Cosmo Energy Holdings Co., Ltd.
Presentation on Results for
Third Quarter of Fiscal 2017

February 8, 2018

Director, Senior Executive Officer
Kenichi Taki

COSMO ENERGY HOLDINGS CO., LTD.

With an improving business environment including the domestic supply-demand balance, we increased our earnings strength primarily through a high operating ratio at refineries and petrochemical plants.

[Oil Refining and Sales]

✓ In addition to the achievement of safe operation and high operating ratios at the refineries, the recovery of affiliated operators amid the shrinking spot market and the appropriate margin, which both resulted from the domestic supply-demand balance improvement, contributed earnings.
⇒Ordinary income excluding the impact of inventory valuation stood at ¥30.2billion (up ¥28.9 billion year on year)

[Petrochemical]

✓ In addition to the firm market conditions, the sales volume increased thanks to the absence of the impact of regular maintenance at Maruzen Petrochemical.
⇒Ordinary income excluding the impact of inventory valuation stood at ¥25.1 billion (up ¥13.0 billion year on year)

[Oil Exploration and Production]

✓ Rise in the crude oil price*
⇒ Ordinary income stood at ¥12.6 (up ¥3.6 billion year on year)
(*) Average price of Dubai crude oil in 3Q (Jan.-Sep.) rose to $51 from $39, year on year

✓ The Hail oil field started production in November 2017, with production ramping up to full-scale in January 2018.

[Key Points in Financial Results]

✓ Consolidated ordinary income was ¥86.9billion (up ¥36.8 billion year on year), quarterly net profit was ¥48.7 billion(up ¥25.3 billion year on year), and consolidated ordinary income excluding the impact of inventory valuation was ¥72.8 billion (up ¥45.1 billion year on year).
⇒ The net worth ratio was 12.3% (improved 1.5 point from the end of the previous year)
⇒ The net debt-to-equity ratio was 3.1 (improved 0.5 point from the end of previous year).

Revision of earnings forecast

- ✓ The precondition of crude oil prices and currency exchange rates for a January-March period are ¥65/B and ¥110/$ in terms of the current market conditions.
- ✓ On a full-year basis, we expect ¥120.0 billion in consolidated ordinary income, and ¥70.0 billion in net profit. Consolidated ordinary income excluding impact of inventory valuation is expected to be ¥100.0billion.
- ✓ We expect the net worth ratio to be about 14% level (improved about 3.0 point from the end of the previous year), net D/E ratio to be less than 2.5times (improved about 1.1 point from the end of the previous year)

【Reference】Precondition

	Results (Apr.-Dec.)	Forecast (Jan-Mar)	FY2017
Dubai crue oil($/B)	53	65	56
JPYUSD exchange rate (¥/$)	112	110	111

Dividend policy

- ✓ Although the full-year earnings forecast will exceed the previous announcement in November, we plan to pay a dividend of 50 yen per share in comprehensive consideration of the Group’s financial position, and investment strategy etc.

[3Q FY2017 Results] Consolidated Income Statements – Changes from 3Q FY2016

Unit: billion yen

No.	Item	FY2017 (Apr.-Dec.2017)	FY2016 (Apr.-Dec.2016)	Changes	(Rate of change)	Forecast FY2017
1	Net sales	1,816.6	1,625.6	191.0	+12%	2,558.0
2	Operating income	83.8	56.6	27.2	+48%	115.0
3	Non-operating income/expenses, net	3.1	-6.5	9.6		5.0
4	Ordinary income	86.9	50.1	36.8	+73%	120.0
5	Extraordinary income/losses, net	-6.9	-2.8	-4.1		-9.0
6	Income taxes	22.0	16.6	5.4		30.0
7	Profit attributable to non-controlling interests	9.3	7.3	2.0		11.0
8	Profit attributable to owners of parent	48.7	23.4	25.3	+108%	70.0
9	Impact of inventory valuation	14.1	22.4	-8.3		20.0
10	Ordinary income excluding impact of inventory valuation	72.8	27.7	45.1		100.0
11	Dubai crude oil price (USD/B) (Apr.-Dec.)	53	45	8		56
12	JPY/USD exchange rate (yen/USD)(Apr.-Dec.)	112	107	5		111

【Reference】

No.	Item	FY2017	FY2016	Changes	(Rate of change)	Forecast FY2017
13	Dubai crude oil price (USD/B) (Jan.-Sep.)	51	39	12		53
14	JPY/USD exchange rate (yen/USD)(Jan.-Sep.)	112	109	3		112

Unit : billion yen

No			FY2017 (Apr.-Dec.2017)		FY2016 (Apr.-Dec.2016)		Changes	
			Ordinary income	Ordinary income exc. Impact of Inventory valuation	Ordinary income	Ordinary income exc. Impact of Inventory valuation	Ordinary income	Ordinary income exc. Impact of Inventory valuation
1	Total		86.9	72.8	50.1	27.7	36.8	45.1
2	(Each segment)	Petroleum business	44.3	30.2	23.1	1.3	21.2	28.9
3		Petrochemical business	25.1	25.1	12.7	12.1	12.4	13.0
4		Oil E&P business (*1)	12.6		9.0		3.6	
5		Other (*2)	4.9		5.3		-0.4	

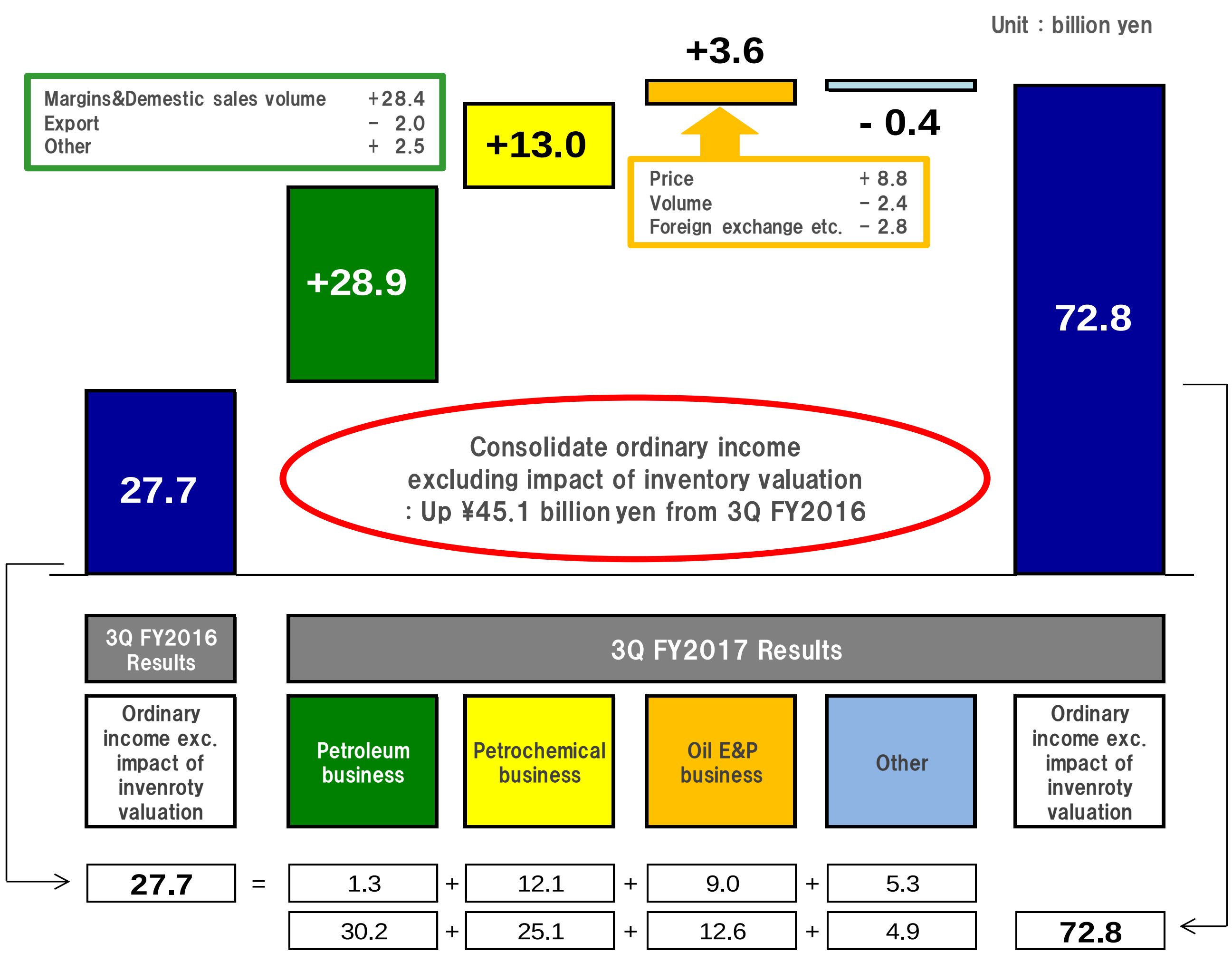
(*1) The Accounting period of three operators(Abu Dhabi Oil Company, Qatar Petroleum Development and United Petroleum Development) is December.

(*2) Including consolidated adjustment

[3Q FY2017 Results] Consolidated Ordinary Income (Excluding impact of inventory valuation) - Analysis of Changes from 3Q FY2016

Key variable factors

- Petroleum business : Profit increased due to the achievement of the safe operation and high operating ratios of the refineries and the appropriate margin resulted from the improved domestic supply-demand balance.
- Petrochemical business : Profit increased due to the firm market conditions and the increased sales volume by the absence of regular maintenance.
- Oil E&P business : Profit increased due to the higher oil price.



Consolidated Balance Sheet

Unit: billion yen

No		FY2017 (As of Dec. 31, '17)	FY2016 (As of Mar. 31, '17)	Changes
1	Total Assets	1,729.0	1,525.7	203.3
2	Net assets	329.6	272.8	56.8
3	Net worth	213.2	164.7	48.5
4	Net worth ratio	12.3%	10.8%	Up 1.5 points
5	Net interest-bearing debt *1	794.5	727.3	67.2
6	Debt Equity Ratio (times) (based on the credit rating) *2	3.1	3.6	Up 0.5 points

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

*2 50% of original amount of Hybrid Loan 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)

✓ The Hail Oil Field, Chiba JV, IPP and other large-scale investment is expected to be decrease drastically from FY2018

Capital Expenditures. Depreciation, etc.

Unit: billion yen

No.		3QFY2017 Results	Change from 3QFY2016
1	Capital expenditures	74.2	-5.1
2	Depreciation expense amount,etc	30.2	2.0

Capital Expenditures by Business Segment

Unit: billion yen

No.		3QFY2017 Results	3QFY2016 Results	Change from 3Q FY2016	(ref.) Main fluctuation factor
1	Petroleum	17.4	15.7	1.7	-
2	Petrochemical	3.3	9.7	-6.4	Maruzen Petrochemical skipped regular maintenance
3	Oil E&P	35.9	32.0	3.9	Development of the Hail Oil Field
4	Other	18.3	22.5	-4.2	IPP upgrade construction
5	Adjustment	-0.7	-0.6	-0.1	-
6	Total	74.2	79.3	-5.1	-

Forecast for FY2017 Performance

[FY2017 Full-Year Forecast] Highlights of Consolidated Business Outlook (Changes from the Previous Announcement), Precondition, and Business Sensitivity

Unit : billion yen

No			FY2017 Forecast		FY2017 Previous Announcement		Changes	
			Ordinary income	Ordinary income exc. Impact of Inventory valuation	Ordinary income	Ordinary income exc. Impact of Inventory valuation	Ordinary income	Ordinary income exc. Impact of Inventory valuation
1	Total		120.0	100.0	80.0	90.0	40.0	10.0
2	(Each segment)	Petroleum business	64.0	44.0	28.0	38.0	36.0	6.0
3		Petrochemical business	30.0		26.0		4.0	
4		Oil E&P business (*1)	18.0		16.0		2.0	
5		Other (*2)	8.0		10.0		−2.0	

(*1) The Accounting period of three operators(Abu Dhabi Oil Company, Qatar Petroleum Development and United Petroleum Development) is December.

(*2) Including consolidated adjustment

No.		FY2017 Forecast	FY2017 Previous Announcement	Changes
6	Profit attributable to owners of parent	70.0	43.0	27.0
7	Dividend per Share (Forecast) (yen)	¥50	¥50	−

■ Precondition

No.		FY2017 Forecast	FY2017 Previous Announcement	Changes
8	Dubai crude oil price (USD/B) (Apr.-Mar.)	56	50	6
9	JPY/USD exchange rate (Apr.-Mar.)	111	111	0
10	Dubai crude oil price (USD/B) (Jan.-Dec.)	53	51	2
11	JPY/USD exchange rate (Jan.-Dec.)	112	111	1
12	Spread between Ethylene-Naphtha ($/ton) (Apr.-Mar.)	709	673	36

■ Sensitivity

No.		Item	Crude oil (Dubai)	JPY/USD exchange rate
8	Petroleum Business	Inventory Impact	2.1 billion yen	1.3 billion yen
9		Refinery fuel cost etc.	-0.1 billion yen	-0.1 billion yen
10		Total	2.0 billion yen	1.2 billion yen

* Figures above refer to impacts by crude oil price (USD 1/bbl) and JPY/USD exchange rate (¥1/USD) fluctuations.

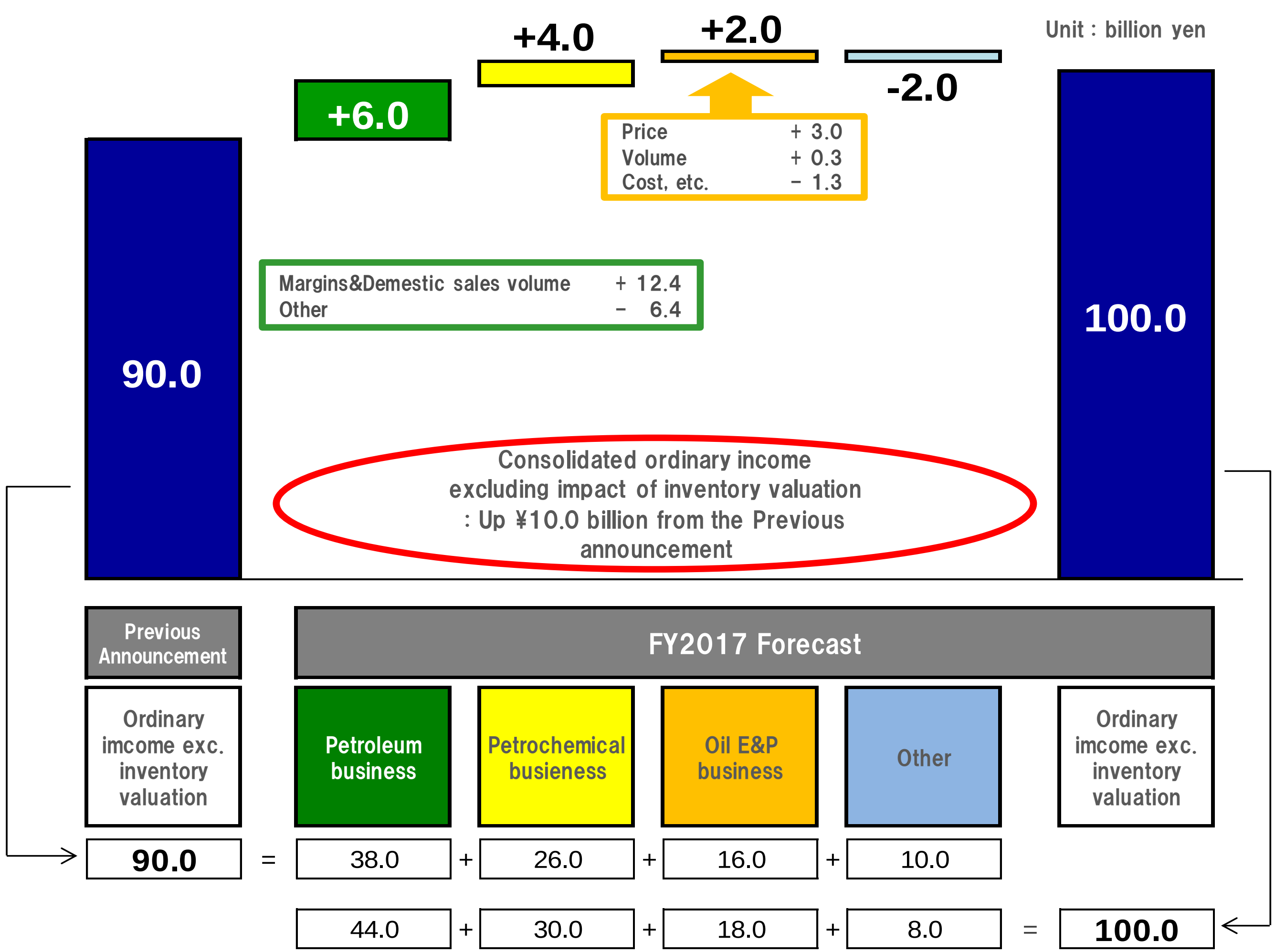
* A threee-month period of Jan to Mar.2018 adopted for sensitivity figure estimation.

Key variable factors

Petroleum business : Higher profit expected due to the safe operation and high operating ratio of the refineries and the achievement of an appropriate margin through the improvement of the domestic supply-demand balance.

Petrochemical business : Higher profit expected due to the firm market.

Oil E&P business : Higher profit expected due to the higher oil price.



Supplementary Information

Outlook for the Next Medium-Term Management Plan

Outlook for the Next Medium-Term Management Plan

✓ In the next medium-term management plan, achieve profitability that will enable reinvestment and strengthen the financial positon at an early stage for further growth.

<table>
<tr><th></th><th></th><th>Final Fiscal Year of Current Medium-term Plan
Outlook for FY2017</th><th>Next Medium-term Plan
From FY2018</th></tr>
<tr><td rowspan="3">Financial Outlook</td><td>Incoming cash</td><td>Ordinary income excluding impact of inventory:
￥100.0 billion (up ￥58.0 billion year on year)</td><td rowspan="2">Cash flow improves
⇒ Improve financial positon, shareholder returns, and growth investment</td></tr>
<tr><td>Outgoing cash</td><td>Peak of growth investment
(The Hail Oil Field development, Chiba JV, IPP, etc.)</td></tr>
<tr><td>Net D/E ratio (based on credit rating)</td><td>Below 2.5 times</td><td>Aim below 2 times at an early stage</td></tr>
<tr><td rowspan="4">Business Environment and Our Strategy</td><td>Oil Exploration and Production</td><td>Oil price remains firm
• The Hail oil field:
⇒ Started production in November 2017, with production ramping up to full-scale in January 2018.</td><td>• The Hail Oil Field: full production continues
⇒ Total production of 3 operating companies will increase to approx. 1.5 times compared to FY2016</td></tr>
<tr><td>Oil Refining and Sales</td><td>Appropriate market conditions through improved supply-demand balance.
• Yokkaichi Refinery: commenced business alliance
⇒Our synergy: 1 billion yen/yr.
• Increased operating ratio (from 88% in the previous year to 94%)
⇒Improve unplanned suspension ratio, reduce regular mantenance periods.
• Acquisition of 20% of shares in Kygnus Sekiyu K.K
• Car lease business for individuals (aim for a total of 48,000 units)</td><td>• Chiba JV: Pipeline Operation commencement
⇒ JV Synergy of two companies: 10 billion yen/yr.
• Start supplying fuel oil to Kygnus Sekiyu K.K
⇒ Maintain refineries’ high operating ratios and increase sales volumes
• Further enlarge the car lease business for individuals</td></tr>
<tr><td>Petrochemical</td><td>The market for ethylene, etc. remains firm
• High operating ratios of ethylene and para-xylene production facilities</td><td>• Raise the competitiveness of the ethylene plant and improve functional products
⇒ Synergy with oil refining business and JV with Arakawa Chemical Industries, Ltd.</td></tr>
<tr><td>Wind Power Generation</td><td colspan="2">Feed-in Tariff (FIT, 20-year fixed-price purchase agreement)

Current: • Operation commences at Sakata Port Miyaumi /Ohama and Ishikari Bay New Port (power generation capacity of 230,000 kW in total)
⇒ Increased profit of approx. 1 billion yen

Next: • Aim for approximately double the power generation capacity</td></tr>
</table>

Supplementary Information of
3Q FY2017 Results

[3Q FY2017 Results] Sales Volume, CDU Operating Ratios

Unit: thousand KL

No.			3Q FY2017 Results	3Q FY2016 Results	Changes	FY2017 Forecast	FY2017 forecast changes from FY2016
1	Selling volume in Japan	Gasoline	4,231	4,203	100.7%	5,589	100.8%
2		Kerosene	994	1,003	99.1%	1,783	97.9%
3		Diesel fuel	3,235	3,122	103.6%	4,213	102.2%
4		Heavy fuel oil A	1,034	986	104.8%	1,454	102.4%
5		Sub-Total	9,494	9,315	101.9%	13,039	101.0%
6		Naphtha	4,640	4,394	105.6%	6,246	103.6%
7		Jet fuel	334	376	88.8%	473	91.0%
8		Heavy fuel oil C	947	1,064	89.0%	1,223	89.3%
9		inc. Heavy fuel oil C for electric	284	361	78.7%	361	81.8%
10		Total	15,415	15,149	101.8%	20,981	100.8%
11	Selling volume outside Japan	Middle distillates (Jet, Kerosine/Diesel fuel)	533	924	57.7%	883	66.8%
12		Other	2,497	2,626	95.1%	3,422	94.5%
13		Sub-Total	3,030	3,550	85.3%	4,305	87.1%
14	Total		18,445	18,700	98.6%	25,286	98.1%

No.			3Q FY2017 Results	3Q FY2016 Results	Changes
1	CDU operating ratio	(Calendar Day) *1	92.5%	86.0%	6.5%
2		(Streaming Day) *1,2	99.3%	94.9%	4.4%

*1: The operating ratio at the Company's three refineries

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

[3Q FY2017 Results] Crude Oil Production Volume, Crude Reserves Estimate (Proved and Probable)

[1] Crude oil production volume

	3Q FY2017 Results	3Q FY2016 Results	Changes	
Cosmo Energy Exploration & Production Co., Ltd. (B/D)	38,129	41,396	-3,267	92.1%

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

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

*3) The Cosmo Energy Group has a 51.5% 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, 2016)

[2] Crude Reserves Estimate (working interest base) (*1)

	mmbls	
Total Proved (*2) and Probable Reserves (*3)	154.0	Note: The reserves include reserves of new concession area,the Hail Oil Field.
(Ref.: Reserves to Production Ratio of Total Proved and Probable Reserves)	about 23 years	Note: The daily average crude production based on working interest reached 19 thousands bpd for FY2016 (Jan-Dec).

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

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

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

3Q FY2017 Results – Changes from 3Q FY2016

Unit: billion yen

No.		Net Sales	Changes from 3QFY2016	Operating Income	Changes from 3QFY2016	Ordinary Income	Changes from 3QFY2016	Ordinary Income (excluding impact of inventory valuation, cost or market method)	Changes from 3QFY2016
1	Petroleum business	1,654.5	161.1	45.6	12.7	44.3	21.2	30.2	28.9
2	Petrochemical business	330.3	77.6	20.0	11.6	25.1	12.4	25.1	13.0
3	Oil E&P business	38.5	5.8	12.1	3.4	12.6	3.6	12.6	3.6
4	Other	31.7	-12.7	3.0	1.2	2.6	1.1	2.6	1.1
5	Adjustment	-238.4	-40.8	3.1	-1.7	2.3	-1.5	2.3	-1.5
6	Total	1,816.6	191.0	83.8	27.2	86.9	36.8	72.8	45.1

Cosmo Group of Companies（by Segment)

Petroleum business	Cosmo Oil Co.,Ltd., Cosmo Oil Marketing 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）, Kygnus Sekiyu K.K.（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., Hyundai Cosmo Petrochemical Co., Ltd.（owned by the Cosmo Energy Group on the equity method）, etc.
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	Cosmo Engineering Co.,Ltd., Cosmo Trade & Services Co., Ltd., EcoPower Co.,Ltd, etc.

Unit : billion yen

No			FY2017 1Q (Apr.-Jun.) Ordinary income	FY2017 1Q (Apr.-Jun.) Ordinary income exc. Impact of Inventory valuation	FY2017 2Q (Jul.-Sep.) Ordinary income	FY2017 2Q (Jul.-Sep.) Ordinary income exc. Impact of Inventory valuation	FY2017 3Q (Oct.Dec.) Ordinary income	FY2017 3Q (Oct.Dec.) Ordinary income exc. Impact of Inventory valuation	FY2017 (Apr.-Dec.2017) Ordinary income	FY2017 (Apr.-Dec.2017) Ordinary income exc. Impact of Inventory valuation
1	Total		15.0	23.3	28.4	26.0	43.5	23.5	86.9	72.8
2	(Each segment)	Petroleum business	-0.4	7.9	14.8	12.4	29.9	9.9	44.3	30.2
3		Petrochemical business	8.3		8.4		8.4		25.1	
4		Oil E&P business (*1)	5.4		3.6		3.6		12.6	
5		Other (*2)	1.7		1.6		1.6		4.9	

(*1) The Accounting period of three operators(Abu Dhabi Oil Company, Qatar Petroleum Development and United Petroleum Development) is December.

(*2) Including consolidated adjustment

【Reference】Precondition

		FY2017 Jan.-Mar.	FY2017 Apr.-Jun.	FY2017 Jul.-Sep.	FY2017 Oct.-Dec.
1	Crude oil (Dubai) $/B	53	50	51	59
2	JPY/USD exchange rate ¥/$	114	111	111	113

1. Petroleum business

(1) Refinery Operating Ratio

	FY2012	FY2013	FY2014	FY2015	FY2016	3Q FY2017
CDU operating ratio (Calender Day base) *1	55.6%	69.5%	84.0%	83.2%	88.3%	92.5%

(2) Number of SSs by Operator Type

	FY2012	FY2013	FY2014	FY2015	FY2016	3Q FY2017
Subsidiary	914	899	881	920	895	882
Dealers	2,411	2,329	2,252	2,134	2,062	2,026
Total	3,325	3,228	3,133	3,054	2,957	2,908
Number of Self-Service SSs *2	999	1,011	1,031	1,036	1,038	1,040

(3) "Cosmo The Card" - Number of credit cards in force & Accumulative number of contracted auto lease

	FY2012	FY2013	FY2014	FY2015	FY2016	3Q FY2017
Cosmo The Card (million cards) *2	4.10	4.20	4.31	4.39	4.44	4.45
Auto lease (Units) *2	5,001	11,734	19,040	27,401	37,077	44,151

2. Oil E&P business

Crude oil production volume

	FY2012	FY2013	FY2014	FY2015	FY2016	3Q FY2017
Cosmo Energy E&P Co., Ltd. (B/D) *3	41,555	36,842	38,031	39,201	39,032	38,129

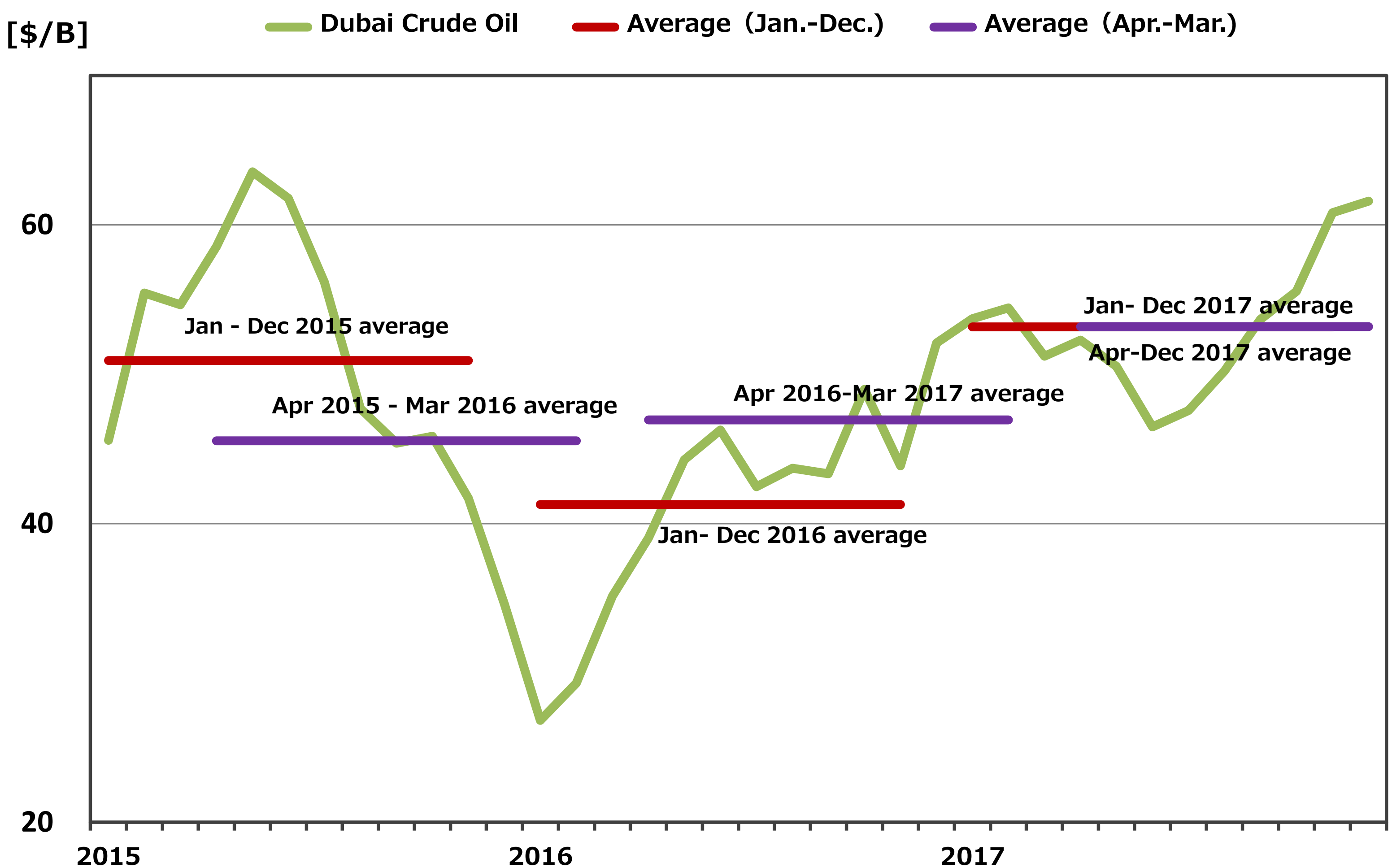
3. Wind power generation business

Wind power generation capacity (ten thousand kW)

	FY2012	FY2013	FY2014	FY2015	FY2016	3Q FY2017
Power generation Capacity*2	14.6	14.6	18.3	18.4	21.1	22.0

*1) April-March results for each fiscal year *2) At the end of March of each fiscal year *3) January-December results for each fiscal year

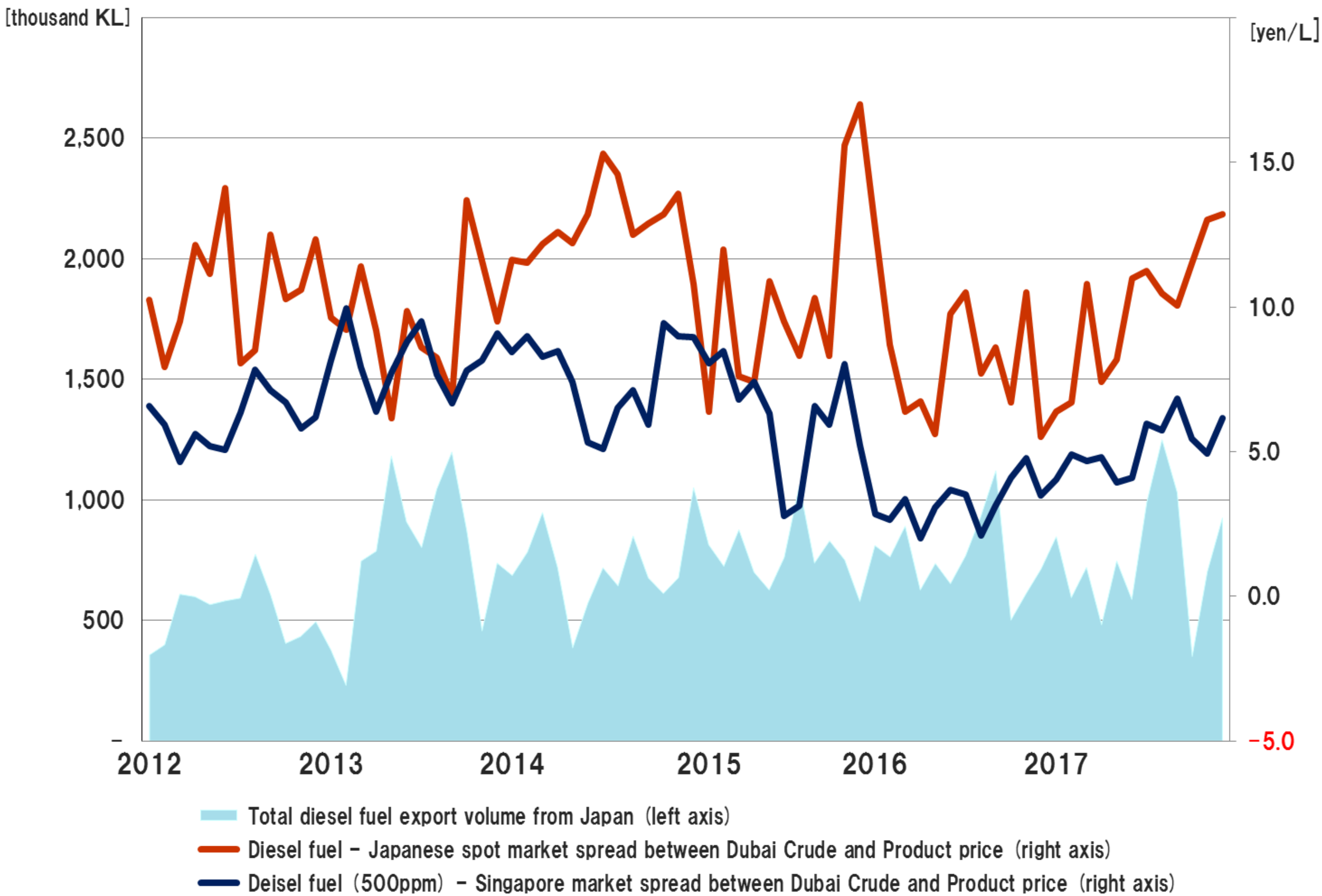
Historical Changes in Dubai Crude Oil Price



*Trend of crude oil price from January 2015 to December 2017

【Reference】

		FY2015				FY2016				FY2017			
		Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.
1	Crude oil (Dubai) ($/B)	52	61	50	41	30	43	43	48	53	50	51	59
2	JPY/USD exchange rate (¥/$)	119	121	122	122	115	108	102	109	114	111	111	113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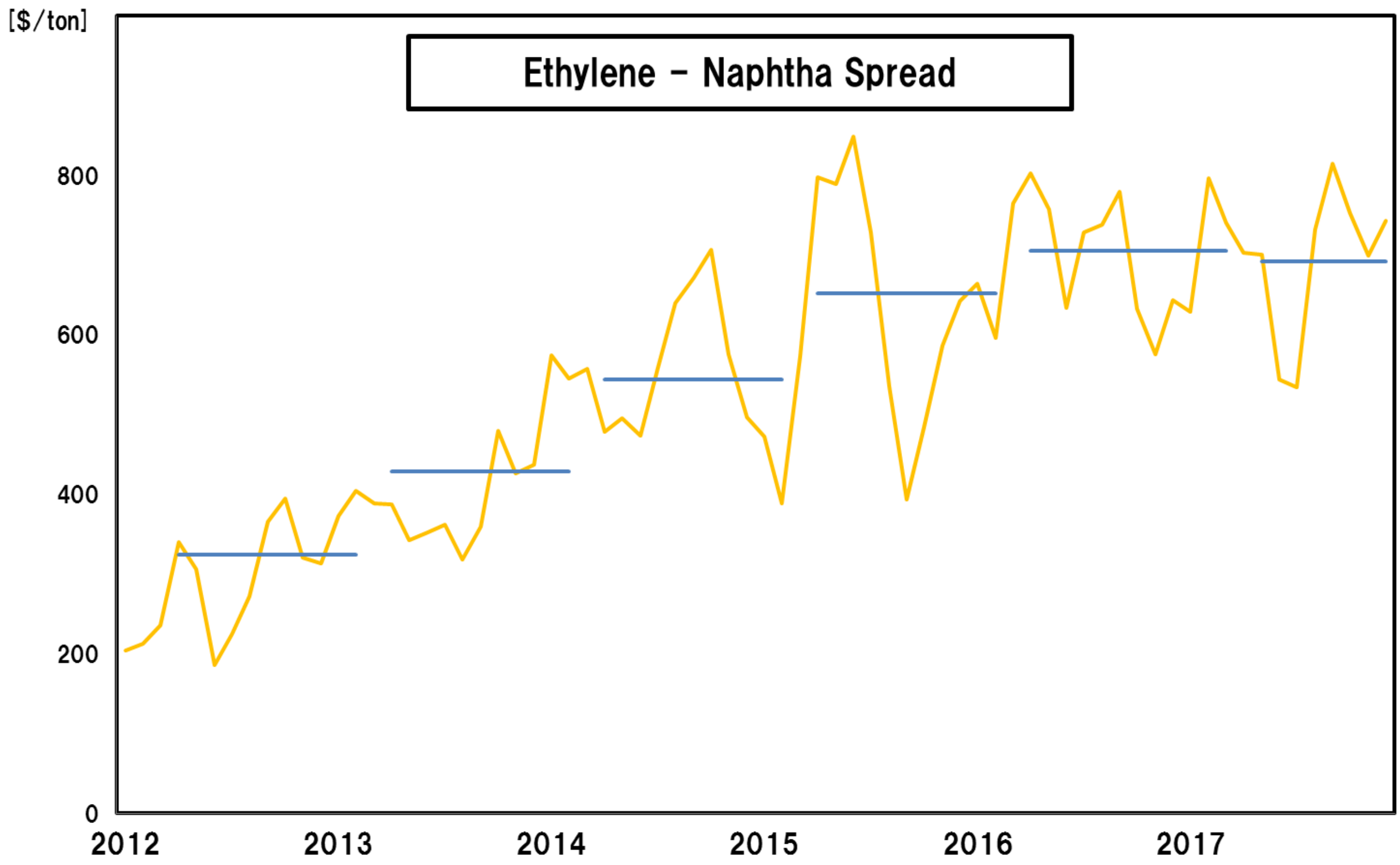
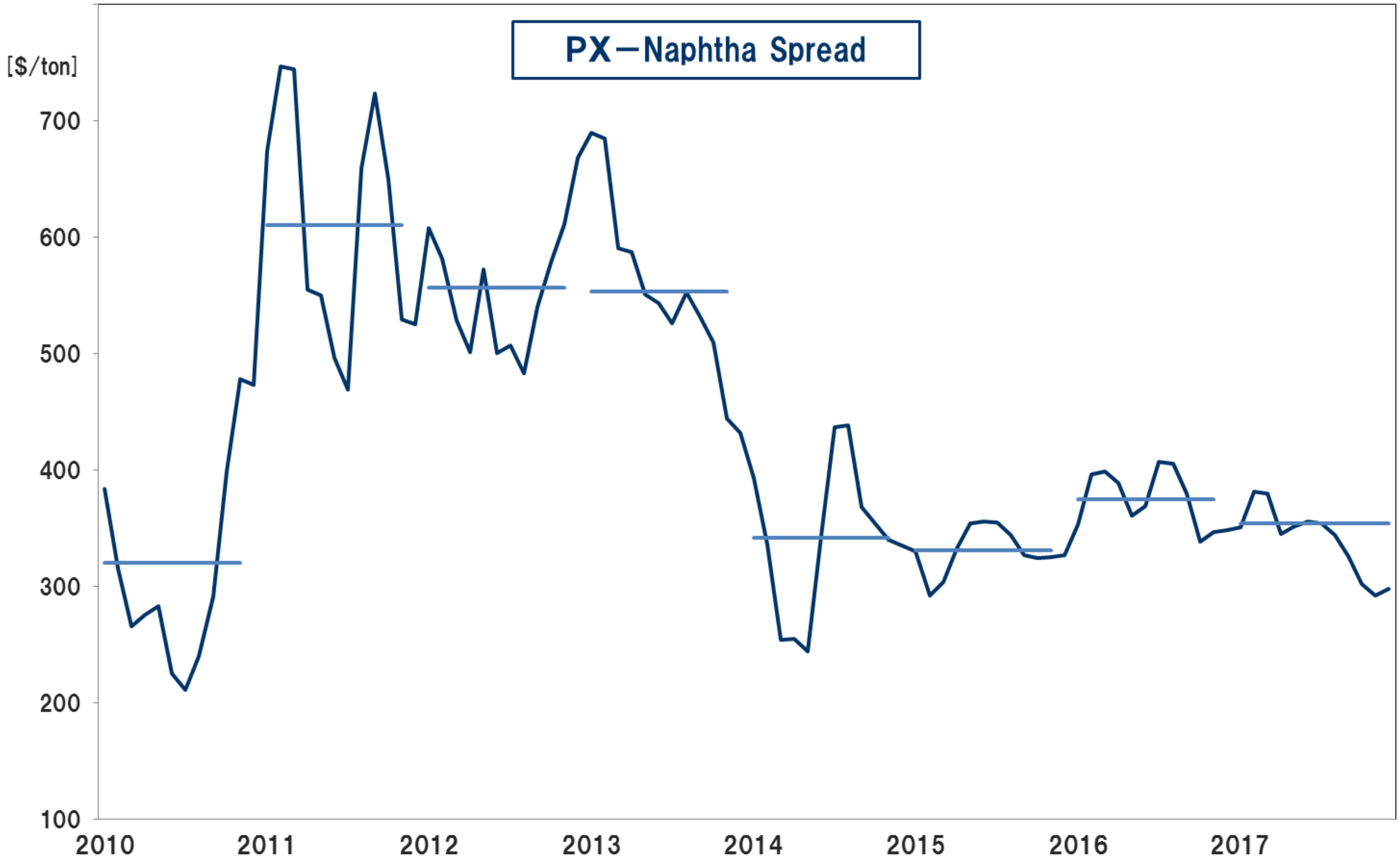
Total diesel fuel export volume from Japan (left axis)
Diesel fuel – Japanese spot market spread between Dubai Crude and Product price (right axis)
Deisel fuel (500ppm) – Singapore market spread between Dubai Crude and Product price (right axis)



(*) Horizontal line indicates the average of each fiscal year(Apr-Mar).
(The line for 2017 indicates the average from Apr-Dec).



(*) Horizontal line indicates the average of each calendar year(Jan-Dec).

Supplementary Information of Forecast for FY2017 Performance

[FY2017 Full-Year Forecast] Outlook (Year on Year)

Unit : billion yen

No.			FY2017 Forecast		FY2016 Results		Changes	
			Ordinary income	Ordinary income exc. Impact of Inventory valuation	Ordinary income	Ordinary income exc. Impact of Inventory valuation	Ordinary income	Ordinary income exc. Impact of Inventory valuation
1	Total		120.0	100.0	81.4	42.0	38.6	58.0
2	(Each segment)	Petroleum business	64.0	44.0	41.2	1.8	22.8	42.2
3		Petrochemical business	30.0		22.2		7.8	
4		Oil E&P business (*1)	18.0		9.3		8.7	
5		Other (*2)	8.0		8.7		-0.7	

(*1) The Accounting period of three operators(Abu Dhabi Oil Company, Qatar Petroleum Development and United Petroleum Development) is December.

(*2) Including consolidated adjustment

No.		FY2017 Forecast	FY2016 Results	Changes
6	Profit attributable to owners of parent	70.0	53.2	16.8
7	Dividend per Share (Forecast) (yen)	¥50	¥50	-

【Reference】Precondition

No.		FY2017 Forecast	FY2016 Results	Changes
8	Crude oil (Dubai) ($/B) (Apr.-Mar.)	56	47	9
9	JPY/USD exchange rate (Apr.-Mar.)	111	108	3
10	Crude oil (Dubai) ($/B) (Jan.-Dec.)	53	41	12
11	JPY/USD exchange rate (Jan.-Dec.)	112	109	3
12	Spread between Ethylene-Naphtha ($/ton) (Apr.-Mar.)	709	706	3

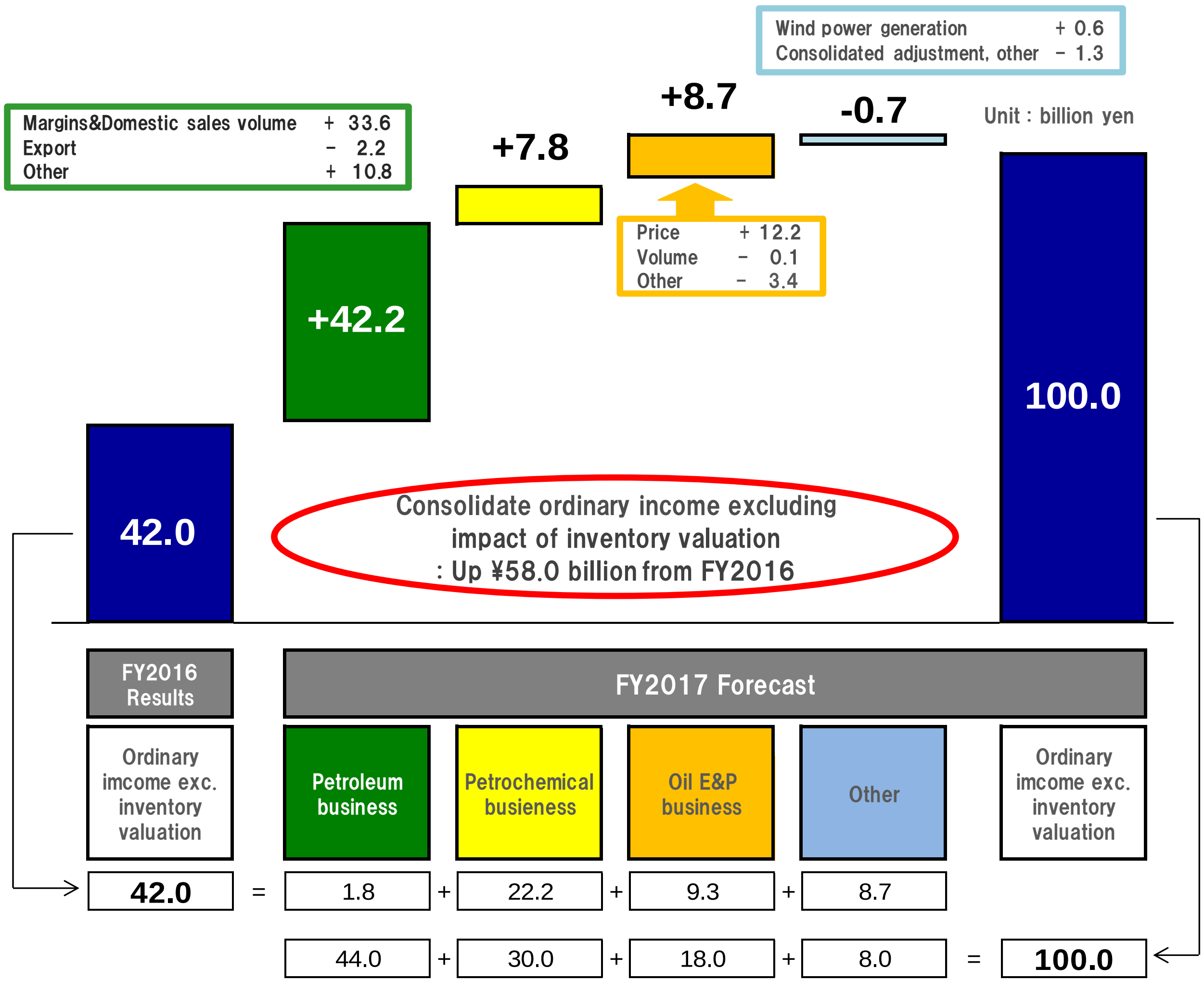
[FY2017 Full-Year Forecast] – Analysis of Changes in Consolidated Ordinary Income (excluding impact of inventory valuation) from FY2016

Key variable factors

Petroleum business : Higher profit expected due to the safe operation and high operating ratios of the refineries and the achievement of an appropriate margin through the improvement of the domestic supply-demand balance.

Petrochemical business : Higher profit expected due to the firm market.

Oil E&P business : Higher profit expected due to the higher oil price.



FY2017 Outlook – Changes from FY2016

Unit: billion yen

No.		Net Sales		Operating Income		Ordinary Income		Ordinary Income (excluding impact of inventory valuation , cost or market method)	
			Changes from FY2016		Changes from FY2016		Changes from FY2016		Changes from FY2016
1	Petroleum business	2,334.0	234.1	63.5	9.8	64.0	22.8	44.0	42.2
2	Petrochemical business	443.0	64.6	24.5	8.4	30.0	7.8	30.0	7.8
3	Oil E&P business	56.0	11.5	18.0	5.8	18.0	8.7	18.0	8.7
4	Other	54.0	-6.6	5.5	1.2	5.0	1.2	5.0	1.2
5	Adjustment	-329.0	-37.9	3.5	-2.4	3.0	-1.9	3.0	-1.9
6	Total	2,558.0	265.7	115.0	22.8	120.0	38.6	100.0	58.0

FY2017 Outlook – Changes from the previous announcement

Unit: billion yen

No.		Net Sales	Changes from the Previous Announcement	Operating Income	Changes from the Previous Announcement	Ordinary Income	Changes from the Previous Announcement	Ordinary Income (excluding impact of inventory valuation , cost or market method)	Changes from the Previous Announcement
1	Petroleum business	2,334.0	118.0	63.5	34.5	64.0	36.0	44.0	6.0
2	Petrochemical business	443.0	26.0	24.5	4.5	30.0	4.0	30.0	4.0
3	Oil E&P business	56.0	3.0	18.0	1.0	18.0	2.0	18.0	2.0
4	Other	54.0	-3.0	5.5	0.0	5.0	0.0	5.0	0.0
5	Adjustment	-329.0	-18.0	3.5	-1.5	3.0	-2.0	3.0	-2.0
6	Total	2,558.0	126.0	115.0	38.5	120.0	40.0	100.0	10.0

Capital Expenditures, Depreciation, etc.

Unit: billion yen

No.		FY2017 Forecast	Changes
1	Capital expenditures	119.7	-3.4
2	Depreciation expense amount,etc	44.7	-0.5

Capital expenditures by Business Segment

Unit: billion yen

No.		FY2017 Forecast	FY2017 Previous Announcement	Changes
1	Petroleum	39.3	40.5	-1.2
2	Petrochemical	8.3	9.1	-0.8
3	Oil E&P	51.0	53.1	-2.1
4	Other	21.9	23.2	-1.3
5	Adjustment	-0.8	-2.8	2.0
6	Total	119.7	123.1	-3.4

Business Outline

Cosmo Energy Group Business Overview

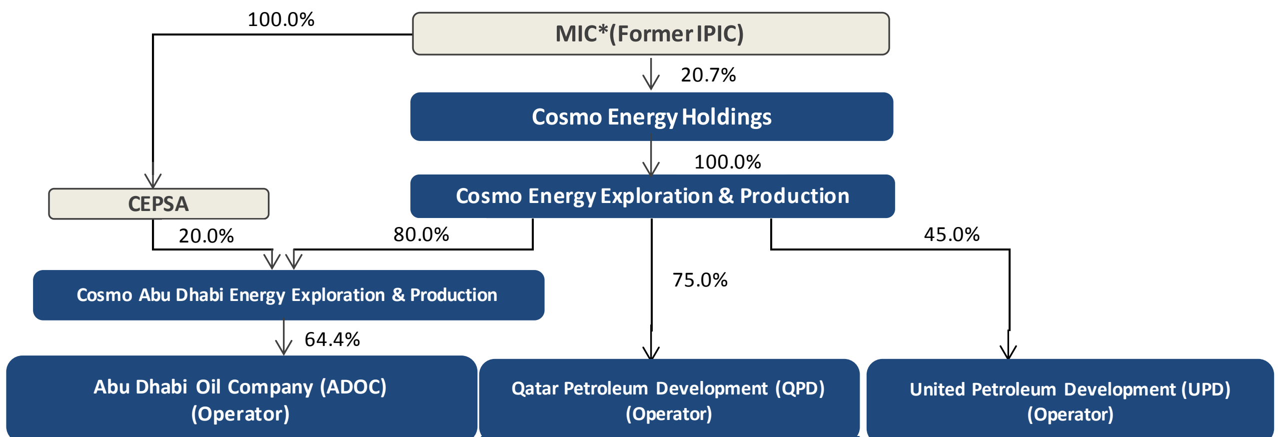
Each segment	Oil E&P business	Petroleum business	Petrochemical business	Other (Renewable Energy)	Total *2
Net sales *1	56.0billion yen	2,334.0billion yen	443.0billion yen	54.0billion yen	2,558.0billion yen
Ordinary income*1	18.0billion yen	64.0billion yen	30.0billion yen	5.0billion yen	120.0billion yen
Ordinary income excluding impact of inventory valuation *1	18.0billion yen	44.0billion yen	30.0billion yen	5.0billion yen	100.0billion yen
Major assets	■Partnerships Solid relationship of trust with oil producing countries for nearly 50 years ■Operatorship (self-operation) We produces the largest volume of crude oil in the Middle East region for a Japanese operator. ■ Crude Oil Production *3 Approx. 40,000 B/D (Comparison with refining capacity: Approx. 10%) ■Crude Oil Reserves (Proved and Probable) *4 154.0 million barrels (Equivalent to approx. 23 years of supply)	■ CDU capacity *5,*6 400,000 BD (Domestic market share: Approx. 11.4%) ■ Domestic Sales Volume *3 20,821thousand KL ■Number of Service station *5 2,957 ■ Number of the "Cosmo the Card" Holders *5 4.44million cards ■ Car leasing business for individuals *5 Cumulative total 37,077cars	■Olefinic production capacity *5 Ethylene 1.29 mil tons/year (Domestic market share: Approx. 18%) ■Aromatic production capacity *5 Para-xylene 1.18 mil tons/year Benzene 0.94 mil tons/year Mixed-xylene 0.62 mil tons/year	■Wind power generation capacity *5 211,300 kW (No. 3 in Japan and a 6% domestic share) ■ Solar power generation capacity *5 24,000 kw	■Corporate brand awareness 98.5% ※Survey of 1,239 customers (men and women, 18-64 years old) who used a service station in the past one month(as of January 16, 2017)
Major business companies related companies	・Cosmo Energy Exploration & Production ・Abu Dhabi Oil (UAE) ・Qatar Petroleum Development (Qatar) ・United Petroleum Development (UAE/Qatar)	・Cosmo Oil ・Cosmo Oil Lubricants ・Keiyo Seisei JV(Chiba JV) ・Gyxis(LPG) ・Cosmo Oil Marketing ・Cosmo Oil Sales ・Sogo Energy	・Maruzen Petrochemical (Chiba/Yokkaichi) ・Cosmo Matsuyama Oil ・CM Aromatics (Chiba) ・Hyundai Cosmo Petrochemical (Korea)	・Eco Power (Wind power generation) ・Cosmo Engineering ・Cosmo Trade and Service ・neo ALA	–

(*1)FY2017 Forecast、(*2) Including consolidated adjustment、(*3) FY2016 Results、(*4) As of Dec. 31, 2016、(*5)As of Mar. 31, 2017
(*6) Including the supply of the petroleum product/semi product (37,000 bbls/day equivalent) from Showa Shell Sekiyu with the business alliance.

[Oil E&P Business] Overview: High Competitiveness Due to Operatorship

- ✓ Based on a strong relationship of trust with Emirate of Abu Dhabi in the Middle East developed almost five decades, we have achieved low-risk, low-cost development.
- ✓ Abu Dhabi Oil Company extended concessions (30 years) in 2012 and obtained new concessions area, the Hail Oil Field is projected to the same production volume as its three existing oilfields.
- ✓ The commencement of production from the Hail Oil Field in FY 2017.

■ Cosmo Energy Group Oil E&P Division



Abu Dhabi Oil Company (ADOC) (Operator)

■ **Investment Ratios:**
Cosmo Abu Dhabi Energy Exploration & Production (64.4%), JX Nippon Oil & Gas Exploration (32.2%), The Kansai Electric Power (1.7%), Chubu Electric Power(1.7%)

■ **Start of Production:**
1973 - 2012
> Interests extended for 30 years (to 2042)

■ **Contract Type:**
Concession Agreement

■ **Production Oilfields:**
Mubarraz Oilfield, Umm Al-Amber Oilfield, Neewat Al Ghalan Oilfield, Hail Oilfield (started production in FY2017)

Qatar Petroleum Development (QPD) (Operator)

■ **Investment Ratios:**
Cosmo Energy Exploration & Production (75%), Sojitz (25%)

■ **Start of Production:**
2006

■ **Contract Type:**
Product Sharing Agreement

■ **Production Oilfields:**
A-North Oilfield, A-South Oilfield, Al-Karkara Oilfield

United Petroleum Development (UPD) (Operator)

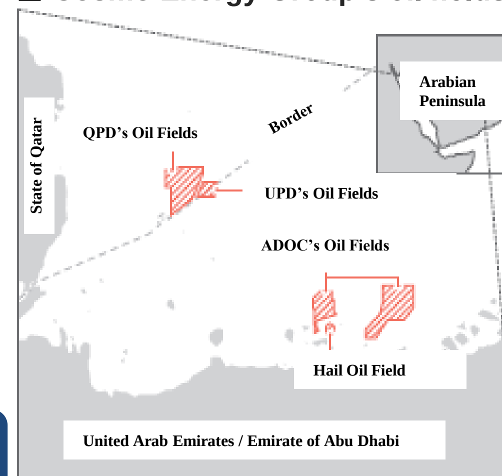
■ **Investment Ratios:**
Cosmo Energy Exploration & Production (45%), JX Nippon Oil & Gas Exploration (45%), Mitsui Oil Exploration (10%)

■ **Start of Production:**
1975

■ **Contract Type:**
Concession Agreement

■ **Production Oilfields:**
El-Bunduq Oilfield

■ Cosmo Energy Group's oil fields



(*) MIC (Mubadala Investment Company) in which The Emirate of Abu Dhabi has a 100% stake ,has been established as a holding company in association with the business combination of IPIC (International Petroleum Investment Company), and MDC (Mubadala Development Company).

[Oil E&P Business] Cosmo Energy Group's Strengths

✓ Risk Tolerance	: Low oil price risk, exploration risk, funding risk
✓ Growth Strategy (Production Increase)	: The Hail Oil Field development, Consideration of joint development with Cepsa
✓ Long-term Stable Production	: Solid trust relationships with oil producing countries, High quality oil fields and oil recovery technologies

■ Risk Tolerance ■

- **Earning power under low oil prices → For FY2016 Q1 (January to March), we maintained profitability under conditions where Dubai crude was priced at $30 per barrel.**
- **Achieving low-cost development through discovered and undeveloped oilfields (including the Hail oilfield)**
- **Loans provided by Japanese public institutions (JBIC) with credit of the operator (ADOC)**

■ Growth Strategy ■

- **At peak production, production capacity of the Hail Oil Field is equivalent to the three existing oilfields of ADOC**
- **Strategic comprehensive alliance with MIC(former IPIC)-owned Cepsa, deliberating new oilfield development with Abu Dhabi National Oil Company and CEPSA**

■ Long-term Stable Production ■

- **Obtained interests before founding of UAE, with safe operation and stable production for almost five decades**
- **Long-term, stable purchase of crude oil from UAE (Abu Dhabi) and Qatar**
- **Contributions to both countries in terms of culture(Japanese language education, etc.) and the environment (zero flaring, etc.)**

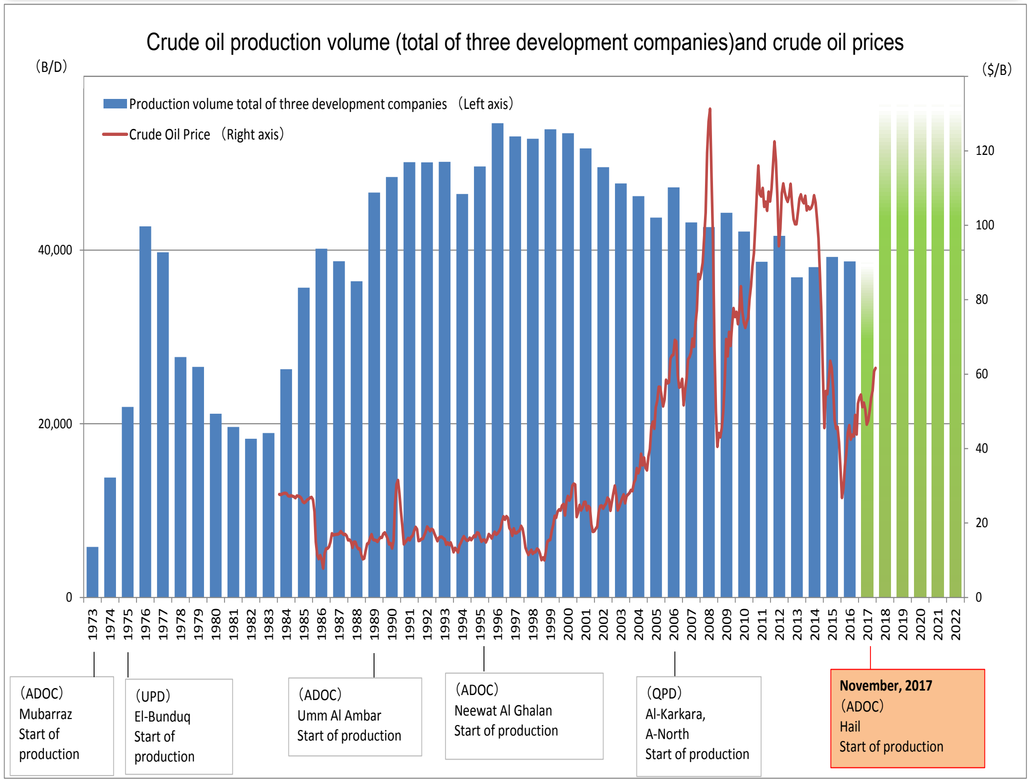
Business Environment in the Middle East Region (UAE / QATAR)

- The Arabian Gulf has many reserves and a lot of exploratory data has been accumulated (which translates into low oil exploration costs)
- Shallow water depth (relatively lower exploration, development and operating costs)
- Countries are politically stable, representing minimal country risks

[Oil E&P Business] Growth Strategy – Production volume at three Operating Companies will be 1.5 times as much when production volume at the Hail Oil Field peaks

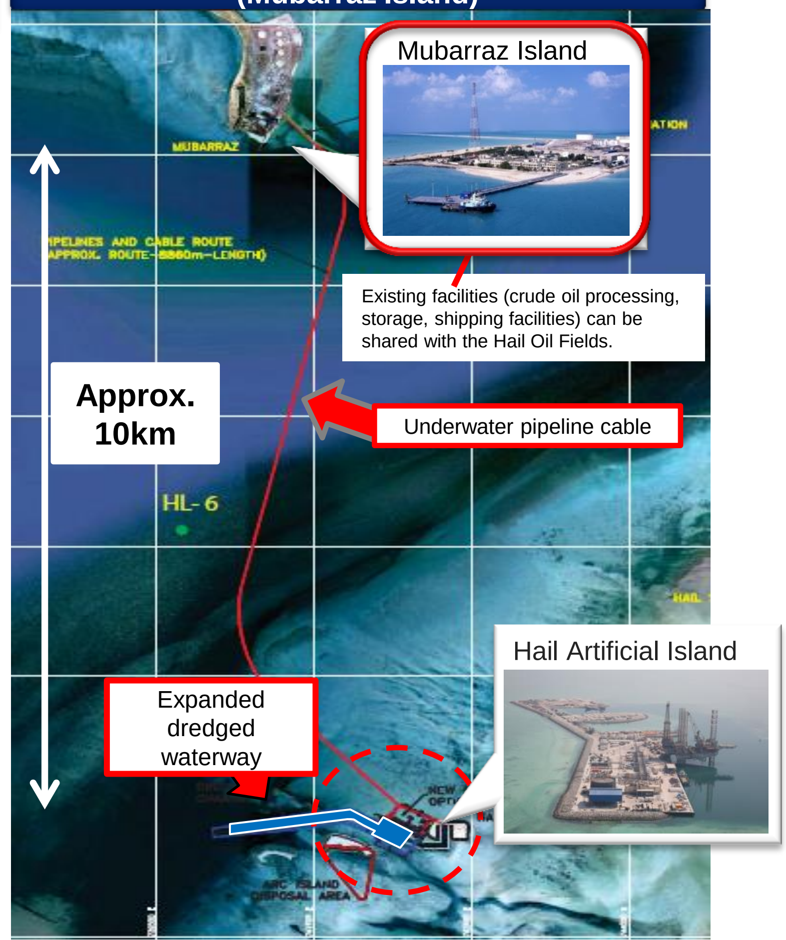
- ✓ The Hail Oil Field started production in November 2017, with production ramping up to full-scale in January 2018. (interest period – through year 2042）
- ✓ The Hail Oil Filed investment has been curbed with the shared use of existing oil processing, storage and shipping facilities (Estimated savings of 300-400 million dollars), and after the start of production, per unit operating costs are expected to decline for the increment of production volume.

Prolonged stable oil production



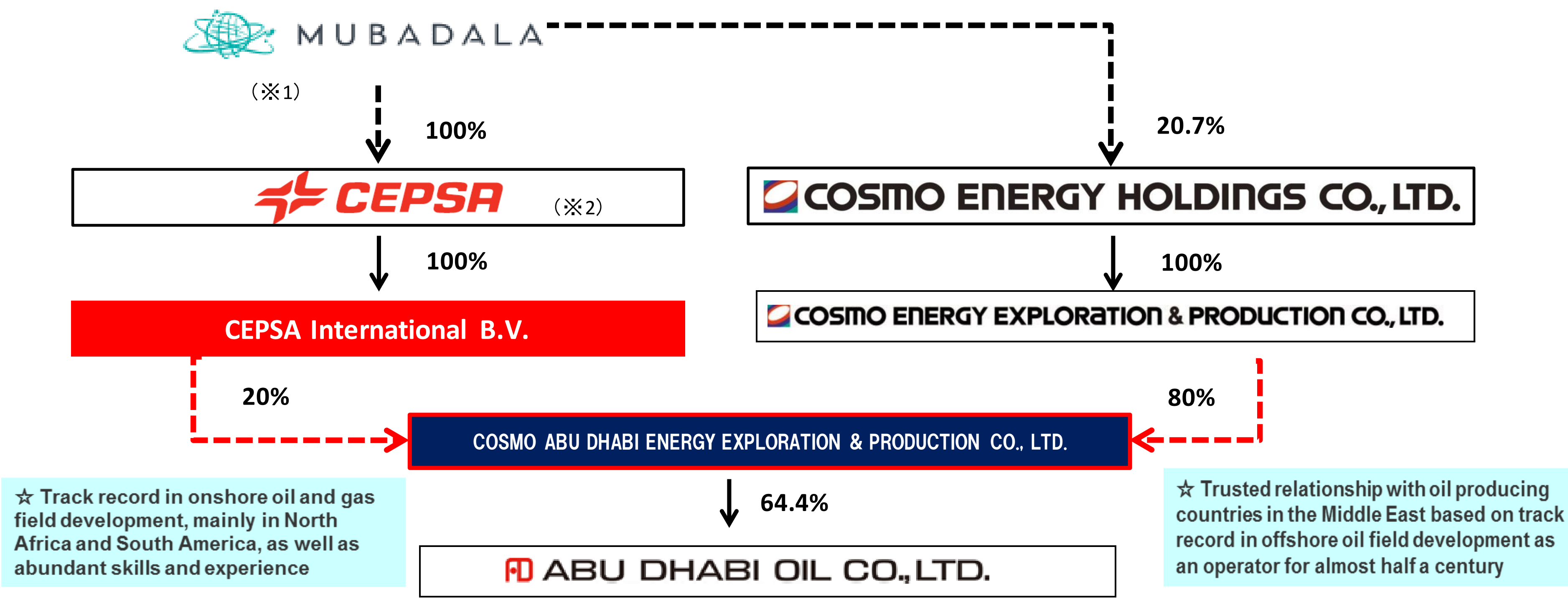
*1) ADOC : Abu Dhabi Oil Company、UPD : United Petroleum Development、QPD : Qatar Petroleum Development
*2) Production volume of three development companies are per year (annual average of January to December each year)
*3) Crude oil prices (Platt's Dubai crude) are average monthly
*4) The production volume of three development companies after fiscal 2017 is prospective volume.

Hail Oil Field and existing shipping terminal (Mubarraz Island)



[Oil E&P Business] Growth Strategy
– Pursuing Synergy Through 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” to CEPSA, which is in line with the “Further strengthen alliances with IPIC(currently MIC)” policy stipulated as part of the 5th Consolidated Medium-Term Management Plan.
- ✓ Cosmo and CEPSA, as Abu Dhabi family companies, is deliberating to obtain new interests, provide sales support of crude oil and product marketing and retail, and will consider joint ventures with Maruzen Petrochemical.



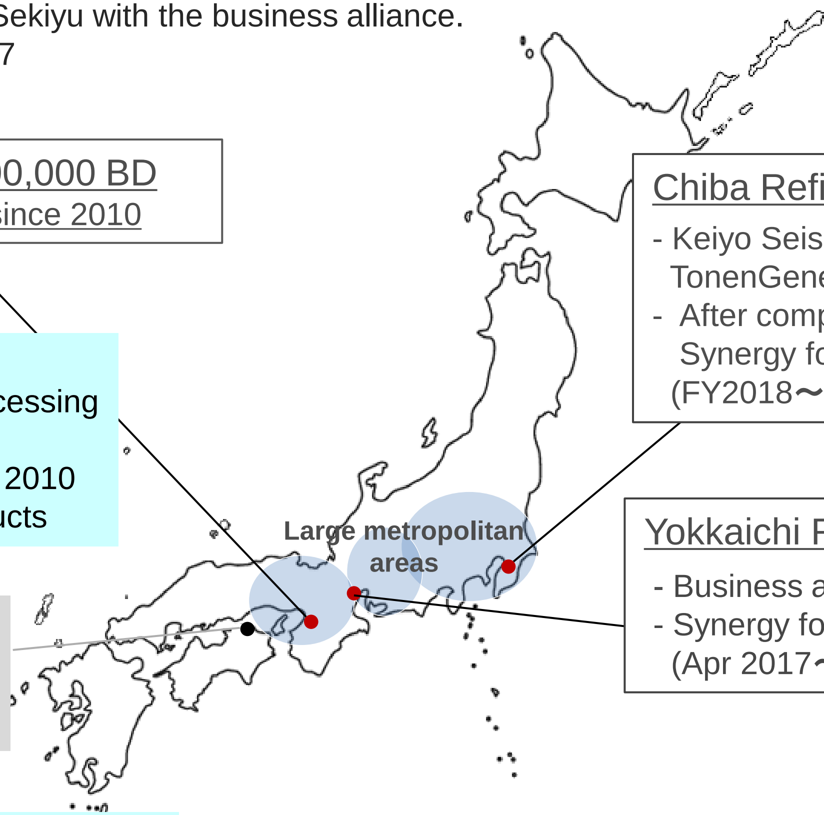
(*1) MIC (Mubadala Investment Company) in which The Emirate of Abu Dhabi has a 100% stake ,has been established as a holding company in association with the business combination of IPIC (International Petroleum Investment Company), and MDC (Mubadala Development Company).
(*2) Major comprehensive oil company of Spain.

- ✓ FY2016 : Commencement of a two-year long run at the Chiba Refinery
  → Improvement in earnings: ¥7 billion
- ✓ FY2017 : Business alliance with Showa Yokkaichi Sekiyu → Synergy for Cosmo: ¥1 billion per year
- ✓ FY2018 : Integration of Chiba refineries of the Company and JXTG → JV synergy: ¥10 billion per year

[CDU capacity: 400,000 BD]

* Including the supply of the petroleum product/semi product (37,000 bbls/day equivalent) from Showa Shell Sekiyu with the business alliance.

* As of 1st April, 2017



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: 177,000 BD
- Keiyo Seisei JV G.K. established with TonenGeneral Sekiyu (currently JXTG)
- After completion of construction of pipelines, Synergy for both company : ¥10billion/year (FY2018〜)

Yokkaichi Refinery: 86,000 BD
- Business alliance with Showa Yokkaichi Sekiyu
- Synergy for Cosmo : ¥1 billion/year (Apr 2017〜)

- ✓ Assume that synergies between both companies will be 10 billion yen/year (1 billion yen/year before the completion of pipelines).
- ✓ Establish a refinery with top-class competitiveness in Asia.

■Establishment of Keiyo Seisei JV G.K. (January 2015)

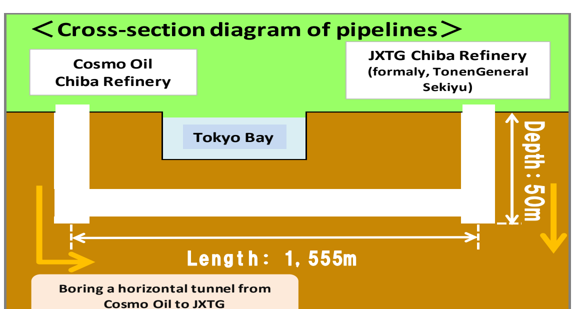
- Investment ratio: each company to take a 50% stake
- Business: development of a production plan for both refineries

■Formal agreement on the construction of pipelines

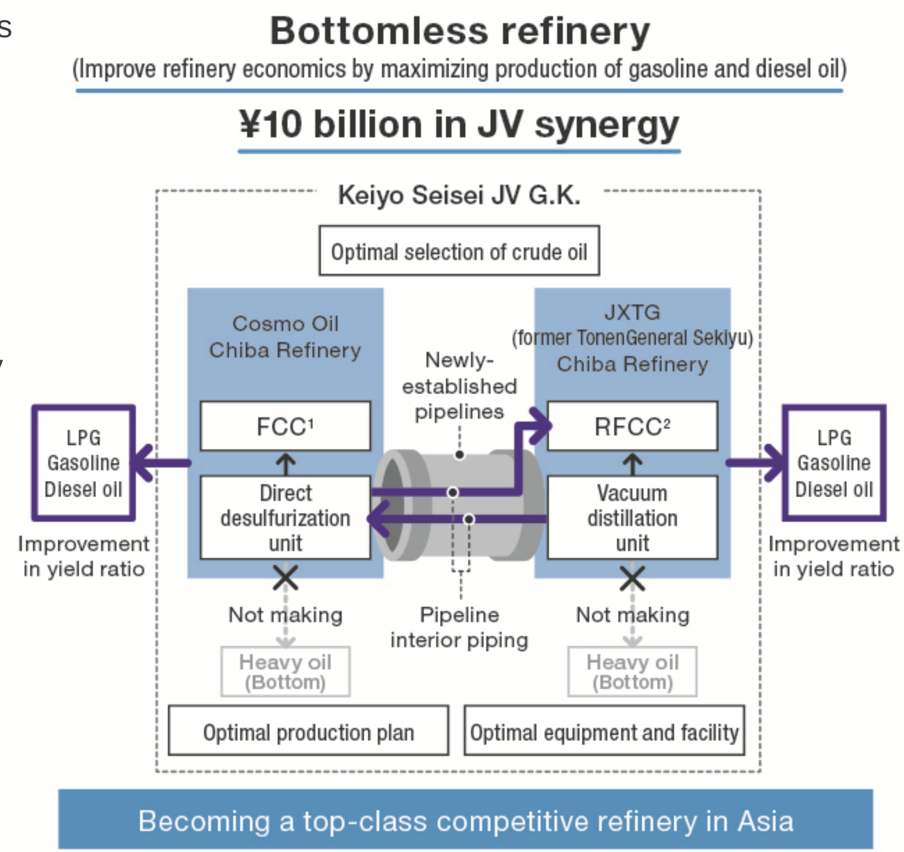
- Construction work to started in June 2015
  ⇒ The horizontal tunnel passed through in March 2017 (see the chart in the bottom right corner).
- Nine pipelines to be laid
- Each of the two companies to provide half of the construction costs (each assumed to pay ¥15 billion)
- The project has been chosen as a project to be subsidized by the Ministry of Economy, Trade and Industry. (annual one-year application)

■Integration of the two refineries

- Upon the completion of the pipelines and after integration of refining equipment, the No.1 CDU that Cosmo Oil currently holds will be disposed of for the optimization of the refinery equipment after the integration of the equipment with JV.



■ An example of Synergy



＊1) Fluid Catalytic Cracking (FCC) is an equipment to convert heavy oil to LPG, gasoline, diesel oil etc.
＊2)Residue Fluid Catalytic Cracking (RFCC) is an equipment to convert extra heavy oil to LPG, gasoline, diesel oil etc.

- Strengthening competitiveness through an alliance with Kygnus Sekiyu K.K.

- ✓ Conclude a capital and business alliance with Kygnus Sekiyu K.K. and acquired 20% of common shares.
- ✓ Begin supplying petroleum products to Kygnus Sekiyu K.K. in about two years.
- ✓ Advance discussion and consideration with a view to a business alliance, in addition to the supply of petroleum products.

Cosmo Oil Refineries (Chiba, Yokkaichi, Sakai)

Kygnus Sekiyu K.K.

KYGNUS

- Sales Volume
  3,860 thousand KL
- Number of Service stations
  474

(As of Mar.31,2017)

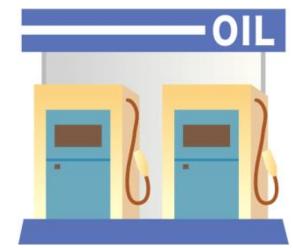
Capital and Business Alliance

Cosmo Energy Group

COSMO

- Domestic Sales Volume
  20,821 thousand KL
- Number of Service stations
  2,957

(As of Mar.31,2017)

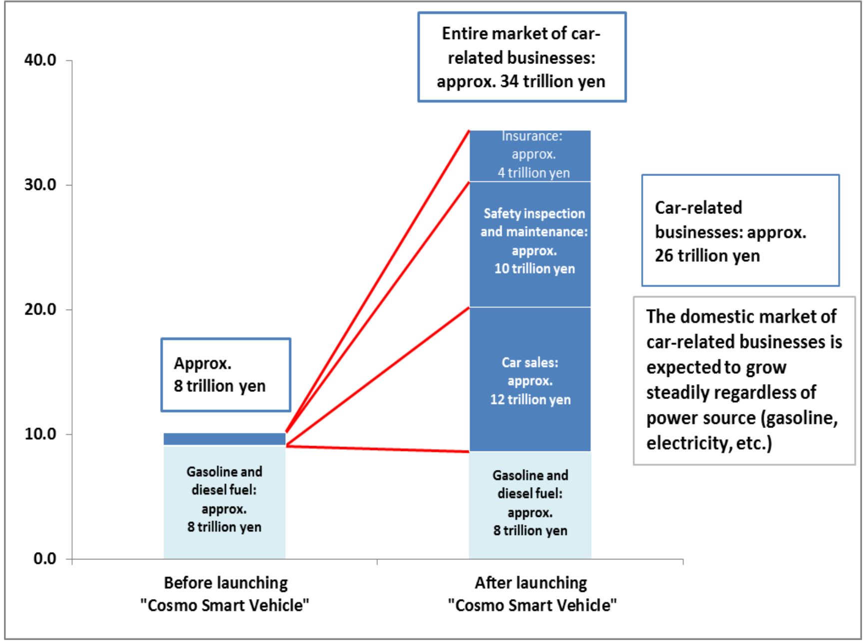


Service station operators

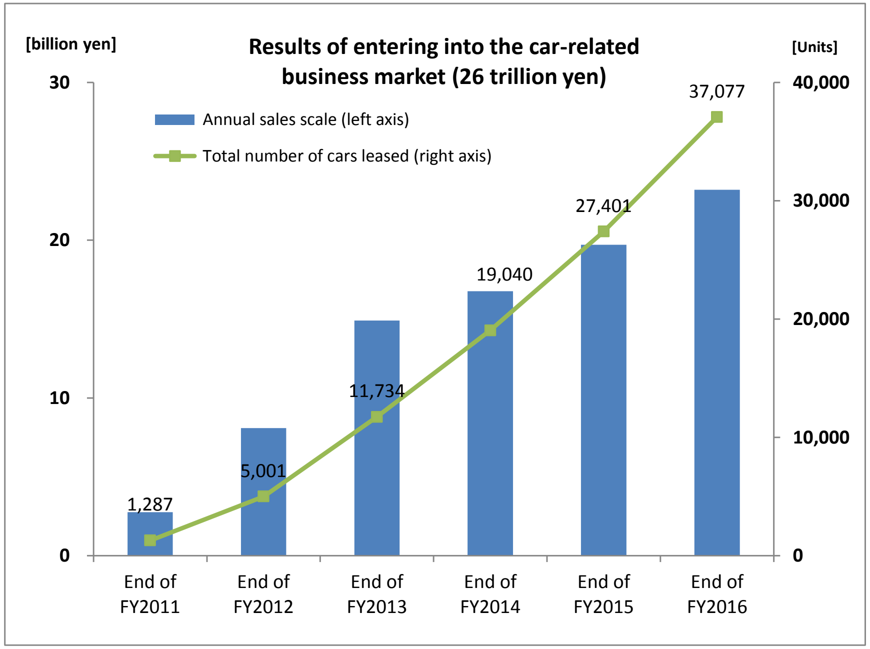
Factory etc.

- ✓ Aim at strengthening SS profitability by converting to “car life value proposition” by positioning the individual leasing business at the core.
- ✓ Aim to enter into the entire market of car-related business (approx. 34 trillion yen) based on gasoline and diesel fuel (approx. 8 trillion yen)
- ✓ Annual sales scale exceeded 23 billion yen (as of the end of FY2016)

Size of target market



Results of “Cosmo Smart Vehicle” (*)

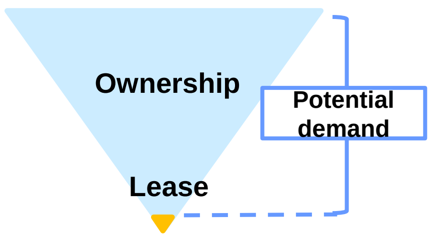


(*) “Cosmo Smart Vehicle”: car sale business based on auto-lease

- ✓ Market : Enter the niche market of auto-leases for individuals that leasing companies could not serve
- ✓ Strategy : Acquire customers using the strengths of SS (frequent contacts of individual customers, etc.)
- ✓ Risk : Low risk due to the absence of car inventory and credit risk
- ✓ Business model: All parties, including customers, leasing companies, Cosmo, and dealerships, win.

Characteristics

■ Entry to the market with high potential demand



Extremely small ratio of ownership of private vehicles by lease
⇒ High potential demand

■ Using the strengths of SS

- Frequent contact with individual Customers
  (500,000 units/day) (*1)
  (*1) The number of cars of customers visiting Cosmo SS (estimated by Cosmo)
- Acquire customers using membership cards
  ("Cosmo The Card": effective number of members 4.44 mil cards) (*2) (*2) As of March 31, 2017
- Fuel oil discount system (patented business model)

■ Low risk

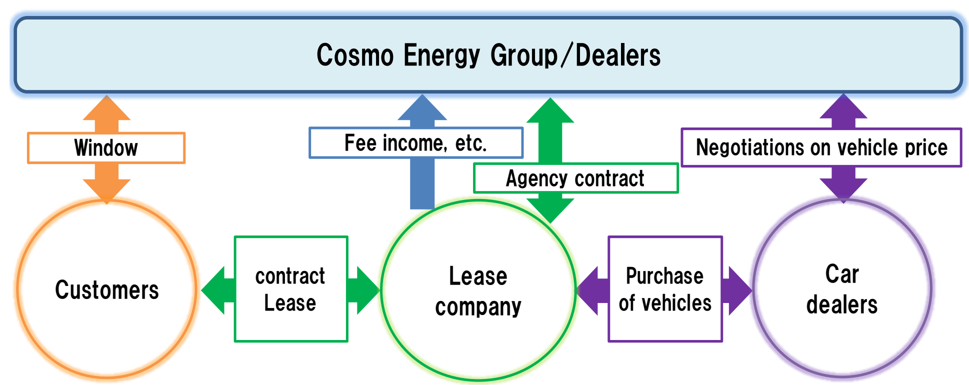
- Because the SS play the role of dealerships, there is no credit risk or risk of keeping vehicle inventory.

Win-win business model

Customers : - Being able to own new cars of any maker and model for a price lower than purchasing
- No complicated procedures
  e.g. Simplified expenses for owning a car (monthly flat rate that includes safety inspections, taxes, insurance, etc.)

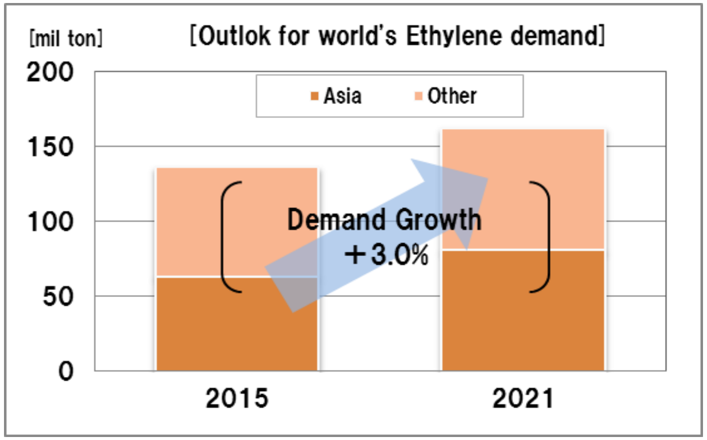
Lease companies : Capture new customers

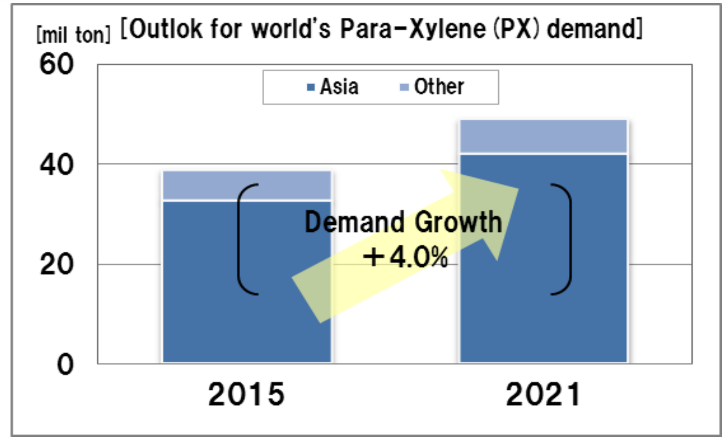
Cosmo, dealerships : Secure revenue sources that are not solely dependent on fuel oil



[Petrochemical Business] Targeting Ethylene and Para-xylene Markets in Which Growing Demand is Expected - High Capacity Utilization of Competitive Equipment

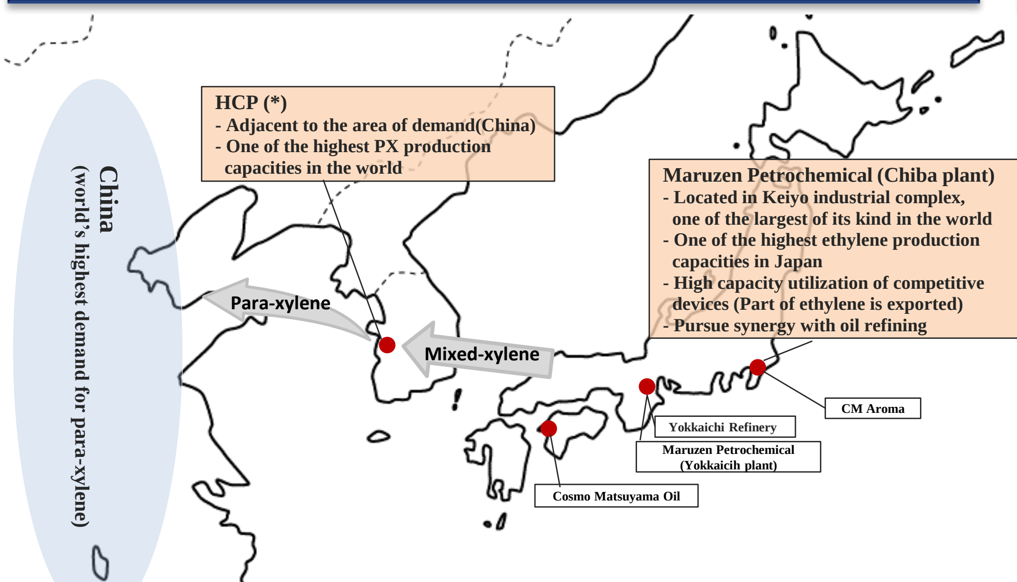
Expected global demand for petrochemical products





Source: Global Demand Trends for Petrochemical Products of the Ministry of Economy, Trade and Industry (2015-2021)

Strengths of Cosmo Energy Group



(*) Hyundai Cosmo Petrochemical: JV of Cosmo Oil and Hyundai Oilbank

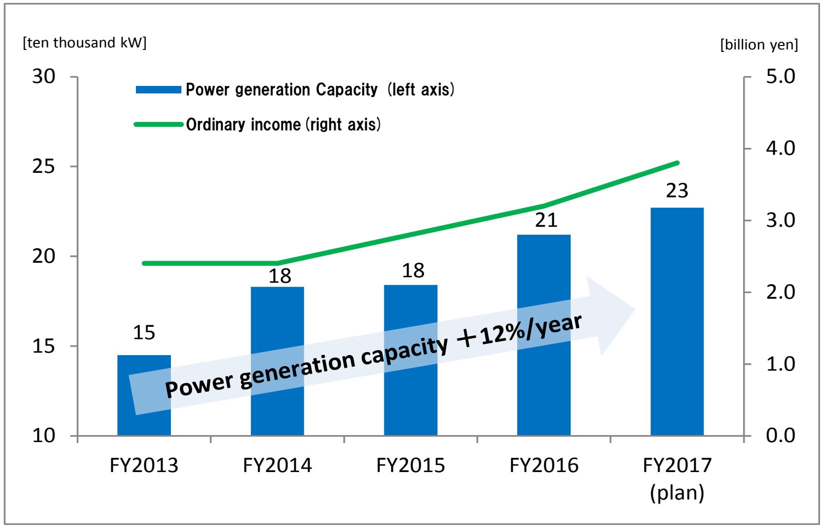
Production capacity

Product		Manufacture	Production capacity
Olefin-based	Ethylene	Maruzen Petrochemical	* 1.29 mil t/year
Aroma-based	Para-xylene	Hyundai Cosmo PetroChemical	1.18 mil t/year
	Benzene	Maruzen Petrochemical	0.60 mil t/year
		Hyundai Cosmo PetroChemical	0.25 mil t/year
		Cosmo Matsuyama Oil	0.09 mil t/year
		Total	0.94 mil t/year
	Mixed-xylene	Cosmo Oil (Yokkaichi Refinery)	0.30 mil t/year
		CM Aroma	0.27 mil t/year
		Cosmo Matsuyama Oil	0.05 mil t/year
		Total	0.62 mil t/year
		Aroma-based, total	2.74 mil t/year

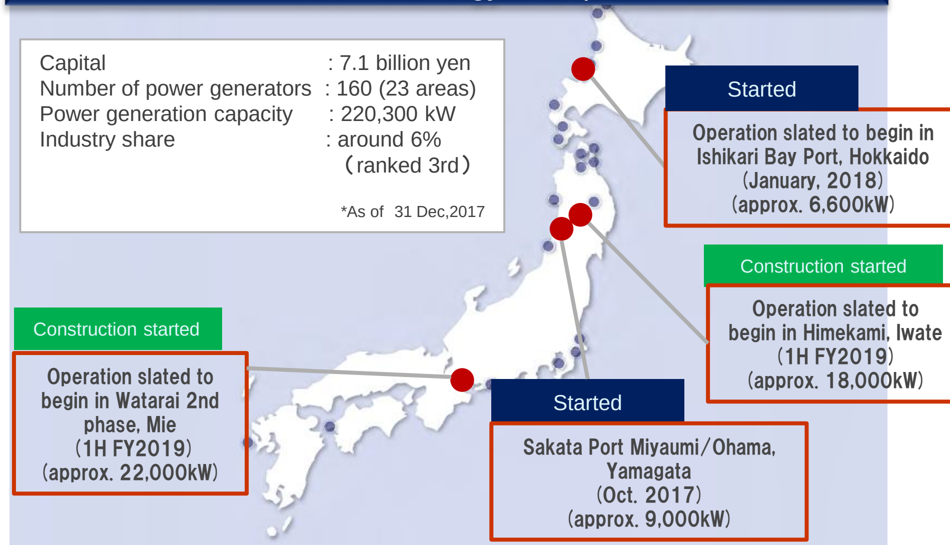
* Includes production capacity of Keiyo Ethylene (55% owned, consolidated subsidiary of Maruzen Petrochemical)

[Wind power generation Business] Achieving Stable Earnings in a Market Where Demand Is Expected to Expand, Using the FIT Scheme - Power Generation Capacity Growing 12% per Year on Average

Changes in wind power generation capacity (in the period of the medium-term management plan)



Overview of Eco Power Co., Ltd. of Cosmo Energy Group



Characteristics (strengths) of the Group

- ✓ Making Eco Power Co., Ltd., a pioneer in the wind power generation business (founded in 1997), a Group company in 2010.
- ✓ Achieving high on-wind availability (90% or more) through development, construction, operation, and maintenance within the Group.
- ✓ Reducing risks of changes in wind conditions in each region and securing stable profit by placing wind power plants across the nation.
- ✓ Aiming to expand the business in the long term by expanding sites on land and participating in an offshore wind farm project (*1).

(*1) The offshore wind power generation in Akita is a large-scale offshore wind power generation project led by the private sector.

Business environment in Japan

- ✓ The ratio of wind power generation to total power generation in Japan in 2030 is expected to be around three times greater (10 million kW) than the 2015 level (*2).
- ✓ The FIT scheme was introduced in 2012, and the acquisition price is fixed for 20 years.
- ✓ Entry into the market is not easy because advanced expertise is required in the identification of suitable sites and environmental assessment. (*3)

(*2) Source: "On institutional reform for promoting the introduction of renewable energy" of the Agency for Natural Resources and Energy in November 2015
(*3) Identification of suitable sites (2 to 3 years) → Environmental assessment (4 to 5 years) → Construction work (1 to 2 years) → Start of operation

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.