

Cosmo Energy Holdings Co., Ltd. Results for of Fiscal 2020

May 13, 2021

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Highlights of Results and Forecast

FY2020 Results and FY2021 Forecast

<FY2020 Results>

- ✓ The Company took comprehensive steps to prevent COVID-19 infections and maintained stable supply.
- ✓ Profit in the Oil E&P Business fell due to the fall in the crude oil prices, but overall ordinary profit, excluding inventory impact, rose ¥8.1 billion year on year, to ¥76.6 billion, reflecting an increase in the sales volume of the four major products attributable to the expanded supply to Kygnus Sekiyu and the positive effect of time lags on margins.
- ✓ Profit attributable to owners of parent increased ¥114.1 billion, to ¥85.9 billion, a record high, which was partly due to a tax effect.

<Forecast for FY2021 Performance>

- ✓ Ordinary profit excluding the inventory impact is forecast to be ¥80.0 billion yen, up ¥3.4 billion yen year on year, due to a rise in crude oil prices and a recovery in demand for petroleum products, despite the absence of the positive effect of time lags.
- ✓ COVID-19 is expected to cause sluggish demand for JET fuel, but its effect on results will be limited.

					Unit : billion yen	
		FY2019 (Apr.-Mar. 2020)	FY2020 (Apr.-Mar. 2020)	Changes	FY2021 Forecast	Changes
1	Ordinary profit	16.3	97.4	81.1	88.0	-9.4
2	(Impact of inventory valuation)	-52.2	20.8	73.0	8.0	-12.8
3	Ordinary profit excluding the impact of inventory valuation	68.5	76.6	8.1	80.0	3.4
4	Profit attributable to owners of parent	-28.2	85.9	114.1	40.0	-45.9
5	Dubai crude oil price (USD/B) (Apr.-Mar.)	60	45	-15	60	15
6	Dubai crude oil price (USD/B) (Jan.-Dec.)	64	42	-22	60	18

Progress in 6th Consolidated Medium-Term Management Plan and Dividend Policy

Progress in Structural Reform in Medium-Term Management Plan **COSMO**

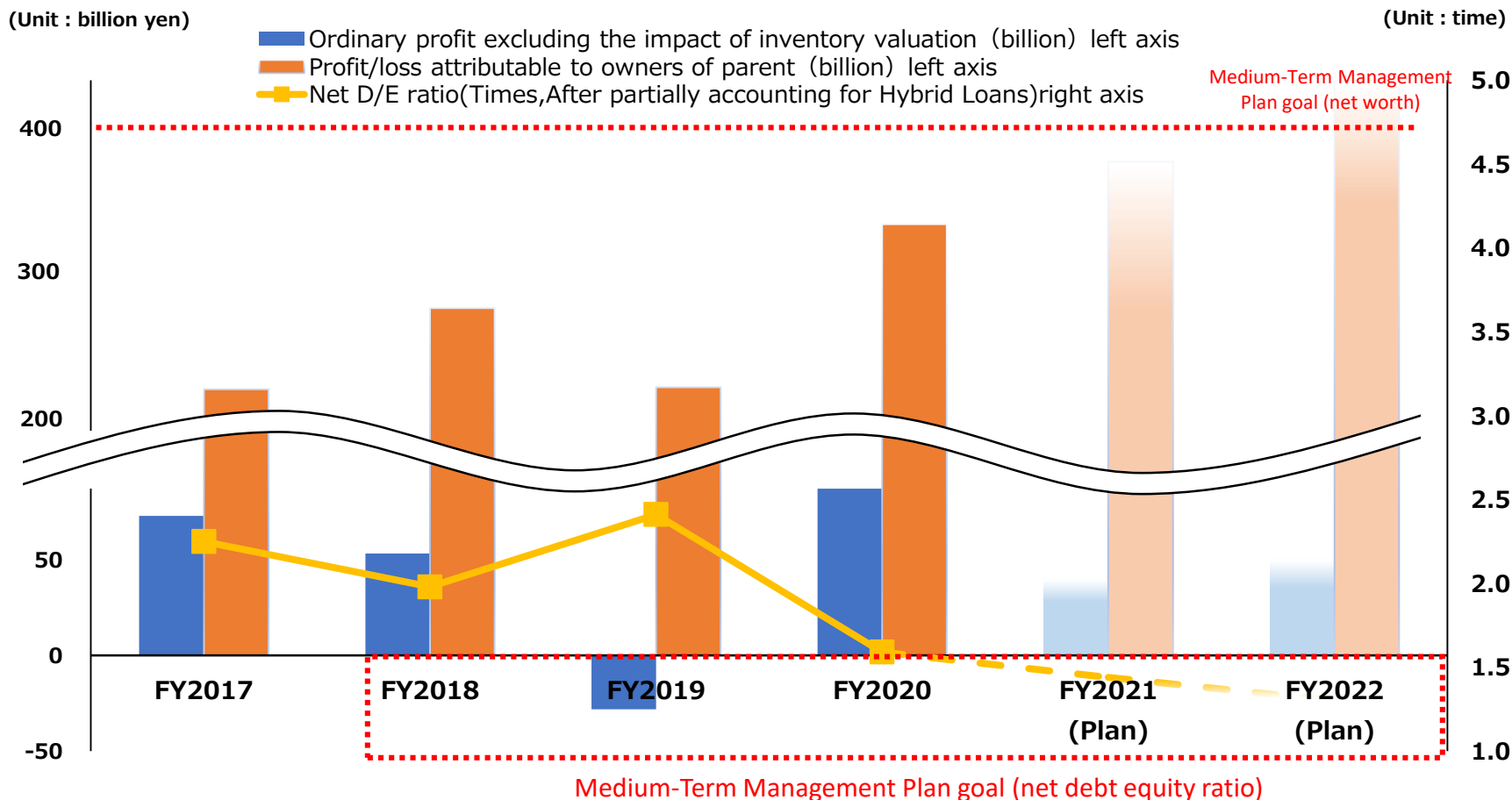
- ✓ Structural reforms in the Medium-Term Management Plan are progressing steadily.
- ✓ Recently, the Chiba Refinery got certified as a Specified Authorized Business Operator (commonly known as Super Certified Business Site), a plant with a high level of safety, by the Ministry of Economy, Trade and Industry. The refinery is the nation's ninth Super Certified Business Site.
- ✓ In the Renewable Energy Business, the Company started the commercial operation at the Chuki onshore site in April. In the second half, the Company plans to select operators for the project off the coast of Yurihonjo.

	FY2018	FY2019	FY2020	FY2021	FY2022
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				
Oil E&P	Stable production in existing and the Hail Oil Fields · OPEX reduction				
Petrochemical	Enhance competitiveness of basis petrochemical products, Pursue synergy with refinery				
	Start C9 petroleum resin business				
Renewable energy	Expand onshore wind firms (Power generation capacity 230,000kW→400,000kW)				
	Develop offshore wind farms Start offshore wind power site project				
New area	Deepen alliances with MIC, Hyundai Oilbank, and CEPSA				
	Sow the seed to new business				

Current Topics		
Segment	Timing	Event
Renewable energy	January 2021	Installation work starts at the Oita onshore wind power site.
Petroleum business	February 2021	Car Life Square app achieves 3 million downloads.
Oil E&P business	February 2021	Acquire Offshore Exploration Block 4.
Renewable energy	March 2021	Sign a joint venture agreement with Iberdrola S.A. for the Aomori Northwest Offshore Wind Farm Project.
Renewable energy	March 2021	The Goto-hassakubana onshore wind power site starts commercial operation.
Petroleum business	March 2021	The total number of Cosmo My Car Lease agreements reaches 85,000.
Renewable energy	April 2021	The Chuki onshore wind power site starts commercial operation.
Petroleum business	April 2021	The Chiba Refinery is certified as a Super Certified Business Site.
Petroleum business	April 2021	EV car sharing service starts.
Petrochemical business	First Half of FY2021	Chiba Arkon Production plans to start the commercial operation of a facility for hydrogenated petroleum resin.
Renewable energy	Second Half of FY2021	Plan to select operators in the project off the coast of Yurihonjo.
Petrochemical business	Second Half of FY2021	Propylene rectification equipment scheduled to be completed.
Oil E&P business	Second Half of FY2021	Plan to invest in secondary oil recovery in the Hail Oil Field.

Outlook for Financial Position and Dividend Policy

- ✓ The net debt equity ratio will likely reach between 1.0 to 1.5 times, the goal of the Medium-Term Management Plan, towards the end of FY2021.
- ✓ The Company still has some way to go before it achieves a net worth of ¥400.0 billion, the goal of the Medium-Term Management Plan, and will continue to seek to improve the financial position.
- ✓ In FY2020, the Company will pay a dividend of ¥80 per share (plan) and a dividend of ¥80 (plan) also in FY2021.
- ✓ The Company will put more weight on shareholder return in consideration of the improvement of financial condition, a basic policy of the Medium-Term Management Plan.

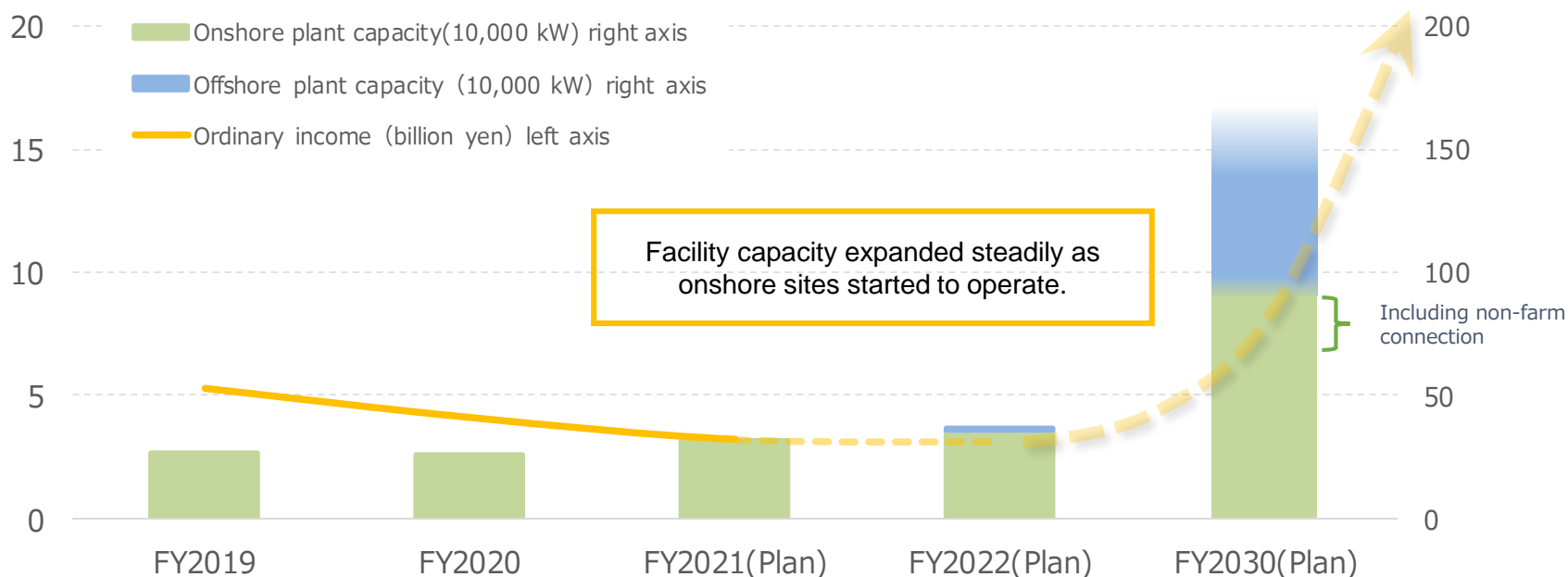


Renewable Energy Business

Disclosure in Renewable Energy Business

- ✓ The Renewable Energy Business is a segment on which information is disclosed.
- ✓ The segment consists of Cosmo Eco Power, which engages in the wind power generation, and CSD Solar, which engages in solar power generation.
- ✓ Cosmo Eco Power obtained FIT approval for the installed capacity of 0.5million kW on onshore wind power sites for 2030FY and now study the feasibility to expand the scale along with starting the non-firm connection strategy.
- ✓ As for the offshore wind power generation, new sites are expected to start operation in the latter half of 2020s. With the capacity of the onshore wind power sites, the company aims for starting more than 1.5million kW of operation in total in FY2030.
- ✓ In FY2019, new sites (Himekami and Watarai 2nd phase) started operation, the ordinary profit reached about ¥5 billion. As for offshore wind power sites, there have been upfront cost (primarily development expenses and personnel expenses). With the planned start of operation at sites in the latter half of 2020s, ordinary profit is expected to improve significantly.

Trend in Renewable Energy Business



* Installed capacity is capacity commensurate with the Company's investment.

Progress in Renewable Energy Business

- ✓ The Goto-hassakubana onshore site started to operate in March, and the Chuki onshore site started to operate in April.
- ✓ Three projects are under construction, and two projects are under development. Several offshore projects are being investigated and examined.

Onshore	Status	Name	Facility capacity		FY2021	FY2022	To FY2030	After FY2030
	In operation	Goto-hassakubana	Approx. 1,000 kW	In operation				
In operation	Chuki	Approx. 48,000 kW						
Under construction	Kamiyuchi	Approx. 49,000 kW	Operations scheduled to start in the second half of FY2022					
Under construction	Oita	Approx. 14,000 kW						
Being developed	Abukuma-minami	Approx. 90,000 kW ¹	Operations scheduled to start in the second half of FY2026					
Being developed	Chuki No.2	Approx. 50,000 kW						
Offshore	Status	Name	Facility capacity	Subject to the act on renewable energy sea area utilization				
	Under construction	Akita Port & Noshiro Port	Approx. 140,000 kW ¹	Harbor area ³	Operations scheduled to start in the second half of FY2022			
	FS	Offshore Yurihonjo-shi, Akita	Approx. 700,000 kW ¹	Promotional area	Expecting to place a bid in the public tender			
	FS	Offshore northwest of Aomori (The Sea of Japan, offshore near Aomori)	Approx. 600,000 kW ¹	High potential area				
	FS	Central sea area near Akita (Offshore near Katagami-shi/Akita-shi, Akita)	Up to 500,000 kW ^{1,2}	Areas in which preparations have advanced to a certain level				
	FS	Offshore near Yuza, Yamagata (Offshore near Yuza, Yamagata)	Up to 500,000 kW ^{1,2}	Areas in which preparations have advanced to a certain level				
	Assesment	Offshore north of Niigata (Offshore near Murakami-shi/Tainai-shi, Niigata)	Up to 400,000 kW ^{1,2}	Areas in which preparations have advanced to a certain level				
	Assesment	Offshore in Ishikari Bay, Hokkaido	Up to 1,000,000 kW ^{1,2}	-				

*1 Installed capacity of the whole project

*2 Maximum capacity stated in the environmental impact assessment report

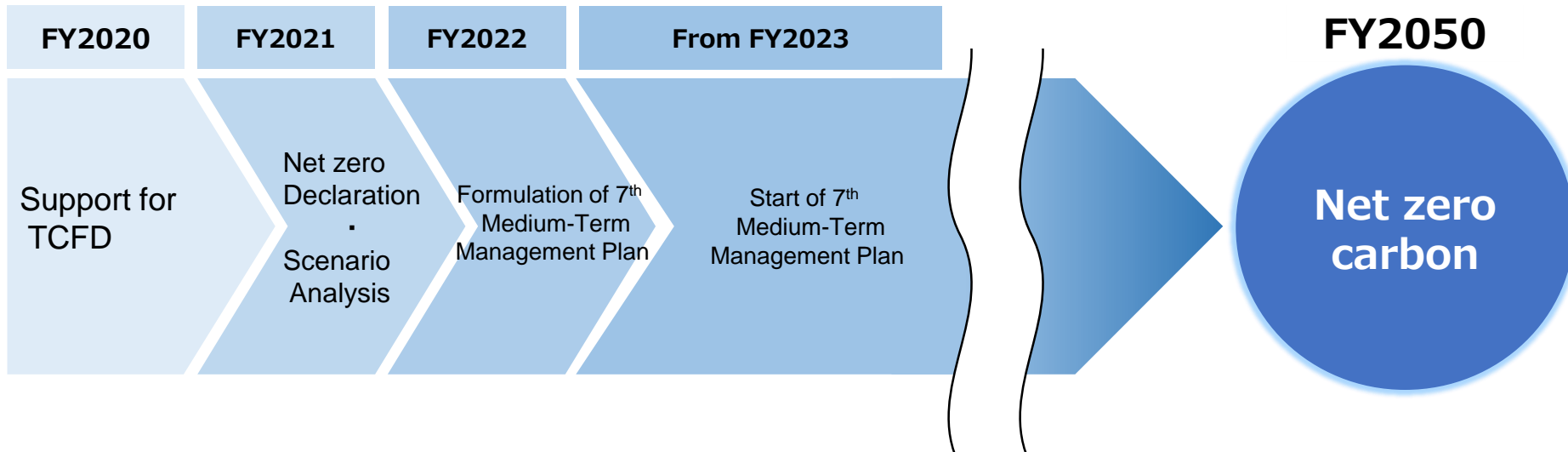
*3 Not subject to the Act on Promoting the Utilization of Sea Areas for the Development of Marine Renewable Energy Power Generation Facilities due to the port zone

Advancement of Sustainable Management

Cosmo Energy Group's Net Zero Carbon Declaration

- ✓ The Group will aim to net zero greenhouse gas emissions* in its business by FY2050.
- ✓ The Group will conduct scenario analysis, which is recommended by the Task Force on Climate-related Financial Disclosures (TCFD), in this fiscal year and will set milestones to achieve long-term goals.
- ✓ The Group will formulate the 7th Consolidated Medium-Term Management Plan starting from FY2023, which includes financial and non-financial contents. The Cosmo Energy Group aims to achieve sustainable growth.

*Emissions in Scope 1 and Scope 2



FY2020 Results

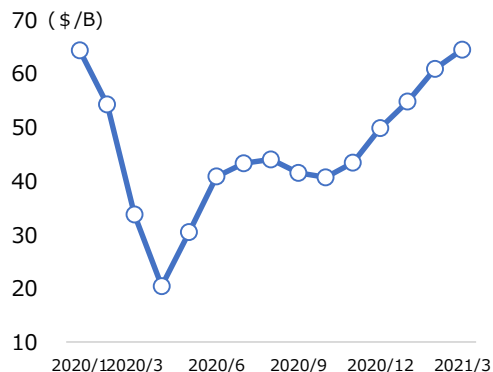
Influence on Business Continuity and Operations

- ✓ The Company established a Crisis Countermeasures Meeting in accordance with the Group's Crisis Management Regulations and stringently managed the crisis.
- ✓ Business continuity, including the operation of refineries, is so far not affected.

Influence on the Market

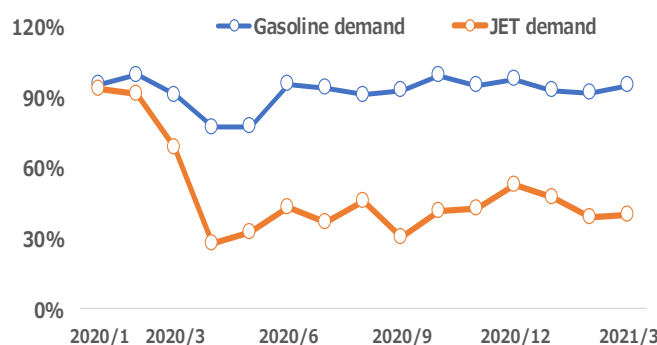
【Crude oil (DUBAI)】

- ✓ The price rose significantly after Saudi Arabia's voluntary output reductions and an OPEC Plus agreement on output reductions.



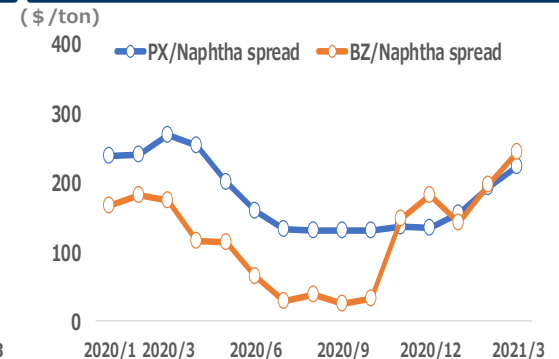
【Petroleum products】

- ✓ Demand for gasoline recovered from the second quarter. The market was firm.
- ✓ Demand for JET was weak throughout the year. The market was sluggish.



【Petrochemical products】

- ✓ The PX price was low, although it recovered to the level before the outbreak of the pandemic.
- ✓ The BZ price exceeded the level before the outbreak of the pandemic.



- ✓ The COVID-19 pandemic significantly affected conditions and demand in a range of markets in the first quarter of 2020. From the second quarter, markets and demand started to recover, but national demand for JET fell about 60% year on year and demand for gasoline declined about 10% year on year.
- ✓ In FY2021, demand, particularly demand for JET, will likely continue to fall.

- ✓ Consolidated ordinary profit excluding inventory impact was ¥76.6 billion (up ¥8.1 billion year on year), the inventory valuation impact was +¥20.8 billion. Consequently, consolidated ordinary profit stood at ¥97.4 billion (up ¥81.1 billion year on year), with net profit of ¥85.9 billion (up ¥114.1 billion year on year).
- ✓ Profit decreased in each business other than the Petroleum Business, chiefly due to a fall in crude oil prices and the sluggish petrochemical market. In the Petroleum Business, profit increased significantly, reflecting an increase in the sales volume of the four major products attributable to the expanded supply to Kygnus Sekiyu and the positive effect of time lags on margins.
- ✓ Owing to the record-high net profit, the net debt equity ratio came to 1.59 (an improvement of 0.82 from the end of the previous fiscal year). The financial position improved significantly.

Petroleum Business

- ✓ Profit increased because of an increase in the sales volume of the four major products attributable to the expanded supply to Kygnus Sekiyu and the positive effect of time lags on margins during the period when crude oil prices rose, offsetting a sales decline due to a fall in the price of JET fuel and a slide in volume.
--> Ordinary profit excluding inventory impact was ¥53.3 billion (up ¥48.9 billion year on year).

Petrochemical business

- ✓ Profit decreased due to the deterioration of paraxylene market conditions and a decrease in volume associated with regular maintenance of Maruzen Petrochemical during the first quarter, and naphtha acceptance in a different fiscal year.
--> Ordinary profit: -¥3.3 billion yen (down ¥8.5 billion year on year)

Oil exploitation and production business

- ✓ Profit decreased following a fall in crude oil price
--> Ordinary profit: ¥13.9 billion yen (down ¥31.1 billion year on year)

Renewable energy business

- ✓ Profit fell due to upfront costs related to the development of offshore wind power generation.
⇒ Ordinary profit: ¥4.1 billion yen (down ¥0.8 billion year on year)

[FY2020 Results]

Consolidated Income Statements– Changes from FY2019

COSMO

Unit: billion yen

No.	Item	FY2020 (Apr.-Mar.2020)	FY2019 (Apr.-Mar.2019)	Changes	Forecast FY2021
1	Net sales	2,233.3	2,738.0	-504.7	2,150.0
2	Operating profit	101.3	13.9	87.4	93.0
3	Non-operating income/expenses, net	-3.9	2.4	-6.3	-5.0
4	Ordinary profit	97.4	16.3	81.1	88.0
5	Extraordinary income/losses, net	-3.7	-2.4	-1.3	-5.5
6	Income taxes	4.4	34.9	-30.5	35.2
7	Profit attributable to non-controlling interests	3.3	7.1	-3.8	7.3
8	Profit attributable to owners of parent	85.9	-28.2	114.1	40.0
9	Impact of inventory valuation	20.8	-52.2	73.0	8.0
10	Ordinary profit excluding the impact of inventory valuation	76.6	68.5	8.1	80.0
11	Dubai crude oil price (USD/B) (Apr.-Mar.)	45	60	-15	60
12	JPY/USD exchange rate (yen/USD)(Apr.- Mar.)	106	109	-3	105
【Reference】					
13	Dubai crude oil price (USD/B) (Jan.-Dec.)	42	64	-22	60
14	JPY/USD exchange rate (yen/USD)(Jan.- Dec.)	107	109	-2	105

[FY2020 Results] Outline of Consolidated Ordinary Profit by business segment
 – Changes from FY2019



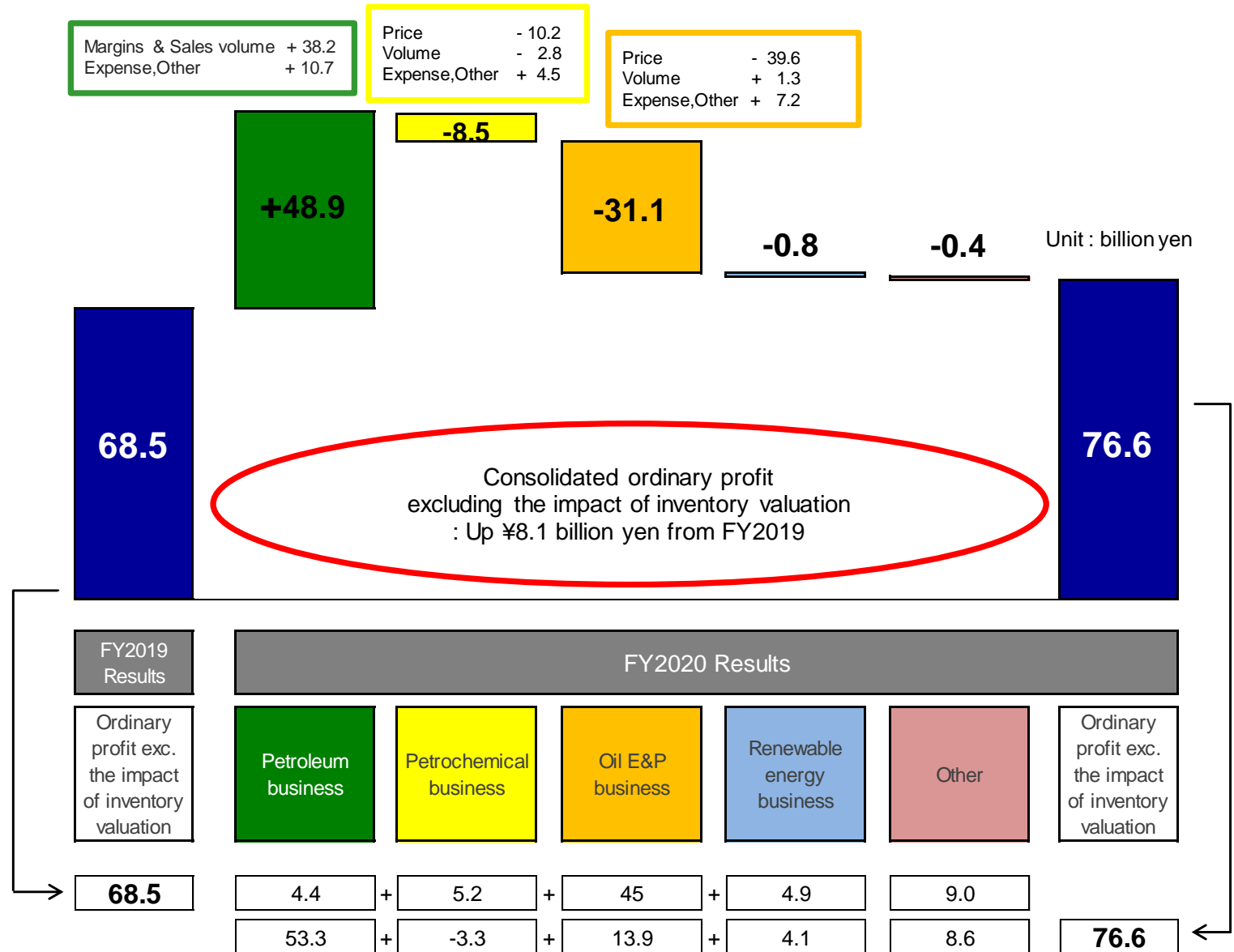
Unit : billion yen

No	FY2020 (Apr.-Mar.2020)		FY2019 (Apr.-Mar.2019)		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		97.4	76.6	16.3	68.5	81.1	8.1
2	(Each segment)	Petroleum business	74.1	53.3	-47.8	4.4	121.9	48.9
3		Petrochemical business	-3.3		5.2		-8.5	
4		Oil E&P business (*1)	13.9		45.0		-31.1	
5		Renewable energy business	4.1		4.9		-0.8	
6		Other (*2)	8.6		9.0		-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

[FY2020 Results] Consolidated Ordinary Profit (Excluding the impact of inventory valuation)
 - Analysis of Changes from FY2019



Outline of of Consolidated Cash Flows and Consolidated Balance Sheet

Consolidated Cash Flows

Unit: billion yen

No		FY 2020 (Apr.-Mar.2020)	FY 2019 (Apr.-Mar.2019)
1	Cash flows from operating activities	167.4	111.7
2	Cash flows from investing activities	-84.6	-84.2
3	Free cash flow (1+2)	82.8	27.5
4	Cash flows from financing activities	-80.6	-24.7
5	Cash and cash equivalents at end of the period	44.5	43.3

Consolidated Balance Sheets

Unit: billion yen

No		FY2020 (As of Mar.31, '21)	FY2019 (As of Mar. 31, '20)	Changes
1	Total Assets	1,709.0	1,639.8	69.2
2	Net assets	449.1	362.8	86.3
3	Net worth	324.9	239.8	85.1
4	Net worth ratio	19.0%	14.6%	4.4%
5	Net interest-bearing debt *1	556.4	628.3	-71.9
6	Net Debt Equity Ratio (times) (after partially accounting for Hybrid Loan) *2	1.59	2.41	Improved 0.82 points

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

*2 Calculated on the basis that 50% of 30 billion yen Hybrid Loan made on 31 March 2020 is included into Equity

Capital Expenditures, Depreciation, etc.

Unit: billion yen

No.		FY2020 Results	Change from FY2019
1	Capital expenditures	79.6	-8.3
2	Depreciation expense amount, etc	57.5	-0.1

Capital Expenditures by Business Segment

Unit: billion yen

No.		FY2020 Results	FY2019 Results	Changes
1	Petroleum	42.5	46.8	-4.3
2	Petrochemical	19.7	18.1	1.6
3	Oil E&P	10.3	15.2	-4.9
4	Renewable energy	10.0	6.8	3.2
5	Other · Adjustment	-2.9	1.0	-3.9
6	Total	79.6	87.9	-8.3
7	Investment securities, etc*	5.6	5.8	-0.2

*Investment securities, etc. are included in the net investment amount of ¥ 360.0 billion in the 6th mid-term plan (from FY2018 to FY2022).

E Promoting environmental measures

- ✓ **Support for TCFD**
- ✓ **Cosmo Energy Group's Net Zero Carbon Declaration**
- ✓ Decided to switch to the electricity from renewable sources at all of SS under Cosmo Energy Group.
- ✓ Started the EV mobility services with renewable energy.
- ✓ Participated in the project of Next Generation Aviation Fuel which is derived from used cooking oil.

S Enhancing human rights & social contribution measures

- ✓ The company's stock is selected for The MSCI Japan Empowering Women Index (WIN)
- ✓ The company will increase the female representation on the board to 20%.
- ✓ Improve the personnel system and put more weight on diversity.

G Ensuring safety measures

- ✓ Chiba Refinery is approved as Super Certified Business Site
-

G Strengthening corporate governance structure

- ✓ Rebuild the sustainable management system.
- ✓ The company will increase the number of independent outside board directors.
- ✓ Create the skill matrix for board director candidates.

Forecast for FY2021 Performance

- ✓ There is unlikely to be positive effects of time lags on margins, which there were in the previous fiscal year. However, consolidated ordinary profit excluding inventory impact is expected to increase chiefly due to an improvement in crude oil price and a recovery in demand for petroleum products.
- ✓ The Company forecasts that in FY2021, consolidated ordinary profit will stand at ¥88.0 billion yen (down ¥9.4 billion year on year), consolidated ordinary profit excluding inventory impact will come to ¥80.0 billion yen (up ¥3.4 billion yen year on year), and net profit will be ¥40.0 billion yen (down ¥45.9 billion yen year on year).
- ✓ The net debt equity ratio is expected to be between 1.0 to 1.5 times due to an increase in net worth, or an improvement in financial position.

Petroleum Business

- ✓ While the sales volume is likely to increase due to a recovery in demand for petroleum products, profit is expected to decrease chiefly due to the absence of the positive effect of time lags in the previous fiscal year and a rise in in-house fuel costs resulting from an increase in crude oil price.
--> Ordinary profit excluding inventory impact will be ¥32.0 billion (down ¥21.3 billion year on year).

Petrochemical business

- ✓ Profit is forecast to climb, reflecting the absence of the effects of regular maintenance at Maruzen Petrochemical and delayed naphtha acceptance in the previous fiscal year.
--> Ordinary profit: ¥2.5 billion yen (up ¥5.8 billion year on year)

Oil exploitation and production business

- ✓ Profit is expected to rise due to an improvement in crude oil price.
--> Ordinary profit: ¥33.0 billion yen (up ¥19.1 billion year on year)

Renewable energy business

- ✓ Although new sites (Chuki, Goto-hassakubana) will start to operate, profit is expected to fall due to upfront costs related to the development of offshore wind power generation.
--> Ordinary profit: ¥3.3 billion yen (down ¥0.8 billion year on year)

[FY2021 Forecast] Highlights of Consolidated Business Outlook (Change from FY2020) Precondition, and Business Sensitivity

Unit : billion yen

No		FY2021 Forecast		FY2020 Results		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	88.0	80.0	97.4	76.6	-9.4	3.4	
2	(Each segment)	Petroleum business	40.0	32.0	74.1	53.3	-34.1	-21.3
3		Petrochemical business	2.5		-3.3		5.8	
4		Oil E&P business (*1)	33.0		13.9		19.1	
5		Renewable energy	3.3		4.1		-0.8	
6		Other (*2)	9.2		8.6		0.6	
7	The impact of inventory valuation	8.0		20.8		-12.8		
8	Profit attributable to owners of parent	40.0		85.9		-45.9		

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

(*2) Including consolidated adjustment

9	Dividend per Share(Plan) (yen)	¥80	¥80	-
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■ Precondition

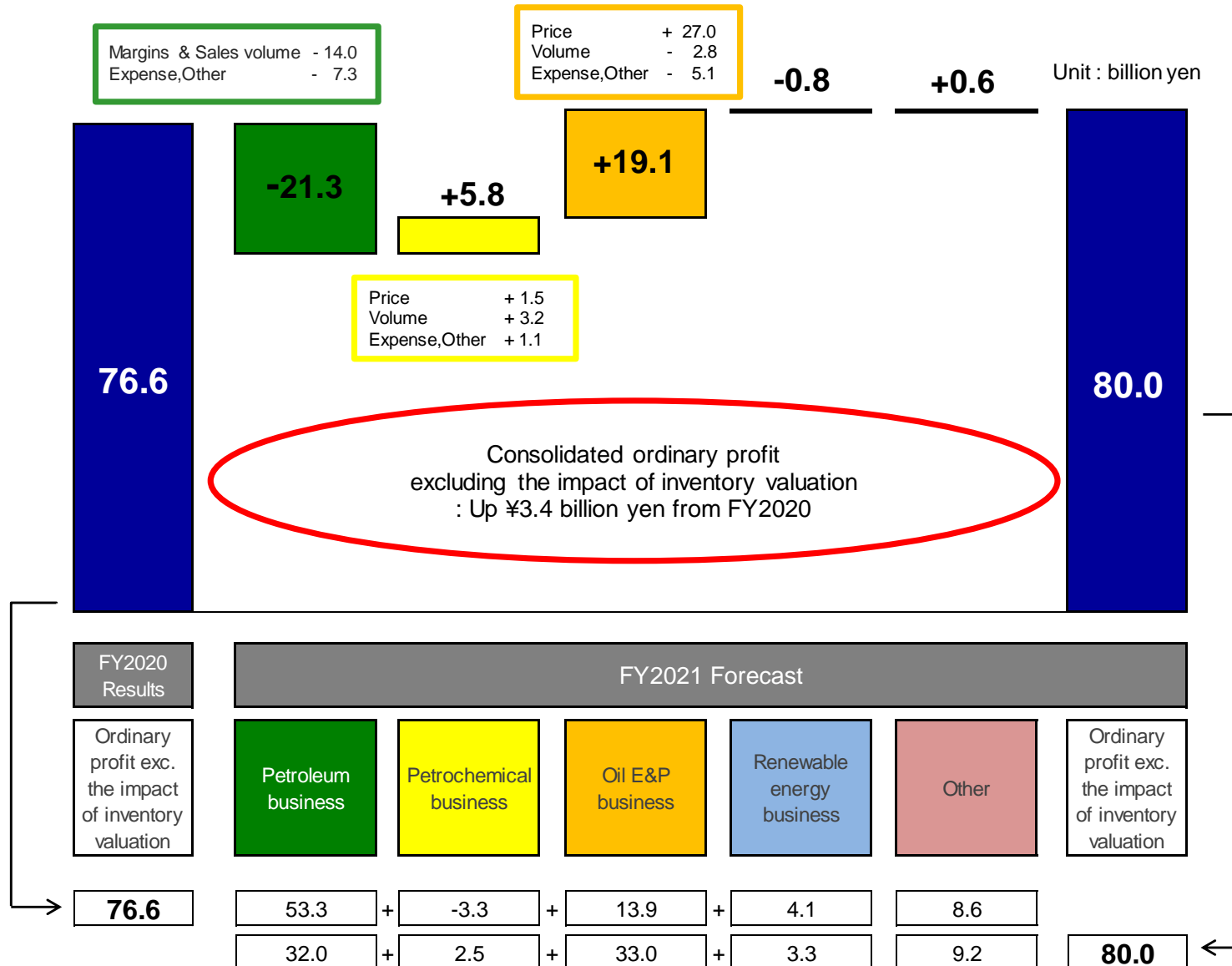
No.		FY2021 Forecast	FY2020 Results	Changes
10	Dubai crude oil price (USD/B)(Apr.-Mar.)	60	45	15
11	JPY/USD exchange rate (Apr.-Mar.)	105	106	-1
12	Dubai crude oil price (USD/B)(Jan.-Dec.)	60	42	18
13	JPY/USD exchange rate (Jan.-Dec.)	105	107	-2

■ Sensitivity

No.		Item	Crude oil (Dubai)	JPY/USD exchange rate
14	Petroleum Business	Inventory Impact	1.9 billion yen	1.1 billion yen
15		Refinery fuel cost etc.	-0.6 billion yen	-0.4 billion yen
16		Total	1.3 billion yen	0.7 billion yen
17	Oil E&P Business		0.9 billion yen	0.6 billion yen

* Figures above refer to the impacts of the price of crude oil (USD 1/bbl) and the yen-dollar exchange rate (+¥1/USD) fluctuations. A nine-month period of Apr.-Dec.2021 for oil E&P business.

[FY2021 Forecast] Consolidated Ordinary Profit (Excluding the impact of inventory valuation) Analysis of Changes from FY2020



Capital Expenditures, Depreciation, etc.

Unit: billion yen

No.		FY2021 Forecast	FY2020
1	Capital expenditures	72.0	-7.6
2	Depreciation expense amount, etc	63.1	5.6

Capital Expenditures by Business Segment

Unit: billion yen

No.		FY2021 Forecast	FY2020 Results	Changes
1	Petroleum	33.9	42.5	-8.6
2	Petrochemical	16.6	19.7	-3.1
3	Oil E&P	16.4	10.3	6.1
4	Renewable Energy	7.2	10.0	-2.8
5	Other · Adjustment	-2.1	-2.9	0.8
6	Total	72.0	79.6	-7.6
7	Investment securities, etc*	16.1	5.6	10.5

*Investment securities, etc. are included in the net investment amount of ¥ 360.0 billion in the 6th mid-term plan (from FY2018 to FY2022).

Supplementary Information

P.27-36 [FY2020 Results] Supplementary Information

- Sales Volume, CDU Operating Ratios
- Crude Oil Production Volume, Crude Reserves Estimate (Proved and Probable)
- Results by Business Segment - Changes from FY2019
- Main data of each business
- Historical Changes in Dubai Crude Oil Price
- Gasoline Export and Margin Environment
- Diesel Fuel Export and Margin Environment
- Market Condition of Benzene Products and Aromatic Products

P.37-38 Forecast for FY2021 Performance(Change from FY2020)

- Outlook by Business Segment, Changes from FY2020

P.39-51 Overview of the Cosmo Energy Group (Business Outline)

- Oil E&P Business , Petroleum Business, Petrochemical Business, Renewable energy Business

P.52 Subordinated loan (Announced on March 31,2020)

P.53-55 Zero Coupon Convertible Bonds due 2022 (being bonds with stock acquisition rights) (Announced on December 20,2018)

Supplementary Information of FY2020 Results

[FY2020 Results] Sales Volume, CDU Operating Ratios

Unit: thousand KL

No.			FY2020 Results	FY2019 Results	Changes	FY2021 Forecast	FY2021 forecast changes from FY2020
1	Selling volume in Japan	Gasoline	6,671	6,295	106.0%	7,042	105.6%
2		Kerosene	2,158	1,968	109.6%	2,188	101.4%
3		Diesel fuel	5,260	5,001	105.2%	5,360	101.9%
4		Heavy fuel oil A	1,681	1,542	109.0%	1,522	90.6%
5		Sub-Total	15,769	14,806	106.5%	16,113	102.2%
6		Naphtha	5,868	6,115	96.0%	6,104	104.0%
7		Jet fuel	268	514	52.3%	450	167.6%
8		Heavy fuel oil C	747	779	95.9%	667	89.3%
9		Total	22,653	22,214	102.0%	23,333	103.0%
10	Export volume	Middle distillates Export	93	284	32.7%	550	593.0%
11		Bonded products and other	2,278	2,942	77.4%	2,476	108.7%
12		inc. Jet fuel	1,169	1,901	61.5%	1,494	127.8%
13		inc. Low-sulfur C fuel oil	678	353	192.3%	551	81.3%
14		Sub-Total	2,371	3,226	73.5%	3,026	127.6%
15	Total	25,023	25,440	98.4%	26,359	105.3%	

No.			FY2020 Results	FY2019 Results	Changes
16	CDU operating ratio	(Calendar Day basis) *1	84.3%	87.9%	-3.6%
17		(Streaming Day basis) *1,2	92.9%	96.4%	-3.5%

*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.

[FY2020 Results] Crude Oil Production Volume, Crude Reserves Estimate (Proved and Probable)



[1] Crude oil production volume				
	FY2020 Results	FY2019 Results	Changes	
Cosmo Energy Exploration & Production Co., Ltd. (B/D)	49,208	50,773	-1,565	96.9%

*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-December, 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 50.0% stake in United Petroleum Development Co., Ltd.

(As of Dec 31, 2020)

[2] Crude Reserves Estimate (working interest base) (*1)	
	mmbbls
Total Proved(*2) and Probable Reserves (*3)	151.8
(Ref.: Reserves to Production Ratio of Total Proved and Probable Reserves)	about 17 years

Note: The daily average crude production based on working interest reached 25 thousands bpd for FY2020(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)

[FY2020 Results] Results by Business Segment – Changes from FY2019

COSMO

FY2020 Results – Changes from FY2019

Unit: billion yen

No.		Net Sales		Operating Profit		Ordinary Profit		Ordinary Profit (excluding the impact of inventory valuation)	
			Changes from FY2019		Changes from FY2019		Changes from FY2019		Changes from FY2019
1	Petroleum business	2,055.8	-451.0	74.3	121.5	74.1	121.9	53.3	48.9
2	Petrochemical business	304.5	-109.9	-1.4	-1.8	-3.3	-8.5	-3.3	-8.5
3	Oil E&P business	60.4	-37.5	14.7	-30.5	13.9	-31.1	13.9	-31.1
4	Renewable energy business	11.7	-0.1	3.9	-0.9	4.1	-0.8	4.1	-0.8
5	Other · Adjustment	-199.1	93.8	9.8	-0.9	8.6	-0.4	8.6	-0.4
6	Total	2,233.3	-504.7	101.3	87.4	97.4	81.1	76.6	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.
Renewable energy business	Cosmo Eco Power Co.,Ltd , etc.
Other	Cosmo Engineering Co.,Ltd., Cosmo Trade & Services Co., Ltd., etc.

1. Petroleum business

(1) Refinery Operating Ratio

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
CDU operating ratio(Calendar Day basis)*1	83.2%	88.3%	94.1%	86.1%	87.9%	84.3%

(2) Number of SSs by Operator Type

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Subsidiary	920	895	885	855	843	843
Dealers	2,134	2,062	1,973	1,936	1,912	1,886
Total *2	3,054	2,957	2,858	2,791	2,755	2,729
Number of Self-Service SSs *2	1,036	1,038	1,034	1,048	1,072	1,099

(3) "Cosmo The Card" – Number of credit cards in force & Accumulative number of contracted my car lease & "Carlife Square" –Number of App members

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Cosmo The Card (million cards)*2	4.39	4.44	4.44	4.33	4.21	4.12
My car lease(Units) *2	27,401	37,077	47,602	60,579	73,634	85,126
Carlife Square(million downloads) *2					1.92	3.17

2. Oil E&P business

Crude oil production volume

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Cosmo Energy E&P Co., Ltd. (B/D)*3	39,201	39,032	38,826	52,303	50,773	49,208

3. Renewable energy business

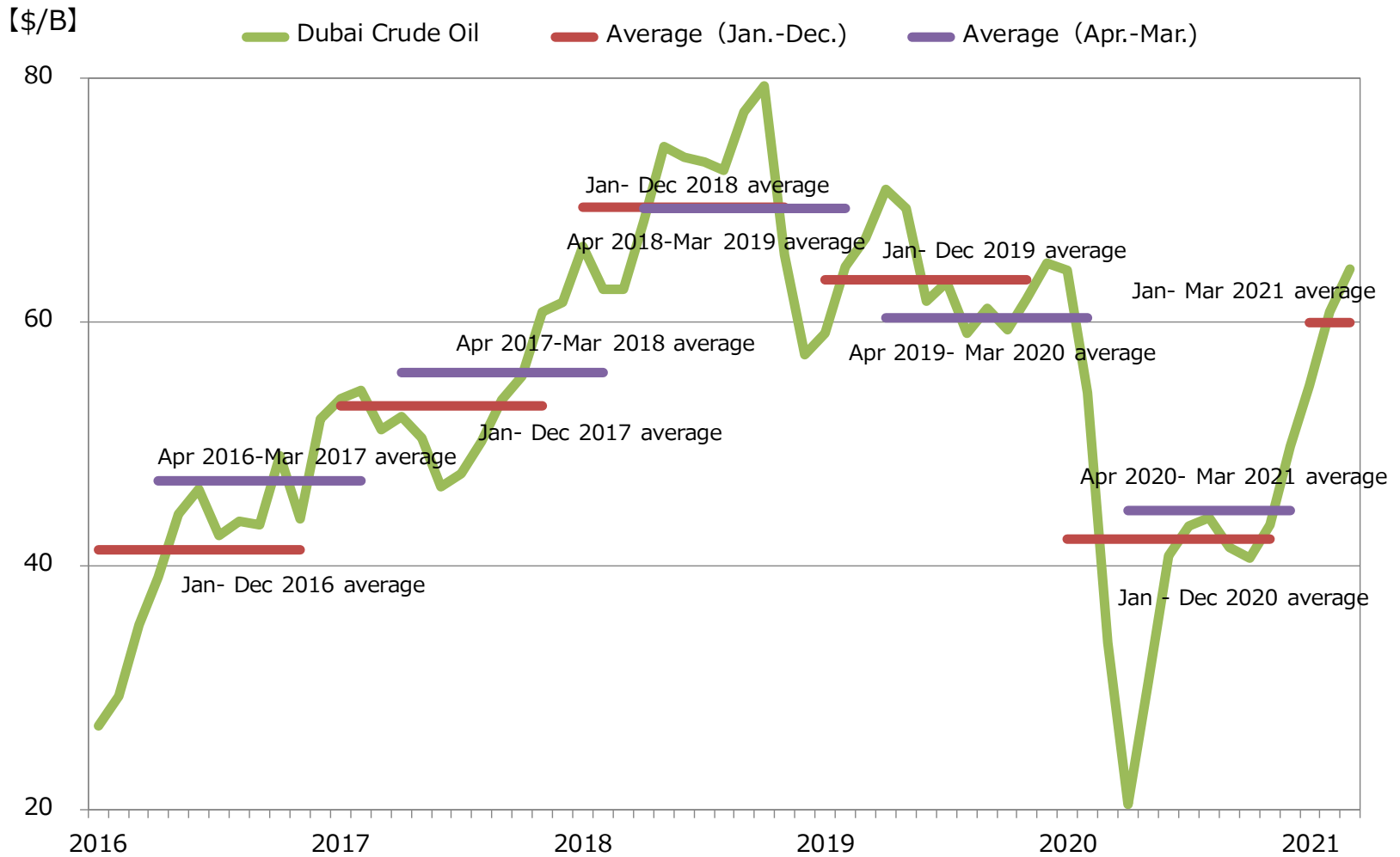
Wind power plant capacity(ten thousand kW)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Plant Capacity*2	18.4	21.1	22.69	22.7	26.6	26.1

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

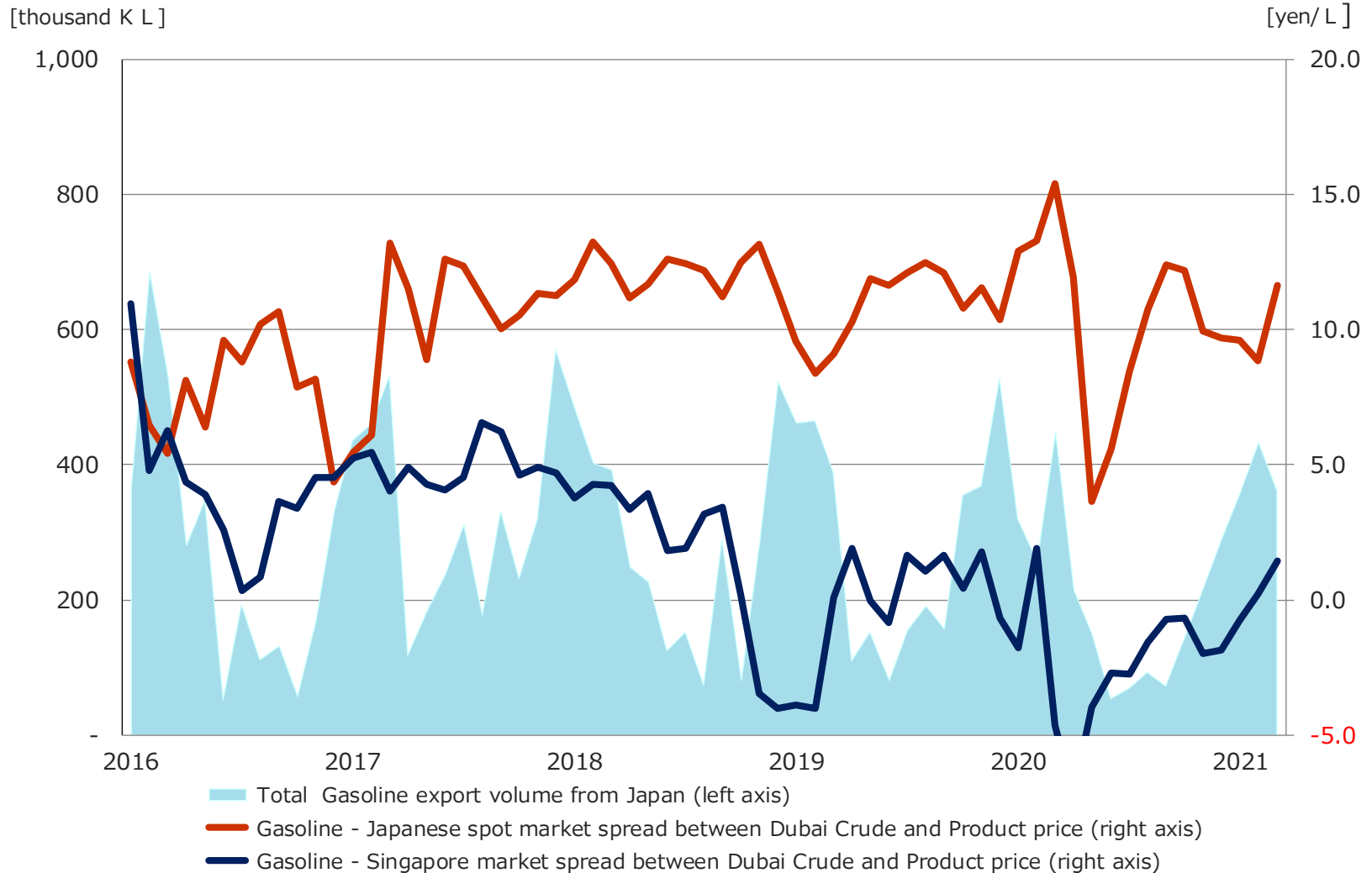
*3) January-December results for each fiscal year

Historical Changes in Dubai Crude Oil Price



*Trend of crude oil price from January 2016 to March 2021

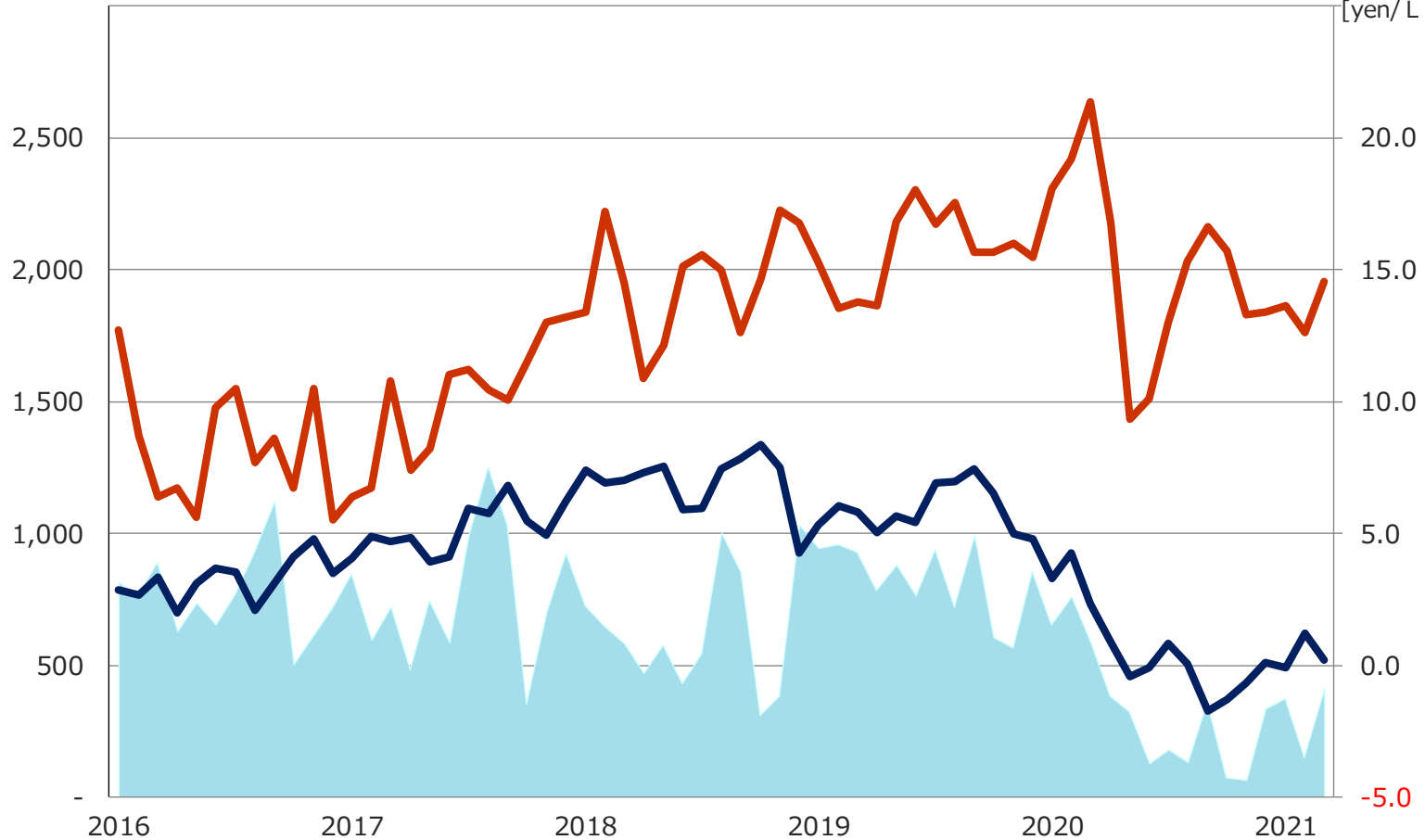
Gasoline Export and Margin Environment (Domestic /Overseas)



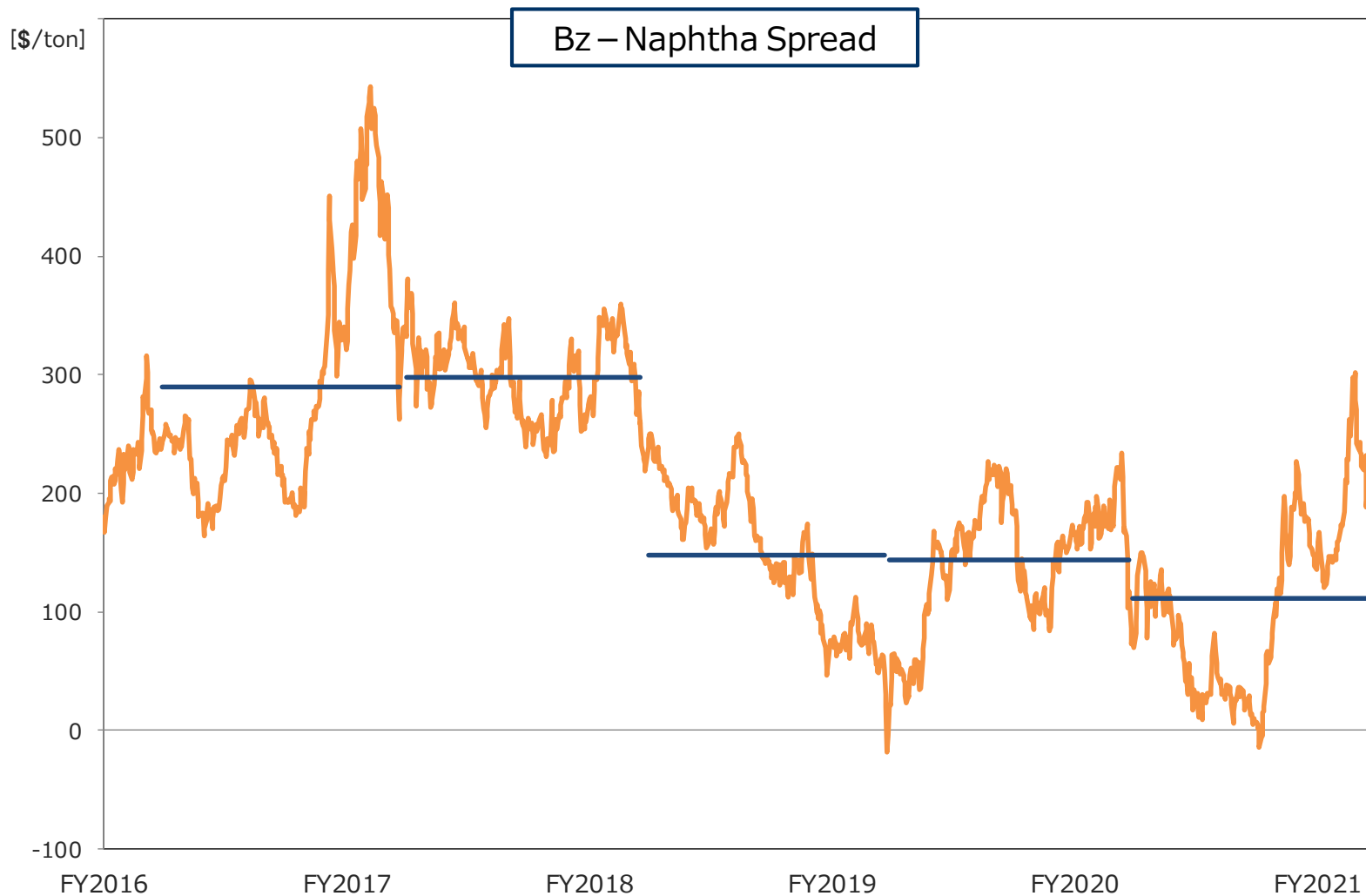
Diesel Fuel Export and Margin Environment (Domestic /Overseas)

[thousand K L]

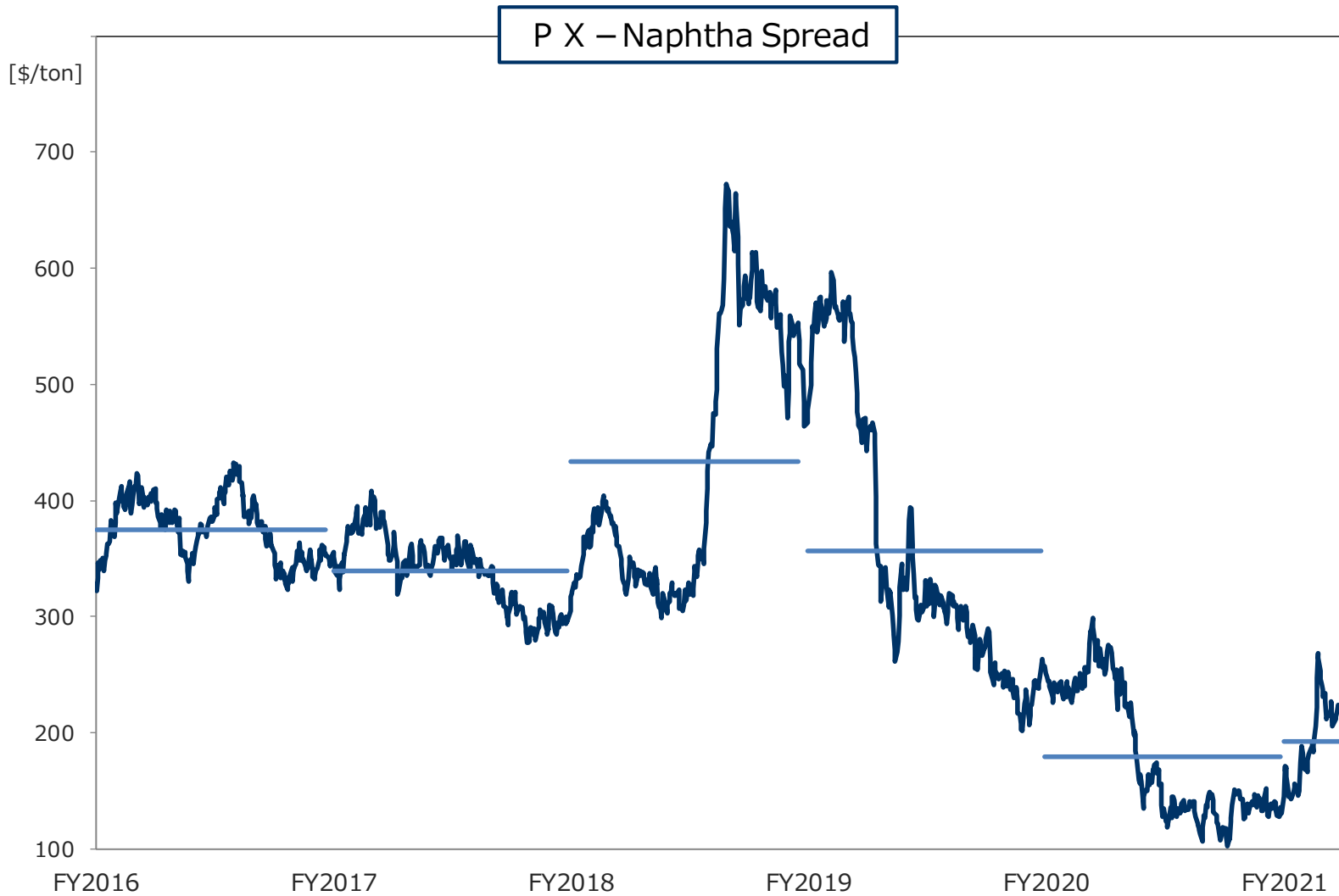
[yen/L]



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



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



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

Forecast for FY2021 Performance
(Change from FY2020)

FY2021 Forecast – Changes from FY2020

Unit: billion yen

No.		Net Sales		Operating Profit		Ordinary Profit		Ordinary Profit (excluding the impact of inventory valuation)	
			Changes from FY2020		Changes from FY2020		Changes from FY2020		Changes from FY2020
1	Petroleum business	1,822.0	-233.8	41.0	-33.3	40.0	-34.1	32.0	-21.3
2	Petrochemical business	315.0	10.5	6.5	7.9	2.5	5.8	2.5	5.8
3	Oil E&P business	82.0	21.6	32.5	17.8	33.0	19.1	33.0	19.1
4	Renewable energy business	14.0	2.3	3.3	-0.6	3.3	-0.8	3.3	-0.8
5	Other · Adjustment	-83.0	116.1	9.7	-0.1	9.2	0.6	9.2	0.6
7	Total	2,150.0	-83.3	93.0	-8.3	88.0	-9.4	80.0	3.4

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.
Renewable energy business	Cosmo Eco Power Co.,Ltd , etc.
Other	Cosmo Engineering Co.,Ltd., Cosmo Trade & Services Co., Ltd., etc.

Business Outline

Cosmo Energy Group Business Overview



Each segment	Oil E&P business	Petroleum business	Petrochemical business	Renewable energy business	Other* including consolidated adjustment	Total* ²
Net sales* ¹	82.0billion yen	1,822.0billion yen	315.0billion yen	14.0billion yen	-83.0billion yen	2,150.0billion yen
Ordinary profit* ¹	33.0billion yen	40.0billion yen	2.5billion yen	3.3billion yen	9.2billion yen	88.0billion yen
Ordinary profit excluding* ¹ impact of inventory valuation	33.0billion yen	32.0billion yen	2.5billion yen	3.3billion yen	9.2billion yen	80.0billion yen

Major assets	<ul style="list-style-type: none"> Partnerships Solid relationship of trust with oil producing countries for about 50 years 	<ul style="list-style-type: none"> CDU capacity*^{5,6} 400,000 BD (Domestic market share: Approx. 11.4%) 	<ul style="list-style-type: none"> Olefinic production capacity*⁵ Ethylene 1.29 mil tons/year (Domestic market share: Approx. 19%) 	<ul style="list-style-type: none"> Wind power plant capacity*⁵ 261,000 kW (No. 3 in Japan and a 6% domestic share) 	<ul style="list-style-type: none"> 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 October 30, 2017)
	<ul style="list-style-type: none"> Operatorship (self-operation) We produces the largest volume of crude oil in the Middle East region for a Japanese operator. 	<ul style="list-style-type: none"> Domestic Sales Volume*³ 22,653thousand KL 	<ul style="list-style-type: none"> Aromatic production capacity*⁵ Para-xylene 1.360 mil tons/year Benzene 0.735 mil tons/year Mixed-xylene 0.618 mil tons/year 	<ul style="list-style-type: none"> Solar power generation*⁵ capacity 24,000 kw 	
	<ul style="list-style-type: none"> Crude Oil Production*³ Approx. 49 thousand B/D (Comparison with refining capacity: Approx. 12%) 	<ul style="list-style-type: none"> Number of Service station*⁵ 2,729 			
	<ul style="list-style-type: none"> Crude Oil Reserves (Proved and Probable)*⁴ 151.8 million barrels (Equivalent to approx. 17 years of supply) 	<ul style="list-style-type: none"> Number of the "Cosmo the Card" Holders*⁵ 4.12million cards Car leasing business for*⁵ individuals Cumulative total 85,126cars 			

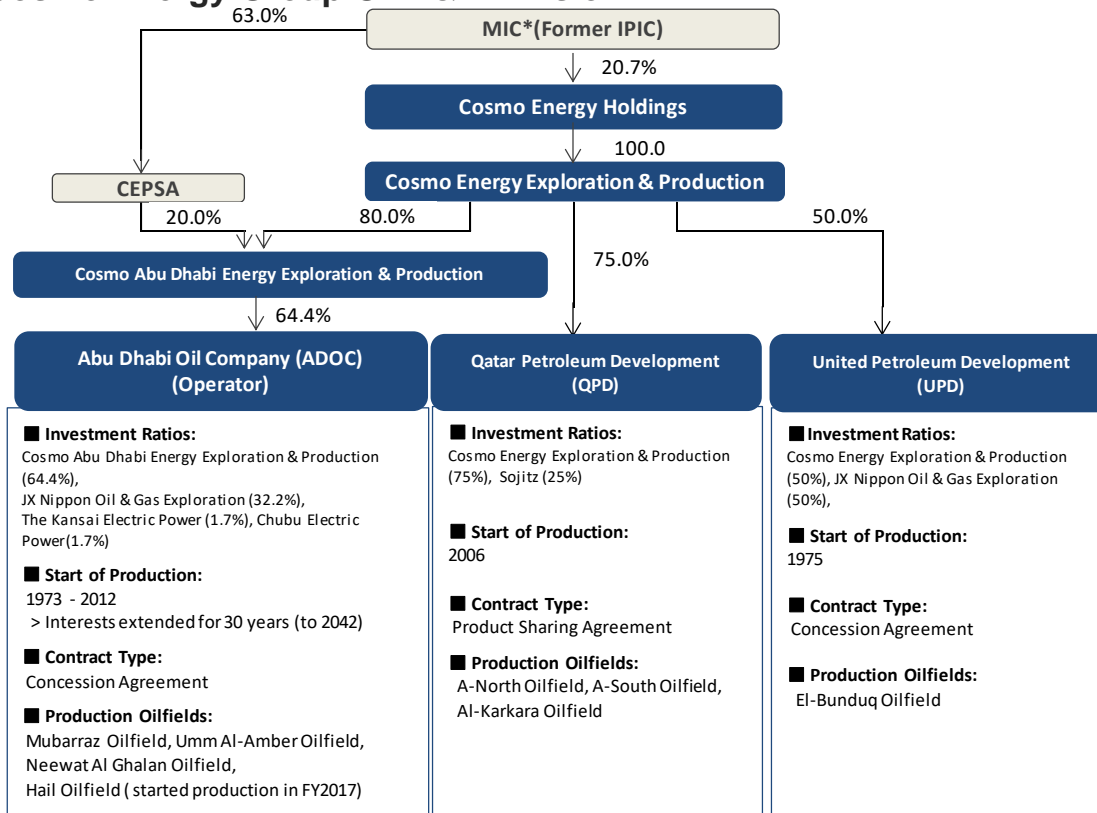
Major business companies related companies	<ul style="list-style-type: none"> Cosmo Energy Exploration & Production Abu Dhabi Oil (UAE) Qatar Petroleum Development (Qatar) United Petroleum Development (UAE/Qatar) 	<ul style="list-style-type: none"> Cosmo Oil Cosmo Oil Lubricants Gyxis(LPG) Cosmo Oil Marketing Cosmo Oil Sales Sogo Energy 	<ul style="list-style-type: none"> Maruzen Petrochemical (Chiba/Yokkaichi) Cosmo Matsuyama Oil CM Aromatics (Chiba) Hyundai Cosmo Petrochemical (Korea) 	<ul style="list-style-type: none"> Cosmo Eco Power (Wind power generation) CSD solar (Solar power generation) 	<ul style="list-style-type: none"> Cosmo Engineering Cosmo Trade and Service 	—
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(*1) FY2021 Forecast, (*2) Including consolidated adjustment, (*3)FY2020 Results, (*4)As of Dec. 31, 2020, (*5)As of Mar. 31, 2021,

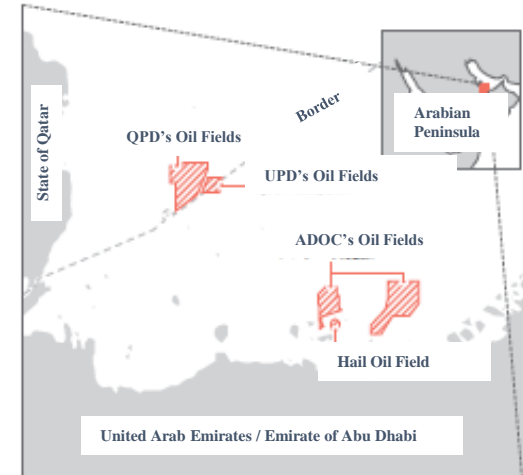
(*6)Including the supply of the petroleum product/semi product (37,000 bbls/day equivalent) from Idemitsu Showa Shell Group with the business alliance.

- ✓ 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



■ 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).

- ✓ 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 CEPESA

■ Long-term Stable Production ■

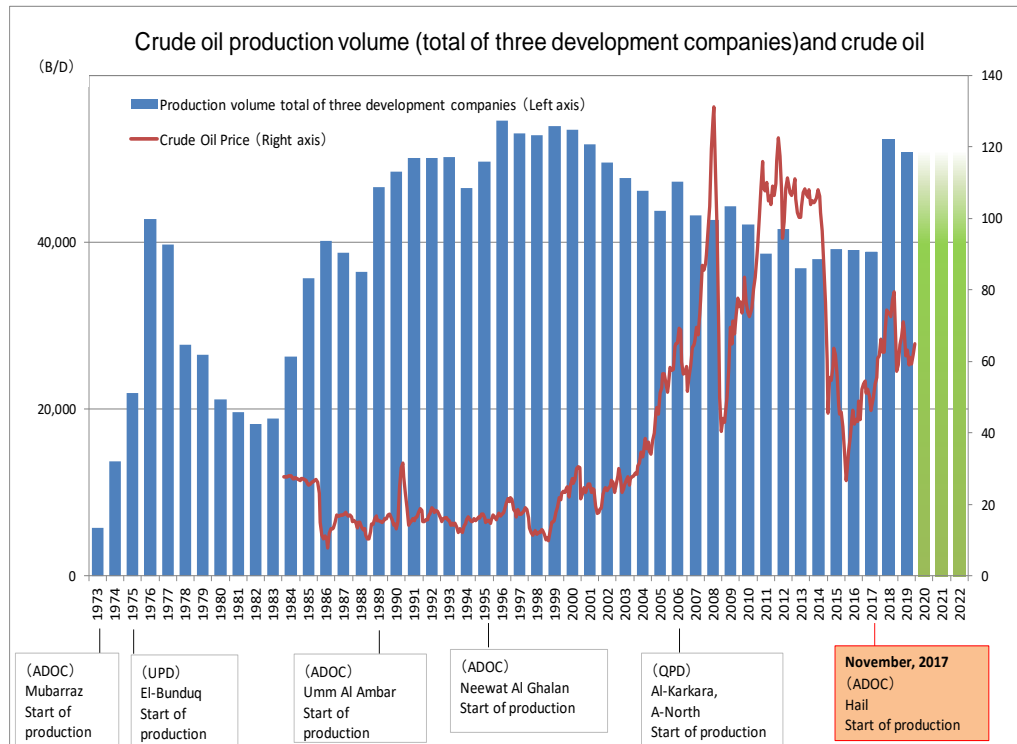
- Obtained interests before founding of UAE, with safe operation and stable production for almost five decades
- Long-term, stable purchase of crude oil from UAE (Abu Dhabi) and Qatar
- Contributions to both countries in terms of culture(Japanese language education, etc.) and the environment (zero flaring,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

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

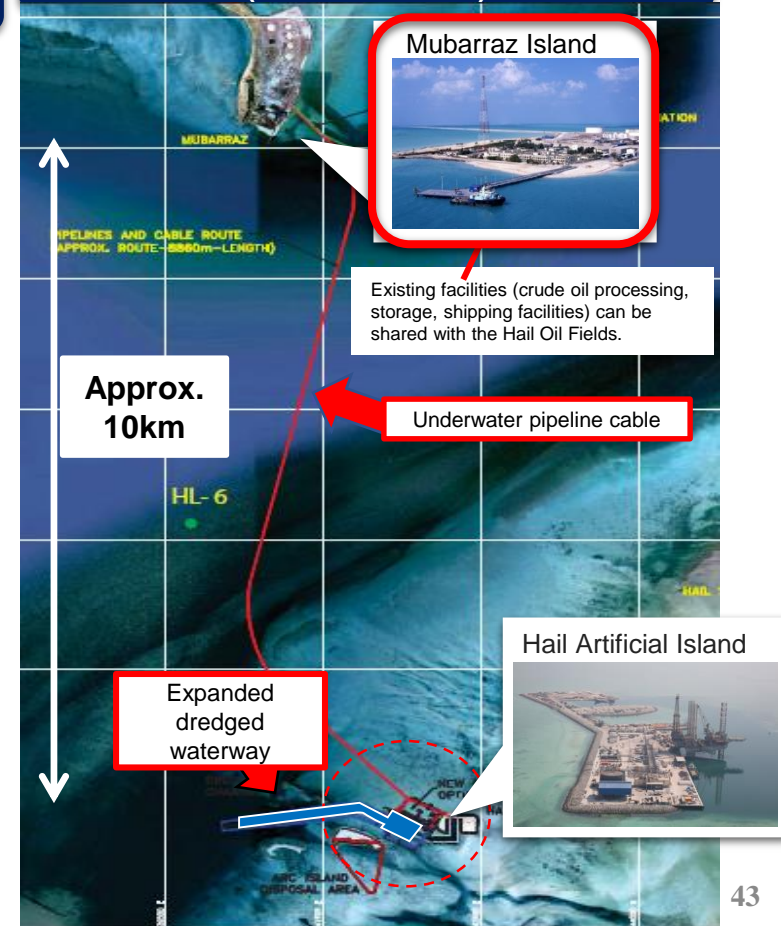
- The Arabian Gulf has many reserves and a lot of exploratory data has been accumulated (which translates into low oil exploration costs)
- Shallow water depth (relatively lower exploration, development and operating costs)

- ✓ The Hail Oil Field started production in November 2017. (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



Hail Oil Field and existing shipping terminal (Mubarraz Island)

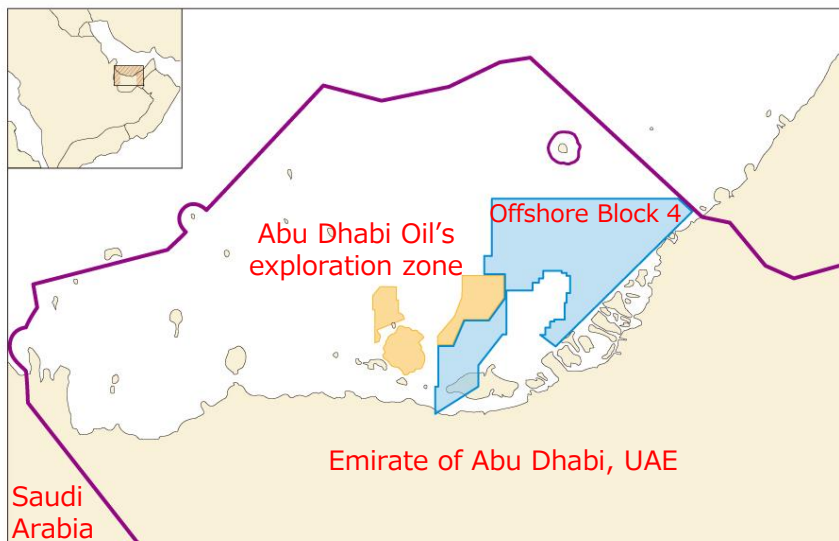


*1) ADOC : Abu Dhabi Oil Company, UPD : United Petroleum Development, QPD : Qatar Petroleum Development
 *2) Production volume of three development companies are per year (annual average of January to December each year)
 *3) Crude oil prices (Platt's Dubai crude) are average monthly
 *4) The production volume of three development companies after fiscal 2020 is prospective volume.

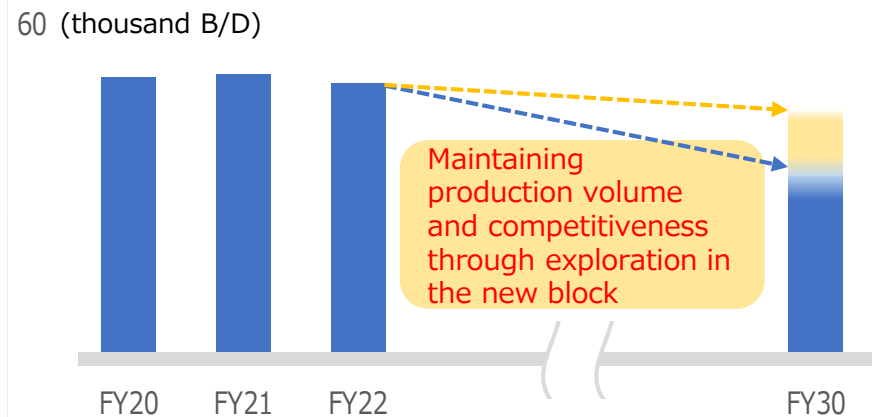
In the Abu Dhabi 2019 Block Bid Round in the United Arab Emirates, the Company won a bid for Offshore Exploration Block 4 (the “Block”). Recently established Cosmo E&P Albahriya Limited will engage in exploration with a view toward early exploitation and production. Main points are as follows.

- Oil indications have been confirmed in part of the Block.
- The Block is adjacent to the exploration zone of Abu Dhabi Oil Co., Ltd., a Cosmo Energy Group company. Integration with processing, storage and shipping facilities will reduce the two companies’ capital investment and operating expenses and maximize synergy.
- With production in this Block, the Company will build a robust business portfolio that makes a profit even in a low oil price environment while maintaining the Group’s crude oil production level.
- With a view toward the creation of a sustainable society, the Group will positively study the development and application of CCS, CCUS and other technologies required for a decarbonized society.

Location of Offshore Block 4



Schematic of trend in the Group’s crude oil production

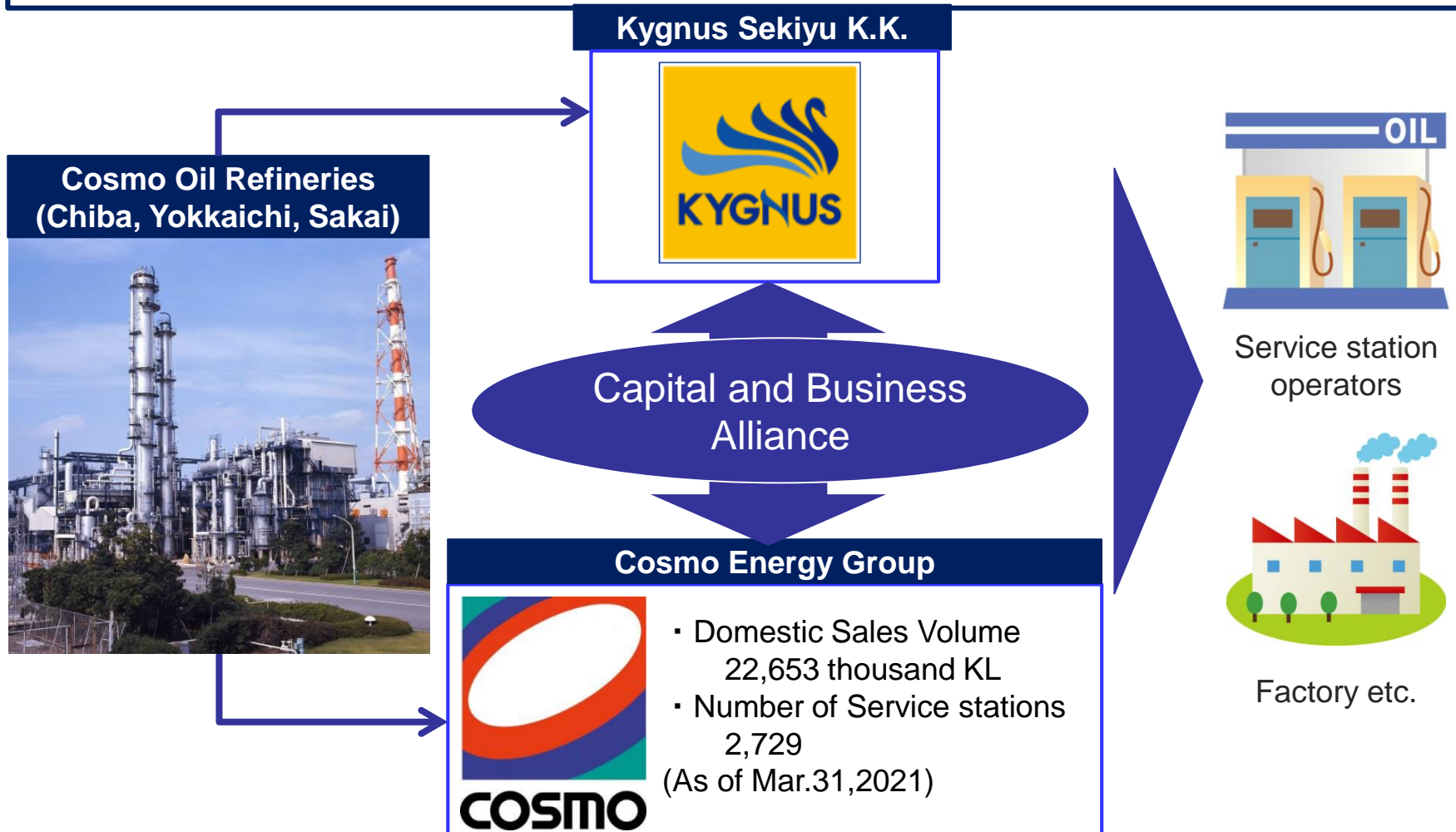


[Petroleum Business]

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

COSMO

- ✓ 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.

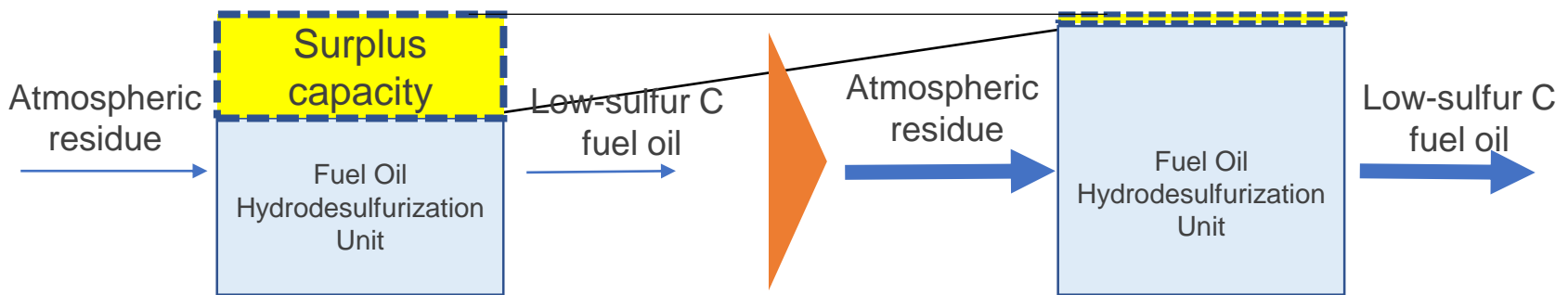


✓ International Maritime Organization (IMO) is to strengthen its regulation in 2020 by setting the upper limit of sulfur content from 3.5% down to 0.5 and the shipping fuel will be switched from high sulfur C heavy fuel to conforming low sulfur C heavy fuel.

Before **After**

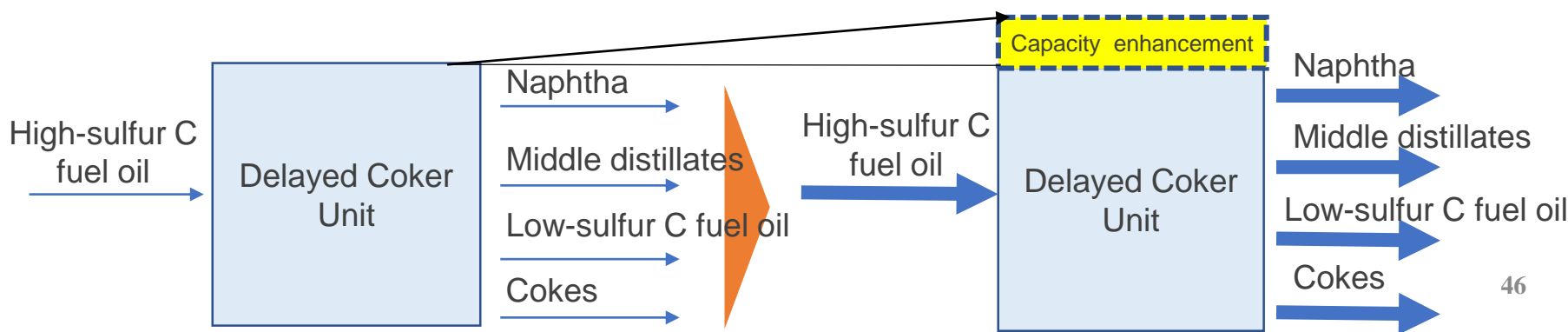
Chiba Refinery

To increase production of low sulfur C heavy oil by utilizing Chiba Refinery's DDS(direct desulfurization)



Sakai Refinery

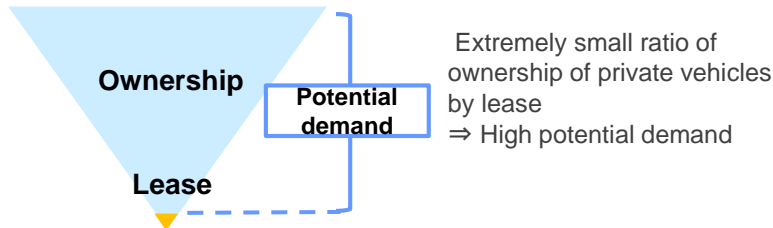
Enhance Sakai Refinery's Delayed coker capacity and turn high sulfur C heavy oil into high value added products



- ✓ 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



■ 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
 4.21 mil cards) (*2) (*2) As of March 31, 2020
- Fuel oil discount system (patented business model)

■ Low risk

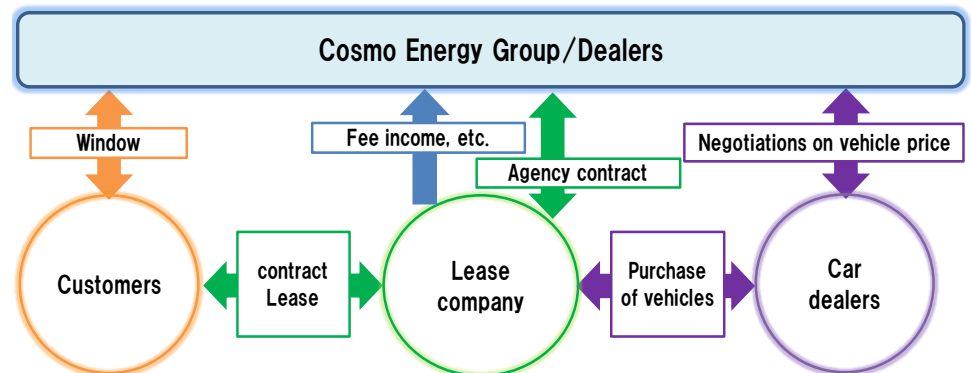
- Because the SS play the role of dealerships, there is no credit risk or risk of keeping vehicle inventory.

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.)

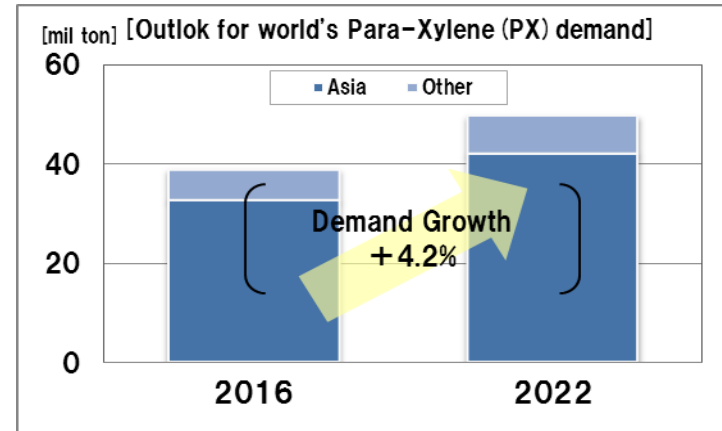
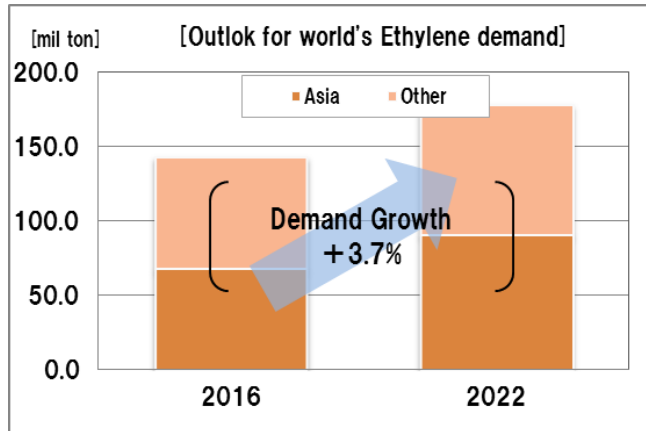
Lease companies : Capture new customers

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



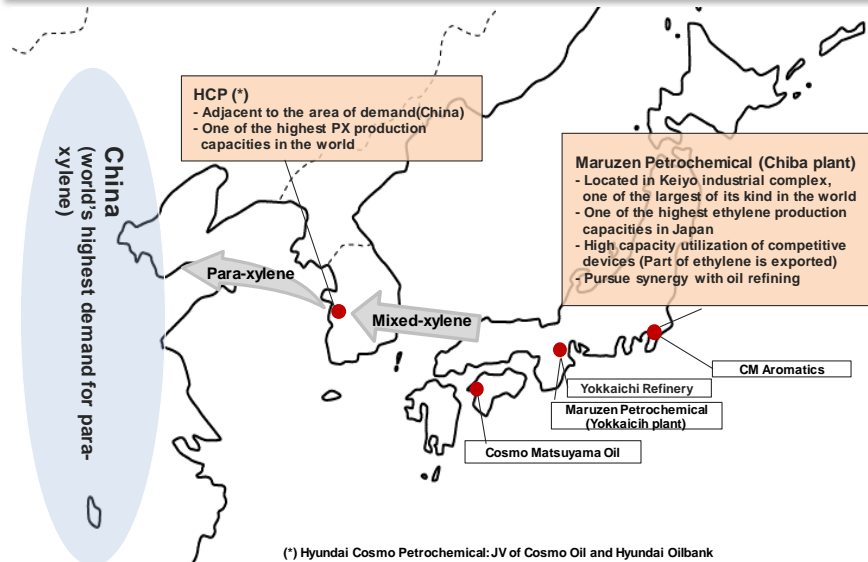
[Petrochemical Business] Targeting Ethylene and Para-xylene Markets in Which Growing Demand is Expected - High Capacity Utilization of Competitive Equipment

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

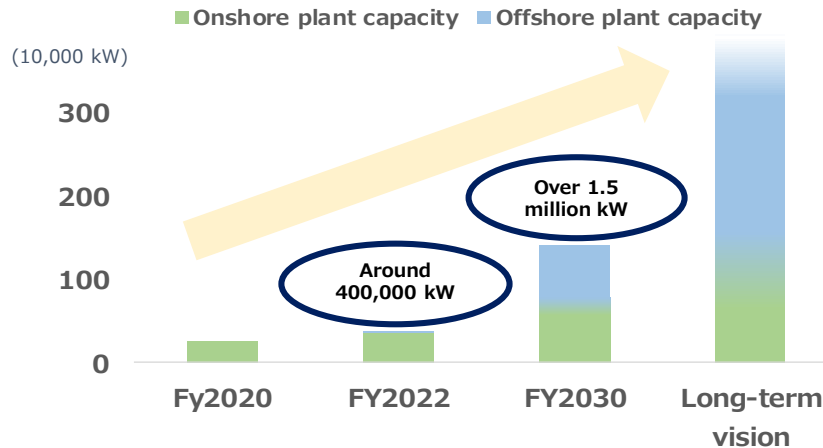
Production capacity

Product		Manufacture	Production capacity
Olefin-based	Ethylene	Maruzen Petrochemical	*1.290 mil t/year
Aroma-based	Para-xylene	Hyundai Cosmo PetroChemical	1.360 mil t/year
		Maruzen Petrochemical	0.395 mil t/year
	Benzene	Hyundai Cosmo PetroChemical	0.250 mil t/year
		Cosmo Matsuyama Oil	0.090 mil t/year
		Total	0.735 mil t/year
Mixed-xylene	Cosmo Oil (Yokkaichi Refinery)	CM Aromatics	0.270 mil t/year
		Cosmo Matsuyama Oil	0.048 mil t/year
		Total	0.618 mil t/year
	Aroma-based, total	2.713 mil t/year	

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

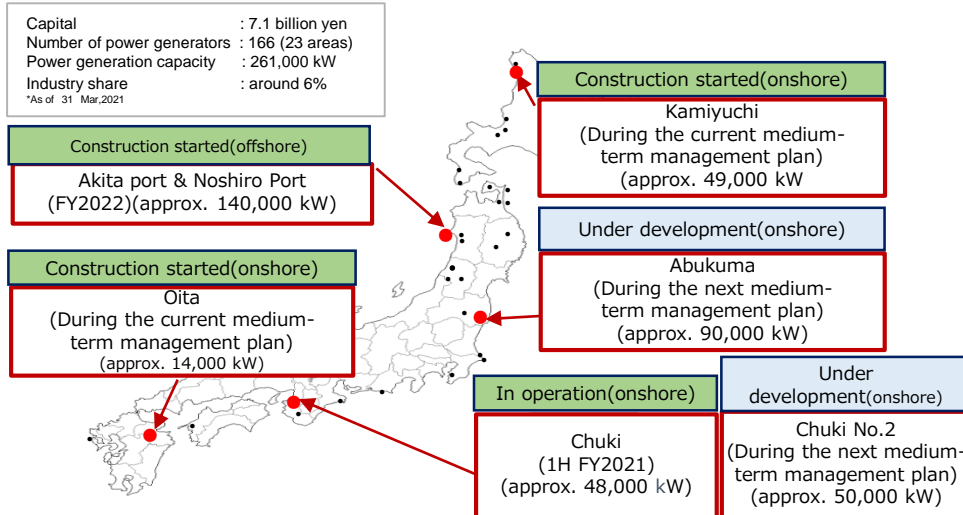
[Renewable energy business] Achieving Stable Earnings in a Market Where Demand Is Expected to Expand, Using the FIT Scheme

Changes in wind power generation capacity



* Installed capacity is capacity commensurate with the Company's investment.

Overview of Cosmo Eco Power



Capital : 7.1 billion yen
 Number of power generators : 166 (23 areas)
 Power generation capacity : 261,000 kW
 Industry share : around 6%
*As of 31 Mar.2021

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

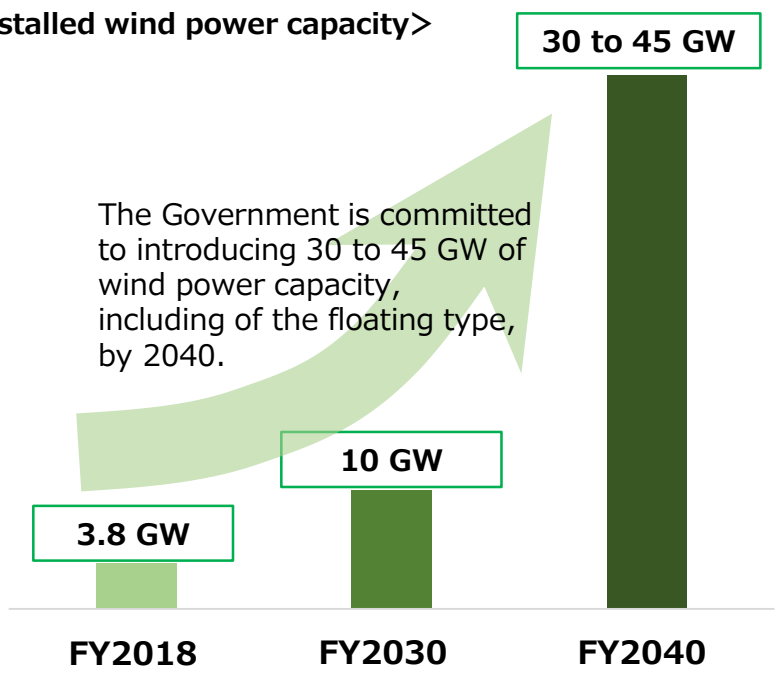
(*3) Identification of suitable sites (2 to 3 years) → Environmental assessment (4 to 5 years) → Construction work (1 to 2 years) → Start of operation

[Renewable energy business] Circumstances Surrounding the Wind Power Generation Business

- ✓ The Japanese government formulated a Green Growth Strategy towards Carbon Neutrality in 2050.
- ✓ Decarbonization in the electric power sector is a prerequisite and renewable energy will be introduced to a maximum extent.
- ✓ Offshore wind power generation is defined as a main power source from renewable energy.
- ✓ The Green Growth Strategy is outlined as follows.
 - The government sets introduction targets of 10 gigawatts (GW) by 2030 and 30 to 45 GW by 2040.
 - A government-led proactive project formation scheme (a Japanese version of the central method) is under consideration
 - Infrastructure development: Grid operation rules prioritizing renewable energy, grid construction linking locations suited to wind power generation and power demand locations and the construction of base ports

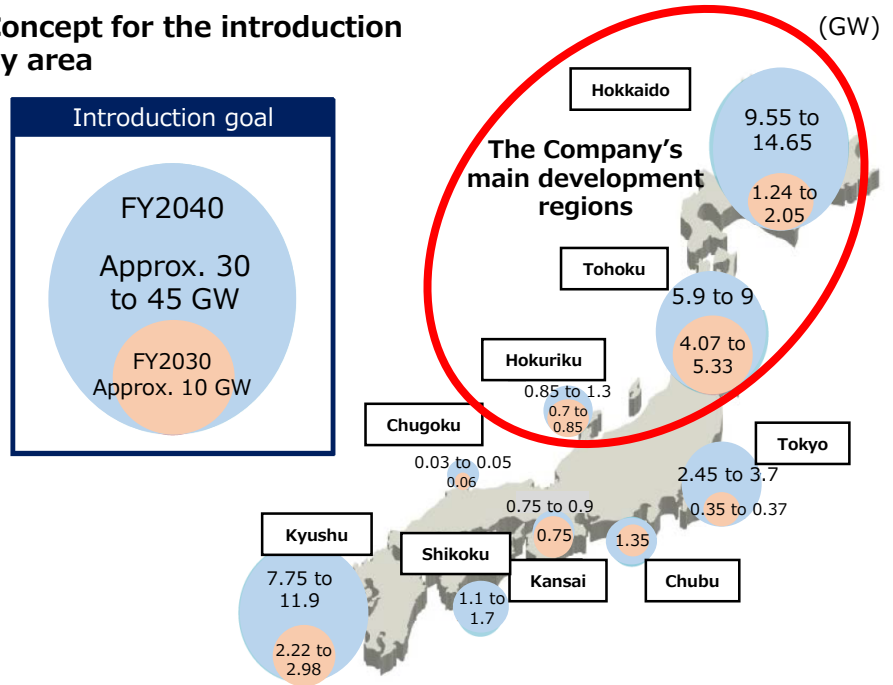
Concept for the Introduction of Offshore Wind Power Generation

<Installed wind power capacity>



The Government is committed to introducing 30 to 45 GW of wind power capacity, including of the floating type, by 2040.

Concept for the introduction by area



※ Target value for offshore wind power generation only

※ From the summary of the Vision for the Offshore Wind Power Industry (Primary) (draft)

[Renewable energy business] Progress in Wind Power Generation Business

- ✓ The Goto-hassakubana onshore site started to operate in March, and the Chuki onshore site stated to operate in April.
- ✓ Three projects are under construction, and two project is under development. Several offshore projects are being investigated and examined.

Onshore	Status	Name	Facility capacity	Timeline				
				FY2021	FY2022	To FY2030	After FY2030	
	In operation	Goto-hassakubana	Approx. 1,000 kW	In operation				
	In operation	Chuki	Approx. 48,000 kW	In operation				
	Under construction	Kamiyuchi	Approx. 49,000 kW	Operations scheduled to start in the second half of FY2022				
	Under construction	Oita	Approx. 14,000 kW	Operations scheduled to start in the second half of FY2022				
	Being developed	Abukuma-minami	Approx. 90,000 kW ¹	Operations scheduled to start in the second half of FY2026				
	Being developed	Chuki No.2	Approx. 50,000 kW	Operations scheduled to start in the second half of FY2026				
Offshore	Status	Name	Facility capacity	Timeline				
	Under construction	Akita Port & Noshiro Port	Approx. 140,000 kW ¹	Harbor area ³	Operations scheduled to start in the second half of FY2022			
	FS	Offshore Yurihonjo-shi, Akita	Approx. 700,000 kW ¹	Promotional area	Expecting to place a bid in the public tender			
	FS	Offshore northwest of Aomori (The Sea of Japan, offshore near Aomori)	Approx. 500,000 kW ^{1,2}	High potential area				
	FS	Central sea area near Akita (Offshore near Katagami-shi/Akita-shi, Akita)	Approx. 500,000 kW ^{1,2}	Areas in which preparations have advanced to a certain level				
	FS	Offshore near Yuza, Yamagata (Offshore near Yuza, Yamagata)	Approx. 500,000 kW ^{1,2}	Areas in which preparations have advanced to a certain level				
	Assesment	Offshore north of Niigata (Offshore near Murakami-shi/Tainai-shi, Niigata)	Approx. 400,000 kW ^{1,2}	Areas in which preparations have advanced to a certain level				
	Assesment	Offshore in Ishikari Bay, Hokkaido	Approx. 1,000,000 kW ^{1,2}	-				

*1 Installed capacity of the whole project

*2 Maximum capacity stated in the environmental impact assessment report

*3 Not subject to the Act on Promoting the Utilization of Sea Areas for the Development of Marine Renewable Energy Power Generation Facilities due to the port zone

Overview of Subordinated Loan(Announced on March 31,2020)

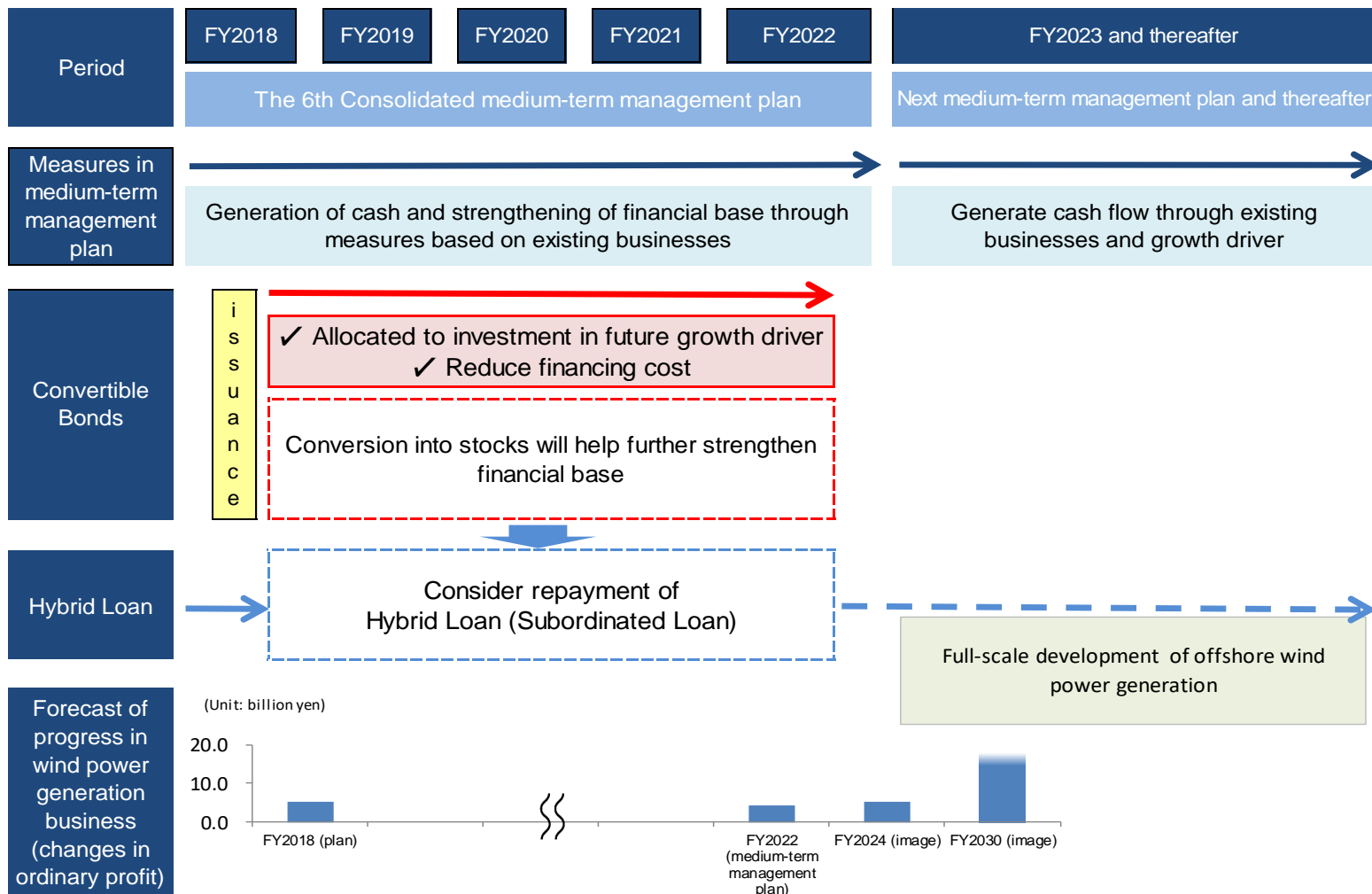
Item	Overview
Financing amount	¥30 billion
Loan agreement date	March 26, 2020
Drawdown date	March 31, 2020
Use of loan proceeds	Early repayment of an existing subordinated loan
Maturity date	March 31, 2053
Dates early repayment can be made	Any interest payment date on or after March 31, 2023
Replacement provisions	<ul style="list-style-type: none"> • In the event of early repayment, refinancing will be performed with a product with equity credit equivalent to or higher than the Subordinated Loan. • Provided, however, that the above refinancing may be postponed is the following conditions are satisfied. <ul style="list-style-type: none"> (i) If consolidated net worth increases by ¥30 billion or more from September 30, 2019 (ii) If the consolidated debt/equity ratio does not worsen from September 30, 2019
Interest rate	Variable interest rate based on 3-month Yen TIBOR + Spread
Interest rate step-up	-
Equity credit rating assigned by rating agency	Japan Credit Rating Agency, Limited: Medium / 50%.

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

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	<ol style="list-style-type: none"> 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 stocks 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	<ol style="list-style-type: none"> 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.



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

✓ 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.

Partial change

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.

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