

Economic Performance

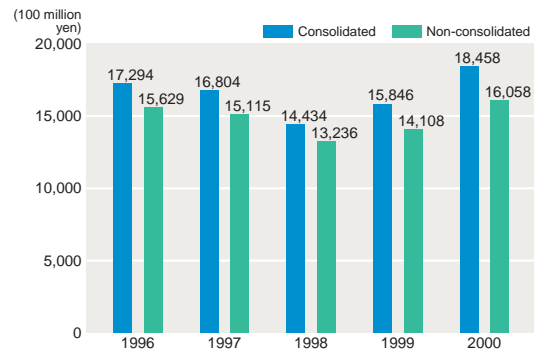
The year 2000 saw the reduction of margins as competition in the domestic petroleum product market increased and crude prices rose. Along with the effect of a depreciated yen, these made for very tough conditions for the petroleum industry. This was reflected at Cosmo Oil in two new themes for management in its ongoing efforts to increase the value of the company: the realization of a Cosmo network with the strongest cost competitiveness in the industry, and the realization of a Cosmo network which is truly embraced by its customers.

In non-consolidated operating results, the influence of rising crude oil prices during the year, while a plus for earnings, came with the rationalization of consumption and improved market conditions which, with a change of inventory valuation, increased profit. In consolidated results, this was reflected in increased profits of the Crude Oil Development Division, combining favorable achievements resulting from the rise in crude oil prices with the increased efficiency resulting by the Division joining with the Sales Division.

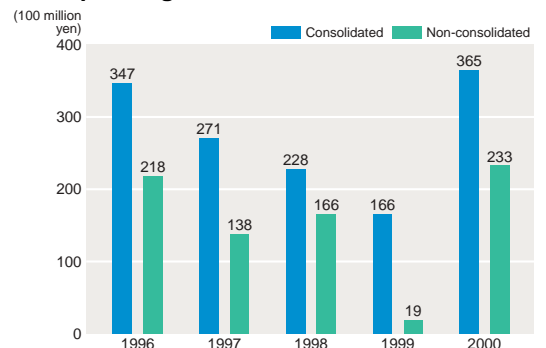
In assets, the securitization of Service Station property and the sale of assets, part of a policy to contain investment, resulted in a slimming of the balance sheet. The improvement of capital efficiency is driving the enhancement of company value.

In plant and equipment investment, within the limits of depreciation expenses, the basic emphasis in investment is on environmental preservation and operation safety.

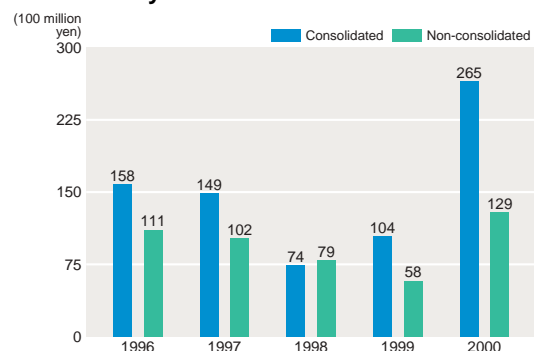
Net Sales



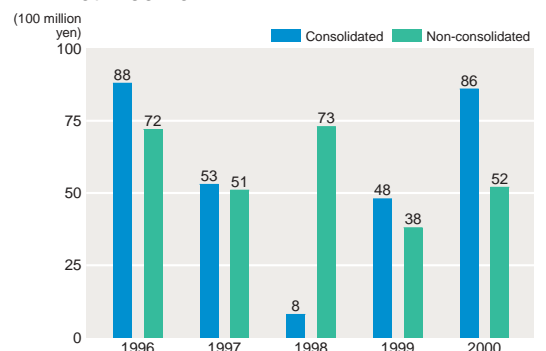
Operating Profit



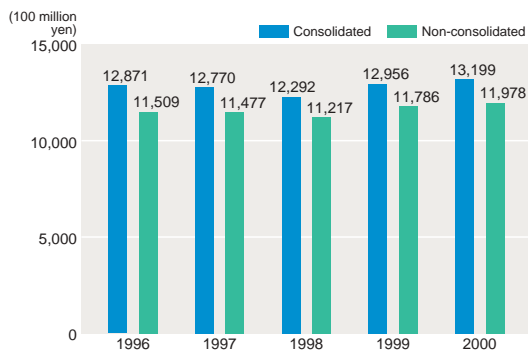
Ordinary Profit



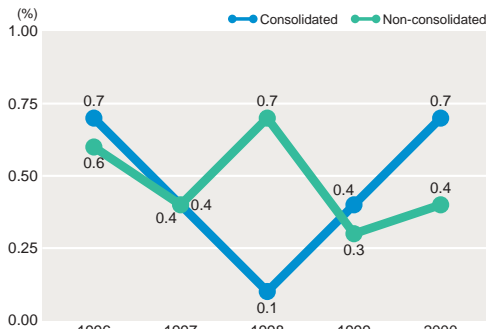
Net Income



Total Assets

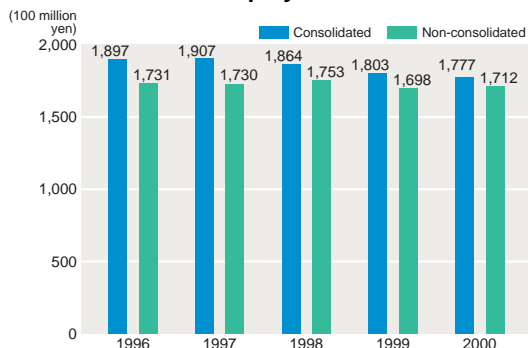


Return on Assets (ROA)

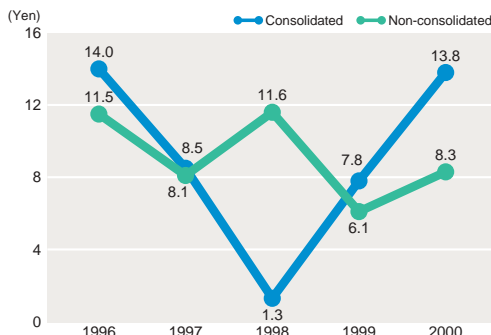


Return on Assets = current net income/total assets

Shareholders' Equity

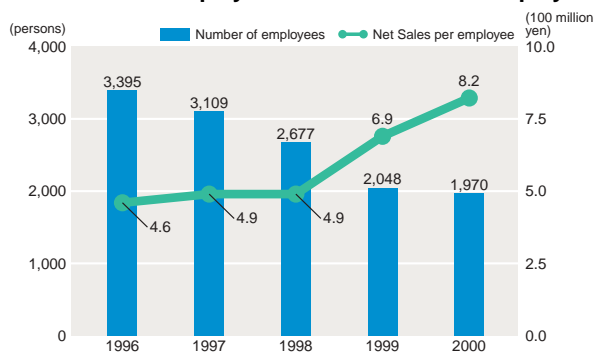


Earnings per Share

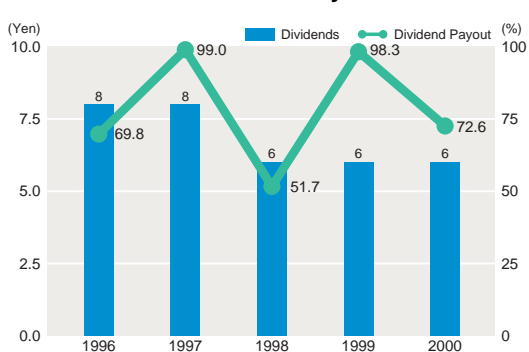


Earnings per Share = current net income/number of shares outstanding

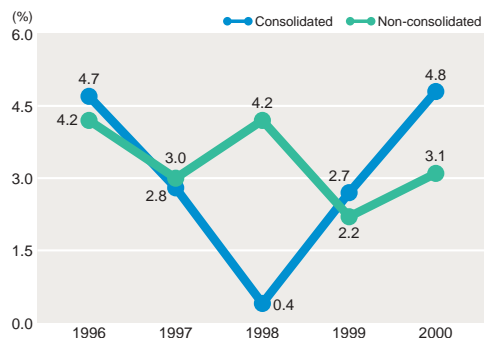
Number of Employees and Net Sales Per Employee



Dividends and Dividend Payout



Return on Equity (ROE)



Return on Equity = current net income/shareholders' equity

Capital Investment

