Cosmo Energy Holdings Co., Ltd.
Presentation on Results for
Third Quarter of Fiscal 2018

February 14, 2019

COSMO ENERGY HOLDINGS CO., LTD.

Although affected by regular maintenance at refineries and a petrochemical plant, profitability increased with secured an appropriate margin, the expansion of the crude oil production of the Hail Oil Field. As a result, 3Q ordinary profit excluding the impact of inventory valuation renewed a record high.

[Petroleum business]

✓ While proper margin was secured, regular maintenance at refineries and partial trouble of equipment affected.
⇒ Ordinary profit excluding the impact of inventory valuation was ¥ 15.5 billion.
(down ¥14.7 billion year on year).

[Petrochemical business]

✓ The business was affected by the downturn in market conditions and a decrease in sales volume caused by regular maintenance at a plant.
⇒ Ordinary profit was ¥13.7 billion (down ¥11.4 billion year on year).

[Oil exploration and production business]

✓ Although there was an influence of ESP pumps trouble etc. in the existing oil field(Except for Hail), the Hail Oil Field has been continuing full production since January 2018.
⇒ Ordinary profit was ¥44.5 billion (up ¥31.9 billion year on year).

[Key Points in Financial Results]

✓ Chiefly thanks to the higher earnings of the oil exploration and production business, Consolidated ordinary profit excluding the impact of inventory valuation reached ¥80.9 billion (3Q record high profit)
✓ Consolidated ordinary profit was ¥79.8 billion(down ¥7.1 billion year on year),Net profit was ¥29.2 billion (down ¥19.5 billion year on year).

Revision of earnings forecast

✓ The precondition of crude oil prices and currency exchange rates for a January-March period are ¥59/B and ¥109/$ in terms of the current market conditions.

【Reference】Precondition

	3QFY2018 Result (Apr.-Dec.)	Forecast (Jan.-Mar.)	FY2018 Forecast (Apr.-Mar.)	Previous Announcement full year plan
Crude oil price (Dubai) $/B	71	59	68	74
JPY/USD exchange rate ¥/$	111	109	111	110

✓ On a full-year basis, we expect ¥99.0 billion in consolidated ordinary income, ¥41.0 billion in net profit, and ¥110.0 billion in consolidated ordinary income excluding the impact of inventory valuation.

Unit : billion yen

No.	Item	FY2018 Forecast	FY2018 Previous Announcement	Changes (%)
1	Net sales	2,720.0	2,880.0	-6%
2	Ordinary profit	99.0	157.0	-37%
3	Profit attributable to owners of parent	41.0	83.0	-51%
4	Impact of inventory valuation	-11.0	24.0	-
5	Ordinary profit excluding the impact of inventory valuation	110.0	133.0	-17%

Dividend policy

✓ 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 FY2018 Results]
Consolidated Income Statements– Changes from 3Q FY2017

Unit: billion yen

No.	Item	FY2018 (Apr.-Dec.2018)	FY2017 (Apr.-Dec.2017)	Changes	(Rate of change)	(Ref) Revised Forecast FY2018
1	Net sales	2,090.4	1,816.6	273.8	+15%	2,720.0
2	Operating profit	79.7	83.8	-4.1	-5%	98.0
3	Non-operating income/expenses, net	0.1	3.1	-3.0		1.0
4	Ordinary profit	79.8	86.9	-7.1	-8%	99.0
5	Extraordinary income/losses, net	-0.8	-6.9	6.1		0.5
6	Income taxes	39.5	22.0	17.5		46.0
7	Profit attributable to non-controlling interests	10.4	9.3	1.1		12.5
8	Profit attributable to owners of parent	29.2	48.7	-19.5	-40%	41.0
9	Impact of inventory valuation	-1.1	14.1	-15.2		-11.0
10	Ordinary profit excluding the impact of inventory valuation	80.9	72.8	8.1		110.0
11	Dubai crude oil price (USD/B) (Apr.-Dec.)	71	53	18		68
12	JPY/USD exchange rate (yen/USD)(Apr.-Dec.)	111	112	-1		111

【Reference】

No.	Item	FY2018	FY2017	Changes	(Rate of change)	(Ref) Revised Forecast FY2018
13	Dubai crude oil price (USD/B) (Jan.-Sep.)	70	51	19		69
14	JPY/USD exchange rate (yen/USD)(Jan.-Sep.)	110	112	-2		110

Unit : billion yen

No			FY2018 (Apr.-Dec.2018)		FY2017 (Apr.-Dec.2017)		Changes	
			Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation	Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation	Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation
1	Total		79.8	80.9	86.9	72.8	-7.1	8.1
2	(Each segment)	Petroleum business	14.4	15.5	44.3	30.2	-29.9	-14.7
3		Petrochemical business	13.7		25.1		-11.4	
4		Oil E&P business (*1)	44.5		12.6		31.9	
5		Other (*2)	7.2		4.9		2.3	

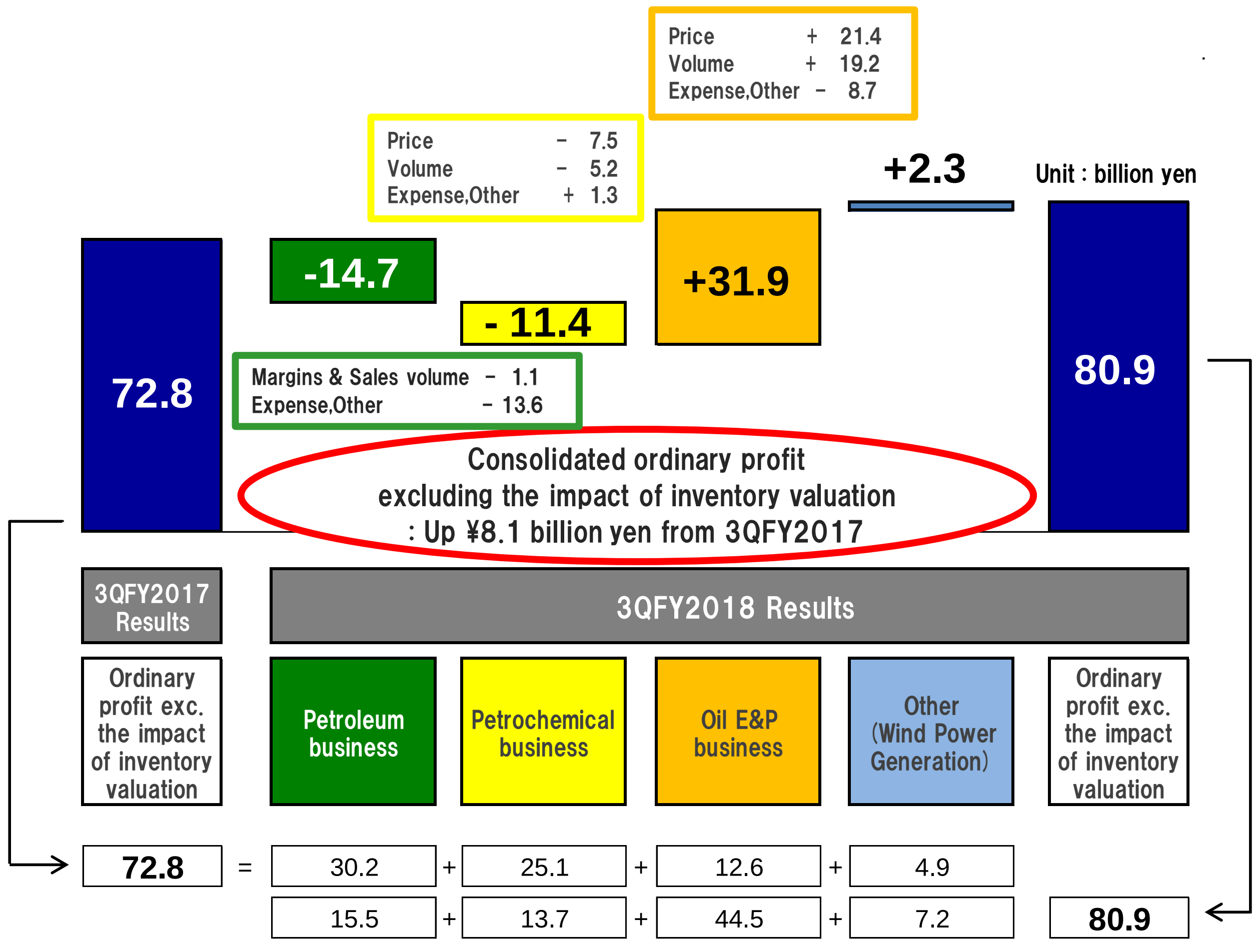
(*1) The Accounting period of three operators(Abu Dhabi Oil Company, Qatar Petroleum Development and United Petroleum Development) is December.

(*2) Including consolidated adjustment

[3Q FY2018 Results] Consolidated Ordinary Profit (Excluding the impact of inventory valuation) - Analysis of Changes from 3Q FY2017

Key variable factors

Petroleum business	:While securing an appropriate margin based on the improvement in the domestic supply-demand balance, profit decreased chiefly due to regular maintenance at refineries, partial trouble of equipment and the allowance of the cost for future regular maintenance at refineries.
Petrochemical business	:Profit decreased chiefly mainly due to the downturn in market conditions and a decrease in sales volume caused by regular maintenance at a plant.
Oil E&P business	:While the business was affected by pumps troubles at existing oil fields, profit increased due to an increase in oil production thanks to the commencement of the Hail Oil Field's full production.



[3Q FY2018 Results] Outline of Consolidated Balance Sheet

Consolidated Balance Sheets

Unit: billion yen

No		FY2018 (As of Dec.31, '18)	FY2017 (As of Mar. 31, '18)	Changes
1	Total Assets	1,781.4	1,688.3	93.1
2	Net assets	383.6	356.1	27.5
3	Net worth	261.4	238.7	22.7
4	Net worth ratio	14.7%	14.1%	Up 0.6points
5	Net interest-bearing debt *1	700.6	635.8	64.8
6	Net Debt Equity Ratio (times) (after partially accounting for Hybrid Loan) *2	2.3	2.3	No change

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

*2 Caluculated on the basis that 50% of 60 billion yen Hybrid Loan made on 1st April 2015 is included into Equity

[3QFY2018 Results] Highlights of Consolidated Capital Expenditures

Capital Expenditures, Depreciation, etc.

Unit: billion yen

No.		3QFY2018 Results	Change from 3QFY2017
1	Capital expenditures	51.5	-22.7
2	Depreciation expense amount,etc	39.0	8.8

Capital Expenditures by Business Segment

Unit: billion yen

No.		3QFY2018 Results	3QFY2017 Results	Change from 3QFY2017
1	Petroleum	19.8	17.4	2.4
2	Petrochemical	11.2	3.3	7.9
3	Oil E&P	16.7	35.9	-19.2
4	Other	4.9	18.3	-13.4
5	Adjustment	-1.1	-0.7	-0.4
6	Total	51.5	74.2	-22.7

(Reference)

Unit: billion yen

No.		FY2018 Forecast	FY2017 Results	Changes
1	Petroleum	37.6	30.5	7.1
2	Petrochemical	17.1	6.0	11.1
3	Oil E&P	27.4	49.9	-22.5
4	Other	12.6	22.3	-9.7
5	Adjustment	-2.0	0.4	-2.4
6	Total	92.8	109.1	-16.3

Forecast for FY2018 Performance

[FY2018 Full-Year Forecast] Highlights of Consolidated Business Outlook (Changes from the Previous Announcement) , Precondition, and Business Sensitivity

Unit : billion yen

No			FY2018 Forecast		FY2018 Previous Announcement		Changes	
			Ordinary income	Ordinary income exc. the impact of Inventory valuation	Ordinary income	Ordinary income exc. the impact of Inventory valuation	Ordinary income	Ordinary income exc. the impact of Inventory valuation
1	Total		99.0	110.0	157.0	133.0	-58.0	-23.0
2	(Each segment)	Petroleum business	15.5	26.5	61.0	37.0	-45.5	-10.5
3		Petrochemical business	16.5		24.0		-7.5	
4		Oil E&P business (*1)	56.5		62.0		-5.5	
5		Other (*2)	10.5		10.0		0.5	

(*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.		FY2018 Forecast	FY2018 Previous Announcement	Changes
6	Profit attributable to owners of parent	41.0	83.0	-42.0
7	Dividend per Share (Plan) (yen)	¥50	¥50	-

■ Precondition

No.		FY2018 Forecast	FY2018 Previous Announcement	Changes
8	Dubai crude oil price (USD/B) (Apr.-Mar.)	68	74	-6
9	JPY/USD exchange rate (Apr.-Mar.)	111	110	1
10	Dubai crude oil price (USD/B) (Jan.-Dec.)	69	71	-2
11	JPY/USD exchange rate (Jan.-Dec.)	110	110	-
12	Spread between Ethylene-Naphtha ($/ton) (Apr.-Mar.)	511	625	-114

■ Sensitivity

No.		Item	Crude oil (Dubai)	JPY/USD exchange rate
13	Petroleum Business	Inventory Impact	2.1 billion yen	1.3 billion yen
14		Refinery fuel cost etc.	-0.2 billion yen	-0.1 billion yen
15		Total	1.9 billion yen	1.2 billion yen

* Figures above refer to impacts by crude oil price (USD 1/bbl) and yen-dollar exchange rate (¥1/USD) fluctuations.
* A threee-month period of Jan.2019 to Mar.2019 adopted for sensitivity figure estimation.

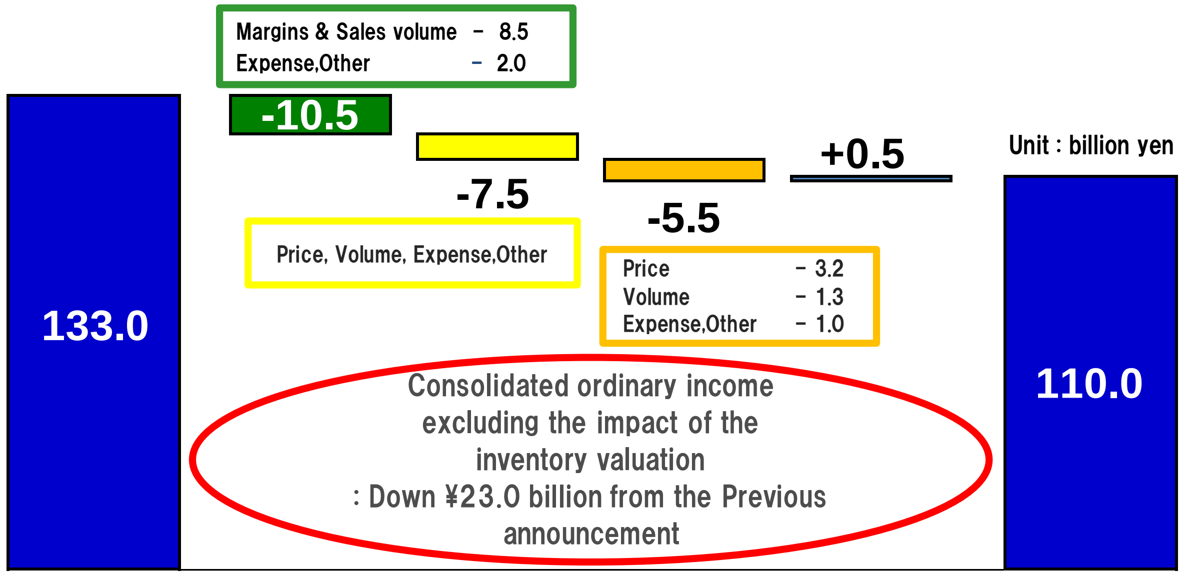
[FY2018 Full-Year Forecast] Consolidated Ordinary Income (Excluding the impact of inventory valuation) - Analysis of Changes from the Previous Announcement

Key variable factors

Petroleum business : Although the market conditions were favorable on the basis of the oil price at shipments, profit decreased reflecting a time lag impact due to the downfall of oil prices in 3Q (Oct. – Dec.)on the basis of the oil price at the arrival.

Petrochemical business : Profit decreased due to the downturn in market conditions.

Oil E&P business : Profit decreased due to a decline in oil prices.



Previous Announcement		FY2018 Forecast					
Ordinary profit exc. the impact of inventory valuation		Petroleum business	Petrochemical busieness	Oil E&P business	Other (Wind Power Generation)		Ordinary profit exc. the impact of inventory valuation
133.0	=	37.0 +	24.0 +	62.0 +	10.0		
		26.5 +	16.5 +	56.5 +	10.5	=	**110.0**

Supplementary Information

P.12-20 [3Q FY2018 Results] Supplementary Information

- Sales Volume, CDU Operating Ratios (3Q FY2018 results/FY2018 Forecast)
- Crude Oil Production Volume, Crude Reserves Estimate (Proved and Probable)
- Results by Business Segment - Changes from 3Q FY2017
- Main data of each business
- Historical Changes in Dubai Crude Oil Price
- Diesel Fuel Export and Margin Environment
- Market Condition of Ethylene Products and Aromatic Products

P.21-25 Forecast for FY2018 Performance

- Highlights of Consolidated Business Outlook (Changes from FY2017), Precondition
- Consolidated Ordinary profit (Excluding the impact of inventory valuation)- Analysis of Changes from FY2017
- Outlook by Business Segment Changes from the previous announcement
- Outlook by Business Segment, Changes from FY2017

P.26-36 Overview of the Cosmo Energy Group (Business Outline)

- Oil E&P Business , Petroleum Business, Petrochemical Business, Wind Power Generation Business

P.37-56 The 6th Consolidated Medium-Term Management Plan (Announced on March 20,2018)

- Long-Term Direction of Business
- Overview of The 6th Consolidated Medium-Term Management Plan
- Business Strategy of The 6th Consolidated Medium-Term Management Plan

P.57-60 Zero Coupon Convertible Bonds due 2022 (being bonds with stock acquisition rights) (Announced on December 20,2018)

Supplementary Information of 3Q FY2018 Results

[3Q FY2018 Results / FY2018 Forecast] Sales Volume, CDU Operating Ratios

Unit: thousand KL

No.			3QFY2018 Results	3QFY2017 Results	Changes	FY2018 Forecast	FY2018 forecast changes from FY2017	FY2018 forecast (Previous Announcement)
1	Selling volume in Japan	Gasoline	4,171	4,231	98.6%	5,505	98.6%	5,536
2		Kerosene	908	994	91.4%	1,672	93.6%	1,714
3		Diesel fuel	3,335	3,235	103.1%	4,328	101.1%	4,295
4		Heavy fuel oil A	963	1,034	93.2%	1,366	92.9%	1,359
5		Sub-Total	9,377	9,494	98.8%	12,871	98.1%	12,904
6		Naphtha	4,269	4,640	92.0%	5,975	98.6%	6,154
7		Jet fuel	342	334	102.6%	480	104.6%	478
8		Heavy fuel oil C	770	947	81.4%	999	80.2%	1,017
9		inc. Heavy fuel oil C for electric power	155	284	54.5%	190	50.6%	210
10		Total	14,759	15,415	95.7%	20,325	97.3%	20,553
11	Export volume	Middle distillates (Jet, Kerosine/Diesel fuel)	50	533	9.3%	450	54.5%	500
12		Bonded products and other	2,322	2,497	93.0%	3,166	94.0%	3,239
13		Sub-Total	2,372	3,030	78.3%	3,616	86.2%	3,739
14	Total		17,131	18,445	92.9%	23,941	95.5%	24,292

No.			3QFY2018 Results	3QFY2017 Results	Changes
1	CDU operating ratio	(Calendar Day basis) *1	81.8%	92.5%	-10.7%
2		(Streaming Day basis) *1,2	94.1%	99.3%	-5.2%

*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.

[3 FY2018 Results] Crude Oil Production Volume, Crude Reserves Estimate (Proved and Probable)

[1] Crude oil production volume

	3QFY2018 Results	3QFY2017 Results	Changes	
Cosmo Energy Exploration & Production Co., Ltd. (B/D)	53,006	38,129	14,877	139.0%

*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, 2017)

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

	mmbls	
Total Proved (*2) and Probable Reserves (*3)	147.3	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 22 years	Note: The daily average crude production based on working interest reached 19 thousands bpd for FY2017 (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 FY2018 Results] Results by Business Segment – Changes from 3QFY2017

3Q FY2018 Results – Changes from 3Q FY2017

Unit: billion yen

No.		Net Sales		Operating Profit		Ordinary Profit		Ordinary Profit (excluding the impact of inventory valuation)	
			Changes from 3QFY2017		Changes from 3QFY2017		Changes from 3QFY2017		Changes from 3QFY2017
1	Petroleum business	1,901.3	246.8	16.0	-29.6	14.4	-29.9	15.5	-14.7
2	Petrochemical business	355.3	25.0	8.3	-11.7	13.7	-11.4	13.7	-11.4
3	Oil E&P business	84.3	45.8	46.6	34.5	44.5	31.9	44.5	31.9
4	Other	44.1	12.4	4.0	1.0	3.8	1.2	3.8	1.2
5	Adjustment	-294.6	-56.2	4.8	1.7	3.4	1.1	3.4	1.1
6	Total	2,090.4	273.8	79.7	-4.1	79.8	-7.1	80.9	8.1

Cosmo Energy Group (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.

[3Q FY2018 Results] Main data of each business

1. Petroleum business

(1) Refinery Operating Ratio

	FY2013	FY2014	FY2015	FY2016	FY2017	3Q FY2018
CDU operating ratio (Calender Day basis) *1	69.5%	84.0%	83.2%	88.3%	94.1%	81.8%

(2) Number of SSs by Operator Type

	FY2013	FY2014	FY2015	FY2016	FY2017	3Q FY2018
Subsidiary	899	881	920	895	885	893
Dealers	2,329	2,252	2,134	2,062	1,973	1,913
Total *2	3,228	3,133	3,054	2,957	2,858	2,806
Number of Self-Service SSs *2	1,011	1,031	1,036	1,038	1,034	1,047

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

	FY2013	FY2014	FY2015	FY2016	FY2017	3Q FY2018
Cosmo The Card (million cards) *2	4.20	4.31	4.39	4.44	4.44	4.37
Auto lease (Units) *2	11,734	19,040	27,401	37,077	47,602	56,494

2. Oil E&P business

Crude oil production volume

	FY2013	FY2014	FY2015	FY2016	FY2017	3Q FY2018
Cosmo Energy E&P Co., Ltd. (B/D) *3	36,842	38,031	39,201	39,032	38,826	53,006

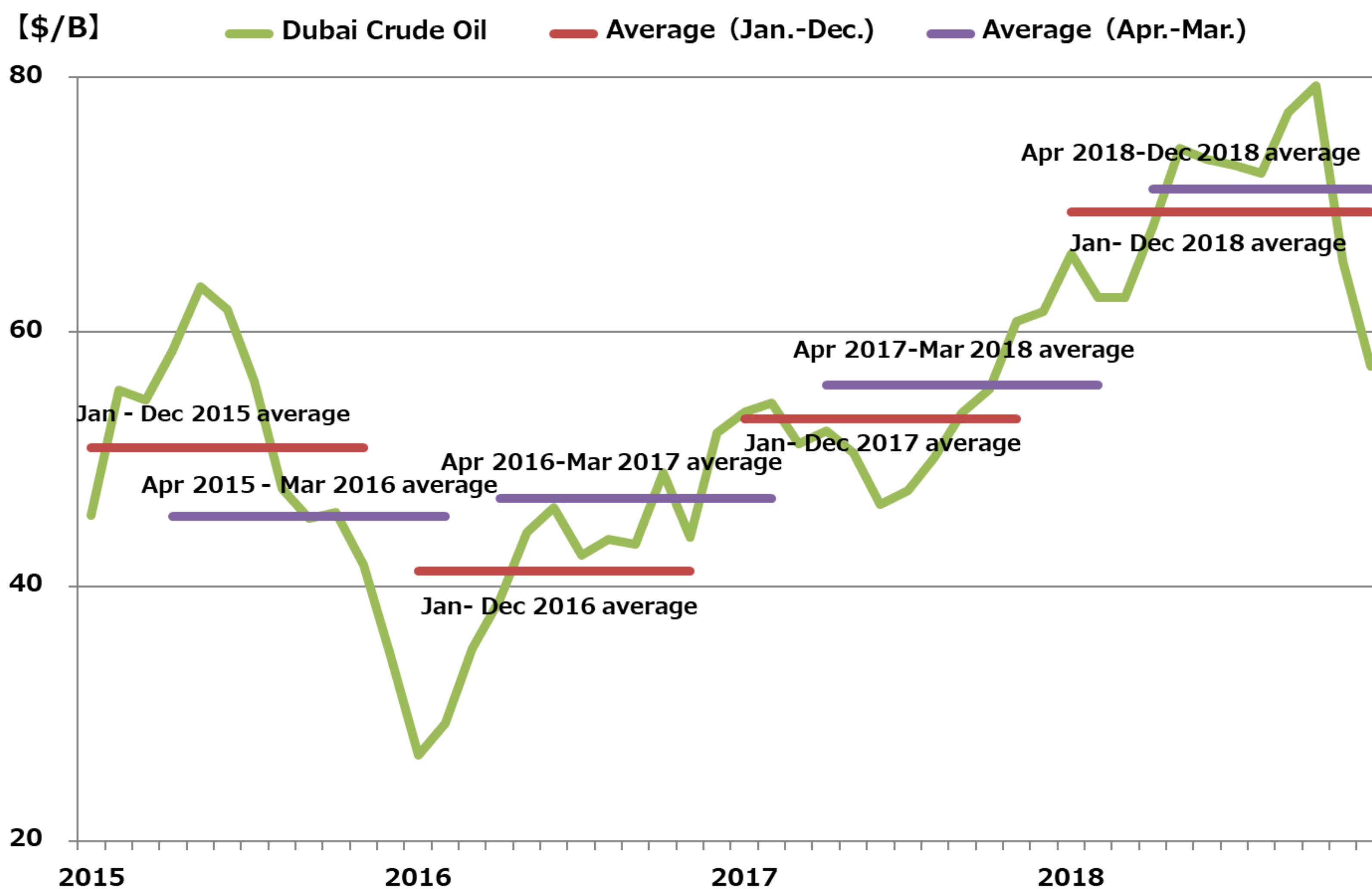
3. Wind power generation business

Wind power generation capacity (ten thousand kW)

	FY2013	FY2014	FY2015	FY2016	FY2017	3Q FY2018
Power generation Capacity*2	14.6	18.3	18.4	21.1	22.7	22.7

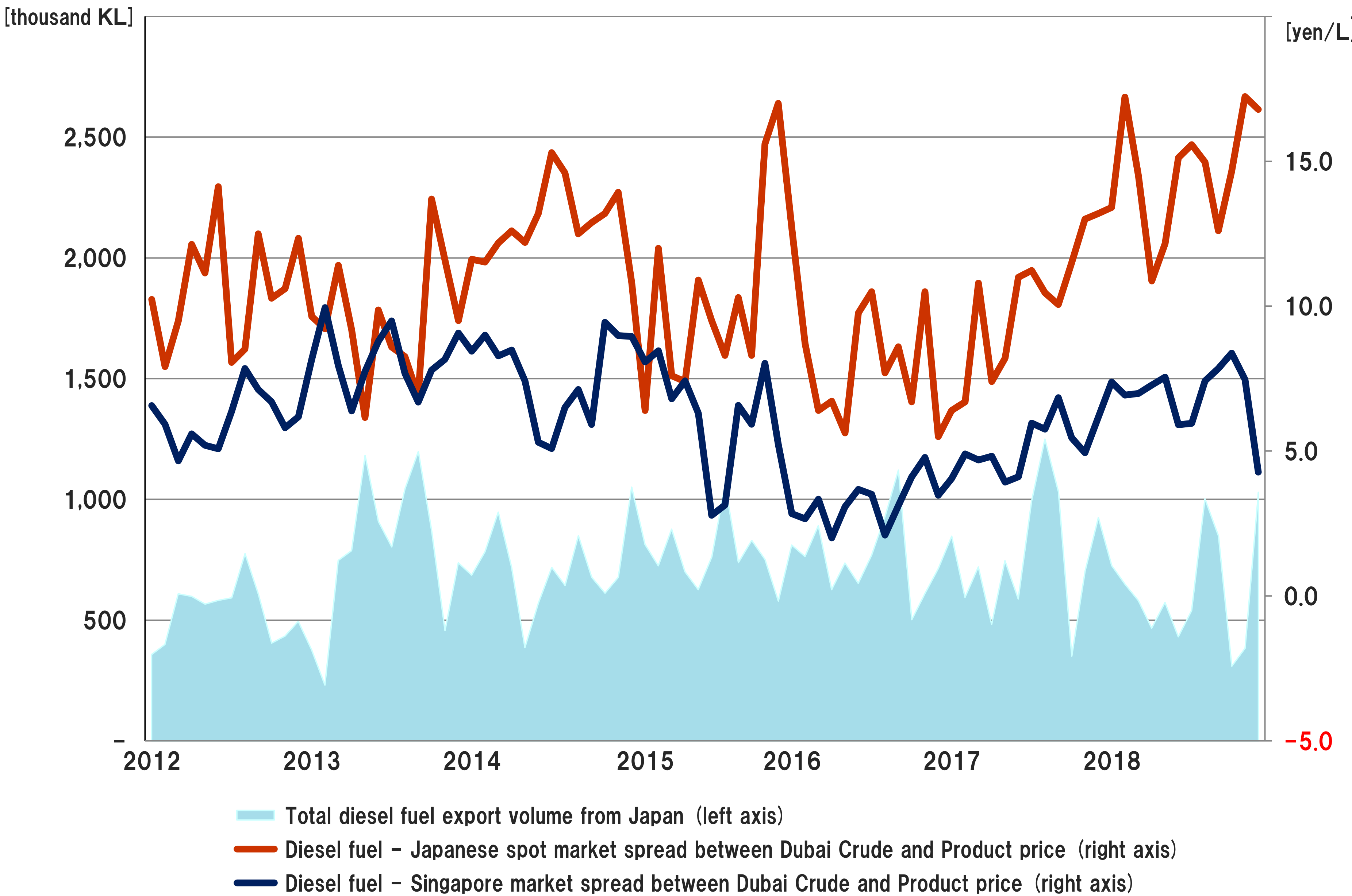
*1) April-March results for each fiscal year *2) At the end of March of each fiscal year
*3) January-December results for each fiscal year

Historical Changes in Dubai Crude Oil Price

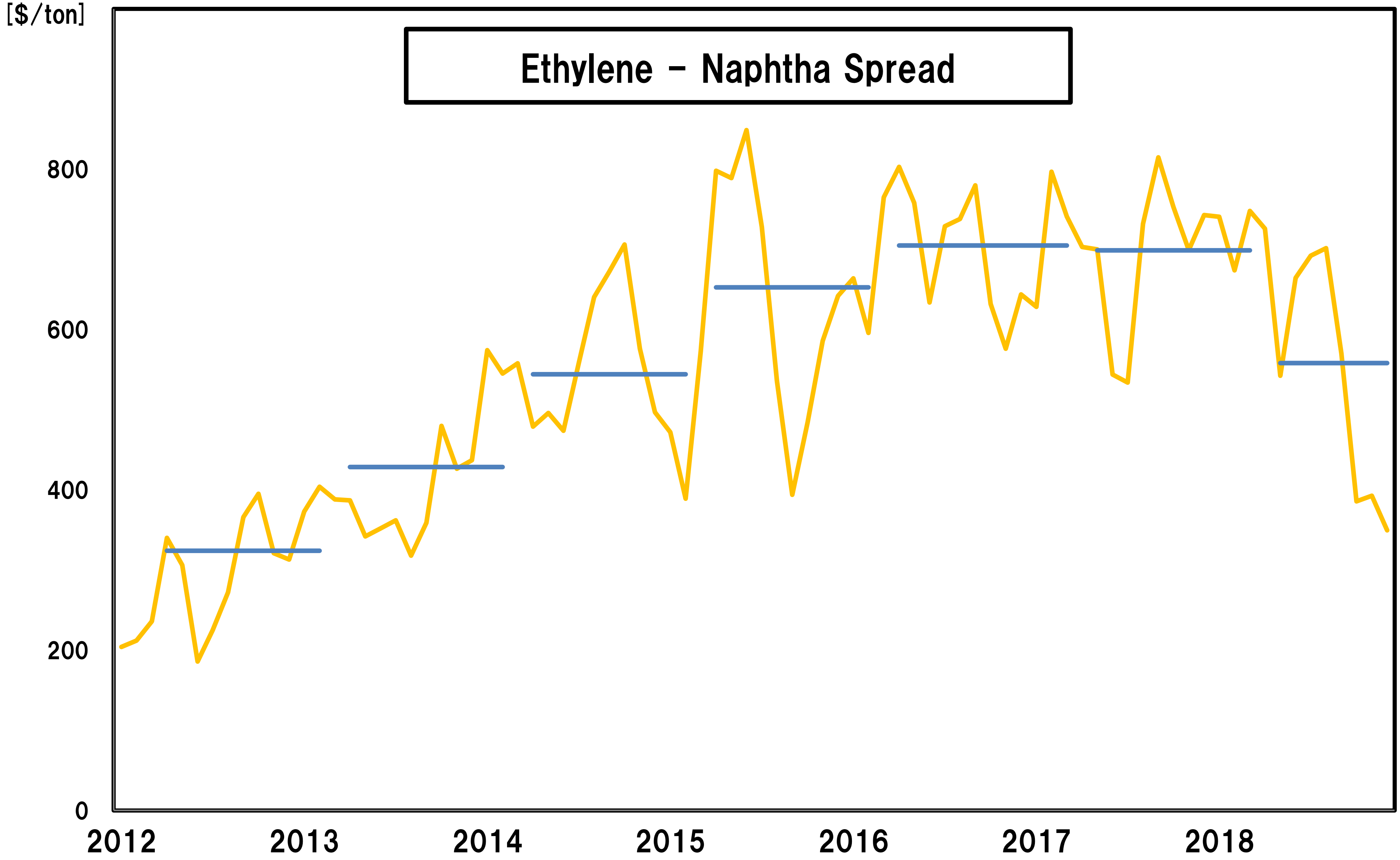


*Trend of crude oil price from January 2015 to December 2018

Diesel Fuel Export and Margin Environment (Domestic /Overseas)

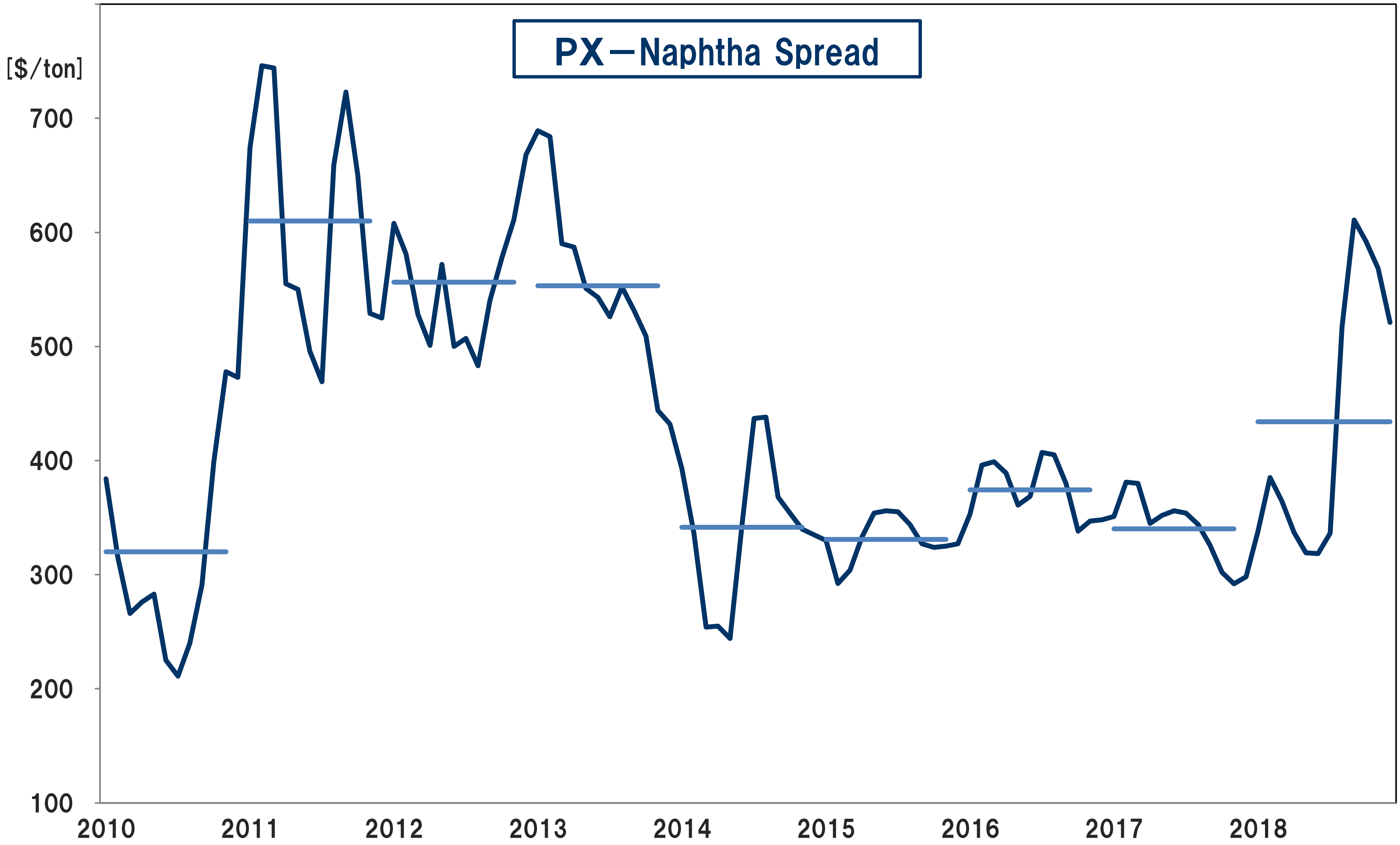


Market Conditions for Ethylene Products



(*) Horizontal line indicates the average of each fiscal year(Apr-Mar).

Market Conditions for Aromatic Products



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

Supplementary information of Forecast for FY2018 Performance

[FY2018 Forecast] Highlights of Consolidated Business Outlook (Changes from FY2017) Precondition

Unit : billion yen

No.			FY2018 Forecast		FY2017 Results		Changes	
			Ordinary income	Ordinary income exc. the Impact of Inventory valuation	Ordinary income	Ordinary income exc. the Impact of Inventory valuation	Ordinary income	Ordinary income exc. the Impact of Inventory valuation
1	Total		99.0	110.0	116.9	95.9	-17.9	14.1
2	(Each segment)	Petroleum business	15.5	26.5	58.8	37.8	-43.3	-11.3
3		Petrochemical business	16.5		30.4		-13.9	
4		Oil E&P business (*1)	56.5		18.3		38.2	
5		Other (*2)	10.5		9.4		1.1	

(*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.		FY2018 Forecast	FY2017 Results	Changes
6	Profit attributable to owners of parent	41.0	72.8	-31.8
7	Dividend per Share (Plan)	¥50	¥50	-

【Reference】Precondition

No.		FY2018 Forecast	FY2017 Results	Changes
8	Crude oil price (Dubai) ($/B) (Apr.-Mar.)	68	56	12
9	JPY/USD exchange rate (Apr.-Mar.)	111	111	-
10	Crude oil price (Dubai) ($/B) (Jan.-Dec.)	69	53	16
11	JPY/USD exchange rate (Jan.-Dec.)	110	112	-2
12	Spread between Ethylene-Naphtha ($/ton) (Apr.-Mar.)	511	696	-185

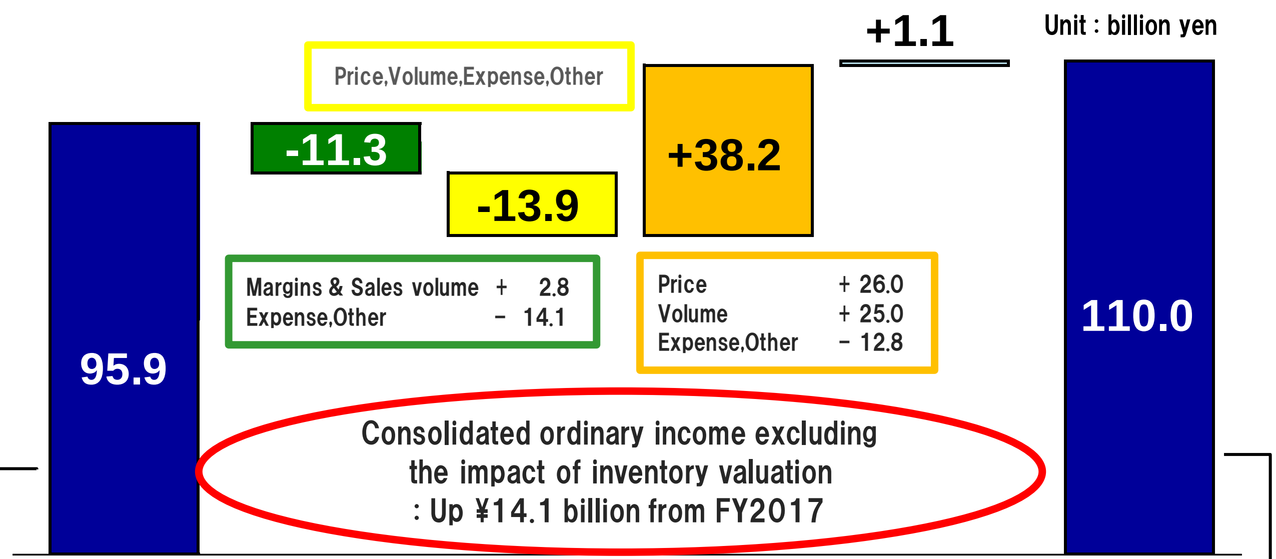
[FY2018 Forecast] Consolidated Ordinary profit (Excluding the impact of inventory valuation) - Analysis of Changes from FY2017

Key variable factors

Petroleum business : While securing an appropriate margin based on the improvement in the domestic supply-demand balance, profit decreased chiefly due to regular maintenance at refineries, partial trouble of equipment and the allowance of the cost for future regular maintenance at refineries.

Petrochemical business : Profit decreased chiefly mainly due to the downturn in market conditions and a decrease in sales volume caused by regular maintenance at a plant.

Oil E&P business : While the business was affected by pumps troubles at existing oil fields, profit increased due to an increase in oil production thanks to the commencement of the Hail Oil Field’s full production.



FY2017 Results		FY2018 Forecast					
Ordinary imcome exc. the impact of inventory valuation		Petroleum business	Petrochemical busieness	Oil E&P business	Other (Wind Power Generation)		Ordinary imcome exc. the impact of inventory valuation
95.9	=	37.8 +	30.4 +	18.3 +	9.4		
		26.5 +	16.5 +	56.5 +	10.5	=	110.0

FY2018 Outlook – Changes from the previous announcement

Unit: billion yen

No.		Net Sales		Operating Income		Ordinary Income		Ordinary Income (excluding the impact of inventory valuation)	
			Changes from the Previous Announcement		Changes from the Previous Announcement		Changes from the Previous Announcement		Changes from the Previous Announcement
1	Petroleum business	2,484.0	-179.0	19.5	-42.5	15.5	-45.5	26.5	-10.5
2	Petrochemical business	477.0	25.0	8.5	-8.5	16.5	-7.5	16.5	-7.5
3	Oil E&P business	114.0	-3.0	58.0	-3.5	56.5	-5.5	56.5	-5.5
4	Other	61.0	-	6.5	-	6.0	-	6.0	-
5	Adjustment	-416.0	-3.0	5.5	0.5	4.5	0.5	4.5	0.5
6	Total	2,720.0	-160.0	98.0	-54.0	99.0	-58.0	110.0	-23.0

Cosmo Energy Group（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.

FY2018 Outlook – Changes from FY2017

Unit: billion yen

No.		Net Sales	Changes from FY2017	Operating Income	Changes from FY2017	Ordinary Income	Changes from FY2017	Ordinary Profit (excluding the impact of inventory valuation)	Changes from FY2017
1	Petroleum business	2,484.0	191.3	19.5	-38.5	15.5	-43.3	26.5	-11.3
2	Petrochemical business	477.0	18.5	8.5	-16.5	16.5	-13.9	16.5	-13.9
3	Oil E&P business	114.0	57.7	58.0	39.9	56.5	38.2	56.5	38.2
4	Other	61.0	11.0	6.5	0.9	6.0	0.9	6.0	0.9
5	Adjustment	-416.0	-81.6	5.5	0.3	4.5	0.2	4.5	0.2
6	Total	2,720.0	196.9	98.0	-13.9	99.0	-17.9	110.0	14.1

Cosmo Energy Group (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.

Business Outline

Cosmo Energy Group Business Overview

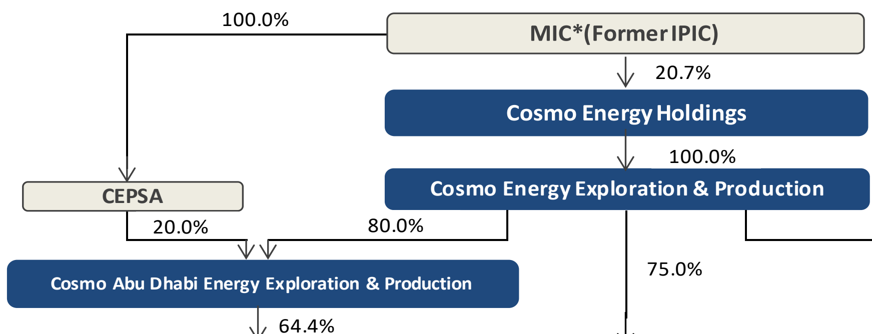
Each segment	Oil E&P business	Petroleum business	Petrochemical business	Other (Wind Power Generation)	Total *2
Net sales *1	114.0billion yen	2,484.0billion yen	477.0billion yen	61.0billion yen	2,720.0billion yen
Ordinary profit *1	56.5billion yen	15.5billion yen	16.5billion yen	10.5billion yen *2	99.0billion yen
Ordinary profit excluding impact of inventory valuation *1	56.5billion yen	26.5billion yen	16.5billion yen	10.5billion yen *2	110.0billion yen
Major assets	■Partnerships Solid relationship of trust with oil producing countries for about 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. 53,006 B/D (Comparison with refining capacity: Approx. 13%) ■Crude Oil Reserves (Proved and Probable) *4 147.3 million barrels (Equivalent to approx. 22 years of supply)	■ CDU capacity *5,*6 400,000 BD (Domestic market share: Approx. 11.4%) ■ Domestic Sales Volume *1 20,325thousand KL ■Number of Service station *5 2,806 ■ Number of the "Cosmo the Card" Holders *5 4.37million cards ■ Car leasing business for individuals *5 Cumulative total 56,494cars	■Olefinic production capacity *5 Ethylene 1.29 mil tons/year (Domestic market share: Approx. 19%) ■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 *5 227,000 kW (No. 3 in Japan and a 6% domestic share) ■ Solar power generation capacity *5 24,000 kw	■Corporate brand awareness 98.4% ※Survey of 1,239 customers (men and women, 18-64 years old) who used a service station in the past one month(as of Octorber 30, 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	－

(*1)FY2018 Forecast、(*2) Including consolidated adjustment、(*3)FY2018 3Q Results、(*4)As of Dec. 31, 2017、(*5)As of Dec. 31, 2018
(*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.
- ✓ Started production from the Hail Oil Field in FY 2017 with production ramping up to full-scale in January 2018.

■ 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)

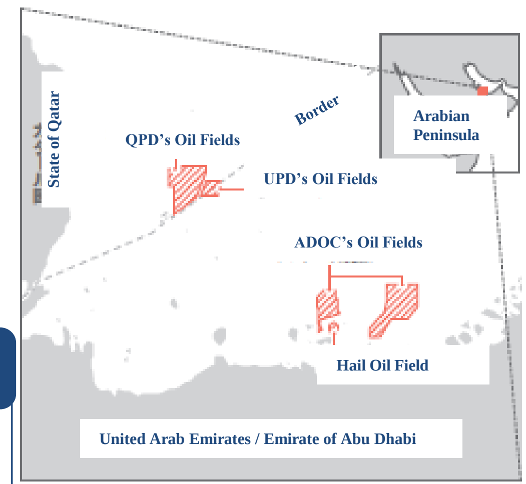
■ **Investment Ratios:**
Cosmo Energy Exploration & Production (45%), JX Nippon Oil & Gas Exploration (45%), Mitsui Oil Exploration (10%)

■ **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.)**

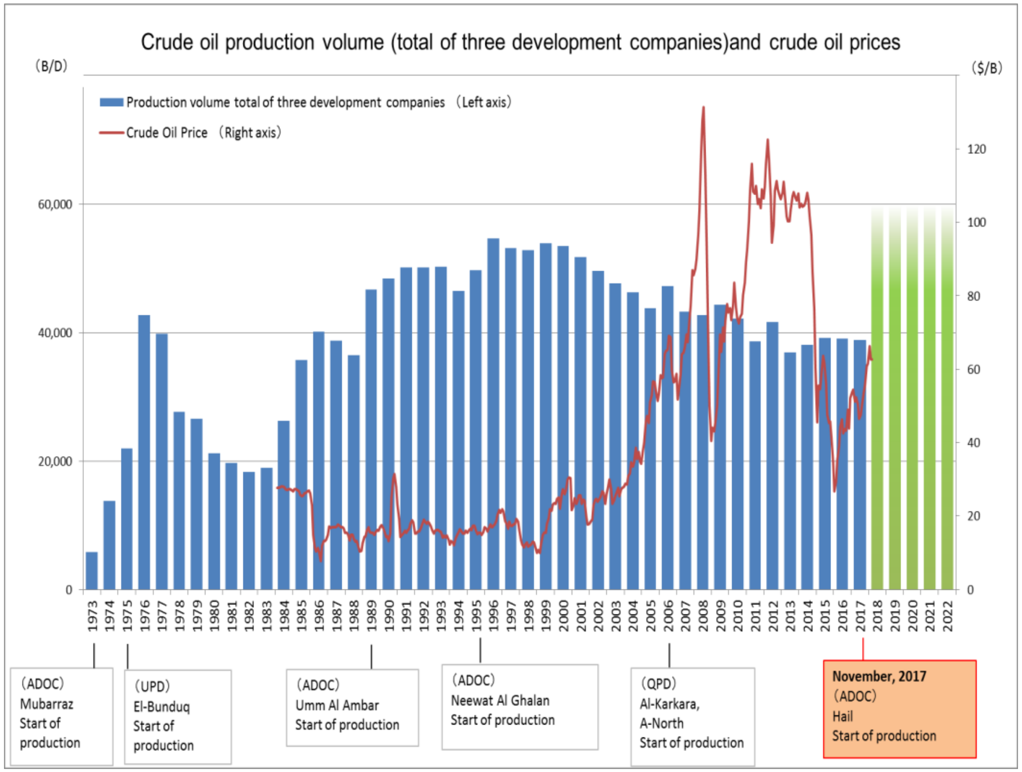
Business Environment in the Middle East Region (UAE / QATAR)

- 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)

[Oil E&P Business] Growth Strategy

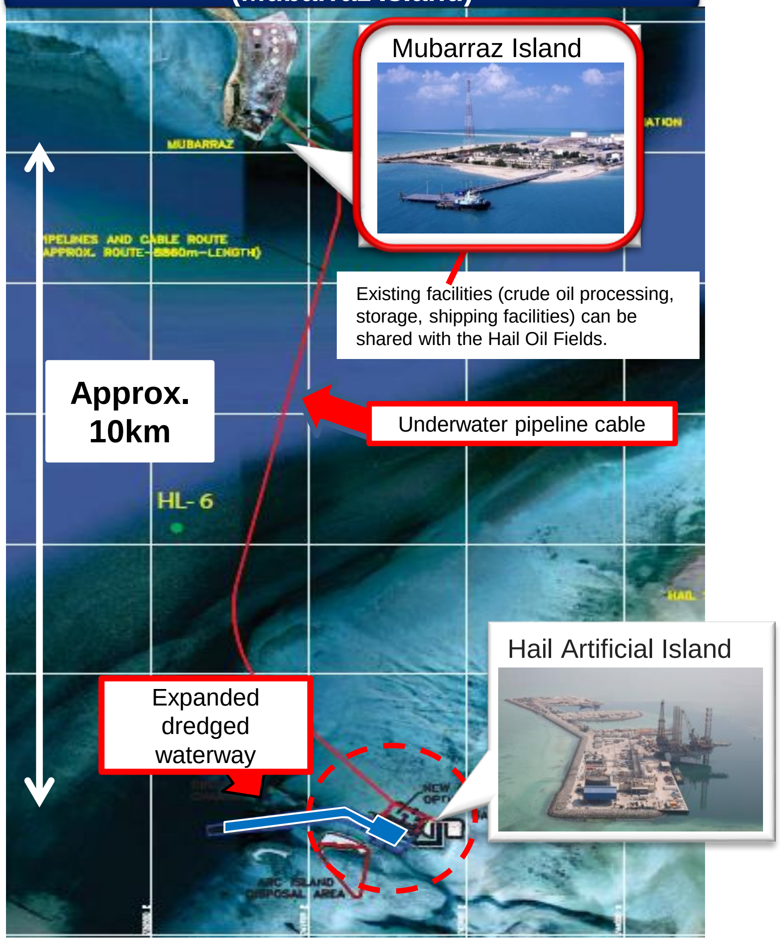
- ✓ The Hail Oil Field started production in November 2017, with production ramping up to full-scale in January 2018. (interest period – through year 2042）
- ✓ The Hail Oil Filed investment has been curbed with the shared use of existing oil processing, storage and shipping facilities (Estimated savings 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 2018 is prospective volume.

Hail Oil Field and existing shipping terminal (Mubarraz Island)



[Petroleum Business] Enhancement of Competitiveness of Refineries Through Alliances

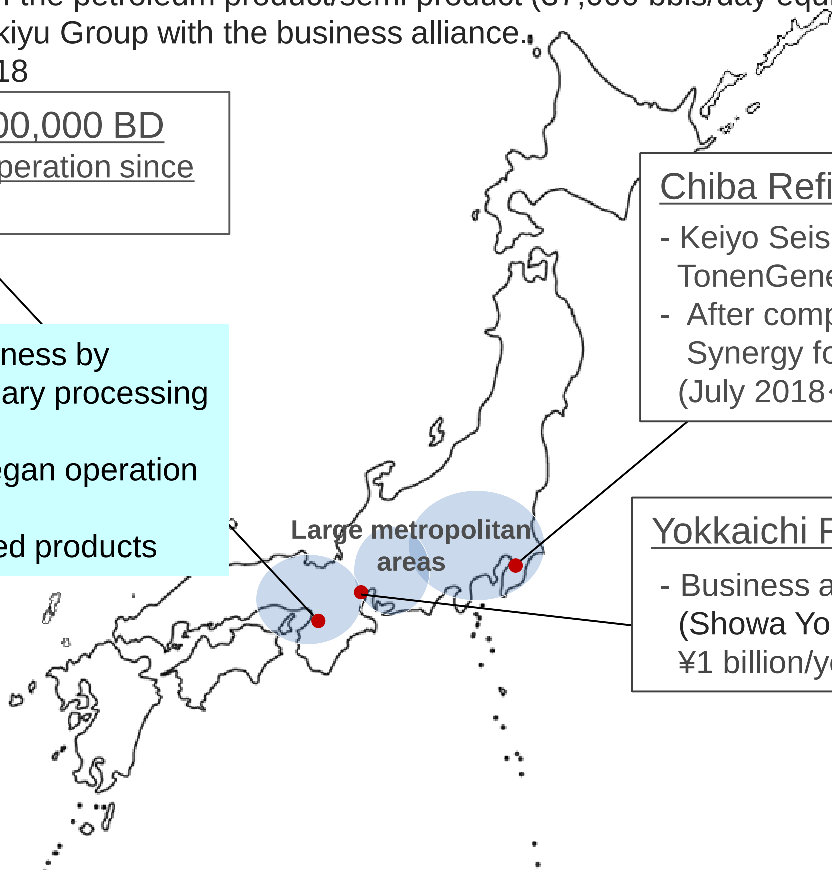
✓ FY2016 : Commencement of a two-year long run at the Chiba Refinery
→ Improvement in earnings: ¥7 billion

✓ FY2017 : Business alliance with Showa Shell Group (Showa Yokkaichi Sekiyu)
→ Synergy for Cosmo: ¥1 billion per year

✓ FY2018 : Integration of Chiba refineries of the Company and JXTG Nippon Oil & Energy Corporation
→ 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 Group with the business alliance.
* As of 31th March, 2018



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

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

Chiba Refinery: 177,000 BD
- Keiyo Seisei JV G.K. established with TonenGeneral Sekiyu (currently JXTG Group)
- After completion of construction of pipelines, Synergy for both companies : ¥10billion/year (July 2018～)

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

[Petroleum Business] Redevelopment of Measures to Increase the Competitiveness of Chiba Refinery

✓ Continue the operation of two CDUs at Chiba Refinery, taking into account the environmental changes such as the IMO regulations, and implement integration with Petrochemical business to improve profitability.

■ Increase the competitiveness of Chiba Refinery

- Continue the operation of two CDUs at Chiba (177,000 BD) after the completion of the pipeline to maximize the use of the pipeline (from July 2018).
- Use direct desulfurization equipment to meet increasing demand for marine fuels (low-sulfur C fuel oil) in response to the IMO regulations and enjoy maximized benefits.
- Integrate business with Petrochemical business.

■ Response to the Sophisticated Methods of Energy Supply Structures

- First announcement: disposal of No.5 CDU at Yokkaichi Refinery
  (Before change): disposal of No.1 CDU at Chiba Refinery
- Second announcement: reduction of CDU capacity
  (Before change): disposal of No.5 CDU at Yokkaichi Refinery

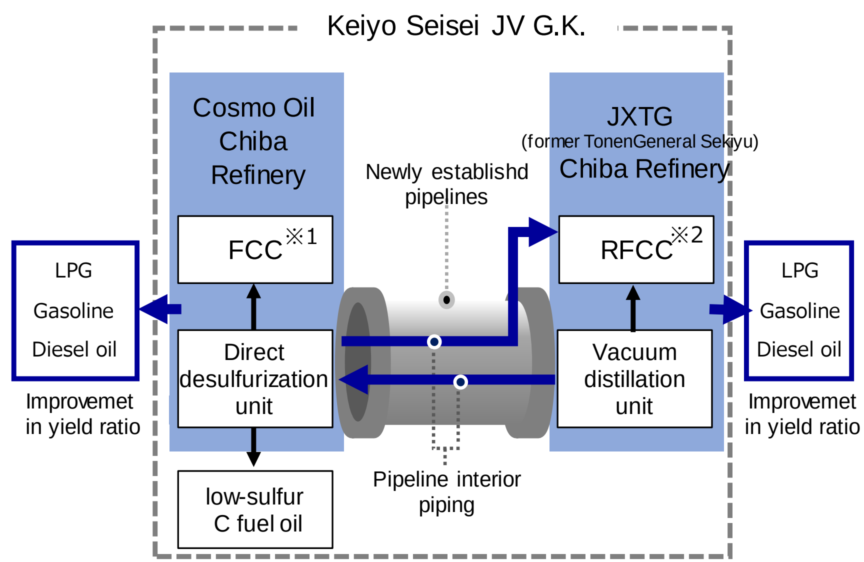
■ Overview of Keiyo Seisei JV G.K. (joint venture)

- Established: January 2015
- Capital contribution ratio: 50% each from the two companies
- Type of business: maximum use of pipelines

■ Overview of pipelines

- Completion of pipelines: February 2018
- Installation of nine pipelines (mutual adaptability between products and semi-finished products)
- Pipeline operation started : July 2018

■ 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.

[Petroleum Business]
- 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. around CY2020.
- ✓ 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.

- Sales Volume
  4,160 thousand KL
- Number of Service stations
  459

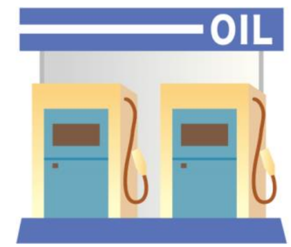
(As of Mar.31,2018)

Capital and Business Alliance

Cosmo Energy Group

- Domestic Sales Volume
  20,885 thousand KL
- Number of Service stations
  2,858

(As of Mar.31,2018)



Service station operators

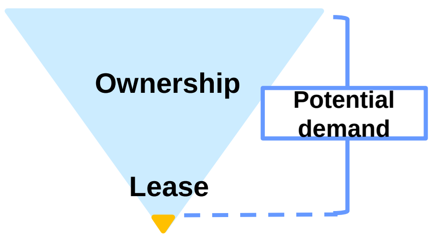
Factory etc.

[Petroleum Business] Strengthening the Retail Business (Individual Car Leasing Business) Low-risk Business Model that Takes Advantage of Strengths of SS

- ✓ 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, 2018
- Fuel oil discount system (patented business model)

■ Low risk

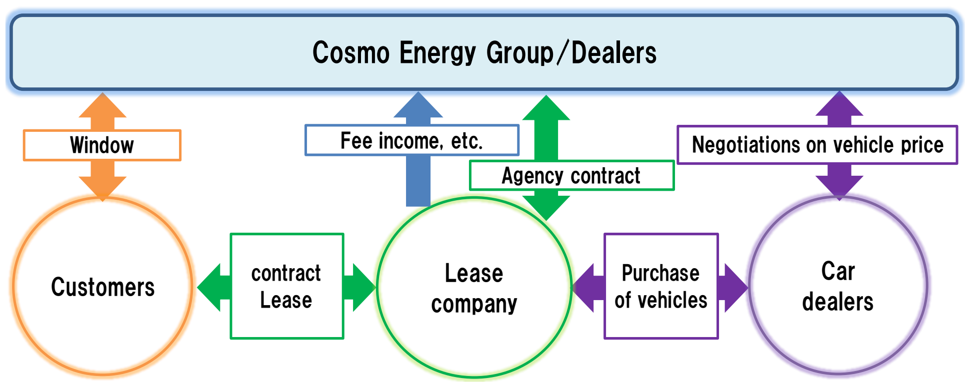
- Because the SS play the role of dealerships, there is no credit risk or risk of keeping vehicle inventory.

Win-win business model

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

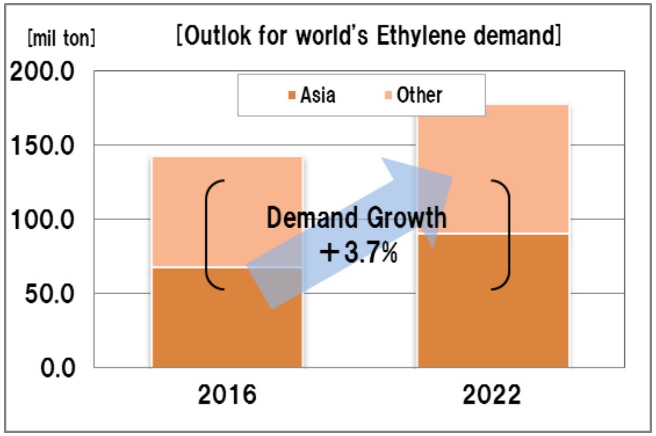
Lease companies : Capture new customers

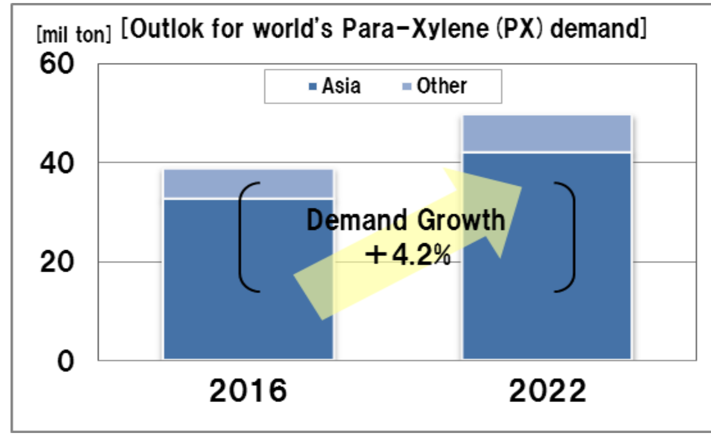
Cosmo, dealerships : Secure revenue sources that are not solely dependent on fuel oil



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

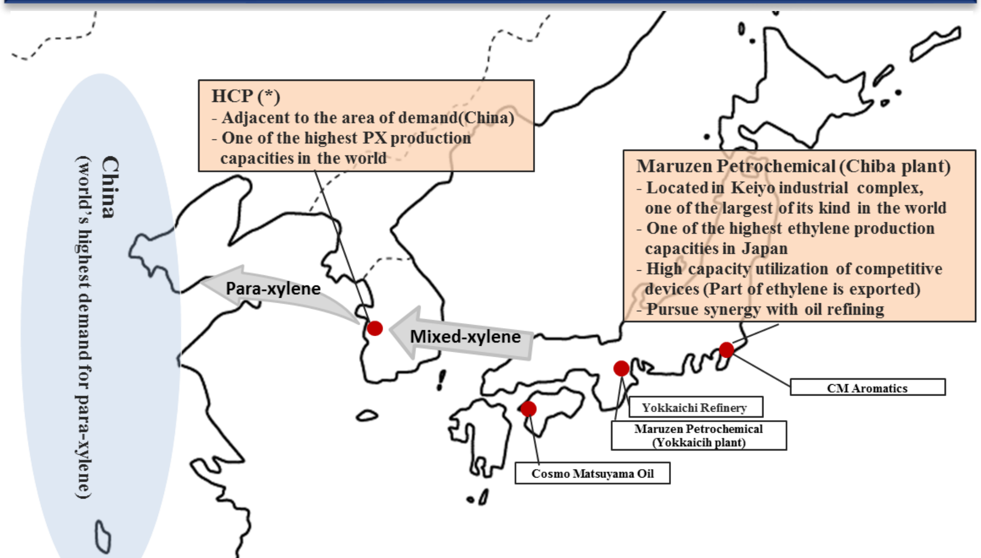
Expected global demand for petrochemical products





Source: Global Demand Trends for Petrochemical Products of the Ministry of Economy, Trade and Industry (2016-2022)

Strengths of Cosmo Energy Group



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

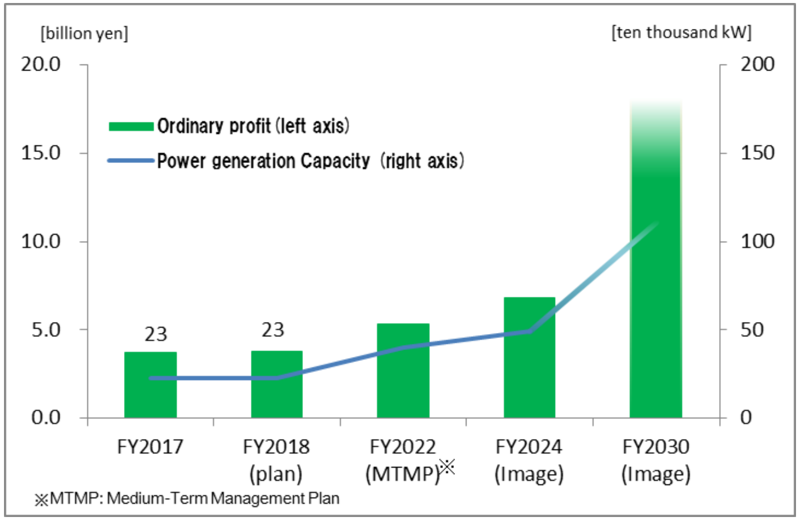
Production capacity

Product		Manufacture	Production capacity
Olefin-based	Ethylene	Maruzen Petrochemical	* 1.290 mil t/year
Aroma-based	Para-xylene	Hyundai Cosmo PetroChemical	1.180 mil t/year
	Benzene	Maruzen Petrochemical	0.600 mil t/year
		Hyundai Cosmo PetroChemical	0.250 mil t/year
		Cosmo Matsuyama Oil	0.090 mil t/year
		Total	0.940 mil t/year
	Mixed-xylene	Cosmo Oil (Yokkaichi Refinery)	0.300 mil t/year
		CM Aromatics	0.270 mil t/year
		Cosmo Matsuyama Oil	0.048 mil t/year
		Total	0.618 mil t/year
		Aroma-based, total	2.738 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

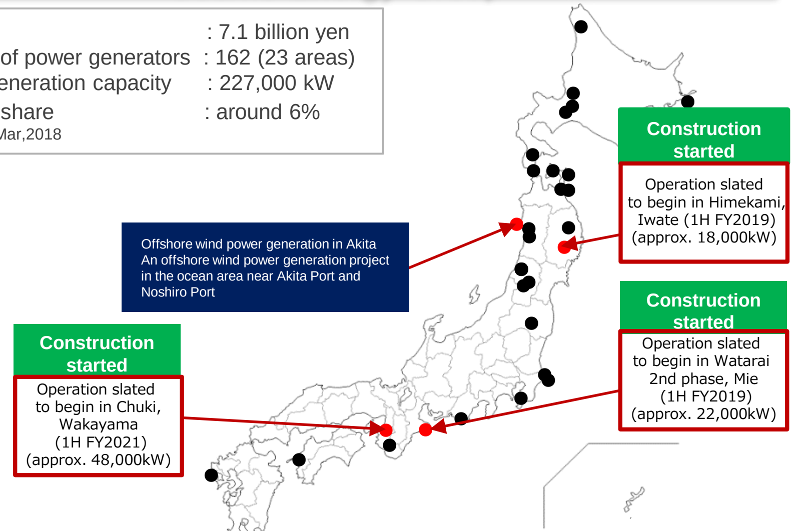
Changes in wind power generation capacity



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

Capital	: 7.1 billion yen
Number of power generators	: 162 (23 areas)
Power generation capacity	: 227,000 kW
Industry share	: around 6%

*As of 31 Mar,2018



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.

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 2017 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: "The current situation of renewable energy and Calculation Committee for Procurement Price, etc. of this year" Agency for Natural Resources and Energy, September 2017
(*3) Identification of suitable sites (2 to 3 years) → Environmental assessment (4 to 5 years) → Construction work (1 to 2 years) → Start of operation

The 6th Consolidated Medium-Term Management Plan (Announced on March 20,2018)

COSMO ENERGY HOLDINGS CO., LTD.

Long-Term Direction of Business

Positioning of the 6th Consolidated Medium-Term Management Plan for a Long-Term Increase in Corporate Value

- ✓ **Improve the business portfolio for the subsequent growth in view of a long-term direction.**
- ✓ **Strengthen a financial condition by increasing the profitability of the Oil E&P and Petroleum business.**

The 5th Consolidated Medium-Term Management Plan

The 6th Consolidated Medium-Term Management Plan, Consolidated Medium-Term CSR Plan

Long-term Direction

FY2013

Current

Improvement of financial condition

6th MTMP※ Goal 2022

※MTMP: Medium-Term Management Plan

- ✓ **In view of the transition to a fossil-fuel-free society, shift the focus to the renewable energy business through active investment while increasing the competitive -ness of petroleum-related businesses.**
- ✓ **Contribute to the achievement of SDGs through the sustainable growth of the Cosmo Energy Group.**

Recovery of oil business's profitability

Stable return from investments to date

Promotion of alliance strategy

Promote CSR management

Oil & New

Secure profitability to enable reinvestment	Expand growth driver toward the future
Improve financial condition	Strengthen Group management foundation

Long-Term Environmental Awareness

- ✓ The transition to a fossil-fuel-free society is accelerating in response to the Paris Agreement.
- ✓ Renewable energy will increase although the value of petroleum will remain by around 2030.

Paris Agreement (Set the target of greenhouse gas reduction)

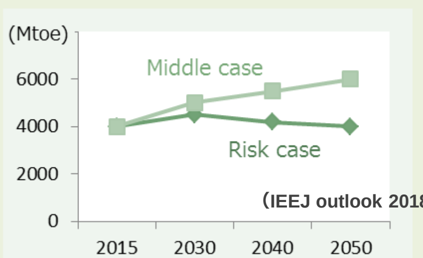
4th Industrial revolution (Innovation of IT technology)

Acceleration of fossil fuel free

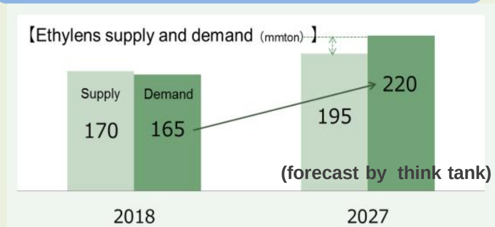
GLOBAL

Increase in population

Stable growth of oil demand (level off after 2030 onwards)



Stable growth of petrochemical demand (deficiency despite new plants and revamp)

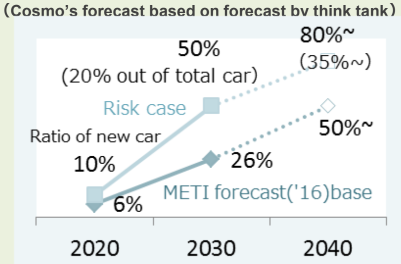


JAPAN

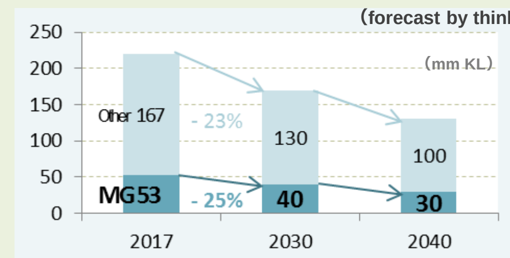
Decrease in population

Wide-spread use of EV* *including PHV

(Cosmo's forecast based on forecast by think tank)



Decline in oil demand (A certain amount of gasoline demand remains)

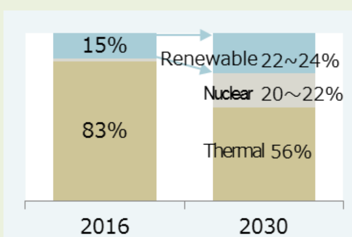


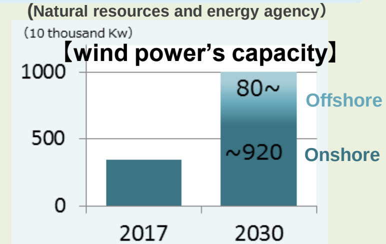
Expansion of sharing economy

(Association of sharing economy)

Expansion of renewable energy (Acceleration of wind power generation development)

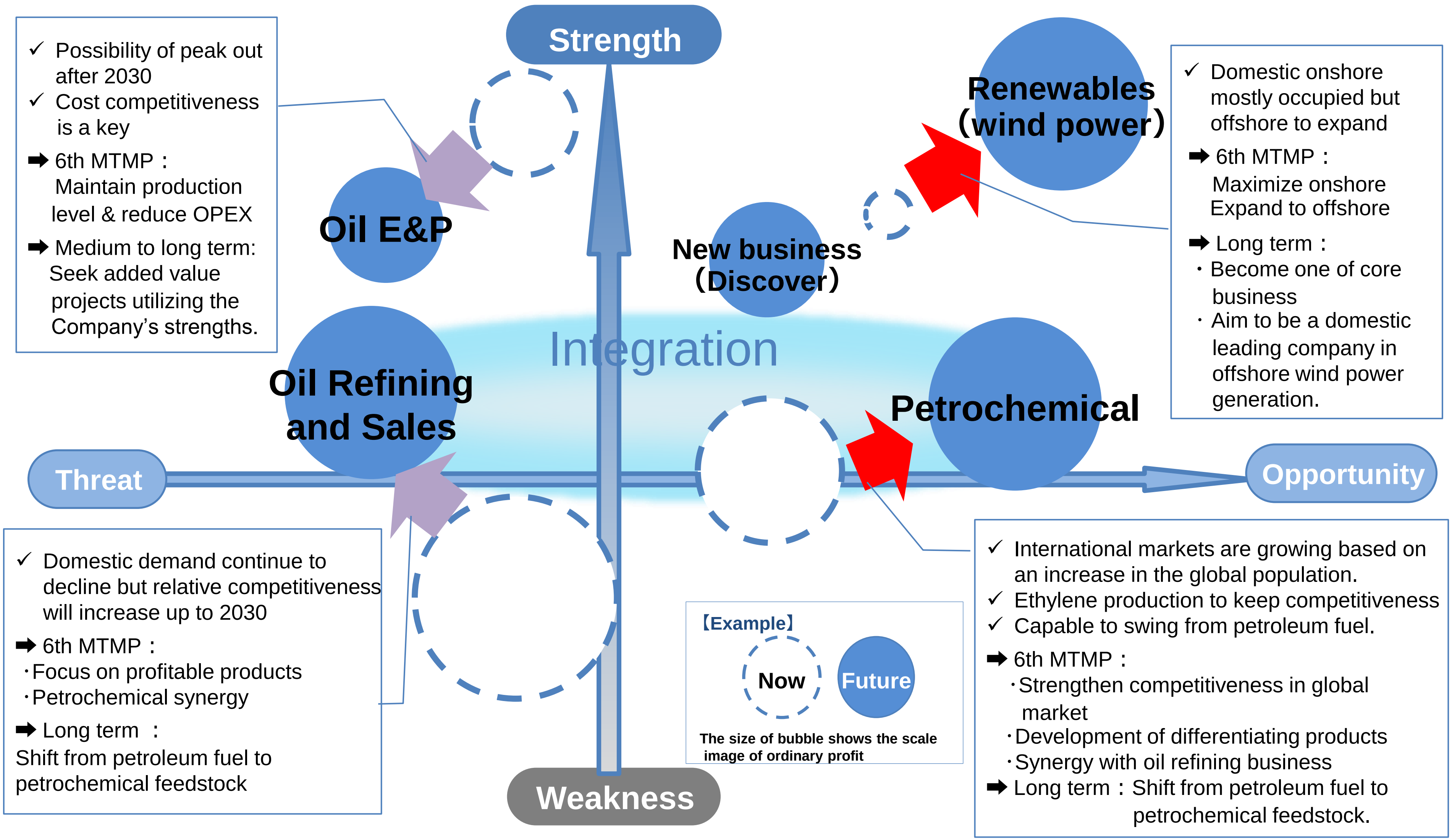
(Natural resources and energy agency)





Conversion image to long-term business portfolio

- ✓ **In view of the transition to a fossil-fuel-free society, shift the focus to the renewable energy business through active investment while increasing the competitiveness of petroleum-related businesses.**
- ✓ **Contribute to the achievement of SDGs through the sustainable growth of the Cosmo Energy Group.**



The 6th Consolidated Medium-Term Management Plan

COSMO ENERGY HOLDINGS CO., LTD.

Basic policy ～ Oil＆New ～

"Oil": Increase the profitability of the petroleum business by, for example, complying with the IMO regulations and taking the lead in the supply of clean marine fuels.
➡Strengthen financial condition based on earning power.
"New": Invest in wind power generation and other businesses that will lead the next growth stage.
➡Contribute to the achievement of SDGs through business activities.

Secure profitability to enable reinvestment

- ✓ Firm a system of safe, stable operation in oil refining business
- ✓ Take action ahead of the IMO regulations
  ➡Increase profitable products.*
  * Aim to raise the competitiveness of refineries that supply only relatively high added value petroleum products.
- ✓ Strengthen the "Vehicle life" business
- ✓ Achieve synergy with petrochemical business
- ✓ Steadily recover the investment in the Hail Oil Field

Expand growth driver toward the future

- ✓ Strengthen petrochemical business and increase its product-line
- ✓ Early development of offshore wind power generation
- ✓ Explore new businesses for future growth in domestic and overseas market(Asia / Abu Dhabi)

Improve financial condition

- ✓ Increase shareholders' equity
- ✓ Strengthen cash management
- ✓ Careful selection of investments with an eye on long-term environment
  ➡ Early achievement of management goals

Strengthen Group management foundation

- ✓ Implement CSR management.
  - Pursue the sustainability of society and the Group.
  - Improve ESG key factors.
  ➡ Develop and implement the medium-term CSR management plan (FY2018 – FY2022).
- ✓ Increase productivity through work-style and operational innovation
  - Promote diversity.
  - RPA(Robotic process automation),Thoroughly increased operation efficiency using AI.

Increase earning power and improve the financial positon to achieve a goal of Net worth and DER of 1.0-1.5 times that can withstand changes in the market environment at an early stage.

【Management Goals (FY2022) 】

(Unit: billion yen)

1	Ordinary profit (excluding impact of inventory valuation)	Over 120.0
2	Profit attributable to owners of parent	Over 50.0
3	Free cash flow (FY 2018 - FY 2022 Five years total)	Over 150.0
4	Net worth (Net worth ratio)	Over 400.0 (Over 20%)
5	Net Debt Equity Ratio*	1.0～1.5 times
6	ROE	Over 10%

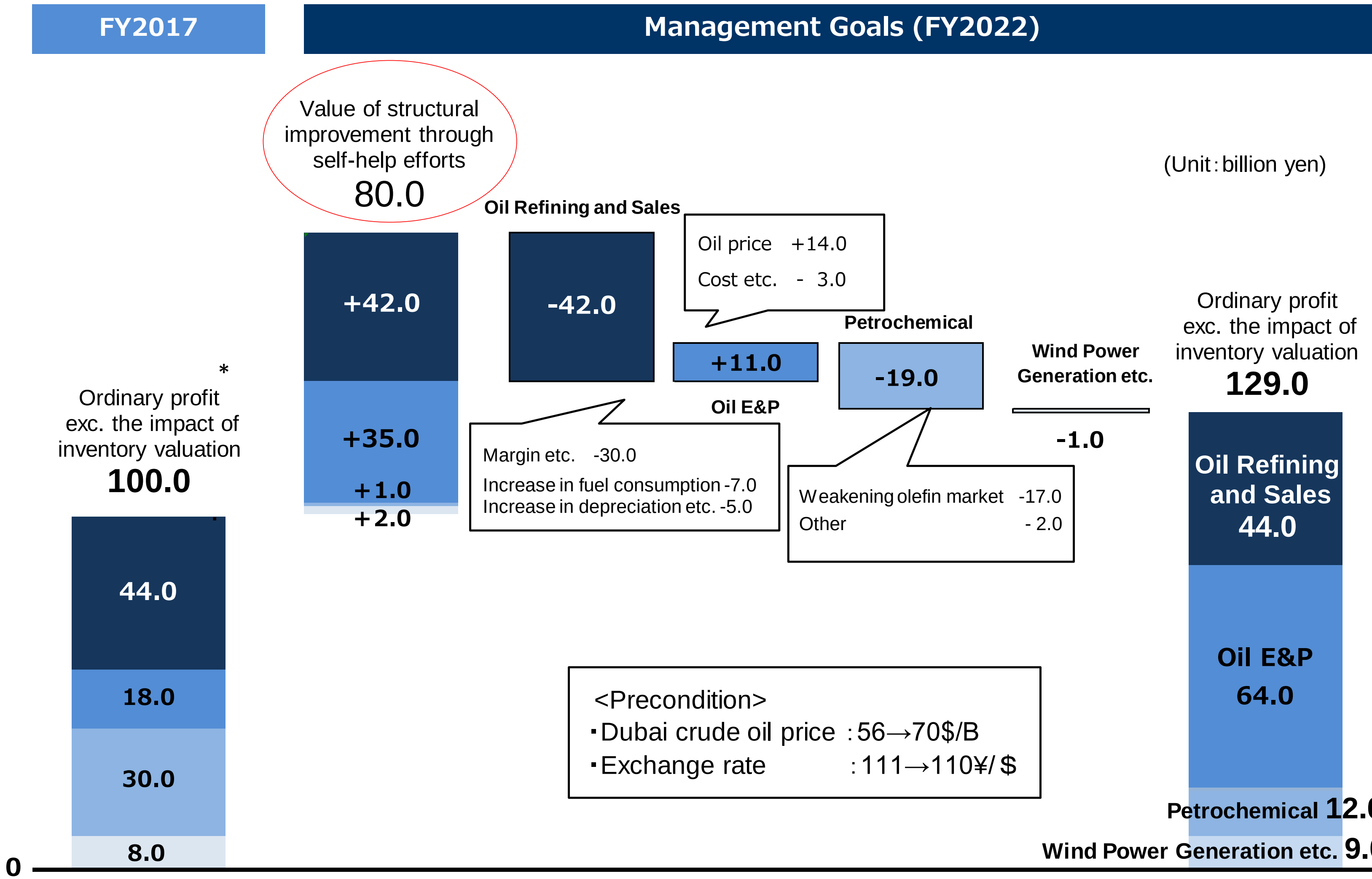
【 Precondition 】

Dubai crude oil price (USD/B) ： 70	Exchange rate (yen/USD) ： 110

*Calculated on the basis that 50% of ¥60 billion Hybrid Loan made on April 1, 2015 is included in Equity.

Profit Plan

✓ **Ordinary profit excluding the impact of inventory valuation is expected to be 129.0 billion yen in FY2022 despite an increase of 80.0 billion yen from FY2017, taking into account the assumptions such as crude oil prices.**



* Above is the forecast at the time when the new consolidated medium-term management plan was developed.
Actual ordinary profit (excluding the impact of inventory valuation) was 95.9 billion yen.

Business Strategy and Value of Improvement

An increase of 80.0 billion yen to be achieved, largely through changes such as increasing profitable products composition in oil refining and sales and production of the Hail Oil Field.

(Unit:billion yen)

	FY2018 / FY2019 / FY2020 / FY2021 / FY2022	Improvement
Improvement in FY2022 vs 2017（excl. impact of market condition）		80.0+α
Oil Refining and Sales	Utilizing Chiba Refinery Pipeline Safe and stable operation,Improve utilization rate（Regular maintenance reduction・Chiba Refinery 4 year's operation）,Synergy creation with petrochemical Achieve no heavy fuel oil production（response to IMO） Start Supply to Kygnus Sekiyu K.K. Expansion of vehicle life business	42.0
Oil E&P	Stable production in existing and the Hail Oil Fields・OPEX reduction	35.0
Petrochemical	Enhance competitiveness of basic petrochemical product , Pursue synergy with refinery Start C9 petroleum resin business	1.0 Cash Flow:8.0※
Wind Power Generation	Expand onshore wind firms (Power generation capacity 230,000kW➡400,000kW)（see page 25） Develop offshore wind farms Start offshore wind power site project	2.0
New area	Deepen alliances with MIC, Hyundai Oilbank, and CEPSA Sow the seed to new business	+α

※ Cash Flow: Ordinary profit + Increase in depreciation

Cash Balance and Use of Funds(FY2018～FY2022)

Carry out growth investment and shareholder returns while considering balance with the financial positon.

(Unit: billion yen)

Incoming Cash	Outgoing Cash
535.0	360.0
Net profit 225.0 ➡Increase shareholders 'equity	Investment※ 360.0
Depreciation etc. 310.0	Free Cash Flow 175.0 ➡Decrease in debt with interest ➡Dividend

*Strategic investment is net amount reflecting operating lease etc.

Shareholder Return Policy

- ✓ Recognize shareholder returns as an important business task
- ✓ With the principle of stable dividend payment, aim for further returns to shareholders while considering the balance between achievement toward management goals and growth investment.

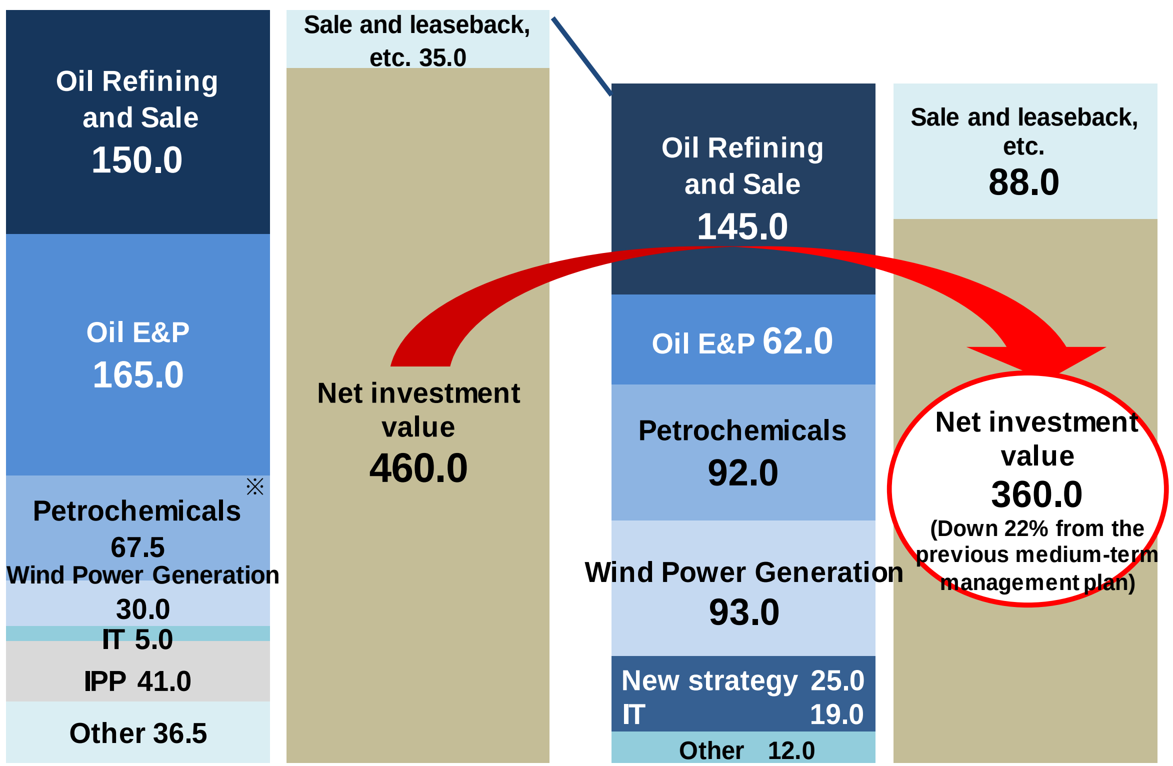
Investment Plan

- ✓ **Strategic investment: Actively use approx. 40% of the total investment for an increase in competitiveness and growth investment.**
  - ➡**Oil refining and sale** : **Increase delayed coker unit capacity.**
  - ➡**Petrochemical** : **Increase added value of basic products.**
  - ➡**Wind power generation** : **Develop offshore wind power sites.**
  - ➡**New businesses** : **Discover businesses that will lead the next growth stage.**
- ✓ **Reduce cash-out using sale and leaseback, etc.**

The 5th Consolidated Medium-Term Management Plan

The 6th Consolidated Medium-Term Management Plan

(Unit : billion yen)



< Breakdown >

Oil Refining and Sale		**145.0**
(Strategic Investments)		**35.0**
(Breakdown)	Coker unit investment	11.0
	Reduced regular maintenance and energy saving	10.0
	Conversion to profitable product	4.0
	Synergy with petrochemicals	3.0
	Strengthening retail business	7.0
(Base investment)		**110.0**
Oil Exploration and Production		**62.0**
(Base investment)		**62.0**
Petrochemicals		**92.0**
(Strategic Investments)		**40.0**
(Breakdown)	Increasing added value of basic products	18.5
	Expansion of functional products	8.0
	Energy saving	3.0
	Other (synergy with refining, etc.)	10.5
(Base investment)		**52.0**
Wind Power Generation		**93.0**
(Strategic Investments)		**90.0**
(Breakdown)	Development of onshore wind power plant sites	56.0
	Development of offshore wind power plant sites	34.0
(Base investment)		**3.0**

* Calculated by assuming that Maruzen Petrochemical had become a consolidated subsidiary at the beginning of the 5th medium-term plan.

Overview of Consolidated Medium-Term CSR Management Plan ～ Contribution to Achievement of SDGs ～

- ✓ Develop a medium-term CSR management plan for activities that contribute to the sustainable development of both society and the Cosmo Energy Group.
- ✓ Promote activities based on the perspective of ESG throughout the supply chains, including group companies and business partners.

E Promoting environmental measures

- ✓ Reduction of greenhouse gas emissions
  【2030 targets】
  CO_2 emissions Down26%〔from FY2013〕
  (Down 2 million tons)
  【2022 targets】
  CO_2 emissions Down16%〔from FY2013〕
  (Down 1.2 million tons)
- ✓ Reduction of pollutants
- ✓ Resource circulation

S Enhancing human rights & social contribution measures

- ✓ Occupational safety & health
- ✓ Diversity
- ✓ Human resources development
- ✓ Customer satisfaction
  ➡Improve service level
  ➡Enhancing Eco Card Fund initiatives

G Ensuring safety measures

- ✓ Safe operations and stable supply
  ➡Preventing work-related accidents, Preventing major accidents
- ✓ Improvement of quality assurance system

Strengthening corporate governance structure

- ✓ Thorough implementation of risk management and compliance system
- ✓ Development of CSR procurement policy
- ✓ Responses to ESG evaluation (improvement of information disclosure)
  ➡ Improve ESG ratings

Business Strategy

Business Strategy: Oil Exploration and Production Business

Long-term business strategy based on strengths

- ✓ Strong relationships of trust built through stable production for around 50 years at the Abu Dhabi offshore oil field.
- ✓ In-house operation (operatorship)

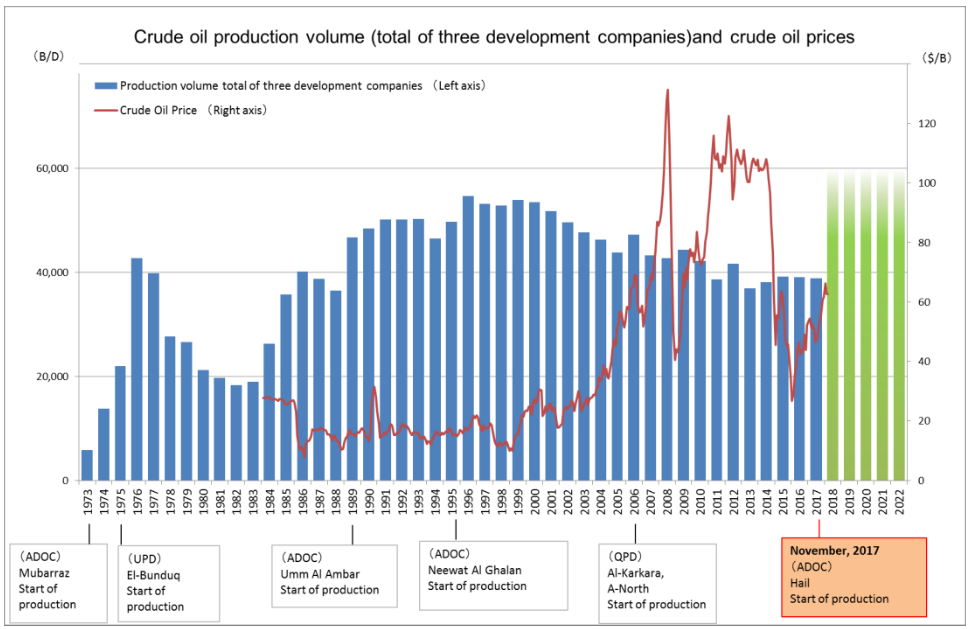
➡Seek added value projects utilizing the Company's strengths.

Policies and measures in the 6th medium-term management plan

- ✓ Continue full production at the Hail Oil Field.
- ✓ Reduce operation cost (at least 30% per unit).
- ✓ Examine new investments for the next phase.

Value of improvement in FY2022 (from FY2017)

35.0 billion yen



※1) ADOC : Abu Dhabi Oil Company, UPD : United Petroleum Development, QPD : Qatar Petroleum Development
※2) Production of three development companies per year (monthly average of 1-12 each year)
※3) Crude oil prices (Platt's Dubai crude) average monthly
※4) The production volume of three development companies in fiscal 2018 is planned value

Business Strategy: Oil Refining Business

Long-term environmental awareness and business strategy

Environmental awareness

- ✓ A certain level of demand for petroleum products remains, despite a decline due to the increased use of EVs by consumers.
- ✓ Initiatives using IoT are increasingly active.

Business strategy

- ✓ Shift from fuel oil to petrochemical materials.
- ✓ Promote IT conversion of refineries

Policies in the 6th medium-term management plan

- ✓ Increase profitable products by increasing delayed coker unit capacity promoted by the IMO regulations and maintain high capacity utilization to establish refinery competitiveness exceeding the global standard.
- ✓ Grow the recipients of products and use alliances with other companies to increase competitiveness.
- ✓ Create synergy with the petrochemical business.

Measures in the 6th medium-term management plan

(billion yen)

Activity Measures		Value of Improvement
1. Increase degradation capacity, etc.	Increase delayed coker unit capacity at Sakai Refinery, etc. Use of Chiba Refinery pipeline ➡Focus on profitable products	24.0
2. Increase capacity utilization	Reduce unplanned suspensions Reduce regular maintenance periods at refineries	6.0
3. Achieve synergy with the petrochemical business.	Use of unused distillates ➡Increase business opportunities	3.0
4. Cost reduction	Energy-efficient operation of facilities Strategic purchasing, rationalized distribution	6.0

Value of improvement in FY2022 (from FY2017)

39.0 billion yen

Business Strategy: Petroleum Products Sale and “Vehicle life” Business

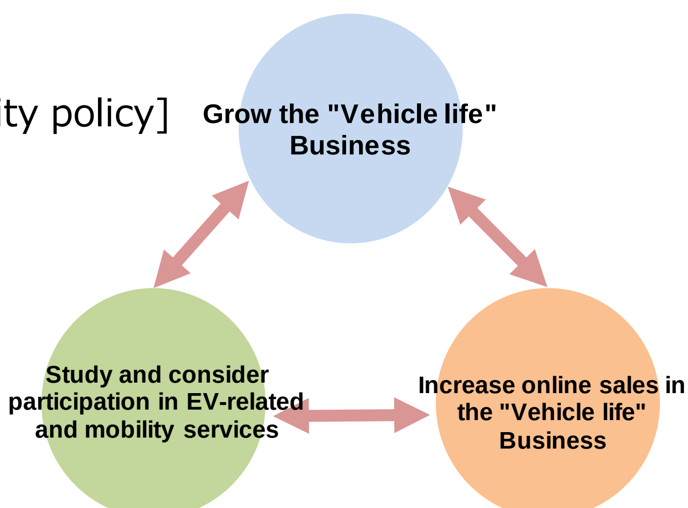
Long-term business strategy

- ✓ Acquire business areas based on a business model reform corresponding to a shift to EVs and changes in consumers’ use of automobiles.
- ✓ Acquire total competitiveness together with oil refining business

Policies in the 6th medium-term management plan

- ✓ Determine new business models that take the long-term business environment into consideration while seeking the growth of the “Vehicle life” Business

[Activity policy]



Measures in the 6th medium-term management plan

- ✓ Increase sales of lease and car care products.
  - ➡Collaborate with other companies in other industries to achieve total support (from obtaining a driver’s license to the sale of a car) for car owners.
  - ➡Develop new products and provide services to meet customer demand.
  - ➡Increase online sales.

Value of improvement in FY2022 (from FY2017)

3.0 billion yen

Business Strategy: Petrochemical Business

Long-term environmental awareness and business strategy

Environmental awareness

- ✓ International markets are growing based on an increase in the global population.
- ✓ Supply is increasing due to the construction of new highly competitive ethane crackers in North America and Naphtha crackers in China.
- ✓ A production shift from oil refining is possible.

Business strategy

- ✓ Maximize the use of the competitive advantage in ethylene and Paraxylene production.
- ✓ Shift from petroleum fuel oil to petrochemical materials.

Policies in the 6th medium-term management plan

- ✓ Enjoy and improve the synergy of oil refining and petrochemicals (exploitation of unused distillates, etc.).
- ✓ Increase the competitiveness of basic products and grow a new business of specialty products that are not vulnerable to environmental changes.

Measures in the 6th medium-term management plan

Improve profitability in the functional product area.

➡ Start hydrogenated petroleum resin business with Arakawa Chemical Industries.

Investment in increasing competitiveness for the future

➡Increase the added value of basic chemical products.
➡Increase and add new capabilities of specialty products.

Value of improvement in FY2022 (from FY2017)
1.0 billion yen

Cash Flow※:8.0 billion yen

※Cash Flow: Ordinary profit + Increase in depreciation

Long-term environmental awareness

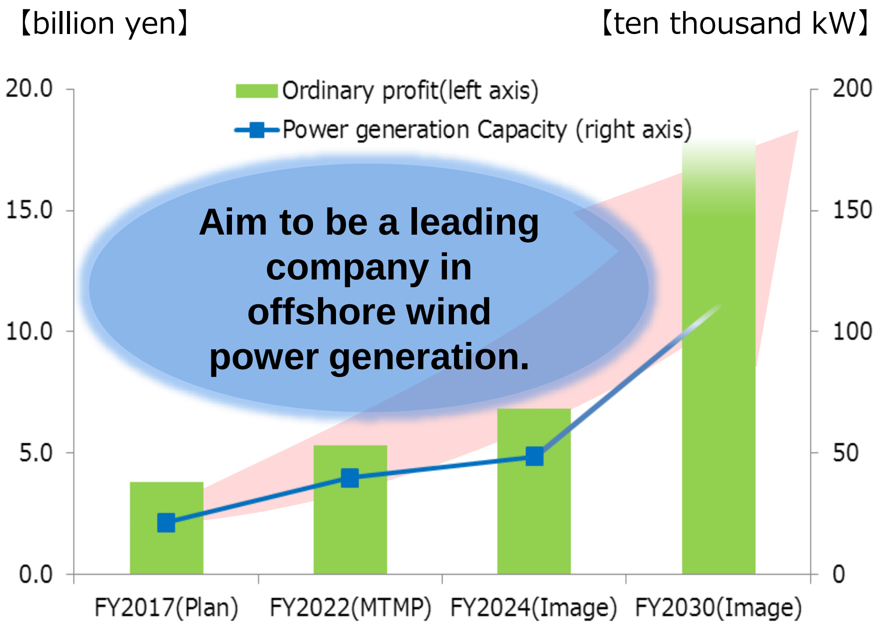
- ✓The Ministry of Economy, Trade and Industry plans to triple Japan's dependence on wind power by 2030.
- ✓Japan must reduce CO2 emissions by 26% by 2030 to comply with the Paris Agreement.
- ✓Land suited for the development of wind power plants will become full in the future.
- ✓Offshore sites offer greater availability of wind power resources than onshore sites.
- ✓Laws are being developed for offshore wind power generation.

Long-term business strategy

- ✓ Launch the offshore wind power business around FY2021.

➡ Full-scale contribution to profit is expected to occur after the period of the 6th medium-term management plan.

Trend of wind power generation capacity of Cosmo Energy Group



Wind power generation Business (6th Medium-Term Management Plan)

Policies in the 6th medium-term management plan

Onshore

- ✓ Steadily implement development projects that can secure the FIT unit price of 22 yen/kWh and aim to reach 500,000 kW at an early stage.
- ✓ Seek projects that contribute to new development.

Offshore

- ✓ As the land for power plant development is increasingly filled, use O&M* skills, the company's conventional strengths, and enter the offshore wind power at an early stage.

(* operation and maintenance)

➡ Invest in this business to make it the foundation for the next growth stage.

Measures in the 6th medium-term management plan

- ✓ Reach a 500,000 kW at an early stage.

➡ Development of Himekami (18,000 kW) in Iwate Prefecture, Watarai 2nd phase (22,000 kW) in Mie prefecture, etc.

➡ Expect to achieve power generation capacity of 400,000 kW at the end of FY2022

- ✓ Development of a business plan, environmental assessment, construction, etc. to launch the operation of an offshore wind power plants.

Value of improvement in FY2022 (from FY2017)

2.0 billion yen

Zero Coupon Convertible Bonds due 2022
(being bonds with stock acquisition rights)
(Announced on December 20,2018)

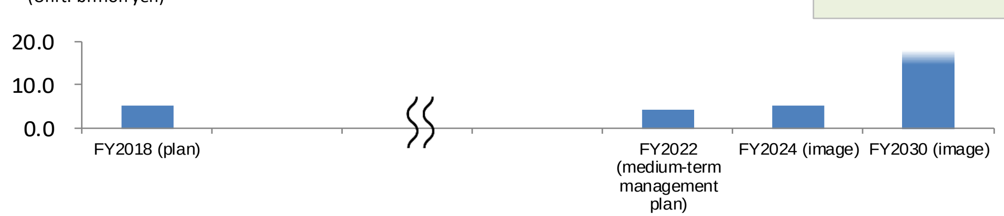
Overview of Convertible Bonds

Item	Overview
Title	The ¥60,000,000,000 Zero Coupon Convertible Bonds due 2022 (being bonds with stock acquisition rights)
Total amount of bonds	¥60,000,000,000
Bond interest rate	Interest will not be attached to these bonds.
Date of payment and issuance	December 5,2018
Maturity date	December 5,2022
Benefits	1 Financing cost can be reduced by issuing bonds without attaching interest (zero coupon). 2 The bonds will be offered primarily to investors in overseas markets, which, therefore, will contribute to the diversification of financing methods and can be expected to increase the flexibility of the company's future financing strategies. 3 A rider will be attached to promote the conversion into stocks, and converted stocks will contribute to further strengthening and improvement of the company's financial base in the future. 4 Since the conversion price will be set to exceed the bonds' market value, the bonds are expected to be converted into stoks mainly when shareholder value grows, such as a future increase in stock price, which will help control the dilution of per-share value resulting from the conversion.
Uses of funds	1 Allocate approx. 11 billion yen by March 2021 as funds for investment and loans for a subsidiary in petrochemical business in order to, increase competitiveness through means such as reduction of maintenance costs, and expansion of high-value-added products. 2 Allocate approx. 49 billion yen by March 2021 as funds for investment and loans for a subsidiary in the wind power generation business in order to construct onshore and offshore wind power plants.

Through financing by issuing convertible bonds, planning to further strengthen the company's financial base for the Next Medium-Term Management Plan and thereafter

- ✓ Secure funds for investment and loans to strengthen the "New" part of the growth driver, "Oil & New," for the future.
- ✓ For the time being, increase capital by accumulating profit through the execution of the current medium-term management plan.

Period	FY2018 / FY2019 / FY2020 / FY2021 / FY2022	FY2023 and thereafter
	The 6th Consolidated medium-term management plan	Next medium-term management plan and thereafter
Measures in medium-term management plan	Generation of cash and strengthening of financial base through measures based on existing businesses	Generate cash flow through existing businesses and growth driver
Convertible Bonds	issuance ✓ Allocated to investment in future growth driver ✓ Reduce financing cost Conversion into stocks will help further strengthen financial base	
Hybrid Loan	Consider repayment of Hybrid Loan (Subordinated Loan)	Full-scale development of offshore wind power generation
Forecast of progress in wind power generation business (changes in ordinary profit)	(Unit: billion yen)	



1. The conventional policy will not change for the cash balance for the entire period of medium- term management plan.
2. Therefore, the issuing of convertible bonds this time means a change in financing method within cash flow from financing activities.
3. The company does not intend to increase interest-bearing debt from the conventional plan.

Cash balance and use of funds (FY2018 - FY2022)

(Unit: billion yen)

(1) Cash flow from operating activities	535.0
(2) Cash flow from investing activities	-360.0
(3) Free cash flow (1) + (2)	175.0
(4) Cash flow from financing activities	-175.0

(Breakdown of cash flow from financing activities)

Repayment of debts	-XXX.X
Borrowing	+XXX.X
Convertible bonds	+60.0
Dividends	-XX.X

Partial change

✓ No change from medium-term management plan

✓ Of the investment made in FY2019 and FY2020, 60 billion yen financed through CB is allocated to petrochemicals and wind power generation businesses as a major change in the business portfolio.

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.