

# 【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
<b>Ordinary income</b>	<b>2.0</b>
(90.0 billion yen ← 88.0 billion yen)	

## 【Business Outlook by Segment】

	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】

	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】

	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

## 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

	Outlook	Previous outlook	Change
Dividend paid	8 yen/share	8 yen/share	—

### 【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))	
<b>Ordinary income</b>	<b>0.0</b>
(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