



February 6, 2008

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

Name of the Company: Cosmo Oil Co., Ltd. Shares traded: TSE, OSE, and NSE first sections
 Company Code: 5007 URL <http://www.cosmo-oil.co.jp>
 Name of Representative: Yaichi Kimura (Title) President
 Name of Person to contact: Atsuto Tamura (Title) Executive Officer & General Manager of
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Note: Figures less than 1 million are rounded down.

1. Consolidated Financial Results for Third Quarter of Fiscal Year Ending March 2008 (For the period from April 1, 2007 to December 31, 2007)

(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 third quarter (Fiscal Year)	
	million yen	%	million yen	%	million yen	%	million yen	%
Third Quarter, FY2007	2,540,516	11.9	69,678	47.7	73,098	42.4	33,609	88.0
Third Quarter, FY2006	2,270,965	19.2	47,173	-44.2	51,331	-44.1	17,879	-62.5
FY2006	3,062,743	—	69,643	—	74,789	—	26,536	—

	Net income per share for the third quarter (Fiscal Year)		Diluted net income per share for the third quarter (Fiscal Year)	
	yen	sen	yen	sen
Third Quarter, FY2007	46.43		44.63	
Third Quarter, FY2006	26.64		25.54	
FY2006	39.54		37.91	

(2) Consolidated Financial Position

	Total assets	Net assets	Net Worth ratio	Net assets per share
	million yen	million yen	%	yen sen
Third Quarter, FY2007	1,776,297	475,452	25.4	531.58
Third Quarter, FY2006	1,596,091	352,399	20.9	496.34
FY2006	1,579,155	361,612	21.5	506.15

(3) Consolidated Cash Flows

	CF from operating activities	CF from investing activities	CF from financial activities	Cash and cash equivalents at the end of the period
	million yen	million yen	million yen	million yen
Third Quarter, FY2007	-50,841	-18,845	38,648	94,570
Third Quarter, FY2006	-42,221	-26,766	73,850	61,500
FY2006	25,004	-35,868	80,022	126,105

2. Consolidated Business Outlook for Fiscal Year Ending March 31, 2008

(1) Consolidated Business Outlook for FY2007 (April 1, 2007 to March 31, 2008) (Reference)

(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
FY2007	3,590,000	17.2	87,500	25.6	90,000	20.3	37,000	39.4	49.18	

3. Other

(1) Change in significant subsidiaries during the third quarter

(change in specific subsidiaries resulting in change in scope of consolidation) : None

(2) Adoption of simplified accounting method: Yes

(3) Change in accounting method from the latest fiscal year: Yes

Note: For detailed information, please refer to "4. Other" of the "Qualitative Information / Financial Statements" on Page 4.

[Reference] Outline of Non-Consolidated Results

1. Non-Consolidated Financial Results for Third Quarter of FY2007

(For the period from April 1, 2007 to December 31, 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 third quarter (Fiscal Year)	
	million yen	%	million yen	%	million yen	%	million yen	%
Third Quarter, FY2007	2,375,293	13.3	29,427	295.7	29,069	387.6	18,475	—
Third Quarter, FY2006	2,096,443	17.3	7,436	-87.5	5,962	-90.1	-488	—
FY2006	2,831,217	—	8,333	—	7,562	—	1,341	—

	Net income per share for the third quarter (Fiscal Year)	
	yen	sen
Third Quarter, FY2007	25.51	
Third Quarter, FY2006	-0.73	
FY2006	2.00	

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Net Worth ratio	Net assets per share
	million yen	million yen	%	yen sen
Third Quarter, FY2007	1,635,085	350,621	21.4	413.72
Third Quarter, FY2006	1,455,190	255,934	17.6	381.13
FY2006	1,434,174	254,856	17.8	379.53

2. Non-Consolidated Business Outlook for FY2007

(1) Non-consolidated Business Outlook for FY2007 (April 1, 2007 to March 31, 2008)

(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
FY2007	3,330,000	17.6	27,500	230.0	25,000	230.6	15,000	—	19.93	

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

The above business outlook 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 details, please refer to the "3. Qualitative Information regarding Consolidated Business Outlook" of the "Qualitative Information / Financial Statements" on Page 3 of this release.

[Qualitative Information / Financial Statements]

1. Qualitative Information regarding Consolidated Operating Results

Consolidated net sales for the third quarter of FY2007 (from April 1, 2007 to December 31, 2007) were ¥2,540.5 billion, up ¥269.5 billion from the same period of FY2006, mainly reflecting increased selling prices that offset a reduction in the domestic demand for oil products, largely affected by fuel conversion motivated by crude oil price increases.

The operating results for the third quarter of FY2007 by segment are as follows:

- 1) In the petroleum business, negative factors, including market conditions that only allowed for an insufficient shift of increased costs caused by crude oil price hikes to consumer prices, and more costs incurred than in the same period of FY2006 due to enhanced safety and security measures adopted for the refineries, were offset by positive factors including a significant reduction in cost of sales owing to inventory valuation effects. As a result, the business increased profit. The petrochemical business marked reduced profit mainly reflecting reduced margins earned as compared with the same period of FY2006 due to raw material price hikes. As a result, this segment reported sales of ¥2,484.8 billion (up ¥273.8 billion from the same period of FY2006), operating income of ¥41.7 billion (up ¥24.7 billion) and ordinary income of ¥42.6 billion (up ¥24.8 billion).
- 2) In the oil exploration and production business, 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 selling volume by Abu Dhabi Oil Co., Ltd. As a result, this segment reported sales of ¥58.2 billion (down ¥1.1 billion from the same period of FY2006), operating income of ¥31.0 billion (down ¥2.4 billion) and ordinary income of ¥33.7 billion (down ¥3.2 billion).
- 3) Among other businesses, the oil-related plant and other facility construction work, property leasing and insurance agency businesses made their respective efforts for operating rationalization and management efficiency to bring benefits. As a result, this segment reported sales of ¥61.3 billion (down ¥0.1 billion from the same period of FY2006), operating income of ¥1.4 billion (up ¥0.5 billion) and ordinary income of ¥1.6 billion (up ¥0.4 billion).

After consolidated elimination and other adjustments, consolidated net sales were ¥2,540.5 billion (up ¥269.5 billion from the same period of FY2006), operating income of ¥69.7 billion (up ¥22.5 billion), ordinary income of ¥73.1 billion (up ¥21.8 billion) and net income for the period of ¥33.6 billion (up ¥15.7 billion).

Non-consolidated net sales were ¥2,375.3 billion (up ¥278.9 billion), operating income of ¥29.4 billion (up ¥22.0 billion), ordinary income of ¥29.1 billion (up ¥23.1 billion) and net income for the period of ¥18.5 billion (up ¥19.0 billion).

2. Qualitative Information regarding Consolidated Financial Position

- 1) Total assets at the end of the third quarter of FY2007 (December 31, 2007) amounted to ¥1,776.3 billion, up ¥197.1 billion from the end of FY2006 (March 31, 2007), mainly due to increased inventories and notes and accounts receivable caused by crude oil price hikes. Net assets at the end of the third quarter of FY2007 stood at ¥475.5 billion, up ¥113.9 billion from the end of FY2006, mainly due to the new share issuance, with net worth ratio of 25.4%.
- 2) As for consolidated cash flows during the third quarter of FY2007, net cash used in operating activities stood at ¥50.8 billion mainly reflecting increased inventories and notes and accounts receivable caused by crude oil price hikes. Net cash used in investing activities stood at ¥18.8 billion mainly reflecting payments for the acquisitions of fixed assets. Net cash provided by financing activities stood at ¥38.6 billion mainly reflecting income through the new share issuance and a reduction in loans. As a result, cash and cash equivalents at the end of the third quarter were ¥94.6 billion, down ¥31.5 billion from the end of FY 2006.

3. Qualitative Information regarding Consolidated Business Outlook

As for the consolidated business outlook for FY2007, a negative factor of the aggravated market for the petroleum business due to crude oil price hikes is expected to be offset by positive factors, including a reduction in cost of sales affected by inventory valuation effects and improved earnings by the oil exploration and production business, as compared with the previous announcement for the business outlook (made on November 6, 2007). The updated business outlook for FY2007 includes consolidated sales of ¥3,590.0 billion (up ¥120.0 billion from the previous announcement), operating income of ¥87.5 billion (up ¥2.5 billion), ordinary income of ¥90.0 billion (up ¥2.0 billion) and net income for the year of ¥37.0 billion (no change from the previous announcement).

This latest business outlook is made based on the assumptions of an average crude oil price (FOB) at US\$85.0 per barrel and an exchange rate of ¥110 per US\$ for the fourth quarter period (from January 1, 2008 to March 31, 2008).

The above business outlook is based on information available as of the published date of this release and actual results may materially differ from the forecast subject to variable factors, such as product demand, crude oil price, exchange rate and market condition changes, that may arise in the future.

4. Other

- (1) Change in significant subsidiaries during the third quarter
(change in specific subsidiaries resulting in change in scope of consolidation) : None
- (2) Adoption of simplified accounting method:
Some parts of the calculation of corporate income tax and other items are based on the simplified method.
- (3) Change in accounting method from the latest fiscal year:
Changes have been adopted in the method for calculating depreciation expenses in the value of depreciable assets, effective from FY2007, in compliance with the revision made to the Japanese Corporation Tax Law in Fiscal Year 2007

5. (Summarized) Consolidated Financial Statements

(1) (Summarized) Consolidated Balance Sheet

(Unit: million yen, %)

Item	FY2006	3Q FY2007	Change		(Ref.) 3Q FY2006
	(As of Mar. 31, 2007)	(As of Dec. 31, 2007)	Amount	Change	(As of Dec. 31, 2006)
	Amount	Amount	Amount	Change	Amount
<u>Assets</u>					
I. Current assets	(882,082)	(1,079,586)	(197,504)	(22.4)	(906,109)
Cash and deposits	84,104	87,091	2,987	3.6	56,508
Notes and accounts receivable, trade	291,964	344,180	52,216	17.9	290,404
Marketable securities	9,639	9,996	357	3.7	7,624
Inventories	347,738	483,240	135,502	39.0	382,814
Others	148,634	155,077	6,443	4.3	168,757
II. Fixed assets	(697,073)	(696,711)	(-362)	(-0.1)	(689,981)
Property, plant & equipment	528,347	526,198	-2,149	-0.4	526,456
Intangible fixed assets	10,430	9,316	-1,114	-10.7	10,908
Investment and other assets	158,295	161,196	2,901	1.8	152,617
Total assets	1,579,155	1,776,297	197,142	12.5	1,596,091
<u>Liabilities</u>					
I. Current liabilities	(811,845)	(946,490)	(134,645)	(16.6)	(904,587)
Notes and accounts payable, trade	281,519	373,545	92,026	32.7	320,709
Short-term loans	244,277	290,288	46,011	18.8	300,291
Corporate bond redeemable within one year	30,300	2,500	-27,800	-91.7	30,300
Accounts payable, other	192,348	203,419	11,071	5.8	193,040
Others	63,400	76,736	13,336	21.0	60,246
II. Long-term liabilities	(405,697)	(354,354)	(-51,343)	(-12.7)	(339,104)
Bonds	2,500	-	-2,500	-100.0	2,500
Warrant bond (CB type)	18,000	18,000	-	-	18,000
Long-term loans	314,812	254,589	-60,223	-19.1	252,547
Others	70,384	81,765	11,381	16.2	66,056
Total liabilities	1,217,542	1,300,845	83,303	6.8	1,243,691
<u>Net assets</u>					
I. Shareholders' equity	(292,667)	(410,545)	(117,878)	(40.3)	(284,006)
Common stock	62,366	107,246	44,880	72.0	62,366
Capital surplus	44,561	89,442	44,881	100.7	44,561
Retained earnings	185,851	213,982	28,131	15.1	177,184
Less treasury stock, at cost	-111	-125	-14	11.9	-107
II. Valuation and translation adjustments	(47,033)	(39,771)	(-7,262)	(-15.4)	(49,118)
Unrealized gains on securities	14,507	10,896	-3,611	-24.9	13,517
Deferred gains on hedges	12,141	16,324	4,183	34.5	11,914
Revaluation reserve for land	20,917	13,148	-7,769	-37.1	24,328
Foreign currency translation adjustments	-533	-598	-65	12.1	-641
III. Minority interests	21,911	25,135	3,224	14.7	19,274
Total net assets	361,612	475,452	113,840	31.5	352,399
Total liabilities and net assets	1,579,155	1,776,297	197,142	12.5	1,596,091

(2) (Summarized) Consolidated Statements of Income

(Unit: million yen, %)

Item	3Q FY2006	3Q FY2007	Change		(Ref) FY2006
	(Apr. - Dec. 2006)	(Apr. - Dec. 2007)	Amount	Change	(Apr. 2006 - Mar. 2007)
	Amount	Amount	Amount	Change	Amount
I. Net sales	2,270,965	2,540,516	269,551	11.9	3,062,743
II. Cost of sales	2,118,918	2,361,554	242,636	11.5	2,852,242
Gross profit	152,046	178,962	26,916	17.7	210,501
III. Selling, general and administrative expenses	104,873	109,283	4,410	4.2	140,858
Operating income	47,173	69,678	22,505	47.7	69,643
IV. Non-operating income	(14,837)	(16,737)	(1,900)	(12.8)	(20,827)
Interest and dividend income	1,513	2,921	1,408	93.1	1,845
Foreign currency exchange gains	2,036	2,087	51	2.5	2,884
Equity in earnings of affiliates	7,236	6,893	-343	-4.7	9,920
Others	4,052	4,835	783	19.3	6,177
V. Non-operating expenses	(10,678)	(13,317)	(2,639)	(24.7)	(15,680)
Interest expenses	7,990	8,707	717	9.0	10,686
Others	2,688	4,609	1,921	71.4	4,994
Ordinary income	51,331	73,098	21,767	42.4	74,789
VI. Extraordinary income	2,974	7,822	4,848	162.9	3,883
VII. Extraordinary losses	5,602	4,157	-1,445	-25.8	7,429
Income before income taxes and minority interests for the third quarter (First Year)	48,704	76,764	28,060	57.6	71,243
Income taxes	27,071	39,691	12,620	46.6	38,685
Minority interests	3,754	3,463	-291	-7.7	6,021
Net income for the third quarter (Fiscal Year)	17,879	33,609	15,730	88.0	26,536

(3) (Summarized) Consolidated Statements of Cash Flows

(Unit: million yen)

Item	3Q FY2006	3Q FY2007	(Ref) FY2006
	(Apr. - Dec. 2006)	(Apr. - Dec. 2007)	(Apr. 2006 - Mar. 2007)
	Amount	Amount	Amount
I . Cash flows from operating activities			
Income before income taxes and minority interests	48,704	76,764	71,243
Impairment loss	2,020	1,893	2,440
Depreciation and amortization	21,953	24,959	29,246
Interest and dividends income	-1,513	-2,921	-1,845
Interest expenses	7,990	8,707	10,686
Increase (decrease) in notes and accounts receivable, trade	-62,396	-52,215	-63,956
Increase (decrease) in inventories	-44,473	-135,502	-9,398
Increase (decrease) in notes and accounts payable, trade	47,527	92,026	8,337
Others	-6,339	-37,149	44,210
Subtotal	13,471	-23,437	90,964
Interest and dividends income received and interest expenses paid	-4,775	-4,985	-7,188
Income taxes paid	-50,918	-22,419	-58,771
Net cash provided by (used in) operating activities	-42,221	-50,841	25,004
II . Cash flows from investing activities			
Payment for acquisition of fixed assets and proceeds from sales of fixed assets	-21,925	-19,490	-30,076
Payments and collection of loans receivable	-184	-235	492
Payment for acquisition of marketable securities and proceeds from sales of marketable securities	-4,656	881	-6,284
Net cash used in investing activities	-26,766	-18,845	-35,868
III . Cash flows from financing activities			
Increase (decrease) of short-term loans and long-term loans	52,152	-14,278	90,348
Increase (decrease) in commercial papers	32,000	-	-
Proceeds from issuance of stocks	-	89,281	-
Increase (decrease) in bonds and warrant bonds	-3,000	-30,300	-3,000
Cash dividends paid	-6,715	-5,371	-6,715
Others	-587	-682	-610
Net cash provided by financing activities	73,850	38,648	80,022
IV . Effect of exchange rate changes on cash and cash equivalents	6	-559	313
V . Net increase (decrease) in cash and cash equivalents	4,867	-31,598	69,473
VI . Cash and cash equivalents at the beginning of the fiscal year	56,632	126,105	56,632
VII . Cash and cash equivalents from newly consolidated subsidiaries	-	63	-
VIII . Cash and cash equivalents at the end of the period	61,500	94,570	126,105

(4) Segment information

[Business segment information]

Third Quarter of FY2006 (From April 1, 2006 to December 31, 2006)

(Unit: million yen)

	Petroleum	Oil exploration and production	Other	Total	Elimination or corporate	Consolidated
Net sales						
(1) Outside customers	2,210,546	22,407	38,011	2,270,965	-	2,270,965
(2) Inter-segment	413	36,876	23,426	60,717	(60,717)	-
Total	2,210,960	59,283	61,438	2,331,682	(60,717)	2,270,965
Operating expenses	2,193,917	25,861	60,461	2,280,240	(56,448)	2,223,792
Operating income	17,043	33,421	976	51,441	(4,268)	47,173

Third Quarter of FY2007 (From April 1, 2007 to December 31, 2007)

(Unit: million yen)

	Petroleum	Oil exploration and production	Other	Total	Elimination or corporate	Consolidated
Net sales						
(1) Outside customers	2,484,287	23,511	32,717	2,540,516	-	2,540,516
(2) Inter-segment	485	34,678	28,590	63,754	(63,754)	-
Total	2,484,773	58,189	61,307	2,604,270	(63,754)	2,540,516
Operating expenses	2,443,024	27,140	59,875	2,530,040	(59,202)	2,470,837
Operating income	41,749	31,048	1,432	74,230	(4,552)	69,678

[Reference] FY2006 (From April 1, 2006 to March 31, 2007)

(Unit: million yen)

	Petroleum	Oil exploration and production	Other	Total	Elimination or corporate	Consolidated
Net sales						
(1) 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 The business segments are determined in accordance with the Company's internal business management policy.

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 exploration and production: production, drilling and exploration of crude oil

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

[Geographic segment information]

Third Quarter of FY2006 (From April 1, 2006 to December 31, 2006)

(Unit: million yen)

	Japan	Other	Total	Elimination or corporate	Consolidated
Net sales					
(1) Outside customers	2,190,787	80,178	2,270,965	-	2,270,965
(2) Inter-segment	40,600	308,357	348,957	(348,957)	-
Total	2,231,387	388,535	2,619,922	(348,957)	2,270,965
Operating expenses	2,214,377	355,011	2,569,388	(345,596)	2,223,792
Operating income	17,009	33,524	50,534	(3,360)	47,173

Third Quarter of FY2007 (From April 1, 2007 to December 31, 2007)

(Unit: million yen)

	Japan	Other	Total	Elimination or corporate	Consolidated
Net sales					
(1) Outside customers	2,449,234	91,281	2,540,516	-	2,540,516
(2) Inter-segment	65,523	264,135	329,658	(329,658)	-
Total	2,514,758	355,416	2,870,175	(329,658)	2,540,516
Operating expenses	2,471,479	324,623	2,796,102	(325,264)	2,470,837
Operating income	43,278	30,793	74,072	(4,394)	69,678

[Reference] FY2006 (From April 1, 2006 to March 31, 2007)

(Unit: million yen)

	Japan	Other	Total	Elimination or corporate	Consolidated
Net sales					
(1) 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

6. (Summarized) Financial Statements

(1) (Summarized) Non-consolidated Balance Sheet

(Unit: million yen, %)

Item	FY2006	3Q FY2007	Change		(Ref) 3Q FY2006
	(As of Mar. 31, 2007)	(As of Dec. 31, 2007)			(As of Dec. 31, 2006)
	Amount	Amount	Amount	Change	Amount
<u>Assets</u>					
I. Current assets	(852,570)	(1,057,616)	(205,046)	(24.1)	(881,620)
Cash and deposits	44,248	33,897	-10,351	-23.4	18,128
Notes and accounts receivable, trade	267,858	343,373	75,515	28.2	275,413
Marketable securities	11	11	0	-0.4	11
Inventories	322,415	451,897	129,482	40.2	360,063
Others	218,036	228,435	10,399	4.8	228,003
II. Fixed assets	(581,604)	(577,469)	(-4,135)	(-0.7)	(573,569)
Property, plant & equipment	438,749	436,092	-2,657	-0.6	436,435
Intangible fixed assets	4,920	4,275	-645	-13.1	5,223
Investments and other assets	137,934	137,102	-832	-0.6	131,911
Total assets	1,434,174	1,635,085	200,911	14.0	1,455,190
<u>Liabilities</u>					
I. Current liabilities	(806,626)	(957,621)	(150,995)	(18.7)	(892,822)
Accounts payable, trade	273,626	379,333	105,707	38.6	317,351
Short-term loans	212,928	247,762	34,834	16.4	266,886
Corporate bond redeemable within one year	30,300	2,500	-27,800	-91.7	30,300
Accounts payable, other	211,239	226,512	15,273	7.2	214,523
Others	78,531	101,513	22,982	29.3	63,761
II. Long-term liabilities	(372,692)	(326,842)	(-45,850)	(-12.3)	(306,433)
Bonds	2,500	-	-2,500	-100.0	2,500
Warrant bond (CB type)	18,000	18,000	-	-	18,000
Long-term loans	308,995	250,023	-58,972	-19.1	246,597
Others	43,196	58,818	15,622	36.2	39,336
Total liabilities	1,179,318	1,284,463	105,145	8.9	1,199,256
<u>Net asset:</u>					
I. Shareholders' equity	(208,489)	(311,233)	(102,744)	(49.3)	(206,645)
Common stock	62,366	107,246	44,880	72.0	62,366
Capital surplus	44,561	89,442	44,881	100.7	44,561
Retained earnings	101,624	114,620	12,996	12.8	99,775
Less treasury stock, at cost	-63	-76	-13	21.1	-58
II. Valuation and translation adjustments	(46,366)	(39,388)	(-6,978)	(-15.0)	(49,288)
Unrealized gains on securities	12,036	8,776	-3,260	-27.1	11,237
Deferred gains on hedges	16,252	20,304	4,052	24.9	16,641
Revaluation reserve for land	18,077	10,308	-7,769	-43.0	21,409
Total net assets	254,856	350,621	95,765	37.6	255,934
Total liability and net assets	1,434,174	1,635,085	200,911	14.0	1,455,190

(2) (Summarized) Non-consolidated Statements of Income

(Unit: million yen, %)

Item	3Q FY2006	3Q FY2007	Change		(Ref) FY2006
	(Apr. - Dec.2006)	(Apr. - Dec.2007)			(Apr.2006 - Mar.2007)
	Amount	Amount	Amount	Change	Amount
I. Net sales	2,096,443	2,375,293	278,850	13.3	2,831,217
II. Cost of sales	2,025,686	2,280,817	255,131	12.6	2,738,861
Gross profit	70,757	94,475	23,718	33.5	92,356
III. Selling, general and administrative expenses	63,321	65,047	1,726	2.7	84,022
Operating income	7,436	29,427	21,991	295.7	8,333
IV. Non-operating income	(8,434)	(12,285)	(3,851)	(45.7)	(13,661)
Interest and dividend income	2,749	4,649	1,900	69.1	5,652
Foreign currency exchange gains	2,388	3,050	662	27.7	2,774
Others	3,296	4,585	1,289	39.1	5,234
V. Non-operating expenses	(9,908)	(12,643)	(2,735)	(27.6)	(14,432)
Interest expenses	7,695	8,716	1,021	13.3	10,430
Others	2,213	3,926	1,713	77.4	4,001
Ordinary income	5,962	29,069	23,107	387.6	7,562
VI. Extraordinary income	2,318	7,634	5,316	229.3	3,011
VII. Extraordinary losses	7,976	2,964	-5,012	-62.8	8,460
Income before income taxes for the third quarter (Fiscal Year)	303	33,739	33,436	-	2,113
Income taxes	791	15,263	14,472	-	772
Net income for the third quarter (Fiscal Year)	-488	18,475	18,963	-	1,341

(3) Breakdown of Net Sales by Product

	3Q FY2006 〔 Apr. - Dec. 2006 〕		3Q FY2007 〔 Apr. - Dec. 2007 〕		Change	
	Sales volume	Amount	Sales volume	Amount	Sales volume	Amount
	thousand KL.t	million yen	thousand KL.t	million yen	thousand KL.t	million yen
Gasoline, Naphtha	13,160	1,071,657	13,268	1,190,139	108	118,482
Kerosene and diesel fuel	10,750	602,494	11,097	706,972	347	104,478
Heavy fuel oil	6,644	311,406	6,541	359,181	-103	47,775
Others	2,132	110,884	2,046	118,998	-86	8,114
Total	32,688	2,096,443	32,955	2,375,293	267	278,850

【Consolidated: Supplementary Information】
 <Third Quarter of Fiscal Year 2007 Ending March 31, 2008>
 Consolidated Income Statements 【Operating Highlights】

Cosmo Oil Co., Ltd.

	3Q FY07 (Apr. - Dec. 2007)	3Q FY06 (Apr. - Dec. 2006)	Change (Change)
	billion yen	billion yen	billion yen
Net sales	2,540.5	2,271.0	269.5 (11.9%)
Cost of sales	2,361.5	2,118.9	242.6
Selling general and administrative expenses	109.3	104.9	4.4
Operating income	69.7	47.2	22.5 (47.7%)
Non-operating income/expenses, net	3.4	4.1	-0.7
Ordinary income	73.1	51.3	21.8 (42.4%)
Extraordinary income/losses, net	3.7	-2.6	6.3
Income taxes	39.7	27.0	12.7
Minority interests	3.5	3.8	-0.3
Net income for the third quarter	33.6	17.9	15.7 (88.0%)

Consolidated Operating Highlights 【by Segment】

	Petroleum	Oil exploration and production	Other	Elimination or corporate	Consolidated
	billion yen	billion yen	billion yen	billion yen	billion yen
Net sales	2,484.8	58.2	61.3	-63.8	2,540.5
(From 3Q FY06)	(273.8)	(-1.1)	(-0.1)	(-3.1)	(269.5)
Operating income	41.7	31.0	1.4	-4.4	69.7
(From 3Q FY06)	(24.7)	(-2.4)	(0.5)	(-0.3)	(22.5)
【Reference】					
Ordinary income	42.6	33.7	1.6	-4.8	73.1
(From 3Q FY06)	(24.8)	(-3.2)	(0.4)	(-0.2)	(21.8)

【Segment-Specific Ordinary Income

- Factors for increase of 21.8 billion yen from 3Q FY06】

I . Petroleum business	(billion yen)
1. Adverse impact by market conditions	-9.0
2. Selling volume	3.6
3. Refining facility safety and security enhancement expenses	-8.7
4. Benefits from the "Medium-Term Management Plan"	3.1
5. Petrochemical business	-1.0
6. Others	36.8
(Incl. positive inventory valuation impact of 34.4(42.0 ←-7.6))	
Petroleum business - total (42.6←17.8)	24.8
II . Oil exploration and production business (33.7←36.9)	-3.2
III . Other (other businesses, etc.) (-3.2←-3.4)	0.2
Ordinary Income (I + II + III)	21.8

Consolidated Financial Position

	3Q FY07 As of Dec. 31, 07	FY06 As of Mar. 31, 07	Change
	billion yen	billion yen	billion yen
Total assets	1,776.3	1,579.2	197.1
Net assets	475.5	361.6	113.9
Net worth ratio	25.4%	21.5%	3.9%
Interest-bearing debt	565.4	609.9	-44.5
Interest-bearing debt to total assets ratio	31.8%	38.6%	-6.8%
Net interest-bearing debt	470.8	483.8	-13.0
Net interest-bearing debt ratio	26.5%	30.6%	-4.1%

Note: Net interest-bearing debt is the total interest-bearing debt amount after the deduction of cash and cash equivalents and a short-term working fund balance as of the term-end

【Capital Expenditures and Depreciation Expenses】

	3Q FY07	3Q FY06	Change
	(billion yen)		
Petroleum business	22.1	18.8	3.3
(Refining and marketing & sales)	20.3	16.6	3.7
(Petrochemical business)	0.3	1.6	-1.3
(Other)	1.5	0.6	0.9
Oil exploration and production business	8.5	5.7	2.8
Other businesses	0.1	0.1	0.0
Total (consolidated)	30.7	24.6	6.1
Depreciation expenses	31.7	28.1	3.6

Consolidated Cash Flows

	3Q FY07 (Apr. - Dec. 2007)	3Q FY06 (Apr. - Dec. 2006)
	billion yen	billion yen
Operating activities	-50.8	-42.2
Investment activities	-18.8	-26.8
Financing activities	38.6	73.9
Cash and cash equivalents at the end of the period	94.6	61.5

【Non-consolidated: Supplementary Information】

Cosmo Oil Co., Ltd.

<Third Quarter of Fiscal Year 2007 Ending March 31, 2008>

Non-consolidated Income Statements 【Operating Highlights】

	3Q FY07 (Apr. - Dec. 2007)	3Q FY06 (Apr. - Dec. 2006)	Change	(Change)
	billion yen	billion yen	billion yen	
Net sales	2,375.3	2,096.4	278.9	(13.3%)
Cost of sales	2,280.8	2,025.7	255.1	
Selling, general and administrative expenses	65.1	63.3	1.8	
Operating income	29.4	7.4	22.0	(295.7%)
Non-operating income/expenses, net	- 0.3	- 1.4	1.1	
Ordinary income	29.1	6.0	23.1	(387.6%)
Extraordinary income/losses, net	4.7	- 5.7	10.4	
Income taxes	15.3	0.8	14.5	
Net income for the third quarter	18.5	- 0.5	19.0	(-)
Total selling volume	1,000 kl 32,955	1,000 kl 32,688	1,000 kl 267	

【Factors for Increase in 23.1 billion yen in Ordinary Income from 3Q FY06】

	(billion yen)
1. Adverse impact by market conditions	- 11.8
2. Selling volume	3.6
3. Refining facility safety and security enhancement expenses	- 8.7
4. Benefits from the "Medium-Term Management Plan"	3.1
5. Others	36.9
(Incl. positive inventory valuation impact of 34.4 (42.0-7.6))	
Ordinary income (29.1 billion yen ← 6.0 billion yen)	23.1

Non-consolidated Financial Position

	3Q FY07 As of Dec. 31, 07	FY06 As of Mar. 31, 07	Change
	billion yen	billion yen	billion yen
Total assets	1,635.1	1,434.2	200.9
Net assets	350.6	254.9	95.7
Net worth ratio	21.4%	17.8%	3.6%
Interest-bearing debt	518.3	572.7	- 54.4
Interest-bearing debt to total assets ratio	31.7%	39.9%	- 8.2%
Net interest-bearing debt	484.4	492.5	- 8.1
Net interest-bearing debt ratio	29.6%	34.3%	- 4.7%

Note: Net interest-bearing debt is the total interest-bearing debt amount after the deduction of cash and cash equivalents and a short-term working fund balance as of the term-end

【Factors for Changes by Item (based on 3Q FY06 level as 100%)】

(Based on the 3Q FY06 level as 100%)

1. Net Sales 【2,375.3 billion Yen】		278.9 billion yen	
• Increase in selling prices	60,600yen/kl (8,130yen/kl)		
※Fuel Oil Selling Volumes in Japan (by product)			
Gasoline	101.8%	Naphtha	101.5%
Kerosene	92.6%	Jet fuel	104.1%
Diesel fuel	101.8%	Heavy fuel oil C	126.9%
Heavy fuel oil A	81.3%		
4 Products-Total	96.8%	Total fuel oil selling volume in Japan	101.1%
Middle distillate export volume	153.8%		
2. Cost of Sales 【2,280.8 billion Yen】		255.1 billion yen	
• Increase in crude oil prices	57,890yen/kl (7,520yen/kl)		
※Crude Oil Price			
FOB	72.01\$/B (8.07\$/B)		
Yen-USD exchange rate	117.29¥/\$ (1.09¥/\$)	Yen depreciation	
Price including tax	56,564yen/kl	6,483yen/kl	
3. Increase in selling, general and administrative expenses		1.8 billion yen	
4. Balance between non-operating income and expenses		1.1 billion yen	
Ordinary income (29.1 billion yen ← 6.0 billion yen)		23.1 billion yen	

※Rationalization and Added-Value Creation Improvement

(billion yen)

	Rationalization	Added-Value Creation Improvement	Total
Supply	0.1	0.5	0.6
Marketing	0.6	1.8	2.4
Other	0.1	0.0	0.1
Total	0.8	2.3	3.1

【Key Indicators】

Number of self-service SSs is shown in parenthesis

No. of SSs	As of Dec. 31, 2007	As of Mar. 31, 2007	Change
Cosmo Oil-owned	885 (522)	901 (500)	-16 (22)
Individually-owned	3,356 (333)	3,515 (289)	-159 (44)
Total	4,241 (855)	4,416 (789)	-175 (66)

(billion yen)

	3Q FY07	3Q FY06	Change
Capital expenditures	19.0	16.1	2.9
Depreciation expenses	17.1	15.0	2.1

【Full-Year Business Outlook for Fiscal Year 2007 – Supplementary Information】

Cosmo Oil Co., Ltd.

<Vs. Previously Announced Business Outlook on Nov. 6, 2007>

I. Consolidated Income Statements 【 Business Outlook 】

	Outlook	Previous outlook	Change
	billion yen	billion yen	billion yen
Net sales	3,590.0	3,470.0	120.0
Operating income	87.5	85.0	2.5
Ordinary income	90.0	88.0	2.0
Net income	37.0	37.0	0.0

【Factors Affecting An Expected Increase of 2.0 Billion Yen in Ordinary Income from Previous Outlook】

	(billion yen)
1. Petroleum business	0.0
Adverse impact by market conditions	(- 9.4)
Increase in in-house fuel costs	(- 4.2)
Increase in supply costs	(- 2.0)
Petrochemical business	(- 0.6)
Others	(16.2)
(Incl. positive inventory valuation impact of 17.0 (42.0 ← 25.0))	
2. Oil exploration and production business	3.0
3. Others (other businesses, etc.)	- 1.0
Ordinary income	2.0
(90.0 billion yen ← 88.0 billion yen)	

【Business Outlook by Segment】 (billion yen)

	Petroleum	Oil exploration and production	Other	Elimination or corporate	Consolidated
Net sales	3,512.0	84.0	86.0	- 92.0	3,590.0
Operating income (from Nov. 07)	44.5 (+0.5)	45.0 (+3.0)	2.0 (± 0.0)	- 4.0 (- 1.0)	87.5 (+2.5)

【Reference】 (billion yen)

	Petroleum	Oil exploration and production	Other	Elimination or corporate	Consolidated
Ordinary income (from Nov. 07)	44.0 (± 0.0)	48.0 (+3.0)	2.0 (± 0.0)	- 4.0 (- 1.0)	90.0 (+2.0)

(- 17.0) ※ excluding inventory valuation impact in the petroleum business segment.(differential from previous outlook)

【Capital expenditures】 (billion yen)

	Updated outlook	Previous outlook	Change
Petroleum business	45.3	47.0	-1.7
(Refining and marketing & sales)	41.9	42.5	-0.6
(Petrochemical business)	1.0	1.3	-0.3
(Other)	2.4	3.2	-0.8
Oil exploration and production business	14.3	16.7	-2.4
Other businesses	0.2	0.2	0.0
Total (consolidated)	59.8	63.9	-4.1

Depreciation expenses	42.9	42.9	0.0
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II. Non-consolidated Income Statements 【 Business Outlook 】

	Outlook	Previous outlook	Change
	billion yen	billion yen	billion yen
Net sales	3,330.0	3,220.0	110.0
Operating income	27.5	27.0	0.5
Ordinary income	25.0	25.0	0.0
Net income	15.0	15.0	0.0

Dividend paid	8 yen/share	8 yen/share	—
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【Factors Affecting Ordinary Income Expected to Remain Unchanged from Previous Outlook Factors for 0 in Ordinary Income from FY06】

	(billion yen)
1. Adverse impact by market conditions	- 9.4
2. Increase in in-house fuel costs	- 4.2
3. Increase in supply costs	- 2.0
4. Others	15.6
(Incl. positive inventory valuation impact of 17.0 (42.0 ← 25.0))	
Ordinary income	0.0
(25.0 billion yen ← 25.0 billion yen)	

【Assumptions】

- Crude Oil (FOB) : 85\$/B (Jan-Mar 2008 average)
- Yen-USD exchange rate : 110.0yen/\$(Jan-Mar 2008 average)
- Selling volume: Total fuel oil selling in Japan: 101.4% (based on FY06 as 100%)
Total selling volume 45,415 (1,000kl) (101.8% based on FY06 as 100%)

※ Fuel Oil Selling Volumes in Japan (by product)

Gasoline	101.7%	Naphtha	96.0%
Kerosene	98.6%	Jet fuel	98.7%
Diesel fuel	101.5%	Heavy fuel oil C	139.8%
Heavy fuel oil A	83.7%		
4 Products-Total	97.9%	Total fuel oil selling volume in Japan	101.4%

Middle distillate export volume	149.3%
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- New Consolidated Medium-Term Management Plan Expected to Bring Benefits: 4.0 billion yen

※New Consolidated Medium-Term Management Plan (billion yen)

	Rationalization	Added-Value Creation Improvement	Total
Supply	0.1	0.6	0.7
Marketing	0.7	2.4	3.1
Other	0.2	0.0	0.2
Total	1.0	3.0	4.0

【 Key Indicators 】

Number of self-service Ss is shown in parenthesis

No. of SS	As of Mar. 31, 2008	As of Dec. 31, 2007	Change
Cosmo Oil-owned	883 (569)	885 (522)	- 2 (47)
Individually-owned	3,415 (347)	3,356 (333)	59 (14)
Total	4,298 (916)	4,241 (855)	57 (61)

(billion yen)

	Updated outlook	Previous outlook	Change
Capital expenditures	39.7	39.7	0.0
Depreciation expenses	22.7	22.7	0.0