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Financial Highlights for FY2006

May 9, 2007

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Idemitsu Kosan Co., Ltd.



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1. Business Results for FY2006

(1) Outline

1) Crude oil and Foreign exchange rate

(Unit: \$/bbl; \$/ton; Yen/\$)

	FY2005	FY2006	Change
Crude oil price (DB, FOB)	53.5	60.8	+7.3
Crude oil price (Brent Crude)	54.4	65.1	+10.8
Naphtha price (Customs value)	514.0	591.0	+77.0
Exchange rate (TTS)	114.3	118.0	+3.7

* Brent crude price is the average price on a calendar year basis (from January to December).

2) Summary of Consolidated Statement of Income

(Unit: ¥100 million)

	FY2005	FY2006	Change
Net sales	33,274	33,947	+673
Operating income (including equity earnings in affiliated companies)	714 (764)	1,028 (1,112)	+314 (+348)
Non-operating income/expenses	-6	47	+53
Ordinary income	708	1,075	+367
Extraordinary gains/losses	-30	-87	-58
Net income	274	416	+142

* Figures in the table above are rounded off by ten million.

* The valuation of inventory is based on the LIFO method.

(2) Business segment information

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1) Net sales

(Unit: ¥100 million)

	FY2005	FY2006	Change
Petroleum Products	25,525	25,359	-166
Petrochemical products	5,507	6,228	+721
Oil exploration and production	714	872	+158
Others	1,527	1,488	-39
Total	33,274	33,947	+673

[Causes for increase/decrease]

Petroleum Products:

**Spin-off of LPG business: -¥201.0 billion;
volume factors; -¥72.6 billion;
price factors: + ¥ 257.0 billion**

Petrochemical Products:

Price factors

Oil Exploration and Production: Price factors

(2) Business segment information

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2) Operating income

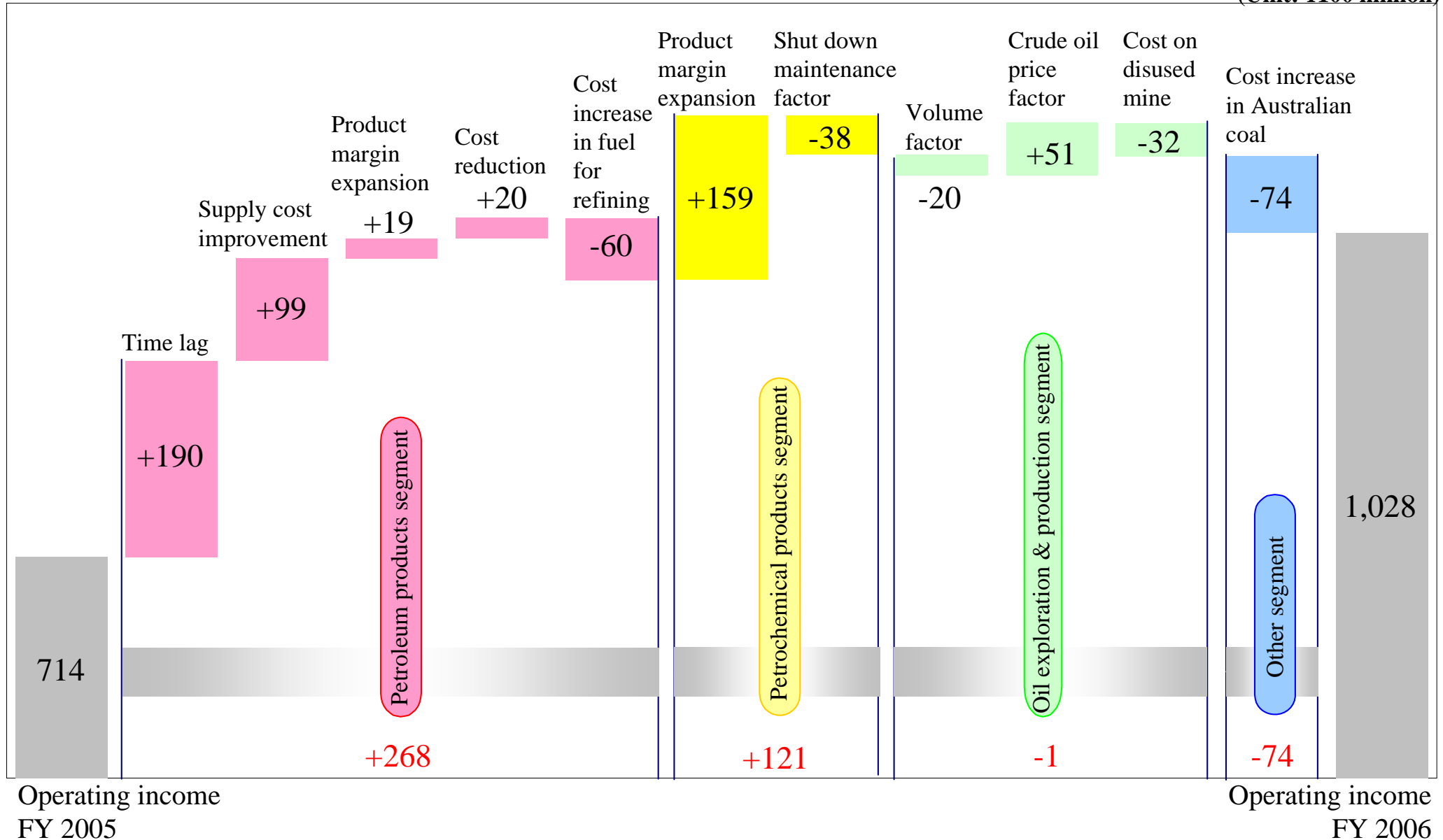
(Unit: ¥100 million)

	FY2005	FY2006	Change
Petroleum Products	-90	177	+268
Petrochemical products	322	443	+121
Oil exploration and production	370	369	-1
Others	114	39	-74
Total	714	1,028	+314

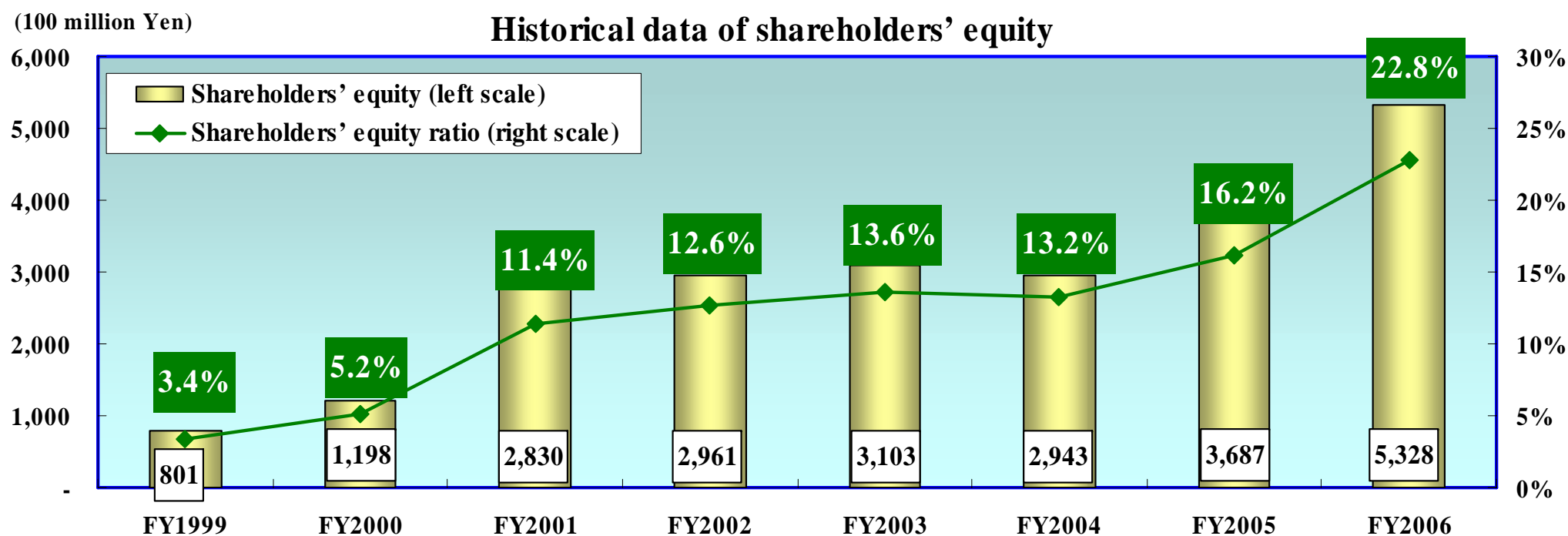
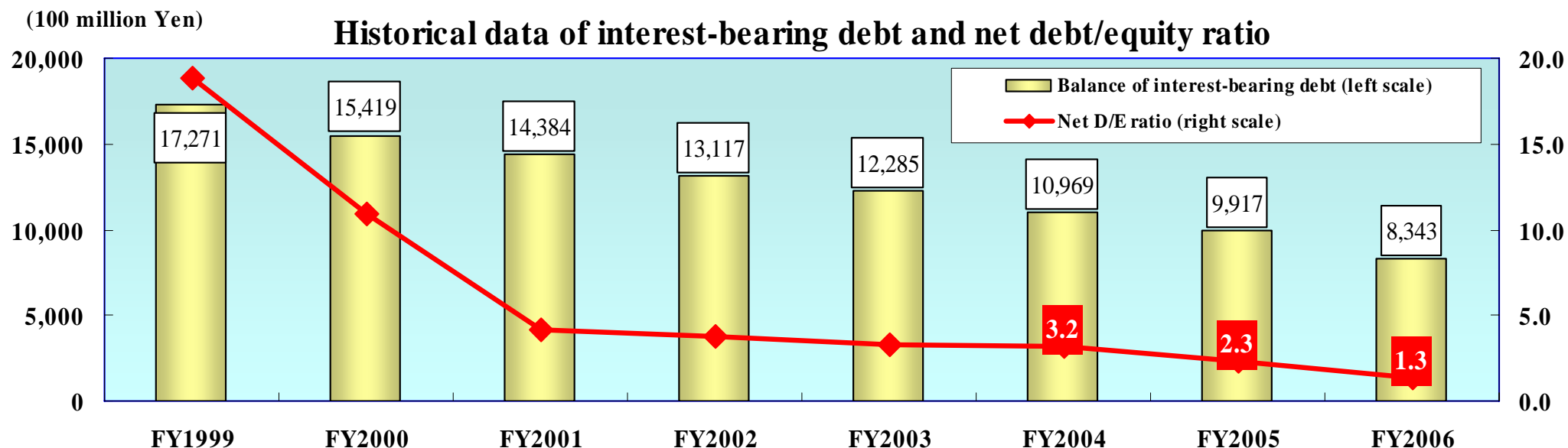
(2) Business segment information

3) Analysis of causes for increase/decrease in operating income (On year-on-year basis)

(Unit: ¥100 million)



(3) Financial Position



2. Forecasts for FY2007

(1) Outline



1) Crude oil price and Foreign exchange rate

(Unit: \$/bbl; \$/ton; Yen/\$)

	FY2006	FY2007 (Forecasted)	Change
Crude oil price (DB, FOB)	60.8	60.0	-0.8
Crude oil price (Brent Crude)	65.1	62.4	-2.7
Naphtha price (Customs value)	591.0	600.0	+9.0
Exchange rate (TTS)	118.0	115.0	-3.0

* Brent crude price is the average price on a calendar year basis (from January to December).

2) Summary of Consolidated Statement of Income

(Unit: ¥100 million)

	FY2006	FY2007 (Forecasted)	Change
Net sales	33,947	32,400	-1,547
Operating income	1,028	850	-178
(before effects from revision of income tax)		(950)	(-78)
Non-operating income/expenses	47	-40	-87
Ordinary income	1,075	810	-265
(before effects from revision of income tax)		(910)	(-165)
Extraordinary gains/losses	-87	-95	-8
Net income	416	290	-126
(before effects from revision of income tax)		(350)	(-66)

* Forecasts for FY2007 include an increase in depreciation of ¥10.0 billion due to revision of income tax.

* The valuation of inventory is based on the LIFO method.

(2) Business segment information



1) Net sales

(Unit: ¥100 million)

	FY2006	FY2007 (Forecasted)	Change
Petroleum Products	25,359	24,070	-1,289
Petrochemical products	6,228	5,900	-328
Oil exploration and production	872	860	-12
Others	1,488	1,570	+82
Total	33,947	32,400	-1,547

[Causes for increase/decrease]

Petroleum Products: Volume factors: -¥50.0 billion;
Price factors: -¥78.9 billion

Petrochemical Products: Price factors

Oil Exploration and Production: Price factors

Others: Australian coal price factor, etc.

(2) Business segment information



2) Operating income

(Unit: ¥100 million)

	FY2006	FY2007 (Forecasted)	Change
Petroleum Products	177	75 (150)	-102 (-27)
Petrochemical products	443	390 (415)	-53 (-28)
Oil exploration and production	369	275	-94
Others	39	110	+71
Total	1,028	850 (950)	-178 (-78)

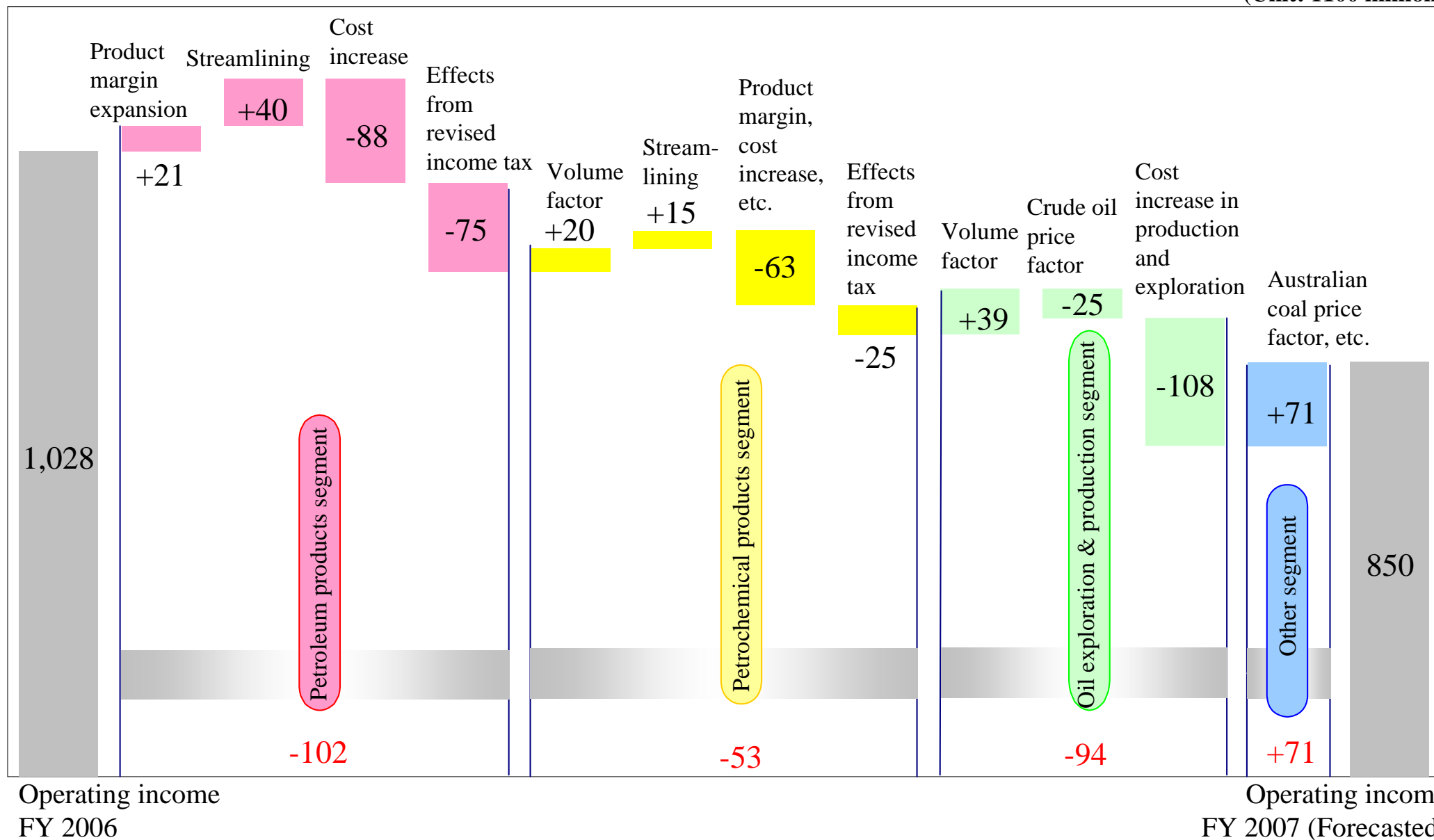
* Figures in parentheses under FY2007 (Forecasted) in the table above present operating income which does not reflect effects from the revised income tax.

(2) Business segment information



3) Analysis of causes for increase/decrease in operating income (On year-on-year basis)

(Unit: ¥100 million)



Cautionary warnings about forecasts



Of information about forecasts for the Company's operating results, management strategy and management policy contained in this documents, any information which is not a historical fact is prepared according to decisions made by the top management of the Company based on information available as of the publication of the document.

Actual business environments contain potential risk factors and uncertainties including economic situations, crude oil prices, trends in petrochemical products, markets conditions, currency exchange rates and interest rates.

Consequently, actual operating results of the Company may substantially differ from forecasts due to changes in important factors mentioned above.

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