



June 18, 2026

To whom it may concern:

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(Code: 5021 Shares Traded: TSE Prime section)

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### **Announcement on the 8th Consolidated Medium-Term Management Plan (FY2026-2028)**

COSMO ENERGY HOLDINGS COMPANY, LIMITED (hereinafter referred to as the “Company”) hereby announces that our Board of Directors formulated our long-term vision, “Vision 2035,” and the 8th Consolidated Medium-Term Management Plan for the fiscal year 2026-2028 (hereinafter referred to as the “8th MTMP”). We are pleased to provide an overview of the plan below.

In 2023, under our medium- to long-term vision “Vision 2030,” the Cosmo Energy Group adopted the slogan “To create energy that shapes the future, energy that sustains society, and new forms of value,” and set out three pillars “Bolster the green electricity supply chain,” “Expand next-generation energy,” and “Strengthen competitiveness of our Oil Business and pursue low carbonization.”

Under the 7th MTMP (FY2023-2025), we implemented a range of measures aimed at the sustainable enhancement of enterprise value with a view to achieving “Vision 2030.” Ordinary profit and ROE, excluding the impact of inventory valuation, remained above target levels, and we achieved improvements in profitability and capital efficiency. Meanwhile, the business environment surrounding us has changed significantly over the past three years, and while maintaining the direction set out in “Vision 2030,” we have updated our long-term vision to “Vision 2035.” Under “Vision 2035,” we will enhance enterprise value by “Integrating oil and next-generation energy initiatives,” “Expanding resource development centered on oil exploration and production,” “Restructuring our power generation mix to ensure a stable electricity supply,” and “Taking on NeXT GROWTH area leveraging our technological capabilities.”

In the 8th MTMP, which covers the first three years of “Vision 2035,” we will adopt the slogan “Oil & New Go Beyond with Energy.” and work to maximize profitability in existing businesses centered on oil, strengthen investment in growth areas, and bolstering our management structure through productivity improvement and the thorough utilization of AI and digital technologies. In terms of capital policy, we will

continue the “three-pronged capital policy” set out in the 7th MTMP and maintain a balanced improvement in shareholder returns, financial health, and capital efficiency. Through these initiatives, we aim to achieve the sustainable enhancement of enterprise value and continue moving forward with “Go Beyond with Energy.”

## 1. Vision 2035

Compared with the time when the previous MTMP was formulated, the business environment has changed significantly, including cost increases due to inflation and rising interest rates, the acceleration of AI and digitalization, the transition to a decarbonized society is taking longer than expected, and increased electricity demand associated with the expansion of demand from data centers and semiconductors. In addition, while the importance of energy security had already been recognized, recent geopolitical situation in the Middle East has made it an even more challenge that must be addressed. Under “Vision 2035,” we aim for the sustainable enhancement of enterprise value based on the following directions.

### <Vision 2035 Direction>

- **Integrating oil and next-generation energy initiatives**
- **Expanding resource development centered on oil exploration and production**
- **Restructuring our power generation mix to ensure a stable electricity supply**
- **Taking on NeXT GROWTH areas leveraging our technological capabilities**

\* NeXT GROWTH: Collectively refers to businesses serving markets driving increased electricity demand (e.g., AI, semiconductors, and data centers) and that are expected to experience continued growth

### < Vision 2035 Management goals (FY2035)>

Ordinary profit	¥250.0 billion
Profit attributable to owners of parent	¥125.0 billion
ROE	15% or more
ROIC	8% or more

\* Excluding the impact of inventory valuation

## 2. The 8th MTMP

The 8th MTMP is positioned as the first three years toward the realization of “Vision 2035,” with four key policies: “Maximizing profitability,” “Pursuing growth opportunities,” “Improving productivity,” and “Three-pronged capital policy.” Through maximizing profitability in existing businesses centered on oil, strengthening investment in growth areas, reinforcing our management structure through productivity improvement and the utilization of AI and digital technologies, and enhancing shareholder returns, financial health, and capital efficiency, we aim to achieve ordinary profit of ¥190.0 billion and ROE of 12% or more.

### <Key Policies of the 8th MTMP >

#### · Maximizing profitability

- Maximize profitability by ensuring a stable supply through the pursuit of operational efficiency and safety in the petroleum refining and sales businesses, while expanding production at an early stage in our highly cost-competitive crude oil development projects in the UAE.

#### · Pursuing growth opportunities

- Deploy generated cash to strengthen investment in growth areas, including existing businesses, with cumulative growth investments of ¥290.0 billion over the three-year period.
- Allocate ¥30.0 billion of growth investments for strategic investment to proactively and agilely capture promising investment opportunities.

#### · Improving productivity

- Accelerate productivity improvements through proactive investment in and full utilization of AI and other digital technologies, workforce upskilling, and employee mindset and behavior shifts.
- Sustainably strengthen group profitability and value creation capabilities to build a competitive management foundation.

#### · Three-pronged capital policy

- Maintain the “three-pronged capital policy” set out in the 7th MTMP under the 8th MTMP.
- Continue a total payout ratio of 60% or more on a cumulative basis over the three-year period and dividends of at least ¥165 per share, maintain a net D/E ratio of 1.0 times, and raise the ROE target to 12% or more.

### < the 8th MTMP Management goals (FY2028) >

Ordinary profit	¥190.0 billion
Profit attributable to owners of parent	¥86.0 billion
ROE	12% or more
ROIC	7% or more

\* Excluding the impact of inventory valuation

Assumptions: Crude oil :75USD/B, Exchange Rate 155JPY/USD (FY2028)

End



# Oil & New

Go Beyond with Energy.

Since its establishment in 1986, the Cosmo Energy Group has developed a diverse business portfolio centered on oil exploration and development, refining, and sales. This year, we are proud to celebrate the 40th anniversary of our founding. This milestone would not have been possible without the continued support of our customers and all other stakeholders, for which we extend our heartfelt gratitude.

## Business environment

We have formulated "Vision 2035" and our 8<sup>th</sup> Consolidated Medium-Term Management Plan (hereinafter 8<sup>th</sup> MTMP), marking the start of the next phase of our growth. The business environment has changed significantly since the formulation of our previous MTMP. Key developments include rising interest rates and inflation-driven cost increases, a longer-than-anticipated transition period toward a decarbonized society, advances in AI, and growing electricity demand driven by data centers and increased semiconductor demand. In addition, while the importance of energy security has long been recognized, the recent geopolitical situation in the Middle East has made it an even more pressing "challenge that must be addressed."

## Commitment to maximizing enterprise value

"Vision 2035" and the 8<sup>th</sup> MTMP, formulated in response to this evolving environment, place the sustainable enhancement of the Group's enterprise value at their top priority. Building on Vision 2030, they have been updated with additional initiatives.

In the short term, we will bolster our cash generation capabilities by enhancing "efficiency and safety in our refining and sales businesses" and by "expanding production at an early stage in our highly cost-competitive crude oil development projects in the United Arab Emirates (UAE)" as a core strength of the Group. Furthermore, over the medium- to long-term, we will "expand and strengthen our efforts to develop power generation capacity" in anticipation of greater supply-demand imbalances in the electricity market, while also "expanding our presence in the semiconductor and electronic component materials and thermal management materials sector, which is expected to grow in line with rising electricity demand (We refer to these growth areas collectively as "**NOXT GROWTH**.")."

With respect to energy security, we will further strengthen our ongoing efforts to diversify crude oil procurement sources and will explore all available options to mitigate the risks associated with the Strait of Hormuz.

The 8<sup>th</sup> MTMP represents the first three years of our journey toward achieving "Vision 2035." Guided by four Key Policies—"maximizing profitability", "pursuing growth opportunities", "improving productivity", and "a three-pronged capital policy"—we will strive not only to enhance enterprise value from a financial perspective, but also to continue to earn the trust of society through the stable supply of energy, thereby driving long-term, sustainable growth in enterprise value.

# Executive Summary - Enhancing Enterprise Value, “Go Beyond with Energy.” -

## Recap of the 7<sup>th</sup> MTMP: Results and challenges

- Achieved target ordinary profit of **¥165.0 billion** and ROE of over **10%**
- Price to book-ratio (P/B ratio) exceeded **1.0 times**, reflecting enhanced enterprise value
- Strategically deferred certain investments due to deteriorating investment economics in renewable energy

## Changes in the business environment

- Energy security has become increasingly important
- The transition to a decarbonized society is taking longer than expected
- Advances in AI and digitalization have increased electricity consumption at data centers and other facilities, driving a return to growth in electricity demand

## Vision 2035

- Maintaining the direction of Vision 2030, while evolving our strategy in response to changes in the business environment
  - **Integrating** oil and next-generation energy initiatives
  - Expanding **resource development** centered on oil exploration and production
  - **Restructuring our power generation mix** to ensure a stable electricity supply
  - Taking on **NEXT GROWTH\*** area leveraging our technological capabilities
    - \***NEXT GROWTH**: Collectively refers to businesses serving markets driving increased electricity demand (e.g., AI, semiconductors, and data centers) and that are expected to experience continued growth.
- Achieving ordinary profit of **¥250.0 billion**, with ROE of **15%** or more

## The 8<sup>th</sup> MTMP

- Achieving ordinary profit of **¥190.0 billion**, with ROE of **12%** or more
- Maximizing profits in existing businesses while increasing investment in growth areas (including existing businesses)
- Bolstering our management structure through **productivity improvements** and comprehensive use of **AI** and **other digital technologies**
- Maintaining a total payout ratio of **60%** or more

# Executive Summary - Enhancing Enterprise Value, “Go Beyond with Energy.” -

## Vision 2035

### FY2035 Management goals

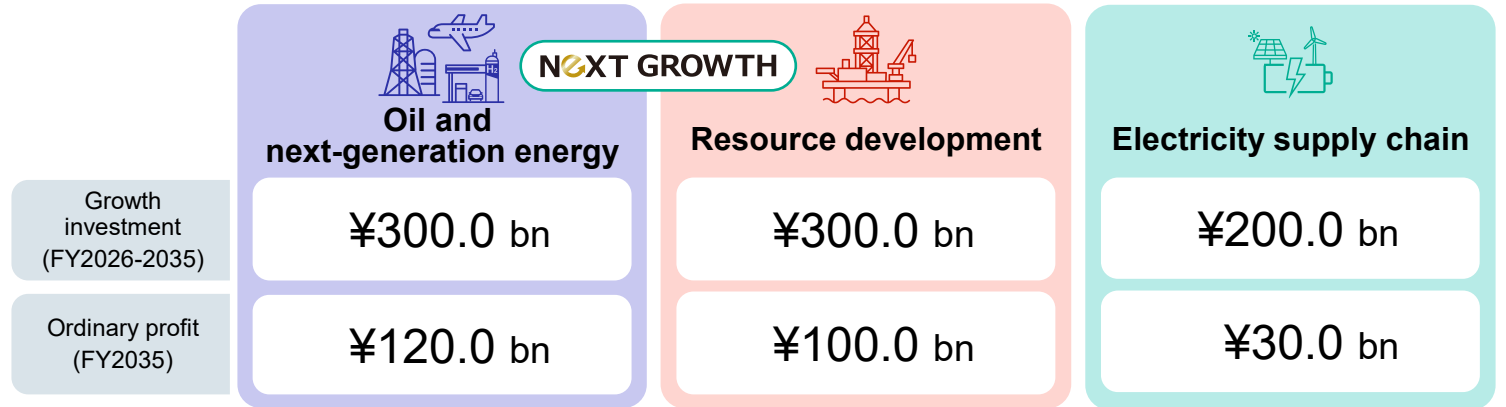
**Profit**  
(excl. the impact of inventory valuation)

Ordinary profit ¥250.0 bn  
Profit attributable to owners of parent ¥125.0 bn

#### Capital efficiency

ROE ≥15%  
ROIC ≥8%

### Future state



## The 8th MTMP

### FY2028 Management goals

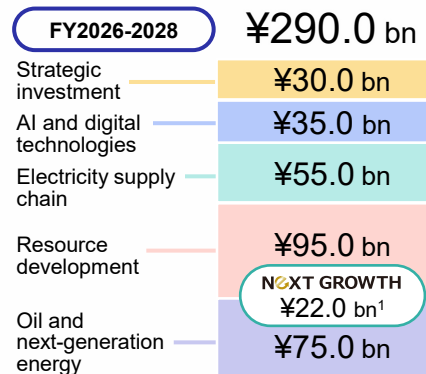
**Profit**  
(excl. the impact of inventory valuation)

Ordinary profit ¥190.0 bn  
Profit attributable to owners of parent ¥86.0 bn

#### Capital efficiency

ROE ≥12%  
ROIC ≥7%

### Growth investment allocation



### Productivity and Management foundation

Back-office area 50% improvement in efficiency

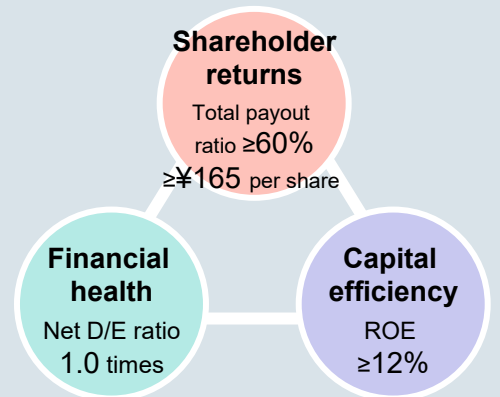
Business AI implementation department<sup>2</sup> 100%

Core talent in AI and digital technologies 1,300 person

Challenge index<sup>3</sup> 80 points

Engagement index<sup>4</sup> 70 points

### Capital policy



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## Recap of the 7<sup>th</sup> MTMP

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## The 8<sup>th</sup> MTMP

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## Recap of the 7<sup>th</sup> MTMP

2

## Vision 2035

- Vision 2035
- Growth Opportunities and Key Focus Areas
- Business Direction
- Future State

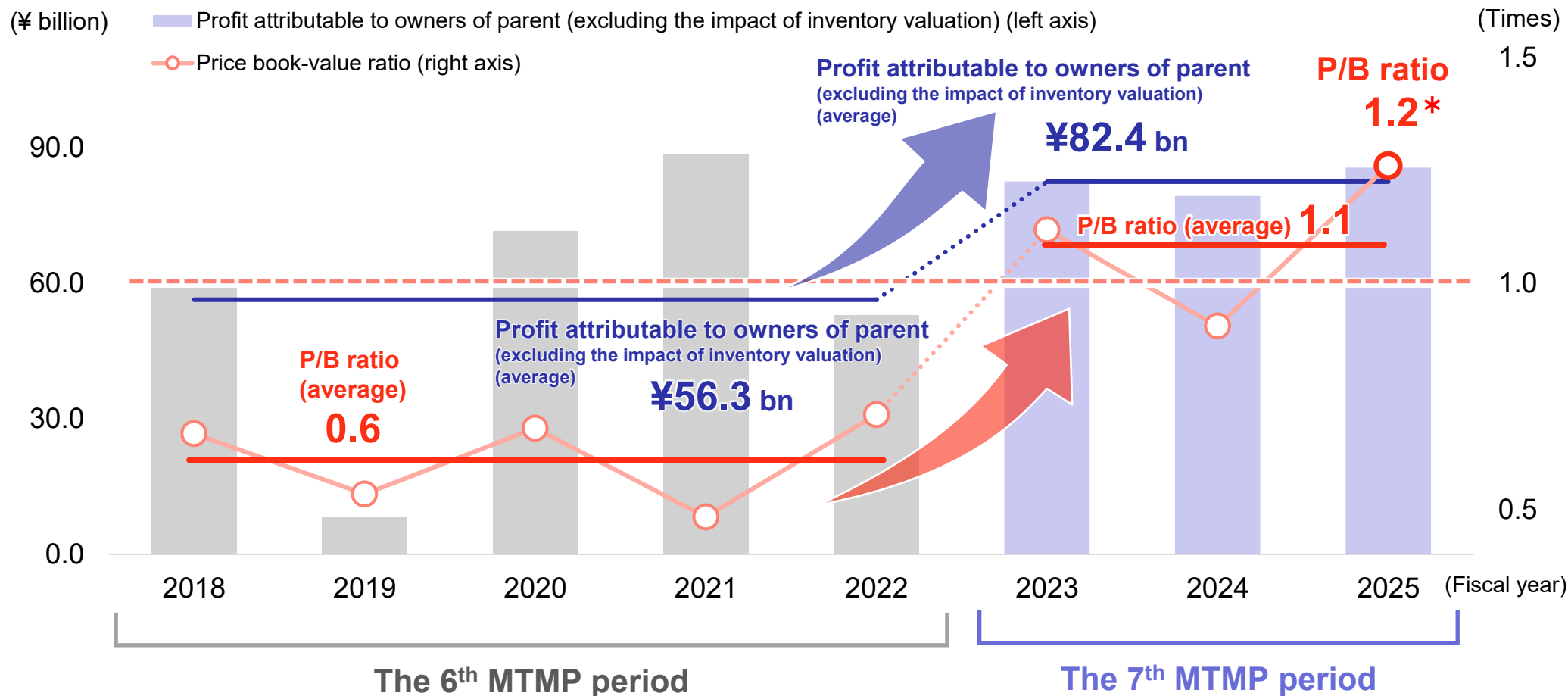
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## The 8<sup>th</sup> MTMP

- Key Policies
- Maximizing Profitability
- Pursuing Growth Opportunities
- Business Strategy
- Improving Productivity and Management Foundation
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# Recap of the 7<sup>th</sup> MTMP - Enterprise Value -

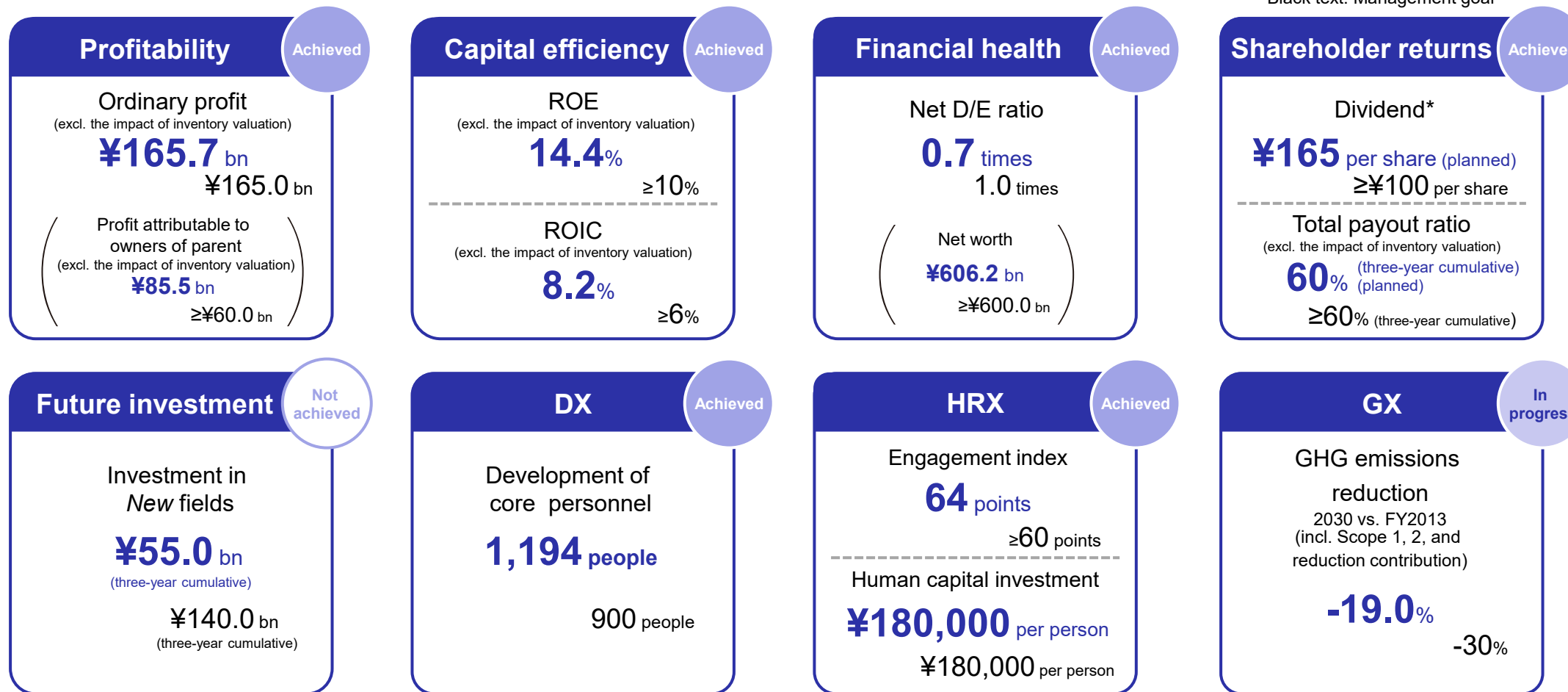
Enhanced enterprise value under “Oil & New ~Next Stage ~,” exceeding a **P/B ratio of 1.0 times**.



# Recap of the 7<sup>th</sup> MTMP - Management Goals -

Achieved most management goals in the 7th MTMP;  
strategically deferred certain investments due to changes in the business environment.

Blue text: FY2025 result  
Black text: Management goal



# Recap of the 7<sup>th</sup> MTMP - Securing Profitability -

## Initiatives



Ensure high uptime, high-efficiency operations at refineries

## Results

- Achieved high refinery utilization, well above the national average ..... Industry average<sup>1</sup> Cosmo<sup>1</sup> 77% → **91%**
- Promoted high-efficiency operations through **digitalization (Introduction of Data integration platform, APM system, and VR)<sup>2</sup>**



Increase sophistication of fuel oil sales through marketing science

- Expanded our customer base  
Number of COSMO official app downloads ..... FY2022 FY2025 5.95 mn → **12.16 mn**



Maximize production volume of Oil E&P Business

- Started increasing production at the Hail Oil Field** in December 2024  
Group production volume<sup>3</sup> ..... FY2022 FY2025 40kB/D → **43kB/D**



**Additional**  
Restructure basic chemicals business

- Decided to optimize ethylene production** at Maruzen Petrochemical (optimization timing: within FY2026)
- Dissolved and sold shares in para-xylene joint venture (South Korea)**

1. Calendar Day basis (2022-2025 four-year average)

2. Data integration platform: An environment where vast amounts of plant data are contextualized, enabling engineers to quickly access the information they need using generative AI.  
APM (Asset Performance Management) system: A system that incorporates the global standard for maintenance and equipment reliability work processes and improves comprehensiveness, predictability, and manageability  
VR (Virtual Reality): Utilize virtual reality cameras to build digital twins and streamline data collection and other processes.

3. Total for Abu Dhabi Oil and United Petroleum Development

# Recap of the 7<sup>th</sup> MTMP - Expanding New fields to Drive Growth -

## Initiatives



Establish green electricity supply chain profit foundation

## Results

- Expanded renewable energy generation capacity  
FY2022 Group generation capacity ..... **310MW** → **364MW** <sup>FY2025</sup>
- Undertook validation projects in the energy storage business
- Increased retail electricity sales volume  
FY2022 ..... **330 mn kWh** → **1.18 bn kWh<sup>1</sup>** <sup>FY2025</sup>



Mass produce Japan's first domestic SAF<sup>2</sup>

- Signed agreements with multiple airlines and **started supplying domestic SAF in April 2025**



Expand mobility business in anticipation of shift to EVs

- Increased the cumulative number of Cosmo My Car Lease contracts  
FY2022 108,000 vehicles → **144,000 vehicles** <sup>FY2025</sup>



Increase specialty chemicals profit

- **Expanded** photoresist polymer sales volume **by 30%**

# Recap of the 7<sup>th</sup> MTMP - Realizing a Three-Pronged Capital Policy -

## Initiatives



### Shareholder returns

Proactively return profits to shareholders



### Financial health

Secure sound financial health from multiple perspectives



### Capital efficiency

Achieve stable capital efficiency

## Results

- Ensured proactive shareholder returns through dividend increases and flexible share buyback

Raised dividend per share*	MTMP target		FY2025
	≥¥100 per share	→	<b>¥165 per share</b>
Total payout	MTMP target		Three-year cumulative
	¥100.0 bn	→	<b>¥147.2 bn</b>

- Secured financial health by generating solid earnings

Improved net D/E ratio	FY2022		FY2025
	1.1 times	→	<b>0.7 times</b>
Earned higher credit ratings (JCR, R&I)	FY2022		FY2025
	A -	→	<b>A</b>

- Improved capital efficiency by strengthening profitability

Increased ROE	FY2022		FY2025
	10.7%	→	<b>14.4%</b>
Increased ROIC	FY2022		FY2025
	6.1%	→	<b>8.2%</b>

# Recap of the 7<sup>th</sup> MTMP - Strengthening the Group Management Foundation -

## Initiatives



### HRX

Pursue a people strategy that motivates employees and harnesses their skills



### DX

Transform business model through capabilities and change management



### GX

Realize roadmap to achieve net zero carbon emissions

## Results

- Improved compensation to boost motivation  
 Three-year cumulative  
 Implemented wage increase<sup>1</sup> ..... **25%**
- Strengthened educational investment**  
 (management personnel, managers)

- Implemented DX activities to help transform our management foundation
- |                                                   |                            |                                |
|---------------------------------------------------|----------------------------|--------------------------------|
| DX-Hub <sup>2</sup> projects implementation ..... | MTMP target<br>60          | FY2025<br>→ <b>68</b>          |
| DX Forum events <sup>3</sup> .....                | MTMP target<br>24 per year | FY2025<br>→ <b>26 per year</b> |
- Named on *DX Stocks 2025* list**

- Reduced greenhouse gas emissions toward achieving net zero carbon emissions by 2050**  
 FY2025  
 GHG emissions reduction<sup>4</sup> ..... **-19%**
- Updated roadmap to reflect changes in the external environment

1. Union member average

2. An in-house program under which a dedicated DX task force supports the implementation of DX project ideas solicited from within the Cosmo Energy Group

3. A program to share information on the latest technologies and qualities required of talent

4. vs. FY2013 (incl. Scope 1, 2, and reduction contribution)

1

## Recap of the 7<sup>th</sup> MTMP

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## Vision 2035

- Vision 2035
- Growth Opportunities and Key Focus Areas
- Business Direction
- Future State

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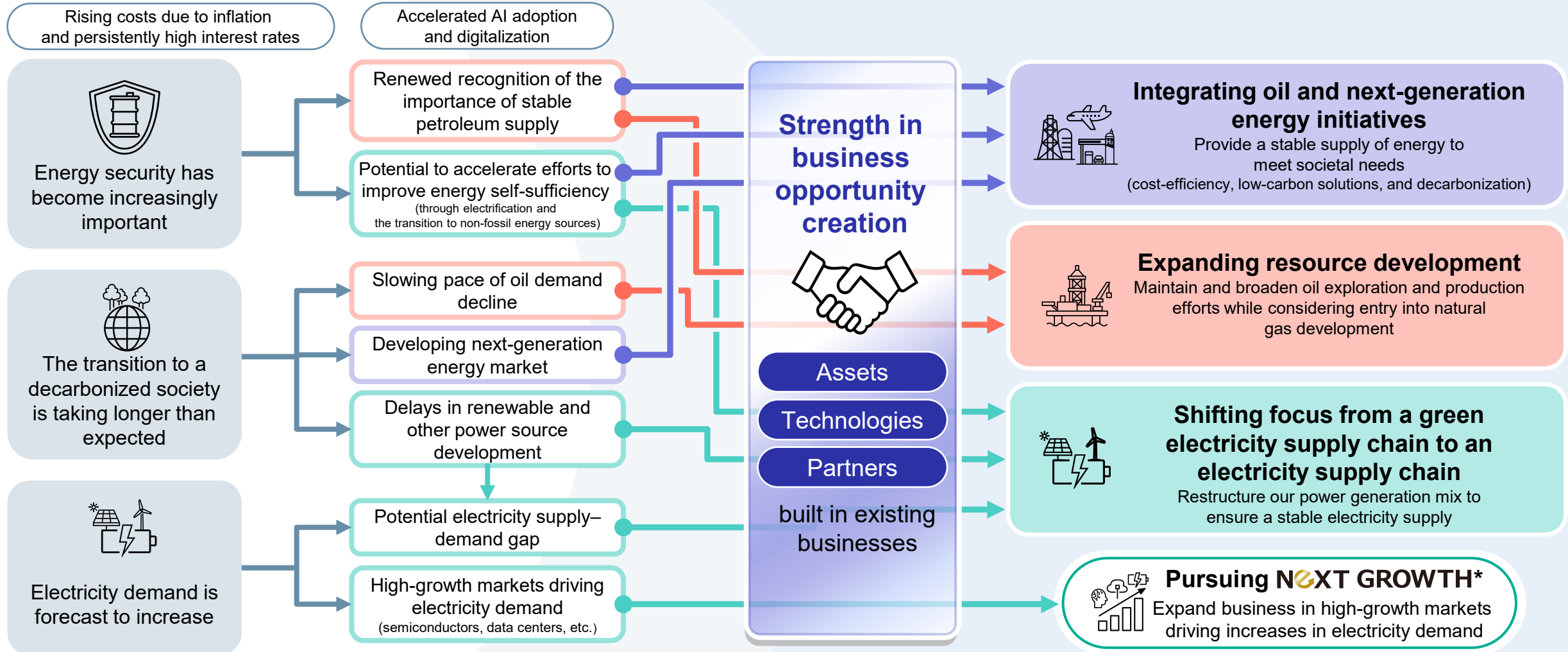
## The 8<sup>th</sup> MTMP

- Key Policies
- Maximizing Profitability
- Pursuing Growth Opportunities
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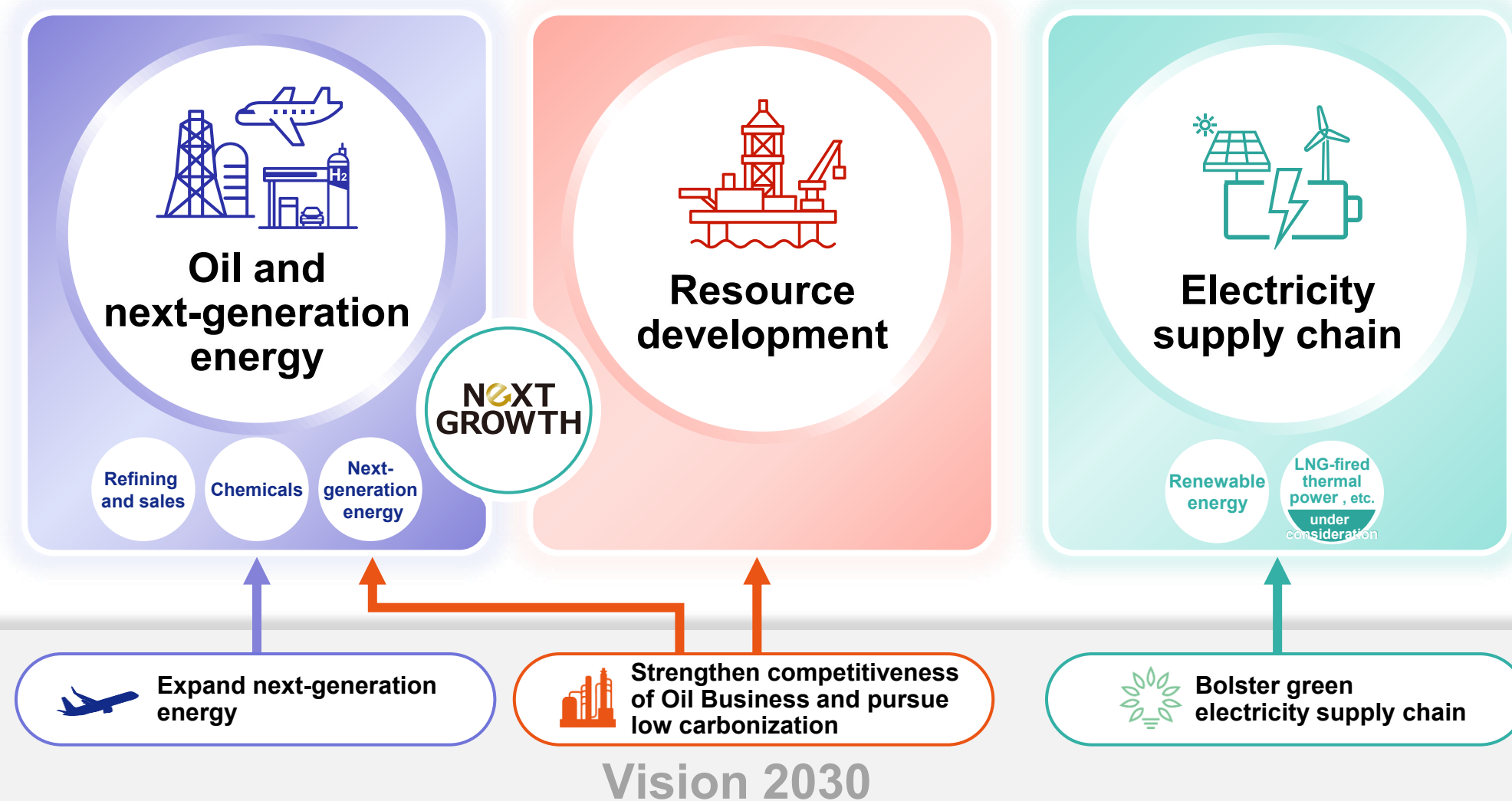
# Approach to Formulating Vision 2035

## External environment changes

## Vision 2035 direction



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



# Growth Opportunities and Key Focus Areas

## - Oil and Next-Generation Energy -

Vision 2035



Leveraging AI and other digital technologies to enhance efficiency and safety in the Oil Business while enhancing both operational excellence and supply stability

Utilizing the assets of a more competitive Oil Business to pursue next-generation energy, whose widespread adoption will take time

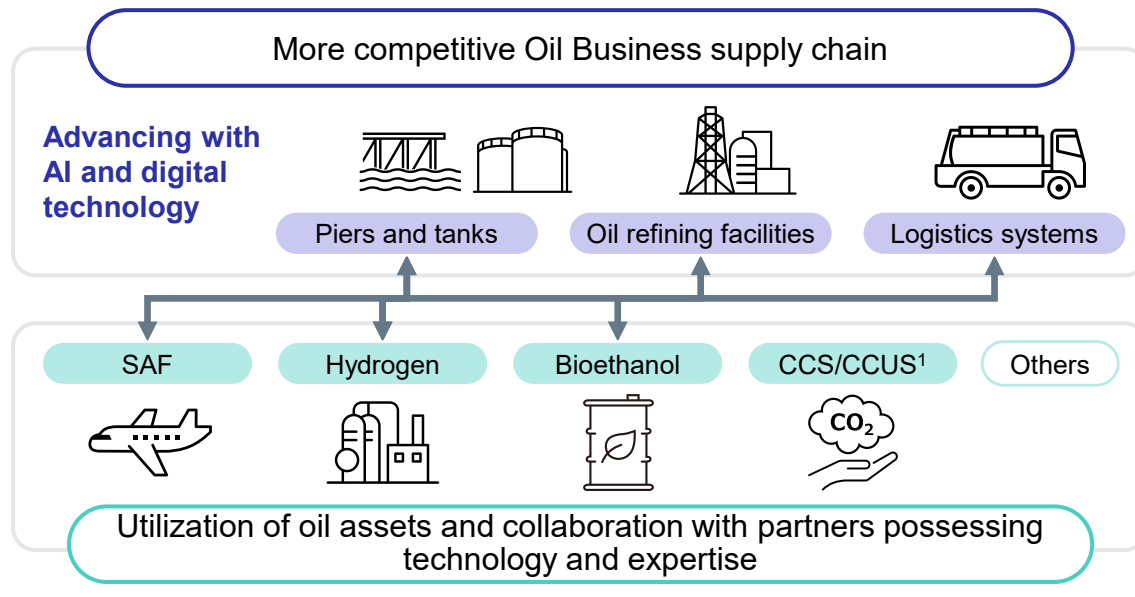
Environment changes

- Renewed recognition of the importance of stable petroleum supply
- Slowing pace of oil demand decline
- Developing next-generation energy market



Realization of stable supply, operational efficiency, and low-/zero-carbon solutions  
 ➔ Diversifying customer needs

### Improved efficiency and low-carbonization through integrated oil and next-generation energy initiatives



### Stable supply of optimal energy

- Petroleum products
- SAF-blended jet fuel
- Hydrogen
- Bio-blended gasoline (E10/E20<sup>2</sup>)
- Others

“Environmentally friendly fuels”  
 “Balancing low-carbonization and decarbonization with cost control”  
 “Phased transition in line with societal expectations” ...



# Growth Opportunities and Key Focus Areas

## - Electricity Supply Chain -

Vision 2035



**Expanding earnings opportunities** and **increasing the strategic value of power generation assets**

Restructuring our power generation mix by adding **competitive, stable electricity sources** that are both economically efficient and offer balancing capability

Shifting focus from a “green electricity” supply chain to **“electricity” supply chain**

Environment changes

- Electricity demand is forecast to increase
- Delays in renewable energy development and restarting of nuclear power plants
- Potential to accelerate efforts to improve energy self-sufficiency



**Concerns over future stable electricity supply**

### Electricity supply chain

Power generation capacity development

Improved economic efficiency

Operation of battery storage systems

Expansion

Electricity Sales

Expansion

Vision 2030



Onshore wind power



Offshore wind power



Solar power

Power generation mix centered around renewable energy



Vision 2035



Onshore wind power



Offshore wind power



Solar power

under consideration



LNG-fired thermal power, etc.

Shift to a power generation mix that includes stable power sources



Consider entry into LNG-fired thermal power and other power sources

Key points for optimizing power supply configuration

- **Refinery assets located in a waterfront industrial complex** (utilization of repurposable oil facilities and expertise)
- Collaboration with **synergy-creating partners**
- Energy sources that go beyond green electricity to include **cost-efficient, low-carbon, and decarbonized fuels**
- **Strengthening our capacity for adjustment** to ensure a stable supply



# Growth Opportunities and Key Focus Areas

## - NEXT GROWTH -

Vision 2035



Potential to expand earnings in high-growth markets by leveraging our technological capabilities

Expanding **NEXT GROWTH** area through **increased manufacturing capacity, broader product offerings, and enhanced development capabilities**

Businesses serving markets driving increased electricity demand and that are expected to experience continued growth are collectively referred to as **NEXT GROWTH**

Environment changes

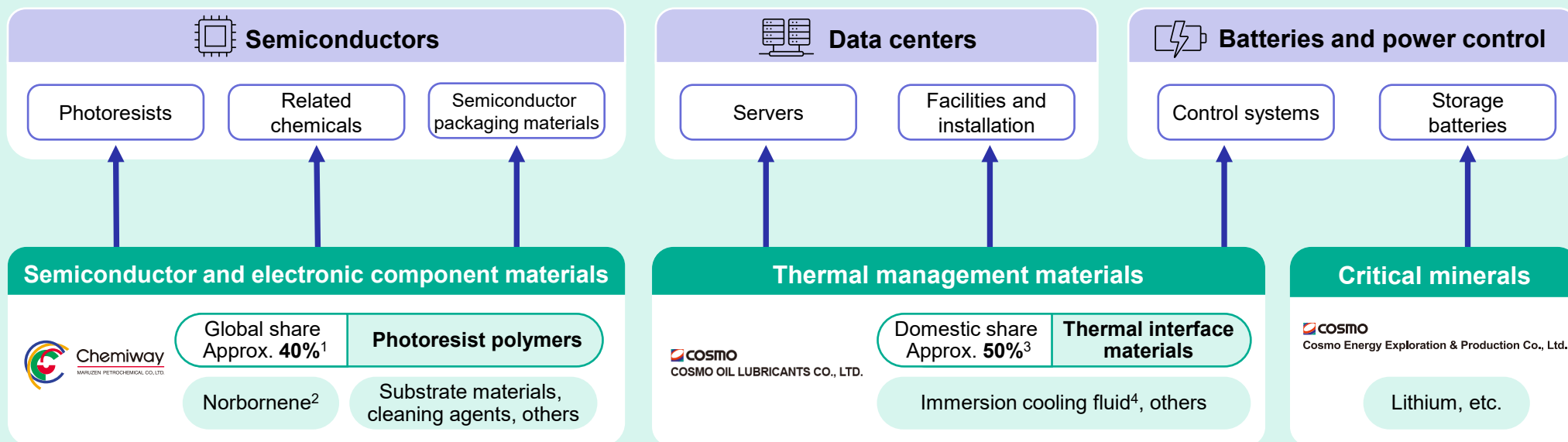
- Semiconductor, data center, and power control markets in which high growth driven by accelerated AI adoption and digitalization is expected
- Advanced and diversifying customer technology needs



High-growth, high-barrier-to-entry markets

High-growth markets

**NEXT GROWTH**



Consideration of future organizational and R&D structures, etc.

1. Share of advanced photoresist polymer market (figures are our estimates)  
 2. Petrochemicals used as pharmaceutical and agrochemical raw materials and insulation materials

3. Share of silicone-free grease market (figures are our estimates)  
 4. A dielectric coolant that directly absorbs heat from servers and other electronic devices through immersion

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## Recap of the 7<sup>th</sup> MTMP

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## Vision 2035

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## The 8<sup>th</sup> MTMP

- Key Policies
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## Oil and next-generation energy

**Growth investment**  
(FY2026-2035)

**¥300.0 bn**

**Ordinary profit**  
(FY2035)

**¥120.0 bn**

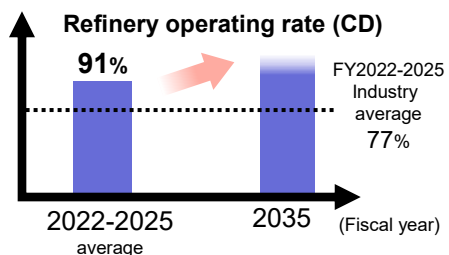
Integrated efforts

### Ensuring a stable supply of petroleum and petrochemical products while thoroughly strengthening competitiveness



Utilization of refinery facilities  
In-house use  
Low-carbonization

#### Enhancing refinery competitiveness and sales capabilities



- Strengthen fuel oil sales
- Strengthening digital marketing

#### Improving Petrochemical Business efficiency

- Optimize basic chemical facilities

#### Accelerating refinery digitalization



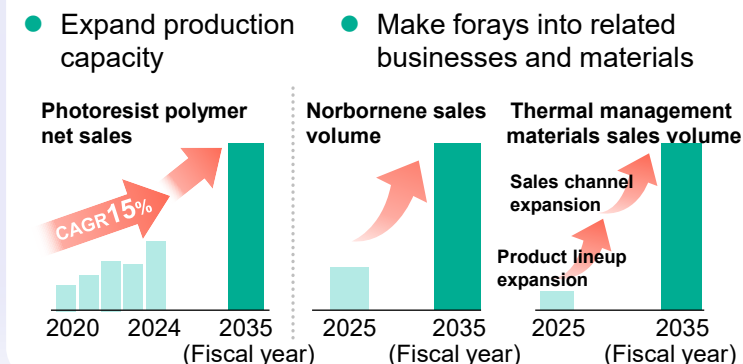
Information infrastructure development



Monitoring using robots and drones

#### NEXT GROWTH

#### Expanding business in growth markets



#### Expanding SAF supply

- Produce SAF from used cooking oil
- Produce SAF-ATJ<sup>1</sup>



#### Establishing hydrogen supply chains

- Consider hydrogen production
- Expand hydrogen stations



#### Considering CCS

- Sakai Refinery ,etc. Kansai Electric Power

#### Adapting to Bioethanol



### Taking on next-generation energy and low-carbonization

## Resource development

**Growth investment**  
(FY2026-2035)

**¥300.0 bn**

**Ordinary profit**  
(FY2035)

**¥100.0 bn**



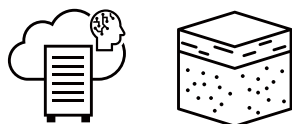
### Expanding competitive crude oil development and exploring entry into other resource businesses

#### Increasing crude oil production

- Maximize production volume in existing exploration blocks
- Commence production in new exploration blocks (Offshore Block 4)
- Advance business leveraging AI and other digital technologies
- Consider expanding into the natural gas development business

##### Exploration

AI-assisted geological surveys and analysis



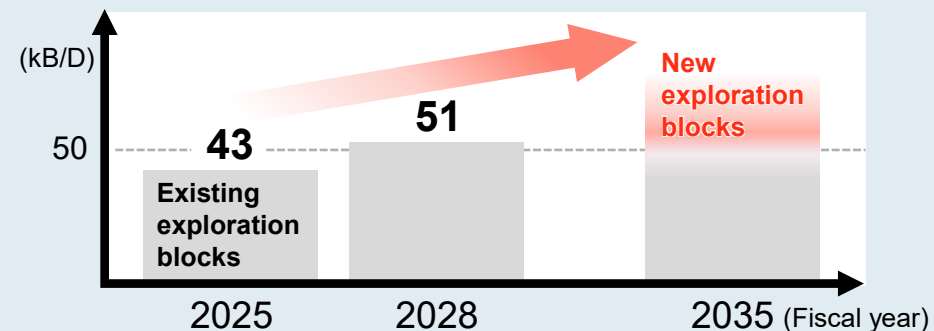
##### Drilling

Autonomous control and failure prediction



##### Production

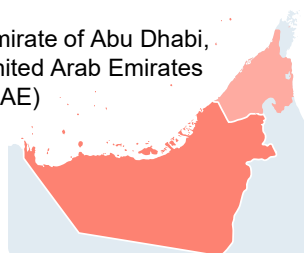
Production forecasting  
Remote monitoring using drones and robots  
Operational data management



- Consider expanding into natural gas development leveraging relationship with UAE



Emirate of Abu Dhabi, United Arab Emirates (UAE)



#### NEXT GROWTH Entering the resource development business

- Develop critical minerals such as lithium leveraging crude oil development technologies and expertise





## Electricity supply chain

**Growth investment**  
(FY2026-2035)

**¥200.0 bn**

**Ordinary profit**  
(FY2035)

**¥30.0 bn**



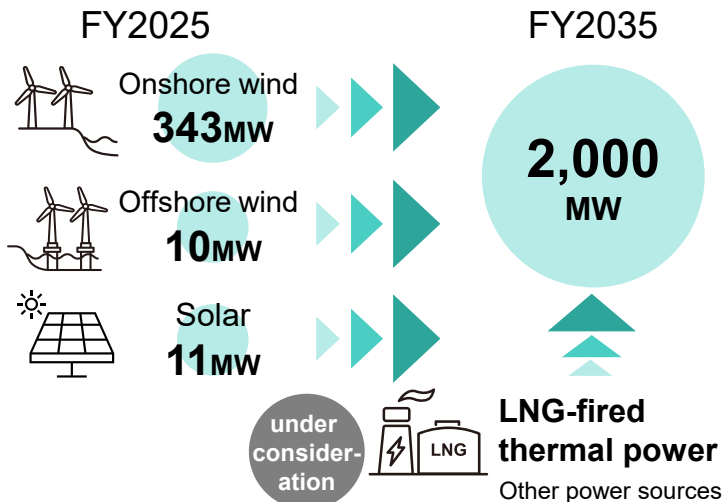
Expanding and optimizing our power generation mix to maximize value throughout the electricity supply chain

### Power source development

**2,000MW**

Optimize our power generation mix by combining stable electricity sources with renewable energy

#### Optimal power generation mix

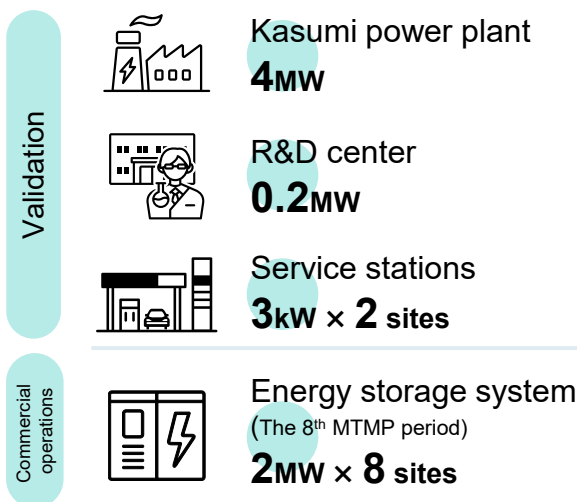


### Battery Storage and System Operations

**100MW**

Optimize supply and demand through storage batteries and system-based control

#### Know-how gained through battery storage demonstrations and other initiatives



### Electricity sales

**10.0 bn kWh**  
(self-generated and externally procured)

Engage in needs-based electricity sales through stable power sources, renewable energy, and supply-demand balancing

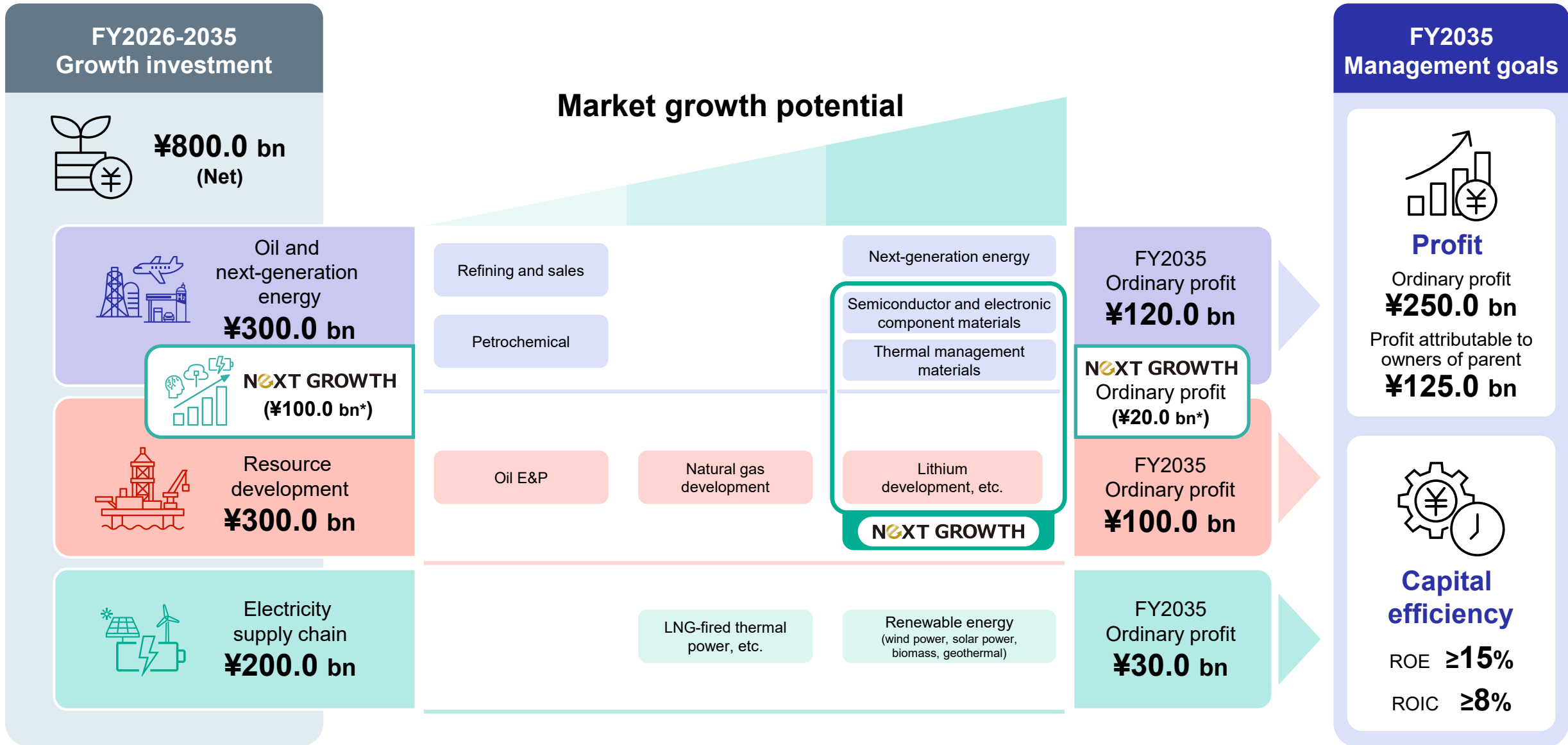
#### Diverse products and sales capabilities

- Sales network that includes dealers
- Expansion of corporate PPAs

**FY2025 sales**  
**2.3 bn kWh**

#### Product lineup





1

## Recap of the 7<sup>th</sup> MTMP

2

## Vision 2035

- Vision 2035
- Growth Opportunities and Key Focus Areas
- Business Direction
- Future State

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## The 8<sup>th</sup> MTMP

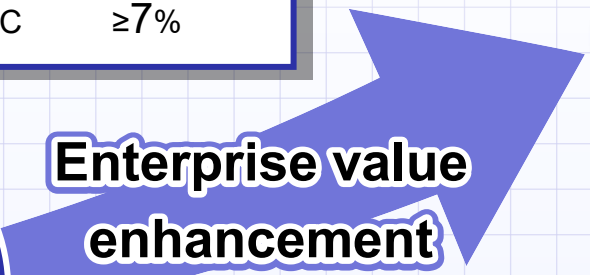
- Key Policies
- Maximizing Profitability
- Pursuing Growth Opportunities
- Business Strategy
- Improving Productivity and Management Foundation
- Three-Pronged Capital Policy
- Management Goals
- Value Creation Model



Building on the direction of the 7th MTMP, evolve our strategy to enhance enterprise value through the stable supply of energy and sustainable growth - realizing our vision of “Go Beyond With Energy.”

Profit (excl. the impact of inventory valuation)	
Ordinary profit	¥165.0 bn
Profit attributable to owners of parent	¥60.0 bn
Capital efficiency (excl. the impact of inventory valuation)	
ROE	10%
ROIC	6%

Profit (excl. the impact of inventory valuation)		Capital efficiency (excl. the impact of inventory valuation)	
Ordinary profit	¥190.0 bn	ROE	≥12%
Profit attributable to owners of parent	¥86.0 bn	ROIC	≥7%



## Key Policies of the 8<sup>th</sup> MTMP

Maximizing profitability

Pursuing growth opportunities

Improving productivity

Three-pronged capital policy



Maximizing profitability



Pursuing growth opportunities



Improving productivity



Three-pronged capital policy

Strengthen business operations, our management foundation, and capital policy in an integrated manner to sustainably enhance enterprise value;  
Bolster our financial and operational strength through productivity improvements and the comprehensive use of AI and other digital technologies.



### Maximizing profitability

- Maximize profitability by ensuring a stable supply through the pursuit of operational efficiency and safety in the petroleum refining and sales businesses, while expanding production at an early stage in our highly cost-competitive crude oil development projects in the UAE.



### Pursuing growth opportunities

- Deploy generated cash to strengthen investment in growth areas, including existing businesses.
- Allocate funds for strategic investment to proactively and agilely capture promising investment opportunities.



### Improving productivity

- Accelerate productivity improvements through proactive investment in and full utilization of AI and other digital technologies, workforce upskilling, and employee mindset and behavior shifts.
- Sustainably strengthen Group profitability and value creation capabilities to build a competitive management foundation.



### Three-pronged capital policy

- Maintain the “three-pronged capital policy” set out in the 7<sup>th</sup> MTMP under the 8<sup>th</sup> MTMP.
- Enhance enterprise value by striking a balance between shareholder returns, financial health, and capital efficiency.

# Maximizing Profitability - Profit Plan -

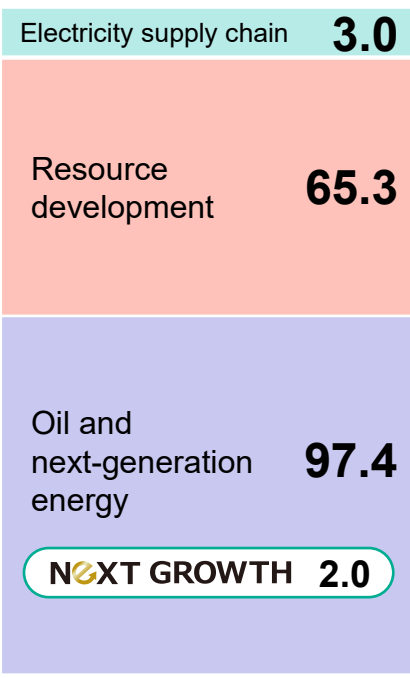
The 8<sup>th</sup> MTMP



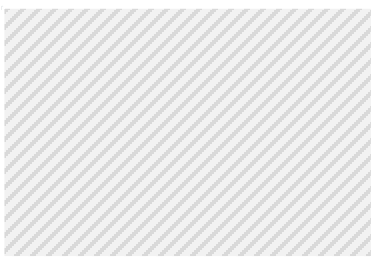
FY2025	Crude oil	72	USD/B
	Exchange rate	151	JPY/USD

FY2028	Crude oil	75	USD/B
	Exchange rate	155	JPY/USD

Ordinary profit  
(excl. the impact of inventory valuation)  
**¥165.7 bn**

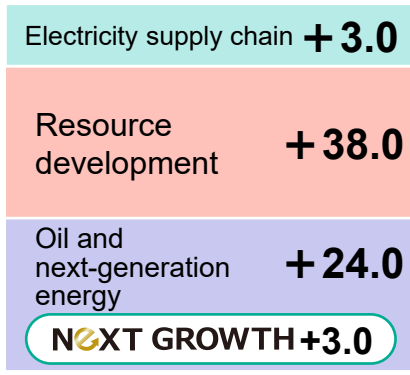


Environmental factors  
Approx. **¥ -40.0 bn**



- Cost increases due to inflation
- Declining fuel oil demand

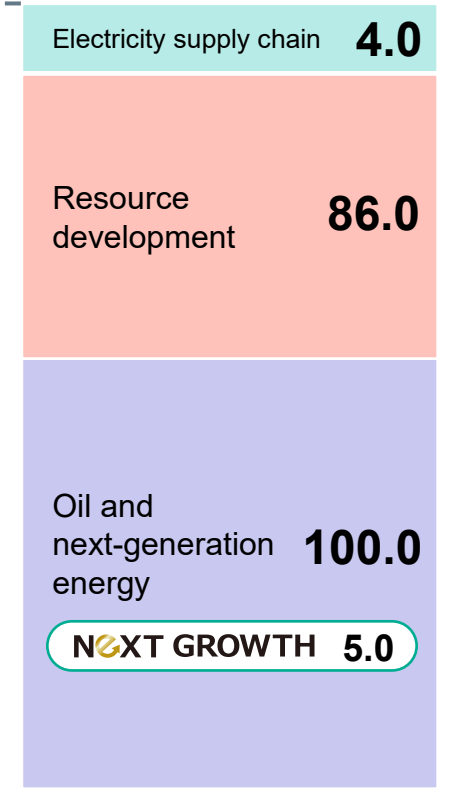
Profit improvement  
**¥ +65.0 bn**



- Electricity supply chain expansion
- Crude oil production volume maximization
- Refinery utilization maximization/marketing efforts
- **NEXT GROWTH** area expansion
- Competitiveness strengthening through use of AI and other digital technologies

Ordinary profit  
(excl. the impact of inventory valuation)

**¥190.0 bn**



**FY2025 Result**

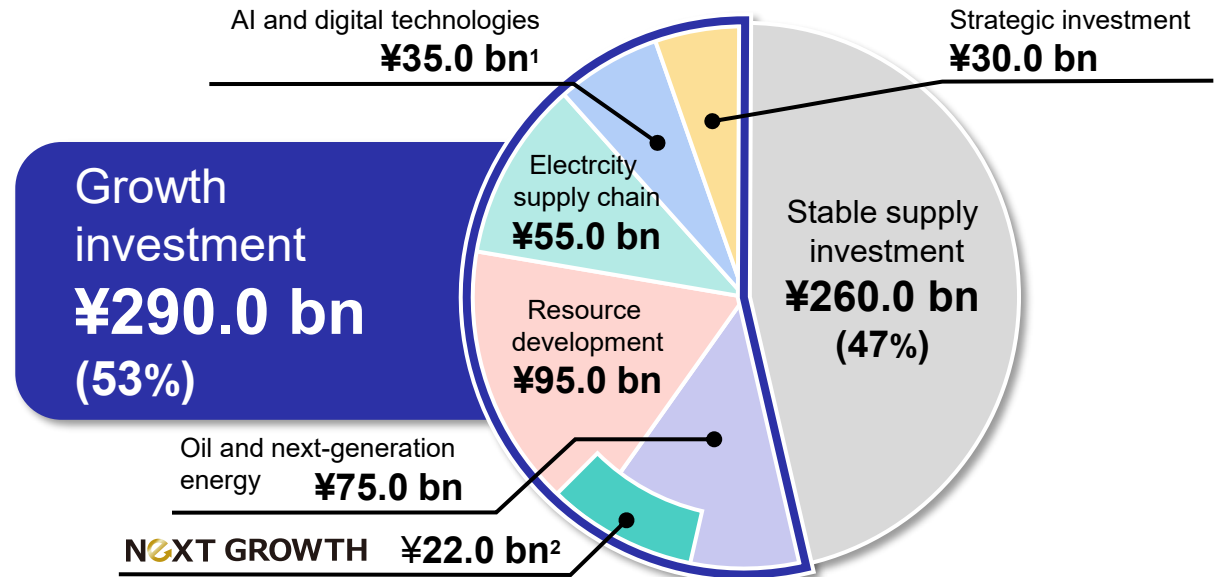
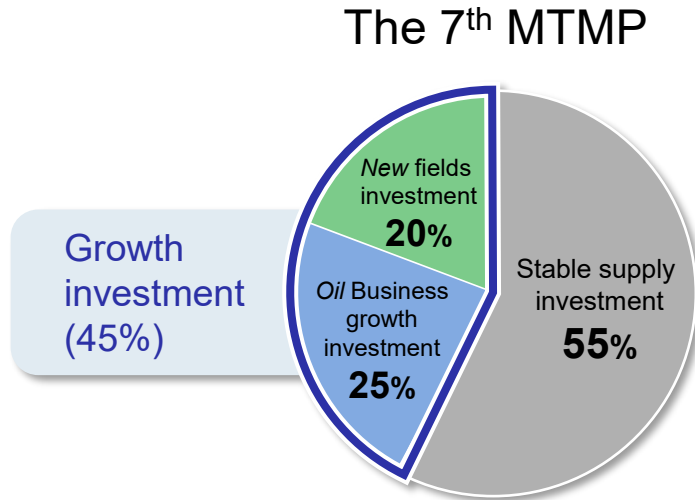
**FY2028 Plan**

# Pursuing growth opportunities - Segment Investment Plan -

The 8<sup>th</sup> MTMP



## The 8<sup>th</sup> MTMP **¥550.0 bn**



### Oil and next-generation energy

**¥75.0 bn**

- SAF supply expansion
- Advancing hydrogen business development with Iwatani Corporation



### NEXT GROWTH

- Photoresist polymer expansion
- Thermal interface materials expansion



### Resource development

**¥95.0 bn**

- Production ramp up at Mubarratz/Hail oil fields
- Offshore Block 4 exploration



### NEXT GROWTH

- Lithium development studies



### Electricity supply chain

**¥55.0 bn**

- Onshore wind power/storage battery expansion
- Other power source development



### AI and digital technologies

**¥35.0 bn**

- Refinery digitalization acceleration
- Comprehensive use of AI in back-office operations



### Strategic investment

**¥30.0 bn**

- Proactive and flexible pursuit of new investment opportunities (incl. M&A)

1. In addition to ¥35.0 billion for AI and digital technologies, we plan to invest ¥30.0 billion in systems to support stable supply (included in the ¥260.0 billion allocated for stable supply investment).

2. ¥22.0 billion allocated for NEXT GROWTH is included in the combined total for oil and next-generation energy and resource development.

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## Recap of the 7<sup>th</sup> MTMP

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## Oil and next-generation energy (Refining)

**FY2028 Ordinary profit**

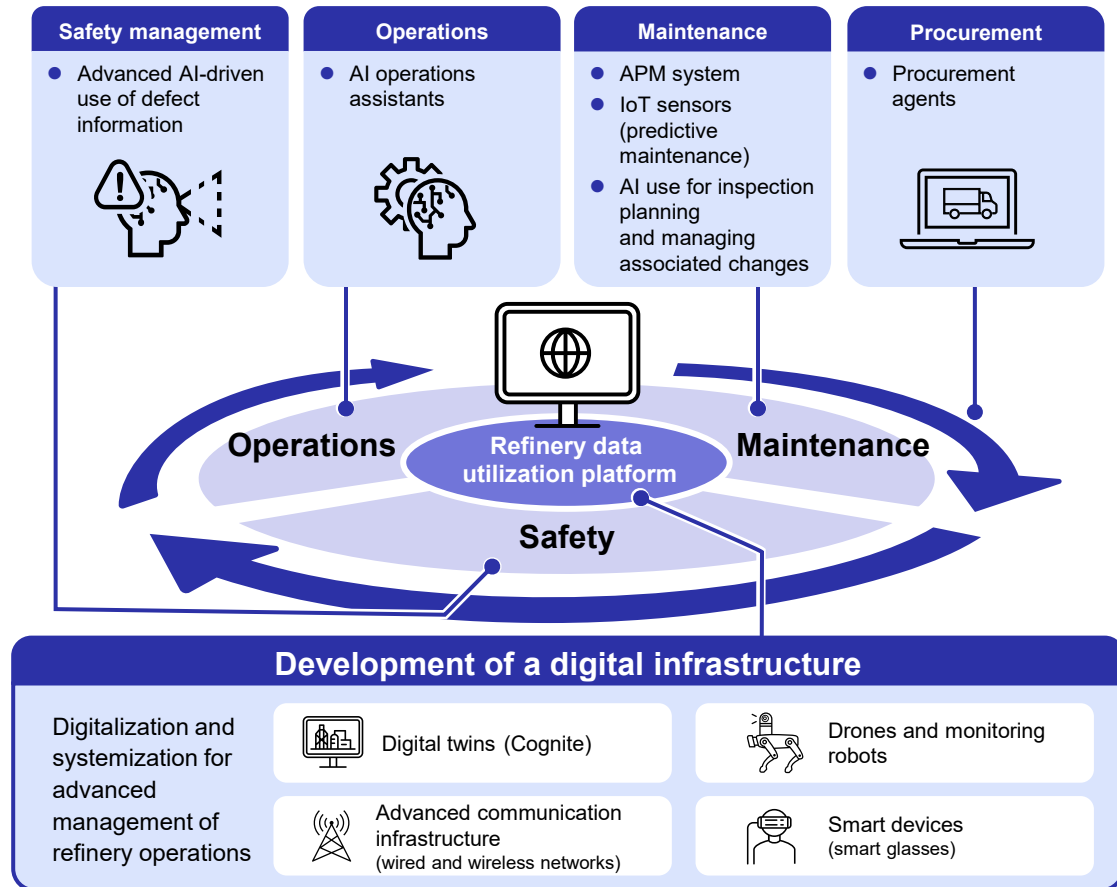
**¥100.0 bn\***

\* Total for oil and next-generation energy

### Directions for the 8<sup>th</sup> MTMP

- Maximizing refinery operating rates
  - Accelerate refinery digitalization leveraging AI and other digital technologies (unplanned shutdown rate: FY2025 4.0% → FY2028 target 1.0%)
- Strengthening supply chain competitiveness
  - Consider initiatives to strengthen supply chain resilience
    - Assess measures to diversify crude oil processing capabilities at refineries and expand crude oil procurement options in times of emergency
    - Explore measures to reduce dependence on the Strait of Hormuz through collaboration and dialogue with the UAE and other partners
  - Advance and improve efficiency of operations through the use of AI and other digital technologies
- Developing low-carbon and decarbonized fuel supply infrastructure in anticipation of a decarbonized society
  - Prepare to expand the SAF supply system
  - Explore and pursue low-carbon and decarbonization business opportunities through collaboration with partners
    - Consider liquefied hydrogen and green LPG production through the alliance with Iwatani Corporation
    - Explore refinery low-carbonization initiatives (CCS, energy efficiency)
  - Consider and promote the introduction of bioethanol (E10)

### Various upgrades to optimize refineries





## Oil and next-generation energy (Sales)

**FY2028 Ordinary profit**

**¥100.0 bn\***

\* Total for oil and next-generation energy

### Directions for the 8<sup>th</sup> MTMP

- Enhancing fuel oil sales and expanding the mobility business
  - Strengthen marketing using the COSMO official app and diverse data (number of downloads: FY2025 12.16 mn → FY2028 20 mn)
  - Encourage customer visits through the development of multi-industry service stations (7-Eleven stores)
  - Ensure a stable supply of jet fuel to support future growth in SAF sales volume
- Developing low-carbon and decarbonized fuel supply infrastructure in anticipation of a low-carbon and eventually a decarbonized society
  - Expand hydrogen stations in partnership with Iwatani Corporation (third station, in Shinsuna, scheduled to open in FY2027)
  - Consider validating bioethanol (E10) at service stations in preparation for its introduction

### Delivering brand value to meet customer and market needs



### Advanced data utilization

Use of location information and purchase history



Sales promotion leveraging data from cross-industry partners and AI analysis





## Oil and next-generation energy (NEXT GROWTH/Petrochemical)

**FY2028  
Ordinary profit**

**¥100.0 bn\***

\* Total for oil and next-generation energy

### Directions for the 8<sup>th</sup> MTMP

- Expansion of semiconductor and electronic component materials and thermal management materials **NEXT GROWTH**
  - Grow the specialty chemicals business
    - photoresist polymer sales volume  
FY2028: 1.3 × FY2025
  - Scale-up the thermal management materials business and enhance the product lineup
    - silicone-free grease sales volume  
FY2028: 4 × FY2025
  - Build capacity in preparation for Norbornene production ramp-up
- Promoting optimal operations of ethylene production units
  - Stable domestic supply of basic chemicals
  - Strengthen ethylene production unit competitiveness
    - Maximize Keiyo Ethylene operations and promote plant digitalization
    - Shut down Maruzen Petrochemical's ethylene production units (FY2026)
- Increasing sales of chemical products
  - Grow sales of products for use in cosmetics
    - high-purity isododecane (MARUKASOL R) sales volume  
FY2028: 1.3 × FY2025

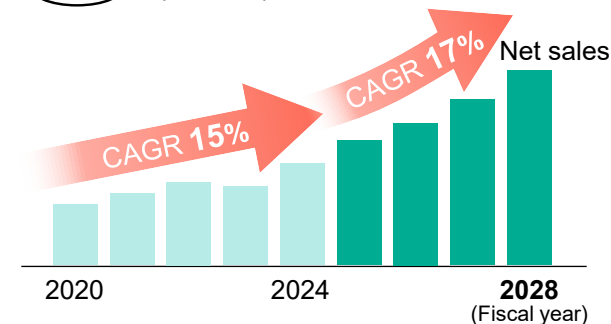
#### Capacity building to meet customer needs

##### Semiconductors and electronic components materials



##### Photoresist polymers

Production ramp-up and high-performance product expansion



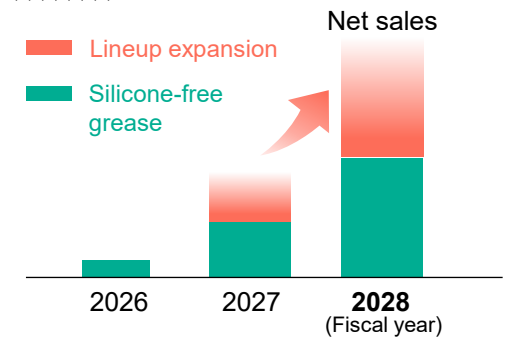
FY2024	ArF <sup>1</sup> capacity expansion
FY2025	KrF <sup>2</sup> capacity expansion
FY2026	EUV <sup>3</sup> pilot plant construction
FY2027	Thick-film photoresist <sup>4</sup> (KrF) capacity expansion

#### Sales channel expansion through enhanced lineup

##### Thermal management materials



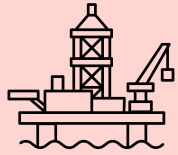
##### Thermal interface materials and immersion cooling fluid



FY2025	Immersion cooling fluid commercialization
FY2026~	Lineup expansion

1. A 193 nm excimer laser that uses immersion technology for micromachining.  
2. A 248 nm excimer laser used in older-generation semiconductor manufacturing.

3. A 13.5 nm extreme ultraviolet (EUV) light source used in leading-edge semiconductor processes at 7 nm nodes and below.  
4. A type of photoresist with a thicker-than-usual coating, mainly used for micromachining and semiconductor packaging materials.



## Resource development

FY2028  
Ordinary profit

¥86.0 bn

### Directions for the 8<sup>th</sup> MTMP

- Maximizing crude oil production volume
  - Maximize production volume at existing oil fields (FY2025 43kBD → FY2028 51kBD)
  - Enhance exploration consideration and asset management using AI and other digital technologies
  - Pursue development potential of new oil fields (advance Offshore Block 4 exploration project)
  - Consider expansion into the natural gas development business
- Exploring entry into the lithium development business (USA)
 

NEXT GROWTH

  - Investigate and verify business viability toward commercialization

### Crude oil production volume maximization



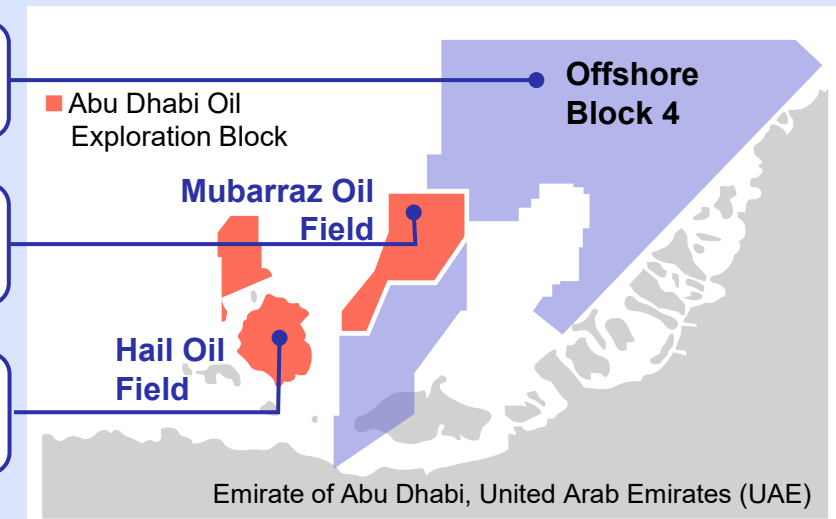
Offshore Block 4 exploration project advancement



Mubarraz Oil Field redevelopment<sup>1</sup>



Hail Oil Field ESP<sup>2</sup> introduction



### Consider entry into the lithium development business



Investigation and exploration

- Surveys and data acquisition
- Exploratory well drilling
- Lab testing



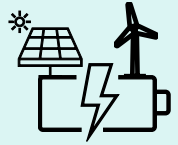
Resource assessments



Demonstration operations



Commercial operations preparation and start-up



## Electricity supply chain

**FY2028  
Ordinary profit**

**¥4.0 bn**

### Directions for the 8<sup>th</sup> MTMP

- Securing and expanding competitive power sources
  - Expand wind power generation (FY2025 353MW → FY2028 440MW)
  - Expand solar power generation (FY2025 11MW → FY2028 50MW)
  - Consider developing new power sources such as offshore wind power and LNG-fired thermal power
- Building a supply-demand balancing function
  - Commercialization of Grid-scale storage batteries and power plant-integrated storage batteries (FY2025 4MW → FY2028 20MW)
  - Optimize the Group power sources by leveraging distributed generation control systems
- Expanding electricity sales
  - Develop products in line with customer needs and expand lineup by making full use of the Group resources (FY2025 2.3 bn kWh → FY2028 3.1 bn kWh)

		FY2026	FY2027	FY2028	
Securing and expanding power generation capacity	 <b>Wind</b>	Abukuma Minami	Operations commencement		
		Enshu	Construction	Operations commencement	
		Hasaki	Construction		Operations commencement
		Shimamaki	Construction		
		Yokohama-machi	Final investment decision	Construction	
		Sasebo		Final investment decision	Construction
		Noushi			Final investment decision
	 <b>Solar</b>	Solar power generation capacity	20MW	35MW	50MW
<b>Total</b>		<b>445MW</b>	<b>460MW</b>	<b>490MW</b>	
 <b>Storage batteries</b>	Storage batteries				
	2MW system 3 sites	Construction	Operations commencement		
	2MW system 5 sites	Final investment decision	Construction	Operations commencement	
 <b>Electricity sales</b>	Electricity sales	2.6 bn kWh	2.9 bn kWh	3.1 bn kWh	

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- **Improving Productivity and Management Foundation**
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- Management Goals
- Value Creation Model

Positioning productivity improvement as a strategy to sustainably enhance enterprise value, bolster our financial and operational strength—not merely through efficiency gains, but by maximizing profitability and value creation

### Sources of productivity improvement



Comprehensive use of AI and other digital technologies



Workforce upskilling



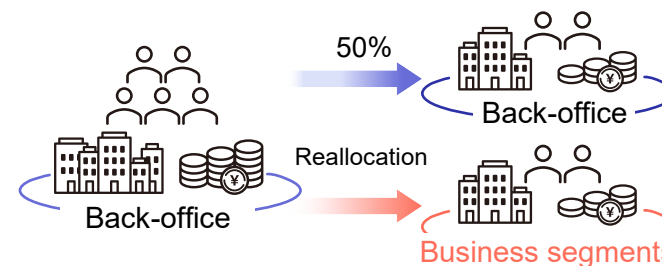
Mindset and behavior shifts

### Future state

- People and time are directed to value creation
- Decision-making is faster and more sophisticated
- Operations and organizational structures are driven by AI
- Safety and quality are continuously improved



Stronger added-value creation capabilities



Reallocation to business segments

Transition to a system that runs on 50% of current resources



## Strengthening competitiveness leveraging AI and other digital technologies

**DX at COSMO** × **Rapidly evolving AI** → **AX**, built on the foundation of DX

### AI and technology utilization promotion structure

#### The 7<sup>th</sup> MTMP: Establishing promotion infrastructure

- Building group-wide data utilization platforms
  - Cultivating core digital personnel
  - Data governance, organizing data
- Establishing “AI-Ready” group-wide infrastructure**

#### The 8<sup>th</sup> MTMP: Strengthening our AI utilization framework

- Strengthening the promotion of AI adoption through a group-wide AI CoE<sup>1</sup>, centered on talent development, AI infrastructure expansion, and governance



### Key initiatives

#### Promoting group-wide AI use and developing talent skilled in this area

- Implementation of business AI to improve productivity within the department (at least one use case per department per year)
- Strengthen AI and digital literacy (all employees, including management)

**Business AI implementation department<sup>2</sup>**

**100%**

**Development of Core talent in AI and digital technologies**

**1,300 people**  
(cumulative 2,000 people<sup>3</sup>)

#### Establishing a reliable, safe, and optimized IT environment and governance structure

- Strengthen cyber security measures
- Formulate Cosmo AI principles and establish an AI governance framework

### Business impact generation

AI and digital initiative implementation

Impact generated (three-year cumulative)

**¥10.0 bn**

1. CoE (Center of Excellence): Consolidates specialized knowledge, technology, and expertise in a specific field

2. Number of departments implementing business AI in their operations / Total number of departments

3. The total number is the sum of those who obtained multiple certifications



## Across all business areas, every employee will make full use of AI to drive business impact

Impact generated  
**¥10.0 bn**  
(three-year cumulative)

### Business impact generation



### Business AI implementation department

### Group-wide AI utilization promotion

100%





## Transforming into a workforce capable of driving business advancement, self-directed growth, and high productivity

- Employees: Adopt an ownership mindset and take on challenges
- Company: Foster an organizational culture that encourages employees' ambition and desire to grow

### Challenge index

**80 points**

Share of positive responses in employee surveys regarding goal setting and assignment, pioneering actions and support, and sense of growth/appropriate feedback

### Engagement index

**70 points**

Share of positive responses in employee surveys regarding work satisfaction, capability demonstration, and pride in work

### Key initiatives

#### Further strengthening investment growth and development



##### Management personnel

- Strategically develop young employees (expand the talent pool)
- Bolster corporate management skills (communication skills, grit, adaptability)

Expanding cross-boundary opportunities<sup>1</sup>



##### Managers

- Strengthen managerial skills

Expand line manager training programs<sup>2</sup>



##### All employees

- Enhance ability among younger employees to define challenges, execute effectively, and **leverage AI**

Educational investment, including AI training (¥210,000 per person per year)

#### Implementing a pioneering action and growth cycle



##### Systems and structures

- **Revise the HR system to focus on roles and results**
- Enhance goal-setting (positioning **AI utilization** and actions aimed at strengthening problem-framing skills as the objective)



Promoting physical and mental well-being while creating an environment where diverse employees can thrive



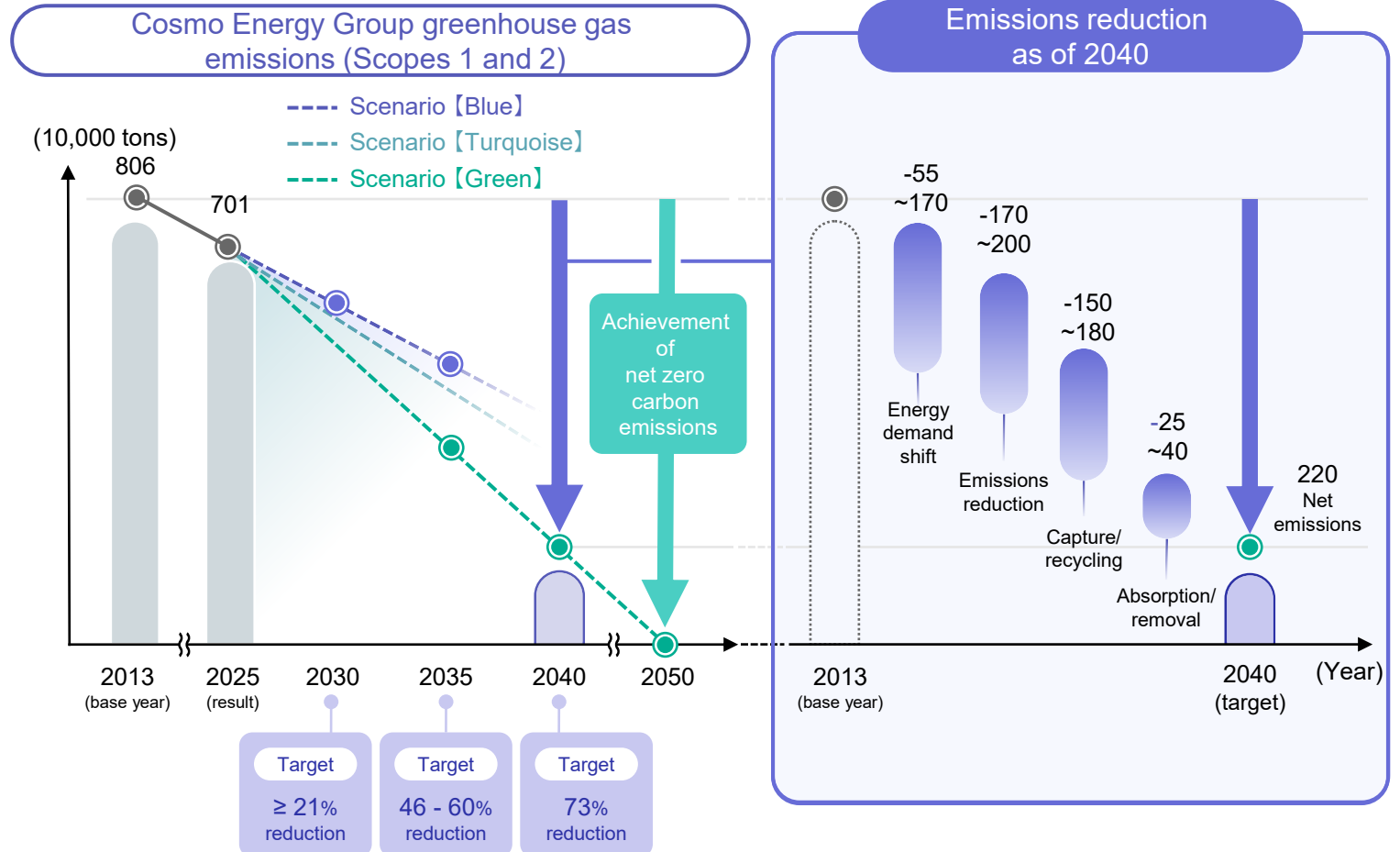


## Ongoing efforts to achieve net zero carbon emissions by 2050

By considering multiple future scenarios, ensure strategic flexibility in response to changes in the external environment

### Three possible societal scenarios

	Societal and technological trends	Japan's domestic CO <sub>2</sub> emissions in 2040 (vs FY2013) Alternative corresponding scenarios
<b>Blue</b>	Decarbonization policies slowing (Persistently high renewable energy costs due to chronic inflation and a yen depreciation)	CO <sub>2</sub> emissions <b>-50%</b> ● IEA Current Policies Scenario (CPS) <sup>1</sup>
<b>Turquoise</b>	Decarbonization policies maintained but (partial) slowing	CO <sub>2</sub> emissions <b>-62%</b> ● IEA Stated Policies Scenario (STEPS) <sup>1</sup>
<b>Green</b>	Robust decarbonization policies to achieve net-zero carbon emissions by 2050 (Rapid evolution and deployment of clean energy technologies)	CO <sub>2</sub> emissions <b>-73%</b> ● IEA Net Zero Emissions by 2050 Scenario (NZE) <sup>1</sup> ● The 7 <sup>th</sup> Strategic Energy Plan



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Maximizing profitability



Pursuing growth opportunities

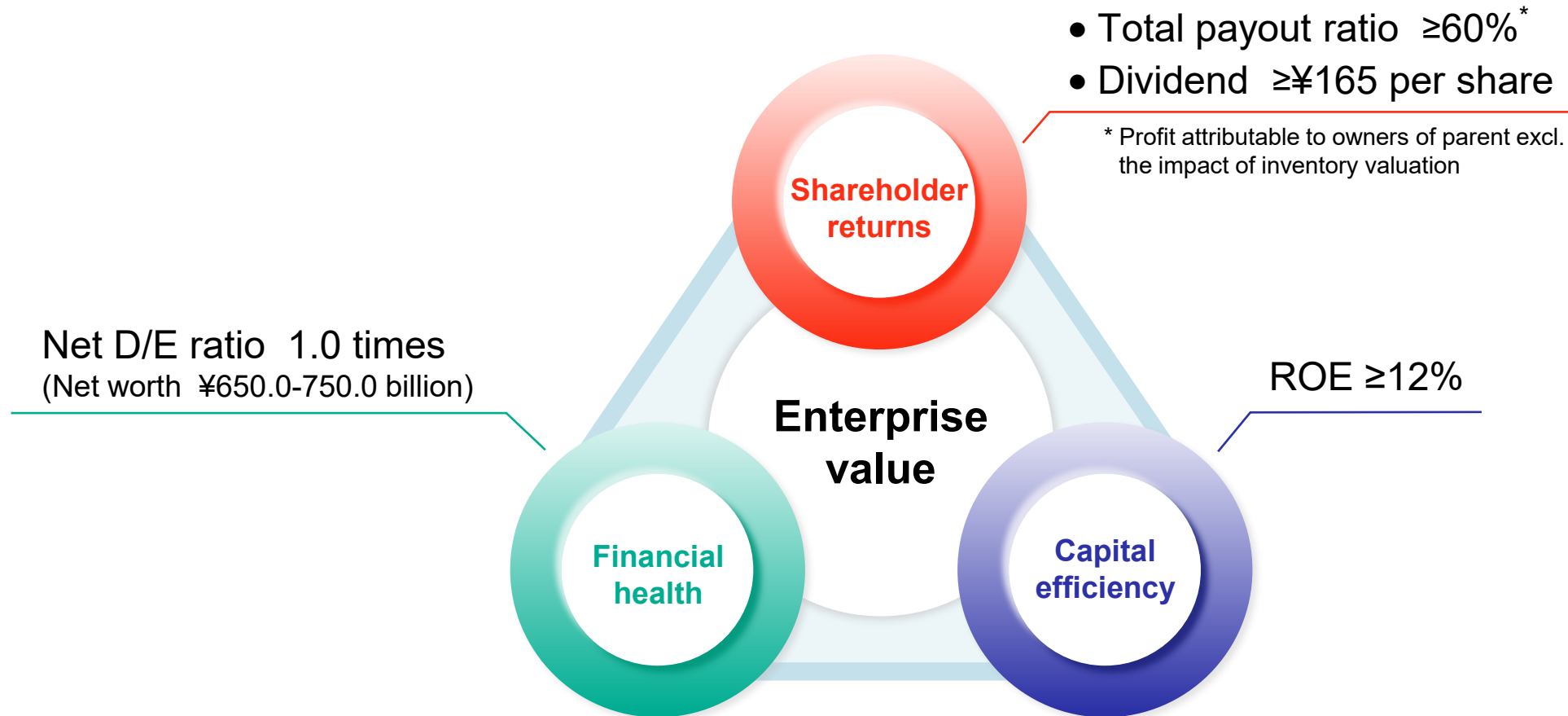


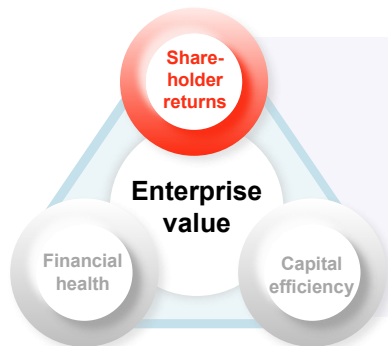
Improving productivity



Three-pronged capital policy

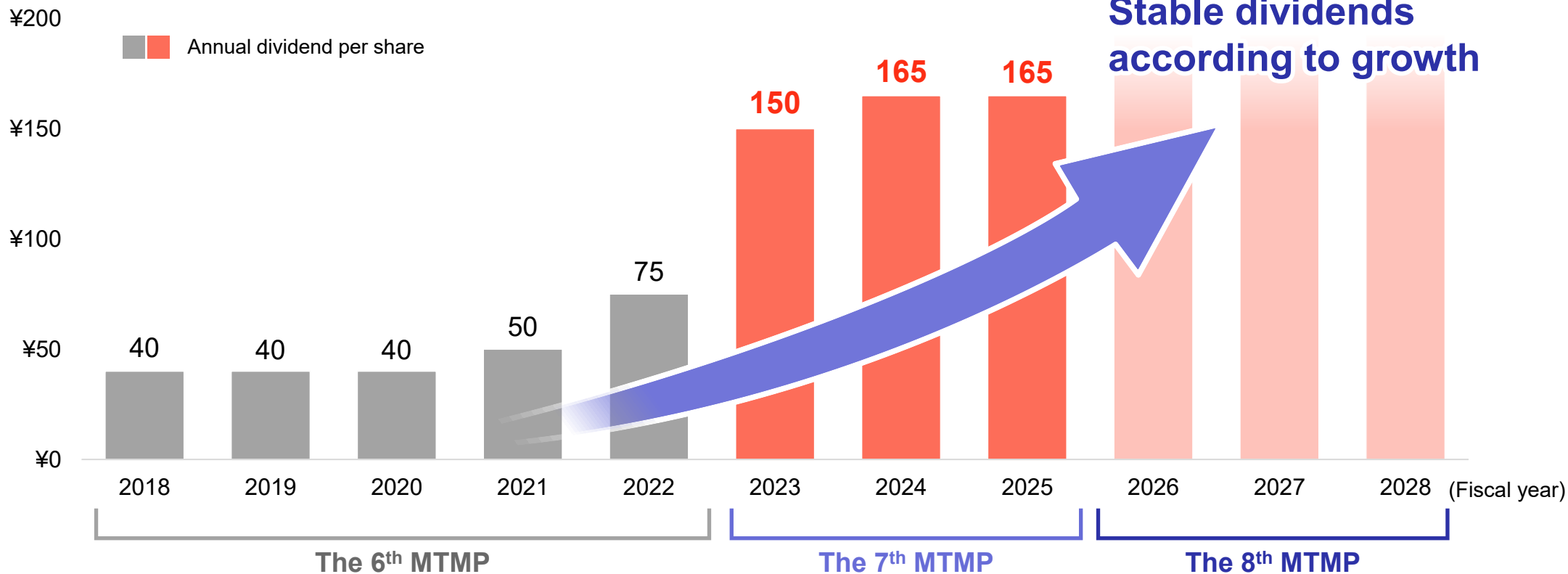
**Sustainably enhance enterprise value by placing equal emphasis on increasing shareholder returns, financial health, and capital efficiency.**

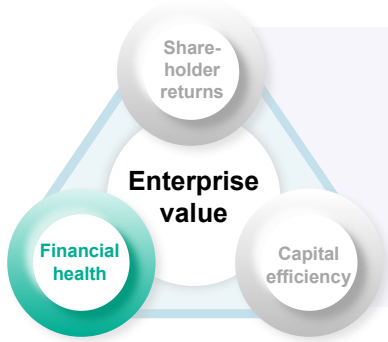




## Shareholder returns

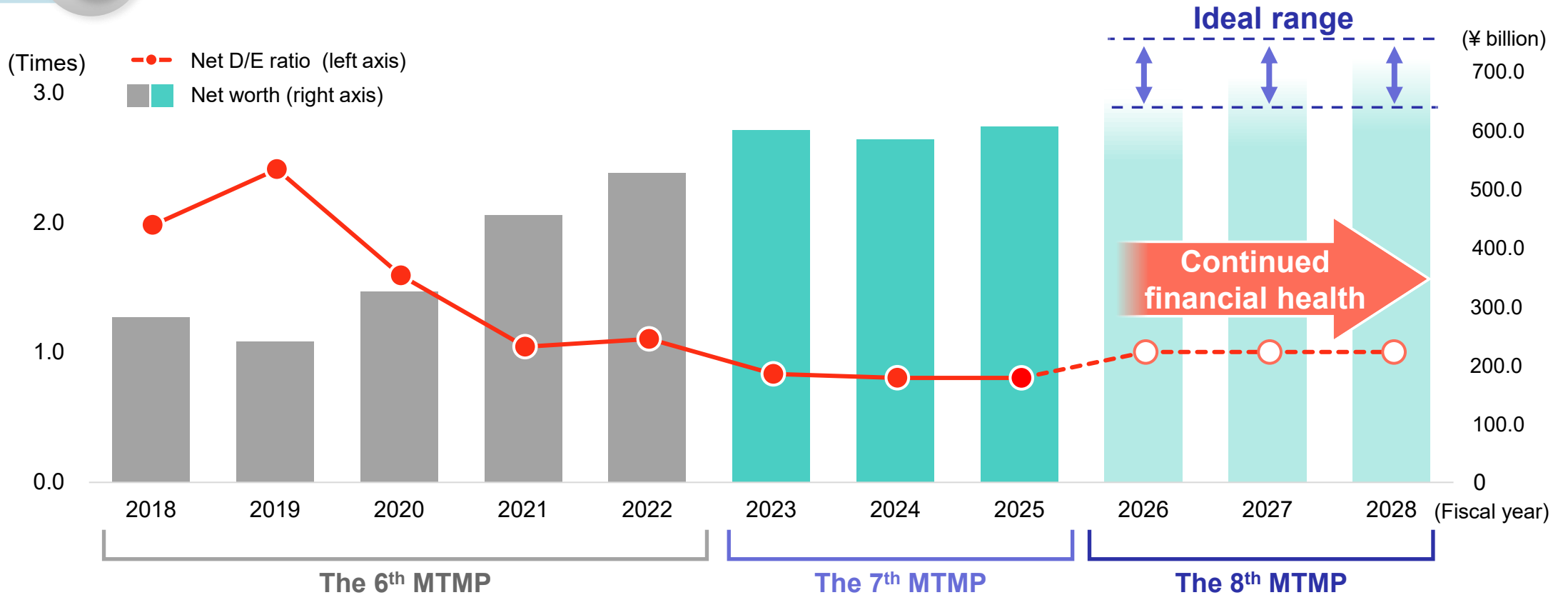
- Maintain a three-year cumulative total payout ratio of 60% or more (based on profit attributable to owners of parent excl. the impact of inventory valuation).
- Realize returns commensurate with growth (minimum dividend of ¥165 per share).

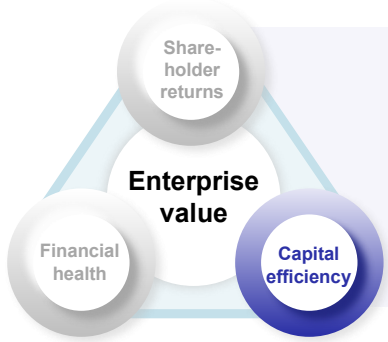




## Financial health

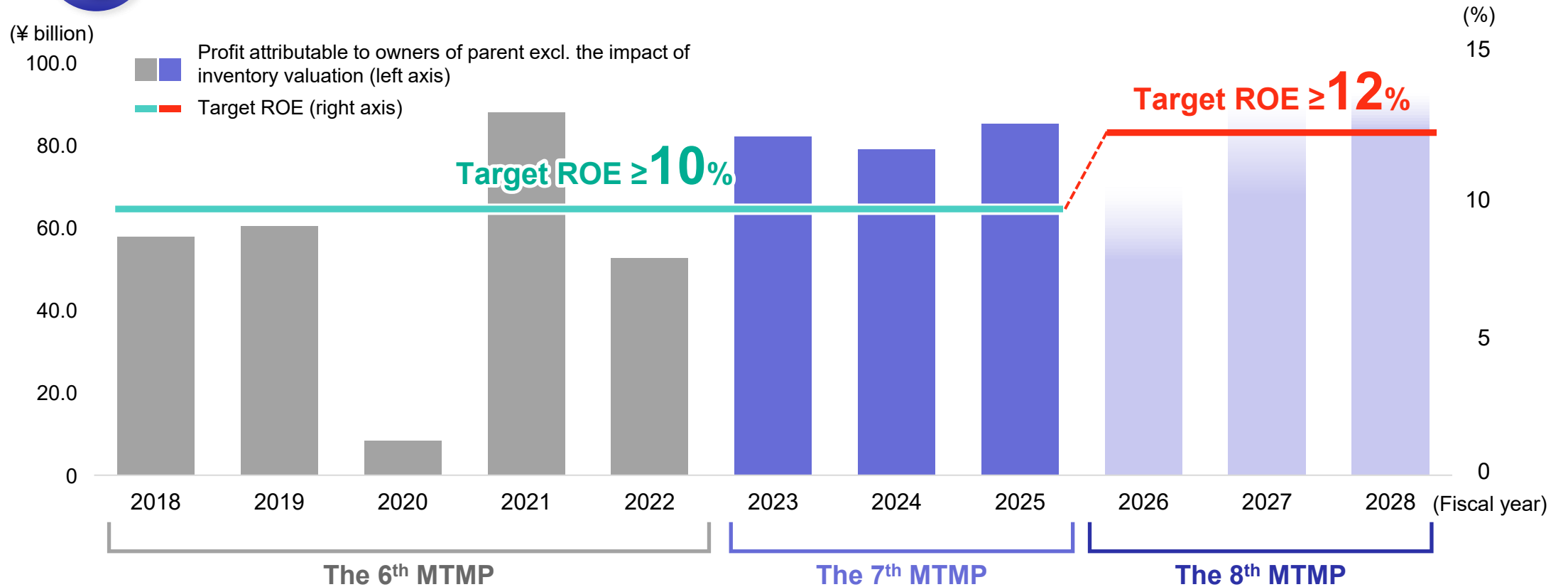
- Promote continuous growth while maintaining a net D/E ratio of 1.0 times.
- Set target net worth in the ¥650.0 to 750.0 billion range, considering uncertainties in the external environment.





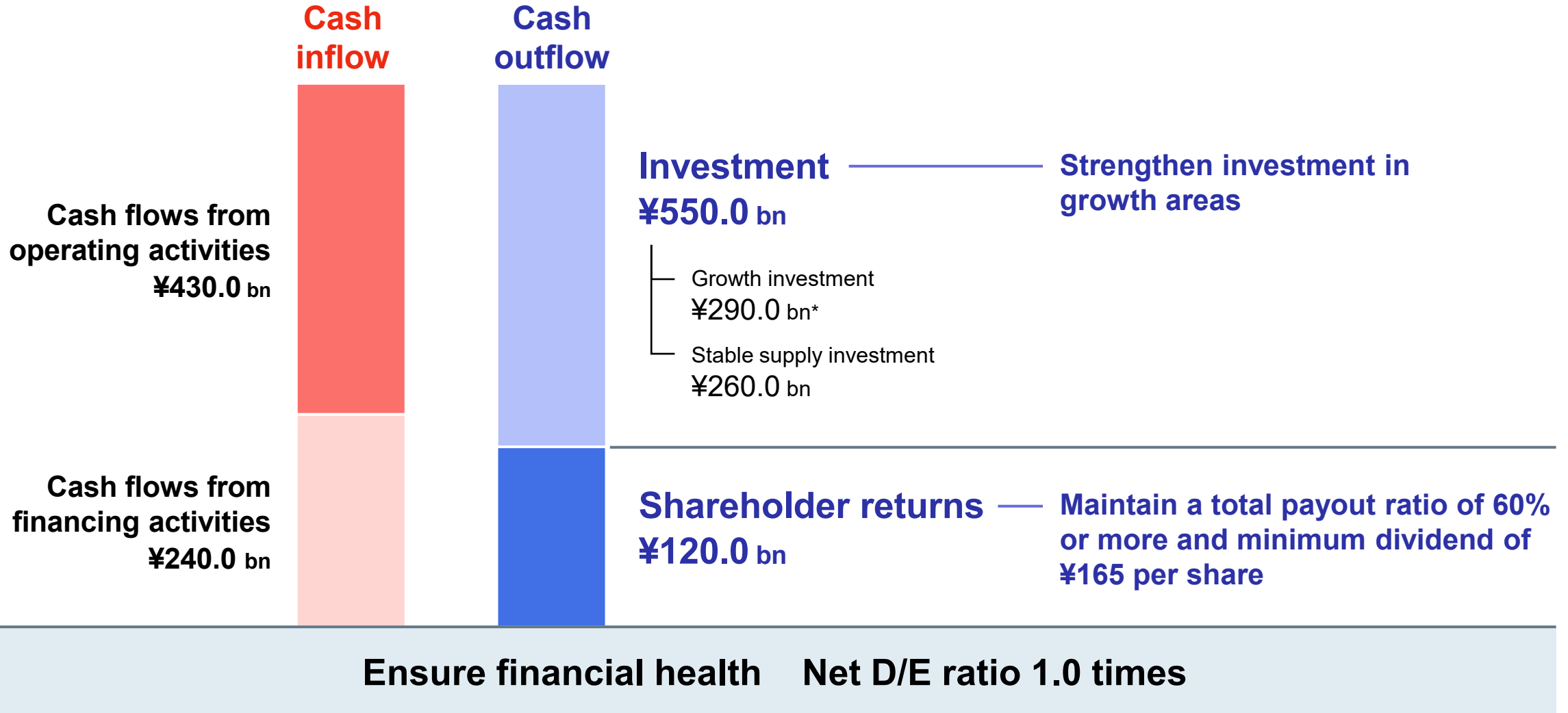
## Capital efficiency

- Maximize group-wide profitability while pursuing growth opportunities.
- Bring forward Vision 2030's final target, aiming for ROE of 12% or higher.





Make “proactive growth investments” while giving “back to shareholders.”



# Management Goals

The 8<sup>th</sup> MTMP



Maximizing profitability



Pursuing growth opportunities



Improving productivity



Three-pronged capital policy

## Profitability

Ordinary profit

(excl. the impact of inventory valuation)

**¥ 190.0** bn

Profit attributable to owners of parent

(excl. the impact of inventory valuation)

**¥ 86.0** bn

## Capital efficiency

ROE

(excl. the impact of inventory valuation)

**≥12%**

ROIC

(excl. the impact of inventory valuation)

**≥7%**

## Financial health

Net D/E ratio

**1.0** times

## Shareholder returns

Dividend

**≥¥165** per share

Total payout ratio

(excl. the impact of inventory valuation)

**≥ 60%**

(three-year cumulative)

## Growth investment

Growth investment

**¥ 290.0** bn

(three-year cumulative)

## Improving productivity

Back-office area

**50%**

improvement in efficiency

## AX

Business AI implementation department

**100%**

Core talent in AI and digital technologies

**1,300** people

## HRX

Challenge index

**80** points

Engagement index

**70** points

## GX

GHG emissions reduction

( vs. FY2013 incl. Scope 1, 2)

2030 **-21%** ~

2035 **-46 ~ 60%**

2040 **-73%**

1

## Recap of the 7<sup>th</sup> MTMP

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## Vision 2035

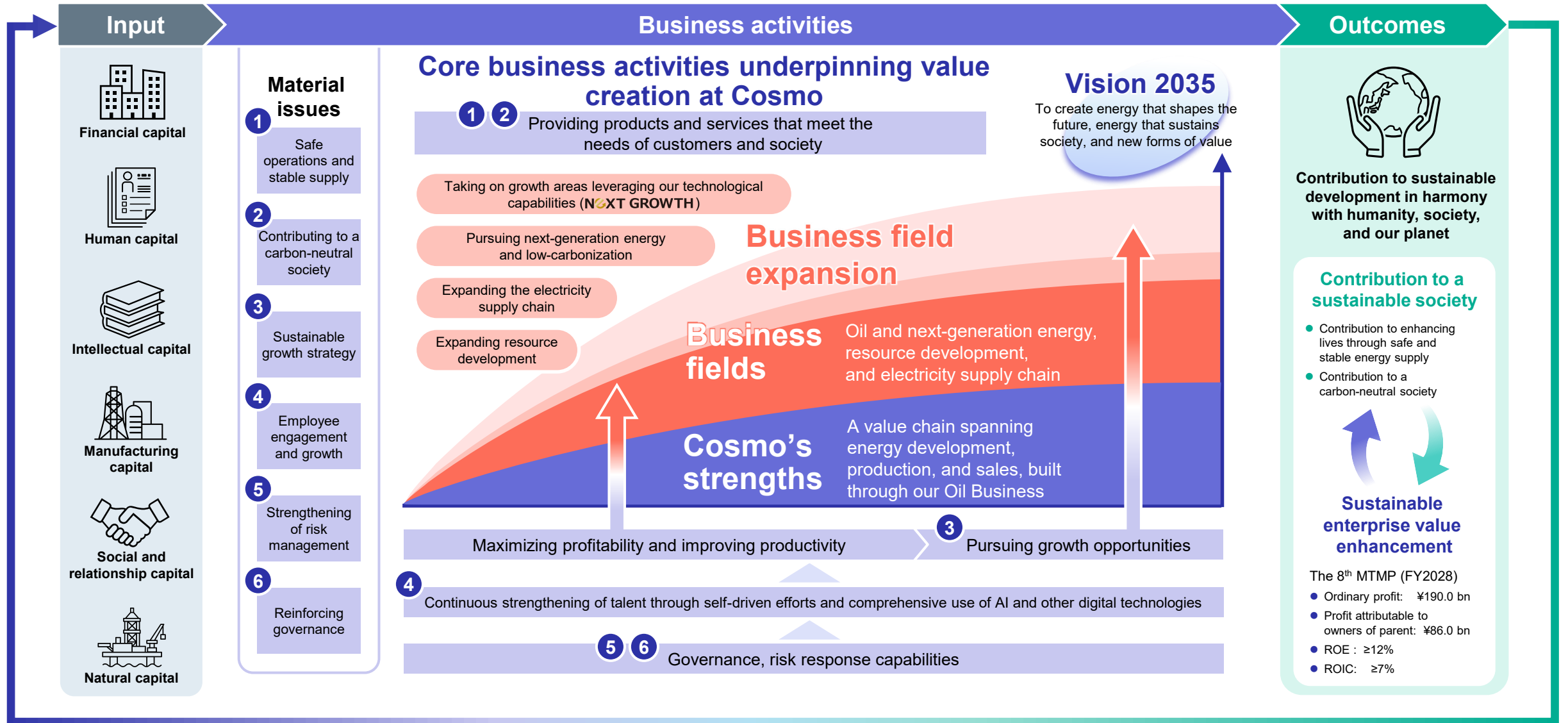
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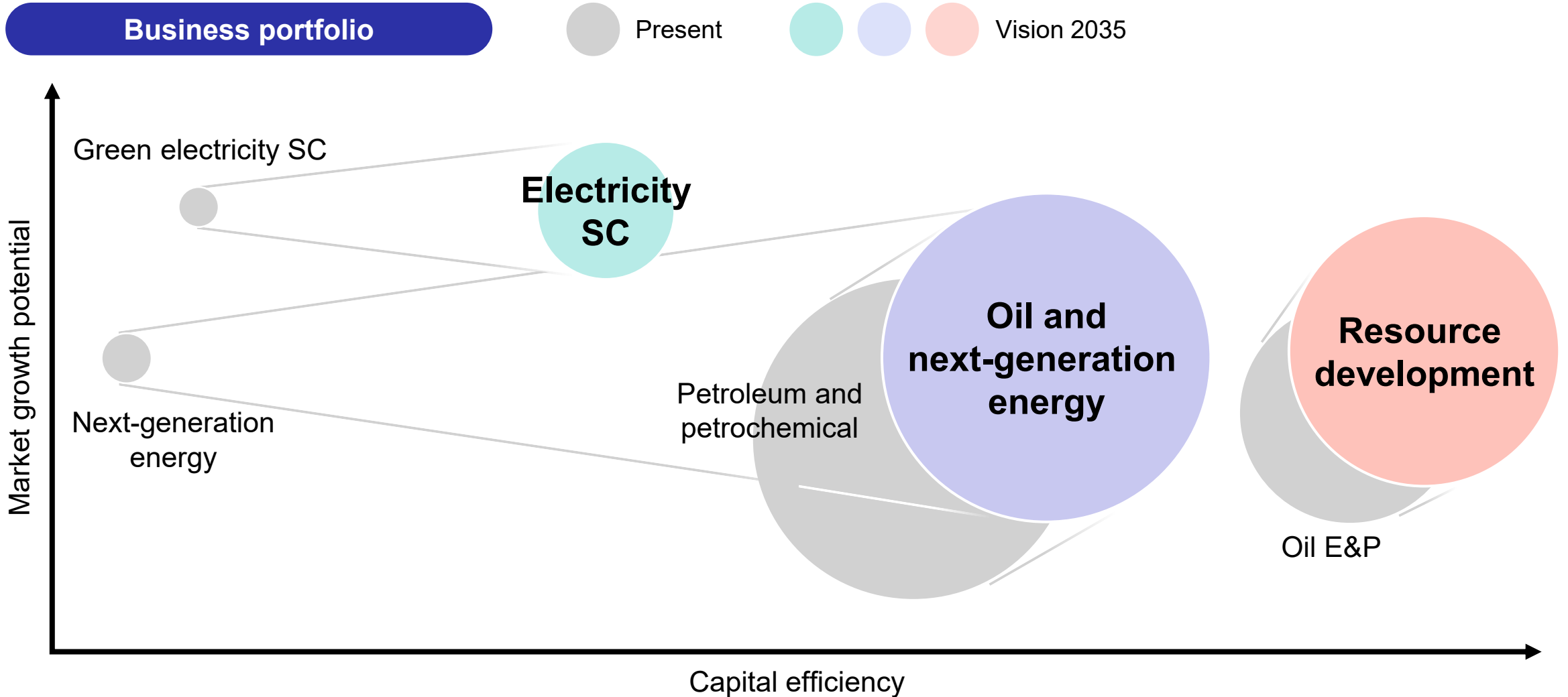
# Value Creation Model



# — Appendix —

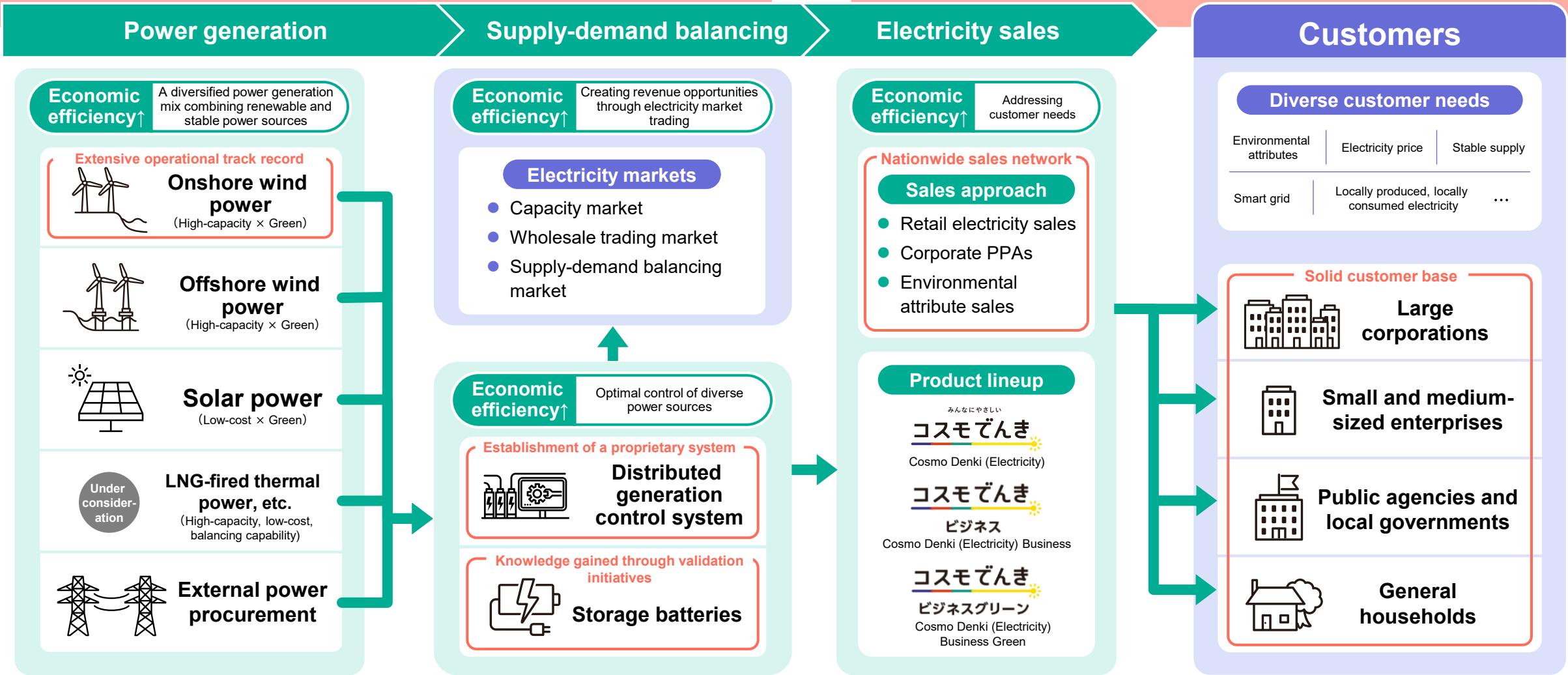
# Target Business Portfolio

Vision 2035



## Creating and enhancing the value of electricity

## Delivery of value through electricity that meets customer needs





## Strengths

## Overview

Power generation capacity development



Over 20 years of experience in wind power generation business operations



Assets and expertise in power generation capacity development and operations



Idle land assets, including repurposable former service station sites



System infrastructure supporting revenue maximization



Knowledge gained through battery energy storage system validation projects



Electricity sales network that includes dealers



Customer base built through the Oil Business



Expanding corporate PPA sales

Supply-demand balancing

Electricity sales

Onshore wind power generation capacity — FY2022 302MW ⇒ FY2025 **343 MW**

Number of wind turbines — **188**

Turbine availability — **≥95%**

- Repurposable assets such as refineries, oil depot sites, and piers
- Over 20 years' experience in on-site power generation at refineries

Former the Group's service station sites — **82**

- Energy Management System (EMS) to optimize charge-discharge control
- Distributed generation control system that enables diverse energy management

Number of battery energy storage system validated — **4 sites**

- Establishment of a structure encompassing battery energy storage system construction through operations
- Optimized EMS-driven electricity market trading and battery energy storage system operational know-how

Retail electricity sales volume — FY2022 330 mn kWh ⇒ FY2025 **1.18 bn kWh**

Facilities introducing green electricity — FY2022 1,150 ⇒ FY2025 **Approx. 3,500**

Number of valid Cosmo The Card holders — **3.66 mn**

Number of valid Cosmo The Card (Eco) holders — **59,000**

Cumulative number of COSMO official app downloads — **12.16 mn**

Corporate PPA partners	Panasonic Group	Tokyo Metro	JR East	JR Kyushu	NTN	...
	Amazon	NEC	Murata Manufacturing	Secom	U-Power	

# Profit by segment (ordinary profit excl. the impact of inventory valuation)

The 8<sup>th</sup> MTMP



Maximizing profitability



Pursuing growth opportunities



Improving productivity



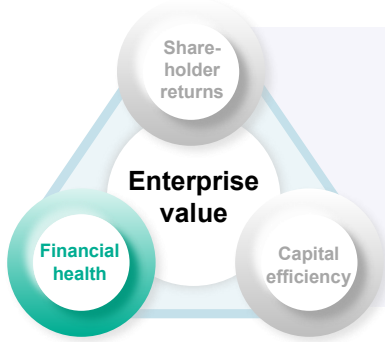
Three-pronged capital policy

Unit: ¥ billion

	FY2025	FY2028 MTMP
Petroleum Business	92.8	87.5
Petrochemical Business	-3.1	5.0
Oil E&P Business	65.3	86.0
Renewable Energy Business	2.8	3.5
Other	7.9	8.0
<b>Ordinary profit excl. the impact of inventory valuation</b>	<b>165.7</b>	<b>190.0</b>
Crude oil	72 USD/B	75 USD/B
Exchange rate	151 JPY/USD	155 JPY/USD

Sensitivity		Unit: ¥ billion	
		Crude oil price	Exchange rate
Petroleum Business	Impact of inventory valuation	+3.0	+1.2
	Refinery fuel cost, etc.	-1.0	-0.4
	<b>Total</b>	<b>+2.0</b>	<b>+0.8</b>
Oil E&P Business		+2.2	+1.1

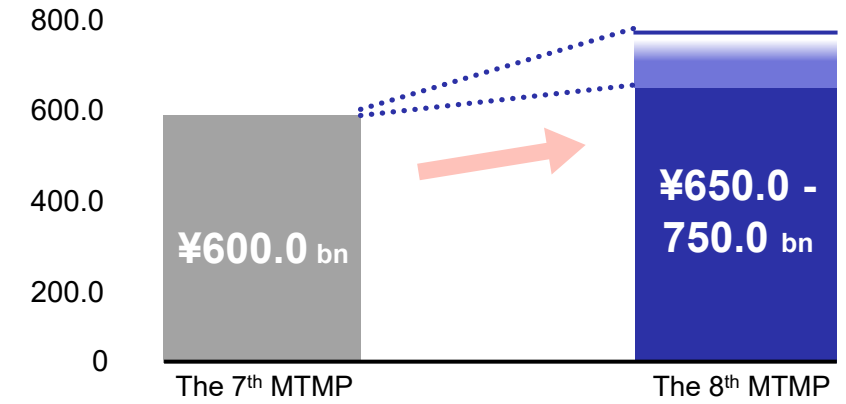
\* Sensitivity refers to the impact of a +\$1/B change in crude oil prices and a +¥1/\$ change in the JPY/USD exchange rate. Figures are calculated based on the assumption that crude oil prices and exchange rates remain constant throughout the period.



- We assessed our necessary net worth from three perspectives: financing capability to support sustainable growth, balance with interest-bearing debt, and the ability to manage asset-related risks. Considering uncertainties in the external environment, we set a necessary net worth target in the range of ¥650.0-750.0 billion.

**Necessary net worth assessment**

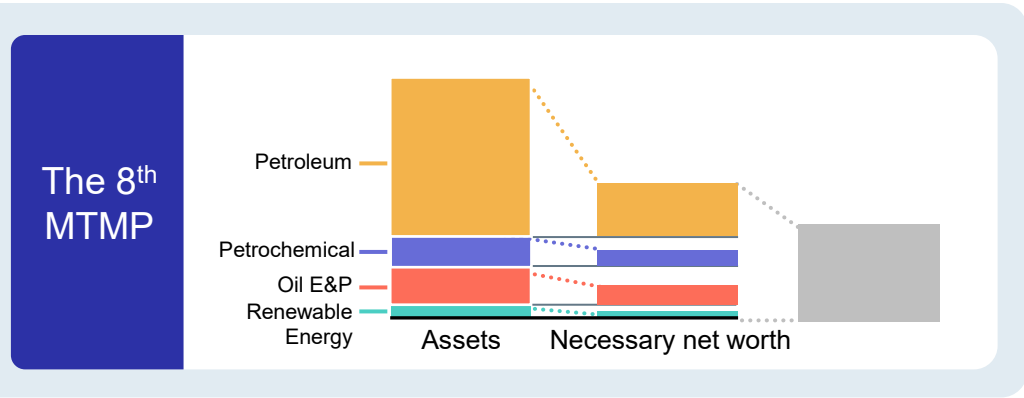
- Financing capability to support sustainable growth
- Balance with interest-bearing debt
- Ability to manage asset-related risks\*



**\*Method for risk-based calculation**

- Selected comparable companies from Japan and abroad in each business segment as follows (approx. 120 companies in total)
- Analyzed the performance of each company in previous fiscal years and calculated asset-related risks and the necessary capital to offset these risks (calculated based on assets as of March 31, 2025)

● Petroleum Business	Approx. 40 companies
● Petrochemical Business	Approx. 30 companies
● Oil E&P Business	Approx. 20 companies
● Renewable Energy Business	Approx. 30 companies



# Forward-Looking Statements

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.