

Proposal No. 1: Approval of Share Transfer Plan

The Company formulated a share transfer plan (hereinafter the “Share Transfer Plan”) regarding the establishment of Cosmo Energy Holdings Company, Limited, (hereinafter the “Holding Company”) which will be the Company’s wholly-owning parent company, via the method of a sole share transfer with October 1, 2015, as the effective date (hereinafter the “Share Transfer”), and passed a resolution on the Share Transfer Plan at a meeting of the Board of Directors held on May 12, 2015.

In this proposal, we seek the approval of shareholders regarding the Share Transfer Plan. The reasons for the Share Transfer, the contents of the Share Transfer Plan and other matters are as described below.

1. Reasons for conducting a share transfer, its purposes and others

(1) Reasons

The business environment surrounding the Cosmo Group is significantly changing, including the drastic fluctuation of crude oil prices, the gradual decrease in domestic demand for oil products, and the expanded introduction of renewable energy. Under these circumstances, companies in the industry are accelerating their movements towards the enhancement of their business portfolios beyond their domestic petroleum businesses and towards reorganization.

Cosmo Group has raised as its business vision the transformation to a “Vertically Integrated Global Energy Company” and is working on thorough streamlining centered on the oil refining and marketing business, and shifting business resources to the businesses of resource development, retail and wind power generation, etc., which are positioned as growth drivers, with the aim of transforming the business portfolio. At the moment, however, our business resources remain biased towards oil refining and marketing businesses and optimal distribution of such resources is a pressing issue.

For Cosmo Group to realize sustainable growth in the future, it is essential to implement optimal distribution of limited business resources and strengthen its competitiveness by business unit, taking a panoramic perspective of the whole group. To accomplish this target, we have determined that it would be effective to undergo a transformation to a holding company structure.

In addition, we believe that the holding company structure, where the “business surveillance function” and the “business execution function” are separated, is the suitable solution from the perspective of the enhancement of corporate governance(*1).

(2) Purposes

The first of the three purposes of transforming to a holding company is “Strengthen Business Competitiveness / Realize Stable Profits of the Holding Company.” Each operating company, by clearly defining responsibilities and authority, aims to expedite decision-making as well as to enhance the expertise and motivation of employees, which will enable each operating company to conduct business execution quickly responding to changes in business environment and increase its corporate value. The Holding Company aims to improve its financial standing by establishing profit base and to realize stable dividends. The second purpose of the transformation is “Accelerate the Enhancement of Group Management and Shift Business Resources.” In order to realize optimal management resource distribution centripetally from a group-wide perspective, “monitoring of the group’s management” will be separated from “business execution” and the holding company will focus on determination of the group’s management policy. Our third purpose is “Promote an Alliance in Each Business Line.” We will pursue a flexible and swift alliance strategy (collaboration, cooperation, integration) by business line responding to changes in economic and business environments by establishing organizational structure by business domain.

(3) Corporate governance structure

From the perspective of strengthening corporate governance, the governance framework of the Holding Company to be newly incorporated will be a company with a supervisory committee. The initial executives of the company upon its incorporation will consist of 10 Directors, two (20% of the total number of Directors) of whom will be Independent Outside Directors (*2) who do not create the risk of a conflict of interests with general shareholders, and we will work to further strengthen the oversight function of the Board of Directors. In addition, remuneration of executives and candidates for executives will be determined through a process of making deliberations at and submitting report by the “Nomination and Remuneration Advisory Committee,” which will be in majority by an Independent Outside Director. By doing so, we will not only ensure transparency and objectivity in such decisions but also promote proactive use of the Independent Outside Directors.

(4) Remuneration of executives

For the executives remuneration system of the Holding Company, the basic policy will consist of “incentives to enhance business performance and increase corporate value as well as shareholder value in the medium- and long-term,” “sharing profits with shareholders,” “encouraging a challenging spirit” and “ensuring transparency and objectivity in the remuneration determination and evaluation processes.” Remuneration for executives of the Holding Company will be composed of basic remuneration, which will be a set amount, and incentive remuneration, which will be linked to consolidated performance indices such as ordinary income, the net debt-to-equity ratio and return on equity. The incentive remuneration will be composed of yearly incentive remuneration (bonuses) linked to consolidated performance indices for each fiscal year and long-term incentive remuneration (stock remuneration; hereinafter the remuneration system for stock remuneration shall be referred to as the “Stock Remuneration Plan”) (*3) linked to the progress made in achieving targets in the Consolidated Medium-Term Management Plan. Recipients of these forms of remuneration will be Directors (excluding Outside Directors and Directors who are members of the Supervisory Committee) and Executive Officers (hereinafter collectively referred to as the “Holding Company Directors, etc.”).

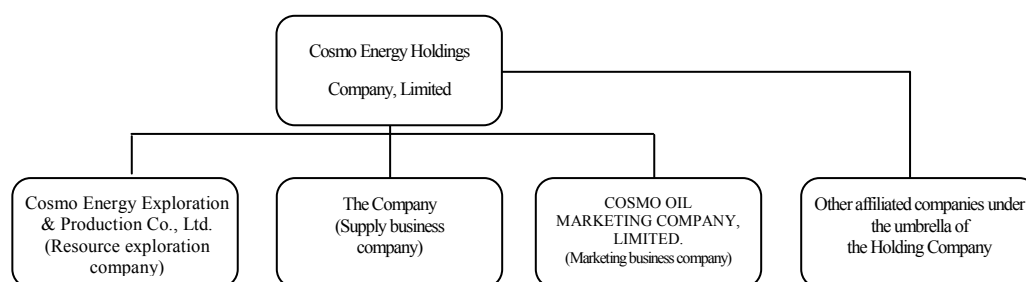
Initial number applied Stock Remuneration Plan will be 5 Directors and 4 Executive Officers, in addition to the Holding Company, we will introduce the Stock Remuneration Plan for the Directors (excluding Outside Directors) of the Group’s core business companies (*4) (hereinafter the “Core Business Company Directors”; the Holding Company and the core business companies shall be collectively referred to as the “Subject Companies”) (*5). The Stock Remuneration Plan will further clarify the linkage among remuneration, performance and the stock price, and, by making the Holding Company Directors, etc. and Core Business Company Directors share with shareholders the effects of not only stock value increases but also stock value falls, further heighten the consciousness regarding their contribution toward enhancing performance and increasing corporate value in the medium- and long-term. For these reasons, we deem that it is appropriate to introduce this plan.

Regarding the upper limit of remuneration for executives of the Holding Company, for Directors who are not members of the Supervisory Committee, the amount of cash remuneration that is the sum of the basic remuneration and the bonuses from the date of the Holding Company’s incorporation to the conclusion of the first Ordinary General Meeting of Shareholders will be no more than ¥500 million a year (for Directors who serve concurrently as employees, the portion of salary paid for their duties as employees will not be included). For Directors who are members of the Supervisory Committee, the amount of basic remuneration will be no more than ¥90 million a year. Details of allocations will be entrusted to the Board of Directors in the case of Directors (excluding Directors who are members of the Supervisory Committee) and to consultation by Directors who are members of the Supervisory Committee in the case of Directors who are members of the Supervisory Committee. The initial numbers of Directors by type will be as follows: there will be seven Directors (excluding Directors who are members of the Supervisory Committee) and three Directors who are members of the Supervisory Committee.

(5) Delisting of the Company's shares and listing of the Holding Company's shares

Although the shares of the Company will be delisted in association with the Share Transfer, shares of the newly established Holding Company will be delivered by allotment to the shareholders of the Company. An application for new listing for the shares of the Holding Company will be submitted to the Tokyo Stock Exchange. Although the listing date will depend on the examination by the Tokyo Stock Exchange, it is scheduled to be October 1, 2015, which is the planned date of registering the incorporation of the Holding Company (the effective date of the share transfer).

(*1) Outline of the holding company structure is as follows.



(*2) Indicates the Director whose status as an Independent Director/Auditor as stipulated under the regulations of the Tokyo Stock Exchange will be notified to the said stock exchange.

(*3) The details of the Stock Remuneration Plan are as provided in “9. Details of Stock Remuneration Plan” in this proposal.

(*4) Indicates three companies that will be subsidiaries of Cosmo Energy Holdings Company, Limited: Cosmo Energy Exploration & Production Co., Ltd., COSMO OIL CO., LTD. and COSMO OIL MARKETING COMPANY, LIMITED.

(*5) As with remuneration of the Holding Company Directors, etc., remuneration of the Core Business Company Directors will be composed of “basic remuneration,” “bonuses” and “stock remuneration.”

2. Outline of the Share Transfer Plan

The details of the Share Transfer are as stated in the “Share Transfer Plan (Copy)” below.

Share Transfer Plan (Copy)

Cosmo Oil Co., Ltd. (the “Company”) hereby sets out a share transfer plan (the “Plan”) as follows, for the purpose of performing a share transfer to establish a wholly-owning parent company incorporated through the share transfer (the “New Company”), whose wholly-owned subsidiary company in the share transfer will be the Company (the “Share Transfer”).

Article 1 (Purpose, Trade Name, Head office, Total Number of Authorized Shares , and Other Matters to Be Provided for in the Articles of Incorporation of the New Company)

1. The New Company’s purpose, trade name, head office, and total number of authorized shares shall be as specified in the following items:
 - (1) Purpose
The purpose of the New Company shall be as stipulated in Article 2 of the “Articles of Incorporation of Cosmo Energy Holdings Company, Limited” attached hereto as the Appendix.
 - (2) Trade Name
The trade name of the New Company shall be “COSMO ENERGY HOLDINGS Kabushiki Kaisha,” and shall be indicated in English as “COSMO ENERGY HOLDINGS COMPANY, LIMITED.”
 - (3) Head office
The head office of the New Company shall be located in Minato-ku, Tokyo, Japan.
 - (4) Total Number of Authorized Shares
The total number of authorized shares shall be 170 million shares.
2. In addition to those matters set forth in the preceding paragraph, the matters to be provided for in the New Company’s articles of incorporation shall be as set out in the “Articles of Incorporation of Cosmo Energy Holdings Company, Limited” attached hereto as the Appendix.

Article 2 (Names of the Directors at Incorporation and Name of the Accounting Auditor at Incorporation of the New Company)

1. The names of the Directors at Incorporation (excluding those who are members of the Supervisory Committee) of the New Company shall be as follows:

Director	Yaichi Kimura
Director	Keizo Morikawa
Director	Atsuto Tamura
Director	Hiroshi Kiriya
Director	Yasushi Ohe
Outside Director	Mohamed Al Hamli
Outside Director	Mohamed Al Mehairi

2. The names of the Directors at Incorporation who are members of the Supervisory Committee of the New Company shall be as follows:

Director	Katsuhisa Ohtaki
Outside Director	Sakae Kanno
Outside Director	Teruo Miyamoto

3. The names of the Substitute Directors who are members of the Supervisory Committee of the New Company at Incorporation shall be as follows:

Substitute Director	Kenichi Taki
Substitute Outside Director	Soichi Yukawa

Provided that, Mr. Kenichi Taki shall be appointed as a Substitute Director to fill the vacancy of Mr. Katsuhisa Ohtaki, and Mr. Soichi Yukawa shall be appointed as a Substitute Director to fill the vacancy of Mr. Sakae Kanno or Mr. Teruo Miyamoto.

4. The name of the Accounting Auditor at Incorporation of the New Company shall be as follows:

KPMG AZSA LLC

Article 3 (New Company Shares to Be Delivered through the Share Transfer and matters concerning the Allotment Thereof)

1. On consummation of the Share Transfer, the New Company shall deliver to the Company's shareholders, who are registered as of immediately prior to the moment when the New Company obtains all of the Company's issued shares through the Share Transfer (the "Reference Time"), common shares in the New Company in the number obtained by multiplying the total of the Company's common shares issued as of the Reference Time by 0.1 in exchange for the Company's common shares held by those shareholders.
2. On consummation of the Share Transfer, the New Company shall allot to the Company's shareholders as of the Reference Time, common shares in the New Company in the number obtained by multiplying the total of the Company's common shares held by those shareholders as of the Reference Time by 0.1, in accordance with the preceding paragraph.
3. If the number of shares calculated by the preceding paragraph includes a fraction of less than one share, these shares shall be handled in accordance with the provisions of Article 234 of the Companies Act and other relevant laws and regulations.

Article 4 (Amount of Stated Capital and Reserves of the New Company)

The amount of stated capital and reserves at the incorporation of the New Company shall be as follows:

- (1) Amount of stated capital
40,000,000,000 yen

- (2) Amount of capital reserves
10,000,000,000 yen
- (3) Amount of retained earnings reserves
0 yen

Article 5 (Date of Formation of the New Company)

The date on which the incorporation of the New Company should be registered (the “Formation Date”) shall be October 1, 2015. Provided that, if necessary for the Share Transfer procedures or for any other reason, the Formation Date may be changed by the resolution of the Board of Directors of the Company.

Article 6 (Shareholders’ Meeting Approval of the Plan)

- 1. The Company shall convene an annual Shareholders’ Meeting to be held on June 23, 2015, and shall seek a resolution to approve the Plan and other matters necessary to consummate the Share Transfer.
- 2. If necessary for the Share Transfer procedures or for any other reason, the date of the Shareholders’ Meeting set forth in the preceding paragraph may be changed by the resolution of the Board of Directors of the Company.

Article 7 (Stock Exchange of the New Company)

The New Company plans to list its issued common shares on the First Section of the Tokyo Stock Exchange on the Formation Date.

Article 8 (Administrator of Shareholder Registry of the New Company)

The administrator of the shareholder registry of the New Company shall be Sumitomo Mitsui Trust Bank, Limited.

Article 9 (Change in Circumstances)

If there is any material change in the Company’s assets or business conditions due to act of God or any other event during the period from the preparation of the Plan to the Formation Date, the Company may change the terms and conditions of the Share Transfer, or the Share Transfer may be cancelled, by resolution of the Board of Directors of the Company.

Article 10 (Effectuation of the Plan)

In each of the following cases, the Plan shall cease to be effective:

- (1) where approval for the Plan is not obtained at the Shareholders’ Meeting of the Company; or
- (2) where approval or permission for the Share Transfer from relevant government agencies pursuant to the laws and regulations of Japan or any foreign country is

not obtained (including where notification the relevant government agencies etc. does not become effective).

May 12, 2015

Company: Keizo Morikawa
President, Representative Director, CEO
Cosmo Oil Co., Ltd.
1-1-1 Shibaura, Minato-ku, Tokyo

ARTICLES OF INCORPORATION
OF
COSMO ENERGY HOLDINGS COMPANY, LIMITED

SECTION I
GENERAL PROVISIONS

Article 1. Trade Name

The Company shall be called “COSMO ENERGY HOLDINGS Kabushiki Kaisha” in Japanese, and “COSMO ENERGY HOLDINGS COMPANY, LIMITED” in English.

Article 2. Purpose

1. The Company’s purpose shall be managing the businesses of companies whose purposes are to engage in the following business activities by owning shares or equity interests in such companies, as well as engaging in other associated activities:
 - (1) Development, mining, refining, processing, storage, buying and selling, and export and import of petroleum and its by-products;
 - (2) Manufacture, processing, storage, purchase and sale, and export and import of petrochemicals;
 - (3) Development, mining, manufacture, processing, storage, purchase and sale, and export and import of coal, natural gas, and other alternative energy sources to petroleum;
 - (4) Extraction, manufacture, processing, purchase and sale, and export and import of animal and vegetable oils;
 - (5) Manufacture, processing, purchase and sale, and export and import of drugs, drinks and food products;
 - (6) Research, development, manufacture, processing, purchase and sale, and export and import of chemical products and fertilizers;
 - (7) Warehousing and transportation by sea and land;
 - (8) Renting, purchase and sale, brokerage, management, and construction of real estate and other equipment and facilities;
 - (9) Construction, contract repair work, and design, as well as consultation work pertaining thereto, for facilities related to the refining, manufacture, and purchase and sale of petroleum and petrochemicals;
 - (10) Recycling and disposal of industrial waste etc.;
 - (11) Management, administration, and renting of sports facilities, restaurants, and cleaning facilities;
 - (12) Research into, development of, and investigation of basic and applied biosciences, such as biochemistry, medicine, and pharmacology, and provision of commissioned services and consultation services pertaining thereto;
 - (13) Renting and purchase and sale of automobiles, automobile parts and goods, office equipment, medical equipment, environmental measuring equipment, broadcast communications equipment, and commodities;
 - (14) Development and marketing of computer software, processing and archiving of information and data, etc. used by computers, and provision of other services;

- (15) Provision of electricity and heating services;
- (16) Development, manufacture, and marketing of home electric generators and related equipment, and planning, design, supervision, construction, building, and provision of consultation services pertaining to equipment, facilities, etc. related thereto;
- (17) Provision of commissioned services and agency services pertaining to information services, paid advertising inserts, and mail-order, and business transactions and payments utilizing networks such as the Internet;
- (18) Operation of services related to purchasing products by credit card and intermediating, and agency services for collection and accounting with respect to service users;
- (19) Operation of general leasing business;
- (20) Operation of business related to property and casualty insurance business and life insurance solicitation;
- (21) Provision of designated in-home long-term care support pursuant to the Long-Term Care Insurance Act and the following types of in-home service business:
 - A. Home-visit long-term care;
 - B. Home-visit nursing;
 - C. Guidance for management of in-home medical long-term care; and
 - D. Rental service of equipment for long-term care covered by public aid;
- (22) Provision of worker dispatch services;
- (23) Investment and financing in businesses related to the foregoing; and
- (24) All other activities associated to the foregoing.

2. The Company may engage in the businesses set forth in each item of the preceding paragraph.

Article 3. Head office Location

The head office of the Company shall be located in Minato-ku, Tokyo, Japan.

Article 4. Company Bodies

In addition to the Shareholders' Meeting and Directors, the Company shall maintain the following executive bodies:

- (1) Board of Directors
- (2) Supervisory Committee
- (3) Accounting Auditor

Article 5. Method of Public Notice

Public notices of the Company shall be given in electronic form. Provided that, in cases where use of electronic publication is not possible due to accident or other unavoidable causes, public notices shall be published in the *Nihon Keizai Shimbun*.

SECTION II
SHARES

Article 6. Total Number of Authorized Shares

The total number of authorized shares shall be one hundred and seventy million (170,000,000) shares.

Article 7. Purchase of Own Shares

In accordance with the provisions of Article 165, paragraph (2) of the Companies Act, the Company may, by resolution of the Board of Directors, purchase its own shares through market transactions or by other means.

Article 8. Number of Shares Constituting One Share Unit

The number of shares constituting one share unit shall be one hundred (100) shares.

Article 9. Rights in Relation to Shareholdings Less Than One Share Unit

A shareholder of the Company may not exercise any rights other than those set forth below regarding its shareholdings less than one share unit:

- (1) rights set forth in Article 189, paragraph (2) of the Companies Act;
- (2) the right to receive the allotment of shares for subscription and the allotment of share options for subscription in proportion to the shares held by the shareholder;
or
- (3) the right to make a request as set forth in the following Article.

Article 10. Demand for Sale of Shares Less Than One Share Unit

A shareholder of the Company, in accordance with the provisions of the share handling regulations, may demand that the Company sell him/her a sufficient number of shares to constitute one share unit when combined with shares less than one share unit held by the shareholder.

Article 11. Administrator of Shareholder Registry

1. The Company shall appoint an administrator of the shareholder registry.
2. The administrator of the shareholder registry and its business office shall be determined by the resolution of the Board of Directors, and a public notice thereof shall be given.
3. Preparation and keeping of the Company's shareholder registry and share option registry, as well as any other business with respect to the shareholder registry or the share option registry, shall be entrusted to the administrator of the shareholder registry, and shall not be handled by the Company.

Article 12. Share Handling Regulations

Procedures and fees for the handling of the Company shares shall be governed by the share handling regulations adopted by the Board of Directors, in addition to law and regulations as well as these Articles of Incorporation.

SECTION III
SHAREHOLDERS' MEETINGS

Article 13. Convocation

Annual Shareholders' Meetings of the Company shall be convened every June, and extraordinary Shareholders' Meetings shall be convened whenever necessary.

Article 14. Record Date for Annual Shareholders' Meetings

The record date for the right to vote at annual Shareholders' Meetings of the Company shall be the 31st day of March of each year.

Article 15. Chairperson

1. The President shall assume the role of chairperson, and shall preside over Shareholders' Meetings.
2. If circumstances prevent the President from chairing a meeting, another Director shall stand in as chairperson according to the order previously determined by the Board of Directors.

Article 16. Internet Disclosure and Deemed Provision of Reference Documents for Shareholders' Meetings, etc.

When convening a Shareholders' Meeting, information concerning matters to be described or represented in reference documents for Shareholders' Meetings, business reports, financial statements, and consolidated financial statements which are disclosed by the Company by a method utilizing the Internet according to the provisions of the applicable Ordinance of the Ministry of Justice, may be deemed to have been provided to shareholders.

Article 17. Method for Adopting Resolutions

1. Unless otherwise stipulated by law or Articles of Incorporation, a resolution of the Shareholders' Meeting shall be adopted by a majority of the voting rights of shareholders who are entitled to exercise voting rights and are present at such meeting.
2. A resolution pursuant to Article 309, paragraph (2) of the Companies Act shall be adopted when at least one third (1/3) of shareholders who are entitled to exercise voting rights are present at such meeting, and by at least two-thirds (2/3) of such shareholders exercise their voting rights for the proposal.

Article 18. Exercise of Voting Rights by Proxy

1. A shareholder of the Company may exercise his or her voting rights by proxy through another shareholder of the Company possessing voting rights.
2. The shareholder or the proxy must submit a certification of rights of proxy to the Company for each Shareholders' Meeting.

SECTION IV
DIRECTORS, BOARD OF DIRECTORS, AND SUPERVISORY COMMITTEE

Article 19. Number of Directors

1. The Company shall have no more than twelve (12) Directors (excluding those who are members of the Supervisory Committee).
2. The Company shall have no more than five (5) Directors who are members of the Supervisory Committee.

Article 20. Method of Election of Directors

1. Directors shall be elected at Shareholders' Meetings. The Directors who are members of the Supervisory Committee shall be elected separately from the other Directors.
2. A resolution for the election of Directors shall be adopted when at least one third (1/3) of shareholders who are entitled to exercise voting rights are present at such meeting, and a majority of such shareholders exercise their voting rights for the proposal.
3. A resolution for the election of Directors shall not be adopted by cumulative voting.

Article 21. Term of Office

1. The term of office of each Director (excluding those who are members of the Supervisory Committee) shall continue until the conclusion of the annual Shareholders' Meeting for the last business year which ends within one (1) year of the Director's election.
2. The term of office of each Director who is a member of the Supervisory Committee shall continue until the conclusion of the annual Shareholders' Meeting for the last business year which ends within two (2) years of the Director's election.
3. The term of office of each Director who is a member of the Supervisory Committee and has been elected to fill the vacancy of another Director who was a member of the Supervisory Committee and retired from his/her post before the expiry of his/her term of office shall expire at the expiration of the term of office of the retired Director who was a member of the Supervisory Committee.

Article 22. Substitute Directors

1. In order to prepare for cases where there is a vacancy which results in a shortfall in the number of Directors provided in law or regulations as well as Articles of Incorporation, Substitute Directors may be elected at Shareholders' Meetings.
2. The provisions of paragraph (2) of Article 20 shall be applied *mutatis mutandis* to the quorum for a resolution for the election of a Substitute Director.
3. The term of office of the Director who has been elected as a Substitute Director pursuant to paragraph (1) and has assumed the position of Director shall be the remaining term of office of the predecessor in office.
4. A resolution for the election of a Substitute Director who is a member of the Supervisory Committee shall cease to be effective at the commencement of the annual Shareholders' Meeting for the last business year ending within two (2) years of such resolution.

Article 23. Board of Directors

1. The Board of Directors shall determine matters prescribed by law and regulations and Articles of Incorporation, as well as matters relating to the execution of important operations of the Company.
2. Unless otherwise stipulated by law and regulations, the Chairman of the Board of Directors shall call the meetings of the Board of Directors and assume the role of chairperson in presiding over such meetings.
3. If there is currently no Chairman of the Board of Directors or if circumstances prevent the Chairman of the Board of Directors from chairing a meeting, the President shall assume the role of chairperson. If circumstances prevent the President from chairing a meeting, another Director shall stand in as chairperson according to the order of responsibility previously determined by the Board of Directors.
4. Notice for convening a meeting of the Board of Directors shall be dispatched to each Director no later than four (4) days prior to the date of such meeting. However, the period of notice may be shortened in the case of emergency.
5. The meeting of the Board of Directors may be held without following the calling procedures if the consent of all Directors is obtained.

Article 24. Calling Notice for Supervisory Committee Meeting

1. Notice for convening a meeting of the Supervisory Committee shall be dispatched to each member of the Supervisory Committee no later than three (3) days prior to the date of such a meeting. However, the period of notice may be shortened in the case of emergency.
2. The meeting of the Supervisory Committee may be held without following the calling procedures if the consent of all members of the Supervisory Committee is obtained.

Article 25. Omission of Resolution of Board of Directors

The Company shall deem a resolution to have been approved by the Board of Directors when the requirements set forth in Article 370 of the Companies Act are satisfied.

Article 26. Delegation to Directors

The Company may, pursuant to the provisions of Article 399-13, paragraph (6) of the Companies Act, delegate all or some decisions on the execution of important businesses (excluding matters set forth in items of paragraph (5) of the same Article) to Directors, by resolution of the Board of Directors.

Article 27. Representative Directors and Executive Directors

1. The Board of Directors shall, by its resolution, elect Representative Directors.
2. The Board of Directors may, by its resolution, appoint one (1) Honorary Chairman, one (1) Chairman, one (1) Vice Chairman, one (1) President and a number of Executive Vice Presidents.

Article 28. Regulations of the Board of Directors

Matters concerning the Board of Directors shall be in conformity with law and regulations and Articles of Incorporation, as well as with the regulations of the Board of Directors adopted by the Board of Directors.

Article 29. Regulations of the Supervisory Committee

Matters concerning the Supervisory Committee shall be in conformity with law and regulations and Articles of Incorporation, as well as with the regulations of the Supervisory Committee adopted by the Supervisory Committee.

Article 30. Remuneration

The remuneration, bonuses, or other economic benefits received by Directors from the Company in consideration of performance of their duties shall be determined by resolution of the Shareholders' Meeting. The remuneration of Directors who are members of the Supervisory Committee shall be decided separately from those of other Directors.

Article 31. Limitation of Liability of Directors

Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company may enter into an agreement with each of the Directors (excluding those who are Executive Directors, etc.) limiting the amount of liability for damages arising from negligence in the performance of his/her duties. Provided that, the limit amount of the liability under the relevant agreement shall be the amount set by law and regulations.

SECTION V
ACCOUNTING

Article 32. Business Year

The business year of the Company shall commence on the 1st day of April of each year, and shall conclude on the 31st day of March of the following year.

Article 33. Record Date for Dividends of Surplus

1. The record date for the payment of year-end dividends to the Company's shareholders shall be the 31st day of March of each year.
2. In addition to the preceding paragraph, the Company may distribute dividends of surplus by setting a record date.

Article 34. Interim Dividends

The Company may pay an interim dividend by resolution of the Board of Directors, setting the 30th day of September of each year as the record date.

Article 35. Period of Exclusion of Dividends

Where the dividend property is money, the Company shall be relieved of the obligation to pay any dividend property that remains unclaimed after the lapse of three (3) full years from the date on which the dividend property first becomes due and payable.

SUPPLEMENTARY PROVISIONS

Article 1. First Business Year

Notwithstanding the provisions of Article 32, the first business year of the Company shall commence on the day of incorporation of the Company, and shall conclude on March 31, 2016.

Article 2. Initial Remuneration for Directors

1. Notwithstanding the provisions of Article 30, the aggregate amount of all remuneration for Directors to be paid to the initial Directors of the Company (excluding the Directors who are members of the Supervisory Committee) in money for the period from the day of incorporation of the Company to the conclusion of the first annual Shareholders' Meeting (the "Initial Monetary Remuneration") shall be not more than five hundred million yen per year (excluding salaries paid as the employee portion for the Directors who also work as employees).
2. Notwithstanding the provisions of Article 30, the aggregate Initial Monetary Remuneration for all Directors who are members of the Supervisory Committee shall not amount to more than ninety million yen per year.

3. Notwithstanding the provisions of Article 30, the remuneration, etc. for Directors of the Company (excluding the Outside Directors and the Directors who are members of the Supervisory Committee) and the executive officers (together with the Directors, the “Directors and Executive Officers”) based on the Stock Remuneration Plan (the “Plan”) which covers the period from the day of incorporation of the Company to the business year ending on March 31, 2018 shall be as follows:

(1) Limit of the amount of money to be contributed by the Company

The Company will introduce the Plan which covers the period from the business year ending on March 31, 2016 to the business year ending on March 31, 2018. The Company shall contribute up to a total aggregate of six hundred and eighty-seven million yen as remuneration for Directors and Executive Officers, and shall establish a trust, with the beneficiaries to be the Directors and Executive Officers who meet the beneficiary requirements (such trust is referred to as the “Trust”).

(2) Method of calculation of and limit on the number of shares in the Company received by Directors and Executive Officers

The Company will, in June of each year during the trust period, award points to each of the Directors and Executive Officers which shall be calculated based on position and business performance achievements during the business year ending on the 31st day of March of each year during the trust period.

The Company will, around June 2018, calculate the number of accumulated points (the “Number of Accumulated Points”) for each of the Directors and Executive Officers, and will grant shares in the Company to each of the Directors and Executive Officers in a number in accordance with the Number of Accumulated Points. One share will be granted per point. If there is any event that causes an adjustment of the Number of Accumulated Points to be considered fair, such as a share split or a consolidation of shares, etc., during the trust period, the Company will make such adjustment in accordance with the split ratio or the consolidation ratio, etc.

The upper limit of the total number of Company shares that may be granted to the Directors and Executive Officers shall be three hundred and eighty thousand shares.

(3) Timing of share grants to Directors and Executive Officers

The Directors and Executive Officers who meet the beneficiary requirements will, around June 2018, receive 50% of the Company shares corresponding to the Number of Accumulated Points (any fractions falling short of one unit of shares will be rounded down), and will receive a payment of the amount of cash equivalent to the rest of the Company shares after conversion into cash within the Trust.

Article 3. Deletion of Supplementary Provisions

1. These supplementary provisions (other than Article 2, paragraph (3)) shall be deleted at the conclusion of the first annual Shareholders' Meeting.
2. Article 2, paragraph (3) of these supplementary provisions shall be deleted at the time when the Plan ends (or, if a proposal regarding the continuation of the Plan is submitted and approved at the annual Shareholders' Meeting of the Company pertaining to the fiscal year ending on March 31, 2018, at the time of the conclusion of such Shareholders' Meeting).

End

3. Matters relating to fairness under the provisions of Article 773, Paragraph (1), 5 and 6 of the Companies Act

(1) Matters relating to the number and allotment of shares

The Share Transfer is to establish one (1) Holding Company, being the wholly-owning parent company, by the independent action of the Company. All of the shares of the Holding Company shall be allotted only to the shareholders of the Company immediately prior to the Share Transfer. The share units of the Company and the Holding Company consist of 1,000 and 100 shares, respectively. Therefore, if 0.1 common shares of the Holding Company are granted for each common share of the Company, then without changing the minimum investment unit, all of the shareholders of the Company shall hold the same number of voting rights of the Holding Company immediately after the Share Transfer as they held of the Company immediately before the Share Transfer. The Company has therefore decided to issue 0.1 common shares of the Holding Company stock for each common share of the Company held by its shareholders.

In this way, the planned number of new shares to be granted by the Holding Company is 84,770,508 common shares. However, if the total number of issued shares of the Company should change before the Share Transfer takes effect, the abovementioned number of new shares granted by the Holding Company shall be changed. If fractions of less than one share occur in the common shares of the Holding Company that must be granted to the shareholders of the Company under the Share Transfer, in accordance with the provisions of Article 234 of the Companies Act and other relevant laws and regulations, the Company shall pay such shareholders an amount corresponding to the portion of fractional shares.

As stated above, the Share Transfer is a share transfer conducted independently by the Company. As such, the number and allotment of shares has not been calculated by an independent institution.

The Company deems that the above share transfer ratio is reasonable, as basically, it does not give rise to any fluctuation in the share value. As part of this decision, the Company also takes into account the increase in shareholder administration costs.

(2) Matters relating to stated capital and reserves

The stated capital and reserves of the Holding Company to be newly established by the Share Transfer are as follows.

The amounts of stated capital and reserves have been determined in accordance with Article 52 of the Corporate Accounting Rules, and are judged to be fair given the purpose and scale of the Holding Company, and its capital policy and other conditions after its establishment.




(i) Amount of stated capital	40,000,000,000 yen
(ii) Amount of capital reserves	10,000,000,000 yen
(iii) Amount of retained earnings reserves	0 yen



4. Events occurring after the last day of the Company's business year and having a material impact on the status of the Company's Assets

None.

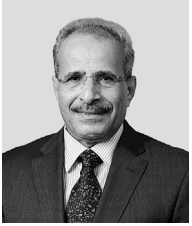

5. Matters concerning the Directors (excluding those who are members of the Supervisory Committee) of the Holding Company

The Directors (excluding those who are members of the Supervisory Committee) of the Holding Company shall be as follows.

Name (Date of Birth)	Career Summary and Status (Status of Significant Concurrent Position(s))	Number of Shares of the Company Held	Number of Shares of the Holding Company to Be Allocated
 <p>Yaichi Kimura (May 20, 1940)</p>	<p>April 1963 Joined Daikyo Oil Co., Ltd. June 1993 Director of the Company June 1996 Managing Director June 1998 Representative Senior Managing Director June 2001 Executive Vice President, Representative Director June 2004 President, Representative Director June 2010 President, Representative Director, Chief Executive Officer June 2012 Chairman, Representative Director (current position) (Status of Significant Concurrent Position(s)) Director, COSMO OIL LUBRICANTS CO., LTD. Director, COSMO OIL SALES CORPORATION Director, Cosmo Energy Exploration & Production Co., Ltd. Director, Qatar Petroleum Development Co., Ltd. Director, ABU DHABI OIL CO., LTD. Director, COSMO ENGINEERING CO., LTD. Director, Eco Power Co., Ltd.</p>	231,000	23,100
 <p>Keizo Morikawa (January 29, 1948)</p>	<p>April 1971 Joined Daikyo Oil Co., Ltd. June 2000 Director of the Company June 2002 Managing Director June 2004 Senior Managing Director June 2006 Representative Senior Managing Director June 2008 Executive Vice President, Representative Director June 2010 Representative Director, Executive Vice President June 2012 President, Representative Director, Chief Executive Officer (current position) (Status of Significant Concurrent Position(s)) President, Representative Director, Cosmo Energy Exploration & Production Co., Ltd. Director, Cosmo Abu Dhabi Energy Exploration & Production Co., Ltd. Director, MARUZEN PETROCHEMICAL CO., LTD. Representative Director, UNITED PETROLEUM DEVELOPMENT CO., LTD.</p>	175,000	17,500
 <p>Atsuto Tamura (March 20, 1953)</p>	<p>April 1975 Joined Daikyo Oil Co., Ltd. June 2002 General Manager, Project Development Dept. of the Company June 2003 Managing Director, Cosmo Research Institute June 2004 President, Representative Director, Cosmo Research Institute June 2006 Executive Officer, General Manager, Corporate Communication Dept. of the Company June 2008 Senior Executive Officer, General Manager, Corporate Communication Dept. June 2009 Managing Director June 2010 Director, Senior Executive Officer June 2013 Representative Director, Senior Managing Executive Officer (current position) (Assignment at the Company) Corporate Management Unit</p>	123,000	12,300

Name (Date of Birth)	Career Summary and Status (Status of Significant Concurrent Position(s))	Number of Shares of the Company Held	Number of Shares of the Holding Company to Be Allocated
 <p>Hiroshi Kiriyaama (June 20, 1955)</p>	<p>April 1979 Joined Daikyo Oil Co., Ltd. June 2004 General Manager, Supply & Demand Coordination Dept. of the Company June 2008 Executive Officer, General Manager, Corporate Planning Dept. June 2010 Executive Officer, General Manager, Corporate Planning Dept. and Change Promotion Dept. June 2011 Senior Executive Officer, General Manager, Corporate Planning Dept. and Change Promotion Dept. June 2012 Senior Executive Officer June 2013 Director, Senior Executive Officer (current position) (Assignment at the Company) Corporate Planning Unit (Status of Significant Concurrent Position(s)) Director, Cosmo Energy Exploration & Production Co., Ltd. Director, Cosmo Abu Dhabi Energy Exploration & Production Co., Ltd. Director, MARUZEN PETROCHEMICAL CO., LTD.</p>	86,000	8,600
 <p>Yasushi Ohe (July 26, 1955)</p>	<p>April 1979 Joined Daikyo Oil Co., Ltd. June 2008 General Manager, Supply & Demand Coordination Dept. of the Company June 2009 Executive Officer, General Manager, Supply & Demand Coordination Dept. June 2012 Senior Executive Officer, General Manager, Crude Oil & Tanker Dept. June 2013 Senior Executive Officer June 2014 Director, Senior Executive Officer (current position) (Assignment at the Company) Project Development Business Unit (Status of Significant Concurrent Position(s)) Director, COSMO MATSUYAMA OIL CO., LTD. Director, COSMO OIL LUBRICANTS CO., LTD. Representative Director, Hyundai Cosmo Petrochemical Co., Ltd.</p>	61,000	6,100

- Notes:
1. Keizo Morikawa also serves as Representative Director of our affiliate UNITED PETROLEUM DEVELOPMENT CO., LTD., and the Company and the relevant company have transaction relationships such as the sale and purchase of crude oil, etc.
 2. Yasushi Ohe also serves as Representative Director of our affiliate Hyundai Cosmo Petrochemical Co., Ltd., and the Company and the relevant company have transaction relationships such as the sale and purchase of petroleum products, etc.
 3. No special interests exist between the Company and any of the other candidates for Director.

Name (Date of Birth)	Career Summary and Status (Status of Significant Concurrent Position(s))	Number of Shares of the Company Held	Number of Shares of the Holding Company to Be Allocated
 Mohamed Al Hamli (December 31, 1952)	August 1980 Joined Abu Dhabi Marine Operating Company March 1997 General manager, Abu Dhabi National Oil Company for Distribution October 1998 Director, Marketing & Refining, Abu Dhabi National Oil Company November 2004 Minister of Energy, the United Arab Emirates February 2005 Deputy Chairman, International Petroleum Investment Company (current position) June 2010 Director of the Company (current position)	0	0
 Mohamed Al Mehairi (December 6, 1975)	September 1999 Joined Abu Dhabi National Oil Company August 2006 Investment Manager, Invest Management Division, Investment Department, International Petroleum Investment Company July 2007 Division Manager, Evaluation & Execution Division, International Petroleum Investment Company July 2007 Board Member of Supervisory Board, Borealis (current position) March 2008 Vice Chairman, Pak-Arab Refinery Ltd. (current position) February 2009 Director Investment, International Petroleum Investment Company (current position) July 2009 Director, Nova Chemicals Corporation (current position) June 2012 Director of the Company (current position) July 2014 Director of Etihad Airways (current position)	0	0

Notes: Matters with respect to the candidates for Outside Director (excluding Directors who are members of the Supervisory Committee) are as follows:




- (1) Mohamed Al Hamli and Mohamed Al Mehairi are candidates for Outside Director.
- (2) The reasons for choosing the candidates for Outside Director are as follows:
 - (i) Mohamed Al Hamli has served as the Minister of Energy of the United Arab Emirates and the Company judges him capable of properly executing duties as Outside Director from an international viewpoint with respect to the petroleum industry.
 - (ii) Mohamed Al Mehairi serves as Board Member of Supervisory Board of Borealis, Vice Chairman of Pak-Arab Refinery Ltd., and Director of Nova Chemicals Corporation. Therefore, the Company judges him capable of properly executing duties as Outside Director from an international viewpoint with respect to the petroleum industry.
- (3) Mohamed Al Hamli and Mohamed Al Mehairi served for Abu Dhabi National Oil Company (ADNOC) and ADNOC is the Company's specified related operator.
- (4) The term of office as Outside Director of each candidate for Outside Director since assuming office is as follows:
 - (i) Mohamed Al Hamli currently is an Outside Director of the Company, and his term of office as Outside Director will reach five (5) years at the close of this meeting.
 - (ii) Mohamed Al Mehairi currently is an Outside Director of the Company, and his term of office as Outside Director will reach three (3) years at the close of this meeting.
- (5) Mohamed Al Mehairi is related in the third degree to an executing person of the Company's specified related operator, Abu Dhabi National Oil Company.
- (6) Pursuant to the provision of Article 423, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mohamed Al Hamli and Mohamed Al Mehairi, to limit the liability for damages. The limit of the liability under the relevant agreement shall be the minimum amount that is set by the provision of Article 425, Paragraph 1 of the said act. If Cosmo Energy Holdings Company, Limited is established, and Mohamed Al Hamli and Mohamed Al Mehairi are elected as Outside Director of the said company, the said company plans to

enter into an agreement with them to limit the liability for damages under the same conditions.

- (7) In June 2011 the Company was subject to administrative action from the Ministry of Economy, Trade and Industry in the form of revocation of certification of Accredited Completion Inspection Executor and an Accredited Safety Inspection Executor for reasons including failure to comply with technical standards stipulated in the High Pressure Gas Safety Act. Mohamed Al Hamli was unaware of the aforementioned violations until the matter came to light. Mohamed Al Hamli has routinely emphasized the importance of safe, stable operations and rigorous compliance. In response to the said administrative action, he continues to give his opinion on the fundamental strengthening of the safety management system, etc., by outside expert consultants and on measures to prevent recurrence, overall safety inspections, etc., at Board of Directors Meetings.

6. Matters concerning Directors who are members of the Supervisory Committee of the Holding Company

The Directors who are members of the Supervisory Committee of the Holding Company shall be as follows.

Name (Date of Birth)	Career Summary and Status (Status of Significant Concurrent Position(s))	Number of Shares of the Company Held	Number of Shares of the Holding Company to Be Allocated
 Katsuhisa Ohtaki (February 17, 1956)	April 1978 Joined Daikyo Oil Co., Ltd. June 2005 General Manager, Sendai Branch Office of the Company June 2007 Executive Officer, General Manager, Industrial Fuel Marketing Dept. June 2009 Executive Officer, General Manager, Yokkaichi Refinery June 2011 Senior Executive Officer, General Manager, Yokkaichi Refinery March 2012 Senior Executive Officer, General Manager, Chiba Refinery June 2014 Director, Senior Executive Officer (current position) (Assignment at the Company) Risk Management Unit and Technology & Research Unit	81,000	8,100
 Sakae Kanno (June 18, 1947)	April 1971 Joined The Kansai Electric Power Co., Inc. June 2001 Executive Officer, Office of Affiliates Management and Business Development, The Kansai Electric Power Co., Inc. June 2003 Managing Director, The Kansai Electric Power Co., Inc. June 2007 Executive Vice President and Director, The Kansai Electric Power Co., Inc. June 2011 Audit & Supervisory Board Member, The Kansai Electric Power Co., Inc. (current position) June 2013 Audit & Supervisory Board Member of the Company (current position)	0	0
 Teruo Miyamoto (March 12, 1947)	April 1969 Joined Tokyo Electric Co., Ltd. (Currently Toshiba Tec Corporation) February 1997 Acting General Manager on Corporate Planning of General Affairs Group and Acting General Manager on International Affairs of General Affairs Group, Toshiba Tec Corporation June 1999 Deputy General Manager of General Affairs Department and Acting General Manager on Legal Affairs of General Affairs Group, Toshiba Tec Corporation June 2002 Full-time Audit & Supervisory Board Member, Toshiba Tec Corporation October 2009 Managing Director & Assistant Secretary General, Japan Audit & Supervisory Board Members Association October 2010 Executive Managing Director & Secretary General, Japan Audit & Supervisory Board Members Association October 2011 Representative Executive Managing Director & Secretary General, Japan Audit & Supervisory Board Members Association November 2014 Advisor, Japan Audit & Supervisory Board Members Association (current position)	0	0

Notes: 1. No special interests exist between the Company and any of the other candidates for Director.

2. Matters with respect to the candidates for Outside Director are as follows:

(1) Sakae Kanno and Teruo Miyamoto are candidates for Outside Director.



(2) Reasons for choosing the candidates for Outside Director, etc. are as follows:

(i) Sakae Kanno has experience as a Director and Audit & Supervisory Board Member of The Kansai Electric Power Co., Inc., Therefore the Company judges him capable of properly executing duties as Outside Director who is a member of the Supervisory Committee from his wide-ranging viewpoint, which extends beyond the industry to which the Company and Cosmo Energy Holdings Company, Limited belong.

- (ii) Teruo Miyamoto has intricate knowledge of corporate accounting and corporate governance as well as abundant knowledge in legal affairs, gained through such experience as serving in important positions in the International Division and Legal Affairs Division of Toshiba Tec Corporation, and later as Executive Managing Director and Head of Secretariat of the Japan Audit & Supervisory Board Members Association. Therefore the Company judges him capable of properly executing duties as Outside Director who is a member of the Supervisory Committee from his wide-ranging viewpoint, which extends beyond the industry to which the Company and Cosmo Energy Holdings Company, Limited belong.
- (3) Sakae Kanno is currently Outside Audit & Supervisory Board Member of the Company. He will reach two (2) years at the close of this meeting.
- (4) Sakae Kanno serves as an Audit & Supervisory Board Member at The Kansai Electric Power Co., Inc. Although the Company has a trading relationship with said company that includes the sales of petroleum products, this trade is less than 0.2% of each company's respective total net sales in the fiscal year under review. Therefore, the Company judges the candidate possesses adequate independence.
- (5) Pursuant to the provision of Article 423, Paragraph 1 of the Companies Act, the Company has entered into agreements with Sakae Kanno, to limit the liability for damages. The limit of the liability under the relevant agreement shall be the minimum amount that is set by the provision of Article 425, Paragraph 1 of the said act. If Cosmo Energy Holdings Company, Limited is established, and Sakae Kanno and Teruo Miyamoto are elected as Outside Director of the said company, the said company plans to enter into an agreement with them to limit the liability for damages under the same conditions.
- (6) The Company has notified the Tokyo Stock Exchange of Sakae Kanno's status as an independent Director as stipulated in the regulations of that exchange. If Cosmo Energy Holdings Company, Limited is established and Sakae Kanno and Teruo Miyamoto are appointed as Outside Directors, it is planned that the Tokyo Stock Exchange will be notified of Sakae Kanno's and Teruo Miyamoto's status as independent Director.
- (7) Sakae Kanno is currently serving as Outside Audit & Supervisory Board Member of the Company, and if Cosmo Energy Holdings Company, Limited is established and Sakae Kanno is appointed as Outside Director of said company, it is planned that he will resign as Outside Audit & Supervisory Board Member of the Company.

7. Matters concerning Substitute Directors who are members of the Supervisory Committee of the Holding Company

The Substitute Directors who are members of the Supervisory Committee of the Holding Company shall be as follows.

Name (Date of Birth)	Career Summary and Status (Status of Significant Concurrent Position(s))	Number of Shares of the Company Held	Number of Shares of the Holding Company to Be Allocated
 Kenichi Taki (February 26, 1957)	April 1975 Joined Daikyo Oil Co., Ltd. June 2005 Acting General Manager, Accounting Dept. of the Company June 2008 General Manager, Internal Auditing Office June 2012 Executive Officer, General Manager of Accounting Dept. June 2014 Senior Executive Officer, General Manager, Accounting & Finance Dept. (current position) (Assignment at the Company) Assistant of Director for Corporate Management Unit (Status of Significant Concurrent Position(s)) Auditor, KYOEI TANKER CO., LTD. Audit & Supervisory Board Member, QATAR PETROLEUM DEVELOPMENT CO., LTD. Outside Audit & Supervisory Board Member, Hyundai Cosmo Petrochemical Co., Ltd.	41,000	4,100
 Soichi Yukawa (April 20, 1949)	April 1972 Joined Tateisi Electric Manufacturing Co. (Currently OMRON Corporation) June 1999 Managing Executive Officer of OMRON Corporation June 2001 Chairman, OMRON Management Center of Europe and Chairman, OMRON Management Center of America June 2003 Senior Managing Executive Officer, OMRON Corporation and President, Electronic Components Business Company June 2009 Full-time Audit & Supervisory Board Member of OMRON Corporation (Until Jun. 2013)	1,000	100

Notes: 1.No special interests exist between the Company and any of the other candidates for Substitute Director and Substitute Outside Director.

2. Kenichi Taki is a candidate for Director as a substitute for Katsuhisa Ohtaki and Soichi Yukawa is a candidate for Outside Director as a substitute for Sakae Kanno or Teruo Miyamoto. A resolution regarding the elections of both candidates, who are candidates for Substitute Director or Substitute Outside Director, may be rescinded by resolution of the Board of Directors with the consent of the Supervisory Committee, only before the candidates assume office.

3. Matters with respect to the candidates for Substitute Outside Director are as follows:

(1) Soichi Yukawa is a candidate for Substitute Outside Director.

(2) Reasons for choosing the candidates for Substitute Outside Director are as follows:

The Company judges Soichi Yukawa capable of properly executing duties as Outside Director who is a member of the Supervisory Committee from his viewpoint as a corporate manager, based on his experience as Managing Officer and Audit & Supervisory Board Member of Omron Corporation and from his wide-ranging viewpoint, which extends beyond the industry to which the Company and Cosmo Energy Holdings Company, Limited belong, based on his extensive experience in corporate accounting and legal affairs.

(3) If Cosmo Energy Holdings Company, Limited is established and Soichi Yukawa is appointed as Outside Director, it is planned that the Holdings Company will conclude an agreement with Soichi Yukawa to limit his liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act that stipulates the minimum liability limit amount provided for in Article 425, Paragraph 1 of the same Act as the limit.

(4) If Cosmo Energy Holdings Company, Limited is established and Soichi Yukawa is appointed as Outside Director, it is planned that the Tokyo Stock Exchange will be notified of Soichi Yukawa's status as independent Director as stipulated in the regulations of that exchange.

8. Matters concerning the Accounting Auditor of the Holding Company

The Accounting Auditor of the Holding Company shall be as follows.

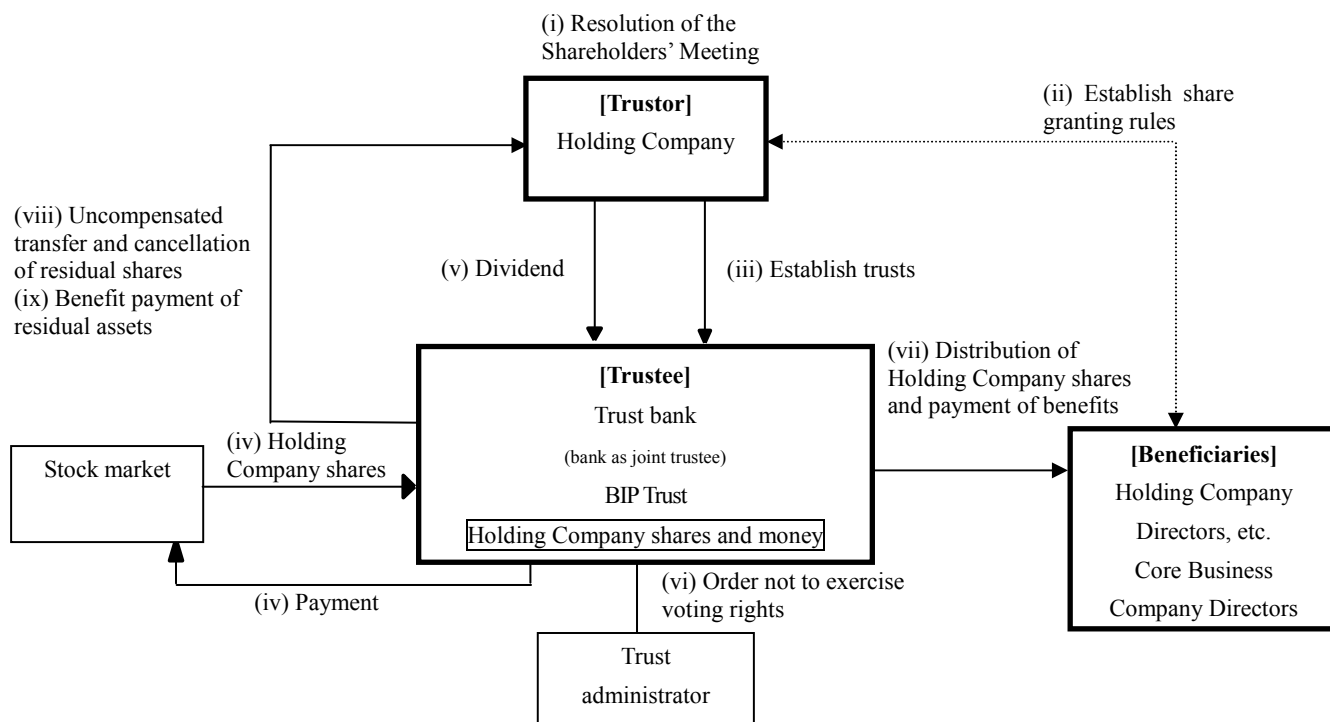
(As of March 31, 2015)

Name	KPMG AZSA LLC	
Location of the main office	1-2 Tsukudo-cho, Shinjuku-ku, Tokyo	
History	July 1969	Asahi & Co. was established.
	July 1985	Asahi & Co. and SHINWA Audit Corporation merged to form ASAHI SHINWA & Co.
	October 1993	ASAHI SHINWA & Co. merged with Inoue Saito Eiwa Audit Corporation to form Asahi & Co.
	February 2003	KPMG audit division spun off from Shin Nihon & Co. to form AZSA & Co.
	April 2003	Asahi & Co. became a member firm of KPMG
	January 2004	Asahi & Co. merged with AZSA & Co. to form KPMG AZSA & Co.
	July 2010	KPMG AZSA & Co. became limited liable company to become KPMG AZSA LLC.

9. Stock Remuneration Plan

In introducing the Stock Remuneration Plan (hereinafter the “Plan”) an organization called the Executive Remuneration Board Incentive Plan Trust (hereinafter the “BIP Trust”) will be adopted. The BIP Trust is an incentive plan for executives developed by making reference to the performance-linked stock remuneration (performance share) system used in the U.S. Shares of the Holding Company acquired by the BIP Trust will be granted to Holding Company Directors and Core Business Company Directors in accordance with the degree to which performance targets are achieved.

(1) BIP Trust Organization



- (i) The Company will obtain a resolution of approval from this Shareholders' Meeting regarding the establishment of the Holding Company by the Share Transfer, including the introduction of the Plan within the Articles of Incorporation of the Holding Company. Moreover, each of the core business companies will obtain resolutions on the executives' remuneration systems regarding the introduction of the Plan at their respective ordinary general meetings of shareholders.
- (ii) The Holding Company will establish share granting rules for the executives' remuneration at the Board of Directors meeting in relation to the introduction of the Plan.
- (iii) Each core business company will contribute money to the Holding Company within the scope approved by the respective ordinary general meetings of shareholders in (1). The Holding Company will entrust to a trust bank (trustee) money within the scope stipulated by the articles approved by the Shareholders' Meeting in (1) in addition to the monetary contribution received from the respective Core Business Companies, and will establish a trust (hereinafter, the "Trust") with the beneficiaries being Holding Company Directors, etc. and Core Business Company Directors who meet the beneficiary requirements.
- (iv) The trustee (the Trust) will acquire shares of the Holding Company from the stock market using funds provided by the contribution in (3) under the direction of the trust administrator. The Holding Company shares in the Trust shall be allocated into accounts to be managed in accordance with the amounts of money contributed by the subject companies.
- (v) Dividends shall be paid for the shares of the Holding Company held in the Trust in the same way as for other Holding Company shares.

- (vi) The Holding Company shares held in the Trust shall not have their voting rights exercised during the trust term.
- (vii) During the trust term, the beneficiaries will receive Holding Company shares in accordance with the share granting rules of the Holding Company (moreover, pursuant to the provisions of the trust agreement, the beneficiaries may convert the Holding Company shares into cash within the Trust and receive a cash payment in lieu of shares.) (*1)
- (viii) If residual shares are left over at the completion of the trust term because of failure to achieve performance targets, and so forth, they shall be transferred without compensation to the Holding Company, which plans to acquire them without paying compensation and then cancel them by a resolution of the Board of Directors.
- (ix) At the time when the Trust ends, the assets that remain after allocation to beneficiaries are to be returned to the Holding Company within the scope of the reserve for trust expenses, which the trust funds less the share acquisition funds. Furthermore, any portion exceeding the reserve for trust expenses is to be donated to an organization with no conflict of interest with the Holding Company and its board members and the respective Core Business Companies and their Board Members. (*2)

(2) Details of the Plan

(i) Overview of the Plan

The Plan is an incentive plan for granting Holding Company shares as executive remuneration in accordance with the degree of achievement of performance targets, etc. for each business year, covering the three (3) years (hereinafter the “Plan Period”) from the business year ending on March 31, 2016 to the business year ending on March 31, 2018.

(ii) Shareholders’ Meeting resolution relating to the introduction of the Plan

At the Shareholder’s Meeting of the Holding Company, the establishment of the Holding Company by means of the Share Transfer will be resolved, including the inclusion in the articles of the Holding Company of the upper limits on the amount of money to be contributed to the Trust by the Holding Company, the upper limit of the number of shares to be granted to Directors, and other necessary matters. Moreover, at the shareholders’ meetings of the respective Core Business Companies, the upper limits on the amounts of money to be contributed to the trust through the Holding Company and the upper limits on the numbers of shares to be granted will be respectively resolved, along with other necessary matters.

(iii) Eligible persons for the Plan (beneficiary conditions)

The Holding Company Directors, etc. and Core Business Company Directors (hereinafter the “Eligible Persons”) who have satisfied the following beneficiary conditions shall receive a grant of Holding Company shares from the Trust around June, 2018, the number of which shall be in accordance with the number of accumulated points (as described in (v) below).

- a) Persons holding an ongoing appointment as a Holding Company Director , etc. or Core Business Company Director as of June 1, 2018 (*3) (*4)
- b) Persons that have not conducted certain illegal activities
- c) Persons that meet any other requirements considered necessary to achieve the objectives of the remuneration system

(iv) Trust term

The trust term shall be approximately three years from November 6, 2015 (planned) until August 31, 2018. Furthermore, if the continuation of the Plan is proposed and approved at the Ordinary General Meeting of Shareholders for the business year ending March 31, 2018, the Trust may be continued by changing the trust agreement and carrying out additional entrustment within the scope approved by the resolution of the Shareholders’ Meeting.

(v) Holding Company Shares to be granted to Eligible Persons

The Holding Company Shares to be granted to Eligible Persons will be determined in each business year ending on the 31st day of March within the trust term by the number of points obtained by multiplying a predetermined number of base points for each rank by a performance-linked coefficient that varies in accordance with the level of performance achievement. The number of points determined by the above will be awarded in June of each year within the trust term to people who are currently appointed as Eligible Persons as of the 1st of June each year. The Eligible Persons will be granted a number of Holding Company shares in accordance with the number of

accumulated points (hereinafter the “Number of Accumulated Points”) around June 2018. One Holding Company share will be granted per point (*5). Furthermore, the performance-lined coefficient will range between 0-200% at the Holding Company and 0-150% at Core Business Companies, depending on the level performance achievement. The indicators for evaluating the level of performance achievement at both the Holding Company and the Core Business Companies shall be the consolidated performance indicators including ordinary income (excluding valuation gains and losses on inventory) net D/E ratio, and ROE. Moreover, the Company plans to establish the Nomination and Remuneration Advisory Committee at the Holding Company as an advisory body for the Board of Directors. Note that it is planned that a Nomination and Remuneration Committee in which the majority of members will be independent Outside Directors will be established in the Holding Company as an advisory organ of the Board of Directors. The assessment of level of performance achievement will be determined by the Board of Directors after being deliberated by the Nomination and Remuneration Advisory Committee.

- (vi) Method and period for granting Holding Company shares to Holding Company Directors and the Core Business Company Directors

Eligible Persons who meet the beneficiary requirements will receive a grant of 50% of the Holding Company shares corresponding to their Number of Accumulated Points around June 2018, while the residual shares will be converted to cash within the Trust and the Eligible Persons shall receive a benefit of money in the amount corresponding to the converted shares. Moreover, Eligible Persons who resign during the trust term (except for those who have resigned for personal circumstances or have been dismissed) shall, promptly after the resignation, receive a grant from the Trust of 50% of the number of Holding Company Shares corresponding to the Number of Accumulated Points awarded to them during their appointment, while the residual shares will be converted to cash within the Trust and the Eligible Persons shall receive a benefit of money in the amount corresponding to the converted shares.

- (vii) Planned Amount of trust funds to be contributed to the Trust and planned number of Holding Company shares to be granted from the Trust

The amount of trust funds to be contributed to the Trust by the Holding Company and the Core Business Companies, being three companies in total, during the trust term is to be limited, respectively, as follows. Furthermore, the amount of trust funds contributed to the Trust is to be calculated by considering an appropriate balance with basic remuneration and adding trust remuneration and trust expenses. Moreover, the total maximum number of shares that is deliverable from the Trust shall be determined with reference to the most recent share price level, etc., taking into account the total maximum amount of the trust money. Note that the total maximum number of shares will be calculated on the assumption that the shares will be delivered by allotment of 0.1 share of common stock of the Holding Company for each 1 share of common stock of the Company that shareholders own due to the establishment of the Holding Company.

- a. Holding Company

Maximum amount of trust money contributed to the Trust: ¥687 million (*6) (planned)

Maximum number of shares delivered from the Trust: 380 thousand shares (*7) (planned)

- b. Core Business Companies (total of 3 companies)

Maximum amount of trust money contributed to the Trust: ¥538 million (planned)

Maximum number of shares delivered from the Trust: 300 thousand shares (planned)

- (viii) Method of Holding Company share acquisition by the Trust

For the initial acquisition of Holding Company shares by the Trust, the shares are to be acquired within the scope of the respective limits for share acquisition funds and number of shares allotted for each of the companies subject to (vii) above.

- (ix) Exercise of voting rights pertaining to Holding Company shares in the Trust

The voting rights for Holding Company shares in the Trust (that is, Holding Company shares that have yet to be granted to Holding Company Directors, etc. and Core Business Company Directors pursuant to (vi) above) shall not be exercised during the trust term in order to ensure their neutrality with respect to management.

- (x) Handling of dividends for Holding Company shares in the Trust

Dividends for the Holding Company shares in the Trust shall be received by the Trust and allocated to cover its trust remuneration and trust expenses. After being allocated to trust remuneration and trust expenses, any dividend money

that remains when the trust is finally ended is to be donated to an organization with no conflict of interest with the Holding Company and its board members and the respective Core Business Companies and their board members. However, if the residual money is to continue to be used by the Trust pursuant to (xi) below, then it will be used as share acquisition funds.

(xi) Handling of the Trust at the end of the trust term

If there are residual shares at the end of the trust term due to non-achievement of performance targets during the target period and so forth, then, if a proposal to continue the Plan has been presented and approved at the Holding Company's Ordinary General Meeting of Shareholders for the business year ending on March 31, 2018, the Trust may be continued by changing the trust agreement and carrying out additional entrustment within the scope approved by the resolution of the Shareholders' Meeting. If the Trust is ended due to the ending of the trust term, then as a shareholder return policy, the Trust is to transfer any residual shares to the Holding Company without compensation, and the Holding Company is to cancel these shares by a resolution of its Board of Directors.

- (*1) If the Holding Company shares are completely removed from the trust through granting to beneficiaries, the Trust will finish before the completion of the trust term.
- (*2) At the Ordinary General Meeting of Shareholders for the business year ending March 31, 2018, provided that the proposal to continue the Plan has been discussed and approved, the Trust may be continued by changing the trust agreement and conducting additional entrustment within the scope approved by the resolution of the Shareholders' Meeting.
- (*3) The Eligible Persons shall receive delivery from the Trust promptly after retirement of Holding Company Shares of the number that corresponds to the accumulated points that were bestowed during service in the case of retirement on or after June 1, 2016 (excluding the case of retirement due to personal circumstances or dismissal).
- (*4) If an Eligible Person dies during service on or after June 1, 2016, the heir of said Eligible Person shall receive payment from the Trust promptly after said death of the money of the converted equivalent amount of shares of the Holding Company of the number that corresponds to the accumulated points that were bestowed during service.
- (*5) If the Holding Company Shares belonging to the Trust are increased or decreased by a stock split, a gratis allotment of shares, a stock consolidation, and so forth, the Holding Company will revise the number of shares to be granted per point.
- (*6) This will be the net total of the funds for share acquisition by the Trust during the trust term, the trust remuneration, and the trust expenses. The same holds for each Core Business Company.
- (*7) This includes the number of holding company shares that are the target of the conversion processing stated in (vi) above. The same holds for each Core Business Company.

(Reference)

[Trust Agreement Details]

- | | |
|------------------------------------|---|
| (1) Type of trust | Monetary Trust other than a specified solely administered monetary trust (Third Party Beneficiary Trust) |
| (2) Purpose of the trust | Granting incentives to Holding Company Directors, etc. and Core Business Company Directors |
| (3) Trustee | The Holding Company |
| (4) Trustee | Trust bank (bank as joint trustee) |
| (5) Beneficiaries | Persons satisfying the beneficiary requirements among Holding Company Directors, etc. and Core Business Company Directors |
| (6) Trust Administrator | A third-party with no conflict of interest with the respective subject companies (certified public accountant) |
| (7) Trust agreement date | November 6, 2015 (planned) |
| (8) Trust term | November 6, 2015 (planned) – August 31, 2018 (planned) |
| (9) System period | December 1, 2015 (planned) to August 31, 2018 (planned) (Awarding of points to commence from June 1, 2016) |
| (10) Exercise of voting rights | Voting rights shall not be exercised. |
| (11) Type of shares to be acquired | Common shares of the Holding Company |
| (12) Amount of trust funds | 1,225 million yen (planned) (including trust remuneration and trust expenses) |
| (13) Share acquisition period | November 10, 2015 (planned) – December 10, 2015 (planned) (Excluding the five working days prior to the financial closing dates (including interim and quarterly financial closing dates)) |
| (14) Share acquisition method | Acquisition from the stock market |
| (15) Rights holder | The Holding Company |
| (16) Residual assets | The residual assets that may be received by the Holding Company as the rights holder shall be within the scope of the reserve for trust expenses, which the trust funds less the share acquisition funds. |

[Details of administration relating to the trust and shares]

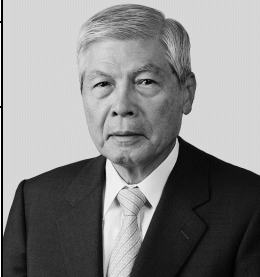
- | | |
|----------------------------------|---|
| (1) Trust-related administration | A trust bank is to be the trustee of the trust BIP and will conduct trust-related administration. |
| (2) Share-related administration | A securities company is to conduct the administration related to the distribution of the Company shares to the beneficiaries based on the administration services contract. |


End


Proposal No. 2: Election of Ten (10) Directors

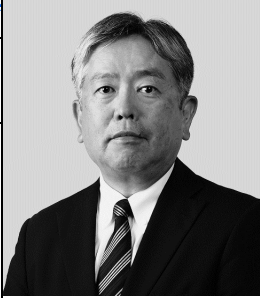
The term of office of all Directors will expire at the close of this General Meeting of Shareholders. Therefore, it is proposed that ten (10) Directors be elected.


The candidates for Director are as follows.


Candidate No.		* Career Summary and Status	* Status of Significant Concurrent Position(s)
1		April 1963	Joined Daikyo Oil Co., Ltd.
		June 1993	Director of the Company
Reappointment	Yaichi Kimura (May 20, 1940)	June 1996	Managing Director
		June 1998	Representative Senior Managing Director
		June 2001	Executive Vice President, Representative Director
		June 2004	President, Representative Director
		June 2010	President, Representative Director, Chief Executive Officer
		June 2012	Chairman, Representative Director (current position)
			Director, COSMO OIL LUBRICANTS CO., LTD. Director, COSMO OIL SALES CORPORATION Director, Cosmo Energy Exploration & Production Co., Ltd. Director, Qatar Petroleum Development Co., Ltd. Director, ABU DHABI OIL CO., LTD. Director, COSMO ENGINEERING CO., LTD. Director, Eco Power Co., Ltd.
			* Number of Shares of the Company Held 231,000


Candidate No.		* Career Summary and Status	* Status of Significant Concurrent Position(s)
2		April 1971	Joined Daikyo Oil Co., Ltd.
		June 2000	Director of the Company
Reappointment	Keizo Morikawa (January 29, 1948)	June 2002	Managing Director
		June 2004	Senior Managing Director
		June 2006	Representative Senior Managing Director
		June 2008	Executive Vice President, Representative Director
		June 2010	Representative Director, Executive Vice President
		June 2012	President, Representative Director, Chief Executive Officer (current position)
			Director, Cosmo Energy Exploration & Production Co., Ltd. Director, Cosmo Abu Dhabi Energy Exploration & Production Co., Ltd. Director, MARUZEN PETROCHEMICAL CO., LTD. Representative Director, UNITED PETROLEUM DEVELOPMENT CO., LTD.
			* Number of Shares of the Company Held 175,000


Candidate No.		* Career Summary and Status	* Assignment at the Company
3		April 1975	Joined Daikyo Oil Co., Ltd.
		June 2002	General Manager, Project Development Dept. of the Company
Reappointment	Atsuto Tamura (March 20, 1953)	June 2003	Managing Director, Cosmo Research Institute
		June 2004	President, Representative Director, Cosmo Research Institute
		June 2006	Executive Officer, General Manager, Corporate Communication Dept. of the Company
		June 2008	Senior Executive Officer, General Manager, Corporate Communication Dept.
		June 2009	Managing Director
		June 2010	Director, Senior Executive Officer
		June 2013	Representative Director, Senior Managing Executive Officer (current position)
			* Status of Significant Concurrent Position(s)
			* Number of Shares of the Company Held
			123,000

Candidate No.		* Career Summary and Status	* Assignment at the Company
4		April 1977	Joined Daikyo Oil Co., Ltd.
		June 2004	General Manager, Osaka Branch Office of the Company
Reappointment	Hisashi Kobayashi (November 12, 1954)	June 2006	Executive Officer, General Manager, Sales Control Dept.
		June 2008	Senior Executive Officer, General Manager, Sales Control Dept.
		June 2010	Senior Executive Officer
		June 2011	Director, Senior Executive Officer
		June 2014	Director, Senior Managing Executive Officer (current position)
			* Status of Significant Concurrent Position(s)
			Director, COSMO ENGINEERING CO., LTD.
			* Number of Shares of the Company Held
			119,000

Candidate No.		* Career Summary and Status	* Assignment at the Company
5	 Hiroshi Kiriyaama (June 20, 1955)	April 1979 Joined Daikyo Oil Co., Ltd. June 2004 General Manager, Supply & Demand Coordination Dept. of the Company	Corporate Planning Unit
Reappointment		June 2008 Executive Officer, General Manager, Corporate Planning Dept. June 2010 Executive Officer, General Manager, Corporate Planning Dept. and Change Promotion Dept. June 2011 Senior Executive Officer, General Manager, Corporate Planning Dept. and Change Promotion Dept. June 2012 Senior Executive Officer June 2013 Director, Senior Executive Officer (current position)	* Status of Significant Concurrent Position(s) Director, Cosmo Energy Exploration & Production Co., Ltd. Director, Cosmo Abu Dhabi Energy Exploration & Production Co., Ltd. Director, MARUZEN PETROCHEMICAL CO., LTD.
		* Number of Shares of the Company Held	
		86,000	

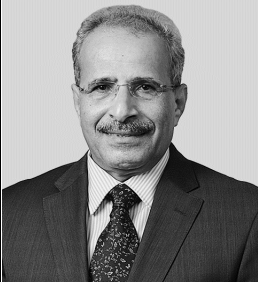
Candidate No.		* Career Summary and Status	* Assignment at the Company
6	 Katsuhisa Ohtaki (February 17, 1956)	April 1978 Joined Daikyo Oil Co., Ltd. June 2005 General Manager, Sendai Branch Office of the Company	Risk Management Unit and Technology & Research Unit
Reappointment		June 2007 Executive Officer, General Manager, Industrial Fuel Marketing Dept. June 2009 Executive Officer, General Manager, Yokkaichi Refinery June 2011 Senior Executive Officer, General Manager, Yokkaichi Refinery March 2012 Senior Executive Officer, General Manager, Chiba Refinery June 2014 Director, Senior Executive Officer (current position)	* Status of Significant Concurrent Position(s)
		* Number of Shares of the Company Held	
		81,000	


Candidate No.		* Career Summary and Status	* Assignment at the Company
7		April 1979	Joined Daikyo Oil Co., Ltd.
		June 2006	General Manager, Osaka Branch Office of the Company
Reappointment	Muneyuki Sano (November 1, 1956)	June 2008	Executive Officer, General Manager, Wholesale Marketing Dept.
		June 2009	Executive Officer, General Manager, Industrial Fuel Marketing Dept.
		June 2012	Senior Executive Officer, General Manager, Finance Dept.
		June 2013	Senior Executive Officer
		June 2014	Director, Senior Executive Officer (current position)
			* Assignment at the Company
			Sales Business Unit
			* Status of Significant Concurrent Position(s)
			Director, COSMO OIL SALES CORPORATION
			* Number of Shares of the Company Held
			75,000

Candidate No.		* Career Summary and Status	* Assignment at the Company
8		April 1979	Joined Daikyo Oil Co., Ltd.
		June 2008	General Manager, Supply & Demand Coordination Dept. of the Company
Reappointment	Yasushi Ohe (July 26, 1955)	June 2009	Executive Officer, General Manager, Supply & Demand Coordination Dept.
		June 2012	Senior Executive Officer, General Manager, Crude Oil & Tanker Dept.
		June 2013	Senior Executive Officer
		June 2014	Director, Senior Executive Officer (current position)
			Project Development Business Unit
			* Status of Significant Concurrent Position(s)
			Director, COSMO MATSUYAMA OIL CO., LTD.
			Director, COSMO OIL LUBRICANTS CO., LTD.
			Representative Director, Hyundai Cosmo Petrochemical Co., Ltd.
			* Number of Shares of the Company Held
			61,000

- (Notes) 1. Keizo Morikawa also serves as Representative Director of our affiliate UNITED PETROLEUM DEVELOPMENT CO., LTD., and the Company and the relevant company have transaction relationships such as the sale and purchase of crude oil, etc.
2. Yasushi Ohe also serves as Representative Director of our affiliate Hyundai Cosmo Petrochemical Co., Ltd., and the Company and the relevant company have transaction relationships such as the sale and purchase of petroleum products, etc.
3. No special interests exist between the Company and any of the other candidates for Director.

<Candidates for Outside Director>

Candidate No.		* Career Summary, Status at the Company and Significant Concurrent Position(s)			
9		August 1980	Joined Abu Dhabi Marine Operating Company	February 2005	Deputy Chairman, International Petroleum Investment Company (current position)
		March 1997	General manager, Abu Dhabi National Oil Company for Distribution	June 2010	Director of the Company (current position)
		October 1998	Director, Marketing & Refining, Abu Dhabi National Oil Company	* Number of Shares of the Company Held	
		November 2004	Minister of Energy, the United Arab Emirates	0	
Reappointment	Mohamed Al Hamli (December 31, 1952)	* Reasons for choosing the person as candidate for Outside Director			
		Mohamed Al Hamli served as Minister of Energy of the United Arab Emirates and the Company judges him capable of properly executing duties as Outside Director from an international viewpoint with respect to the petroleum industry.			

Candidate No.		* Career Summary, Status at the Company and Significant Concurrent Position(s)			
10		September 1999	Joined Abu Dhabi National Oil Company	March 2008	Vice Chairman, Pak-Arab Refinery Ltd. (current position)
		August 2006	Investment Manager, Invest Management Division, Investment Department, International Petroleum Investment Company	February 2009	Director Investment, International Petroleum Investment Company (current position)
		July 2007	Division Manager, Evaluation & Execution Division, International Petroleum Investment Company	July 2009	Director, Nova Chemicals Corporation (current position)
		July 2007	Board Member of Supervisory Board, Borealis (current position)	June 2012	Director of the Company (current position)
Reappointment	Mohamed Al Mehairi (December 6, 1975)	July 2014	Director of Etihad Airways (current position)	* Number of Shares of the Company Held	
		0			
		* Reasons for choosing the person as candidate for Outside Director			
		Mohamed Al Mehairi serves as Board Member of Supervisory Board of Borealis, Vice Chairman of Pak-Arab Refinery Ltd., and Director of Nova Chemicals Corporation. Therefore, the Company judges him capable of properly executing duties as Outside Director from his international viewpoint with respect to the petroleum industry.			


- (Notes) 1. Mohamed Al Hamli and Mohamed Al Mehairi served for Abu Dhabi National Oil Company (ADNOC) and ADNOC is the Company's specified related operator.
2. The term of office of Mohamed Al Hamli as Outside Director since assuming office will reach five (5) years at the close of this meeting.
3. The term of office of Mohamed Al Mehairi as Outside Director since assuming office will reach three (3) years at the close of this meeting.
4. Mohamed Al Mehairi is related in the third degree to an executing person of the Company's specified related operator, Abu Dhabi National Oil Company.
5. Pursuant to the provision of Article 423, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mohamed Al Hamli and Mohamed Al Mehairi, to limit the liability for damages. The limit of the liability under the relevant agreement shall be the minimum amount that is set by the provision of Article 425, Paragraph 1 of the said act. If Mohamed Al Hamli and Mohamed Al Mehairi are reelected as Outside Director, the Company will renew the current agreement with them to limit the liability for damages under the same conditions.


Proposal No. 3: Election of Five (5) Audit & Supervisory Board Members

The terms of office of all Audit & Supervisory Board Members will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, it is proposed that five (5) Audit & Supervisory Board Members be elected.


The proposal at the Meeting had already been agreed upon by the Audit & Supervisory Board.


The candidates for Audit & Supervisory Board Member are as follows.


Candidate No.		* Career Summary, Status at the Company and Significant Concurrent Position(s)		
1	 Hideo Suzuki (March 1, 1956)	April 1978	Joined Daikyo Oil Co., Ltd.	(Status of Significant Concurrent Position(s)) Audit & Supervisory Board Member, COSMO OIL SALES CORPORATION Audit & Supervisory Board Member, SOGO ENERGY CORPORATION Audit & Supervisory Board Member, Cosmo Energy Exploration & Production Co., Ltd. Audit & Supervisory Board Member, Cosmo Abu Dhabi Energy Exploration & Production Co., Ltd. Audit & Supervisory Board Member, QATAR PETROLEUM DEVELOPMENT CO., LTD. Outside Audit & Supervisory Board Member, ABU DHABI OIL CO., LTD. Audit & Supervisory Board Member, ECO POWER CO., LTD. Audit & Supervisory Board Member, UNITED PETROLEUM DEVELOPMENT CO., LTD.
		June 2005	General Manager, Card Business Planning Dept. of the Company	
Reappointment		June 2007	General Manager, Audit Office	
		June 2008	Executive Officer, General Manager, Secretariat	
		June 2010	Full-time Audit & Supervisory Board Member (current position)	
		* Number of Shares of the Company Held		82,000

Candidate No.		* Career Summary, Status at the Company and Significant Concurrent Position(s)			
2	 Hideto Matsumura (August 1, 1952)	April 1975	Joined Maruzen Oil Co., Ltd.	(Status of Significant Concurrent Position(s)) Audit & Supervisory Board Member, COSMO ENGINEERING CO., LTD.	
		June 2005	General Manager, Sakaide Refinery of the Company		
Reappointment		June 2006	Executive Officer, General Manager, Sakaide Refinery		
		June 2007	Executive Officer, General Manager, Refining & Technology Dept.		
		June 2008	Senior Executive Officer, General Manager, Refining & Technology Dept.		
		June 2009	Managing Director		
		June 2010	Director, Senior Executive Officer		
		June 2013	Director, Senior Managing Executive Officer		
		June 2014	Full-time Audit & Supervisory Board Member (current position)	* Number of Shares of the Company Held	120,000

<Candidates for Outside Audit & Supervisory Board Member>

Candidate No.	Candidate Photo	* Career Summary, Status at the Company and Significant Concurrent Position(s)		
3	 Hirokazu Ando (October 10, 1951)	June 1978	Joined The Sanwa Bank, Ltd.	(Status of Significant Concurrent Position(s)) Audit & Supervisory Board Member, COSMO MATSUYAMA OIL CO., LTD. Audit & Supervisory Board Member, COSMO OIL LUBRICANTS CO., LTD.
October 1997		General Manager, Sales Control Dept.		
April 1998		General Manager, Network Development Dept.		
February 2000		General Manager, EC Business Dept.		
		April 2001	Executive Officer, General Manager, Human Resources Dept.	
		January 2002	Executive Officer, General Manager, Corporate Planning Dept., of UFJ Holdings, Inc. (Currently Mitsubishi UFJ Financial Group, Inc.)	* Number of Shares of the Company Held 26,000
		June 2003	Full-time Audit & Supervisory Board Member of the Company (current position)	
Reappointment • Independent Director/Auditor		* Reasons for choosing the person as candidate for Outside Audit & Supervisory Board Member		
		Hirokazu Ando has an experience as Executive Officer and General Manager of Corporate Planning Department of UFJ Holdings, Inc., (currently Mitsubishi UFJ Financial Group, Inc.). Therefore, the Company judges him capable of properly executing duties as Outside Audit & Supervisory Board Member from his wide-ranging viewpoint beyond the industry to which the Company belongs.		

Candidate No.	Candidate Photo	* Career Summary, Status at the Company and Significant Concurrent Position(s)		
4	 Yoshitsugu Kondo (June 18, 1943)	April 1969	Registered as attorney at law	
		November 1980	Established Central Law Office	
		October 2003	Joint Representative, Sano Kondo Law Offices (current position)	
		June 2006	Audit & Supervisory Board Member of the Company (Currently Sano Law Offices) (current position)	
Reappointment		* Number of Shares of the Company Held 0		
		* Reasons for choosing the person as candidate for Outside Audit & Supervisory Board Member		
		Although Yoshitsugu Kondo has no direct experience in company management, he is familiar with corporate legal affairs and has a wealth of knowledge about corporate governance as a lawyer. Therefore, the Company judges him capable of properly executing duties as Outside Audit & Supervisory Board Member.		

Candidate No.	 Sakae Kanno (June 18, 1947)	* Career Summary, Status at the Company and Significant Concurrent Position(s)	
5		April 1971 Joined The Kansai Electric Power Co., Inc. June 2001 Executive Officer, Office of Affiliates Management and Business Development, The Kansai Electric Power Co., Inc. June 2003 Managing Director, The Kansai Electric Power Co., Inc. June 2007 Executive Vice President and Director, The Kansai Electric Power Co., Inc. June 2011 Audit & Supervisory Board Member, The Kansai Electric Power Co., Inc. (current position) June 2013 Audit & Supervisory Board Member of the Company (current position)	* Number of Shares of the Company Held 0
Reappointment • Independent Director/Auditor		* Reasons for choosing the person as candidate for Outside Audit & Supervisory Board Member	
		Sakae Kanno has experience as a Director and Audit & Supervisory Board Member at The Kansai Electric Power Co., Inc. Therefore, the Company judges him capable of properly executing duties as Outside Audit & Supervisory Board Member from his wide-ranging viewpoint, which extends beyond the industry to which the Company belongs.	

- (Notes) 1. Yoshitsugu Kondo serves as joint representative of Sano Law Offices and the Company has executed a Legal Retainer Agreement with the firm. No special interests exist between the Company and any of the other candidates for Audit & Supervisory Board Member.
2. Matters with respect to the candidates for Outside Audit & Supervisory Board Member are as follows:
- (1) The term of office as Outside Audit & Supervisory Board Member since assuming office of:
 - (i) Hirokazu Ando will reach twelve (12) years at the close of this meeting.
 - (ii) Yoshitsugu Kondo will reach nine (9) years at the close of this meeting.
 - (iii) Sakae Kanno will reach two (2) years at the close of this meeting.
 - (2) Independence of candidates for Outside Audit & Supervisory Board Member
 - (i) Hirokazu Ando served as Executive Officer and General Manager of Corporate Planning Dept. of UFJ Holdings, Inc. (currently Mitsubishi UFJ Financial Group, Inc.). Although Mitsubishi UFJ Financial Group, Inc. has a business relationship with the Company, 11 years have already passed since Hirokazu Ando retired from office as Executive Officer of the said Group in June 2003, and the Company's borrowings from The Bank of Tokyo-Mitsubishi UFJ, Ltd., which is a member of the said Group, account for less than 7.2% of the Company's consolidated total assets. Therefore, the Company judges that Hirokazu Ando possesses sufficient independence.
 - (ii) Although there are transaction relationships such as the sale and purchase of petroleum products between the Company and The Kansai Electric Power Co., Inc., where Sakae Kanno serves as an Audit & Supervisory Board Member, the amount of the said relationships accounted for less than 0.2% of the net sales of the Kansai Electric Power Co., Inc. and the Company, respectively, in the fiscal year under review. Therefore, the Company judges that Sakae Kanno possesses sufficient independence.
 - (3) Pursuant to the provision of Article 423, Paragraph 1 of the Companies Act, the Company has entered into agreements with Yoshitsugu Kondo and Sakae Kanno, to limit the liability for damages. The limit of the liability under the relevant agreement shall be the minimum amount that is set by the provision of Article 425, Paragraph 1 of the said act. If Yoshitsugu Kondo and Sakae Kanno are reelected as Outside Audit & Supervisory Board Member, the Company will renew the same agreement with them to limit the liability for damages under the same

conditions.

- (4) The Company has notified the Tokyo Stock Exchange that Hirokazu Ando, Yoshitsugu Kondo and Sakae Kanno are Independent Directors/Auditors as stipulated in the regulations of the exchange. If Hirokazu Ando and Sakae Kanno are reelected as Outside Audit & Supervisory Board Member, the Company will continue both of their statuses as Independent Directors/Auditors.
- (5) In June 2011 the Company was subject to administrative action by the Ministry of Economy, Trade and Industry in the form of revocation of certification in relation to the Accredited Completion Inspection Executor and Accredited Safety Inspection Executor for reasons including failure to comply with technical standards stipulated in the High Pressure Gas Safety Act.
Hirokazu Ando and Sakae Kanno were unaware of the aforementioned violations until the matter came to light. Both of them have routinely emphasized the importance of safe, stable operations and rigorous compliance. In response to the said administrative action, in cooperation with another Audit & Supervisory Board Members, they both requested that the Board of Directors thoroughly carry out recurrence prevention measures, addressed the status of these measures as a priority audit item, and followed them up accordingly.
- (6) If Cosmo Energy Holdings Company, Limited is established and Sakae Kanno assumes office as an Outside Director of the said company, he will resign from office as an Outside Audit & Supervisory Board Member of the Company.