

**Cosmo Oil Co., Ltd.
Presentation on Results for
First Quarter of Fiscal 2015**

**August 4, 2015
Senior Executive Officer
Kenichi Taki**

Results for First Quarter of Fiscal 2015

Review for Each Business and Key Points of the Financial Results

1

(Petroleum business)

- ✓ Income in this segment rose by ¥9.9 billion year-on-year, driven by efforts to achieve a safe level of operation and stable supply at our refineries and by securing a proper margin.

(Petrochemical business)

- ✓ In spite of the sluggish market conditions for aromatic products (PX), income in this segment increased by ¥2.7 billion year-on-year, supported by improving market conditions for ethylene.

(Oil exploration and production business)

- ✓ While the production volume increasing, income in this segment declined by ¥7.0 billion year-on-year due to a drop in oil prices.

(Key points of financial results)

- ✓ Excluding the impact of inventory valuation, consolidated ordinary income increased by ¥5.4 billion year-on-year to ¥10.6 billion.
- ✓ The financial results in the quarter under review remained at a higher pace than planned. However, we will make conservative estimates for our business environment in the future, and thus do not intend to modify the forecasts at this time.

2

Topics - Initiatives to Strengthen the Competitiveness of Refineries -

- ✓ Business alliance with Showa Yokkaichi Sekiyu of the Showa Shell Sekiyu Group (announced May 14)
- ✓ Construction of pipelines that connect our Chiba Refinery and TonenGeneral's Chiba refinery (Starting June 12)



Have already determined the policies for complying with the Act on sophisticated methods of energy supply structures (*See P.21).

Unit: billion yen

| | FY2015 (Apr.-Jun.2015) | FY2014 (Apr.-Jun.2014) | Changes |
|---|---------------------------|---------------------------|---------|
| Net sales | 595.4 | 744.4 | -149.0 |
| Cost of sales | 543.6 | 708.5 | -164.9 |
| Selling, general and administrative expenses | 28.9 | 31.1 | -2.2 |
| Operating income | 22.9 | 4.8 | 18.1 |
| Non-operating income/expenses, net | -0.7 | -2.7 | 2.0 |
| Ordinary income | 22.2 | 2.1 | 20.1 |
| Extraordinary income/losses, net | 0.0 | -1.8 | 1.8 |
| Income taxes | 7.8 | 5.7 | 2.1 |
| Profit attributable to non-controlling interests | 0.7 | 1.1 | -0.4 |
| Profit attributable to owners of parent | 13.7 | -6.5 | 20.2 |
| Impact of inventory valuation | 11.6 | -3.1 | 14.7 |
| Ordinary income excluding impact of inventory valuation | 10.6 | 5.2 | 5.4 |
| Dubai crude oil price (USD/B) | 61.3 | 106.1 | -44.8 |
| JPY/USD exchange rate (yen/USD) | 121.4 | 102.1 | 19.3 |

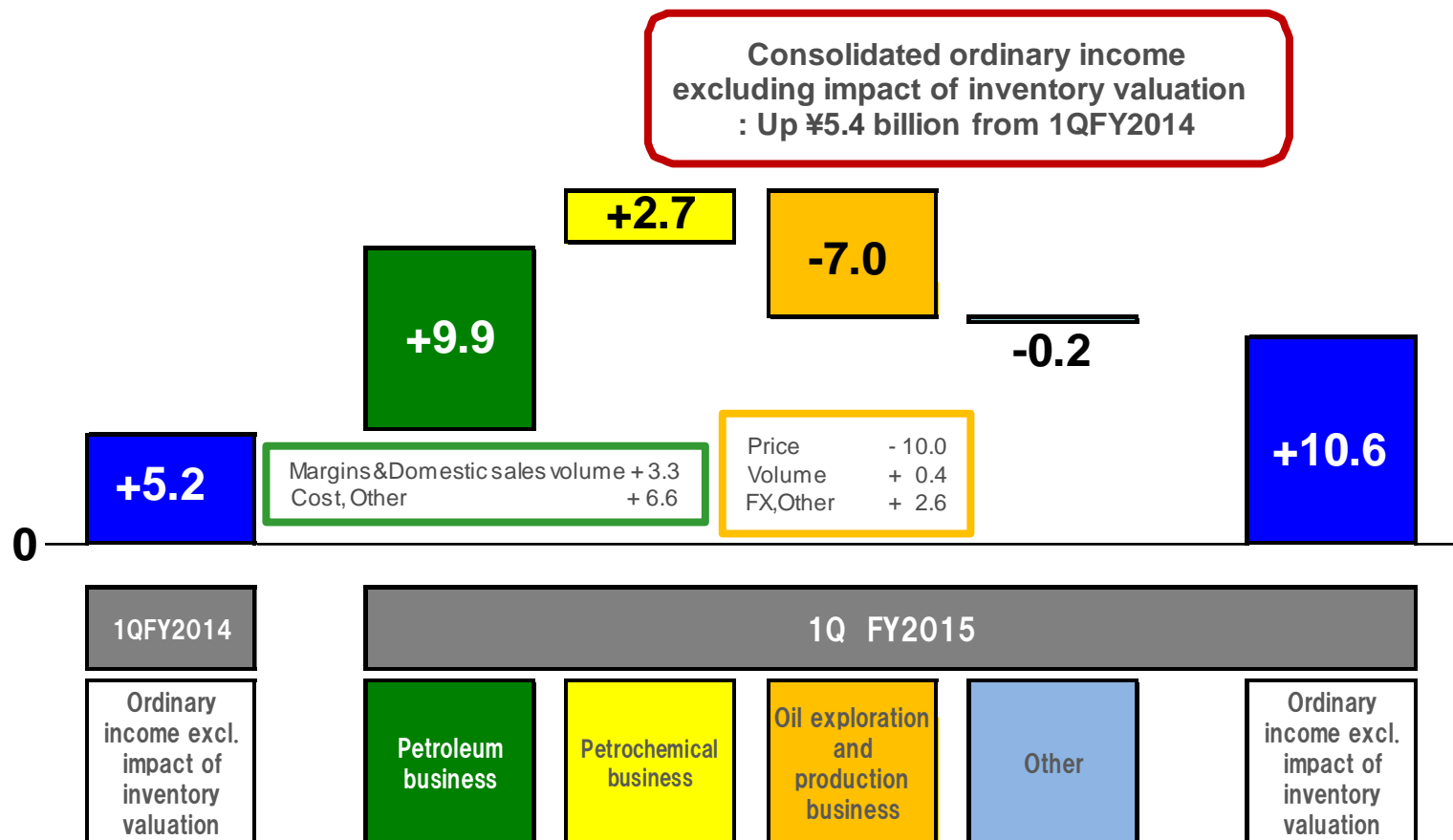
Unit: billion yen

| | FY2015 (Apr.-Jun.2015) | FY2014 (Apr.-Jun.2014) | Changes |
|---|---------------------------|---------------------------|-------------|
| Ordinary income excluding impact of inventory valuation | 10.6 | 5.2 | 5.4 |
| Petroleum business | 18.0 | -6.1 | 24.1 |
| Petroleum business (Excluding impact of inventory valuation) | 6.9 | -3.0 | 9.9 |
| Petrochemical business | 1.4 | -1.8 | 3.2 |
| Petrochemical business (Excluding impact of inventory valuation) | 0.9 | -1.8 | 2.7 |
| Oil E & P business | 2.6 | 9.6 | -7.0 |
| Other (*) | 0.2 | 0.4 | -0.2 |

* Including consolidated adjustment

| | | |
|----------------------------|------------------------|---|
| Key variable factors | Petroleum Business | : Higher earnings with a safe level of operation and stable supply at our refineries and with securing a proper margin. |
| | Petrochemical Business | : Higher earnings due to improving market conditions for ethylene. |
| | Oil E&P Business | : Lower earnings due to a decline in oil prices, despite recovering production volume. |

Unit: billion yen



- ✓ An increase in net assets due to higher earnings helped to improve the net worth ratio.
- ✓ The granting of a hybrid loan helped to reduce the debt equity ratio on ratings.

Consolidated Balance Sheets

Unit: billion yen

| | FY2015 (As of Jun. 30, '15) | FY2014 (As of Jun. 30, '14) | Changes |
|------------------------------------|--------------------------------|--------------------------------|-----------------|
| Total Assets | 1,418.6 | 1,428.6 | -10.0 |
| Net assets | 224.0 | 207.5 | 16.5 |
| Net worth | 183.9 | 167.2 | 16.7 |
| Net worth ratio | 13.0% | 11.7% | Up 1.3 points |
| Interest-bearing debts | 758.5 | 692.9 | 65.6 |
| Debt Equity Ratio | 4.1 | 4.1 | - |
| Net interest-bearing debt *1 | 699.5 | 597.7 | 101.8 |
| Debt Equity Ratio | 3.8 | 3.6 | Down 0.2 points |
| // (based on the credit rating) *2 | 3.1 | 3.6 | Up 0.5 points |

*1 Total interest-bearing debts net of cash and deposits as of the end of the period

*2 Net D/E ratio with 50% of the principal of hybrid loans, which received equity credit from Japan Credit Rating Agency, deemed as capital. (50% of 60 billion yen entered as capital on April 1, 2015)

Capital Expenditures, Depreciation, etc.

Unit: billion yen

| | 1Q FY2015 Results | Change from 1QFY2014 |
|----------------------------------|----------------------|-------------------------|
| Capital expenditures | 12.2 | -3.2 |
| Depreciation expense amount, etc | 7.5 | -0.3 |

Capital Expenditures by Business Segment

Unit: billion yen

| | 1Q FY2015 Results | 1QFY2014 Results | Change from 1QFY2014 |
|---------------|----------------------|---------------------|-------------------------|
| Petroleum | 4.0 | 9.0 | -5.0 |
| Petrochemical | 0.3 | 0.2 | 0.1 |
| Oil E&P | 6.8 | 2.2 | 4.6 |
| Other | 0.8 | 4.0 | -3.2 |
| Adjustment | 0.3 | 0.0 | 0.3 |
| Total | 12.2 | 15.4 | -3.2 |

Supplementary Information

- P.10 [1Q FY2015 Results / FY2015 Forecast] Sales volume
- P.11 [1Q FY2015 Results] Dubai Crude Oil Price and Processing Volume, CDU Operating Ratios, Crude Oil Production Volume
- P.12 Crude Reserves Estimate (Proved and Probable)
- P.13 [1Q FY2015 Results] Results by Business Segment – Changes from 1Q FY2014
- P.14 [1Q FY2015 Results] Historical Changes in the Number of Employees, Oil Storage Depots, SSs , Cards in Force and Number of contracted “Auto lease”
- P.15 Business Environment
- P.16 Diesel Fuel Export Results and Margin Environment
- P.17 Petrochemical business-Aromatic-Product Market Conditions
- P.18 Petrochemical business-Olefin-Product Market Conditions
- P.19~21 Strengthening the Competitiveness of Our Refineries
- P.22~23 The 5th Consolidated Medium-Term Management Plan and Progress
- P.24~27 Transformation to a Holding Company
- P.28~33 Forecast for FY2015 Performance (May13,2015 existing announcement)

Unit: thousand KL

| | | 1Q FY2015 Results | 1Q FY2014 Results | Changes | 1QFY2015 Result Changes from 1Q FY2014 | FY2015 Forecast | FY2015 Full Year outlook changes from FY2014 |
|---|---------------------------------------|----------------------|----------------------|---------|--|--------------------|---|
| Selling volume in Japan | Gasoline | 1,392 | 1,375 | 17 | 101.2% | 5,631 | 98.4% |
| | Kerosene | 236 | 223 | 13 | 105.8% | 1,849 | 95.3% |
| | Diesel fuel | 1,010 | 1,013 | -3 | 99.7% | 4,026 | 97.0% |
| | Heavy fuel oil A | 320 | 355 | -36 | 90.0% | 1,438 | 92.5% |
| | Sub-Total | 2,958 | 2,967 | -9 | 99.7% | 12,944 | 96.8% |
| | Naphtha | 1,646 | 1,257 | 389 | 131.0% | 6,183 | 99.1% |
| | Jet fuel | 95 | 98 | -3 | 97.1% | 485 | 103.4% |
| | Heavy fuel oil C | 442 | 411 | 31 | 107.6% | 1,262 | 75.9% |
| | inc. Heavy fuel oil C for electric | 231 | 196 | 35 | 117.8% | 509 | 60.7% |
| | Total | 5,141 | 4,732 | 409 | 108.6% | 20,873 | 96.0% |
| Export volume (including bond sales) | Middle distillates | 700 | 694 | 6 | 100.8% | 3,347 | 104.5% |
| | Other | 179 | 233 | -54 | 76.7% | 1,017 | 95.0% |
| | Sub-Total | 879 | 927 | -48 | 94.8% | 4,364 | 102.2% |
| Barter deal, etc. | | 2,203 | 2,052 | 151 | 107.3% | 9,356 | 96.3% |
| Total selling volume | | 8,223 | 7,712 | 511 | 106.6% | 34,593 | 96.8% |

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

| | | 1Q FY2015 Results | 1Q FY2014 Results | Changes from 1Q FY2014 | |
|---------------------------------|--|-------------------|-------------------|------------------------|--------|
| Dubai crude oil price (USD/B) | | 61.3 | 106.1 | -44.8 | — |
| JPY/USD exchange rate (yen/USD) | | 121.4 | 102.1 | 19.3 | — |
| Crude oil refining | Refined crude oil volume (thousand KL) | 4,990 | 4,775 | 215 | 104.5% |
| | CDU operating ratio (Calendar Day) | 76.3% | 73.0% | 3.3% | — |
| | CDU operating ratio (Streaming Day) * | 96.7% | 89.2% | 7.6% | — |

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

[2] Crude oil production volume

| | | 1Q FY2015 Results | 1Q FY2014 Results | Changes from 1Q FY2014 | |
|---|--|-------------------|-------------------|------------------------|--------|
| Cosmo Energy Exploration & Production Co., Ltd. (B/D) | | 37,352 | 36,999 | 353 | 101.0% |

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

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

*3) 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.

(As of Dec. 31, 2014)

| Crude Reserves Estimate (working interest base) (*1) | | |
|---|----------------|---|
| | mmbbls | |
| ①Proved Reserves (*2) | 85.3 | Note: The reserves include reserves of new concession area, Hail field. |
| ②Probable Reserves (*3) | 82.3 | |
| ③Total Proved and Probable Reserves (①+②) | 167.6 | |
| (Ref.: Reserves to Production Ratio of Total Proved and Probable Reserves) | about 26 years | Note: The daily average crude production based on working interest reached 18 thousands bpd for FY2014. |

(*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)

1Q FY2015 Results – Changes from 1Q FY2014

Unit: billion yen

| | Net Sales | | Operating Income | | Ordinary Income | | Ordinary Income (excluding impact of inventory valuation, cost or market method) | |
|------------------------|-----------|---------------------------|------------------|---------------------------|-----------------|---------------------------|---|---------------------------|
| | | Changes from 1Q FY2014 | | Changes from 1Q FY2014 | | Changes from 1Q FY2014 | | Changes from 1Q FY2014 |
| Petroleum business | 588.1 | -145.3 | 19.2 | 23.7 | 18.0 | 24.1 | 6.9 | 9.9 |
| Petrochemical business | 8.6 | 1.0 | 0.1 | 0.5 | 1.4 | 3.2 | 0.9 | 2.7 |
| Oil E&P business | 11.0 | -7.5 | 3.4 | -6.2 | 2.6 | -7.0 | 2.6 | -7.0 |
| Other | 14.4 | 0.6 | 0.6 | 0.3 | 0.5 | 0.0 | 0.5 | 0.0 |
| adjustment | -26.7 | 2.2 | -0.4 | -0.2 | -0.3 | -0.2 | -0.3 | -0.2 |
| Total | 595.4 | -149.0 | 22.9 | 18.1 | 22.2 | 20.1 | 10.6 | 5.4 |

Cosmo Group of Companies (by Segment)

| | |
|------------------------|---|
| Petroleum business | Cosmo Oil Co., Ltd., Cosmo Oil Sales Corp, 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. |

* Gyxis, formerly of Cosmo Petroleum Gas Co., Ltd., was founded in April 2015 and has its settlement term in December.
The financial results of Gyxis will be reflected from 2Q as an affiliated company in the petroleum business, which is accounted for by the equity method.

[1] Workforce size (Number of employees)

| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | 1QFY2015 |
|-----------------|--------|--------|--------|--------|--------|----------|
| Cosmo Oil alone | 2,135 | 2,025 | 1,899 | 1,837 | 1,643 | 1,687 |
| Cosmo Oil Group | 3,268 | 3,098 | 2,840 | 2,782 | 2,717 | 2,742 |

* Data as of the end of March of each fiscal year.

* Group headcounts combine those of non-consolidated Cosmo Oil, with those transferred, Orobationary employees and with senior employees.

[2] Number of oil storage depots (DTs)

| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | 1QFY2015 |
|------------|--------|--------|--------|--------|--------|----------|
| No. of DTs | 35 | 35 | 35 | 35 | 36 | 36 |

[3] Number of SSs by Operator Type

| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | 1QFY2015 |
|------------|--------|--------|--------|--------|--------|----------|
| Subsidiary | 967 | 939 | 914 | 899 | 881 | 883 |
| Dealers | 2,642 | 2,559 | 2,411 | 2,329 | 2,252 | 2,230 |
| Total | 3,609 | 3,498 | 3,325 | 3,228 | 3,133 | 3,113 |
| Mobile SSs | 36 | 34 | 33 | 34 | 34 | 31 |

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

| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | 1QFY2015 |
|---------------------------|--------|--------|--------|--------|--------|----------|
| Subsidiary | 548 | 550 | 550 | 550 | 552 | 555 |
| Dealers | 455 | 457 | 449 | 461 | 479 | 477 |
| Total | 1,003 | 1,007 | 999 | 1,011 | 1,031 | 1,032 |
| Share of Self-Service SSs | 27.8% | 28.8% | 30.0% | 31.3% | 32.9% | 33.2% |

[5] Cosmo The Card-Number of cards issued

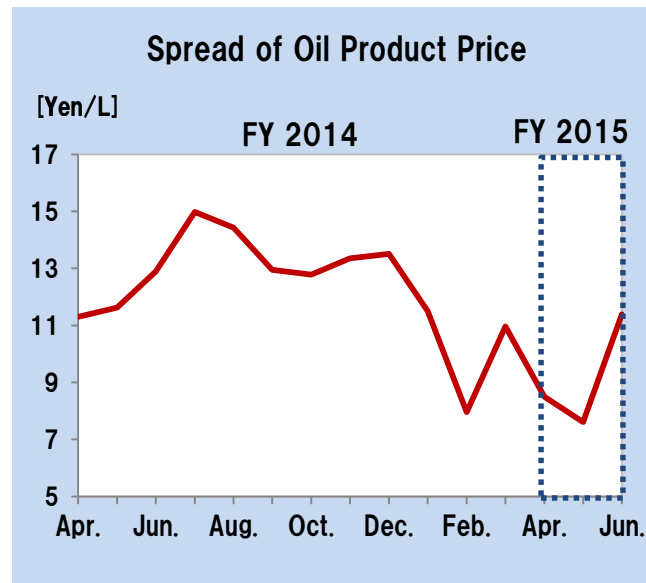
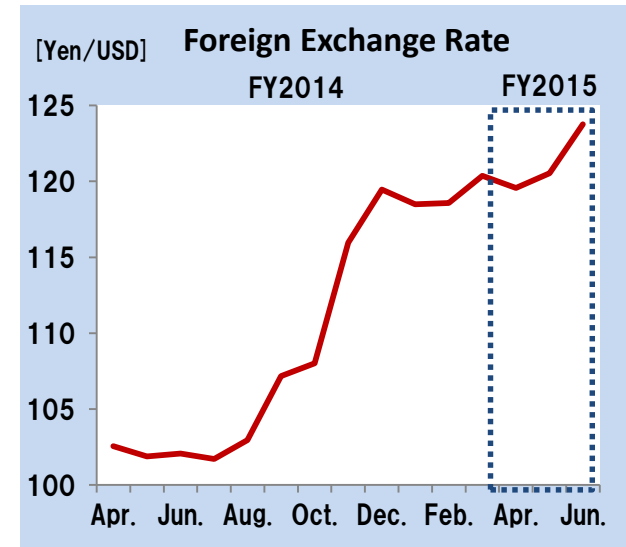
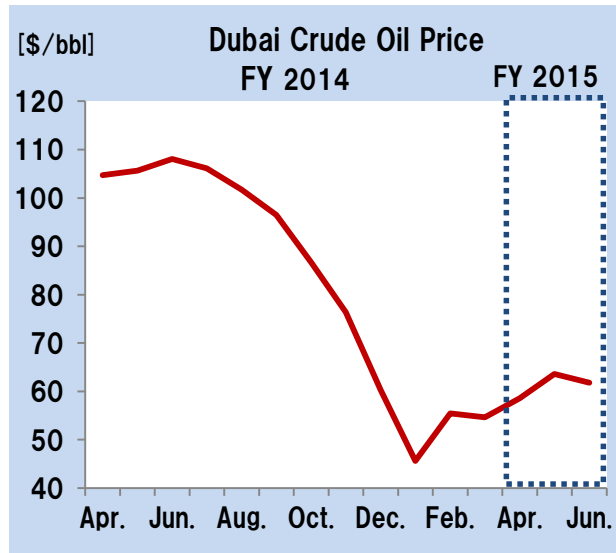
(Unit: million cards)

| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | 1QFY2015 |
|-----------------------|--------|--------|--------|--------|--------|----------|
| No. of cards in force | 3.77 | 3.93 | 4.10 | 4.20 | 4.31 | 4.33 |

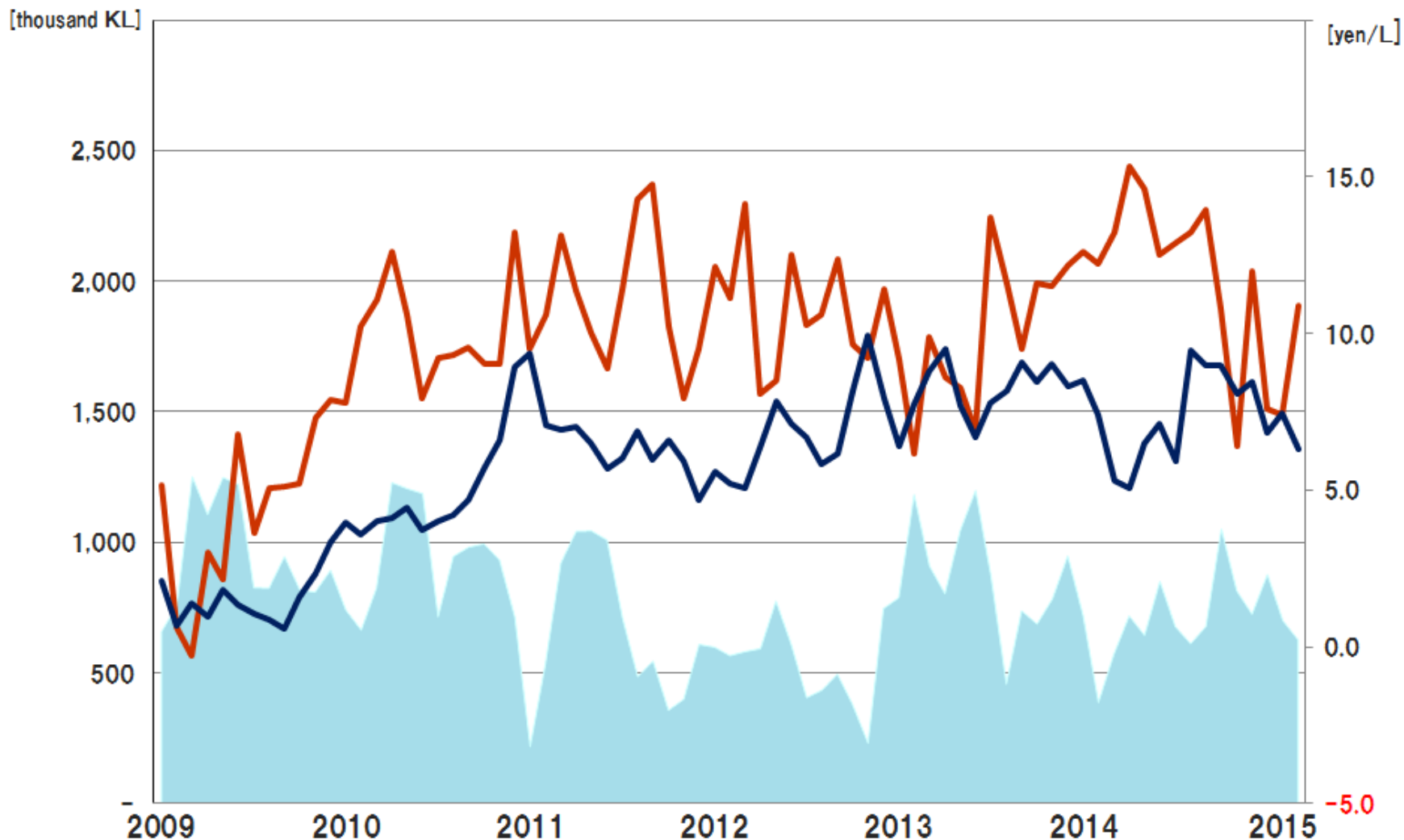
※ Including the numbers of the card Opus, Triple.

[6] Number of contracted auto lease

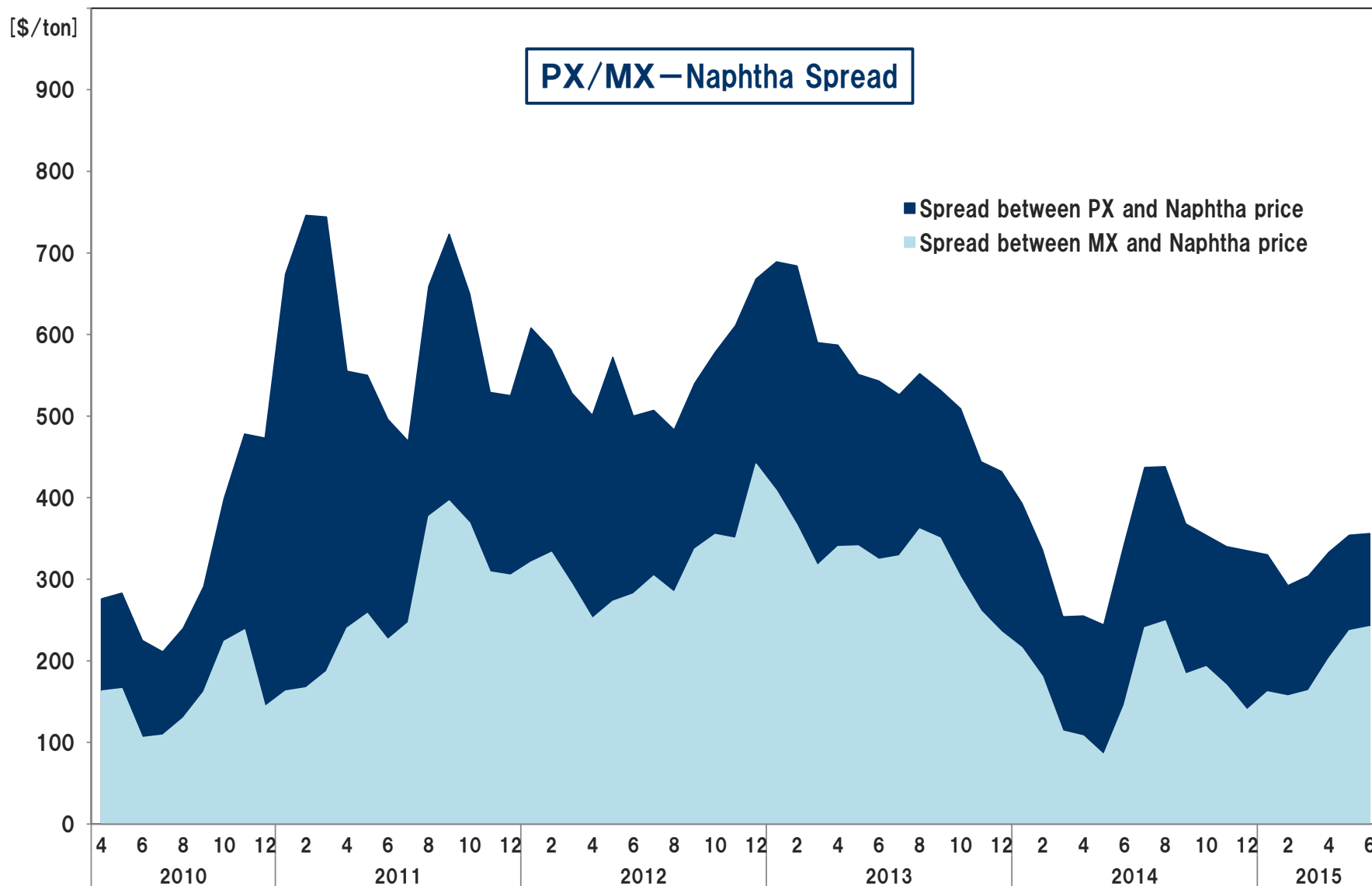
| | FY2010 | FY2011 | FY2012 | FY2013 | FY2014 | 1QFY2015 |
|---------------------------------|--------|--------|--------|--------|--------|----------|
| Number of contracted auto lease | - | 1,287 | 5,003 | 11,476 | 19,040 | 20,809 |

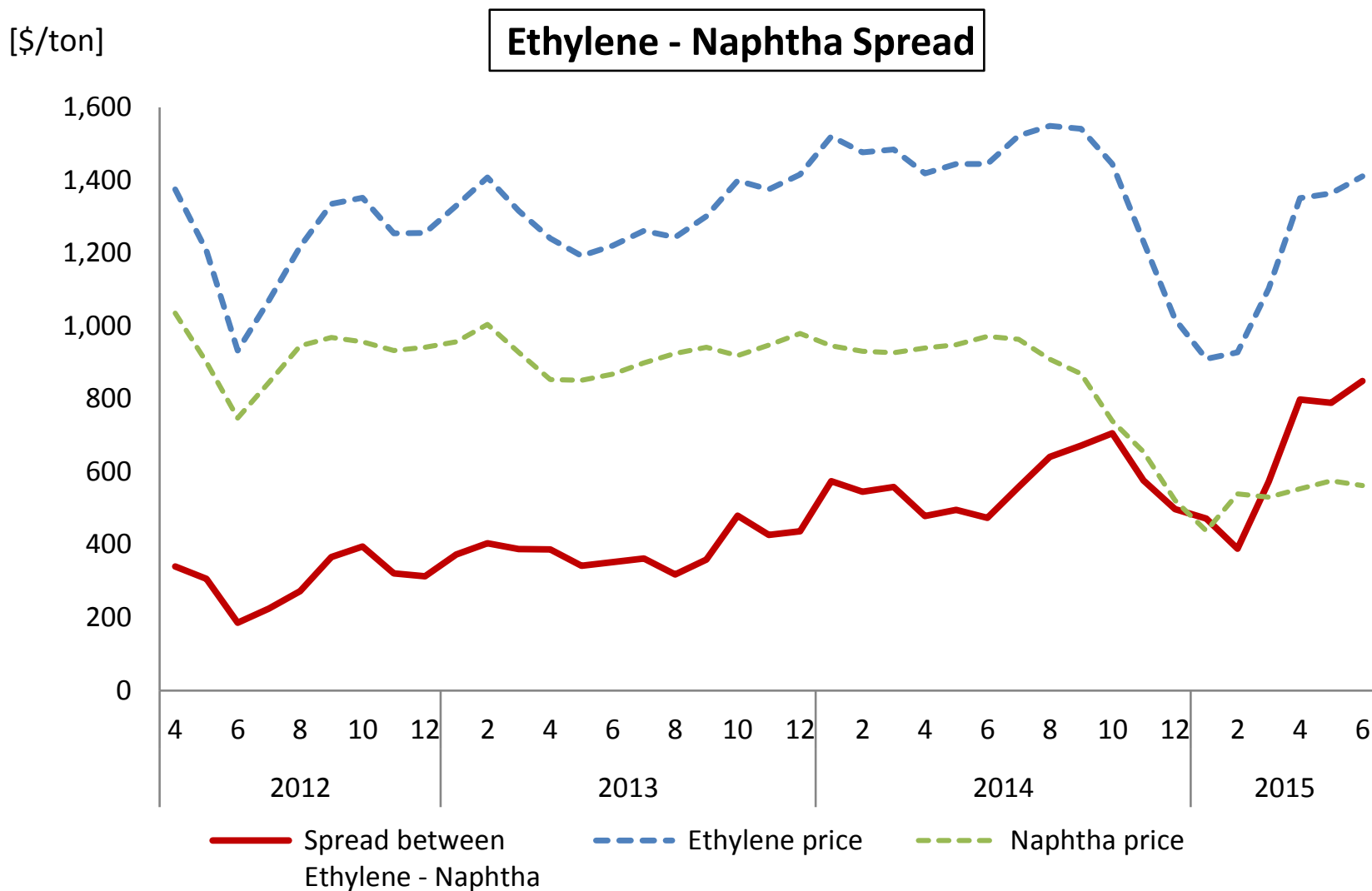


Product price of Domestic market – Crude oil price (Platt's Dubai)



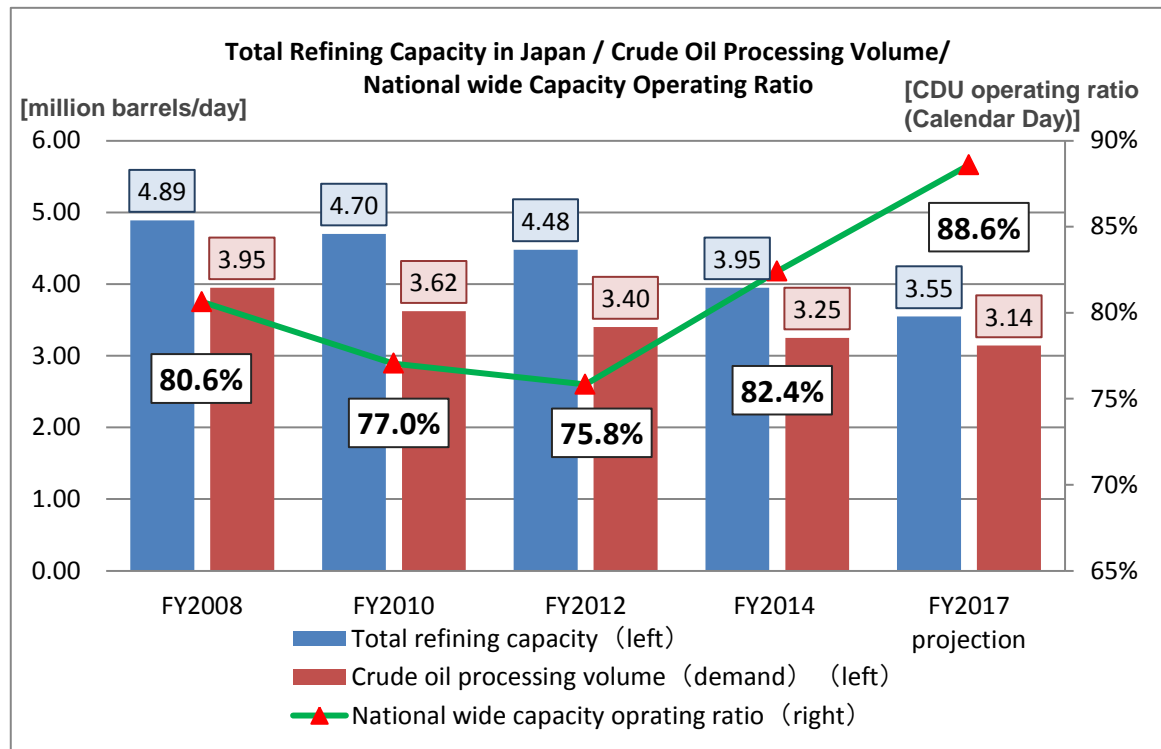
■ Total diesel fuel export volume from Japan (left axis)
— Diesel fuel - Japanese spot market spread between Dubai Crude and Product price (right axis)
— Deisel fuel (5.000ppm) - Singapore market spread between Dubai Crude and Product price (right axis)





Strengthening the Competitiveness of Our Refineries

- ✓ With the enforcement of the Act on Sophisticated Methods of Energy Supply Structures (deadline of March 2014), domestic refining capacity decreases and the supply and demand balance becomes reasonable.
- ✓ With the partial amendment to the Act above (deadline of March 2017), a reasonable supply and demand balance is expected to be maintained in the medium term.
- ✓ All the refineries across Japan will be operated at almost full capacity, by taking into consideration suspended operations for regular maintenance.



Source: “Natural Resources and Energy Statistics” of the Ministry of Economy, Trade and Industry, etc.

* Actual results of total refining capacity and crude oil processing volume are the average from January to December.

* Total refining capacity for 2017 is a forecast based on the assumption that all companies reduce CDU capacity according to the amended Act on Sophisticated Methods of Energy Supply Structures (deadline of March 2017).

*Crude oil processing volume for FY2017 is our estimation based on the assumption by the Ministry of Economy, Trade and Industry announced on April 2015.

- ✓ Promoted rationalization and efficiency, including alliances in each region.
- ✓ Steadily strengthened the competitiveness of our refineries.
- ✓ Have already determined the policies for complying with the Act of sophisticated methods of energy supply structures.

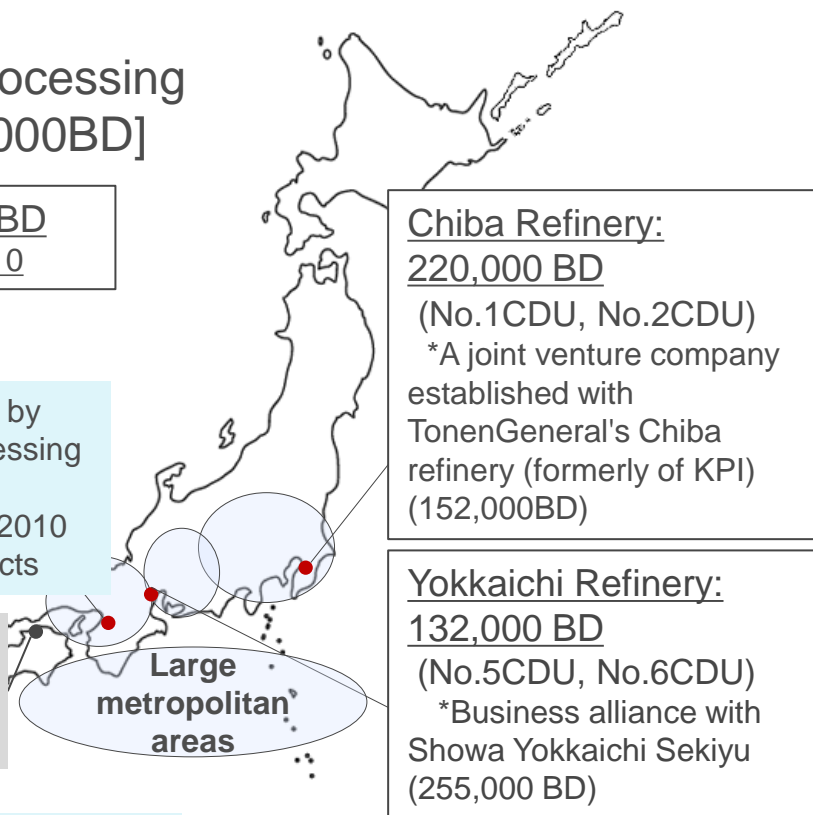
[Our crude oil processing capacity: 452,000BD]

Sakai Refinery: 100,000 BD
*Coker in operation since 2010

- [Greater competitiveness by investing in secondary processing equipment]
- ✓ Coker began operation in 2010
- ✓ Higher value-added products

Formerly of Sakaide Refinery: 140,000 BD
Closed in July 2013

[Conversion to an oil terminal]
Streamlining effect: About ¥10 billion



[More competitive through JV]

- ✓ Joint venture started by the established JV
- ✓ Construction of a pipeline started
- ✓ Refinery equipment to be integrated with JV after the pipelines are constructed
- ✓ One CDU will be reduced through JV

[Synergy from two companies: ¥10 billion/year]

- ◆ Higher value-added products
- ◆ Streamlined equipment

[More competitive through business alliances]

- ✓ One CDU will stop its operation and streamline equipment
- ✓ Consignment of crude oil refining

[Synergy from two companies]

- ◆ Higher value-added products
- ◆ Streamlined equipment

The 5th Consolidated Medium-Term Management Plan and Progress

Progress of Priority Measures in the 5th Consolidated Medium-Term Management Plan

23

Unit: billion yen

| | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | Ordinary income forecast |
|---|---|---|--|---|--|--------------------------|
| <Change of company form> | | | Resolution at annual general shareholders' meeting | Transformation to a holding company and a company with audit and supervisory committees | | - |
| <Oil E&P Business> | | | | | | |
| Hail oil field | Acquisition of mining areas | 3D seismic prospecting/data analysis | Dredging waterway, construction of artificial island, etc. | Excavation of appraisal well | Production to begin | 77.5 |
| Comprehensive strategic alliance with CEPSA | | | Forming a comprehensive strategic alliance, Cepsa took stake in ADOC, pursuing synergies | | | |
| Acquisition of new mining areas | | | Strengthening alliances with ADNOC and CEPSA to acquire new mining areas in Abu Dhabi | | | |
| <Petroleum Business> | | | | | | |
| Refineries | Closure of Sakaide Refinery | Rationalization, efficiency improvement (promotion of alliances) | | Skipping shutdown maintenance of Chiba Refinery | | 18.0 |
| Joint business in Chiba | Consider Chiba refinery/Joint business | | Establish Keiyo Seisei Pipeline construction | Start integrated operation of refineries | | |
| Business Partnership in Yokkaichi | | | Business partnership agreement (May, 2015) | | Commencement of the business partnership | |
| Car Leasing Business | Accumulated total: Approx. 20,000 vehicles | | Accumulated total: Approx. 60,000 vehicles | | Accumulated total: Approx. 90,000 vehicles | |
| Integration of the LP Gas Business | | Agreements to integrate the LP Gas w/ wholesale business as well as the retail business | Establish GYXIS, which is among the top in terms of industry share (integration of four companies) | | | |
| <Petrochemical Business> | | | | | | |
| PX Business | 600,000 tons of MX in Japan ⇒ 1.18 million tons of PX (HCP) → Clothing and PET (China and others) | | | | | 10.0 |
| <Wind Power Generation Business> | | | | | | |
| Development of new sites | *Generation capacity: Approx. 150,000kW | Start of operation at Hirokawa/ Aizu (Approx. 40,000kW) ⇒ Approx. 180,000kW | | Start of operation at Watarai (230,000kW) | | 4.5 |
| Total | | | | | | 112.0 |

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

Transformation to a Holding Company

- ✓ Provision of stable dividend, optimal distribution of management resources, flexible, prompt implementation of alliance strategies (collaborations, joint projects, and integration).
- ✓ Achieving sustainable growth and maximizing corporate value by responding to changes in the business environment and transforming the business portfolio with a clear vision of future growth business.

Changes in business environment

- ✓ Volatile fluctuation of crude oil prices
- ✓ Gradual decrease in domestic demand for oil products
- ✓ Expanded introduction of renewable energy and others

Sustainable growth and improvement of corporate value through the transformation of the business portfolio

Accelerating growth further by shifting management resources (people and money)

Oil E&P Business



Retail Business

Supply Business

Wind Power Generation Business

Improving profitability by improving efficiency and competitiveness through alliances with other companies and other initiatives

Core businesses

Growth businesses

Maximizing corporate value through transformation to a holding company

Objectives and anticipated effects

- 1) Strengthen business competitiveness / Realize stable profits of the holding company
- 2) Accelerate the enhancement of group management and the shift of management resources
- 3) Promote an alliance in each business line

* The size of the circle indicates the size of the assets of each business.

- ✓ Based on Japan's Corporate Governance Code, we will shift from defensive governance to "aggressive governance" with the aim of improving corporate value.
- ✓ We will separate the monitoring of the Group's management from business execution to strengthen the monitoring function and conduct business execution promptly.

Changes in business environment (social requirements)

- ✓ Revision to the Companies Act
- ✓ Application of Japan's Corporate Governance Code
- ✓ Application of Japan's Stewardship Code

Transformation to a Company with Audit and Supervisory Committee

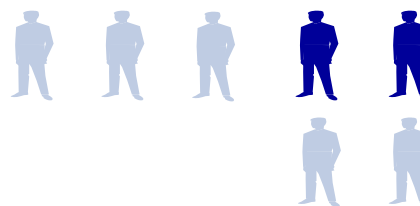
Compliance with the Corporate Governance Code

Objectives and anticipated effects (improving corporate value)

- 1) Increase management transparency
- 2) Further accelerate decision-making
- 3) Reflect new ways of thinking, opinions, and others in management

Holding company (company with audit and supervisory committee)

Board of Directors



Audit and supervisory committee (the majority of members are independent outside directors)



Report

(Nomination, and Remuneration, Advisory Committee)



To be set up discretionally

Monitoring of management

Audit

(Covering the appropriateness of management decisions in addition to legality)

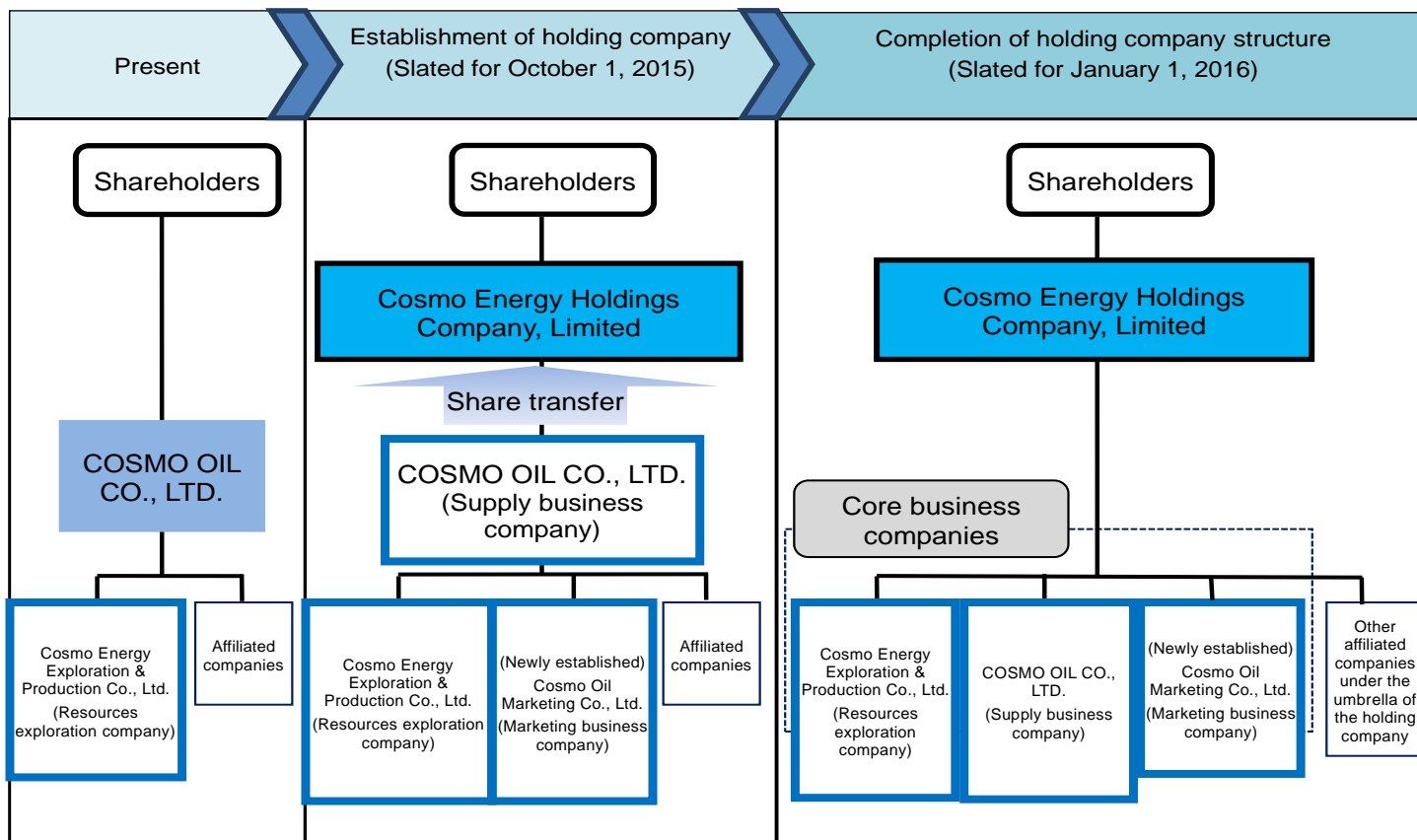
Representative director



Independent outside director

A higher level of accountability is required

We will introduce a structure consisting of three core business companies engaged in E&P, supply, and marketing, and improve the competitiveness of each group of businesses, thereby aiming to improve corporate value.



<Schedule>

- May 12, 2015 Board of Directors meeting for the approval of the Share Transfer Plan
- Jun 23, 2015 Annual shareholders meeting for the approval of the Share Transfer Plan
- Oct 1, 2015 Establishment of the Cosmo Energy Holdings Co., Ltd.
- Jan 1, 2016 Completion of transformation to a holding company
(Equivalence for capital ties of three core business companies)

Forecast for FY2015 Performance (May 13, 2015 announcement)

Key points of the forecast

1

- ✓ Sales from the Oil E&P Business will decrease due to falling crude oil prices. In the Petroleum Business, however, we will aim to achieve consolidated ordinary income of 49.0 billion yen through measures including reducing refining costs, forming appropriate market conditions, and securing appropriate margins.
- ✓ Crude oil prices are assumed conservatively by factoring in the average of prices in March 2015.
- ✓ We will aim for Profit attributable to owners of parent of 21.0 billion yen, and ROE of 12 %.

Dividend

2

- ✓ We plan to pay ¥40 (*) per share of a holding company in comprehensive consideration of factors such as the transformation to a holding company and the profitability, financial position, and investment strategy of the Group.

(*) The company is planning for the transformation to the Holding Company-Structure through the solo share transfer method whose effective date on October 1, 2015.
As for expected dividends on March 2016, holding company's dividends per share is listed in the case of the Holding Company's dividends 0.1 share are allocated to the company's dividends per share.

- ✓ The assumptions of the crude oil price and the foreign exchange rate are calculated on the basis of their respective average figures in March 2015.

Unit: billion yen

| | FY2015 Forecast | FY2014 Results | Changes |
|---|--------------------|-------------------|---------|
| Ordinary income | 49.0 | -49.6 | 98.6 |
| impact of inventory valuation | 0.0 | -116.1 | 116.1 |
| Ordinary income excluding impact of inventory valuation | 49.0 | 66.5 | -17.5 |
| Petroleum business | 19.0 | 22.0 | -3.0 |
| Petrochemical business | 1.0 | -7.0 | 8.0 |
| Oil E & P business | 25.0 | 47.5 | -22.5 |
| Other | 4.0 | 4.0 | 0.0 |
| Profit attributable to owners of parent | 21.0 | -77.7 | 98.7 |
| Dividend per Share (Forecast) (yen) (*) | ¥40 | ¥0 | - |

【Reference】

| | FY2015 Forecast | FY2014 Results | Changes |
|---------------------------------|--------------------|-------------------|---------|
| Dubai crude oil price (USD/B) | 55.0 | 83.5 | -28.5 |
| JPY/USD exchange rate (yen/USD) | 120.0 | 109.9 | 10.1 |

*For sensitivity to the crude oil price and the foreign exchange rate, See page 32.

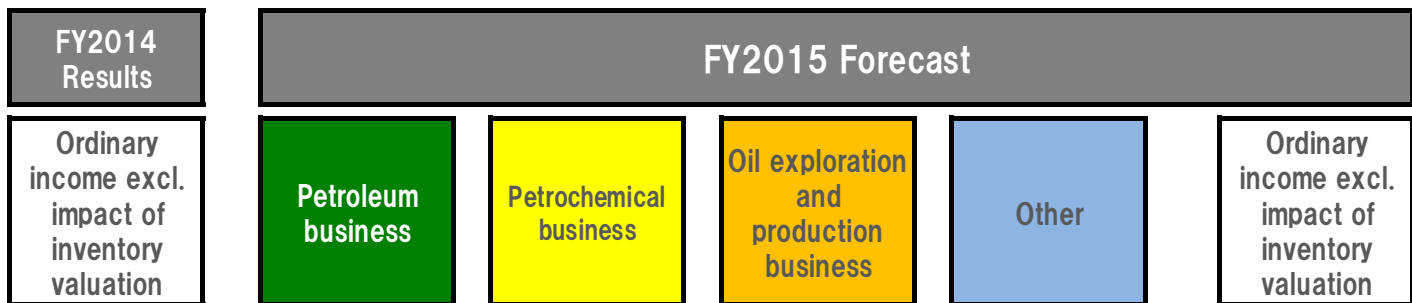
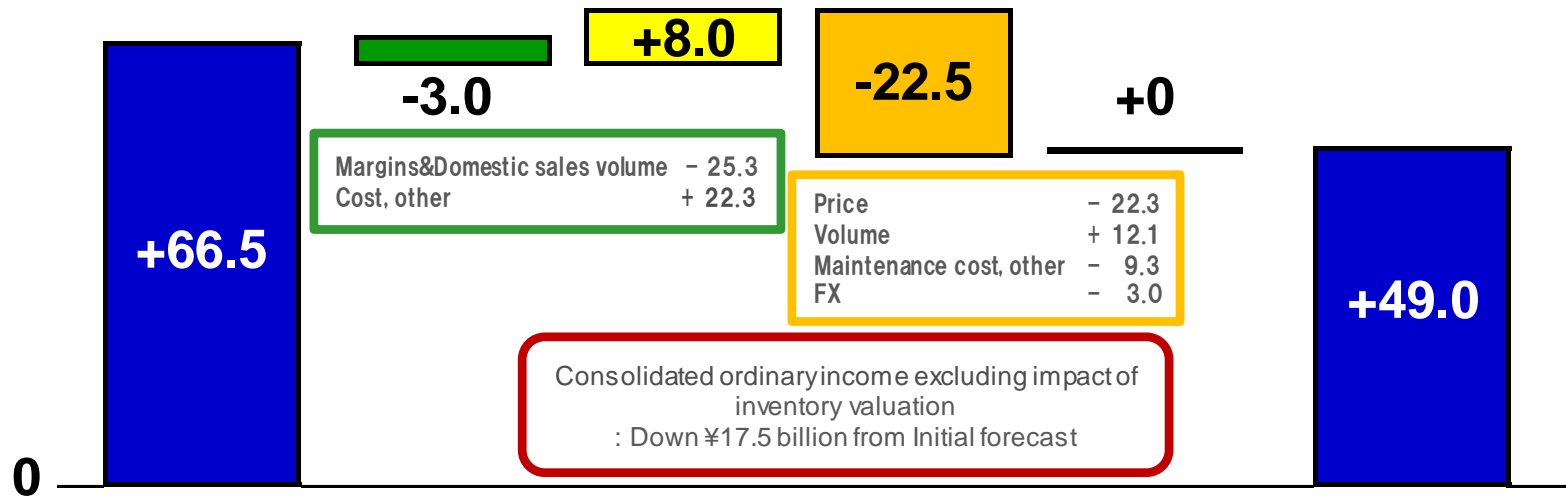
- (*) The company is planning for the transformation to the Holding Company-Structure through the solo share transfer method whose effective date on October 1, 2015. As for expected dividends on March 2016, holding company's dividends per share is listed in the case of the Holding Company's dividends 0.1 share are allocated to the company's dividends per share.

[FY2015 Forecast] Consolidated Ordinary Income (Excluding the Impact of Inventory Valuation)
 - Analysis of Changes from FY2014

Key variable factors

- Petroleum Business : Secure appropriate margins, but partially cancelled out by resolution of time lag, mainly caused by Naphtha sales.
- Petrochemical Business : Promotion of energy conservation, streamlining, and other initiatives by HCP and a modest recovery of the market conditions of aromatic-products are assumed.
- Oil E&P Business : Production volume is expected to recover, but the fall in crude oil prices is factored in.

Unit: billion yen



Full-Year FY 2015 Outlook – Changes from FY 2014

Unit: billion yen

| | Net Sales | | Operating Income | | Ordinary Income | | Ordinary Income (excluding impact of inventory valuation, cost or market method) | |
|------------------------|-----------|------------------------|------------------|------------------------|-----------------|------------------------|---|------------------------|
| | | Changes from FY2014 | | Changes from FY2014 | | Changes from FY2014 | | Changes from FY2014 |
| Petroleum business | 2,537.0 | -460.0 | 29.0 | 109.0 | 19.0 | 112.5 | 19.0 | -3.0 |
| Petrochemical business | 57.0 | 1.9 | 0 | 2.8 | 1.0 | 8.6 | 1.0 | 8.0 |
| Oil E&P business | 71.0 | -11.3 | 26.0 | -15.0 | 25.0 | -22.5 | 25.0 | -22.5 |
| Other business | 80.0 | 4.3 | 4.5 | 0.7 | 4.5 | 0.1 | 4.5 | 0.1 |
| Adjustment | -124.0 | 50.3 | -1.0 | -0.6 | -0.5 | -0.1 | -0.5 | -0.1 |
| Total | 2,621.0 | -414.8 | 58.5 | 96.9 | 49.0 | 98.6 | 49.0 | -17.5 |

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

| | Precondition | Sensitivity | |
|-----------------------|---------------|--------------------|--------------------|
| | | Petroleum Business | Oil E & P Business |
| Crude oil | 55.0 USD/BBL | + 1.7 billion yen | + 0.8 billion yen |
| JPY/USD exchange rate | 120.0 yen/USD | + 0.8 billion yen | + 0.4 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 twelve-month period of Apr. 2015 to Mar. 2016 adopted for sensitivity figure estimation for the petroleum business segment, and a nine-month period of Apr. 2014 to Dec. 2015, for the oil exploration and production business.

- ✓ To be implemented in line with the investment plan under the Consolidated Medium-Term Management Plan.
- ✓ Petroleum Business: Installation of pipelines, reinforcement work, and other initiatives are planned for Chiba Refinery.

Capital Expenditures, Depreciation, etc.

Unit: billion yen

| | FY2015 Forecast | Changes |
|-----------------------------------|-----------------|---------|
| Capital expenditures | 82.2 | 11.8 |
| Depreciation expense amount, etc. | 35.0 | 2.6 |

Capital Expenditures by Business Segment

Unit: billion yen

| | FY2015 Forecast | FY2014 Results | Changes |
|---------------|-----------------|----------------|-------------|
| Petroleum | 50.1 | 33.3 | 16.8 |
| Petrochemical | 1.0 | 0.5 | 0.5 |
| Oil E&P | 27.0 | 27.4 | -0.4 |
| Other | 5.5 | 9.1 | -3.6 |
| adjustment | -1.4 | 0.1 | -1.5 |
| Total | 82.2 | 70.4 | 11.8 |

Disclaimer

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Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable Japanese securities legislation). Such statements and information (together, "forward looking statements") relate to future events or the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities, ultimate recovery of reserves or resources and dates by which certain areas will be explored, developed or reach expected operating capacity, that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not intend, and does not assume any obligation, to update these forward looking statements, except as required by applicable laws. These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government or other regulatory approvals, actual performance of facilities, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.