

Cosmo Energy Holdings Co., Ltd. Third Quarter of Fiscal 2020

February 10, 2021

Influence of the COVID-19 Pandemic

Circumstances Surrounding Wind Power
Generation Business and the Company's Progress

3Q FY2020 Results

Forecast for FY2020 Performance

Reference Materials (Supplementary Information
on Business Results, Group Overview, etc.)

Influence of the COVID-19 Pandemic

Influence on Business Continuity and Operations

- ✓ The COVID-19 pandemic is expected to continue to have a long-lasting influence, leading the Company to stringently manage the crisis in accordance with the Group's Crisis Management Regulations.
- ✓ Business continuity, including the operation of refineries, is so far not affected.

Influence on the Market and Demand

【Crude oil (DUBAI)】

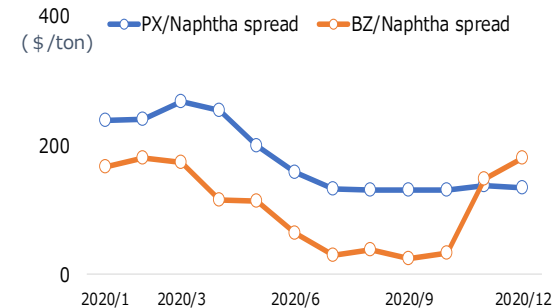
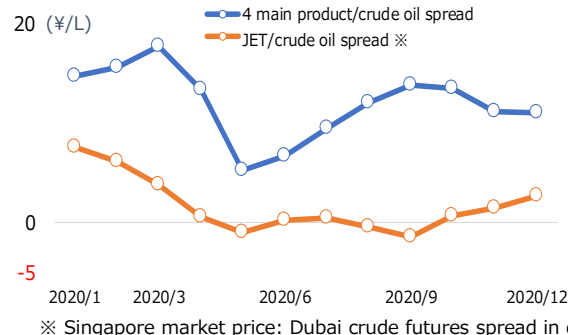
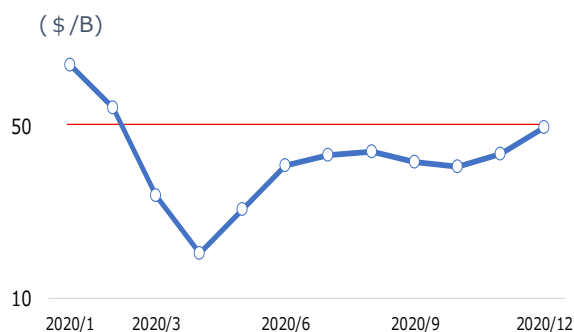
- ✓ The price rose after Saudi Arabia's voluntary output reductions and an OPEC Plus agreement on output reductions.
- ✓ Recently, the price has hovered at USD 50 per barrel or higher.

【Petroleum products】

- ✓ Domestic four-item market stayed stable.
- ✓ While JET market conditions rallied gradually, domestic demand was slow to recover. In the third quarter, the national average year-on-year was 39%, and our company year-on-year rate was 56%.

【Petrochemical products】

- ✓ The PX price remained sluggish while the BZ price jumped hugely in November and later, following the rise of the SM price.



Influence on Earnings

- ✓ The negative impact of the COVID-19 pandemic on earnings is estimated around 52.2 billion yen for the third quarter of FY2020, and around 62.3 billion yen for FY2020. Despite this massive impact, in its full-year earnings forecast, the Company expects to achieve ordinary profit including an inventory impact of 75.0 billion and profit attributable to owners of parent of 50.0 billion yen.

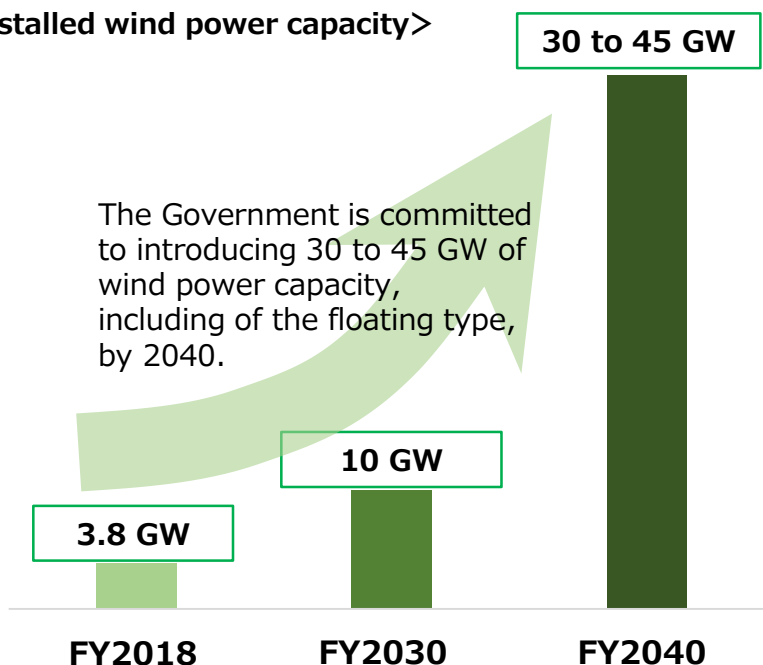
Circumstances Surrounding Wind Power Generation Business and the Company's Progress

Circumstances Surrounding the Wind Power Generation Business **COSMO**

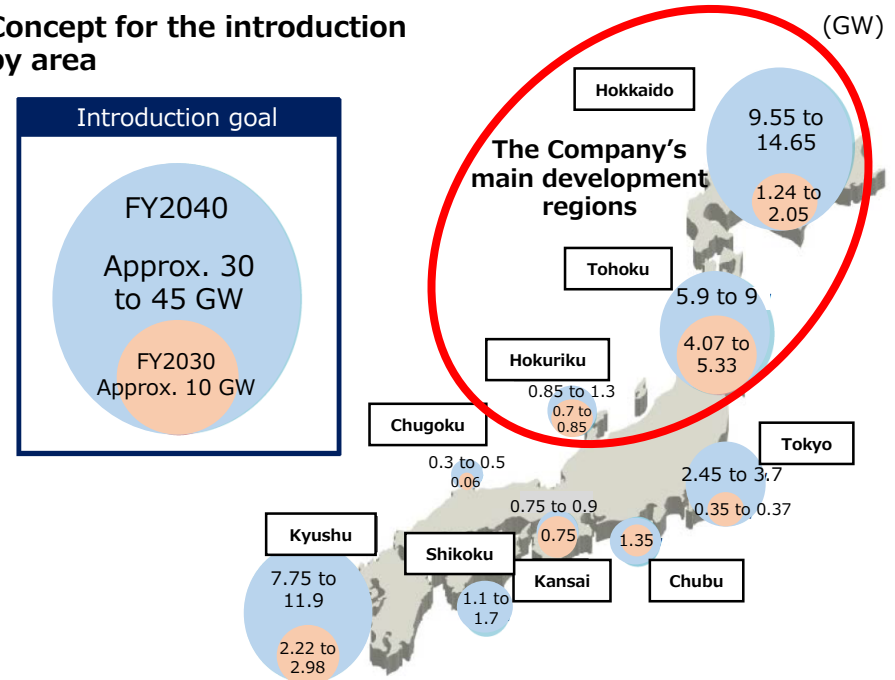
- ✓ The Japanese government formulated a Green Growth Strategy towards Carbon Neutrality in 2050.
- ✓ Decarbonization in the electric power sector is a prerequisite and renewable energy will be introduced to a maximum extent.
- ✓ Offshore wind power generation is defined as a main power source from renewable 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>



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)

The Company's Wind Power Generation Projects

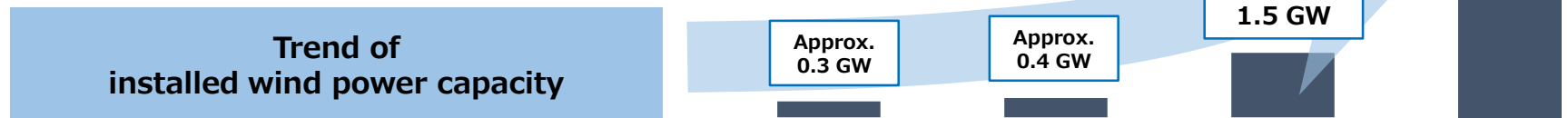
✓ Five projects are under construction, one is under development and several offshore projects are being investigated and considered.

Onshore	Status	Name	Facility capacity		FY2021	FY2022	To FY2030	Long-Term Vision
	Under construction	Goto-hassakubana	Approx. 1,000 kW	Operations scheduled to start in March				
Under construction	Chuki	Approx. 48,000 kW	Operations scheduled to start in April					
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					
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 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, Yamaqata (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



Progress of Projects under Construction

- ✓ One offshore and four onshore wind power generation projects are currently under construction.
- ✓ COVID-19 has not delayed the start of operations or impacted them in other ways.

Projects in Akita Port and Noshiro Port (offshore)



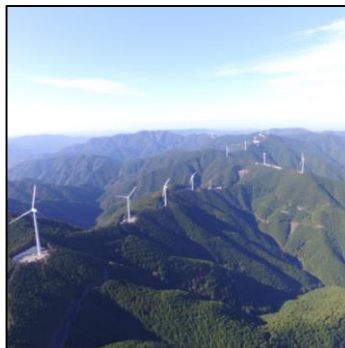
* Burial of piping in port facilities

Nagasaki: Goto Hassakubana Project (onshore)



Capacity	Approx. 1,000 kW
Wind turbines	1 x 2 MW
FIT unit price	22 yen/kWh
Start of operations	March 2021 (planned)

Wakayama: Chuki Project (onshore)



Capacity	Approx. 48,000 kW
Wind turbines	23 x 2.1 MW
FIT unit price	22 yen/kWh
Start of operations	April 2021 (planned)

Hokkaido: Kamiyuchi Project (onshore)



Capacity	Approx. 49,000 kW
Wind turbines	12 x 4.3 MW
FIT unit price	22 yen/kWh
Start of operations	Second half FY2022 (planned)

Oita: Oita Project (onshore)



Praying for safety at the start of construction on Jan, 27, 2021

Capacity	Approx. 14,000 kW
Wind turbines	5 x 3.2 MW
FIT unit price	22 yen/kWh
Start of operations	Second half FY2022 (planned)

Start of operations

Joint investment including Marubeni Corporation, Obayashi Corporation, Tohoku Sustainable & Renewable Energy Co., Inc., The Akita Bank, Ltd. and others

* The capacity figure represents the capacity for which the grid has been secured.

3Q FY2020 Results

- ✓ Consolidated ordinary profit excluding inventory impact was ¥ 41.9 billion (down ¥ 16.8 billion year on year), the inventory valuation impact was -¥ 7.4 billion. Consequently, consolidated ordinary profit stood at ¥ 34.5 billion (down ¥ 18.5 billion year on year), with net profit of ¥ 16.5 billion (down ¥ 3.3 billion year on year).
- ✓ The negative impact of the COVID-19 pandemic on the 3Q cumulative results is estimated to be around ¥ 52.2 billion, reflecting the fall in the price of crude oil, deterioration of the petrochemical market conditions, lower JET fuel prices and a decline in demand for the petroleum products in Japan.
- ✓ The full-year earnings forecast has been revised because the previously announced forecast will be exceeded mainly in the petroleum business following the current rise in the price of crude oil.

Petroleum business

- ✓ Profit increased because of the brisk product market conditions in Japan and an increase in the sales volume of the four major products attributable to the expanded supply to Kygnus Sekiyu, 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 ¥ 31.9 billion (up ¥ 20.4 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 first quarter, and naphtha acceptance in a different fiscal year.
 - Ordinary profit: -¥ 7.4 billion yen (down ¥ 16.2 billion year on year)

Oil exploitation and production business

- ✓ Profit decreased following a fall in crude oil price
 - Ordinary profit: ¥ 8.1 billion yen (down ¥ 22.5 billion year on year)

Other business

- ✓ Profit increased because of consolidated accounting and other factors
 - Ordinary profit: ¥ 9.3 billion yen (up ¥ 1.5 billion year on year)

[3Q FY2020 Results]

Consolidated Income Statements– Changes from 3Q FY2019



Unit: billion yen

No.	Item	FY2020 (Apr.-Dec.2020)	FY2019 (Apr.-Dec.2019)	Changes	Forecast FY2020
1	Net sales	1,570.6	2,038.1	-467.5	2,240.0
2	Operating profit	37.4	50.0	-12.6	76.0
3	Non-operating income/expenses, net	-2.9	2.9	-5.8	-1.0
4	Ordinary profit	34.5	53.0	-18.5	75.0
5	Extraordinary income/losses, net	-1.8	3.2	-5.0	-5.0
6	Income taxes	15.2	29.6	-14.4	18.0
7	Profit attributable to non-controlling interests	1.1	6.7	-5.6	2.0
8	Profit attributable to owners of parent	16.5	19.8	-3.3	50.0
9	Impact of inventory valuation	-7.4	-5.7	-1.7	10.0
10	Ordinary profit excluding the impact of inventory valuation	41.9	58.7	-16.8	65.0
11	Dubai crude oil price (USD/B) (Apr.-Dec.)	39	64	-25	43
12	JPY/USD exchange rate (yen/USD)(Apr.- Dec.)	106	109	-3	106
【Reference】					
13	Dubai crude oil price (USD/B) (Jan.-Sep.)	41	64	-23	42
14	JPY/USD exchange rate (yen/USD)(Jan.- Sep.)	108	109	-1	107

[3Q FY2020 Results] Outline of Consolidated Ordinary Profit by business segment
 – Changes from 3Q FY2019



Unit : billion yen

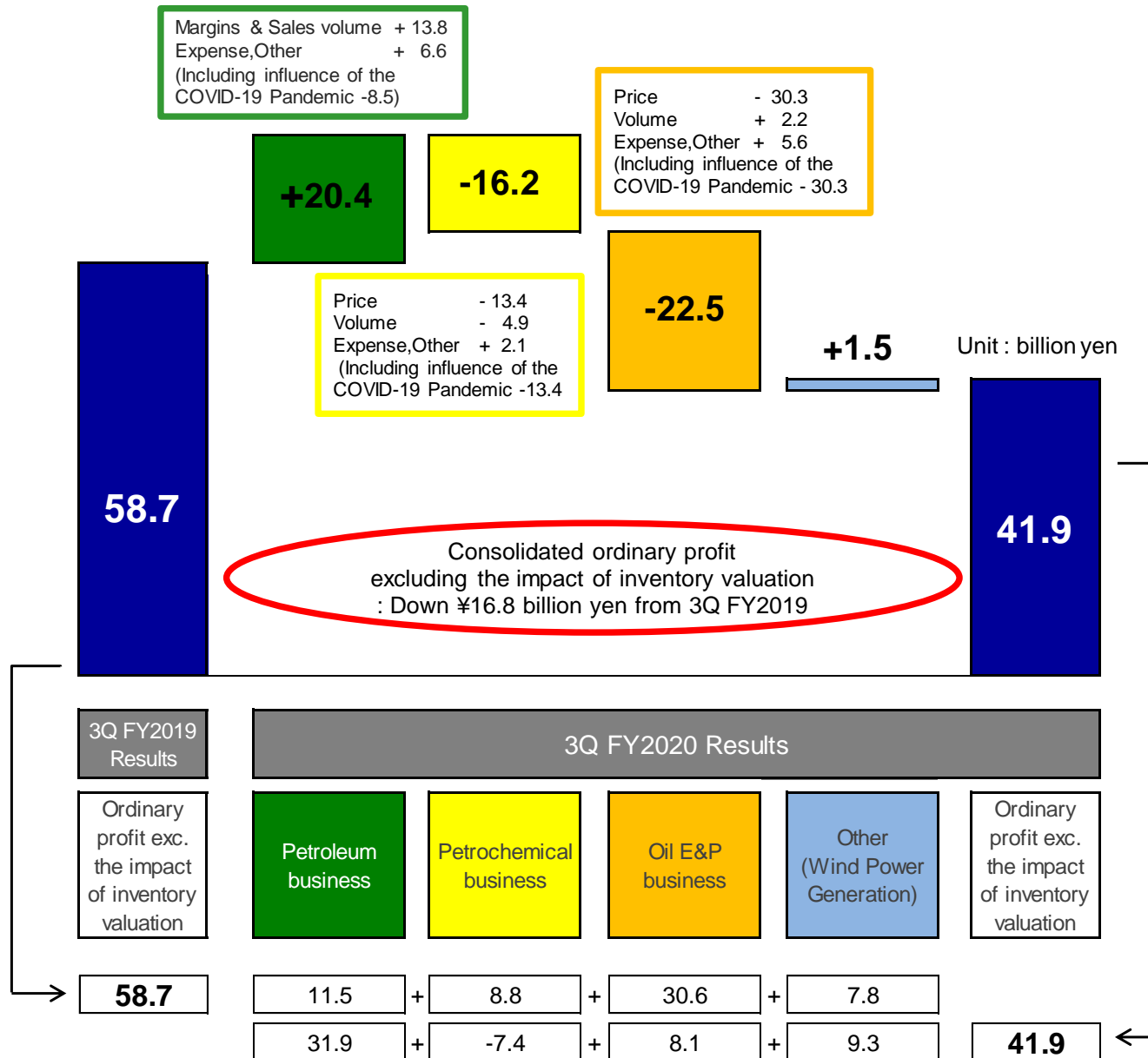
No	FY2020 (Apr.-Dec.2020)		FY2019 (Apr.-Dec.2019)		Changes			
	Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation	Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation	Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation		
1	Total		34.5	41.9	53.0	58.7	-18.5	-16.8
2	(Each segment)	Petroleum business	24.5	31.9	5.8	11.5	18.7	20.4
3		Petrochemical business	-7.4		8.8		-16.2	
4		Oil E&P business (*1)	8.1		30.6		-22.5	
5		Other (*2)	9.3		7.8		1.5	

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

(*2) Including consolidated adjustment

[3Q FY2020 Results] Consolidated Ordinary Profit (Excluding the impact of inventory valuation)

- Analysis of Changes from 3Q FY2019



Consolidated Balance Sheets

Unit: billion yen

No		FY2020 (As of Dec.31, '20)	FY2019 (As of Mar. 31, '20)	Changes
1	Total Assets	1,672.5	1,639.8	32.7
2	Net assets	370.2	362.8	7.4
3	Net worth	248.0	239.8	8.2
4	Net worth ratio	14.8%	14.6%	0.2%
5	Net interest-bearing debt *1	614.8	628.3	-13.5
6	Net Debt Equity Ratio (times) (after partially accounting for Hybrid Loan) *2	2.28	2.41	Up 0.13 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.		3Q FY2020 Results	Change from 3Q FY2019
1	Capital expenditures	59.7	8.6
2	Depreciation expense amount, etc.	42.1	-2.1

Capital Expenditures by Business Segment

Unit: billion yen

No.		3Q FY2020 Results	3Q FY2019 Results	Changes
1	Petroleum	31.7	26.1	5.6
2	Petrochemical	18.3	10.3	8.0
3	Oil E&P	6.3	9.3	-3.0
4	Other	6.3	3.8	2.5
5	Adjustment	-2.9	1.6	-4.5
6	Total	59.7	51.1	8.6
7	Investment securities, etc.*	5.6	3.8	1.8

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

Forecast for FY2020 Performance

Revisions to the forecast

- ✓ Earnings are expected to be far higher than the previously announced forecast, mainly in the petroleum business due to the improvement of petroleum product margins.
- ✓ The full-year earnings forecast has been revised to a consolidated ordinary profit of ¥ 75.0 billion (up ¥ 48.0 billion from the previous forecast), consolidated ordinary profit excluding the inventory impact of ¥ 65.0 billion (up ¥ 23.0 billion from the previous forecast) and profit attributable to owners of parent of ¥ 50.0 billion (up ¥ 41.5 billion from the previous forecast).
- ✓ The Company will continue to hold the dividend at the previous forecast's 80 yen per share (planned) in overall consideration of financial position and investment strategies.

Unit : billion yen

No		FY2020 Forecast		FY2020 Previous Announcement		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	75.0	65.0	27.0	42.0	48.0	23.0	
2	(Each segment)	Petroleum business	58.0	48.0	16.0	31.0	42.0	17.0
3		Petrochemical business	-8.5		-12.5		4.0	
4		Oil E&P business (*1)	13.0		11.0		2.0	
5		Other (*2)	12.5		12.5		0.0	
6	The impact of inventory valuation	10.0		-15.0		25.0		
7	Profit attributable to owners of parent	50.0		8.5		41.5		

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

(*2) Including consolidated adjustment

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

No.		FY2020 Forecast	FY2020 Previous Announcement	Changes
9	Dubai crude oil price (USD/B) (Apr.-Mar.)	43	38	5
10	JPY/USD exchange rate (Apr.-Mar.)	106	106	0
11	Dubai crude oil price (USD/B) (Jan.-Dec.)	42	41	1
12	JPY/USD exchange rate (Jan.-Dec.)	107	107	0
13	Dubai crude oil price (Jan.-Mar. 2021)	55	40	15
14	JPY/USD exchange rate (Jan.-Mar. 2021)	104	105	-1

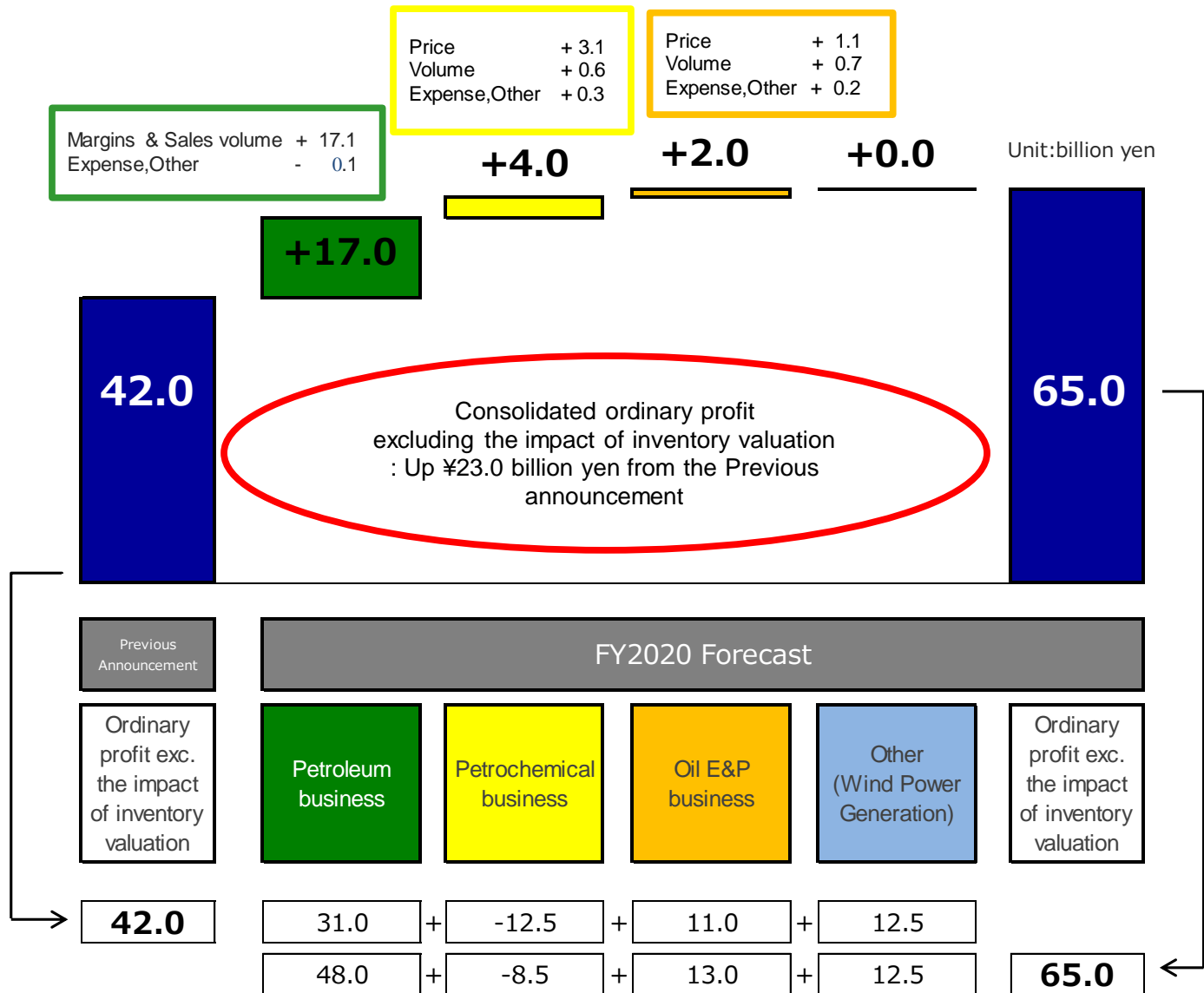
■ Sensitivity

No.		Item	Crude oil (Dubai)	JPY/USD exchange rate
15	Petroleum Business	Inventory Impact	1.7 billion yen	0.9 billion yen
16		Refinery fuel cost etc.	-0.1 billion yen	-0.1 billion yen
17		Total	1.6 billion yen	0.8 billion yen
18	Oil E&P Business		- billion yen	- 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).

There is no impact on the oil exploitation and production business since its fiscal year ends on December 31.

[FY2020 Full-Year Forecast] Consolidated Ordinary Profit (Excluding the impact of inventory valuation) Analysis of Changes from the Previous Announcement



[FY2020 Forecast] Outline of Consolidated Capital Expenditures of Changes from the Previous Announcement



Capital Expenditures, Depreciation, etc.

Unit: billion yen

No.		FY2020 Forecast	Changes
1	Capital expenditures	92.3	-2.7
2	Depreciation expense amount, etc	57.0	-1.0

Capital Expenditures by Business Segment

Unit: billion yen

No.		FY2020 Forecast	FY2020 Previous Announcement	Changes
1	Petroleum	49.9	49.9	0.0
2	Petrochemical	23.5	22.9	0.6
3	Oil E&P	11.8	12.2	-0.4
4	Other	10.0	9.4	0.6
5	Adjustment	-2.9	0.6	-3.5
6	Total	92.3	95.0	-2.7
7	Investment securities, etc*	7.6	8.6	-1.0

*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.21-29 [3Q 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 3Q 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.31-34 Forecast for FY2020 Performance(Change from FY2019)

- Highlights of Consolidated Business Outlook (Changes from FY2019), Precondition and Business Sensitivity
- Consolidated Ordinary profit (Excluding the impact of inventory valuation)- Analysis of Changes from FY2019
- Outline of Consolidated Capital Expenditures
- Outlook by Business Segment, Changes from FY2019

P.36-47 Overview of the Cosmo Energy Group (Business Outline)

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

P.48 Subordinated loan (Announced on March 31,2020)

P.49-51 Zero Coupon Convertible Bonds due 2022 (being bonds with stock acquisition rights) (Announced on December 20,2018)

Supplementary Information of
3Q FY2020 Results

[3Q FY2020 Results] Sales Volume, CDU Operating Ratios

Unit: thousand KL

No.			3Q FY2020 Results	3Q FY2019 Results	Changes	FY2020 Forecast	FY2020 forecast changes from FY2019
1	Selling volume in Japan	Gasoline	5,026	4,648	108.1%	6,635	105.4%
2		Kerosene	1,227	1,116	110.0%	2,194	111.5%
3		Diesel fuel	3,931	3,728	105.4%	5,168	103.3%
4		Heavy fuel oil A	1,186	1,108	107.0%	1,669	108.3%
5		Sub-Total	11,369	10,600	107.3%	15,666	105.8%
6		Naphtha	4,360	4,598	94.8%	6,120	100.1%
7		Jet fuel	195	368	53.0%	281	54.7%
8		Heavy fuel oil C	540	626	86.3%	758	97.4%
9		Total	16,465	16,192	101.7%	22,825	102.7%
10	Export volume	Middle distillates Export	93	198	46.9%	143	50.3%
11		Bonded products and other	1,609	2,225	72.3%	2,183	74.2%
12		inc. Jet fuel	847	1,490	56.9%	1,148	60.4%
13		inc. Low-sulfur C fuel oil	479	152	315.8%	628	178.0%
14		Sub-Total	1,702	2,422	70.3%	2,325	72.1%
15	Total		18,167	18,615	97.6%	25,151	98.9%

No.			3Q FY2020 Results	3Q FY2019 Results	Changes
16	CDU operating ratio	(Calendar Day basis) *1	80.4%	85.0%	-4.6%
17		(Streaming Day basis) *1,2	91.7%	95.7%	-4.0%

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

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

[3Q FY2020 Results] Crude Oil Production Volume, Crude Reserves Estimate (Proved and Probable)



[1] Crude oil production volume				
	3Q FY2020 Results	3Q FY2019 Results	Changes	
Cosmo Energy Exploration & Production Co., Ltd. (B/D)	49,792	50,945	-1,153	97.7%

*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, 2019)

[2] Crude Reserves Estimate (working interest base) (*1)	
	mmbbls
Total Proved(*2) and Probable Reserves (*3)	160.6
(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 FY2019(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 FY2020 Results] Results by Business Segment – Changes from 3Q FY2019

COSMO

3Q FY2020 Results – Changes from 3Q FY2019

Unit: billion yen

No.		Net Sales		Operating Profit		Ordinary Profit		Ordinary Profit (excluding the impact of inventory valuation)	
			Changes from 3QFY2019		Changes from 3QFY2019		Changes from 3QFY2019		Changes from 3QFY2019
1	Petroleum business	1,444.9	-414.0	23.6	17.0	24.5	18.7	31.9	20.4
2	Petrochemical business	204.4	-103.9	-5.9	-9.8	-7.4	-16.2	-7.4	-16.2
3	Oil E&P business	43.6	-26.5	9.7	-21.5	8.1	-22.5	8.1	-22.5
4	Other	57.4	4.1	5.3	0.3	5.4	0.5	5.4	0.5
5	Adjustment	-179.7	72.8	4.7	1.4	3.9	1.0	3.9	1.0
6	Total	1,570.6	-467.5	37.4	-12.6	34.5	-18.5	41.9	-16.8

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., Cosmo Eco Power Co.,Ltd , etc.

1. Petroleum business

(1) Refinery Operating Ratio

	FY2015	FY2016	FY2017	FY2018	FY2019	3Q FY2020
CDU operating ratio(Calendar Day basis)*1	83.2%	88.3%	94.1%	86.1%	87.9%	80.4%

(2) Number of SSs by Operator Type

	FY2015	FY2016	FY2017	FY2018	FY2019	3Q FY2020
Subsidiary	920	895	885	855	843	844
Dealers	2,134	2,062	1,973	1,936	1,912	1,890
Total *2	3,054	2,957	2,858	2,791	2,755	2,734
Number of Self-Service SSs *2	1,036	1,038	1,034	1,048	1,072	1,096

(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	3Q FY2020
Cosmo The Card (million cards)*2	4.39	4.44	4.44	4.33	4.21	4.14
My car lease(Units) *2	27,401	37,077	47,602	60,579	73,634	81,629
Carlife Square(million downloads) *2					1.92	2.83

2. Oil E&P business

Crude oil production volume

	FY2015	FY2016	FY2017	FY2018	FY2019	3Q FY2020
Cosmo Energy E&P Co., Ltd. (B/D)*3	39,201	39,032	38,826	52,303	50,773	49,792

3. Wind power generation business

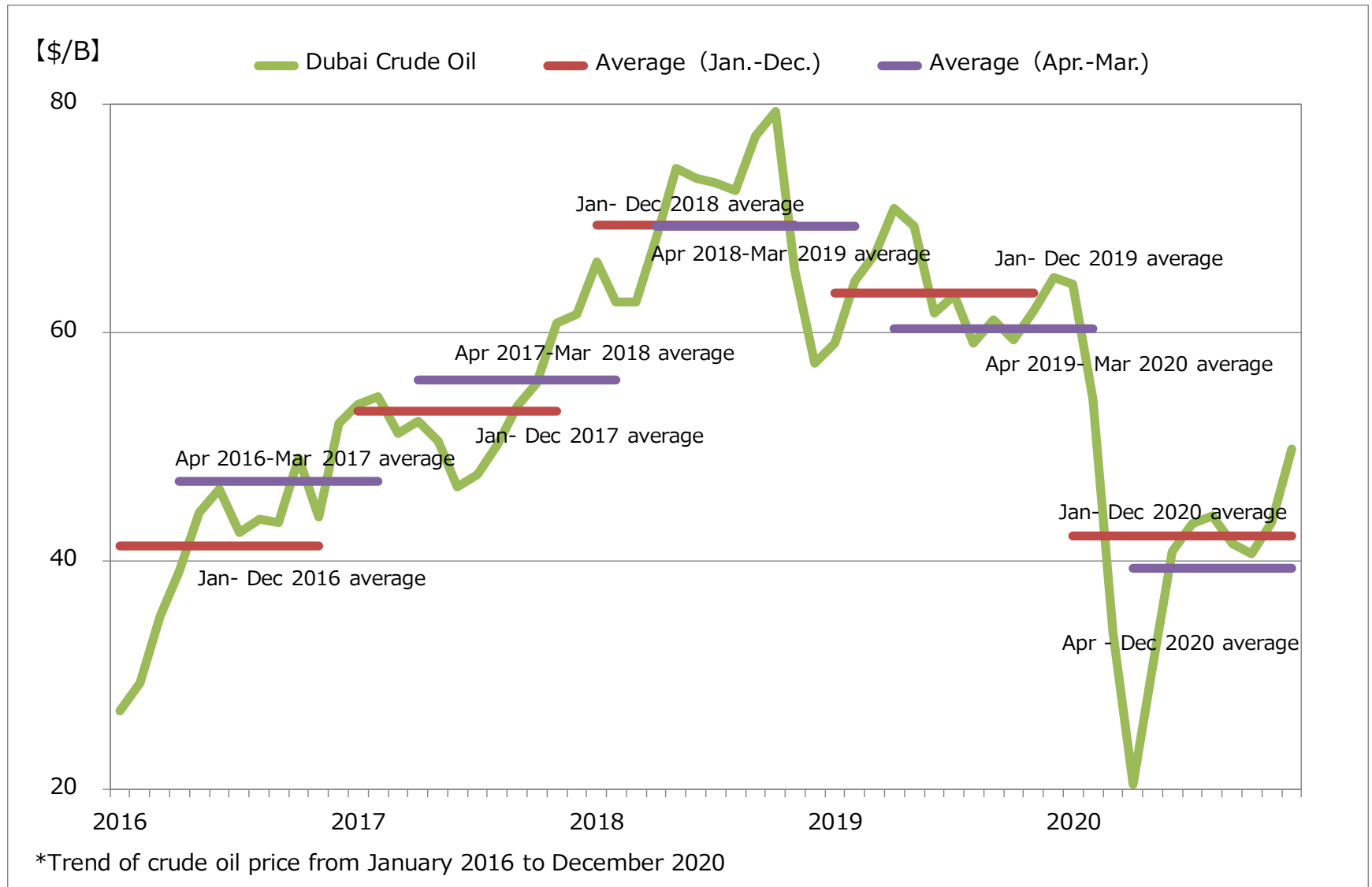
Wind power plant capacity(ten thousand kW)

	FY2015	FY2016	FY2017	FY2018	FY2019	3Q FY2020
Plant Capacity*2	18.4	21.1	22.69	22.7	26.6	26.0

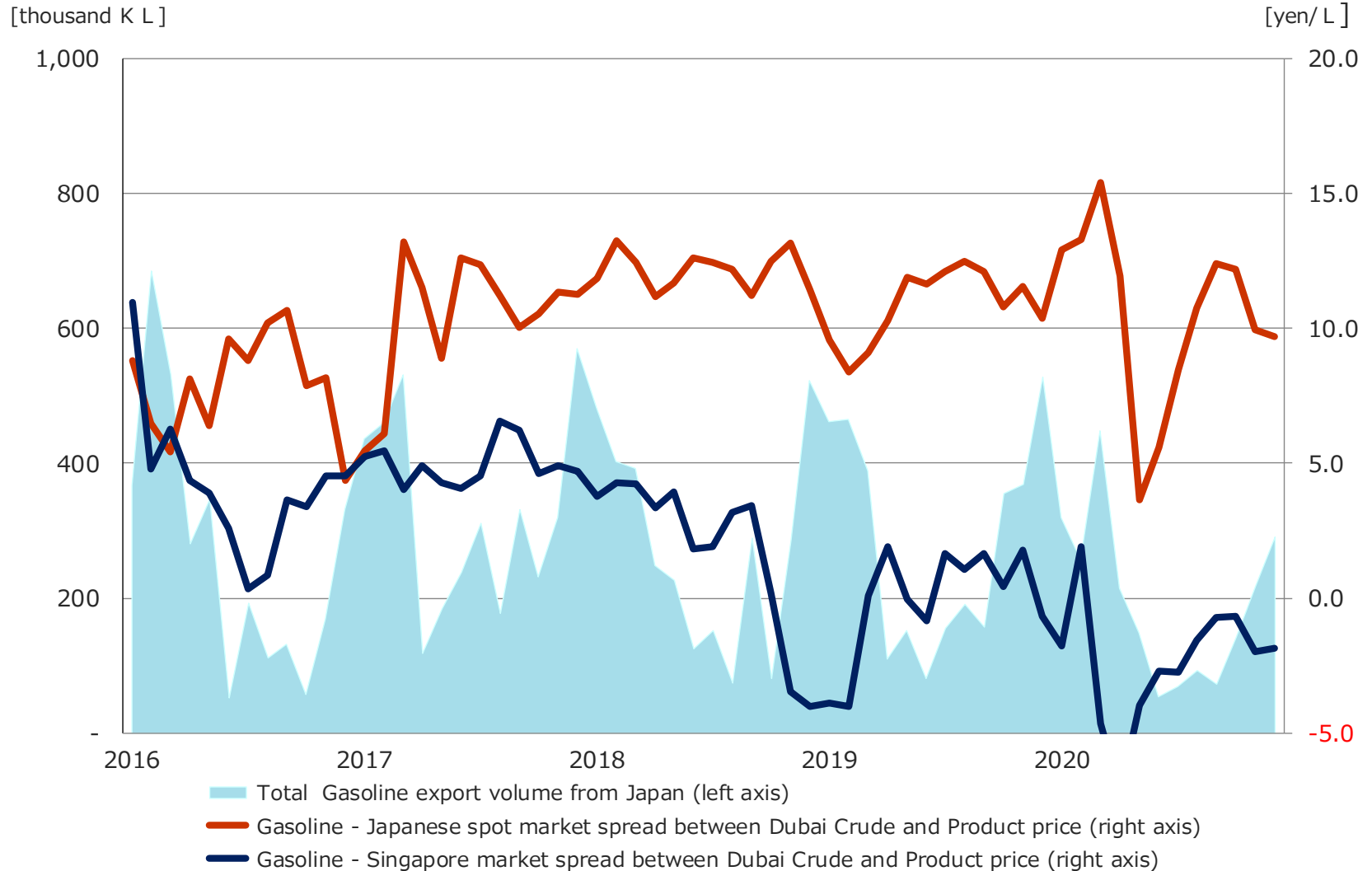
*1) April-March results for each fiscal year *2) At the end of March of each fiscal year

*3) January-December results for each fiscal year

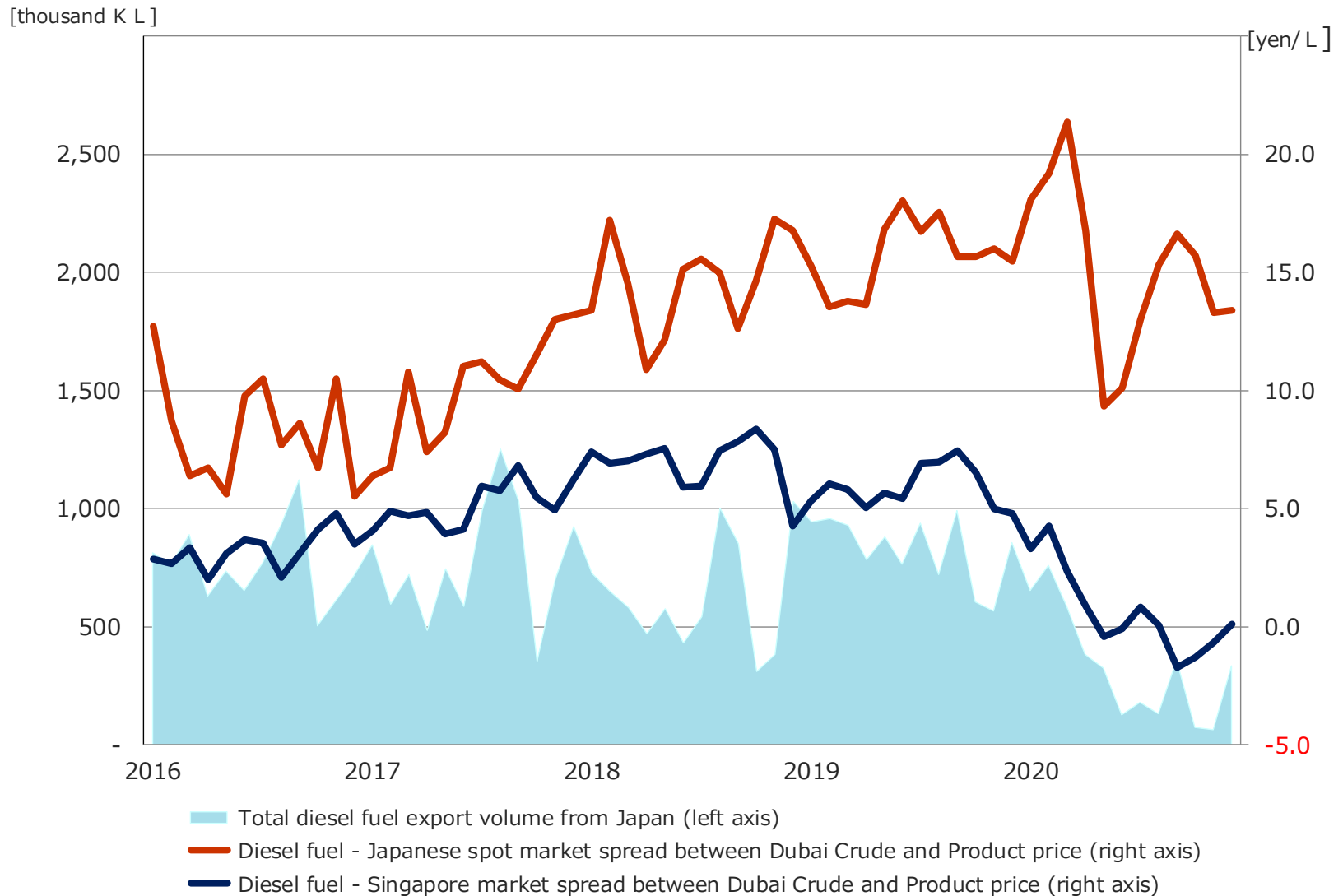
Historical Changes in Dubai Crude Oil Price

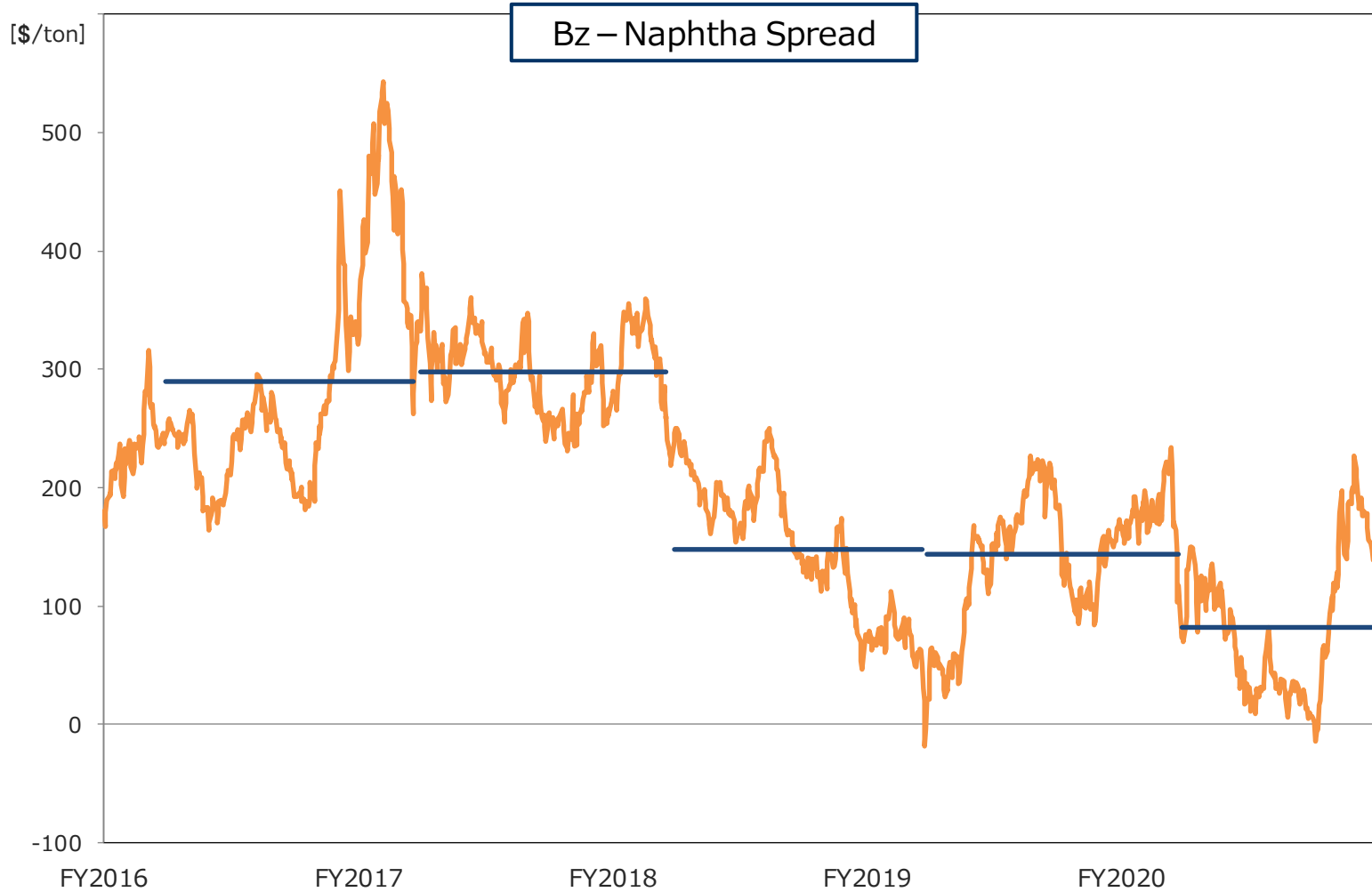


Gasoline Export and Margin Environment (Domestic /Overseas)



Diesel Fuel Export and Margin Environment (Domestic /Overseas)





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



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

Forecast for FY2020 Performance
(Change from FY2019)

[FY2020 Forecast] Highlights of Consolidated Business Outlook (Changes from FY2019) Precondition

Unit : billion yen

No.		FY2020 Forecast		FY2019 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	75.0	65.0	16.3	68.5	58.7	-3.5	
2	(Each segment)	Petroleum business	58.0	48.0	-47.8	4.4	105.8	43.6
3		Petrochemical business	-8.5		5.2		-13.7	
4		Oil E&P business (*1)	13.0		45.0		-32.0	
5		Other (*2)	12.5		13.9		-1.4	

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

(*2) Including consolidated adjustment

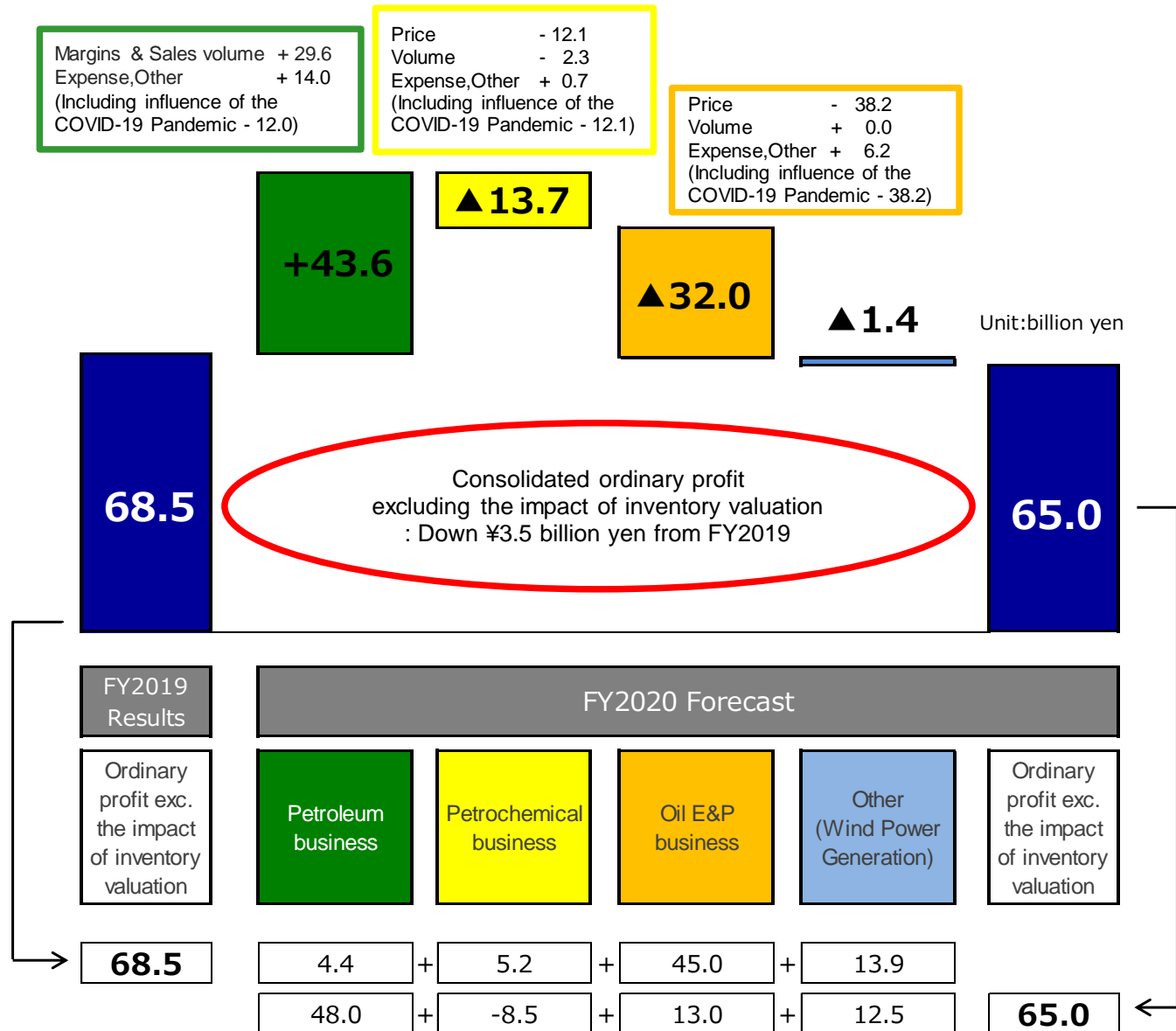
No.		FY2020 Forecast	FY2019 Results	Changes
6	Profit attributable to owners of parent	50.0	-28.2	78.2
7	Dividend per Share (Plan)	¥80	¥80	-

【Reference】Precondition

No.		FY2020 Forecast	FY2019 Results	Changes
8	Crude oil price (Dubai) (\$/B) (Apr.-Mar.)	43	60	-17
9	JPY/USD exchange rate (Apr.-Mar.)	106	109	-3
10	Crude oil price (Dubai) (\$/B) (Jan.-Dec.)	42	64	-22
11	JPY/USD exchange rate (Jan.-Dec.)	107	109	-2

[FY2020 Forecast] Consolidated Ordinary Profit (Inventory Effects Excluded)

– Analysis of Changes from FY2019



Capital Expenditures. Depreciation, etc.

Unit: billion yen

No.		FY2020 Forecast	FY2019 Results
1	Capital expenditures	92.3	4.4
2	Depreciation expense amount, etc	57.0	-0.6

Capital Expenditures by Business Segment

Unit: billion yen

No.		FY2020 Forecast	FY2019 Results	Changes
1	Petroleum	49.9	46.8	3.1
2	Petrochemical	23.5	18.1	5.4
3	Oil E&P	11.8	15.2	-3.4
4	Other	10.0	7.2	2.8
5	Adjustment	-2.9	0.6	-3.5
6	Total	92.3	87.9	4.4
7	Investment securities, etc*	7.6	5.8	1.8

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

FY2020 Forecast – 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	2,071.0	-435.8	55.0	102.2	58.0	105.8	48.0	43.6
2	Petrochemical business	285.0	-129.4	-7.0	-7.4	-8.5	-13.7	-8.5	-13.7
3	Oil E&P business	60.0	-37.9	14.0	-31.2	13.0	-32.0	13.0	-32.0
4	Other	74.0	-10.6	8.0	-1.1	7.5	-1.7	7.5	-1.7
5	Adjustment	-250.0	115.7	6.0	-0.4	5.0	0.3	5.0	0.3
6	Total	2,240.0	-498.0	76.0	62.1	75.0	58.7	65.0	-3.5


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., Cosmo Eco Power 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}	60.0billion yen	2,071.0billion yen	285.0billion yen	-176.0billion yen	2,240.0billion yen
Ordinary profit ^{*1}	13.0billion yen	58.0billion yen	-8.5billion yen	12.5billion yen ^{*2}	75.0billion yen
Ordinary profit excluding ^{*1} impact of inventory valuation	13.0billion yen	48.0billion yen	-8.5billion yen	12.5billion yen ^{*2}	65.0billion yen

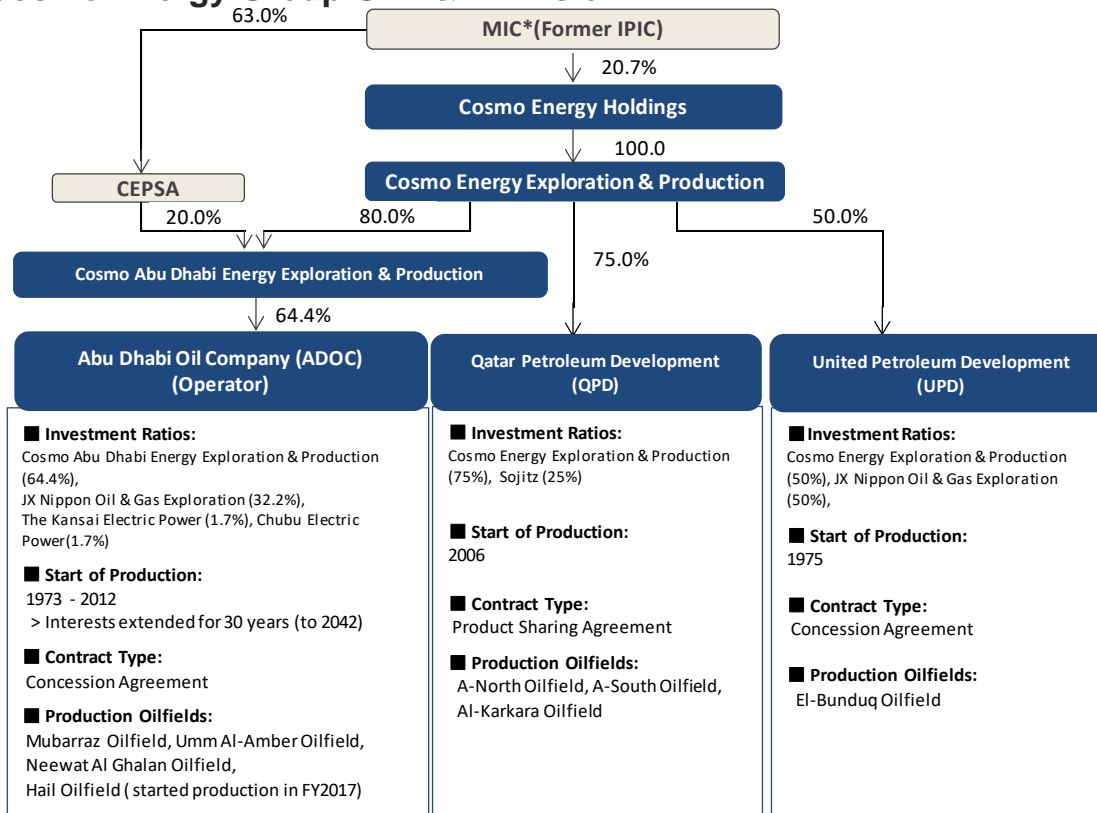
Major assets	<ul style="list-style-type: none"> Partnerships Solid relationship of trust with oil producing countries for about 50 years 	<ul style="list-style-type: none"> CDU capacity ^{*5,*7} 400,000 BD (Domestic market share: Approx. 11.4%) 	<ul style="list-style-type: none"> Olefinic production capacity ^{*5} Ethylene 1.29 mil tons/year (Domestic market share: Approx. 19%) 	<ul style="list-style-type: none"> Wind power plant capacity ^{*6} 260,000 kW (No. 3 in Japan and a 7% 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} 22,214thousand 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. 51 thousand B/D (Comparison with refining capacity: Approx. 13%) 	<ul style="list-style-type: none"> Number of Service station ^{*5} 2,755 			
	<ul style="list-style-type: none"> Crude Oil Reserves (Proved and Probable) ^{*4} 160.6 million barrels (Equivalent to approx. 17 years of supply) 	<ul style="list-style-type: none"> Number of the "Cosmo the Card" Holders ^{*5} 4.21million cards Car leasing business for ^{*5} individuals Cumulative total 73,634cars 			

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) Cosmo Engineering Cosmo Trade and Service 	—
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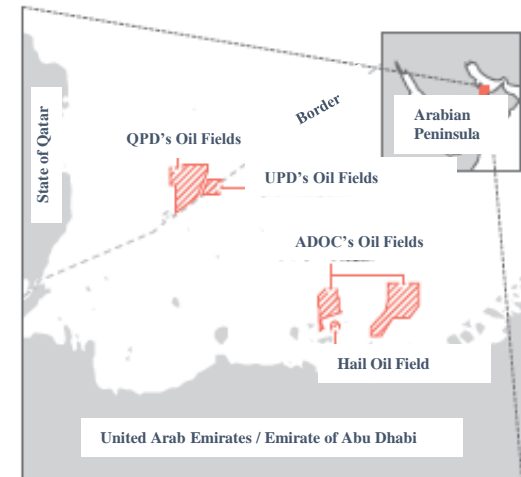
(^{*1}) FY2020 Forecast. (^{*2}) Including consolidated adjustment, (^{*3})FY2019 Results, (^{*4})As of Dec. 31, 2019, (^{*5})As of Oct. 31, 2020, (^{*6})As of Dec. 31, 2020
(^{*7})Including the supply of the petroleum product/semi product (37,000 bbls/day equivalent) from Idemitsu Showa Shell Group 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 ■

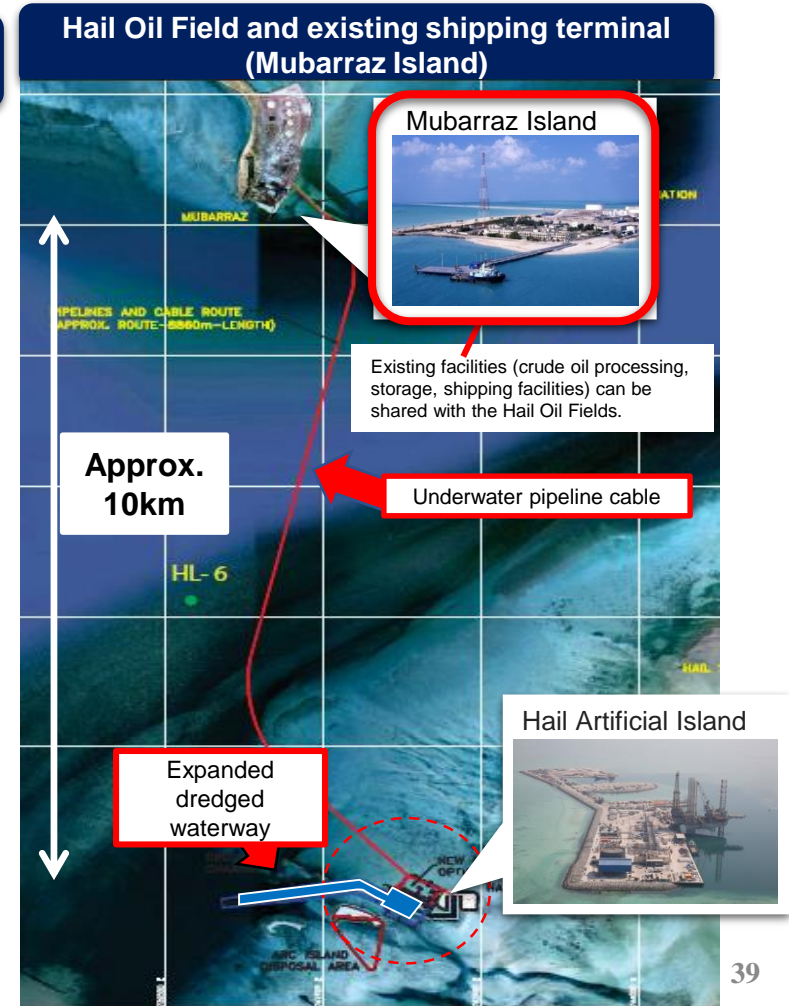
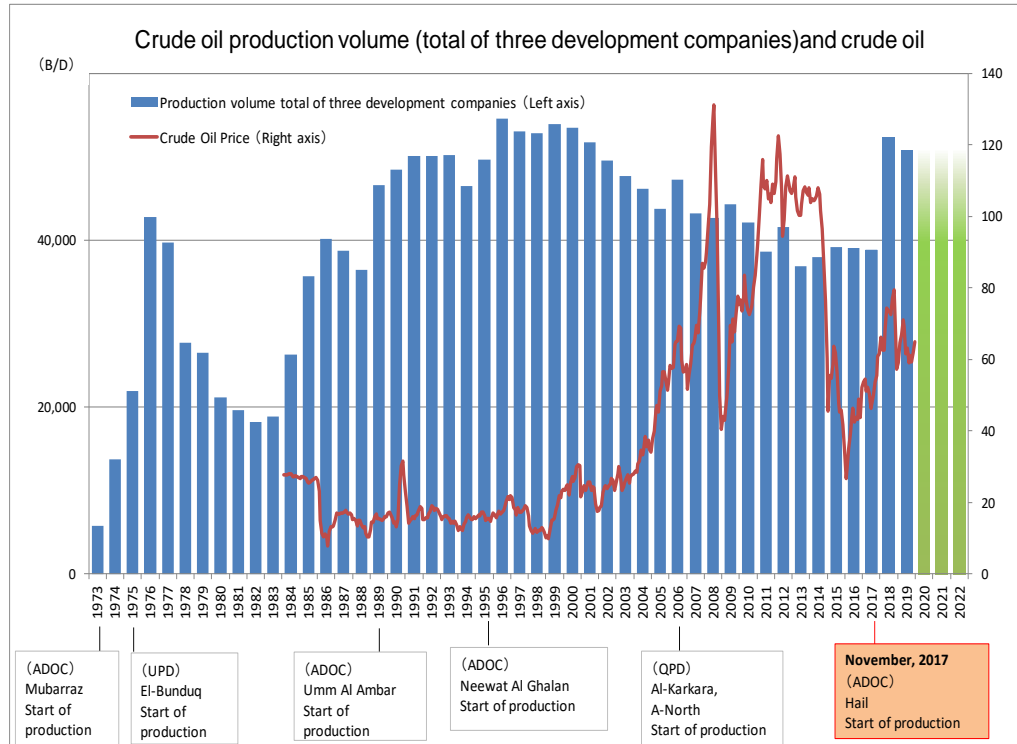
- Obtained interests before founding of UAE, with safe operation and stable production for almost five decades
- Long-term, stable purchase of crude oil from UAE (Abu Dhabi) and Qatar
- Contributions to both countries in terms of culture(Japanese language education, etc.) and the environment (zero flaring,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

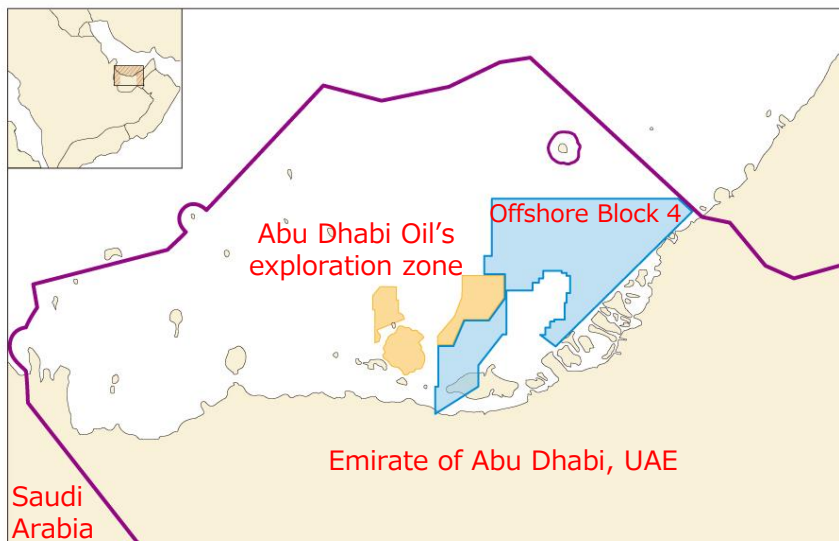


*1) ADOC : Abu Dhabi Oil Company, UPD : United Petroleum Development, QPD : Qatar Petroleum Development
 *2) Production volume of three development companies are per year (annual average of January to December each year)
 *3) Crude oil prices (Platt's Dubai crude) are average monthly
 *4) The production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

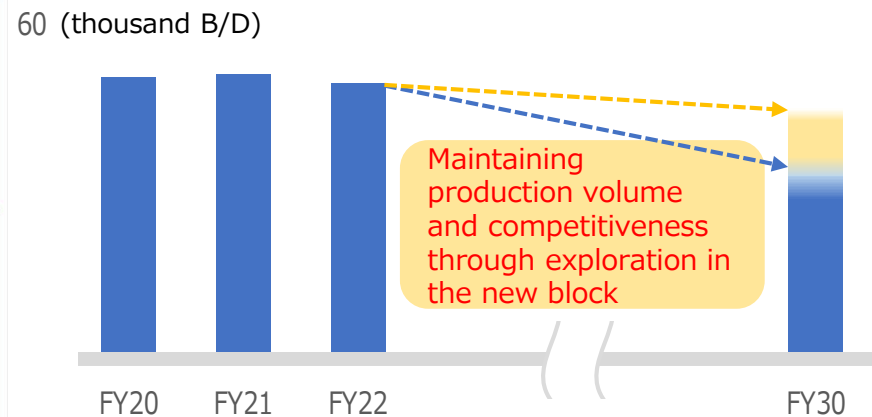
In the Abu Dhabi 2019 Block Bid Round in the United Arab Emirates, the Company won a bid for Offshore Exploration Block 4 (the “Block”). Recently established Cosmo E&P Albahriya Limited will engage in exploration with a view toward early exploitation and production. Main points are as follows.

- 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



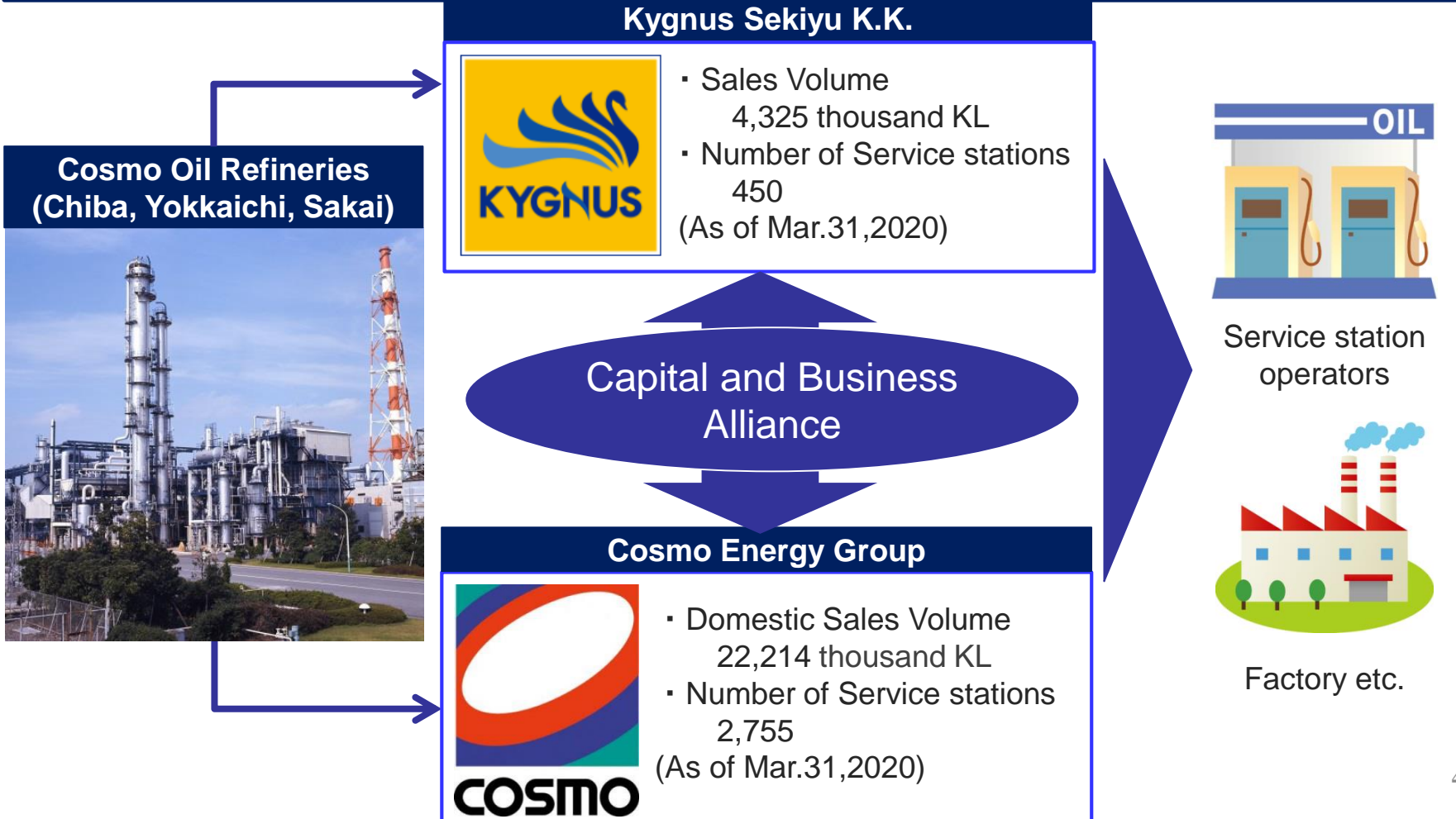
Schematic of trend in the Group’s crude oil production



[Petroleum Business]

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

- ✓ 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.

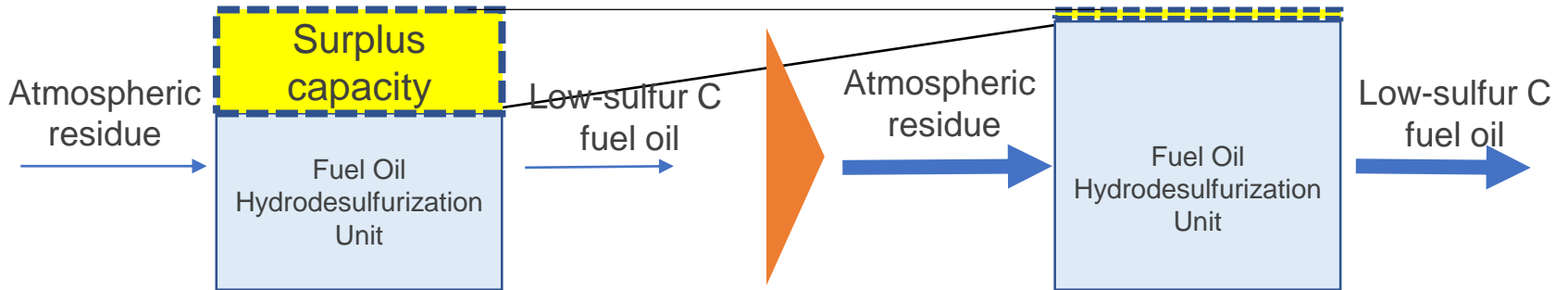


✓ International Maritime Organization (IMO) is to strengthen its regulation in 2020 by setting the upper limit of sulfur content from 3.5% down to 0.5 and the shipping fuel will be switched from high sulfur C heavy fuel to conforming low sulfur C heavy fuel.

Before **After**

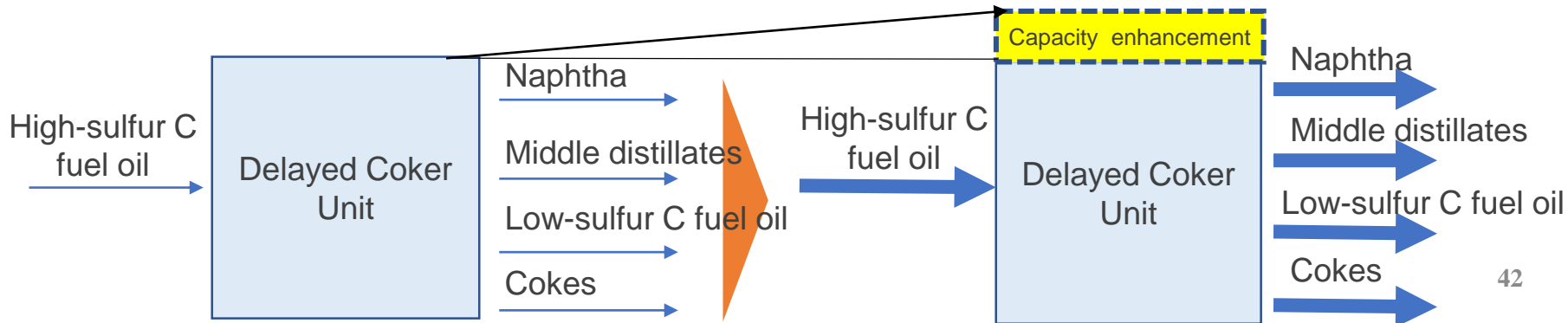
Chiba Refinery

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



Sakai Refinery

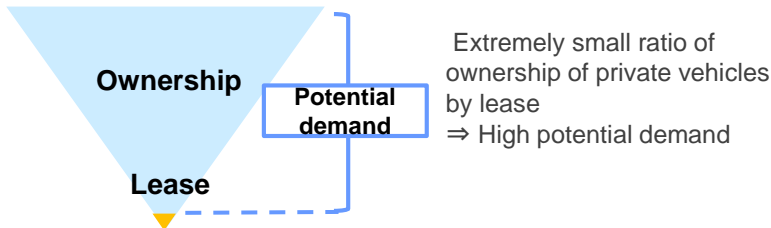
Enhance Sakai Refinery's Delayed coker capacity and turn high sulfur C heavy oil into high value added products



- ✓ 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

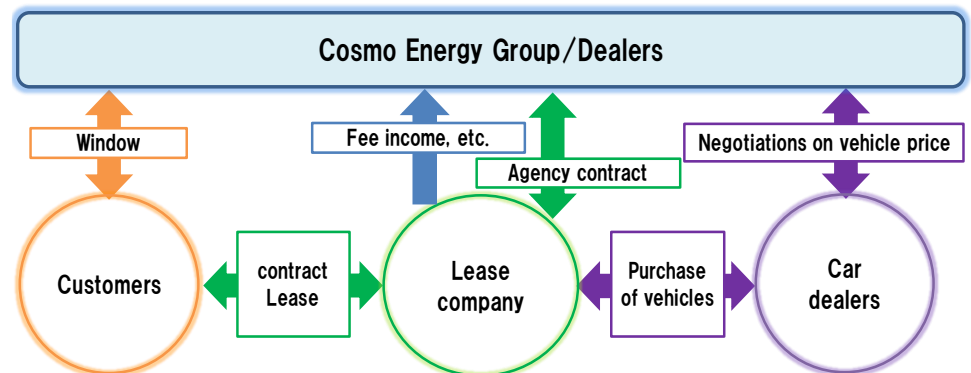
- Because the SS play the role of dealerships, there is no credit risk or risk of keeping vehicle inventory.

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.)

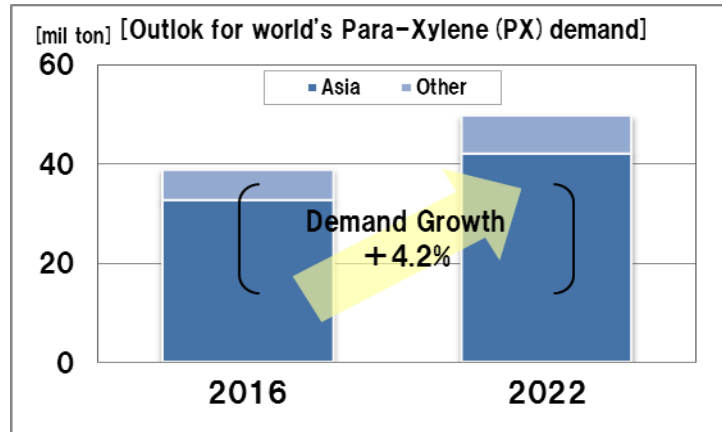
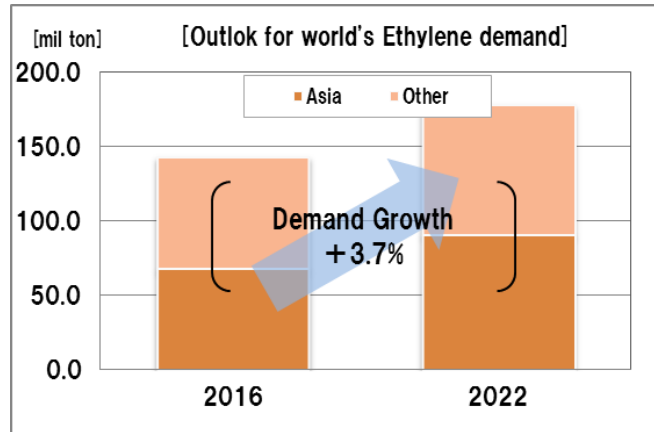
Lease companies : Capture new customers

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



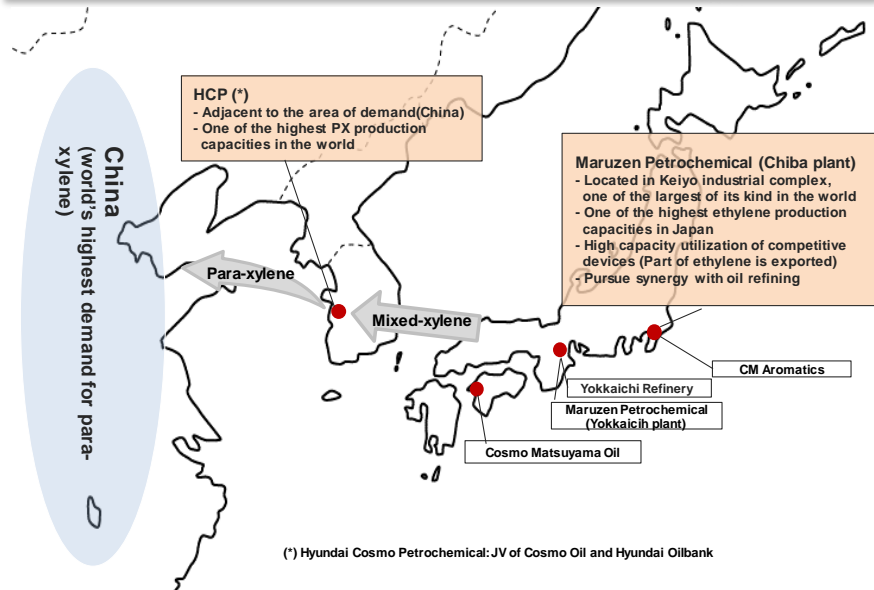
[Petrochemical Business] Targeting Ethylene and Para-xylene Markets in Which Growing Demand is Expected - High Capacity Utilization of Competitive Equipment

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

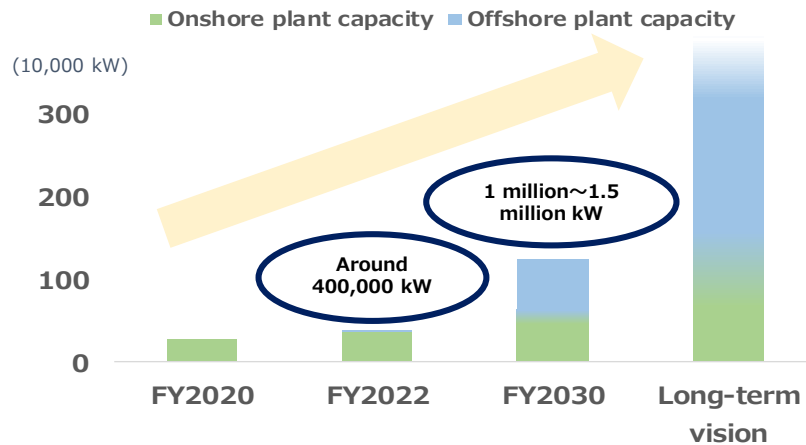
Production capacity

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)

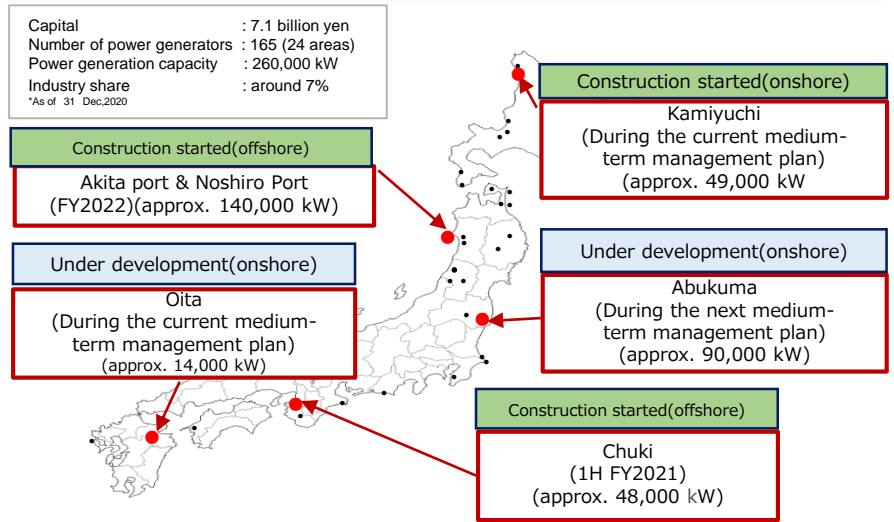
[Wind power generation Business] Achieving Stable Earnings in a Market Where Demand Is Expected to Expand, Using the FIT Scheme

Changes in wind power generation capacity



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

Overview of Cosmo Eco Power



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

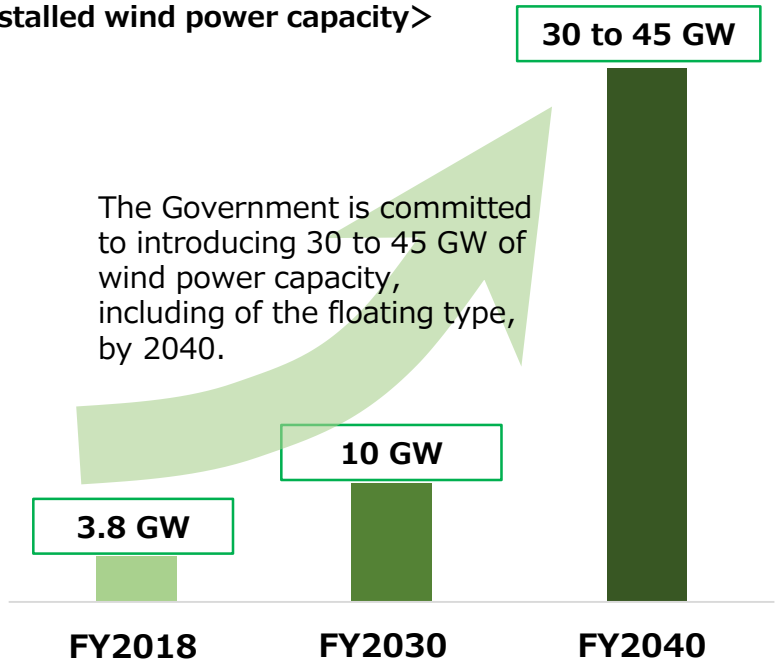
(*3) Identification of suitable sites (2 to 3 years) → Environmental assessment (4 to 5 years) → Construction work (1 to 2 years) → Start of operation

Circumstances Surrounding the Wind Power Generation Business **COSMO**

- ✓ 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

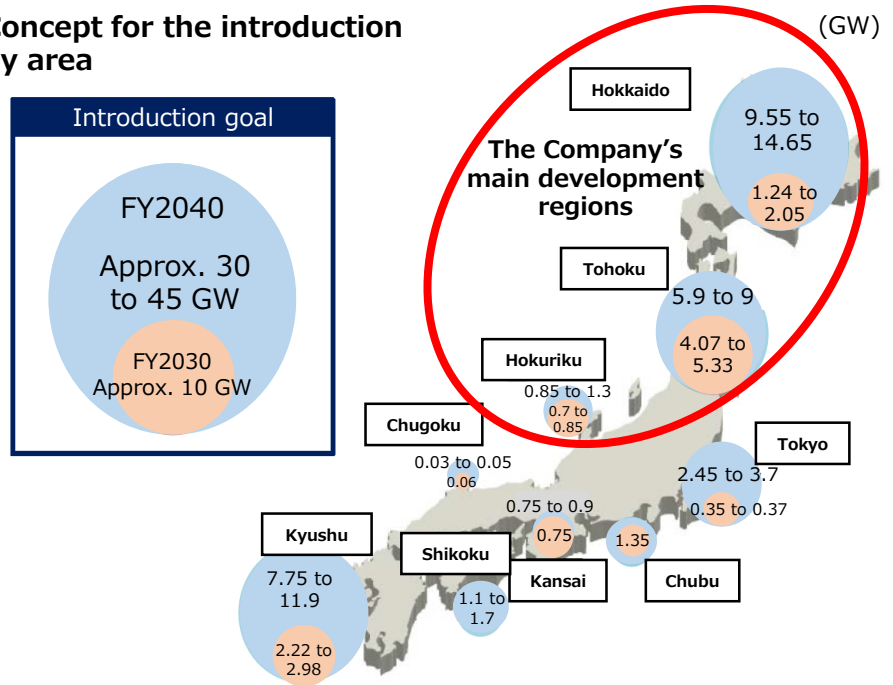
Concept for the Introduction of Offshore Wind Power Generation

<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

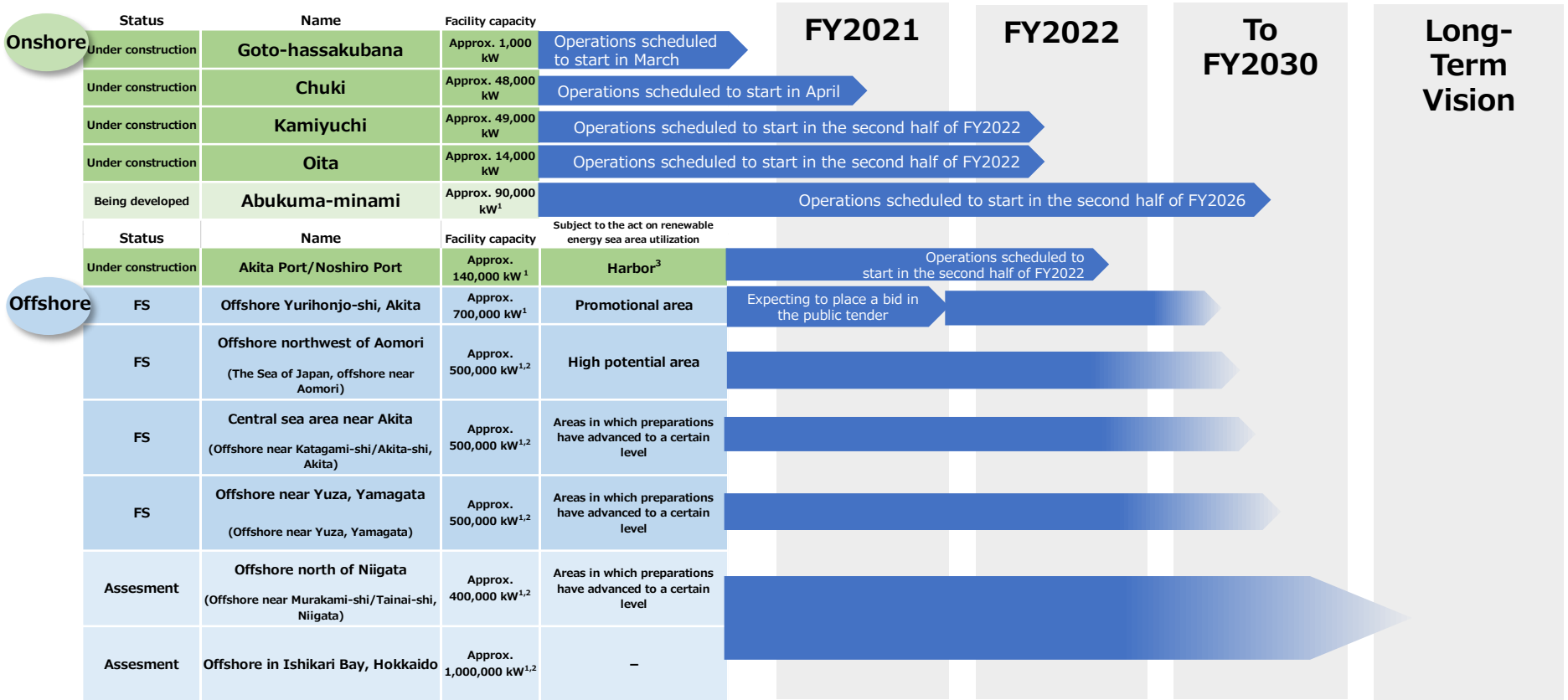


※ Target value for offshore wind power generation only

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

The Company's Wind Power Generation Projects

✓ Five projects are under construction, one is under development and several offshore projects are being investigated and considered.



*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)

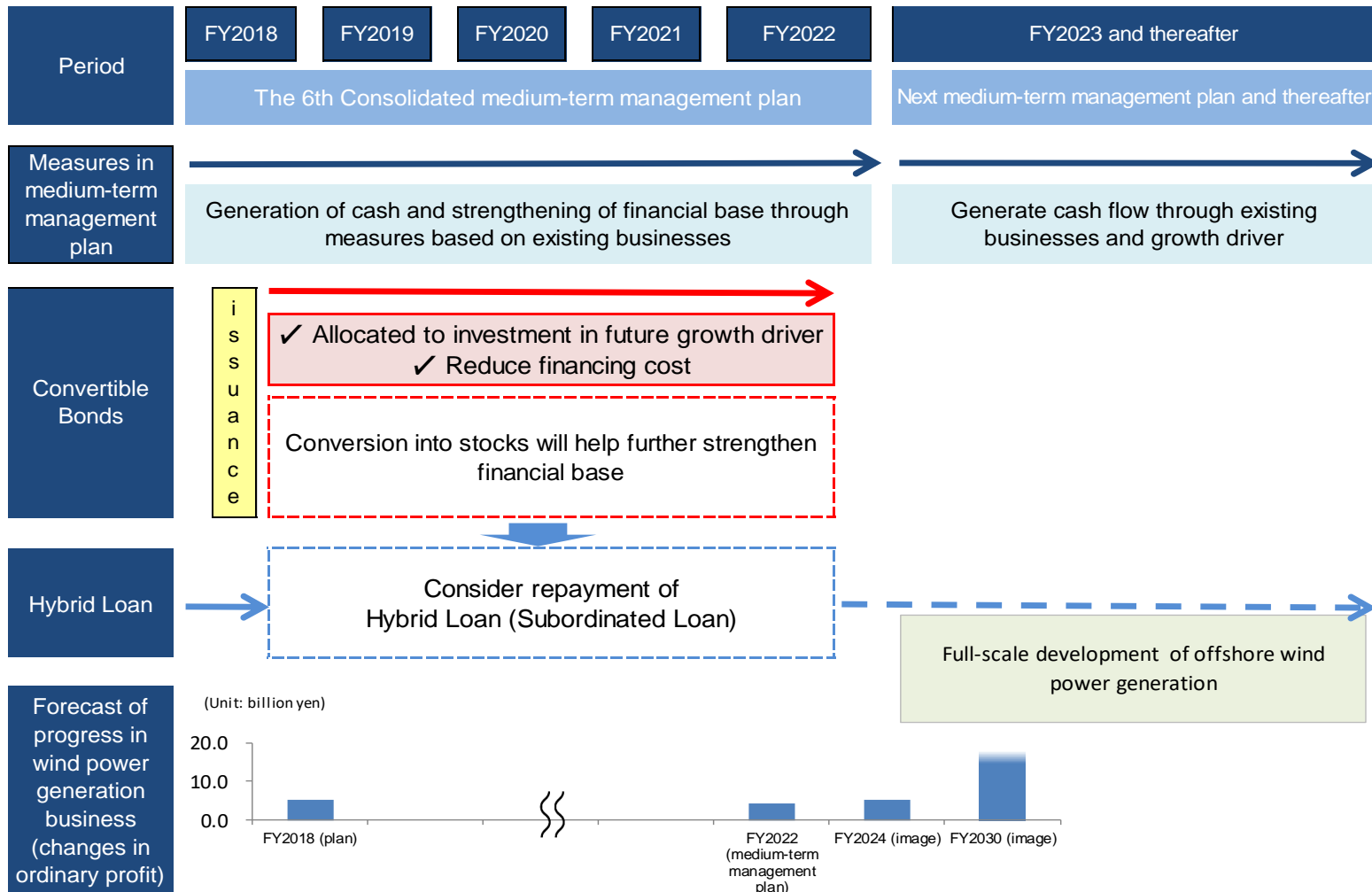
Item	Overview
Financing amount	¥30 billion
Loan agreement date	March 26, 2020
Drawdown date	March 31, 2020
Use of loan proceeds	Early repayment of an existing subordinated loan
Maturity date	March 31, 2053
Dates early repayment can be made	Any interest payment date on or after March 31, 2023
Replacement 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

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.