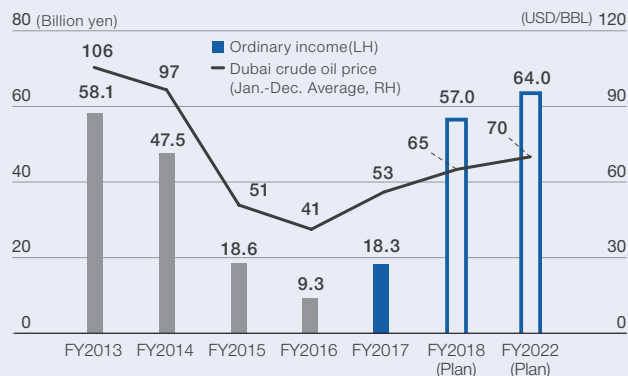


OIL EXPLORATION AND PRODUCTION BUSINESS



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, operating Hail at full capacity
- Alliance with CEPSA¹, a wholly-owned company of our largest shareholder MIC² (formerly IPIC)

1. 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).

Business strategy in the New Consolidated Medium-Term Management Plan

Target ordinary profit of ¥64 billion in the Oil E&P Business segment in FY2022, mainly thanks to profit contribution from production of the Hail Oil Field

- Continue full production at the Hail Oil Field of Abu Dhabi Oil (Combined output of Abu Dhabi Oil, Qatar Petroleum Development, and United Petroleum Development is to increase by about 1.5 times vs. FY2017).
- Reduce operating cost (at least by 30% per unit).
- Examine new investments for the next phase.

The Hail Oil Field began production in November 2017 and has been operating at full capacity since January 2018. This is the first time since 2011 that an oil field in which a Japanese company has operatorship started production in the Middle East.

As the Hail Oil Field investment has been curbed with the shared use of the existing crude oil processing, storage, and shipping facilities and reduced investment (Estimated

savings \$300-400 million), the unit operating cost is expected to decline along with increase in production volume. In addition, we will consider development of new oil fields, making use of our technologies accumulated from about 50 years of experience in oil development as well as safe, stable operations and our relationships of trust built through a wide range of cooperation to Middle East oil producing countries.



Review of the Previous Consolidated Medium-Term Management Plan

In addition to building a close collaborative relationship with Abu Dhabi National Oil Company, the Cosmo Energy Group has strived to establish amicable relationships with the Emirate of Abu Dhabi and other oil producing countries. Such efforts have resulted in acquisition of a concession in new oil field, the Hail Oil Field, as well as in extension of concessions in the three existing oil fields for 30 years in

December 2012. This field began development in 2013, drilling in 2016, and started production in November 2017. United Petroleum Development has been engaged in stable production at existing oil field and, after deliberate discussions with both the Emirate of Abu Dhabi and the State of Qatar, executed a new concession agreement in March 2018.

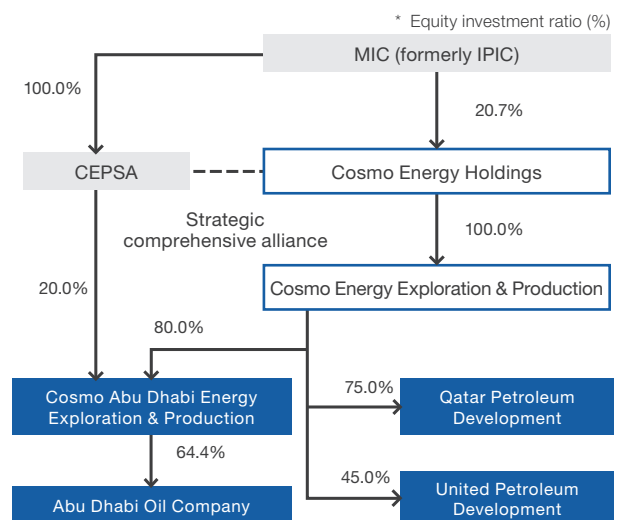
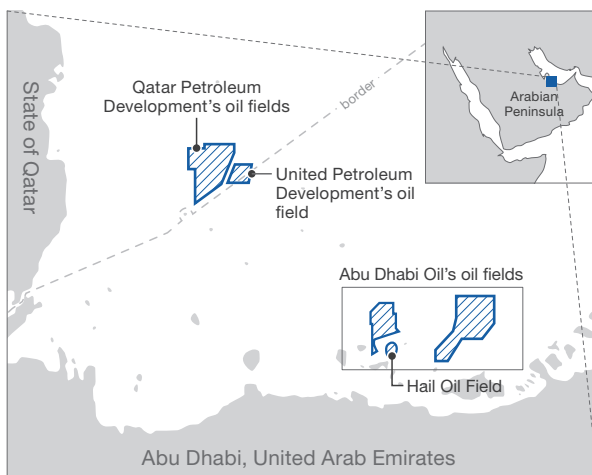
Development History of Hail Oil Field

	FY2013	FY2014	FY2015	FY2016	FY2017
Exploration (3D seismic prospecting)		3D seismic survey	Data analysis		
Development		Base plan	Dredging of waterway, construction of an artificial island	Construction of above-ground facilities	
	Acquisition of a concession area		Preparation for excavation	Excavation	Start of production

Cosmo Energy Group's Oil Development Structure

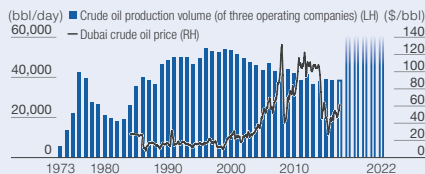
For about 50 years since 1967 when the Cosmo Energy Group acquired its first concession, three companies, namely Abu Dhabi Oil, Qatar Petroleum Development, and United Petroleum Development, have been engaged in safe operation and stable production. Our Group produces the largest volume of crude oil in the Middle East region as a Japanese operator and has realized low-risk and low-cost development.

Cosmo Energy Group's Oil Fields



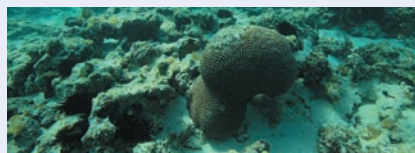
Contributing to a better society — CSV (Creating Shared Value) —

Cosmo Energy Group's Crude Oil Production Volume and Crude Oil Price



Stable supply

Full production at the Hail Oil Field will result in raising our Group's ratio of self-developed oil and increase the stability of supply of energy to Japan. It will also lead to enhanced relationships between Japan and the Emirate of Abu Dhabi, in the United Arab Emirates.



Environmental preservation activities

As the Hail Oil Field is located in an area registered by UNESCO as a sanctuary, it was developed by carefully conducting survey and examinations, and recovered materials and wastewater generated during oil well drilling were embedded in a dedicated underground well. In addition, the Hail Oil Field realized a complete "zero waste operation" by conducting zero flaring operation, which eliminates oil flaring during production.



Securing of stable energy sources



Stable energy supply



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. Twelve students who completed the program are currently studying in Japan with the support of a scholarship from Abu Dhabi National Oil Company.