

# Financial Highlights for the 3rd Quarter FY 2008

February 3, 2009



Idemitsu Kosan Co., Ltd.



- 1. FY 2008 3rd Quarter Financials**
  - (1) Overview**
  - (2) Segment Information**
  
- 2. Outlook for FY2008 Performance  
(vs. forecasts announced on 7/31)**
  - (1) Overview**
  - (2) Segment Information**
  
- 3. Reference Materials**

# **1. FY 2008 3rd Quarter Financials**

# (1) Overview

## 1) Crude Oil / Naphtha / Exchange Rates (Units: \$/Bbl., \$/Ton, ¥/\$)

|                         | Apr-Dec 2007 | Apr-Dec 2008 | Change |         |
|-------------------------|--------------|--------------|--------|---------|
| Crude Oil (DB FOB)      | 72.7         | 94.3         | 21.6   | 29.7%   |
| Crude Oil (Brent)       | 67.1         | 111.0        | 43.9   | 65.4%   |
| Naphtha Price (Customs) | 708          | 915          | 207    | 29.2%   |
| Exchange Rate (TTS)     | 118.3        | 103.8        | (14.5) | (12.3%) |

\* Brent prices are averages based on the calendar year (January-September).

## 2) Consolidated Income Statement (Summary) (Units: ¥100 million)

|  | Apr-Dec 2007 | Apr-Dec 2008 | Change |        |
|--|--------------|--------------|--------|--------|
| Net Sales  | 27,407       | 31,562       | 4,156  | 15.2%  |
| Operating Income                                     | 438          | 1,034        | 595    | 135.8% |
| <i>(impact of Quarterly LIFO)</i>                    | —            | 535          | —      | —      |
| <i>(reduction in book value of inventory assets)</i> | —            | (249)        | —      | —      |
| <i>(excluding the impact of inventory valuation)</i> | 438          | 748          | 310    | 70.7%  |
| Non-operating Income/Loss                            | 63           | (44)         | (107)  | —      |
| Ordinary Income                                      | 501          | 990          | 488    | 97.3%  |
| Extraordinary Gain/Loss                              | 39           | (164)        | (203)  | —      |
| Net Income   | 183          | 243          | 60     | 33.0%  |

\* LIFO method used for inventory valuation

\* “Excluding the impact of inventory valuation” represents operating income excluding the impact of quarterly LIFO and the reduction in book value of inventory assets

\* Figures rounded to the nearest ¥100 million

## (2) Segment Information



### 1) Net Sales

(Units: ¥100 million)

|                                | Apr-Dec 2007  | Apr-Dec 2008  | Change       |              |
|--------------------------------|---------------|---------------|--------------|--------------|
| Petroleum Products             | 20,285        | 24,409        | 4,124        | 20.3%        |
| Petrochemical Products         | 5,282         | 5,000         | (282)        | (5.3%)       |
| Oil Exploration and Production | 724           | 937           | 214          | 29.5%        |
| Other                          | 1,116         | 1,216         | 100          | 9.0%         |
| <b>Total</b>                   | <b>27,407</b> | <b>31,562</b> | <b>4,156</b> | <b>15.2%</b> |

### <Reasons for Change>

**Petroleum Products:** Increase in crude oil prices, increased exports, etc. + ¥412.4 bn

**Petrochemical Products:**  
Deterioration in product market conditions, sales volume decrease, etc. - ¥28.2 bn

**Oil Exploration and Production:** Increase in crude oil prices, etc. + ¥21.4 bn

**Other:** Increased sales price for coal, etc. + ¥10.0 bn

## (2) Segment Information



### 2) Operating Income

(Units: ¥100 million)

|  | Apr-Dec 2007 | Apr-Dec 2008 | Change     |               |
|--|--------------|--------------|------------|---------------|
| Petroleum Products                                   | (61)         | 614          | 676        | —             |
| <i>(excluding the impact of inventory valuation)</i> | —            | 305          | —          | —             |
| Petrochemical Products                               | 186          | (102)        | (288)      | —             |
| <i>(excluding the impact of inventory valuation)</i> | —            | (81)         | —          | —             |
| Oil Exploration and Production                       | 319          | 434          | 114        | 35.8%         |
| Other  | (5)          | 88           | 93         | —             |
| <b>Total</b>   | <b>438</b>   | <b>1,034</b> | <b>595</b> | <b>135.8%</b> |
| <i>(excluding the impact of inventory valuation)</i> | —            | 748          | —          | —             |

\* Fiscal years for Oil Exploration and Production and the Australian coal operations included in “Other” end in December

#### <Reasons for Change>

|                                 |                          |            |                               |            |
|---------------------------------|--------------------------|------------|-------------------------------|------------|
| Petroleum Products:             | Reduced sales volume:    | - ¥6.0 bn  | Decrease in crude oil prices: | + ¥19.1 bn |
|                                 | Improved export margins: | + ¥12.1 bn | Improved supply/streamlining: | + ¥11.5 bn |
|                                 | Inventory-related:       | + ¥30.9 bn |                               |            |
| Petrochemical Products:         | Reduced sales volume:    | - ¥9.2 bn  | Decrease in product margins:  | - ¥20.6 bn |
|                                 | Time lag, etc.:          | + ¥5.5 bn  | Increased overhead, etc.:     | - ¥2.4 bn  |
|                                 | Inventory-related:       | - ¥2.1 bn  |                               |            |
| Oil Exploration and Production: | Crude oil prices:        | + ¥30.5 bn | Exchange rates, etc.:         | - ¥19.1 bn |
| Other:                          | Coal prices:             | + ¥23.8 bn | Exchange rates, etc.:         | - ¥14.5 bn |

## **2. Outlook for FY2008 Performance (vs. forecasts announced on 7/31)**

# (1) Overview



## 1) Crude Oil / Naphtha / Exchange Rates

(Units: \$/Bbl., \$/Ton, ¥/\$)

|                         | Forecast as of 7/31 | Current Forecast | Change |         |
|-------------------------|---------------------|------------------|--------|---------|
| Crude Oil (DB FOB)      | 126.7               | 82.0             | (44.7) | (35.3%) |
| Crude Oil (Brent)       | 123.1               | 97.0             | (26.1) | (21.2%) |
| Naphtha Price (Customs) | 1,102               | 771              | (331)  | (30.0%) |
| Exchange Rate (TTS)     | 105.1               | 101.6            | (3.5)  | (3.3%)  |

| Assumptions for Feb-Mar 2009 |
|------------------------------|
| 45.0                         |
| —                            |
| 320                          |
| 95.0                         |

\* Brent prices are averages based on the calendar year (January-December).

## 2) Consolidated Income Statement (Summary) (Units: ¥100 million)

|  | Forecast as of 7/31 | Current Forecast | Change   |         |
|--|---------------------|------------------|----------|---------|
| Net Sales  | 50,900              | 39,100           | (11,800) | (23.2%) |
| Operating Income                                     | 1,075               | 1,000            | (75)     | (7.0%)  |
| <i>(impact of Quarterly LIFO)</i>                    | 508                 | 600              | 92       | 18.1%   |
| <i>(reduction in book value of inventory assets)</i> | —                   | (380)            | —        | —       |
| <i>(excluding the impact of inventory valuation)</i> | 567                 | 780              | 213      | 37.6%   |
| Non-operating Income/Loss                            | (75)                | (100)            | (25)     | —       |
| Ordinary Income                                      | 1,000               | 900              | (100)    | (10.0%) |
| Extraordinary Gain/Loss                              | (40)                | (190)            | (150)    | —       |
| Net Income   | 310                 | 200              | (110)    | (35.5%) |

\* LIFO method used for inventory valuation

\* “Excluding the impact of inventory valuation” represents operating income excluding the impact of quarterly LIFO and the reduction in book value of inventory assets

\* Figures rounded to the nearest ¥100 million

## (2) Segment Information



### 1) Net Sales

(Units: ¥100 million)

|                                | Forecast as of 7/31 | Current Forecast | Change          |                |
|--------------------------------|---------------------|------------------|-----------------|----------------|
| Petroleum Products             | 39,350              | 30,900           | (8,450)         | (21.5%)        |
| Petrochemical Products         | 8,220               | 5,850            | (2,370)         | (28.8%)        |
| Oil Exploration and Production | 1,450               | 850              | (600)           | (41.4%)        |
| Other                          | 1,880               | 1,500            | (380)           | (20.2%)        |
| <b>Total</b>                   | <b>50,900</b>       | <b>39,100</b>    | <b>(11,800)</b> | <b>(23.2%)</b> |

### <Reasons for Change>

**Petroleum Products: Decrease in crude oil prices, etc. - ¥845.0 bn**

**Petrochemical Products: Decrease in naphtha prices, etc. - ¥237.0 bn**

**Oil Exploration and Production: Decrease in crude oil prices, etc. - ¥60.0 bn**

**Other: Further appreciation of the yen, etc. - ¥38.0 bn**

## (2) Segment Information



### 2) Operating Income

(Units: ¥100 million)

|  | Forecast as of 7/31 | Current Forecast | Change       |                |
|--|---------------------|------------------|--------------|----------------|
| <b>Petroleum Products</b>                            | <b>310</b>          | <b>730</b>       | <b>420</b>   | <b>135.5%</b>  |
| <i>(excluding the impact of inventory valuation)</i> | <i>(189)</i>        | <i>470</i>       | <i>659</i>   | <i>—</i>       |
| <b>Petrochemical Products</b>                        | <b>25</b>           | <b>(175)</b>     | <b>(200)</b> | <b>—</b>       |
| <i>(excluding the impact of inventory valuation)</i> | <i>16</i>           | <i>(135)</i>     | <i>(151)</i> | <i>—</i>       |
| <b>Oil Exploration and Production</b>                | <b>580</b>          | <b>330</b>       | <b>(250)</b> | <b>(43.1%)</b> |
| <b>Other</b>   | <b>160</b>          | <b>115</b>       | <b>(45)</b>  | <b>(28.1%)</b> |
| <b>Total</b>   | <b>1,075</b>        | <b>1,000</b>     | <b>(75)</b>  | <b>(7.0%)</b>  |
| <i>(excluding the impact of inventory valuation)</i> | <i>567</i>          | <i>780</i>       | <i>213</i>   | <i>37.6%</i>   |

#### <Reasons for Change>

|                                 |                                 |            |                               |            |
|---------------------------------|---------------------------------|------------|-------------------------------|------------|
| Petroleum Products:             | Reduced sales volume:           | - ¥3.4 bn  | Decrease in crude oil prices: | + ¥37.6 bn |
|                                 | Refinery fuel costs / time lag: | + ¥31.7 bn | Inventory-related:            | - ¥23.9 bn |
| Petrochemical Products:         | Reduced sales volume:           | - ¥13.7 bn | Decrease in product margins:  | - ¥26.7 bn |
|                                 | Service costs / time lag        | + ¥25.3 bn | Inventory-related:            | - ¥4.9 bn  |
| Oil Exploration and Production: | Crude oil prices:               | - ¥13.2 bn | Exchange rates, etc.:         | - ¥11.8 bn |
| Other:                          | Exchange rates, etc.:           | - ¥4.5 bn  |                               |            |

## **3. Reference Materials**

# Table of Contents



**1. Recovery at Ensham Coal Mine**

**2. Decrease in Production**

**3. Financial Reporting**

**(1) FY 2008 Forecasts (YoY)**

**(2) Extraordinary Gains/Losses**

**(3) Balance Sheet**

**(4) Statement of Cash Flows**

**4. Market Conditions**

**5. Sales**

**(1) Sales Volume**

**(2) Number of Service Stations**

**6. Production**

**(1) Production Volume**

**(2) Production Forecast**

# 1. Recovery at Ensham Coal Mine



## 1. Progress in Restoration Efforts

- (1) Drainage: Water drainage from flooded pits have been completed for the most part. Efforts to remove remaining dirt have commenced.**
- (2) Repairs: With respect to dragline, the replacement and repair of electrical components have been completed. Operations resumed in December 2008.**
- (3) Production/shipments: Recovered to approximately 85% of pre-flood levels.**

## 2. Schedule Going Forward

**As previously announced, we plan to achieve a recovery to pre-flood production levels during the first quarter of 2009 (January ~ March 2009).**

## 2. Decrease in Production



|                        | Product              | Production Capacity                 | Period       | Reduction                            |
|------------------------|----------------------|-------------------------------------|--------------|--------------------------------------|
| Petroleum Products     | Crude Oil Processing | 4 refineries<br>640,000 bbl/day     | Oct~Dec 2008 | -1,300,000 KL<br>(-15% year-on-year) |
|                        |                      |                                     | Jan~Mar 2009 | -600,000 KL<br>(-7% year-on-year)    |
| Petrochemical Products | Ethylene             | Chiba/Tokuyama<br>997,000 tons/year | Nov 2008~    | -20~-25% year-on-year                |
|                        |                      |                                     | Dec 2008~    | -25~-30% year-on-year                |
|                        | Styrene Monomer      | Chiba/Tokuyama<br>550,000 tons/year | 8/1/2008~    | -15% year-on-year                    |
|                        | Paraxylene           | Chiba<br>265,000 tons/year          | 9/25/2008~   | -25% year-on-year                    |
|                        | Polycarbonate        | Chiba<br>47,000 tons/year           | 12/20/2008~  | -20% year-on-year                    |

# 3. Financial Reporting



## (1) FY 2008 Forecasts (Year-on-year)

### ■ Overview

#### 1) Crude Oil / Naphtha / Exchange Rates

(Units: \$/Bbl., \$/Ton, ¥/\$)

|                         | 2007 Results | Current Forecast | Change |         | Assumptions for Feb-Mar 2009 |
|-------------------------|--------------|------------------|--------|---------|------------------------------|
| Crude Oil (DB FOB)      | 77.4         | 82.0             | 4.6    | 5.9%    | 45.0                         |
| Crude Oil (Brent)       | 72.5         | 97.0             | 24.5   | 33.8%   | —                            |
| Naphtha Price (Customs) | 748          | 771              | 23     | 3.1%    | 320                          |
| Exchange Rate (TTS)     | 115.3        | 101.6            | (13.7) | (11.9%) | 95.0                         |

\* Brent prices are averages based on the calendar year (January-December).

#### 2) Consolidated Income Statement (Summary)

(Units: ¥100 million)

|  | 2007 Results | Current Forecast | Change |        |
|--|--------------|------------------|--------|--------|
| Net Sales  | 38,643       | 39,100           | 457    | 1.2%   |
| Operating Income                                     | 559          | 1,000            | 441    | 78.9%  |
| <i>(impact of Quarterly LIFO )</i>                   | —            | 600              | —      | —      |
| <i>(reduction in book value of inventory assets)</i> | —            | (380)            | —      | —      |
| <i>(excluding the impact of inventory valuation)</i> | 559          | 780              | 221    | 39.6%  |
| Non-operating Income/Loss                            | 48           | (100)            | (148)  | —      |
| Ordinary Income                                      | 607          | 900              | 293    | 48.3%  |
| Extraordinary Gain/Loss                              | (159)        | (190)            | (31)   | —      |
| Net Income   | 48           | 200              | 152    | 313.4% |

\* LIFO method used for inventory valuation

\* “Excluding the impact of inventory valuation” represents operating income excluding the impact of quarterly LIFO and the reduction in book value of inventory assets

\* Figures rounded to the nearest ¥100 million

# 3. Financial Reporting



## (1) FY 2008 Forecasts (Year-on-year)

### ■ Segment Information

#### 1) Operating Income

(Units: ¥100 million)

|  | 2007 Results | Current Forecast | Change     |              |
|--|--------------|------------------|------------|--------------|
| Petroleum Products                                   | (78)         | 730              | 808        | —            |
| <i>(excluding the impact of inventory valuation)</i> | —            | 470              | —          | —            |
| Petrochemical Products                               | 187          | (175)            | (362)      | —            |
| <i>(excluding the impact of inventory valuation)</i> | —            | (135)            | —          | —            |
| Oil Exploration and Production                       | 433          | 330              | (103)      | (23.8%)      |
| Other  | 18           | 115              | 97         | 542.5%       |
| <b>Total</b>   | <b>559</b>   | <b>1,000</b>     | <b>441</b> | <b>78.9%</b> |
| <i>(excluding the impact of inventory valuation)</i> | —            | 780              | —          | —            |

#### <Reasons for Change>

|                                 |                               |            |                                  |            |
|---------------------------------|-------------------------------|------------|----------------------------------|------------|
| Petroleum Products:             | Decrease in crude oil prices: | + ¥36.8 bn | Time lag / refinery fuel costs:  | + ¥5.5 bn  |
|                                 | Improved supply/streamlining: | + ¥12.5 bn | Inventory-related:               | + ¥26.0 bn |
| Petrochemical Products:         | Decrease in product margins:  | - ¥23.6 bn | Service costs / time lag         | + ¥13.9 bn |
|                                 | Reduced sales volume:         | - ¥16.9 bn | Increase in overhead costs, etc. | - ¥5.6 bn  |
|                                 | Inventory-related:            | - ¥4.0 bn  |                                  |            |
| Oil Exploration and Production: | Crude oil prices:             | + ¥24.1 bn | Exchange rates, etc.:            | - ¥34.4 bn |
| Other:                          | Australian coal prices, etc.: | + ¥9.7 bn  |                                  |            |

### 3. Financial Reporting



#### (2) Extraordinary Gains/Losses

(Units: ¥100 million)

|   | Apr-Dec<br>2007 | Apr-Dec<br>2008 | Change       |
|---|-----------------|-----------------|--------------|
| Gain on Sale of Fixed Assets                    | 101             | 45              | (57)         |
| Other   | 12              | 9               | (2)          |
| <b>Total Extraordinary Gains</b>                | <b>113</b>      | <b>54</b>       | <b>(59)</b>  |
| Loss on Sale and Depletion<br>of Fixed Assets   | 51              | 49              | (2)          |
| Impairment Loss on Fixed Assets                 | 15              | 21              | 6            |
| Loss on Revaluation of<br>Investment Securities | -               | 146             | 146          |
| Other   | 8               | 2               | (6)          |
| <b>Total Extraordinary Losses</b>               | <b>74</b>       | <b>218</b>      | <b>145</b>   |
| <b>Total Extraordinary Gains/Losses</b>         | <b>39</b>       | <b>(164)</b>    | <b>(203)</b> |

# 3. Financial Reporting



## (2) Balance Sheet

(Units: ¥100 million)

|                             | 3/31/08       | 12/31/08      | Change       |   | 3/31/08       | 12/31/08      | Change       |
|-----------------------------|---------------|---------------|--------------|---|---------------|---------------|--------------|
| Cash and Deposits           | 1,082         | 1,962         | 880          | Payables                                | 3,894         | 2,484         | (1,410)      |
| Receivables                 | 3,975         | 3,708         | (267)        | Short-term Borrowings                   | 3,652         | 4,079         | 428          |
| Inventory                   | 4,076         | 3,853         | (222)        | Other Current Liabilities               | 3,631         | 4,125         | 494          |
| Other Current Assets        | 1,807         | 1,420         | (387)        | <b>Total Current Liabilities</b>        | <b>11,177</b> | <b>10,688</b> | <b>(489)</b> |
|                             |               |               |              | Long-term Borrowings                    | 4,931         | 5,176         | 244          |
|                             |               |               |              | Other Fixed Liabilities                 | 2,816         | 4,888         | 2,072        |
| <b>Total Current Assets</b> | <b>10,939</b> | <b>10,943</b> | <b>4</b>     | <b>Total Fixed Liabilities</b>          | <b>7,747</b>  | <b>10,063</b> | <b>2,316</b> |
| Tangible Fixed Assets       | 10,417        | 10,280        | (137)        | <b>Total Liabilities</b>                | <b>18,924</b> | <b>20,751</b> | <b>1,828</b> |
| (Land)                      | 6,219         | 6,207         | (12)         | Shareholders' Equity                    | 3,623         | 3,775         | 152          |
| (Other)                     | 4,198         | 4,073         | (125)        | Valuation and Translation Adjustments   | 1,337         | 1,112         | (225)        |
| Other Fixed Assets          | 2,844         | 4,726         | 1,882        | Minority Interests                      | 316           | 310           | (6)          |
| <b>Total Fixed Assets</b>   | <b>13,261</b> | <b>15,006</b> | <b>1,744</b> | <b>Total Net Assets</b>                 | <b>5,277</b>  | <b>5,197</b>  | <b>(80)</b>  |
| <b>Total Assets</b>         | <b>24,201</b> | <b>25,949</b> | <b>1,748</b> | <b>Total Liabilities and Net Assets</b> | <b>24,201</b> | <b>25,949</b> | <b>1,748</b> |

\* Following the change in accounting policy beginning in FY 3/2009, future liabilities of the Snorre oil field in Norway have been recorded under both Other Fixed Assets and Other Fixed Liabilities

|                             |       |       |        |
|-----------------------------|-------|-------|--------|
| Total Interest-bearing Debt | 8,583 | 9,255 | 672    |
| Equity Ratio                | 20.5% | 18.8% | (1.7%) |

# 3. Financial Reporting



## (4) Statement of Cash Flows

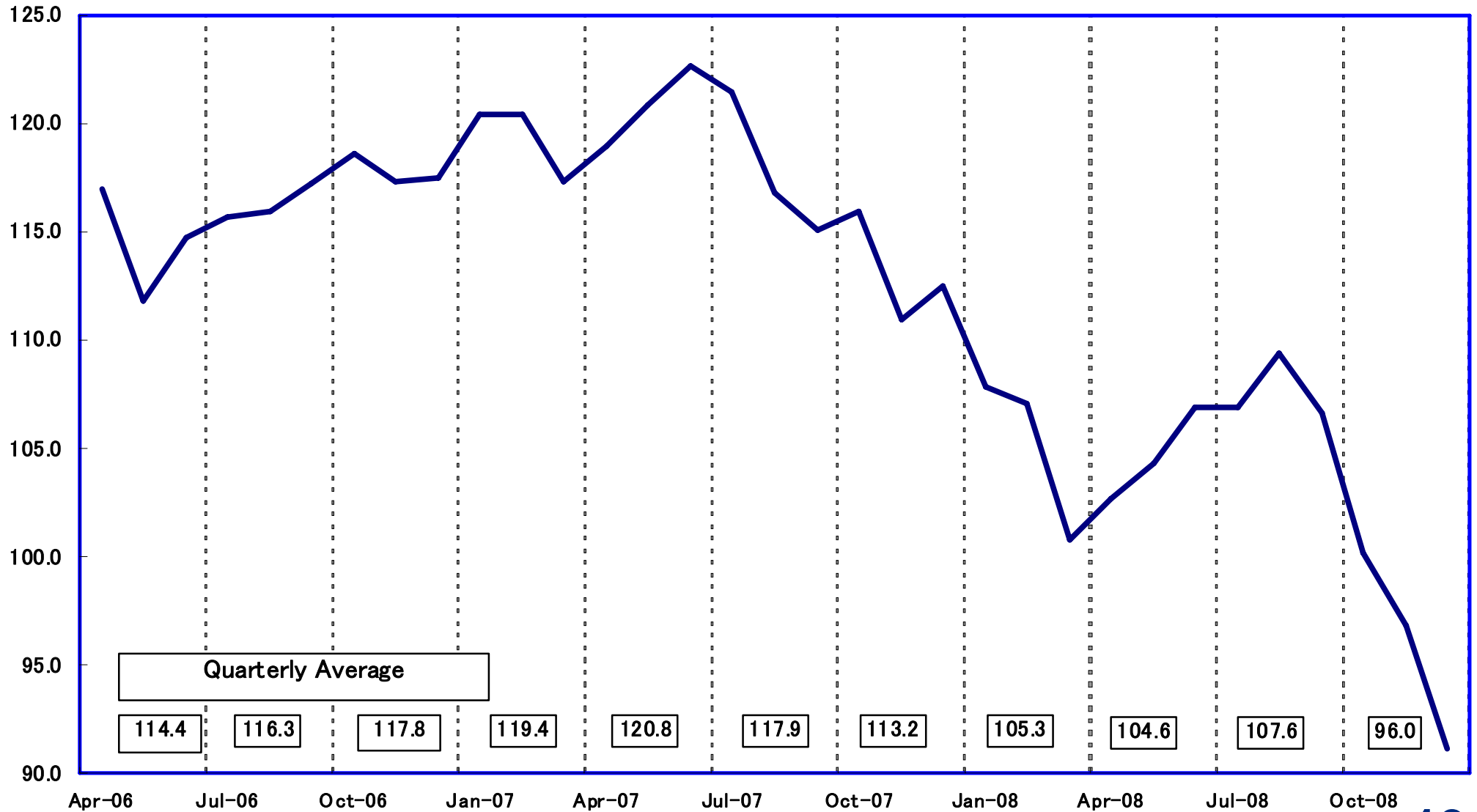
(Units: ¥100 million)

|   | Apr-Dec<br>2007 | Apr-Dec<br>2008 | Change      |
|---|-----------------|-----------------|-------------|
| <b>CF from Operating Activities</b>                       | <b>(28)</b>     | <b>913</b>      | <b>941</b>  |
| Net Income before<br>Tax Adjustments                      | 540             | 825             | 285         |
| Depreciation Expense                                      | 546             | 568             | 22          |
| Decrease (Increase) in Sales<br>Receivables and Inventory | (1,887)         | 540             | 2,427       |
| Other   | 773             | (1,020)         | (1,793)     |
| <b>CF from Investing Activities</b>                       | <b>(463)</b>    | <b>(526)</b>    | <b>(63)</b> |
| Purchase of Tangible Fixed Assets                         | (511)           | (507)           | 5           |
| Other   | 48              | (19)            | (67)        |
| <b>CF from Financing Activities</b>                       | <b>611</b>      | <b>520</b>      | <b>(91)</b> |
| Increase (Decrease) in Borrowings                         | 749             | 700             | (49)        |
| Other   | (138)           | (179)           | (42)        |
| <b>Increase in Cash and Cash Equivalents</b>              | <b>140</b>      | <b>879</b>      | <b>739</b>  |
| <b>Cash and Cash Equivalents<br/>- Beginning Balance</b>  | <b>1,226</b>    | <b>1,137</b>    | <b>(89)</b> |
| <b>Cash and Cash Equivalents<br/>- Ending Balance</b>     | <b>1,366</b>    | <b>2,016</b>    | <b>650</b>  |

# 4. Market Conditions

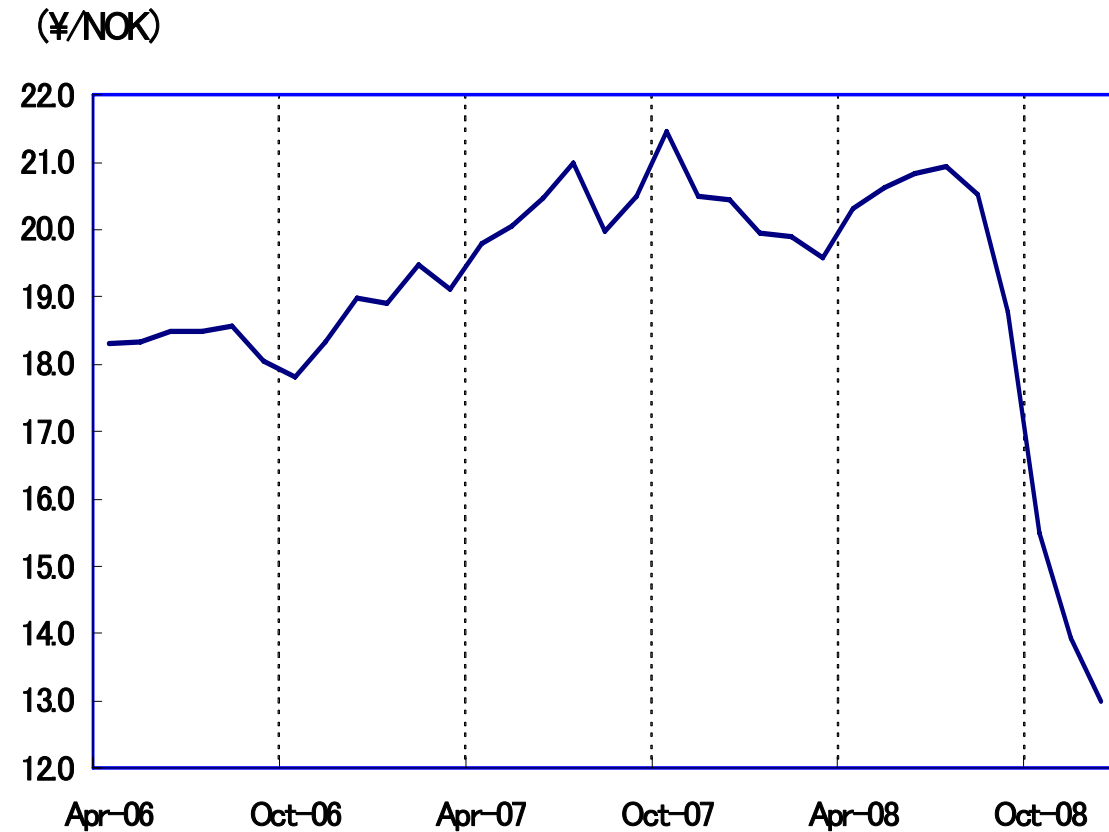
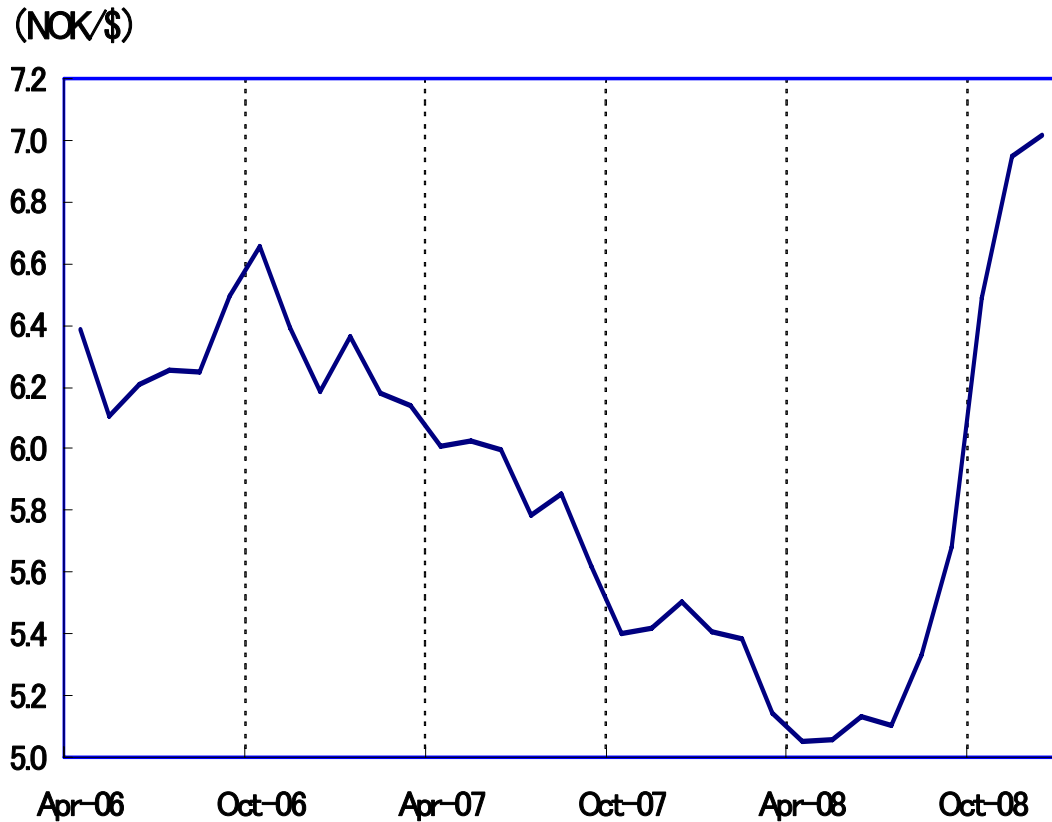
## (1) Foreign Exchange (¥/\$)

(¥/\$)



# 4. Market Conditions

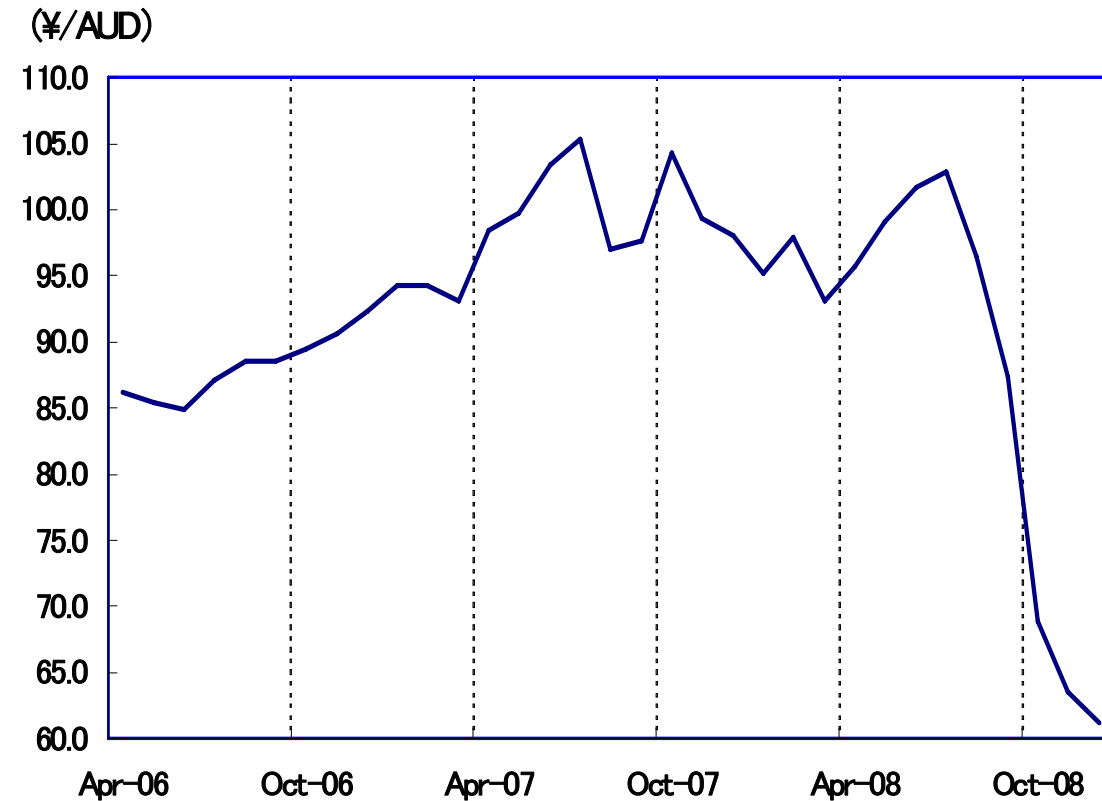
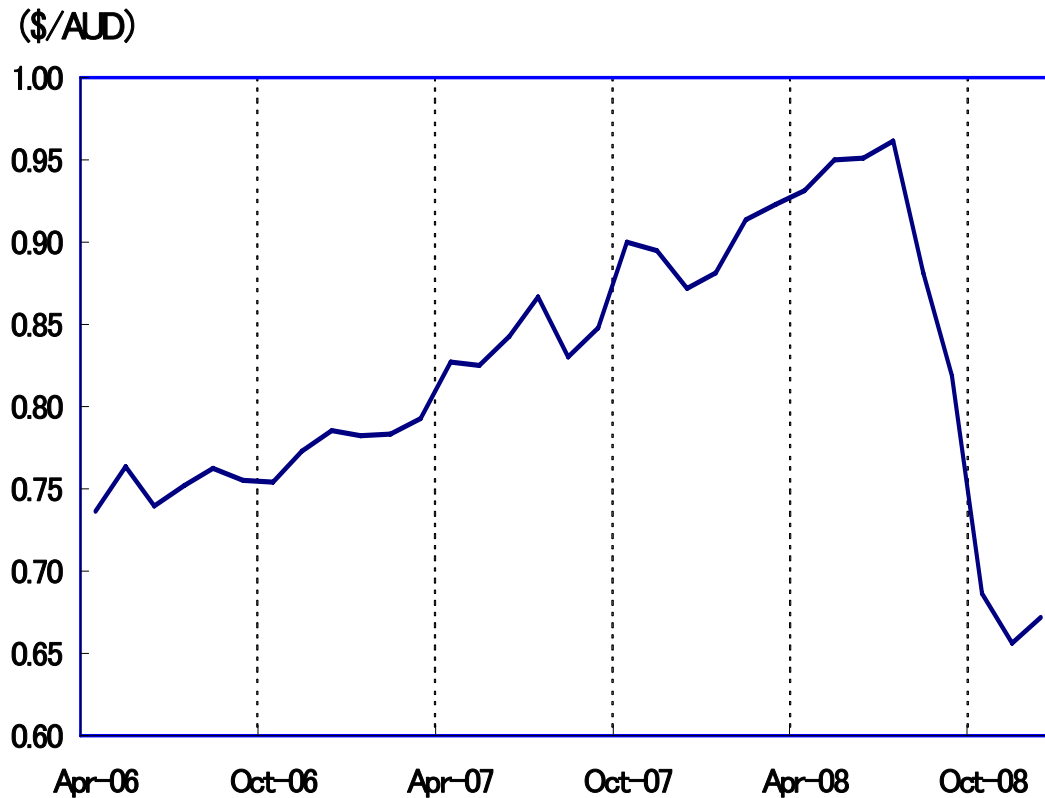
## (2) Foreign Exchange (NOK)



# 4. Market Conditions



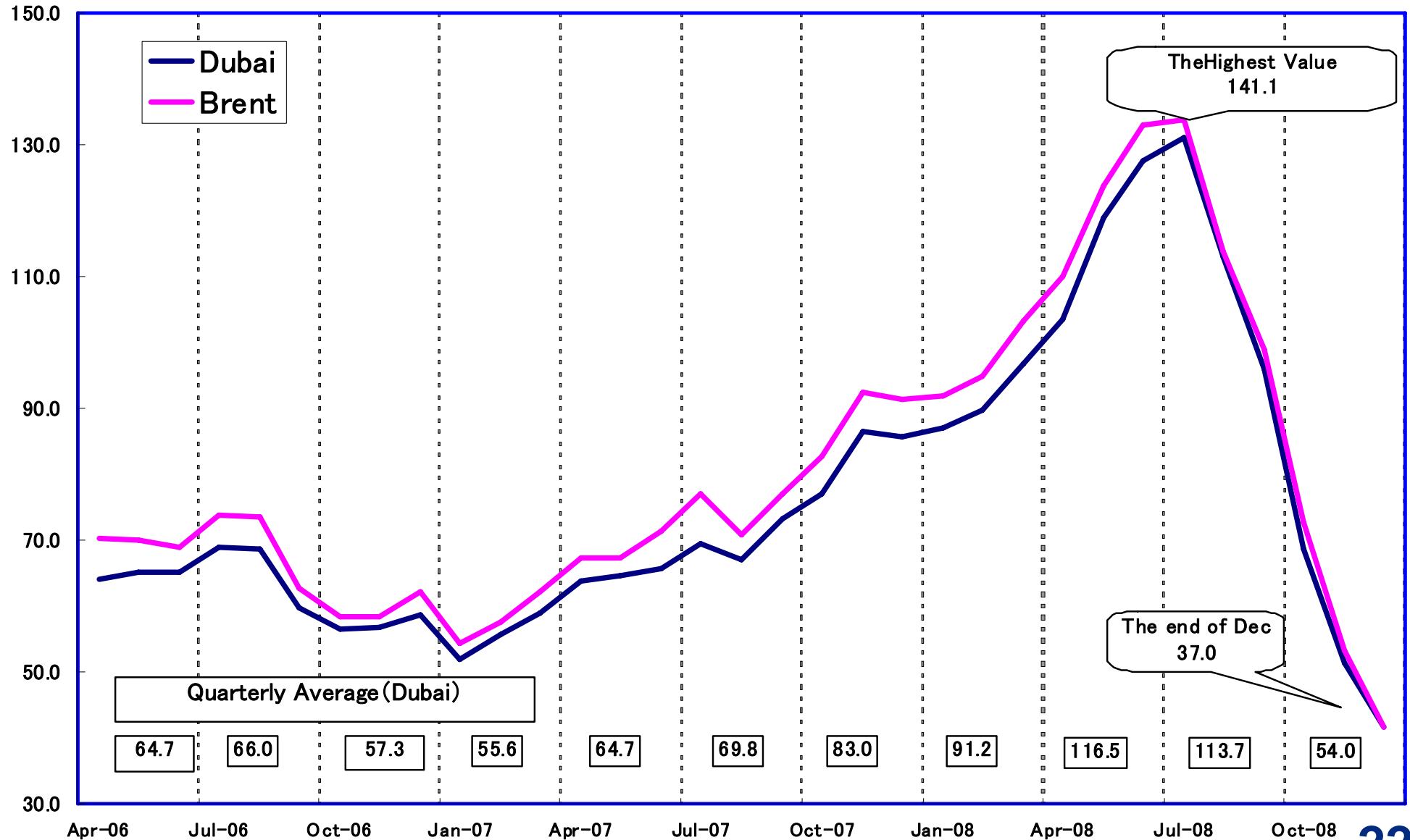
## (3) Foreign Exchange (AUD)



# 4. Market Conditions

## (4) Crude Oil Prices (Dubai and Brent)

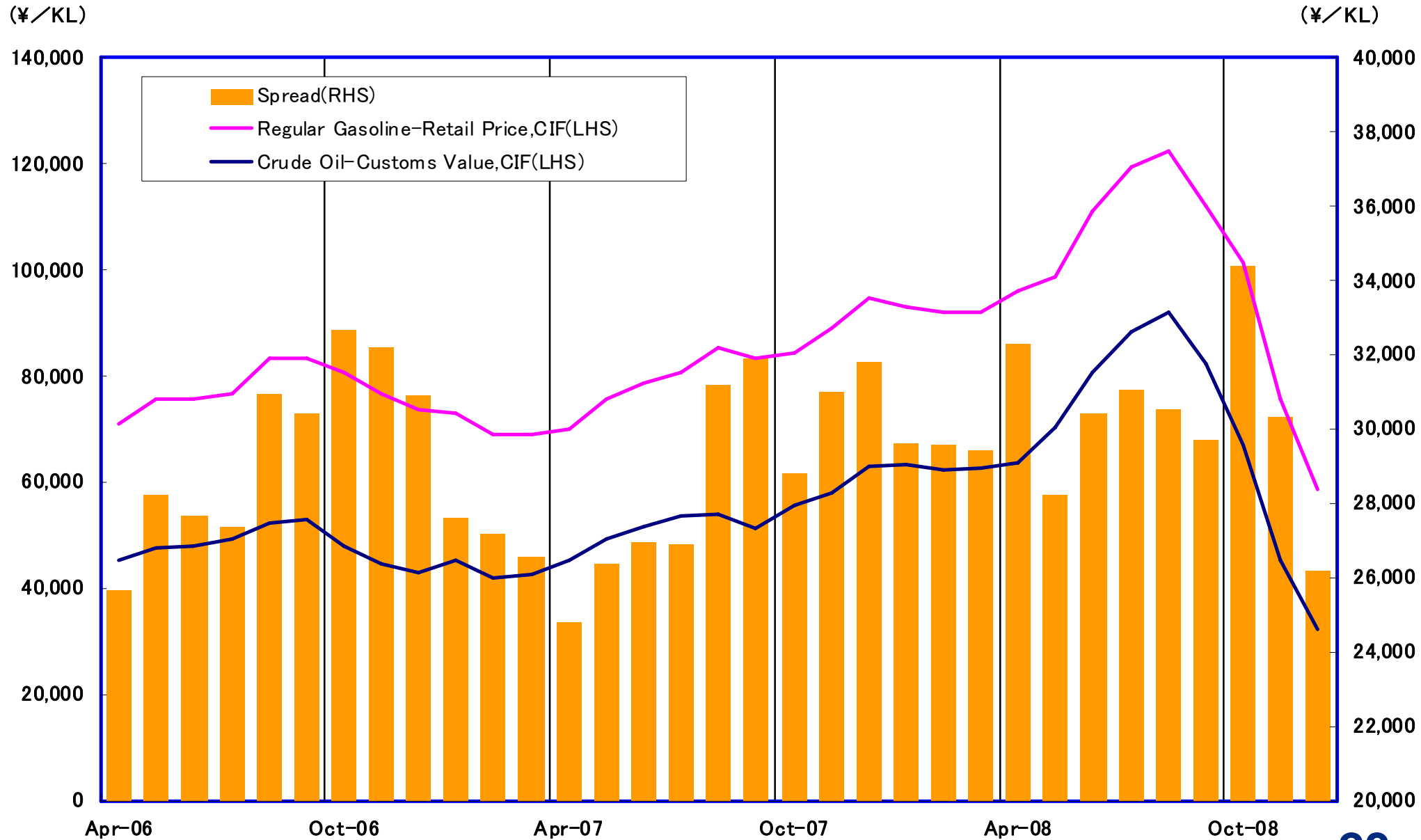
(\$/B)



# 4. Market Conditions



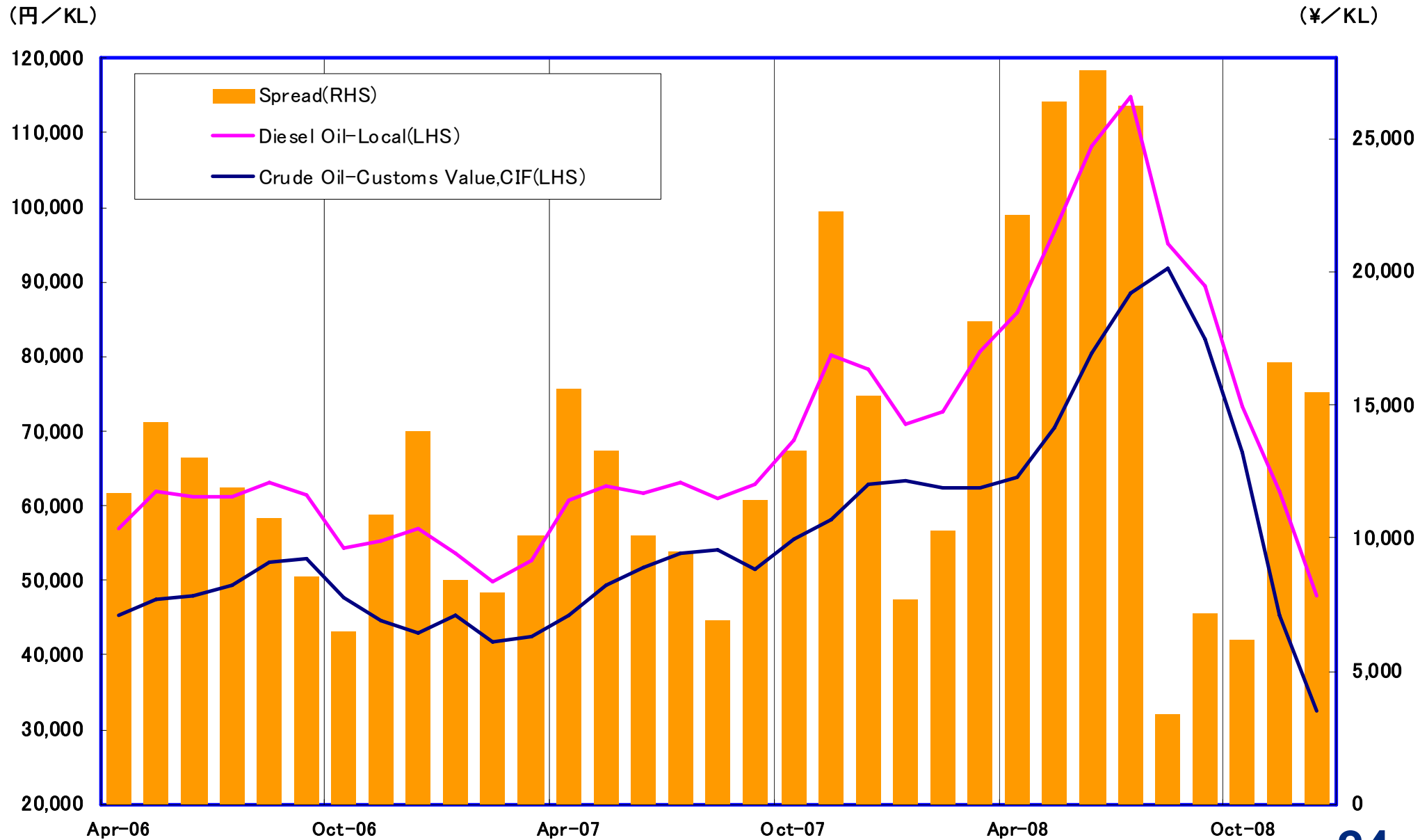
## (5) Gasoline, Crude Oil CIF (Prices and Spreads)



# 4. Market Conditions



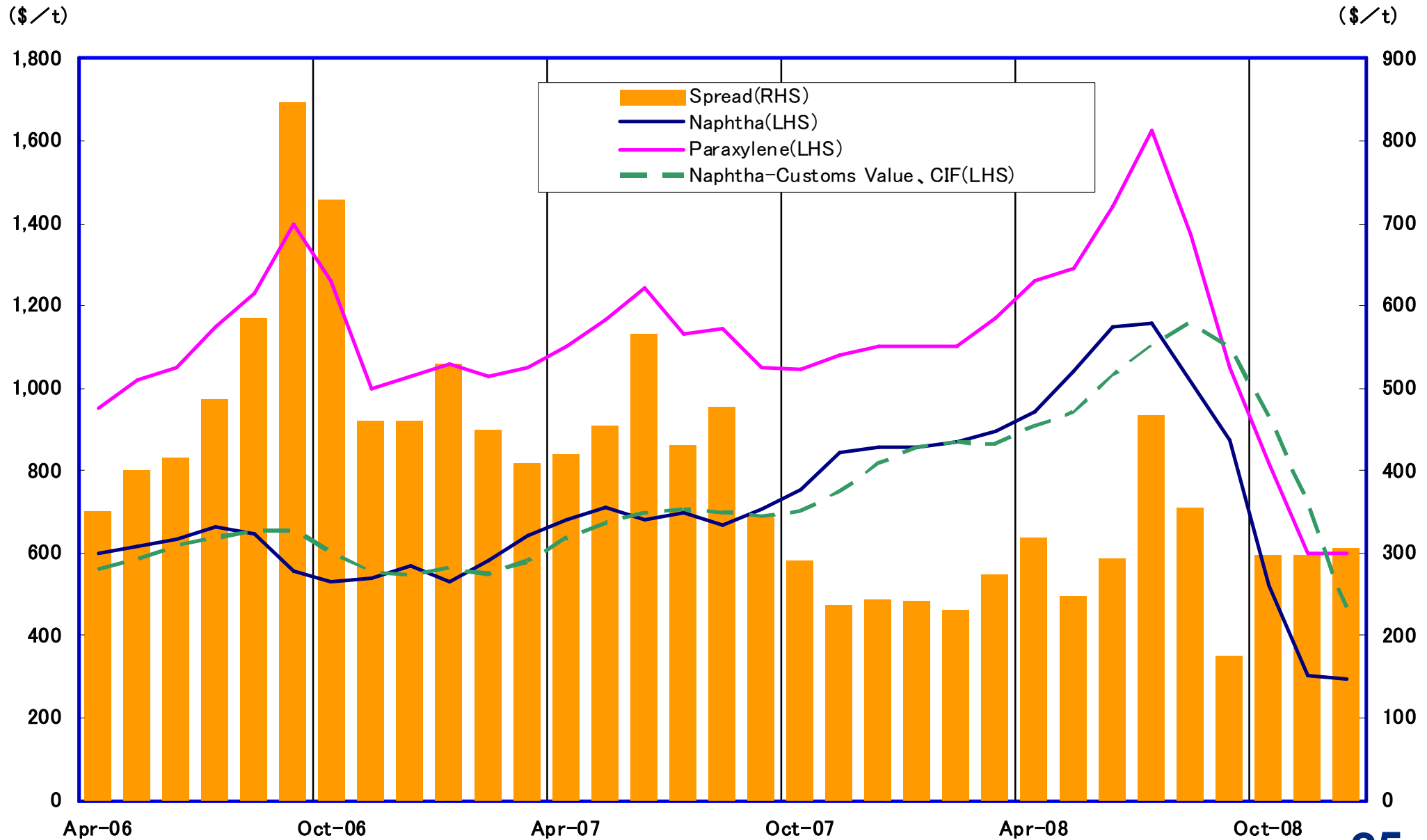
## (6) Diesel, Crude Oil CIF (Prices and Spreads)



# 4. Market Conditions



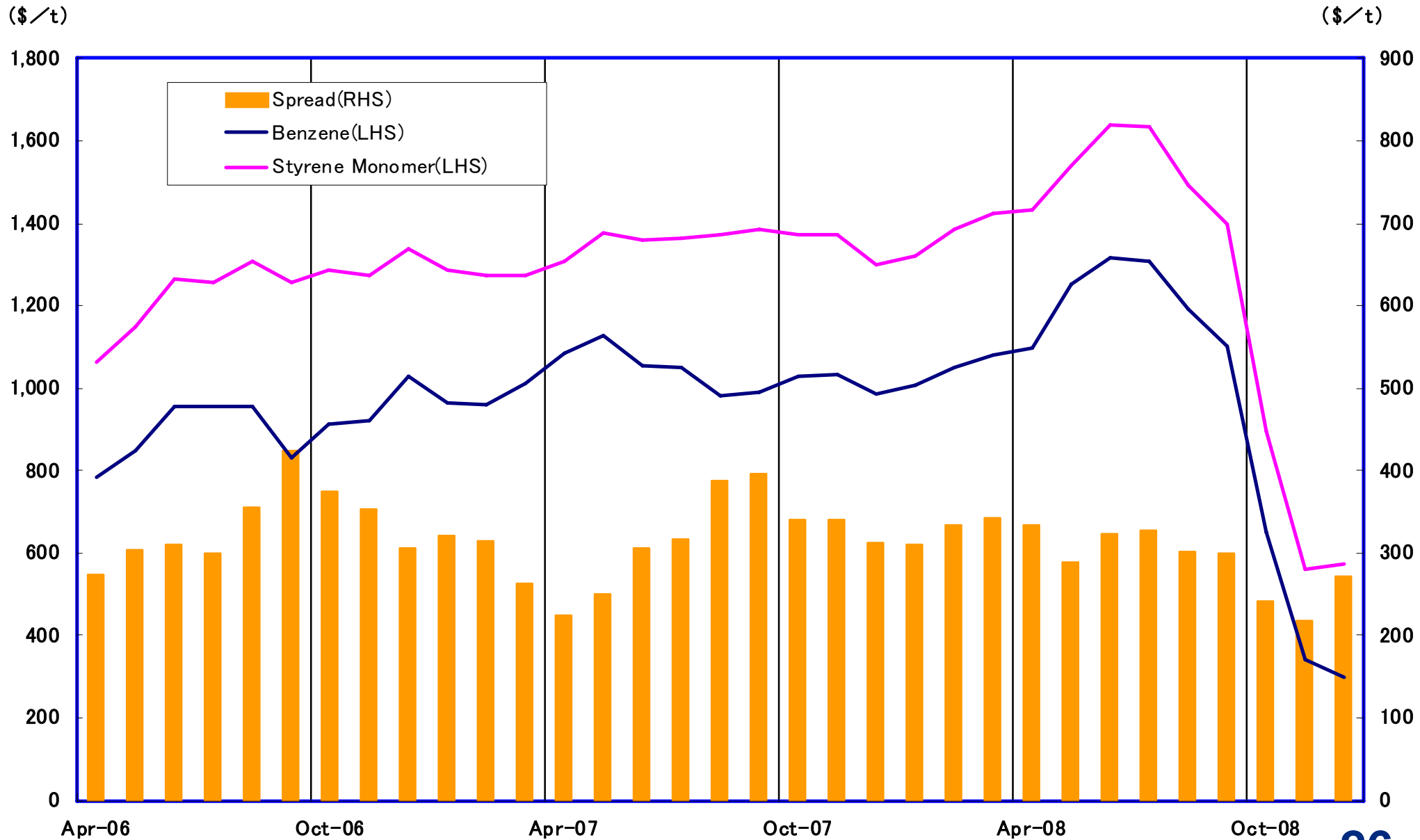
## (7) Paraxylene, Naphtha (Prices and Spreads)



# 4. Market Conditions



## (8) Styrene Monomer, Benzene (Prices and Spreads)



## 5. Sales



### (1) – 1. Sales Volume (Domestic Fuel Oil Sales Volume: Non-consolidated) (Thousand KL, %)

|                                    | Apr-Dec 2007  | Apr-Dec 2008  | Change       | Growth Rate  |
|------------------------------------|---------------|---------------|--------------|--------------|
| <b>Gasoline</b>                    | <b>6,668</b>  | <b>6,525</b>  | <b>(143)</b> | <b>97.8</b>  |
| (Super-Unleaded)                   | 1,000         | 902           | (98)         | 90.2         |
| (Regular-Unleaded)                 | 5,668         | 5,623         | (45)         | 99.2         |
| <b>Naphtha</b>                     | <b>314</b>    | <b>367</b>    | <b>53</b>    | <b>116.9</b> |
| <b>Jet Fuel</b>                    | <b>1,310</b>  | <b>1,301</b>  | <b>(8)</b>   | <b>99.4</b>  |
| <b>Kerosene</b>                    | <b>1,978</b>  | <b>1,911</b>  | <b>(67)</b>  | <b>96.6</b>  |
| <b>Diesel Oil</b>                  | <b>4,734</b>  | <b>4,573</b>  | <b>(162)</b> | <b>96.6</b>  |
| <b>Heavy Fuel Oil A</b>            | <b>2,507</b>  | <b>2,290</b>  | <b>(217)</b> | <b>91.3</b>  |
| <b>Heavy Fuel Oil C</b>            | <b>1,950</b>  | <b>1,920</b>  | <b>(30)</b>  | <b>98.5</b>  |
| <b>Total Domestic Sales Volume</b> | <b>19,461</b> | <b>18,887</b> | <b>(575)</b> | <b>97.0</b>  |
| <b>Exported Fuel Oil</b>           | <b>2,320</b>  | <b>3,120</b>  | <b>799</b>   | <b>134.5</b> |
| <b>Total Sales Volume</b>          | <b>21,782</b> | <b>22,006</b> | <b>225</b>   | <b>101.0</b> |

## 5. Sales



### (1) – 1. Sales Forecasts (Domestic Fuel Oil Sales Volume: Non-consolidated) (Thousand KL, %)

|                                    | 2007 Results  | Current Forecast | Change       | Growth Rate  |
|------------------------------------|---------------|------------------|--------------|--------------|
| <b>Gasoline</b>                    | <b>8,664</b>  | <b>8,570</b>     | <b>(94)</b>  | <b>98.9</b>  |
| (Super-Unleaded)                   | 1,281         | 1,188            | (93)         | 92.8         |
| (Regular-Unleaded)                 | 7,383         | 7,382            | (2)          | 100.0        |
| <b>Naphtha</b>                     | <b>434</b>    | <b>457</b>       | <b>23</b>    | <b>105.3</b> |
| <b>Jet Fuel</b>                    | <b>1,738</b>  | <b>1,710</b>     | <b>(28)</b>  | <b>98.4</b>  |
| <b>Kerosene</b>                    | <b>3,517</b>  | <b>3,456</b>     | <b>(61)</b>  | <b>98.3</b>  |
| <b>Diesel Oil</b>                  | <b>6,235</b>  | <b>6,048</b>     | <b>(187)</b> | <b>97.0</b>  |
| <b>Heavy Fuel Oil A</b>            | <b>3,698</b>  | <b>3,350</b>     | <b>(348)</b> | <b>90.6</b>  |
| <b>Heavy Fuel Oil C</b>            | <b>2,605</b>  | <b>2,640</b>     | <b>35</b>    | <b>101.4</b> |
| <b>Total Domestic Sales Volume</b> | <b>26,890</b> | <b>26,231</b>    | <b>(659)</b> | <b>97.5</b>  |
| <b>Exported Fuel Oil</b>           | <b>3,157</b>  | <b>3,954</b>     | <b>797</b>   | <b>125.3</b> |
| <b>Total Sales Volume</b>          | <b>30,047</b> | <b>30,185</b>    | <b>138</b>   | <b>100.5</b> |

## 5. Sales



### (1) – 2. Sales Volume (Petrochemical Products: Non-consolidated)

(Units: Thousand tons, %)

|                              | Apr-Dec 2007 | Apr-Dec 2008 | Change | Growth Rate |
|------------------------------|--------------|--------------|--------|-------------|
| Petrochemical Products-Total | 2,662        | 2,335        | (327)  | 87.7        |
| (Basic Chemicals)            | 2,268        | 2,016        | (252)  | 88.9        |
| (Performance Chemicals)      | 394          | 319          | (75)   | 80.9        |

### (1) – 3. Sales Volume (Lubricants)

(Units: Thousand tons, %)

|            | Apr-Dec 2007 | Apr-Dec 2008 | Change | Growth Rate |
|------------|--------------|--------------|--------|-------------|
| Lubricants | 746          | 724          | (22)   | 97.1        |

\* Includes sales of overseas licenses

## 5. Sales



### (1) – 2. Sales Forecasts (Petrochemical Products: Non-consolidated)

(Units: Thousand tons, %)

|                              | 2007 Results | Current Forecast | Change | Growth Rate |
|------------------------------|--------------|------------------|--------|-------------|
| Petrochemical Products-Total | 3,579        | 2,947            | (632)  | 82.3        |
| (Basic Chemicals)            | 3,057        | 2,530            | (527)  | 82.8        |
| (Performance Chemicals)      | 522          | 417              | (105)  | 79.8        |

### (1) – 3. Sales Forecasts (Lubricants)

(Units: Thousand tons, %)

|            | 2007 Results | Current Forecast | Change | Growth Rate |
|------------|--------------|------------------|--------|-------------|
| Lubricants | 1,001        | 932              | (69)   | 93.1        |

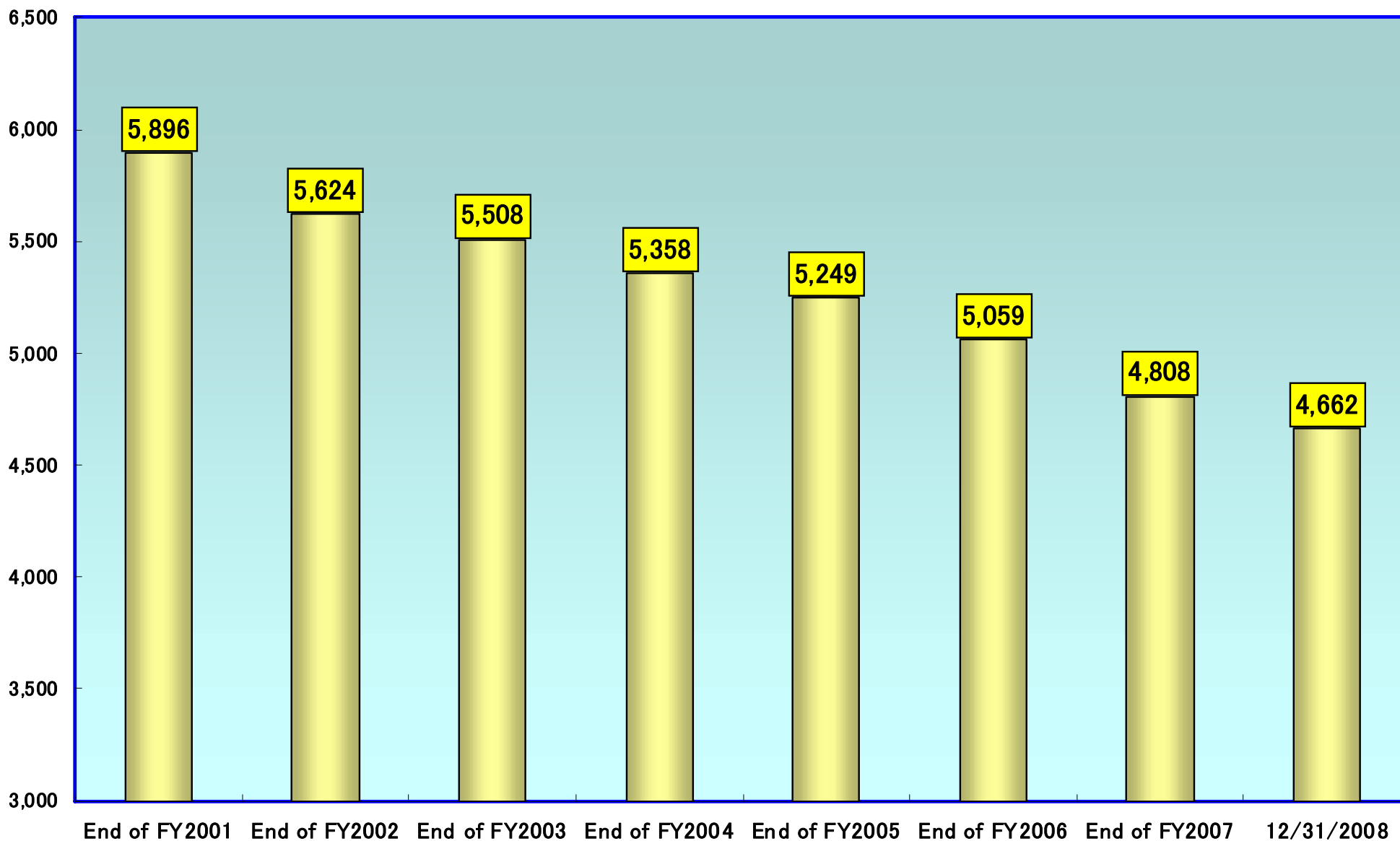
\* Includes sales of overseas licenses

# 5. Sales



## (2) – 1. Total Number of Service Stations

(Locations)

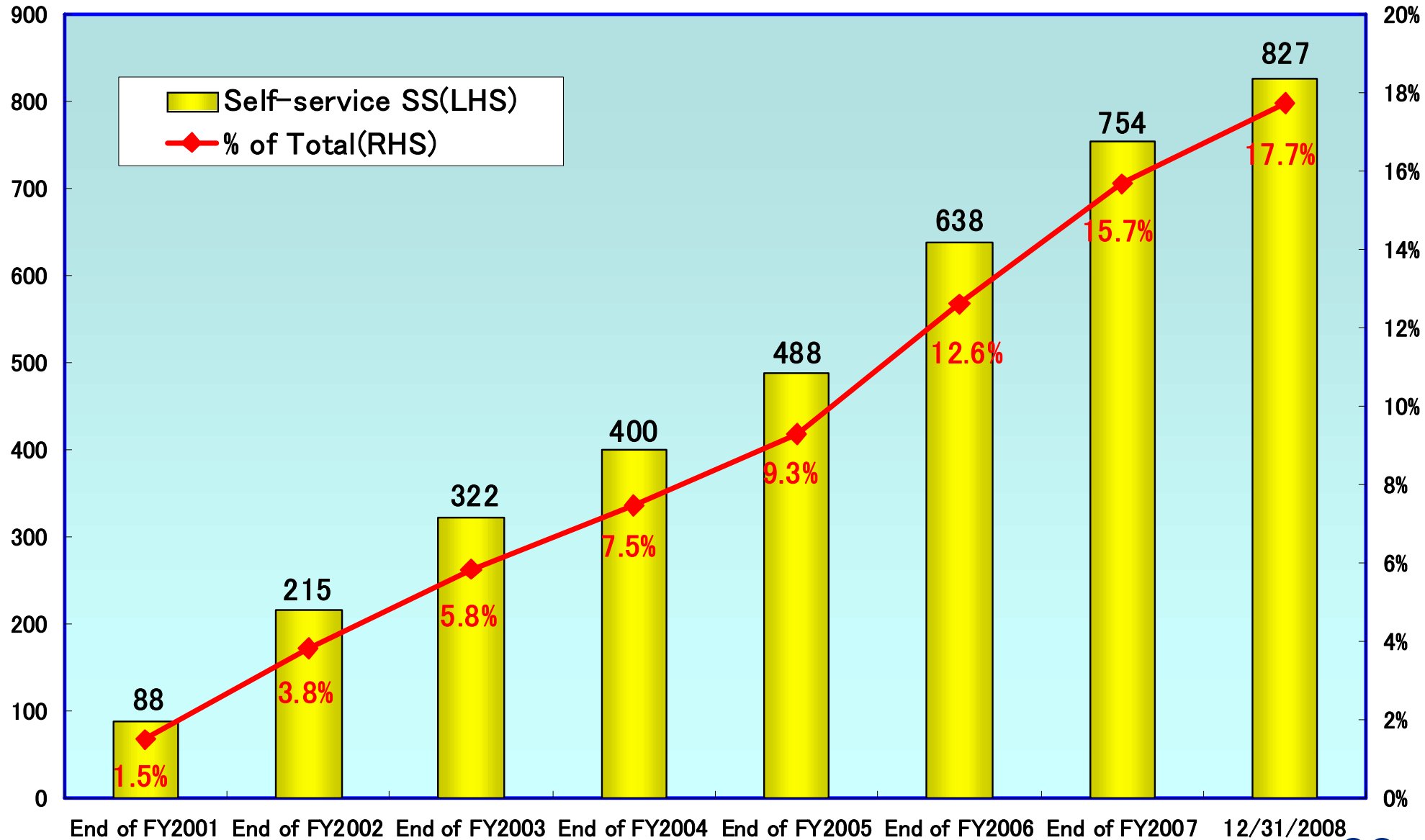


# 5. Sales



## (2) – 2. Number of Self-service Service Stations

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## 6. Production



### (1) – 1. Oil Exploration and Development - Production Volume, Growth Rate

|                             | Jan-Sep 2007 | Jan-Sep 2008 | Change       |               |
|-----------------------------|--------------|--------------|--------------|---------------|
| <b>Production</b> ('000 BD) | <b>30.7</b>  | <b>30.5</b>  | <b>(0.2)</b> | <b>(0.6%)</b> |
| <b>Volume</b> ('000 BBL)    | <b>8,373</b> | <b>8,358</b> | <b>(15)</b>  | <b>(0.2%)</b> |

\* Figures based on interest owned in Idemitsu Petroleum Norge, Idemitsu's consolidated subsidiary

### (1) – 2. Coal - Production Volume, Growth Rate (Units: Thousand tons)

|                                | Jan-Sep 2007 | Jan-Sep 2008 | Change         |                |
|--------------------------------|--------------|--------------|----------------|----------------|
| <b>Ensham (85%)</b>            | <b>4,473</b> | <b>2,304</b> | <b>(2,169)</b> | <b>(48.5%)</b> |
| <b>Muswellbrook</b>            | <b>955</b>   | <b>1,062</b> | <b>107</b>     | <b>11.2%</b>   |
| <b>Boggabri</b>                | <b>1,124</b> | <b>1,070</b> | <b>(54)</b>    | <b>(4.8%)</b>  |
| <b>Tarawonga (30%)</b>         | <b>217</b>   | <b>337</b>   | <b>120</b>     | <b>55.3%</b>   |
| <b>Total Production Volume</b> | <b>6,769</b> | <b>4,773</b> | <b>(1,996)</b> | <b>(29.5%)</b> |

\* Figures based on interests owned by the Idemitsu Group

## 6. Production



### (2) – 1. Oil Exploration and Development - Production Volume, Growth Forecasts

|                             | 2007 Results  | Current Forecast | Change       |               |
|-----------------------------|---------------|------------------|--------------|---------------|
| <b>Production</b> ('000 BD) | <b>31.2</b>   | <b>30.7</b>      | <b>(0.5)</b> | <b>(1.6%)</b> |
| <b>Volume</b> ('000 BBL)    | <b>11,384</b> | <b>11,222</b>    | <b>(162)</b> | <b>(1.4%)</b> |

\* Figures based on interest owned in Idemitsu Petroleum Norge, Idemitsu's consolidated subsidiary

### (2) – 2. Coal - Production Volume, Growth Forecasts

(Units: Thousand tons)

|                                | 2007 Results | Current Forecast | Change         |                |
|--------------------------------|--------------|------------------|----------------|----------------|
| <b>Ensham (85%)</b>            | <b>6,810</b> | <b>4,535</b>     | <b>(2,275)</b> | <b>(33.4%)</b> |
| <b>Muswellbrook</b>            | <b>1,342</b> | <b>1,407</b>     | <b>65</b>      | <b>4.8%</b>    |
| <b>Boggabri</b>                | <b>1,488</b> | <b>1,397</b>     | <b>(91)</b>    | <b>(6.1%)</b>  |
| <b>Tarawonga (30%)</b>         | <b>302</b>   | <b>433</b>       | <b>131</b>     | <b>43.4%</b>   |
| <b>Total Production Volume</b> | <b>9,942</b> | <b>7,772</b>     | <b>(2,170)</b> | <b>(21.8%)</b> |

\* Figures based on interests owned by the Idemitsu Group

# 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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