

## Conversion to a holding company structure

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.

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## 3 Objectives

1

### 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.

2

### Swift decision-making

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 & production, oil refining and petrochemicals, and oil product sales

## COSMO ENERGY HOLDINGS



\*1 Results for January – December 2015  
 \*2 As of March 31, 2016

### 3

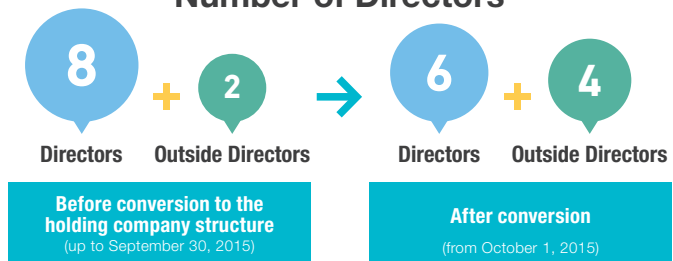
## Promoting strategic alliances

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



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