

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

November 9, 2021

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Highlights of 2Q FY2021 Results and Forecast

Highlights of 2Q FY2021 Results and FY2021 Forecast

<2Q FY2021 Results>

- ✓ Profit increased sharply due to the rise of crude oil prices, the improvement of various market conditions, and an increase in the sales volume of petroleum products
- ✓ Ordinary profit excluding the impact of inventory valuation, rose ¥42.0 billion year on year, to ¥61.1 billion. Profit attributable to owners of parent increased ¥52.9 billion year on year, to ¥52.0 billion. Both ordinary profit and profit attributable to owners of parent reached a new record high for a second quarter.

< Revision of FY2021 Forecast >

- ✓ Ordinary profit excluding the impact of inventory valuation is forecast to be ¥113.0 billion, and profit attributable to owners of parent is forecast to be ¥93.0 billion. These are expected to reach record highs for a full year.
- ✓ We plan to increase the dividend by 20 yen to 100 yen in anticipation of achieving medium-term management targets such as net worth and net debt equity ratio.

					(Billion)	
		2Q FY2021	2Q FY2020	Changes	FY2021 Forecast	Changes
1	Ordinary profit	95.0	6.5	88.5	155.0	57.6
2	(Impact of inventory valuation)	33.9	-12.6	46.5	42.0	21.2
3	Ordinary profit excluding the impact of inventory valuation	61.1	19.1	42.0	113.0	36.4
4	Profit attributable to owners of parent	52.0	-0.9	52.9	93.0	7.1
5	Dubai crude oil price (USD/B)(Apr.-Sep.)	69	37	32	72	27

		2Q FY2021	FY2020	Changes	FY2021 Forecast	Changes
6	Net worth (billion yen)	371.0	324.9	46.1	411.0	86.1
7	Net worth ratio (%)	20.1%	19.0%	1.1%	23.5%	4.5%
8	Net Debt to Equity Ratio (times)	1.35	1.59	-0.24	1.20	-0.39
9	Return On Equity (ROE)	-	30.4%	-	25.3%	-5.1%
10	Earnings Per Share (EPS) (yen)	-	1,026	-	1,111	85

Progress of the 6th Consolidated Medium-Term Management Plan

Progress in Structural Reform in Medium-Term Management Plan

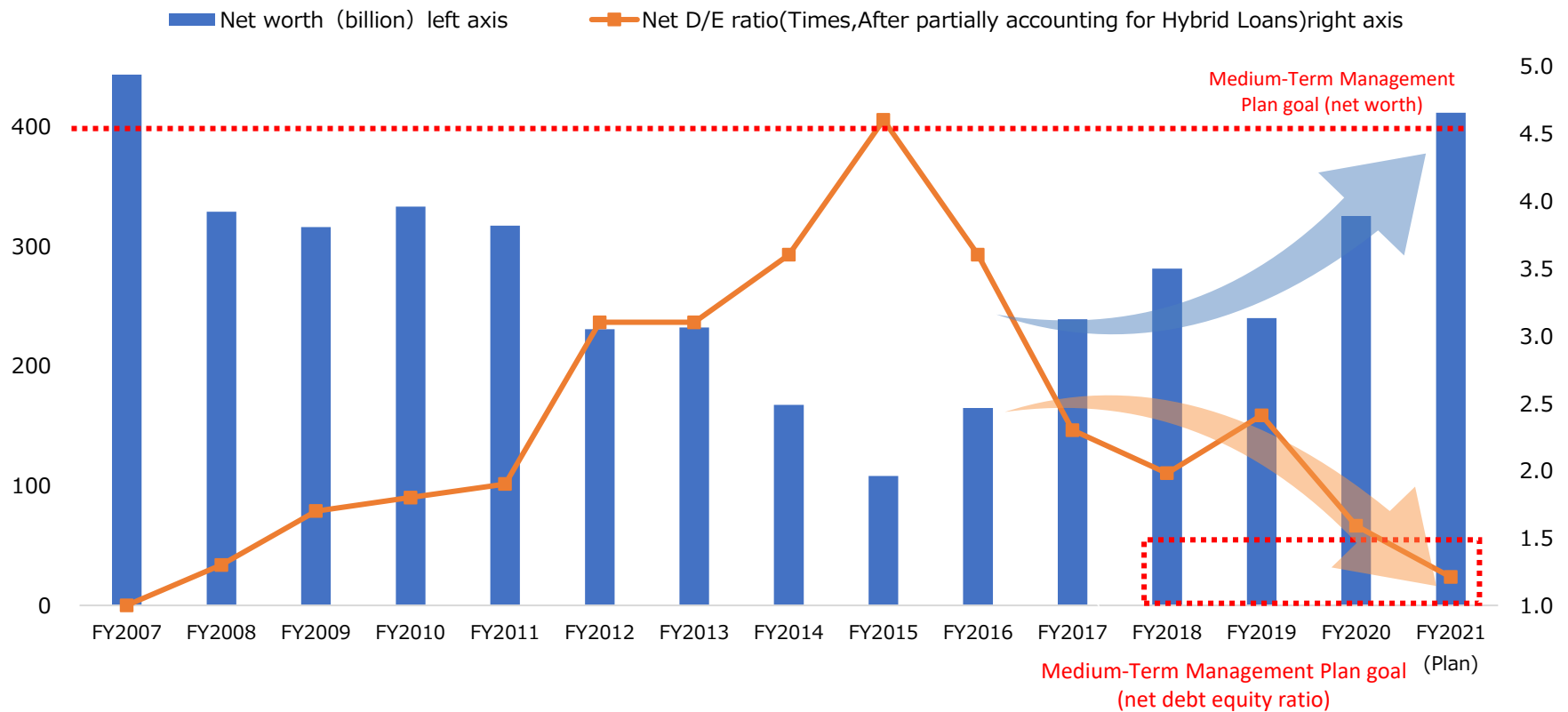
- ✓ Structural reforms in the Medium-Term Management Plan are progressing steadily.
- ✓ Major investments during the Medium-Term Management Plan period, such as compliance with IMO regulations in the petroleum business, have been completed.
- ✓ In the renewable energy business, three of the Company's projects were designated as high potential areas in September. In the second half, the Company plans to select operators in the project off the coast of Yurihonjo.

	FY2018	FY2019	FY2020	FY2021	FY2022
Oil Refining and Sales	Utilizing Chiba Refinery Pipeline				
	Safe and stable operation, Improve utilization rate (Regular maintenance reduction·Chiba Refinery 4 year's operation), Synergy creation with petrochemical				
	Achieve no heavy fuel oil production (response to IMO)				
	Start Supply to Kygnus Sekiyu k.K.				
	Expansion of vehicle life business				
Oil E&P	Stable production in existing and the Hail Oil Fields · OPEX reduction				
Petrochemical	Enhance competitiveness of basis petrochemical products, Pursue synergy with refinery				
	Start C9 petroleum resin business				
Renewable energy	Expand onshore wind firms (Power generation capacity 230,000kW→400,000kW)				
	Develop offshore wind farms Start offshore wind power site project				
New area	Deepen alliances with MIC, Hyundai Oilbank, and CEPSA				
	Sow the seed to new business				

Current Topics		
Segment	Timing	Event
Renewable energy	April 2021	The Chuki onshore wind power site starts commercial operation.
Petroleum business	April 2021	The Chiba Refinery is certified as a Super Certified Business Site.
Petroleum business	June 2021	Concluded a capital and business alliance with ASF in the EV field
Petroleum business	August 2021	NEDO selected the establishment of a supply chain model for biojet fuel production
Renewable energy	September 2021	Offshore wind power 3 project were designated "high potential areas" .
Petroleum business	September 2021	Started sales of the Cosmo Zero Carbon Solution, a package of products including renewable energy and Evs.
Renewable energy	Second Half of FY2021	Plan to select operators in the project off the coast of Yurihonjo.
Petrochemical business	Second Half of FY2021	Chiba Arkon Production plans to start the commercial operation of a facility for hydrogenated petroleum resin.
Petrochemical business	Second Half of FY2021	Propylene rectification equipment scheduled to be completed.
Oil E&P business	Second Half of FY2021	Plan to invest in secondary oil recovery in the Hail Oil Field.

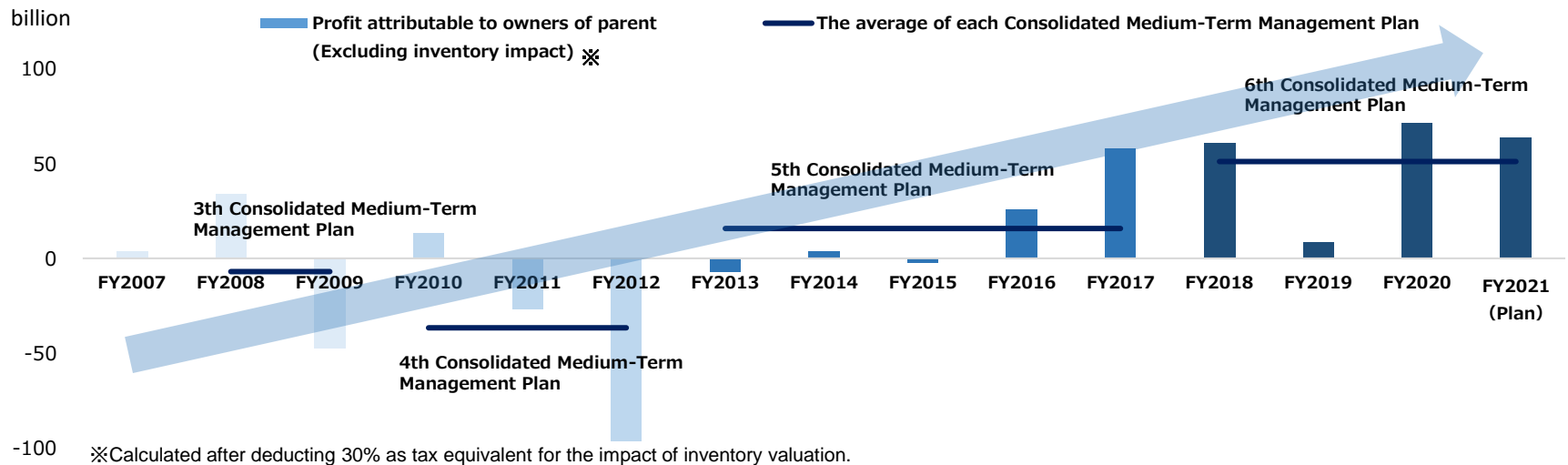
Improvement of financial position

- ✓ Net worth is expected to reach the Medium-Term Management Plan target of 400.0 billion yen by the end of FY2021.
- ✓ The Medium-Term Management Plan target for net debt equity ratio was achieved in 2Q, and further improvement is expected at the end of FY2021.
- ✓ The Company's financial position has improved significantly throughout the 6th Medium-Term Management Plan, and by the end of FY2021, the Company's net worth and net debt equity ratio are expected to approach the record highs set in FY2007.

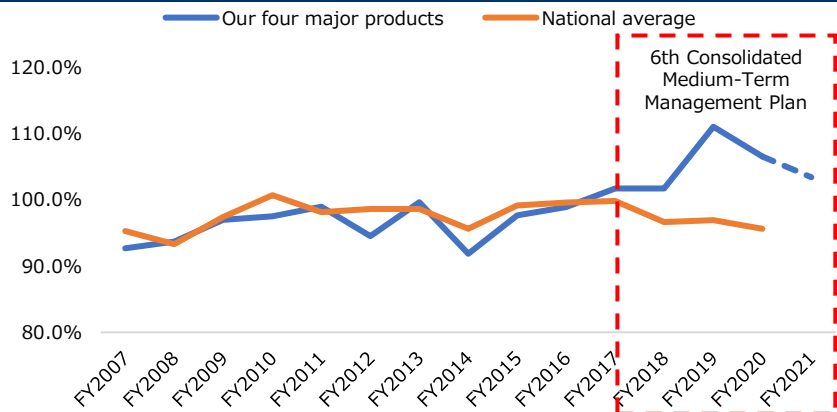


Strengthening earning power

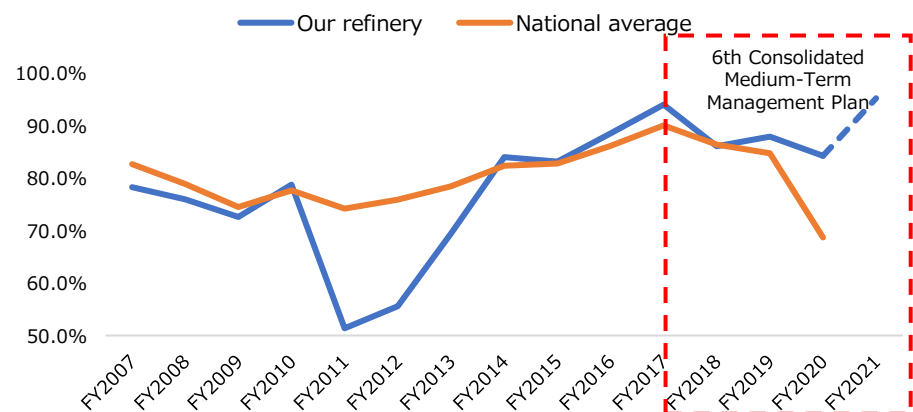
- ✓ Profitability has been strengthened, especially in the petroleum business, which is the source of earning power.
- ✓ In the Sixth Medium-Term Management Plan, profitability improved significantly due to the increased sales volume of four major products due to the beginning of supply to Kygnus Sekiyu K.K. and high refinery operating ratio based on the short position strategy.



Changes in the four major products (Changes from previous year)



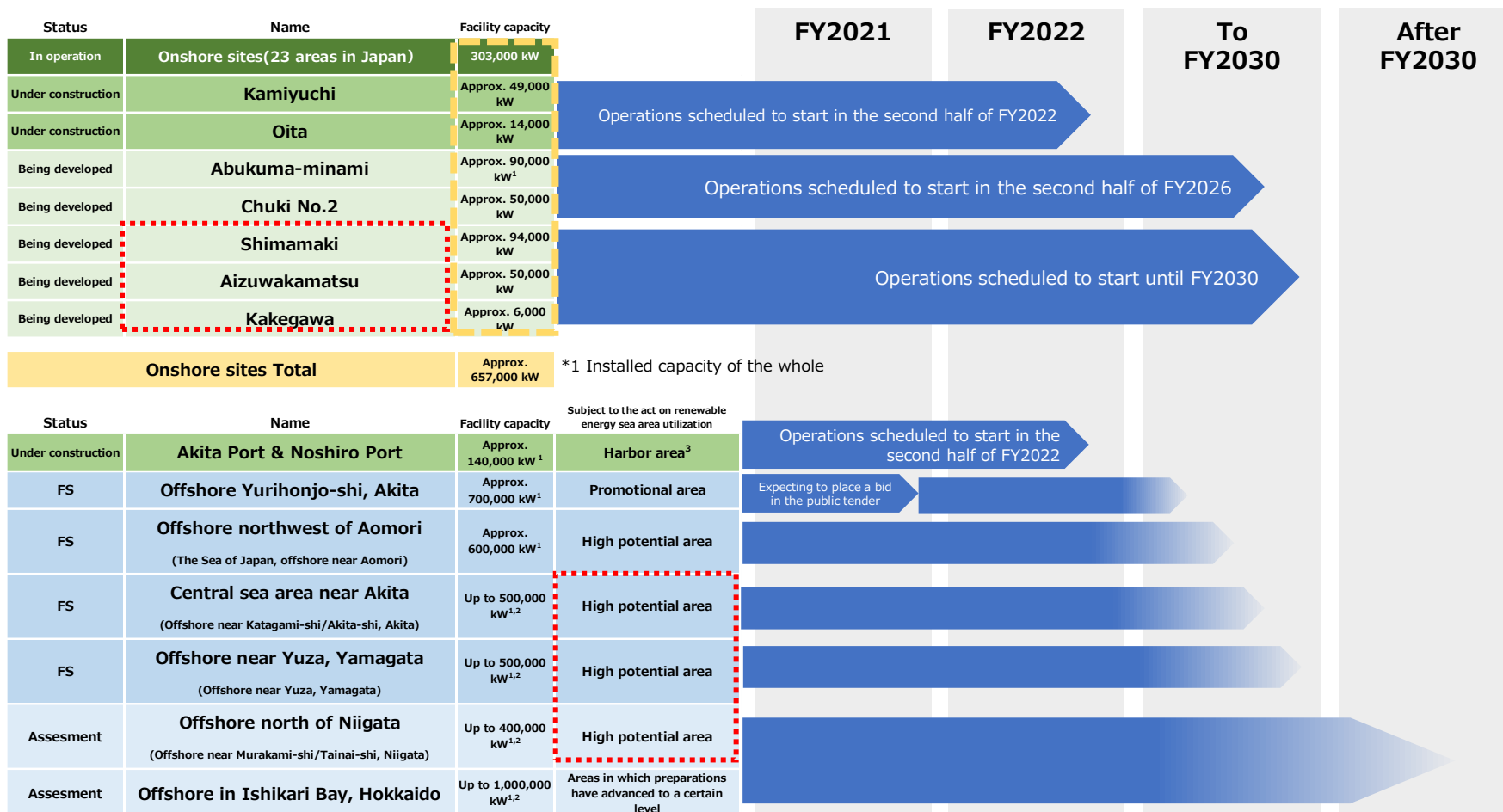
Changes in operating ratio



Progress in Renewable Energy Business

Progress in Renewable Energy Business (Wind power business)

- ✓ The Company obtained FIT certification for three new onshore sites (Shimamaki, Aizuwakamatsu, Kakegawa).
- ✓ Presently, the total potential of the onshore sites is above 600,000 kW, including sites under construction and sites that have obtained FIT certification.
- ✓ Regarding offshore sites, the central sea area near Akita, offshore near Yuza, Yamagata, and offshore north of Niigata were designated "high potential areas" in September.



*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

2Q FY2021 Results

Influence on Business Continuity and Operations

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

Influence on the Market

【Crude oil (DUBAI)】

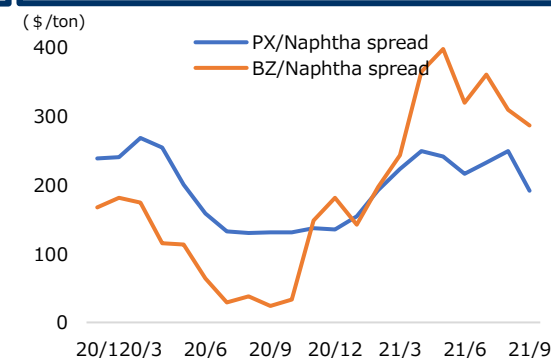
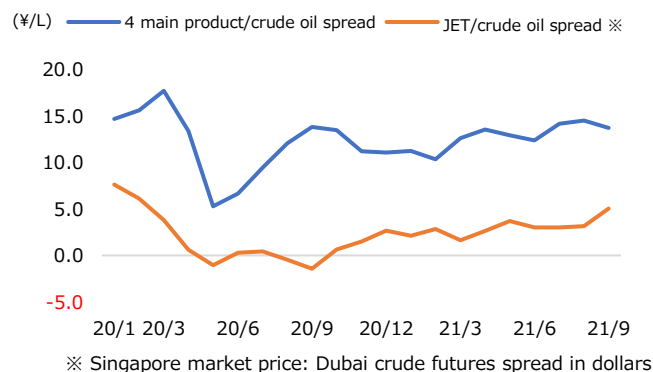
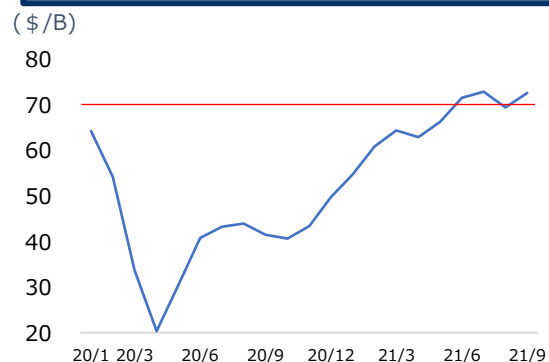
- ✓ The crude oil price rose substantially and has been above 70 dollars since June, largely due to expectations of the recovery of the global economy.

【Petroleum products】

- ✓ While the domestic market for the four major products remained firm, national demand in the second quarter was 99.9% of FY2020 and 91% of FY2019.
- ✓ The JET market is currently trending toward recovery. National demand was 144% of FY2020 and 52% of FY2019.

【Petrochemical products】

- ✓ The PX price has recovered temporarily, but is currently sluggish.
- ✓ The BZ price is contracting at present, but remains high.



Outlook for Future Impact

The impact of the COVID-19 pandemic in Japan is expected to recover toward the end of the fiscal year, and the market for the four major products is expected to remain firm. However, JET demand is expected to take a certain amount of time to recover, similar to overseas demand.

- ✓ Consolidated ordinary profit excluding the impact of inventory valuation was ¥61.1 billion (up ¥42.0 billion year on year), and the impact of inventory valuation was ¥33.9 billion. Consequently, consolidated ordinary profit stood at ¥95.0 billion (up ¥88.5 billion year on year) and profit attributable to owners of parent totaled ¥52.0 billion (up ¥52.9 billion year on year).

Petroleum Business

- ✓ Profit grew due to factors such as higher margins for the four major products due to an increase in the crude oil price, growth in sales volumes resulting from the recovery from the COVID-19 pandemic, and the 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 impact of inventory valuation was ¥31.5 billion (up ¥13.8 billion year on year).

Petrochemical business

- ✓ Profit grew thanks to improvements in the market for benzene, the absence of the impact of regular maintenance at Maruzen Petrochemical and the impact of the postponed receipt of naphtha which existed in the previous fiscal year.
⇒ Ordinary profit was ¥9.0 billion yen (up ¥17.8 billion year on year).

Oil exploitation and production business

- ✓ While sales volume decreased, an increase in crude oil prices had a positive effect.
⇒ Ordinary profit was ¥17.2 billion yen (up ¥12.7 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 ¥0.4 billion year on year).

[2Q FY2021 Results]

Consolidated Income Statements– Changes from 2Q FY2020

COSMO

Unit: billion yen

No.	Item	FY2021 (Apr.-Sep.2021)	FY2020 (Apr.-Sep.2020)	Changes	Forecast FY2021
1	Net sales	1,095.7	969.4	126.3	2,370.0
2	Operating profit	93.4	8.7	84.7	155.0
3	Non-operating income/expenses, net	1.6	-2.2	3.8	0.0
4	Ordinary profit	95.0	6.5	88.5	155.0
5	Extraordinary income/losses, net	-0.9	-0.8	-0.1	-4.4
6	Income taxes	38.6	7.3	31.3	51.3
7	Profit attributable to non-controlling interests	3.5	-0.7	4.2	6.3
8	Profit attributable to owners of parent	52.0	-0.9	52.9	93.0
9	Impact of inventory valuation	33.9	-12.6	46.5	42.0
10	Ordinary profit excluding the impact of inventory valuation	61.1	19.1	42.0	113.0
11	Dubai crude oil price (USD/B) (Apr.-Sep.)	69	37	32	72
12	JPY/USD exchange rate (yen/USD)(Apr.- Sep.)	110	107	3	110
【Reference】					
13	Dubai crude oil price (USD/B) (Jan.-Jun.)	63	41	22	68
14	JPY/USD exchange rate (yen/USD)(Jan.- Jun.)	108	108	0	109
15	CDU operating ratio (Calendar Day basis) ※1	94.8%	76.4%	18.4%	95.3%
16	CDU operating ratio (Streaming Day basis) ※1.2	99.4%	88.1%	11.3%	99.4%

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

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

[2Q FY2021 Results] Outline of Consolidated Ordinary Profit by business segment
 – Changes from 2Q FY2020



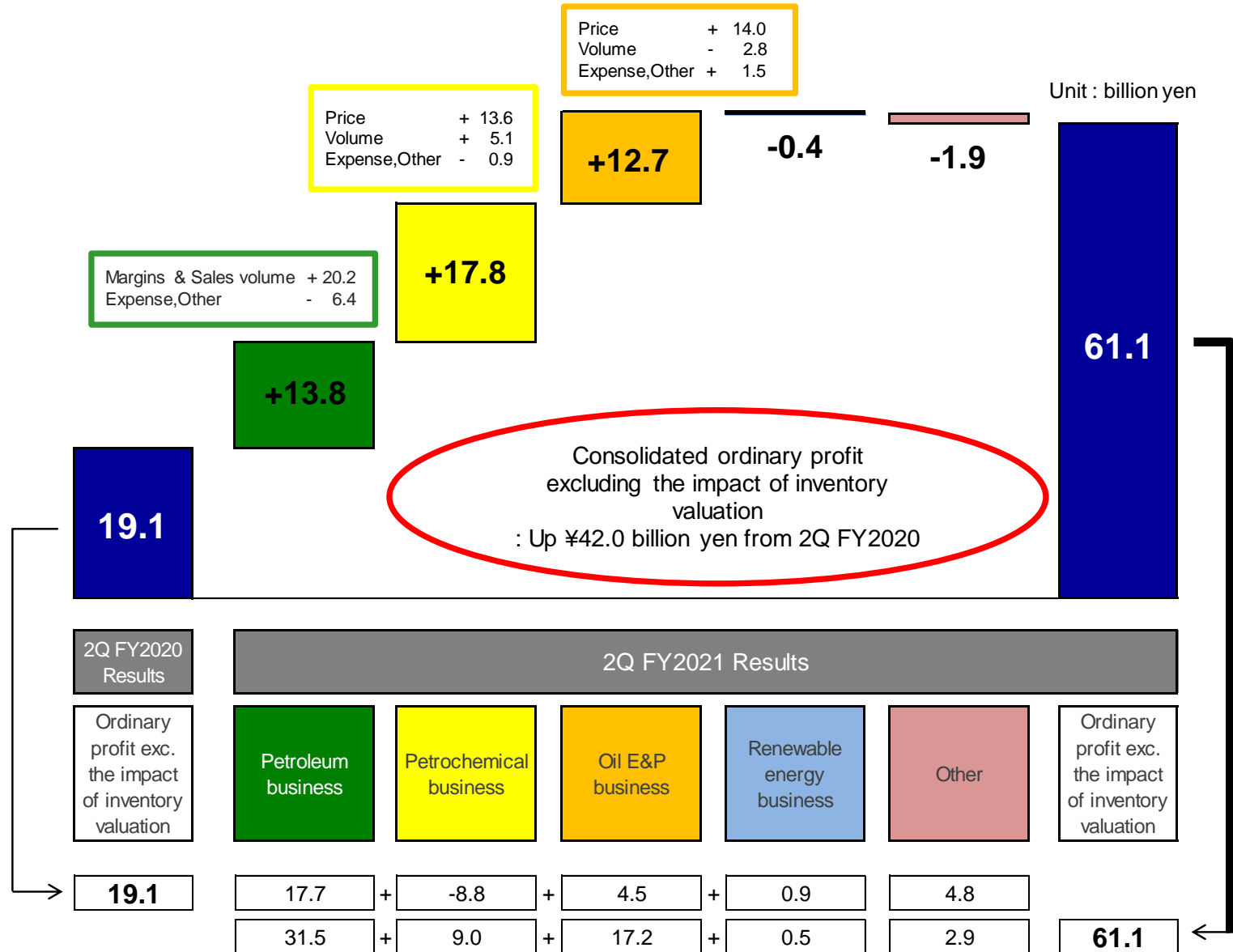
Unit : billion yen

No	FY2021 (Apr.-Sep.2021)		FY2020 (Apr.-Sep.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		95.0	61.1	6.5	19.1	88.5	42.0
2	(Each segment)	Petroleum business	65.4	31.5	5.1	17.7	60.3	13.8
3		Petrochemical business	9.0		-8.8		17.8	
4		Oil E&P business (*1)	17.2		4.5		12.7	
5		Renewable energy business	0.5		0.9		-0.4	
6		Other (*2)	2.9		4.8		-1.9	

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

(*2) Including consolidated adjustment

[2Q FY2021 Results] Consolidated Ordinary Profit (Excluding the impact of inventory valuation)
 - Analysis of Changes from 2Q FY2020



Consolidated Balance Sheets

Unit: billion yen

No		FY 2021 (Apr.-Sep.2020)	FY 2020 (Apr.-Sep.2020)
1	Cash flows from operating activities	55.3	38.1
2	Cash flows from investing activities	-44.2	-50.6
3	Free cash flow (1+2)	11.1	-12.5
4	Cash flows from financing activities	5.1	22.7
5	Cash and cash equivalents at end of the period	63.2	52.1

Unit: billion yen

No		FY2021 (As of Sep.30, '21)	FY2020 (As of Mar. 31, '21)	Changes
1	Total Assets	1,849.0	1,709.0	140.0
2	Net assets	497.9	449.1	48.8
3	Net worth	371.0	324.9	46.1
4	Net worth ratio	20.1%	19.0%	1.1%
5	Net interest-bearing debt *1	537.1	556.4	-19.3
6	Net Debt Equity Ratio (times) (after partially accounting for Hybrid Loan) *2	1.35	1.59	Improved 0.24 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.		2Q FY2021 Results	Change from FY2020
1	Capital expenditures	21.5	-18.3
2	Depreciation expense amount, etc	28.5	0.5

Capital Expenditures by Business Segment

Unit: billion yen

No.		2Q FY2021 Results	2Q FY2020 Results	Changes
1	Petroleum	8.5	19.1	-10.6
2	Petrochemical	4.3	14.1	-9.8
3	Oil E&P	6.4	3.5	2.9
4	Renewable energy	2.0	4.2	-2.2
5	Other · Adjustment	0.3	-1.1	1.4
6	Total	21.5	39.8	-18.3
7	Investment securities, etc*	3.4	5.6	-2.2

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

E

Promoting environmental measures



- ✓ Conducted scenario analysis for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.
- ✓ NEDO selected the establishment of a supply chain model for biojet fuel production from domestic waste cooking oil adopted as a project.
- ✓ Started sales of the Cosmo Zero Carbon Solution, a package of products including renewable energy and EVs for a decarbonized society.
- ✓ Participated in the Renewable Energy Aggregation Demonstration Project.

S

Enhancing human rights & social contribution measures



- ✓ Selected as a constituent of the SOMPO Sustainability Index for the fifth consecutive year.
- ✓ FTSE4Good Global Index Series Selected as a constituent of the FTSE Blossom Japan Index.
- ✓ Conducted training on business and human rights for senior management

G

Ensuring safety measures



- ✓ Certification of the Chiba Refinery as a Super Certification Business Operator
- ✓ Conducted Business Continuity Plan training in September



G

Strengthening corporate governance structure



- ✓ Restructuring of the system for facilitating sustainable management (Established a Sustainability Strategic Conference chaired by the Group CEO)
- ✓ Increase in the number of independent outside directors
- ✓ Disclosure of the skills matrix for directors

Forecast for FY2021 Performance

Revision of FY2021 forecast

- ✓ Financial results are expected to be significantly higher than the previous forecast mainly in the petroleum business due to improved margins for petroleum products resulting from rising crude oil prices.
- ✓ The Company has revised full-year forecast, and consolidated ordinary profit will stand at ¥155.0 billion yen (up ¥67.0 billion from the previous forecast), consolidated ordinary profit excluding the impact of inventory valuation will come to ¥113.0 billion yen (up ¥33.0 billion from the previous forecast), and profit attributable to owners of parent will reach ¥93.0 billion (up ¥53.0 billion from the previous forecast).
- ✓ We plan to increase the dividend by 20 yen to 100 yen in anticipation of achieving medium-term management targets such as net worth and net debt equity ratio.

Unit : billion yen

No		FY2021 Forecast		FY2021 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	155.0	113.0	88.0	80.0	67.0	33.0
2	Petroleum business	94.0	52.0	40.0	32.0	54.0	20.0
3	Petrochemical business	9.0		2.5		6.5	
4	Oil E&P business (*1)	41.0		33.0		8.0	
5	Renewable energy	3.5		3.3		0.2	
6	Other (*2)	7.5		9.2		-1.7	
7	The impact of inventory valuation	42.0		8.0		34.0	
8	Profit attributable to owners of parent	93.0		40.0		53.0	
9	Dividend per Share(Plan) (yen)	¥100		¥80		¥20	

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

(*2) Including consolidated adjustment

■ Precondition

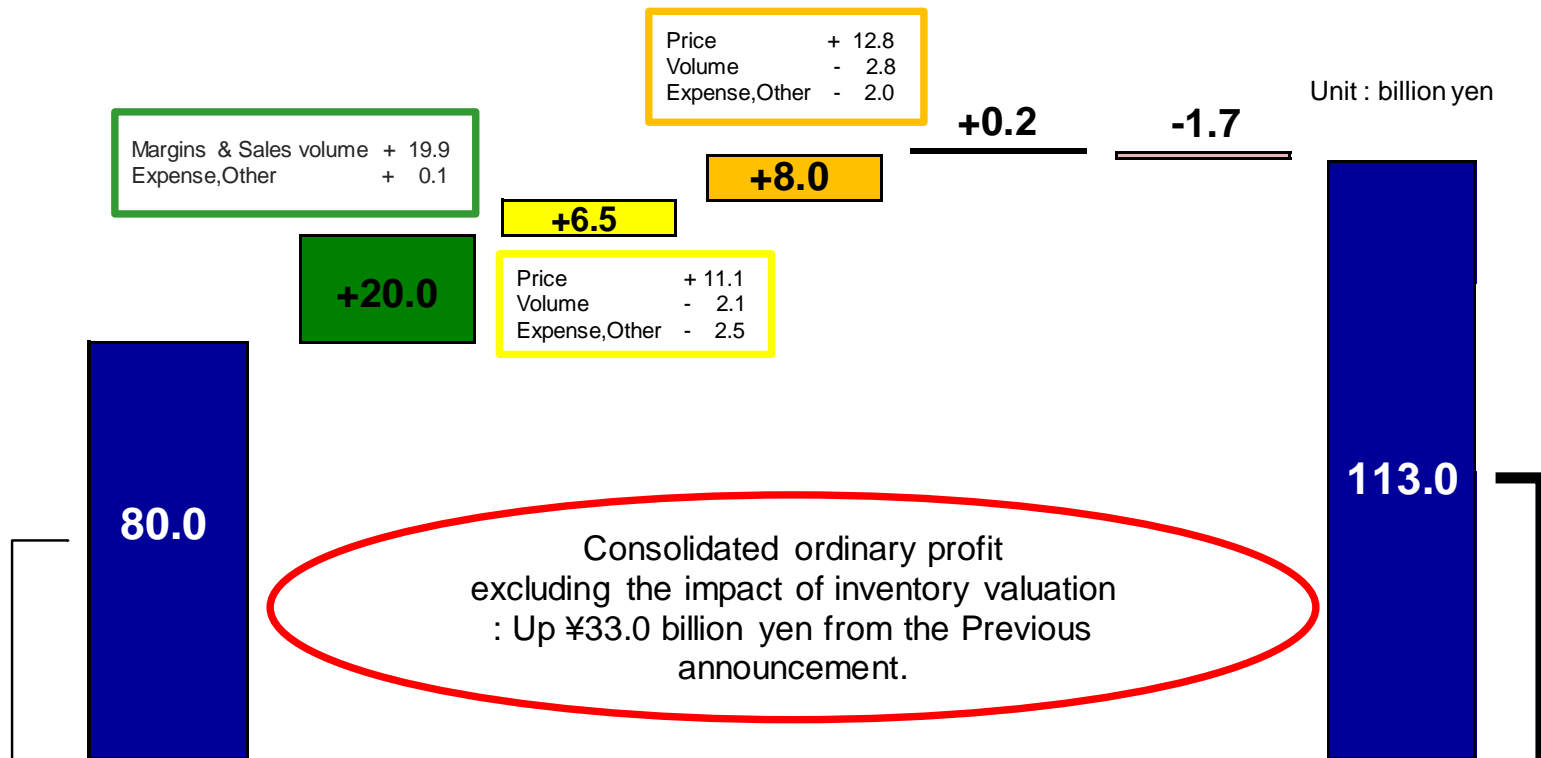
No.		FY2021 Forecast	FY2021 Previous Announcement	Changes
10	Dubai crude oil price (USD/B)(Apr.-Mar.)	72	60	12
11	JPY/USD exchange rate (Apr.-Mar.)	110	105	5
12	Dubai crude oil price (USD/B)(Jan.-Dec.)	68	60	8
13	JPY/USD exchange rate (Jan.-Dec.)	109	105	4
14	Dubai crude oil price (USD/B)(Oct.-Mar.)	75	60	15
15	JPY/USD exchange rate (Oct.-Mar.)	110	105	5

■ Sensitivity

No.		Item	Crude oil (Dubai)	JPY/USD exchange rate
16	Petroleum Business	Inventory Impact	+2.1 billion yen	+1.3 billion yen
17		Refinery fuel cost etc.	- 0.4 billion yen	- 0.2 billion yen
18		Total	+1.7 billion yen	+1.1 billion yen

* Figures above refer to impacts by crude oil price(USD 1/bbl) and yen-dollar exchange rate (¥1/USD)

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



Previous Announcement	FY2021 Forecast					Ordinary profit exc. the impact of inventory valuation
Ordinary profit exc. the impact of inventory valuation	Petroleum business	Petrochemical business	Oil E&P business	Renewable energy business	Other	Ordinary profit exc. the impact of inventory valuation
80	32.0	2.5	33.0	3.3	9.2	113.0
	52.0	9.0	41.0	3.5	7.5	

[FY2021 Forecast] Outline of Consolidated Capital Expenditures of Changes from the Previous Announcement



Capital Expenditures, Depreciation, etc.

Unit: billion yen

No.		FY2021 Forecast	Changes
1	Capital expenditures	66.4	-5.6
2	Depreciation expense amount, etc	59.9	-3.2

Capital Expenditures by Business Segment

Unit: billion yen

No.		FY2021 Forecast	FY2021 Previous Announcement	Changes
1	Petroleum	29.3	33.9	-4.6
2	Petrochemical	12.4	16.6	-4.2
3	Oil E&P	17.8	16.4	1.4
4	Renewable Energy	7.5	7.2	0.3
5	Other · Adjustment	-0.6	-2.1	1.5
6	Total	66.4	72.0	-5.6
7	Investment securities, etc*	13.3	16.1	-2.8

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

Supplementary Information

P.25-33 [2Q 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 2Q 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 Aromatic Products

P.35-38 Forecast for FY2021 Performance(Change from FY2020)

- Highlights of Consolidated Business Outlook (Changes from FY2020), Precondition and Business Sensitivity
- Consolidated Ordinary profit (Excluding the impact of inventory valuation)- Analysis of Changes from FY2020
- Outline of Consolidated Capital Expenditures
- Outlook by Business Segment, Changes from FY2020

P.40-49 Overview of the Cosmo Energy Group (Business Outline)

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

P.50 Subordinated loan (Announced on March 31,2020)

P.51-53 Zero Coupon Convertible Bonds due 2022 (being bonds with stock acquisition rights) (Announced on December 20,2018)

Supplementary Information of 2Q FY2021 Results

[2Q FY2021 Results] Sales Volume, CDU Operating Ratios

Unit: thousand KL

No.			2Q FY2021 Results	2Q FY2020 Results	Changes	FY2021 Forecast	FY2021 forecast changes from FY2020
1	Selling volume in Japan	Gasoline	3,534	3,291	107.4%	7,005	105.0%
2		Kerosene	508	526	96.6%	2,151	99.7%
3		Diesel fuel	2,746	2,543	108.0%	5,482	104.2%
4		Heavy fuel oil A	776	739	104.9%	1,662	98.9%
5		Sub-Total	7,564	7,099	106.6%	16,300	103.4%
6		Naphtha	3,033	2,607	116.4%	5,775	98.4%
7		Jet fuel	168	119	141.4%	428	159.5%
8		Heavy fuel oil C	331	330	100.2%	665	89.0%
9		Total	11,097	10,155	109.3%	23,168	102.3%
10	Export volume	Middle distillates Export	-	93	-	200	215.6%
11		Bonded products and other	1,305	1,023	127.6%	2,598	114.1%
12		inc. Jet fuel	749	527	142.2%	1,493	127.7%
13		inc. Low-sulfur C fuel oil	325	292	111.2%	709	104.5%
14		Sub-Total	1,305	1,116	117.0%	2,798	118.0%
15	Total		12,402	11,270	110.0%	25,966	103.8%

No.			2Q FY2021 Results	2Q FY2020 Results	Changes
16	CDU operating ratio	(Calendar Day basis) *1	94.8%	76.4%	18.4%
17		(Streaming Day basis) *1,2	99.4%	88.1%	11.3%

*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.

[2Q FY2021 Results] Crude Oil Production Volume, Crude Reserves Estimate (Proved and Probable)



[1] Crude oil production volume				
	2Q FY2021 Results	2Q FY2020 Results	Changes	
Cosmo Energy Exploration & Production Co., Ltd. (B/D)	45,951	50,619	-4,668	90.8%

*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)

[2Q FY2021 Results] Results by Business Segment – Changes from 2Q FY2020

COSMO

2Q FY2021 Results – Changes from 2Q FY2020

Unit: billion yen

No.		Net Sales		Operating Profit		Ordinary Profit		Ordinary Profit (excluding the impact of inventory valuation)	
			Changes from 2Q FY2020		Changes from 2Q FY2020		Changes from 2Q FY2020		Changes from 2Q FY2020
1	Petroleum business	958.3	65.0	63.1	58.2	65.4	60.3	31.5	13.8
2	Petrochemical business	176.1	56.8	9.4	17.6	9.0	17.8	9.0	17.8
3	Oil E&P business	36.6	9.4	17.0	11.2	17.2	12.7	17.2	12.7
4	Renewable energy business	5.1	0.7	0.6	-0.2	0.5	-0.4	0.5	-0.4
5	Other · Adjustment	-80.4	-5.6	3.3	-2.1	2.9	-1.9	2.9	-1.9
6	Total	1,095.7	126.3	93.4	84.7	95.0	88.5	61.1	42.0

Cosmo Energy Group (by Segment)

Petroleum business	Cosmo Oil Co.,Ltd., Cosmo Oil Marketing Co., Ltd., Cosmo Oil Sales Corp, Cosmo Oil Lubricants Co., Ltd., 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.

[2Q FY2021 Results] Main data of each business

1. Petroleum business

(1) Refinery Operating Ratio

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 2Q
CDU operating ratio(Calendar Day basis)*1	88.3%	94.1%	86.1%	87.9%	84.3%	94.8%

(2) Number of SSs by Operator Type

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 2Q
Subsidiary*2	928	917	888	876	877	882
Dealers	2,029	1,941	1,903	1,879	1,852	1,830
Total *3	2,957	2,858	2,791	2,755	2,729	2,712
Number of Self-Service SSs *3	1,038	1,034	1,048	1,072	1,099	1,109

(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 2Q
Cosmo The Card (million cards)*3	4.44	4.44	4.33	4.21	4.12	4.07
My car lease(Units) *3	37,077	47,602	60,579	73,634	85,126	89,898
Carlife Square(million downloads) *3				1.92	3.17	3.72

2. Oil E&P business

Crude oil production volume

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 2Q
Cosmo Energy E&P Co., Ltd. (B/D)*4	39,032	38,826	52,303	50,773	49,208	45,951

3. Renewable energy business

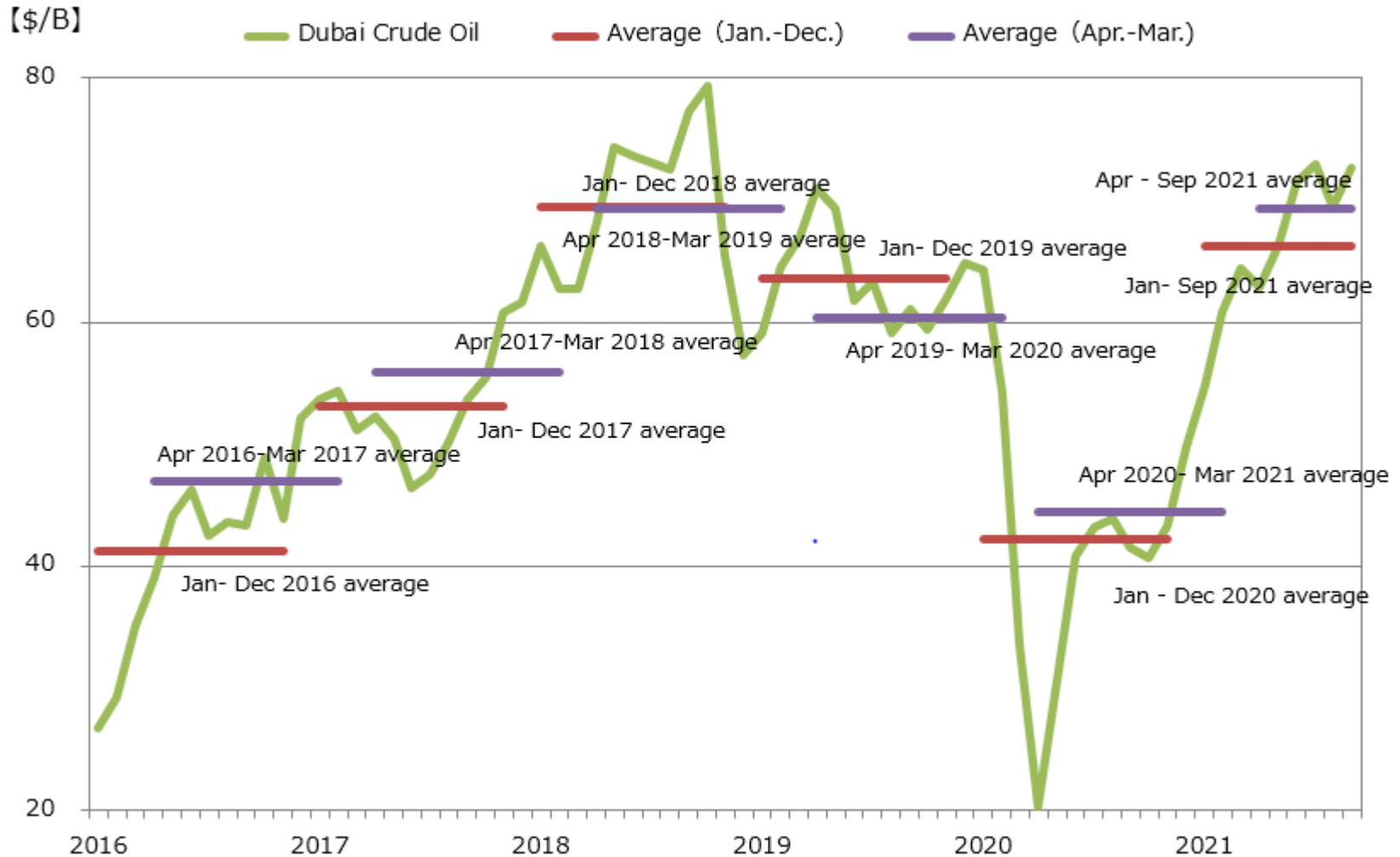
Wind power plant capacity(ten thousand kW)

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 2Q
Plant Capacity (ten thousand kW)*3	21.1	22.69	22.7	26.6	26.1	30.3
Electricity sales volume (million kWh)	380	431	468	550	532	231

*1) April-March results for each fiscal year *2)Directly operated SS and our wholly owned subsidiaries' dealer SS

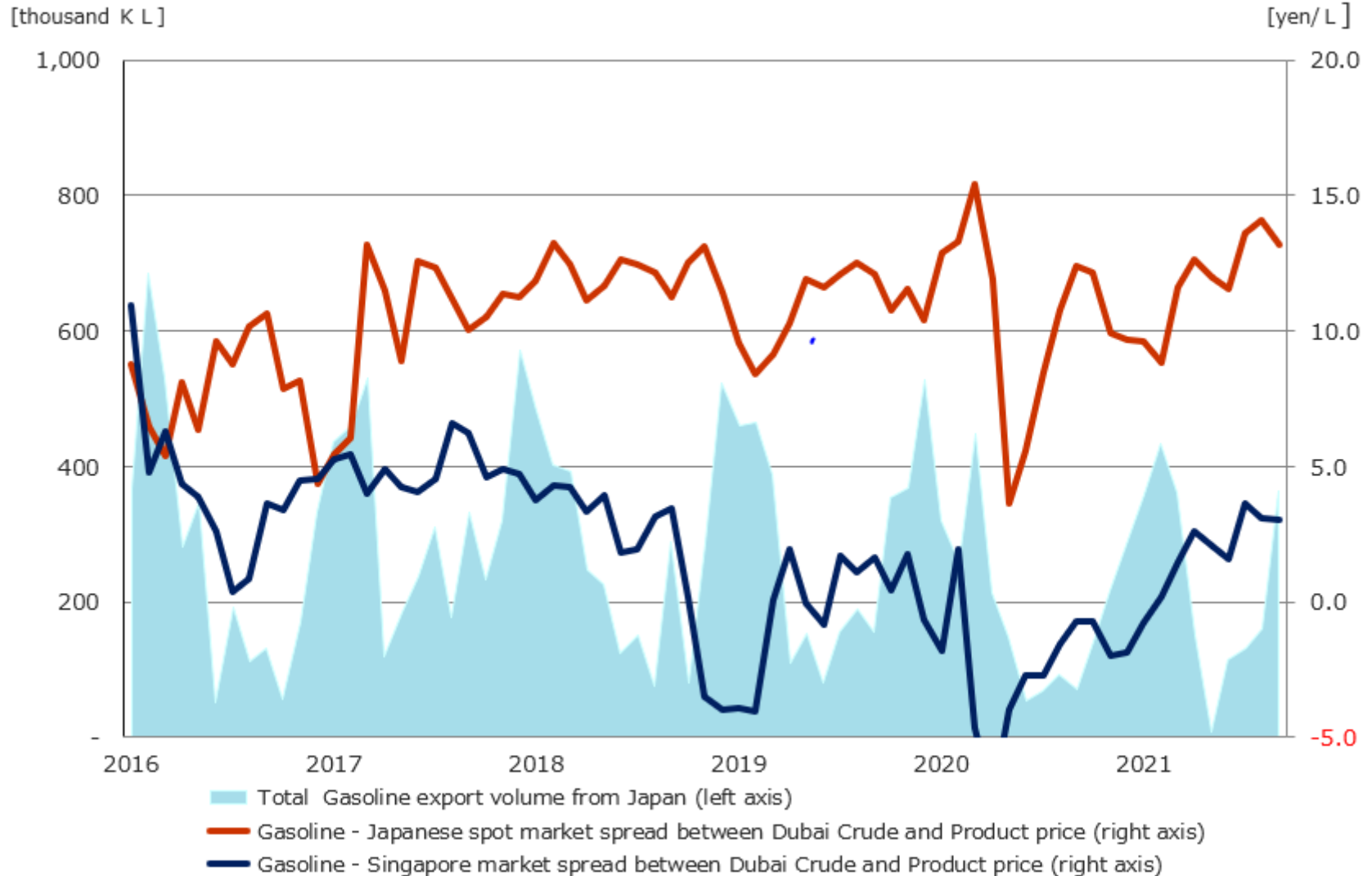
*3) At the end of March of each fiscal year *4) January-December results for each fiscal year

Historical Changes in Dubai Crude Oil Price

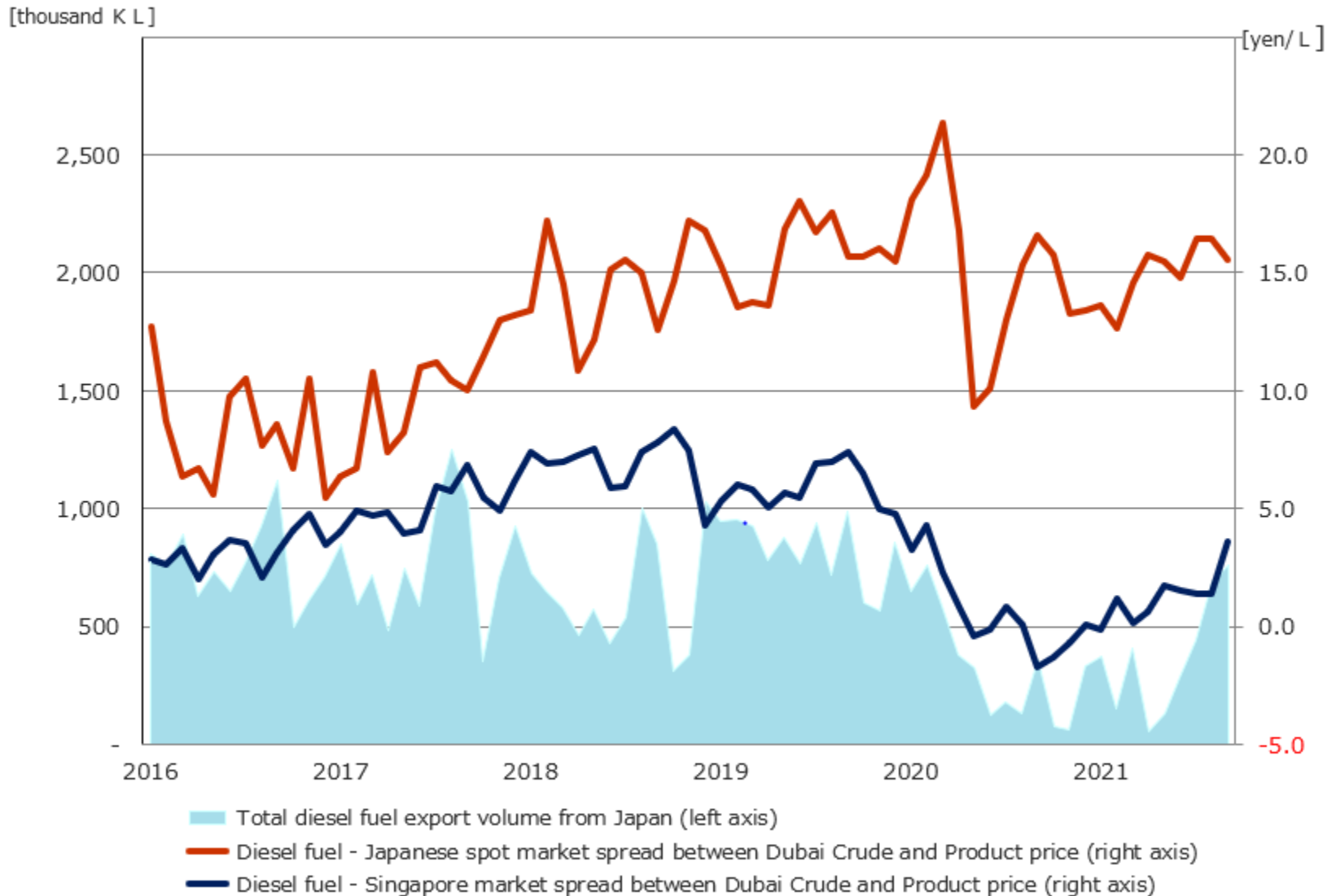


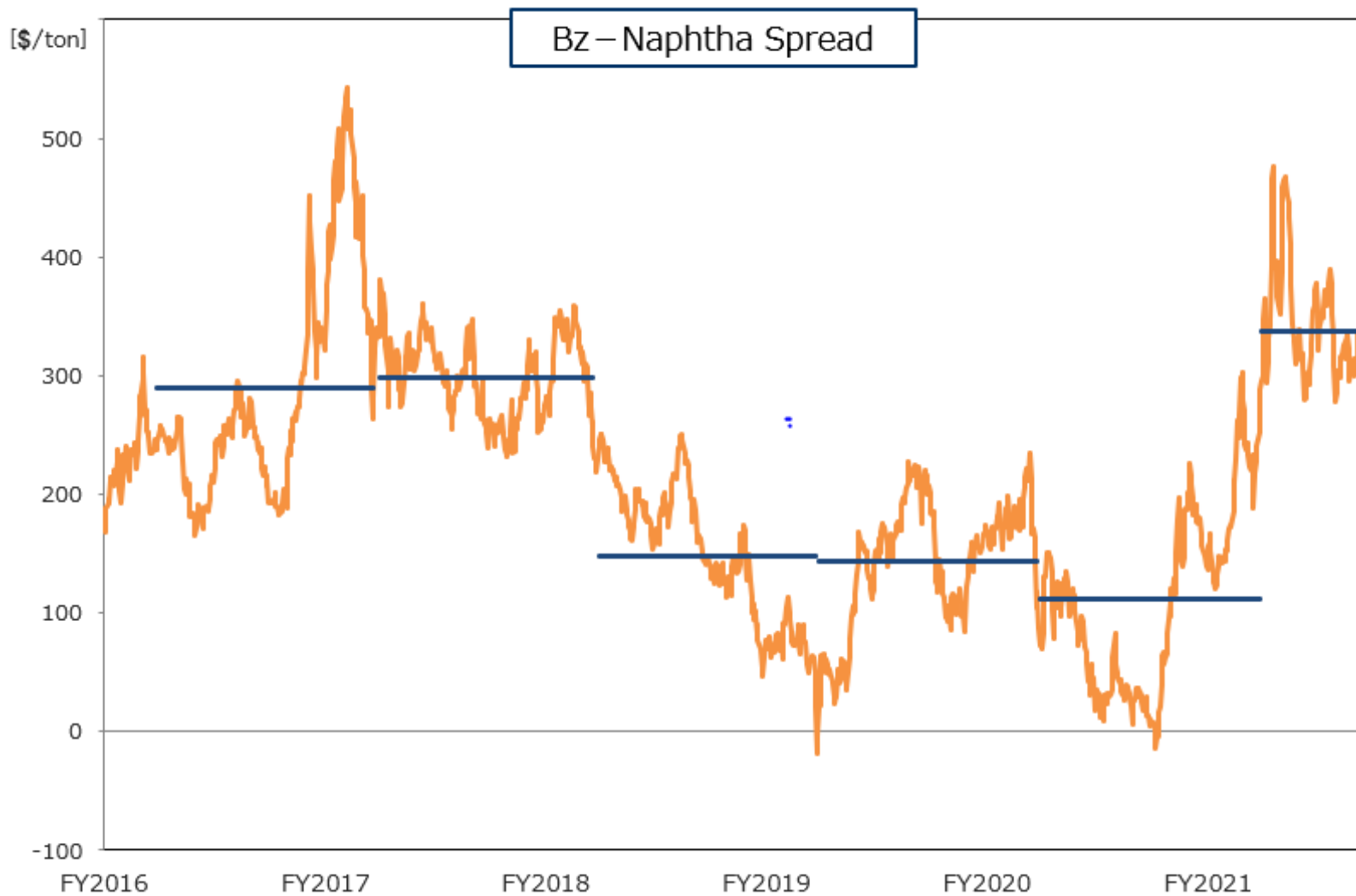
*Trend of crude oil price from January 2016 to September 2021

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.).

Forecast for FY2021 Performance
(Change from FY2020)

[FY2021 Forecast] Highlights of Consolidated Business Outlook (Changes from FY2020) Precondition

Unit : billion yen

No.		FY2021 Forecast		FY2020 Results		Changes		
		Ordinary profit	Ordinary profit exc. the Impact of Inventory	Ordinary profit	Ordinary profit exc. the Impact of Inventory	Ordinary profit	Ordinary profit exc. the Impact of Inventory	
1	Total	155.0	113.0	97.4	76.6	57.6	36.4	
2	(Each segment)	Petroleum business	94.0	52.0	74.1	53.3	19.9	-1.3
3		Petrochemical business	9.0		-3.3		12.3	
4		Oil E&P business (*1)	41.0		13.9		27.1	
5		Renewable energy business	3.5		4.1		-0.6	
6		Other (*2)	7.5		8.6		-1.1	
7	The impact of inventory valuation	42.0		20.8		21.2		
8	Profit attributable to owners of parent	93.0		85.9		7.1		

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

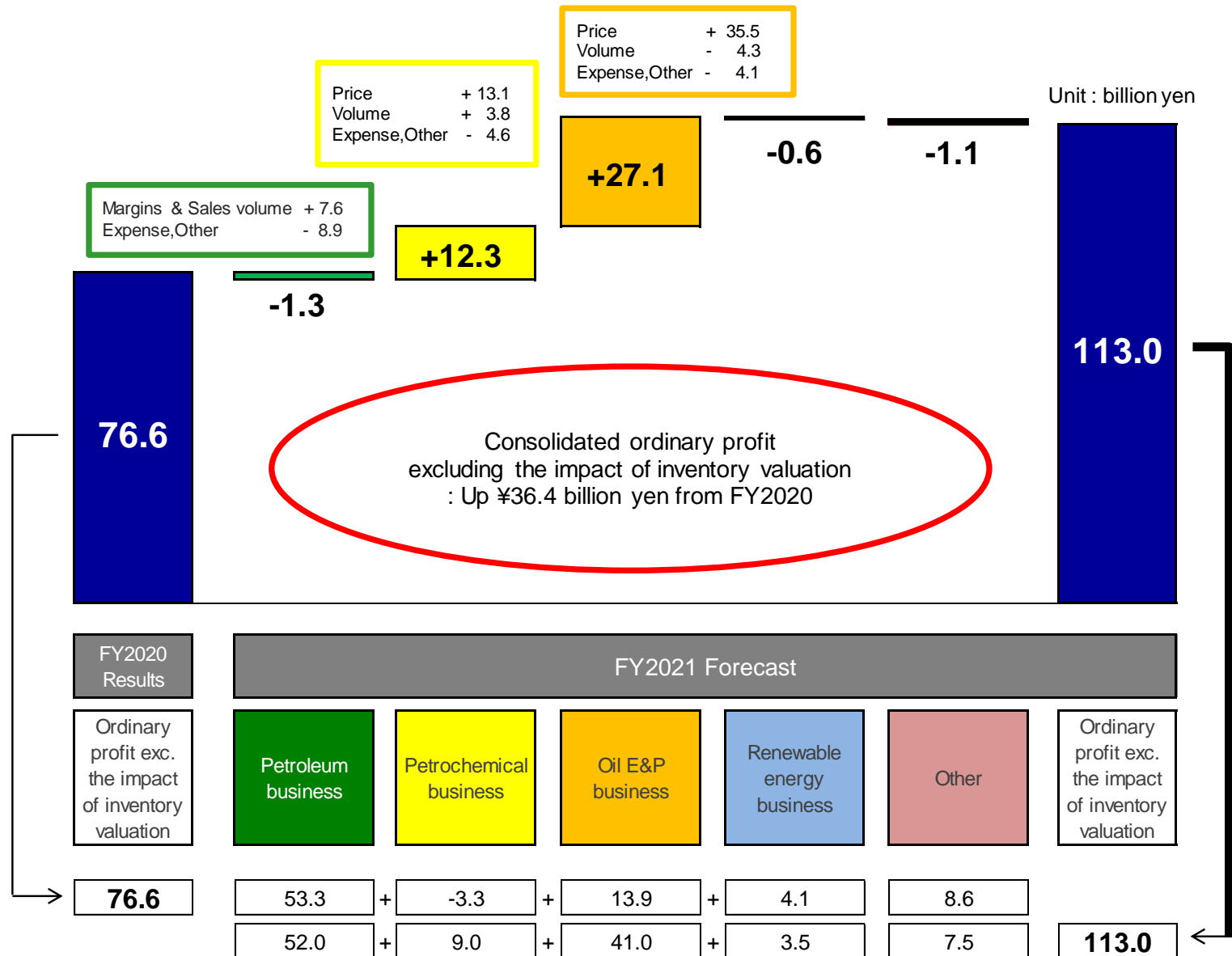
(*2) Including consolidated adjustment

No.		FY2021 Forecast	FY2020 Results	Changes
9	Dividend per Share(Plan)	¥100	¥80	¥20

[Reference] Precondition

No.		FY2021 Forecast	FY2020 Results	Changes
10	Crude oil price(Dubai)(\$/B)(Apr.-Mar.)	72	45	27
11	JPY/USD exchange rate(Apr.-Mar.)	110	106	4
12	Crude oil price(Dubai)(\$/B)(Jan.-Dec.)	68	42	26
13	JPY/USD exchange rate(Jan.-Dec.)	109	107	2

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



Capital Expenditures. Depreciation, etc.

Unit: billion yen

No.		FY2021 Forecast	Changes from FY2020
1	Capital expenditures	66.4	-13.2
2	Depreciation expense amount, etc	59.9	2.4

Capital Expenditures by Business Segment

Unit: billion yen

No.		FY2021 Forecast	FY2020 Results	Changes
1	Petroleum	29.3	42.5	-13.2
2	Petrochemical	12.4	19.7	-7.3
3	Oil E&P	17.8	10.3	7.5
4	Renewable energy	7.5	10.0	-2.5
5	Other · Adjustment	-0.6	-2.9	2.3
6	Total	66.4	79.6	-13.2
7	Investment securities, etc*	13.3	5.6	7.7

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

FY2021 Forecast – Changes from FY2020

Unit: billion yen

No.		Net Sales		Operating Profit		Ordinary Profit		Ordinary Profit (excluding the impact of inventory valuation)	
			Changes from FY2020		Changes from FY2020		Changes from FY2020		Changes from FY2020
1	Petroleum business	2,000.0	-55.8	92.0	17.7	94.0	19.9	52.0	-1.3
2	Petrochemical business	400.0	95.5	10.0	11.4	9.0	12.3	9.0	12.3
3	Oil E&P business	91.0	30.6	41.5	26.8	41.0	27.1	41.0	27.1
4	Renewable energy business	14.0	2.3	3.6	-0.3	3.5	-0.6	3.5	-0.6
5	Other · Adjustment	-135.0	64.1	7.9	-1.9	7.5	-1.1	7.5	-1.1
7	Total	2,370.0	136.7	155.0	53.7	155.0	57.6	113.0	36.4


Cosmo Energy Group (by Segment)

Petroleum business	Cosmo Oil Co.,Ltd., Cosmo Oil Marketing Co., Ltd., Cosmo Oil Sales Corp, Cosmo Oil Lubricants Co., Ltd., 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.

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	91.0billion yen	2,000.0billion yen	400.0billion yen	14.0billion yen	-135.0billion yen	2,370.0billion yen
Ordinary profit * 1	41.0billion yen	94.0billion yen	9.0billion yen	3.5billion yen	7.5billion yen	155.0billion yen
Ordinary profit excluding * 1 impact of inventory valuation	41.0billion yen	52.0billion yen	9.0billion yen	3.5billion yen	7.5billion yen	113.0billion yen

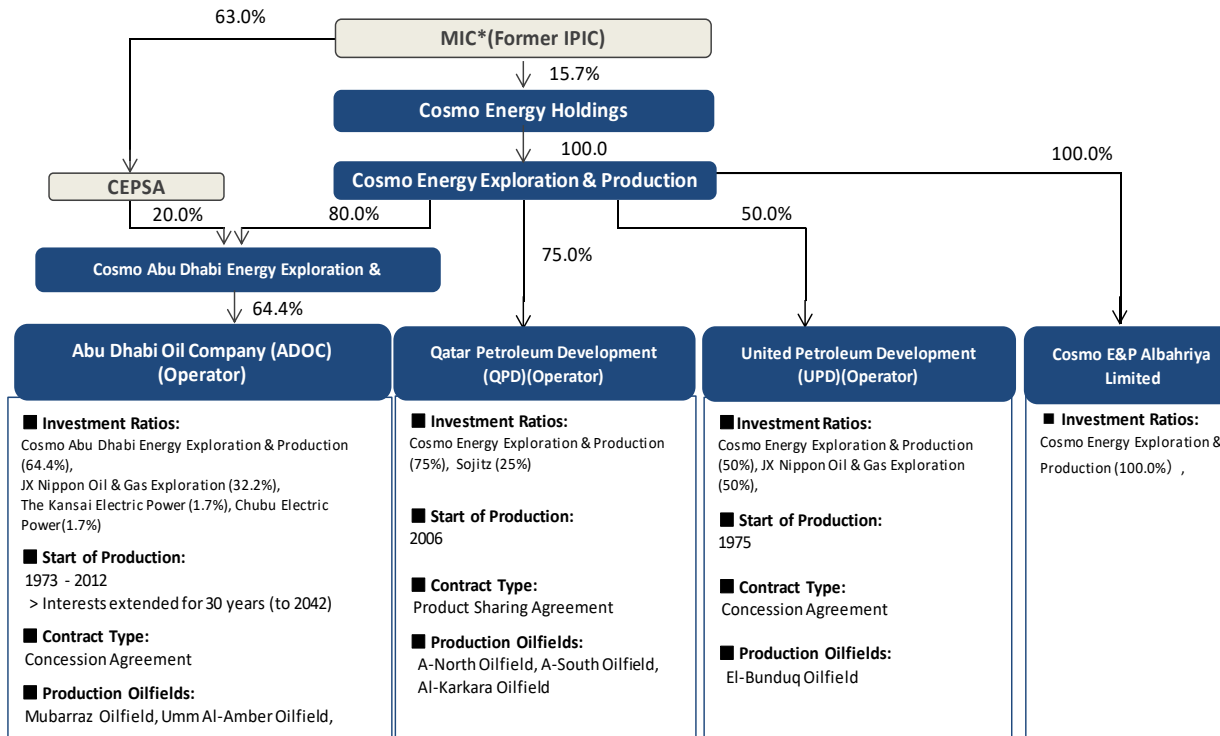
Major assets	Partnerships Solid relationship of trust with oil producing countries for about 50 years	CDU capacity * 5, * 7 400,000 BD (Domestic market share: Approx. 11.6%)	Olefinic production capacity * 5 Ethylene 1.29 mil tons/year (Domestic market share: Approx. 19%)	Wind power plant capacity * 6 303,000 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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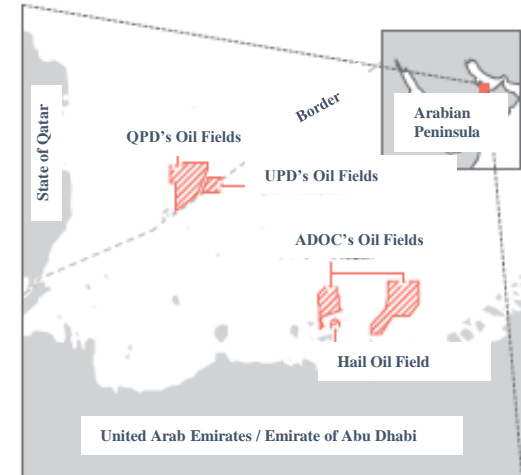
(*1) FY2021 Forecast. (*2) Including consolidated adjustment, (*3)FY2020 Results, (*4)As of Dec. 31, 2020, (*5)As of Mar. 31, 2021, (*6)As of Sep. 30, 2021, (*7)Including the supply of the petroleum product/semi product (37,000 bbls/day equivalent) from Idemitsu Showa Shell Group with the business alliance.

- ✓ 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



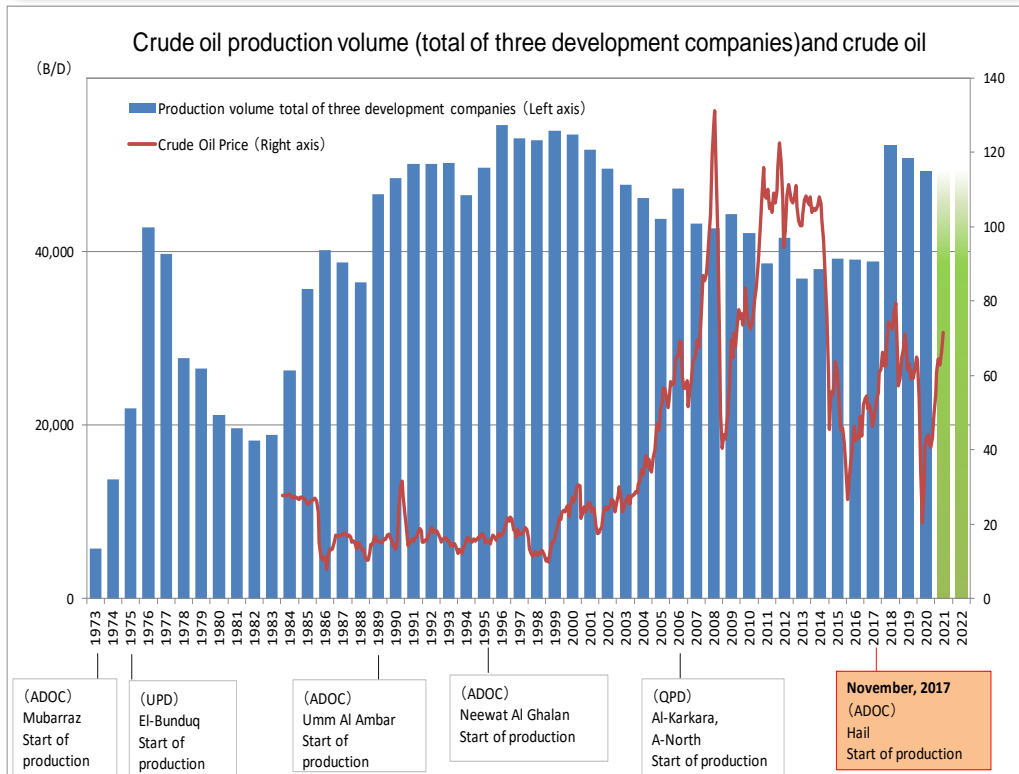
■ Cosmo Energy Group’s oil fields



(*) 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).

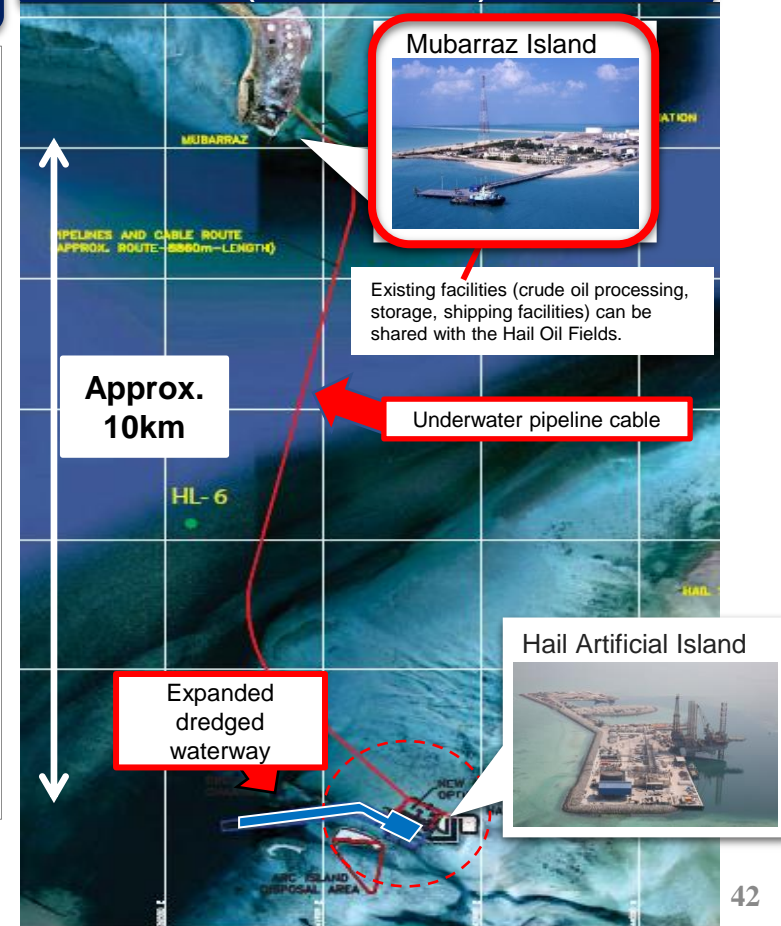
- ✓ The Hail Oil Field started production in November 2017. (interest period – through year 2042)
- ✓ The Hail Oil Filed investment has been curbed with the shared use of existing oil processing, storage and shipping facilities (Estimated savings of 300-400 million dollars), and after the start of production,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

Prolonged stable oil production



*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.

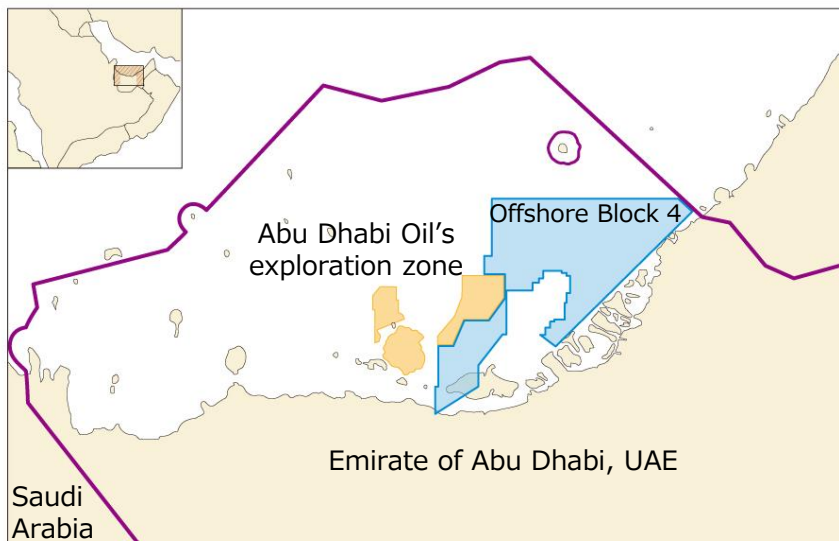
Hail Oil Field and existing shipping terminal (Mubarraz Island)



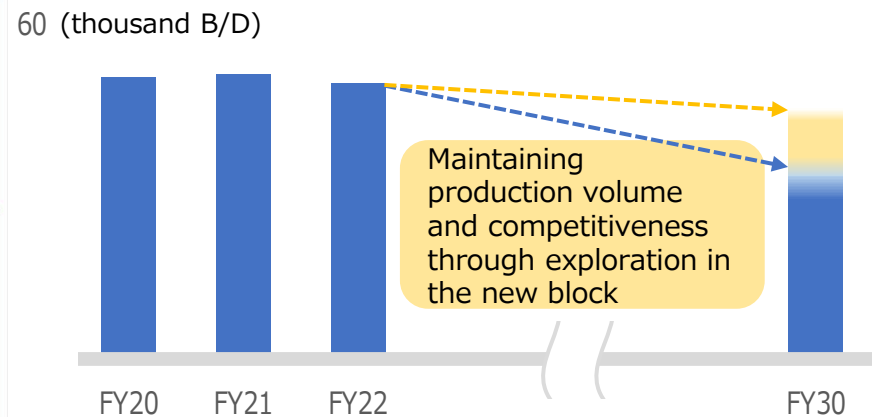
In the Abu Dhabi 2019 Block Bid Round in the United Arab Emirates, the Company won a bid for Offshore Exploration Block 4 (the “Block”). Recently established Cosmo E&P Albahriya Limited will engage in exploration with a view toward early exploitation and production. Main points are as follows.

- 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

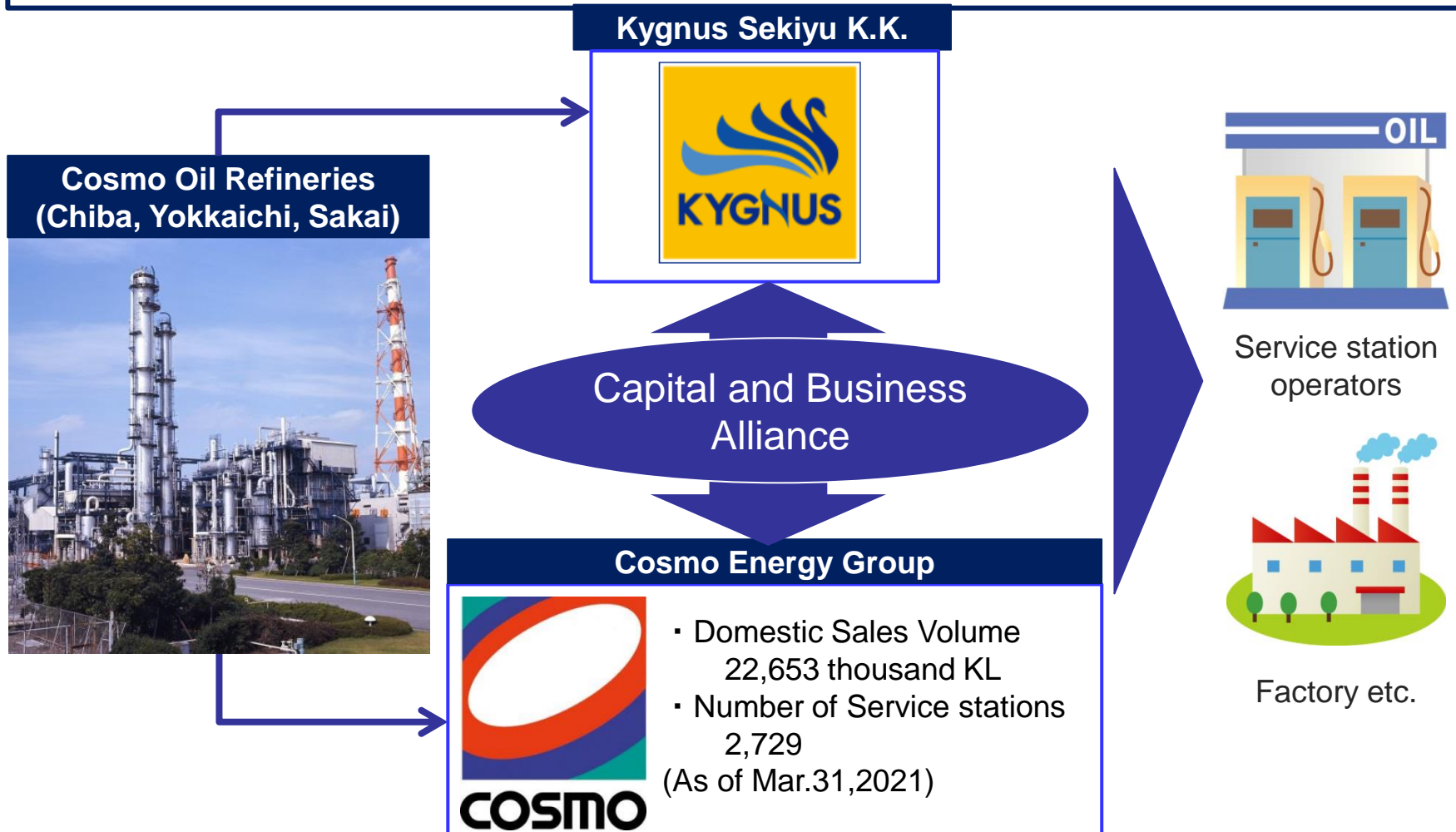


[Petroleum Business]

- 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.

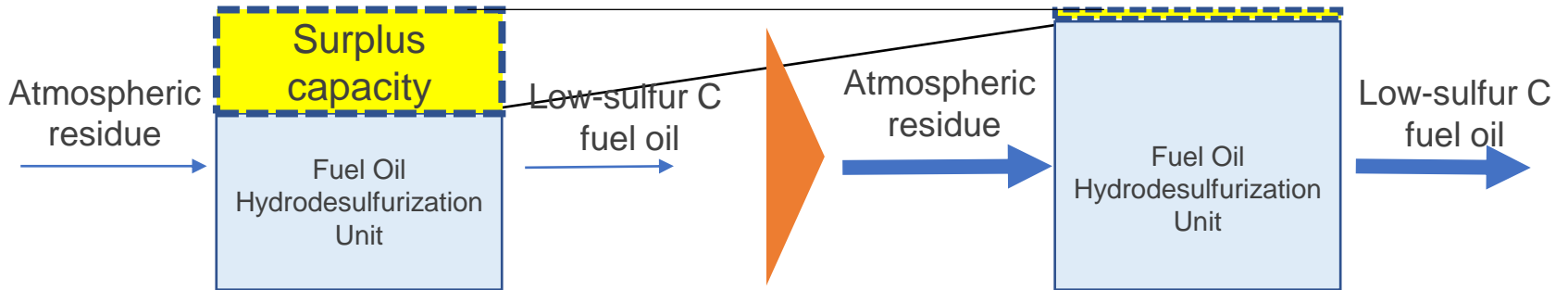


✓ International Maritime Organization (IMO) is to strengthen its regulation in 2020 by setting the upper limit of sulfur content from 3.5% down to 0.5 and the shipping fuel will be switched from high sulfur C heavy fuel to conforming low sulfur C heavy fuel.

Before **After**

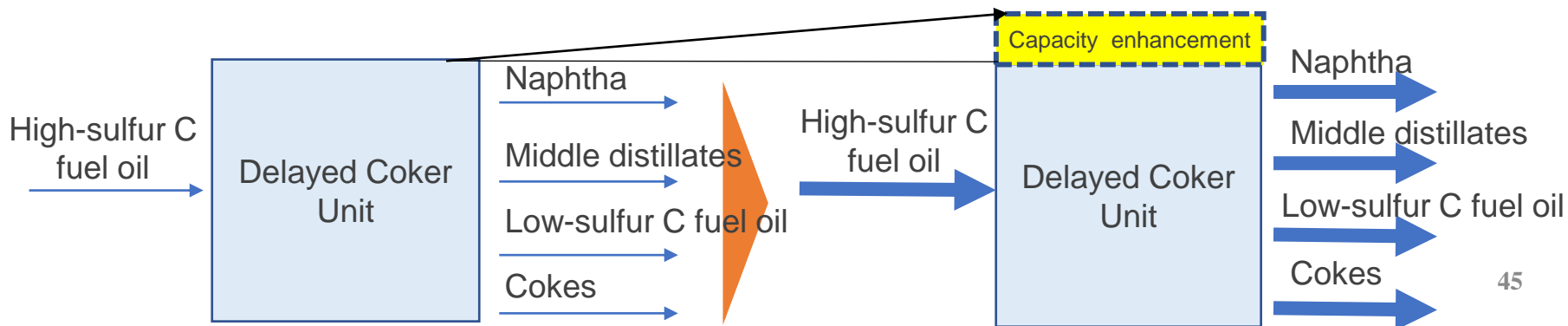
Chiba Refinery

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



Sakai Refinery

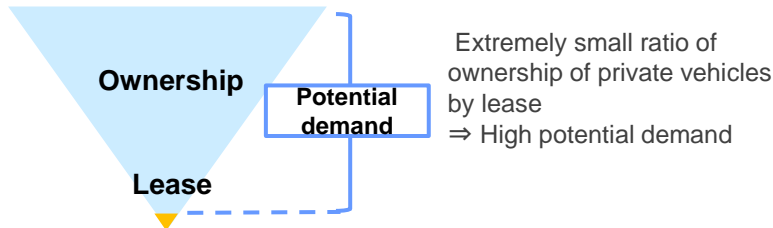
Enhance Sakai Refinery's Delayed coker capacity and turn high sulfur C heavy oil into high value added products



- ✓ 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

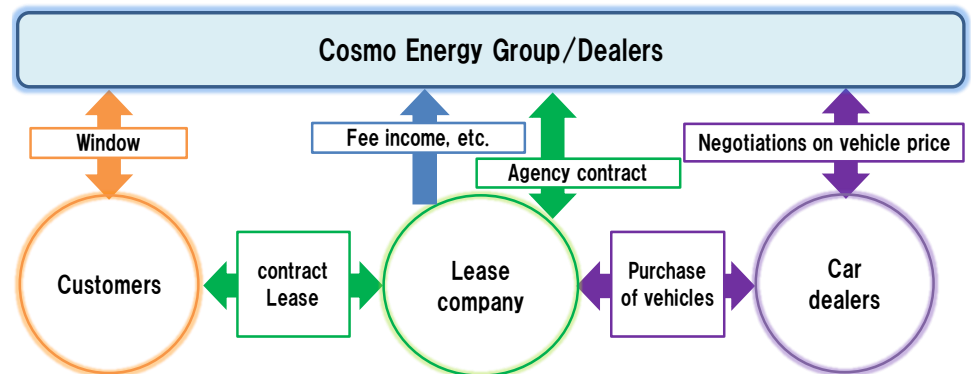
- Because the SS play the role of dealerships, there is no credit risk or risk of keeping vehicle inventory.

Win-win business model

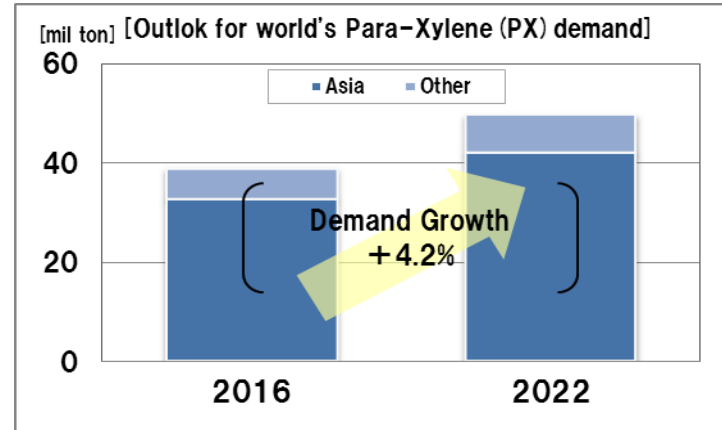
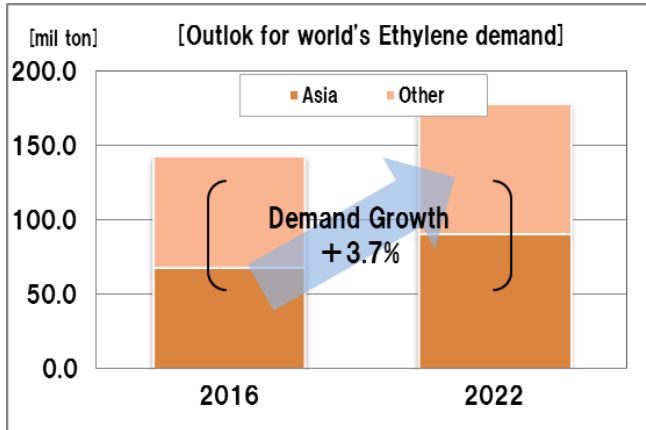
Customers : - Being able to drive new cars of any maker and model for a price lower than purchasing
 - No complicated procedures
 e.g. Simplified expenses for using a car (monthly flat rate that includes safety inspections, taxes, insurance, etc.)

Lease companies : Capture new customers

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

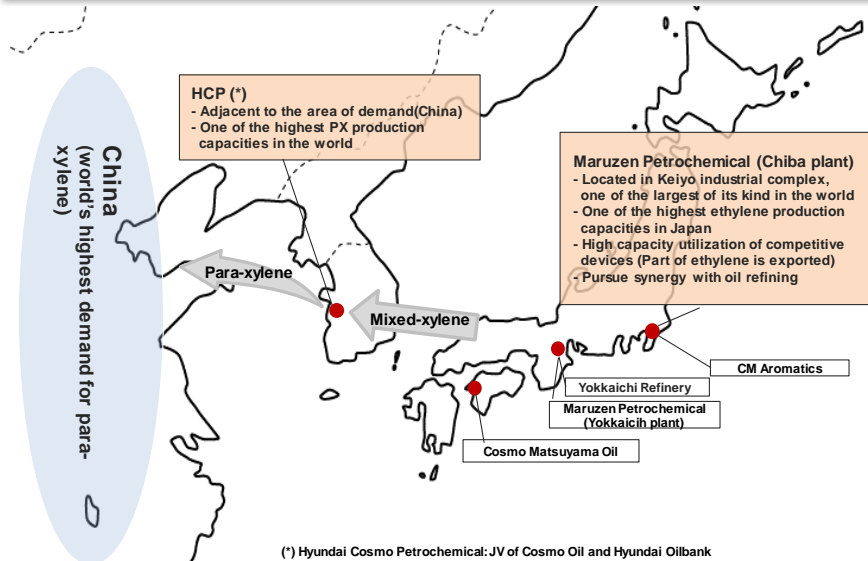


Expected global demand for petrochemical products



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

Strengths of Cosmo Energy Group

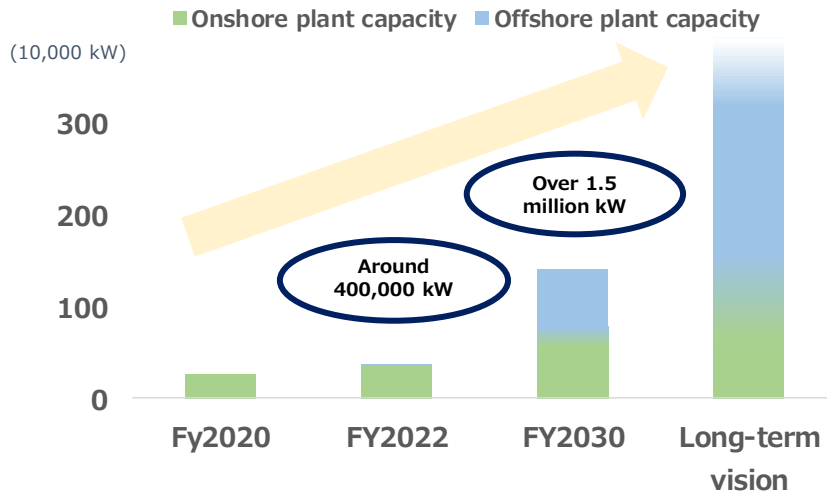


Production capacity

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)	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

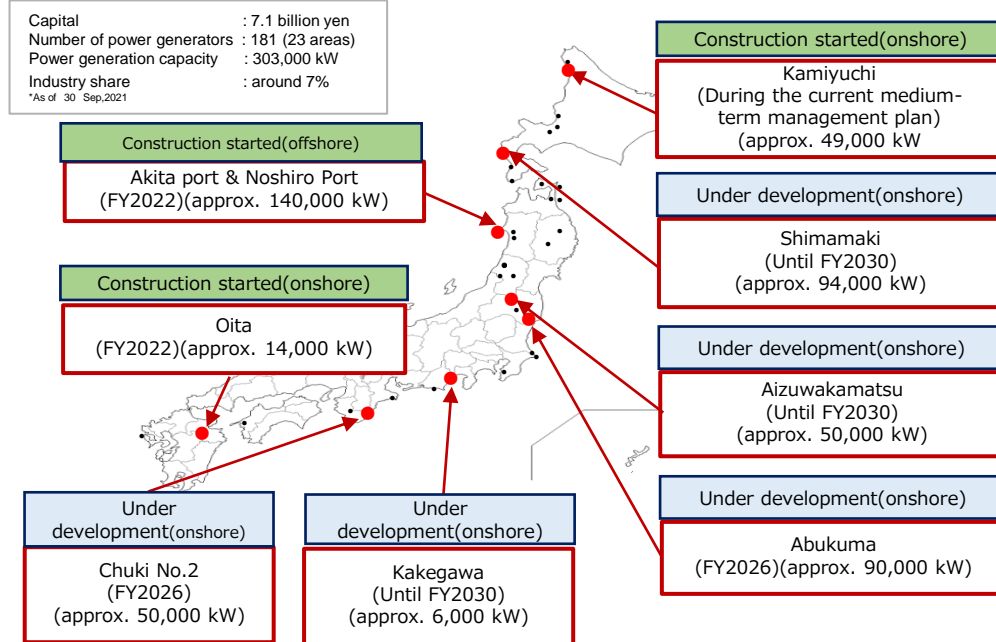
* Includes production capacity of Keiyo Ethylene (55% owned, consolidated subsidiary of Maruzen Petrochemical)

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 Sep.2021

Characteristics (strengths) of the Group

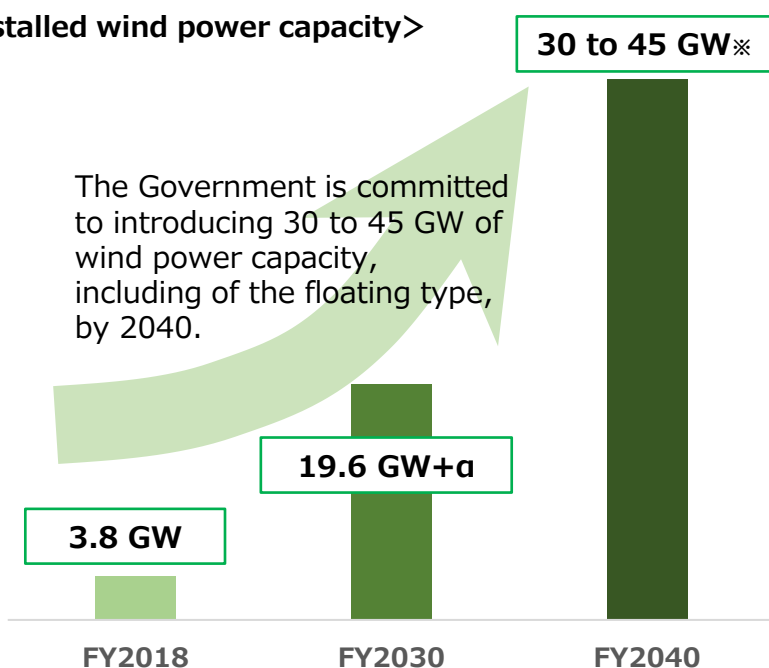
- ✓ Making Eco Power Co., Ltd., a pioneer in the wind power generation business (founded in 1997), a Group company in 2010.
- ✓ Achieving high on-wind availability (90% or more) through development, construction, operation, and maintenance within the Group.
- ✓ Reducing risks of changes in wind conditions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

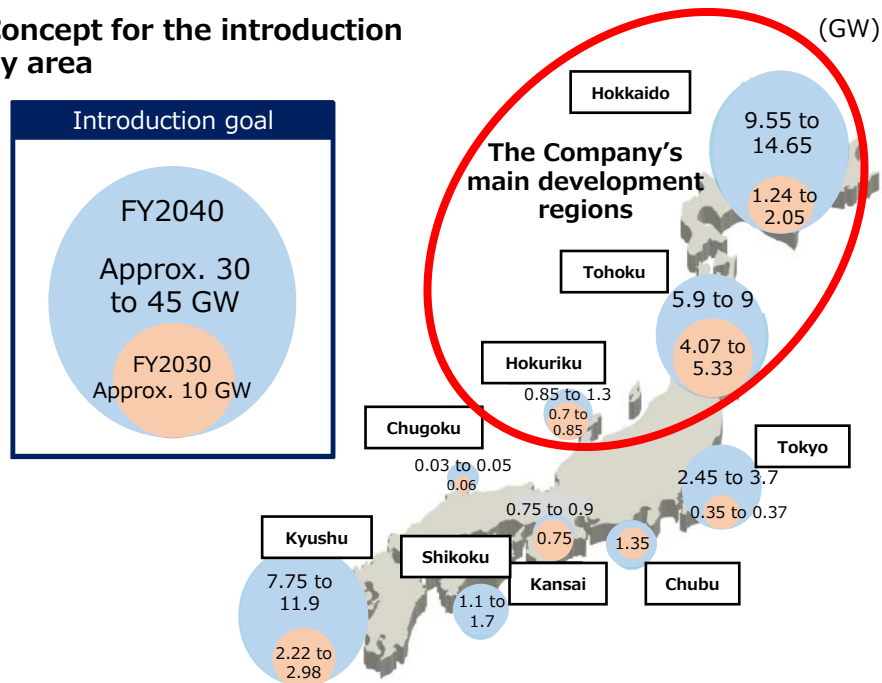
Concept for the Introduction of Offshore Wind Power Generation

<Installed wind power capacity>



* Target value for offshore wind power generation only

Concept for the introduction by area



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

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

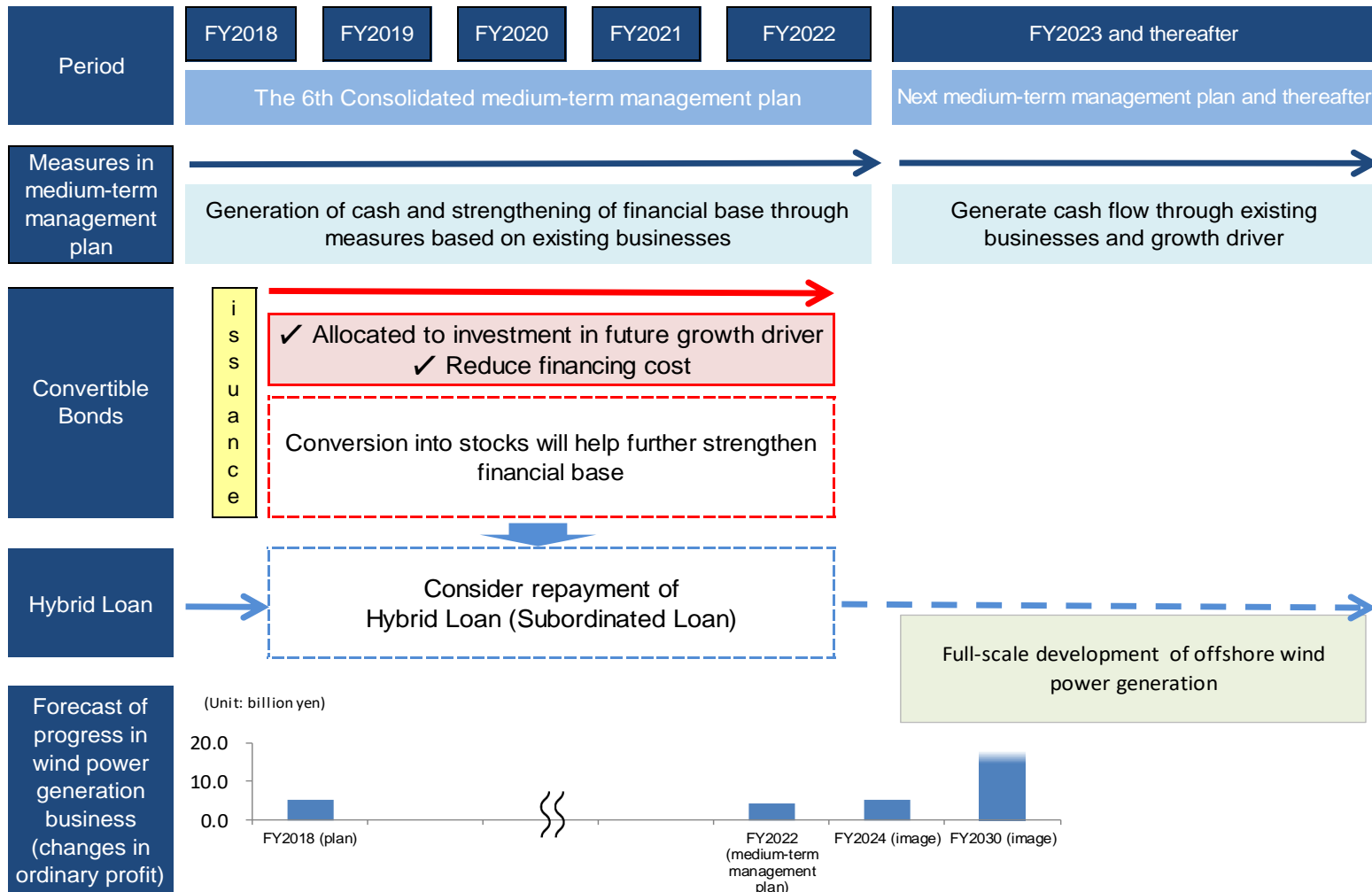
Item	Overview
Financing amount	¥30 billion
Loan agreement date	March 26, 2020
Drawdown date	March 31, 2020
Use of loan proceeds	Early repayment of an existing subordinated loan
Maturity date	March 31, 2053
Dates early repayment can be made	Any interest payment date on or after March 31, 2023
Replacement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