00 yen/USD	①3.00 USD/B ②-4.50 yen/USD



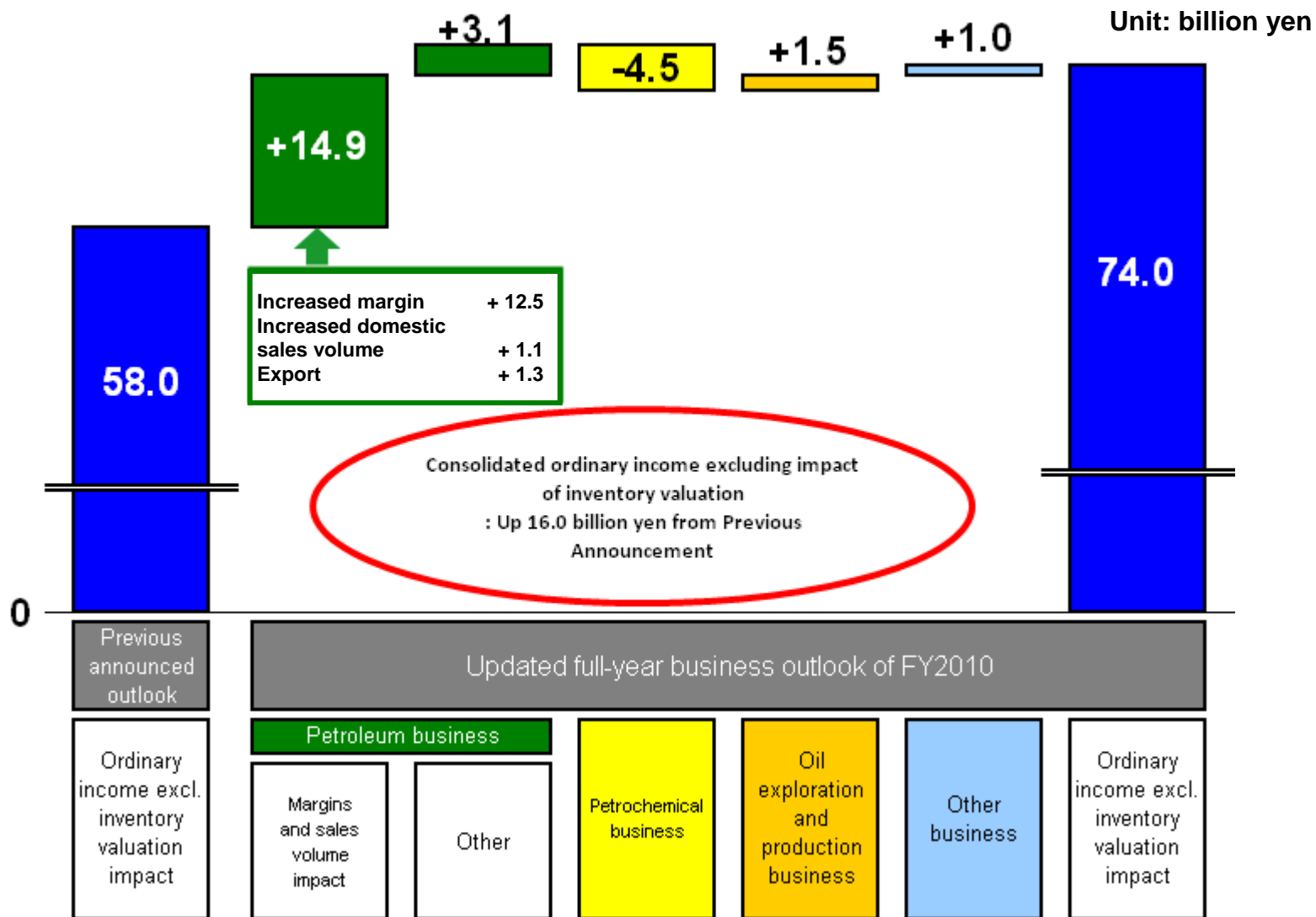
■ 2H Assumptions
Crude oil price: 80.0USD/B
Exchange rate: 82.0yen/USD

■ Please refer to Supplementary Information No. 18 for sensitivity information.

Consolidated Ordinary Income by Business Segment

	FY2010 Outlook	Previous Announcement	Changes from Previous Announcement
Petroleum business	27.0billion yen	17.0billion yen	10.0billion yen
Petroleum business (Excluding inventory evaluation)	35.0billion yen	17.0billion yen	18.0billion yen
Petrochemical business	-2.0billion yen	2.5billion yen	-4.5billion yen
Petrochemical Business (Excluding inventory evaluation)	-2.0billion yen	2.5billion yen	-4.5billion yen
Oil E & P business	37.5billion yen	36.0billion yen	1.5billion yen
Other	3.5billion yen	2.5billion yen	1.0billion yen

[FY2010 Outlook] Consolidated Ordinary Income (Excluding Inventory Evaluation Impact) – Analysis of Changes from Previous Announcement



Supplementary Information

1. [The 4th Medium-Term Management Plan] FY2009 Actuals and 3-Year Plan for Business and Financial Performance and Assumptions
2. [The 4th Medium-Term Management Plan] Cash Flow Balance Forecast (FY2010-12)
3. [The 4th Medium-Term Management Plan] Investment Plan (FY2010-12)
4. [Profit Growth Program] Oil E & P business
5. [Profit Growth Program] Structural Improvement in Product Sales Channels (for Overseas Sales Growth)
6. [Reference] Diesel Fuel Export Results and Margin Environment
7. [Profit Growth Program] Petroleum Product Structure and Sales Channel Structure Improvement (Entry into the PX Business (1))
8. [Profit Growth Program] Petroleum Product Structure and Sales Channel Structure Improvement (Entry into the PX Business (2))
9. [Profit Growth Program] Petroleum Product Structure and Sales Channel Structure Improvement (Entry into the PX Business (3))
10. [Reference] Petrochemical business Aromatic Product Market Conditions 1
11. [Reference] Petrochemical business Aromatic Product Market Conditions 2
12. [The 4th Medium-Term Management Plan] Oil refining and marketing business (Domestic Sales of Petroleum Products)
13. [The 4th Medium-Term Management Plan] Increase the portfolio of environmental and new energy businesses

Supplementary Information

14. [The 4th Medium-Term Management Plan] Environmental and New Energy Businesses (ALA (1))
15. [The 4th Medium-Term Management Plan] Environmental and New Energy Businesses (ALA (2))
16. [The 4th Medium-Term Management Plan] Environmental and New Energy Businesses (ALA (3))
17. [The 4th Medium-Term Management Plan] Environmental and New Energy Businesses (Other New Energy Businesses)
18. [Results and Business Outlook Assumption] Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Sensitivity, Crude Oil Production Volume
19. [Results and Business Outlook Assumption] Selling volume
20. [1H FY2010 Results & FY2010 Outlook] Outline of Consolidated Capital Investment
21. [1H FY2010 Results] Results by Business Segment – Changes from 1H FY2009
22. [FY2010 Outlook] Business Outlook by Business Segment - Changes from Previous Announcement
23. [FY2010 Outlook] Highlights of Consolidated Business Outlook - Changes from FY2009
24. [FY2010 Outlook] Consolidated ordinary income - Analysis of Changes from FY2009
25. [FY2010 Outlook] Business Outlook by Business Segment - Changes from FY2009
26. [1H FY2010 Results] Self-Service SSs Operational and Cosmo The Cards in Force
27. [1H FY2010 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

[The 4th Medium-Term Management Plan] FY2009 Actuals and 3-Year Plan for Business and Financial Performance and Assumptions

Supplementary Information – 1

■ Consolidated Business Outlook (Unit: billion yen)

	Results	Plan		
	FY2009	FY2010	FY2011	FY2012
Net sales	2,612.1	2,550.0	2,642.0	2,643.0
Operating income	34.2	63.0	74.0	69.0
Consolidated ordinary income	36.4	58.0	68.0	65.0
Net income	-10.7	18.0	28.0	33.0
Impact of the inventory valuation	52.6	0.0	0.0	0.0

■ Consolidated Ordinary Income by Business Segment

	Results	Plan		
	FY2009	FY2010	FY2011	FY2012
Petroleum business	9.3	19.5	31.0	39.0
Petrochemical	4.9	2.5	3.0	4.0
Impact of the inventory valuation	52.6	0.0	0.0	0.0
NET petroleum business	-48.2	17.0	28.0	35.0
Oil E & P business	29.4	36.0	36.0	24.0
Other	-2.3	2.5	1.0	2.0

■ Assumptions

	Results	Plan		
	FY2009	FY2010	FY2011	FY2012
Crude oil price (USD/BBL)	68.0	75.0		
Exchange rate (yen/USD)	92.9	90.0		

* The figure for the plan refers to the Dubai crude oil price. The FY2009 actual figure refers to the price of crude oil handled during the fiscal year.

■ Balance Sheet and Other Financial Variables

	Results	Plan		
	FY2009	FY2010	FY2011	FY2012
Total assets	1,645.0	1,532.0	1,517.0	1,477.0
Net worth	315.7	327.0	348.0	374.0
Interest-bearing debts	777.7	703.0	660.0	602.0
Net interest-bearing debt	548.8	596.0	556.0	490.0
ROE	-3.3%	5.6%	8.3%	9.1%
ROA	-0.7%	0.3%	0.5%	0.6%
Net worth ratio	19.2%	21.3%	23.0%	25.4%
Debt equity ratio (Times)	2.5	2.1	1.9	1.6
Net debt equity ratio (Times)	1.7	1.8	1.6	1.3

■ Sales Volume Plan (FY2009⇒12) (Unit: 1000KL)

	FY2009 Results	Change between FY2009 and FY2012
Gasoline	6,584	-1.6%
Kerosene	2,458	-6.0%
Diesel fuel	4,526	-3.0%
Heavy fuel oil A	2,489	-6.2%
Combined sales of 4 oil products above	16,057	-3.4%
Naphtha	6,749	-0.9%
Jet fuel	443	8.7%
Heavy fuel oil C	2,553	-15.4%
for power generation	1,157	-20.7%
for industrial use	1,396	-11.4%
Total fuel sales in Japan	25,802	-3.5%

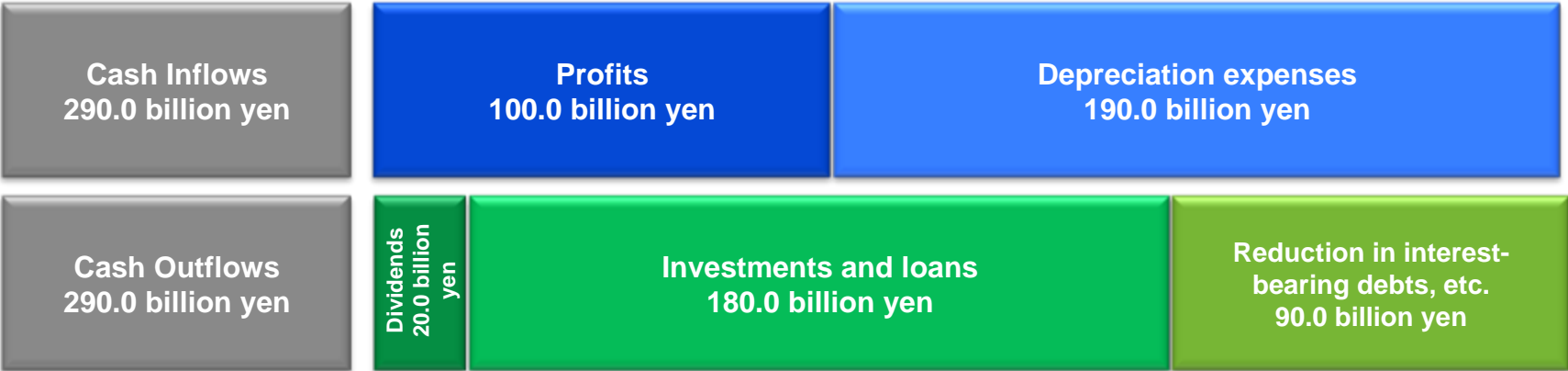
* annual rate

[The 4th Medium-Term Management Plan] Cash Flow Balance Forecast (FY2010-12)

Cash Flow Balance Forecast

Cash Outflow Policy

- Stable return of profits to shareholders (in the form of dividends)
- Strict selections of projects for investments and loans to reduce interest-bearing debts



Notes:
 1) The dividend is assumed to be 8 yen per year
 2) Reduction in interest-bearing debts: 60 billion yen; Timing difference in gasoline tax payments: 30 billion yen

[The 4th Medium-Term Management Plan] Investment Plan (FY2010-12)

Investment Policy

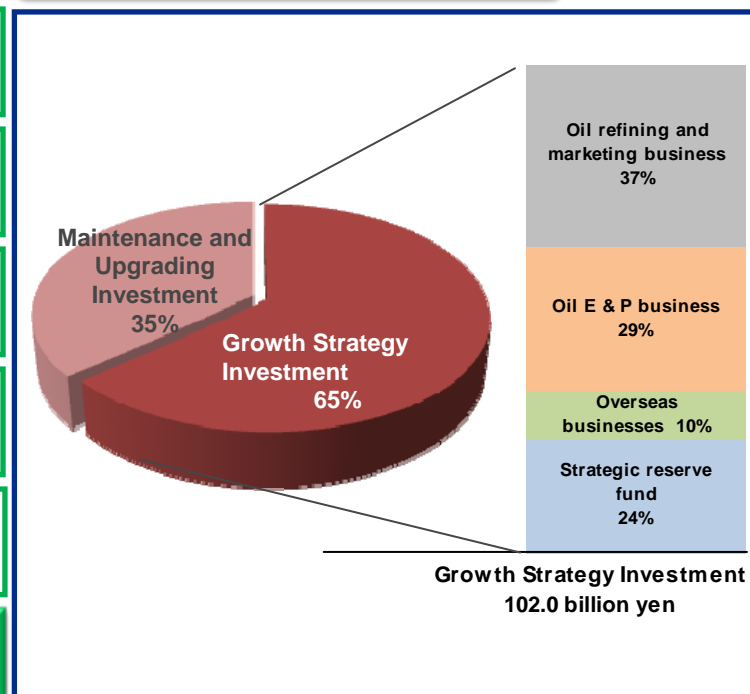
- Direct about 65% of the total investment budget to growth strategy investment projects
- Make strict selection of growth strategy investments in the oil refining and marketing business, while expanding the portfolio of growth strategy investment projects for the oil exploration and production, and export oil and petrochemical businesses.

Breakdown of the Investment Plan

(Unit : billion yen)

Growth Strategy Investment 102.0 billion yen	Oil refining and marketing business - New MX facility construction and self-service SS openings, etc.	38.0
	Oil E & P business - Increase in crude oil production in Qatar and Australia	30.0
	Overseas businesses - PX business expansion	10.0
	Strategic reserve fund - For additional growth strategy investment projects	24.0
Maintenance and Upgrading Investment	Oil refinery/SS repair and maintenance and up grading Stable production in existing oil development mining lots, etc.	58.0
Total (FY2010-12)		160.0

Investment Portfolio by Segment



Notes:

- The investment plan above does not consist with the cash outflow plan since it is developed on an acquisition basis.
- The “strategic reserve fund” will be used for new investment projects for the oil exploration and production business and overseas businesses.

[Profit Growth Program] Oil E & P business

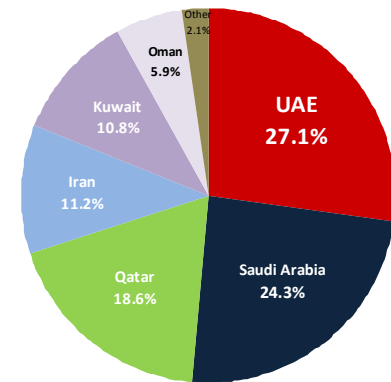
1. Keep Strongly Reliable Relations with Abu Dhabi:

- Reliable relations established through exploration and production over 40 years
 - Abu Dhabi Oil Co., Ltd.:
 - Established in: 1968 (62.6% invested by Cosmo Oil)
 - Production started in: 1973 (up to 2012)
 - United Petroleum Development Co., Ltd.:
 - Established in: 1970 (45.0% invested by Cosmo Oil)
 - Production started in: 1975 (up to 2018)
- Strategic partnership with IPIC:
 - Equity owned by IPIC:
 - 20.76% as the largest shareholder of Cosmo Oil
 - Outside directors:
 - UAE's Minister of Energy (incumbent) and chairman of Abu Dhabi Department of Economic Development (incumbent) sent by IPIC and accepted by the board of Cosmo Oil

2. Minimize Oil Exploration and Production Risks:

- Drilling, exploration and production risks <minimal>
 - Land to shallow sea oil fields ⇒ Ensure operations at lower risk and cost
- Geopolitical risks <minimal>
 - Ensure operations in areas with no political and military uncertainty

Crude Oil Imports by Country (FY2009)



<Oil fields operational in Abu Dhabi and Qatar>



[Profit Growth Program] Structural Improvement in Product Sales Channels (for Overseas Sales Growth)

Overseas Sales of Petroleum Products

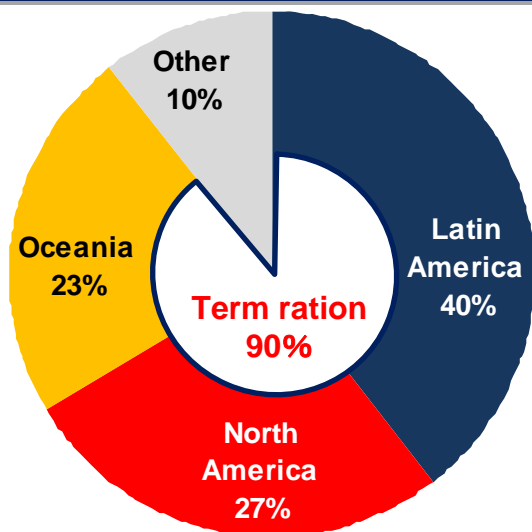
Achievements made up to the end of the Third Consolidated Medium-Term Management

- Secured stable sales channels through long-term contracts directly with overseas end-users.
- Entered the wholesale market (in North America)
- Established the infrastructure capable of exporting 4 million kl of petroleum products.

Programs of the Fourth Consolidated Medium-Term Management

- “Expand existing stable sales channels” and “diversify sales channels by acquiring new customers” in the Asian and Pacific Rim region.
- Increase overseas sales of middle distillates (jet fuel and diesel fuel) by making the maximum use of the coker unit.

Overseas Sales by Region (FY2009)



Note: Including local product procurement and sales

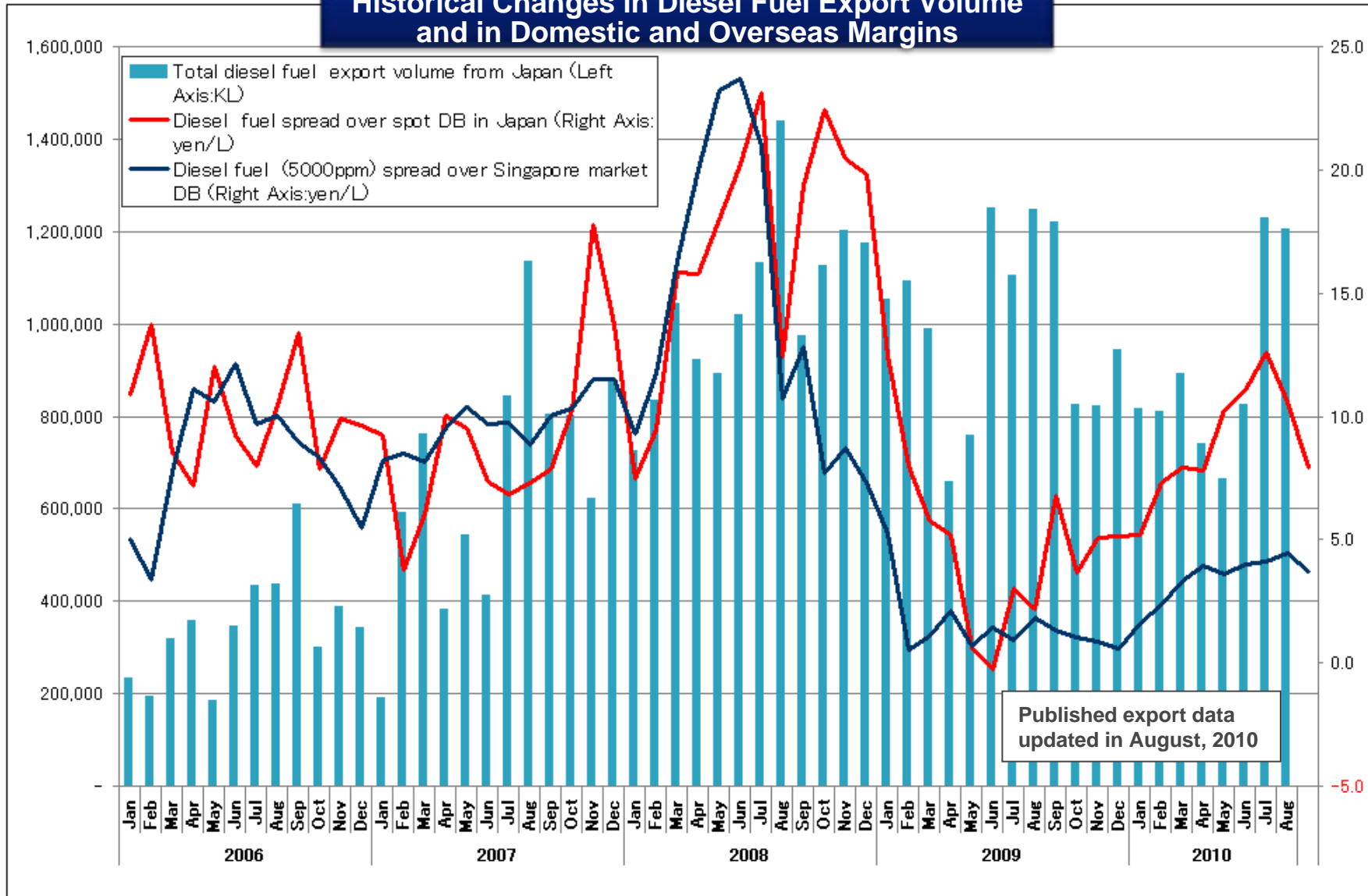
Objective of the Fourth Consolidated Medium-Term Management

- Expand stable sales channels in the Asian and Pacific Rim region:

Ratio of overseas sales to total sales
(13% in FY2009 → About 19% in FY2012)

[Reference] Diesel Fuel Export Results and Margin Environment

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



[Profit Growth Program] Petroleum Product Structure and Sales Channel Structure Improvement (Entry into the PX Business -1)

Signed a joint venture agreement with Hyundai Oilbank (HDO) on paraxylene production

Build a new mixed-xylene distillation unit at the Yokkaichi Refinery



Overwhelmingly strong cost competitiveness owing to scale merit

Respond to reduced gasoline demand in Japan

Diversify the product portfolio by realizing integrated production through PX from crude oil

PX: Paraxylene
MX: Mixed xylene

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

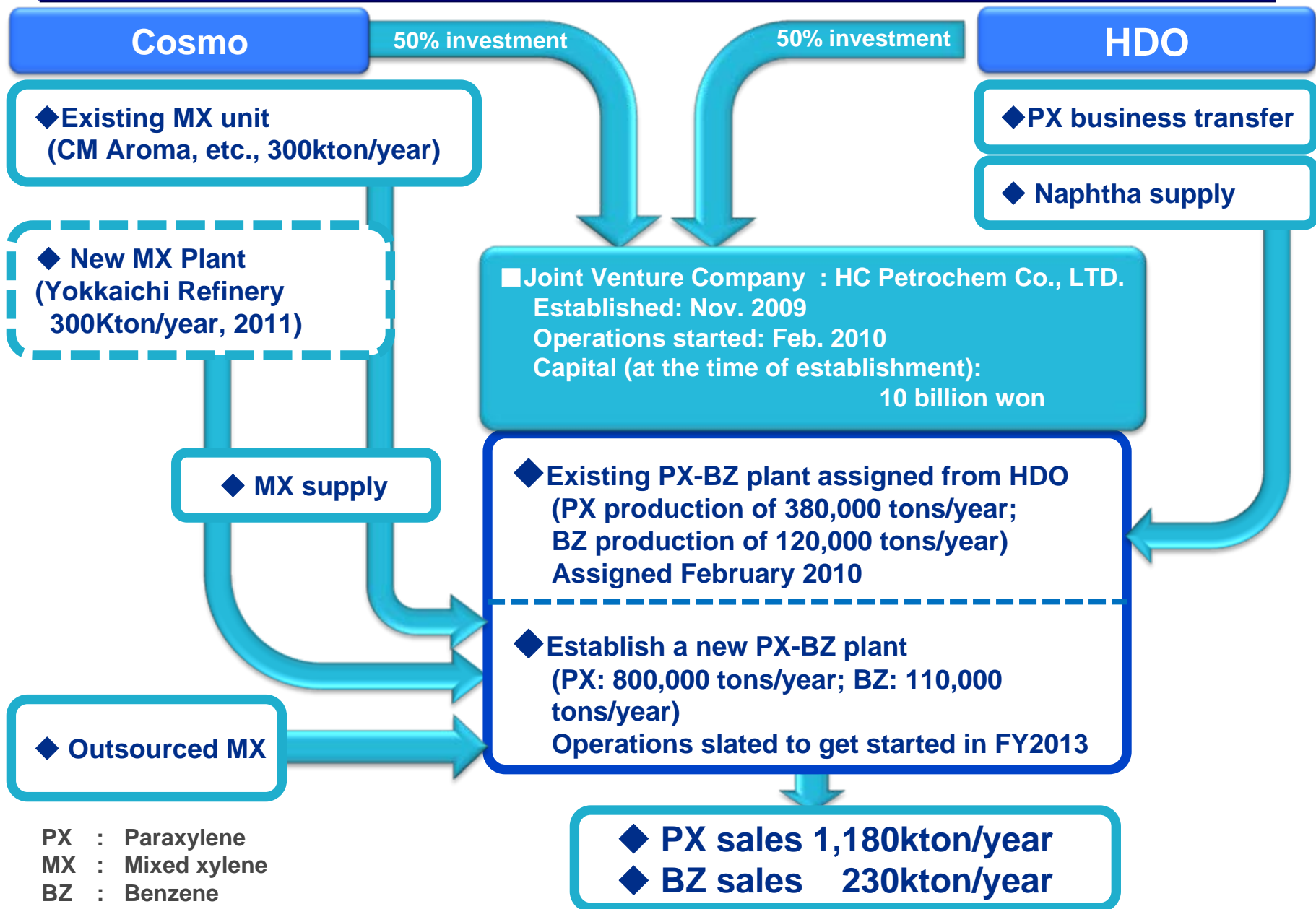
- Lower corporation tax rate: 22.0%
- Korea** - Preferential tax treatment for foreign companies (foreign investment ratio 50%): preferential tax rate for 7 years(*) (1st -5th year: 11%, 6th -7th year: 16.5%, 22.0% thereafter)
- Japan** - Exemption of tax charge against dividends received from a foreign 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)

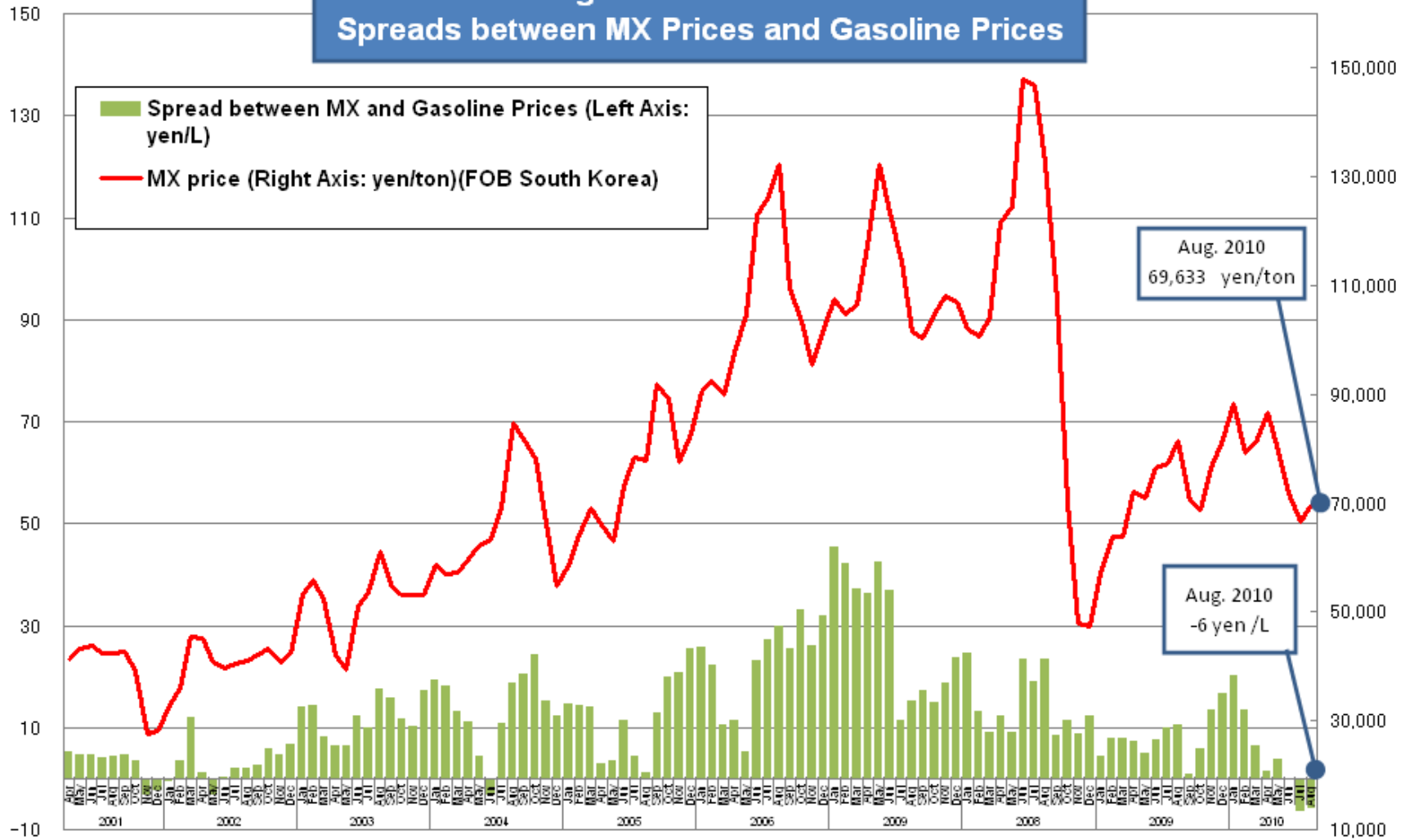
[Profit Growth Program] Petroleum Product Structure and Sales Channel Structure Improvement (Entry into the PX Business -3)



[Reference] Petrochemical business – Aromatic Product Market Conditions -1

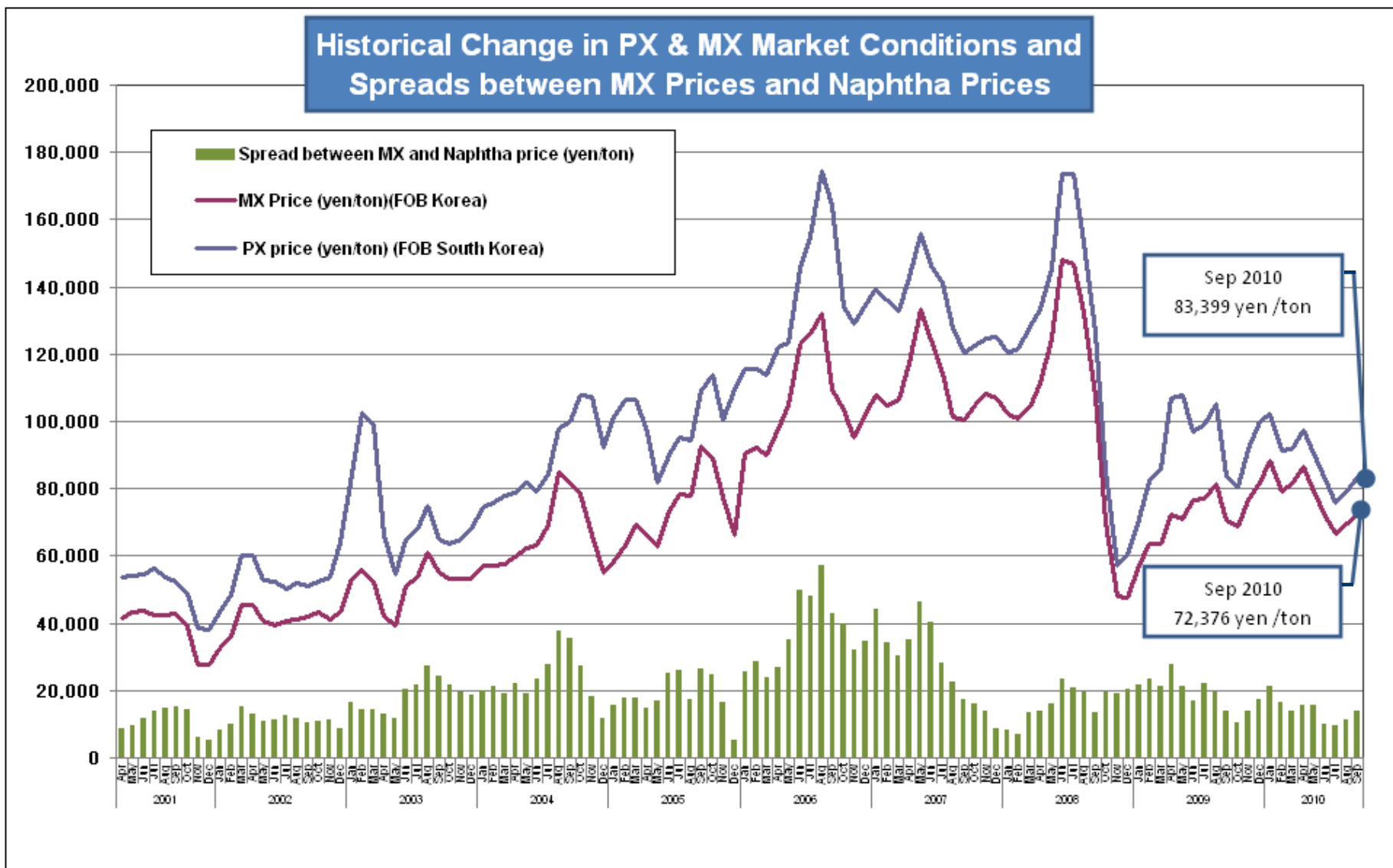
Supplementary
Information – 10

Historical Change in MX Market Conditions and Spreads between MX Prices and Gasoline Prices



[Reference] Petrochemical business Aromatic Product Market Conditions -2

Supplementary
Information -11



Price formula plan

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

- 100% market-linked
 - 50% market-linked + 50% crude oil cost
- (+ variable costs + brand charge - VOL incentive)

Key Points of Revision of the Pricing Formula Plan (adopted in April 2010)

Revised brand charge

Improved brand value (reflecting stable supply, quality maintenance and improved brand perception)

Revised floor value

Recover the minimum cost necessary for stable supply.

Change in the pricing calculation period

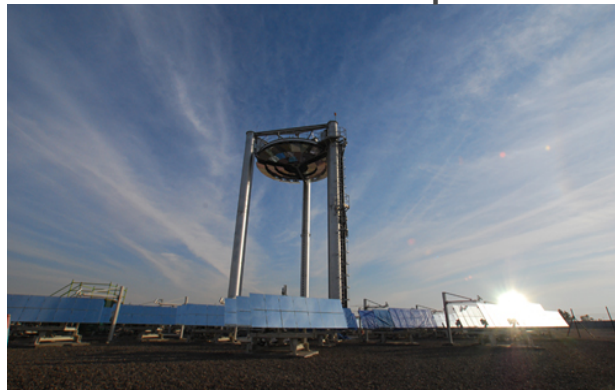
Rectify a gap between market and wholesale prices through eliminating timing difference.

[The 4th Medium-Term Management Plan] Increase the portfolio of environmental and new energy businesses

		Programs of the Fourth Consolidated Medium-Term Management	Objective of the Fourth Consolidated Medium-Term Management
Environmental and new energy businesses	ALA	Accelerate commercialization and enhance sales and marketing power	Increase profit contribution to the Company
	Wind Power Generation	Enter the market on a full scale by acquiring EcoPower Co., Ltd.	Ensure a stable income stream from the business
	Solar Power Generation	Establish the low-cost production technology for polysilicon	Determine the feasibility of the commercialization
	Concentrated Solar Power (CSP) Generation	Complete the construction of the demo plant in Abu Dhabi	Execute the feasibility studies based on stored data



<Concentrated Solar Power (CSP) Generation
The verification test plant>



- Accelerate commercialization to diversify the environmental and new energy business portfolio

Goal for FY2012:
Ordinary Income of 1.0 billion yen
(included in the petroleum business)

[The 4th Medium-Term Management Plan] Environmental and New Energy Businesses (ALA (1))

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

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

■ Fertilizer business

	Remark	FY2009		FY2010	FY2011 onwards
		First Half	Second Half		
Liquid fertilizers	Japan	Now available			
	Europe	Now available			
	China	Local subsidiary establishment (in September 2009) ⇒ Product launch			
	US	Regulatory registration	Sales channel development		Scheduled for product launch
Solid fertilizers		Under product development			

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

Finalized product

Animal feed business

◆ Projects in blue indicate businesses commercially launched

- ◆ Already got a newly-developed product registered with the regulator as a raw material for fish feed and currently selling in Japan (finished product now being sold by Intervet)
- ◆ Develop and sell animal feed for Japan ⇒ Regulatory registration as an animal feed raw material and sample shipment launch

■ Animal feed business

	Remark	FY2009		FY2010	FY2011 onwards
		First Half	Second Half		
Marine fish feed		Now available			
Animal feed		Under product development		Scheduled for product launch	
Animal pet feed		Under product development			Scheduled for product launch

[The 4th Medium-Term Management Plan] Environmental and New Energy Businesses (ALA (3))

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

Pharmaceutical, cosmetics and healthy food businesses

◆ Projects in blue indicate businesses commercially launched

Finalized product

- ◆ **Cosmetics (hand and face cream products currently sold by a partner company)**
- ◆ Substance used for diagnostic tests during brain tumor surgeries and cancer treatment
 - ⇒ Inception of clinical trial for an intraoperative diagnostic drug for brain tumors
- ◆ Healthy food
 - ⇒ Nutritional supplement product launched by a partner company (in Japan)
- ◆ Hair growth reagents
 - ⇒ Signed a joint venture agreement with Milbon Corp. to develop and manufacture a hair growth reagents product (in Nov. 2008)
 - Clinical trial started for filing an application for marketing authorization for the product in the non-pharmaceutical category with the Ministry of Health, Labour and Welfare.

Being promoted by joint venture company SBI ALA Promo Co., Ltd.

■ Pharmaceutical, cosmetics and healthy food businesses

	Remark	FY2009		FY2010	FY2011 onwards	
		First Half	Second Half			
Cosmetics	Hand and face cream	Now available				
Pharmaceutical category product	Brain tumor (Diagnostic tests)			Clinical trial	Application	Marketing authorization verification
Healthy food	Supplement	Under product development		Product launch		
Non-pharmaceutical category product	Hair growth reagents	Under product development		Application		Marketing authorization verification

Wind Power Generation

- **Objective:** Renewable energy commercialization
- **Progress in business development:** The wind power generation business launched in Sakata City, Yamagata Prefecture (Cosmo Oil Sakata Wind Power Plant (1,500 kw) operational since December 2004).
Acquisition of EcoPower Co., Ltd. (in March 2010, running 130 units in 25 sites (147,000 kw, the 4th largest wind power company in Japan)

Solar Power Generation

- **Objective:** Determine the feasibility of commercializing the business to manufacture polysilicon (polycrystalline silicon).
- **Progress in business development:** Make research-level development of the technology to manufacture polysilicon (polycrystalline silicon) at lower cost.

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)
The demo plant being constructed in Abu Dhabi (to be completed in October 2009) to start demo tests

[Results and Business Outlook Assumption] Crude Oil Procurement Cost and Processing Volume, Topper Operating Ratios, Sensitivity, Crude Oil Production Volume

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

		1H FY2010 Results	Change from 1H FY2009		Full Year Assumption
Purchased price of crude oil	Crude oil (FOB) USD/BBL	75.68	14.88	–	78.0 (2H FY'10 assumption: 80.0)
	JPY/USD exchange rate	90.10	-6.23	–	85.5 (2H FY'10 assumption: 82.0)
	Purchased price of crude oil (tax inclusive) yen/KL	46,200	6244	–	–
Crude oil refining	Refined crude oil volume (1,000 KL)	12,587	-106	99.2%	96.6%
	Atmospheric distillation operating ratio (Calendar Day)	77.9%	9.2%	–	78.7%
	Atmospheric distillation operating ratio (Streaming Day)	90.3%	5.9%	–	87.0%

*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 : 1.4 billion Oil E & P : 0.3 billion
JPY/UD + 1 exchange rate Petroleum : 1.4 billion Oil E & P : 0.3 billion

<<Crude oil production volume>>

		1H FY2010 Results	1H FY209 Results	Change	Investment ratio
Oil exploration and production subsidiary production volume *2	Abu Dhabi Oil Co., Ltd. (BBL/Day)	23,539	24,207	97.2%	63.0%
	Qatar Petroleum Development Co., Ltd. (BBL/Day)	6,809	6,446	105.6%	85.8%
	United Petroleum Development Co., Ltd. (BBL/Day)	14,002	14,029	99.8%	45.0%

*2 Production volume: Average production volume by a project company during the term
Production volume of January-June 2010 because each company ends its fiscal year in December.

*4 - Change in capital investment in Qatar Petroleum Development Co., Ltd. By Cosmo Oil, effective July 20, 2010 (85.8% ⇒ 75.0%)
- Change in capital investment in United Petroleum Development Co., Ltd. by Cosmo Oil, effective March 29, 2010 (35.0% ⇒ 45.0%)

[Results and Business Outlook Assumption] Selling volume

		(1000KL)					
		1H FY2010 Results	1H FY2009 Results	Change	Change from 1H FY2009	FY2010-Full Year Assumption change from Previous Announcement	FY2010-Full Year Assumption change from FY2008
Selling volume in Japan	Gasoline	3,291	3,368	-77	97.7%	99.5%	97.1%
	Kerosene	653	642	11	101.8%	102.5%	93.6%
	Diesel fuel	2,185	2,222	-37	98.3%	100.7%	97.1%
	Heavy fuel oil A	1,105	1,050	55	105.3%	105.0%	95.9%
	Combined sales of 4 volume products above	7,234	7,281	-47	99.4%	101.1%	96.4%
	Naphtha	3,135	3,267	-132	95.9%	101.8%	97.7%
	Jet fuel	257	187	70	137.7%	99.3%	127.8%
	Heavy fuel oil C	1,080	1,299	-219	83.1%	113.4%	78.4%
	incl. Heavy fuel oil C for electric power	461	619	-158	74.5%	128.1%	67.4%
	Sub-Total	11,706	12,034	-328	97.3%	102.1%	95.5%
Middle distillate	Diesel fuel	504	620	-116	81.4%	103.5%	88.3%
export volume	Kerosene/JET	153	110	43	138.7%	55.8%	138.7%
	Sub-Total	657	730	-73	90.1%	91.9%	93.5%
Bond sales, etc.	Jet	798	752	46	106.1%	107.6%	100.8%
	Heavy fuel oil C	268	348	-80	77.0%	94.8%	79.3%
	Other	213	75	138	285.4%	199.8%	202.5%
	Sub-Total	1,279	1,175	104	108.8%	110.4%	100.6%
Barter deal, etc.		4,599	4,867	-268	94.5%	101.3%	95.2%
Total selling volume		18,241	18,806	-565	97.0%	102.1%	95.7%

[1H FY2010 Results & FY2010 Outlook] Outline of Consolidated Capital Investment

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[1H FY2010 Results]

Unit: billion yen

<Capital Expenditures, Depreciation, etc.>

	1H FY2010 Results	Change from 1H FY2009
Capital expenditures	34.3	-19.1
Depreciation expense amount	24.2	3.7

<Capital expenditures by Business Segment>

	1H FY2010 Results	1H FY2009 Results	Change from 1H FY2009
Petroleum	22.6	44.2	-21.6
Petrochemical	0.5	0.3	0.2
Oil exploration and production	11.2	8.8	2.4
Other	0.0	0.1	-0.1
Total	34.3	53.4	-19.1

[FY2010 Forecast]

<Capital Expenditures, Depreciation, etc.>

	FY2010 Outlook	Change from previous announcement
Capital expenditures	75.0	-1.6
Depreciation expense amount	53.7	-8.2

<Capital expenditures by Business Segment>

	FY2010 Outlook	FY2010 previous announcement	Change from previous announcement
Petroleum	48.0	47.6	0.4
Petrochemical business	1.4	1.2	0.2
Oil exploration and production	25.6	27.8	-2.2
Other	0.0	0.0	0.0
Total	75.0	76.6	-1.6

[1H FY2010 Results] Results by Business Segment – Changes from 1H FY2009

<Results by Business Segment>

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Excluding inventory valuation)	
		Change from 1H FY2009		Change from 1H FY2009		Change from 1H FY2009		Change from 1H FY2009
Petroleum business	1,272.6	172.7	11.2	4.6	8.1	1.8	20.7	54.7
Petrochemical business	16.4	-6.7	-0.7	-1.0	-1.3	-3.9	-1.0	-2.6
Oil exploration and production	36.9	12.2	19.0	8.8	19.2	6.4	19.2	6.4
Other	34.2	-8.1	-0.3	-0.9	0.2	-0.6	0.2	-0.6
Write-off	-62.6	-14.5	0.5	2.6	0.5	2.7	0.5	2.8
Total	1,297.5	155.6	29.7	14.1	26.7	6.4	39.6	60.7

* Figures for the petroleum segment include a negative inventory valuation impact of -12.6 billion yen (down 52.9 billion yen from 1H FY 2009)

* Figures for the petrochemical segment also include a negative inventory valuation impact of -0.3 billion yen (down 1.3 billion yen from 1H FY 2009).

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

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

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), etc.

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

[FY2010 Outlook] Business Outlook by Business Segment - Changes from Previous Announcement

<Business Outlook by Business Segment>

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Excluding inventory valuation)	
		Change from Previous Announcement		Change from Previous Announcement		Change from Previous Announcement		Change from Previous Announcement
Petroleum business	2,490.0	73.5	36.0	8.4	27.0	10.0	35.0	18.0
Petrochemical business	50.0	-13.5	-0.5	-0.4	-2.0	-4.5	-2.0	-4.5
Oil exploration and production	80.0	0.0	36.0	2.0	37.5	1.5	37.5	1.5
Other	80.0	0.0	1.5	-0.5	2.5	-0.5	2.5	-0.5
Write-off	-100.0	-10.0	1.0	1.5	1.0	1.5	1.0	1.5
Total	2,600.0	50.0	74.0	11.0	66.0	8.0	74.0	16.0

* Figures for the petroleum segment include an inventory valuation impact of -8 billion yen (down 8 billion yen from previous announcement)

* Figures for the petrochemical business segment include an inventory valuation impact of 0 yen (no change from previous announcement).

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

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

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), etc.

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

[FY2010 Outlook] Highlights of Consolidated Business Outlook - Changes from FY2009

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	Outlook Full-Year FY2010 Outlook	FY2009	Change from FY2009
Consolidated ordinary income	66.0billion yen	36.4billion yen	29.6billion yen
Impact of the inventory valuation	-8.0billion yen	52.6billion yen	-60.6billion yen
Consolidated Ordinary Income (Excluding Inventory Evaluation Impact)	74.0billion yen	-16.2billion yen	90.2billion yen
Assumption for business outlook	Crude oil price: 78.0USD/B Exchange rate: 85.5 yen/USD	Crude oil price: 68.0USD/B Exchange rate: 92.9 yen/USD	Crude oil price: 10.0USD/B Exchange rate: -7.4 yen/USD

■ 2H FY2010 Assumptions
Crude oil price: 80.0USD/B
Exchange rate: 82.0 yen/USD

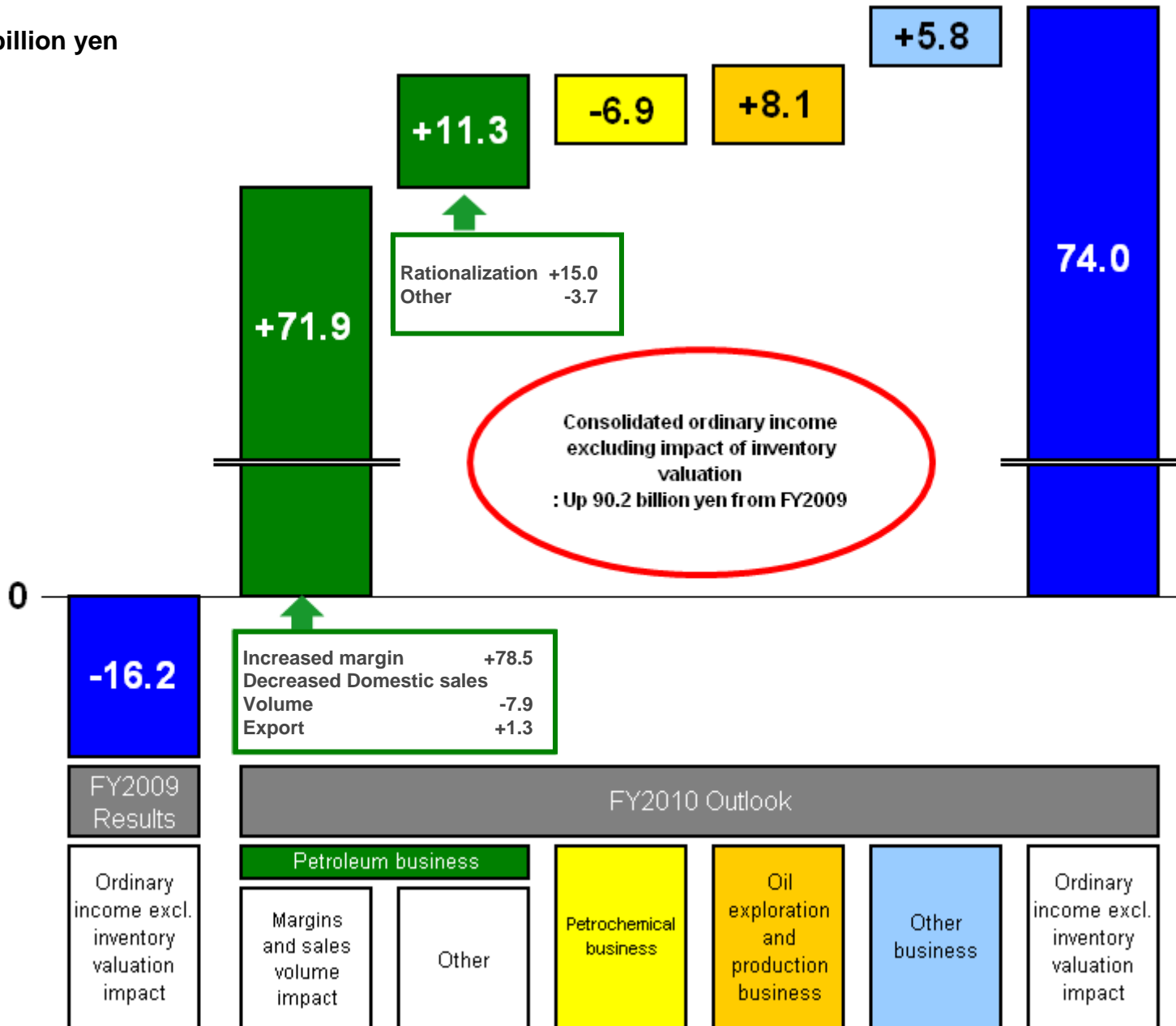
■ Note: Please refer to Supplementary Information -18 for sensitivity

Consolidated ordinary income by Business Segment

	Outlook Full-Year FY2010 Outlook	FY2009	Change from FY2009
Petroleum business	27.0billion yen	3.4billion yen	23.6billion yen
Petroleum business (Excluding Inventory Evaluation Impact)	35.0billion yen	-48.2billion yen	83.2billion yen
Petrochemical business	-2.0billion yen	5.9billion yen	-7.9billion yen
Petrochemical business (Excluding Inventory Evaluation Impact)	-2.0billion yen	4.9billion yen	-6.9billion yen
Oil E & P	37.5billion yen	29.4billion yen	8.1billion yen
Other	3.5billion yen	-2.3billion yen	5.8billion yen

[FY2010 Outlook] Consolidated ordinary income Analysis of Changes from FY2009

Unit: billion yen



[FY2010 Outlook] Business Outlook by Business Segment - Changes from FY2009

<Business Outlook by Business Segment>

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (Excluding inventory valuation)	
		Change from FY2009		Change from FY2009		Change from FY2009		Change from FY2009
Petroleum business	2,490.0	-22.0	36.0	27.3	27.0	23.6	35.0	83.2
Petrochemical business	50.0	-3.2	-0.5	-1.3	-2.0	-7.9	-2.0	-6.9
Oil exploration and production	80.0	20.4	36.0	9.0	37.5	8.1	37.5	8.1
Other	80.0	-8.5	1.5	-0.6	2.5	0.2	2.5	0.2
Write-off	-100.0	1.0	1.0	5.4	1.0	5.6	1.0	5.6
Total	2,600.0	-12.1	74.0	39.8	66.0	29.6	74.0	90.2

*Figures for the petroleum segment include a negative inventory valuation impact of -8 billion yen (down 60.6 billion yen from FY2009)

*Figures for the petrochemical segment also include an inventory valuation impact of 0 yen (down 1 billion yen from FY 2009)

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

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

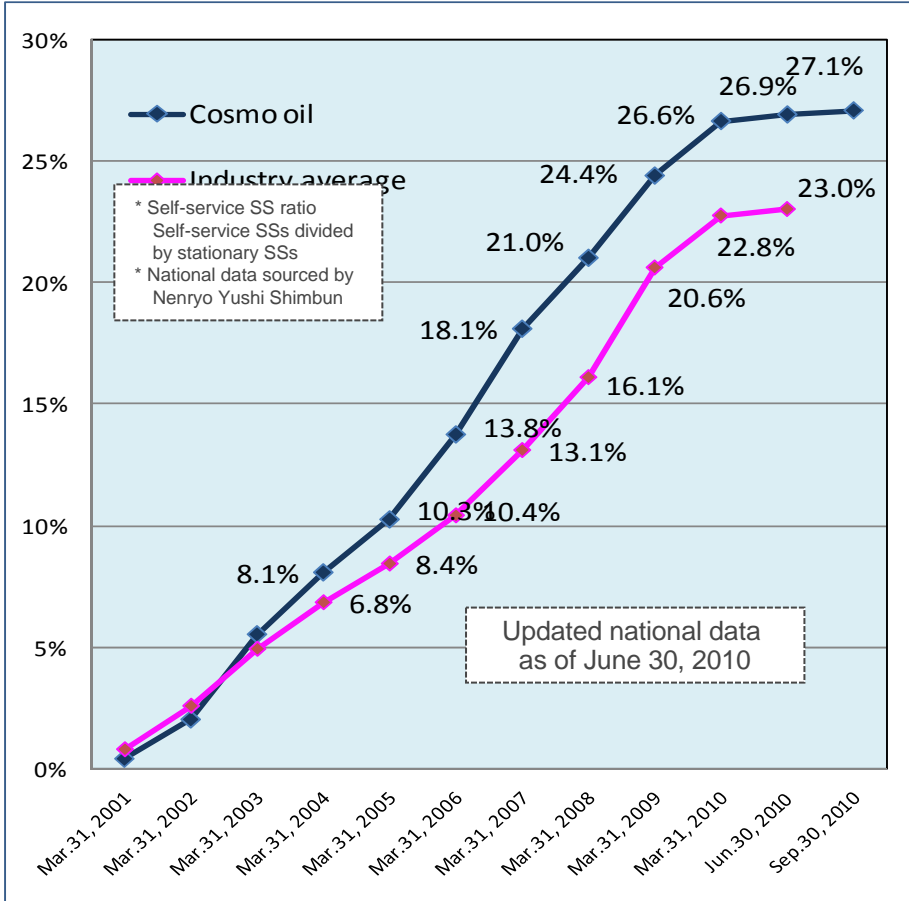
Oil E & P: Abu Dhabi Oil Co., Ltd., Qatar Petroleum Development Co., Ltd., United Petroleum Development Co., Ltd. (owned by the Cosmo Group on the equity method), etc.

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

Self-Service SS Business

As of Sep. 30, 2010: 1,000SSs
Share of Self-Service SSs: 27.1%

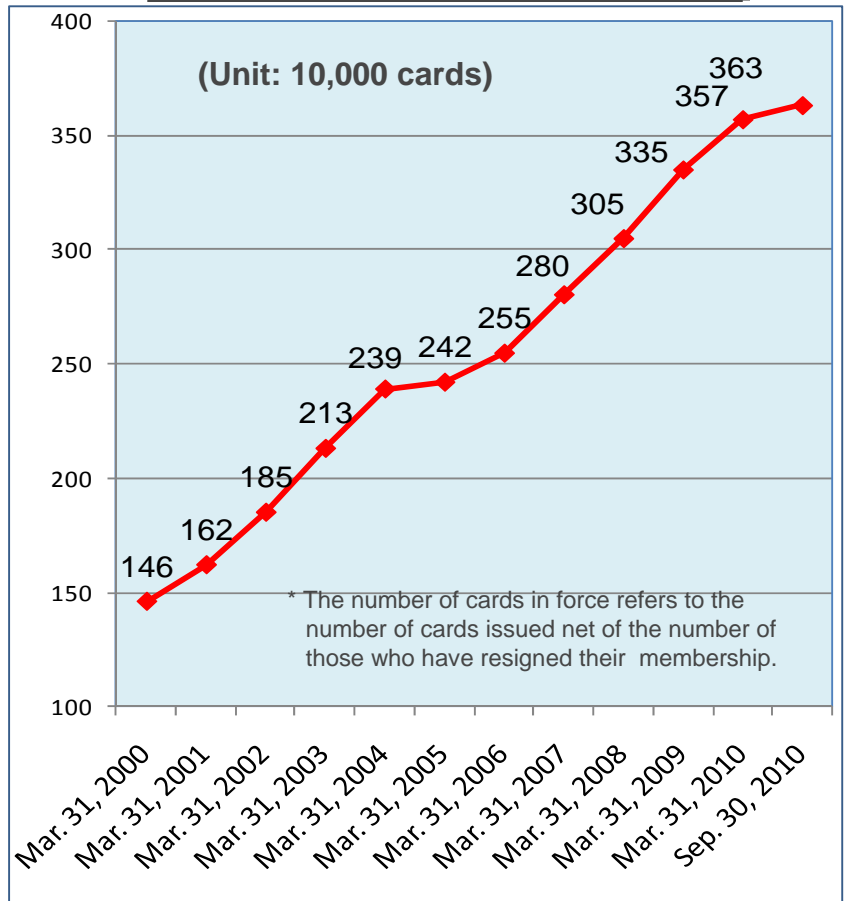
Historical Changes in the Share of Self-Service SSs



Cosmo The Card

As of Sep. 30, 2010: 3.63 mil. cards

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



[1H FY2010 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs and Cards in Force

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Note: Data as of March 31 of each fiscal year.

[1] Workforce size (No. of persons)								
	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	As of Sep. 30, 2010
Cosmo Oil alone	1,764	1,729	1,718	1,916	1,957	2,064	2,180	2,161
Cosmo Oil Group	3,565	3,480	3,451	3,335	3,299	3,269	3,325	3,347

* Cosmo Oil Group = No. of employees at Cosmo Oil alone + Transfers from Cosmo Oil (up to FY2008)

* Cosmo Oil Group = No. of employees at Cosmo Oil alone + Transfers from Cosmo Oil + probationers + elderly employees (as of FY2009)

[2] No. of oil storage depots (DTs)								
	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	As of Sep. 30, 2010
No. of DTs	38	38	38	38	38	38	36	35

[3] Estimated No. of SSs by Operator Type (including mobile stations)								
	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	As of Sep. 30, 2010
Subsidiaries	525	1,065	1,190	1,122	1,104	1,023	1,025	991
Dealers	4,517	3,746	3,456	3,294	3,074	2,937	2,786	2,743
Total	5,042	4,811	4,646	4,416	4,178	3,960	3,811	3,734

* 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

[4] No. of Self-Service SSs out of the Total Estimated No. of SSs Mentioned [3] above.								
	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	As of Sep. 30, 2010
Subsidiaries	255	295	370	463	507	551	575	554
Dealers	143	188	256	326	360	404	429	446
Total	398	483	626	789	867	955	1,004	1,000

[5] Cosmo The Card – Number of cards issued (including the number of Opus cards in force from 2006 onwards)								
	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	As of Sep. 30, 2010
No. of cards in force	239	242	255	280	305	335	357	363

(Unit: 10,000 cards)

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.