

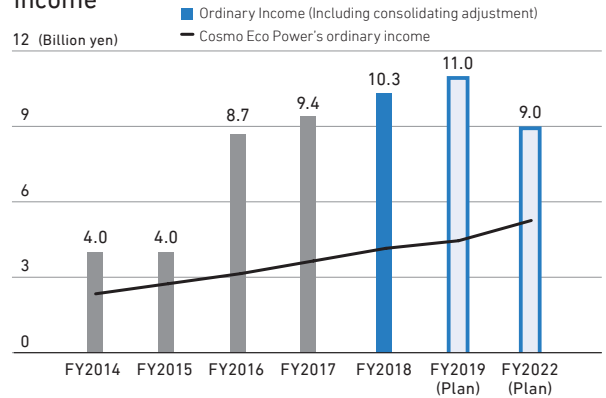
RENEWABLE ENERGY AND OTHER BUSINESSES



Strengths

- Group incorporation in 2010 of Eco Power (currently Cosmo Eco Power), a pioneer in the wind power generation business (established in 1997)
- Realization of a high level of availability (at least 90%), as development, construction, operation and maintenance are carried out within the Cosmo Energy Group
- Nationwide operation to reduce risks in wind condition changes by region and to ensure stability
- Plan to expand business over the long term by expanding onshore sites and participating in offshore site projects

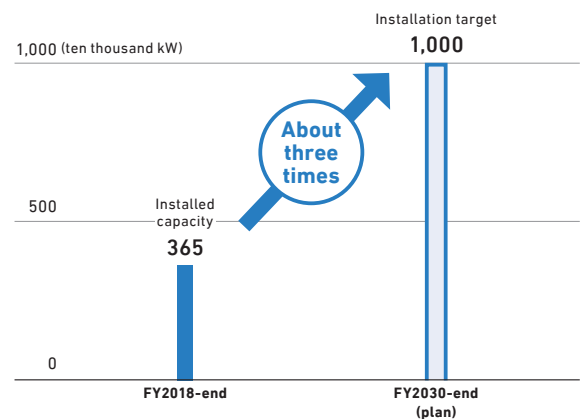
Ordinary income



Environment surrounding the wind power generation business

Amid the global trend of decarbonizing, renewable energy is anticipated to grow in Japan. Wind power generation, in particular, is expected to grow about three times from 2017 to 2030 (10 million kW) in terms of its share of the total power source mix in Japan, according to the the Ministry of Economy, Trade and Industry (METI). In addition, the feed-in tariff (FIT) scheme introduced in FY2012 is expected to help generate stable profit from the wind power generation business for 20 years. On the other hand, it is a difficult business to newly enter, as it requires sophisticated expertise in the selection of suitable land, dialogue with residents in the community, and environmental impact assessments.

Japan's Installed Wind Power Generation Capacity and Target



* Prepared based on the Long-term Energy Supply and Demand Outlook (released in July 2015) and the Renewable Energy Electronic Application Website, both created by the Ministry of Economy, Trade and Industry (METI).



FY2018 Results

Ordinary income increased for the ninth consecutive year to ¥10.3 billion, up ¥0.9 billion from the previous year, thanks to the ongoing smooth operation of wind farms.

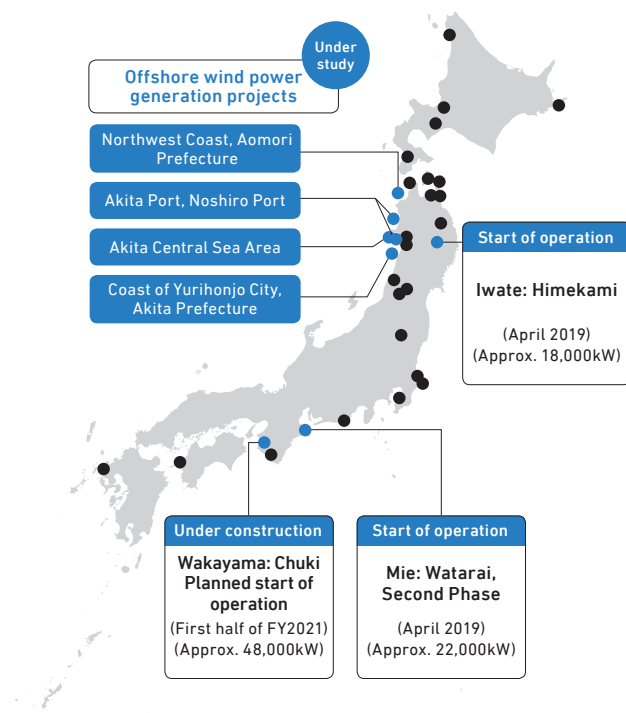
FY2019 Forecasts

Ordinary income is expected to increase by ¥0.7 billion from the previous year to ¥11.0 billion, due to the start of operation of Watarai Wind Farm's Second Phase (Mie Prefecture; 22,000kW) and Himekami Wind Farm (Iwate Prefecture; 18,000kW).

Cosmo Eco Power, Japan's first company specializing in wind power generation

Eco Power Co., Ltd. (currently Cosmo Eco Power) was established as Japan's first company specializing in wind power generation in 1997 and joined the Cosmo Energy Group in 2010. Since then, Cosmo Eco Power has been proactively engaged in the maintenance of existing sites and the start-up of new wind farms and has steadily increased its power generating capacity and profit. The company currently has a high share of the market, with 267,000kW of power generation capacity in 24 areas. Thanks to its experienced staff and high technical skills, it has achieved a utilization rate* of over 90% and has maintained safe, steady operation. Cosmo Eco Power is newly developing the Chuki Wind Farm (Wakayama Prefecture; 48,000kW), which is scheduled to start operation in FY2021. By FY2022, the final year of the current medium-term management plan, wind power generation capacity is targeted to reach 400,000kW.

* The ratio of hours on stand-by status to generate power if the wind blows within one year



Aiming to become a leading company in offshore wind power generation

In addition to the onshore wind power business, Cosmo Eco Power aims to become a leading company in offshore wind power generation by entering this business. The company is currently studying offshore wind power generation projects mainly in the following four areas: the sea area of Akita Port and Noshiro Port; off the coast near Yurihonjo City, Akita Prefecture; the Akita Central Sea Area; and the Northwest Coast, Aomori Prefecture, Akita Prefecture. We will continue to steadily implement wind farm construction plans to increase power generating capacity and consider construction of new wind power generation capacity.

Projection of Cosmo's Wind Power Generating Capacity in Japan

