



August 3, 2007

Overview of Business Results for First Quarter of Fiscal Year Ending March 2008

Name of the Company: Cosmo Oil Co., Ltd.

(Company Code: 5007 Shares traded: TSE, OSE, and NSE first sections)

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Name of Representative: Yaichi Kimura, President

Name of Person to contact: Atsuto Tamura, Executive Officer & General Manager of
Corporate Communication Dept.

1. Consolidated Financial Results for First Quarter of FY2007 (For the period from April 1, 2007 to June 30, 2007)

Note: Figures less than 1 million are rounded down.

(1) Consolidated operating results

(Figures in % refer to changes from the same quarter a year earlier)

	Net sales		Operating income		Ordinary income		Net income for the first quarter (Fiscal Year)	
	million yen	%	million yen	%	million yen	%	million yen	%
First Quarter, FY2007	760,302	9.9	20,806	64.4	22,331	60.7	13,127	170.8
First Quarter, FY2006	691,831	19.9	12,653	-41.4	13,898	-40.2	4,848	-62.0
FY2006 (For reference)	3,062,743	—	69,643	—	74,789	—	26,536	—

	Net income per share for the first quarter (Fiscal Year)		Diluted net income per share for the first quarter (Fiscal Year)	
	yen	sen	yen	sen
First Quarter, FY2007	19.	56	18.	75
First Quarter, FY2006	7.	22	6.	93
FY2006 (For reference)	39.	54	37.	91

(2) Changes in Consolidated Financial Position

	Total assets	Net assets	Net Worth ratio	Net assets per share
	million yen	million yen	%	yen sen
First Quarter, FY2007	1,617,513	373,925	21.8	557. 15
First Quarter, FY2006	1,539,480	340,870	21.0	507. 87
FY2006 (For reference)	1,579,155	361,612	21.5	506. 15

(3) Consolidated Cash Flows

	CF from operating activities	CF from investing activities	CF from financing activities	Cash and cash equivalents at end of the fiscal year
	million yen	million yen	million yen	million yen
First Quarter, FY2007	4,957	-3,080	-2,241	125,805
First Quarter, FY2006	-12,421	-5,730	13,192	51,760
FY2006 (For reference)	25,004	-35,868	80,022	126,105

2. Consolidated Business Outlook for FY2007

(Reference)

(1) Consolidated Business Outlook for First Half of FY2007 (April 1, 2007 to September 30, 2007)

(Figures in % refer to changes from the first half of FY2006)

	Net sales		Operating income		Ordinary income		Net income		Net income per share	
	million yen	%	million yen	%	million yen	%	million yen	%	yen	sen
First Half of FY2007 (ending Sept. 30, 2007)	1,580,000	7.5	40,000	-17.6	42,000	-17.0	17,000	-19.2	25.33	

3. Other

- (1) Change in significant subsidiaries (or change in certain subsidiaries affecting the range of consolidated accounts of the Cosmo Oil Group) during the current accounting period: None
- (2) Adoption of convenient method in accounting: Adopted
- (3) Change in accounting method from the latest fiscal year: Yes.

Note: For detailed information, please refer to "4. Other" of the "Qualitative Information regarding Operating Results" on Page 4.

[Reference] Outline of Non-Consolidated Results

1. Non-Consolidated Financial Results for First Quarter of FY2007 (For the period from April 1, 2007 to June 30, 2007)

(1) Non-consolidated Operating Results

(Figures in % refer to changes from the same quarter a year earlier)

	Net sales		Operating income		Ordinary income		Net income for the first quarter (Fiscal Year)	
	million yen	%	million yen	%	million yen	%	million yen	%
First Quarter, FY2007	701,910	12.7	10,299	346.1	11,413	304.5	9,225	397.6
First Quarter, FY2006	622,567	19.6	2,308	-85.8	2,821	-81.9	1,853	-80.0
FY2006 (For reference)	2,831,217	—	8,333	—	7,562	—	1,341	—

	Net income per share for the first quarter (Fiscal Year)		Diluted net income per share for the first quarter (Fiscal Year)	
	yen	sen	yen	sen
First Quarter, FY2007	13.74		13.17	
First Quarter, FY2006	2.76		2.65	
FY2006 (For reference)	2.00		1.91	

(2) Changes in Non-Consolidated Financial Position

	Total assets	Net assets	Net Worth ratio	Net assets per share
	million yen	million yen	%	yen sen
First Quarter, FY2007	1,481,676	263,614	17.8	392.58
First Quarter, FY2006	1,385,882	262,030	18.9	390.20
FY2006 (For reference)	1,434,174	254,856	17.8	379.53

2. Non-Consolidated Business Outlook for FY2007

(1) Non-consolidated Business Outlook for First Half of FY2007 (April 1, 2007 to September 30, 2007)

(Figures in % refer to changes from the same quarter a year earlier)

	Net sales		Operating income		Ordinary income		Net income		Net income per share	
	million yen	%	million yen	%	million yen	%	million yen	%	yen	sen
First Half of FY2007 (ending Sept. 30, 2007)	1,480,000	8.3	13,000	-47.3	11,000	-54.6	7,000	-34.8	10.42	

Note: Request for appropriate use of the outlook for future results and other special remarks:

Both consolidated the and non-consolidated business outlook as mentioned above is based on information available as of the published date of this release and actual results may differ from the forecast subject to various factors that may arise in the future.

As for the above business outlook, please refer to the "3. Qualitative Information regarding Business Outlook" of the "Qualitative Information regarding Operating Results" on Page 3 of this release.

[Qualitative Information regarding Operating Results]

1. Qualitative Information regarding Consolidated Operating Results

Consolidated sales for the first quarter of FY2007 were ¥760.3 billion, up ¥68.5 billion from the same period of the previous year, mainly reflecting increased selling prices that offset a decrease in the domestic demand for oil products largely affected by fuel conversion driven by crude oil price increases.

The operating results for the first quarter by segment are as follows:

- 1) In the oil product business, negative factors, including market conditions that only allowed for insufficient shift of increasing costs to consumer prices despite crude oil price increases, and more costs incurred than in the same period of FY2006 due to enhanced safety and security measures adopted for the refineries, were more than offset by positive factors for profit contribution, increasing significant reduced costs of sales owing to inventory valuation effects.

The petrochemical business marked increased profit for the first quarter mainly reflecting an increased sales volume owing to capacity enhancement (completed in July 2006) and improved margins compared with those recorded in the same period of FY2006. As a result, the petroleum business segment reported sales of ¥742.3 billion for the first quarter of FY2007 (up ¥65.1 billion from the first quarter of FY2006), operating income of ¥14.7 billion (up ¥10.1 billion) and ordinary income of ¥15.0 billion (up ¥10.0 billion).

- 2) In the oil exploration and production segment, a profit contribution made by the kickoff of commercial production of crude oil by Qatar Petroleum Development Co., Ltd. was partly offset by a reduced sales volume by Abu Dhabi Oil Co., Ltd. As a result, the segment reported sales of ¥16.2 billion for the first quarter of FY2007 (up ¥300 million from the first quarter of FY2006), operating income of ¥7.4 billion (down ¥1.7 billion) and ordinary income of ¥8.6 billion (down ¥1.3 billion).

- 3) Among other businesses, the oil-related plant and other facility construction work, property leasing and insurance businesses made their respective efforts for operating rationalization and management efficiency bring benefits. As a result, the other business segment reported sales of ¥20.2 billion for the first quarter of FY2007 (up ¥2.7 billion from the first quarter of FY2006), operating income of ¥500 million (up ¥300 million) and ordinary income of ¥600 million (up ¥300 million).

After deletions and other adjustments, consolidated sales for the first quarter of FY2007 were ¥760.3 billion (up ¥68.5 billion from the first quarter of FY2006), operating income, ¥20.8 billion (up ¥8.1 billion), ordinary income, ¥22.3 billion (up ¥8.4 billion) and net income for the period, ¥13.1 billion (up ¥8.3 billion).

Non-consolidated sales for the first quarter of FY2007 were ¥701.9 billion (up ¥79.3 billion from the first quarter of FY2006), operating income, ¥10.3 billion (up ¥8.0 billion), ordinary income, ¥11.4 billion (up ¥8.6 billion) and net income for the periods, ¥9.2 billion (up ¥7.3 billion).

2. Qualitative Information regarding Consolidated Financial Position

- 1) Total assets as of the end of the first quarter of FY2007 (or June 30, 2007) amounted to ¥1,617.5 billion, up ¥38.3 billion from March 31, 2007, mainly resulting in increased inventories due to crude oil price hikes. Net assets as of June 30, 2007 were ¥373.9 billion and net worth ratio improved to 21.8%.
- 2) As for consolidated cash flows as of the end of the first quarter of FY2007, net cash provided by operating activities stood at ¥5.0 billion mainly reflecting a combined amount of income before income taxes, depreciation and other funds exceeding a combined amount of an increase in inventories and income tax and other payments. Net cash used in investing activities stood at ¥3.1 billion mainly reflecting payments for the acquisitions of fixed assets. Net cash used in financial activities stood at ¥2.2 billion mainly reflecting cash dividend payments. As a result, cash and cash equivalents as of June 30, 2007 were ¥125.8 billion, down ¥300 million from those as of March 31, 2007.

3. Qualitative Information regarding Business Outlook

As for the consolidated and non-consolidated business outlook for the first half period of FY2007, negative factors, including the aggravated market and reduced demand for the petroleum business due to sharp increases in crude oil prices, and alternative supply costs incurred in connection with problems with some units of the refineries, are expected to be offset by positive factors, including a significant increase expected from inventory valuation effects. Therefore, we make no change in the outlook for ordinary income and net income, both consolidated and non-consolidated, for the first half period from our previous announcement (made on May 15, 2007). The latest outlook is made based on the assumptions of an average crude oil price (FOB) at US\$65.0 per bbl and an exchange rate of ¥120.0 per US\$ for the second quarter of FY2007 (July to September 2007).

As for the consolidated and non-consolidated business outlook for the full year of FY2007, we are currently carefully analyzing variable factors, such as future demand, crude oil price, exchange rate and market trends and as of the date of this release, we make no change in the key forecast figures from our previous announcement (made on May 15, 2007). Also, no change is made in the outlook for dividends payable (¥3 per share for the first half and ¥5 per share for the second half of FY2007) from our previous announcement (made on May 15, 2007).

4. Other

- (1) Change in significant subsidiaries (or change in certain subsidiaries affecting the range of consolidated accounts of the Cosmo Oil Group) during the current accounting period:
None
- (2) Adoption of convenient method in accounting:
Some parts of calculation of income taxes and other items are based on the convenient method.
- (3) Change in accounting method from the latest fiscal year:
Changes have been adopted in the method for calculating depreciation in the value of depreciable assets, effective from the first quarter of FY2007, in compliance with the revision made to the Japanese Corporation Tax Law in Fiscal Year 2007.

4. (Summarized) Quarterly Financial Statements
(1) Consolidated Balance Sheet (First Quarter FY2007)

(Unit: million yen, %)

Item	FY06 (As of Mar. 31, 2007)	Q1 FY07 (As of June 30, 2007)	Change		(Ref) Q1 FY06 (As of June 30, 2006)
	Amount	Amount	Amount	Change	Amount
Assets:					
I. Current assets	(882,082)	(920,397)	(38,315)	(4.3)	(847,431)
Cash and deposits	84,104	71,042	△13,062	△15.5	51,774
Notes and accounts receivable, trade	291,964	281,004	△10,960	△3.8	238,715
Marketable securities	9,639	11,374	1,735	18.0	2,757
Inventories	347,738	395,524	47,786	13.7	377,778
Others	148,634	161,451	12,817	8.6	176,405
II. Fixed Assets	(697,073)	(697,115)	(42)	(0.0)	(692,049)
Property, plant & equipment	528,347	525,143	△3,204	△0.6	531,098
Intangible fixed assets	10,430	10,020	△410	△3.9	12,654
Investment and other assets	158,295	161,952	3,657	2.3	148,297
Total assets	1,579,155	1,617,513	38,358	2.4	1,539,480
Liabilities:					
I. Current liabilities	(811,845)	(850,761)	(38,916)	(4.8)	(823,885)
Notes and accounts payable, trade	281,519	298,980	17,461	6.2	332,508
Short-term loans	244,277	271,277	27,000	11.1	222,646
Corporate bond redeemable within one year	30,300	20,800	△9,500	△31.4	12,500
Accrued expenses	192,348	196,009	3,661	1.9	195,083
Others	63,400	63,694	294	0.5	61,147
II. Long-term liabilities	(405,697)	(392,826)	(△12,871)	(△3.2)	(374,724)
Bonds	2,500	1,000	△1,500	△60.0	21,800
Warrant bond (CB type)	18,000	18,000	-	-	18,000
Long-term loans	314,812	300,587	△14,225	△4.5	265,908
Others	70,384	73,239	2,855	4.1	69,016
Total Liabilities	1,217,542	1,243,588	26,046	2.1	1,198,610
Net assets:					
I. Shareholders' equity	(292,667)	(302,432)	(9,765)	(3.3)	(273,149)
Common stock	62,366	62,366	-	-	62,366
Capital surplus	44,561	44,561	-	-	44,560
Retained earnings	185,851	195,621	9,770	5.3	166,322
Less treasury stock, at cost	△111	△117	△6	5.1	△100
II. Valuation and translation adjustments	(47,033)	(49,452)	(2,419)	(5.1)	(50,104)
Net unrealized gains on securities	14,507	16,168	1,661	11.4	14,432
Deferred gain from hedging	12,141	12,882	741	6.1	12,203
Revaluation reserve for land	20,917	20,917	-	-	24,174
Foreign currency translation adjustments	△533	△515	18	△3.3	△706
III. Minority interests	21,911	22,041	130	0.6	17,616
Total net assets	361,612	373,925	12,313	3.4	340,870
Total liabilities and net assets	1,579,155	1,617,513	38,358	2.4	1,539,480

(2) Consolidated Statement of Income (First Quarter FY2007)

(Unit: million yen, %)

Item	Q1 FY06 (As of June 30, 2006)	Q1 FY07 (As of June 30, 2007)	Change		(Ref) FY06 (As of March 31, 2007)
	Amount	Amount	Amount	Change	Amount
I. Net sales	691,831	760,302	68,471	9.9	3,062,743
II. Cost of sales	644,117	702,901	58,784	9.1	2,852,242
Gross profit	47,714	57,401	9,687	20.3	210,501
III. Selling, general and administrative expenses	35,060	36,594	1,534	4.4	140,858
Operating income	12,653	20,806	8,153	64.4	69,643
IV. Non-operating income	(4,792)	(5,914)	(1,122)	(23.4)	(20,827)
Interest and dividend income	881	1,900	1,019	115.7	1,845
Foreign currency exchange gain	1,297	-	△1,297	-	2,884
Equity in earnings of affiliates	1,659	2,240	581	35.0	9,920
Others	954	1,774	820	85.9	6,177
V. Non-operating expenses	(3,547)	(4,390)	(843)	(23.8)	(15,680)
Interest expenses	2,730	3,044	314	11.5	10,686
Foreign currency exchange losses	-	96	96	-	-
Others	817	1,249	432	52.9	4,994
Ordinary income	13,898	22,331	8,433	60.7	74,789
VI. Extraordinary income	504	3,088	2,584	511.9	3,883
VII. Extraordinary losses	488	480	△8	△1.5	7,429
Net income before income taxes for the first quarter (Fiscal Year)	13,914	24,939	11,025	79.2	71,243
Income taxes	8,278	10,953	2,675	32.3	38,685
Minority interests	787	858	71	8.9	6,021
Net income for the first quarter (Fiscal Year)	4,848	13,127	8,279	170.8	26,536

(3) Consolidated Statement of Cash Flows (First Quarter FY2007)

(Unit: million yen)

	Q1 FY06 (As of June 30, 2006)	Q1 FY07 (As of June 30, 2007)	(Ref) FY06 (As of March 31, 2007)
Item	Amount	Amount	Amount
I. Cash flows from operating activities			
Income before income taxes and minority interests	13,914	24,939	71,243
Depreciation and amortization	7,436	8,274	29,246
Interest and dividend income	△881	△1,900	△1,845
Interest expenses	2,730	3,044	10,686
Increase (decrease) in notes and accounts receivable	△10,707	10,960	△63,956
Increase (decrease) in inventories	△39,438	△47,786	△9,398
Increase (decrease) in notes and accounts payable	59,325	17,460	8,337
Others	△18,648	1,171	46,650
Sub-total	13,732	16,163	90,964
Balance between interest received and interest paid, and dividends received	△234	1,524	△7,188
Income taxes paid	△25,919	12,730	△58,771
Total	△12,421	4,957	25,004
II. Cash flows from investing activities			
Payment for acquisition of fixed assets and proceeds from sales of fixed assets	△6,114	△1,119	△30,076
Payment or proceeds for loan	1,422	△467	492
Payment for acquisition of marketable securities and proceeds from sales of marketable securities	△1,038	△1,493	△6,284
Total	△5,730	△3,080	△35,868
III. Cash flows from financing activities			
Increase (decrease) of short-term loans and long-term loans	19,905	12,760	90,348
Increase (decrease) in bonds and warrant bonds	△1,500	△11,000	△3,000
Cash dividends paid	△4,700	△3,357	△6,715
Others	△512	△644	△610
Total	13,192	△2,241	80,022
IV. Effect of exchange rate changes on cash and cash equivalents	87	65	313
V. Net increase (decrease) in cash and cash equivalents	△4,871	△300	69,473
VI. Cash and cash equivalents at beginning of this quarter (the fiscal year)	56,632	126,105	56,632
VII. Cash and cash equivalents at end of this quarter (Fiscal Year)	51,760	125,805	126,105

(4) Business segment information
[Segment Information]

First Quarter of FY2006 (Ended June 30, 2006)

(Unit: million yen)

	Petroleum	Oil resource development	Other	Total	Elimination or corporate	Consolidated
Net sales						
(1) Sales to outside customers	677,134	4,091	10,606	691,831	-	691,831
(2) Inter-segment	98	11,828	6,911	18,837	(18,837)	-
Total	677,232	15,919	17,517	710,669	(18,837)	691,831
Operating expenses	672,681	6,780	17,312	696,775	(17,597)	679,178
Operating income	4,550	9,138	204	13,893	(1,240)	12,653

First Quarter of FY2007 (Ended June 30, 2007)

(Unit: million yen)

	Petroleum	Oil resource development	Other	Total	Elimination or corporate	Consolidated
Net sales						
(1) Sales to outside customers	742,118	7,462	10,722	760,302	-	760,302
(2) Inter-segment	156	8,707	9,485	18,350	(18,350)	-
Total	742,275	16,169	20,208	778,653	(18,350)	760,302
Operating expenses	727,585	8,792	19,722	756,101	(16,605)	739,496
Operating income	14,689	7,376	486	22,552	(1,745)	20,806

[Reference] FY2006 (Full Year Ended March 31, 2007)

(Unit: million yen)

	Petroleum	Oil resource development	Other	Total	Elimination or corporate	Consolidated
Net sales						
(1) Sales to outside customers	2,983,900	31,904	46,938	3,062,743	-	3,062,743
(2) Inter-segment	615	46,226	38,578	85,420	(85,420)	-
Total	2,984,516	78,131	85,516	3,148,164	(85,420)	3,062,743
Operating expenses	2,958,848	34,617	83,903	3,077,368	(84,267)	2,993,100
Operating income	25,668	43,514	1,613	70,795	(1,152)	69,643

Notes: 1. Business segments are those adopted in interior management.

2. Major products or details of each segment

(1) Petroleum: gasoline, naphtha, kerosene, diesel fuel, heavy fuel oil, crude oil, lubricating oil, LP gas, asphalt, and various petrochemical products

(2) Oil resource development: production, drilling and exploration of crude oil

(3) Other: construction works, insurance agency, leasing, travel agency, etc.

[Geographic segment information]

First Quarter of FY2006 (Ended June 30, 2006)

(Unit: million yen)

	Japan	Other	Total	Elimination or corporate	Consolidated
Net sales					
(1) Sales to outside customers	663,970	27,860	691,831	-	691,831
(2) Inter-segment	13,318	115,748	129,067	(129,067)	-
Total	677,289	143,608	820,898	(129,067)	691,831
Operating expenses	672,704	134,421	807,125	(127,947)	679,178
Operating income	4,585	9,187	13,772	(1,119)	12,653

First Quarter of FY2007 (Ended June 30, 2007)

(Unit: million yen)

	Japan	Other	Total	Elimination or corporate	Consolidated
Net sales					
(1) Sales to outside customers	736,868	23,434	760,302	-	760,302
(2) Inter-segment	15,049	84,419	99,469	(99,469)	-
Total	751,917	107,854	859,772	(99,469)	760,302
Operating expenses	736,613	100,563	837,176	(97,680)	739,496
Operating income	15,304	7,291	22,596	(1,789)	20,806

[Reference] FY2006 (Full Year Ended March 31, 2007)

(Unit: million yen)

	Japan	Other	Total	Elimination or corporate	Consolidated
Net sales					
(1) Sales to outside customers	2,960,342	102,400	3,062,743	-	3,062,743
(2) Inter-segment	55,592	415,456	471,048	(471,048)	-
Total	3,015,934	517,857	3,533,792	(471,048)	3,062,743
Operating expenses	2,989,947	474,297	3,464,245	(471,144)	2,993,100
Operating income	25,987	43,560	69,547	95	69,643

Note: The method of division of countries or regions and major countries included

- (1) The method of division of countries or regions: geographic proximity
- (2) Countries included in the other area: Singapore, the US, UK, UAE, Qatar, and Australia

5. (Summarized) Quarterly Financial Statements

(1) Non-consolidated Balance Sheet

(Unit: million yen, %)

Item	FY06 (As of Mar. 31, 2007)	Q1 FY07 (As of June 30, 2007)	Change		(Ref) Q1 FY06 (As of June 30, 2006)
	Amount	Amount	Amount	Change	Amount
Assets:					
I. Current assets	(852,570)	(898,730)	(46,160)	(5.4)	(805,350)
Cash and deposits	44,248	30,786	△13,462	△30.4	17,894
Notes and accounts receivable, trade	267,858	269,181	1,323	0.5	203,272
Marketable securities	11	11	-	-	21
Inventories	322,415	370,767	48,352	15.0	352,040
Others	218,036	227,982	9,946	4.6	232,120
II. Fixed Assets	(581,604)	(582,946)	(1,342)	(0.2)	(580,532)
Property, plant & equipment	438,749	436,234	△2,515	△0.6	439,006
Intangible fixed assets	4,920	4,773	△147	△3.0	5,325
Investment and other assets	137,934	141,938	4,004	2.9	136,201
Total assets	1,434,174	1,481,676	47,502	3.3	1,385,882
Liabilities:					
I. Current liabilities	(806,626)	(855,289)	(48,663)	(6.0)	(784,780)
Accounts payable, trade	273,626	300,295	25,669	9.7	329,275
Short-term loans	212,928	237,015	24,087	11.3	188,409
Corporate bond redeemable within one year	30,300	20,800	△9,500	△31.4	12,500
Accrued expenses	211,239	213,966	2,727	1.3	208,224
Others	78,531	83,211	4,680	6.0	46,370
II. Long-term liabilities	(372,692)	(362,772)	(△9,920)	(△2.7)	(339,072)
Bonds	2,500	1,000	△1,500	△60.0	21,800
Warrant bond (CB type)	18,000	18,000	-	-	18,000
Long-term loans	308,995	295,590	△13,405	△4.3	259,049
Others	43,196	48,182	4,986	11.5	40,222
Total liabilities	1,179,318	1,218,061	38,743	3.3	1,123,852
Net asset:					
I. Shareholders' equity	(208,489)	(214,351)	(5,862)	(2.8)	(211,153)
Common stock	62,366	62,366	-	-	62,366
Capital surplus	44,561	44,561	-	-	44,560
Retained earnings	101,624	107,491	5,867	5.8	104,277
Less treasury stock, at cost	△63	△69	△6	9.1	△51
II. Valuation and translation adjustments	(46,366)	(49,263)	(2,897)	(6.2)	(50,876)
Net unrealized gains on securities	12,036	13,695	1,659	13.8	11,545
Deferred gain from hedging	16,252	17,490	1,238	7.6	18,066
Revaluation reserve for land	18,077	18,077	-	-	21,264
Total net assets	254,856	263,614	8,758	3.4	262,030
Total liability and net assets	1,434,174	1,481,676	47,502	3.3	1,385,882

(2). (Summarized) Non-consolidated Statements of Income (First Quarter FY2007)

(Unit: million yen, %)

Item	Q1 FY06 (As of June 30, 2006)	Q1 FY07 (As of June 30, 2007)	Change		(Ref) FY06 (As of March 31, 2007)
	Amount	Amount	Amount	Change	Amount
I. Net sales	622,567	701,910	79,343	12.7	2,831,217
II. Cost of sales	599,039	668,647	69,608	11.6	2,738,861
Gross profit	23,528	33,263	9,735	41.4	92,356
III. Selling, general and administrative expenses	21,219	22,963	1,744	8.2	84,022
Operating income	2,308	10,299	7,991	346.1	8,333
IV. Non operating income	(3,771)	(5,383)	(1,612)	(42.7)	(13,661)
Interest and dividend income	1,489	3,718	2,229	149.6	5,652
Foreign currency exchange gains	1,436	-	△1,436	-	2,774
Others	845	1,665	820	96.9	5,234
V. Non operating expenses	(3,258)	(4,269)	(1,011)	(31.0)	(14,432)
Interest expenses	2,537	2,908	371	14.6	10,430
Foreign currency exchange losses	-	298	298	-	-
Others	721	1,063	342	47.4	4,001
Ordinary income	2,821	11,413	8,592	304.5	7,562
VI. Extraordinary income	394	3,076	2,682	679.6	3,011
VII. Extraordinary losses	457	451	△6	△1.3	8,460
Net income before income taxes for the first quarter (Fiscal Year)	2,758	14,038	11,280	408.9	2,113
Income taxes	904	4,813	3,909	432.1	772
Net income for the first quarter (Fiscal Year)	1,853	9,225	7,372	397.6	1,341

(3). Breakdown of Net Sales by Product

	Q1 FY06 (As of June 30, 2006)		Q1 FY07 (As of June 30, 2007)		Change	
	Sales volume	Amounts	Sales volume	Amounts	Sales volume	Amounts
	thousand KL.t	million yen	thousand KL.t	million yen	thousand KL.t	million yen
Gasoline, Naphtha	4,042	317,028	4,330	374,818	288	57,790
Kerosene and diesel fuel	3,288	171,326	3,252	192,547	△36	21,221
Heavy fuel oil	2,304	101,253	1,991	99,811	△313	△1,442
Others	688	32,959	653	34,733	△35	1,774
Total	10,324	622,567	10,227	701,910	△97	79,343

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