**Cosmo Energy Group** 

# **Toransformation to a Holding Company Structure**

In October 2015, we converted to a holding company structure comprised of a pure holding company "Cosmo Energy Holdings Co., Ltd." and three core operating companies for oil exploration & production, oil refining and petrochemicals, and oil product sales.

Under its Fifth Consolidated Medium-Term Management Plan, the Cosmo Energy Group has been striving for thorough rationalization and increase in efficiency particularly in the oil refining business. The Group has also been transforming its business portfolio by shifting management resources to the oil exploration & production, retail (car leasing for individuals), and wind power generation businesses, which are positioned as drivers of future growth. At the same time, the Group has adopted a holding company structure in order to strengthen the competitiveness of individual businesses and to continue to achieve sustainable growth. Having the three core business companies in oil exploration & production, oil refining and petrochemicals, and oil product sales, the Group aims to enhance competitiveness of each business and thereby enhance corporate value.

Conversion to a holding company structure



#### Stable dividend payment

Distribution of profits to shareholders is a priority issue for us. By converting to a holding company structure, we aim to raise profitability of its business companies and further ensure stable dividend payment, while giving due consideration to investment in growth businesses and improvement in financial position.

#### Swift decisionmaking

More authority and responsibility will be delegated to the operating companies, so that they can expeditiously execute each business to facilitate swift responses to changes in the management environment. Their speedier decision-making is expected to lead to the enhancement of business competitiveness and stable profits of the holding company.

### The holding company structure

Comprised of a pure holding company and three core operating companies in oil exploration & prodution, oil refining and petrochemicals, and oil product sales

#### COSMO ENERGY HOLDINGS

COSMO ENERGY EXPLORATION & PRODUCTION

Oil exploration and production

COSMO OIL

Oil refining, petrochemicals

COSMO OIL MARKETING

Oil product sales, Retail, etc.

Group of affiliated company

Crude production (three operating companies)\*1

Approx. 40,000 barrels/day Comparison with refining capacity: Approx. 9%

Oil exploration & production areas

United Arab Emirates (Abu Dhabi) State of Qatar

Major affiliated companies

Abu Dhabi Oil Qatar Petroleum Development United Petroleum Development Major crude oil importing countries

United Arab Emirates (Abu Dhabi) Kingdom of Saudi Arabia State of Qatar

Oil refining capacity\*2

452,000 barrels/day
Domestic market share:
Approx. 11.5%

Paraxylene production capacity\*2

1,180,000 tons/year

Major affiliated companies

Cosmo Oil Lubricants Cosmo Matsuyama Oil CM Aromatics yundai Cosmo Petrochemical Keiyo Seisei JV Domestic sales share\*2

Approx. 12% (Gasoline, gas oil, kerosene, A fuel oil)

Number of service stations in Japan\*2

Number of Cosmo brand stations 3,054

Car leasing business for individuals\*2

Cumulative total 27,401 cars

Major affiliated companies

Cosmo Oil Sales Sogo Energy Wind power generation capacity

184,000kW Domestic market share: Approx. 6%

Ethylene production capacity

1,293,000 tons/year Domestic market share: Approx. 18%

Major affiliated companies

Eco Power
Maruzen Petrochemical
Cosmo Engineering
Cosmo Trade and Service
Cosmo ALA
Gyxis

1 Results for January – December 2015

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## Promoting strategic alliances

The new corporate structure, comprised by businesses segment, allows swifter decision-making and more flexibility in responding to drastically changing business environments. We continue aggressively to promote strategic business alliances and joint ventures with other companies by each business and each region, to create more value.



#### Aggressive governance

#### **Number of Directors**



Directors

**Outside Directors** 

Before conversion to the holding company structure (up to September 30, 2015)

**Directors Outside Directors** 

After conversion

Cosmo Energy Holdings is a company with an audit and supervisory committee, of which outside directors account for a majonity of members. Views from outside directors are being used to help create corporate value.

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COSMO ENERGY