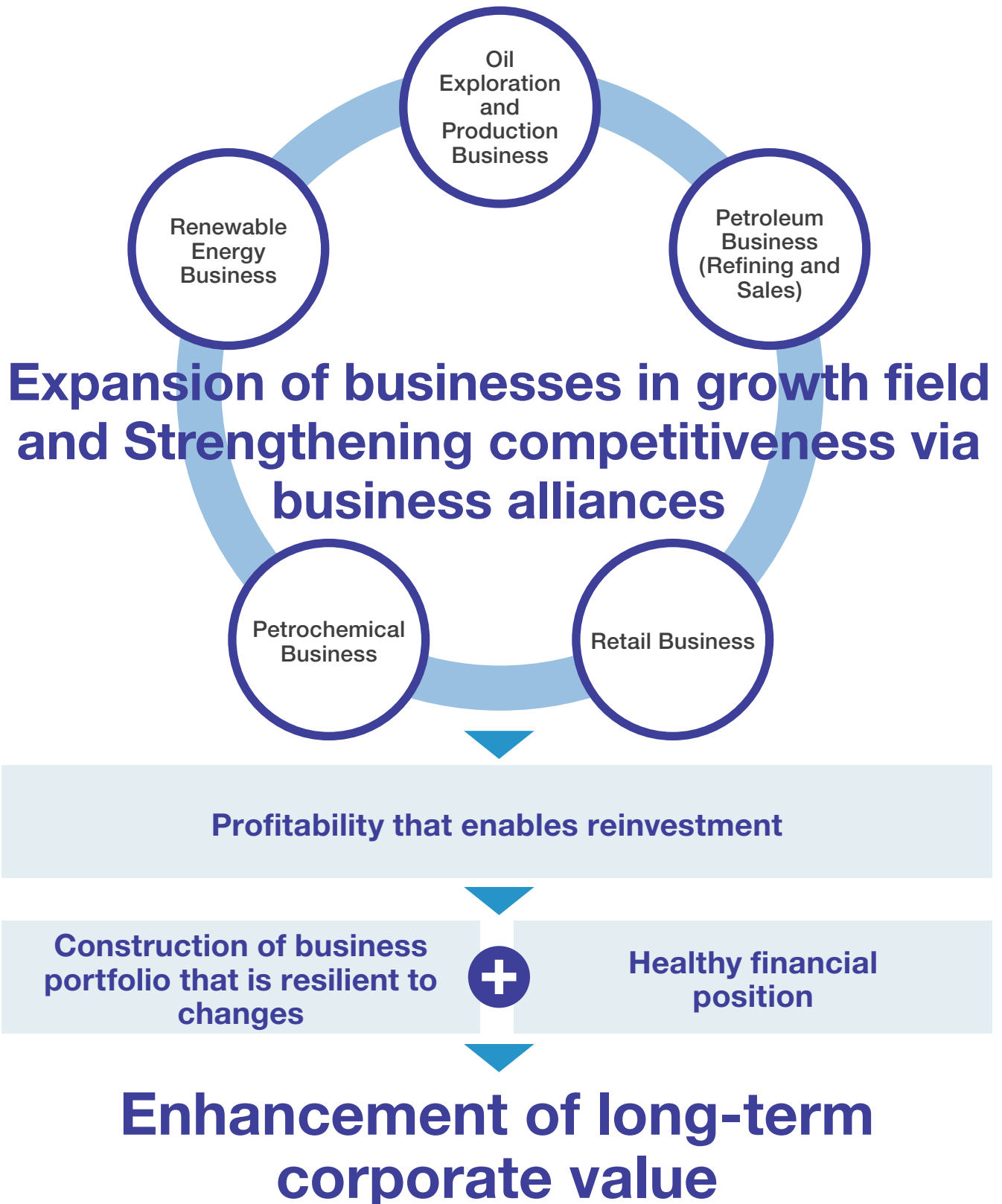


Growth Strategy

The Cosmo Energy Group aims to generate profits that will enable it to reinvest in two ways —expanding business in growth markets and strengthening competitiveness mainly via business alliances. We will also realize a healthy financial position at an early stage and build a business portfolio, which is resilient to environmental changes, such as a decline in domestic demand. Our ultimate mission is the enhancement of long-term corporate value.





Oil Exploration and Production Business

Amid the prospect of firm global oil demand due to increasing population, we have been engaged in highly competitive oil exploration and production, based on strong relationships of trust with Middle East oil producing countries for about a half century. The Hail Oil Field will start production in the middle of FY2017, and we aim to expand production volume by acquiring new oil fields in the long-term.

See pages 19-20



Petroleum Business (Refining and Sales)

We have established a joint-venture company with TonenGeneral Sekiyu (currently JXTG Energy) at the Chiba Refinery and a business alliance with the Showa Shell Sekiyu Group in Yokkaichi area to enhance competitiveness. We are also raising our competitiveness through alliances in the petroleum product sales business. For example, we have entered into a capital and business alliance agreement with Kygnus Sekiyu.

See pages 21-22



Retail Business

The retail business is targeting the entire car-life-related market in Japan, which is worth roughly ¥36 trillion, including vehicle sales and vehicle safety inspections and insurance etc, in addition to the domestic gasoline and diesel fuel market, which is worth around ¥9 trillion. By leveraging our service station strengths (i.e., frequent visits by customers and the number of card members), we aim to become a motoring lifestyle value provider, with car leasing for individuals as a core business, and to enhance the profitability of service stations.

See pages 23-24



Petrochemical Business

Measures to enhance our competitiveness include cost reduction through energy-saving modification work at Hyundai Cosmo Petrochemical (HCP), a joint venture with South Korea's Hyundai Oilbank (HDO). We also aim to generate synergies at refineries with Maruzen Petrochemical, which became a consolidated subsidiary of Cosmo Energy Group.

See pages 25



Renewable Energy Business

The market for wind power generation is expected to grow mainly due to environmental measures. With the 20-year feed-in tariff (FIT) scheme acting as a tailwind, Japan's first wind power generation specialist Eco Power, a group company of the Cosmo Energy Group, is using its know-how to achieve a high level of availability at sites in operation. By developing new sites as well, we aim to further increase power generation capacity.

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