

Cosmo Energy Holdings Co., Ltd. First Quarter of Fiscal 2021

August 5, 2021

Summary of 1Q FY2021 Results

Progress in Renewable Energy Business

1Q FY2021 Results

Supplementary Information of 1Q FY2021

Business Outline

Summary of 1Q FY2021 Results

Highlights of 1Q FY2021 Results

<Highlights of 1Q FY2021 Results>

- ✓ Significant year-on-year growth was achieved thanks primarily to an increase in the margins of four major products due to a rise in crude oil prices, the recovery of sales volumes from the impact of COVID-19, and an improvement in the petrochemical market.
- ✓ The CDU operating ratio in the first quarter was 99.9%, achieving full operation based on a short position strategy.
- ✓ Ordinary profit, excluding inventory impact, rose ¥24.3 billion year on year, to ¥30.2 billion. Profit attributable to owners of parent increased ¥53.9 billion year on year, to ¥27.9 billion. Both ordinary profit and profit attributable to owners of parent reached a new record high for the first quarter.

<Outlook for Full-year Results>

- ✓ While the business environment, including crude oil prices, is improving more than expected, the Company maintains the forecasts announced previously.

Unit: billion

		1Q FY2021	1Q FY2020	Changes
1	Ordinary profit	49.6	- 28.3	77.9
2	(Impact of inventory valuation)	19.4	- 34.2	53.6
3	Ordinary profit excluding the impact of inventory valuation	30.2	5.9	24.3
4	Profit attributable to owners of parent	27.9	- 26.0	53.9

5	Dubai crude oil price(USD/B) (Apr.-Jun.)	67	31	36
6	Dubai crude oil price(USD/B) (Jan.-Mar.)	60	51	9

7	CDU operating ratio (Calendar Day basis)※1	99.9%	71.9%	28.0%
8	CDU operating ratio (Streaming Day basis)※1,2	99.9%	91.6%	8.3%

※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.

Influence on Business Continuity and Operations

- ✓ Due to the resurgence of COVID-19 cases, the Company will continue to implement thorough crisis management according to the Group's Crisis Management Regulations.
- ✓ Business continuity, including the operation of refineries, is so far not affected.

Influence on the Market and Demand

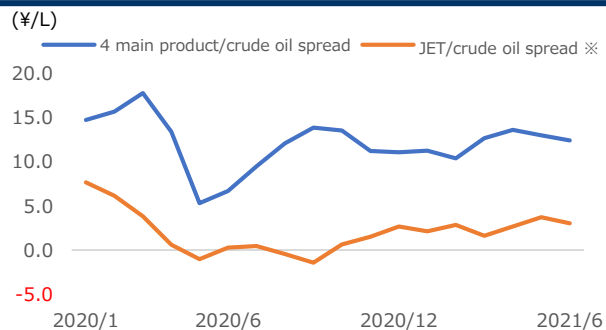
Crude oil (DUBAI)

- ✓ The crude oil prices rose substantially and remained above 70 \$/B in June, largely due to expectations of a recovery of the global economy.



Petroleum products

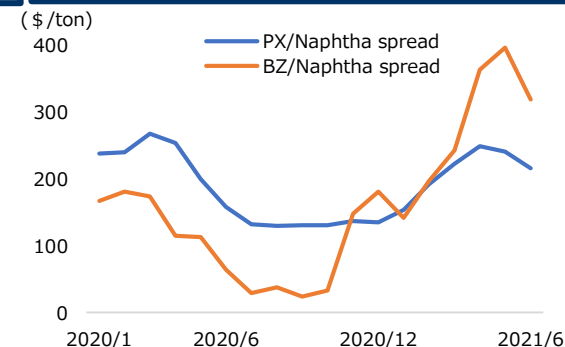
- ✓ While the domestic market for the four major products remained strong, national average demand for the first quarter increased 3% from FY2020 and was down 8% from FY2019.
- ✓ The JET market remained weak, and demand increased 35% from FY2020 and decreased 54% from FY2019.



※ Singapore market price: Dubai crude futures spread in dollars

Petrochemical products

- ✓ The PX price was low, although it recovered to the level before the outbreak of the pandemic.
- ✓ The BZ price further improved from April and significantly exceeded the level before the outbreak of the pandemic.



Outlook for Future Impact

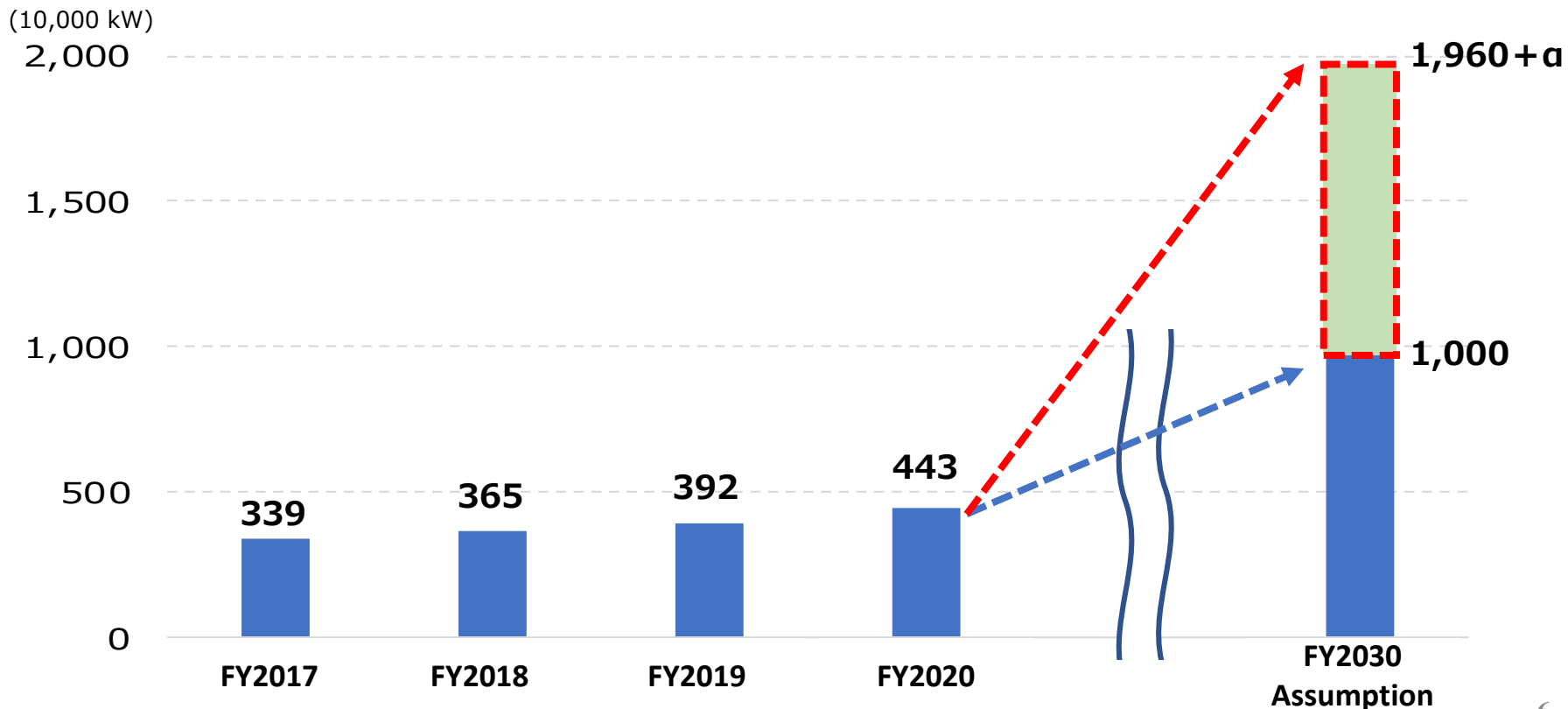
Domestic demand for petroleum products has not recovered to the pre-pandemic level, and attention must be paid to emerging trends such as the current resurgence of infections. A sluggish market is expected overseas due to the long time required for the recovery of demand, particularly for JET.

Progress in Renewable Energy Business

[Announcement in July 2021] The Sixth Strategic Energy Plan (draft)

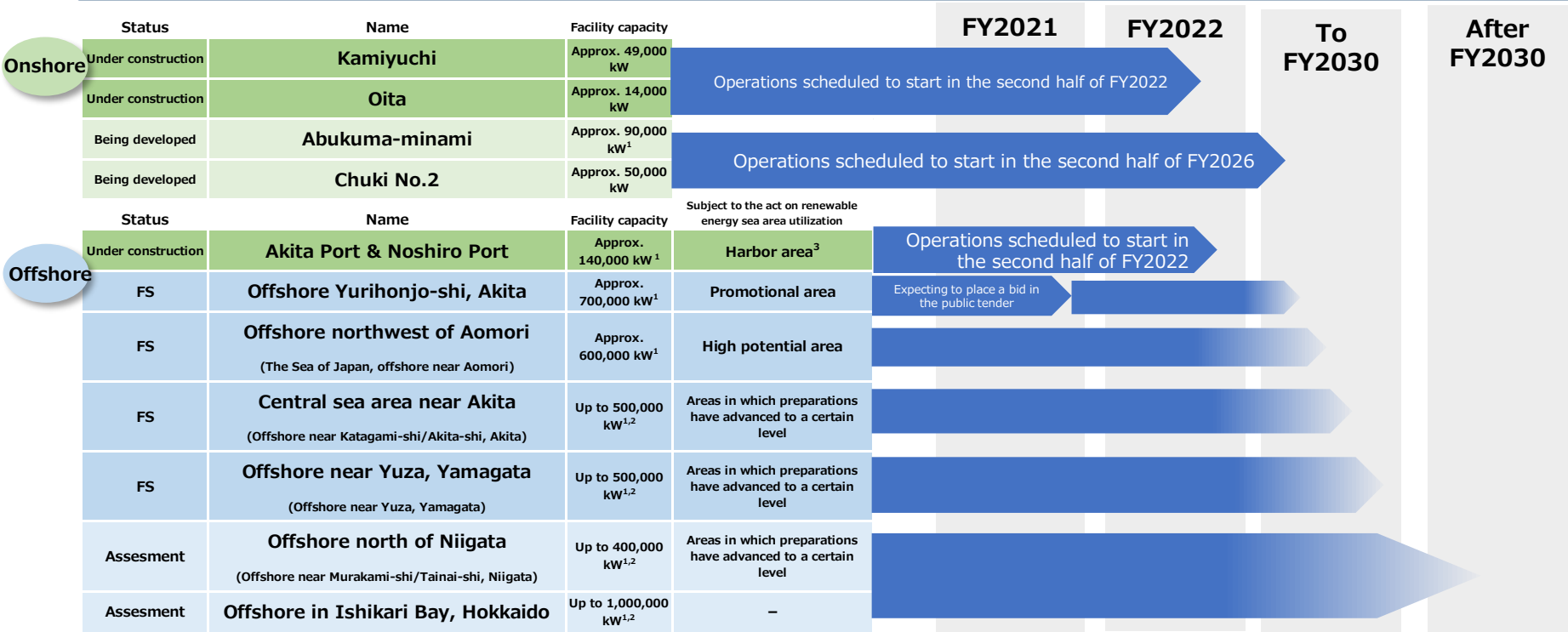
- ✓ In the Sixth Strategic Energy Plan (draft) announced by the Ministry of Economy, Trade and Industry (METI), the assumption for the capacity of wind power generation facilities considerably increased (from 10 million kW to 19.6 million kW or more).
- ✓ Achieving this will require the development of facilities generating more than 15 million kW (more than 1.5 million kW/year). Cosmo Energy Group will make every effort to contribute to this, which will be an important power source for achieving Net Zero Carbon.

Assumptions for capacity of wind power generation facilities (2030) under the Basic Energy Plan (draft)



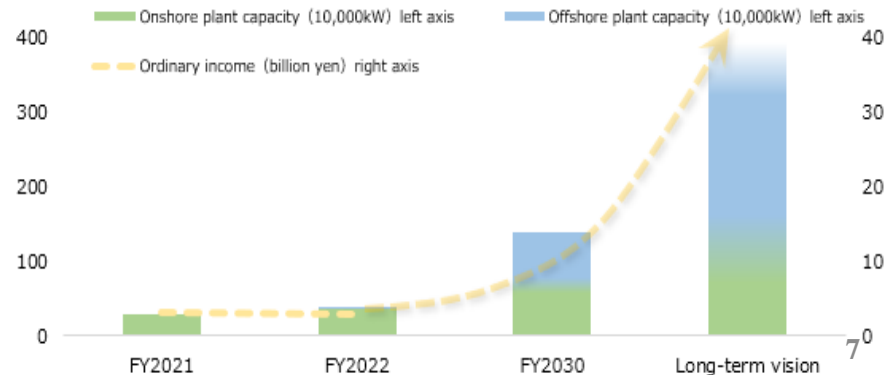
Progress in Renewable Energy Business

✓ Made a bid for the public offering of the project off the shore of Yurihonjo in May 2021. Operators will be selected in the second half of 2021.



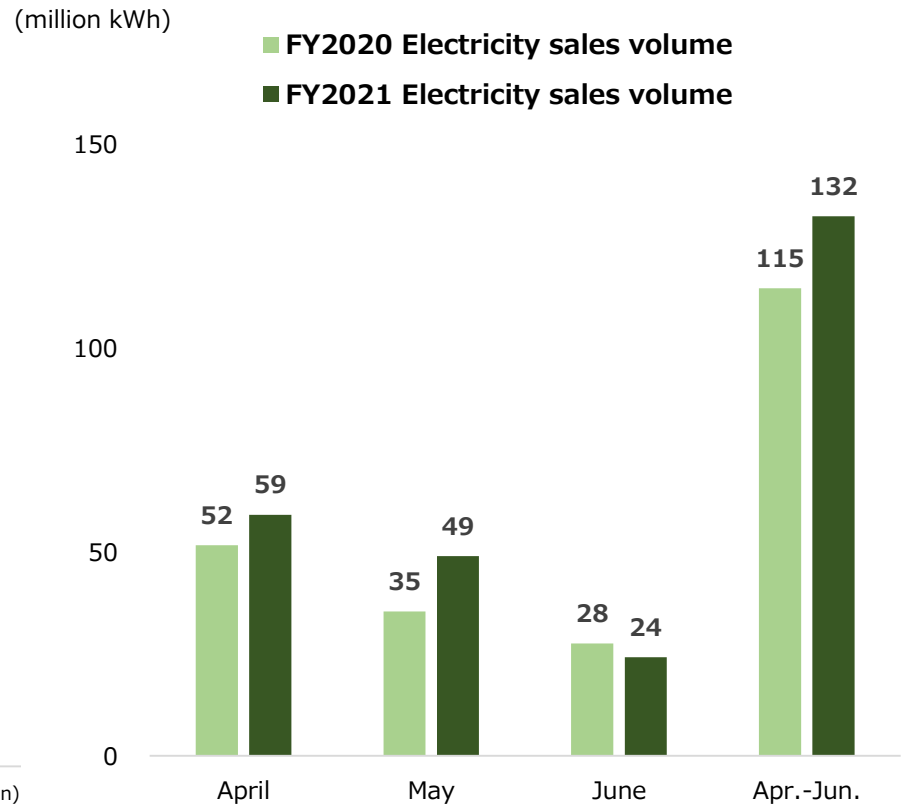
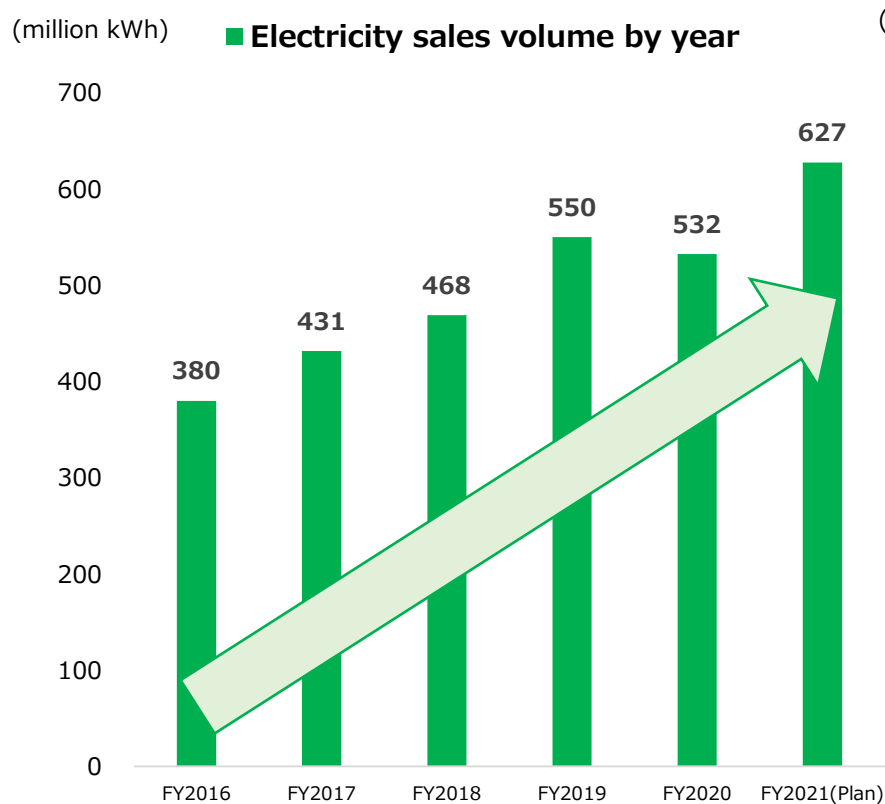
*1 Installed capacity of the whole project
 *2 Maximum capacity stated in the environmental impact assessment report
 *3 Not subject to the Act on Promoting the Utilization of Sea Areas for the Development of Marine Renewable Energy Power Generation Facilities due to the port zone

Image of trends in facility capacity and profit



Changes in electricity sales volume

- ✓ By fiscal year, electricity sales volume will gradually increase as the facility capacity grows due to the start of new site operation.
- ✓ In FY2021, electricity sales volume is expected to exceed that in the previous year given the start of operations at the Chuki site.



1Q FY2021 Results

- ✓ Consolidated ordinary profit excluding inventory impact was ¥30.2 billion (up ¥24.3 billion year on year), and the inventory valuation impact was ¥19.4 billion. Consequently, consolidated ordinary profit stood at ¥49.6 billion (up ¥77.9 billion year on year) and profit attributable to owners of parent totaled ¥27.9 billion (up ¥53.9 billion year on year).

Petroleum Business

- ✓ Profit grew thanks to factors such as the higher margins of the four major products due to an increase in crude oil prices, growth in sales volumes resulting from a recovery from the impact of COVID-19, and high operation rates of refineries due to the absence of the impact of regular maintenance that existed in the previous fiscal year.
=> Ordinary profit excluding inventory impact was ¥17.2 billion (up ¥14.7 billion year on year).

Petrochemical business

- ✓ Profit grew thanks to improvements in the market for ethylene and benzene and the absence of the impact of regular maintenance at Maruzen Petrochemical that existed in the previous fiscal year.
=> Ordinary profit was ¥4.6 billion yen (up ¥11.3 billion year on year).

Oil exploration and production business

- ✓ While sales volume decreased, an increase in crude oil prices had a positive effect.
=> Ordinary profit was ¥6.7 billion yen (+/- ¥0 billion year on year).

Renewable energy business

- ✓ Profit fell due to upfront costs related to the development of offshore wind power generation.
=> Ordinary profit was ¥0.5 billion yen (down ¥0.2 billion year on year).

[1Q FY2021 Results]

Consolidated Income Statements– Changes from 1Q FY2020



Unit: billion yen

No.	Item	FY2021 (Apr.-Jun.2021)	FY2020 (Apr.-Jun.2020)	Changes	Forecast FY2021	progress rate
1	Net sales	529.6	440.1	89.5	2,150.0	
2	Operating profit	48.2	-28.0	76.2	93.0	52%
3	Non-operating income/expenses, net	1.4	-0.3	1.7	-5.0	
4	Ordinary profit	49.6	-28.3	77.9	88.0	56%
5	Extraordinary income/losses, net	1.0	0.7	0.3	-5.5	
6	Income taxes	21.5	-1.3	22.8	35.2	
7	Profit attributable to non-controlling interests	1.2	-0.3	1.5	7.3	
8	Profit attributable to owners of parent	27.9	-26.0	53.9	40.0	70%
9	Impact of inventory valuation	19.4	-34.2	53.6	8.0	
10	Ordinary profit excluding the impact of inventory valuation	30.2	5.9	24.3	80.0	38%
11	Dubai crude oil price (USD/B) (Apr.-Jun.)	67	31	36	60	
12	JPY/USD exchange rate (yen/USD)(Apr.- Jun.)	110	108	2	105	
【Reference】						
13	Dubai crude oil price (USD/B) (Jan.-Mar.)	60	51	9	60	
14	JPY/USD exchange rate (yen/USD)(Jan.- Mar.)	106	109	-3	105	
15	CDU operating ratio (Calendar Day basis) ※1	99.9%	71.9%	28.0%	95.2%	
16	CDU operating ratio (Streaming Day basis) ※1,2	99.9%	91.6%	8.3%	99.5%	

*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.

[1Q FY2021 Results] Outline of Consolidated Ordinary Profit by business segment
 – Changes from 1Q FY2020



Unit : billion yen

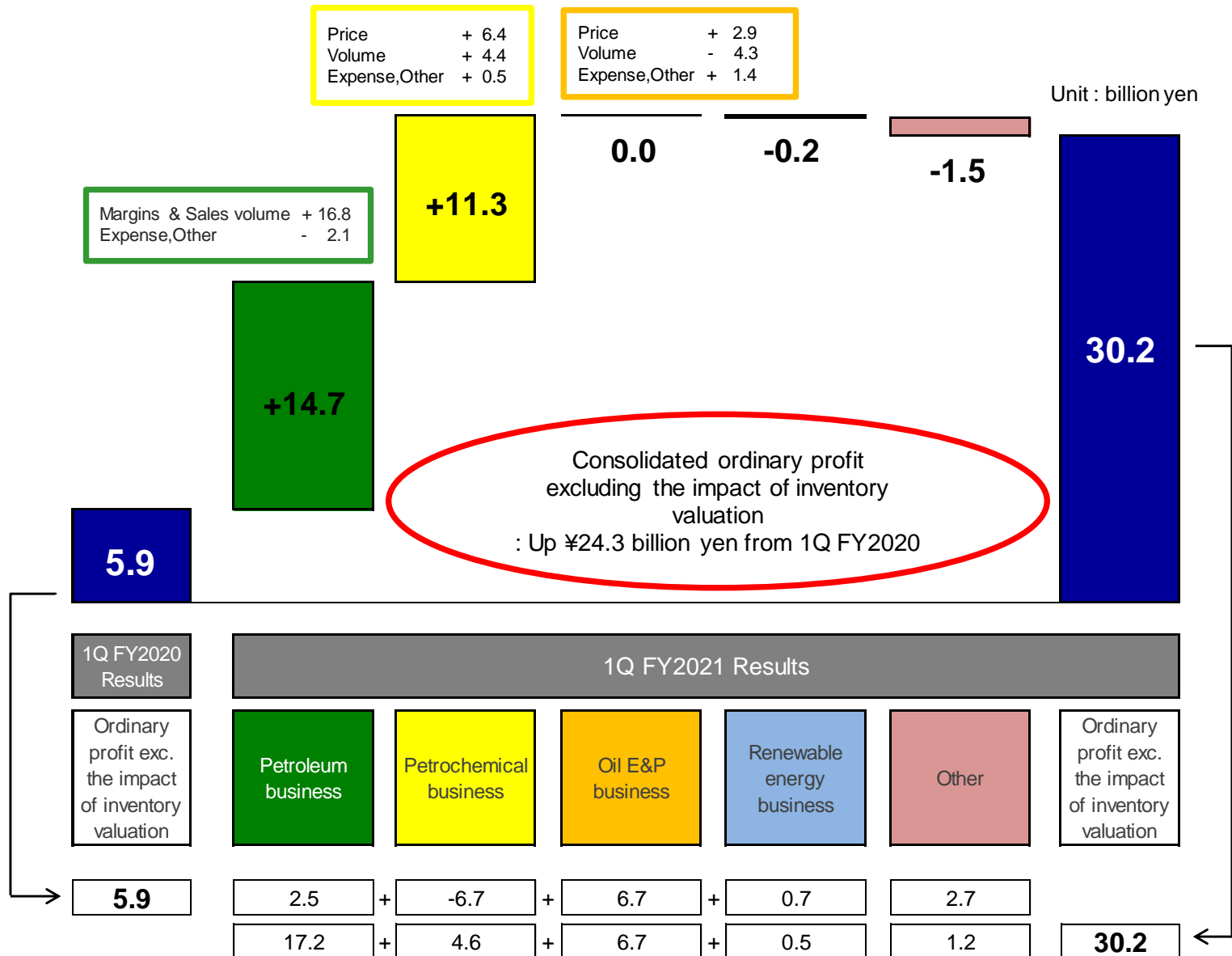
No	FY2021 (Apr.-Jun.2021)		FY2020 (Apr.-Jun.2020)		Changes			
	Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation	Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation	Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation		
1	Total		49.6	30.2	-28.3	5.9	77.9	24.3
2	(Each segment)	Petroleum business	36.6	17.2	-31.7	2.5	68.3	14.7
3		Petrochemical business	4.6		-6.7		11.3	
4		Oil E&P business (*1)	6.7		6.7		0.0	
5		Renewable energy business	0.5		0.7		-0.2	
6		Other (*2)	1.2		2.7		-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

[1Q FY2021 Results] Consolidated Ordinary Profit (Excluding the impact of inventory valuation)

- Analysis of Changes from 1Q FY2020



Consolidated Balance Sheets

Unit: billion yen

No		FY2021 (As of Jun.30, '21)	FY2020 (As of Mar. 31, '21)	Changes
1	Total Assets	1,788.9	1,709.0	79.9
2	Net assets	470.4	449.1	21.3
3	Net worth	346.1	324.9	21.2
4	Net worth ratio	19.3%	19.0%	0.3%
5	Net interest-bearing debt *1	586.2	556.4	29.8
6	Net Debt Equity Ratio (times) (after partially accounting for Hybrid Loan) *2	1.58	1.59	Improved 0.01 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.		1Q FY2021 Results	Change from FY2020
1	Capital expenditures	7.8	-12.4
2	Depreciation expense amount, etc	14.1	0.0

Capital Expenditures by Business Segment

Unit: billion yen

No.		1Q FY2021 Results	1Q FY2020 Results	Changes
1	Petroleum	3.0	7.6	-4.6
2	Petrochemical	2.2	8.4	-6.2
3	Oil E&P	1.3	2.1	-0.8
4	Renewable energy	0.6	3.0	-2.4
5	Other · Adjustment	0.7	-0.9	1.6
6	Total	7.8	20.2	-12.4
7	Investment securities, etc*	2.9	1.0	1.9

*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.18-26 [1Q FY2021 Results] Supplementary Information

- Sales Volume, CDU Operating Ratios
- Crude Oil Production Volume, Crude Reserves Estimate (Proved and Probable)
- Results by Business Segment - Changes from 1Q FY2020
- 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 Para-xylene Products

P.28-37 Overview of the Cosmo Energy Group (Business Outline)

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

P.38 Subordinated loan (Announced on March 31,2020)

P.39-41 Zero Coupon Convertible Bonds due 2022 (being bonds with stock acquisition rights) (Announced on December 20,2018)

Supplementary Information of
1Q FY2021 Results

[1Q FY2021 Results] Sales Volume, CDU Operating Ratios



Unit: thousand KL

No.		1Q FY2021 Results	1Q FY2020 Results	Changes	FY2021 Forecast	FY2021 forecast changes from FY2020	
1	Selling volume in Japan	Gasoline	1,719	1,507	114.1%	7,042	105.6%
2		Kerosene	292	322	90.6%	2,188	101.4%
3		Diesel fuel	1,369	1,238	110.6%	5,360	101.9%
4		Heavy fuel oil A	391	374	104.7%	1,522	90.6%
5		Sub-Total	3,772	3,441	109.6%	16,113	102.2%
6		Naphtha	1,546	1,101	140.4%	6,104	104.0%
7		Jet fuel	71	53	133.6%	450	167.6%
8		Heavy fuel oil C	161	166	96.9%	667	89.3%
9		Total	5,549	4,761	116.5%	23,333	103.0%
10	Export volume	Middle distillates Export	-	-	-	550	593.0%
11		Bonded products and other	642	473	135.8%	2,476	108.7%
12		inc. Jet fuel	381	255	149.3%	1,494	127.8%
13		inc. Low-sulfur C fuel oil	178	120	148.3%	551	81.3%
14	Sub-Total	642	473	135.8%	3,026	127.6%	
15	Total	6,191	5,234	118.3%	26,359	105.3%	

No.		1Q FY2021 Results	1Q FY2020 Results	Changes	
16	CDU operating ratio	(Calendar Day basis) *1	99.9%	71.9%	28.0%
17		(Streaming Day basis) *1,2	99.9%	91.6%	8.3%

*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.

[1Q FY2021 Results] Crude Oil Production Volume, Crude Reserves Estimate (Proved and Probable)



[1] Crude oil production volume				
	1Q FY2021 Results	1Q FY2020 Results	Changes	
Cosmo Energy Exploration & Production Co., Ltd. (B/D)	46,161	52,165	-6,004	88.5%

*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)

[1Q FY2021 Results] Results by Business Segment – Changes from 1Q FY2020



1Q FY2021 Results – Changes from 1Q FY2020

Unit: billion yen

No.		Net Sales		Operating Profit		Ordinary Profit		Ordinary Profit (excluding the impact of inventory valuation)	
			Changes from 1Q FY2020		Changes from 1Q FY2020		Changes from 1Q FY2020		Changes from 1Q FY2020
1	Petroleum business	462.3	61.4	34.6	66.3	36.6	68.3	17.2	14.7
2	Petrochemical business	84.0	34.6	4.7	11.5	4.6	11.3	4.6	11.3
3	Oil E&P business	17.3	-2.5	7.0	0.1	6.7	0.0	6.7	0.0
4	Renewable energy business	2.9	0.4	0.6	-0.1	0.5	-0.2	0.5	-0.2
5	Other · Adjustment	-36.9	-4.4	1.3	-1.6	1.2	-1.5	1.2	-1.5
6	Total	529.6	89.5	48.2	76.2	49.6	77.9	30.2	24.3

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., Cosmo Energy Solutions 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

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 1Q
CDU operating ratio(Calendar Day basis)*1	88.3%	94.1%	86.1%	87.9%	84.3%	99.9%

(2) Number of SSs by Operator Type

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 1Q
Subsidiary	895	885	855	843	843	841
Dealers	2,062	1,973	1,936	1,912	1,886	1,880
Total *2	2,957	2,858	2,791	2,755	2,729	2,721
Number of Self-Service SSs *2	1,038	1,034	1,048	1,072	1,099	1,104

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

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 1Q
Cosmo The Card (million cards)*2	4.44	4.44	4.33	4.21	4.12	4.10
My car lease(Units) *2	37,077	47,602	60,579	73,634	85,126	87,454
Carlife Square(million downloads) *2				1.92	3.17	3.44

2. Oil E&P business

Crude oil production volume

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 1Q
Cosmo Energy E&P Co., Ltd. (B/D)*3	39,032	38,826	52,303	50,773	49,208	46,161

3. Renewable energy business

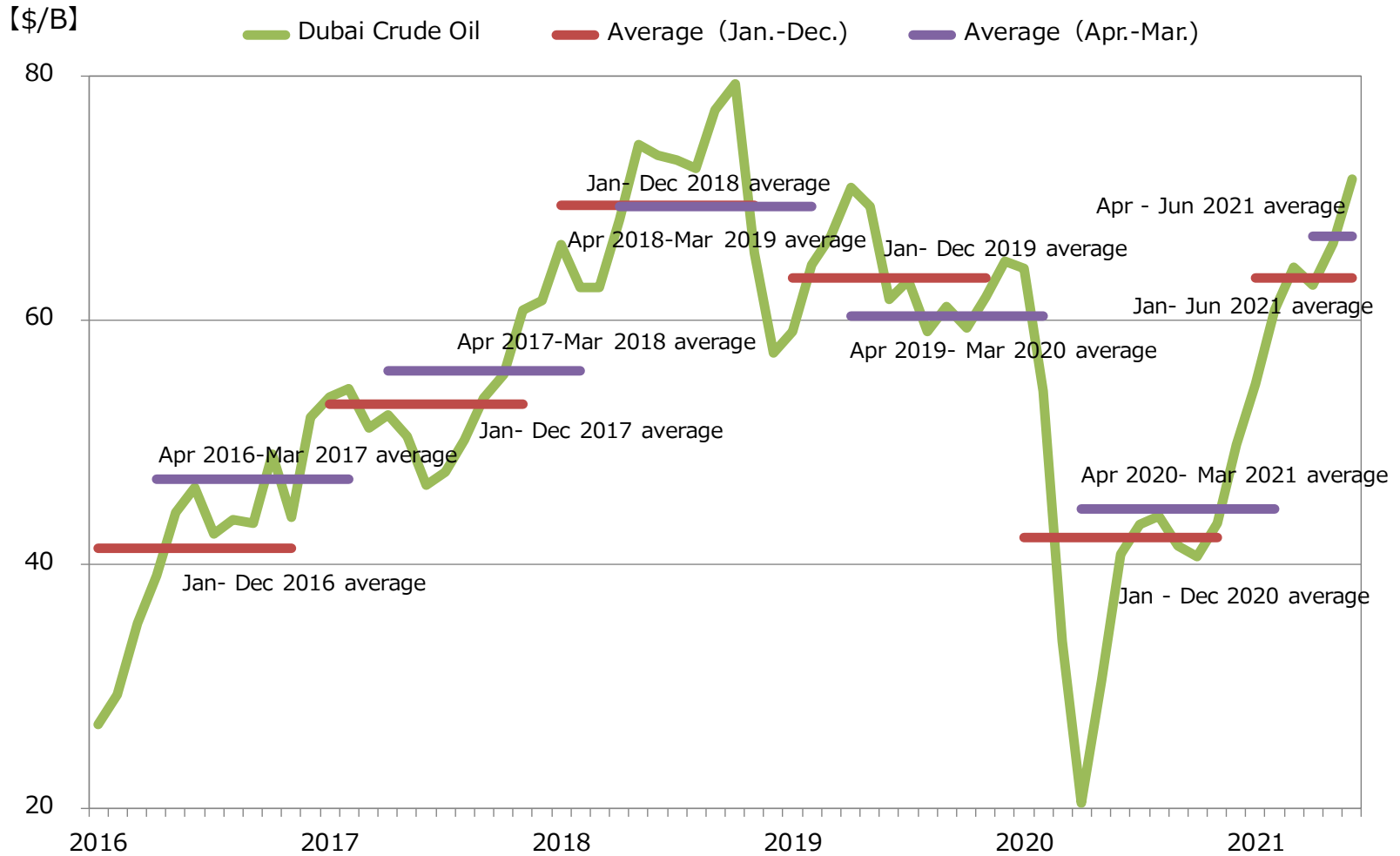
Wind power plant capacity(ten thousand kW)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 1Q
Plant Capacity (ten thousand kW)*2	21.1	22.69	22.7	26.6	26.1	30.3
Electricity sales volume (million kWh)	380	431	468	550	532	132

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

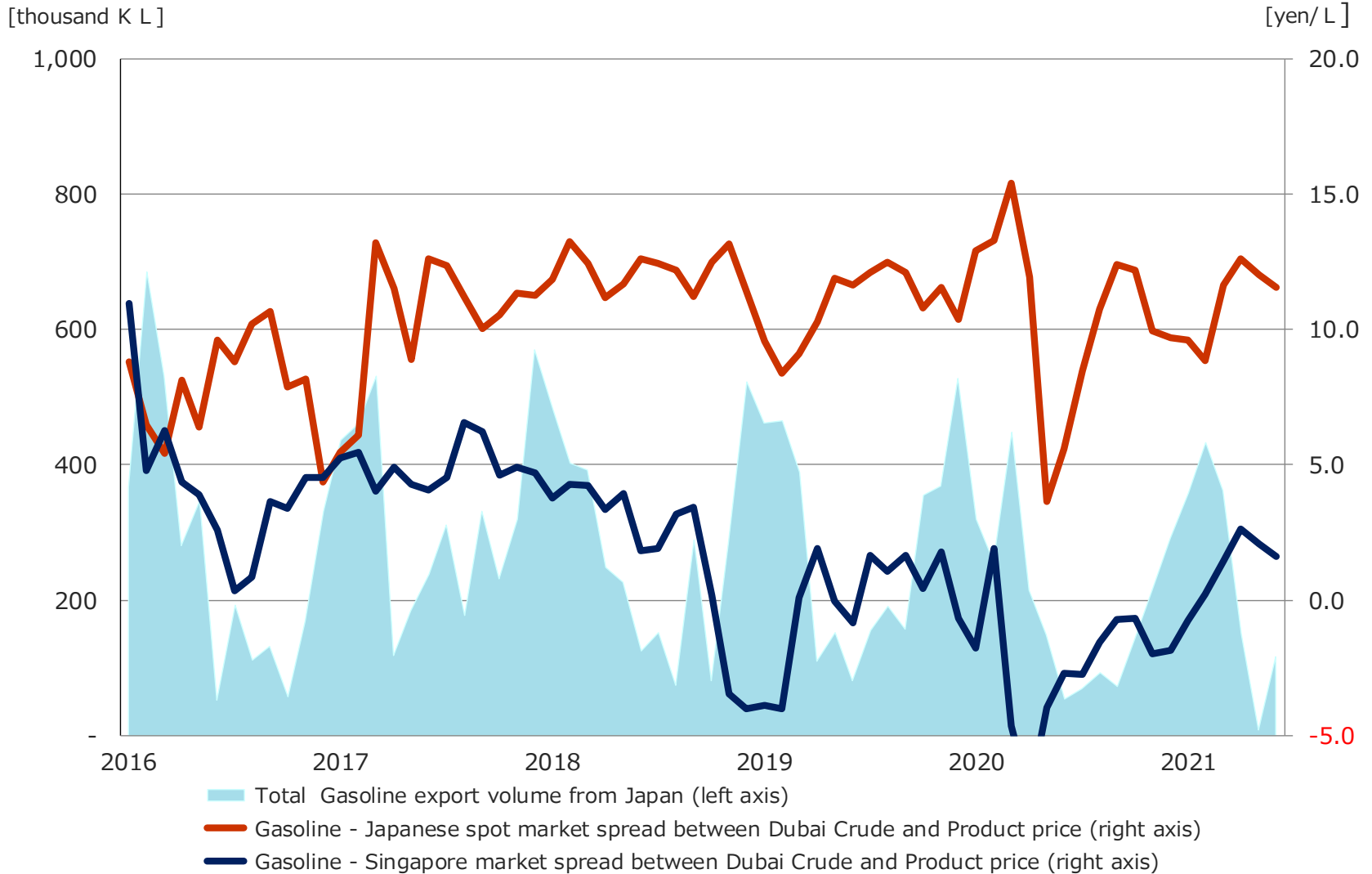
*3) January-December results for each fiscal year

Historical Changes in Dubai Crude Oil Price

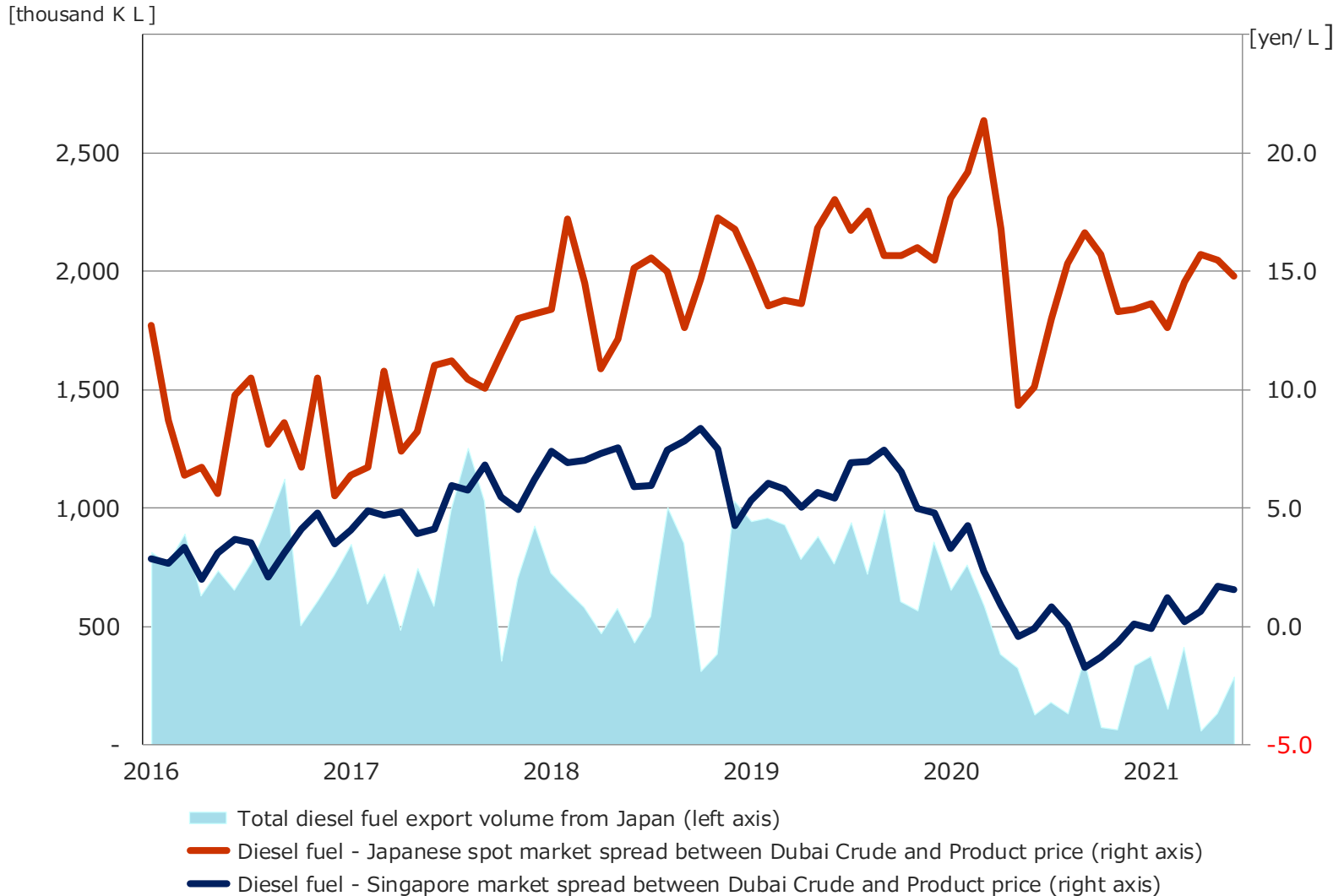


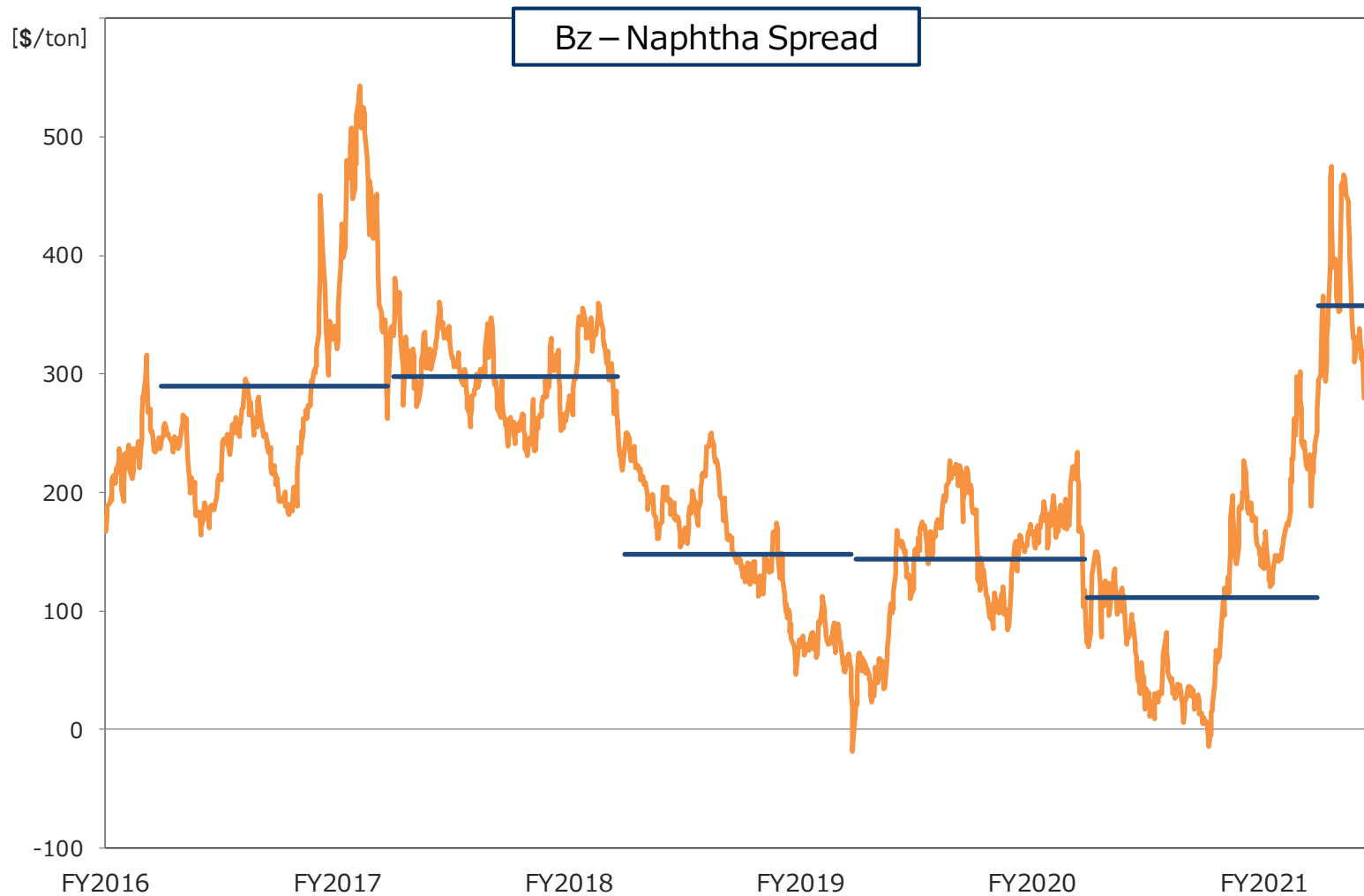
*Trend of crude oil price from January 2016 to June 2021

Gasoline Export and Margin Environment (Domestic /Overseas)

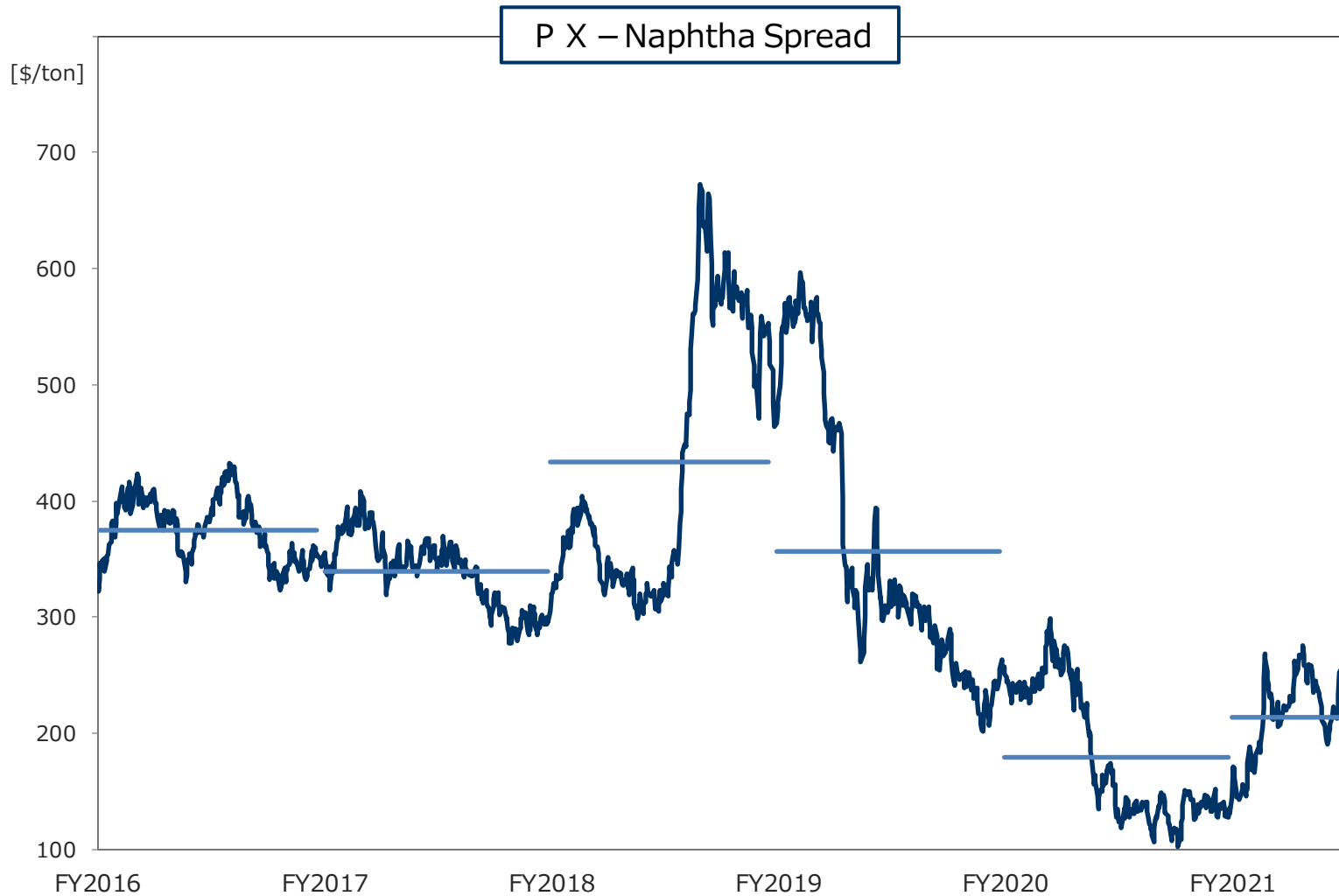


Diesel Fuel Export and Margin Environment (Domestic /Overseas)





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




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

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	Partnerships Solid relationship of trust with oil producing countries for about 50 years	CDU capacity * ⁵ ,* ⁷ 400,000 BD (Domestic market share: Approx. 11.4%)	Olefinic production capacity * ⁵ Ethylene 1.29 mil tons/year (Domestic market share: Approx. 19%)	Wind power plant capacity * ⁶ 303,000 kW (No. 3 in Japan and a 7% domestic share)	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)
	Operatorship (self-operation) We produces the largest volume of crude oil in the Middle East region for a Japanese operator.	Domestic Sales Volume * ³ 22,653thousand KL	Aromatic production capacity * ⁵ Para-xylene 1.360 mil tons/year Benzene 0.735 mil tons/year Mixed-xylene 0.618 mil tons/year	Solar power generation * ⁵ capacity 24,000 kw	
	Crude Oil Production * ³ Approx. 49 thousand B/D (Comparison with refining capacity: Approx. 12%)	Number of Service station * ⁵ 2,729			
	Crude Oil Reserves (Proved and Probable) * ⁴ 151.8 million barrels (Equivalent to approx. 17 years of supply)	Number of the "Cosmo the Card" Holders * ⁵ 4.12million cards	Car leasing business for * ⁵ individuals Cumulative total 85,126cars		

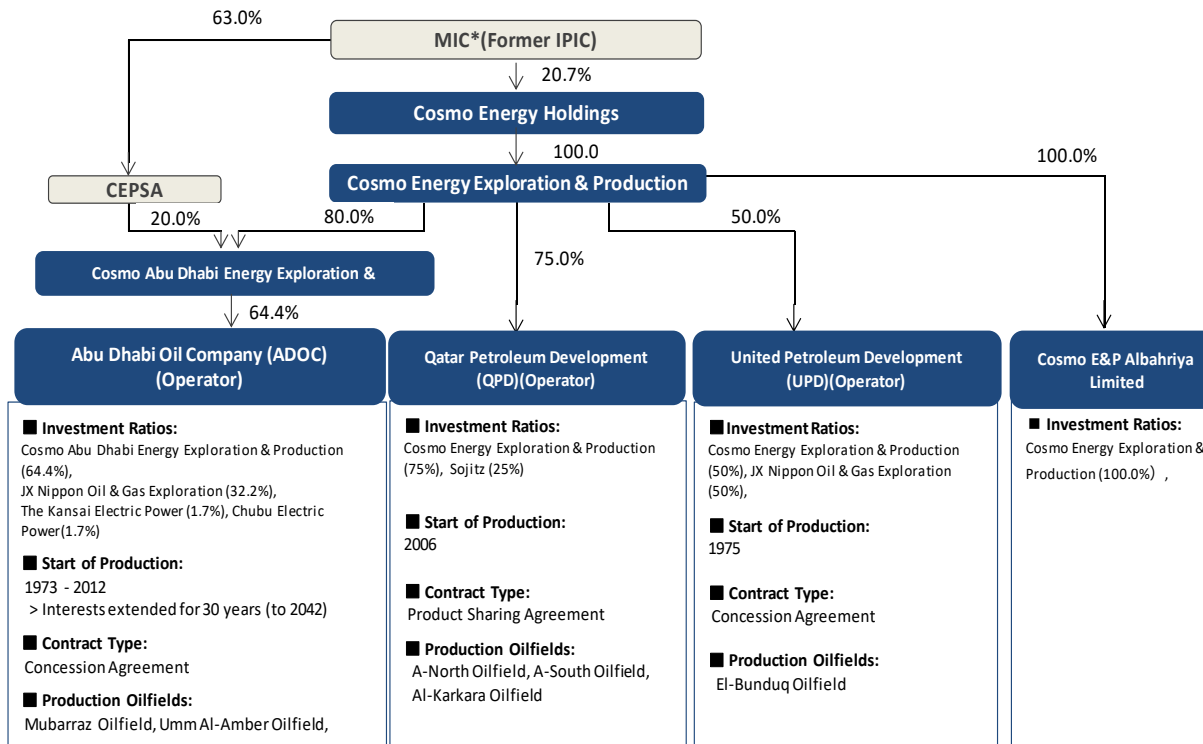
Major business companies related companies	<ul style="list-style-type: none"> • Cosmo Energy Exploration & Production (Abu Dhabi Oil (UAE)) • Qatar Petroleum Development (Qatar) • United Petroleum Development(UAE/Qatar) (UAE/Qatar) • Cosmo E&P Albahriya (UAE) 	<ul style="list-style-type: none"> • Cosmo Oil • Cosmo Oil Lubricants • Gyxis(LPG) • Cosmo Oil Marketing • Cosmo Oil Sales • Cosmo Energy Solutions 	<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)As of Jun. 30, 2021,

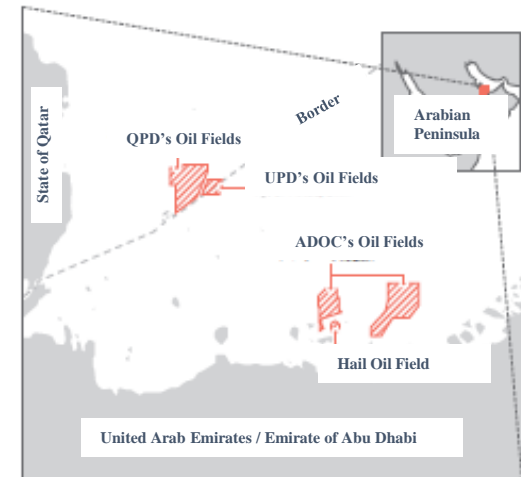
(*7)Including the supply of the petroleum product/semi product (37,000 bbls/day equivalent) from Idemitsu Showa Shell Group with the business alliance.

- ✓ 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



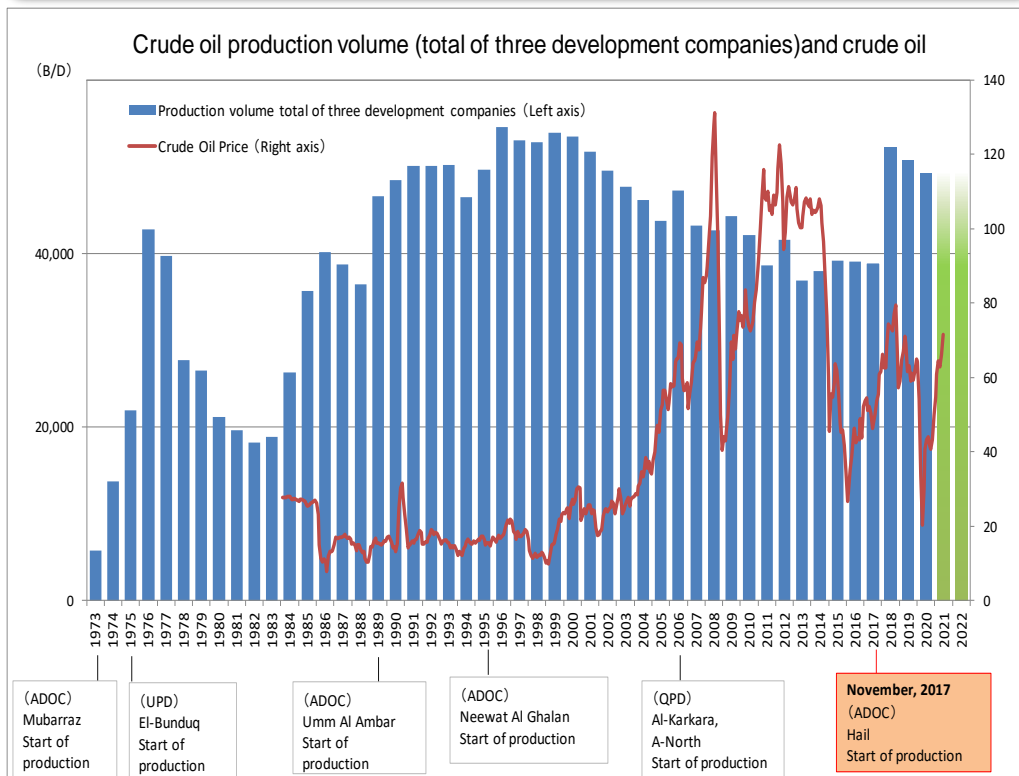
■ Cosmo Energy Group's oil fields



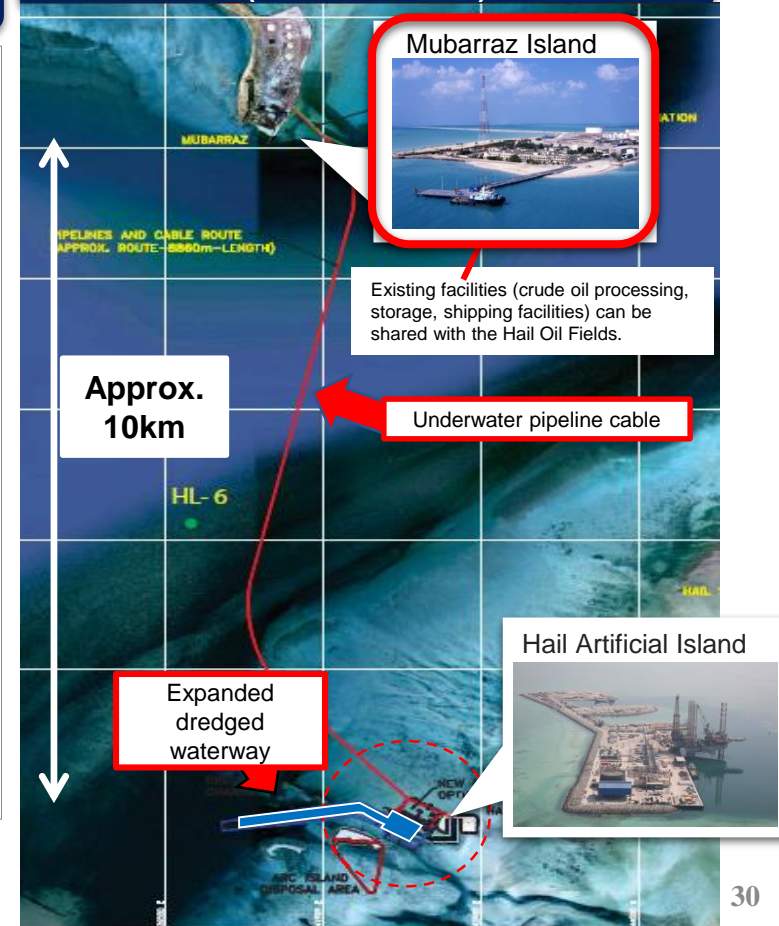
(*) MIC (Mubadala Investment Company) in which The Emirate of Abu Dhabi has a 100% stake ,has been established as a holding company in association with the business combination of IPIC (International Petroleum Investment Company), and MDC (Mubadala Development Company).

- ✓ 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)

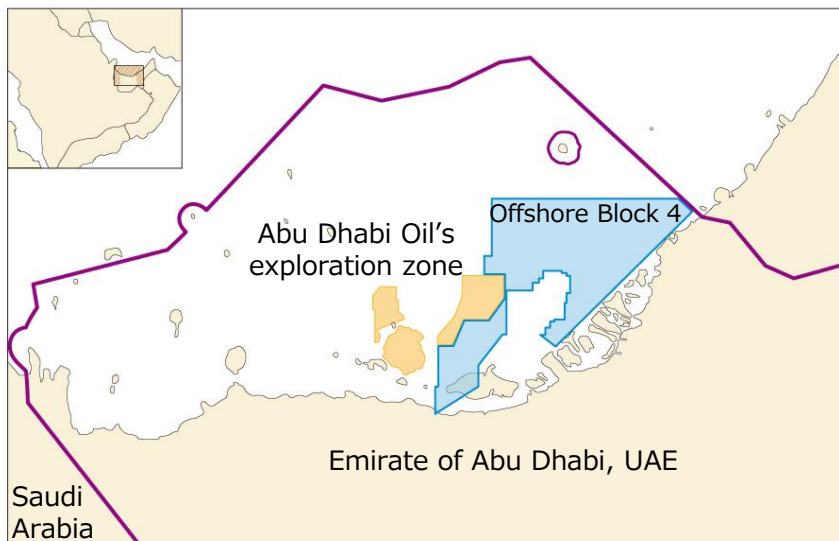


*1) ADOC : Abu Dhabi Oil Company, UPD : United Petroleum Development, QPD : Qatar Petroleum Development
 *2) Production volume of three development companies are per year (annual average of January to December each year)
 *3) Crude oil prices (Platt's Dubai crude) are average monthly
 *4) The production volume of three development companies after fiscal 2021 is prospective volume.

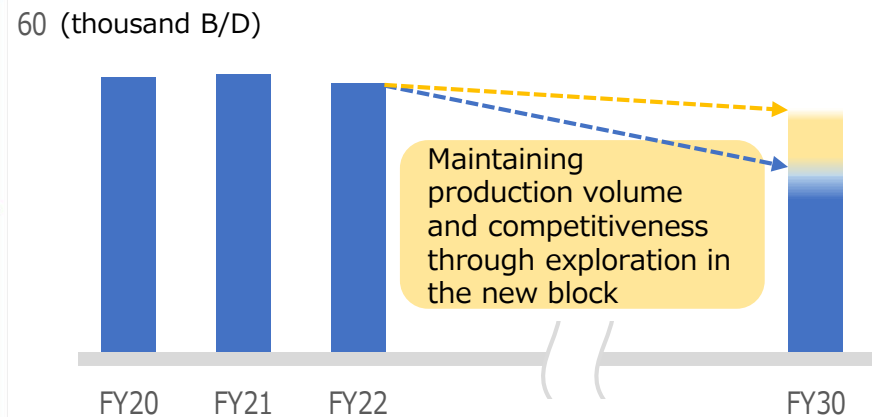
In the Abu Dhabi 2019 Block Bid Round in the United Arab Emirates, the Company won a bid for Offshore Exploration Block 4 (the “Block”). Recently established Cosmo E&P Albahriya Limited will engage in exploration with a view toward early exploitation and production. Main points are as follows.

- 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

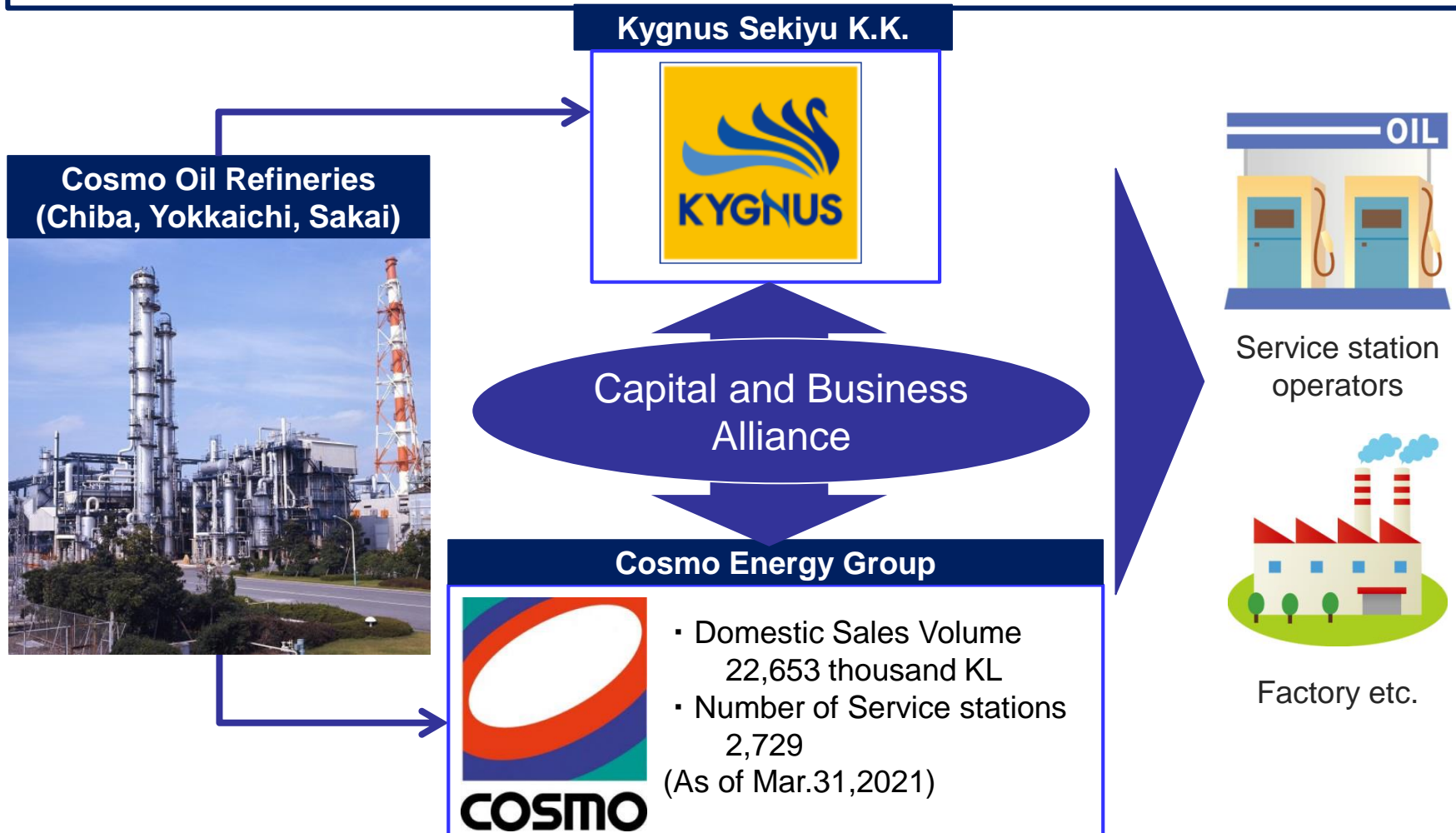


[Petroleum Business]

- 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.

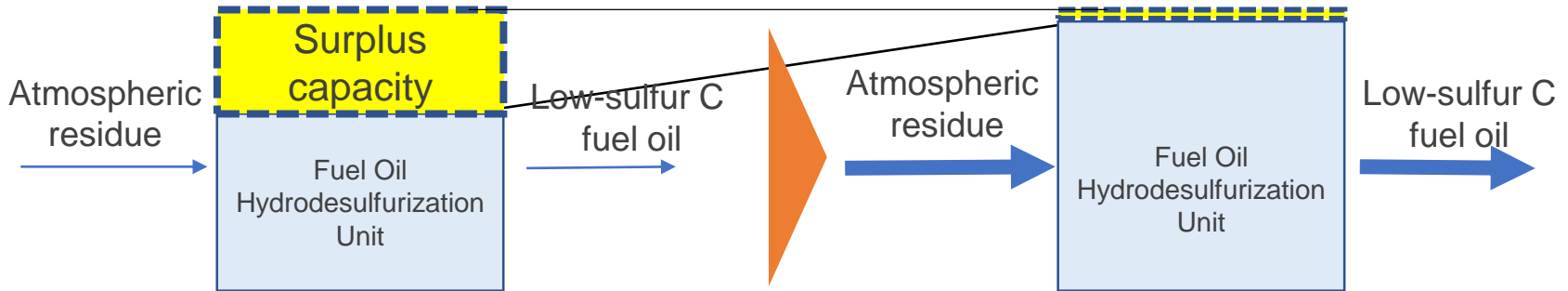


✓ International Maritime Organization (IMO) is to strengthen its regulation in 2020 by setting the upper limit of sulfur content from 3.5% down to 0.5 and the shipping fuel will be switched from high sulfur C heavy fuel to conforming low sulfur C heavy fuel.

Before **After**

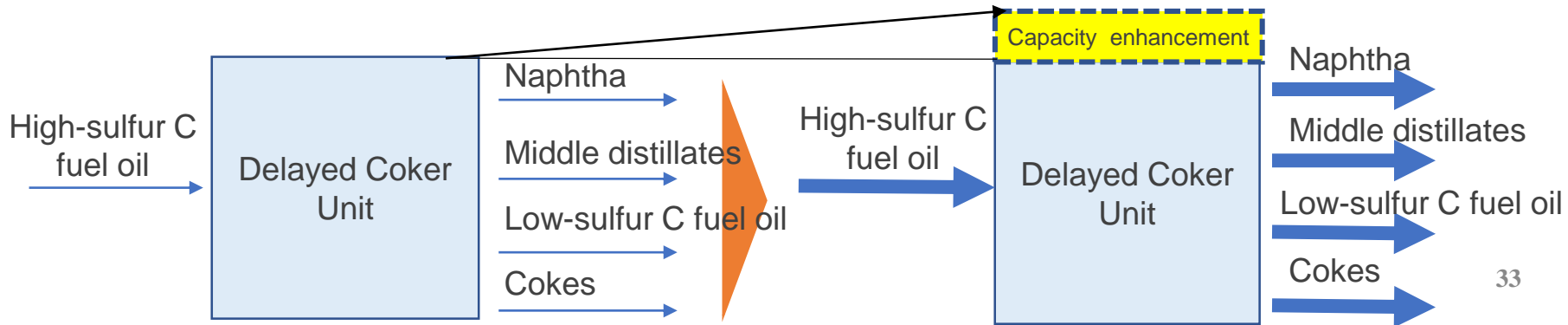
Chiba Refinery

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



Sakai Refinery

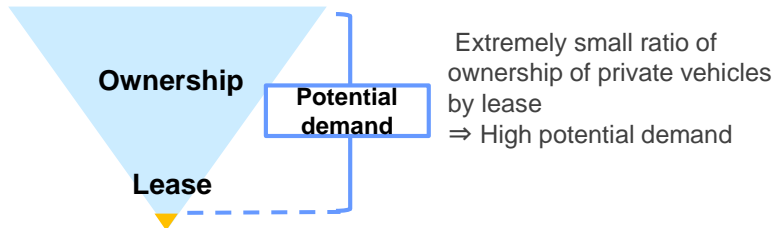
Enhance Sakai Refinery's Delayed coker capacity and turn high sulfur C heavy oil into high value added products



- ✓ 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
 4.12 mil cards) (*2) (*2) As of March 31, 2021
- Fuel oil discount system (patented business model)

■ Low risk

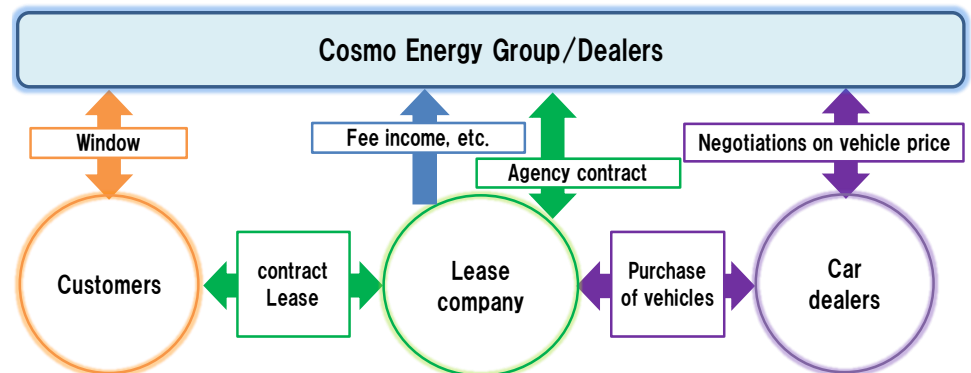
- Because the SS play the role of dealerships, there is no credit risk or risk of keeping vehicle inventory.

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.)

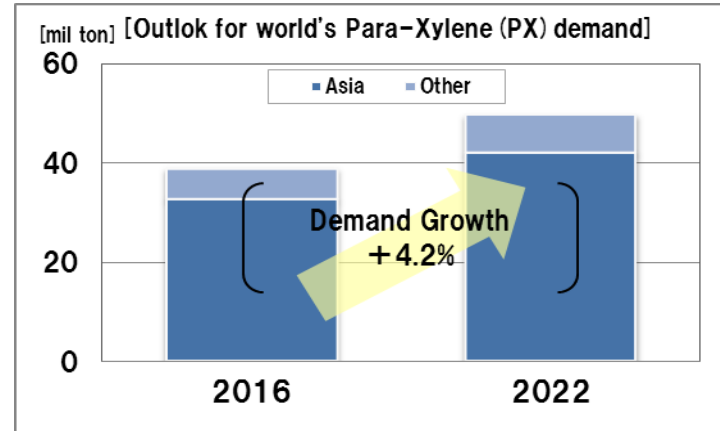
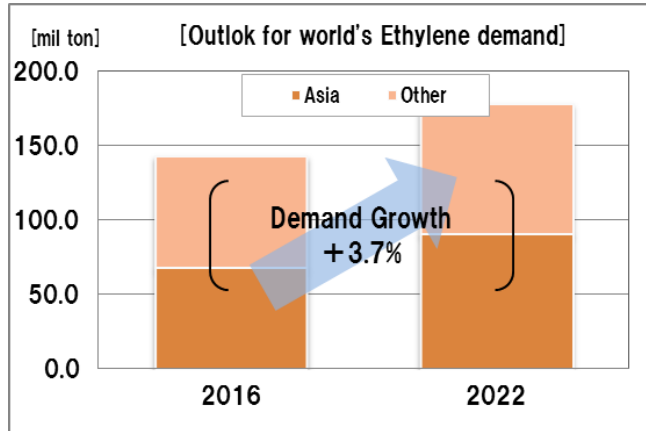
Lease companies : Capture new customers

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



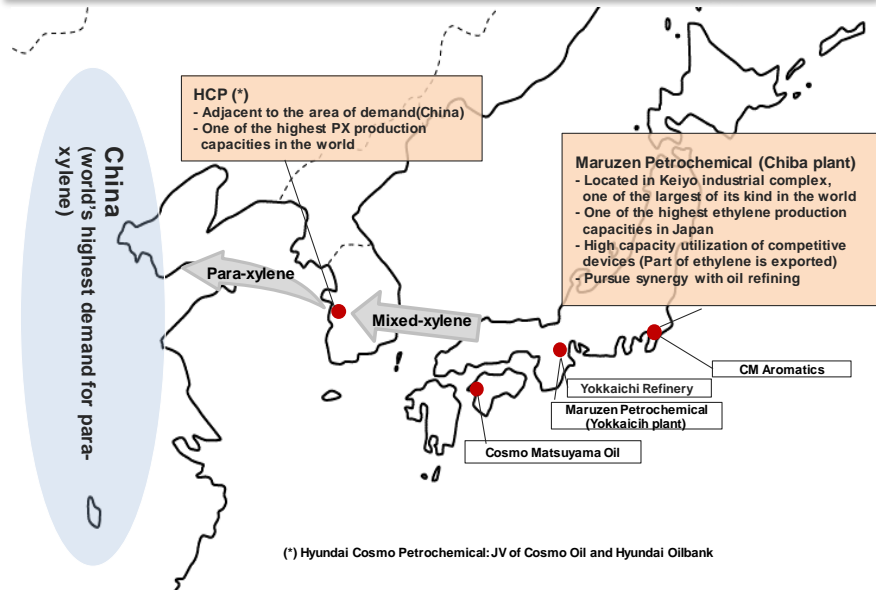
[Petrochemical Business] Targeting Ethylene and Para-xylene Markets in Which Growing Demand is Expected - High Capacity Utilization of Competitive Equipment

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



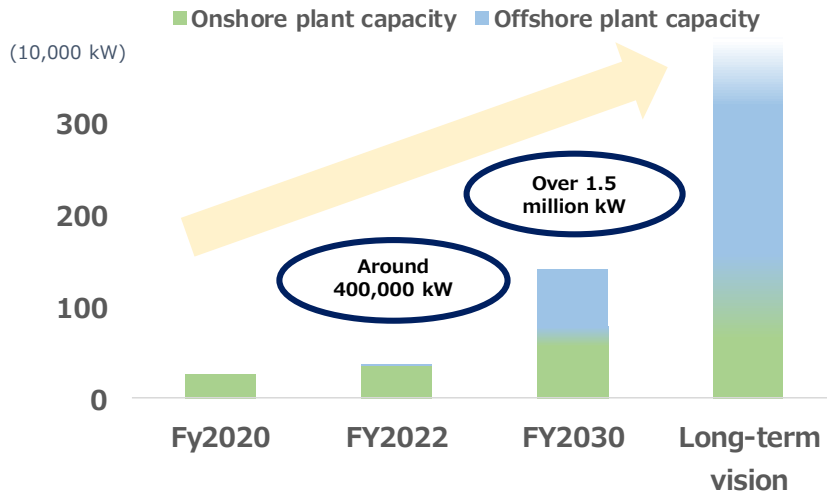
(*) Hyundai Cosmo Petrochemical: JV of Cosmo Oil and Hyundai Oilbank

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
		Benzene	Maruzen Petrochemical
		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)	0.300 mil t/year
		CM Aromatics	0.270 mil t/year
		Cosmo Matsuyama Oil	0.048 mil t/year
	Total	0.618 mil t/year	
		Aroma-based, total	2.713 mil t/year

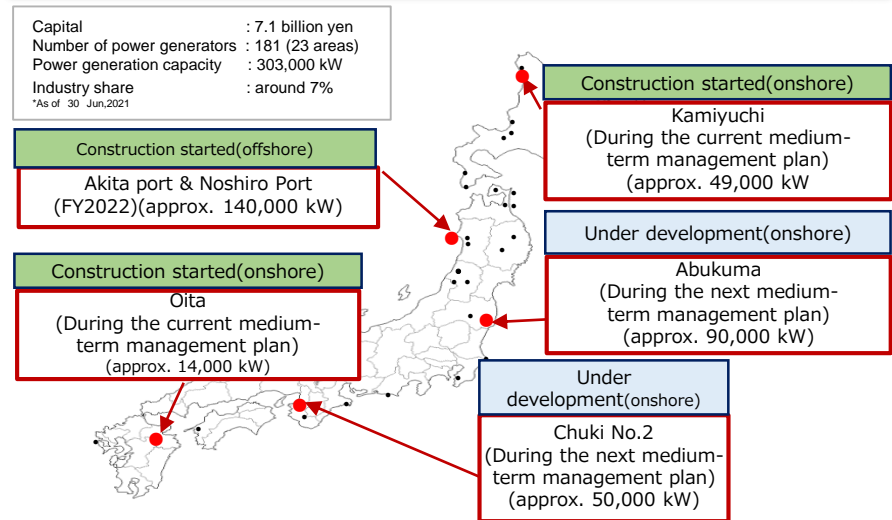
* Includes production capacity of Keiyo Ethylene (55% owned, consolidated subsidiary of Maruzen Petrochemical)

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 : 181 (23 areas)
 Power generation capacity : 303,000 kW
 Industry share : around 7%
*As of 30 Jun,2021

Characteristics (strengths) of the Group

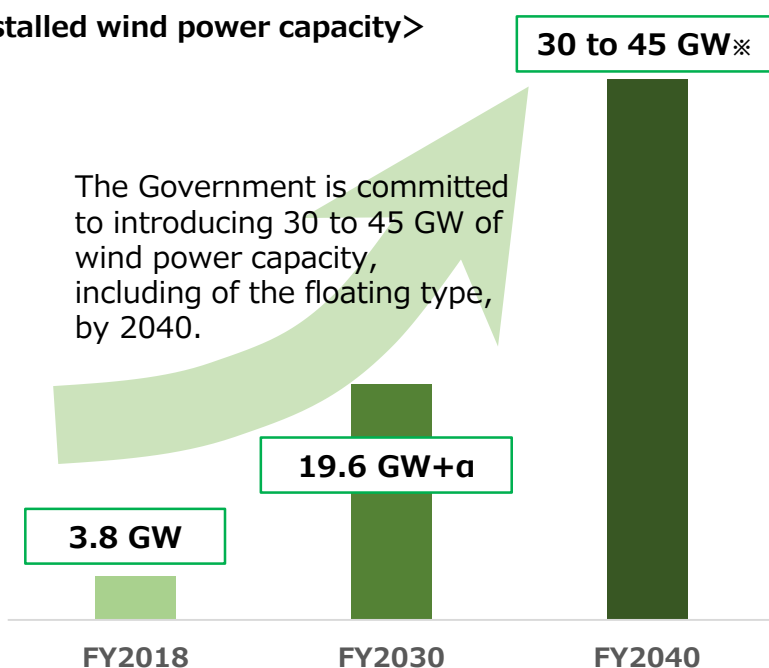
- ✓ Making Eco Power Co., Ltd., a pioneer in the wind power generation business (founded in 1997), a Group company in 2010.
- ✓ Achieving high on-wind availability (90% or more) through development, construction, operation, and maintenance within the Group.
- ✓ Reducing risks of changes in wind conditions 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.

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

- ✓ The Japanese government formulated a Green Growth Strategy towards Carbon Neutrality in 2050. 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 30 to 45 gigawatts (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
- ✓ Under the Sixth Strategic Energy Plan (draft) announced in July 2021, the target for the capacity of wind power generation facilities by 2030 increased substantially from 10 million kW to 19.6 million kW or more due to the additional introduction of renewable energy.

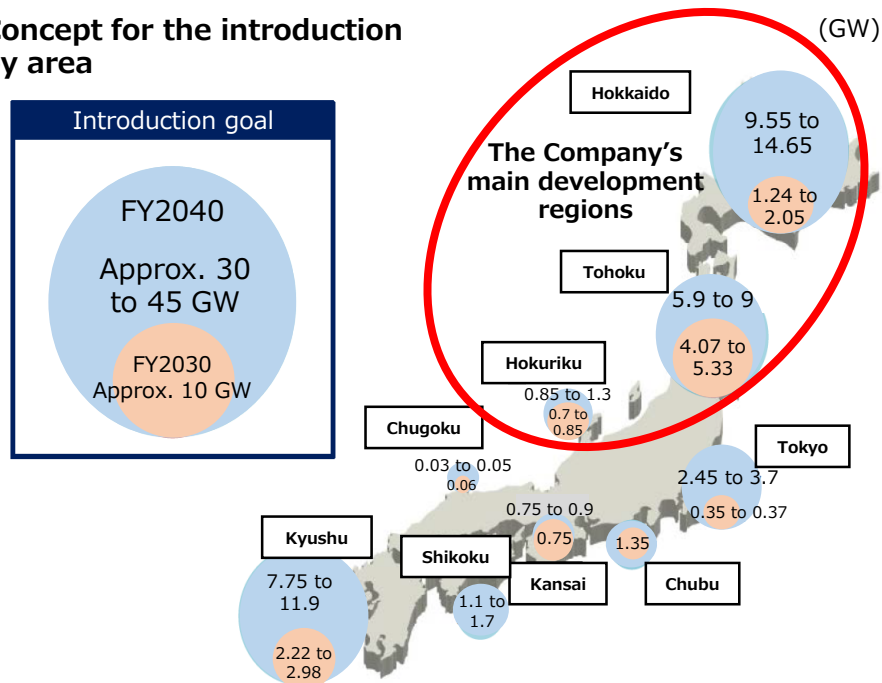
Concept for the Introduction of Offshore Wind Power Generation

<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)

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

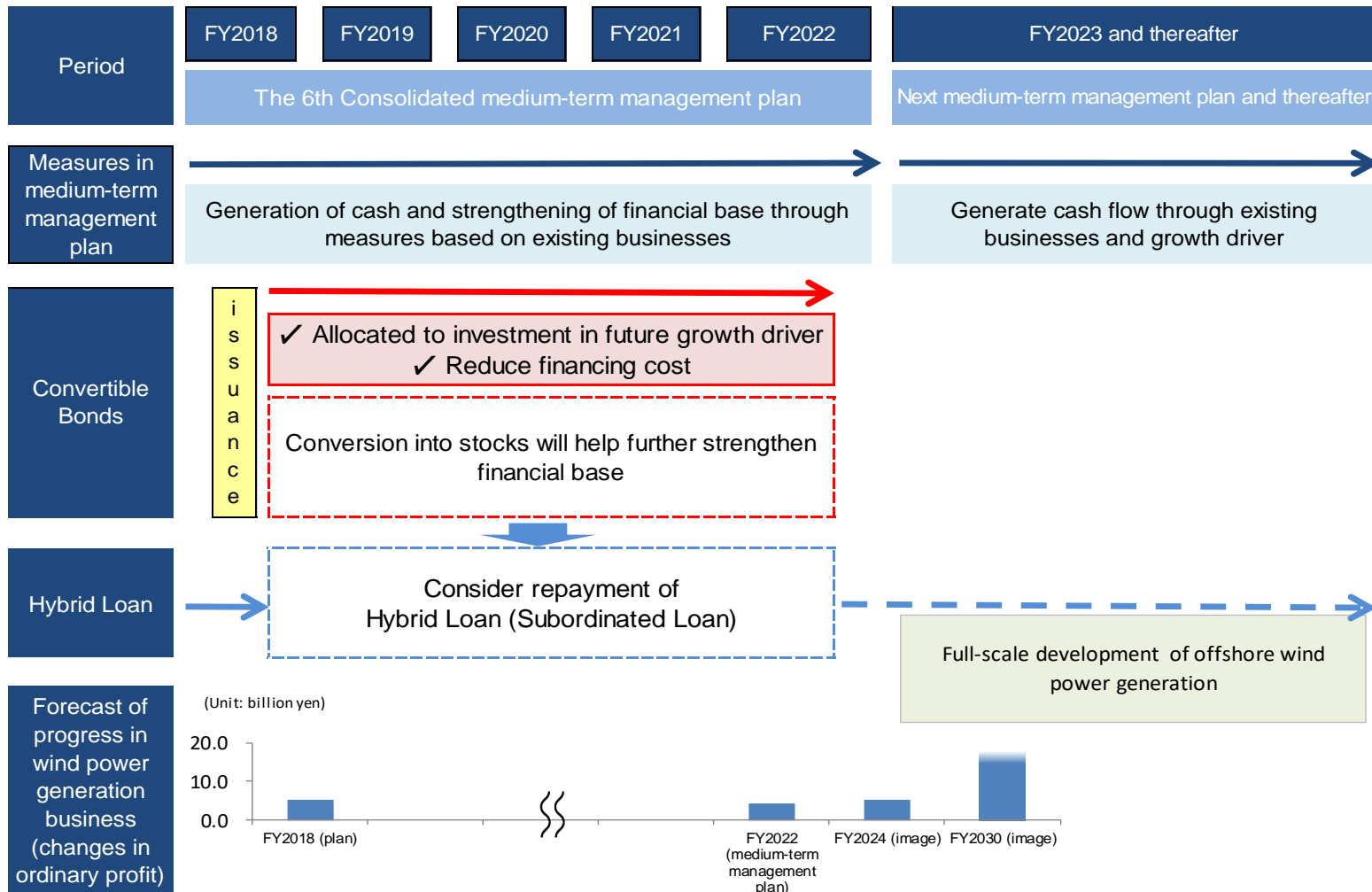
Item	Overview
Financing amount	¥30 billion
Loan agreement date	March 26, 2020
Drawdown date	March 31, 2020
Use of loan proceeds	Early repayment of an existing subordinated loan
Maturity date	March 31, 2053
Dates early repayment can be made	Any interest payment date on or after March 31, 2023
Replacement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

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.