



Cosmo Oil Co., Ltd.
**Presentation on Progress Status of the New
Consolidated Medium-Term Management Plan**

November 16, 2005

Yaichi Kimura, President
Naomasa Kondo, Satoshi Miyamoto,
Managing Director

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Review of the Business Environment - 1. International Market Trends

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◆ Strong oil demand expected to continue

- Strong demand for oil centering on lighter distillates led by China, India and other emerging markets, which are marking rapid economic growth

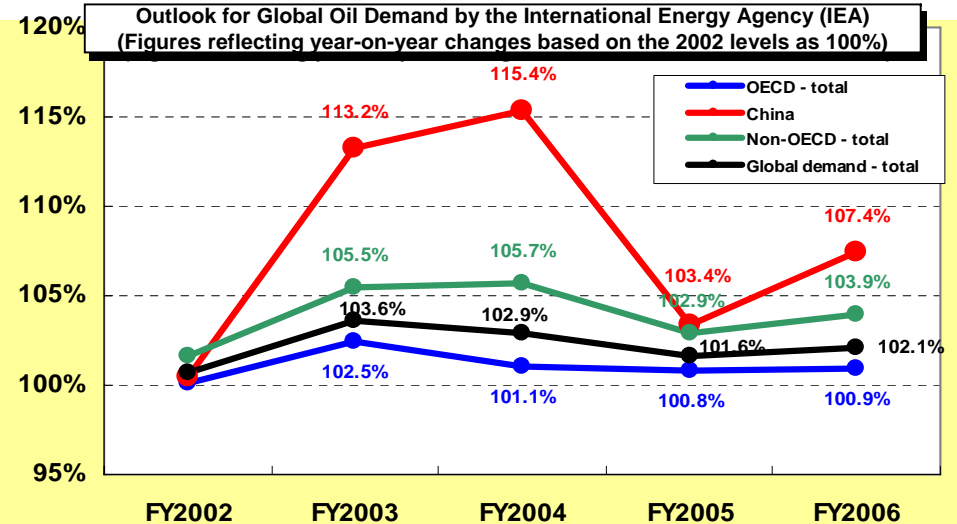
◆ Limited level of excess capacity of crude oil production

- Saudi Arabia (heavy crude oil) and some other oil producing countries still have some power to produce extra crude oil.

◆ Insufficiency in refining capacity

- U.S. refineries being operational at a high level (as more than 90% of these refineries continue to be run)
- Though China and India have plans to build and expand new and existing refineries, they are not expected to cover their domestic demands

◆ Speculative money trends



◆ Crude oil prices hovering high

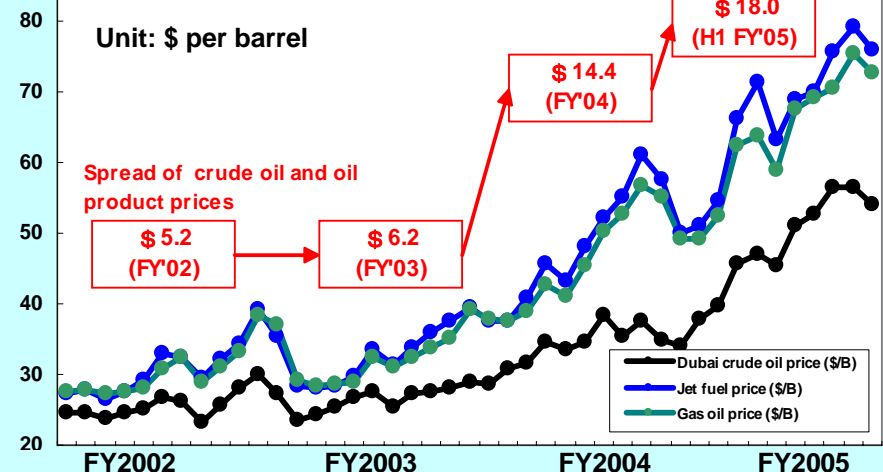
Growing a gap between heavy and light crude oil prices

◆ Price of products involving lighter distillates (including intermediates used for petrochemical products) remain at high levels

The spread of crude oil and oil product prices remains at high level

Though some short-term fluctuations may occur, these oil prices are expected to remain at high levels.

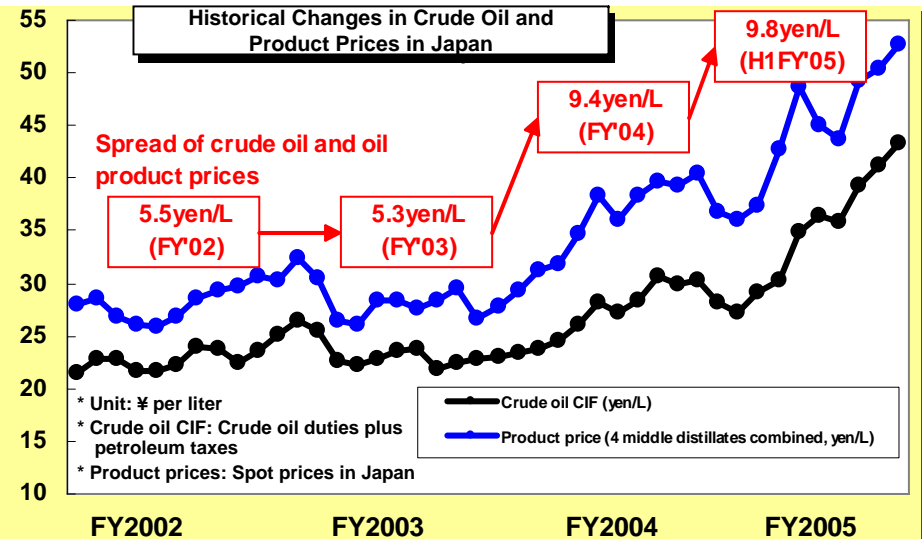
Historical Changes in Singapore Crude Oil and Oil Product Prices



Review of the Business Environment - 2. Domestic Market Trends

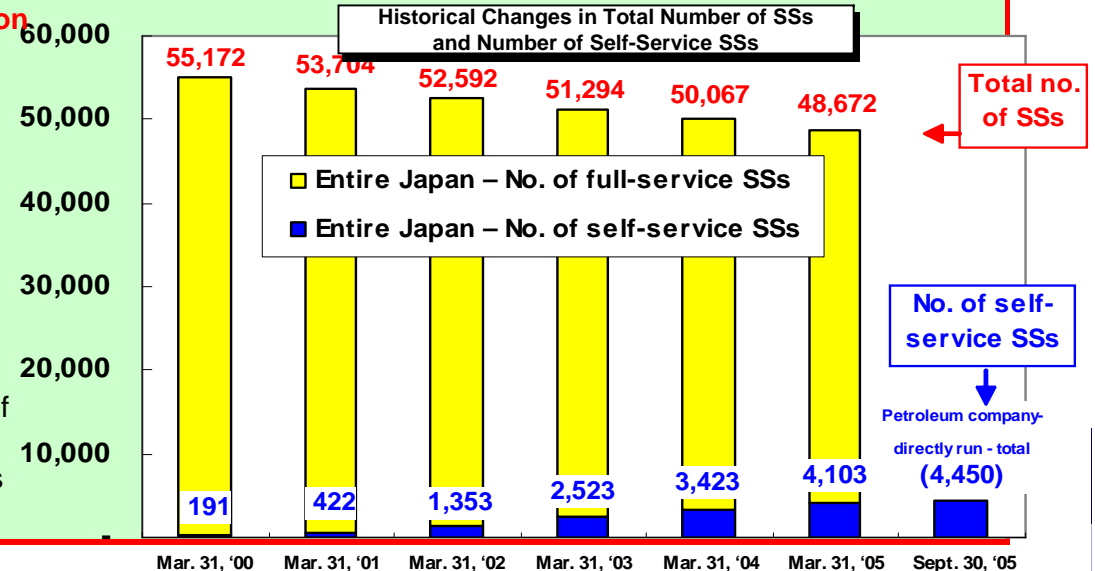
Domestic supply and demand environment

- ◆ **Internationalization of the Japanese oil market**
 - More exports of oil products (including petrochemicals)
 - Reduced imports (reflecting higher product prices and quality barriers)
- ◆ **Impact of reduction in refining capacity (in FY2001-03)**
 - Though the facilities are being run at higher capacity, the demand environment relatively remains stable.
- ◆ **Changing demand mainly for heavier distillates**
 - Accelerating the pace for the decline of total demand and structural change (demand for lighter distillates)
- ◆ **Impact of warm winter**



Distribution environment

- ◆ **Changes in petroleum companies' distribution and sales policies**
 - Trends to enhance sales channels directly invested SS by oil companies
- ◆ **Changes in the competitive environment involving service stations (SS)**
 - The number of SSs on the decline
 - Self-service SSs on the increase
 - Growing customer preferences toward self-service SSs
 - Diversified business models (incl. more SSs opening through tie-ups with other categories of retail stores)
 - Competition between self-service SSs and SSs with other categories of retail stores



Source: Ministry of Treasury, trade statistical data; RIM magazine; Oil Information Center; Nenryo Yushi Shimibun

Outline of the New Consolidated Medium-Term Management Plan

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Basic Policy

Establish the stable management infrastructure

1. Enhance the earnings base:
Shift from rationalization toward added-value creativity enhancement (to improve values added to refining products, the distribution structure, and earnings at affiliates)
2. Enhance the financial structure:
Establish a financial structure strong enough to withstand risks for changing the earnings environment and large-scale investment

Shift toward the growth strategy

1. Enhance earnings at oil refineries: Upgrade the refineries mainly through capital investments
2. Expand business fields: Oil exploration and production, and growing petrochemical and export businesses

Action Plan

Non-consolidated basis

Value creation (¥14.9 bn)(Note)	Supply Segment (¥6 bn)
	Sales Segment (¥8.5 bn)
Cost rationalization, etc. (¥6.3 bn)	

Consolidated basis

Oil exploration and production business: (¥5.8 bn)
Petrochemical business: (¥2.7 bn)
Other affiliated companies, etc. (¥5.3 bn)

Improve operating income for FY2007 by ¥35 billion (from FY2004)

Note: The above estimate includes ¥400 million to be achieved by other segments.

Forecast for Consolidated Operating Income for FY2007: ¥88 Billion

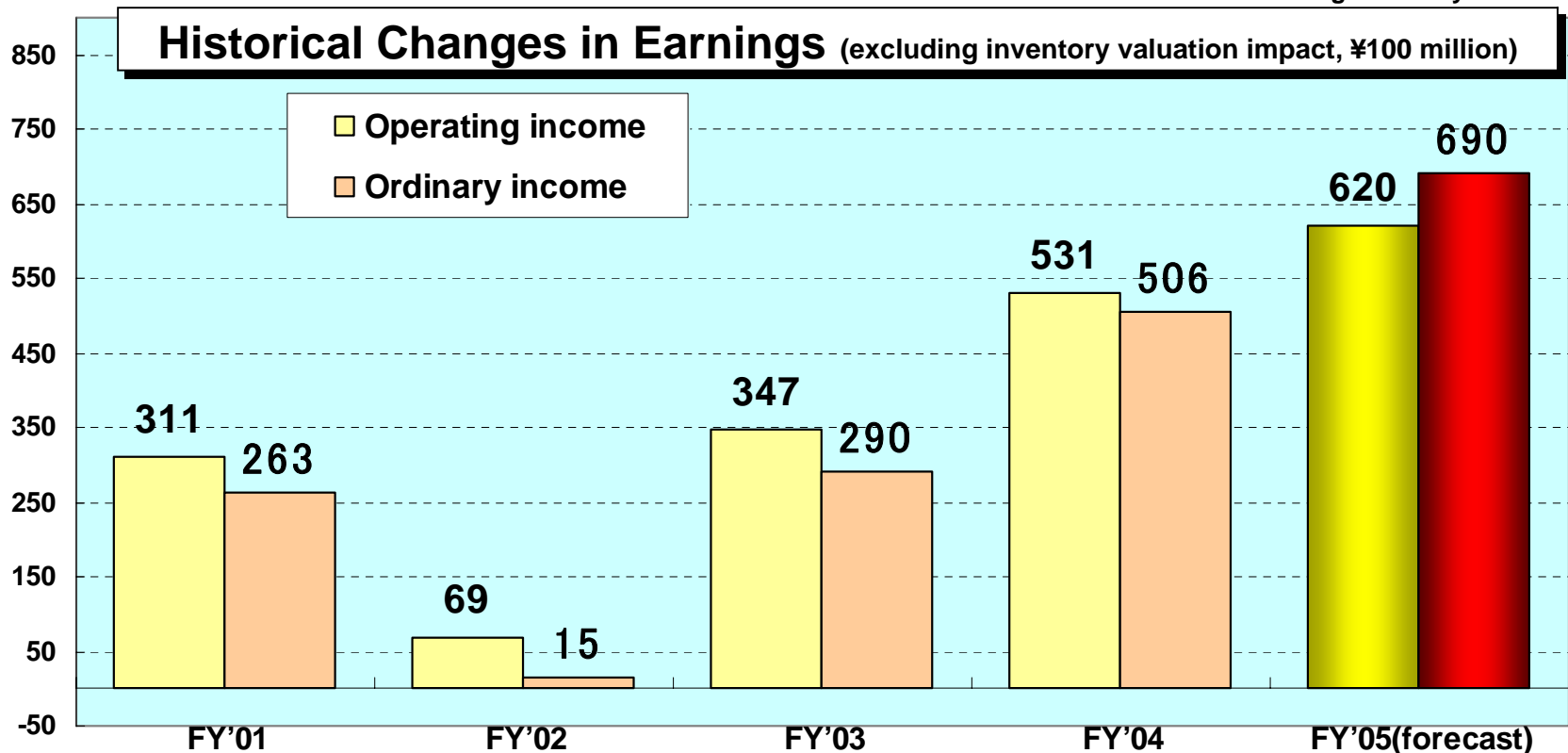
* Excluding inventory valuation impact

Outline of Results of the Initial Year of the Medium-Term Management Plan – Forecast for Earnings

Crude oil prices (H2 FY2005) : 52\$/B
 Foreign exchange rate (H2 FY2005):¥110/\$
 Selling volume of fuel oil in Japan
 (Full-year estimate based on 2004 level as 100%):99.1%
 Benefit from NCMTM Plan: ¥10.8 billion
 (at an achievement level of 122%)

Operating income: ¥62 bn
Ordinary Income: ¥69 bn

* Excluding inventory valuation impact



**[H1 FY2005 Results] Results of First Six Months of FY2005 Ended
September 30, 2005 – Consolidated – Outline of Earnings**

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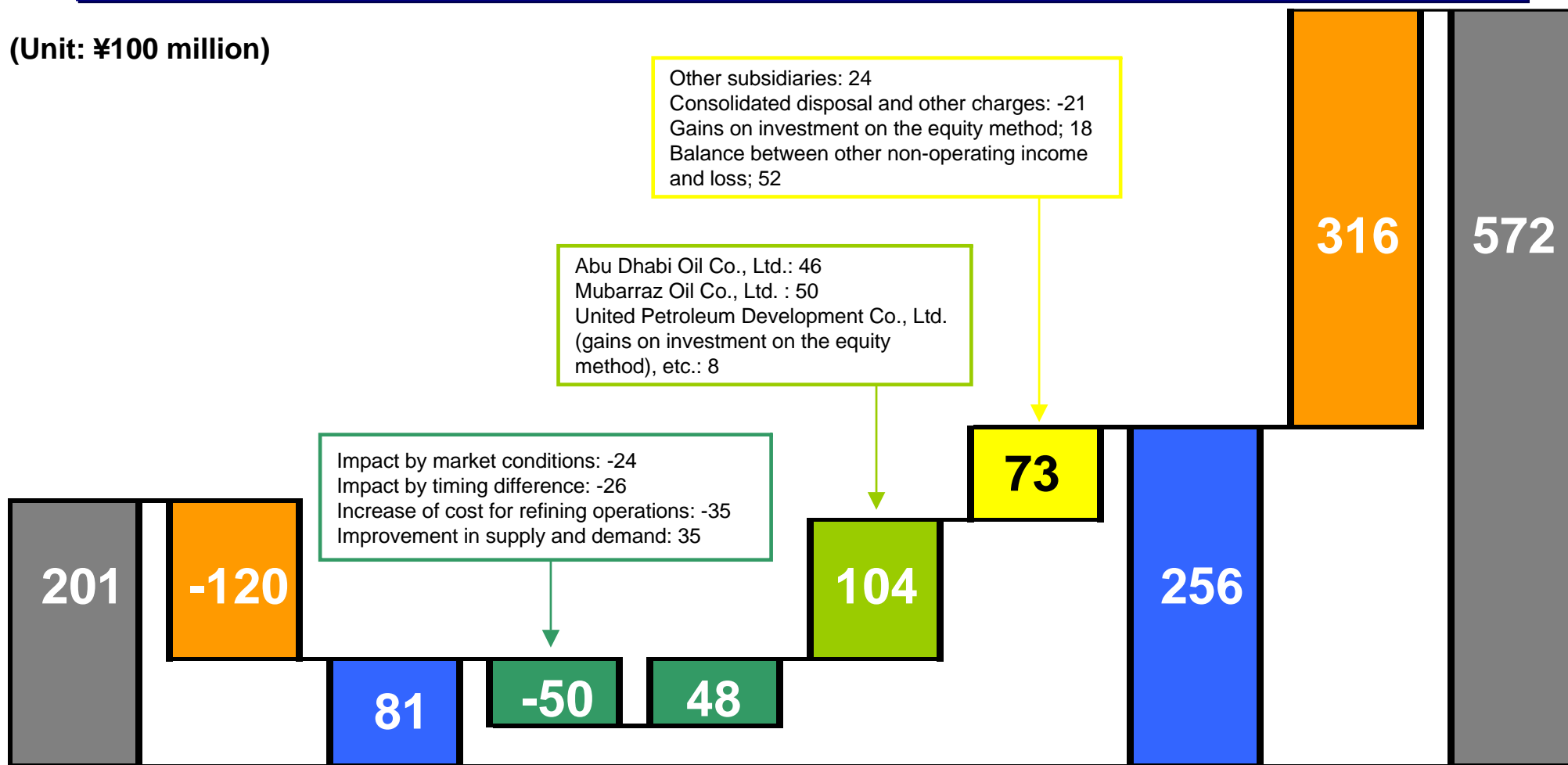
(Unit: ¥100 million)

	Actuals	Change from H1 FY2004
Sales	12,032	2,122
Operating Income	507	289
Ordinary Income	572	371
(Inventory valuation impact)	316	196
(Excluding inventory valuation impact)	256	175
Net Income	296	255

* For information about crude oil prices, selling volumes and their growth, selling values, etc. please refer to Supplementary Information – 1

[H1 FY2005 Results] Consolidated – Ordinary Income – Changes from H1 2004

(Unit: ¥100 million)



Other subsidiaries: 24
 Consolidated disposal and other charges: -21
 Gains on investment on the equity method; 18
 Balance between other non-operating income and loss; 52

Abu Dhabi Oil Co., Ltd.: 46
 Mubarraz Oil Co., Ltd. : 50
 United Petroleum Development Co., Ltd.
 (gains on investment on the equity method), etc.: 8

Impact by market conditions: -24
 Impact by timing difference: -26
 Increase of cost for refining operations: -35
 Improvement in supply and demand: 35

Results of H1 FY2004			Results of H1 FY2005						
Ordinary Income	Inventory valuation impact	Ordinary income excluding inventory valuation impact	Cosmo Oil alone		Oil exploration and production subsidiaries	Other	Ordinary income excluding inventory valuation impact	Inventory valuation impact	Ordinary Income
			Impact by market condition, etc.	Benefit from the NCMTM Plan					

[H1 FY2005 Results] Consolidated Subsidiaries - Results of Major Consolidated Subsidiaries and Subsidiaries Owned on the Equity Method

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(Unit: ¥100 million)

<Major Consolidated Subsidiaries – Ordinary Income>

	H1 FY2005	Change from H1 FY2004	Description for key factors affecting results
Major oil exploration and production subsidiaries	Abu Dhabi Oil Co., Ltd.	102	46 1. Crude oil price hike (34.0→48.2\$/ BBL) 2. Negative impact of USD-JPY exchange rate (as JPY appreciated from 108.8 to 105.3/USD), etc.
	Mubarraz Oil Co., Ltd.	50	50 1. Crude oil price hike (34.0→48.2\$/BBL) 2. Negative impact of USD-JPY exchange rate (as JPY appreciated from 108.5 to 105.3/USD), etc.
	United Petroleum Development Co., Ltd. (owned by the Cosmo Group on the equity method)	16	8 1. Crude oil price hike (33.6→48.5\$/BBL) 2. Negative impact of USD-JPY exchange rate (as JPY appreciated from 108.5 to 106.1/USD), etc.
	Total	168	104
Marketing subsidiaries	8	17	Streamlined operations through the merger of Toyo Kokusai Oil Co.,Ltd. etc.
Other major consolidated subsidiaries	21	7	Rationalization efforts, improved market conditions, etc.

* Please refer to Supplementary Information Page 20 for information on actual results by major consolidated subsidiary and by business segment

<Gains (losses) from investments in subsidiaries and affiliates accounted for under the equity method>

	H1 FY2005	Change from H1 FY2004
Gains (losses) from investments	50	24

[H1 FY2005 Results] Outline of Consolidated Cash Flows and Balance Sheets

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(Unit: ¥100 million)

	H1 FY2005	Change from March 31, 2005
Cash flow from operating activities	-205	-
Cash flow from investing activities	-280	-
Cash flow from financing activities	562	-
Cash and cash equivalents at end of the period	464	83

	H1 FY2005	Change from March 31, 2005
Total Assets	14,583	1,352
Shareholders' Equity	2,810	531
Shareholders' Equity Ratio	19.3%	2.1 improved
Interest-Bearing Debts (including zero coupon corporate bond)	5,366	388
Debt dependence ratio	36.8%	0.8 improved
Debt Equity Ratio	1.9	0.3 improved

[Forecast for Full-Year Results of FY2005] Revisions in Forecast for Consolidated Results of FY2005 Ending March 31, 2006 - 1

(Unit: ¥100 million)

	Forecast result	Change from FY2004
Sales	25,500	3,954
Operating Income	860	203
Ordinary Income	930	298
(Inventory valuation impact)	240	114
(Excluding inventory valuation impact)	690	184
Net Income	440	176

<Assumptions for business forecast>

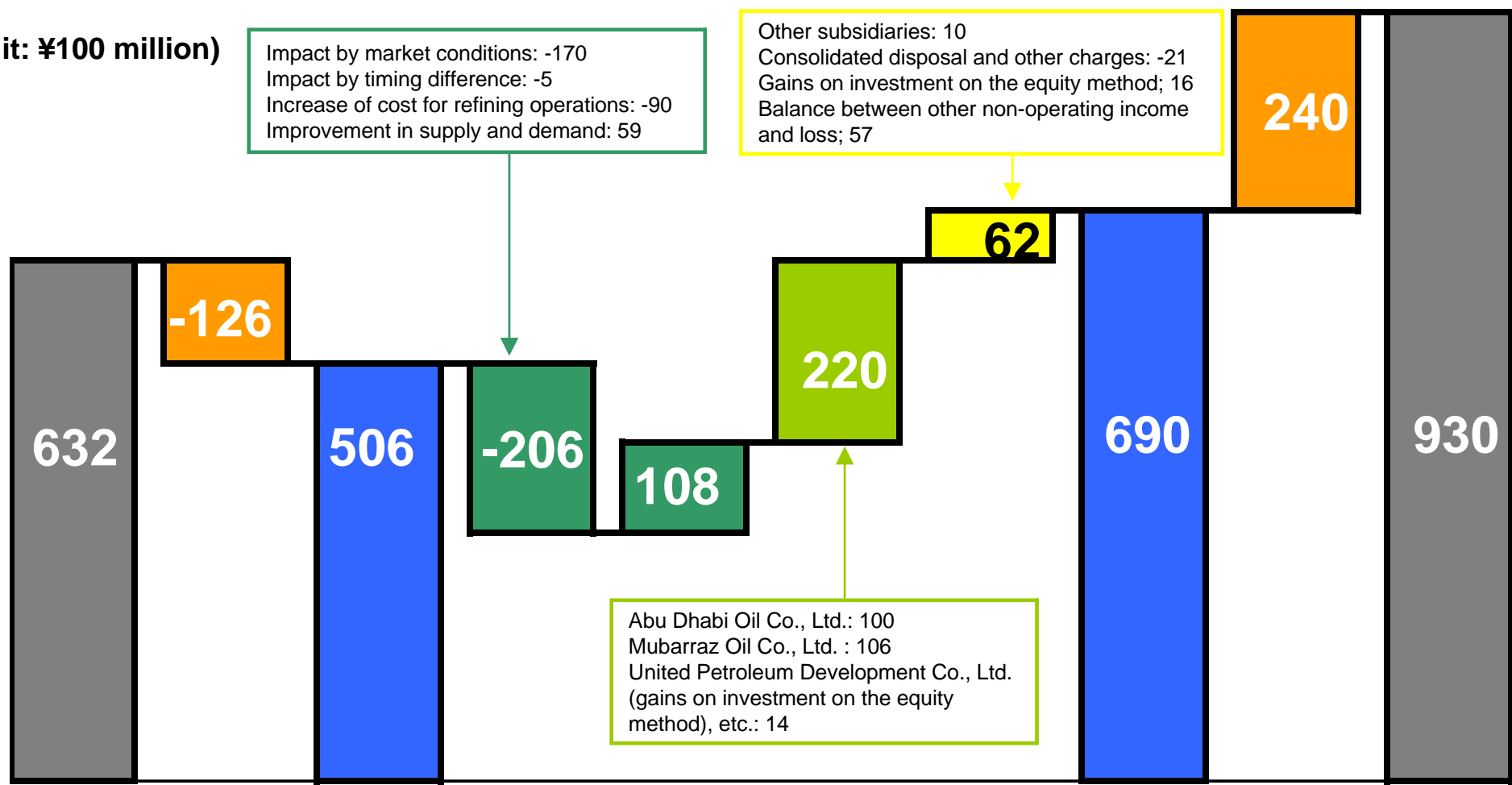
	H2 FY2005
Purchased price of crude oil: FOB (USD/BBL)	52.00
Exchange rate (JPY/USD)	110.00

* For information about detailed assumptions for forecast results, please refer to Supplementary Information – Page 18

* For information about forecast results by major consolidated subsidiary and business segment, please refer to Supplementary Information – Pages 21 and 23

[Forecast for Full-Year Results of FY2005] Revisions in Forecast for Consolidated Results of FY2005 – 2 — Consolidated Ordinary Income in Comparison with Full Year Results of FY2004

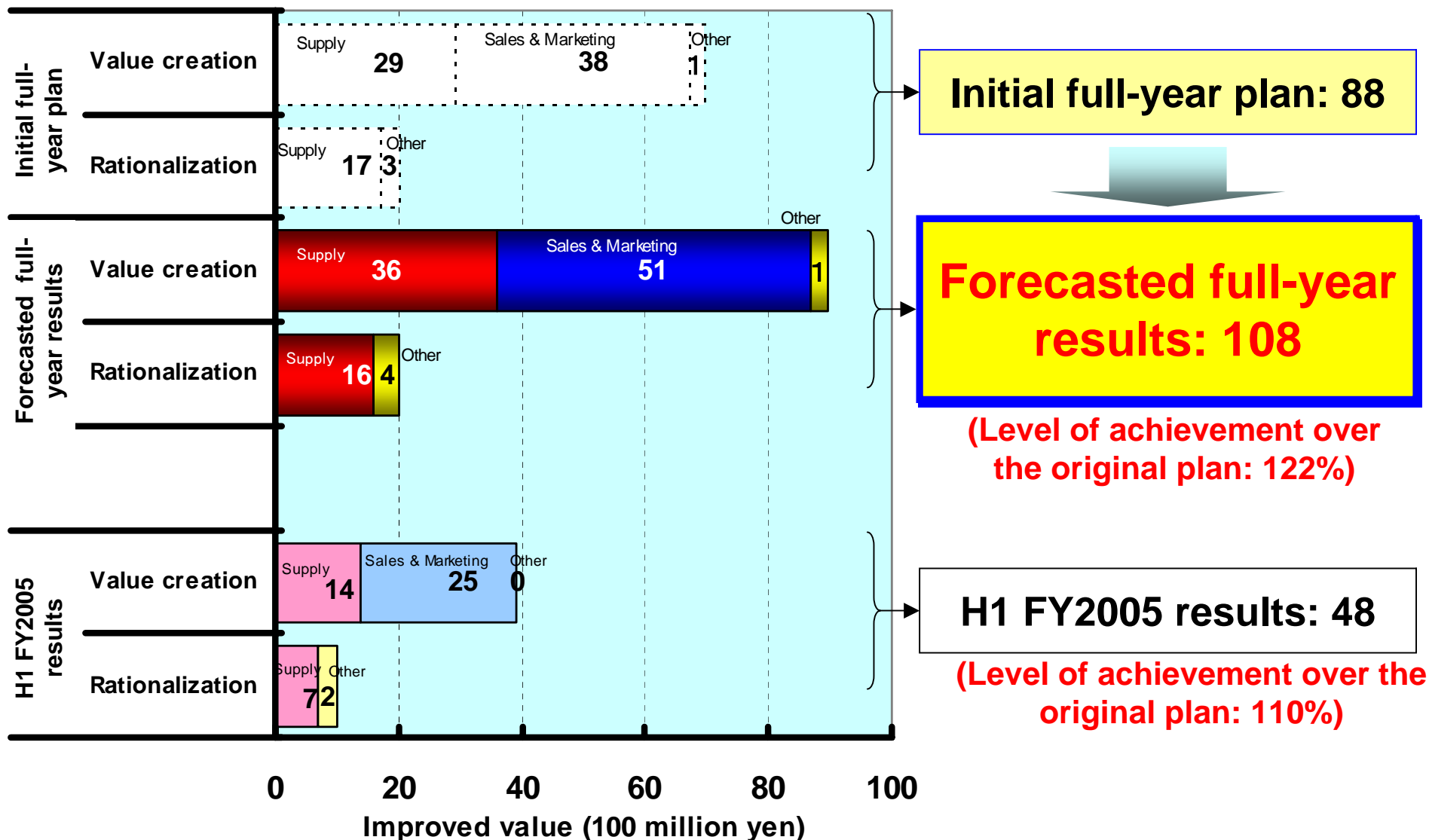
(Unit: ¥100 million)



Full-Year Results in FY2004			Forecast Full-Year Results in FY2005						
Ordinary Income	Inventory valuation impact	Ordinary income excluding inventory valuation impact	Cosmo Oil alone		Oil exploration and production subsidiaries	Other	Ordinary income excluding inventory valuation impact	Inventory valuation impact	Ordinary Income
			Impact by market condition, etc.	Benefit from the NCMTM Plan					

[Progress Status in the Current Management Plan] Overview of Progress Being Made in the New Consolidated Medium-Term Management Plan (at Cosmo Oil Alone)

(Unit: ¥100 million)



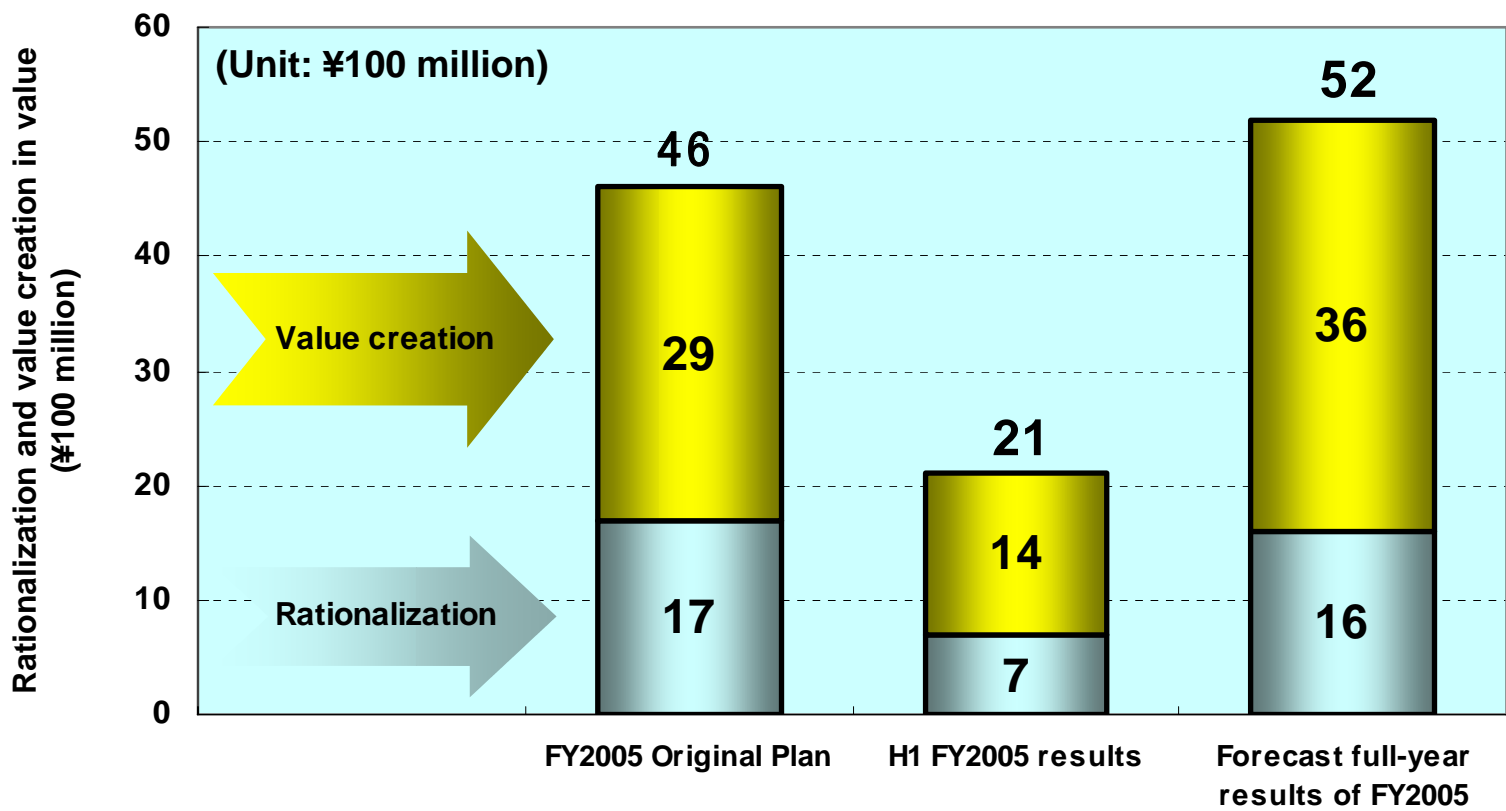
[Progress Status in the Current Management Plan]
 Overview of Progress Being Made by the Supply Segment of Cosmo Oil

**Forecasted full-year results of FY2005: ¥5.2 billion)
 (at 114% in achievement)**

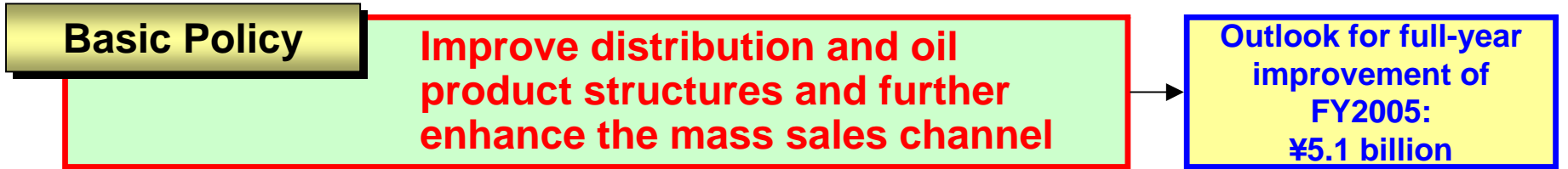
Major items of actions
 (continuously taken from the past)

<Value creation>
 • Profitability improvement programs
 • MX business, etc.

<Rationalization>
 • Refining cost reductions, etc.



**[Progress Status in the Current Management Plan]
Basic Plan for the Sales and Marketing Segment of Cosmo Oil**



Marketing subsidiaries

Continue enhancement strategies

- Self-Service SSs**
Continue active roll-out of such outlets and further improve investment efficiency
- Auto B-cle network**
Strengthen the network
- Cosmo The Card**
Continue active issuance

Horizontal deployment of Cosmo Oil's expertise

Independent SS operators

Enhance Cosmo Oil's partnerships with them

- Self-Service SSs**
Active roll-out of such outlets and further improve investment efficiency
- Auto B-cle network**
Encourage them to join the network
- Cosmo The Card**
Continue active issuance
- Improve management of independent SS operators**
Motivate operators to draw up and execute their action programs for management improvement

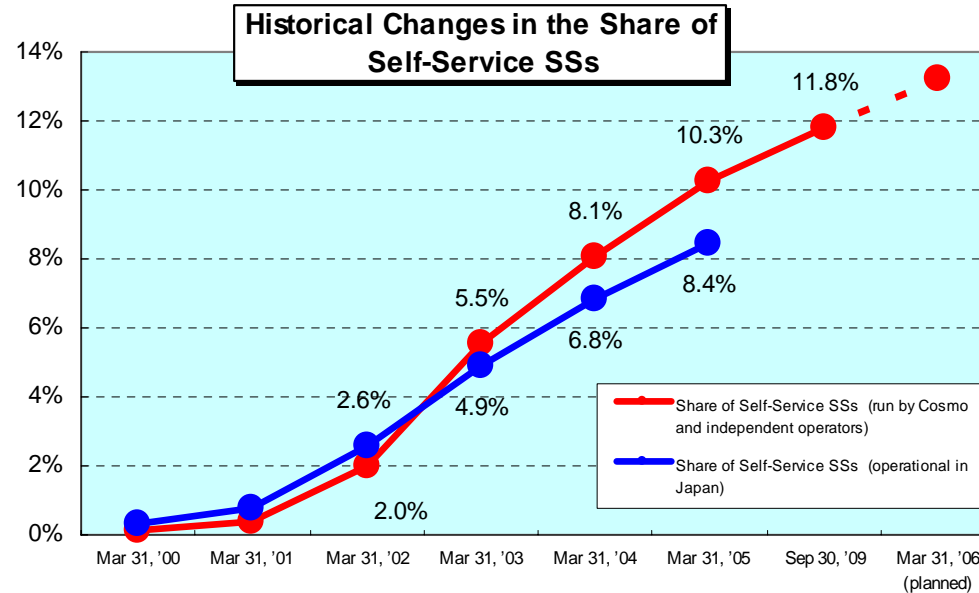
[Progress Status in the Current Management Plan] Overview of Progress Being Made by the Sales and Marketing Segment of Cosmo Oil

Self-Service SS Business

H1 FY2005:

No. of new additions to SSs: 62
(545 self-service SSs in total)

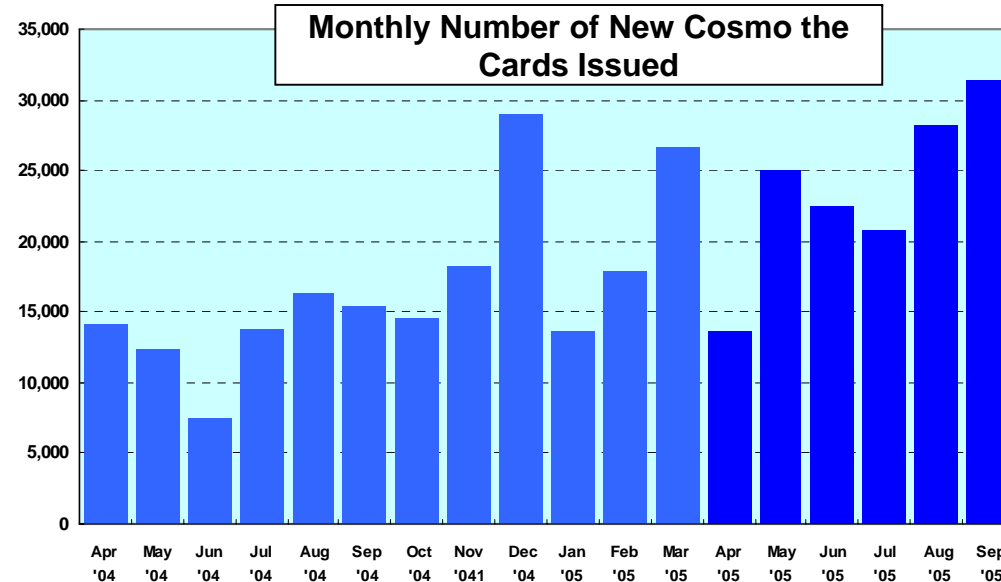
Share of self-service SSs*1: 11.8%



Cosmo The Card

H1 FY2005:

No. of cards in force*2: 2.47 million
(up 50,000 cards from Mach 31, 2005)



Notes:

- *1. Share of self-service SSs refers to the rate of self-service SSs of the total number of roadside SSs only.
- *2. The number of cards in force refers to the number of cards issued net of the number of those who have resigned their membership.

Basic Policy for Oil Exploration and Production

1. Investment in lower-risk properties
2. Operations pivoted around the existing core area (in Abu-Dhabi and Qatar)
3. Earlier recovery of funds invested for improvement in cash flows
4. Operatorship-focused and accumulation of technology, know-how and experience

★Progress being made in the Qatar Project:
Currently under development aimed at starting production during FY2005
(including platform construction and oil well drilling)

<Outline of Commercial Production Plan>

Production period: FY2005~FY2016

Production volume: Early stage: About 6,000 BD
Max: About 10,000 BD

Crude oil quality: API: About 40 Degree

To be shipped as Qatar Marine Oil from Halul Island

Acquired oil field lot location map



● July 2005:

To acquire, from Maruzen Petrochemical Co., Ltd., the mixed xylene manufacturing unit (with annual capacity of 100,000 tons) of its Chiba Plant to start manufacturing and marketing of mixed xylene

- Established on: April 1, 2005
- Capital: ¥100 million
- Invested by:
 - Cosmo Oil Co., Ltd. at 65%
 - Maruzen Petrochemical Co., Ltd. at 35%
- Line of Business: manufacturing, storage and marketing of mixed xylene

● First Half-Year Results and Outlook for Full-Year Results of FY2005:

The market for products is staying brisk backed by steady growth in the demand for polyester
 Revenue exceeds increased cost of sales due to crude oil price hikes.
 Full-year results of FY2005 are expected to substantially exceed the original plan.

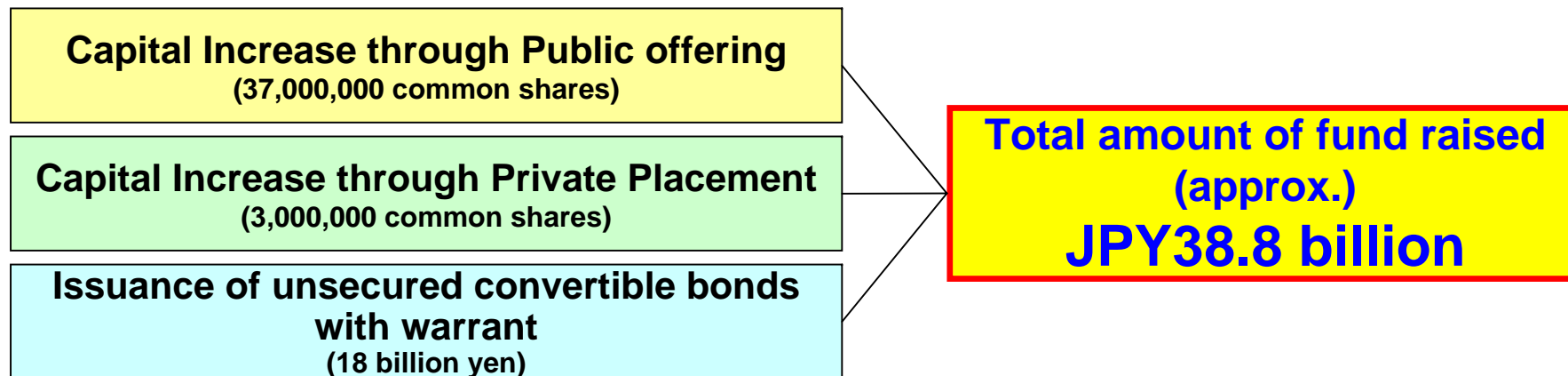
Unit: ¥1 million

	H1 FY2005 results	Forecast 2005 full-year results
Sales	5,217	14,212
Operating income	93	289
<Reference>		
Operating income in the original plan	5	77

● By July 2006:

Expand production capacity to 270,000 tons per year.
 (When the above and 30,000 tons produced by Cosmo Matsuyama Oil Co., Ltd. a year are combined, total production capacity is expected to be increased to 300,000 tons per year.)

<Outline of Equity Finance>



<Outline of the Plan for How to Use the Fund Raised>

(Unit: 100 million yen)

Investment Plan of the New Medium-Term Management Plan (3-year)		
Category	Department	Amount
Strategic investment	Sales and Marketing (Self-service SS investment)	150
	Oil exploration & production	300
	Supply (MX business)	40
	Supply (increased value creation of refineries)	400
	Other	100
	Subtotal	990
Investment for repairs and maintenance		410
Total investment amount		1,400

(Unit: 100 million yen)

Investment Projects with Amounts Allotted			
Company	Project	Investment amount required	Amount allotted
Cosmo Oil	Self-service SS construction	150	150
Qatar Oil Development	Exploration and development	57	27
CM Aromatics	Aromatic compound manufacturing unit construction	19	19
Cosmo Oil	Basic gasoline material manufacturing unit construction	250	142
	Building desulfurization units for gasoline production	50	50
Sub-total		526	388
Total		526	388

Supplementary Information

- **[H1 & Full-Year 2005] Actual and Forecast Results of the Oil Business (Non-consolidated) and Assumptions for Forecast**
- **[H1 & Full-Year 2005] Overview of Progress Being Made by the Oil Business (non-consolidated) in the Medium-Term Management Plan**
- **[H1 Results] Overview of H1 2005 Results by Major Consolidated Subsidiary and Business Segment (Vs. H1 2004 Results)**
- **[Full-Year Forecast] Outlook for Full-Year Results of FY2005 by Major Consolidated Subsidiary and Business Segment (Vs. Full-Year 2004 Results)**
- **[Full-Year Forecast] Outlook for Ordinary Income (Consolidated) of Full-Year 2005 (Vs. Revised Forecast Announced on May 17, 2005)**
- **[Full-Year Forecast] Outlook for Results of Full-Year 2005 by Major Consolidated Subsidiary and Business Segment (Vs. Revised Forecast Announced on May 17, 2005)**
- **[Full-Year Forecast] Historical Changes in EBITDA after Inventory Valuation Adjustments**
- **Changes in the Number of Employees, Oil Storage Depots and SSs**

Supplementary Information – 1 [H1 & Full-Year 2005] Actual and Forecast Results of the Oil Business (Non-consolidated) and Assumptions for Forecast

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		H1 FY2005	Change from H1 FY2004	Assumptions for Forecast
Purchased price of crude oil	Crude oil (FOB) USD/BBL	51.84	16.62	52.00
	JPY/USD exchange rate	108.86	-0.97	110.00
	Purchased price of crude oil (tax inclusive) yen/KL	38,827	11,267	-
Crude oil refining	Refined crude oil volume (1,000 KL)	14,846	585	-
	% change		104.1%	-
	Atmospheric distillation operating ratio (Calendar Day)	85.8%	3.4	-
	Atmospheric distillation operating ratio (Streaming Day*)	95.6%	3.3	-
				-
Selling price	Selling price (yen/KL)	39,930	9,360	-
Sales volume	Total sales volume (1,000 KL)	21,639	686	45,600
	Fuel oil product sales in Japan (1,000 KL)	13,930	-61	-
	Gasoline, kerosene, diesel fuel, heavy fuel oil A (1,000 KL)	8,665	26	-
	High-octane gasoline ratio	16.8%	-0.9	-
Change in selling volume	Total sales volume		103.3%	100.7%
	Total sales volume in Japan		99.6%	99.1%
	Gasoline		98.4%	99.2%
	Kerosene		109.8%	105.1%
	Diesel fuel		100.2%	99.1%
	Heavy fuel oil A		99.8%	99.9%
	Combined sales of 4 volume products above		100.3%	100.4%
	Naphtha		108.0%	103.9%
	Jet fuel		74.8%	87.4%
	Heavy fuel oil C		83.4%	84.2%

* The estimated crude oil price and exchange rate on the right provide the assumptions for the outlook for results of the second half year of 2005 in this presentation.

* Streaming day indicates operating ratio excluding impact of suspended operations due to regular repairs and maintenance, etc.

Supplementary Information – 2 [H1 & Full-Year 2005] Overview of Progress Being Made by the Oil Business (Non-consolidated) in the Medium-Term Management

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Item	Department	First Half				Second Half			Full Year		
		Original Plan	Revised Plan (announced on Aug. 22, '05)	Results	Achievement (vs. Original Plan)	Original Plan	Forecast	Achievement (vs. Original Plan)	Original Plan	Forecast	Achievement (vs. Original Plan)
Rationalization		(100 million yen)	(100 million yen)	(100 million yen)	(%)	(100 million yen)	(100 million yen)	(%)	(100 million yen)	(100 million yen)	(%)
	Supply Department	8	8	7	87%	9	9	102%	17	16	95%
	Administrative, etc.	2	2	2	108%	1	2	183%	3	4	128%
	Subtotal	10	10	9	92%	10	11	110%	20	20	101%
Value creation	Supply Department	8	12	14	164%	20	22	109%	29	36	125%
	Sales & Marketing Department	25	25	25	103%	13	26	197%	38	51	136%
	Other	1	0	0	17%	0	1	125%	1	1	60%
	Subtotal	34	37	39	117%	34	49	144%	68	88	130%
Grand total		44	47	48	110%	44	60	136%	88	108	122%

Supplementary Information – 3 [H1 Results] Overview of H1 2005 Results by Major Consolidated Subsidiary and Business Segment (Vs. H1 2004 Results)

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<Operating highlights by major consolidated subsidiary>

(Unit: ¥100 million)

	Net Sales		Operating Income		Ordinary Income		Net Income	
		Change from H1 FY2004		Change from H1 FY2004		Change from H1 FY2004		Change from H1 FY2004
Cosmo Oil Co., Ltd.	11,241	2,239	362	194	383	246	229	184
Abu Dhabi Oil Co., Ltd.	253	73	97	40	102	46	23	14
Mubarraz Oil Co., Ltd.	86	86	49	49	50	50	10	10
Marketing subsidiaries	1,694	326	10	19	8	17	2	29
Cosmo Oil Lubricants Co., Ltd.	161	10	6	0	6	0	4	0
Cosmo Matsuyama Oil Co., Ltd.	113	20	7	-1	8	0	5	0

* Net income above is an amount equivalent to the ratio of investment by Cosmo Oil in each business entity

<Gains (losses) from investments in subsidiaries and affiliates accounted for under the equity method>

	H1 FY2005	Change from H1 FY2004
Gains (losses) from investments	50	24

<Capital investment and depreciation>

	H1 FY2005	Change from H1 FY2004
Capital investment	142	43
Depreciation expense amount	140	19

<Operating highlights by business segment >

	Net Sales	Operating Income	
			Change from H1 FY2004
Petroleum business	11,796	392	221
Oil exploration and production business	248	144	90
Other business	278	-1	-1
Write-off	-290	-28	-21

 **COSMO OIL CO., LTD.**

<http://www.cosmo-oil.co.jp>

Supplementary Information – 4 [Full-Year Forecast] Outlook for Full-Year Results of FY2005
by Major Consolidated Subsidiary and Business Segment (Vs. Full-Year 2004 Results)

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<Operating highlights by major consolidated subsidiary>

(Unit: ¥100 million)

	Net Sales		Operating Income		Ordinary Income		Net Income	
		Change from FY2004		Change from FY2004		Change from FY2004		Change from FY2004
Cosmo Oil Co., Ltd.	23,500	3,850	490	16	490	73	300	163
Abu Dhabi Oil Co., Ltd.	553	186	217	91	219	100	45	42
Mubarraz Oil Co., Ltd.	180	180	105	105	106	106	19	19
Marketing subsidiaries	3,334	284	30	10	25	7	2	21
Cosmo Oil Lubricants Co., Ltd.	329	27	11	1	12	2	8	1
Cosmo Matsuyama Oil Co., Ltd.	227	27	10	-7	10	-6	6	-3

* Net income above is an amount equivalent to the ratio of investment by Cosmo Oil in each business entity

<Gains (losses) from investments in subsidiaries and affiliates accounted for under the equity method>

	Forecast for FY2005	Change from FY2004
Gains (losses) from investments	85	30

<Capital investment and depreciation>

	Forecast for FY2005	Change from FY2004
Capital investment	418	117
Depreciation expense amount	284	35

<Operating highlights by business segment >

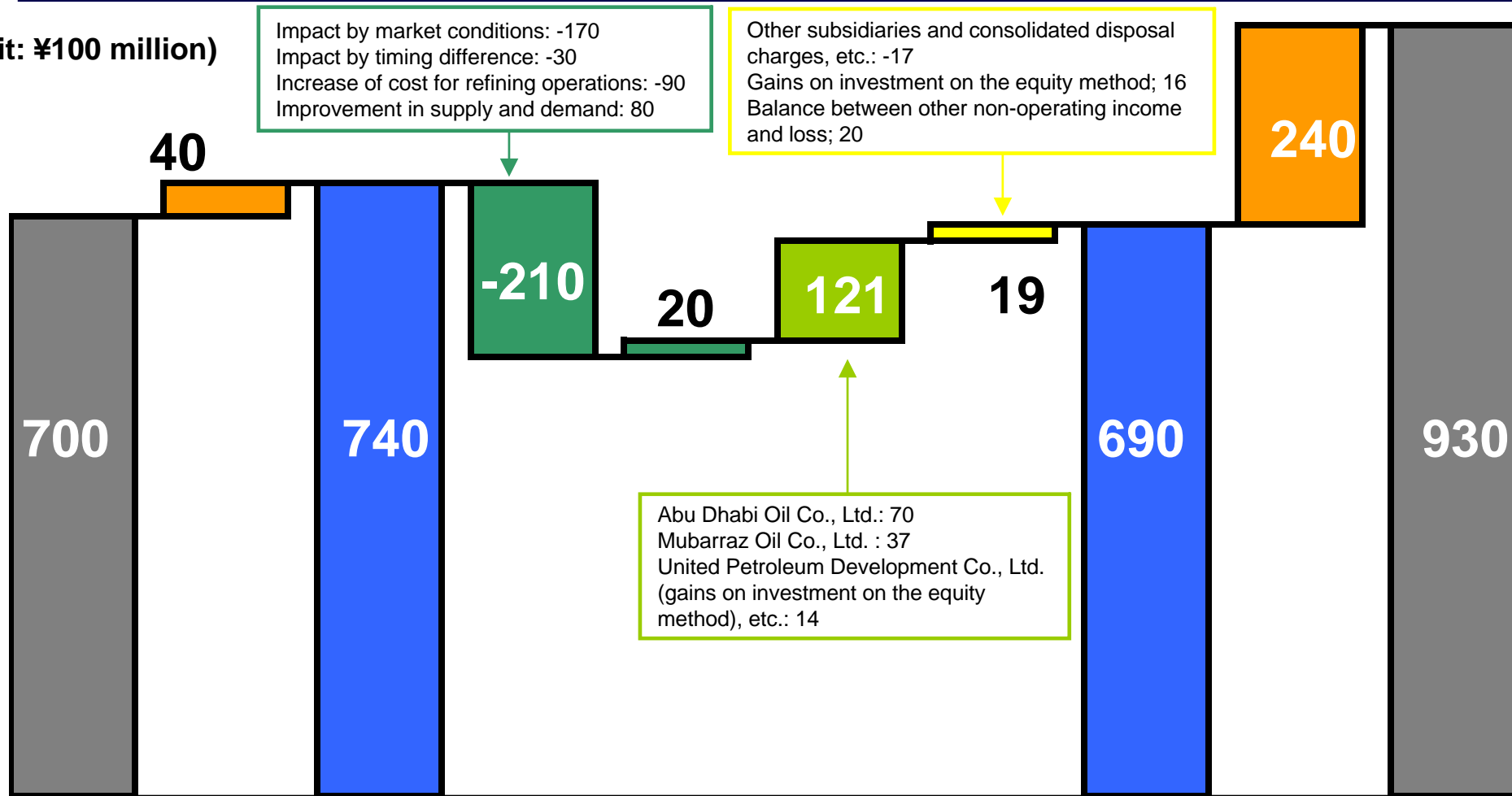
	Net Sales	Operating Income	
			Change from FY2004
Petroleum business	24,900	570	17
Oil exploration and production business	530	310	194
Other business	690	10	13
Write-off	-620	-30	-21

 **COSMO OIL CO., LTD.**

<http://www.cosmo-oil.co.jp>

Supplementary Information – 5 [Full-Year Forecast] Outlook for Ordinary Income (Consolidated) of Full-Year 2005 (Vs. Revised Forecast Announced on May 17, 2005)

(Unit: ¥100 million)



Impact by market conditions: -170
Impact by timing difference: -30
Increase of cost for refining operations: -90
Improvement in supply and demand: 80

Other subsidiaries and consolidated disposal charges, etc.: -17
Gains on investment on the equity method; 16
Balance between other non-operating income and loss; 20

Abu Dhabi Oil Co., Ltd.: 70
Mubarraz Oil Co., Ltd. : 37
United Petroleum Development Co., Ltd.
(gains on investment on the equity method), etc.: 14

Previous forecast for FY2005 announced on May 17			Newest forecast for FY2005						
Ordinary Income	Inventory valuation impact	Ordinary income excluding inventory valuation impact	Cosmo Oil alone		Oil exploration and production subsidiaries	Other	Ordinary income excluding inventory valuation impact	Inventory valuation impact	Ordinary Income
			Impact by market condition, etc.	Benefit from the NCMTM Plan					

Supplementary Information – 6 [Full-Year Forecast] Outlook for Results of Full-Year 2005 by Major Consolidated Subsidiary and Business Segment (Vs. Revised Forecast Announced on May 17, 2005)

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<Operating highlights by major consolidated subsidiary>

(Unit: ¥100 million)

	Net Sales		Operating Income		Ordinary Income		Net Income	
		Change from Previous Forecast		Change from Previous Forecast		Change from Previous Forecast		Change from Previous Forecast
Cosmo Oil Co., Ltd.	23,500	3,800	490	90	490	110	300	90
Abu Dhabi Oil Co., Ltd.	553	131	217	65	219	70	45	14
Mubarraz Oil Co., Ltd.	180	42	105	36	106	37	19	7
Marketing subsidiaries	3,334	-140	30	3	25	0	2	-8
Cosmo Oil Lubricants Co., Ltd.	329	20	11	-6	12	-6	8	-2
Cosmo Matsuyama Oil Co., Ltd.	227	33	10	-1	10	0	6	0

* Net income above is an amount equivalent to the ratio of investment by Cosmo Oil in each business entity

<Gains (losses) from investments in subsidiaries and affiliates accounted for under the equity method>

	Forecast for FY2005	Change from Previous Forecast
Gains (losses) from investments	85	30

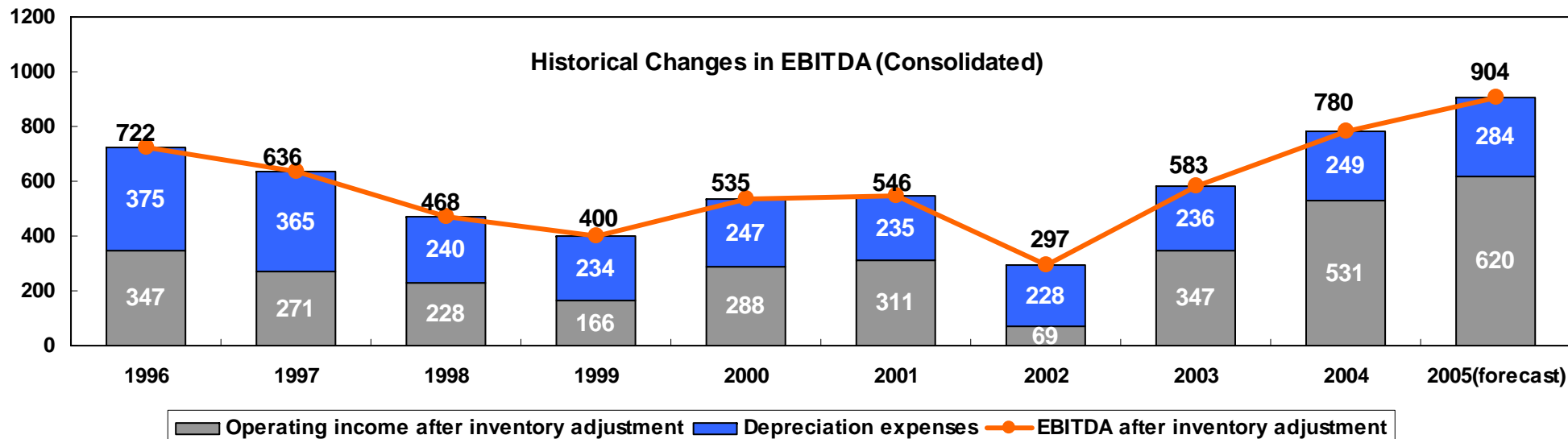
<Operating highlights by business segment >

	Net Sales	Operating Income	
			Change from Previous Forecast
Petroleum business	24,900	570	90
Oil exploration and production business	530	310	90
Other business/ Write-off	70	-20	-30

Supplementary Information – 7 [Full-Year Forecast] Historical Changes in EBITDA after Inventory Valuation Adjustments

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(Unit: ¥100 million)



	2000	2001	2002	2003	2004	2005 (forecast)
Operating income on an accounting basis	366	221	242	252	657	860
Impact by inventory valuation on the weighted average method (on operating income)	138	-90	173	-95	126	240
Operating income after inventory adjustment (accounting operating income net of inventory valuation impact)	228	311	69	347	531	620

The inventory valuation method has been changed since FY2000

Supplementary Information – 8

Changes in the Number of Employees, Oil Storage Depots and SSs

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Workforce size (No. of persons)

	Mar 31, '98	Mar 31, '99	Mar 31, '00	Mar 31, '01	Mar 31, '02	Mar 31, '03	Mar 31, '04	Mar 31, '05	Sept. 30, '05
Cosmo Oil alone	3,109	2,677	2,048	1,970	1,892	1,837	1,764	1,729	1,734
Cosmo Oil Group	5,678	5,256	4,600	4,416	3,978	3,736	3,565	3,480	3,484

* Cosmo Oil Group = No. of employees at Cosmo Oil alone + Transfers from Cosmo Oil

No. of oil storage depots (DTs)

	Mar 31, '98	Mar 31, '99	Mar 31, '00	Mar 31, '01	Mar 31, '02	Mar 31, '03	Mar 31, '04	Mar 31, '05	Sept. 30, '05
No. of DTs	57	52	45	41	39	39	38	38	38

No. of Cosmo Oil-affiliated SSs (including mobile stations)

	Mar 31, '98	Mar 31, '99	Mar 31, '00	Mar 31, '01	Mar 31, '02	Mar 31, '03	Mar 31, '04	Mar 31, '05	Sept. 30, '05
Cosmo Oil-owned	1,172	1,105	1,065	1,010	977	959	930	899	894
Individually-owned	5,614	5,376	5,040	4,769	4,564	4,313	4,112	3,912	3,823
Total	6,786	6,481	6,105	5,779	5,541	5,272	5,042	4,811	4,717

Number of Self-Service SSs and Auto B-cle SSs

	Mar 31, '99	Mar 31, '00	Mar 31, '01	Mar 31, '02	Mar 31, '03	Mar 31, '04	Mar 31, '05	Sept. 30, '05
Self-Service SSs	5	8	23	109	285	398	483	545
Auto B-Cle SSs	-	-	-	217	428	652	652	481※

* The adoption of the more rigorous definition of Auto B-cle SSs reduced the number of such SSs, while the number of Auto B-cle SS networks (59) remained unchanged.

Cosmo The Card – Number of cards issued (10,000 cards)

	Mar 31, '99	Mar 31, '00	Mar 31, '01	Mar 31, '02	Mar 31, '03	Mar 31, '04	Mar 31, '05	Sept. 30, '05
No. of cards in force	135	146	162	185	213	239	242	247

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.