

◆ Cosmo Energy Holdings Co., Ltd. (Securities Code: 5021)
The 8th Consolidated Medium-Term Management Plan 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: Thursday, June 18, 2026 17:00 to 18:00 (JST)
2. Attendees: 107 persons
3. Major Questions:

Q1: Please explain the investment policy and outlook for production expansion in the resource development field under Vision 2035. Also, what is the background to including natural gas development?

A1: Investment will focus mainly on measures to mitigate production decline at existing oil fields and on a new project. Production volume is expected to increase from 43kB/D in FY2025 to 51kB/D in FY2028, and we aim to further expand production by FY2035.

In addition, we are beginning to identify promising projects in natural gas, which had previously been treated as a by-product of crude oil production, as a target product in its own right. We will therefore consider investments in this area.

Q2: What is the intent behind “stable dividends according to growth” in the shareholder returns policy under the 8th MTMP?

A2: We are targeting ordinary profit, excluding the impact of inventory valuation, of ¥190.0 billion in FY2028, and intend to raise dividends in line with profit growth. Within our policy of maintaining a total payout ratio of 60% or more, we will determine the allocation between dividends and share buybacks in a flexible manner.

Q3: Could you provide details on the ¥200.0 billion investment in the electricity supply chain under Vision 2035, as well as the Company’s view on the projected earnings of ¥30.0 billion.

A3: The investment amount reflects projects that are currently visible and include a certain level of investment in LNG-fired thermal power. However, for LNG-fired thermal power, we are also considering proceeding jointly with partners. Although the return on investment in the Electricity Business is lower than in other businesses, we place emphasis on its ability to generate cash on a long-term and stable basis. The earnings plan has been prepared conservatively and does not factor in potential upside from a future tightening of supply and demand.

Q4: Please explain the basis for setting the net worth range (¥650.0 billion to ¥750.0 billion).

A4: As with our approach to required net worth under the 7th MTMP, we reviewed an appropriate level of required net worth based on our assets while taking risk assessments into account. We set this range as our target, taking into account the heightened uncertainty in the business environment, including inflation and the recent escalation of geopolitical tensions in the Middle East.

Q5: What revisions were made after postponing the announcement of the 8th MTMP?

A5: We postponed the announcement in order to place the priority on crude oil procurement and business continuity in response to growing tensions in the Middle East. However, there were no major changes to the investment amount, final targets, or other key policies. We added certain items, such as the diversification of crude oil procurement sources, and reflected the recent downside to earnings to a certain extent in the three-year cash flow plan.

Q6: The FY2028 target for profit attributable to owners of parent excluding the impact of inventory valuation is ¥86.0 billion, which appears to represent only a limited improvement from FY2025 profit attributable to owners of parent of ¥85.5 billion.

A6: FY2025 included special factors such as positive time-lag effects caused by the spike in crude oil prices due to growing tensions in the Middle East. Although growth is difficult to see from a simple comparison, we expect growth on an underlying earnings basis.

- Q7: Why does the projected profit attributable to owners of parent of ¥86.0 billion for FY2028 appear somewhat low compared with past levels, despite ordinary profit excluding inventory valuation impact being projected at ¥190.0 billion?
- A7: In FY2028, the Oil Exploration and Production Business is expected to make a significant contribution to earnings. As a result, the increase in profit attributable to owners of parent excluding the impact of inventory valuation is relatively small compared with the increase in ordinary profit excluding the impact of inventory valuation.
- Q8: How do you position the Petrochemical Business? In particular, does Cosmo intend to continue placing importance on this area given that some competitors are moving to separate or divest their ethylene production facilities?
- A8: We expect to restore a certain level of competitiveness by advancing structural improvements and regard the Petrochemical Business as an important element of the Oil and Next-Generation Energy area. In addition, given that our petrochemical operations are integrated with oil refining, we do not envisage separating the petrochemical operations alone.
- Q9: Please explain the environmental factors of -¥40.0 billion in the profit plan (page 26 of the presentation materials) and the margin assumptions for the Petroleum Business.
- A9: The main factors are cost increases due to inflation, higher interest rates, and declining demand. At the same time, we will work to improve earnings through further efficiency improvements and digital marketing, among other initiatives. As for margins, we have factored in the pass-through of cost increases caused by inflation.
- Q10: As the situation in the Middle East normalizes, what is your policy on crude oil procurement from outside the Middle East going forward? In addition, if you intend to further diversify procurement sources, are the related investments included in the plan?
- A10: If the situation in the Middle East normalizes, we assume that procurement will again center on Middle Eastern crude from the standpoint of economic rationality. At present, investments to process crude oil from outside the Middle East are not included in the plan. However, some crude oil from outside the Middle East area have processing constraints, so we would like to examine the constraints associated with each crude oil from outside the Middle East area and consider the scale of investments required to address them.
- Q11: Could you please explain the timing of investments in LNG-fired power generation within the power supply chain and your strategy for partnerships
- A11: We position LNG-fired power generation as a medium- to long-term growth business. We will continue to explore initiatives that leverage our coastal assets, with a view to collaborating with partners.

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.