

December 19, 2014

Cosmo Oil Co., Ltd.  
TonenGeneral Sekiyu K.K.

### Conclusion of Joint Venture Agreement in Relation to Collaboration in Chiba

Cosmo Oil Co., Ltd. (Representative Director and President: Keizo Morikawa; hereinafter “Cosmo Oil”) and TonenGeneral Sekiyu K.K. (Representative Director and President: Jun Mutoh) have, as previously announced, been discussing on collaboration to increase operational efficiency and optimization of their respective refineries in Chiba (Cosmo Oil Chiba refinery – capacity: 220,000 bbl/day; Chiba refinery of TonenGeneral Group company Kyokuto Petroleum Industries, Ltd. [President: Tomohide Miyata; hereinafter “Kyokuto Petroleum Industries”] – capacity: 152,000 bbl/day; hereinafter “the two refineries”). The two companies today announce the conclusion of a Joint Venture Agreement for the implementation of the synergies.

The two companies will continue to discuss on further increasing the competitiveness of the two refineries on a global basis.

#### Main decisions

- Establishment in January 2015, of a joint organization called Keiyo Seisei JV G.K.
- Official agreement for installation of pipelines linking the two refineries
- Increased production efficiency through the joint organization with the integrated, comprehensive implementation of the production plans of the two refineries ahead of pipeline completion. The optimization of facilities, including atmospheric distillation units, will also be discussed
- Annual synergy of 10 billion yen through the integration and connection of pipelines

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#### Attachment: Overview of joint organization

Company name	Keiyo Seisei JV G.K.
Head office	Minato-ku, Tokyo (in Cosmo Oil head office)
Business office	Ichihara City, Chiba (in Kyokuto Petroleum Industries Chiba refinery)
Representatives	President: Shigeru Yamada (currently Assistant General Manager of Supply Dept., Cosmo Oil Co., Ltd.) Vice President: Yasuhiko Oshida (currently Deputy Supply & Trading Manager and Supply Optimization Manager, TonenGeneral Sekiyu K.K.)
Business description	Integration of production plans of the two refineries, etc.
Paid-in capital	8 million yen (50/50 investment between Cosmo Oil and Kyokuto Petroleum Industries)
Fiscal year-end	December 31
Number of employees	Executives: 2 (listed above) Employees: 6 (three from each company)
Date of establishment	January 7, 2015 (planned)

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