

Cosmo Energy Holdings Co., Ltd. First Quarter of Fiscal 2022

August 10, 2022

Summary of 1Q FY2022 Results

Progress in Renewable Energy Business

1Q FY2022 Results

Supplementary Information of 1Q FY2022

Business Outline

Summary of 1Q FY2022 Results

Highlights of 1Q FY2022 Results

< Highlights of 1Q FY2022 Results >

- ✓ Ordinary profit excluding the impact of inventory valuation, rose ¥18.5 billion year on year, to ¥48.7 billion. Due to the inventory impact of ¥72.8 billion, ordinary profit increased ¥71.9 billion year on year, to ¥121.5 billion. Profit attributable to owners of parent increased ¥49.7 billion year on year, to ¥77.6 billion. Both ordinary profit and profit attributable to owners of parent reached a new record high for a first quarter.
- ✓ Results significantly surpassed initial forecasts, chiefly due to rising crude oil prices, the yen depreciation and improving overseas market conditions.

< Outlook for Full-year Results >

- ✓ Both of the business environment and the results improved more than expected, however, with crude oil price trends likely to be uncertain going forward, the Company has decided to maintain the forecasts announced previously at this time.

(billion yen)

		1Q FY2022	1Q FY2021	Changes
1	Ordinary profit	121.5	49.6	71.9
2	(Impact of inventory valuation)	72.8	19.4	53.4
3	Ordinary profit excluding the impact of inventory valuation	48.7	30.2	18.5
4	Profit attributable to owners of parent	77.6	27.9	49.7

5	Dubai crude oil price (USD/B)(Apr.-Jun.)	108	67	41
6	JPY/USD exchange rate (yen/USD)(Apr.-Jun.)	130	110	20

		1Q FY2022	FY2021	Changes
7	Net worth (billion yen)	514.0	456.2	57.8
8	Net worth ratio (%)	22.9%	23.5%	-0.6%
9	Net Debt to Equity Ratio (times)	1.05	1.04	0.01

Progress in Renewable Energy Business

Progress in Wind power business

- ✓ We obtained FIT certification of generating approximately 150,000 kW in total at the *Shimamaki, Aizuwakamatsu* and *Enshu* sites in FY2021.
- ✓ We will continue to expand the scale aggressively with a view toward achieving more than 1,500,000 kW by FY2030 (onshore wind power of approx. 900,000 kW and offshore wind power of approx. 600,000 kW).

Onshore	Status	Name	Facility capacity		FY2021	FY2022	To FY2030	After FY2030
	In operation	Onshore sites(23 areas in Japan)	300,100 kW					
	Under construction	Kamiyuchi	Approx. 49,000 kW	Operations scheduled to start in the second half of FY2022				
	Under construction	Oita	Approx. 14,000 kW					
	Being developed	Abukuma-minami	Approx. 90,000 kW ¹	Operations scheduled to start in the second half of FY2026				
	Being developed	Chuki No.2	Approx. 39,000 kW					
	Being developed	Shimamaki	Approx. 95,000 kW	FIT certified in FY2021	Operations scheduled to start until FY2030			
	Being developed	Aizuwakamatsu	Approx. 50,000 kW					
	Being developed	Enshu(Kakegawa)	Approx. 6,000 kW					
	Several other projects in development		Approx. 300,000 kW					
	Onshore sites Total		Approx. 900,000 kW	* Installed capacity of the whole				
Offshore	Status	Name	Facility capacity	Subject to the act on renewable energy sea area utilization				
	Under construction	Akita Port & Noshiro Port	Approx. 140,000 kW ¹	Harbor area ³	Operations scheduled to start in December FY2022			
	Being developed	Offshore northwest of Aomori (The Sea of Japan, offshore near Aomori)	Approx. 600,000 kW ¹	High potential area				
	Being developed	Central sea area near Akita (Offshore near Katagami-shi/Akita-shi, Akita)	Up to 500,000 kW ^{1,2}	High potential area				
	Being developed	Offshore near Yuza, Yamagata (Offshore near Yuza, Yamagata)	Up to 500,000 kW ^{1,2}	High potential area				
	Being developed	Offshore north of Niigata (Offshore near Murakami-shi/Tainai-shi, Niigata)	Up to 400,000 kW ^{1,2}	High potential area				
	Being developed	Offshore in Ishikari Bay, Hokkaido	Up to 1,000,000 kW ^{1,2}	Areas in which preparations have advanced to a certain level				

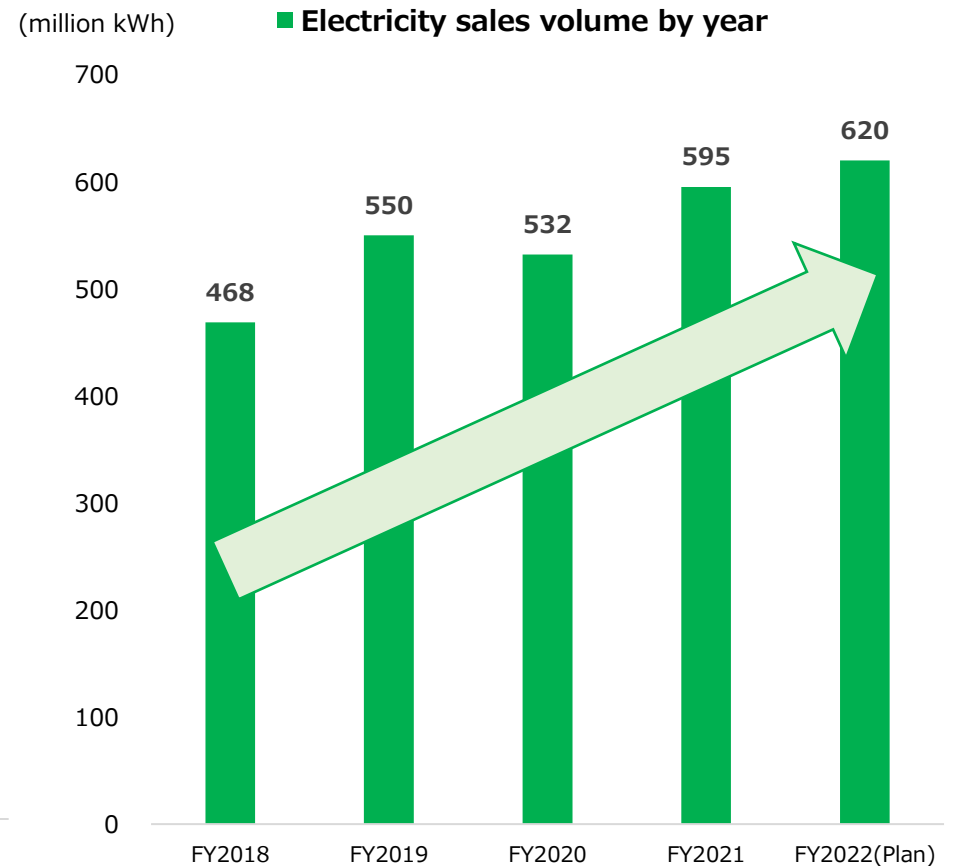
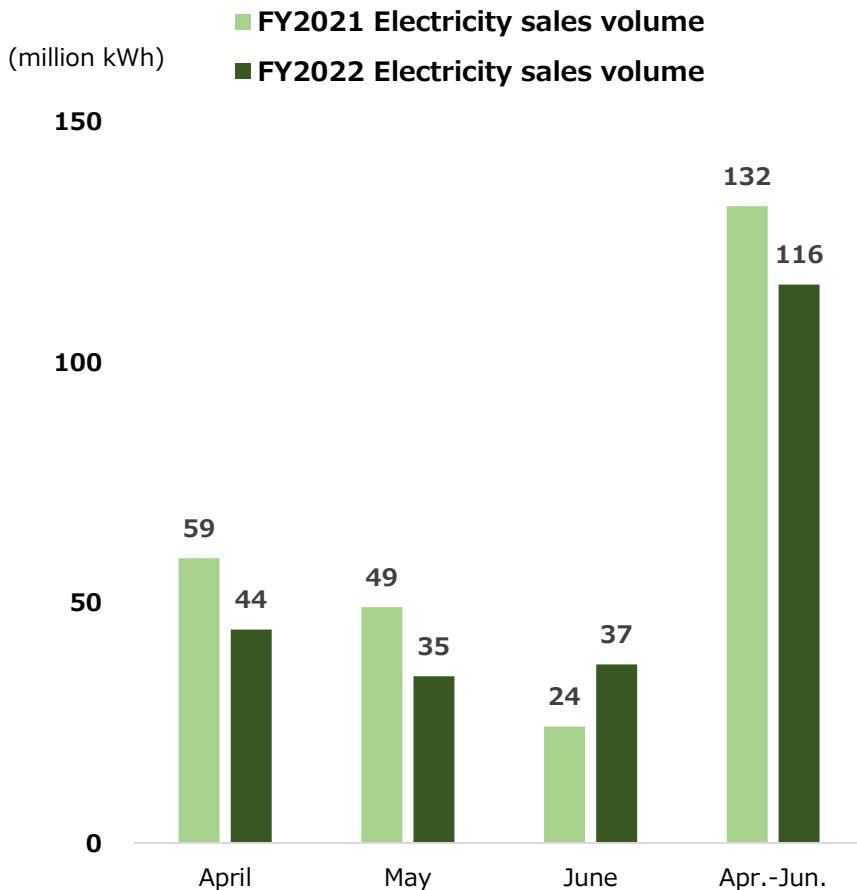
*1 Installed capacity of the whole project

*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

Changes in electricity sales volume

- ✓ In April to June, the electricity sales volume decreased due to the deterioration of wind conditions, although the facility capacity remained unchanged.
- ✓ Given the expected commencement of operation of the *Akita Port & Noshiro Port*, an offshore project, and the *Kamiyuchi* and *Oita* sites, which are onshore projects, in the second half of FY2022, the electricity sales volume is expected to increase year-on-year on a full-year basis.



Initiatives for the expansion of clean energy

We are accelerating initiatives for clean energy, such as expanding the wind power business, as initiatives of portfolio transformation to "New" businesses.

Development of next-generation energy

(i) Promotion of SAF (sustainable aviation fuel)

- ✓ The supply target of SAF for 2030 has been set at 300,000 KL per year.
- ✓ SAF made from disposed cooking oil as a raw material: In the process of considerations, with a view to producing and supplying 30,000 KL per year. (Adopted as a NEDO project. Production and supply are scheduled to start in FY2025)
- ✓ SAF made from ethanol: Commenced a joint study with Mitsui & Co., Ltd. to produce and supply 220,000 KL per year (aim to start production and supplying by FY2027)
*LanzaJet, a US company in which Mitsui & Co., Ltd. has a stake, owns the Alcohol to Jet (ATJ) technology that provides an advantage to the large-scale production of SAF.

(ii) Promotion of hydrogen and ammonia

- ✓ Concluded a purchase agreement of blue ammonia with Abu Dhabi National Oil Company.
- ✓ Signed a MoU regarding the consideration of collaboration with Masdar in the field of decarbonization.
- ✓ Concluded a basic agreement regarding the consideration of collaboration in a hydrogen business with Iwatani Corporation.
- ✓ Commenced a validation project to facilitate the practical use of ammonia fuel for naphtha cracker facilities.



Held a meeting to exchange views on initiatives for renewable energy and decarbonization, among other matters. (June 2022)
Left: Mr. Hiroshi Kiriya, Representative Director, Group CEO, Cosmo Energy Holdings Co., Ltd.
Right: H.E. Dr. Sultan Al Jaber Group CEO of Abu Dhabi National Oil Company

Offering of clean energy

(iii) Offering of the “Cosmo Zero Carbon Solutions”, a package product of green electricity and EV for local governments and companies

- ✓ Started to provide the “Cosmo Denki Business Green” to 52 facilities in total including the municipal office and elementary school in *Chigasaki City*, in Kanagawa, as part of efforts to promote the “Cosmo Zero Carbon Solutions”.

1Q FY2022 Results

- ✓ Consolidated ordinary profit excluding the impact of inventory valuation was ¥48.7 billion (up ¥18.5 billion year on year). Given the inventory impact of ¥72.8 billion, consolidated ordinary profit stood at ¥121.5 billion (up ¥71.9 billion year on year), with profit attributable to owners of parent of ¥77.6 billion (up ¥49.7 billion year on year). These are new record highs.

[Petroleum Business]

- ✓ Profit increased, reflecting a rise in margins due to positive time lags and improvements in overseas market conditions, which more than offset the increased costs of a range of material including in-house fuel costs.
=> Ordinary profit excluding the impact of inventory valuation was ¥28.3 billion (up ¥11.1 billion year on year).

[Petrochemical Business]

- ✓ Sales volume decreased because of the deterioration of olefin market prices; however, profit increased mainly due to the improved MEK market prices.
=> Ordinary profit was ¥5.3 billion yen (up ¥0.7 billion year on year).

[Oil Exploitation and Production Business]

- ✓ Profit rose due to rising crude oil prices.
=> Ordinary profit was ¥14.6 billion yen (up ¥7.9 billion year on year).

[Renewable Energy Business]

- ✓ Profit fell due to the deterioration of wind conditions and the record of upfront costs related to the development of offshore wind power generation.
=> Ordinary profit was ¥0.1 billion yen (down ¥0.4 billion year on year).

[1Q FY2022 Results]

Consolidated Income Statements– Changes from 1Q FY2021

COSMO

No.	Item	FY2022 (Apr.-Jun.2022)	FY2021 (Apr.-Jun.2021)	Changes	Unit: billion yen	
					Forecast FY2022	progress rate
1	Net sales	662.4	529.6	132.8	2,930.0	
2	Operating profit	123.9	48.2	75.7	193.0	64%
3	Non-operating income/expenses, net	-2.4	1.4	-3.8	-3.0	
4	Ordinary profit	121.5	49.6	71.9	190.0	64%
5	Extraordinary income/losses, net	3.3	1.0	2.3	-5.8	
6	Income taxes	43.6	21.5	22.1	75.5	
7	Profit attributable to non-controlling interests	3.6	1.2	2.4	15.7	
8	Profit attributable to owners of parent	77.6	27.9	49.7	93.0	83%
9	Impact of inventory valuation	72.8	19.4	53.4	35.0	
10	Ordinary profit excluding the impact of inventory valuation	48.7	30.2	18.5	155.0	31%
11	Dubai crude oil price (USD/B) (Apr.-Jun.)	108	67	41	100	
12	JPY/USD exchange rate (yen/USD)(Apr.- Jun.)	130	110	20	125	
[Reference]						
13	Dubai crude oil price (USD/B) (Jan.-Mar.) (*1)	79	60	19	95	(*2)
14	JPY/USD exchange rate (yen/USD)(Jan.- Mar.)	116	106	10	123	
15	CDU operating ratio (Calendar Day basis) (*3)	93.2%	99.9%	-6.7%	97.4%	
16	CDU operating ratio (Streaming Day basis) (*3,4)	95.9%	99.9%	-4.0%	98.6%	

(*1) Dubai crude oil prices from November 2021 to January 2022.

(*2) Dubai crude oil prices from November 2021 to October 2022.

(*3) The operating ratio at the Company's three refineries

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

[FY2022 1Q Results] Outline of Consolidated Ordinary Profit by business segment
 – Changes from 1Q FY2021



Unit : billion yen

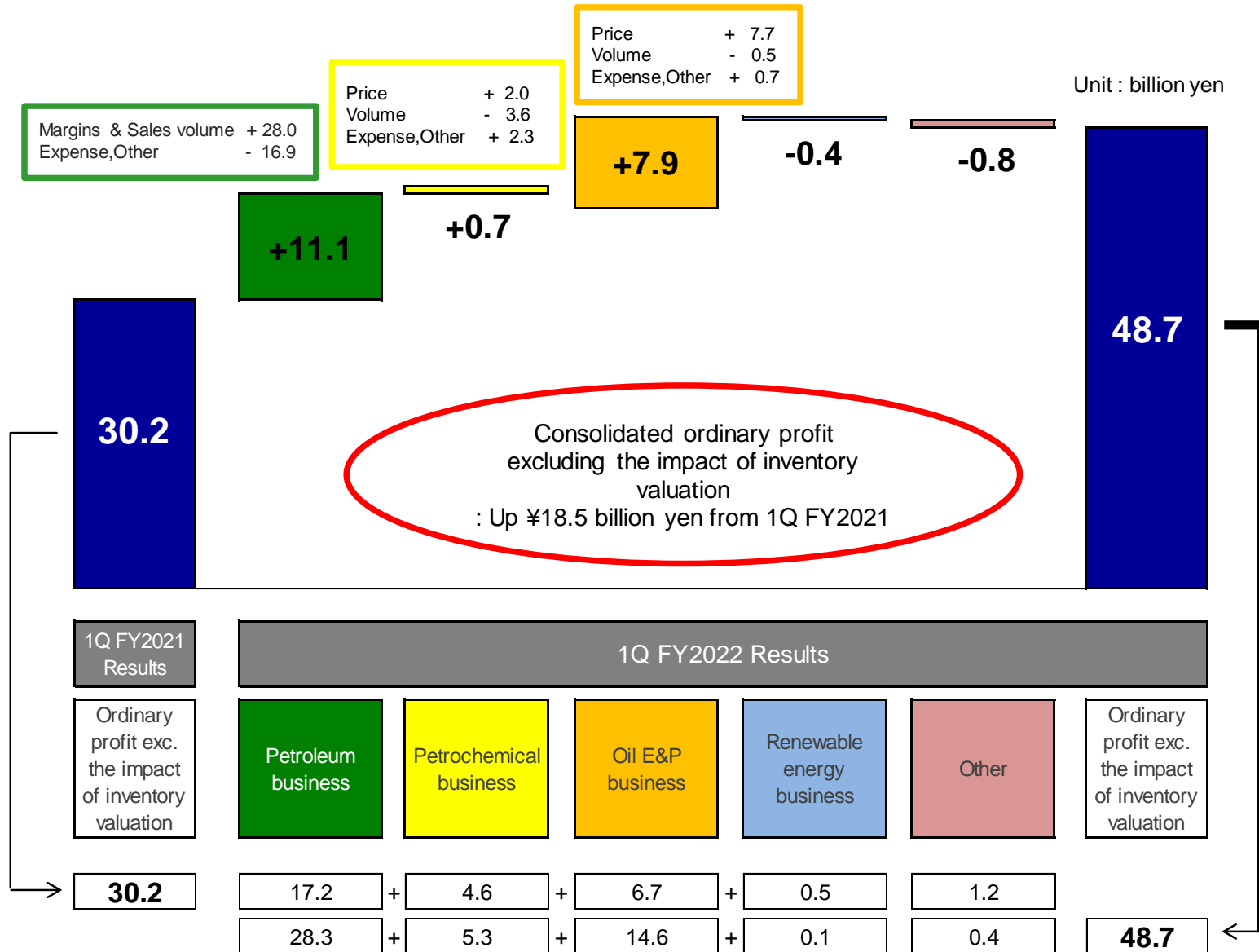
No	FY2022 (Apr.-Jun.2022)		FY2021 (Apr.-Jun.2021)		Changes			
	Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation	Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation	Ordinary profit	Ordinary profit exc. the Impact of Inventory valuation		
1	Total		121.5	48.7	49.6	30.2	71.9	18.5
2	(Each segment)	Petroleum business	101.1	28.3	36.6	17.2	64.5	11.1
3		Petrochemical business	5.3		4.6		0.7	
4		Oil E&P business (*1)	14.6		6.7		7.9	
5		Renewable energy business	0.1		0.5		-0.4	
6		Other (*2)	0.4		1.2		-0.8	

(*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 FY2022 Results] Consolidated Ordinary Profit (Excluding the impact of inventory valuation)
 - Analysis of Changes from 1Q FY2021

Unit : billion yen



Consolidated Balance Sheets

Unit: billion yen

No		FY2022 (As of Jun.30, '22)	FY2021 (As of Mar. 31, '22)	Changes
1	Total Assets	2,247.4	1,938.4	309.0
2	Net assets	640.7	584.0	56.7
3	Net worth	514.0	456.2	57.8
4	Net worth ratio	22.9%	23.5%	-0.6%
5	Net interest-bearing debt *1	568.0	503.3	64.7
6	Net Debt Equity Ratio (times) (after partially accounting for Hybrid Loan) *2	1.05	1.04	Down 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 FY2022 Results	Change from FY2021
1	Capital expenditures	15.9	8.1
2	Depreciation expense amount, etc.	14.3	0.2

Capital Expenditures by Business Segment

Unit: billion yen

No.		1Q FY2022 Results	1Q FY2021 Results	Changes
1	Petroleum	4.8	3.0	1.8
2	Petrochemical	5.3	2.2	3.1
3	Oil E&P	2.5	1.3	1.2
4	Renewable energy	2.8	0.6	2.2
5	Other · Adjustment	0.5	0.7	-0.2
6	Total	15.9	7.8	8.1
7	Investment securities, etc.*	0.2	2.9	-2.7

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

Supplementary Information

P.17-25 [1Q FY2022 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 FY2021
- Main data of each business
- Historical Changes in Dubai Crude Oil Price
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P.27- Forecast for FY2022 Performance(Change from FY2021)

P.29-38 Overview of the Cosmo Energy Group (Business Outline)

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

P.39- Subordinated loan (Announced on March 31,2020)

P.40-42 Zero Coupon Convertible Bonds due 2022 (being bonds with stock acquisition rights)

P.43- Stock Repurchase (Announced on May 12, 2022)

Supplementary Information of
1Q FY2022 Results

[1Q FY2022 Results] Sales Volume, CDU Operating Ratios



Unit: thousand KL

No.			1Q FY2022 Results	1Q FY2021 Results	Changes	FY2022 Forecast	FY2022 forecast changes from FY2021
1	Selling volume in Japan	Gasoline	1,727	1,719	100.4%	6,881	97.9%
2		Kerosene	285	292	97.7%	2,122	99.5%
3		Diesel fuel	1,380	1,369	100.8%	5,528	98.6%
4		Heavy fuel oil A	382	391	97.6%	1,603	93.9%
5		Sub-Total	3,774	3,772	100.1%	16,133	97.9%
6		Naphtha	1,144	1,546	74.0%	5,922	104.8%
7		Jet fuel	133	71	189.3%	509	136.3%
8		Heavy fuel oil C	180	161	111.6%	643	89.7%
9		Total	5,231	5,549	94.3%	23,206	100.0%
10	Export volume	Middle distillates Export	47	-	-	450	449.6%
11		Bonded products and other	561	642	87.3%	2,498	100.1%
12		inc. Jet fuel	332	381	87.2%	1,551	103.5%
13		inc. Low-sulfur C fuel oil	126	178	71.0%	653	104.7%
14		Sub-Total	607	642	94.6%	2,948	113.6%
15	Total		5,838	6,191	94.3%	26,155	101.3%

No.			1Q FY2022 Results	1Q FY2021 Results	Changes
16	CDU operating ratio	(Calendar Day basis) *1	93.2%	99.9%	-6.7%
17		(Streaming Day basis) *1,2	95.9%	99.9%	-4.0%

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

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

[1Q FY2022 Results] Crude Oil Production Volume, Crude Reserves Estimate (Proved and Probable)



[1] Crude oil production volume				
	1Q FY2022 Results	1Q FY2021 Results	Changes	
Cosmo Energy Exploration & Production Co., Ltd. (B/D)	45,897	46,161	-264	99.4%

*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-March, 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, 2021)

[2] Crude Reserves Estimate (working interest base) (*1)	
	mmbbls
Total Proved(*2) and Probable Reserves (*3)	143.1
(Ref.: Reserves to Production Ratio of Total Proved and Probable Reserves)	about 17years

Note: The daily average crude production based on working interest reached 23 thousands bpd for FY2021(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 FY2022 Results] Results by Business Segment – Changes from 1Q FY2021

COSMO

1Q FY2022 Results – Changes from 1Q FY2021

Unit: billion yen

No.		Net Sales		Operating Profit		Ordinary Profit		Ordinary Profit (excluding the impact of inventory valuation)	
			Changes from 1Q FY2021		Changes from 1Q FY2021		Changes from 1Q FY2021		Changes from 1Q FY2021
1	Petroleum business	584.4	122.1	104.7	70.1	101.1	64.5	28.3	11.1
2	Petrochemical business	113.8	29.8	5.7	1.0	5.3	0.7	5.3	0.7
3	Oil E&P business	24.4	7.1	12.9	5.9	14.6	7.9	14.6	7.9
4	Renewable energy business	2.6	-0.3	0.0	-0.6	0.1	-0.4	0.1	-0.4
5	Other · Adjustment	-62.8	-25.9	0.6	-0.7	0.4	-0.8	0.4	-0.8
6	Total	662.4	132.8	123.9	75.7	121.5	71.9	48.7	18.5

Cosmo Energy Group (by Segment)

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

[1Q FY2022 Results] Main data of each business

1. Petroleum business

(1) Refinery Operating Ratio

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 1Q
CDU operating ratio(Calendar Day basis)*1	94.1%	86.1%	87.9%	84.3%	95.4%	93.2%

(2) Number of SSs by Operator Type

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 1Q
Subsidiary*2	917	888	876	877	872	879
Dealers	1,941	1,903	1,879	1,852	1,823	1,803
Total *3	2,858	2,791	2,755	2,729	2,695	2,682
Number of Self-Service SSs *3	1,034	1,048	1,072	1,099	1,112	1,114

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

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 1Q
Cosmo The Card (million cards)*3	4.44	4.33	4.21	4.12	4.03	4.01
My car lease(Units) *3	47,602	60,579	73,634	85,126	96,214	98,561
Carlife Square(million downloads) *3			2.02	3.44	4.72	5.03

2. Oil E&P business

Crude oil production volume

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 1Q
Cosmo Energy E&P Co., Ltd. (B/D)*4	38,826	52,303	50,773	49,208	45,157	45,897

3. Renewable energy business

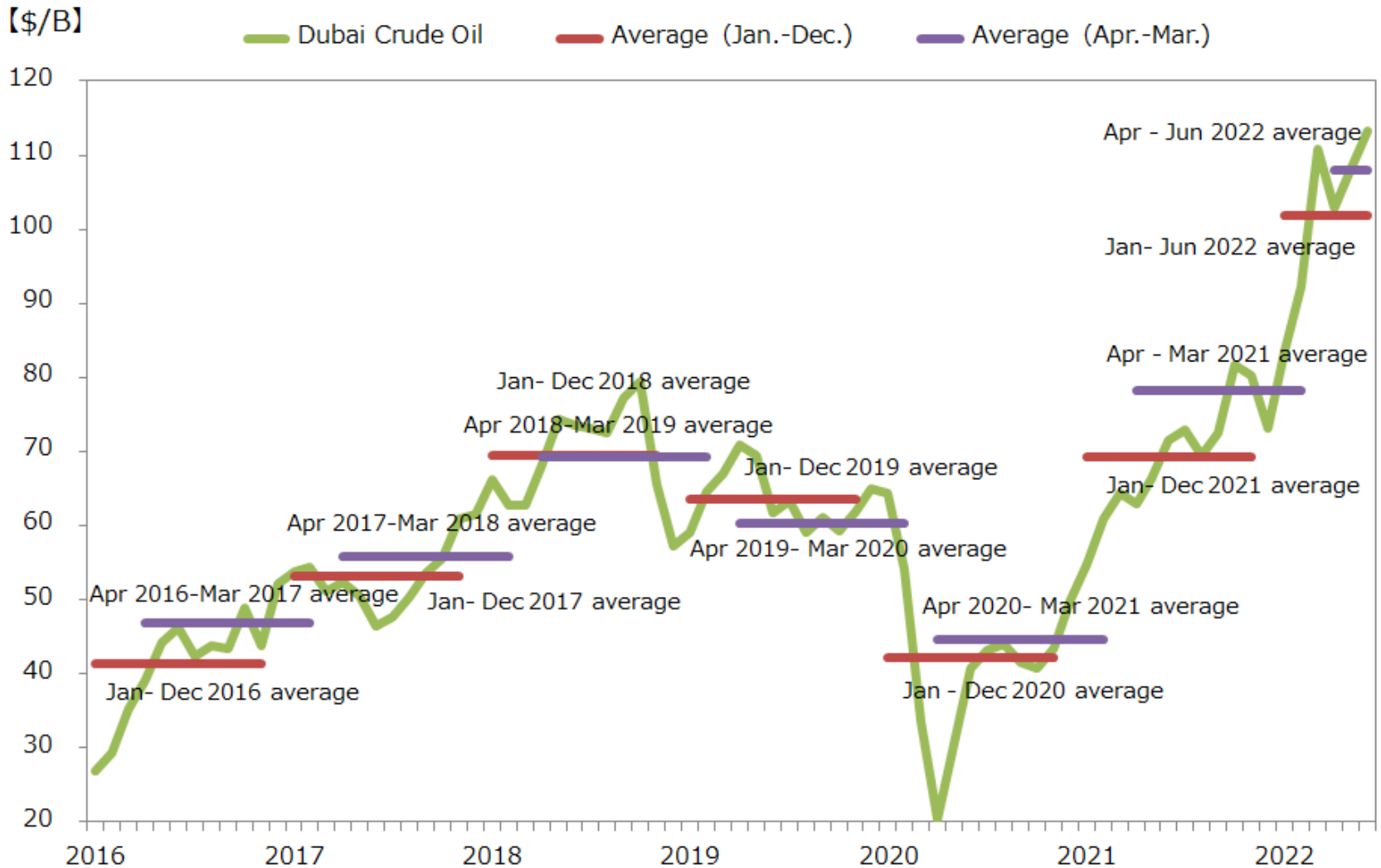
Wind power plant capacity(ten thousand kW)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 1Q
Plant Capacity (ten thousand kW)*3	22.7	22.7	26.6	26.1	30.0	30.0
Electricity sales volume (million kWh)	431	468	550	532	595	116

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

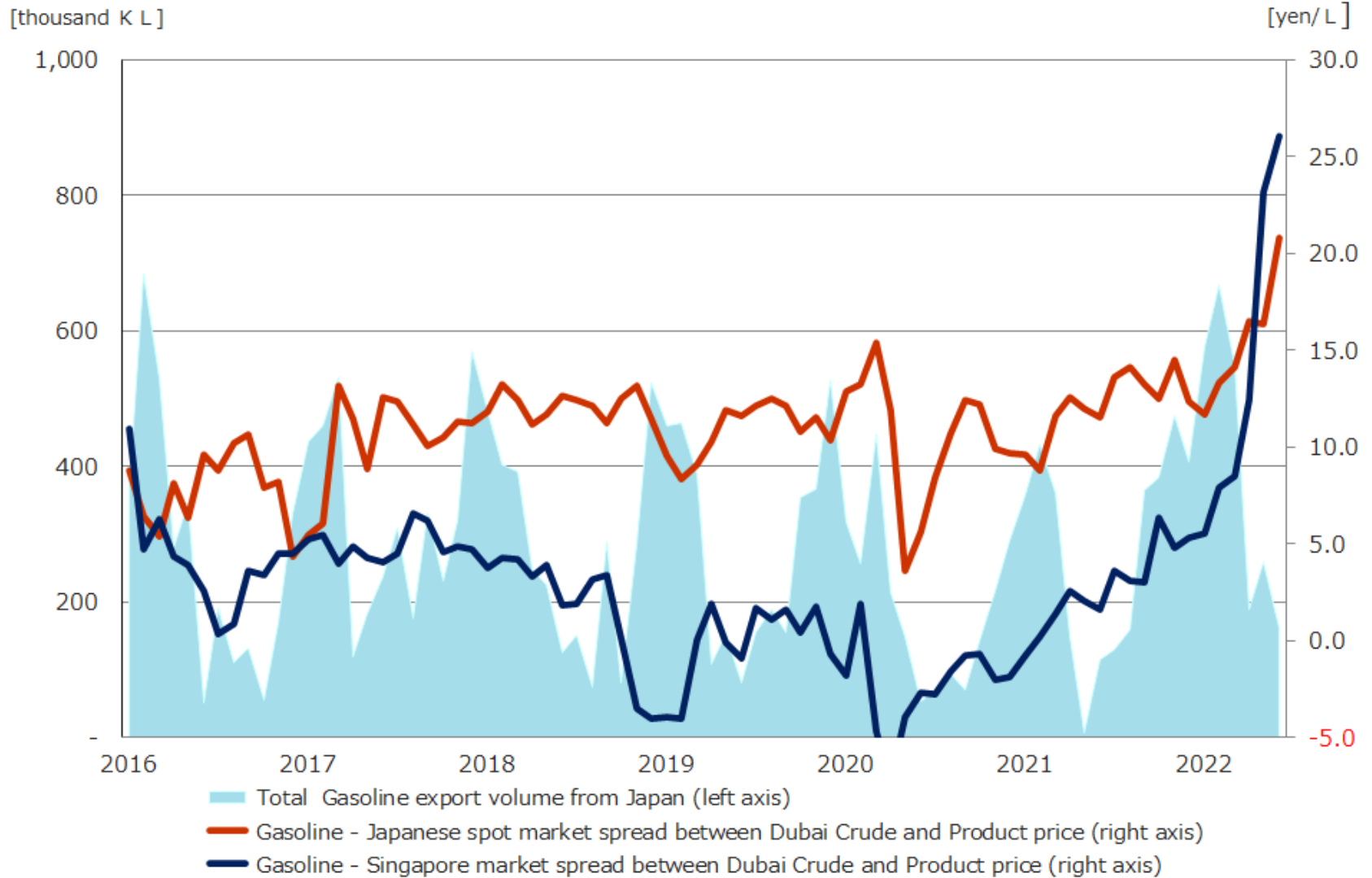
*3) At the end of March of each fiscal year *4) January-December results for each fiscal year

Historical Changes in Dubai Crude Oil Price

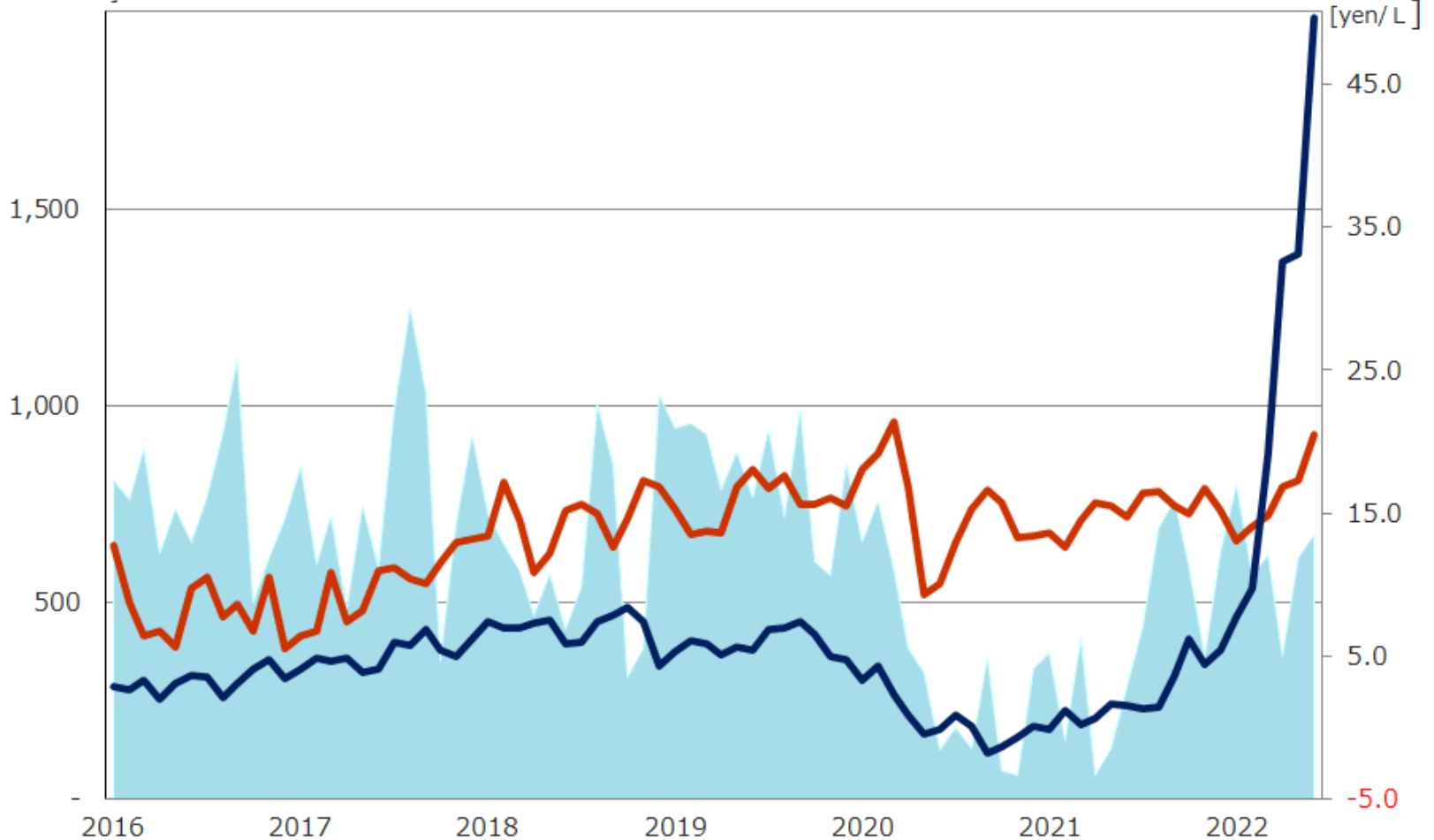


*Trend of crude oil price from January 2016 to June 2022

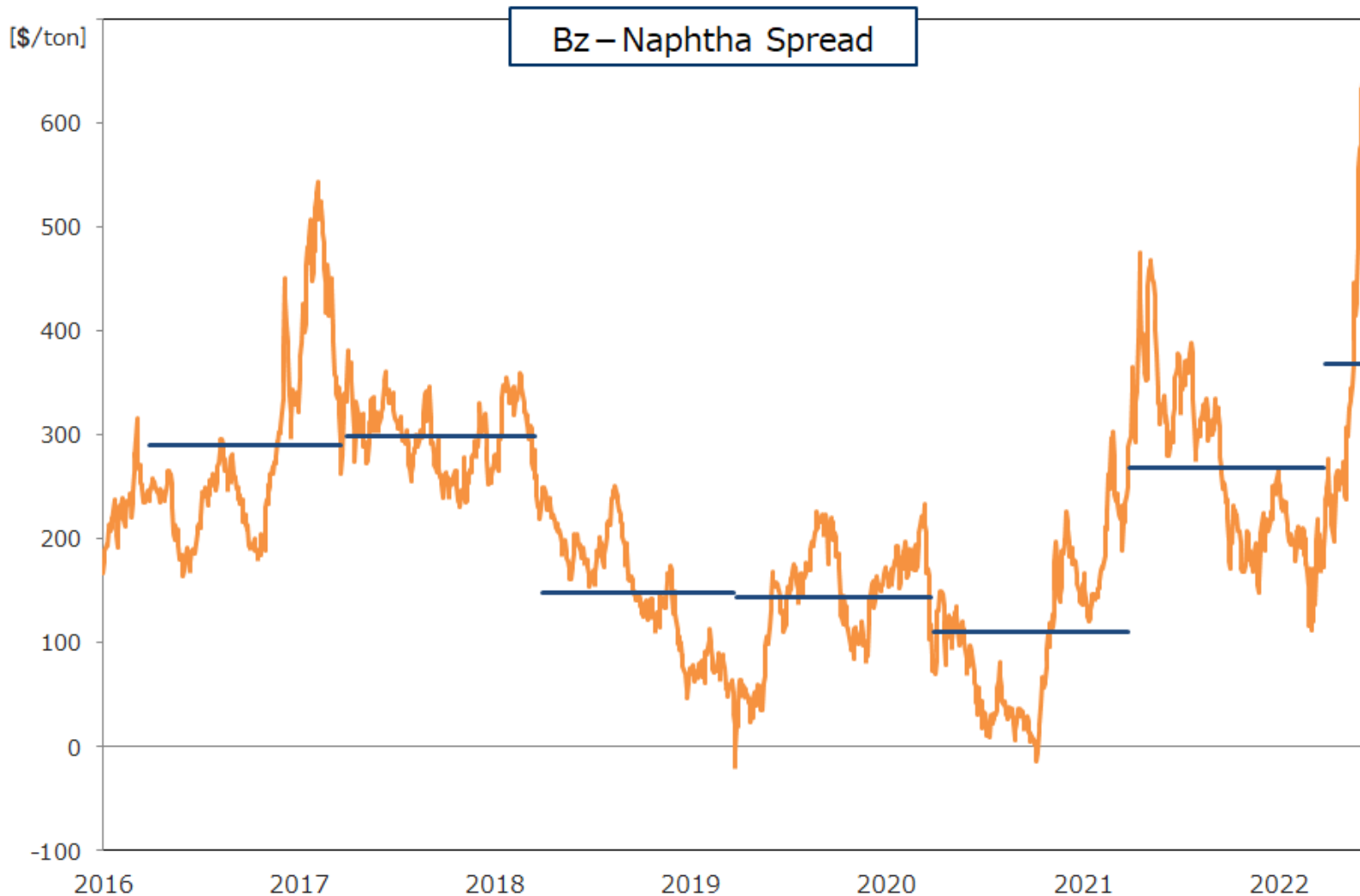
Gasoline Export and Margin Environment (Domestic /Overseas)



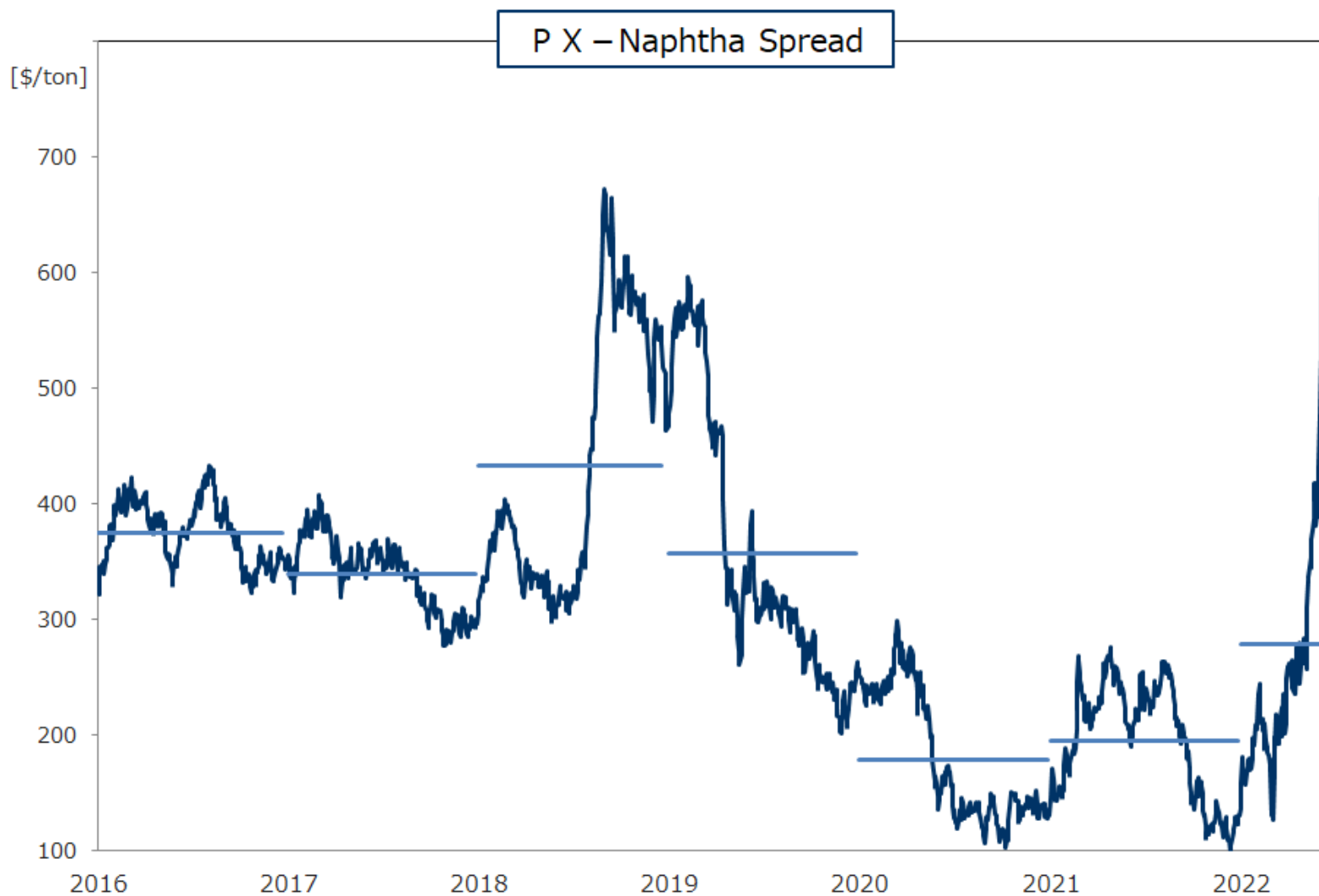
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- Total diesel fuel export volume from Japan (left axis)
- Diesel fuel - Japanese spot market spread between Dubai Crude and Product price (right axis)
- Diesel fuel - Singapore market spread between Dubai Crude and Product price (right axis)



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



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

Forecast for FY2022 Performance
(Change from FY2021)

[FY2022 Forecast] Highlights of Consolidated Business Outlook (Change from FY2021) Precondition, and Business Sensitivity



Unit : billion yen

No		FY2022 Forecast		FY2021 Results		Changes		
		Ordinary profit	Ordinary profit exc. the impact of inventory valuation	Ordinary profit	Ordinary profit exc. the impact of inventory valuation	Ordinary profit	Ordinary profit exc. the impact of inventory valuation	
1	Total	190.0	155.0	233.1	160.8	-43.1	-5.8	
2	(Each segment)	Petroleum business	99.0	64.0	165.5	93.2	-66.5	-29.2
3		Petrochemical business	7.0		13.6		-6.6	
4		Oil E&P business (*1)	75.0		44.8		30.2	
5		Renewable energy	3.0		3.5		-0.5	
6		Other (*2)	6.0		5.7		0.3	
7	The impact of inventory valuation		35.0		72.3		-37.3	
8	Profit attributable to owners of parent		93.0		138.9		-45.9	
9	Profit attributable to owners of parent excluding the impact of inventory valuation *3		68.5		88.3		-19.8	
10	Dividend per Share(Plan) (yen)		¥150		¥100		+ ¥50	

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

(*2) Including consolidated adjustment (*3) Calculated after deducting 30% as tax equivalent for the impact of inventory valuation.

■ Precondition

No.		FY2022 Forecast	FY2021 Results	Changes
11	Dubai crude oil price (USD/B)(Apr.-Mar.)	100	78	22
12	JPY/USD exchange rate (Apr.-Mar.)	125	112	13
13	Dubai crude oil price (USD/B)(Jan.-Dec.)	95	69	26
14	JPY/USD exchange rate (Jan.-Dec.)	123	110	13

*Dubai crude oil prices from November 2021 to October 2022.

■ Sensitivity (FY2022)


No.		Item	Crude oil (Dubai)	JPY/USD exchange rate
15	Petroleum Business	Inventory Impact	2.3 billion yen	1.9 billion yen
16		Refinery fuel cost etc.	-0.6 billion yen	-0.5 billion yen
17		Total	1.7 billion yen	1.4 billion yen
18	Oil E&P Business		1.2 billion yen	1.2 billion yen

* Figures above refer to the impacts of the price of crude oil (USD 1/bbl) and the yen-dollar exchange rate (+¥1/USD) fluctuations. Sensitivity is calculated based on the assumption that crude oil prices and foreign exchange rates remain constant throughout the period. E&P business are estimated for 12 months for crude oil prices and foreign exchange.

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	135.0billion yen	2,410.0billion yen	492.0billion yen	14.0billion yen	-121.0billion yen	2,930.0billion yen
Ordinary profit * 1	75.0billion yen	99.0billion yen	7.0billion yen	3.0billion yen	6.0billion yen	190.0billion yen
Ordinary profit excluding * 1 impact of inventory valuation	75.0billion yen	64.0billion yen	7.0billion yen	3.0billion yen	6.0billion yen	155.0billion 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 * 5 300,100 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 23,210thousand 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. 45 thousand B/D (Comparison with refining capacity: Approx. 11%)	Number of Service station * 5 2,695			
	Crude Oil Reserves (Proved and Probable) * 4 143.1 million barrels (Equivalent to approx. 17 years of supply)	Number of the "Cosmo the Card" Holders * 5 4.03million cards	Car leasing business for * 5 individuals Cumulative total 96,214cars		

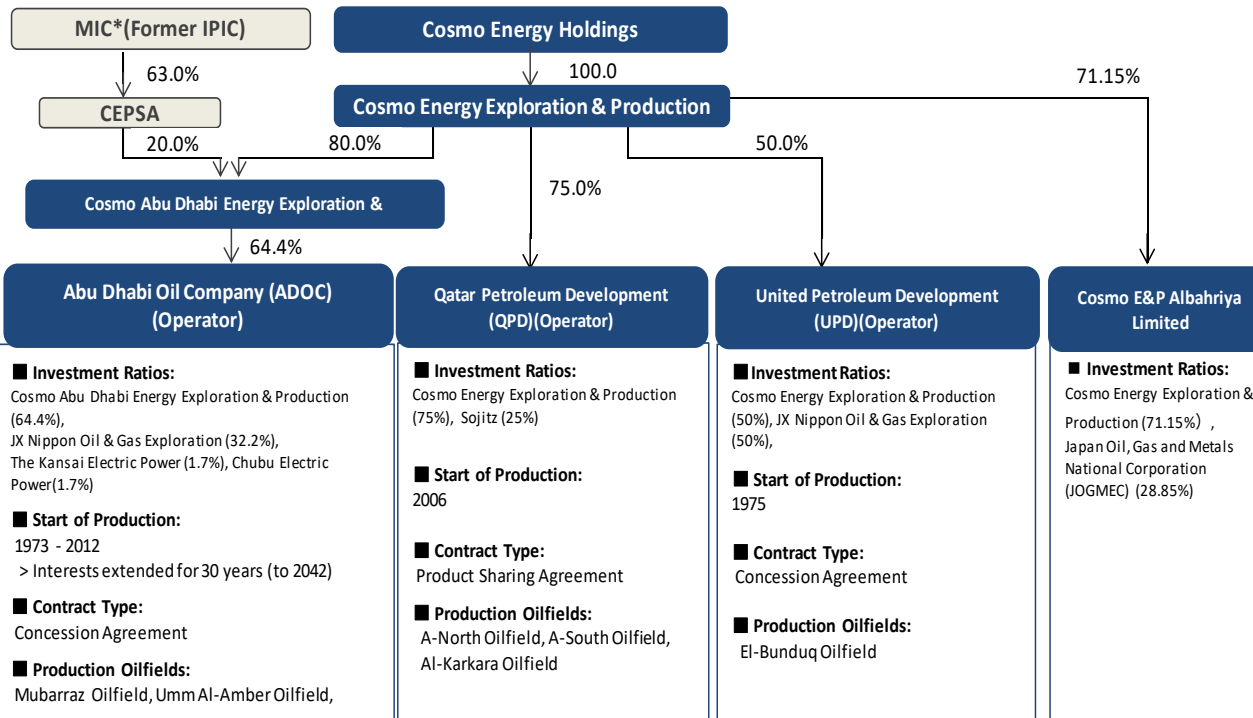
Major business companies related companies	<ul style="list-style-type: none"> •Cosmo Energy Exploration & Production •Abu Dhabi Oil (UAE) •Qatar Petroleum Development (Qatar) •United Petroleum Development(UAE/Qatar) (UAE/Qatar) •Cosmo E&P Albahriya (UAE) 	<ul style="list-style-type: none"> •Cosmo Oil •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) FY2022 Forecast, (*2) Including consolidated adjustment, (*3)FY2021 Results, (*4)As of Dec. 31, 2021, (*5)As of Mar. 31, 2022

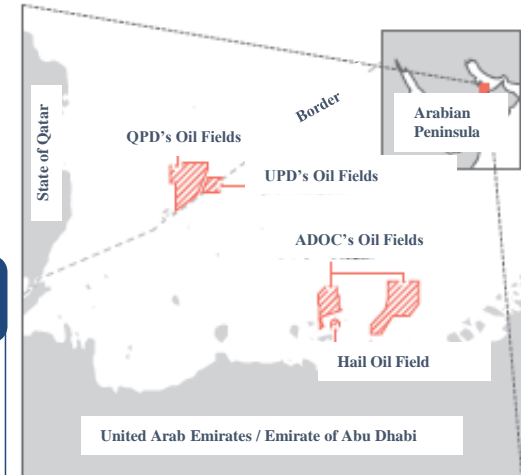
(*6)Including the supply of the petroleum product/semi product (37,000 bbls/day equivalent) from Idemitsu Showa Shell Group with the business alliance.

- ✓ Based on a strong relationship of trust with Emirate of Abu Dhabi in the Middle East developed almost five decades, we have achieved low-risk, low-cost development.
- ✓ Abu Dhabi Oil Company extended concessions (30 years) in 2012 and obtained new concessions area, the Hail Oil Field is projected to the same production volume as its three existing oilfields.
- ✓ Started production from the Hail Oil Field in FY 2017 with production ramping up to full-scale in January 2018.

■ Cosmo Energy Group Oil E&P Division



■ Cosmo Energy Group's oil fields

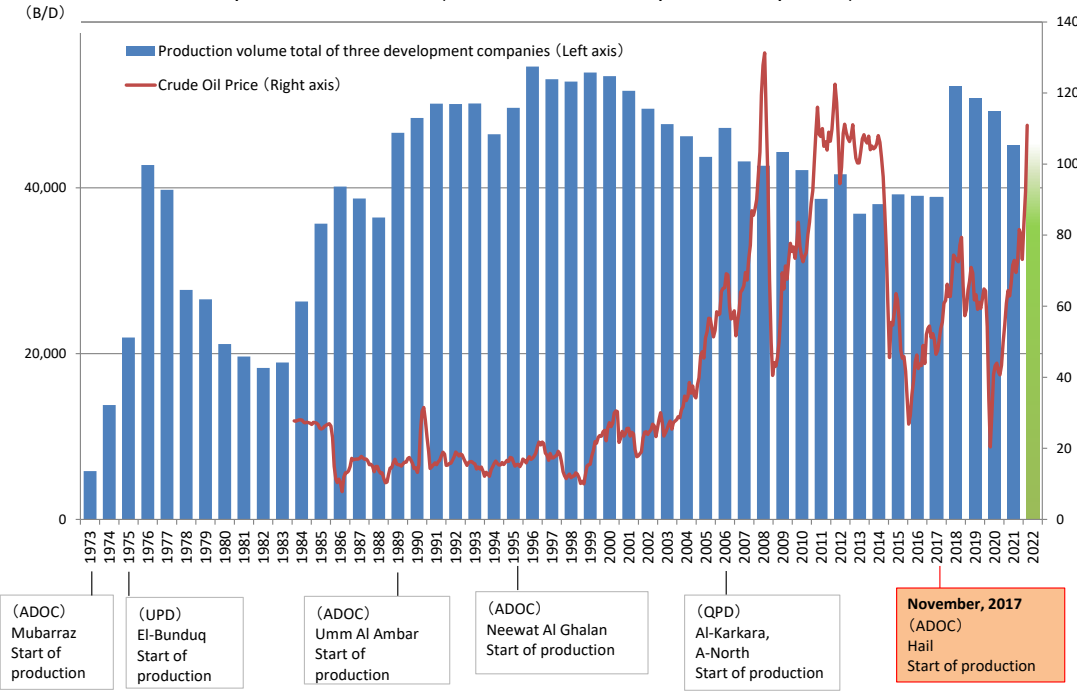


(*) MIC (Mubadala Investment Company) in which The Emirate of Abu Dhabi has a 100% stake, has been established as a holding company in association with the business combination of IPIC (International Petroleum Investment Company), and MDC (Mubadala Development Company).

- ✓ 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.

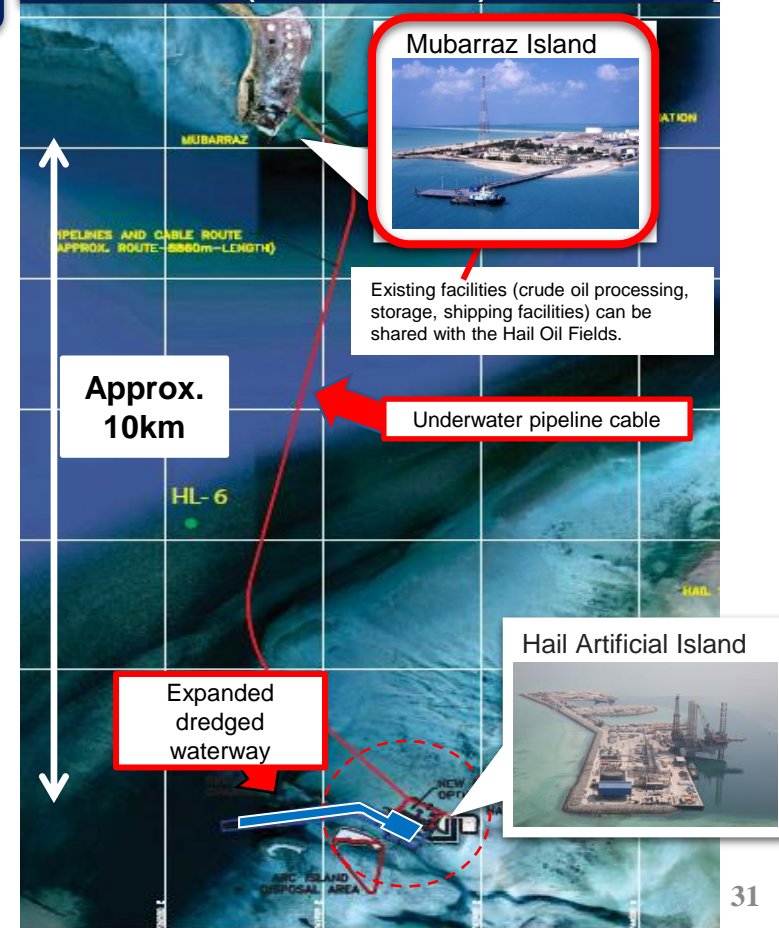
Prolonged stable oil production

Crude oil production volume (total of three development companies) and crude oil



*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 2022 is prospective volume.

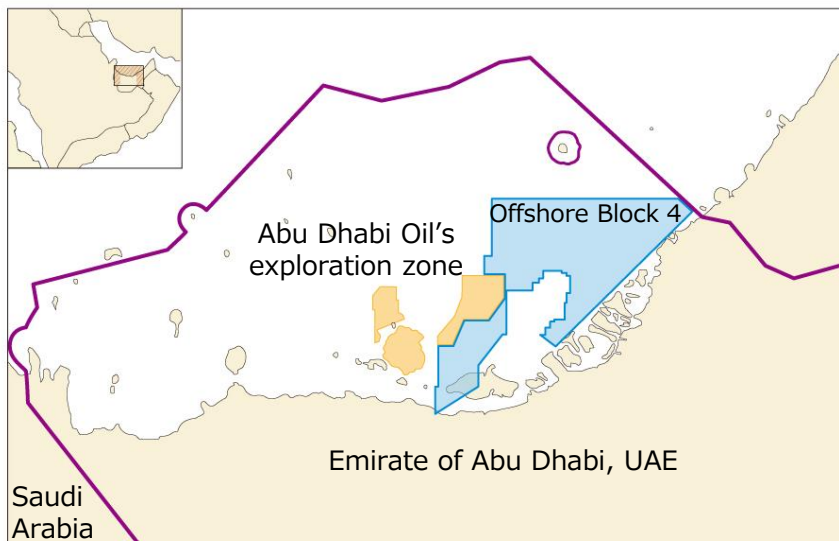
Hail Oil Field and existing shipping terminal (Mubarraz Island)



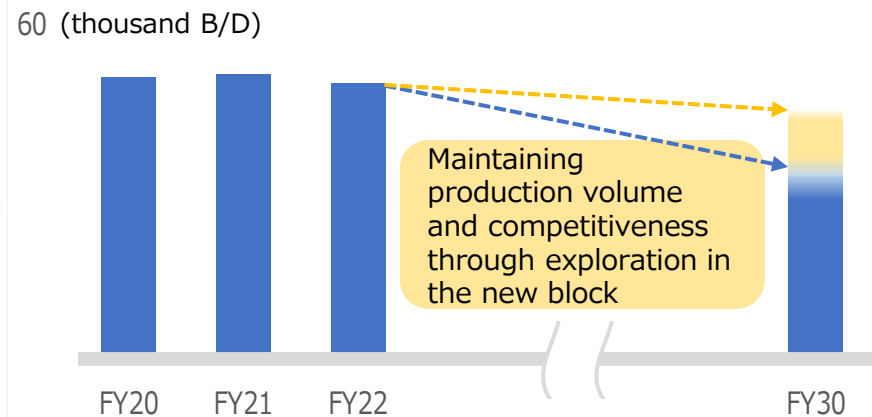
In the Abu Dhabi 2019 Block Bid Round in the United Arab Emirates, the Company won a bid for Offshore Exploration Block 4 (the “Block”). Recently established Cosmo E&P Albahriya Limited will engage in exploration with a view toward early exploitation and production. Main points are as follows.

- 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

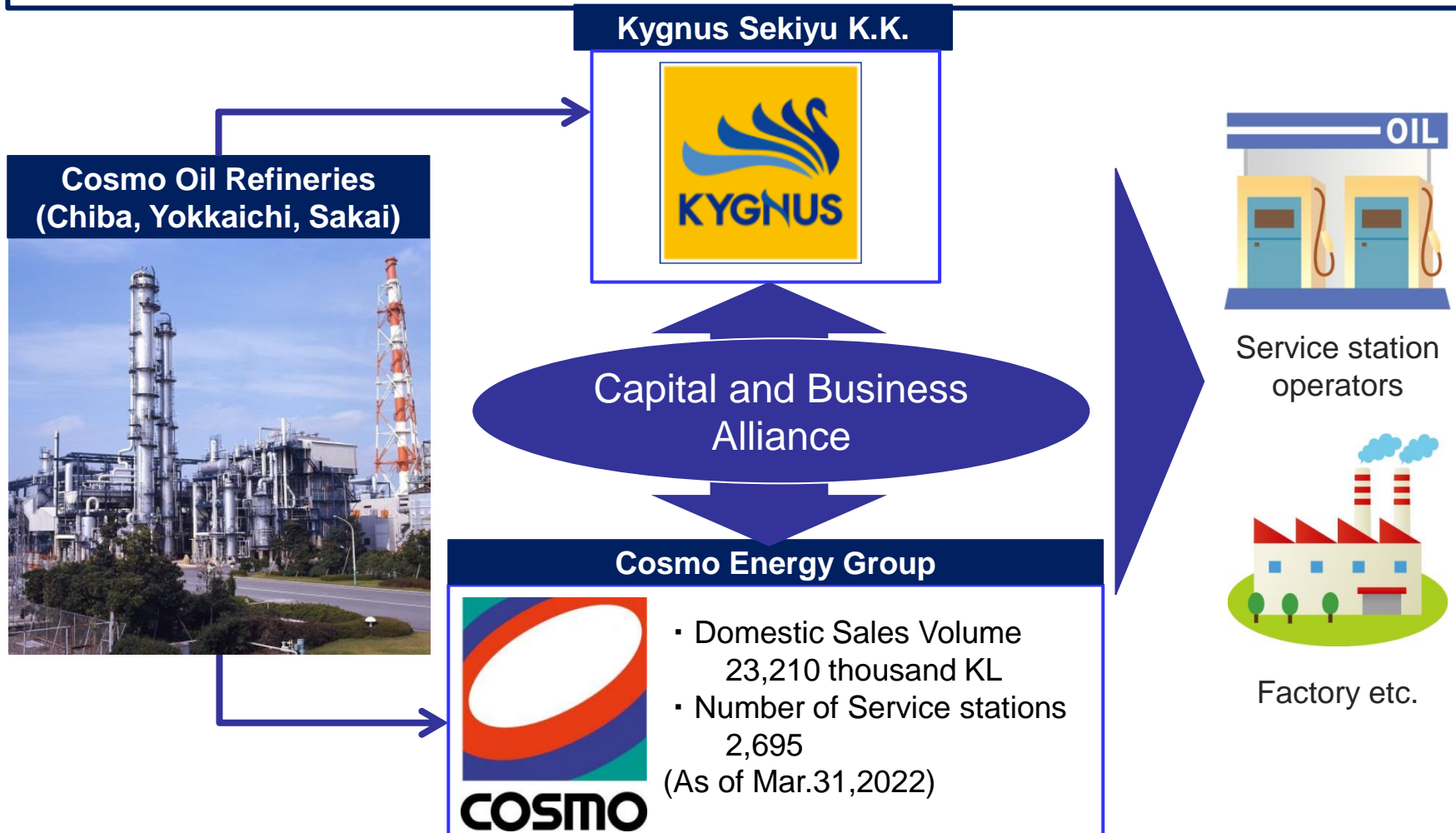


[Petroleum Business]

- 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 FY2019.
- ✓ Advance discussion and consideration with a view to a business alliance, in addition to the supply of petroleum products.

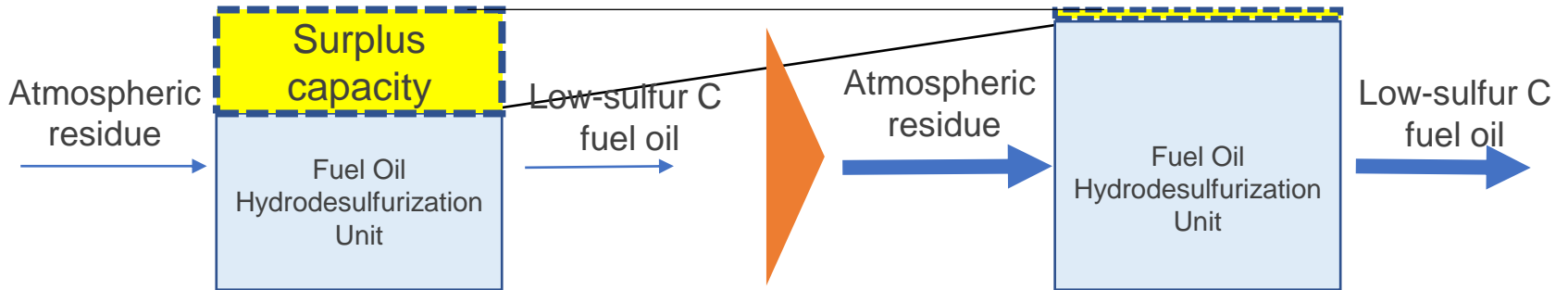


✓ International Maritime Organization (IMO) is to strengthen its regulation in 2020 by setting the upper limit of sulfur content from 3.5% down to 0.5% and the shipping fuel will be switched from high sulfur C heavy fuel to conforming low sulfur C heavy fuel.

Before **After**

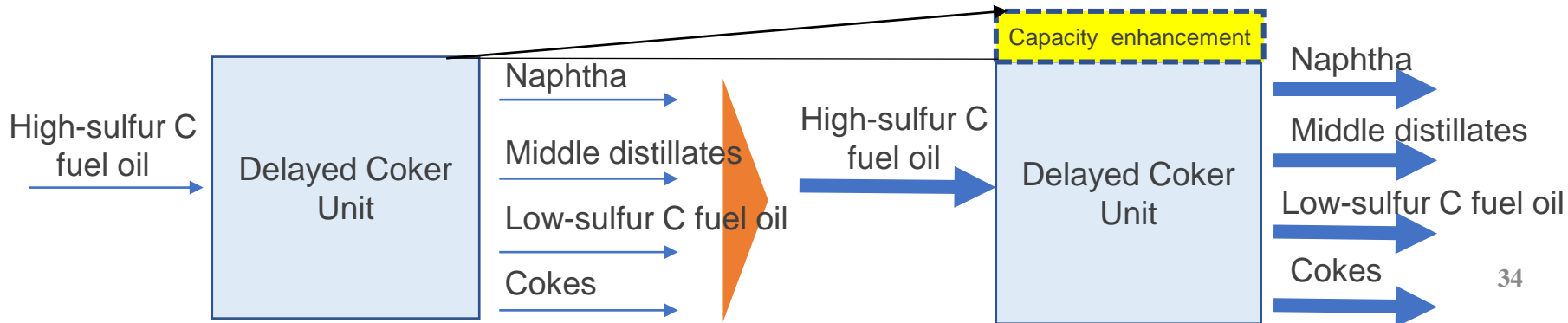
Chiba Refinery

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



Sakai Refinery

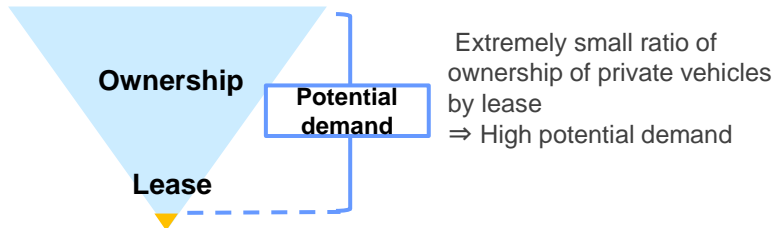
Enhance Sakai Refinery's Delayed coker capacity and turn high sulfur C heavy oil into high value added products



- ✓ 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

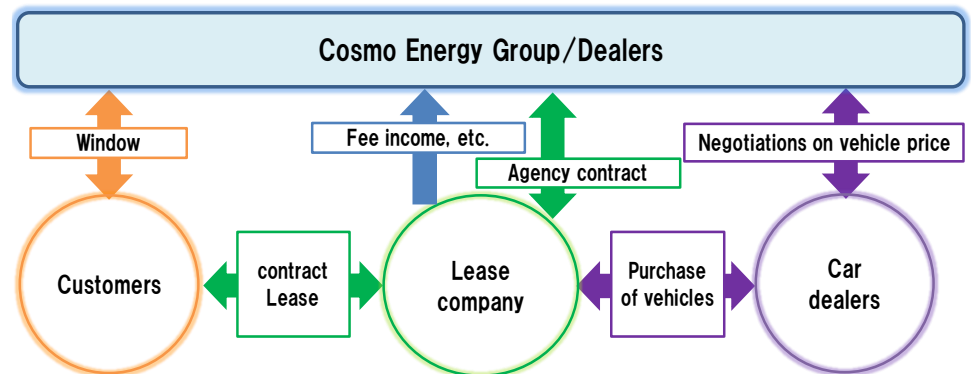
- Because the SS play the role of dealerships, there is no credit risk or risk of keeping vehicle inventory.

Win-win business model

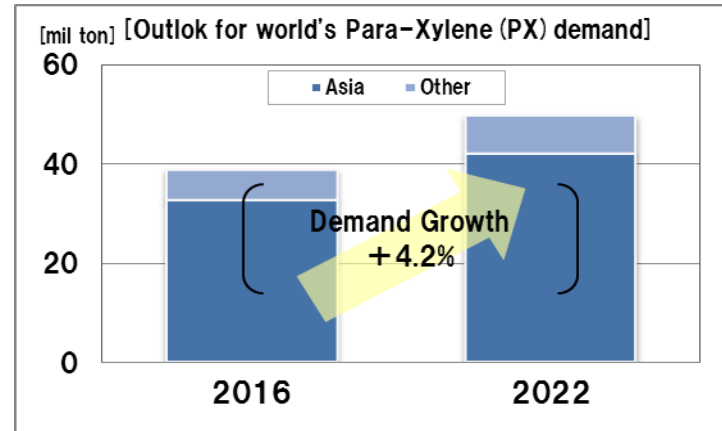
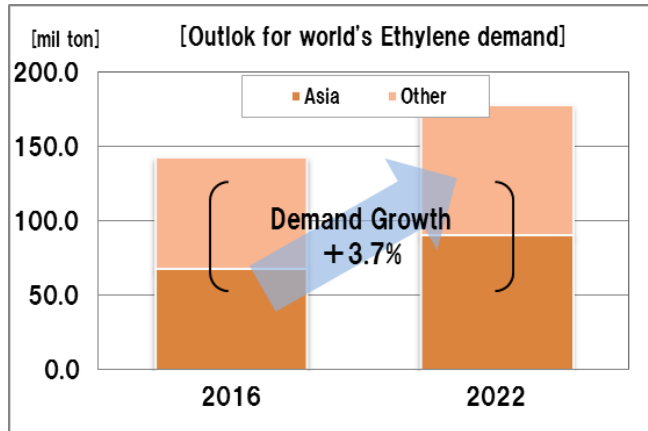
Customers : - Being able to drive new cars of any maker and model for a price lower than purchasing
 - No complicated procedures
 e.g. Simplified expenses for using a car (monthly flat rate that includes safety inspections, taxes, insurance, etc.)

Lease companies : Capture new customers

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

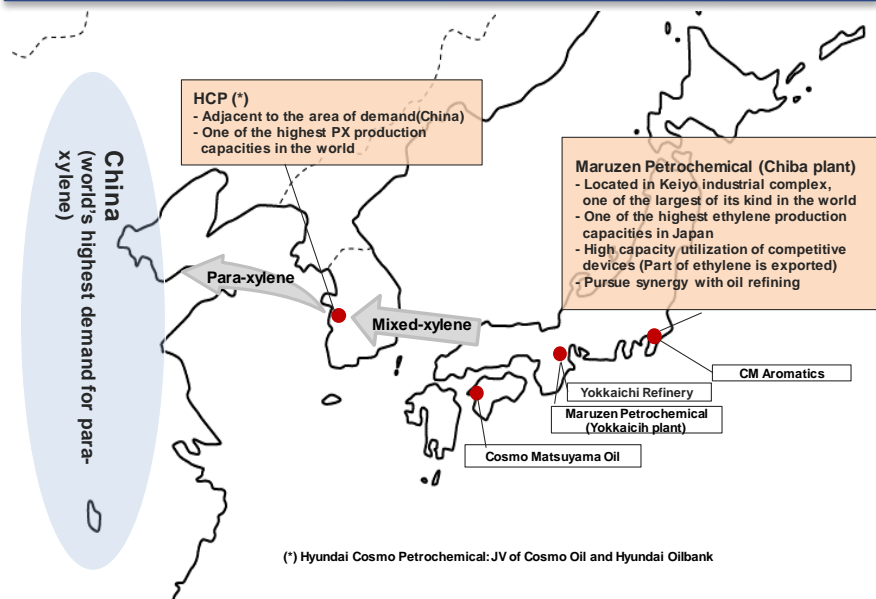


Expected global demand for petrochemical products



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

Strengths of Cosmo Energy Group



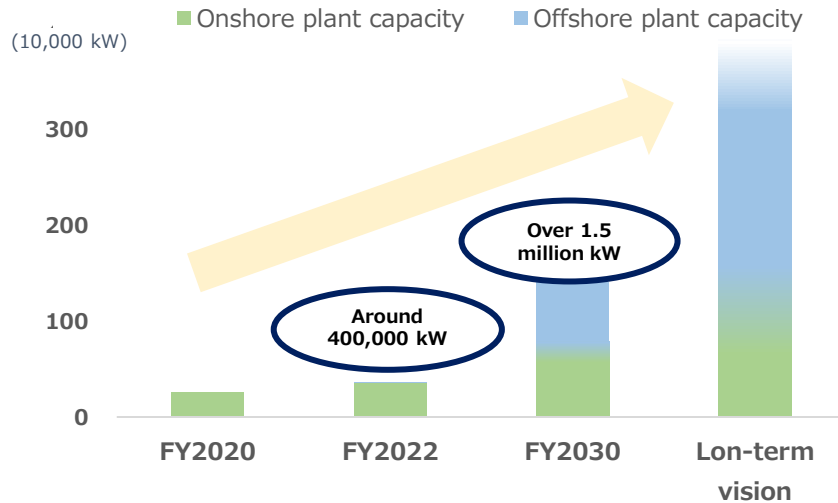
(*) Hyundai Cosmo Petrochemical: JV of Cosmo Oil and Hyundai Oilbank

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)	CM Aromatics	0.300 mil t/year
			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

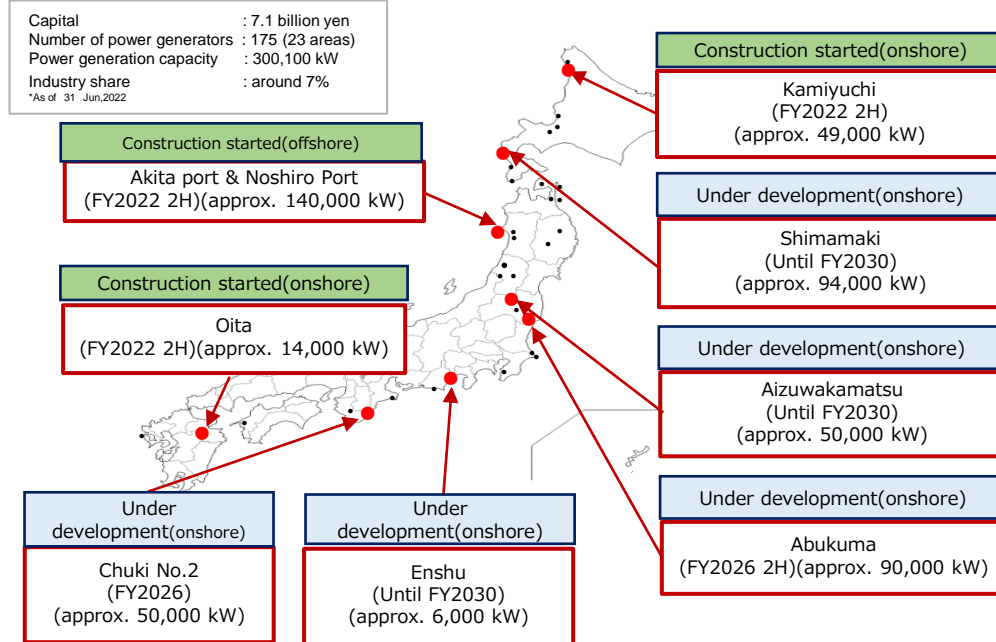
* Includes production capacity of Keiyo Ethylene (55% owned, consolidated subsidiary of Maruzen Petrochemical)

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 : 175 (23 areas)
 Power generation capacity : 300,100 kW
 Industry share : around 7%
*As of 31 Jun,2022

Characteristics (strengths) of the Group

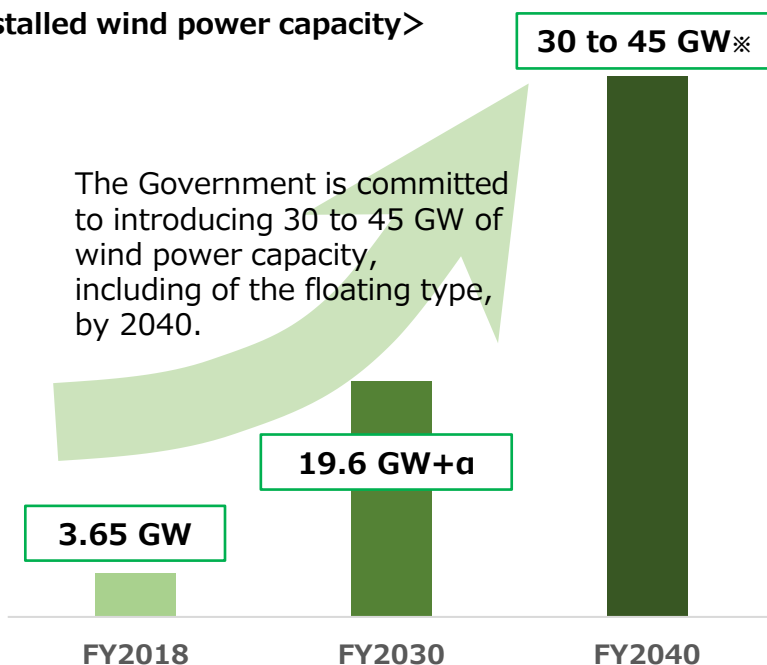
- ✓ Making Eco Power Co., Ltd., a pioneer in the wind power generation business (founded in 1997), a Group company in 2010.
- ✓ Achieving high on-wind availability (90% or more) through development, construction, operation, and maintenance within the Group.
- ✓ Reducing risks of changes in wind conditions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

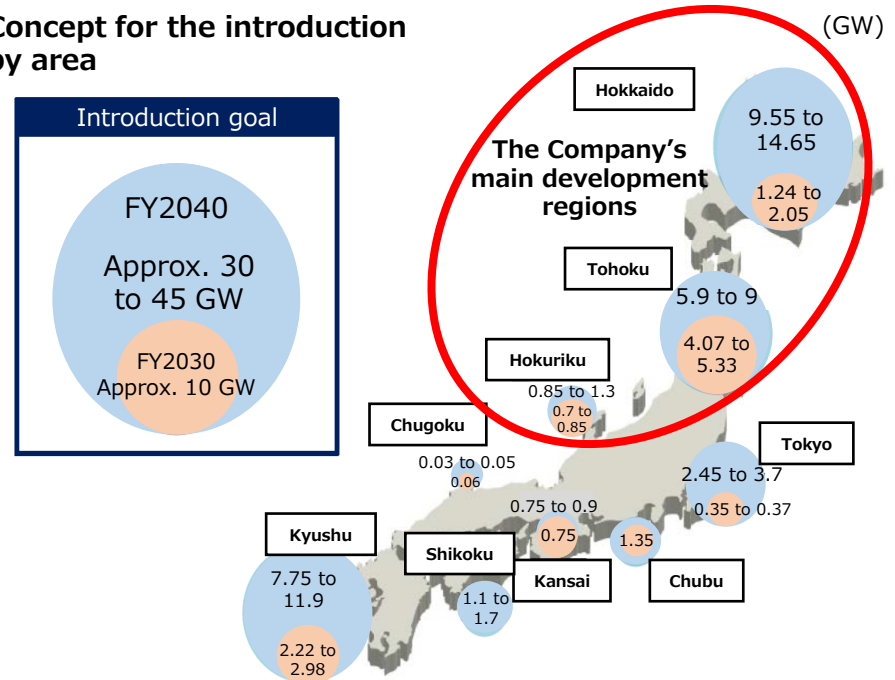
Concept for the Introduction of Offshore Wind Power Generation

<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)

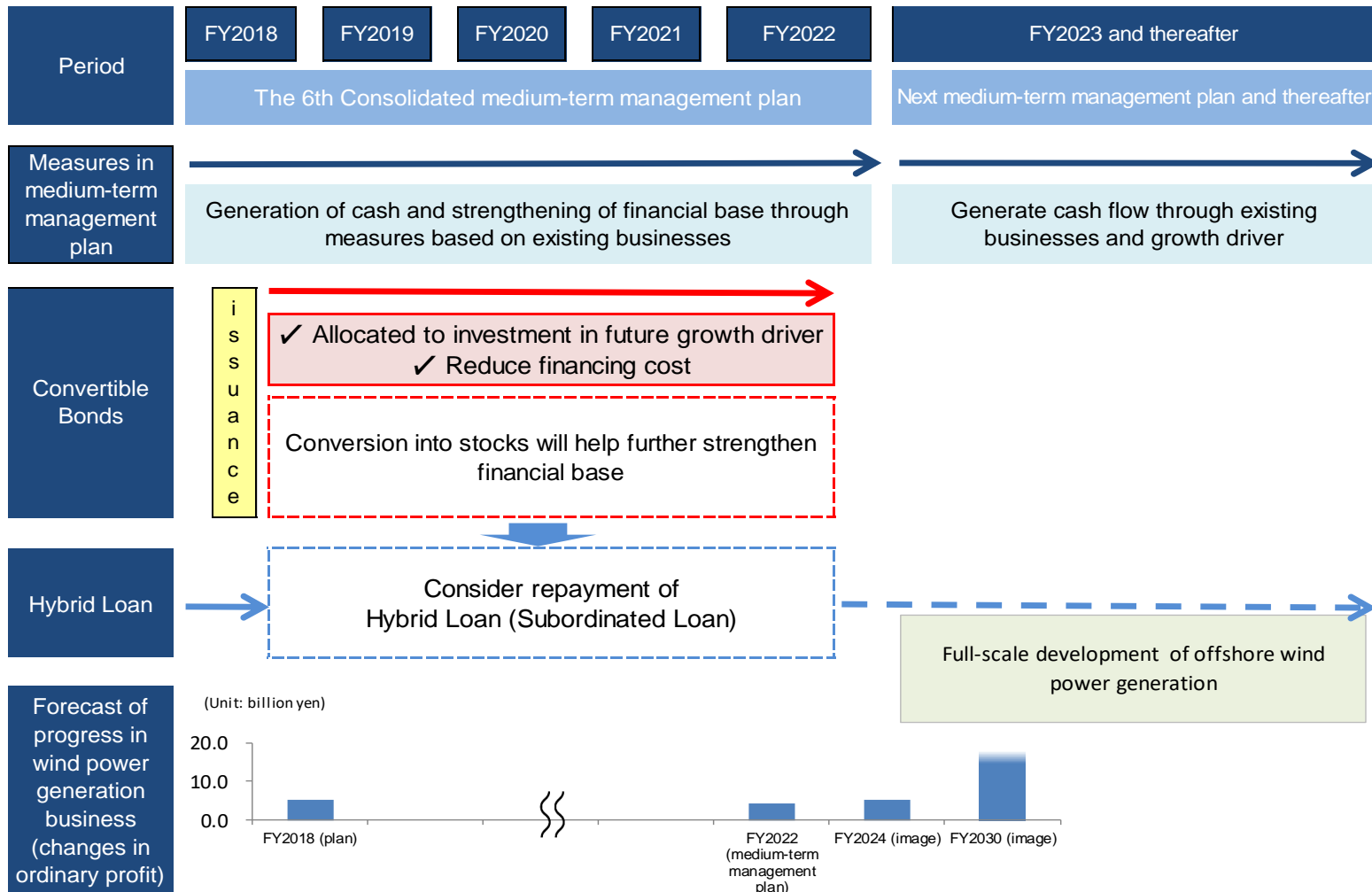
Item	Overview
Financing amount	¥30 billion
Loan agreement date	March 26, 2020
Drawdown date	March 31, 2020
Use of loan proceeds	Early repayment of an existing subordinated loan
Maturity date	March 31, 2053
Dates early repayment can be made	Any interest payment date on or after March 31, 2023
Replacement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

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

Outline of Stock Repurchase (Announced on May 12, 2022)

Item	Outline
Type of Shares to be Repurchased	Common stock
Total Number of Shares to be Repurchased	8,000,000 shares (maximum limit) (Ratio of the total number of issued and outstanding shares [excluding treasury stock]: 9.55%)
Aggregate Value of Repurchases	20 billion yen (maximum limit)
Repurchase Period	May 13, 2022 - November 30, 2022
Repurchase Method	Purchase by means of market trades on the Tokyo Stock Exchange (purchases by means of market trades based on a discretionary investment contract with securities firms)

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.