

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

November 10, 2022

<p>Highlights of 2Q FY2022 Results and FY2022 Forecast</p> <p>Progress of the 6th Consolidated Medium-Term Management Plan</p> <p>Progress in Renewable Energy Business</p> <p>Repurchase of the Zero-Coupon Convertible Bonds due 2022 (being bonds with stock acquisition rights)</p>	<p>P. 2 - 12</p>
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Highlights of 2Q FY2022 Results and FY2022 Forecast

Highlights of 2Q FY2022 Results and FY2022 Forecast



< Highlights of 2Q FY2022 Results >

- ✓ Ordinary profit excluding the impact of inventory valuation rose ¥20.9 billion year on year to ¥82.0 billion, and due to an inventory impact of ¥91.8 billion, ordinary profit rose ¥78.8 billion year on year to ¥173.8 billion. Profit attributable to owners of parent increased ¥42.9 billion year on year, to ¥94.9 billion. Both ordinary profit and profit attributable to owners of parent reached a new record high for a second quarter.

< Revision of FY2022 Forecast >

- ✓ Ordinary profit excluding the impact of inventory valuation is expected to reach ¥150.0 billion and profit attributable to owners of parent is expected to reach ¥115.0 billion.

< Return to Shareholders >

- ✓ The Company plans to pay a dividend of ¥150 as announced previously in May (interim dividend of ¥75 and year-end dividend of ¥75), in anticipation of achieving the Medium-term Management Plan financial goals.
- ✓ Share buy backs up to a maximum acquisition cost of ¥20.0 billion have been carried out.

(billion yen)					(billion yen)	
		2Q FY2022	2Q FY2021	Changes	FY2022 Forecast	YoY Changes
1	Ordinary profit	173.8	95.0	78.8	228.0	-5.1
2	(Impact of inventory valuation)	91.8	33.9	57.9	78.0	5.7
3	Ordinary profit excluding the impact of inventory valuation	82.0	61.1	20.9	150.0	-10.8
4	Profit attributable to owners of parent	94.9	52.0	42.9	115.0	-23.9
5	Dubai crude oil price (USD/B) (Apr.-Sep.)	102	69	33	96	18
6	JPY/USD exchange rate (yen/USD) (Apr.-Sep.)	134	110	24	140	28
		2Q FY2022	FY2021	Changes	FY2022 Forecast	YoY Changes
7	Net worth (billion yen)	541.9	456.2	85.7	566.5	110.3
8	Net worth ratio (%)	23.5%	23.5%	0.0%	27.5%	4.0%
9	Net Debt to Equity Ratio (times)	1.08	1.04	0.04	0.91	-0.13
10	Return On Equity (ROE)	-	35.6%	-	22.5%	-13.1%
11	Earnings Per Share (EPS) (yen)	-	1,659	-	1,413	-246

Progress of the 6th Consolidated Medium-Term Management Plan

Progress in Structural Reform in Medium-Term Management Plan

- ✓ In the Petroleum Business, a high operating ratio is maintained based on a short position strategy. This greatly contributed to Company-wide earnings.
- ✓ In the Renewable Energy Business, in the second half of FY2022, the Company expects to start operation at offshore wind power at Akita Port & Noshiro Port and both of onshore wind power at Kamiyuchi, and at Oita.

	FY2018	FY2019	FY2020	FY2021	FY2022
Oil Refining & Sales	Utilizing Chiba Refinery Pipeline				
	Safe and stable operation, Improve operation rate (Regular maintenance reduction · Chiba Refinery four 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				
Petro-chemical	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 to 360,000kW)				
	Develop offshore wind farms				
New area	Deepen alliances with MIC, Hyundai Oilbank, and CEPESA				
	Sow the seed to new business				

Recent Major Topics		
Segment	Schedule	Details
Oil E&P	December 2021	Concluded basic investment contract for offshore block 4 exploration project with JOGMEC
Petrochemical	May 2022	Started operation of propylene rectifying tower
Renewable energy	June 2022	Concluded a purchase agreement of blue ammonia with Abu Dhabi National Oil Company
Petroleum	July 2022	Set 2030 supply target for sustainable aviation fuel (SAF) of 300,000 KL per year
Petroleum	July 2022	Began joint study into domestically produced SAF manufacturing business utilizing Alcohol to Jet (ATJ) technology with Mitsui & Co.
Petroleum	August 2022	The Yokkaichi Refinery is certified as a certified business operator (super nintei jigyo-sha)
Renewable energy	September 2022	Central sea area near Akita and Offshore north of Niigata related to Cosmo Eco Power designated as promotional areas
Petroleum	October 2022	Cosmo Denki Business Green Installations at government agencies, local governments and companies tops 1,000 facilities
Petroleum	October 2022	The total number of Cosmo My Car Lease agreements reaches 100,000
Petroleum	November 2022	Joint venture SAFFAIRE SKY ENERGY is established with JGC Holdings and REVO International to achieve large-scale production of Japanese SAF for the first time in Japan
Petrochemical	2nd Half of FY2022	Chiba Arkon Production plans to begin operating a hydrogenated petroleum resin facility
Renewable energy	2nd Half of FY2022	The Akita Port & Noshiro Port offshore wind farm in Akita, the first offshore wind site in Japan, plans to begin operations
Renewable energy	2nd Half of FY2022	Onshore wind site in Kamiyuchi, Hokkaido, and an onshore wind site in Oita, plan to begin operations
Oil E&P	1st Half of FY2023	Hail Oil Field plans to implement water injection

- ✓ Financial goals of the Medium-term Management Plan have been achieved one year ahead of schedule as of the end of FY2021.
- ✓ Financial position in FY2022 is expected to further improve.
- ✓ With the strengthening of profitability, the Company also earned an “A-” rating in external ratings. We will continue with efforts to improve its rating with the aim of achieving an “A” rating.

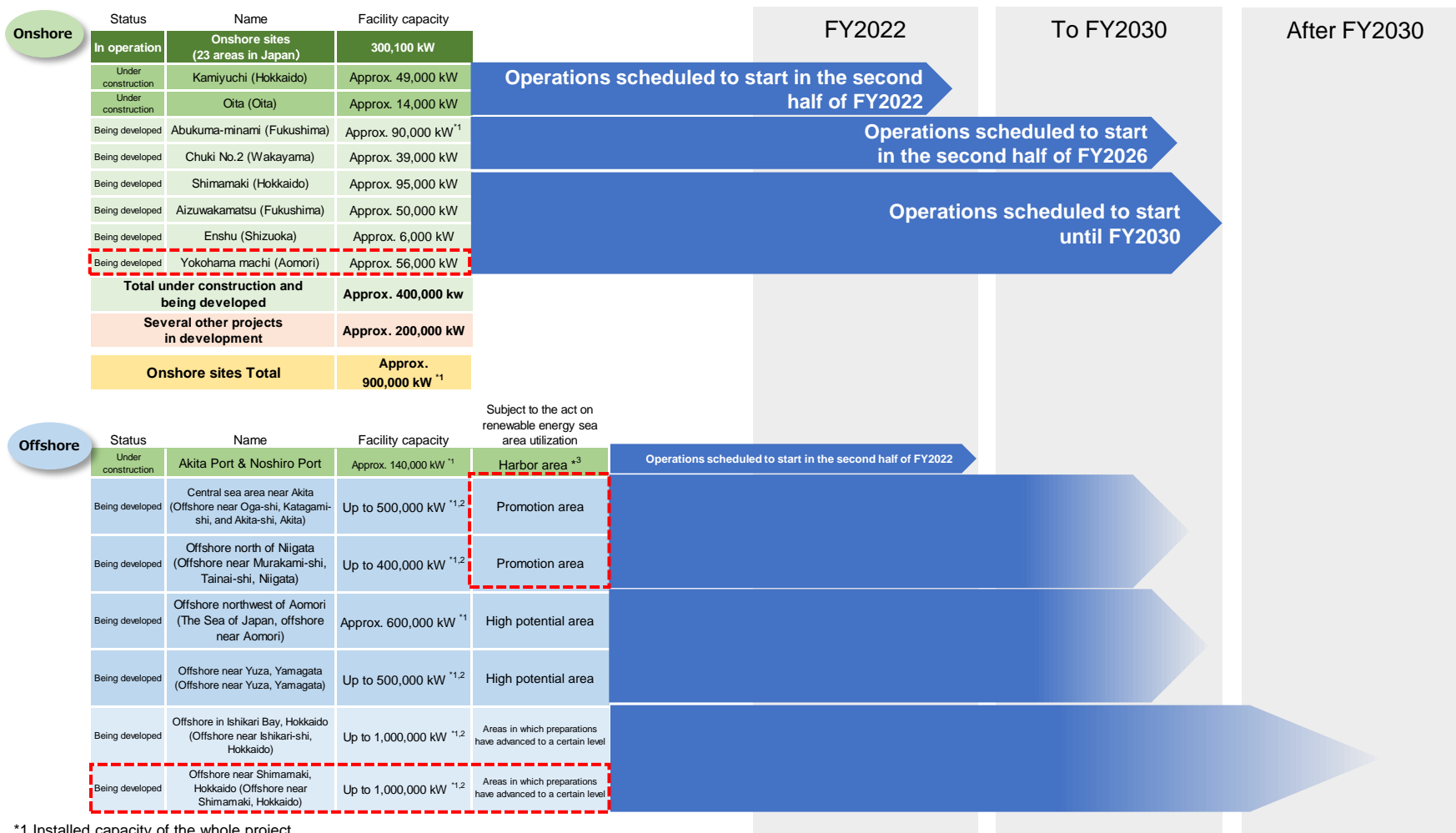
Management Goals		FY2022 Forecast	FY2021 Results	
Ordinary profit excluding the impact of inventory valuation	Over 120.0 billion yen	150.0 billion yen	160.8 billion yen	○
Profit attributable to owners of parent	Over 50.0 billion yen	115.0 billion yen	138.9 billion yen	○
Free cash flow (FY2018-FY2022 cumulative)	Over 150.0 billion yen	151.2 billion yen	157.2 billion yen *	○
Net worth (Net worth ratio)	Over 400.0 billion yen (Over 20%)	566.5 billion yen (27.5%)	456.2 billion yen (23.5%)	○
Net Debt to Equity Ratio	1.0 - 1.5 times	0.91 times	1.04 times	○
ROE	Over 10%	22.5%	35.6%	○

* FY2018-FY2021 cumulative

Progress in Renewable Energy Business

Progress in Wind power generation business

- ✓ FIT certification was obtained for onshore wind at Yokohama-machi, and an environmental impact statement was released for the Shimamaki offshore wind site in Hokkaido.
- ✓ Preparations are advanced for bidding on the central sea area near Akita and offshore north of Niigata, which were designated as promotional areas in September 2022.



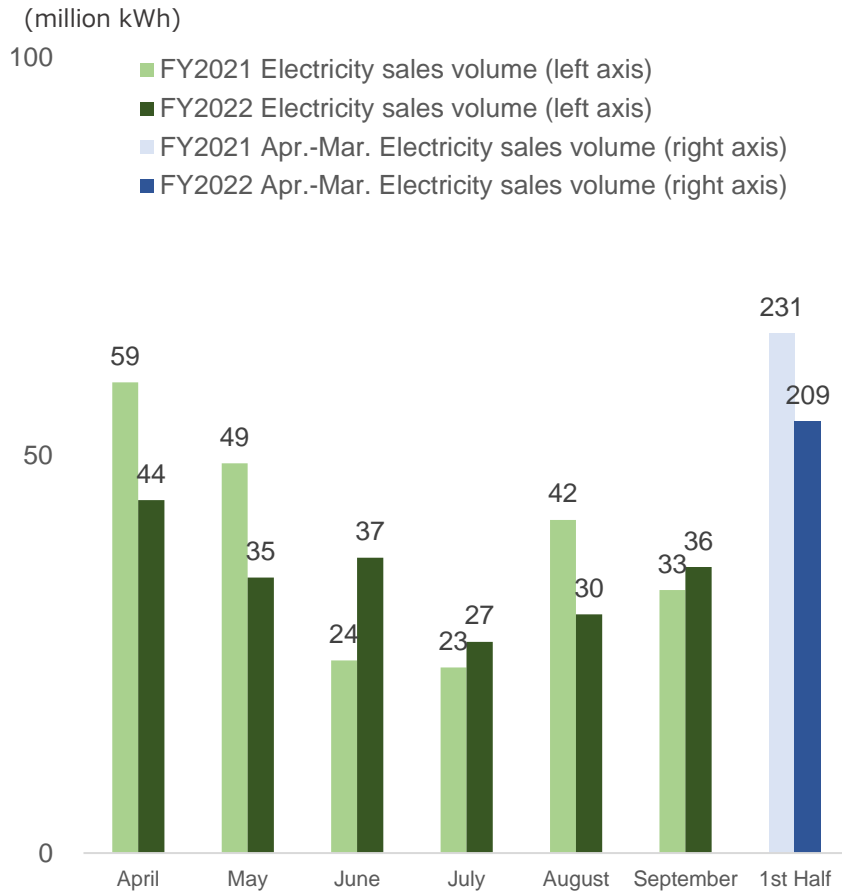
*1 Installed capacity of the whole project

*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

Trends in Cosmo Eco Power's electricity sales volume

- ✓ In the first half of FY2022, facility capacity did not change, but electricity sales volume decreased due to the deterioration of wind conditions.
- ✓ Electricity sales volume for the full year is expected to be the same level as the previous year, given the expected launch of offshore wind site at Akita Port and Noshiro Port, and onshore wind sites in Kamiyuchi and Oita.



Development of next-generation energy

We will accelerate efforts to achieve the 2030 SAF supply target of 300,000 KL per year

(1) SAF made from disposed cooking oil as a raw material

- ✓ The joint venture SAFFAIRE SKY ENERGY was established with JGC Holdings and REVO International to produce and supply 30,000 KL per year.
- ✓ SAF manufacturing facilities are expected to be constructed at Sakai refinery. From second half of FY2024 to early FY2025 is targeted for the start of operation.



(2) 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.

Offering of clean energy

- ✓ In October 2022, the Company began providing Cosmo Denki Business Green to public facilities in Yokosuka City and Zushi City in Kanagawa Prefecture.
- ✓ In addition to above local governments, cumulative supply to government agencies such as the Ministry of the Environment and Ministry of Defense as well as private sector companies has topped 1,000 facilities.

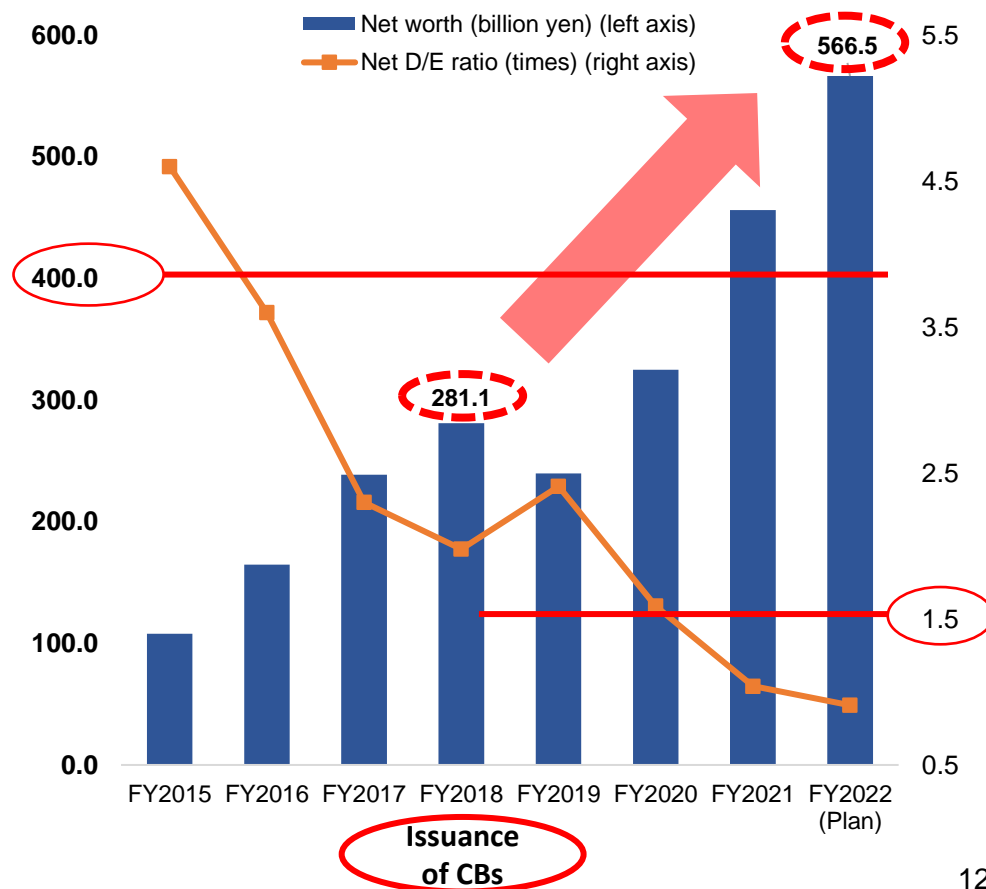


Repurchase of the Zero-Coupon Convertible Bonds
due 2022
(being bonds with stock acquisition rights)

Repurchase of the Zero-Coupon Convertible Bonds due 2022 (being bonds with stock acquisition rights)

- ✓ Financial position has improved significantly from the CBs were issued due to the strengthening of profitability in the current medium-term management plan.
- ✓ Further improvement in financial position is essential, but we decided to acquire CBs based on comprehensive consideration of the impact of recapitalization and stock dilution at the current point in time.
- ✓ Aim to increase enterprise value by improving EPS and ROE

Item	Overview
Repurchase period	November 10, 2022 (Plan)
Subject of repurchase	Total face value ¥30.0 billion (maximum limit)
Total amount of Repurchased value	¥36.0 billion (maximum limit)



2Q FY2022 Results

- ✓ Consolidated ordinary profit excluding the impact of inventory valuation was ¥82.0 billion (up ¥20.9 billion year on year). Given the inventory impact of ¥91.8 billion, consolidated ordinary profit stood at ¥173.8 billion (up ¥78.8 billion year on year), with profit attributable to owners of parent of ¥94.9 billion (up ¥42.9 billion year on year). These are new record highs.

[Petroleum Business]

- ✓ Although margins on our four major products and overseas market conditions have improved, ordinary profit declined slightly due to refinery trouble, increasing in-house fuel costs, rising energy costs and other factors.
⇒ Ordinary profit excluding the impact of inventory valuation was ¥30.8 billion (down ¥0.7 billion year on year).

[Petrochemical Business]

- ✓ MEK market conditions improved, but sales volume declined due to deteriorating olefin market prices, leading to a fall in ordinary profit.
⇒ Ordinary profit was ¥7.8 billion yen (down ¥1.2 billion year on year).

[Oil Exploitation and Production Business]

- ✓ Ordinary profit rose due to rising crude oil prices.
⇒ Ordinary profit was ¥41.1 billion yen (up ¥23.9 billion year on year).

[Renewable Energy Business]

- ✓ Ordinary profit fell due to the deterioration of wind conditions and the recognition of upfront costs related to the development of offshore wind power generation.
⇒ Ordinary profit was -¥0.1 billion yen (down ¥0.6 billion year on year).

[2Q FY2022 Results]

Consolidated Income Statements - Changes from 2Q FY2021

COSMO

No.		Item	FY2022 (Apr.-Sep.2022)	FY2021 (Apr.-Sep.2021)	Changes	Unit: billion yen Forecast FY2022
1		Net sales	1,371.6	1,095.7	275.9	3,030.0
2		Operating profit	172.9	93.4	79.5	232.0
3		Non-operating income/expenses, net	0.9	1.6	-0.7	-4.0
4		Ordinary profit	173.8	95.0	78.8	228.0
5		Extraordinary income/losses, net	0.8	-0.9	1.7	-5.6
6		Income taxes	73.3	38.6	34.7	96.4
7		Profit attributable to non-controlling interests	6.4	3.5	2.9	11.0
8		Profit attributable to owners of parent	94.9	52.0	42.9	115.0
9		Impact of inventory valuation	91.8	33.9	57.9	78.0
10		Ordinary profit excluding the impact of inventory valuation	82.0	61.1	20.9	150.0
11		Dubai crude oil price (USD/B) (Apr.-Sep.)	102	69	33	96
12		JPY/USD exchange rate (yen/USD) (Apr.-Sep.)	134	110	24	140
[Reference]						
13		Dubai crude oil price (USD/B) (Jan.-Jun.) (*1)	90	63	27	95 (*2)
14		JPY/USD exchange rate (yen/USD) (Jan.-Jun.)	123	108	15	132
15		CDU operating ratio (Calendar Day basis) (*3)	95.7%	94.8%	0.9%	97.6%
16		CDU operating ratio (Streaming Day basis) (*3,4)	97.7%	99.4%	-1.7%	98.6%

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

[2Q FY2022 Results] Outline of Consolidated Ordinary Profit by Segment - Changes from 2Q FY2021



Unit : billion yen

No	FY2022 (Apr.-Sep.2022)		FY2021 (Apr.-Sep.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		173.8	82.0	95.0	61.1	78.8	20.9
2	(By segment)	Petroleum business	122.6	30.8	65.4	31.5	57.2	-0.7
3		Petrochemical business	7.8		9.0		-1.2	
4		Oil E&P business (*1)	41.1		17.2		23.9	
5		Renewable energy business	-0.1		0.5		-0.6	
6		Other (*2)	2.4		2.9		-0.5	

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

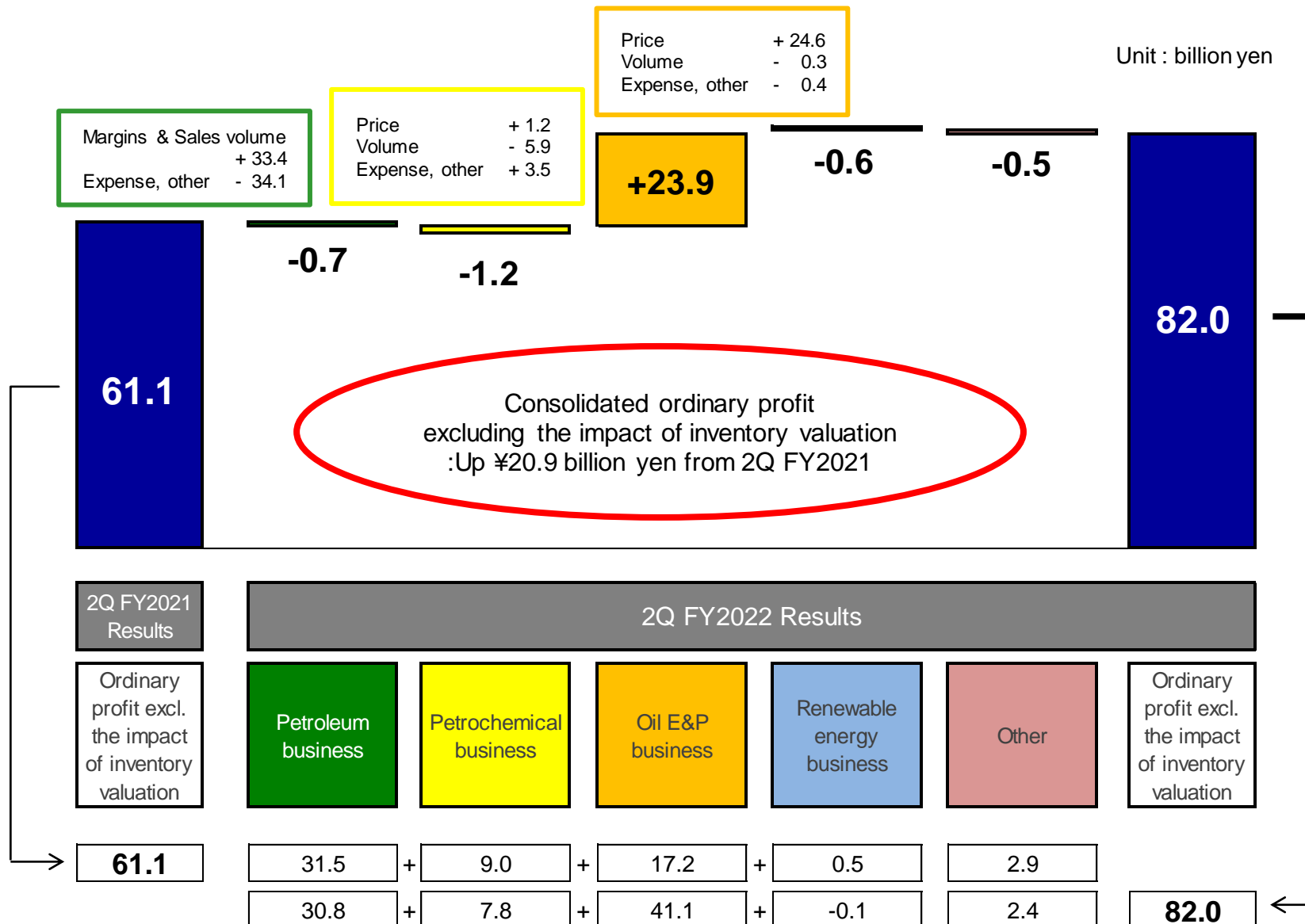
(*2) Including consolidated adjustment

[2Q FY2022 Results] Consolidated Ordinary Profit

(Excluding the impact of inventory valuation) - Changes from 2Q FY2021



Unit : billion yen



Consolidated Cash Flow

Unit: billion yen

No		FY 2022 (Apr.-Sep.2022)	FY 2021 (Apr.-Sep.2021)
1	Cash flows from operating activities	-57.7	55.3
2	Cash flows from investing activities	-41.2	-44.2
3	Free cash flow (1+2)	-98.9	11.1
4	Cash flows from financing activities	110.1	5.1
5	Cash and cash equivalents at end of the period	67.9	63.2

Cash flows from operating activities in the second quarter of FY2022, excluding one-time deteriorating factors such as oil price hikes and subsidies for drastic bunker oil price changes, is approx. 57.0 billion yen

Consolidated Balance Sheets

Unit: billion yen

No		FY2022 (As of Sep.30, '22)	FY2021 (As of Mar. 31, '22)	Changes
1	Total Assets	2,307.9	1,938.4	369.5
2	Net assets	672.3	584.0	88.3
3	Net worth	541.9	456.2	85.7
4	Net worth ratio	23.5%	23.5%	0.0%
5	Net interest-bearing debt ^{*1}	615.4	503.3	112.1
6	Net Debt Equity Ratio (times) (after partially accounting for Hybrid Loan) ^{*2}	1.08	1.04	Down 0.04 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 30.0 billion yen Hybrid Loan made on 31 March 2020 is included into equity

Capital Expenditures & Depreciations

Unit: billion yen

No.		2Q FY2022 Results	Change from FY2021
1	Capital expenditures	29.8	8.3
2	Depreciation expense amount, etc	28.9	0.4

Capital Expenditures by Segment

Unit: billion yen

No.		2Q FY2022 Results	2Q FY2021 Results	Change from FY2021
1	Petroleum	8.1	8.5	-0.4
2	Petrochemical	6.8	4.3	2.5
3	Oil E&P	5.8	6.4	-0.6
4	Renewable energy	8.5	2.0	6.5
5	Other, adjustment	0.6	0.3	0.3
6	Total	29.8	21.5	8.3
7	Investment securities, etc*	0.7	3.4	-2.7

*Investment securities, etc. are included in the net investment amount of ¥ 360.0 billion in the 6th Consolidated Medium-Term Management Plan (from FY2018 to FY2022).

Sustainability

- ✓ **Certified Yokkaichi Refinery as a certified business operator (super nintei jigyo sha)**

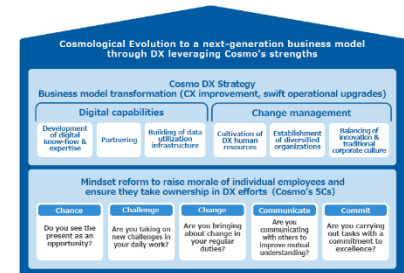


Yokkaichi Refinery
(Certified August 2022)

- ✓ Successful demonstration of crude oil sludge volume reduction technology
- ✓ A behavioral change demonstration through the visualization of household electricity usage was conducted in Aizuwakamatsu.
- ✓ Selected as a constituent of the SOMPO Sustainability Indexes for the sixth consecutive year
- ✓ Began supply of electricity that is virtually all from renewable energy sources to 52 facilities including Chigasaki City Hall, elementary schools and junior high schools
- ✓ Completed switch to electricity that is virtually all from renewable energy sources at 603 directly operated service stations
- ✓ Commercialized Japan's first diesel oil with a biomass
- ✓ Earthquake BCP (business continuity planning) drills were conducted by Crisis response headquarters

DX

- ✓ **Certificated as a DX-certified operator by Ministry of Economy, Trade and Industry**



Cosmo's Vision House

- ✓ **DX training for Cosmo Energy Group employees is under way (Approx. 5,200 employees from 22 Group companies have undergone in the training)**
- ✓ **DX questionnaire conducted (5,153 respondents from 22 Group companies) → Confirm needs and provide an action program**
- ✓ Aiming to quickly achieve the democratization of data, a tool that simplifies data utilization was introduced
- ✓ Full-scale start of a program to develop data science-oriented human resources
- ✓ Consideration of target values for DX-oriented human resources based on questionnaire results

Forecast for FY2022 Performance
(Revision of Forecasts for FY2022)

Revision of FY2022 Forecast

- ✓ The Company has revised its full-year forecast, and consolidated ordinary profit will stand at ¥228.0 billion yen (up ¥38.0 billion from the previous forecast), consolidated ordinary profit excluding the impact of inventory valuation will come to ¥150.0 billion yen (down ¥5.0 billion from the previous forecast), and profit attributable to owners of parent will reach ¥115.0 billion yen (up ¥22.0 billion from the previous forecast).
- ✓ Consolidated ordinary profit excluding the impact of inventory valuation remained flat, but given improved inventory impact due to the yen depreciation and other factors, both ordinary profit and profit attributable to owners of parent far exceeded previously announced figures.

Unit : billion yen ■ Precondition

No		FY2022 Forecast		FY2022 Previous Announcement		Changes		
		Ordinary profit	Ordinary profit excl. the impact of Inventory valuation	Ordinary profit	Ordinary profit excl. the impact of Inventory valuation	Ordinary profit	Ordinary profit excl. the impact of Inventory valuation	
1	Total	228.0	150.0	190.0	155.0	38.0	-5.0	
2	(By segment)	Petroleum business	128.0	50.0	99.0	64.0	29.0	-14.0
3		Petrochemical business	8.0		7.0		1.0	
4		Oil E&P business (*1)	83.0		75.0		8.0	
5		Renewable energy business	3.0		3.0		0.0	
6		Other (*2)	6.0		6.0		0.0	
7	The impact of inventory valuation	78.0		35.0		43.0		
8	Profit attributable to owners of parent	115.0		93.0		22.0		
9	Profit attributable to owners of parent excluding the impact of inventory valuation *3	60.4		68.5		-8.1		
10	Dividend per Share (Plan) (yen)	¥150		¥150		-		

No.		FY2022 Forecast	FY2022 Previous Announcement	Changes
11	Dubai crude oil price (USD/B) (Apr.-Mar.)	96	100	-4
12	JPY/USD exchange rate (Apr.-Mar.)	140	125	15
13	Dubai crude oil price (USD/B) (Jan.-Dec.) *	95	95	0
14	JPY/USD exchange rate (Jan.-Dec.)	132	123	9
15	Dubai crude oil price (USD/B) (Oct.-Mar.)	90	100	-10
16	JPY/USD exchange rate (Oct.-Mar.)	145	125	20

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

■ Sensitivity

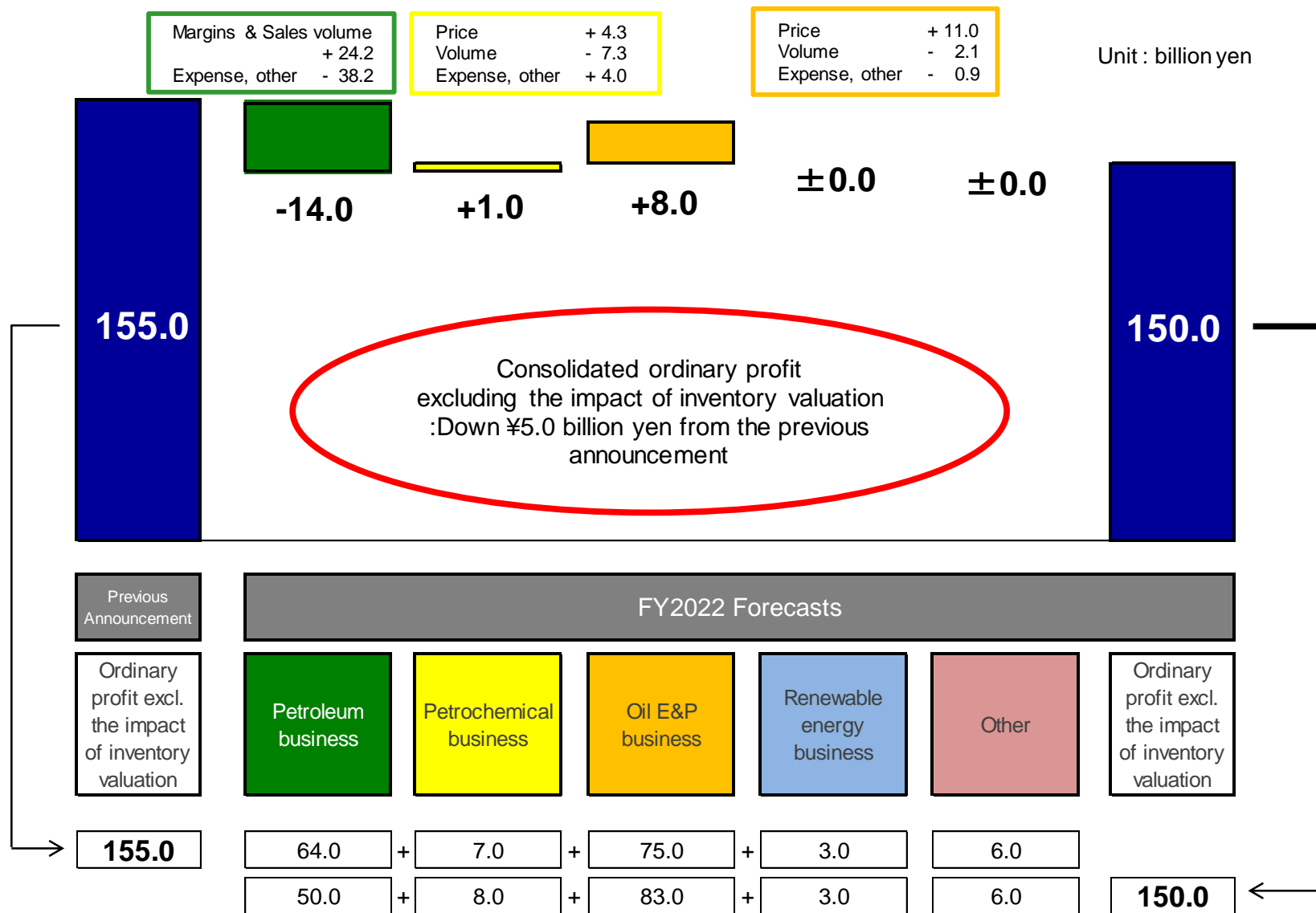
No.		Item	Crude oil (Dubai)	JPY/USD exchange rate
17	Petroleum Business	Inventory Impact	+3.2 billion yen	+2.0 billion yen
18		Refinery fuel cost etc.	-0.2 billion yen	-0.2 billion yen
19		Total	+3.0 billion yen	+1.8 billion yen
20	Oil E&P Business		-	-

*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 The inventory impact is calculated by deducting 30% as a tax equivalent.

[FY2022 Forecast] Consolidated Ordinary Profit (Excluding the impact of inventory valuation) Changes from the Previous Announcement



[FY2022 Forecast]
 Consolidated Cash Flow and Financial Index

Consolidated Cash Flow

Unit: billion yen

No		FY 2022 (Apr.-Mar.2022)	FY 2021 (Apr.-Mar.2021)
1	Cash flows from operating activities	71.0	108.4
2	Cash flows from investing activities	-77.0	-67.5
3	Free cash flow (1+2)	-6.0	40.9
4	Cash flows from financing activities	6.0	-42.0

Cash flows from operating activities in FY2022 forecast, excluding one-time deteriorating factors such as oil price hikes and subsidies for drastic bunker oil price changes, is approx. 123.0 billion yen

Financial Index

Unit: billion yen

No		FY 2022 (As of Mar.31, '23)	FY 2021 (As of Mar.31, '22)	Changes
1	Net worth	566.5 ^{*1}	456.2	110.3
2	Net worth ratio	27.5%	23.5%	4.0%
3	Net Debt to Equity Ratio (times)	0.91	1.04 ^{*2}	Improved 0.13 points

*1 Calculated based on expected CB conversion

*2 FY2021: Calculated on the basis that 50% of 30.0 billion yen Hybrid Loan made on 31 March 2020 is included into equity

[FY2022 Forecast] Outline of Consolidated Capital Expenditures of Changes from the Previous Announcement



Capital Expenditures, Depreciations

Unit: billion yen

No.		FY2022 Forecast	Changes
1	Capital expenditures	94.1	3.7
2	Depreciation expense amount, etc	58.4	-0.9

Capital Expenditures by Segment

Unit: billion yen

No.		FY2022 Forecast	Previous Announcement	Changes
1	Petroleum	23.4	22.5	0.9
2	Petrochemical	15.4	17.9	-2.5
3	Oil E&P	30.7	28.6	2.1
4	Renewable energy	22.3	21.3	1.0
5	Other, adjustment	2.3	0.1	2.2
6	Total	94.1	90.4	3.7
7	Investment securities, etc*	11.8	16.3	-4.5

*Investment securities, etc. are included in the net investment amount of ¥ 360.0 billion in the 6th Consolidated Medium-Term Management Plan (from FY2018 to FY2022).

Supplementary Information

P.27-36 [2Q FY2022 Results] Supplementary Information

- Sales Volume, CDU Operating Ratios
- Crude Oil Production Volume, Crude Reserves Estimate (Proved and Probable)
- Results by Segment - Changes from 2Q FY2021
- Major data of each business
- Historical Changes in Dubai Crude Oil Price
- Historical Changes of Gasoline Export and Margin (Domestic and Overseas)
- Historical Changes of Diesel Fuel Export and Margin (Domestic and Overseas)
- Market Condition of Benzene and Paraxylene

P.37-41 Forecast for FY2022 Performance (Changes from FY2021)

- Highlights of Consolidated Business Outlook (Changes from FY2021), Precondition and Business Sensitivity
- Consolidated Ordinary profit (excluding the impact of inventory valuation)- Changes from FY2021
- Outline of Consolidated Capital Expenditures
- Outlook by Segment, Changes from FY2021

P.42-52 Overview of the Cosmo Energy Group (Business Outline)

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

P.53- Subordinated loan (Announced on March 31,2020)

P.54-56 Zero Coupon Convertible Bonds due 2022 (being bonds with stock acquisition rights)

P.57- Share Buy Back (Finished on July 6, 2022)

Supplementary Information of
2Q FY2022 Results

[2Q FY2022 Results] Sales Volume, CDU Operating Ratios

Unit: thousand KL

No.			2Q FY2022 Results	2Q FY2021 Results	Changes	FY2022 Forecast	FY2022 forecast changes from FY2021
1	Selling volume in Japan	Gasoline	3,607	3,534	102.1%	7,126	101.4%
2		Kerosene	515	508	101.3%	2,111	99.0%
3		Diesel fuel	2,816	2,746	102.6%	5,687	101.5%
4		Heavy fuel oil A	741	776	95.6%	1,631	95.6%
5		Sub-Total	7,679	7,564	101.5%	16,555	100.5%
6		Naphtha	2,625	3,033	86.6%	5,733	101.5%
7		Jet fuel	292	168	173.6%	580	155.4%
8		Heavy fuel oil C	374	331	112.8%	758	105.8%
9		Total	10,971	11,097	98.9%	23,626	101.8%
10	Export volume	Middle distillates Export	338	-	-	488	487.1%
11		Bonded products and other	1,373	1,305	105.2%	2,494	99.9%
12		incl. Jet fuel	721	749	96.3%	1,475	98.5%
13		incl. Low-sulfur C fuel oil	500	325	153.8%	782	125.3%
14	Sub-Total	1,711	1,305	131.0%	2,982	114.8%	
15	Total		12,681	12,402	102.3%	26,608	103.1%

No.			2Q FY2022 Results	2Q FY2021 Results	Changes
16	CDU operating ratio	(Calendar Day basis) ^{*1}	95.7%	94.8%	0.9%
17		(Streaming Day basis) ^{*1,2}	97.7%	99.4%	-1.7%

*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 FY2022 Results] Crude Oil Production Volume, Crude Reserves Estimate (Proved and Probable)



[1] Crude oil production volume				
	2Q FY2022 Results	2Q FY2021 Results	Changes	
Cosmo Energy Exploration & Production Co., Ltd. (B/D)	45,426	45,951	-525	98.9%

* 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.

* The production period has calculated in the January-June, because that the three major developers of the accounting period is December.

* 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)

2Q FY2022 Results - Changes from 2Q FY2021

Unit: billion yen

No.		Net sales		Operating profit		Ordinary profit		Ordinary profit (excluding the impact of inventory valuation)	
			Changes from 2Q FY2021		Changes from 2Q FY2021		Changes from 2Q FY2021		Changes from 2Q FY2021
1	Petroleum business	1,207.1	248.8	126.5	63.4	122.6	57.2	30.8	-0.7
2	Petrochemical business	238.1	62.0	8.1	-1.3	7.8	-1.2	7.8	-1.2
3	Oil E&P business	60.5	23.9	35.3	18.3	41.1	23.9	41.1	23.9
4	Renewable energy business	4.7	-0.4	-0.4	-1.0	-0.1	-0.6	-0.1	-0.6
5	Other, adjustment	-138.8	-58.4	3.4	0.1	2.4	-0.5	2.4	-0.5
6	Total	1,371.6	275.9	172.9	79.5	173.8	78.8	82.0	20.9

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 FY2022 Results] Major data of each business

1. Petroleum business

(1) Refinery Operating Ratio

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 2Q
CDU operating ratio (Calendar Day basis) ^{*1}	94.1%	86.1%	87.9%	84.3%	95.4%	95.7%

(2) Number of SSs by Operator Type

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 2Q
Subsidiary ^{*2}	917	888	876	877	872	885
Dealers	1,941	1,903	1,879	1,852	1,823	1,793
Total ^{*3}	2,858	2,791	2,755	2,729	2,695	2,678
Number of Self-Service SSs ^{*3}	1,034	1,048	1,072	1,099	1,112	1,120

(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 2Q
Cosmo The Card (million cards) ^{*3}	4.44	4.33	4.21	4.12	4.03	3.99
My car lease (Units) ^{*3}	47,602	60,579	73,634	85,126	96,214	101,311
Carlife Square (million downloads) ^{*3}			2.02	3.44	4.72	5.36

2. Oil E&P business

Crude oil production volume

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 2Q
Cosmo Energy E&P Co., Ltd. (B/D) ^{*4}	38,826	52,303	50,773	49,208	45,157	45,426

3. Renewable energy business

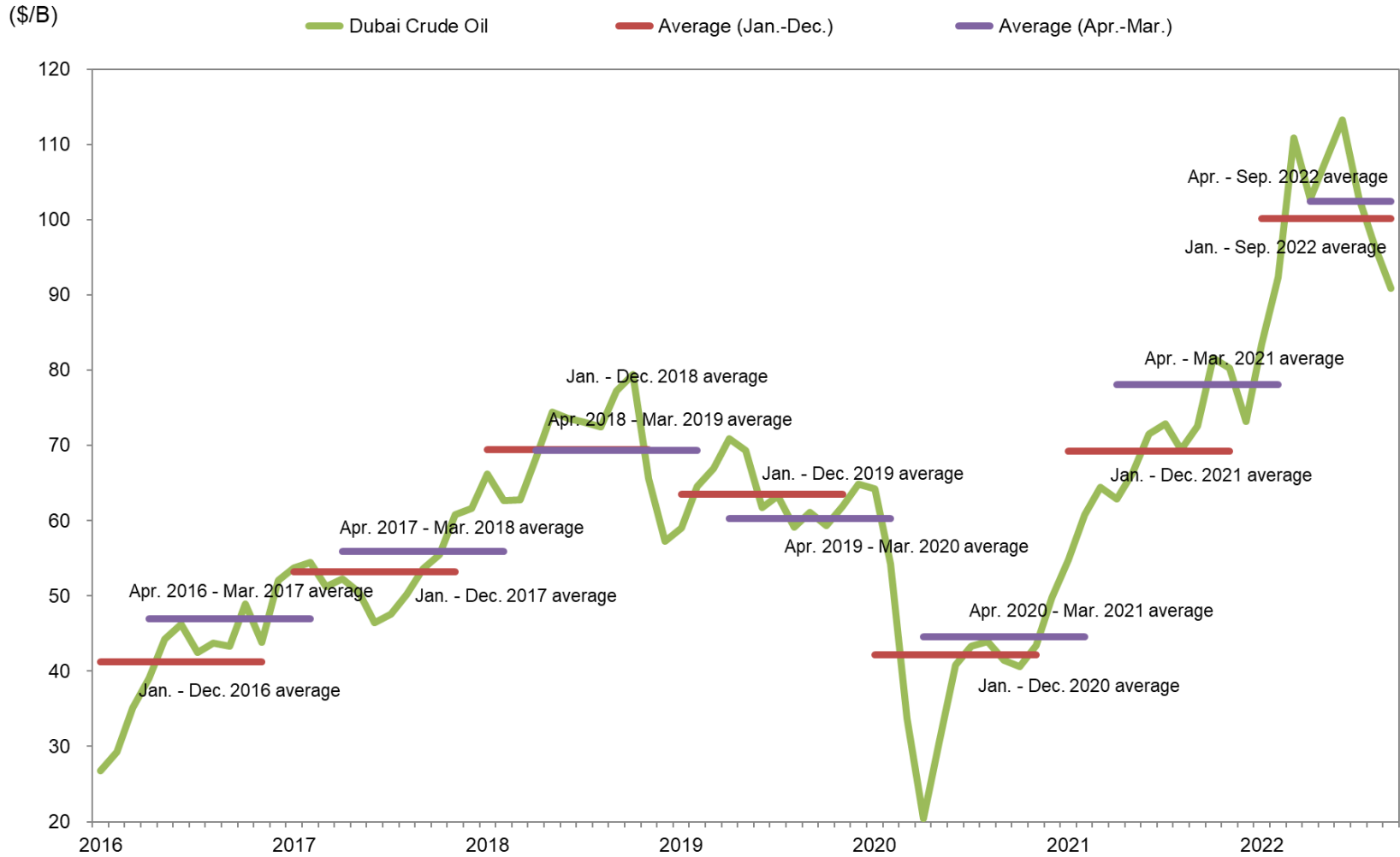
Wind power plant capacity(ten thousand kW)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 2Q
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	209

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

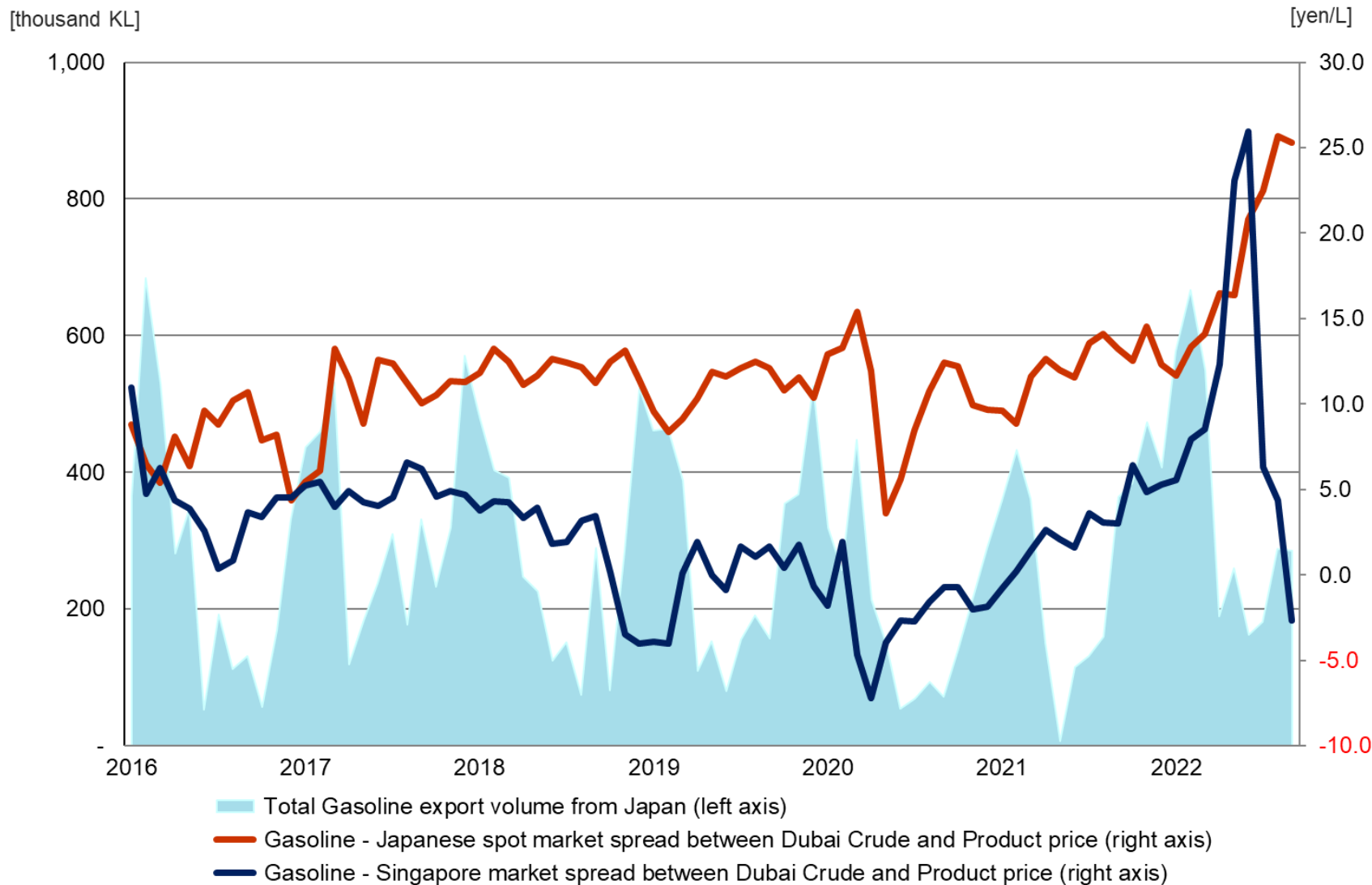
*3 At the end of March of each fiscal year, *4 January-December results for each fiscal year

Historical Changes in Dubai Crude Oil Price

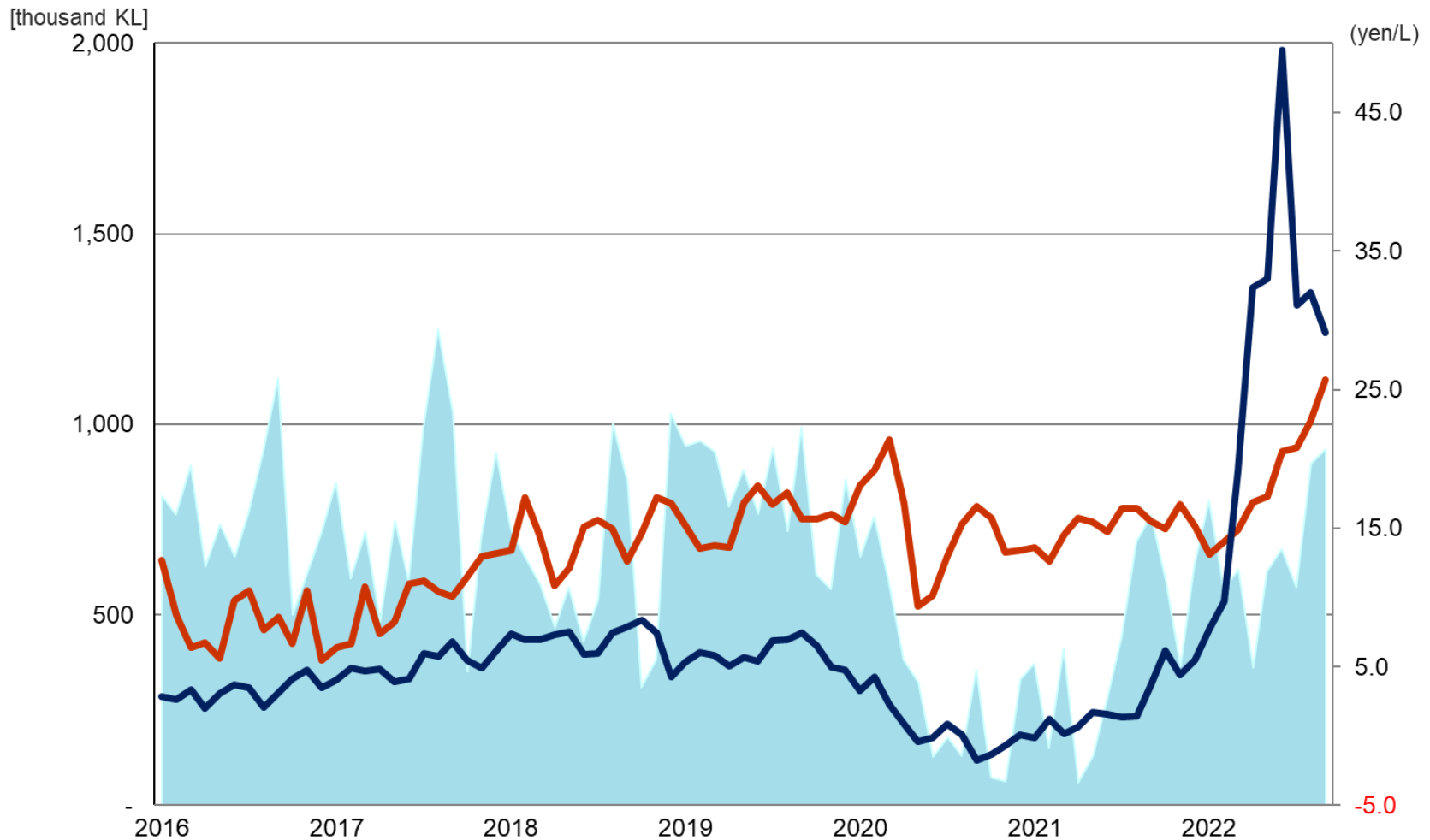


*Trend of crude oil price from January 2016 to September 2022

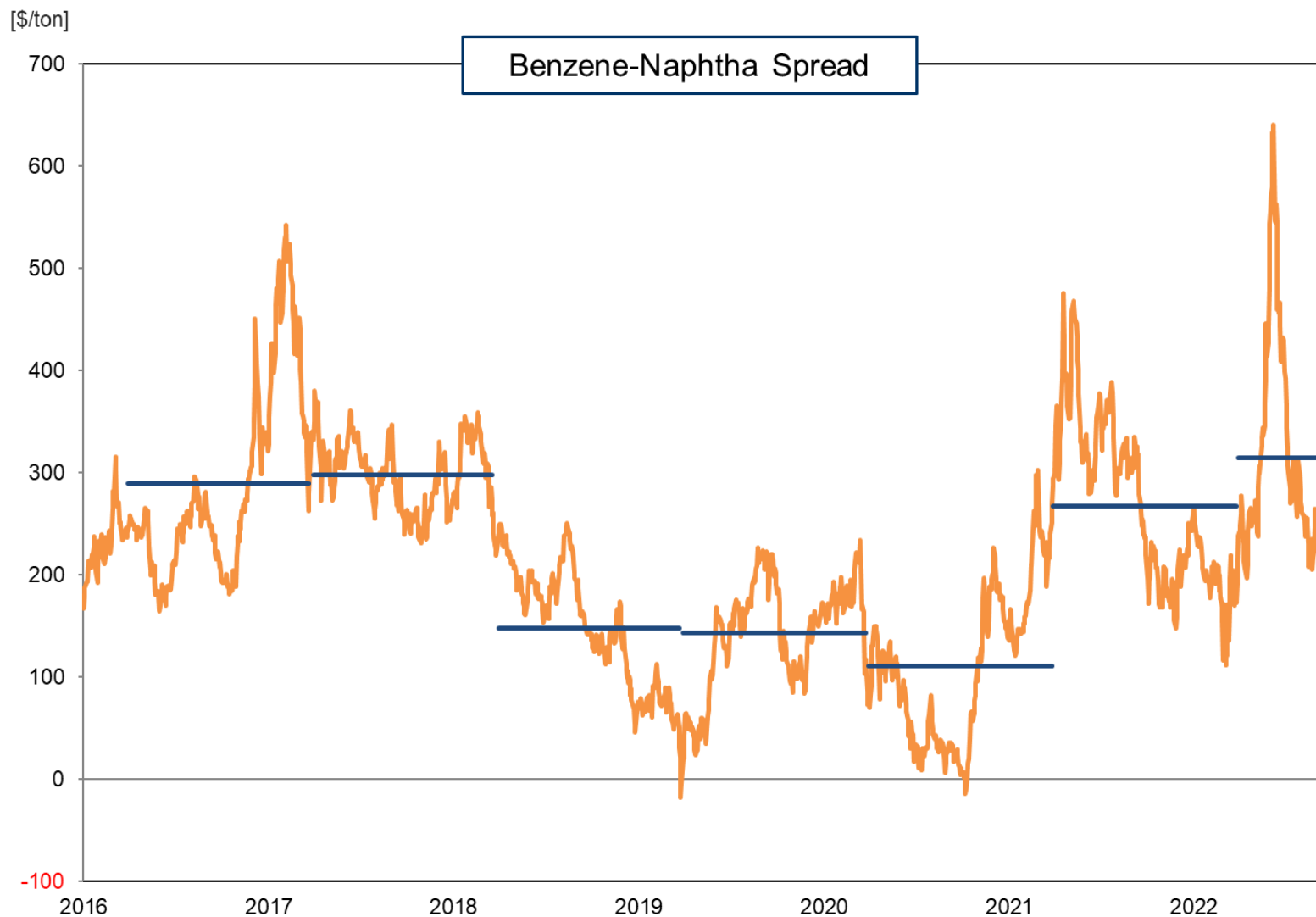
Historical Changes of Gasoline Export and Margin (Domestic and Overseas)



Historical Changes of Diesel Fuel Export and Margin (Domestic and Overseas)

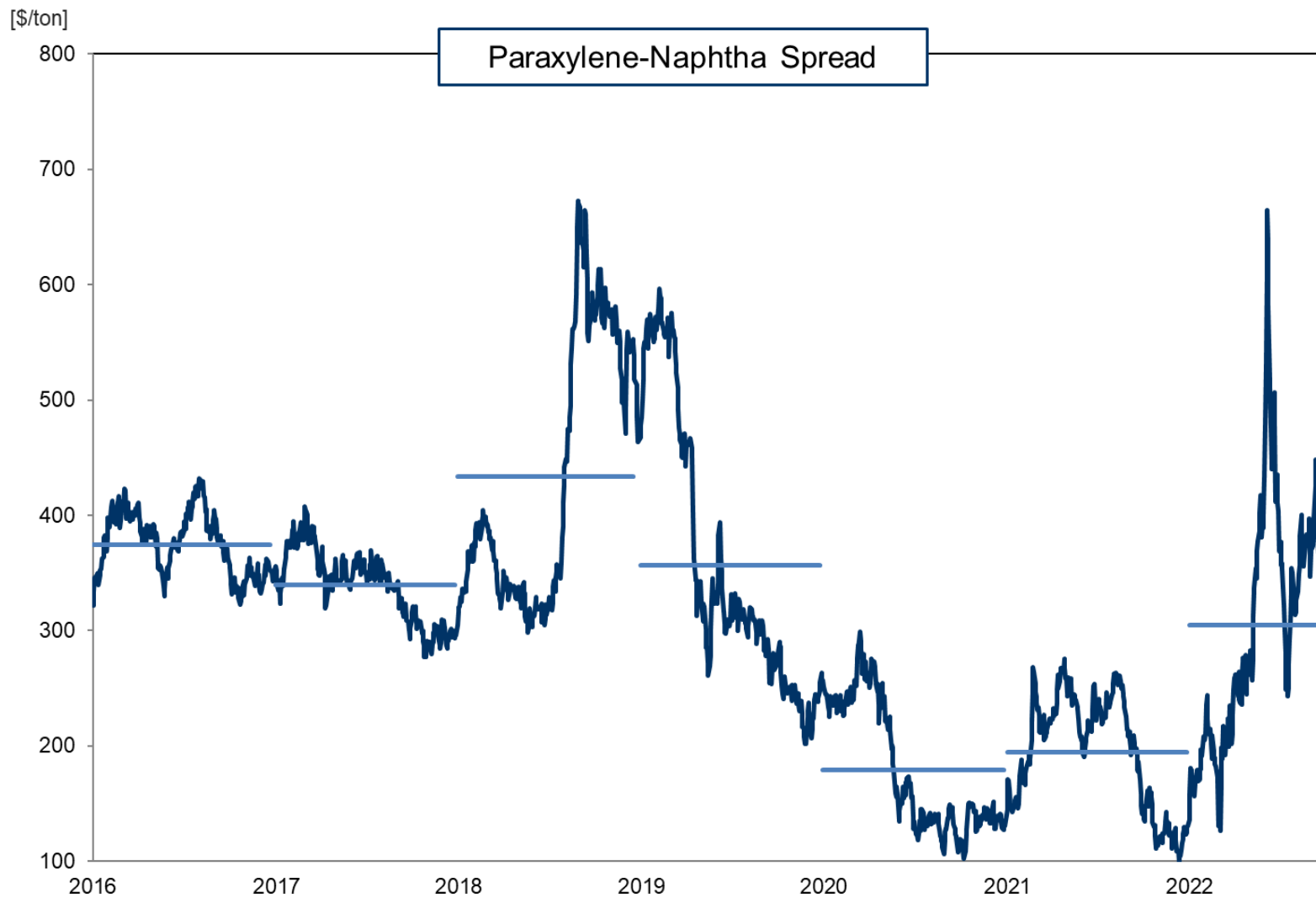


- Total diesel fuel export volume from Japan (left axis)
- Diesel fuel - Japanese spot market spread between Dubai Crude and Product price (right axis)
- Diesel fuel - Singapore market spread between Dubai Crude and Product price (right axis)



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

Market Conditions for Paraxylene



*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 excl. the impact of inventory valuation	Ordinary profit	Ordinary profit excl. the impact of inventory valuation	Ordinary profit	Ordinary profit excl. the impact of inventory valuation		
1	Total	228.0	150.0	233.1	160.8	-5.1	-10.8		
2	(By segment)	Petroleum business		128.0	50.0	165.5	93.2	-37.5	-43.2
3		Petrochemical business		8.0		13.6		-5.6	
4		Oil E&P business ^{*1}		83.0		44.8		38.2	
5		Renewable energy business		3.0		3.5		-0.5	
6		Other ^{*2}		6.0		5.7		0.3	
7	The impact of inventory valuation		78.0		72.3		5.7		
8	Profit attributable to owners of parent		115.0		138.9		-23.9		
9	Profit attributable to owners of parent excluding the impact of inventory valuation ^{*3}		60.4		88.3		-27.9		

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

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

No		FY2022 Forecast	FY2021 Results	Changes
10	Dividend per Share (Plan) (yen)	¥150	¥100	+ ¥50

■ Precondition

No.		FY2022 Forecast	FY2021 Results	Changes
11	Dubai crude oil price (USD/B) (Apr.-Mar.)	96	78	18
12	JPY/USD exchange rate (Apr.-Mar.)	140	112	28
13	Dubai crude oil price (USD/B) (Jan.-Dec.) *	95	69	26
14	JPY/USD exchange rate (Jan.-Dec.)	132	110	22

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

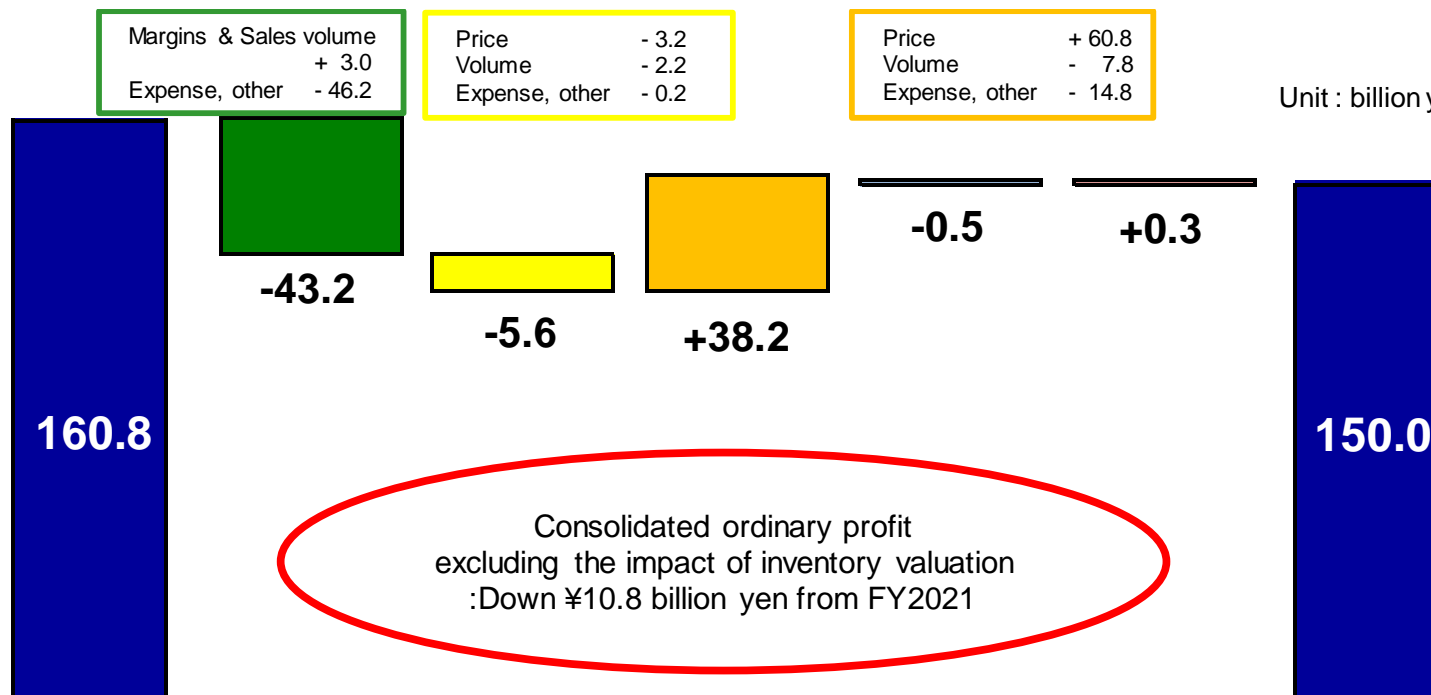
■ Sensitivity

No.		Item	Crude oil (Dubai)	JPY/USD exchange rate
15	Petroleum Business	Inventory Impact	3.2 billion yen	2.0 billion yen
16		Refinery fuel cost etc.	-0.2 billion yen	-0.2 billion yen
17		Total	3.0 billion yen	1.8 billion yen
18	Oil E&P Business		—	—

* Figures above refer to impacts by crude oil price (US\$1/bbl) and yen-dollar exchange rate (¥ 1/USD)
Sensitivity is calculated based on the assumption that crude oil prices and foreign exchange rates remain constant throughout the period.

[FY2022 Forecast] Consolidated Ordinary Profit (Excluding the impact of inventory valuation) - Changes from FY2021

Unit : billion yen



FY2021 Results	FY2022 Forecasts					Ordinary profit excl. the impact of inventory valuation
Ordinary profit excl. the impact of inventory valuation	Petroleum business	Petrochemical business	Oil E&P business	Renewable energy business	Other	Ordinary profit excl. the impact of inventory valuation
160.8	93.2	13.6	44.8	3.5	5.7	
	50.0	8.0	83.0	3.0	6.0	150.0

Outline of Consolidated Capital Expenditures - Changes from FY2021

Capital Expenditures. Depreciations

Unit: billion yen

No.		FY2022 Forecast	Changes
1	Capital expenditures	94.1	37.0
2	Depreciation expense amount, etc	58.4	0.4

Capital Expenditures by Business Segment

Unit: billion yen

No.		FY2022 Forecast	FY2021 Results	Changes
1	Petroleum	23.4	23.0	0.4
2	Petrochemical	15.4	13.1	2.3
3	Oil E&P	30.7	14.3	16.4
4	Renewable energy	22.3	7.9	14.4
5	Other, adjustment	2.3	-1.2	3.5
6	Total	94.1	57.1	37.0
7	Investment securities, etc*	11.8	4.6	7.2

*Investment securities, etc. are included in the net investment amount of ¥ 360.0 billion in the 6th Consolidated Medium-Term Management Plan (from FY2018 to FY2022).

FY2022 Forecast - Changes from FY2021

Unit: billion yen

No.		Net sales		Operating profit		Ordinary profit		Ordinary profit (excluding the impact of inventory valuation)	
			Changes from FY2021		Changes from FY2021		Changes from FY2021		Changes from FY2021
1	Petroleum business	2,560.0	422.3	132.0	-33.6	128.0	-37.5	50.0	-43.2
2	Petrochemical business	549.0	189.6	10.0	-4.8	8.0	-5.6	8.0	-5.6
3	Oil E&P business	142.0	51.0	79.0	34.2	83.0	38.2	83.0	38.2
4	Renewable energy business	13.0	-0.1	3.0	-0.6	3.0	-0.5	3.0	-0.5
5	Other, adjustment	-234.0	-73.3	8.0	1.5	6.0	0.3	6.0	0.3
6	Total	3,030.0	589.5	232.0	-3.3	228.0	-5.1	150.0	-10.8


Cosmo Energy Group (by Segment)

Petroleum business	Cosmo Oil Co.,Ltd., Cosmo Oil Marketing Co., Ltd., Cosmo Oil Sales Corp, Cosmo Oil Lubricants Co., Ltd., 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.
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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}	¥142.0 billion	¥2,560.0 billion	¥549.0 billion	¥13.0 billion	¥-234.0 billion	¥3,030.0 billion
Ordinary profit ^{*1}	¥83.0 billion	¥128.0 billion	¥8.0 billion	¥3.0 billion	¥6.0 billion	¥228.0 billion
Ordinary profit excluding ^{*1} impact of inventory valuation	¥83.0 billion	¥50.0 billion	¥8.0 billion	¥3.0 billion	¥6.0 billion	¥150.0 billion

Major assets	<p>■ Partnerships Solid relationship of trust with oil producing countries for about 50 years</p>	<p>■ CDU capacity ^{*5, 6} 400,000 BD (Domestic market share: Approx. 11.6%)</p>	<p>■ Olefinic production capacity ^{*5} Ethylene 1.29 mil tons/year (Domestic market share: Approx. 19%)</p>	<p>■ Wind power plant capacity ^{*5} 300,100 kW (No. 3 in Japan and a 7% domestic share)</p>	<p>■ Corporate brand awareness</p>  98.4% <p>* 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)</p>
	<p>■ Operatorship (self-operation) We produces the largest volume of crude oil in the Middle East region for a Japanese operator.</p>	<p>■ Domestic Sales Volume ^{*3} 23,210 thousand KL</p>	<p>■ Aromatic production capacity ^{*5} Para-xylene 1.360 mil tons/year Benzene 0.735 mil tons/year Mixed-xylene 0.618 mil tons/year</p>	<p>■ Solar power generation ^{*5} capacity 24,000 kw</p>	
	<p>■ Crude Oil Production ^{*3} Approx. 45 thousand B/D (Comparison with refining capacity: Approx. 11%)</p>	<p>■ Number of Service station ^{*5} 2,695</p>	<p>■ Number of the "Cosmo the Card" Holders ^{*5} 4.03 million cards</p>		
	<p>■ Crude Oil Reserves (Proved and Probable) ^{*4} 143.1 million barrels (Equivalent to approx. 17 years of supply)</p>	<p>■ Car leasing business for individuals ^{*5} Cumulative total 96,214 cars</p>			

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) - 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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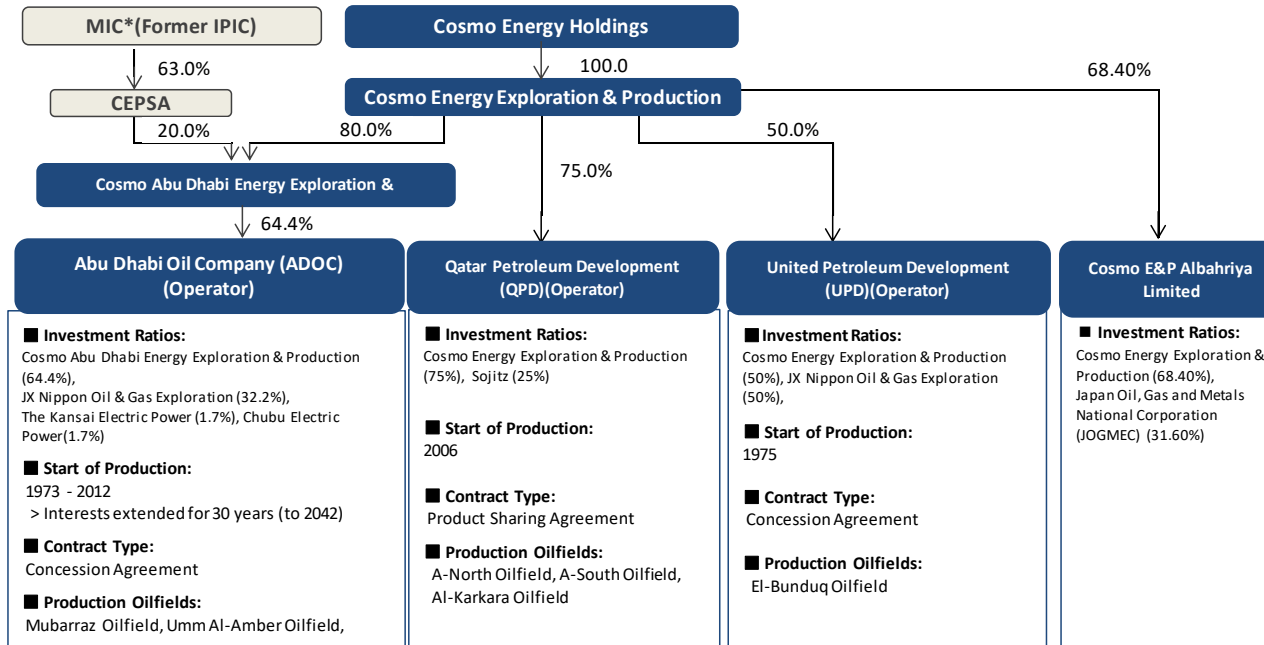
^{*1} FY2022 Forecast ^{*2} Including consolidated adjustment ^{*3} FY2021 Results ^{*4} As of Dec. 31, 2021 ^{*5} As of Mar. 31, 2022

^{*6} Including the supply of the petroleum product/semi product (37,000 bbls/day equivalent) from Idemitsu Kosan with the business alliance

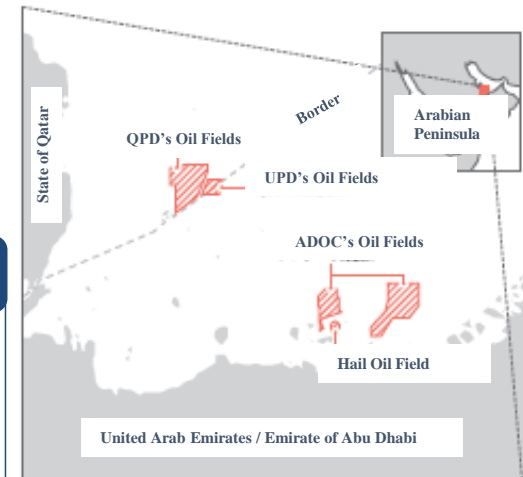
Overview: High Competitiveness due to Operatorship

- ✓ 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

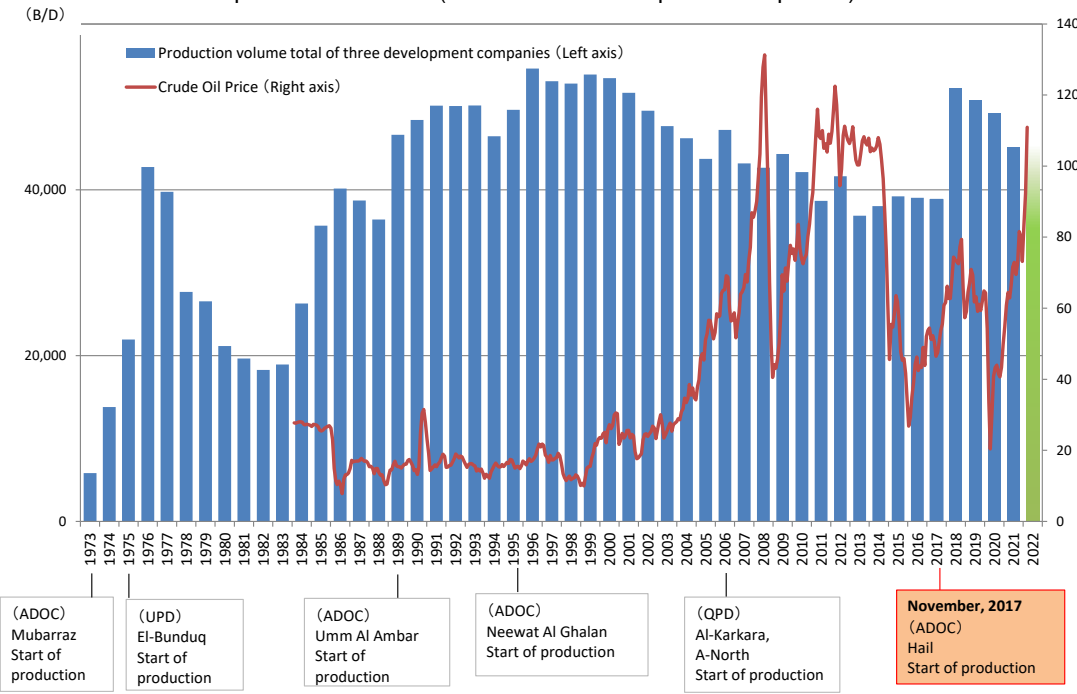


(*) MIC (Mubadala Investment Company) in which The Emirate of Abu Dhabi has a 100% stake ,has been established as a holding company in association with the business combination of IPIC (International Petroleum Investment Company), and MDC (Mubadala Development Company).

- ✓ 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.

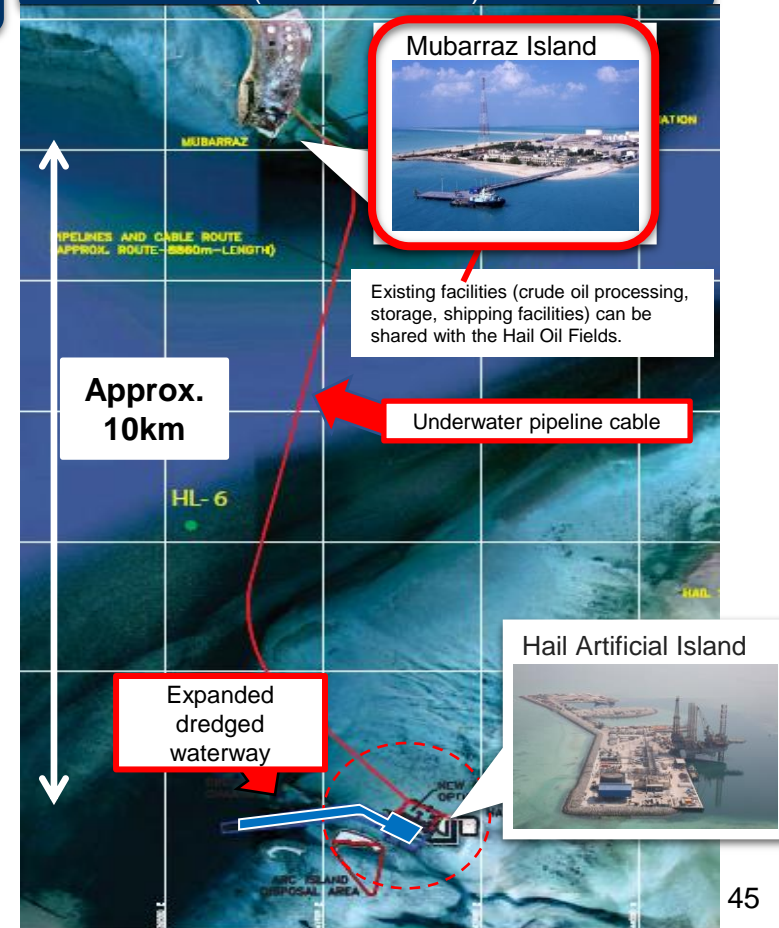
Prolonged stable oil production

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.

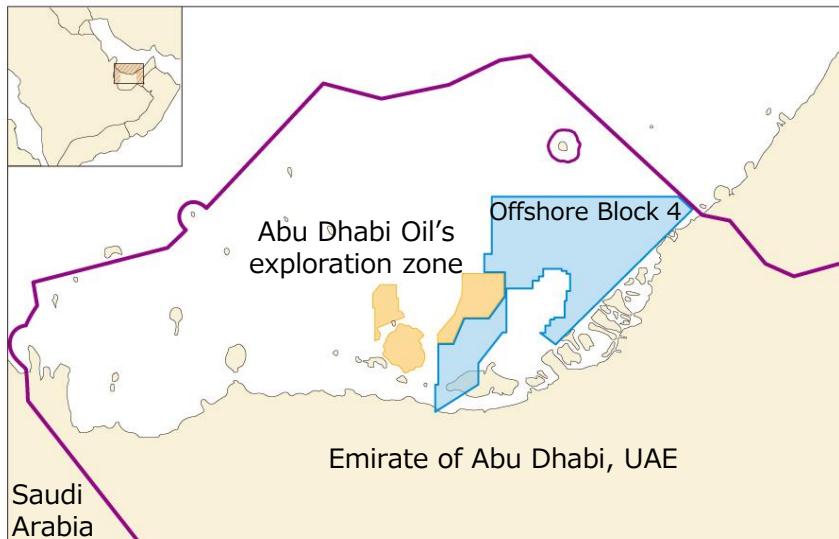
Hail Oil Field and existing shipping terminal (Mubarraz Island)



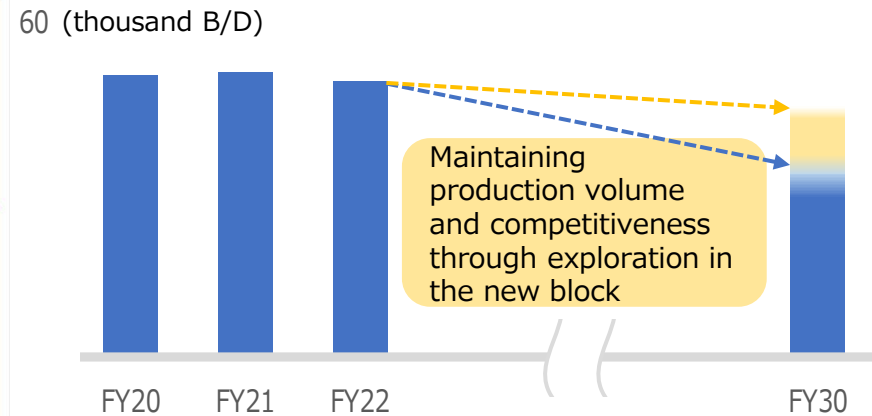
In the Abu Dhabi 2019 Block Bid Round in the United Arab Emirates, the Company won a bid for Offshore Exploration Block 4 (the “Block”). Recently established Cosmo E&P Albahriya Limited will engage in exploration with a view toward early exploitation and production. Main points are as follows.

- 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



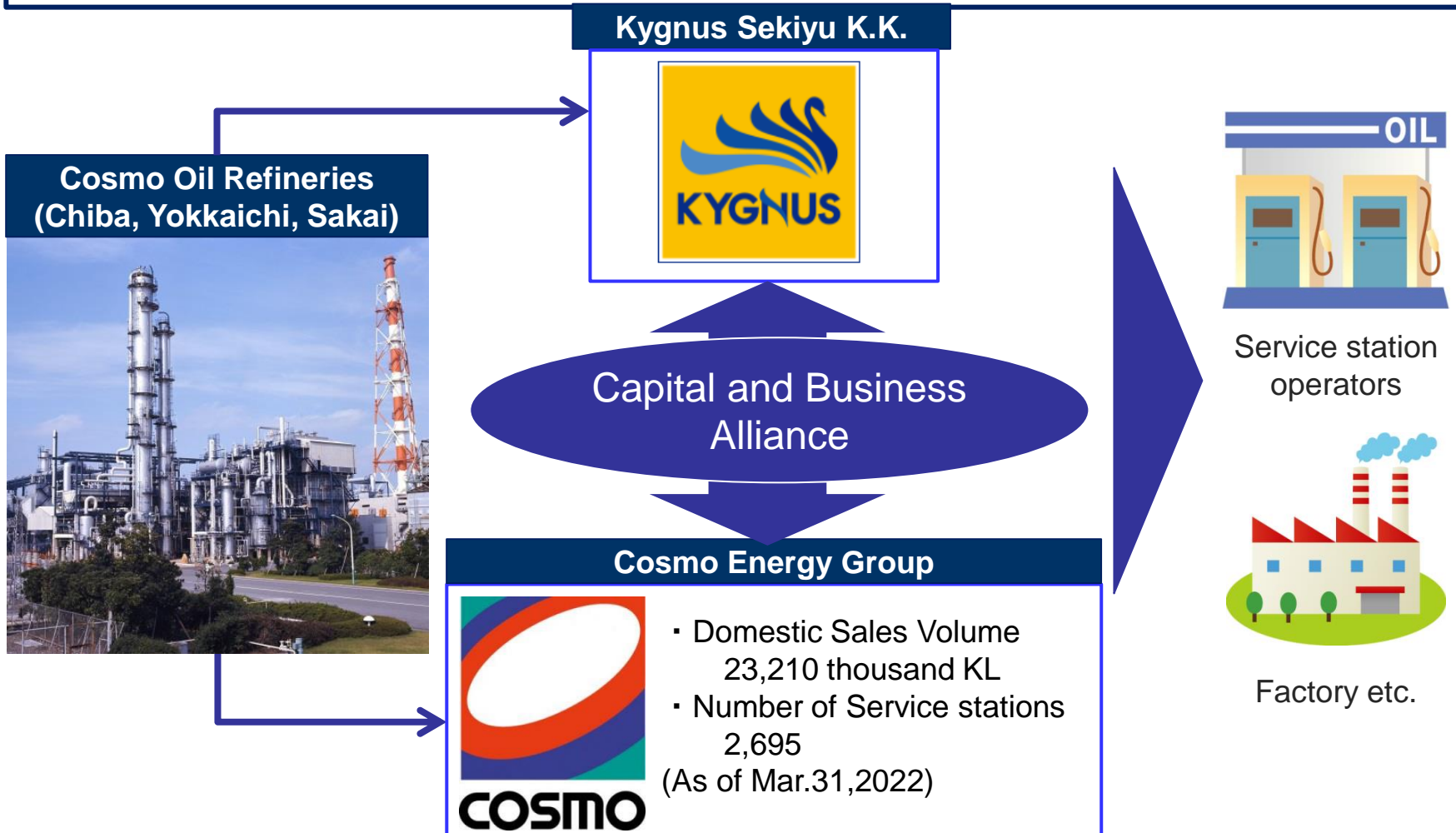
Schematic of trend in the Group’s crude oil production



[Petroleum Business]

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

- ✓ 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.

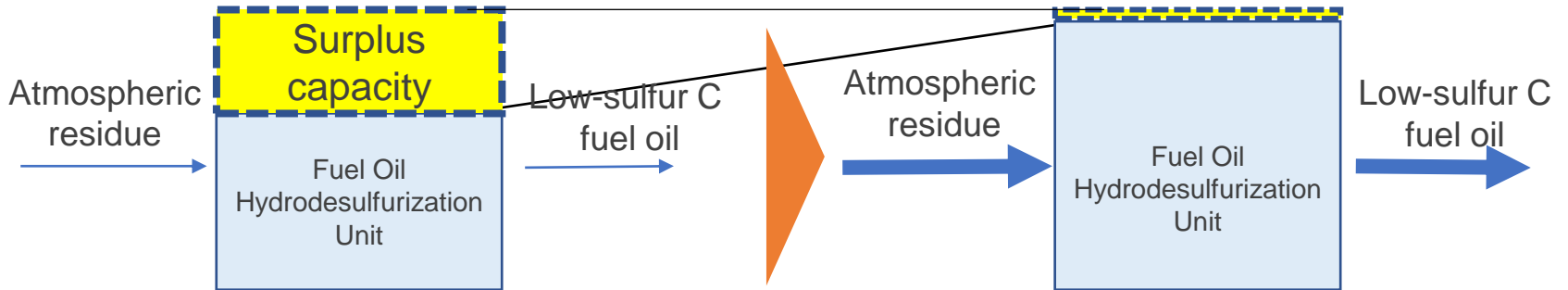


✓ International Maritime Organization (IMO) is to strengthen its regulation in 2020 by setting the upper limit of sulfur content from 3.5% down to 0.5% and the shipping fuel will be switched from high sulfur C heavy fuel to conforming low sulfur C heavy fuel.

Before **After**

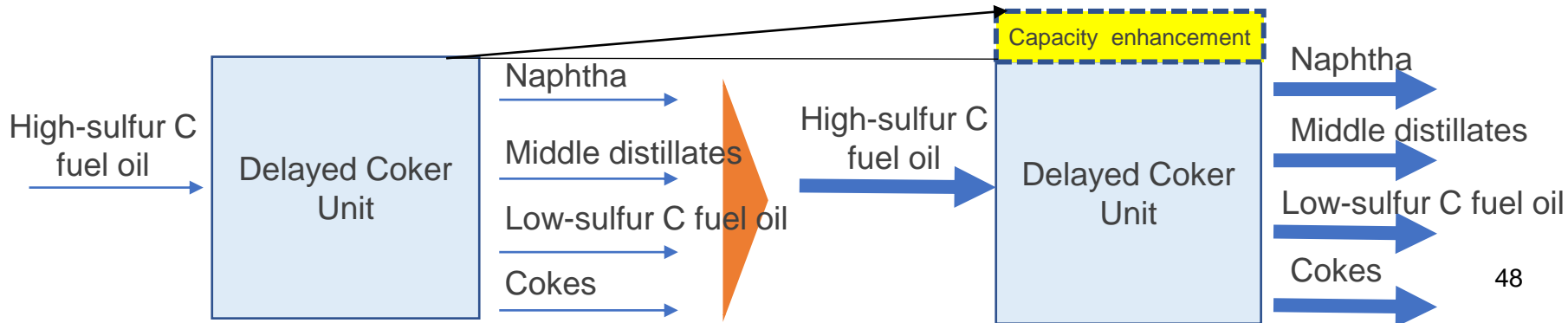
Chiba Refinery

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



Sakai Refinery

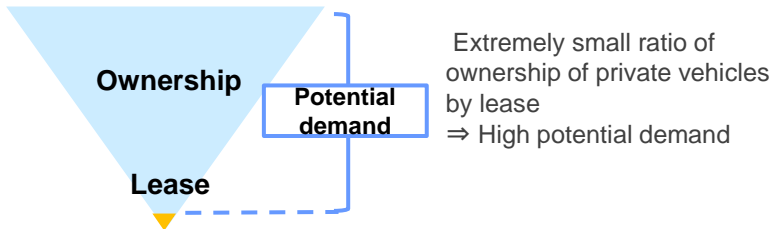
Enhance Sakai Refinery's Delayed coker capacity and turn high sulfur C heavy oil into high value added products



- ✓ 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
 4.03 mil cards) (*2) As of March 31, 2022
- Fuel oil discount system (patented business model)

Low risk

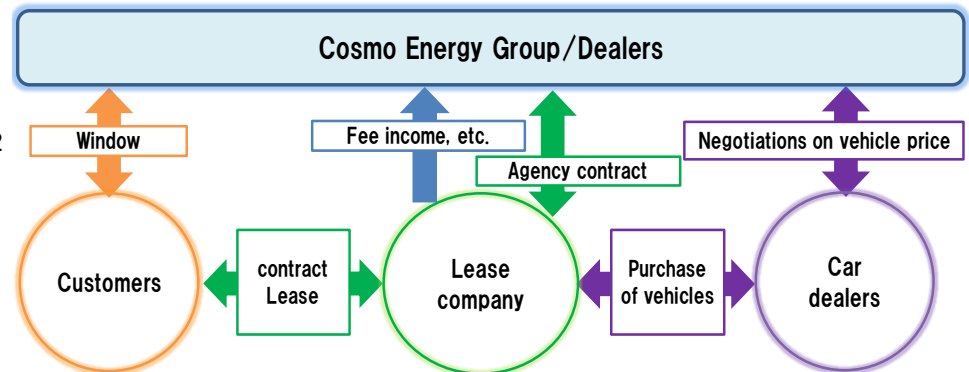
- Because the SS play the role of dealerships, there is no credit risk or risk of keeping vehicle inventory.

Win-win business model

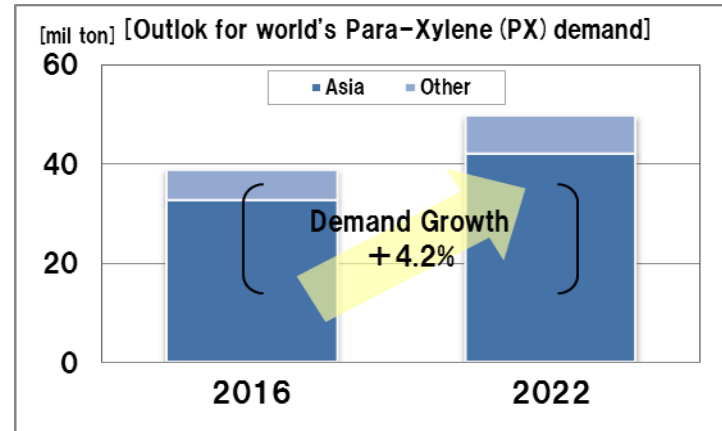
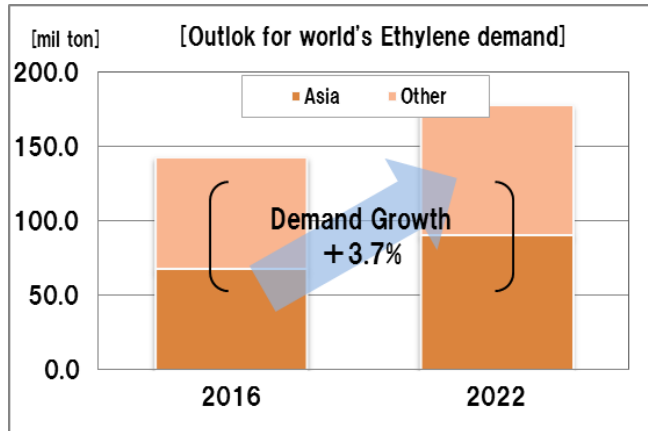
Customers : - Being able to drive new cars of any maker and model for a price lower than purchasing
 - No complicated procedures
 e.g. Simplified expenses for using a car (monthly flat rate that includes safety inspections, taxes, insurance, etc.)

Lease companies : Capture new customers

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

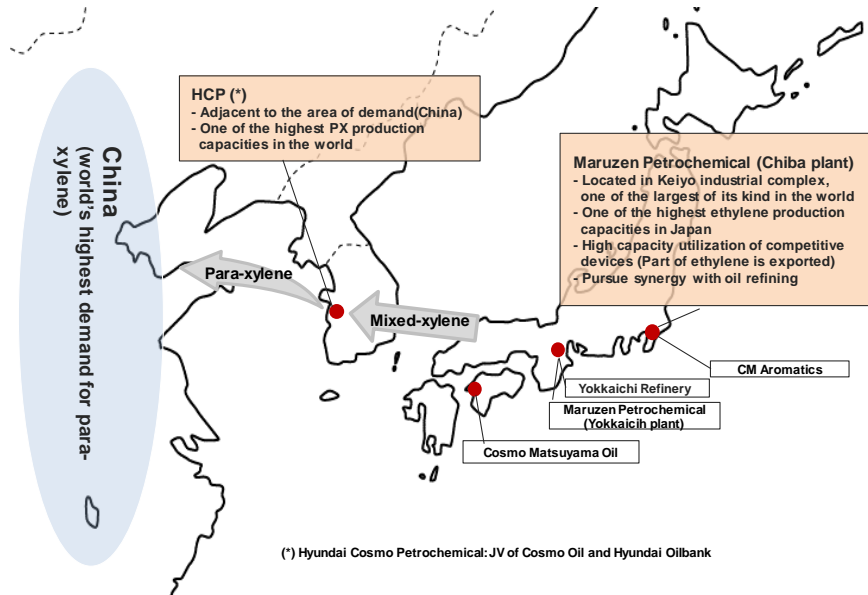


Expected global demand for petrochemical products



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

Strengths of Cosmo Energy Group



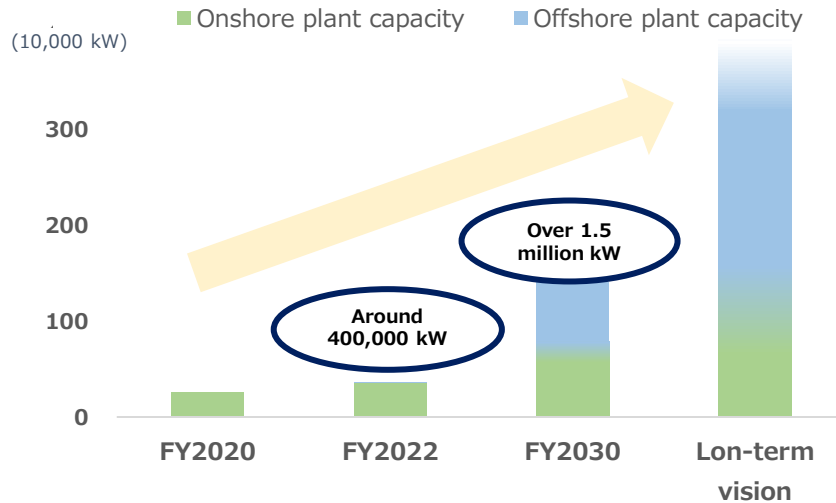
Production capacity

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
	Hyundai Cosmo PetroChemical	0.250 mil t/year	
	Cosmo Matsuyama Oil	0.090 mil t/year	
	Total	0.735 mil t/year	
Mixed-xylene	Cosmo Oil (Yokkaichi Refinery)	CM Aromatics	0.270 mil t/year
		Cosmo Matsuyama Oil	0.048 mil t/year
		Total	0.618 mil t/year
	Aroma-based, total	2.713 mil t/year	

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

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

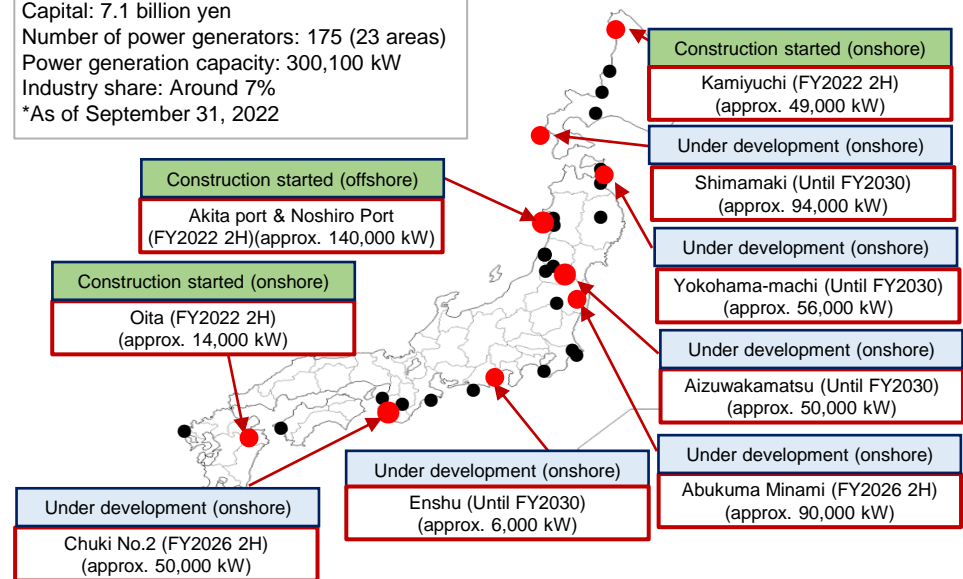
Changes in wind power generation capacity



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

Overview of Cosmo Eco Power

Capital: 7.1 billion yen
 Number of power generators: 175 (23 areas)
 Power generation capacity: 300,100 kW
 Industry share: Around 7%
 *As of September 31, 2022



Characteristics (strengths) of the Group

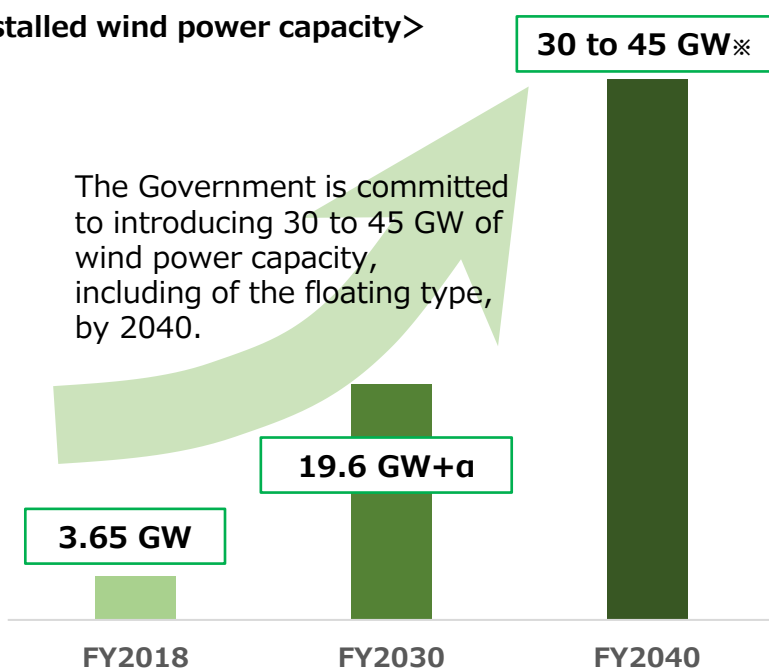
- ✓ Making Eco Power Co., Ltd., a pioneer in the wind power generation business (founded in 1997), a Group company in 2010.
- ✓ Achieving high on-wind availability (90% or more) through development, construction, operation, and maintenance within the Group.
- ✓ Reducing risks of changes in wind conditions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

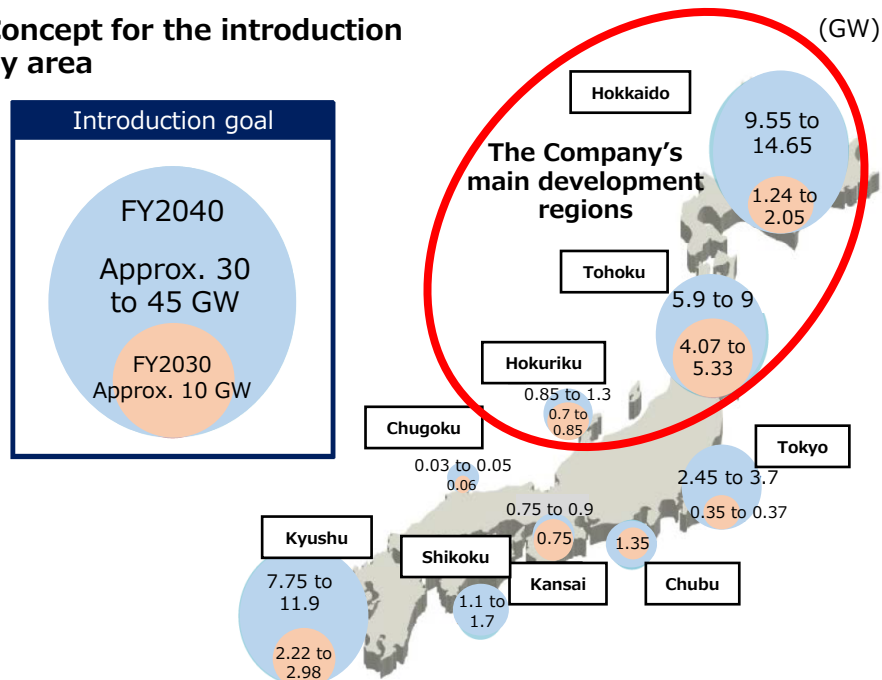
Concept for the Introduction of Offshore Wind Power Generation

<Installed wind power capacity>



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

Concept for the introduction by area



* Target value for offshore wind power generation only

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

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

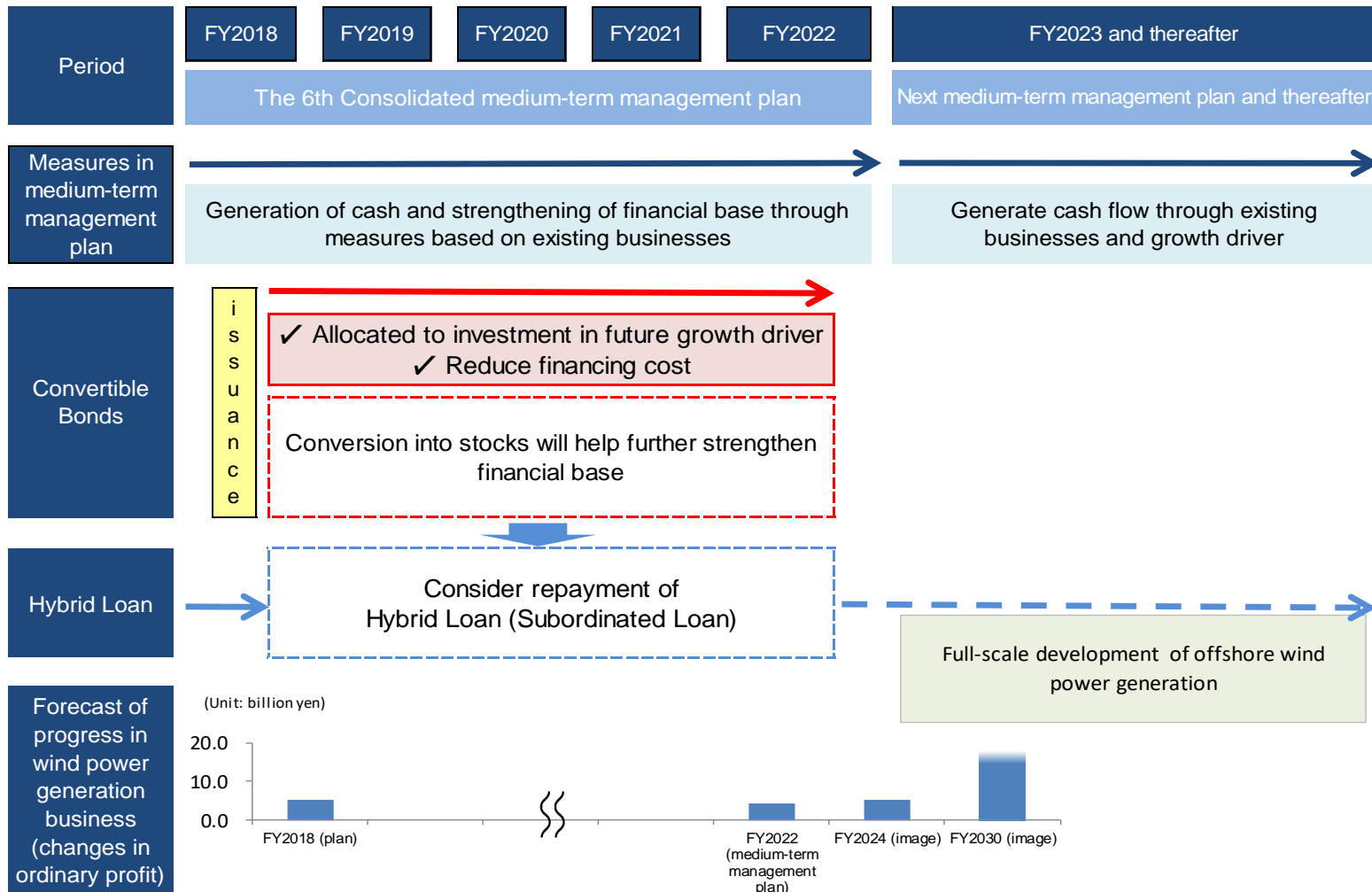
Item	Overview
Financing amount	¥30.0 billion
Loan agreement date	March 26, 2020
Drawdown date	March 31, 2020
Use of loan proceeds	Early repayment of an existing subordinated loan
Maturity date	March 31, 2053
Dates early repayment can be made	Any interest payment date on or after March 31, 2023
Replacement 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. 11.0 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. 49.0 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 sites.

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

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%) → Total number of shares repurchased 5,313,400 shares
Aggregate Value of Repurchases	20.0 billion yen (maximum limit) → Aggregate value of repurchased 19,999,903,460 yen
Repurchase Period	May 13, 2022 - November 30, 2022 → May 27, 2022 - July 6, 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)

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.