

Path to Creating Corporate Value

The Cosmo Energy Group believes that our most important social role and mission is the “stable supply of energy”. By efficiently utilizing all of our assets and strength, including the Group network, know-how, technology, DNA, brand power, and relationships with clients, all of which have been accumulated in its history and by fulfilling our social mission, we firmly believe that our Group’s corporate value will continue to be enhanced.

1 Assets and Strengths

The Cosmo Energy Group’s organization, human resources, customers, and brand are not visible in the financial statements. Yet, they have invisible value and are factors that set us apart other companies. One strength of the Group, which is critically important for us to become a vertically integrated global energy company, is our long-term solid relationship of trust with oil producing countries.

Safe and stable supply

Supply of oil products

Over 70 years

The original company, Maruzen Oil, was established in 1933. The succeeding company, Daikyo Oil, was established in 1939.

Partners

Solid relationship of trust with oil producing countries for nearly 50 years

Crude reserves estimate (proved and probable)

161.4 million barrels
Equivalent to supply of approx. 24 years

(As of December 31, 2015)

Customers

Brand

Corporate brand awareness

99.5%

Survey of 1,236 customers (men and women, 18-64 years old) who used a service station in the past one month (as of November 2, 2015)

Customers

Number of the “Cosmo the Card” Holders

Approx. 4,390,000

(As of March 31, 2016)

Number of Smart Vehicles* under contract

Cumulative 27,401 cars

(As of March 31, 2016)
* Car lease for individuals

Total number of service station operators and Cosmo brand stations

Number of operators

226

(As of March 31, 2016)

Number of Cosmo brand stations

3,054

(As of March 31, 2016)

Environment

Renewable energy (wind power generation)

No. 3 in Japan’s generation capacity

(As of March 31, 2016)

Environmental-brand survey

No. 1 in the industry

Nikkei BP Eco-Brand Survey 2016

CO₂ reduction (Oil development business)

Zero-Flare Operation

[Details on P44 ▶](#)

First attempt in the Middle East. By introducing a system to compress and seal flare gas (a by-product of crude oil production and shipment) underground (in an oil reservoir), instead of conventional burning, CO₂ emission has been reduced and the crude oil recovery rate has been improved.



Human Resources

Management structure

Transparent management
(Outside directors are 40% of the board members)

Human resources

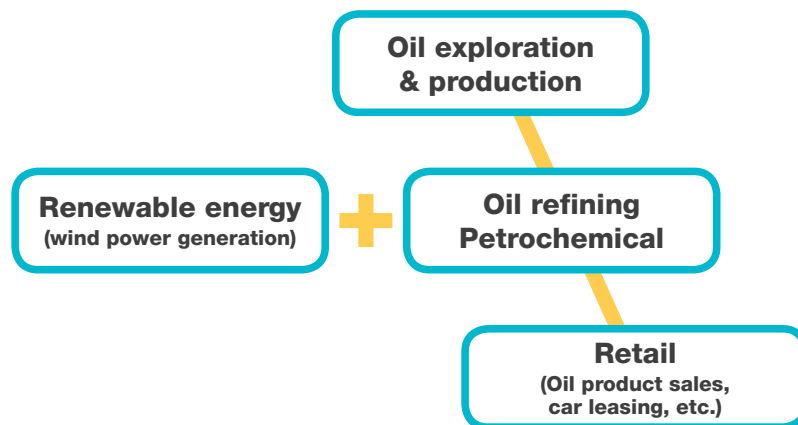
Strong dedication to ensuring stable supply of oil products



2 Business Domains

Aiming to become “A Vertically Integrated Global Energy Company”, the Cosmo Energy Group is engaged in oil development, refining, petrochemical, oil sales, and retail (car leasing) businesses and is operating across the spectrum of the energy industry. At the same time, the Group is strengthening the wind power generation business as a part of its renewable energy business.

Invested Business Domains



Value-Creating Spiral

3 Value Creation

The Cosmo Energy Group strives to create social value through its stable supply of energy and environmentally-friendly operations. Although a decline in oil prices during the year under review has deteriorated its financial condition, the Group seeks to improve its ROE and enhance its economic value.

Economic Value

Target ROE of
22%
in fiscal 2017

Social Values

- Stable supply of energy
- Helping people to benefit from use of their automobiles
- Symbiosis with the environment via the renewable energy business and other activities