

March 23, 2023

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Announcement on the 7th Consolidated Medium-Term Management Plan
(FY2023-2025)

Cosmo Energy Group has planned and resolved the 7th Consolidated Medium-Term Management Plan (FY2023-2025) at its Board of Directors Meeting of March 23, 2023. The outline of the Plan are as attached.

COSMO ENERGY GROUP

The 7th Consolidated
Medium-Term Management Plan

Oil & New

~ Next Stage ~

Section **1** **Recap of The Sixth Med-Term Mgmt. Plan**

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* Figures for FY2022 are contained the full-year forecast published on 9 February 2023 or the outlook.

Agenda

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1

**Recap of The Sixth
Medium-Term Management Plan**

Section

2

Vision 2030

Section

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The Seventh Consolidated Medium-Term
Management Plan

Under the slogan “Oil & New Everything About Oil – And Beyond,” we implemented initiatives based on four basic policies.

We set out to bolster our profitability and financial position to achieve sufficient net worth and a net debt-to-equity ratio of 1.0-1.5 times in order to withstand changes in the market environment at an early stage.

Basic policies

- 1 **Secure profitability to enable reinvestment**
- 2 **Expand growth driver toward the future**
- 3 **Improve financial condition**
- 4 **Strengthen Group management foundation**

Management goals

Ordinary profit (excl. impact of inventory valuation)	≥¥ 120.0 bil.
Profit attributable to owners of parent	≥¥ 50.0 bil.
Free cashflow (FY2018-2022 five-year cumulative)	≥¥ 150.0 bil.
Net worth (Net worth ratio)	≥¥ 400.0 bil. (≥20%)
Net D/E ratio	1.0-1.5 times
ROE	≥ 10 %

1

Secure profitability to enable reinvestment

Initiatives

Build a safe and stable operational framework
(establish a supply shortage position)

Transform to bottomless refineries and increase profitable products by taking action ahead of IMO regulations

Strengthen Vehicle Life Business

Achieve synergy with Petrochemical Business

Steadily recover investment in Hail Oil Field

Results

Started supplying oil to Kygnus Sekiyu K.K.
Improved refinery operating ratio

87% (FY17*)
→91% (FY22*)

*Four-year average on Calendar Day basis

Established zero High-sulfur C fuel oil production system
Increased production of Low-sulfur C fuel oil

Signed lease contracts for cumulative total of 100,000 vehicles
5 mil. carlife app downloads

Commenced operation of propylene rectifying tower
Started circulating raw materials and fuel between Petroleum and Petrochemical Business

Continued stable production at Hail Oil Field
Cosmo group production volume
38 kB/D (FY13-17 average)
→45 kB/D (FY18-22 average)

2 Expand growth driver toward the future

Initiatives

Early development of offshore wind power
(Expand Onshore wind power)

Strengthen Petrochemical Business
and increase its product line

Explore new businesses to drive future growth
in domestic and overseas market

Results

Developed 150MW new onshore wind farm
Commenced operation of Japan's first
large-scale offshore wind farm
Developing multiple offshore pipelines

Expanded semiconductor photoresist
resin production capacity

Started cooperation toward SAF production
Began exploring ways to collaborate with
ADNOC or Masdar in area of decarbonization

3 Improve financial condition

Initiatives

Increase net worth based on profit



Results

Net worth

¥238.7 bil. (FY17)

→ **¥527.0 bil. (FY22)**

Net D/E ratio

2.30 times (FY17)

→ **1.05 times (FY22)**

4 Strengthen Group management foundation

Initiatives

Implement sustainable management



Results

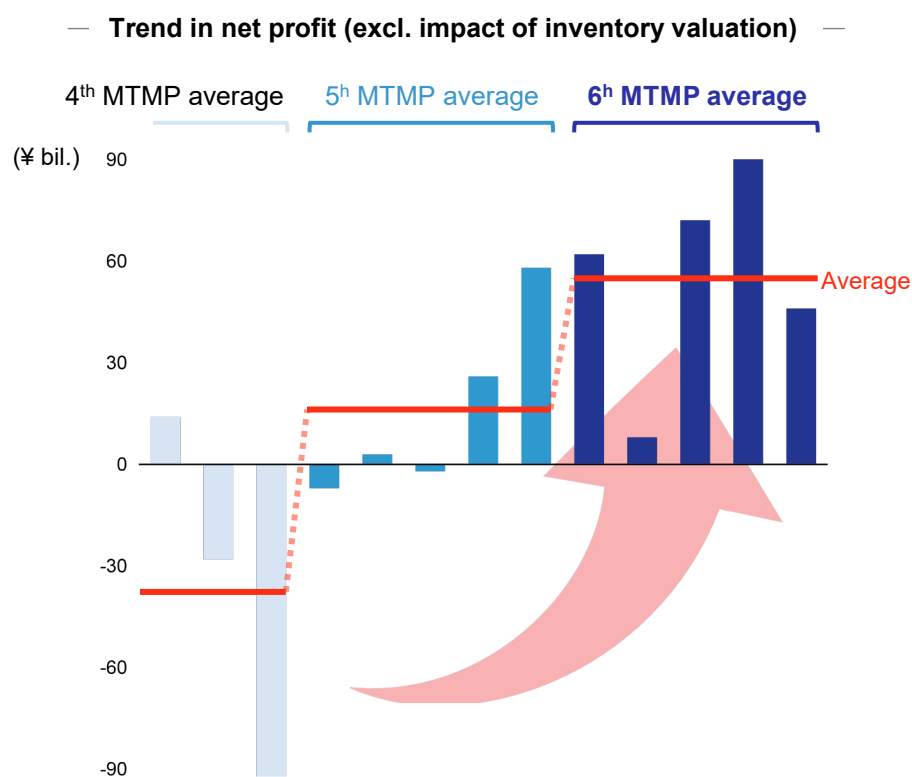
Established sustainability promotion framework

Issued 2050 Carbon Net Zero Declaration and disclosed roadmap

Expanded range of diversity (women's empowerment) initiatives; appointed female directors and increased proportion of women in managerial roles

Developed next-generation energy/ technology promotion framework

Significantly increased our profitability by steadily implementing initiatives
 Achieved all management goals set out in The Sixth Med-Term Mgmt. Plan
 The Seventh Consolidated Med-Term Mgmt. Plan will take us to the next stage



Management goals

Ordinary profit (excl. impact of inventory valuation)	≥¥ 120.0 bil.
Profit attributable to owners of parent	≥¥ 50.0 bil.
Free cashflow (five-year cumulative)	≥¥ 150.0 bil.
Net worth (Net worth ratio)	≥¥ 400.0 bil. (≥20%)
Net D/E ratio	1.0-1.5 times
ROE	≥ 10 % (excl. impact of inventory valuation)

Expected FY2022 results

Ordinary profit (excl. impact of inventory valuation)	¥ 140.0 bil.	○
Profit attributable to owners of parent	¥ 68.0 bil.	○
Free cashflow (five-year cumulative)	¥ 153.2 bil.*	○
Net worth (Net worth ratio)	¥ 527.0 bil. (26.2%)	○
Net D/E ratio	1.05 times	○
ROE	13.8 % (9.3%)	○

* Excl. impact of subsidies to curb the impact of a surge in gasoline and other fuel prices (approx. -¥44.0 bil.), which is a transient factor.

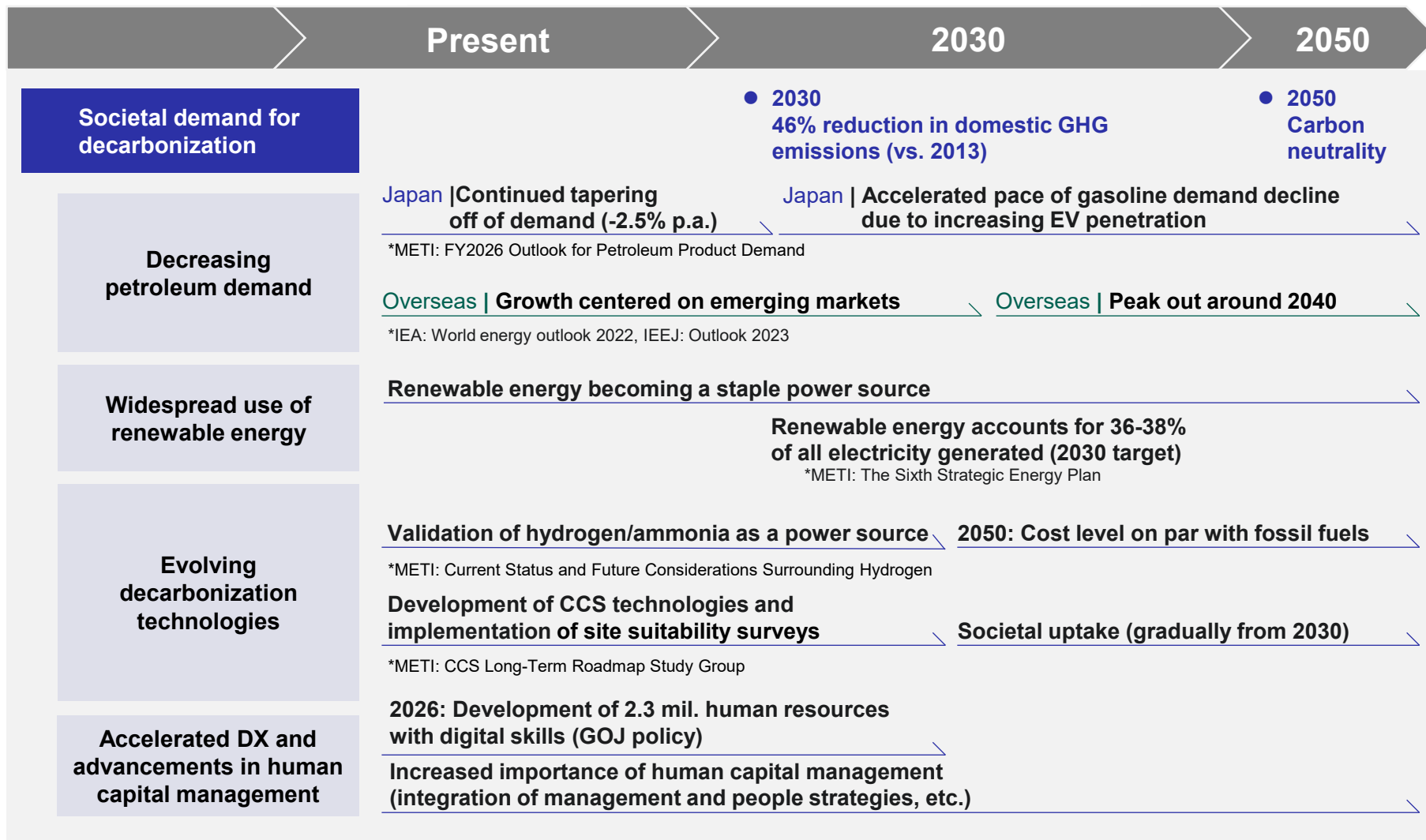
Agenda

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1 Recap of The Sixth
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Section
2 **Vision 2030**

Section
3 The Seventh Consolidated Medium-Term
Management Plan

Efforts to achieve carbon neutrality by 2050 will progress and the world will enter an era of energy transformation.



Vision 2030

To create energy that shapes the future,
energy that sustains society, and new forms of value

Green Energy



**Bolster green
electricity supply chain**

Build a high value-added supply chain that encompasses power generation, supply-demand adjustment and sales

Next-Generation Energy



**Expand next-
generation energy**

Supply SAF and develop hydrogen and other energy businesses

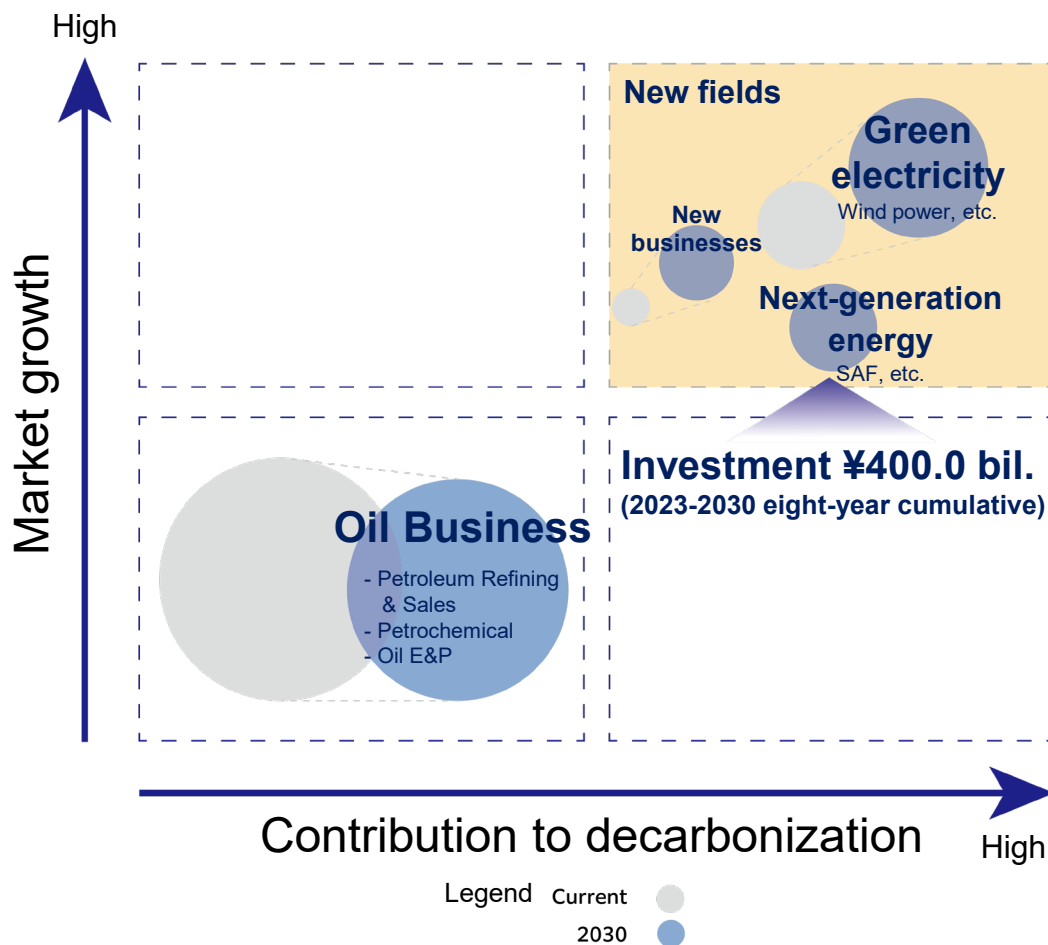
Oil Business



**Strengthen competitiveness
of Oil Business and pursue
low carbonization**

Enhance competitiveness by digitizing refineries, etc. and shift to low-carbon operations through CCS/CCUS

Business portfolio



[Profitability]

Ordinary profit **¥200.0-250.0 bil.**

Profit attributable to owners of parent **¥90.0-120.0 bil.**

[Investment]

New fields **¥400.0 bil.**
(2023-2030 eight-year cumulative) [¥600.0 bil. strategic investment incl. New fields]

[Capital efficiency]

ROE **≥12%**

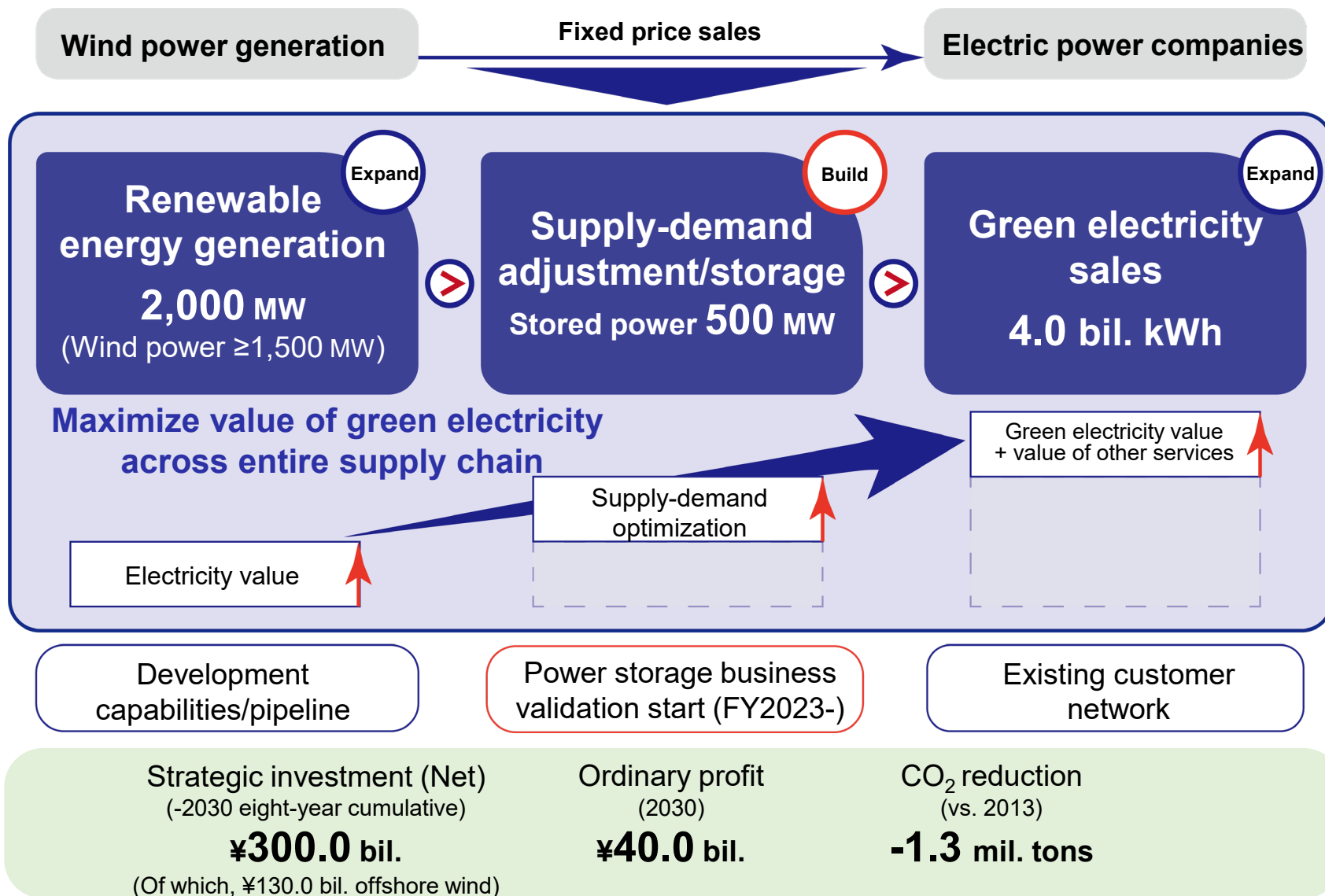
ROIC **≥8%**

[Climate change countermeasures]

CO₂ reduction **- 30%**
(-2 mil. tons vs. 2013)



Transformation of the current business model





Renewable energy generation Expand

2,000 MW

(Wind power ≥1,500 MW)

Supply-demand adjustment/storage Build

Stored power 500 MW

Green electricity sales Expand

4.0 bil. kWh

Development capabilities/pipeline

Onshore wind power: current capacity

300MW

Onshore wind power: planned capacity

600MW

(of which 400 MW is under construction/development)

Offshore wind power: planned capacity

600MW

COSMO
Cosmo Eco Power Co., Ltd.

Integrated development/O&M framework

Power storage business validation start (FY2023-)

Installation of storage batteries at power plants/grid-scale storage systems

Existing customer network

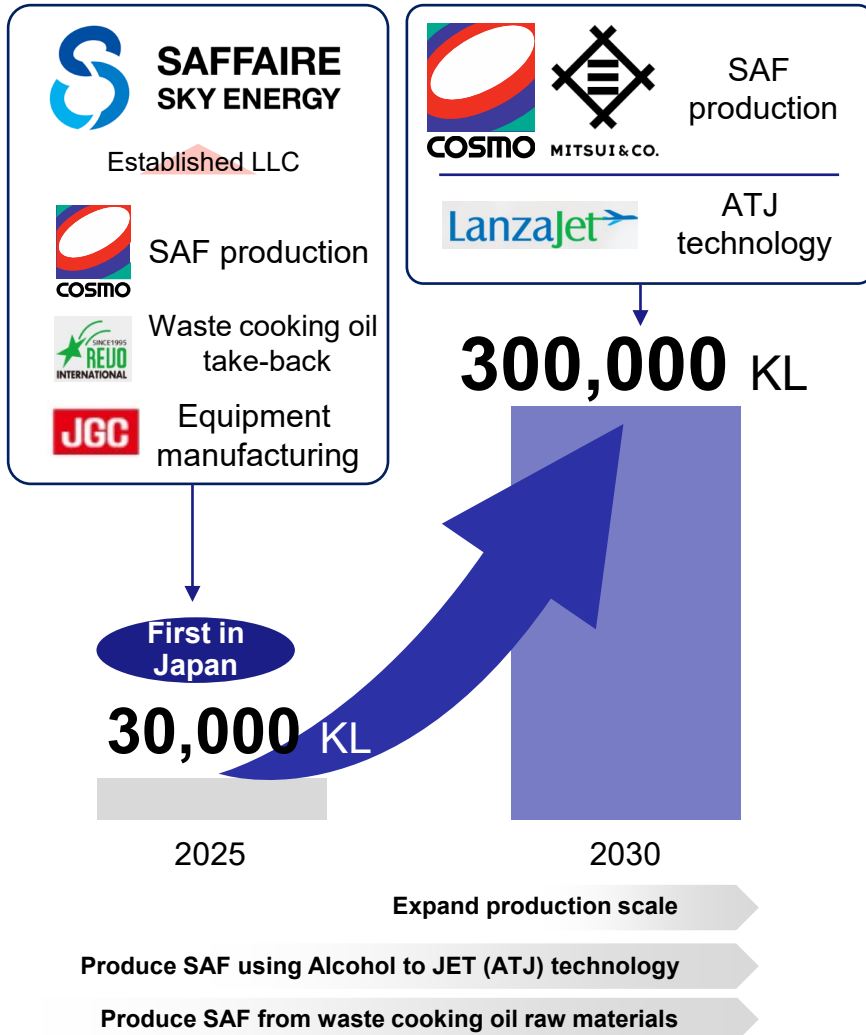
コスモでんき **再エネ×EV コスモ・ゼロカーボソリューション**

Introduced at over 1,000 sites **RExEV solution**

5 mil. app downloads

60,000 Eco Card holders **Lease contracts signed for cum. total of 100,000 vehicles**

Mass production of Japan's first locally-made SAF



Development of hydrogen and other energy businesses

Entry into hydrogen supply chain

- ◎ Considering partnering with Iwatani Corp.
- Operation of hydrogen station for trucks



Use of existing assets for entry into hydrogen supply chain

- ◎ Exploring new hydrogen production technologies (turquoise hydrogen)
- Joint development with Toda Kogyo Corp.

*In addition, we will undertake R&D and proof-of-concept testing for waste plastic recycling as well as ammonia, synthetic and other fuels.

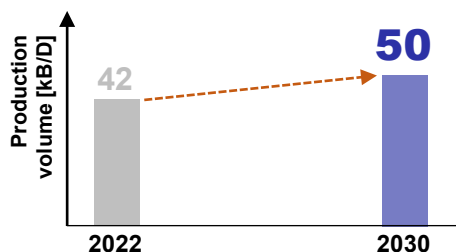
Strategic investment (-2030 eight-year cumulative)	Ordinary profit (2030)	CO ₂ reduction (vs. 2013)
¥100.0 bil.	¥10.0 bil.	-400,000 tons



Oil E&P

**Early production/
recovery of crude oil**
[Production volume 50kB/D]

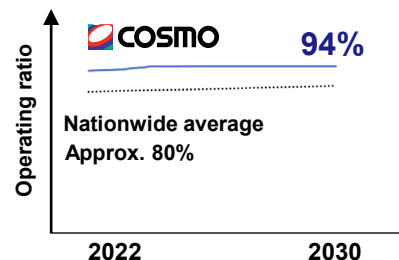
Start production in new Abu Dhabi exploration block (Offshore Block 4)



Petroleum Sales & Refining

**Shift to high-
efficiency refineries**
[Operating ratio (CD) 94%]

Digitize refineries



*COSMO operating ratio four-year average

*Nationwide operating ratio 2018-2021 actual basis (four-year average)

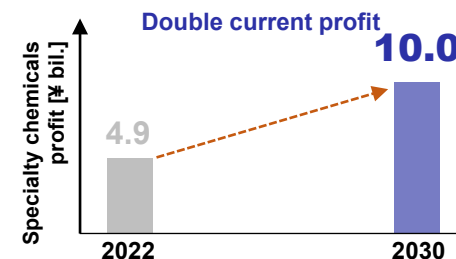


Petrochemicals

**Expansion of
specialty chemicals**
[Profit ¥10.0 bil.]

*New fields

Increase production of semiconductor photoresist resins



Competitiveness strengthening

Low carbonization

Low carbonization of Oil Business

[CO₂ reduction: -300,000 tons + α]

- Promote conversion to low-carbon fuels in Petroleum Refining & Sales and Petrochemical businesses, and energy conservation
- Realize CCS/CCUS in partnership with Abu Dhabi National Oil Company

Strategic investment
(-2030 eight-year cumulative)

¥200.0 bil.

Ordinary profit
(2030)

¥150.0 bil.

CO₂ reduction
(vs. 2013)

-300,000 tons + α

The Cosmo Energy Group will enhance enterprise value while addressing the most important material issues, leveraging tangible and intangible management resources to realize The Seventh Medium-Term Management Plan and Vision 2030, which integrate financial and non-financial initiatives.



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Basic Policies and Strategies

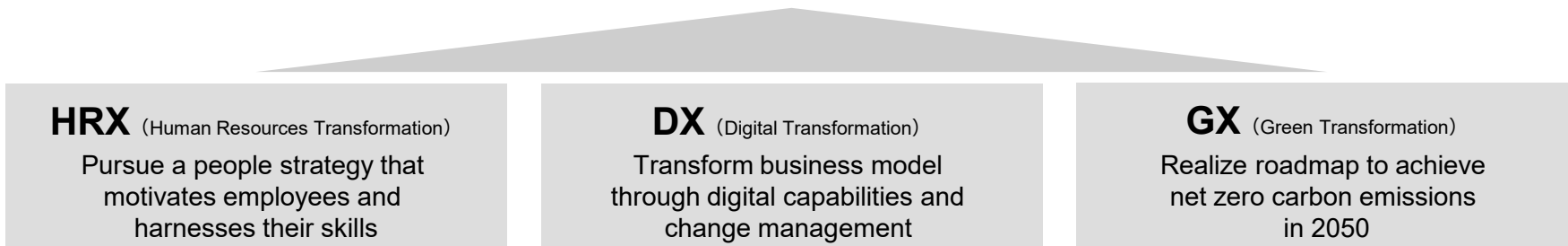
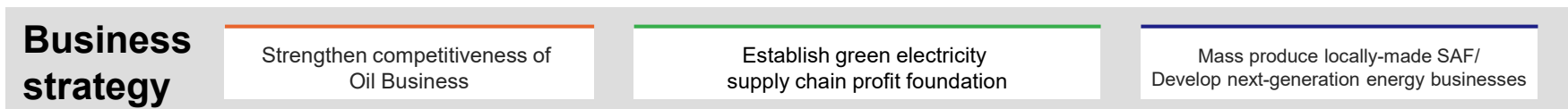
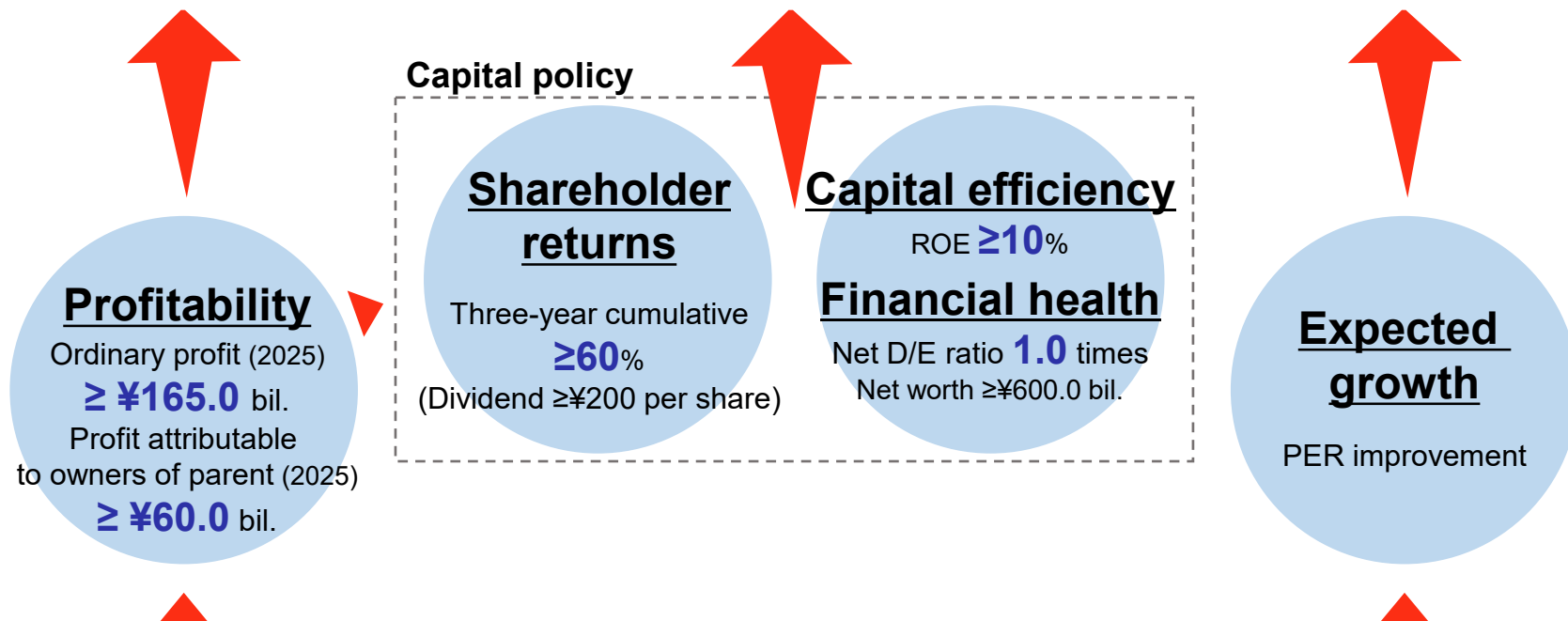
Capital Policy

Management Goals

Having achieved a certain degree of success in improving our financial position under The Sixth Med-Term Mgmt. Plan, The Seventh Med-Term Mgmt. Plan will take us to next stage. We aim to continuously enhance enterprise value as we look to fulfill Vision 2030.



Enterprise value enhancement [PBR improvement]



Oil & New ~Next Stage~

Secure profitability

Ensure **high uptime and high-efficiency operations** at refineries

Increase sophistication of fuel oil sales through **marketing science**

Maximize production volume of Oil E&P Business

Expand New fields to drive growth

Establish **green electricity supply chain** profit foundation

Mass produce Japan's first **locally-made SAF**

Expand Mobility Business in anticipation of shift to EVs

Increase specialty chemicals profit

Realize three-pronged capital policy

Proactively return profits to shareholders

Secure sound financial health from multiple perspectives

Achieve stable **capital efficiency**

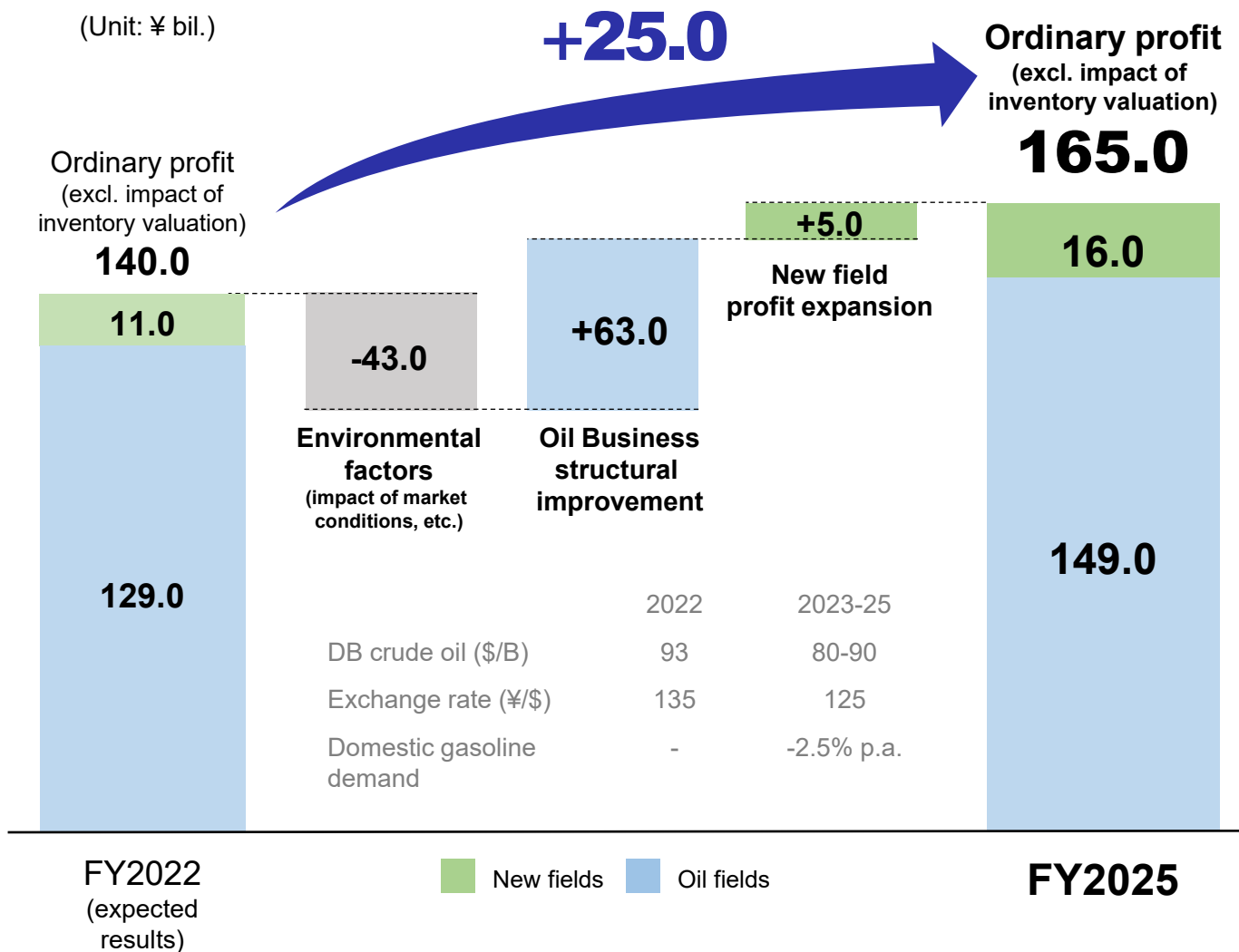
Transform management foundation

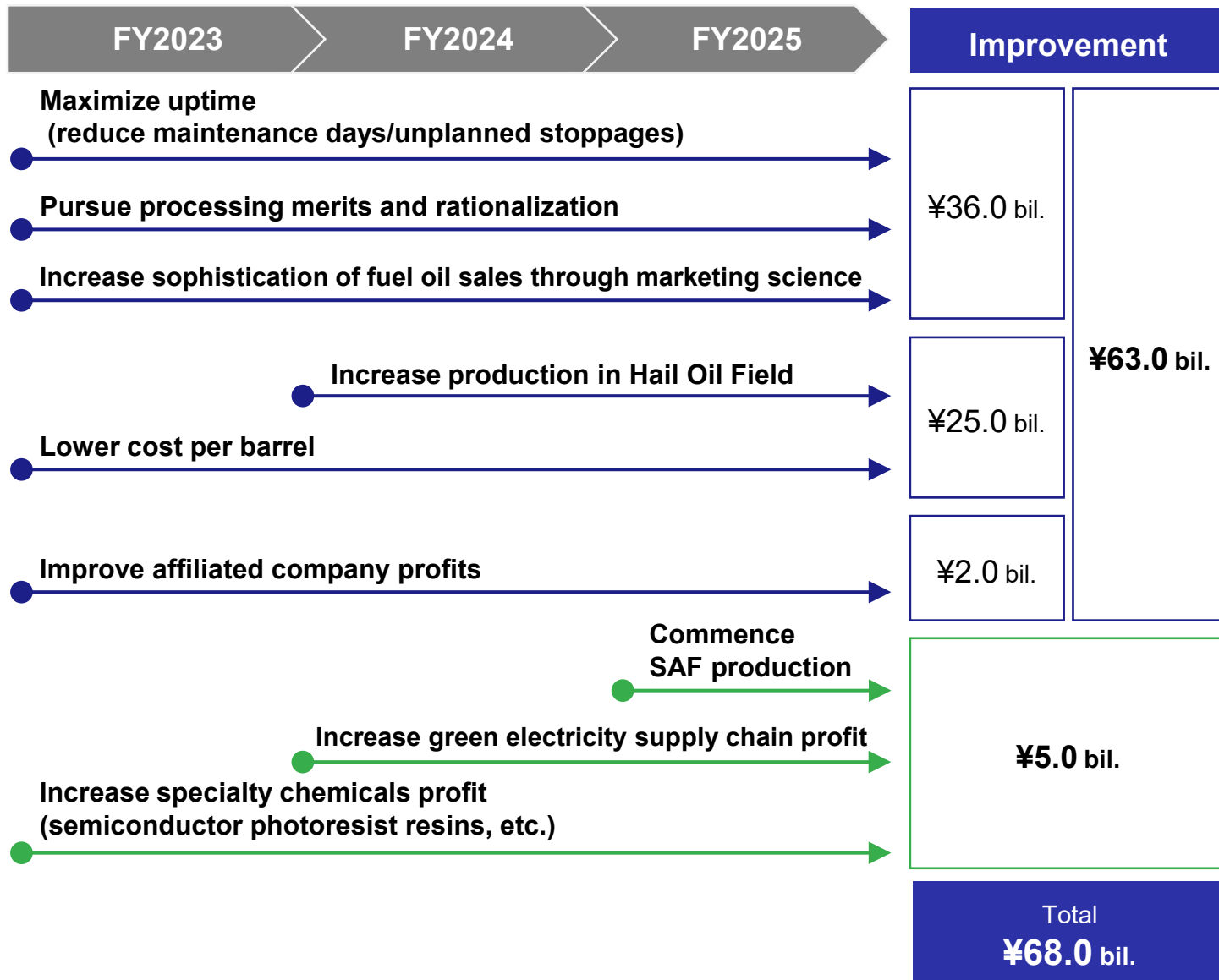
HRX : Pursue a people strategy that **motivates employees and harnesses their skills**

DX : **Transform business model** through digital capabilities and change management

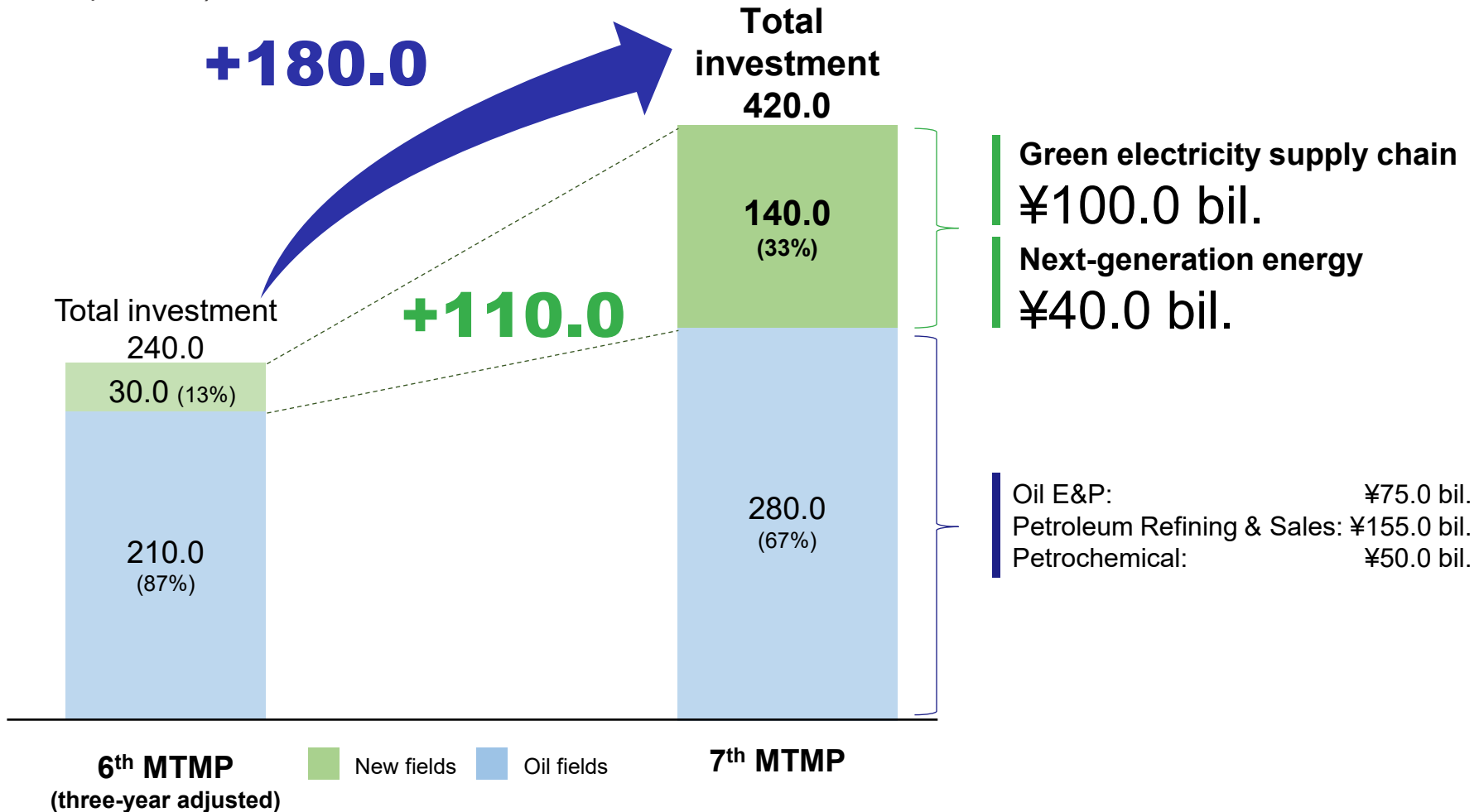
GX : Realize roadmap to achieve net zero carbon emissions

Secure ordinary profit of ¥165.0 billion, with a focus on structural improvements in Oil Business.

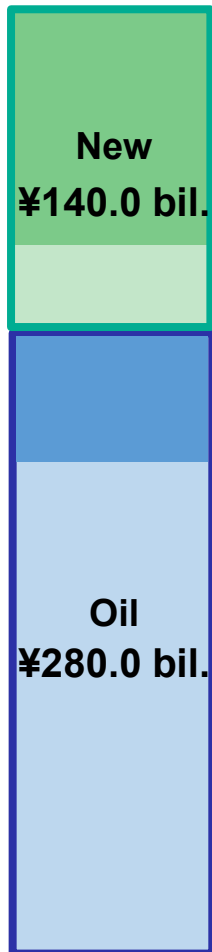




(Unit: ¥ bil.)



(Unit: ¥ bil.)



Incl. DX/system investment of ¥36.0 bil.
+¥20.0 bil. vs. 6th MTMP

Green electricity supply chain

¥100.0 bil.

+¥73.0 bil. vs. 6th MTMP

Wind power generation



Electric power adjustment & sales, etc.



Onshore ¥44.0 bil.
Offshore ¥39.0 bil.

Next-generation energy

¥40.0 bil.

+¥37.0 bil. vs. 6th MTMP

SAF



Next-generation energy, etc.



Oil Business (strategic investment)

¥64.0 bil.

+¥3.0 bil. vs. 6th MTMP

Oil E&P



Petroleum Refining & Sales



Petrochemical

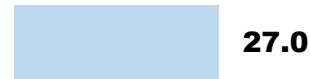


Oil Business (stable supply investment)

¥216.0 bil.

+¥67.0 bil. vs. 6th MTMP

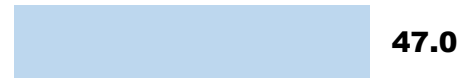
Oil E&P



Petroleum Refining & Sales



Petrochemical



Refinery safety operations, etc. ¥110.0 bil.
SS-related safety, etc. ¥10.0 bil.
Other ¥22.0 bil.

Policy

FY2023

FY2024

FY2025

KPI

HRX

Pursue a people strategy that motivates employees and harnesses their skills

- Introduce compensation system to boost motivation (increase wages)
- Bolster autonomous career development (expand/improve job challenge system)
- Increase investment in strengthening HR and employees' skill (double investment in HR development)
- Step up recruitment of women/mid-career hires (double proportion of female managers, achieve ratio of 50% mid-career hires)

Engagement index
≥ **60** point

HR dev. investment
¥**180,000** /person

DX

Transform business model through digital capabilities and change management

- Strengthen competitiveness of existing businesses/operations through DX
- Cultivate core digital personnel and hold DX Forum
- Upgrade data utilization infrastructure and strengthen data governance
- Leverage data analysis in development of New businesses
- Complete shift to paperless operations
- Increase operational efficiency leveraging IT/DX

Core digital personnel
900 people

GX

Realize roadmap to achieve net zero carbon emissions

- Realize roadmap for net zero carbon emissions

2030 GHG emissions reduction
≥ **30%**
(vs. 2013)

Pursue a people strategy that motivates employees and harnesses their skills

Motivation/Autonomy

Bolster autonomous career development opportunities

Expand/improve job challenge system

Introduce compensation system to boost motivation

Provide employee returns

(8% wage increase*¹)

Revision of the senior employee system (same treatment system as for permanent staff)

Thoroughly implement a results-oriented approach by reviewing valuation system

Expand flexible work styles to boost productivity

Limited work location system

WFH up to 5 days/week

Telework outside home up to 8 days/month

Flexible working hours with no core hours

Lead the company and employees to growth by integrating management and people strategies

Capabilities/Diversity

Strengthen managerial talent/specialist pool

Increase/develop managerial talent/specialists

Increase investment in upskilling of employees

Double investment in HR development

Pursue hiring of diverse talent (D&I)

Step up recruitment of women/ mid-career hires

(double proportion of female managers*²)

(achieve ratio of ≥50% mid-career hires*³)

Enhance talent portfolio

Visualize quality (skills) and quantity (manpower) of required talent by revamping personnel system, and ensure placement and training of right people in right role

Engagement index*⁴

≥**60** points

Educational investment per employee*⁵

¥180,000
(double current amount)

*¹ FY2023 average of union member (vs. FY2022)

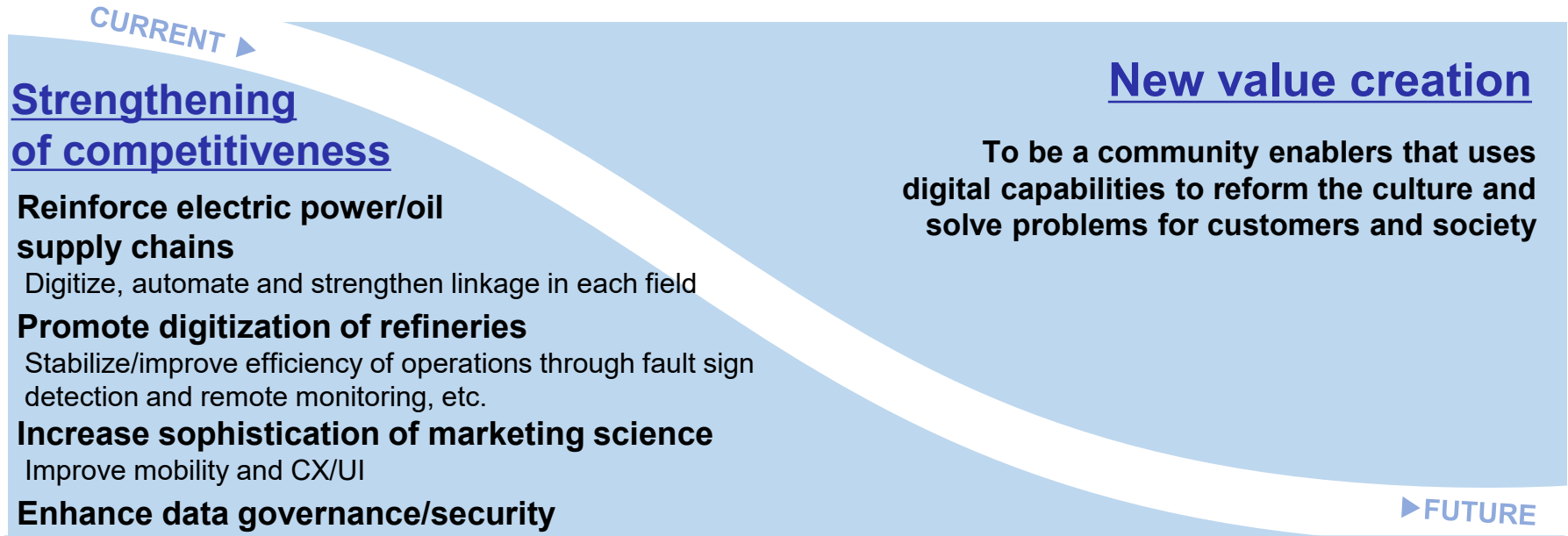
*² FY2025 target 10% (double vs. FY2022)

*³ Target from FY2023

*⁴ FY2025 target, calculated based on Employee Consciousness Survey

*⁵ FY2025 target

Transform business model through digital capabilities and change management



Establishment of DX promotion foundation and cultivation of digital talent

DX event participation
Total 20,000 people/year

DX Forum *1
24 times/year

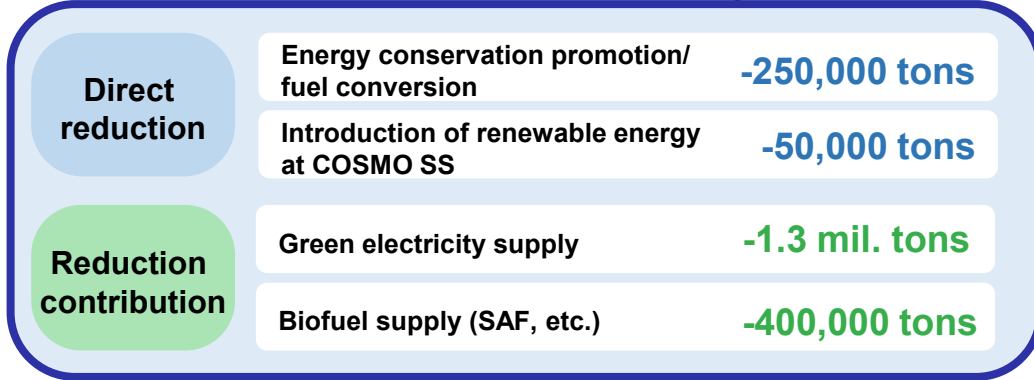
CDO CUP *2
60 projects/three years

IT/DX-driven operational efficiency improvement
10% (vs. 2022)

Development of 900 core digital personnel

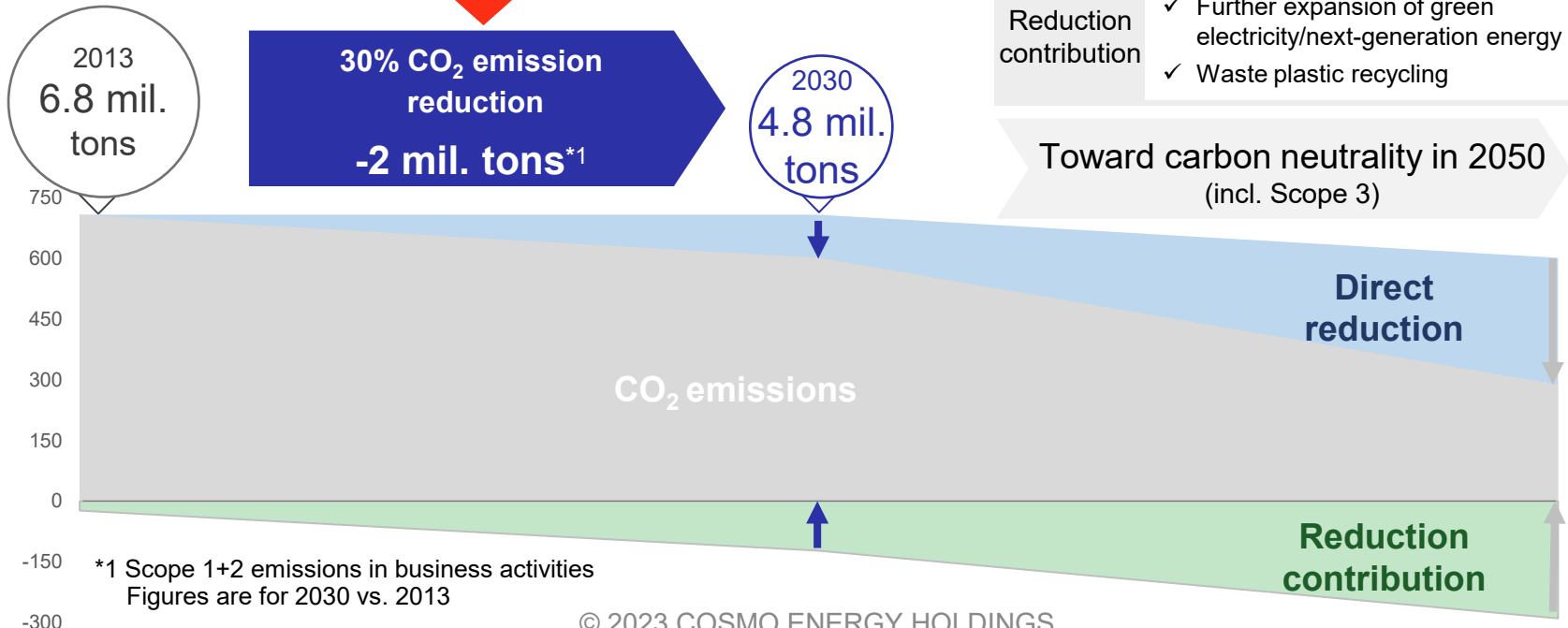
*1 DX Forum: Program to provide employees with information on the latest digital-related technologies and DX talent qualities, with the aim of improving their DX literacy
*2 CDO CUP: An in-house program to support the execution of DX projects selected from within the Cosmo Energy Group by a DX Taskforce, with the aim of accelerating DX

Through the initiatives set out in The Seventh Med-Term Mgmt. Plan and Vision 2030, we will reduce our CO₂ emissions by two million tons (30% reduction from 2013) by 2030. To contribute to achieving carbon neutrality for society as a whole, **we aim to achieve net zero carbon emissions including scope 3 in 2050.**



Initiatives to realize decarbonized society

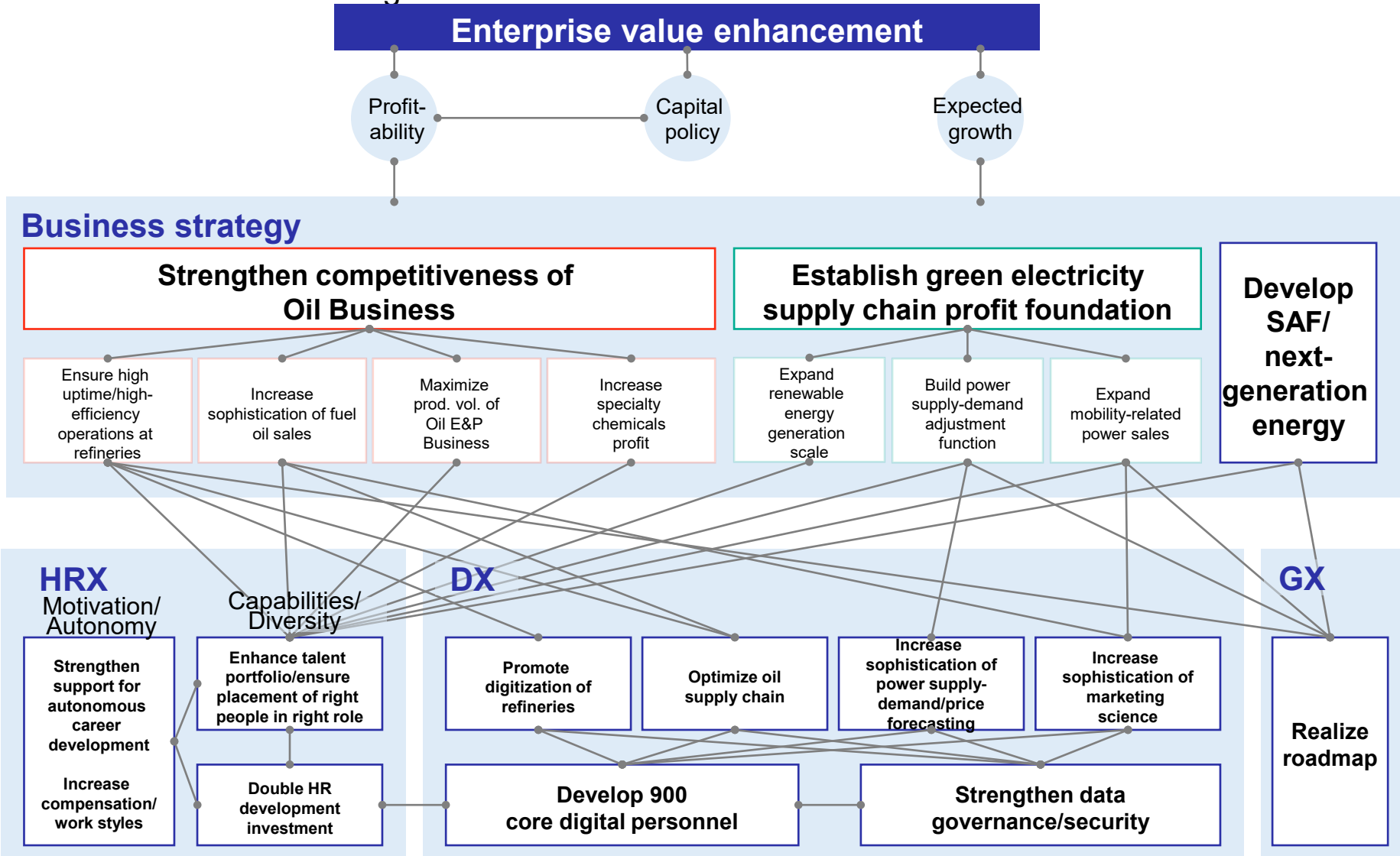
Direct reduction	<ul style="list-style-type: none"> ✓ Realization of CCS/CCUS by partnering with Abu Dhabi National Oil Company ✓ Fuel conversion to hydrogen, ammonia, etc.
Reduction contribution	<ul style="list-style-type: none"> ✓ Further expansion of green electricity/next-generation energy supply ✓ Waste plastic recycling



7th MTMP_Enterprise Value Enhancement Through Financial and Non-Financial Initiatives



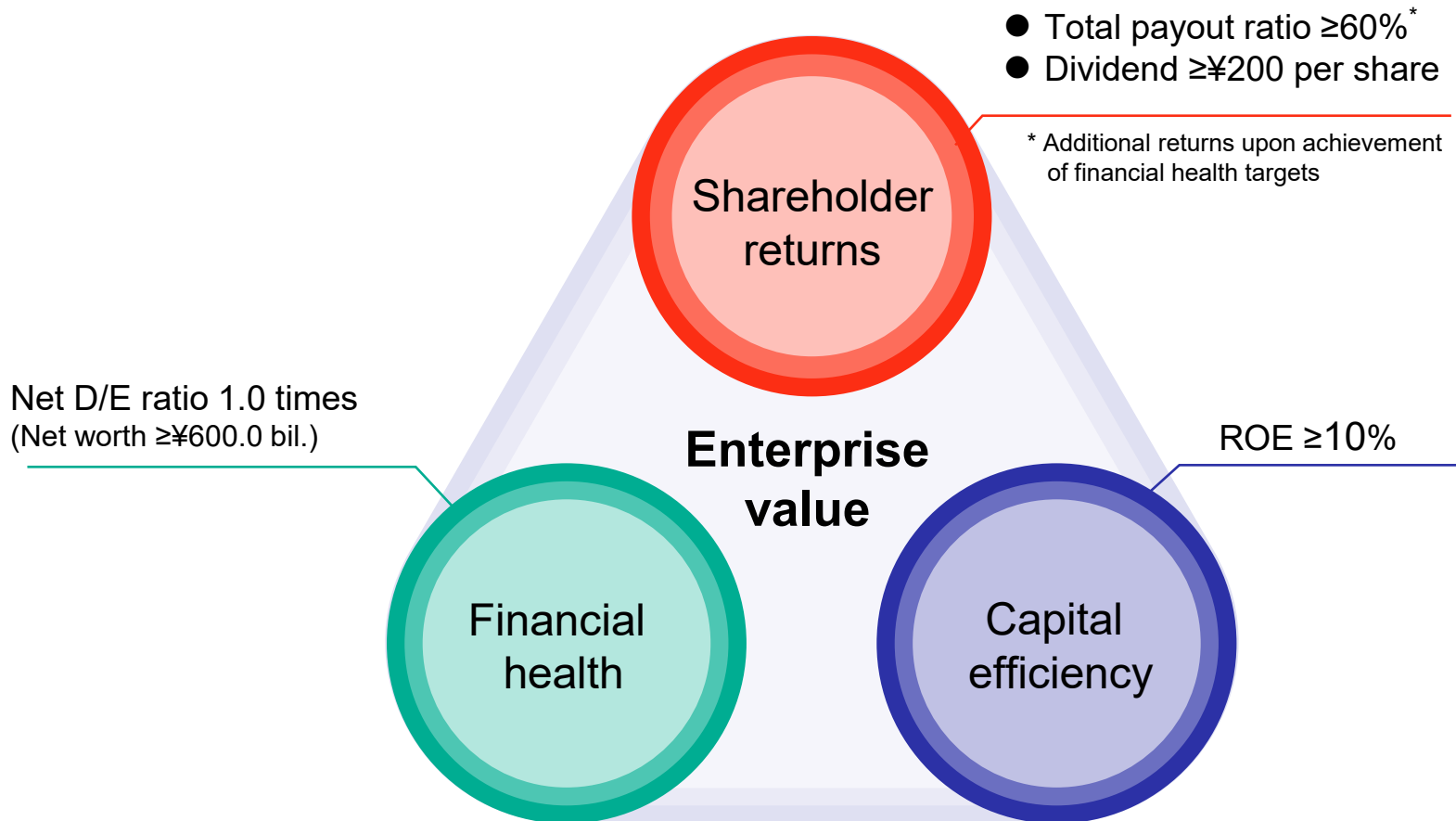
Enhance enterprise value by integrally implementing our business strategy and a transformation of management foundation.



Agenda



We aim to maximize enterprise value through a three-pronged approach that places equal emphasis on shareholder returns, financial health and capital efficiency.

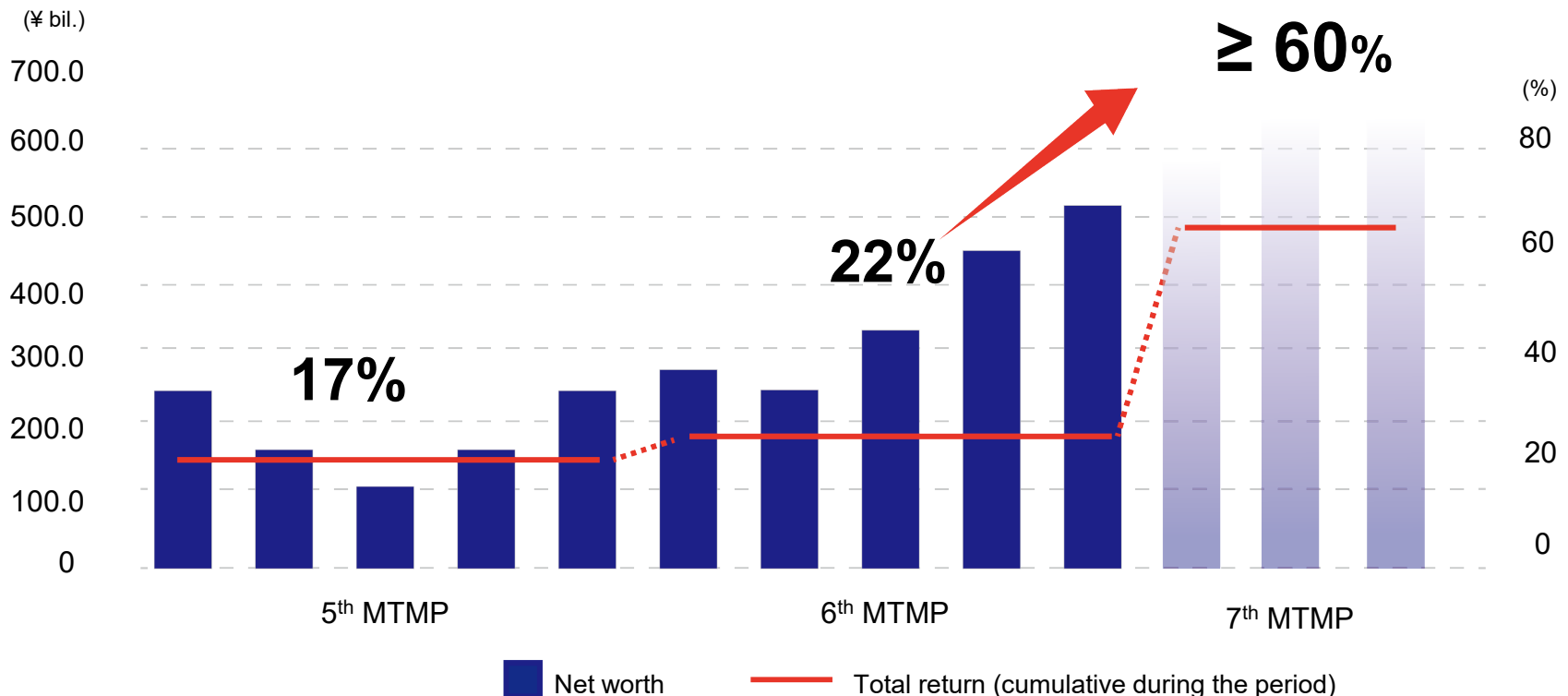


Return policy

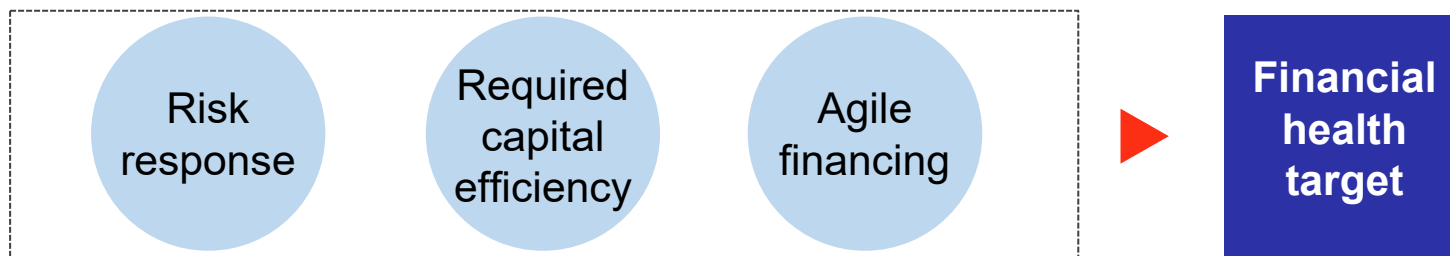
- Realize a cumulative three-year total payout ratio of at least 60%* of net profit excl. impact of inventory valuation
- Pay a stable minimum dividend of ¥200 per share

* In principle, provide additional returns if financial health targets are achieved

Timing of additional returns to be decided during the three-year period of the Med-Term Mgmt. Plan



- We carefully scrutinized our necessary net worth from multiple perspectives: risks associated with our assets in each segment, required capital efficiency, and agile financing.
- We set a target net debt-to-equity ratio of **1.0 times** based on the assumption that we can continue to maintain a balance between debt and net worth on par with current levels.
- Net worth calculated based on risks associated with assets in each segment* has been set at **¥600.0 bil. or more.** *Calculated based on assets as of end of FY2021

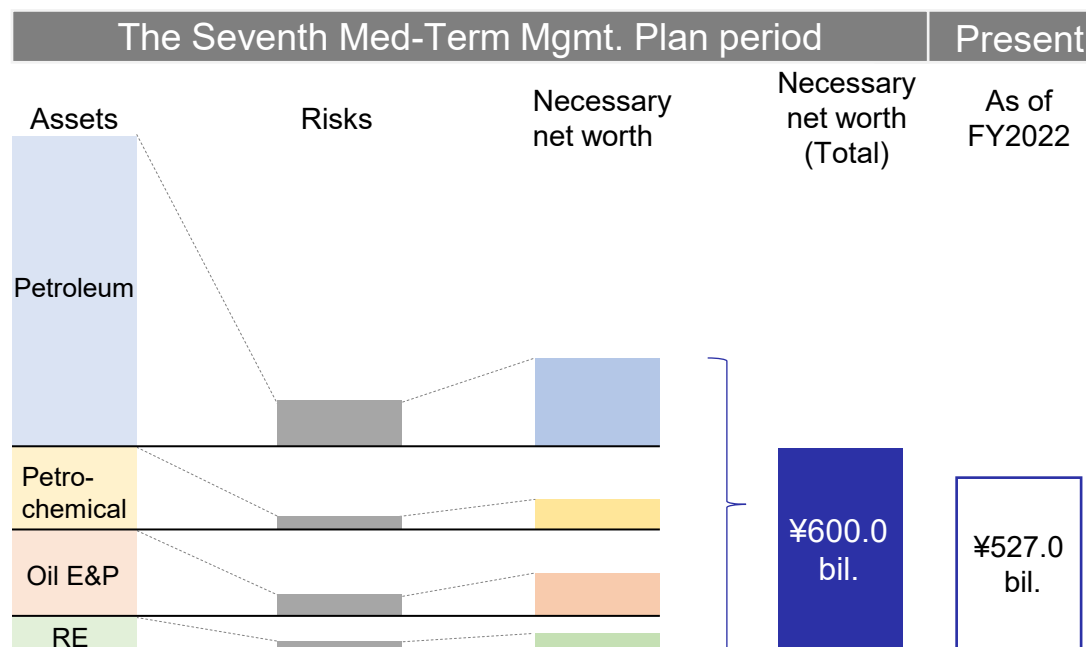


Method for risk-based calculation of necessary net worth

Selected comparable companies from Japan and abroad for each business segment as follows (total approx. 130 companies)

Petroleum	Approx. 40 co.
Petrochemical	Approx. 30 co.
Oil E&P	Approx. 30 co.
Renewable Energy	Approx. 30 co.

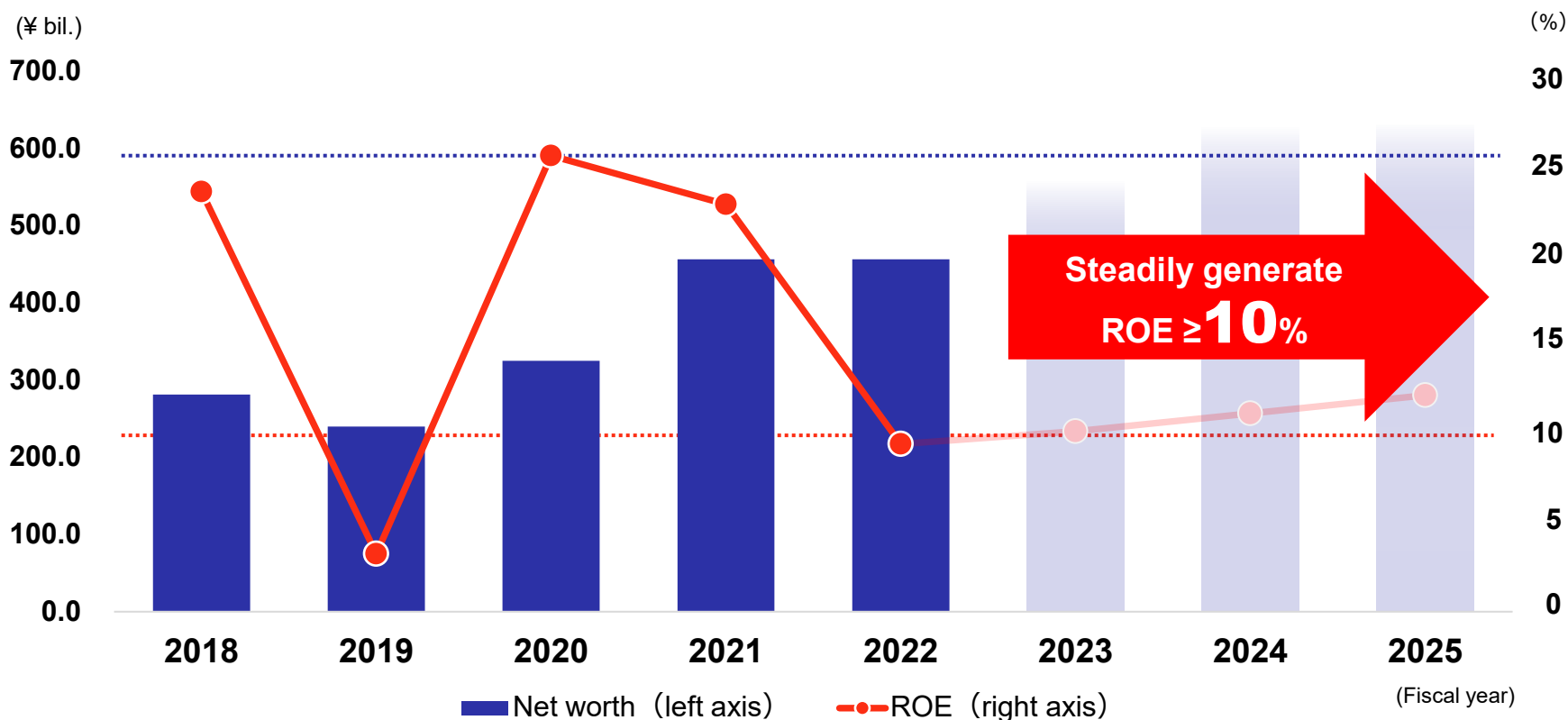
Analyzed performance of each company in previous fiscal years and calculated risks associated with assets and necessary capital to offset these risks



We project that net worth, which increased significantly under The Sixth Med-Term Mgmt. Plan, will improve further toward our target.

Meanwhile, we aim to steadily generate ROE of 10% or more.

【Trend in ROE and net worth】



*Based on net profit excl. impact of inventory valuation

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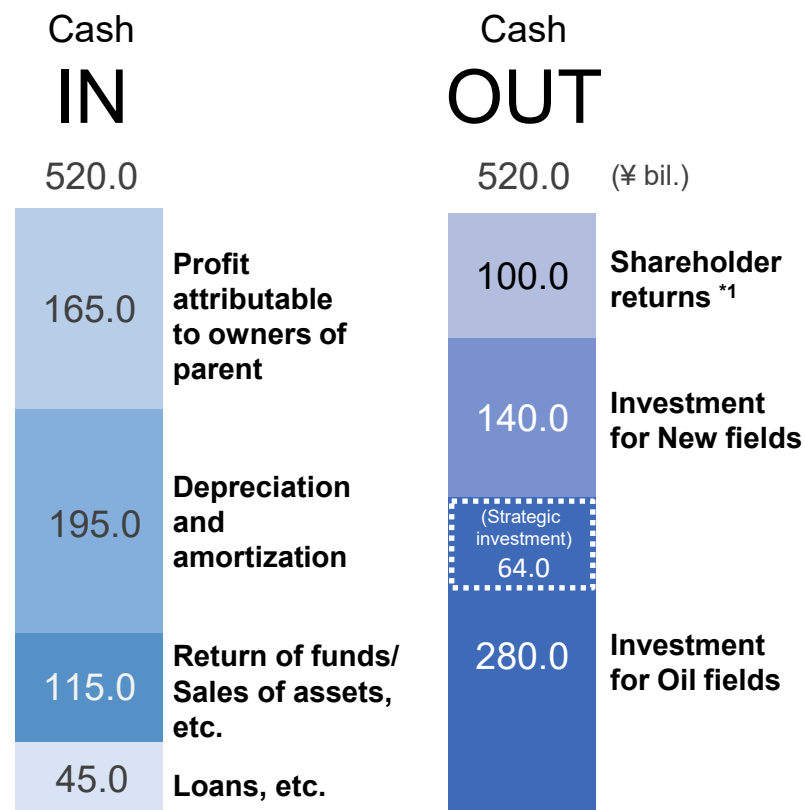
Basic Policies and Strategies

Capital Policy

Management Goals

The Seventh Med-Term Mgmt. Plan cumulative cash balance

Assumed financial indicators at end of FY2025



	Target at end of FY2025	Ref.) Expected results at end of FY2022
ROE	10%	14%
Net worth (Net worth ratio)	¥600.0 bil. (28%)	¥527.0 bil. (26.2%)
Net D/E ratio	1.0 times	1.05 times
Net interest-bearing debt	¥600.0 bil.	¥554.7 bil.

*1 Calculated based on a total payout ratio of approx. 60%

Shareholder returns

Total payout ratio
(excl. impact of
inventory valuation)

≥60%

(three-year cumulative)

Dividend

≥¥200 per share

Financial health

Net D/E ratio

1.0 times

(Net worth ≥¥600.0 bil.)

Capital efficiency

ROE

≥10%

ROIC

≥6%

Profitability

Ordinary profit
(excl. impact of
inventory valuation)

≥¥165.0 bil.

(Profit attributable
to owners of parent
≥¥60.0 bil.)

Future investment

Investment in
New fields

¥140.0 bil.

(three-year cumulative)

DX

Development of
core digital personnel

900 people

HRX

Engagement index

≥60 points

Human capital
investment

¥180,000

/person

GX

GHG emission
reduction
2030 vs 2013
(incl. Scope 1,2 and
reduction contribution)

-30%

Appendix

Present

The Seventh Med-Term Mgmt. Plan period

FY2022
Ordinary profit
¥44.0 bil.

FY2025
Ordinary profit
¥55.0 bil.

Petroleum Refining

- Realize high uptime/high-efficiency operations

Promote digitization of refineries

* Introduce VR into facilities and increase maintenance precision, etc.

Further improve operating rate by bolstering operational/maintenance capabilities

* Establish APM (Asset Performance Management) system, etc.

Shorten planned stoppages (OA improvement)

* Promote shift to routine maintenance (RM), etc.

Optimize to IT/DX-driven supply chain

* Increase sophistication of refinery production plan and automate fleeting plan, etc.

Operating rate
(CD basis)
91%
*Four-year
average
-2022

Operating rate
(CD basis)
94%
*Four-year
average
-2022

Petroleum Sales - Sophisticate fuel oil sales

Increase sophistication of fuel oil sales through marketing science

Establish SS maintenance/business category conversion model

* Leverage customer data from full-service and self-service SS and build remote business negotiations model

YoY sales of
four products
101.1%

**Efficient
digital-driven
sales**

Present

The Seventh Med-Term Mgmt. Plan period

FY2022
Ordinary profit
¥83.0 bil.

FY2025
Ordinary profit
¥90.0 bil.

Crude oil
production
volume
42kB/D

Strengthen profit structure

- Maximize Hail Oil Field production volume at an early stage
- Maximize production volume at three existing Abu Dhabi oil fields (Improve fluid handling capabilities at Mubarras Oil Field, etc.)
- Optimize operational costs (equivalent to approx. -10% per unit)

Crude oil
production
volume
45kB/D

Pursue existing exploration block development potential

- Undertake exploration and production in Abu Dhabi Offshore Block 4
- Undertake measures to prevent attenuation of production at three existing Abu Dhabi oil fields (Maintain future production volume, with a focus on the Mubarras Oil Field, and increase recovery rate)

Explore ways to achieve low carbonization

- Consider conducting CCS/CCUS proof-of-concept testing (partner with Abu Dhabi National Oil Company)

Present

The Seventh Med-Term Mgmt. Plan period

FY2022
Ordinary profit
¥4.0 bil.

FY2025
Ordinary profit
¥9.0 bil.

Olefin/
aromatics
¥-0.9 bil.

Olefin/
aromatics
¥2.5 bil.

Specialty
chemicals
¥4.9 bil.

Specialty
chemicals
¥6.5 bil.

Realize high uptime/high-efficiency operations

Obtain certification as Super Nintei Jigyosha (super accredited operator) (FY2024 planned)

Deepen cooperation between Petroleum Refining and Petrochemical businesses and strengthen competitiveness

*Optimize production plan through refining and petrochemicals and effectively utilize unused fractions

Maximize paraxylene production volume according to market environment

Continue to ensure safe and stable operations

Expand production of chemical products

Increase MEK production by converting unused fractions into feedstock

Boost production of eco-friendly products, such as those used in cosmetics, etc.

Increase production of semiconductor photo resist resins

Increase production of thick film resist resins

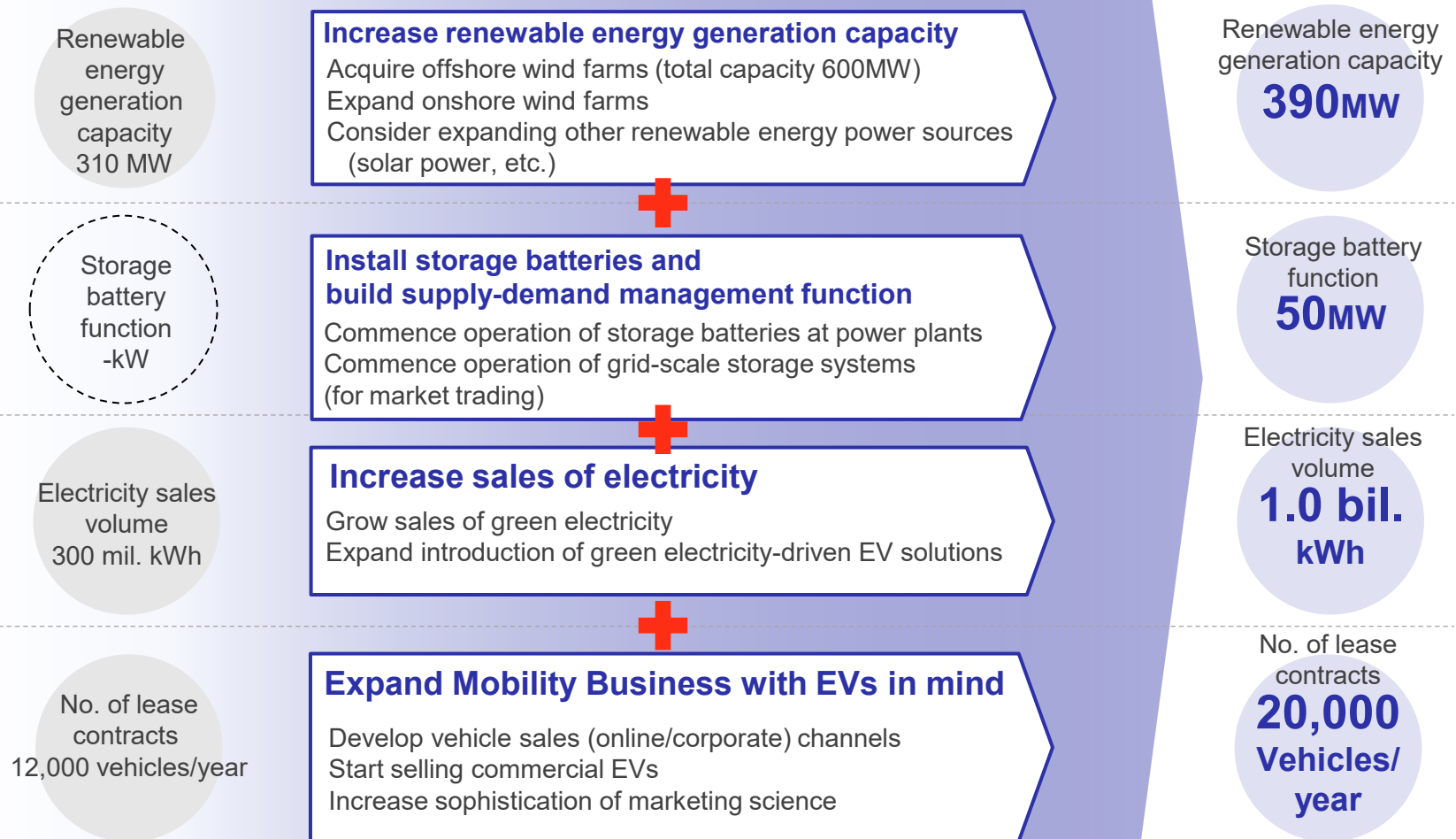
Boost production of ArF resist resins

Secure and develop personnel in line with facility expansion according to increase in demand

Present

The Seventh Med-Term Mgmt. Plan period

Construction of green electricity supply chain



The Seventh Med-Term Mgmt. Plan period

Mass produce Japan's first locally-made SAF

Produce SAF from waste cooking oil *1

Start construction of new manufacturing line by end of 2023

Start commercial operations in second half of FY2024 - early FY2025

*1 Established LLC "SAFFAIRE SKY ENERGY" with JGC Holdings and Revo International in Nov. 2022

FY2025
Ordinary profit
¥1.0 bil.

SAF supply
30,000 KL

Produce SAF using Alcohol to JET (ATJ) technology

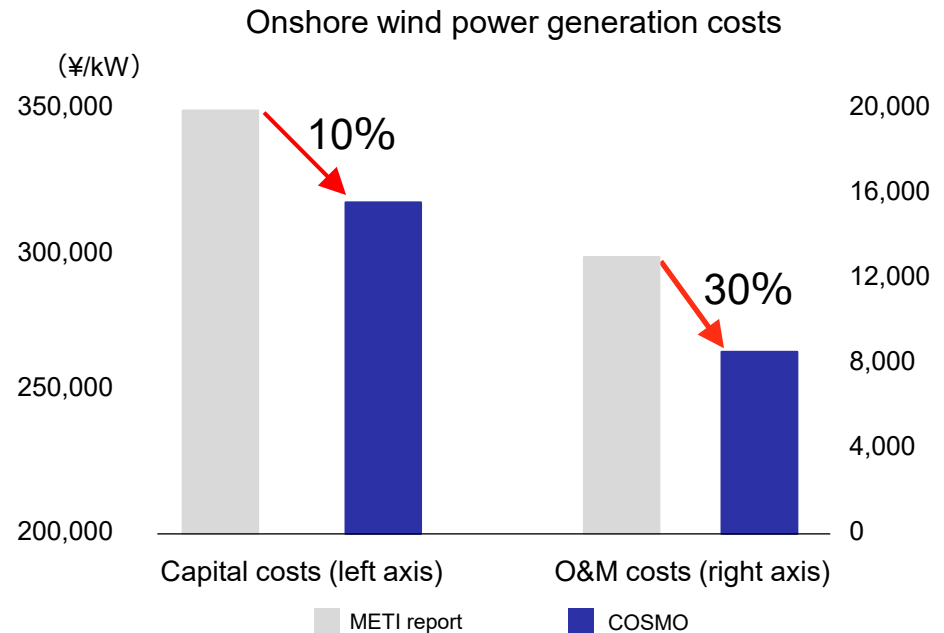
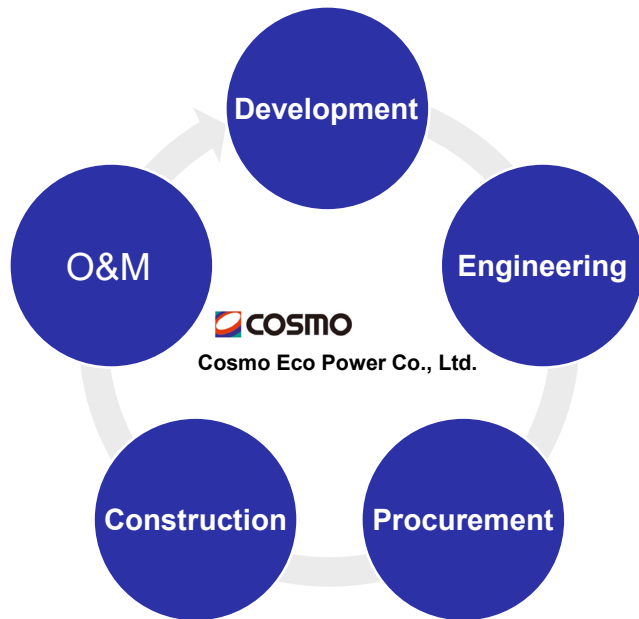
Completed FS during FY2022

After completing FID in FY2024, aim to start construction from FY2025 and commence commercial operations in FY2027

Select/develop next-generation energy, considering feasibility and business viability

- Establish hydrogen stations for FCV trucks (planned for FY2024)
- Investigate use of hydrogen production technology that immobilizes carbon from fractions generated at refineries
- Develop olefin production technology through direct decomposition of waste plastics
- Validate ammonia fuel conversion technology in naphtha cracking furnaces, etc.

- Specializing in wind power for over **20 years**, Cosmo Eco Power operates under an integrated system that encompasses development through operations and maintenance (O&M).
- Onshore wind power generation sites* are highly competitive, with an advantage of approx. **10%** over the capital costs **¥347,000/kW** published by the METI, and approx. **30%** over the **¥13,500/kW** operation and maintenance costs.
- IRR boasts high profitability of **approx. 10%**.
- We will leverage the high competitive footing established at onshore wind power generation sites to develop our offshore wind power capabilities.



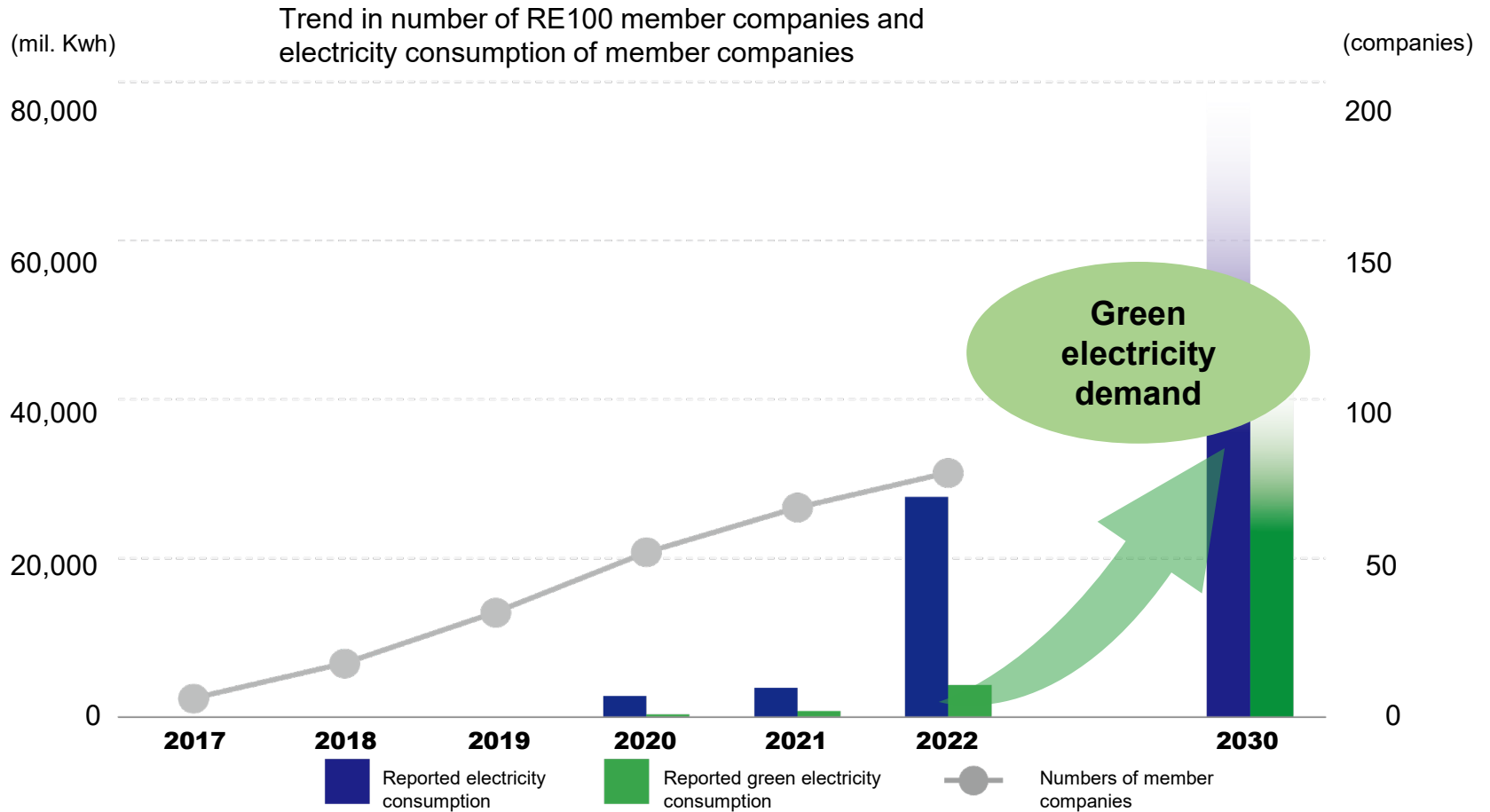
Development results during The Sixth Med-Term Mgmt. Plan*

Newly developed facility capacity
Approx. **150 MW**










IRR
Approx. **10 %**

* Kamiyuchi (Hokkaido)
Chuki (Wakayama)
Watarai Second Stage (Mie)
Himekami (Iwate)
Oita (Oita)
Goto-Hassakubana (Nagasaki)
(Includes some plans)

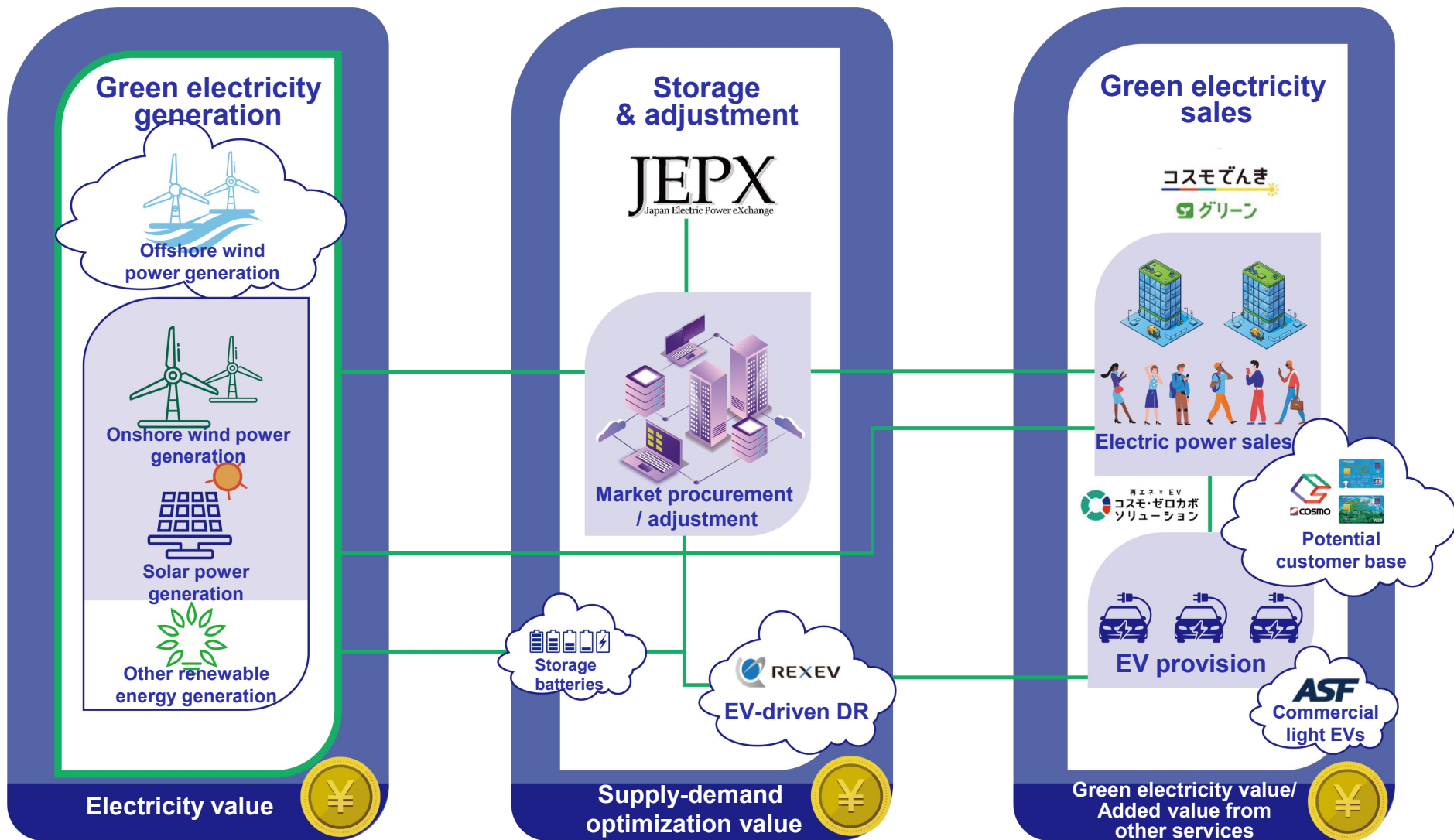
- While the number of firms who choose to join the international RE100 initiative is increasing every year, the ratio of green electricity consumed by member companies is significantly low.
- Demand for renewable electricity will increase further as the number of member companies is expected to increase further.



COSMO Initiatives and Customer Base in Green Electricity Supply Chain

Company/service name	Description	Results (as of Dec. 31, 2022)
 Cosmo Eco Power Cosmo Eco Power Co., Ltd.	Wind power generation business	No. of wind turbines: 189 Capacity: 302,000 kW Industry share: approx. 6 %
 Cosmo Zero Carbon Solution	Provides solutions centered on renewable energy and EV leasing and sharing, etc.	Cosmo Denki Business Green introduced at approx. 1,150 facilities
 Business alliance with REXEV	Aiming to acquire energy management functions through alliance with energy management developer and designer REXEV	—
 Capital alliance with ASF	Expanding car leasing and sharing lineup and strengthening renewable energy suppliers through partnership with ASF, which develops, manufactures and sells compact EVs	—
 Partnership agreement with e-Mobility Power	Establishing rapid EV charging infrastructure	Rapid charging equipment installed at 20 service stations
 Cosmo My Car Lease	Car lease business for individuals	Lease contracts signed for cumulative total of 104,541 vehicles
 Carlife Square app	Service app for individuals	5.65 mil. app DLs
 Cosmo The Card	Credit card business for individuals	3.97 mil. valid cardholders
 Cosmo The Card Eco	Credit card business for individuals to support environmental conservation activities	62,000 valid cardholders

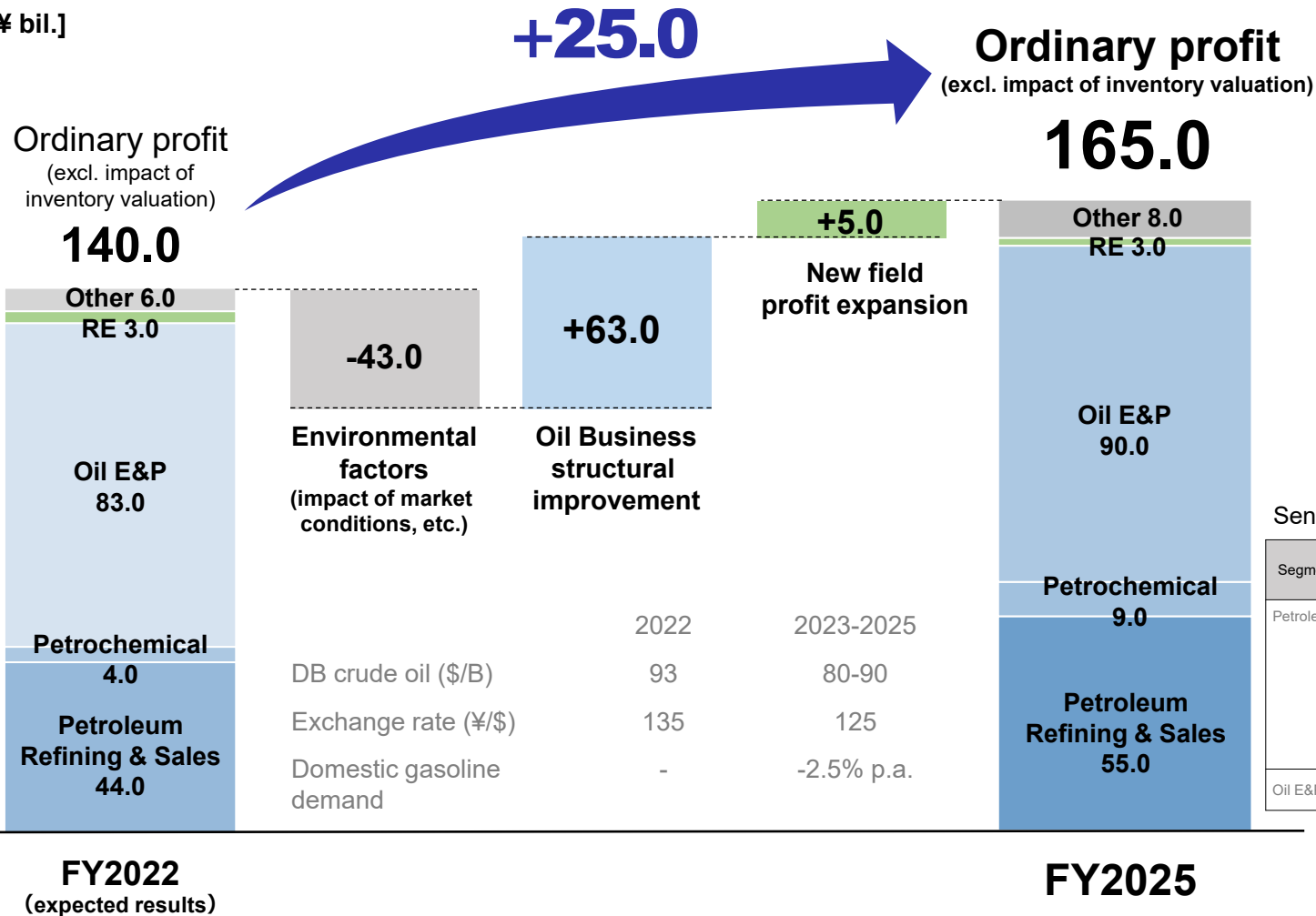
Green Electricity Supply Chain (Illustrative)



Existing functions/assets Specific initiatives under consideration/potential initiatives

Secure ordinary profit of ¥165.0 bil., with a focus on structural improvements in Oil Business.

[Unit: ¥ bil.]



Sensitivity (Unit: ¥bil.)

Segment	Item	DB crude oil	Exchange rate
Petroleum	Inventory impact	+2.5	+2.0
	Refinery fuel cost etc.	-0.5	-0.4
	Total	+2.0	+1.6
Oil E&P		+1.5	+1.0

Certain statements made and information contained herein constitute "forward-looking information" (within the meaning of applicable Japanese securities legislation). Such statements and information (together, "forward looking statements") relate to future events or the Company's future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to, statements with respect to estimates of reserves and or resources, future production levels, future capital expenditures and their allocation to exploration and development activities, future drilling and other exploration and development activities, ultimate recovery of reserves or resources and dates by which certain areas will be explored, developed or reach expected operating capacity, that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

All statements other than statements of historical fact may be forward-looking statements. Statements concerning proven and probable reserves and resource estimates may also be deemed to constitute forward-looking statements and reflect conclusions that are based on certain assumptions that the reserves and resources can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. The Company does not intend, and does not assume any obligation, to update these forward looking statements, except as required by applicable laws.

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in oil prices, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government or other regulatory approvals, actual performance of facilities, availability of financing on reasonable terms, availability of third party service providers, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements.