

BUSINESS OVERVIEW

OIL EXPLORATION AND PRODUCTION BUSINESS

PETROLEUM BUSINESS (REFINING AND SALES)

Business summary

Net sales
(FY2018 result)

Ordinary income
(FY2018 result)

Number of employees
(as of March 31, 2019)

Major assets
(as of March 31, 2019)

Major business companies related companies
(as of March 31, 2019)

Business of exploration and production of crude oil in Abu Dhabi in the United Arab Emirates (UAE) and in the State of Qatar

¥111.7 billion

¥56.9 billion

271

Crude oil reserves (proved and probable)

167.0 million barrels

Equivalent to approx. 18 years of supply

Crude oil production

Approx. 52,000 barrels/day

Comparison with refining capacity: Approx. 13%

Partnerships

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

Operatorship (self-operation)

We produce the largest volume of crude oil in the Middle East region as a Japanese operator.

Cosmo Energy Exploration & Production
Abu Dhabi Oil (UAE)
Qatar Petroleum Development (Qatar)
United Petroleum Development (UAE/Qatar)

Business to refine imported crude oil and sell the products to nationwide service stations, factories, and other places including overseas

¥2,526.9 billion

¥14.2 billion/¥24.9 billion
(excl. the impact of inventory valuation)

4,481

Crude oil processing capacity¹

400,000 barrels/day

Domestic market share: Approx. 11.4%

Domestic Sales Volume

20,566
thousand KL

Number of service stations in Japan

Number of Cosmo brand stations
2,792

Number of the "Cosmo the Card" holders

Approx. 4.33
million Cards

Car leasing business for individuals

Cumulative total
60,579 cars

Cosmo Oil

Cosmo Oil Lubricants
Gyxis (LPG)

Cosmo Oil Marketing

Cosmo Oil Sales
Sogo Energy

Impact of inventory valuation

The "impact of inventory valuation" indicates the impact on the cost of sales in the financial statements, according to the inventory valuation method, when there is a change in the price of crude oil. It can be separated into the following two categories:

1 Inventory valuation impact based on the periodic average method

This indicates the impact in terms of income based on the "periodic average method," which is an inventory valuation method. In a phase when crude oil prices rise, the cost of sales is pushed down because the unit prices of purchased inventory that have risen during the term are averaged with the lower inventory unit prices at the start of the term. Conversely, in a phase when crude oil prices fall, the cost of sales is pushed up because the unit prices of purchased inventory that have fallen during the term are averaged with the higher inventory unit prices at the start of the term.

2 Inventory valuation impact based on reduction in book value

If the market value of inventory at the end of the term falls below the book value, it is necessary to reduce the book value to the market value, and this indicates that a resulting loss is incurred.



PETROCHEMICAL BUSINESS



RENEWABLE ENERGY AND OTHER BUSINESSES



TOTAL

Business to manufacture raw materials of polyester fiber, pet bottles, plastics, synthetic rubber, etc.

¥458.6 billion

¥15.3 billion

1,164

Olefinic production capacity

Ethylene **1.29** mil tons/year³

Domestic market share: Approx. 19%

Aromatic production capacity

Para-xylene **1.18** mil tons/year³

Benzene **0.74** mil tons/year³

Mixed-xylene **0.62** mil tons/year³

Maruzen Petrochemical (Chiba/Yokkaichi)
Cosmo Matsuyama Oil
CM Aromatics (Chiba)
Hyundai Cosmo Petrochemical (Korea)

Businesses that are not related to oil or petroleum. Mainly engaged in wind power generation as renewable energy.

¥60.2 billion

¥10.3 billion²

872

Wind power generation capacity

267,000 kW

No. 3 in Japan and 6% domestic share

*as of April 30, 2019

Solar power generation capacity

24,000 kW

Cosmo Eco Power (Wind power generation)
Cosmo Engineering
Cosmo Trade and Service

¥2,770.4 billion²

**¥96.7 billion/
¥107.4 billion²**

(excl. the impact of inventory valuation)

6,788



Corporate brand awareness in Japan

98.4%

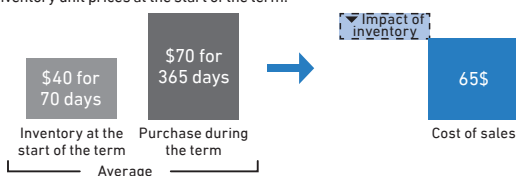
Survey of 1,239 customers (men and women, 18-64 years old) who used a service station in the past one month (as of October 30, 2017)

1. Including the supply of petroleum product/semi product (37,000 barrels/day equivalent) from Idemitsu Showa Shell Group with the business alliance
2. Including consolidating adjustment
3. Including whole capacity of Keiyo Ethylene (55% owned, consolidated subsidiary of Maruzen Petrochemical)

When crude oil prices rise

Average of the unit prices of purchased inventory during the term with the "lower" inventory unit prices at the start of the term.

Cost of sales is pushed down (positive inventory valuation)



When crude oil prices fall

Average of the unit prices of purchased inventory during the term with the "higher" inventory unit prices at the start of the term.

Cost of sales is pushed up (negative inventory valuation)

