

Evaluation Results on the Effectiveness of the Board of Directors

Cosmo Energy Holdings Co., Ltd. (hereinafter, the “Company”) hereby presents an overview of its FY2024 evaluation of the effectiveness of its Board of Directors. The Company’s Board of Directors has been conducting an evaluation of its effectiveness annually since FY2015 to improve the operation of the Board of Directors and enhance its functions as part of the initiatives to raise the effectiveness of corporate governance.

1. Evaluation method

For the FY2024 effectiveness evaluation, we conducted an anonymous questionnaire survey on all directors. In preparing the questions in the questionnaire this time, we used as a reference the questionnaire used in the effectiveness evaluation conducted in FY2023 with the cooperation of a third-party organization (We plan to consider using third-party evaluations on a regular basis, going forward.). The questionnaire included numerical evaluations of the operation, size, and composition of the Board of Directors, its roles and functions, and discussions at its meetings, as well as many sections asking open-ended questions about issues recognized about each item and suggestions for improvement. We also conducted a survey that asked about the composition, roles, operation, etc. of the Nomination and Remuneration Committee.

The Secretariat of the Board of Directors and the Nomination and Remuneration Committee compiled and analyzed the responses to the questionnaire all the directors had submitted. The Board of Directors and the Nomination and Remuneration Committee then evaluated the results and discussed their approach to future initiatives.

2. Results of the effectiveness evaluation of the Board of Directors

a) Overview of the evaluation results

We have evaluated that our Board of Directors is effective as demonstrated below:

- i) The Board of Directors is of an appropriate size, is diverse in its composition, and serves as a venue for free and open exchange of opinions.
- ii) It proved to have provided a forum that allowed discussion of such topics as management foundation issues including our three transformations, and the governance structures.
(Increased frequency of reporting on risk management and compliance to further strengthen governance)
- iii) In addition to the above, the Board took the following actions and made improvements concerning its policies on pursuing initiatives stated in FY2023:
 - Enhance discussions in a medium- to long-term timeline with a view to formulating the next Consolidated Medium-Term Management PlanDiscussions were held on the environment surrounding the Company and how it may change in the future in preparation for formulating the next Consolidated Medium-Term Management Plan.

- Regularly supervise and promote the execution status to achieve the 7th Consolidated Medium-Term Management Plan

Progress was reviewed semiannually, and discussions were conducted on the supervision and issues regarding the status of execution of operation.

b) Future issues and our policies on pursuing initiatives

The following initiatives will be pursued to further enhance the effectiveness of the Board of Directors.

i) Enhance discussions for the formulation of the next Consolidated Medium-Term Management Plan

In the FY2024 effectiveness evaluation, there were comments calling for deepening discussions about medium- to long-term allocation of management resources, trends in technology and innovation, and competitive advantage over a medium to long term. In FY2025, we aim to take these comments into account to deepen discussions on the Group's strengths and future growth strategies in preparation for the formulation of the next Consolidated Medium-Term Management Plan and enhance discussions on long-term business plans and the next Consolidated Medium-Term Management Plan, aiming to ensure sustainable increases of corporate value.

ii) Regularly supervise and promote the execution status to achieve the 7th Consolidated Medium-Term Management Plan

Once every six months, the Board of Directors supervised the execution status and provided advice on both financial and non-financial aspects, and the Company is generally on track to achieve the management goals under the current medium-term plan. In addition, we have made sure to create opportunities to discuss issues raised at Board of Directors meetings, taking them up as separate agenda items. In FY2025, which will be the final year of the 7th Consolidated Medium-Term Management Plan, we will remain committed to supervising the execution status to ensure we will achieve the plan's goals.

3. Evaluation of the Nomination and Remuneration Committee

As we did in FY2023, we have evaluated that our Nomination and Remuneration Committee is effective and has been striving to improve its effectiveness on an ongoing basis, as demonstrated below:

- Under an appropriate structure, the Committee holds sufficient discussions based on the proper scope of the advisory function.
- The Committee conducts open and proactive discussions under appropriate operations.
- It has been evaluated that the Secretariat fulfills necessary and sufficient functions.

Furthermore, the key achievements by the Committee for FY2024 are:

- Changes in the structure of the Board of Directors
- Introduction of the malus and clawback clauses

The Committee is committed to further raise its effectiveness and the company's governance in the areas of director nomination and remuneration.

Regarding the effectiveness of the Board of Directors and the Nomination and Remuneration Committee, the Supervisory Committee has deliberated on and verified the appropriateness of the above evaluation.

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