



October 28, 2024  
Cosmo Energy Holdings Co., Ltd.  
Maruzen Petrochemical Co., Ltd.

## Maruzen Petrochemical to Start Exploring Ways to Optimize Ethylene Production

Cosmo Energy Group company, Maruzen Petrochemical Co., Ltd. (hereafter, “Maruzen Petrochemical” or “the Company”), hereby announces that it will start exploring ways to optimize production at its two ethylene production units: the ethylene production unit at Maruzen Petrochemical (hereafter, the “No. 3 Ethylene Production Unit”) and the ethylene production unit operated by Keiyo Ethylene Co., Ltd., a joint venture between Maruzen Petrochemical and Sumitomo Chemical Co., Ltd. (hereafter, the “No. 4 Ethylene Production Unit”), with the goal of strengthening the competitiveness of its Basic Chemicals Business.

In Japan's petrochemical industry, the challenging business environment—characterized by a global oversupply due to the establishment and expansion of large-scale production units in China, as well as declining domestic ethylene demand—has led to prolonged low operating rates for ethylene production units in Japan. Furthermore, active participation in and contribution to Green Transformation (GX) initiatives is required to achieve net zero carbon.

Against this backdrop, Maruzen Petrochemical has begun to consider capacity reductions, including the shutdown of its ethylene production units, aiming to strengthen the profit foundation of its Basic Chemicals Business by improving operating rates and reducing fixed costs of ethylene production units, while also reducing CO<sub>2</sub> emissions. Additionally, by strengthening its Industrial and Specialty Chemicals Business, Maruzen Petrochemical seeks to expand its business scale and enhance competitiveness. Through these efforts, the Company also aims to contribute to the maintenance and development of the industrial complex it is part of.

The Cosmo Energy Group has set out “To create energy that shapes the future, energy that sustains society, and new forms of value” as laid out in Vision 2030, and remains to committed to further enhancing enterprise value.

(For reference)

**【Overview of Ethylene Production Unit at Maruzen Petrochemical's Chiba Plant】**

Start of operations April 1969

Ethylene production capacity

No. 3 Ethylene Production Unit

525,000 tons/year

480,000 tons/year (regular maintenance year basis)

**【Overview of Keiyo Ethylene】**

Company name Keiyo Ethylene Co., Ltd

Capital 6 billion yen

Capital investment ratio

Maruzen Petrochemical 55%, Sumitomo Chemical 45%

Established September 1991

Start of operations December 1994

Ethylene production capacity

No. 4 Ethylene Production Unit

768,000 tons/year

690,000 tons/year (regular maintenance year basis)

(End)

(The official language for Cosmo Energy Group's filings with the Tokyo Stock Exchange and Japanese authorities, and for communications with our shareholders, is Japanese. We have posted English versions of some of this information on this website. While these English versions have been prepared in good faith, Cosmo Energy Group does not accept responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.)