Cosmo Energy Holdings Co., Ltd.
Presentation on Results for Second Quarter of Fiscal 2015 and Revised the 5th Consolidated Medium-Term Management Plan

November 5, 2015

COSMO ENERGY HOLDINGS CO., LTD.

Contents of Presentation

Birth of Cosmo Energy Holdings

- ✓ Cosmo Energy Holdings was launched on 1st Oct 2015, to realize a "vertically integrated global energy company," with the aim of stable dividends, the optimal distribution of management resources and the strengthening of alliances.
- ✓ We aim for sustainable growth and the medium- and long-term enhancement of corporate value by implementing aggressive governance based on the Japanese version of the corporate governance code.

COSMO ENERGY HOLDINGS CO., LTD.

(Conceptional drawing as of January 1, 2016)

Oil development/Production

COSMO ENERGY EXPLORATION & PRODUCTION CO., LTD.

■ Crude production (three development companies) (*1)
- Approx. 40,000 barrels/day (Comparison with refining capacity: Approx. 9%)

■ Oil development/production areas
- UAE (Abu Dhabi)
- Qatar

■ Major affiliated companies
- Abu Dhabi Oil Co., Ltd.
- Qatar Petroleum Development Co., Ltd.
- United Petroleum Development Co., Ltd.

Oil refining/Petrochemical

COSMO OIL CO., LTD.

■ Major crude oil importing countries
- UAE (Abu Dhabi)
- Saudi Arabia
- Qatar

■ Oil refining capacity (*2)
- 452,000 barrels/day
- Domestic share: Approx. 11.5%

■ Paraxylene production capacity (*2)
- 1,180,000 tons/year

■ Major affiliated companies
- Cosmo Oil Lubricants Co., Ltd.
- Cosmo Matsuyama Oil Co., Ltd.
- CM Aromatics Co., Ltd.
- Hyundai Cosmo Petrochemical Co., Ltd.
- Keiyo Seisei JV G.K.

Oil product sales, Retail business, etc.

COSMO OIL MARKETING CO., LTD.

■ Domestic sales share (*3)
- Approx. 12% (Gasoline, Gas oil, Kerosene, A fuel oil)

■ Number of SSs in Japan (*3)
- Number of Cosmo mark SSs 3,133

■ Car lease business for individuals (*2)
- Cumulative total 22,029 cars

■ Major affiliated companies
- Cosmo Oil Sales Corp.
- Sogo Energy Corporation

Group of affiliated companies

■ Major affiliated companies
- Eco Power Co., Ltd.
- Gyxis Corporation
- Maruzen Petrochemical Co., Ltd.
- Cosmo ALA Co., Ltd.

(*1) Results for January – June 2015 (*2) As of September 30, 2015 (*3) As of March 31, 2015

Revision of the 5th Consolidated Medium-Term Management Plan

COSMO ENERGY HOLDINGS CO., LTD.

The 5th Consolidated Medium-Term Management Plan has been revised in light of changes in the business environment

✓ The Plan has been revised, factoring in additional measures to the original medium-term management plan, in addition to changes in crude oil prices and exchange rates.

Main Additional Actions

◆ Competitiveness Enhancement of Oil Refining & Sales Business

- ✓ Establishment of Keiyo Seisei JV G.K. with TonenGeneral which aims at 10 billion yen synergy merit in total.
- ✓ Decision of business alliance with Showa Shell Group as for Yokkaichi Refinery to fortify competitiveness.
- ✓ Establishment GYXIS to merge LP Gas Whole sale with other companies.

◆ IPIC Alliance Enhancement

- ✓ Enhancement of Alliance with CEPSA and study of new oil field concession acquisition.

Revision of Preconditions

Item	Fiscal year	Revised	Original
Dubai crude oil price	FY2016	60$/bbl	100$/bbl
	FY2017	70$/bbl	
JPY/USD exchange rate	FY2016 ～ FY2017	120yen/$	90yen/$

The original plan for ordinary income is maintained due to improvement in the income of the Petroleum business.

✓ Ordinary income of FY2017 in the original plan is maintained due to an improvement in the income of the Petroleum business, despite lower-than-expected income in the Oil E&P business due to changes in crude oil prices and exchange rates.

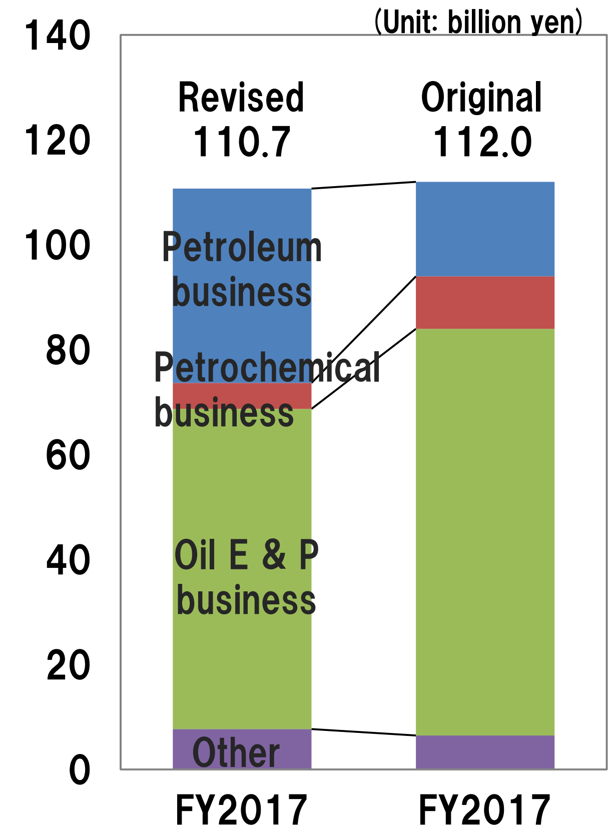
■ Main Earning Items

Unit: billion yen

	FY2017 Revised	FY2017 Original	Changes
Ordinary income excluding impact of inventory valuation	110.7	112.0	-1.3
Petroleum business	57.0	18.0	+39.0
Petroleum business (Excluding impact of inventory valuation)	37.0	18.0	+19.0
Petrochemical business	5.0	10.0	-5.0
Petrochemical business (Excluding impact of inventory valuation)	5.0	10.0	-5.0
Oil E & P business	61.0	77.5	-16.5
Other	7.7	6.5	+1.2
Net income* (Excluding impact of inventory valuation)	59.0	45.0	+14.0
Net income*	75.0		+30.0

* Net Income indicates "Net Income attributable to shareholder of parent company".

Ordinary income (excluding impact of inventory valuation) (Comparison of the initial medium-term plan with the revised medium-term plan)



Analysis of changes by business segment (compared with the original plan)

✓ Forecast for Consolidated ordinary income of FY2017 is 110.7 billion yen, minus 1.3 billion yen from the original plan. Ordinary income in the Petroleum business is revised by up 19.0 billion yen.

Unit : billion yen

Petroleum business

✓ Cost reduction along with crude price down and sales volume decline	＋6.2	＋19.0
✓ Change of Refinery Turnaround Year	＋6.0	
✓ Optimized Operation of Secondary Units along with Official Capacity Cut	＋3.3	
✓ Synergy Merit before completion of pipelines of Chiba Refinery	＋0.5	
✓ Margin, Quantity, and Others	＋3.0	

Petrochemical business

✓ Reduction of Market	−7.3	−5.0
✓ Rationalization／Energy Saving	＋2.3	

Oil E & P business

✓ Affection by Crude Price Reduction	−30.5	−16.5
✓ Affection by Foreign Exchange Market	＋18.5	
✓ Operational Cost & Others	−4.5	

Other

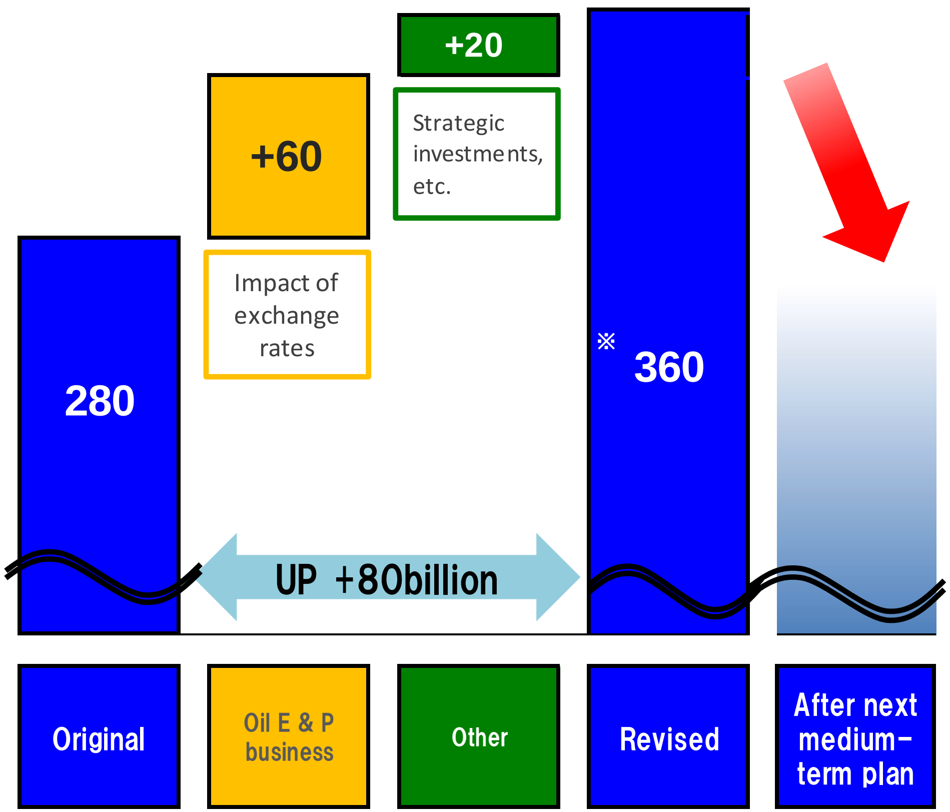
✓ Consolidation Adjustment & Others	＋1.2	＋1.2

Ordinary income compared with the original plan, excluding the impact of inventory valuation	−1.3

- ✓ Strategic investments such as the construction of the pipelines in Chiba area, which is an additional measure for growth, will be implemented steadily, despite a larger amount of investment in oil E&P due to changes in exchange rates.
- ✓ Due to the completion of large-scale investments such as development investment in Hail oil filed, investments after the next medium-term plan are expected to decline.

Amount of capital expenditure (compared with the original plan)

Unit: billion yen



※Excluding subsidy

《Factors to increase capital expenditure》

Oil E&P business

- ✓ Affection of foreign exchange by depreciation of JPY

Major strategic investments etc.

- ✓ Construction of incremental pipelines at Chiba Refinery
- ✓ Construction for Building Refinery Resilience

- ✓ For the investment plan compared with the initial plan, please see page 32.

Cash balance (FY2013 – FY2017)

(Image of cash flows in the revised medium-term plan)

Incoming Cash: 400 billion yen	Outgoing Cash: 360 billion yen
Depreciation: 180 billion yen	Investment Costs: 360 billion yen *
Return on Investment: 120 billion yen*	
Inventory reduction effect, etc. 100billion yen	Free Cash Flow: 40 billion yen

*Excluding subsidy

■ Cash in

- Stable Cash-in mainly from business Income will be expected.
- Study for divestment and to slim down our balance sheet including unload properties.

■ Cash out

- To invest in E&P business as a biggest growth driver and Refinery Business in a strategic way .

■ Free cash

- Stable dividends are anticipated, taking into account improvement in the financial position and the profit level.

✓ For the cash balance compared with the original plan, please see page 31.

- ✓ Substantive recapitalization is implemented in FY2015 by conducting hybrid financing.
- ✓ The net debt-to-equity ratio is anticipated to improve steadily toward the final year of the medium-term plan.

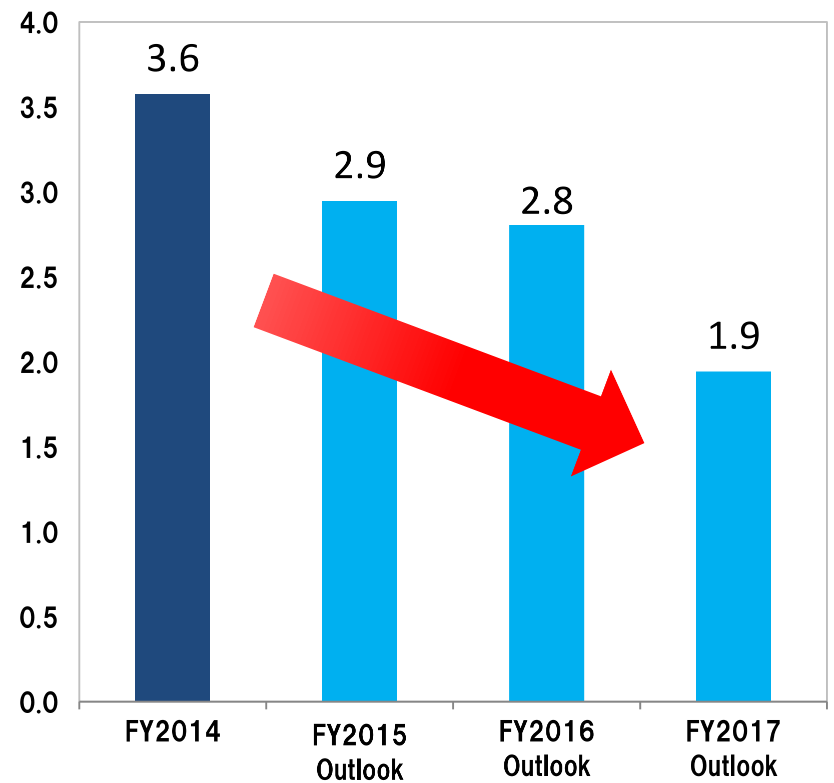
■ Major financial indicators

	FY2017 Revised	FY2017 Original	Changes
Net income (billion yen) ※1	75.0	45.0	30.0
Net assets (billion yen)	359.1	415.5	-56.4
Net worth ratio (%)	18.8	21.5	-2.7
Net Debt Equity Ratio (times) (based on the credit rating) ※2	1.9	1.6	0.3
ROE (%)	22.0	13.3	8.7

*1 Net Income indicates "Net Income attributable to shareholder of parent company".
*2 50% of original amount of Hybrid Load regarded as Equity is counted as Equity by the assessment of Japan Credit Agency, Ltd.
(50% of 60 billion yen Hybrid Loan started on 1st April 2015 is included into Equity)

Net Debt Equity Ratio (based on the credit rating)

(Unit: times)



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

Results for Second Quarter of FY2015

Review for Each Business and Key Points of the Financial Results

(Petroleum business)

✓ Ordinary income decreased 2.7 billion yen year on year, primarily due to deteriorated market conditions associated with a fall in oil prices.

(Petrochemical business)

✓ Ordinary income increased 3.1 billion yen year on year, reflecting improvement in market conditions for ethylene and rationalization of HCP, etc., despite sluggish market conditions for aromatic products.

(Oil E&P business)

✓ Ordinary income decreased 10.8 billion yen year on year due to the fall in oil prices, although the production volume has been increasing.

(Key point of financial results)

✓ Ordinary income decreased 9.9 billion yen year on year, to 5.0 billion yen excluding the impact of inventory valuation, mainly reflecting deteriorated income in the Oil E&P business due to falling oil prices.

Consolidated Income Statements– Changes from 2Q FY2014

Unit: billion yen

	FY2015 (Apr.-Sep.2015)	FY2014 (Apr.-Sep.2014)	Changes
Net sales	1,170.5	1,552.5	-382.0
Cost of sales	1,115.0	1,476.6	-361.6
Selling, general and administrative expenses	58.9	63.2	-4.3
Operating income	-3.4	12.7	-16.1
Non-operating income/expenses, net	-4.1	-7.8	3.7
Ordinary income	-7.5	4.9	-12.4
Extraordinary income/losses, net	-2.3	-5.8	3.5
Income taxes	6.1	12.0	-5.9
Profit attributable to non-controlling interests	1.4	2.4	-1.0
Profit attributable to owners of parent	-17.5	-15.3	-2.2
Impact of inventory valuation	-12.5	-10.0	-2.5
Ordinary income excluding impact of inventory valuation	5.0	14.9	-9.9
Dubai crude oil price (USD/B)	55.5	103.7	-48.2
JPY/USD exchange rate (yen/USD)	121.8	103.0	18.8

Consolidated Ordinary Income excluding impact of inventory valuation by Business Segment

Unit: billion yen

	FY2015 (Apr.-Sep.2015)	FY2014 (Apr.-Sep.2014)	Changes
Ordinary income excluding impact of inventory valuation	5.0	14.9	-9.9
Petroleum business	-18.5	-13.0	-5.5
Petroleum business (Excluding impact of inventory valuation)	-5.7	-3.0	-2.7
Petrochemical business	0.6	-2.8	3.4
Petrochemical business (Excluding impact of inventory valuation)	0.3	-2.8	3.1
Oil E & P business	10.8	21.6	-10.8
Other (*)	-0.4	-0.9	0.5

* Including consolidated adjustment

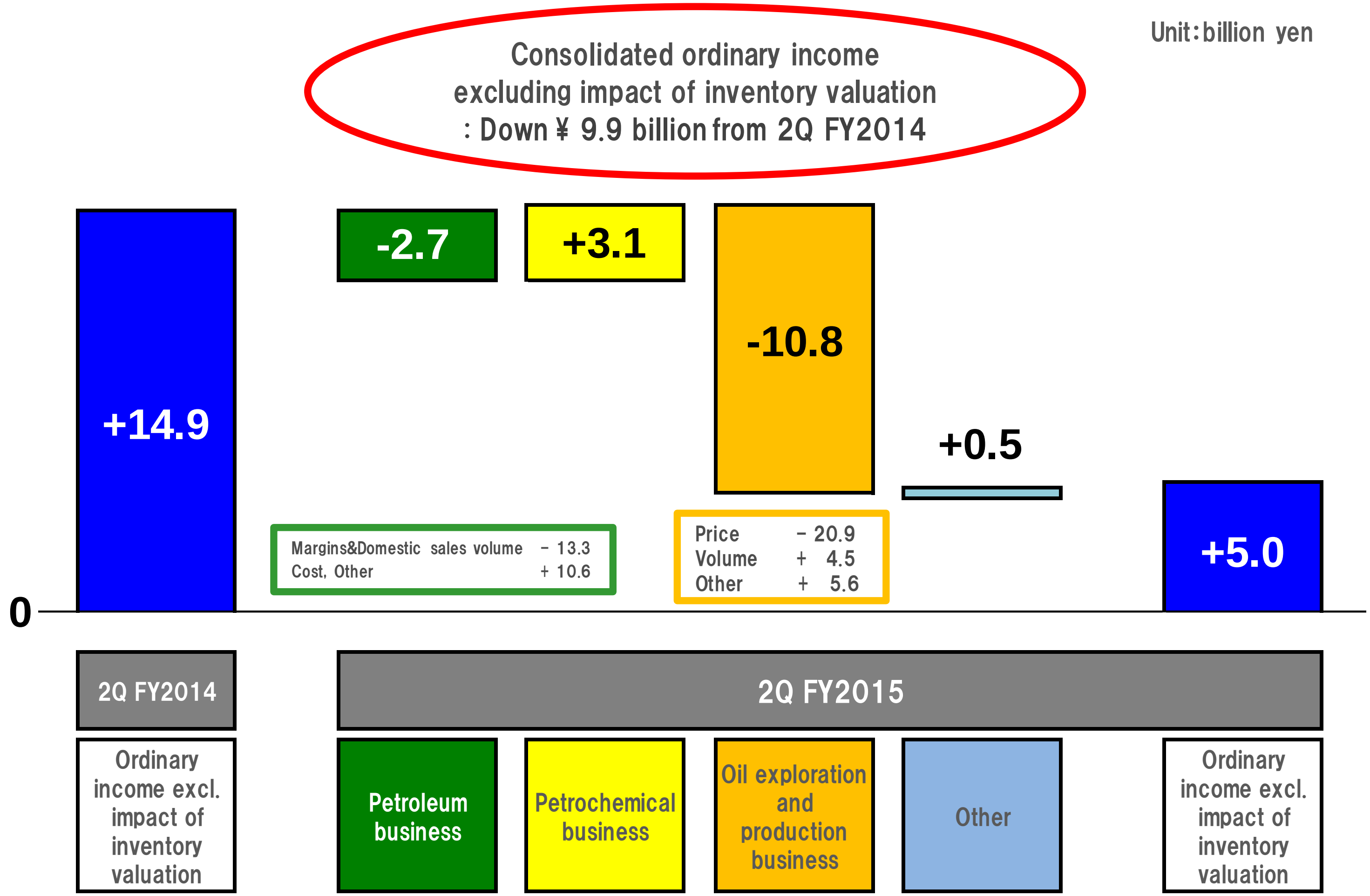
Inventory valuation Petroleum business : FY2015 2Q -12.8 / FY2014 2Q -10.0

Inventory valuation Petrochemical business : FY2015 2Q + 0.3 / FY2014 2Q + 0.0

[2Q FY2015 Results] Consolidated Ordinary Income (Excluding impact of inventory valuation) – Analysis of Changes from 2Q FY2014

Key variable factors

- Petroleum business : Lower earnings mainly due to deteriorated market conditions associated with falling oil prices.
- Petrochemical business : Higher earnings, reflecting strong market conditions for ethylene and rationalization at HCP.
- Oil E&P business : Lower earnings due to falling oil prices despite an upward trend in the production volume.



Consolidated Cash Flows

Unit: billion yen

	FY2015 (Apr.-Sep.2015)	FY2014 (As of Mar. 31, '15)
Cash flows from operating activities	-41.8	-
Cash flows from investing activities	-25.8	-
Cash flows from financing activities	81.4	-
Cash and cash equivalents at end of the period	86.0	80.8

Consolidated Balance Sheets

Unit: billion yen

	FY2015 (As of Sep. 30, '15)	FY2014 (As of Mar. 31, '15)	Changes
Total Assets	1,381.2	1,428.6	-47.4
Net assets	190.4	207.5	-17.1
Net worth	149.5	167.2	-17.7
Net worth ratio	10.8%	11.7%	Down 0.9 points
Net interest-bearing debt *1	681.5	597.7	83.8
Debt Equity Ratio (times) (based on the credit rating) *2	3.6	3.6	-

*1 Total interest-bearing debts net of cash and deposits as of the end of the period
*2 50% of original amount of Hybrid Load regarded as Equity is counted as Equity by the assessment of Japan Credit Agency, Ltd.
(50% of 60 billion yen Hybrid Loan started on 1st April 2015 is included into Equity)

Capital Expenditures, Depreciation, etc.

Unit: billion yen

	2Q FY2015 Results	Change from 2QFY2014
Capital expenditures	29.4	-0.6
Depreciation expense amount,etc	15.3	-0.7

Capital Expenditures by Business Segment

Unit: billion yen

	2Q FY2015 Results	2Q FY2014 Results	Change from 2QFY2014
Petroleum	10.5	13.9	-3.4
Petrochemical	0.5	0.3	0.2
Oil E&P	17.0	9.8	7.2
Other	1.0	5.9	-4.9
Adjustment	0.4	0.1	0.3
Total	29.4	30.0	-0.6

Forecast for FY2015 Performance

1

Earnings forecast

- ✓ The full-year forecast has been revised, mainly taking into account the actual results for the first half.
- ✓ Oil prices and exchange rates are based on $55/bbl and ¥120/$ for the second half as initially announced, by reference to the average values in the first half.

2

Dividend

- ✓ We plan to pay ¥40 per share of the 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.

Highlights of Consolidated Business Outlook (Compared with Initial Forecast)

Unit: billion yen

	FY2015 Forecast	FY2015 Previous Annnoucemnet	Changes
Ordinary income	26.0	49.0	-23.0
impact of inventory valuation	4.5	0.0	4.5
Ordinary income excluding impact of inventory valuation	21.5	49.0	-27.5
Petroleum business	1.0	19.0	-18.0
Petrochemical business	0.5	1.0	-0.5
Oil E & P business	17.0	25.0	-8.0
Other	3.0	4.0	-1.0
Profit attributable owners of parent	21.0	21.0	-
Dividend per Share (Plan) (yen)	40	40	-

【Reference】

	FY2015 Forecast	FY2015 Previous Annnoucemnet	Changes
Dubai crude oil price (USD/B)	55.3	55.0	0.3
JPY/USD exchange rate (yen/$)	120.9	120.0	0.9

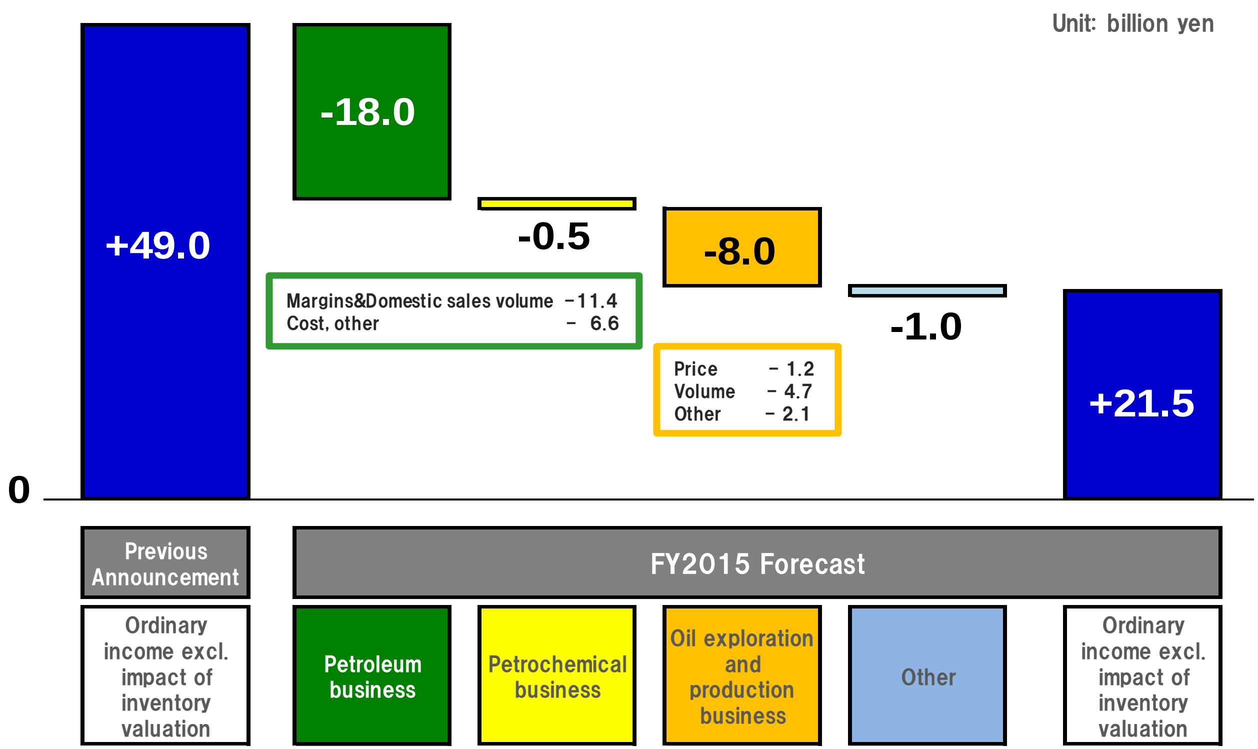
※ For Assumption of Crude oil price and Exchange rate and Business Sensitivity, please see page

[FY2015 Outlook] - Consolidated Ordinary Income(Excluding Impact of Inventory Valuation): Comparison with Initial Forecast

Key variable factors

- Petroleum business : Lower earnings mainly due to deteriorated market conditions associated with falling oil prices.
- Petrochemical business : Higher earnings, reflecting strong market conditions for ethylene and rationalization at HCP.
- Oil E&P business : Lower earnings due to falling oil prices despite an upward trend in the production volume.

Consolidated ordinary income excluding impact of inventory valuation : Down ¥27.5billion from the Previous announcement



Supplementary Information

For a Holding Company Structure

- ✓ 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

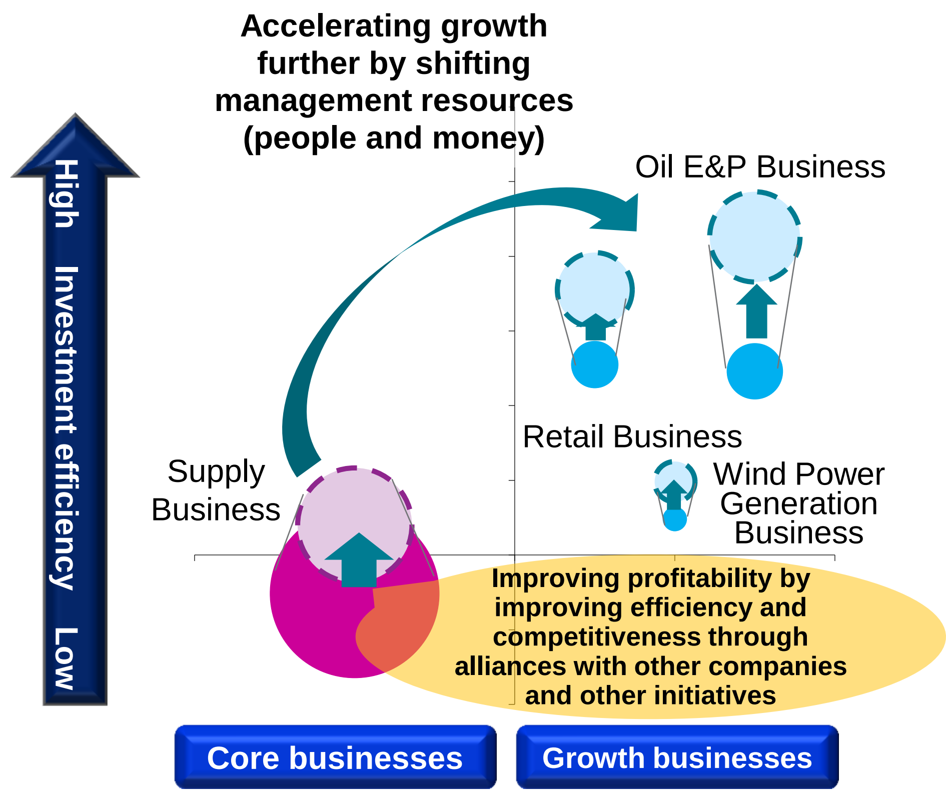
- ✓ Volatile fluctuation of crude oil prices
- ✓ Gradual decrease in domestic demand for oil products
- ✓ Expanded introduction of renewable energy and others

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

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



* 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

Monitoring of management

Audit

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

(Nomination, and Remuneration, Advisory Committee)

To be set up discretionally

Representative director

A higher level of accountability is required

Independent outside director

✓ Viewing the transformation to a holding company as an opportunity to introduce "Executives Stock Remuneration System", which is an executives remuneration system that further clarifies the connection between remuneration and performance.

✓ Basic policies of the system include incentives to enhance business performance and increase corporate value in the medium- and long-term, as well as the sharing of profits with shareholders.

■ Principles of Executives Remuneration Scheme

(1) Clearly valuates company performance and highly links it to remuneration

(2) Encourages executives to increase business performance, and long-term corporate and shareholder value

(3) Makes executives have common interest with the shareholders

(4) Contributes to even much increase of executives challenge spirits

(5) Works to hold back high performance executives

(6) Achieves accountability by acquiring transparency and objectiveness

■Remuneration Structure

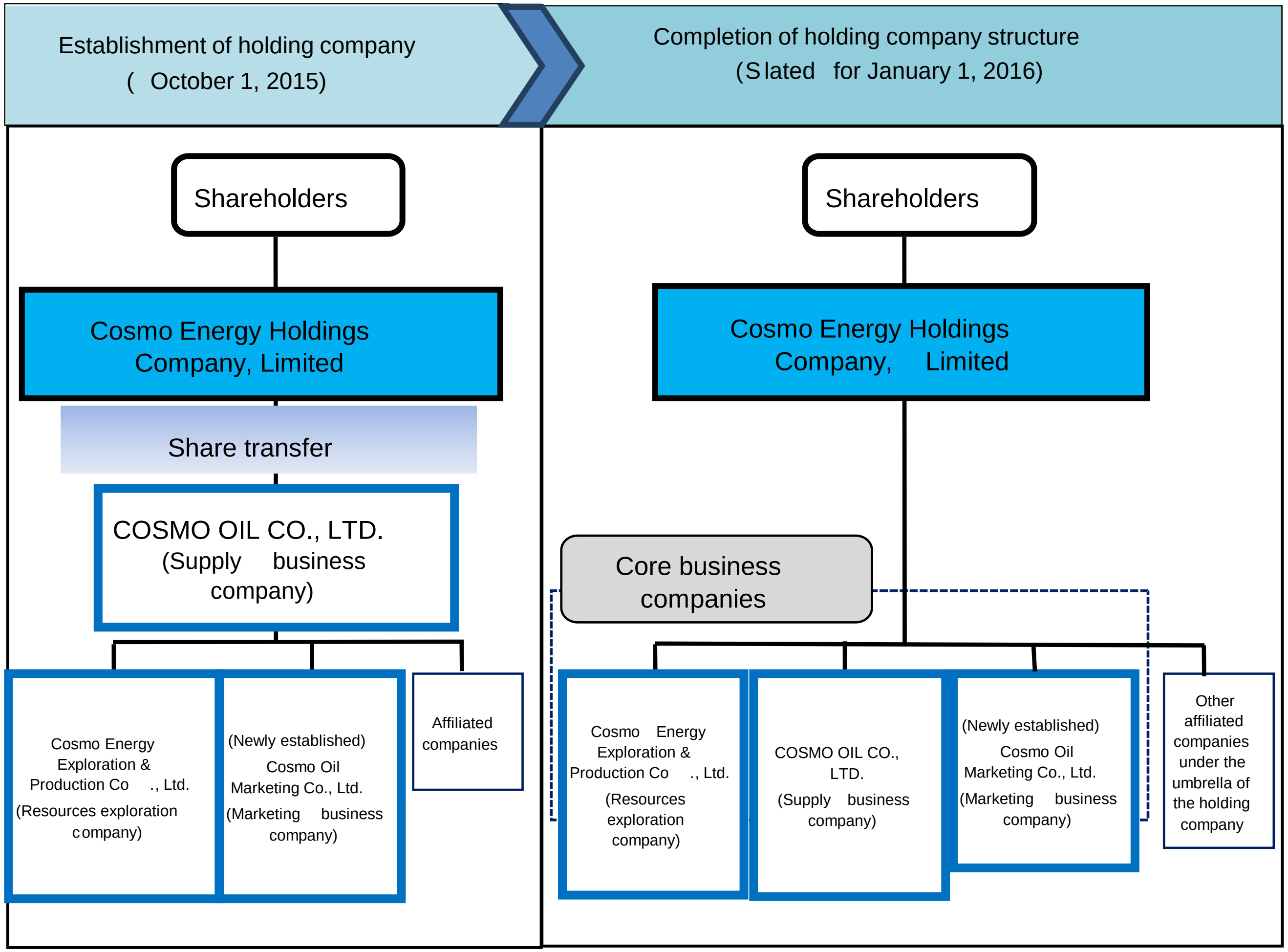
Remuneration Category		Fixed	Performance Based	
		Base Remuneration	Annual Incentive (AI)	Long Term Incentive(LTI)
			Bonus	Share Remuneration*
Performance Based Coefficient	HD Company	-	0～150%	0～200%
	Core 3 Companies	-	0～200%	0～150%

*Share Remuneration is executives incentive plan which refers to Performance Share commonly employed in the United States. The scheme is that shares are granted to executives in accordance with target achievement after a certain period by using trust scheme. It works out for executives having common interest with shareholders and motivation to gain consciousness of performance and share price increase from long term perspectives.

■ Date of establishment

October 1, 2015

Flow of the Transformation to a Holding Company



＜Schedule＞

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)

Revision of the 5th Consolidated Medium-Term Management Plan

Profit and Other Financial Goals

Assumptions:

Item	Year	Revised	Original
Dubai crude oil price	FY2016	60$/bbl	100$/bbl
	FY2017	70$/bbl	
JPY–USD exchange rate	FY2016 ~ FY2017	120yen/$	90yen/$

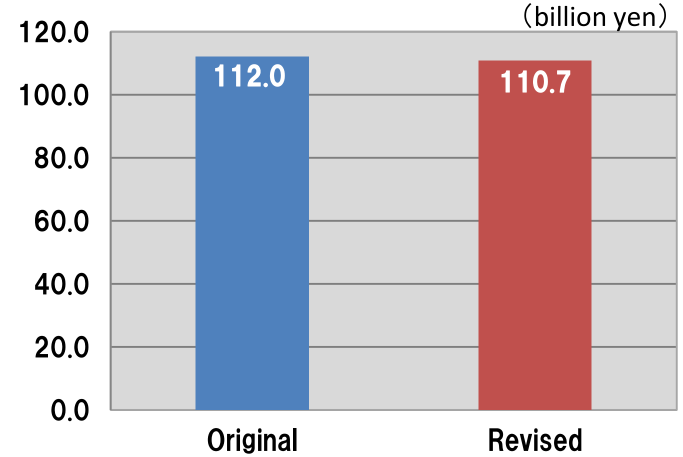
Profit & Other Financial Goals:

Item	FY2017 Original	FY2017 Revised	Changes
Ordinary Income excl. inventory valuation (billion yen)	112.0	110.7	-1.3
Net Income excl. inventory valuation (billion yen) ※1	45.0	59.0	+14.0
Net assets (billion yen)	415.5	359.1	-56.4
Net worth ratio (%)	21.5	18.8	Down 2.7points
Net Debt Equity Ratio (times)※2	1.6	1.9	Down 0.3 points
ROE(%)	13.3	22.0	Up 8.7points

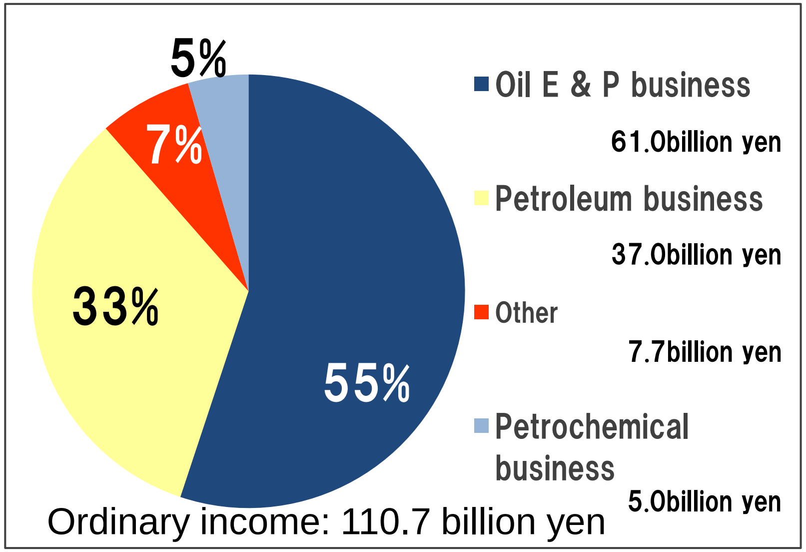
※1 : Net Income indicates "Net Income attributable to shareholder of parent company".

※2 : 50% of original amount of Hybrid Load regarded as Equity is counted as Equity by the assessment of Japan Credit Agency, Ltd.
(50% of 60 billion yen Hybrid Loan started on 1st April 2015 is included into Equity)

Ordinary income (excluding impact of inventory valuation)



Business Structure of the Ordinary Income Target for FY2017:



Cash Balance (FY2013 – FY2017)

Original

Incoming Cash: 420 billion yen

- Depreciation: 180 billion yen
- Return on Investment: 190 billion yen
- Inventory reduction effect, 50 billion yen

Mainly from closing of the Sakaide Refinery 50.0 billion yen: 850,000 KL of inventory reduction

Outgoing Cash: 280 billion yen

- Investment Costs: 280 billion yen
- Free Cash Flow: 140 billion yen Interest-bearing debt reduction Dividend payment

Revised

Incoming Cash: 400 billion yen

- Depreciation: 180 billion yen
- Return on Investment: 120 billion yen*
- Inventory reduction effect, etc. 100billion yen

Outgoing Cash: 360 billion yen

- Investment Costs:360 billion yen*
- Free Cash Flow: 40 billion yen

* Excluding subsidy

Cash in

- Decline in cash in due to falling crude oil prices

Cash out

- Increase in cash out due to a rise in the investment amount reflecting the effect of exchange rates, etc.

Free cash

- Although free cash was lower than expected due to falling crude oil prices and an increase in the investment amount, a financial source for dividends was secured.

Original		Revised	
Oil Exploration and Production Business: ・New Hail oil field development, etc.	127 billion yen	Oil Exploration and Production Business: ・New Hail oilfield development, etc.	187 billion yen
Oil Refining and Marketing Business:	122 billion yen	Oil Refining and Marketing Business:※2	140 billion yen
• Refinery facility updating	About 54 billion yen	• Refinery facility updating,etc.	About 70 billion yen
• Chiba Refinery revival plan	About 28 billion yen	• Chiba Refinery revival plan	About 20 billion yen
• Marketing, administrative, and other departments.	About 40 billion yen	• Marketing, administrative, and other departments.	About 50 billion yen
Renewable energy businesses: Overseas and other projects: • Investments in new wind turbine construction, etc.	31 billion yen	Renewable energy businesses: Overseas and other projects: • Investments in new wind turbine construction, etc.	33 billion yen
FY2013-17 Total	280 billion yen	FY2013-17 ※1 Total	360 billion yen

※1:Excluding subsidy

※2:Main additional actions.

- ・Construction of incremental pipelines at Chiba Refinery
- ・Construction for Building Refinery Resilience

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

Unit: billion yen

	FY2013	FY2014	FY2015	FY2016	FY2017	Ordinary income forecast
<Change of company form>			Transformation to a holding company and a company with audit and supervisory committees			110.7
<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	61.0
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	Efficiency of Yokkaiti Refinery	37.0
Joint business in Chiba		Consider Chiba refinery/Joint business	Establish Keiyo Seisei/Pipeline construction		Start integrated operation of refineries	
Car Leasing Business	Accumulated total: Approx. 20,000 vehicles		Accumulated total: Approx. 60,000 vehicles			
Integration of the LP Gas Business		Agreements to integrate the LP Gas 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)					5.0
<Wind Power Generation Business>						
Development of new sites	*Generation capacity:Approx.150,000kW		Start of operation at Hirokawa / Aizu Approx. 180,000kW		Start of operation at Watarai (230,000kW)	4.0

Note) The ordinary income forecast for FY2017 includes consolidated accounting processing, other of 110.7 billion yen.

Supplementary Information of 2Q FY2015 Results

COSMO ENERGY HOLDINGS CO., LTD.

Unit: thousand KL

		2Q FY2015 Results	2Q FY2014 Results	Changes	2QFY2015 Result Changes from 2Q FY2014	FY2015 Forecast	FY2015 Full Year outlook changes from FY2014	FY2015 Full Year outlook (Initial Forecast)
Selling volume in Japan	Gasoline	2,880	2,868	12	100.4%	5,710	99.8%	5,631
	Kerosene	401	404	-4	99.1%	1,918	98.8%	1,849
	Diesel fuel	2,039	2,048	-9	99.5%	4,116	99.2%	4,026
	Heavy fuel oil A	589	672	-83	87.6%	1,437	92.4%	1,438
	Sub-Total	5,908	5,992	-84	98.6%	13,181	98.6%	12,944
	Naphtha	3,170	2,918	252	108.6%	6,164	98.8%	6,183
	Jet fuel	245	229	17	107.2%	497	106.1%	485
	Heavy fuel oil C	780	725	56	107.7%	1,471	88.5%	1,262
	inc. Heavy fuel oil C for electric	377	315	62	119.7%	510	60.8%	509
	Total	10,103	9,863	240	102.4%	21,312	98.0%	20,873
Export volume (including bond sales)	Middle distillates	1,313	1,540	-227	85.3%	2,981	93.1%	3,347
	Other	510	494	16	103.3%	1,029	96.2%	1,017
	Sub-Total	1,823	2,034	-210	89.7%	4,010	93.9%	4,364
Barter deal, Others		4,674	4,433	241	105.4%	9,927	102.2%	9,356
Total selling volume		16,601	16,330	271	101.7%	35,249	98.7%	34,593

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

		2Q FY2015 Results	2Q FY2014 Results	Changes from 2Q FY2014	
Dubai crude oil price (USD/B)		55.5	103.7	-48.2	—
JPY/USD exchange rate (yen/USD)		121.8	103.0	18.8	—
Crude oil refining	Refined crude oil volume (thousand KL)	10,538	10,805	-267	97.5%
	CDU operating ratio (Calendar Day)	80.1%	82.2%	-2.1%	—
	CDU operating ratio (Streaming Day)*	97.2%	90.3%	6.9%	—

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

[2] Crude oil production volume

	2Q FY2015 Results	2Q FY2014 Results	Changes from 2Q FY2014	
Cosmo Energy Exploration & Production Co., Ltd. (B/D)	38,328	37,332	996	102.7%

*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-June, because that the three major developers of the accounting period is December.

*3) The Cosmo Energy 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.

Crude Reserves Estimate (Proved and Probable)

(As of Dec. 31, 2014)

Crude Reserves Estimate (working interest base) (*1)		
	mmbls	
①Proved Reserves (*2)	85.3	
②Probable Reserves (*3)	82.3	Note: The reserves include reserves of new concession area, Hail field.
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)

2Q FY2015 Results – Changes from 2Q FY2014

Unit: billion yen

	Net Sales	Changes from 2Q FY2014	Operating Income	Changes from 2Q FY2014	Ordinary Income	Changes from 2Q FY2014	Ordinary Income (excluding impact of inventory valuation, cost or market method)	Changes from 2Q FY2014
Petroleum business	1,164.9	-377.9	-13.7	-6.9	-18.5	-5.5	-5.7	-2.7
Petrochemical business	25.4	-0.3	-0.4	-0.1	0.6	3.4	0.3	3.1
Oil E&P business	28.2	-11.1	11.0	-10.0	10.8	-10.8	10.8	-10.8
Other	31.1	-0.9	0.7	0.2	0.6	-0.3	0.6	-0.3
adjustment	-79.1	8.2	-1.0	0.7	-1.1	0.7	-1.0	0.8
Total	1,170.5	-382.0	-3.4	-16.1	-7.5	-12.4	5.0	-9.9

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., Gyxis Corporation (owned by the Cosmo Energy Group on the equity method) etc.
Petrochemical business	Cosmo Matsuyama Oil Co., Ltd., CM Aromatics Co., Ltd., Maruzen Petrochemical Co., Ltd. (owned by the Cosmo Energy Group on the equity method), Hyundai Cosmo Petrochemical Co., Ltd. (owned by the Cosmo Energy 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. (owned by the Cosmo Energy Group on the equity method), etc.
Other business	Cosmo Engineering Co.,Ltd., Cosmo Trade & Services Co., Ltd., EcoPower Co.,Ltd, etc.

[1] Oil Refinery Operating Ratio

	FY2010	FY2011	FY2012	FY2013	FY2014	2Q FY2015
CDU operating ratio	78.8%	51.4%	55.6%	70.0%	84.4%	80.1%

* Data as of the end of March of each fiscal year.
* Calender Year base

[2] Number of SSs by Operator Type

	FY2010	FY2011	FY2012	FY2013	FY2014	2Q FY2015
Subsidiary	967	939	914	899	881	899
Dealers	2,642	2,559	2,411	2,329	2,252	2,191
Total	3,609	3,498	3,325	3,228	3,133	3,090
Mobile SSs	36	34	33	34	34	31

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

	FY2010	FY2011	FY2012	FY2013	FY2014	2Q FY2015
Subsidiary	548	550	550	550	552	575
Dealers	455	457	449	461	479	461
Total	1,003	1,007	999	1,011	1,031	1,036
Share of Self-Service SSs	27.8%	28.8%	30.0%	31.3%	32.9%	33.5%

[4] Cosmo The Card-Number of cards issued

(Unit: million cards)

	FY2010	FY2011	FY2012	FY2013	FY2014	2Q FY2015
No. of cards in force	3.77	3.93	4.10	4.20	4.31	4.35

※ Including the numbers of the card Opus, Triple.

[5] Number of contracted auto lease

	FY2010	FY2011	FY2012	FY2013	FY2014	2Q FY2015
Number of contracted auto lease	–	1,287	5,003	11,476	19,040	22,029

2Q FY2015 Full-Year Forecast (Year on Year)

Unit: billion yen

	FY2015 Forecast	FY2014 Results	Changes
Ordinary income	26.0	-49.6	75.6
impact of inventory valuation	4.5	-116.1	120.6
Ordinary income excluding impact of inventory valuation	21.5	66.5	-45.0
Petroleum business	1.0	22.0	-21.0
Petrochemical business	0.5	-7.0	7.5
Oil E & P business	17.0	47.5	-30.5
Other	3.0	4.0	-1.0
Profit attributable to owners of parent	21.0	-77.7	98.7
Dividend per Share (Forecast) (yen) (*)	¥40	¥0	¥40

【Reference】

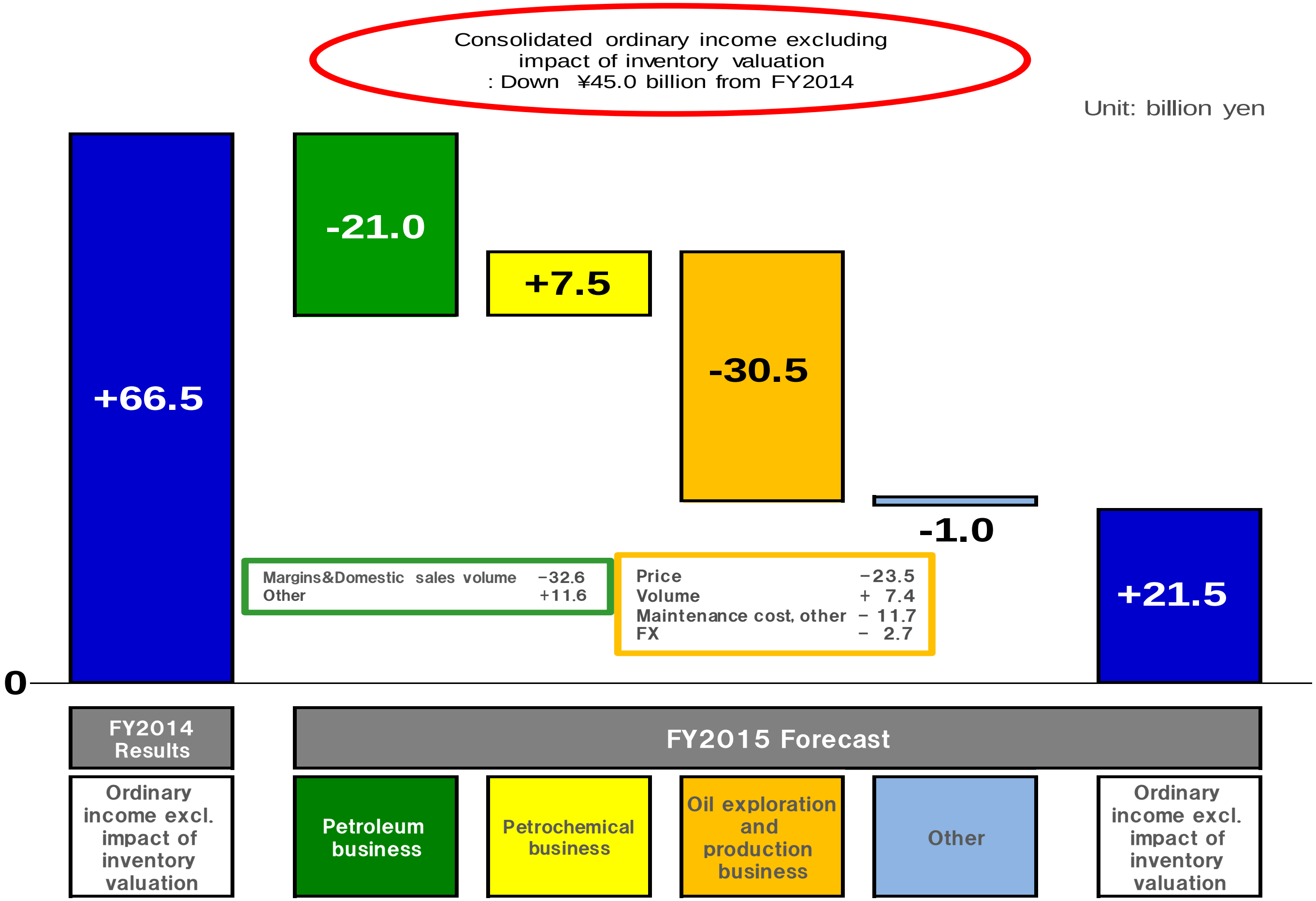
	FY2015 Forecast	FY2014 Results	Changes
Dubai crude oil price (USD/B)	55.3	83.5	-28.2
JPY/USD exchange rate (yen/USD)	120.9	109.9	11.0

(*) Cosmo Oil Co., Ltd. transformed to the Holding Company-Structure through the solo share transfer method 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.

2Q FY2015 Full-Year Forecast – Analysis of Changes in Consolidated Ordinary Income (excluding impact of inventory valuation) from FY2014

Key Variable Factors

Petroleum business: Lower profit mainly due to deteriorated market conditions associated with falling oil prices.
Petrochemical business: Higher profit, reflecting strong market conditions for ethylene and rationalization in HCP.
Oil E&P business: Lower profit due to falling oil prices despite an upward trend in the production volume.



FY2015 Outlook – Changes from Previous announcement

Unit: billion yen

	Net Sales		Operating Income		Ordinary Income		Ordinary Income (excluding impact of inventory valuation , cost or market method)	
		Changes from the Previous Annoucement		Changes from the Previous Annoucement		Changes from the Previous Annoucement		Changes from the Previous Annoucement
Petroleum business	2,420.0	-117.0	16.5	-12.5	5.5	-13.5	1.0	-18.0
Petrochemical business	62.5	5.5	0.0	0.0	0.5	-0.5	0.5	-0.5
Oil E&P business	63.5	-7.5	18.0	-8.0	17.0	-8.0	17.0	-8.0
Other business	77.5	-2.5	3.5	-1.0	3.5	-1.0	3.5	-1.0
Adjustment	-158.5	-34.5	-1.0	0.0	-0.5	0.0	-0.5	0.0
Total	2,465.0	-156.0	37.0	-21.5	26.0	-23.0	21.5	-27.5

Capital Expenditures, Depreciation, etc.

Unit: billion yen

	FY2015 Forecast	Changes
Capital expenditures	104.1	21.9
Depreciation expense amount,etc	32.6	-2.4

Capital expenditures by Business Segment

Unit: billion yen

	FY2015 Forecast	FY2015 Previous Announcement	Changes
Petroleum	49.3	50.1	-0.8
Petrochemical	1.1	1.0	0.1
Oil E&P	49.5	27.0	22.5
Other	5.6	5.5	0.1
adjustment	-1.4	-1.4	0
Total	104.1	82.2	21.9

Full-Year FY2015 Outlook, 2014 with Year-on-Year Changes

Unit: billion yen

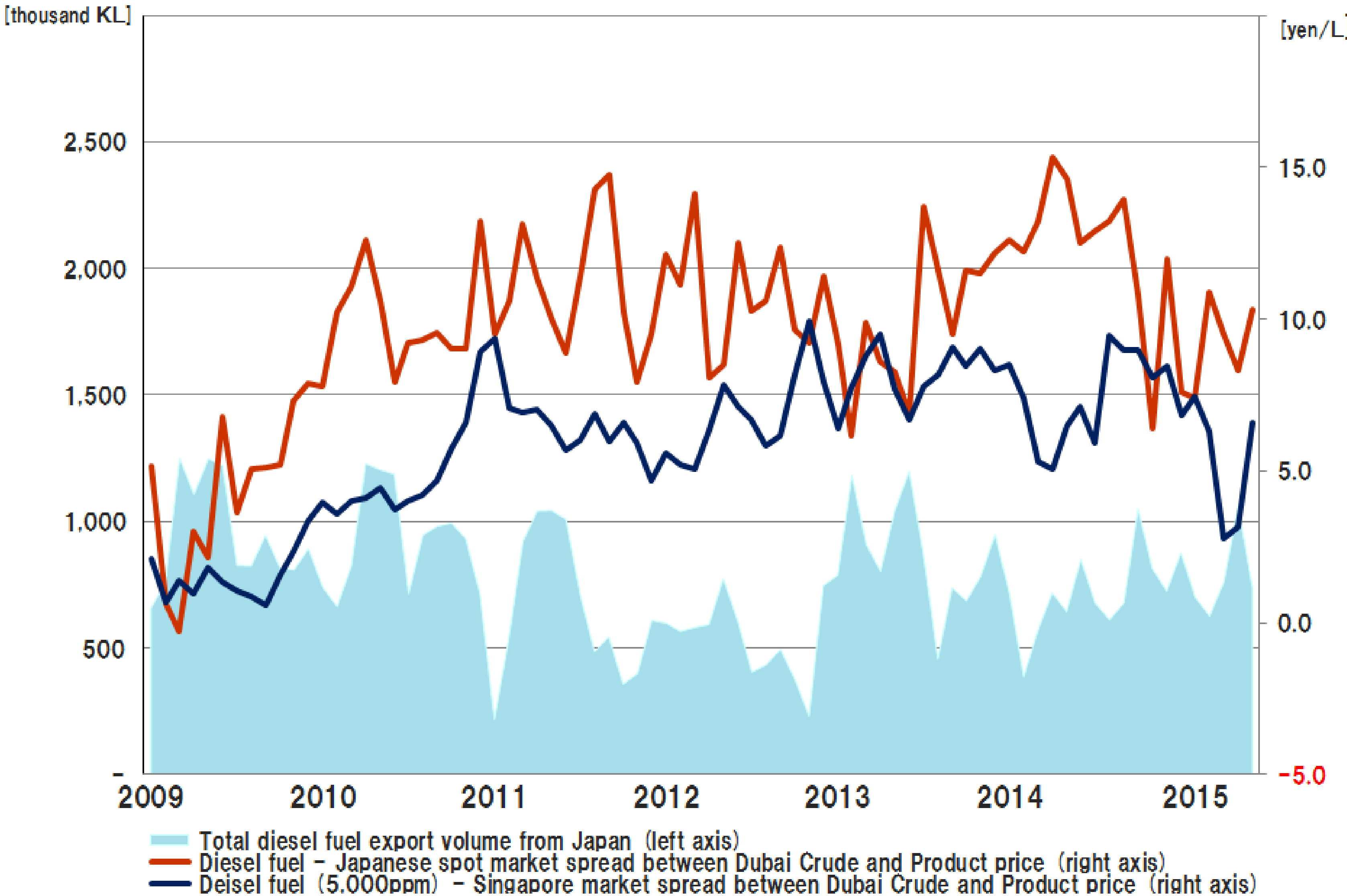
	Net Sales		Operating Income		Ordinary Income		Ordinary Income (excluding impact of inventory valuation , cost or market method)	
		Changes from FY2014		Changes from FY2014		Changes from FY2014		Changes from FY2014
Petroleum business	2,420.0	-577.0	16.5	96.5	5.5	99.0	1.0	-21.0
Petrochemical business	62.5	7.4	0.0	2.8	0.5	8.1	0.5	7.5
Oil E&P business	63.5	-18.8	18.0	-23.0	17.0	-30.5	17.0	-30.5
Other business	77.5	1.8	3.5	-0.3	3.5	-0.9	3.5	-0.9
Adjustment	-158.5	15.8	-1.0	-0.6	-0.5	-0.1	-0.5	-0.1
Total	2,465.0	-570.8	37.0	75.4	26.0	75.6	21.5	-45.0

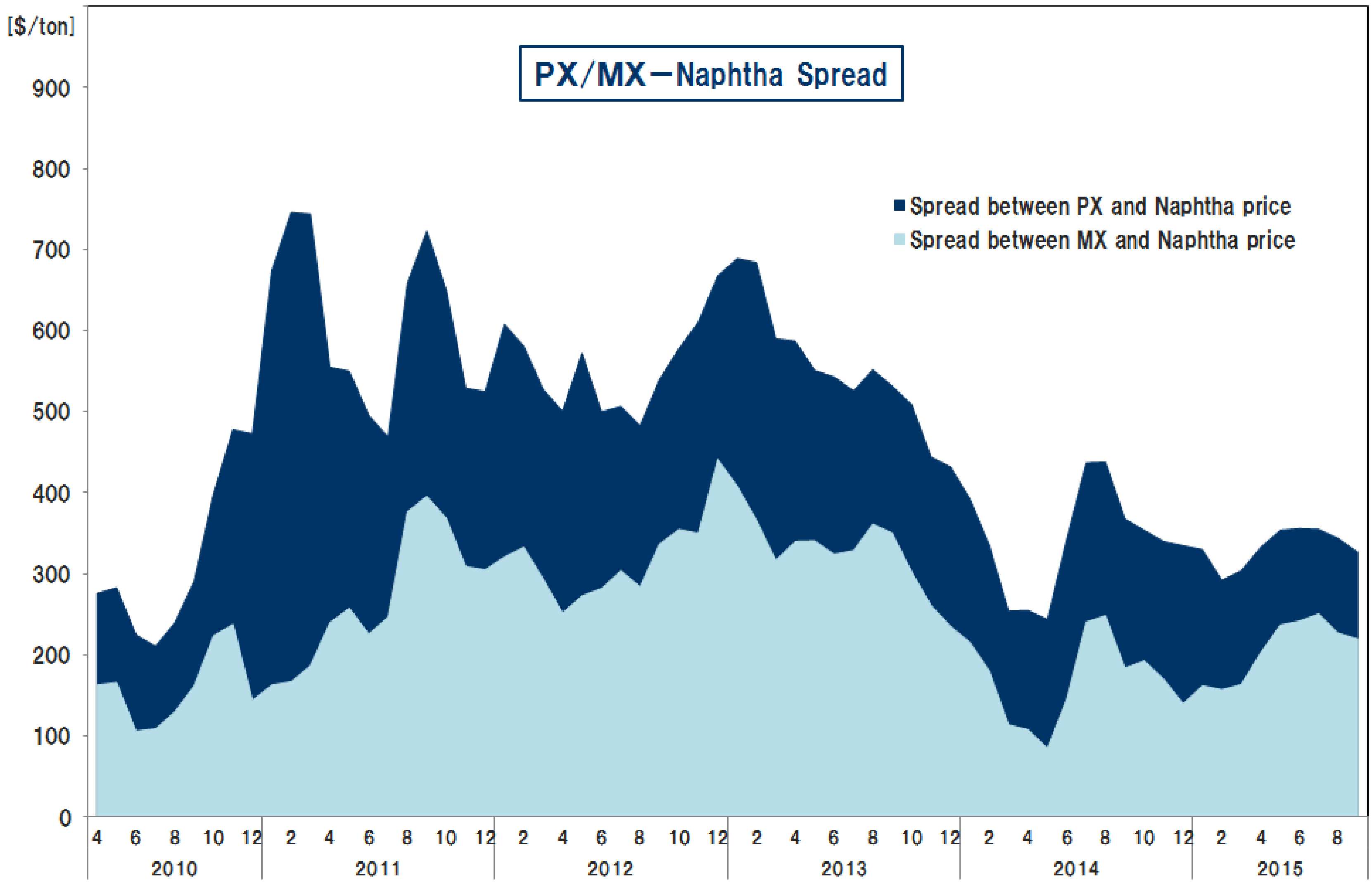
Assumption of Crude Oil Price and Exchange Rate, and Business Sensitivity thereto

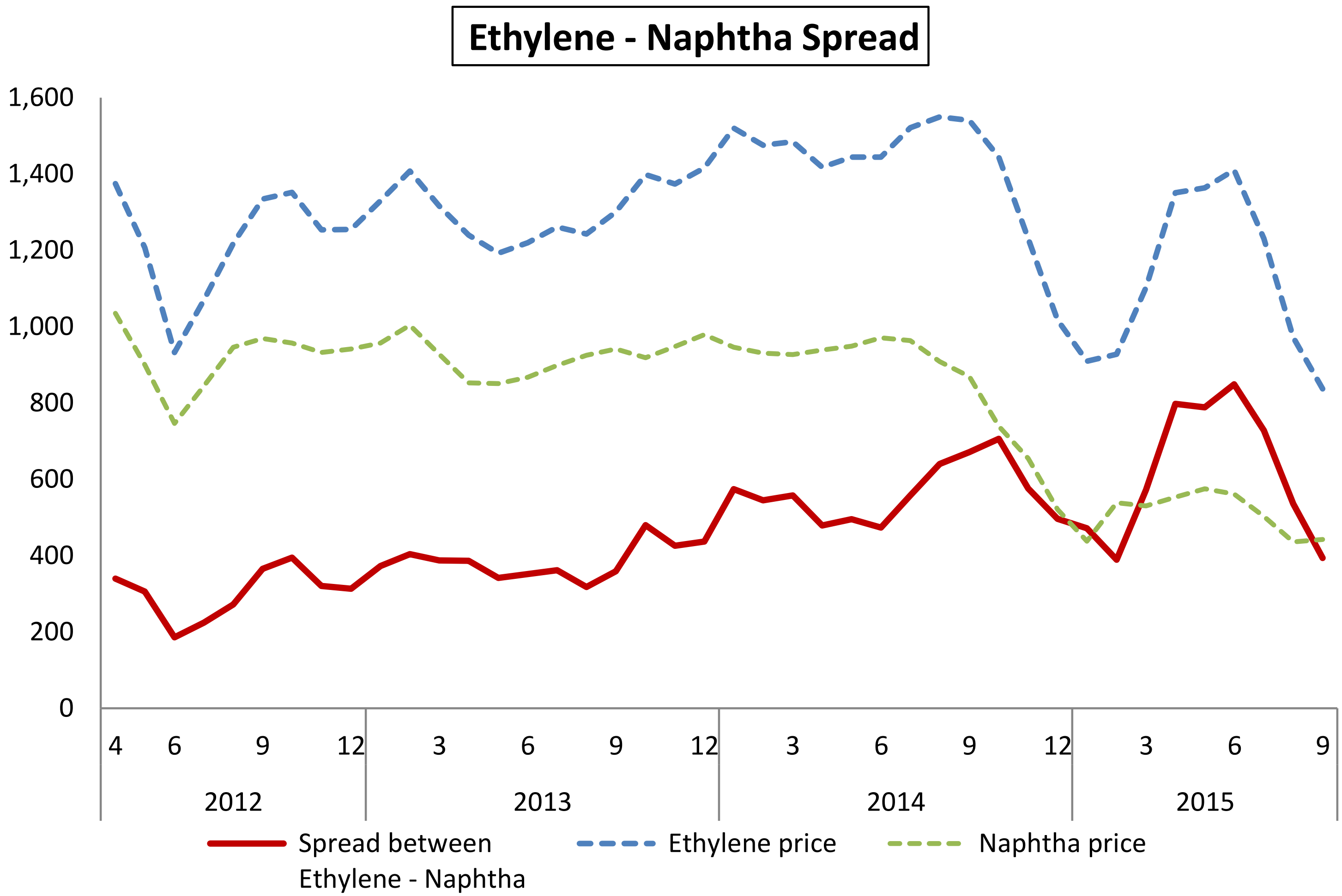
	Precondiction	Sensitivity	
		Petroleum Business	Oil E & P Business
Crude oil (Dubai)	55.0 USD/BBL	+ 2.2 billion yen	+ 0.3 billion yen
JPY/USD exchange rate	120.0 yen/USD	+ 1.0 billion yen	+ 0.2 billion yen

* 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 six-month period of Oct.2015 to Mar.2016 adopted for sensitivity figure estimation for the petroleum business segment, and a three-month period of Oct.2015 to Dec.2015, for the oil exploration and production business.


[thousand KL]
[yen/L]
2,500
2,000
1,500
1,000
500
-
15.0
10.0
5.0
0.0
-5.0
2009
2010
2011
2012
2013
2014
2015
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)


[$/ton]
PX/MX—Naphtha Spread
900
800
700
600
500
400
300
200
100
0
Spread between PX and Naphtha price
Spread between MX and Naphtha price
4 6 8 10 12 2 4 6 8 10 12 2 4 6 8 10 12 2 4 6 8 10 12 2 4 6 8 10 12 2 4 6 8
2010
2011
2012
2013
2014
2015


Ethylene - Naphtha Spread
1,600
1,400
1,200
1,000
800
600
400
200
0
4
6
9
12
3
6
9
12
3
6
9
12
3
6
9
2012
2013
2014
2015
Spread between Ethylene - Naphtha
Ethylene price
Naphtha price

Business outline

- ✓ 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

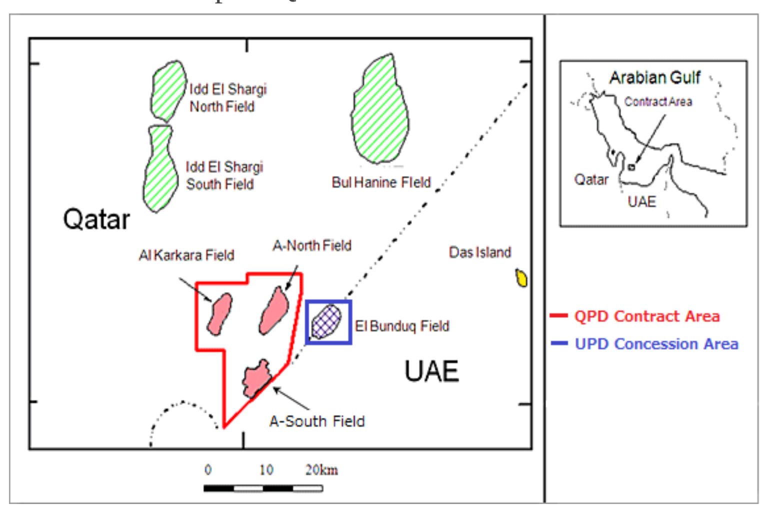
Location	Company Name	Investment Ratio	Establish-ment	Crude Production (BD)	Total Proved and Probable Reserves (mil BD)	Reserve Production Ratio (year)	Segment Ordinary Income (billion yen)
	Cosmo Energy E&P	100%	2014	38,031	167.6	approx. 26	47.5

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

※Production of Crude Oil, Ordinary income : Result of FY2014
※Crude Reserves Estimate : Total of Proved Reserves and Probable Reserves
(As of 31st, Dec 2014)

■Location Map of ADOC Concession Area

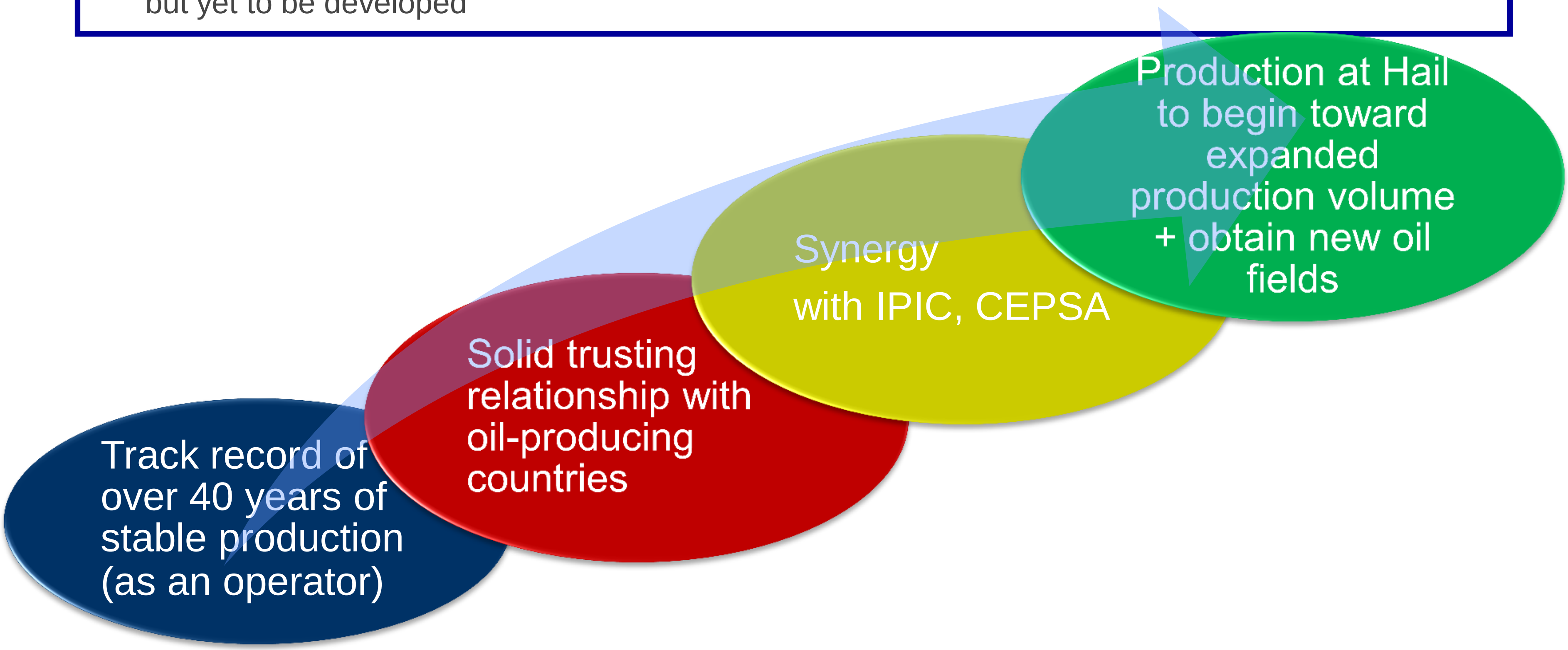
■Location Map of QPD Contract and UPD Concession Area



[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>

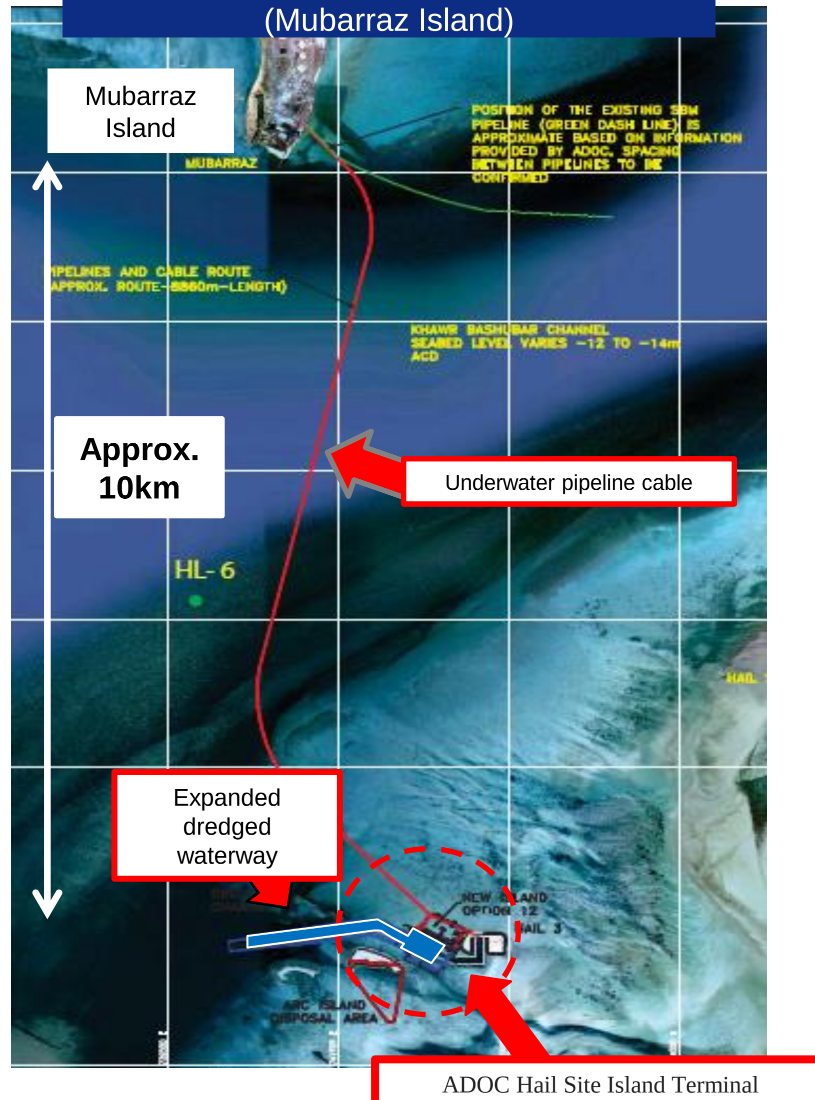
✓ Geopolitical risks	⇒	Operations in UAE, Qatar, where political conditions are relatively stable and where strong motivation to utilize foreign investments exists
✓ Development risks	⇒	Track record as an operator of stable operations of over 40 years and solid trusting relationship with oil-producing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

- ✓ The commencement of production is expected in FY2016
- ✓ The peak production volume is expected to be equivalent to that of the existing three oil fields of Abu Dhabi Oil Company.
- ✓ In FY2015, the minimum required above-ground facilities will be constructed after dredging a waterway and creating an artificial island.
- ✓ In the period between the end of FY2015 and early FY2016, the excavation of an appraisal well that will be converted into a production well will be started.

Development schedule toward start of production

	FY2014	FY2015	FY2016	FY2017
Exploration (data analysis)	3D seismic prospecting → Data analysis (looking for excavation point)			
Development	Planning → Dredging waterway, construction of artificial island → Construction of above-ground facilities			
		Preparing for excavation → Excavation to begin	→ Production to begin	

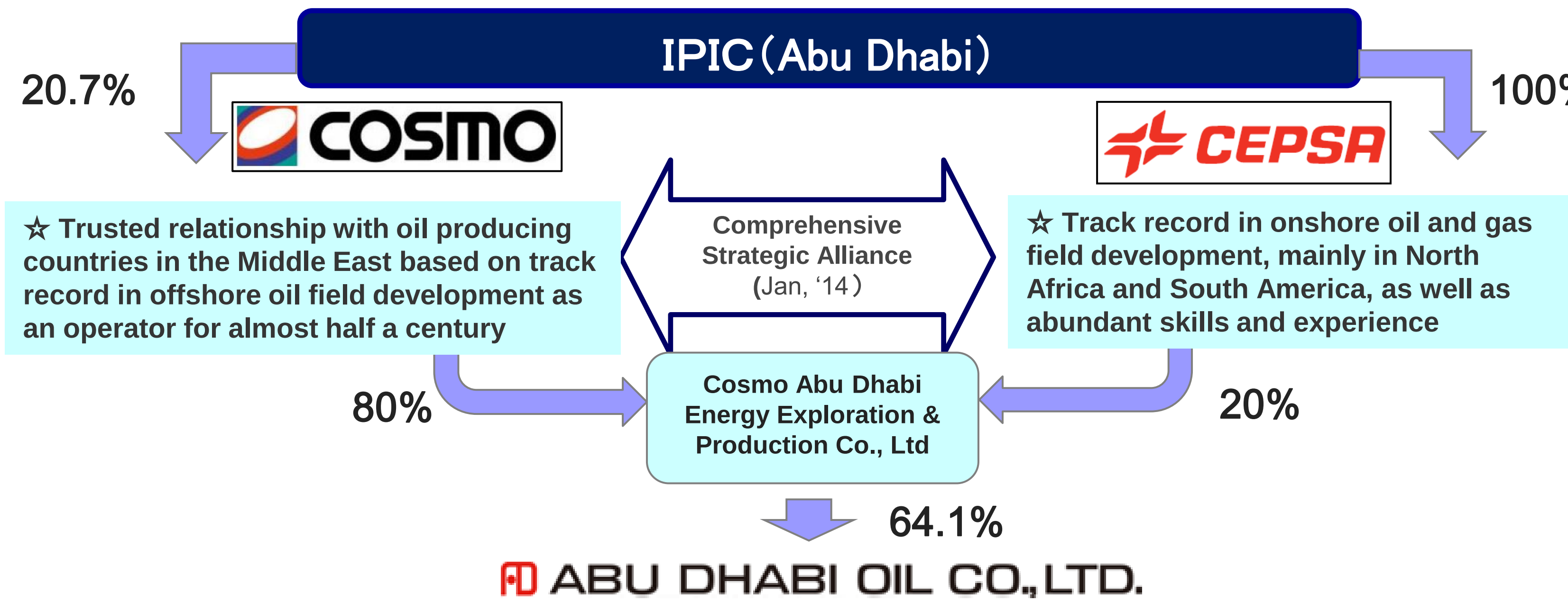
Hail oil field and existing shipping terminal (Mubarraz Island)

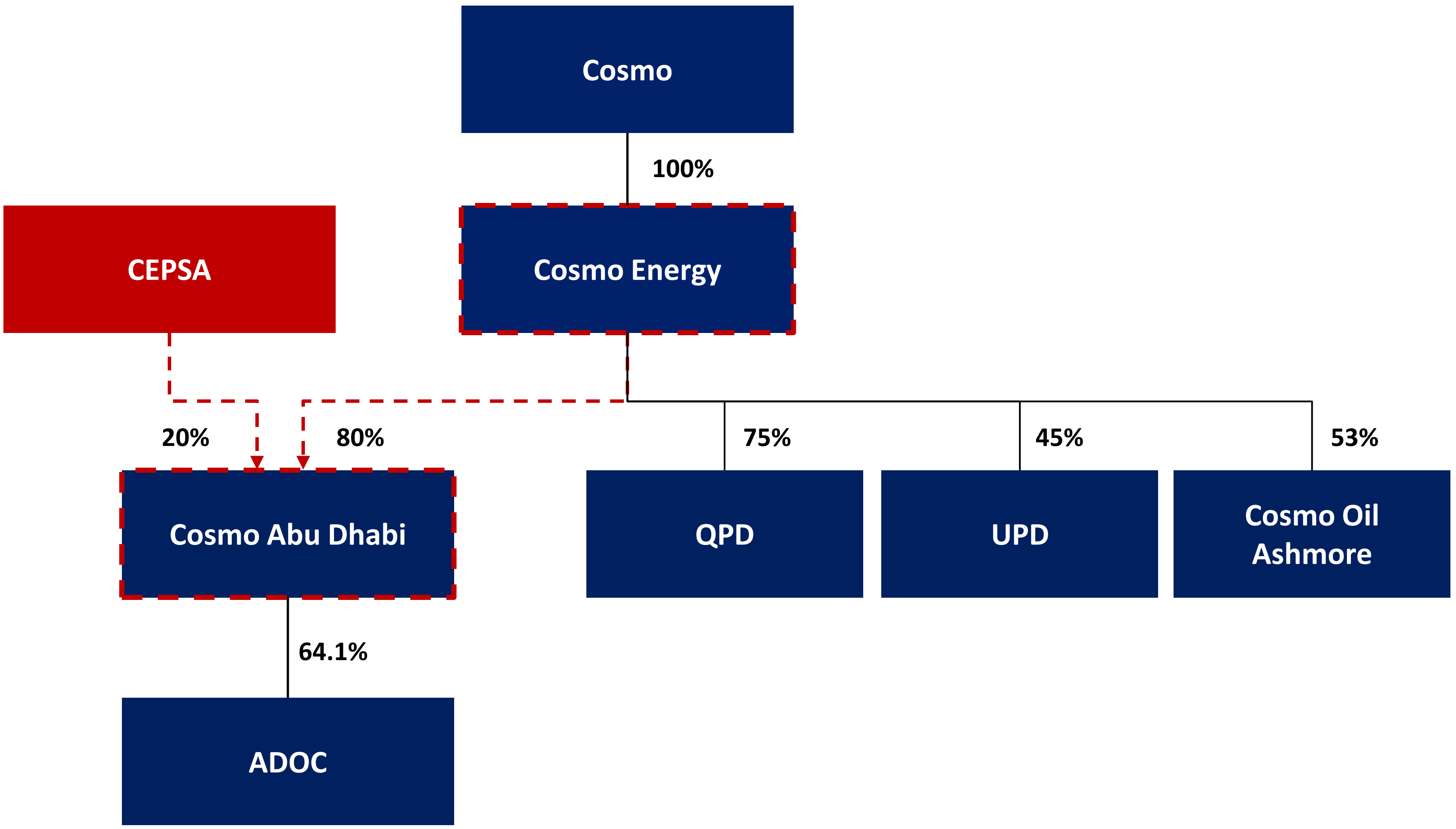


[Oil E&P Business] – Enhancement of alliance with CEPSA

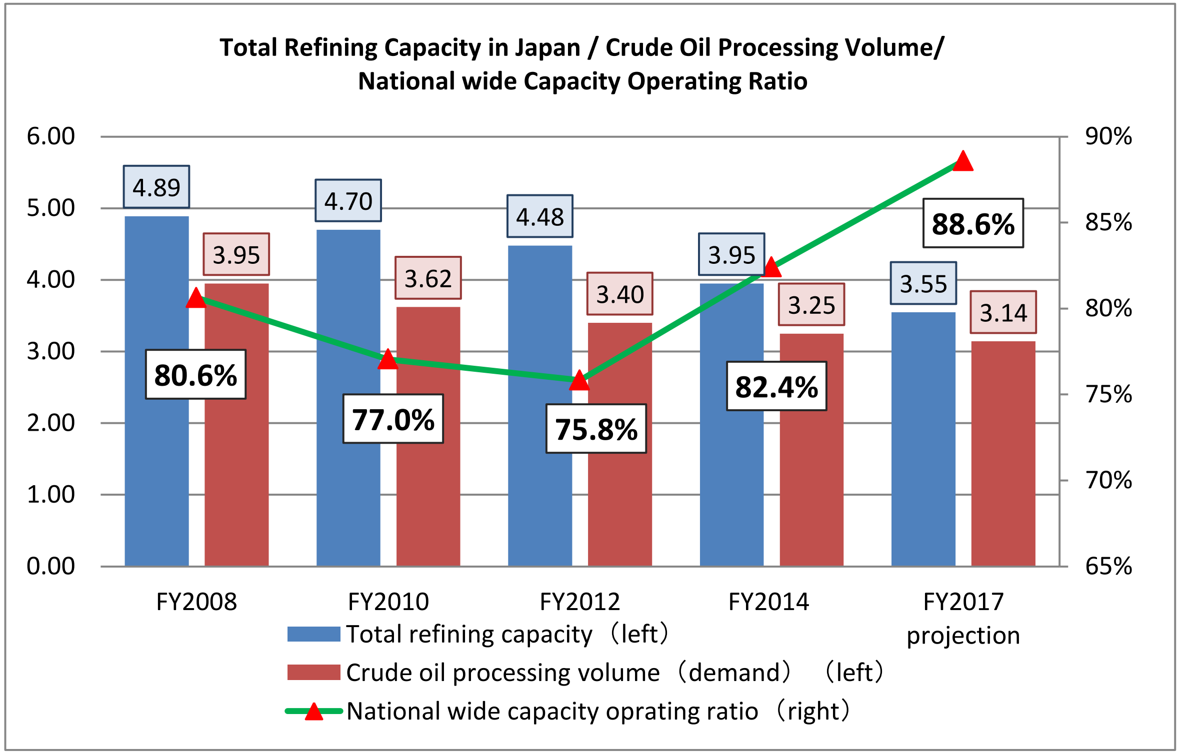
- ✓ Cosmo aims to reinforce and expand the strategic partnership with CEPSA by transferring part of shares of newly established upstream subsidiary "Cosmo Abu Dhabi Energy Exploration & Production" (20%, 24.6bn JPY*1) to CEPSA, which is in line with the "Further strengthen alliances with IPIC" policy 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




Cosmo
100%
CEPSA
Cosmo Energy
20%
80%
75%
45%
53%
Cosmo Abu Dhabi
QPD
UPD
Cosmo Oil Ashmore
64.1%
ADOC

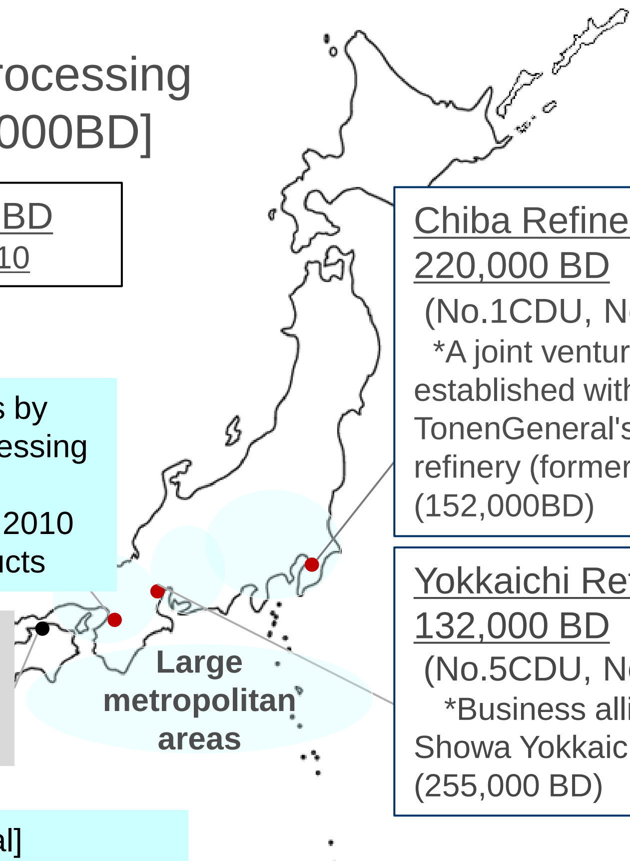
- ✓ With the enforcement of the Act on Sophisticated Methods of Energy Supply Structures (deadline of March 2014), domestic refining capacity decreases and the supply and demand balance becomes reasonable.
- ✓ With the partial amendment to the Act above (deadline of March 2017), a reasonable supply and 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

Chiba Refinery: 220,000 BD
(No.1CDU, No.2CDU)
*A joint venture company established with TonenGeneral's Chiba refinery (formerly of KPI) (152,000BD)

[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

Yokkaichi Refinery: 132,000 BD
(No.5CDU, No.6CDU)
*Business alliance with Showa Yokkaichi Sekiyu (255,000 BD)

[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

- ✓ Put both companies' refineries under integrated management to streamline and increase efficiency of the Refinery Business.
- ✓ Establish a refinery with top-class competitiveness in Asia.
- ✓ Assume that synergies between both companies will be 10 billion yen (1 billion yen before the completion of pipelines).

Basic contract, decisions

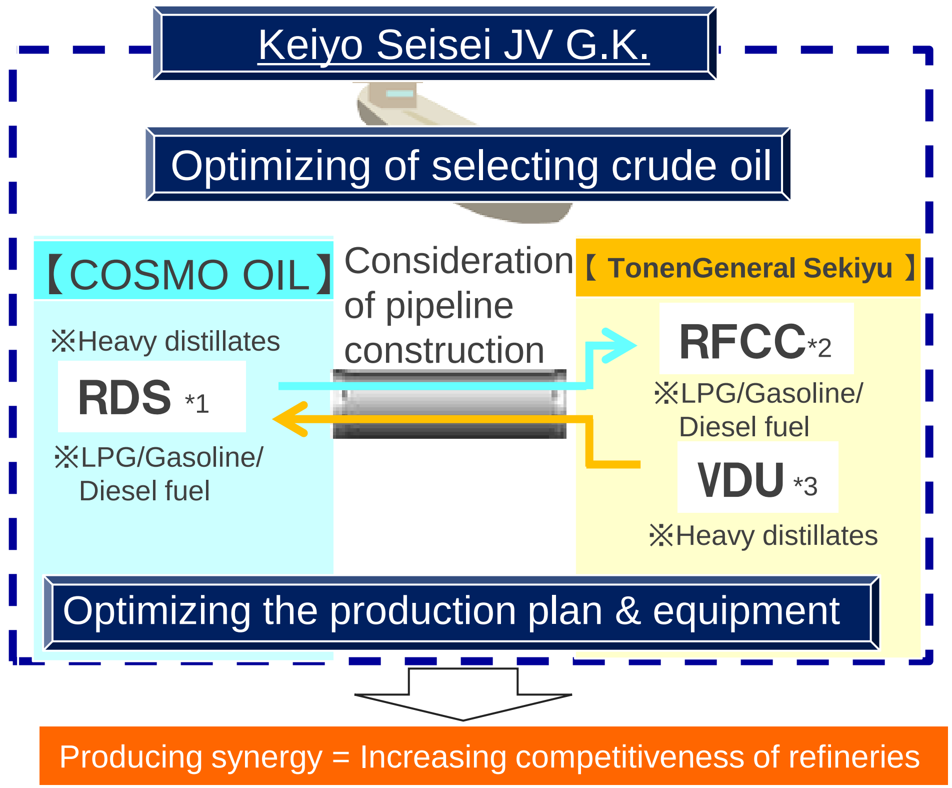
■Establishment of Keiyo Seisei JV G.K. (January 2015)
- Investment ratio: each company to take a 50% stake
- Business: development of a production plan for both refineries

■Formal agreement on the construction of pipelines
- Construction work to started in June 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 atmospheric distillation equipment

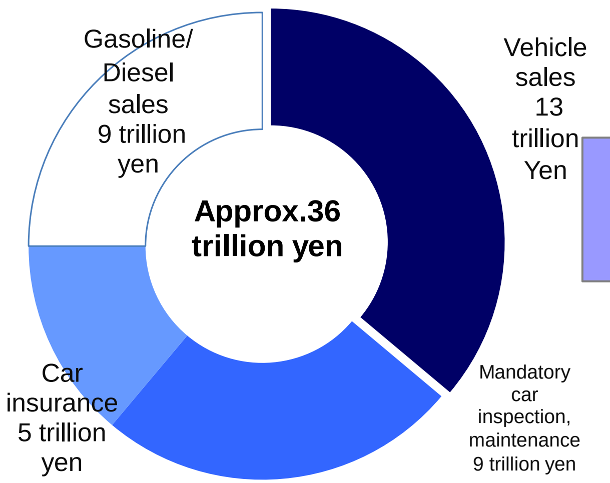
＊1)RDS＝Residue Hydro desulfurization unit
＊2)RFCC＝Residue Fluid Catalytic Cracker
＊3)VDU＝ Vacuum Distillation Unit

<An example of Synergy>



- ✓ 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

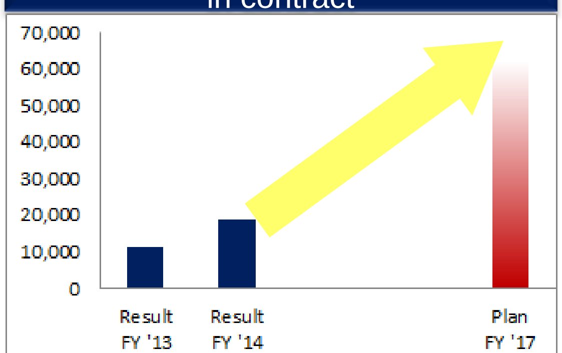
Privilege: A reduced price for fuel oil at Cosmo Oil SSs only

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: 4.35 million (as of the end of Sep. 2015)
- 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

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 : 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
Description of business	Manufacture,storage,transport,sale and import/export of LP gas
Capital	11.0 billion yen
Settlement period	December
Shareholders and ownership	Cosmo Oil Co., Ltd. (25%), Showa Shell Sekiyu K.K. (25%), Sumitomo Corporation (25%), TonenGeneral Sekiyu K.K. (25%)
Sales revenue	Approx.450 billion yen
Domestic sales volume	Approx.3.7 million tons (excluding LPG used as electric power and raw materials)
Import volume	Approx.2.8 million tons
Overseas trading volume	Approx.1.0 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.

[Petrochemical business] － Overview

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.

Capacity

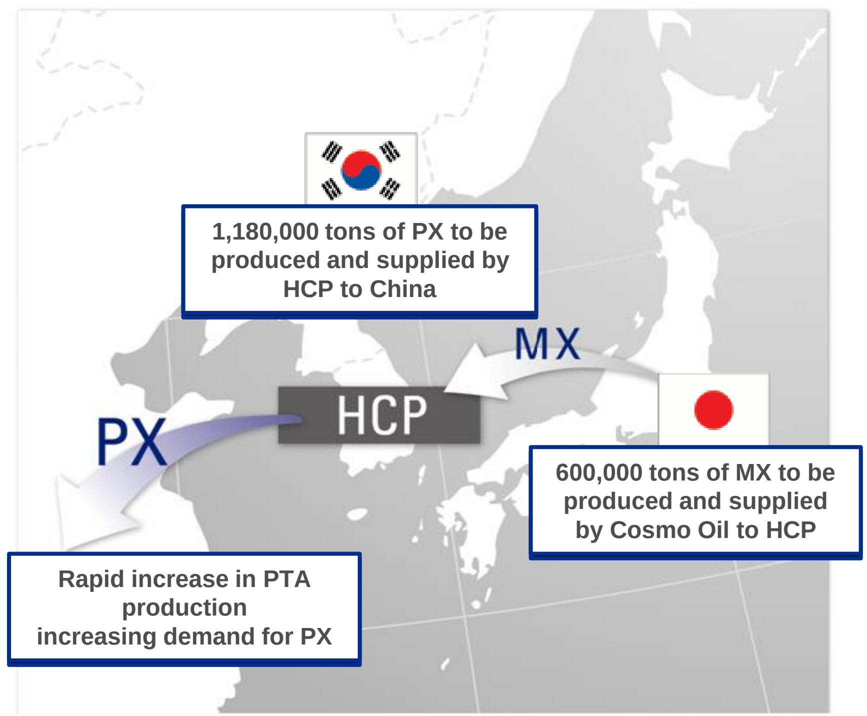
k ton/year

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

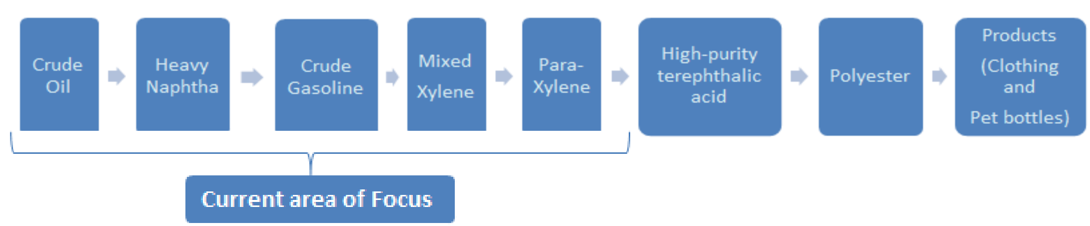
HCP : 50.0% (equity-method affiliate)
Maruzen Petrochemical : 43.9% (equity-method affiliate)
CM Aromatics : 65.0% (consolidated subsidiary)
Cosmo Matsuyama Oil : 100.0% (consolidated subsidiary)

*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

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 a total of around 90,000(*) kw during the period covered by the Medium-Term Management Plan.

(*) About 40,000 kw out of 90,000 kw has been under operation in Hirokawa and Aizu.

■Overview of Eco Power Co., Ltd.
Capital: 7.1 billion yen
Number of wind turbines: 145 (22 sites)
Power generation capacity: 183,000 kW
Industry share: around 6% (ranked 4th)
*As of March,2015

Disclaimer
FORWARD-LOOKING STATEMENTS

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.