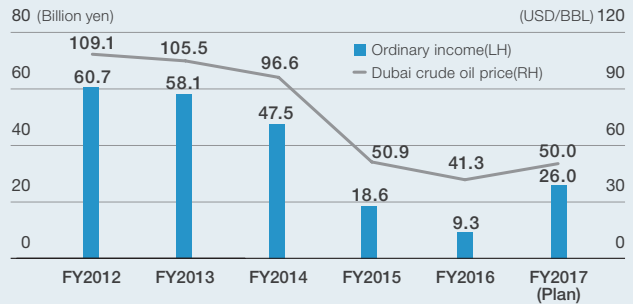


Ordinary income



* Operating companies (Abu Dhabi Oil, Qatar Petroleum Development, and United Petroleum Development) end their FY on December 31.

Strengths

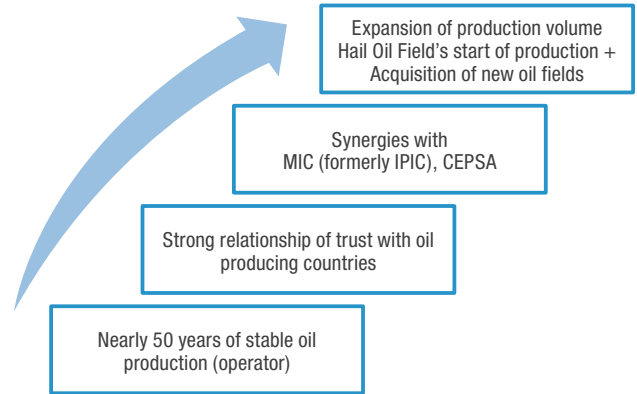
- Strong relationships of trust based on the stable off-shore oil fields production in Abu Dhabi extending for approximately 50 years
- Extension of interests in three existing oil fields of Abu Dhabi Oil for 30 years and acquisition of the Hail Oil Field
- Alliance with CEPSA¹, a wholly-owned company of our largest shareholder MIC² (formerly IPIC)

¹ CEPSA is a Compañía Española de Petróleos, S.A.U. (CEPSA) is a major Spain-based oil company.

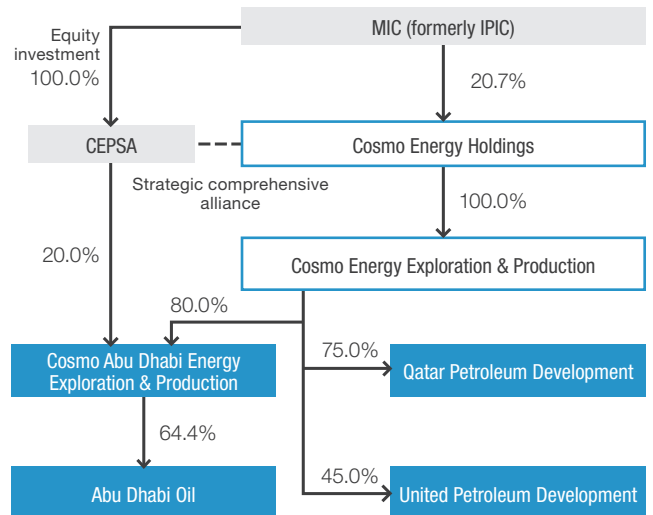
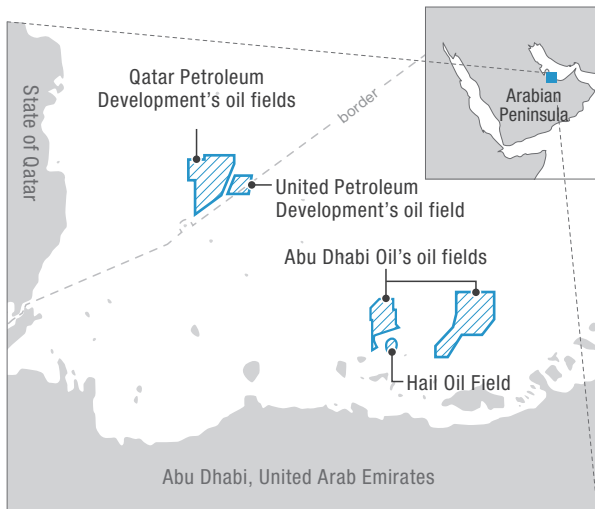
² Mubadala Investment Company (MIC), a holding company was established by an integration of International Petroleum Investment Company (IPIC), an energy investment company that is fully owned by the Abu Dhabi government and Mubadala Development Company (MDC).

Operatorship (the right to operate one's own oil source) in the Middle East is valuable for expanding production

The Cosmo Energy Group produces the largest volume of crude oil in the Middle East region for a Japanese operator. We have realized low-risk and low-cost development, based on strong relationships of trust with Abu Dhabi in the United Arab Emirates (UAE), which was developed through the stable production of about 50 years. In December 2012, Abu Dhabi Oil Company (ADOC) renewed existing concessions for three oil-producing fields for 30 years. In addition, ADOC acquired a concession for a new oil field (The Hail Oil Field), which is as large as the three existing fields. Moreover, through the ACC Workshop, which comprises Abu Dhabi National Oil Company, Cosmo Energy Group, and CEPSA (owned by MIC or former IPIC), we aim to acquire new concessions.



Cosmo Energy Group's Oil Fields



Operating Performance

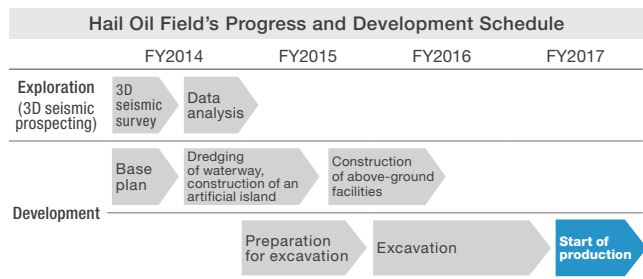
In FY2016, owing to depressed crude oil prices, the Oil E&P Business segment struggled but strived to reduce operating costs, which resulted in ordinary income of ¥9.3 billion. For FY2017, assuming an average crude oil price of US\$50/barrel (versus an actual \$41.3/barrel in Jan-Dec 2016) and an exchange rate of ¥110 per U.S. dollar (versus an actual ¥108.8

per U.S. dollar in Jan-Dec 2016), we are expecting segment ordinary income to grow by ¥16.7 billion to ¥26.0 billion. This growth will be driven by an increase in production volume resulting from the start-up of production at the Hail Oil Field in mid-FY2017 and the expansion of production at existing oil fields, in addition to a rise in crude oil prices.

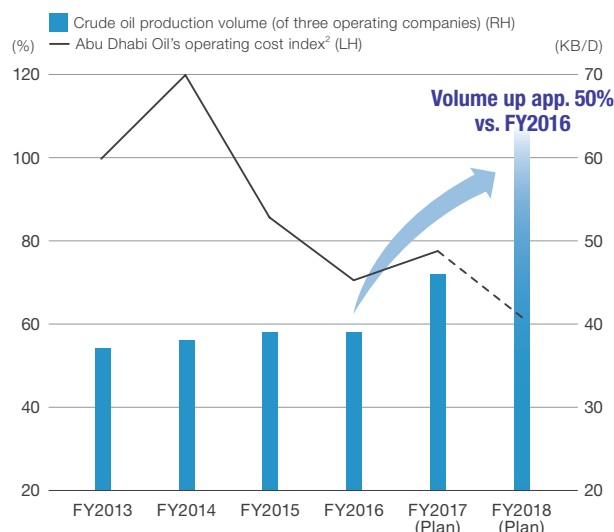
The Hail Oil Field's production start-up and its impacts

The Hail Oil Field is expected to begin production in the middle of FY2017 and to reach peak volume in FY2017. Full-year production at the Hail Oil Field in FY2018 will lead to an increase of about 50% in the Cosmo Energy Group's overall production volume from the three operating companies* compared to that of FY2016. As the Hail Oil Field is adjacent to the existing fields, the existing facilities can be shared, and the unit operating cost is projected to decline along with an increase in production volume, thereby resulting in a significant profit contribution beginning in FY2018.

* Abu Dhabi Oil, Qatar Petroleum Development, and United Petroleum Development.



Crude Oil Production Volume (of the three operating companies) and Abu Dhabi Oil's Operating Cost¹



1 Includes oil fields' renovation expenses, facility utility, repair expenses, personnel costs, etc.
2 Abu Dhabi Oil's operating cost in FY2013 = 100

Contributing to a better society — CSV (Creating Shared Value) —

Going beyond countries and cultures

Stable supply of energy is critical for resource-poor Japan, which heavily relies on imports. The Cosmo Energy Group has focused on building relationships with Middle East oil producing countries from an early stage. Especially with the Emirates of Abu Dhabi, the United Arab Emirates(UAE), we have built strong relationships of trust for about 50 years, starting before the foundation of the UAE, by maintaining stable production in addition to environmental preservation activities and education.

Safe and stable operation

Abu Dhabi Oil was established in 1968, before the foundation of the UAE, and has maintained safe and stable operation for about 50 years.



Environmental preservation activities

Abu Dhabi Oil received the ADNOC Health, Safety & Environment (HSE) Performance Award in FY2014. This is the highest award given by Abu Dhabi National Oil Company (ADNOC) to honor the best practices in HSE at companies under their supervision.



Japanese-language training

In conjunction with the Ritsumeikan Trust in Japan, we provide Japanese-language programs to Applied Technology High School (ATHS), a local high school in Abu Dhabi. Eleven students who completed the program are currently studying in Japan with the support of a scholarship from Abu Dhabi National Oil Company.

