Cosmo Oil Co., Ltd.
Presentation on Results for Third Quarter of Fiscal 2014

February 5, 2015

Senior Executive Officer

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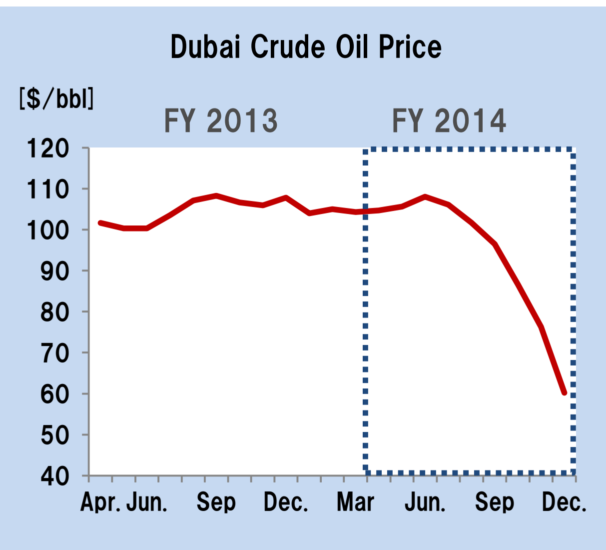
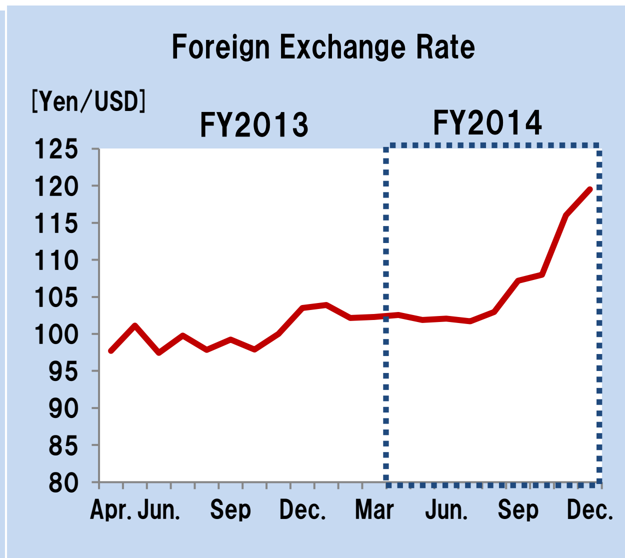
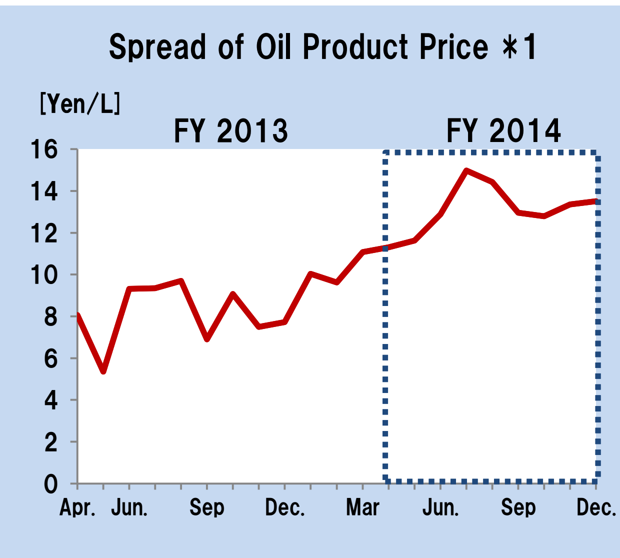
COSMO OIL CO., LTD.
http://www.cosmo-oil.co.jp

- ✓ **Crude oil prices** : The pace of crude price decline accelerated as supply and demand conditions eased due to the shale gas revolution in the US and concern over economic downturns in Europe and emerging countries, and as OPEC maintained its production ceiling.
- ✓ **Foreign exchange rate** : Due to the Bank of Japan’s additional monetary easing, the yen weakened to as low as the 121 yen range against the dollar temporarily.
- ✓ **Product market** : Although Crude oil prices and domestic product prices declined, the spread between crude and product was relatively stable.







*1 Gasoline, Kerosene, Gasoil, Fuel Oil A
*2 Product price of Domestic market − Crude Oil price (Platt’s Dubai)

Review of each segment and key point

1

（Oil E&P business）

✓ Worked on the development of the Hail Oil Field and the recovery in production in existing oil fields. Strengthened the alliance with CEPSA and started discussing the acquisition of new interests in Abu Dhabi.

（Petroleum business）

✓ Strengthened the profit structure through streamlining in the supply sector and enhancement in retail sales.

✓ Established Keiyo Seisei JV G.K., a joint venture with Kyokuto Petroleum Industries, Ltd. in Chiba area, and started enhancing the competitiveness of refineries in earnest.

✓ Secured appropriate profit margins despite the effect of a time lag caused by a plunge in oil prices.

（Wind Power Generation business）

✓ A new wind power generation site (Wakayama Prefecture) started operations.

（Key point of financial results）

✓ Consolidated ordinary income increased by 17.6 billion yen year on year to 36.6 billion yen excluding impact of inventory valuation.

2

<Topics> ～Announcement on Initiating Preparation for Transformation to a Holding Company（Press Release）～

✓ With objective of “Promote an Alliance in Each Business Line”, “Accelerate the Enhancement of Group Management and Shift Management Resources”, and “Strengthen Business Competitiveness / Realize Stable Profits of the Holding Company”, we will prepare for the transformation to a holding company.

✓ To Enhance governance, we will prepare to undergo a transformation to a holding company with the governing form of a company with audit and supervisory committees.

✓ Cosmo Group structure to be composed on the basis of a holding company and the core three business companies (E&P business company, Supply business company and Marketing business company).

(Ref. page 37)

COSMO OIL CO., LTD.

Consolidated Income Statements - Changes from 3Q FY2013

Unit: billion yen

	FY2014 (Apr.-Dec.2014)	FY2013 (Apr.-Dec.2013)	Changes
Net sales	2,340.9	2,571.8	-230.9
Cost of sales	2,262.6	2,443.9	-181.3
Selling, general and administrative expenses	94.0	94.2	-0.2
Operating income	-15.7	33.7	-49.4
Non-operating income/expenses, net	-9.5	0.6	-10.1
Ordinary income	-25.2	34.3	-59.5
Extraordinary income/losses, net	-8.0	2.6	-10.6
Income taxes	26.8	27.9	-1.1
Minority interests	2.1	4.5	-2.4
Net income	-62.1	4.5	-66.6
Impact of inventory valuation	-61.8	15.3	-77.1
Ordinary income excluding impact of inventory valuation	36.6	19.0	17.6
Dubai crude oil price (USD/B)	94.1	104.6	-10.5
JPY/USD exchange rate (yen/USD)	106.7	99.4	7.3

- Decline in equity profit
- Impact of foreign exchange losses

- Impact of inventory valuation losses, structural improvement expenses for businesses, etc.

Consolidated Ordinary Income by Business Segment (Excluding impact of inventory valuation)

Unit: billion yen

	FY2014 (Apr.-Dec.2014)	FY2013 (Apr.-Dec.2013)	Changes
Ordinary income excluding impact of inventory valuation	36.6	19.0	17.6
Petroleum business	-58.0	-14.4	-43.6
Petroleum business (Excluding impact of inventory valuation)	3.1	-29.8	32.9
Petrochemical business	-4.3	4.4	-8.7
Petrochemical business (Excluding impact of inventory valuation)	-3.6	4.5	-8.1
Oil E & P business	35.6	40.5	-4.9
Other (*)	1.5	3.8	-2.3

* Including consolidated adjustment

Inventory valuation Petroleum business : FY2014 3Q -61.1 / FY2013 3Q 15.4

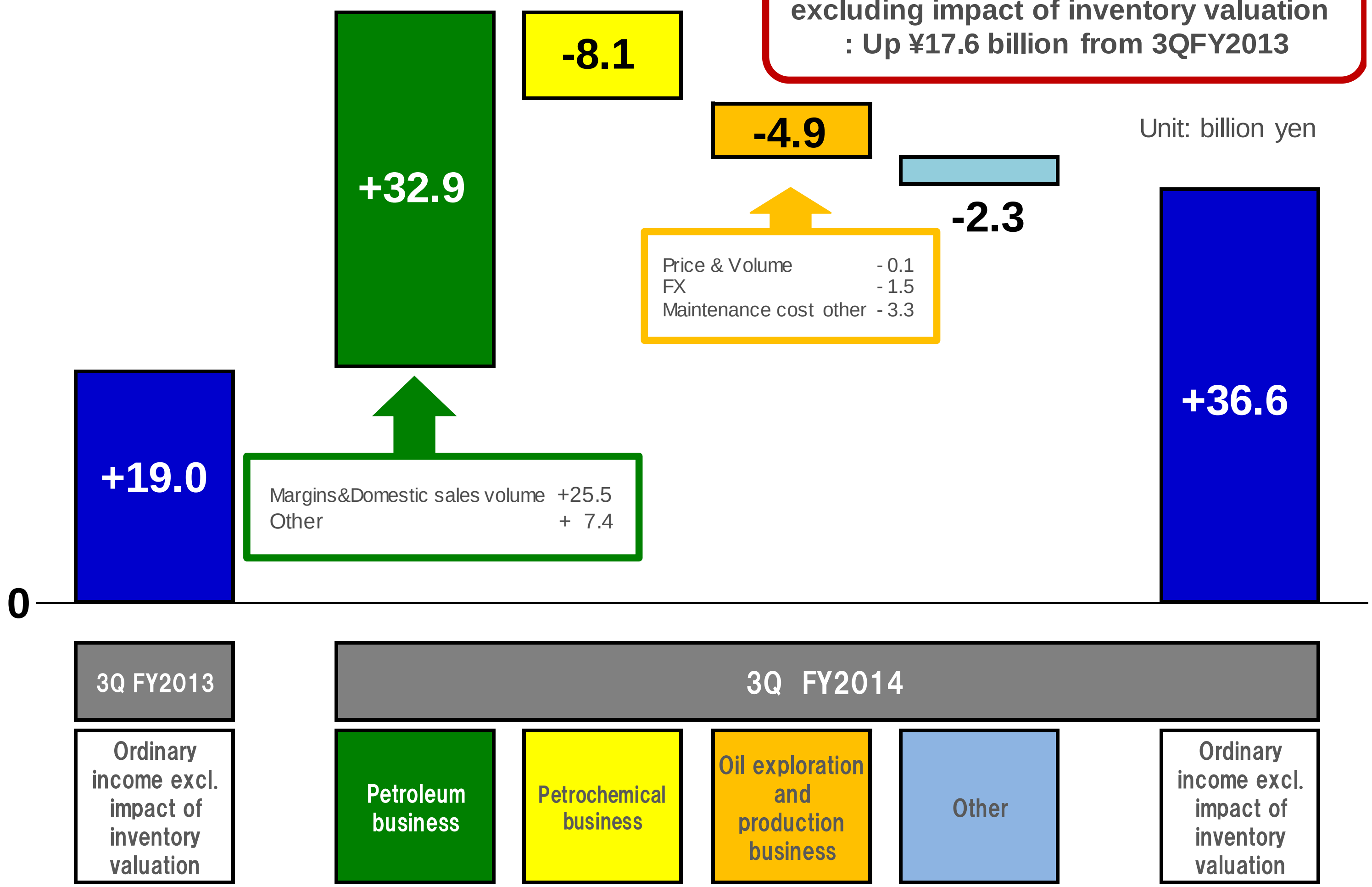
Inventory valuation Petrochemical business : FY2014 3Q -0.7 / FY2013 3Q -0.1

[3Q FY 2014 Results] Consolidated Ordinary Income (Excluding impact of inventory valuation) – Analysis of Changes from 3Q FY2013

Key Variable Factors

Petroleum Business : Higher profit mainly due to an improvement in product margins and streamlining in the supply sector.
Petrochemical Business : Lower profit due to a slump in aromatic market (Paraxylene, MixedXylen) conditions.
Oil E&P Business : Lower profit due to temporary increase in maintenance costs although trending toward recovery in production volume.

Consolidated ordinary income excluding impact of inventory valuation : Up ¥17.6 billion from 3QFY2013



Outline of Consolidated Cash Flows and Consolidated Balance Sheet

Consolidated Cash Flows

Unit: billion yen

	Result (As of Dec.31,'14)	Change from FY13 (As of Mar. 31,'14)
Cash flows from operating activities	36.6	—
Cash flows from investing activities	-27.3	—
Cash flows from financing activities	4.3	—
Cash and cash equivalents at end of the period	137.0	13.7

Consolidated Balance Sheet

Unit: billion yen

	Result (As of Dec.31,'14)	FY2013 (As of Mar. 31,'14)	Changes
Total Assets	1,636.7	1,696.8	-60.1
Net assets	203.8	261.1	-57.3
Net worth	173.7	231.9	-58.2
Net worth ratio	10.6%	13.7%	Down 3.1 points
Interest-bearing debts	871.3	863.7	7.6
Debt dependence ratio	53.2%	50.9%	Down 2.3 points
Debt Equity Ratio	5.0	3.7	Down 1.3 points
Net interest-bearing debt *	707.4	723.3	△ 15.9
Debt dependence ratio	43.2%	42.6%	Down 0.6 points
Debt Equity Ratio	4.1	3.1	Down 1.0 points

Capital Expenditures, Depreciation, etc.

Unit: billion yen

	3Q FY2014 Results	Change from 3Q FY2013
Capital expenditures	42.6	14.1
Depreciation expense amount,etc	23.7	-3.2

Capital Expenditures by Business Segment

Unit: billion yen

	3Q FY2014 Results	3Q FY2013 Results	Change from 3Q FY2013
Petroleum	20.1	23.3	-3.2
Petrochemical	0.4	0.5	-0.1
Oil E&P	13.3	5.8	7.5
Other	7.0	1.5	5.5
Adjustment	1.8	-2.6	4.4
Total	42.6	28.5	14.1

Forecast for FY 2014 Performance

1 Earnings Forecast (Assumptions)

- ✓ The full-year earnings forecast has been revised for a significant increase in valuation loss estimated around ¥110 billion on inventory caused by the plunge in oil prices.
- ✓ The crude oil price and exchange rate for the January-March quarter are assumed to be $45 per barrel and ¥120 against the dollar, respectively.

2 Policy for the January-March Quarter

- ✓ Will maintain the current pace of improvement in earnings, focusing on the Petroleum Business, mainly through streamlining in the supply sector.
- ✓ Will seek to cut interest-bearing debt by around ¥100 billion from the end of March 2014 based on mainly improved cash flows.

3 Dividends

- ✓ The annual dividend for fiscal year 2014 have been projected to be 4 yen per share. However, after a careful and comprehensive consideration including the recent revision to the financial forecast, we regret to announce non-dividend for this fiscal year.

4 Outlook for Earnings in FY2015

- ✓ Although earnings in the Oil E&P Business will decline due to falling oil prices, profitability in the Petroleum Business will improve. Net income is expected to improve in accordance with the profit improvement in the Petroleum business.

Highlights of Consolidated Business Outlook (Compared with Initial Forecast)

Unit: billion yen

	FY2014 Forecast	FY2014 Previous announcement	Changes
Ordinary income	-57.0	57.0	-114.0
impact of inventory valuation	-110.0	0.0	-110.0
Ordinary income excluding impact of inventory valuation	53.0	57.0	-4.0
Petroleum business	10.0	3.0	7.0
Petrochemical business	-7.0	0.5	-7.5
Oil E & P business	46.0	51.0	-5.0
Other	4.0	2.5	1.5
Net income	-91.0	14.0	-105.0
Dividend per Share (Forecast) (yen)	0	4	△4

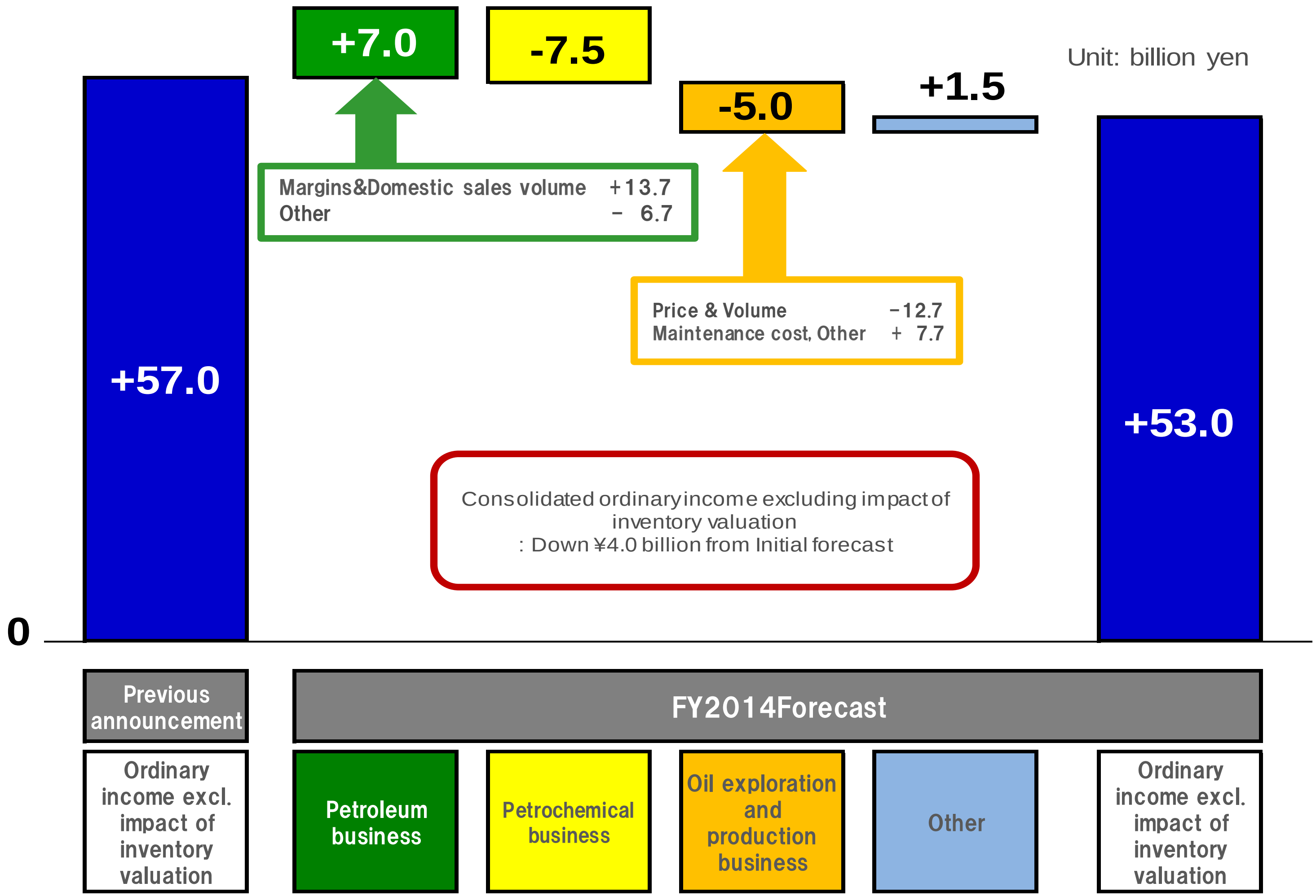
【Reference】

	FY2014 Forecast	FY2014 Previous announcement	Changes
Dubai crude oil price (USD/B)	81.7	104.0	-22.3
JPY/USD exchange rate (yen/USD)	110.1	102.0	8.1

[FY2014 Outlook] – Consolidated Ordinary Income (Excluding Impact of Inventory Valuation) : Comparison with Initial Forecast

Key Variable Factors

Petroleum Business : Higher profit mainly due to improvement in oil product margins and streamlining in the supply business.
Petrochemical Business : Lower profit due to a slump in aromatic market (Paraxylene, MixedXylen) conditions.
Oil E&P Business : Lower profit despite a recovery trend in production, due to the effects of declining sales volume and falling oil prices.



Supplementary information

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[3Q FY2014 Results] Sales Volume

Unit: thousand KL

		3Q FY2014 Results	3Q FY2013 Results	Changes	3Q FY2014 Result Changes from 3Q FY2013	FY2014 Forecast	FY2014 Full Year outlook changes from FY2013
Selling volume in Japan	Gasoline	4,309	4,605	-296	93.6%	5,662	93.5%
	Kerosene	1,043	1,257	-214	83.0%	1,947	86.1%
	Diesel fuel	3,093	3,321	-228	93.1%	4,094	93.1%
	Heavy fuel oil A	1,068	1,301	-233	82.1%	1,539	83.3%
	Sub-Total	9,513	10,484	-971	90.7%	13,243	90.9%
	Naphtha	4,717	4,841	-124	97.4%	6,389	97.4%
	Jet fuel	336	347	-11	96.9%	463	95.2%
	Heavy fuel oil C	1,092	1,396	-304	78.2%	1,588	77.9%
	inc. Heavy fuel oil C for electric	479	758	-279	63.2%	779	65.7%
	Total	15,659	17,068	-1,409	91.7%	21,683	91.7%
Middle distillate export volume	Diesel fuel	349	811	-462	43.1%	949	82.9%
	Kerosene/Jet	0	0	0	-	0	-
	Sub-Total	349	811	-462	43.1%	949	82.9%
Bond sales, etc.	Jet fuel	1,567	1,380	186	113.5%	2,045	109.6%
	Heavy fuel oil C	413	409	4	100.9%	533	94.9%
	Other	512	500	13	102.5%	662	107.1%
	Sub-Total	2,492	2,289	203	108.9%	3,239	106.4%
Barter deal, etc.		6,928	7,377	-449	93.9%	9,552	94.5%
Total selling volume		25,428	27,545	-2,117	92.3%	35,423	93.4%

[1] Dubai Crude oil price,processing volume and CDU operating ratios

		3Q FY2014	3Q FY2013	Changes from 3Q FY2013	
Dubai crude oil price (USD/B)		94.1	104.6	-10.5	—
JPY/USD exchange rate (yen/$)		106.7	99.4	7.3	—
Crude oil refining	Refined crude oil volume (1,000 KL)	15,717	15,613	104	100.7%
	CDU operating ratio (Calendar Day)	79.5%	64.1%	15.4%	—
	CDU operating ratio (Streaming Day)*	91.3%	81.2%	10.1%	—

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

[2] Crude oil production volume

	3Q FY2014	3Q FY2013	Changes from 3Q FY2013	
Cosmo Energy Exploration & Production Co., Ltd. (B/D)	37,809	36,634	1,175	103.2%

*1) The Cosmo Oil Group has a 51.3% stake in Abu Dhabi Oil Co., Ltd., a 75.0% stake in Qatar Petroleum Development Co., Ltd. And a 45.0% stake in United Petroleum Development Co., Ltd.

*2) The production volume represents the total production volumes of the three major developers: Abu Dhabi Oil, Qatar Petroleum Development and United Petroleum Development.

*3)The production period has calculated in the January-September, because that the three major developers of the accounting period December.

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Crude Reserves Estimate（Proved and Probable）

（As of Dec. 31, 2013）

Crude Reserves Estimate（working interest base）（*1）		
	mmbls	Note: The reserves include reserves of new concession area, Hail field.
①Proved Reserves（*2）	107.0	
②Probable Reserves（*3）	98.9	
③Total Proved and Probable Reserves（①+②）	205.9	
（Ref.: Reserves to Production Ratio of Total Proved and Probable Reserves ）	about 30 years	Note: The daily average crude production based on working interest reached 19 thousands bopd for FY2013.

(*1) About results of reserves estimate
The assessment of ADOC reserves which deemed to have significant impact on Cosmo's future profitability was carried out in an independent assessment by Gaffney, Cline & Associate (hereinafter, "GCA"), a leading global independent reserve auditor. Their assessment confirmed Cosmo affiliates' internal assessment of remaining reserves. The assessment was carried out in accordance with the 2007 "Petroleum Resources Management System (PRMS)" prepared by the Oil and Gas Reserves Committee of the "Society of Petroleum Engineers" (SPE), and reviewed and jointly sponsored by the "World Petroleum Congress" (WPC), the "American Association of Petroleum Geologists" (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE). The assessment of QPD and UPD reserves were carried out in these companies respectively. These assessments of the reserves do not guarantee the reserves and production from them.

(*2) Proved Reserves
Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. When probabilistic methods are used, there should be at least a 90% probability that the actual quantities recovered will equal or exceed the 1P estimate. (Definition of SPE PRMS 2007 March)

(*3) Probable Reserves
Probable Reserves are those additional Reserves which analysis of geoscience and engineering data indicate are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate. (Definition of SPE PRMS 2007 March)

3Q FY 2014 Results - Changes from FY 2013

Unit: billion yen

	Net Sales	Changes from 3Q FY2013	Operating Income	Changes from 3Q FY2013	Ordinary Income	Changes from 3Q FY2013	Ordinary Income (excluding impact of inventory valuation , cost or market method)	Changes from 3Q FY2013
Petroleum business	2,314.0	-199.5	-47.3	-40.0	-58.0	-43.6	3.1	32.9
Petrochemical business	40.9	8.7	-1.6	-2.5	-4.3	-8.7	-3.6	-8.1
Oil E&P business	60.8	-1.7	32.5	-4.7	35.6	-4.9	35.6	-4.9
Other business	51.3	-6.9	1.4	-1.5	2.2	-1.7	2.2	-1.7
adjustment	-126.2	-31.5	-0.7	-0.7	-0.7	-0.6	-0.7	-0.6
Total	2,340.9	-230.9	-15.7	-49.4	-25.2	-59.5	36.6	17.6

Cosmo Group of Companies (by Segment)

Petroleum business	Cosmo Oil Co., Ltd., Cosmo Oil Sales Corp, Cosmo Petroleum Gas Co., Ltd., Cosmo Oil Lubricants Co., Ltd., Sogo Energy Co., Ltd., etc.
Petrochemical business	Cosmo Matsuyama Oil Co., Ltd., CM Aromatics Co., Ltd., Maruzen Petrochemical Co., Ltd. (owned by the Cosmo Oil Group on the equity method), Hyundai Cosmo Petrochemical Co., Ltd. (owned by the Cosmo Oil Group on the equity method)
Oil E & P business	Cosmo Energy Exploration & Production Co., Ltd.,Abu Dhabi Oil Co., Ltd., Qatar Petroleum Development Co., Ltd.,United Petroleum Development Co., Ltd. etc. (owned by the Cosmo Oli Group on the equity method), etc.
Other business	Cosmo Engineering Co.,Ltd., Cosmo Trade & Services Co., Ltd.,EcoPower Co.,Ltd, etc.

[3Q FY2014 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs, Cards in Force and Number of contracted "B-cle Lease"

[1] Workforce size (Number of employees)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	3Q FY2014
Cosmo Oil alone	1,957	2,064	2,180	2,135	2,025	1,899	1,837	1,672
Cosmo Oil Group	3,299	3,269	3,325	3,268	3,098	2,840	2,782	2,750

＊ Data as of the end of March of eac

＊ Group headcounts combine those of non-consolidated Cosmo Oil (up until FY2008), while combining those of non-consolidated Cosmo Oil, with those transferred, probationary employees and with senior employees (in FY2009 onwards).

[2] Number of oil storage depots (DTs)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	3Q FY2014
No. of DTs	38	38	36	35	35	35	35	36

[3] Number of SSs by Operator Type

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	3Q FY2014
Subsidiary	1,104	1,023	1,025	967	939	914	899	889
Dealers	3,021	2,890	2,743	2,642	2,559	2,411	2,329	2,280
Total	4,125	3,913	3,768	3,609	3,498	3,325	3,228	3,169
Mobile SSs	53	47	43	36	34	33	34	34

[4] Number of Self-Service SSs out of the Total Number of SSs Mentioned [3] above.

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	3Q FY2014
Subsidiary	507	551	575	548	570	550	550	551
Dealers	360	404	429	455	437	449	461	476
Total	867	955	1,004	1,003	1,007	999	1,011	1,027
Share of Self-Service SSs	21.0%	24.4%	26.6%	27.8%	28.8%	30.0%	31.3%	32.4%

[5] Cosmo The Card-Number of cards issued (including the number of Opus cards in force)

(Unit: million cards)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	3Q FY2014
No. of cards in force	3.05	3.35	3.57	3.67	3.81	3.97	4.12	4.22

[6] Cosmo B-cle Lease - Number of contracted vehicles

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	3Q FY2014
Number of contracted vehicles	-	-	-	-	1,287	5,003	11,476	15,771

[FY2014 Outlook] Forecast by Business Segment (Compared with Initial Forecast) ; Overview of Consolidated Capital Expenditures

Full-Year FY 2014 Outlook – Changes from Initial Forecast

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (excluding impact of inventory valuation , cost or market method)	
		Changes from Previous announcement		Changes from Previous announcement		Changes from Previous announcement		Changes from Previous announcement
Petroleum business	3,025.5	-342.5	-86.0	-97.5	-100.0	-103.0	10.0	7.0
Petrochemical business	65.0	-12.0	-1.5	-0.5	-7.0	-7.5	-7.0	-7.5
Oil E&P business	82.5	-17.5	41.0	-9.5	46.0	-5.0	46.0	-5.0
Other business	75.5	0.5	3.5	-0.5	5.0	0.0	5.0	0.0
Adjustment	-177.5	-22.5	-1.0	2.0	-1.0	1.5	-1.0	1.5
Total	3,071.0	-466.8	-44.0	-106.0	-57.0	-114.0	53.0	-4.0

Capital Expenditures, Depreciation, etc.

Unit: billion yen

	FY2014 Forecast	Changes
Capital expenditures	73.7	-9.0
Depreciation expense amount,etc	30.5	-3.1

Capital Expenditures by Business Segment

Unit: billion yen

	FY2014 Forecast	FY2014 Previous announcement	Changes
Petroleum	42.9	44.2	-1.3
Petrochemical	0.7	0.7	0.0
Oil E&P	25.0	33.5	-8.5
Other	7.0	6.4	0.6
adjustment	-1.9	-2.1	0.2
Total	73.7	82.7	-9.0

Full-Year FY 2014 Outlook – Changes from FY 2013

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (excluding impact of inventory valuation , cost or market method)	
		Changes from FY 2013		Changes from FY 2013		Changes from FY 2013		Changes from FY 2013
Petroleum business	3,025.5	-438.2	-86.0	-68.1	-100.0	-74.7	10.0	51.4
Petrochemical business	65.0	13.4	-1.5	-2.6	-7.0	-10.7	-7.0	-10.7
Oil E&P business	82.5	-6.2	41.0	-11.0	46.0	-12.1	46.0	-12.1
Other business	75.5	-3.9	3.5	-1.1	5.0	-0.5	5.0	-0.5
Adjustment	-177.5	-31.9	-1.0	-0.9	-1.0	-0.8	-1.0	-0.8
Total	3,071.0	-466.8	-44.0	-83.7	-57.0	-98.8	53.0	27.3

Revised Assumption of Crude Oil Price and Exchange Rate, and Business Sensitivity thereto

	Precondiction	Sensitivity Petroleum Business
Crude oil	USD 45.0 /BBL	+ 2.6 billion yen
JPY/USD exchange rate	120.0 yen/USD	+ 0.9 billion yen

* Figures above refer to impacts by crude oil price and yen-dollar exchange fluctuations on inventory valuation gains, in-house fuel costs and timing difference (by taking no impact by the cost or market method into consideration).

* A three-month period of Jan. 2015 to Mar. 2015 adopted for sensitivity figure estimation for the petroleum business segment.

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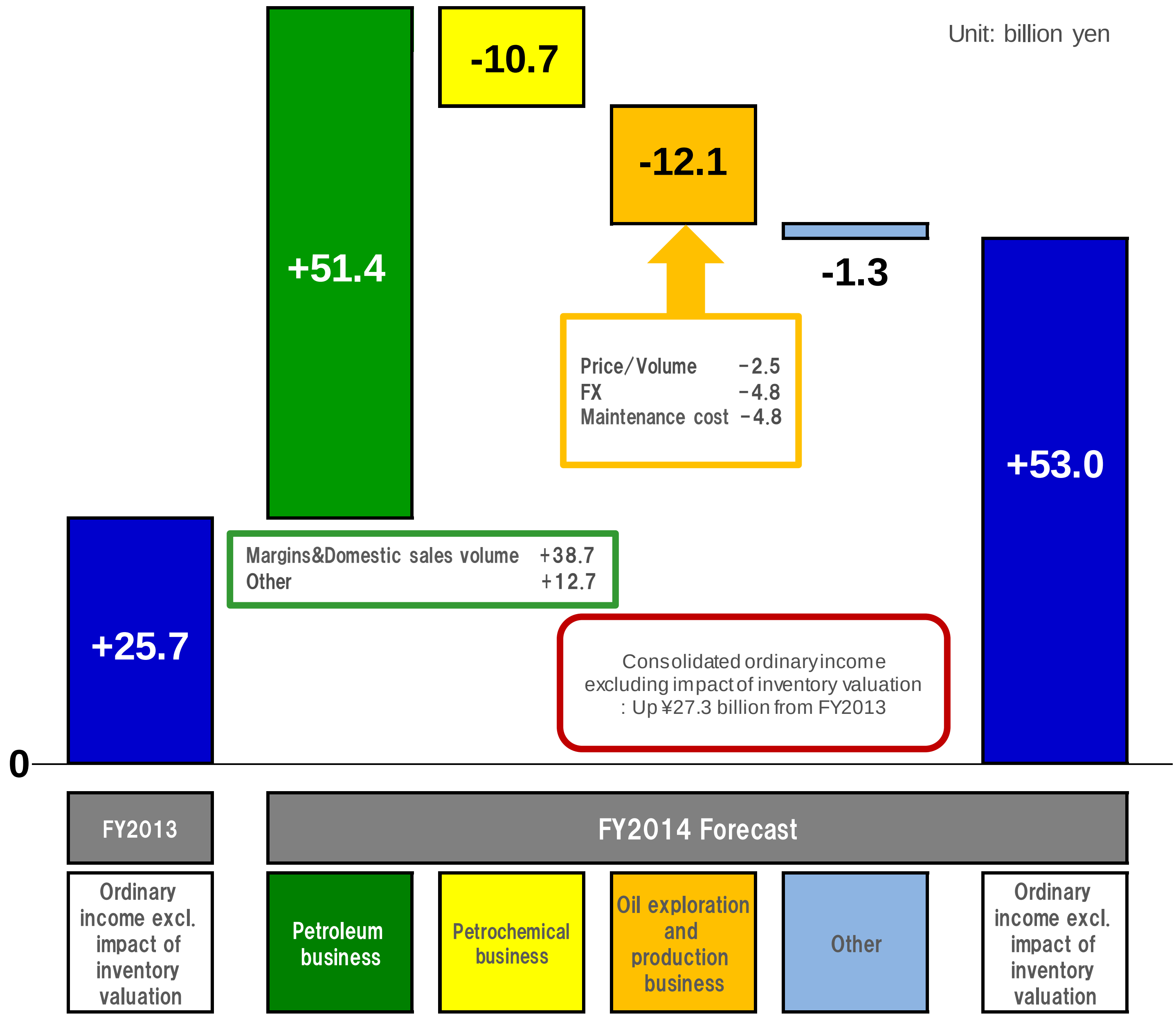
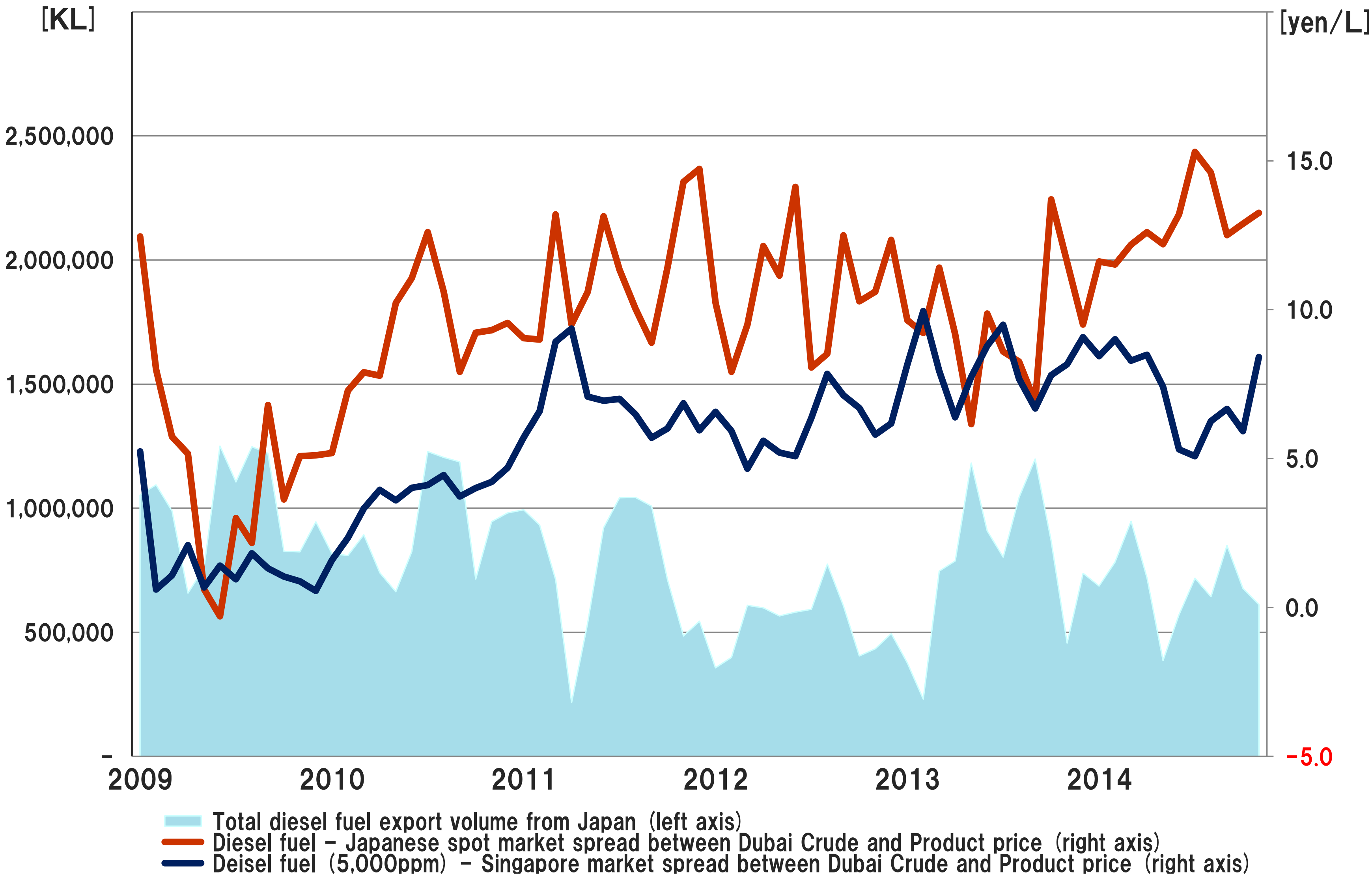
[FY2014 Outlook] – Consolidated Ordinary Income (Excluding Impact of Inventory Valuation) Comparison with FY 2013 and Analysis of Changes



Diesel Fuel Export Results and Margin Environment



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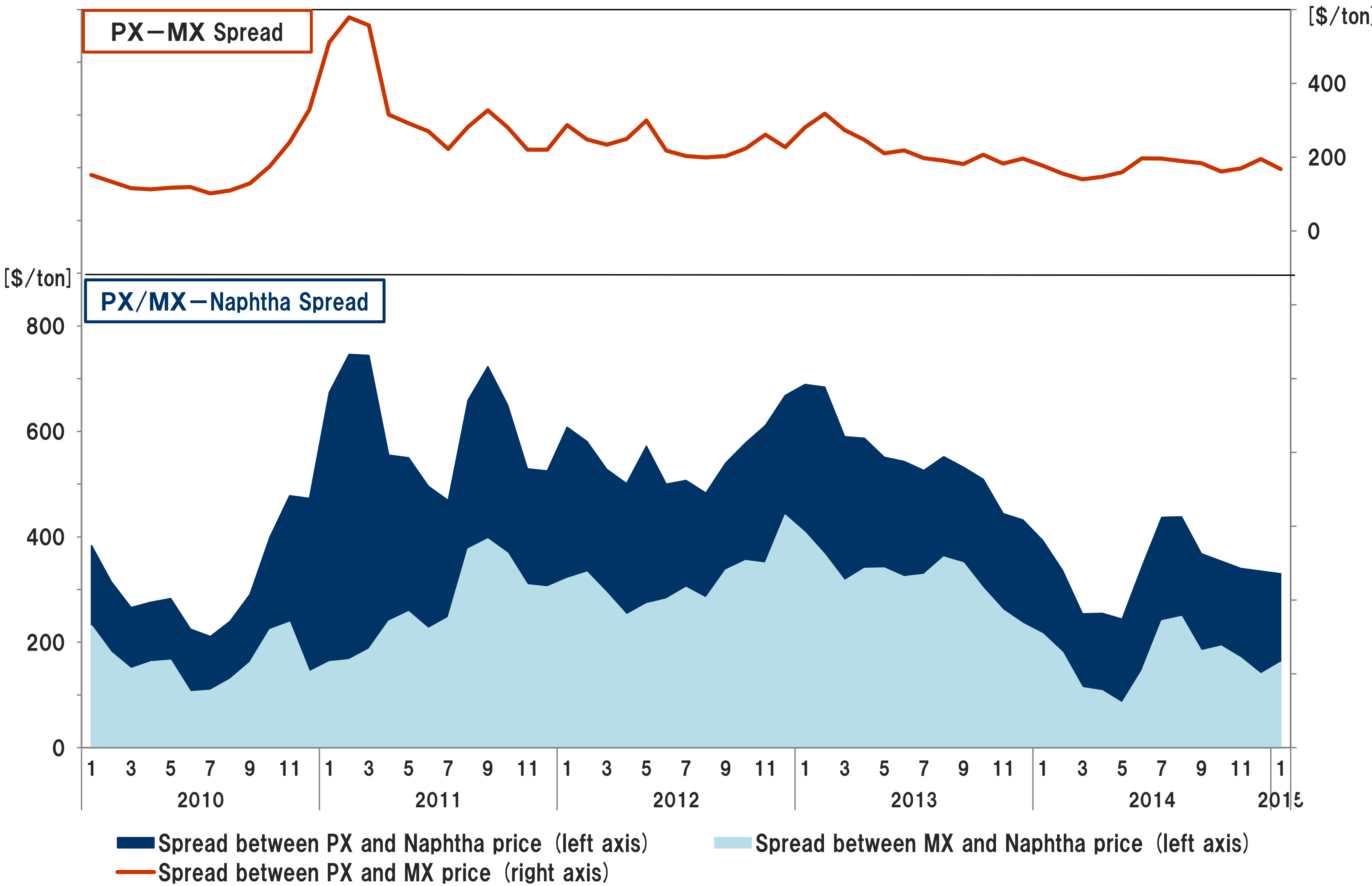
PX－MX Spread
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2010
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Spread between PX and Naphtha price (left axis)
Spread between MX and Naphtha price (left axis)
Spread between PX and MX price (right axis)

The 5th Consolidated Medium-Term Management Plan

- Solidify basics for growth and establish a firm business foundation for the Group during the five years
- Aim to become a “vertically integrated global energy company” over the long term and strengthen each business portfolio in pursuit of new growth, in addition to steady progress made in the areas set by four basic policies

Basic Policy

- Regain profitability in the refining & marketing sector
- Secure stable income from investments made during the previous medium term management plan
- Further strengthen alliances with IPIC and Hyundai Oilbank
- Further enhance CSR management

＊IPIC ＝ International Petroleum Investment Company （Principal shareholder：20.7％）
＊HDO ＝ Hyundai Oilbank Co., Ltd.

Aim to achieve profit targets in the final fiscal year by implementing initiatives as prescribed in the Medium-term Management Plan

Unit: billion yen

	FY2013	FY2014	FY2015	FY2016	FY2017	Ordinary income forecast
						112.0
<Oil E & P Business>						
Hail oil field	Seismic prospecting / assessment		Construction of above-ground facilities, excavation of appraisal well / exploration well		Production to begin	77.5
Comprehensive strategic alliance with CEPSA		Forming a comprehensive strategic alliance, Cepsa took stake in ADOC, pursuing synergies				
Acquiring new interests		Strengthening alliances with ADNOC and CEPSA to acquire new mining areas				
<Petroleum Business>						
Refineries	Sakaide refinery closes Chiba refinery resumes operations	Promote high operational rate, rationalization		Skip Shut Down Maintenance at Chiba Refinery		18.0
Keiyo Seisei JV G.K.	Memorandum on considering Chiba refinery/Joint business		Establish joint business company / Pipeline construction		Start integrated operation of refineries	
Strengthen the Retail Business	Cumulative total lease contracts at the 20,000 level				Cumulative total at the 100,000 level	
Integration of the LP Gas Business		Agreements to integrate LP Gas wholesale business as well as retail business	Establish new company (among the top in industry share)			
<Petrochemical Business>						
PX Business	HCP * 1,180,000-ton structure for para-Xylene					10.0
<Wind Power generation Business>						
Increase generation capacity	150,000kw / Domestic market share: 5%		190,000kw		240,000 kw	4.5

Note) The ordinary income forecast for FY2017 includes consolidated accounting processing, other (+2.0 billion yen) of 112.0 billion yen

[Oil E&P Business] - Highlights

- ✓ Realized low-risk, low-cost development based on a relationship of mutual trust with Middle Eastern oil-producing countries as an operator delivering long-term, stable production
- ✓ Obtained a 30-year extension in concession agreement for three oil fields with Abu Dhabi Oil Company in 2012 and secured the new Hail oil field, which is the same size as the three existing oil fields Steadily executing development plan toward start of production in FY2016
- ✓ Entered into a comprehensive business alliance with CEPSA as a strategic partner in January 2014 and aim at obtaining new oil fields, among other initiatives

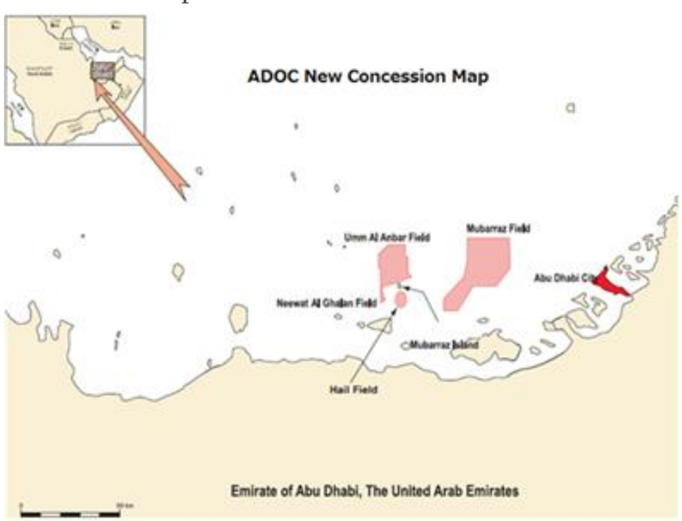
FY2017 Ordinary income 77.5 billon yen

Location	Company Name	Investment Ratio	Establish-ment	Crude Production (BD)	Total Proved and Probable Reserves (mil BD)	Reserve Production Ratio (year)	Segment Ordinary Income (billion yen)
Cosmo Energy E&P		100%	2014	36,842	205.9	approx. 30	58.1

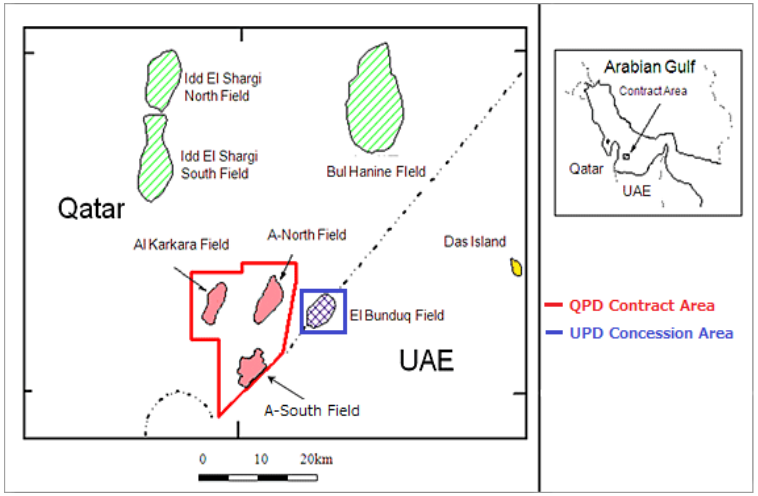
U.A.E	ADOC	51%	1968
	UPD	45%	1970
Qatar	QPD	75%	1997

※Production of Crude Oil, Ordinary income : Result of FY2013
※Crude Reserves Estimate : Total of Proved Reserves and Probable Reserves (As of 31st, Dec 2013)

■Location Map of ADOC Concession Area



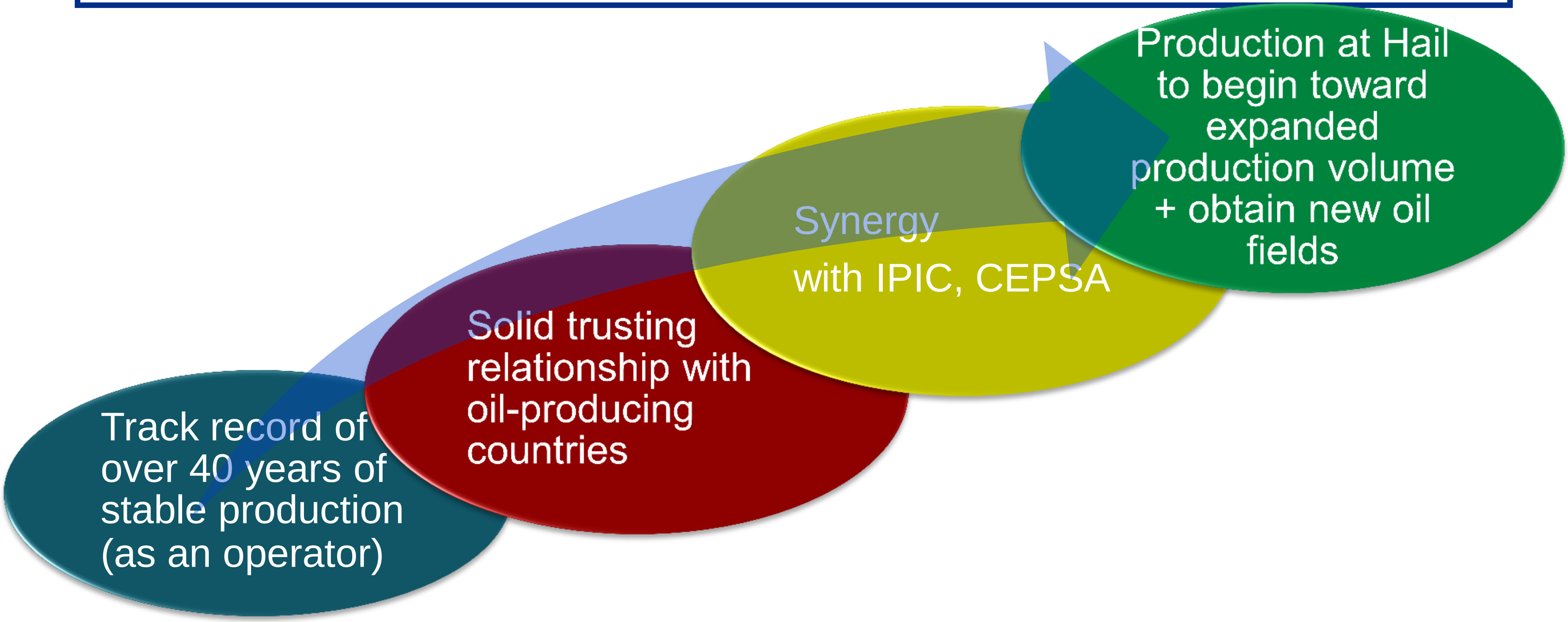
■Location Map of QPD Contract and UPD Concession Area



[Oil E&P Business] – Become the pillar of vertically integrated global energy companies

<Growth strategy>

- Aim at sustained expansion in production volume by exercising synergy with partner companies
- Concentrated investment on low-risk projects, centered on oil fields that have discovered already but yet to be developed



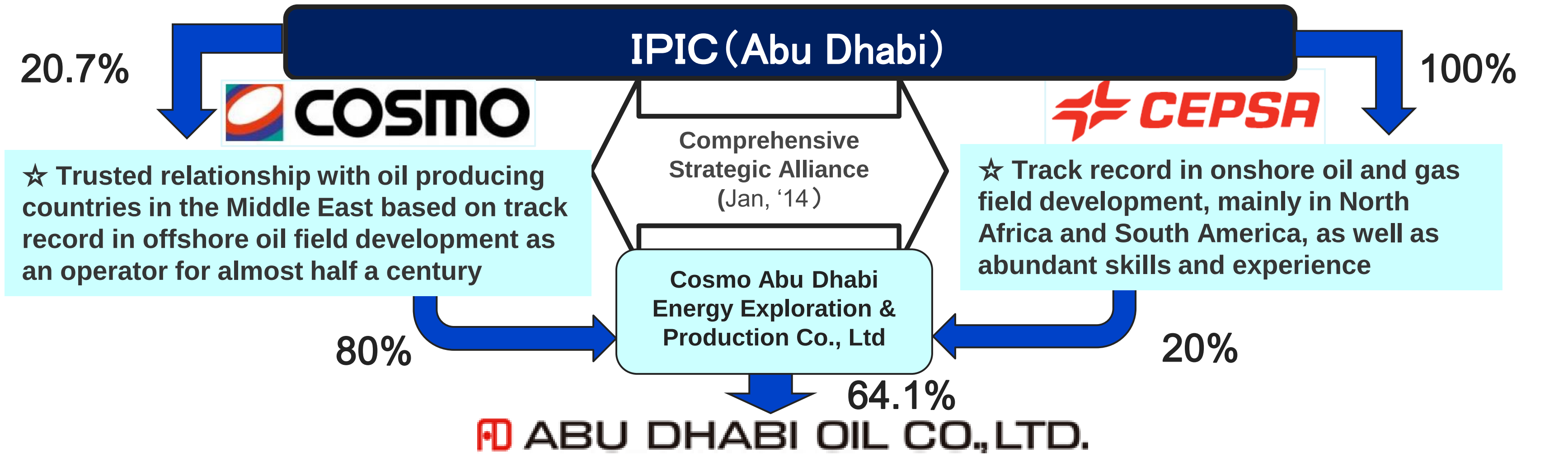
<Risk tolerance>

✓ Geopolitical risks	⇒	Operations in UAE, Qatar, where political conditions are relatively stable and where strong motivation to utilize foreign investments exists
✓ Development risks	⇒	Track record as an operator of stable operations of over 40 years and solid trusting relationship with oil-producing countries
✓ Financial risks	⇒	Diversifying business portfolio, joint businesses with partners
✓ Price fluctuation risks	⇒	Factors supporting crude oil prices exist (presence of shale oil, which involves high development costs, budget of oil-producing companies)

[Oil E&P Business] – Enhancement of alliance with CEPSA

∗ Press Release (6th Nov, 2014)

- ✓ Cosmo aims to reinforce and expand the strategic partnership with CEPSA by transferring part of shares of newly established upstream subsidiary "Cosmo Abu Dhabi Energy Exploration & Production" (20%, 24.6bn JPY*1) to CEPSA, which is in line with the "Further strengthen alliances with IPIC" policy stipulated as part of the 5th Consolidated Medium-Term Management Plan
- ✓ Cosmo and CEPSA, with support of common shareholder IPIC, have launched an working group together with the Abu Dhabi National Oil Company to identify new E&P business opportunities

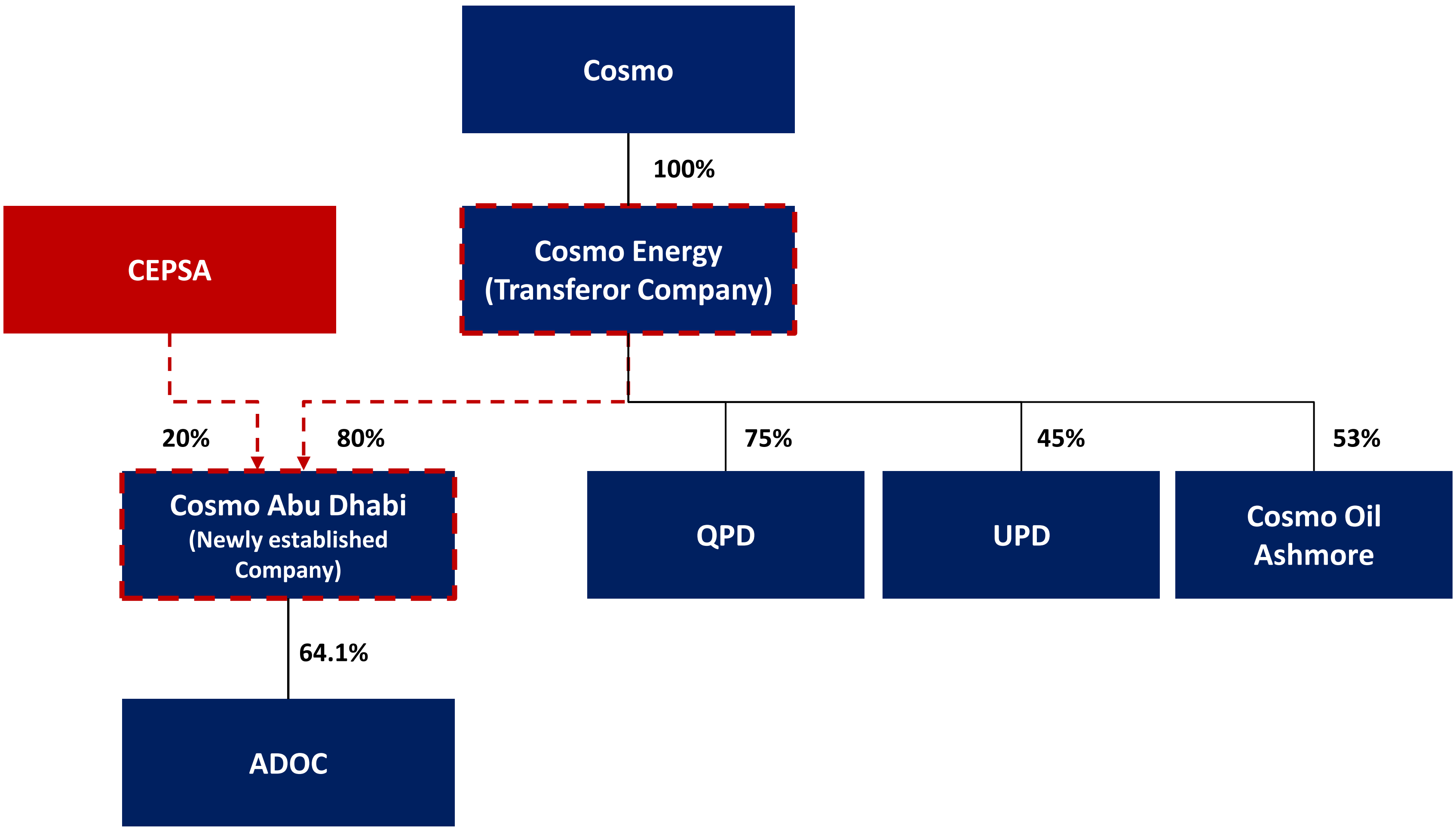


＜Outline of the Transaction, the value of upstream business of Cosmo Oil Group＞

- Cosmo Energy, which owns a 64.1% stake in Abu Dhabi Oil Co., Ltd. (ADOC), will transfer its ADOC shares into a newly established Cosmo Abu Dhabi.
- ADOC remains to be subsidiaries of Cosmo.
- Share Transfer Price ： 24.6 billion yen*1)（USD 217 million*2）
- The transfer price implies a total value of Cosmo Abu Dhabi of 122.8 billion yen（USD 1,086 million*2）
- As a result of the transaction, Cosmo expects to record an extraordinary profit of 14.0 billion yen as a gain from sale of affiliate stock in its consolidated results for FY2014. The proceeds gained from the Transaction will be kept as retained earnings and mainly used for investments in growth opportunities.

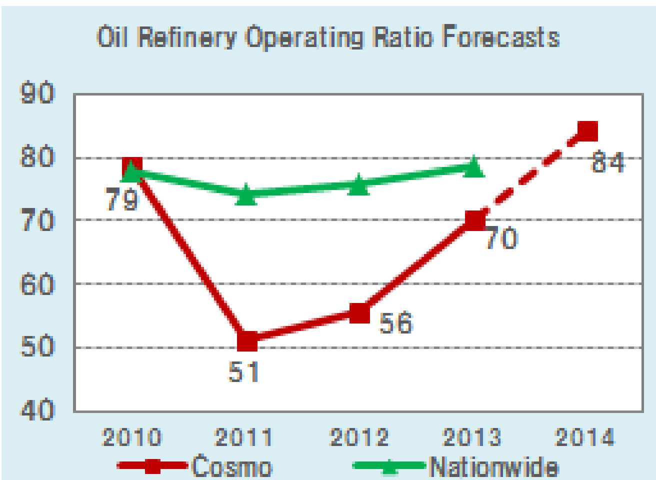
*1）Estimated based on JPY/USD = 113

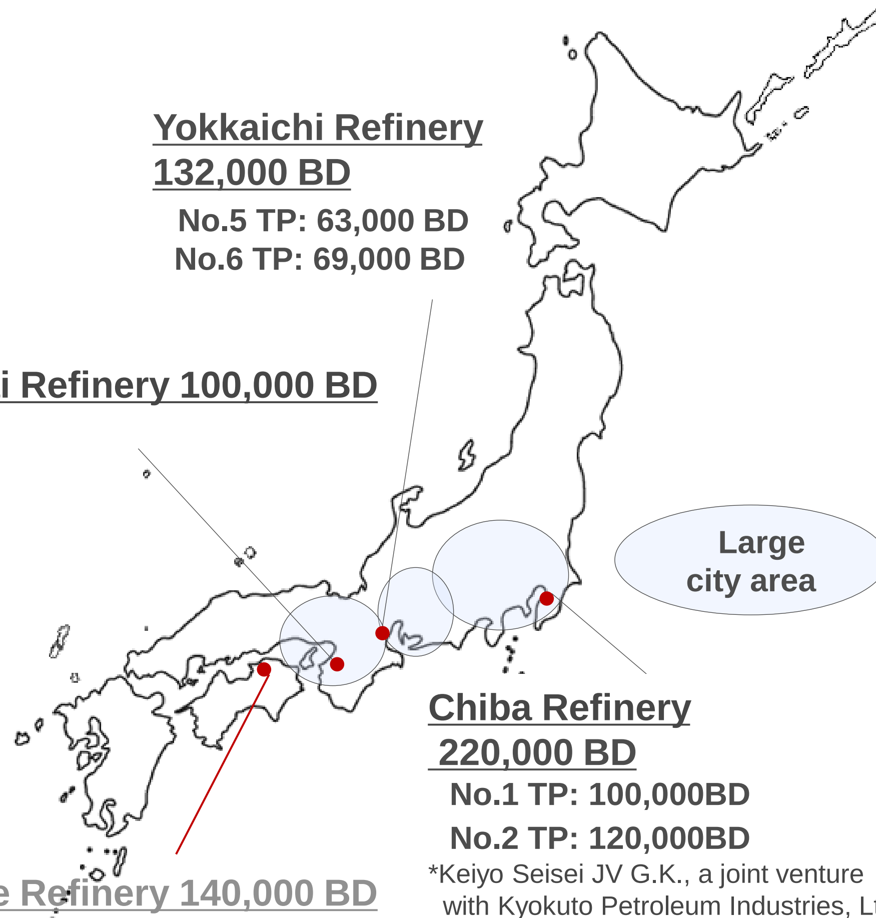
*2) Certain price adjustment assumed to be made to the transfer price upon closing


Cosmo
100%
CEPSA
Cosmo Energy
(Transferor Company)
20%
80%
75%
45%
53%
Cosmo Abu Dhabi
(Newly established
Company)
QPD
UPD
Cosmo Oil
Ashmore
64.1%
ADOC

- ✓ Stable operations in 3Q FY2014 as per the initial plan, including regular maintenances at Chiba refinery
- ✓ Aim at obtaining plant certification for Chiba refinery during FY2015

FY2017
Ordinary income
18.0 billon yen





COSMO OIL CO., LTD.

[Petroleum Business]
- Joint Project with Kyokuto Petroleum Industries, Ltd. (Conclusion of Basic Contract) -

- ✓ Concluded a basic contract on a joint project and established Keiyo Seisei JV G.K. in January 2015.
- ✓ Reached a formal agreement on the construction of pipelines.
- ✓ Aim to improve production efficiency by developing a comprehensive production plan for the two refineries ahead of the completion of pipelines
- ✓ Assume that synergies between both companies will be 10 billion yen (1 billion yen before the completion of pipelines).

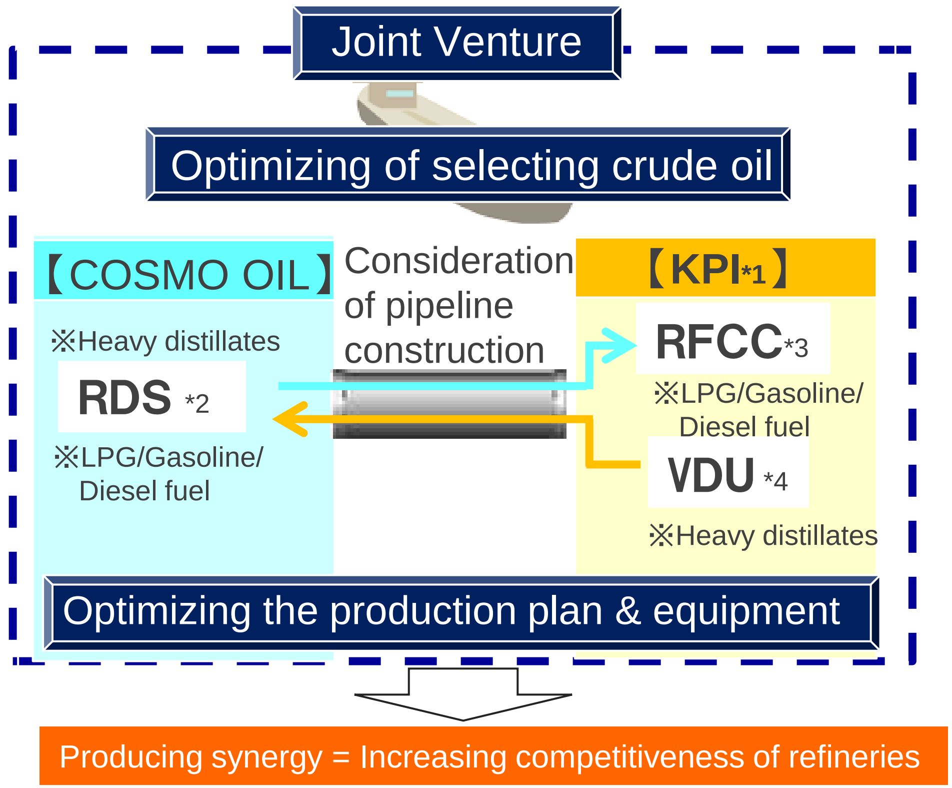
Basic contract, decisions

■Establishment of Keiyo Seisei JV G.K. (January 2015)
- Investment ratio: each company to take a 50% stake
- Business: development of a production plan for both refineries

■Formal agreement on the construction of pipelines
- A formal order to be placed in January 2015
- Nine pipelines to be laid
- Each of the two companies to provide half of the construction costs (each assumed to pay ¥15 billion)
- The project has been chosen as a project to be subsidized by the Ministry of Economy, Trade and Industry.

■Integration of the two refineries
- Integration of refinery equipment after the pipelines are completed
- To produce synergy from the integration, considering optimization of equipment including Crude oil Distillation Unit.

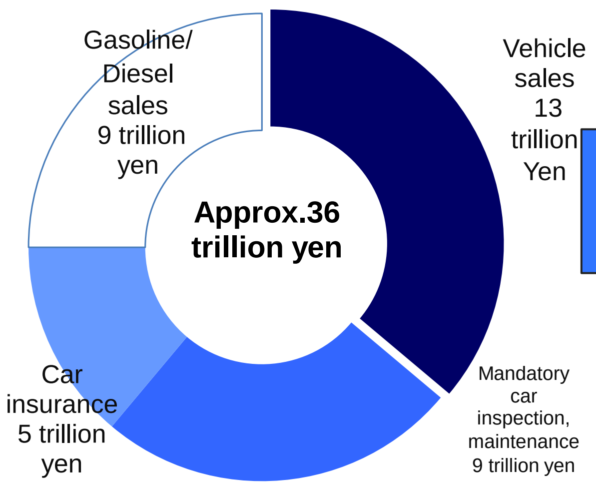
<An example of Synergy>



＊1)KPI＝Kyokuto Petroleum Industries
＊2)RDS＝Residue Hydro desulfurization unit
＊3)RFCC＝Residue Fluid Catalytic Cracker
＊4)VDU＝ Vacuum Distillation Unit

- ✓ Utilize the infrastructure for retaining existing customers and gaining new customers as a platform.
- ✓ Aim at strengthening SS profitability by converting to "car life value proposition" by positioning the individual leasing business at the core.

Market size of car-related business



Source: Created by the Company based on the September 2013 supplementary volume of the monthly issue Gasoline Stand

[Cosmo Oil's measures to strengthen its retail operations]

<Strategy>

Capitalize on the higher frequency at which SSs serve customers (500,000 vehicles a day*) over competitors engaged in car related business.

Place a focus on the car life market with a scale of 27 trillion yen in addition to gasoline and diesel oil sales

<Tactics>

Capturing and retaining customers in the individual vehicle leasing business

Contract type: Centered on five-year contracts with monthly fixed-rate payments

Contract coverage: Vehicle lease, vehicle inspection and maintenance, insurance and tax

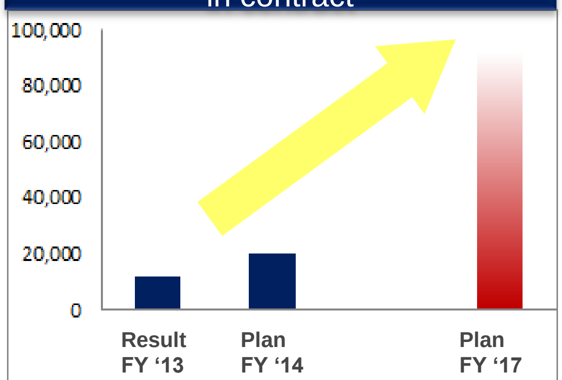
Privilege: A reduced price for fuel oil at Cosmo Oil SSs only

Business model patent acquired

Utilize infrastructure

* The number of vehicles visiting Cosmo Oil SSs estimated by the company

Target for cumulative vehicles in contract



Retaining existing customers

- Cosmo the Card (credit card)
  - Number of active card holders: 4.22 million (as of the end of Dec. 2014)
- Vehicle Life (two-way communication)
  - Guiding customers from online to SSs

Gaining new customers

- Mutually introducing customers with large shopping malls (e.g. AEON) and other operators running different types of business
- Launching electronic money payment services at SSs
- Launching SSs at large shopping malls

Agreement Concluded on Integration of LP Gas Import and Wholesale Operations

* Press release :as of August 5 ,2014

✓ Purpose of business integration :

The LP gas import and wholesale operations (LP gas import/procurement, shipping terminal operation, logistics, and domestic wholesaling) and overseas trading operations of the four corporate groups(*) will be consolidated into an integrated structure to create one of Japan's top-class LP gas import and wholesale companies.

✓ Business integration method :

The four corporate groups will carry out absorption-type spin-offs of their LP gas import and wholesale operations and integrate these operations, with Cosmo Petroleum Gas Co., Ltd. (a wholly-owned subsidiary of Cosmo) as the receiving company. Cosmo, Showa Shell, Sumitomo Corporation, and Tonen General will each acquire a 25% stake in the integrated import and wholesale company.

✓ Integration deadline (effective date) : April 1, 2015

*) Cosmo Oil Company, Limited/Showa Shell Sekiyu K.K. / Sumitomo Corporation, / Tonen General Sekiyu K.K.

	Profile of integrated import and wholesale company (tentative)
Description of business	Manufacture, storage, transport, sale and import/export of LP gas
Capital	11 billion yen
Settlement period	December
Shareholders and ownership	Cosmo (25%), Showa Shell (25%) Sumitomo Corporation (25%), TonenGeneral (25%)
Sales revenue	Approx. 400 billion yen
Domestic sales volume	Approx. 3.6 million tons
Import volume	Approx. 3 million tons
Overseas trading volume	Approx. 1 million tons
Principal offices	Seven LP gas import terminals （Kashima, Chiba, Kawasaki, Hekinan (in Aichi Prefecture), Yokkaichi, Sakai, Oita）
	Four LP gas secondary terminals(Shimizu, Sakaide, Matsuyama, Hiroshima）
Principal subsidiaries and affiliates	Yokkaichi LPG Terminal Co., Ltd. Kashima LPG Joint Stockpiling Co., Ltd. Oita LPG Joint Stockpiling Co., Ltd. Hiroshima LPG Terminal Co., Ltd.

Agreement Concluded on Integration of LP Gas Import and Wholesale Operations

* Press release :as of August 5 ,2014

✓ Purpose of business integration :
The three corporate groups(*) will consolidate the know-how, personnel, and assets of their LP gas retail operations to establish and continually develop a solid business foundation for LP gas retail operations.

✓ Business integration method :
This integration will be carried out through exchanges of shares that will make Enessance a wholly owning parent company and Tohoku Cosmo a wholly owned subsidiary company. Enessance's shares will be held by Showa Shell (47.7%), Sumitomo Corporation (45.9%), and Cosmo (6.4%).
•Prior to the share exchange, Tohoku Cosmo will succeed to the rights and obligations of Sogo Energy's LP gas retail operations via an absorption-type company split.

✓ Integration deadline (effective date) : April 1, 2015

*) Cosmo Oil Company, Limited/Showa Shell Sekiyu K.K. / Sumitomo Corporation

	Profile of integrated retail company (tentative)
Description of business	LP gas retail operations
Capital	115.8 million yen
Settlement period	December
Shareholders and ownership	Showa Shell (47.7%), Sumitomo Corporation (45.9%), and Cosmo (6.4%)
Sales revenue	Approx. 63 billion yen
Sales volume	Approx. 220,000 tons
Number of households supplied	Approx. 250,000
Number of employees	Approx. 1,500
Subsidiaries for local retailing	Hokkaido, Tohoku, Niigata, Kanto, Chubu, Kyushu

Break into the MX and PX businesses as measures in response to declining demand for gasoline in Japan, accelerating a shift toward the petrochemical business; a shift “from fuel to raw materials” will improve added values to increase earnings at the business.

FY2017 Ordinary income 10.0 billon yen

Capacity

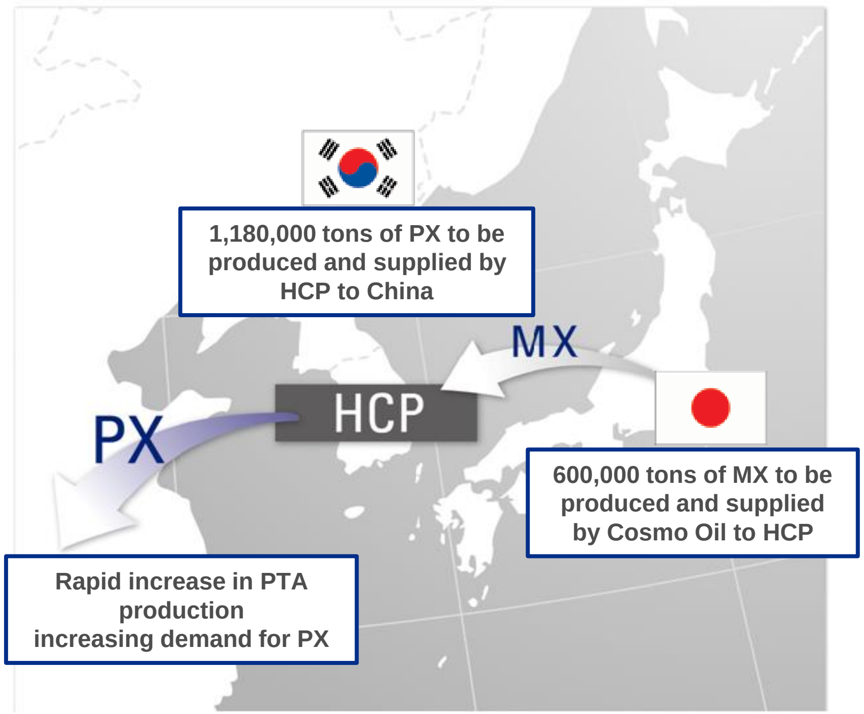
k ton/year

Company	Ethylene	PX	BZ	MX
HCP	-	1,180	250	-
Maruzen Petrochemical (*1,*2)	1,293	-	598	72
CM Aromatics	-	-	-	270
Cosmo Matsuyama*4)	-	-	91	30
Yokkaichi Refinery (*3)	-	-	-	300

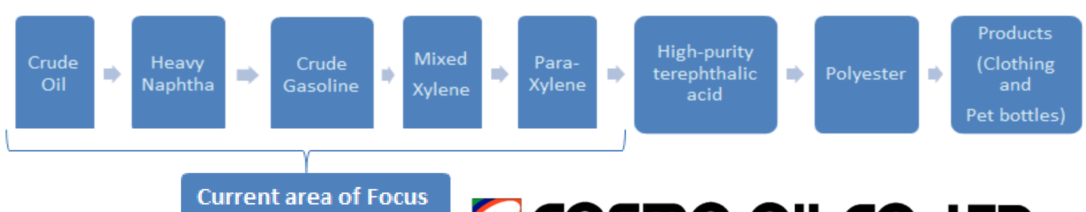
HCP : 50.0% (equity-method affiliate)
Maruzen Petrochemical : 43.9% (equity-method affiliate)
CM Aromatics : 65.0% (consolidated subsidiary)
Cosmo Matsuyama Oil : 100.0% (consolidated subsidiary)

*1) The ethylene production capacity of the Maruzen Petrochemical Co., Ltd. Group includes the capacity of Keiyo Ethylene Co., Ltd. (768,000 tons/year) in Maruzen Petrochemical Co., Ltd. Has a 55% of equity interest.
*2) The ethylene production capacity shown in the table is that of non-shut down maintenance year.
*3) Earnings from the MX production unit at the Yokkaichi Refinery are included in the petroleum business segment..

HCP’s East Asia Trans-Border Business Model



Para Xylene Refining Process



- ✓ Major improvement in the profitability of the wind power generation business as a result of the introduction of the Japan's feed-in tariff (FIT) scheme
- ✓ Profitability of the renewable energy business expands by pushing forward with development of new sites

FY2017
Ordinary income
4.5 billon yen

Wind power generation business begins (2010)

Purchased a wind power business at residual value (1 yen) from Ebara Corporation in March 2010. Turned into a profitable business by strengthening maintenance of existing sites.

Introduction of the feed-in tariff (FIT) scheme

Business profitability improves with the implementation of an all-quantity buyback program program in July 2012. Profits stabilize as acquisition price for wind power generation at 22 yen/kwh (excluding taxes).

Medium-Term Management Plan (FY2013 - 2017)

In view of changes seen in the environment, aim to expand profitability of the wind power generation business and begin development of new sites.
Aim to expand business to <u>a total of around 90,000 kw</u> during the period covered by the Medium-Term Management Plan

■Overview of Eco Power Co., Ltd.
Capital: 7.1 billion yen
Number of wind turbines: 137 (21 sites)
Power generation capacity: 167,000 kW
Industry share: around 5% (ranked 4th)

*As of December,2014

[Initiating Preparation for Transformation to a Holding Company]

* Press release :as of February 5 ,2015

✓ Initiating preparation for transformation to a holding company planned tentatively for October, 2015.
✓ For Cosmo Group to realize sustainable growth in the future, it is essential to implement optimal distribution of limited business resources, surveying the whole group, and strengthening its competitiveness by business unit.

Objectives

■ Promote an Alliance in Each Business Line
- Pursuing a flexible and swift alliance strategy by business line

■ Accelerate the Enhancement of Group Management and Shift Management Resources
- Monitoring of the group's management will be separated from business execution.
- Realize optimal management resource distribution.

■ Strengthen Business Competitiveness / Realize Stable Profits of the Holding Company
- Each business company , by clearly defining responsibilities and authority, aims to expedite decision-making as well as to enhance the expertise and motivation of employees.
- A holding company aims to realize stable profits by separating business risks, such as inventory valuation due to market fluctuation.

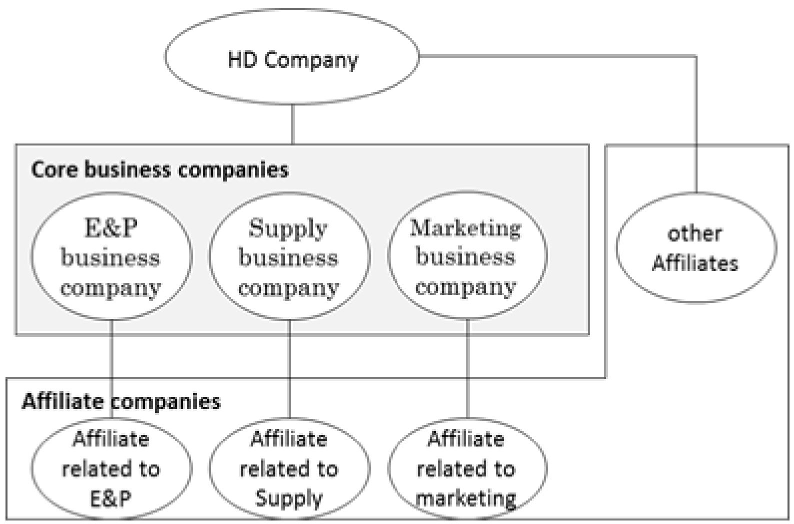
Schedule

- May, 2015 (scheduled) : Resolution of Board of Directors for transformation to a holding company
- Jun, 2015 (scheduled) : Approval at annual general Shareholders' meeting for transformation to a holding company
- Oct, 2015 (scheduled) : Execution of transformation to a holding company

Group Structure

■ To Enhance governance, we will prepare for the transformation to a holding company with the governing form of a company with audit and supervisory committees.

■ Group structure to be composed on the basis of a holding company and the core three business companies (E&P business company, Supply business company and Marketing business company) .



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