

◆ Cosmo Energy Holdings Co., Ltd. (Securities Code: 5021)
4Q FY2025 Financial Results Briefing for Analysts and Institutional Investors Q&A

-This document contains forward-looking statements. A disclaimer is provided at the end of the report -

1. Date and Time: Wednesday, May 13, 2026 10:00 to 11:00 (JST)
2. Attendees: 113 persons
3. Major Questions:

Q1: Please quantify the impact of the situation in the Middle East that is factored into the FY2026 forecast of ¥110.0 billion for ordinary profit excluding the impact of inventory valuation.

A1: In the Petroleum Business, of the year-on-year decrease of ¥85.0 billion in the four-product margin, approximately -¥70.0 billion is attributable to a temporary negative time-lag effect caused by crude oil price fluctuations. In addition, reflecting uncertainties surrounding the situation in the Middle East, we have adopted a conservative assumption and incorporated a conservative buffer of approximately -¥1 per liter, equivalent to approximately -¥16.0 billion, in the margin. In the Oil E&P Business, shipments cannot be carried out in the normal manner due to the closure of the Strait of Hormuz, resulting in production adjustments caused by tank capacity constraints. We estimate a total negative impact of approximately -¥20.0 billion, reflecting a volume -¥40.0 billion, partially offset by a price impact of approximately +¥20.0 billion due to higher crude oil prices.

Q2: Does this mean that all the above impacts are temporary, and that earnings are relatively strong on a normalized basis?

A2: It depends on crude oil prices; however, at the assumed crude oil price levels, earnings would be solid.

Q3: Please explain the factors behind the expected year-on-year deterioration of ¥25.0 billion in extraordinary gains/losses in FY2026.

A3: The main factor is the deferral of the regular maintenance at the Chiba Refinery, which had been scheduled for FY2026, in order to prioritize stable supply. As a result, we expect to record approximately ¥10.0 billion in extraordinary losses related to certain materials and other items that had already been ordered.

Q4: Capital expenditures in FY2026 are concentrated in the Petroleum Business and the Oil E&P Business. Does the upcoming Eighth Consolidated Medium-Term Management Plan assume normalization of the situation in the Middle East and continue the strategy of strengthening the "Oil" domain under the "Oil & New" policy?

A4: Details will be presented in the Eighth Consolidated Medium-Term Management Plan scheduled for June 18, 2026. The importance of oil in the Middle East region is not expected to change in the near term, and there is no expectation that alternative energy sources will rapidly replace oil in the short term. Accordingly, the basic strategic direction will not change significantly. At the same time, the deterioration of the situation in the Middle East has highlighted new challenges, which will also be reflected in the plan.

Q5: Given higher petroleum product costs due to the growing tensions in the Middle East, what is your current view on cost pass-through?

A5: Immediately after the deterioration of the situation in the Middle East, we prioritized stable supply, and as a result, cost pass-through was not sufficient in some areas. However, as the situation has recently begun to stabilize, we will progressively reflect these costs in selling prices going forward.

Q6: You indicated that margin of other products will expand. What assumptions are you making regarding overseas market conditions?

A6: For the first half, we assume that overseas product market prices will strengthen due to the impact of the situation in the Middle East. For the second half, based on the assumption that the situation will subside, we assume that product market conditions will stabilize.

Q7: Please explain the details of the increase in capital expenditures in FY2026 and the feasibility of these investments.

A7: In the Petroleum Business, capital expenditure includes EPC costs for the SAF-ATJ project. In the Oil E&P Business, we are factoring in costs related to measures to increase oil production for the Mubarraz Oil Field redevelopment; however, whether to proceed will be decided after further examination.

Q8: Please explain the assumptions behind the FY2026 refinery operating rate of 95.1% on an SD basis, which implies near-full operation, as well as the background to the year-on-year reduction in imports and purchases.

A8: We are procuring and processing crude oil from outside the Middle East, and monthly utilization rates have been around 90%. There is additional upside potential following the normalization of crude oil procurement from the Middle East starting in September. Regarding imports and purchases, in FY2025 we conducted significant product imports, particularly in March. For FY2026, as procurement of crude oil from outside the Middle East area has been secured, we assume that import purchases will decrease year on year.

Q9: Is there any possibility of another postponement of the announcement of the Eighth Consolidated Medium-Term Management Plan, or major revisions due to the situation in the Middle East?

A9: At this point, we are not considering a further postponement. While new issues have emerged due to the deterioration of the situation in the Middle East, we believe that the long-term strategic direction will not change significantly.

Q10: Please explain the status of the FID for the SAF-ATJ project and your view on securing profitability.

A10: At present, no FID has been reached. Based on the government's SAF introduction targets, we assume that a decision will be required around December of FY2026, and we will continue to examine this while considering investment size, policy framework, and prospects for securing profitability.

Q11: Please confirm the operating assumptions for the ethylene cracker and the status of naphtha procurement.

A11: We prioritize supply to domestic customers. Given weak overseas market conditions, full operation would require exports and could negatively impact profitability; therefore, we are advancing business structure reforms, including the planned suspension of the ethylene cracker. Although naphtha prices are high, there are no significant concerns regarding procurement volumes.

Q12: Please provide specific examples of operational challenges in securing supply under the situation in the Middle East.

A12: In our oilfield operations, we place the highest priority on human safety, taking every possible precaution to prevent harm to personnel, while focusing on securing operational readiness toward normalization of production.

Q13: It appears that risks related to Cosmo-specific strategies, such as a short position strategy and oil development concentrated in the Middle East, are becoming apparent. Is there any possibility of a strategic shift?

A13: While the overall strategic direction will not change significantly, we will consider appropriate measures for issues that have become apparent as a result of the deterioration of the situation in the Middle East.

(End)

This document and the information contained herein includes forward-looking statements about our plans, strategies and performance. These forward-looking statements are based on information currently available to the Company. As a result, actual results may differ materially from those described and included herein due to a variety of external factors.