



October 17, 2023

Cosmo Energy Exploration & Production Co., Ltd.

Cosmo Energy Holdings Co., Ltd.

Regarding the establishment of a US subsidiary aiming to newly enter the lithium resource development business.

Cosmo Energy Exploration & Production (Representative Director & CEO: Katsushi Nishi hereinafter, "Cosmo") announces the establishment of Cosmo E&P USA Inc. on October 16 to start initiatives aimed at new entry into the lithium resource development business in US.

It is highly expected to have an advantage for Cosmo to entry the lithium resource development business, which recovers lithium from underground brine, in that we can utilize our skilled operational technologies such as sub-surface evaluation or drilling, which we have refined at our existing oil field. Cosmo also considers using the environment-friendly method being developed including \*Direct Lithium Extraction, which directly extracts lithium from underground brine, taking it into account that a lot of existing projects have still put a huge burden on the environment.

From now on, lithium is assumed to steadily increase its demand further for EV storage battery and stationary storage battery, including the usage of grid storage battery for supply-demand adjustment of the electricity to make renewable energies the main power source.

Cosmo Energy Group target the "Bolster green electricity supply chain" and "Expand next-generation energy" in its Vision 2030 and the 7th Consolidated Medium-Term Management Plan. We believe that this project will expand our new field portfolio, which also satisfy and go along with our target above. On the condition that we expect there will be a shortage of lithium while EV and stationary storage battery spread in the future, Cosmo will explore the commercial and technical feasibility of the project to provide necessary resource for the life of people with our technology.

\* Direct Lithium Extraction (DLE)

-It is the method of lithium extraction from brine without the process of solar evaporation.

-It can shorten the production lead time and reduce environmental impact, because it doesn't need the long concentration process or huge evaporation pond, both of which are typically accompanied by solar evaporation method.

< Overview of the new subsidiary >

Company name	Cosmo E&P USA Inc.
Head office location	1800 West Loop South, Suite 1810, Houston, TX 77027 U.S.A.
Date established	October 16, 2023

**【Contact details for inquiries】**

Public Relations Group, Corporate Communication Dept., Cosmo Energy Holdings Co., Ltd.

TEL +81-3-3798-3101 FAX +81-3-3798-3841