



November 1, 2024
Cosmo Energy Holdings Co., Ltd.
Cosmo Oil Co., Ltd.

Notice Concerning Dissolution and Transfer of Shares in
South Korean Para-xylene Joint Venture

Cosmo Energy Holdings Co., Ltd. (hereafter, “the Company”) today announced that its subsidiary, Cosmo Oil Co., Ltd. (hereafter, “Cosmo Oil”), transfers all of its shares (hereafter, “the Share Transfer”) in HD Hyundai Cosmo Petrochemical Co., Ltd. (hereafter, “HCP”) to HD Hyundai Oilbank Co., Ltd. (hereafter, “HDO”).

Cosmo Oil established HCP in 2009 as a joint venture with HDO to enter the para-xylene business. Since then, HCP has fulfilled its intended role, including contributing to the steady generation of profits. In recent years, however, the para-xylene market has experienced a prolonged period of stagnation due to the rapid construction of new and additional para-xylene production units in China, the world’s largest para-xylene consumer, and a slowdown in the Chinese economy. As a result of such circumstances, HCP’s business environment has deteriorated, with almost no chance of improvement in the foreseeable future. After much discussion with HDO, both parties draw a conclusion to transfer all HCP shares which Cosmo Oil owns to HDO is the optimal solution under these circumstances.

Although Cosmo Oil has been supplying mixed-xylene as a petrochemical feedstock to HCP, moving forward, it will aim for flexible and optimized refinery operations, including not only through the sale of mixed-xylene as a petrochemical feedstock but also the production of gasoline to take advantage of our strong point, short-position, according to the business environment. Through these initiatives, Cosmo Oil will further strengthen the competitiveness and increase the profitability of its Oil Business as a whole as it seeks to achieve its Seventh Medium-Term Management Plan and Vision 2030 while focusing on further enhancing enterprise value.

In addition, Cosmo Oil and HDO have concluded a Memorandum of Understanding on future

cooperation and will continue to maintain and strengthen their relationship by actively exchanging views not only on the petroleum and petrochemical businesses but also on various other fields, including new businesses.

(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.)