

1. Business Overview

(1) Issues to be Addressed

In FY2024, the Japanese economy faced ongoing inflation, primarily driven by rising raw material costs associated with the depreciation of the yen and various other factors. However, there was some degree of economic recovery, supported by persistent wage increases from the previous fiscal year. For FY2025, wage increases are expected to continue along the trends observed in the prior fiscal year, leading to a recovery in real wages. On the global stage, geopolitical risks, particularly those related to the situation in Ukraine and in the Middle East, persist and contribute to significant uncertainty regarding the world economy. Additionally, fluctuations in political dynamics in the United States have further impacted economic conditions worldwide, necessitating careful observation of forthcoming policy implementations.

In light of changes in the external environment and the necessity to enhance energy security, petroleum will remain an important energy source, and petroleum products will continue to account for a large percentage of energy demand in the near term. Conversely, notable policy advancements were achieved in FY2024, including the Cabinet's decisions on the Seventh Strategic Energy Plan and the GX2040 Vision, and initiatives aimed at achieving a decarbonized society, including the integration of renewable energy sources, are anticipated to advance in the long term. In this business environment, the Group currently aims to pursue expansion of the New fields while simultaneously enhancing profitability in the Oil fields, which remain the foundation of our earnings, all while continuing to assess economic rationality from a long-term perspective.

7th MTMP Basic Policies

Oil & New ~Next Stage~

Secure profitability	Expand New fields to drive growth
<p>Ensure high uptime and high-efficiency operations at refineries</p> <p>Increase sophistication of fuel oil sales through marketing science</p> <p>Maximize production volume of Oil E&P Business</p>	<p>Establish green electricity supply chain profit foundation</p> <p>Mass produce Japan's first locally-made SAF</p> <p>Expand Mobility Business in anticipation of shift to EVs</p> <p>Increase specialty chemicals profit</p>
Realize three-pronged capital policy	Transform management foundation
<p>Proactively return profits to shareholders</p> <p>Secure sound financial health from multiple perspectives</p> <p>Achieve stable capital efficiency</p>	<p>HRX : Pursue a people strategy that motivates employees and harnesses their skills</p> <p>DX : Transform business model through digital capabilities and change management</p> <p>GX : Realize roadmap to achieve net zero carbon emissions</p>

7th MTMP Management Goals and Results (FY2023 and FY2024)

The theme of the Company's 7th MTMP focuses on enhancing corporate value, with the objective of our capital policy to "implement a three-pronged approach that places equal emphasis on shareholder returns, financial health, and capital efficiency." In FY2024, despite the negative inventory valuation due to a decline in crude oil prices, the oil exploration and production business, along with the petroleum business, drove profitability. As a result, consolidated ordinary profit, excluding the impact of inventory valuation, which is used to explain the Company's performance, significantly exceeded the previous fiscal year's figures and attained a record high. We have established a goal of achieving a total payout ratio of 60% or more of net profit, excluding the impact of inventory valuation, over a cumulative period of three years, facilitating shareholder returns grounded in robust earnings from the Oil fields. Regarding financial health, although there was a temporary decrease in net worth due to structural reforms of the petrochemical business, we remain committed to achieving our MTMP goals during FY2025. In terms of capital efficiency, we successfully achieved our MTMP goals of attaining a ROE of 10% or more for two consecutive years, supported by strong earnings performance.

In FY2025, the final year of the 7th MTMP, we will continue to implement initiatives aimed at achieving our targets and enhancing corporate value over the medium to long term.

		FY2023 Results	FY2024 Results	FY2025 Targets
Shareholder returns	Total payout ratio (excl. impact of inventory valuation)	60%	58%	≥60% (three-year cumulative)
	Dividend	¥300 per share	¥330 per share	≥¥330 per share
Financial health	Net D/E ratio	0.83 times (Net worth ¥601.2 bil.)	0.84 times (Net worth ¥584.8 bil.)	1.0 times (Net worth ≥¥600.0 bil.)
Financial efficiency	ROE (excl. impact of inventory valuation)	14.6%	13.4%	≥10%
	ROIC (excl. impact of inventory valuation)	7.6%	6.9%	≥6%
Profitability	Ordinary profit (excl. impact of inventory valuation)	¥162.2 bil. (Profit attributable to owners of parent ¥82.4 bil.)	¥181.6 bil. (Profit attributable to owners of parent ¥79.2 bil.)	≥¥165.0 bil. (Profit attributable to owners of parent ≥¥60.0 bil.)
Future investment	Investment in New fields	¥19.5 bil. *Before taking asset sales (¥16.5 bil.) into account	¥25.0 bil. *Two-year cumulative: ¥44.5 bil.	¥140.0 bil. (three-year cumulative)

COSMO REPORT 2024 P. 11: Initiatives to Enhance Enterprise Value

https://www.cosmo-energy.co.jp/content/dam/corp/jp/en/ir/report/2024/pdf/report2024_en_all.pdf#page=12

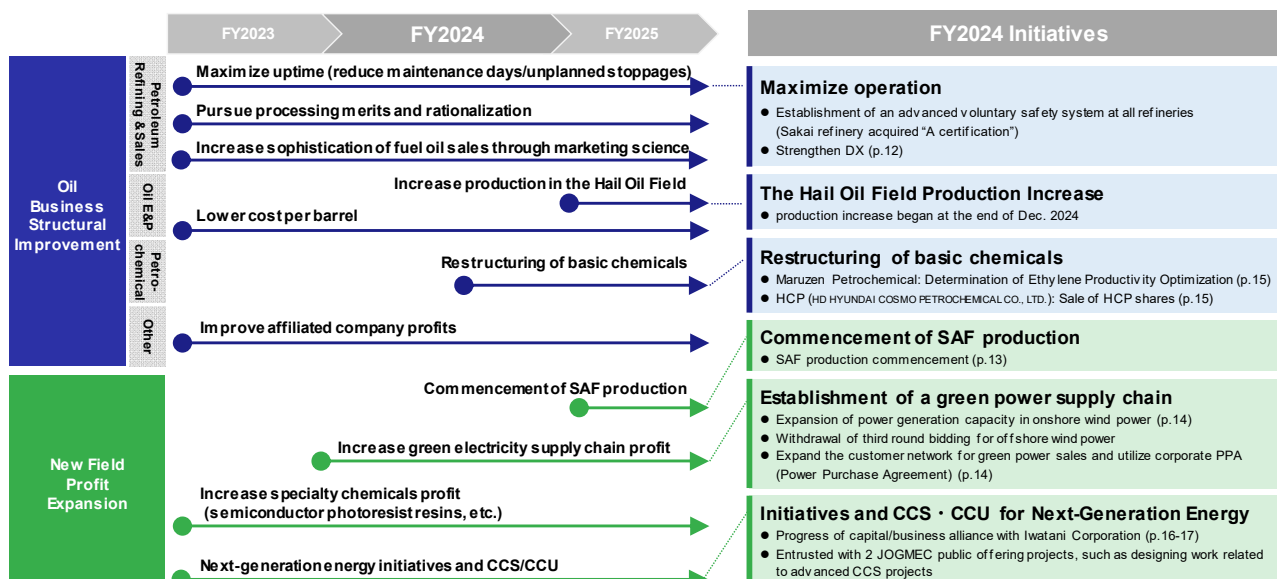
Initiatives in FY2024

In FY2024, we continued to focus on enhancing our competitiveness by ensuring the safe operation and stable supply of the Oil business and improving profitability while expanding New fields to drive growth. Specifically, we opened Iwatani Cosmo Hydrogen Station Ariake Motors Sales Office, marking the opening of our second hydrogen station location. We also worked to expand our green electricity sales customer network, with the number of sites deciding to use our Cosmo Denki Business Green service growing to around 3,500.



Iwatani Cosmo Hydrogen Station Ariake Motors Sales Office

Progress on each measure of the 7th MTMP



TOPICS: Initiatives for SAF Business

The Group is currently engaged in initiatives to produce SAF from used cooking oil in collaboration with Iwatani Corporation, JGC Holdings Corporation, REVO International Inc., and SAFFAIRE SKY ENERGY LLC.

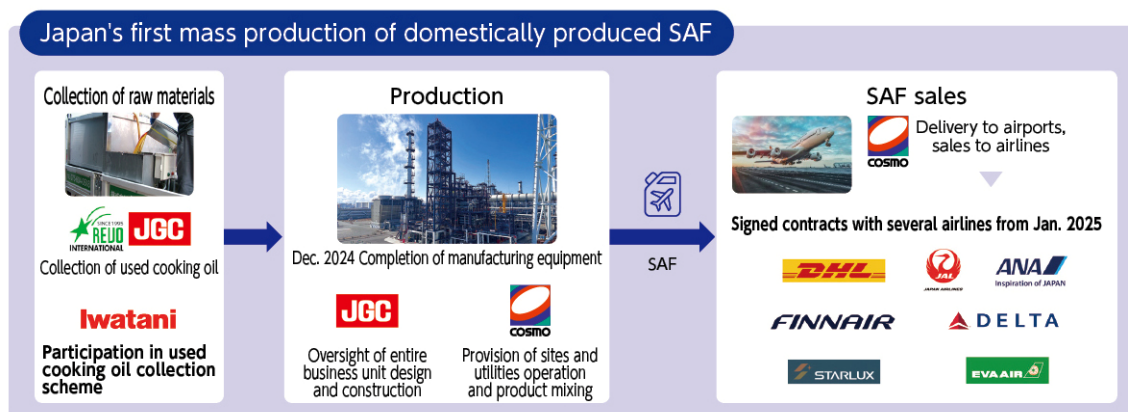
The construction of SAF production facility at Cosmo Oil's Sakai Refinery was completed on December 25, 2024. This facility will provide approximately 30,000 kiloliters of SAF annually in Japan, utilizing domestically used cooking oil as its primary raw material. The SAF to be produced has already been certified under the "ISCC CORSIA ^{*1}" certification, which represents an international certification for sustainability, and we have entered into supply contracts with multiple airlines.

Moreover, as a strategic advancement for the future, the SAF-ATJ business ^{*2}, which employs Alcohol-to-Jet (ATJ) technology utilizing bioethanol as feedstock, was selected as a public project ^{*3} overseen by the Ministry of Economy, Trade and Industry. We are committed to advancing our SAF initiatives, positioning ourselves as a large-scale supplier of domestically produced SAF.

^{*1}: To claim for GHG emission reduction effects associated with the use of SAF, certification by SCS, as approved by the International Civil Aviation Organization (ICAO), is necessary in accordance with the Carbon Offset and Reduction Scheme for International Civil Aviation (CORSIA). ISCC certification aligned with CORSIA is referred to as ISCC CORSIA certification.

^{*2}: Domestically-made SAF manufacturing business utilizing Alcohol-to-Jet (ATJ) technology (which facilitates the production of Sustainable Aviation Fuel (SAF) through catalytic reactions using alcohol (ethanol) as feedstock), currently under joint study with Mitsui & Co., Ltd.

^{*3}: A public project overseen by the Ministry of Economy, Trade and Industry, FY 2024, for the subsidy that supports the development of a SAF production and supply system as part of efforts to promote the transition to a decarbonized, growth-oriented economy.

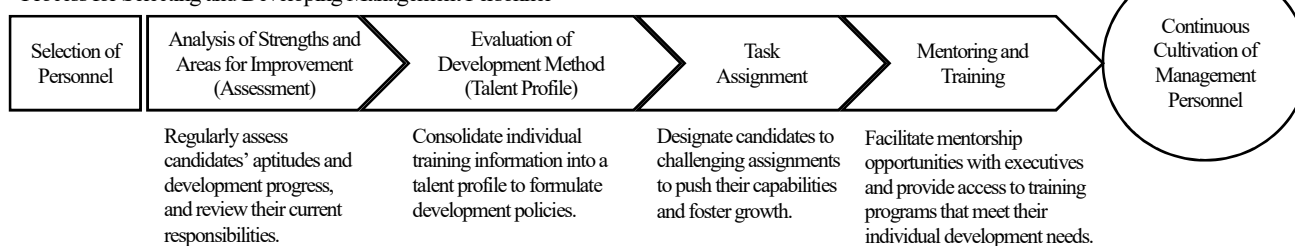


[HRX]

To realize Vision 2030 and the goals outlined in the 7th MTMP, we are implementing specific initiatives in the areas of HR training and development, organizational culture, and wellness.

In HR training and development, in FY2024, we focused on cultivating “management personnel,” selecting and developing individuals based on the necessary competencies for management. Through comprehensive assessments, we analyze individual strengths and areas for improvement in order to create a talent profile that guides assignments and educational initiatives based on personalized development policies. By providing practical experience through tough assignments, facilitating mentorship from executives, and encouraging participation in external training programs, we engage in the development of individuals, aiming to have them acquire the skills and high-level perspective required of executives. Management selects management personnel in the Human Resources Strategy Committee and regularly monitors their progress to support continued growth. With respect to human capital investment, per capita investment amounted to ¥160,000, up ¥30,000 over the previous fiscal year.

<Process for Selecting and Developing Management Personnel>



In the area of organizational culture, we have identified diversity and inclusion as key themes to drive transformation and innovation across all business sectors, with a particular emphasis on the empowerment of women as a top priority issue. Throughout the 7th MTMP, we have prioritized recruitment initiatives, consistently exceeding the MTMP target of 50% or more of the percentage of women graduates among total new graduate hires for four consecutive years, and the percentage of female managers increased to 7.6 %. In FY2024, we stepped up support for employees by hosting in-house seminars by female directors. Furthermore, we have established a framework allowing all employees to select flexible work arrangements tailored to their individual circumstances and environments.



In-house Seminar by Directors

In the area of wellness, we have formulated a “Wellness Management Strategy Map” aimed at clarifying the objectives and goals of wellness management as the Cosmo Energy Group while monitoring KPIs. Additionally, we convene the “Wellness Management Promotion Liaison Committee,” which assembles Group companies to advance wellness management initiatives across the entire Group. Each Group company has formulated a wellness enhancement plan individually and has commenced implementation by running PDCA. Through the sustained execution of these initiatives, we were recognized under the 2025 Outstanding Organizations of KENKO Investment for Health for the seventh consecutive year starting from 2019.

Due to the integration of various measures, the engagement index has reached 62 points, consistently achieving the FY2025 targets since the previous fiscal year.

	FY2023 Results	FY2024 Results	FY2025 Targets
Human capital investment	¥130,000/person	¥160,000/person	¥180,000/person
Engagement index	60 points	62 points	≥60 points

[DX]

We are establishing a DX promotion foundation and cultivating digital talent to improve our competitiveness and create new value. In FY2024, we promoted the cultivation of core digital personnel, in addition to training programs, by implementing projects aimed at addressing on-site issues through data utilization with the aim of realizing the digital strategies of each Group company. As a result of fostering a culture of data utilization and sophistication, we have created a framework that facilitates data-driven business decisions aligned with our goals for “DX within Cosmo.”

With respect to the cultivation of core digital personnel, in FY2024, 980 personnel were certified, surpassing our target of 900 set for FY2025. We will continue to promote DX throughout the Group by expanding data utilization, improving everyday operations, and increasing digital literacy.

	FY2023 Result	FY2024 Result	FY2025 Target
Core digital personnel	389	980 (Two-year cumulative)	900 (Three-year cumulative)

Group DX Case Examples

We are advancing with the preparation of a data integration platform in our refineries and have implemented digital twin technology. Providing greater access to essential operational data will not only help us achieve high uptime and high-efficiency operations, but will also contribute to safety improvements. A dedicated digital control room for maintenance has commenced operations at the Chiba Refinery. We are working to create an environment that allows us to monitor the soundness of sensor data across all refineries in real time and offer remote maintenance support.

In addition to the above, case examples of data utilization have increased, such as promoting AI within business operations and KPI progress management using BI tools. We are working to make decisions more accurately and quickly and to increase the efficiency of our operations.

In acknowledgment of the Company’s DX efforts, we are honored to be recognized as one of the “DX Stocks 2025” for the first time, jointly awarded by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency, Japan.



[GX]

While we fulfill our responsibility for stable supply of energy, we will achieve net zero carbon emissions including Scope 3 by 2050 to contribute to realizing the carbon neutrality of society as a whole.

We have reduced GHG emissions by 20% (preliminary figure) compared to FY2013 levels by implementing energy-saving measures, in addition to the effect of our equipment operations such as regular maintenance. We also anticipate a reduction in GHG emissions through the optimization of production schemes, including the shutting down of the ethylene production facilities in the petrochemical business.

Notice Concerning Optimization of Ethylene Production in the Chiba Area, Press Release, Cosmo Energy Holdings
<https://www.cosmo-energy.co.jp/en/information/press/2025/250401-02.html>

In our refineries, we are advancing the utilization of negative emission technologies, including CCS, while maintaining high uptime operations to reduce emissions.

	FY2023 Result	FY2024 Result	2030 Target
GHG emissions reduction*	-15%	-20%	-30%

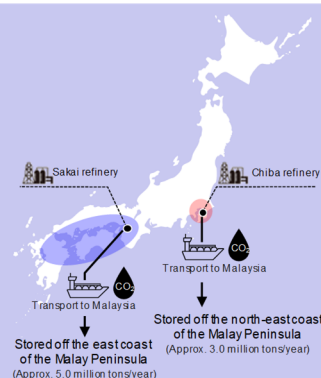
* GHG emissions reduction compared to FY2013 (including Scope 1, 2, reduction contribution)
 Result for FY2024 is the preliminary figure

Initiatives Related to CCS

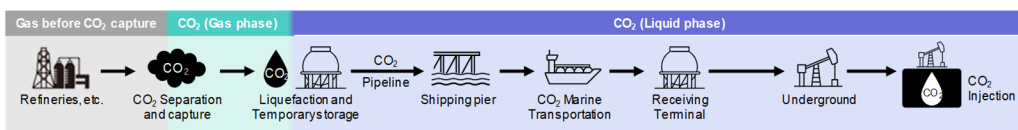
In October 2024, we signed a contract with Japan Organization for Metals and Energy Security (JOGMEC) after winning the bid for JOGMEC's Engineering Design Work for Advanced CCS Projects of FY2024. We have initiated studies for FS and FEED for two projects. Currently, we are developing a plan to separate and capture CO₂ emitted from the Chiba and Sakai Refineries, along with offshore storage in Peninsular Malaysia. We will continue our research to establish value chains and evaluate related technologies, with the objective of achieving FID by FY2026 and project commencement by FY2030.

CCS (Carbon dioxide Capture and Storage)

Name	Storage area	Capture site of the Group	Storage capacity (project total)	Role of the Company
Malaysia Northern Offshore of Peninsular Malaysia CCS	Malaysia Offshore of the north-east coast of Peninsular Malaysia	Chiba Refinery	Approx. 3.0 million tons/year	CO ₂ separation & capture
Malaysia Southern Offshore of Peninsular Malaysia CCS	Malaysia Offshore of the east coast of Peninsular Malaysia	Sakai Refinery	Approx. 5.0 million tons/year	CO ₂ separation & capture, and shipping



CO₂ Recovery/Storage (CCS) image



(2) Review of Operations of the Group

In the fiscal year under review, net sales were ¥2,799.9 billion, up ¥70.3 billion from the previous year and ordinary profit was ¥181.6 billion, excluding the impact of inventory valuation, up ¥19.4 billion from the previous fiscal year.

This was mainly due to the weak yen, primarily in the oil exploration and production business. Despite the factors contributing to the increase in income shown on the left, profit attributable to owners of parent (excluding inventory valuation) was ¥79.2 billion, down ¥3.2 billion from the previous fiscal year, primarily due to the extraordinary losses associated with the enhancement of the business structure in the petrochemical business.

(Billions of yen)

	FY2024	FY2023	YoY change
Net sales	2,799.9	2,729.6	+70.3
Ordinary profit	150.8	161.6	-10.8
Ordinary profit (excl. impact of inventory valuation)	181.6	162.2	+19.4
Petroleum Business	92.6	91.3	+1.3
Petrochemical Business	-5.0	-7.8	+2.8
Oil Exploration and Production Business	82.4	68.3	+14.1
Renewable Energy Business	1.3	2.8	-1.5
Other	10.3	7.6	+2.7
Profit attributable to owners of parent	57.7	82.1	-24.4
Profit attributable to owners of parent (excl. impact of inventory valuation)	79.2	82.4	-3.2
Crude oil price (Dubai) (\$/B)	79	82	-3
Foreign exchange rate (¥/\$)	153	145	+8

(3) Principal Businesses

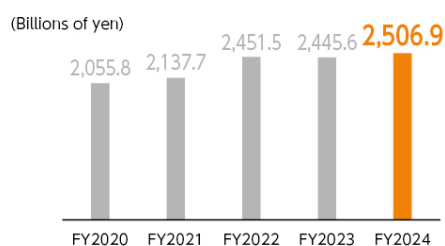
Petroleum Business

Business Overview

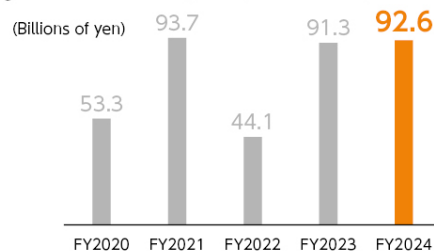
In the petroleum business, Cosmo Oil, a core operating company of the Cosmo Energy Group, is mainly engaged in crude oil procurement, manufacturing, distribution, and importation and exportation of petroleum products.

Cosmo Oil Marketing, which is also a core business company, sells Group products, including petroleum products, to corporate and individual customers.

Net Sales



Segment Profit (excluding the impact of inventory valuation)



Business Performance

Segment profit (excluding the impact of inventory valuation) was ¥92.6 billion (up ¥1.3 billion from the previous fiscal year), mainly due to steady growth in domestic margins.

Initiatives in the Fiscal Year under Review

In the petroleum refining business, we are implementing a data integration platform across our refineries to facilitate the coordination of diverse data types and achieve functional integration. By enhancing DX, we aim to further improve the operating rates.

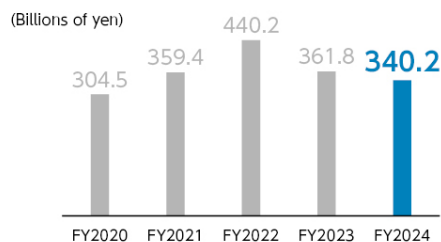
In the Car Life business, we are undertaking strategic sales initiatives leveraging data analytics. In April 2025, we launched an updated version of our official application, “COSMO Official app,” aimed at enhancing convenience for our customers.

Petrochemical Business

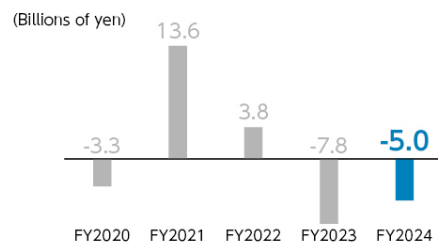
Business Overview

In the petrochemical business, Maruzen Petrochemical, a Group company, provides a stable supply of petrochemical products as an ethylene center within the petrochemical complex. Additionally, we are also expanding production of specialty chemicals for use in chemical product and semiconductor production processes.

Net Sales



Segment Profit



Business Performance

Segment profit was -¥5.0 billion (up ¥2.8 billion from the previous fiscal year), primarily due to challenging market conditions mainly for ethylene.

Initiatives in the Fiscal Year under Review

We are committed to strengthening the competitiveness of our basic chemicals by improving the operating rates of our ethylene production facilities.

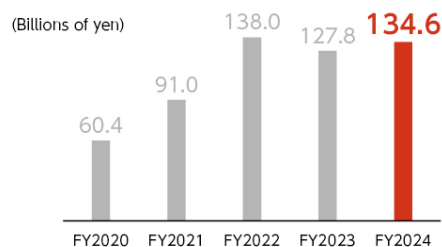
Additionally, we are restructuring our business to expand our specialty chemicals business by enhancing our capabilities in semiconductor photoresist polymers.

Oil Exploration and Production Business

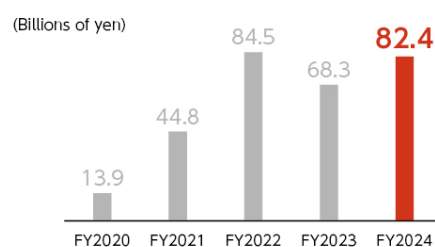
Business Overview

The oil exploration and production business is a revenue driver within the Group business portfolio. In the Middle East, centered on Abu Dhabi in the United Arab Emirates (UAE), with which we have established long trustworthy relationships, we are promoting safe and stable operations in existing concession areas.

Net Sales



Segment Profit



Business Performance

Segment profit was ¥82.4 billion (up ¥14.1 billion from the previous fiscal year), mainly due to the weak yen.

Initiatives in the Fiscal Year under Review

We continued to maintain stable and safe operations in the existing oil fields, including those held by ABU DHABI OIL.

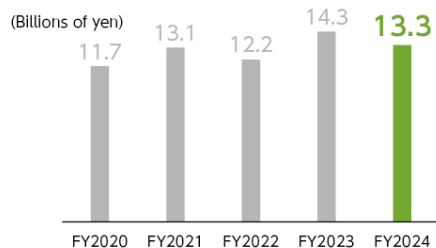
With regard to the Hail Oil Field, where ABU DHABI OIL COMPANY LIMITED started production in November 2017, we have implemented water flooding measures (in which water is injected into a reservoir to restore reduced reservoir pressure) and full-scale production enhancements commenced at the end of December 2024. We are committed to continuing enhancements in production moving forward.

Renewable Energy Business

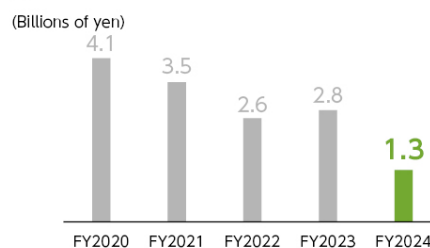
Business Overview

The renewable energy business is building a system that can implement the development of onshore wind power generation sites for the design, construction, operation and maintenance of power plants through Cosmo Eco Power, a group company. Taking advantage of this strength, we are working to expand our onshore wind power generation business. At the same time, we are actively engaged in offshore wind power projects while legislation regarding these projects is being advanced.

Net Sales



Segment Profit



Business Performance

Segment profit was ¥1.3 billion (down ¥1.5 billion from the previous fiscal year), mainly due to unfavorable wind conditions.

Initiatives in the Fiscal Year under Review

The wind power generation facilities of Cosmo Eco Power continued smooth operations. In March 2025, the Shin-Iwaya Wind Park (Aomori Prefecture) officially began commercial operations under the FIT scheme*. We have been steadily taking on construction at multiple onshore wind power generation facilities, achieving sales of electricity of 590,000,000 kWh (down 53,000,000 kWh from the previous fiscal year), as well as total power generation volume of 320 MW. We remain dedicated to pursuing further expansion in this business.

* The Japanese government guarantees that power companies will be able to purchase electricity generated from renewable sources at a fixed price for a specified period, with the aim of promoting the adoption of renewable energy.

(4) Capital Investments

The Group spent a total of ¥93.9 billion on capital investments during the fiscal year under review, primarily in the following:

- Petroleum business
 - Construction of petroleum refining and shipping facilities
 - New establishment and remodeling of service stations
- Petrochemical business
 - Construction of production facilities
- Oil exploration and production business
 - Construction of production facilities
- Renewable energy business
 - Wind power generation facilities

(5) Financing Activities

The 2nd series of unsecured corporate bonds of ¥10.0 billion, and the 3rd series of unsecured corporate bonds (Green bonds) of ¥5.0 billion were issued during the fiscal year under review.

(6) Assets, Profit and Loss for Recent Four Fiscal Years

(Billions of yen)

Category	The 7th Term FY2021	The 8th Term FY2022	The 9th Term FY2023	The 10th Term FY2024
Net Sales	2,440.5	2,791.9	2,729.6	2,799.9
Ordinary Profit	233.1	164.5	161.6	150.8
Profit Attributable to Owners of Parent	138.9	67.9	82.1	57.7
Net Income per Share (yen)	1,658.64	811.15	938.11	672.78
Total Assets	1,938.4	2,120.8	2,212.6	2,156.6
Net Assets	584.0	663.4	727.4	707.5

- (Notes)
1. Net income per share is calculated on the basis of average number of shares issued and outstanding during the year (excluding the average number of treasury shares held during the year and shares owned by the trust bank through the “Executive Remuneration Board Incentive Plan (BIP) Trust”).
 2. The Group has applied the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022), etc. effective from beginning of the current fiscal year. This change in accounting policies is applied retrospectively, the cumulative effect of the change is applied to net assets as of the beginning of the 9th term, and figures for the 9th term are after retrospective application.

(7) Principal Offices and Plants (as of March 31, 2025)

1) The Company

Head Office	1-1-1, Shibaura, Minato-ku, Tokyo
Overseas Bases	Middle East (United Arab Emirates) / Beijing (China)

2) Major Subsidiaries and Affiliates

(Subsidiaries)	
COSMO OIL COMPANY, LIMITED	(Head Office) Minato-ku, Tokyo (Refineries) Chiba (Ichihara-shi) / Mie (Yokkaichi-shi) / Osaka (Sakai-shi) (Laboratories) Saitama (Satte-shi)
COSMO OIL MARKETING COMPANY, LIMITED	(Head Office) Minato-ku, Tokyo (Offices) Hokkaido (Sapporo-shi) / Miyagi (Sendai-shi) / Aichi (Nagoya-shi) / Osaka (Osaka-shi) / Hiroshima (Hiroshima-shi) / Kagawa (Takamatsu-shi) / Fukuoka (Fukuoka-shi)
Maruzen Petrochemical Company, Limited	(Head Office) Chuo-ku, Tokyo (Plant) Chiba (Ichihara-shi) / Mie (Yokkaichi-shi) (Laboratories) Chiba (Ichihara-shi)
Cosmo Energy Exploration & Production Co., Ltd.	(Head Office) Minato-ku, Tokyo
ABU DHABI OIL COMPANY LIMITED	(Head Office) Minato-ku, Tokyo (Mining Plant) Abu Dhabi (United Arab Emirates)
Cosmo Eco Power Co., Ltd.	(Head Office) Shinagawa-ku, Tokyo
(Affiliates)	
Gyxis Corporation	(Head Office) Minato-ku, Tokyo

(8) Major Subsidiaries and Affiliates (as of March 31, 2025)

1) Major Subsidiaries and Affiliates

Company Name	Paid-in Capital	Ratio of Voting Rights	Principal Business Lines
(Subsidiaries)	100 million yen	%	
COSMO OIL COMPANY, LIMITED	1	100.0	Imports and exports, refining, storage, and sales of crude oil and petroleum products, etc.
COSMO OIL MARKETING COMPANY, LIMITED	10	100.0	Sales of oil products, car leasing, etc.
Maruzen Petrochemical Company, Limited	100	52.7	Manufacture and sales of petrochemical products
Cosmo Energy Exploration & Production Co., Ltd.	1	100.0	Planning in the energy exploration and production business
ABU DHABI OIL COMPANY LIMITED	128	64.4	Development, production and sales of crude oil
Cosmo Eco Power Co., Ltd.	72	100.0	Sales of electricity produced by wind power generation, etc.
(Affiliates)			
Gyxis Corporation	110	40.0	Manufacture, storage, transportation, purchase and sale, and export and import of LP gas

- (Notes)
1. The Company's ratio of voting rights includes a portion of indirect holding via subsidiaries.
 2. HD Hyundai Cosmo Petrochemical Co., Ltd. (hereinafter referred to as "HCP") has been removed from the list of major affiliates following the transfer of all HCP shares held by COSMO OIL COMPANY, LIMITED, a subsidiary of the Company, to HD Hyundai Oilbank Co., Ltd. on November 1, 2024.

2) Review and Results of Business Combinations

(Review of Business Combinations)

The Group consists of 34 consolidated subsidiaries (unchanged from the previous fiscal year) and 25 companies under the equity method (unchanged from the previous fiscal year) including the major subsidiaries and affiliates as listed in 1) above.

(Results of Business Combinations)

Consolidated net sales for the fiscal year under review amounted to ¥2,799.9 billion, and profit attributable to owners of parent for the period was ¥57.7 billion.

3) Other Significant Business Combinations

On April 23, 2024, the Company entered into a capital and business alliance agreement with Iwatani Corporation, establishing a cooperative relationship to enhance both companies' corporate value.

(9) Employees (as of March 31, 2025)

1) Employees of Cosmo Energy Group

Name of Business Segment	Number of Employees (Persons)	Year-on-year Change (Persons)
Petroleum Business	4,027 (2,944)	45 (decreased)
Petrochemical Business	1,133 (147)	9 (decreased)
Oil Exploration and Production Business	293 (31)	5 (decreased)
Renewable energy business	212 (49)	20 (decreased)
Other	822 (364)	36 (increased)
Total	6,487 (3,535)	43 (decreased)

- (Notes)
1. Number of employees indicates the number of employees in operation.
 2. Number in parentheses in the number of employees' column indicates the yearly average employment number of temporary employees.

2) Employees of the Company

Number of Employees (Persons)	Year-on-year Change (Persons)	Average Length of Service
253	32 (increased)	14 years 8 months

- (Notes)
1. Seconded employees (267), temporary employees and part-timers are not included in the number of employees.
 2. For the average length of service calculation, the length of service for COSMO OIL COMPANY, LIMITED is used.

(10) Principal Lenders (as of March 31, 2025)

(Billions of yen)

Lenders	Borrowed Amount
Japan Organization for Metals and Energy Security	100.8
Mizuho Bank, Ltd.	83.4
MUFG Bank, Ltd.	66.8
Sumitomo Mitsui Banking Corporation	51.1
Development Bank of Japan Inc.	50.2
SBI Shinsei Bank, Limited	18.0

(Note) In addition to the above, there are borrowings via syndicated loans (¥76.9 billion in total).

(11) Other Significant Matters concerning Current Status of the Group

None.

2. Share Information (as of March 31, 2025)

(1) Total Number of Shares Authorized to be Issued: 170,000,000 shares

(2) Total Number of Shares Issued and Outstanding: 88,353,761 shares
(of which, number of treasury shares: 5,164,505 shares)

(3) Number of Shareholders: 35,368

(4) Major Shareholders (Top 10)

Name of Shareholders	Number of Shares Held (thousands)	Investment Ratio (%)
Iwatani Corporation	17,709	21.28
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,696	12.85
Custody Bank of Japan, Ltd. (Trust Account)	3,999	4.80
JPMorgan Securities Japan Co., Ltd.	2,418	2.90
The Kansai Electric Power Co., Inc.	1,860	2.23
Cosmo Energy Holdings Client Stock Ownership	1,685	2.02
Mizuho Bank, Ltd.	1,600	1.92
Aioi Nissay Dowa Insurance Co., Ltd.	1,580	1.89
Sompo Japan Insurance Inc.	1,342	1.61
Mitsui Sumitomo Insurance Company, Limited	1,250	1.50

- (Notes)
- Although the Company holds 5,164,505 shares of the treasury shares, it is excluded from the above list of major shareholders.
 - Investment ratio is calculated by excluding the number of treasury shares.
 - The treasury shares do not include those shares owned by the trust bank through the “Executive Remuneration Board Incentive Plan (BIP) Trust.”

(5) Status of shares granted to Directors of the Company as consideration for the execution of duties during the fiscal year under review

Position	Number of shares	Number of recipients
Directors (excluding Members of the Supervisory Committee and Outside Directors)	71,850 shares	5
Outside Directors (excluding Members of the Supervisory Committee)	-	-
Directors (Members of the Supervisory Committee)	-	-

- (Notes)
- The figure shown includes shares granted as remuneration for Directors, etc. to one Director who retired during the fiscal year under review (13,395 shares) and one Director who retired before the fiscal year under review (11,775 shares).
 - The number of shares includes 36,350 shares converted to cash at the time of share delivery and paid as an amount equivalent to the converted value based on the share granting rules under the share-based remuneration plan.

3. Executives of the Company

(1) Directors (as of March 31, 2025)

Position	Name	Responsibilities	Significant Concurrent Positions
Chairperson, Representative Director	Hiroshi Kiriya		
President, Representative Director, Chief Executive Officer	Shigeru Yamada		
Director, Senior Executive Officer	Junko Takeda	Responsible for Business Portfolio Management Dept., Human Resource Dept., and Sustainability Initiative Dept.	
Director, Senior Executive Officer	Taisuke Matsuoka	Responsible for Corporate Planning Dept., Finance Dept., Power Business Management Dept., and New Energy Business Management Dept.	
Director	Shigeki Iwane		Senior Advisor, YUASA M&B, Co., Ltd. Advisor, Iwatani Corporation
Director Independent Director	Ryuko Inoue		Of Counsel, Atsumi & Sakai Outside Director, NS United Kaiun Kaisha, Ltd. Outside Director, DIGITAL GRID Corporation
Director Independent Director	Takuya Kurita		Corporate Advisor, Sumitomo Mitsui Trust Bank, Limited
Director Independent Director	Takako Suzuki		Chairman, S.T. CORPORATION External Director, KING JIM CO., LTD. Outside Director, FUJIFILM Holdings Corporation
Director (Full-time Member of the Supervisory Committee)	Takayuki Uematsu		Outside Director (Audit and Supervisory Committee Member), KYOEI TANKER CO., LTD.
Director (Member of the Supervisory Committee) Independent Director	Yasuko Takayama		Outside Director, The Chiba Bank, Ltd. Outside Director, Yokogawa Electric Corporation

Position	Name	Responsibilities	Significant Concurrent Positions
Director (Member of the Supervisory Committee)	Independent Director Keiichi Asai		Outside Director, Sun Frontier Fudousan Co., Ltd.
Director (Member of the Supervisory Committee)	Independent Director Toshihiro Kuriyama		

- (Notes)
1. Directors Ryuko Inoue, Takuya Kurita, and Takako Suzuki and Directors (Members of the Supervisory Committee) Yasuko Takayama, Keiichi Asai, and Toshihiro Kuriyama are Outside Directors.
 2. The Company has notified Directors Ryuko Inoue, Takuya Kurita, and Takako Suzuki and Directors (Members of the Supervisory Committee) Yasuko Takayama, Keiichi Asai, and Toshihiro Kuriyama as Independent Directors to the Tokyo Stock Exchange.
 3. Director Takayuki Uematsu is a full-time member of the Supervisory Committee. The reason for electing a full-time member of the Supervisory Committee was that a person thoroughly familiar with the circumstances in the Company could increase the effectiveness of the Supervisory Committee by attending important meetings, gathering information daily, listening to periodic business reports from the Business Execution Department and sharing with all Members of the Supervisory Committee information gained through their close coordination with the Internal Audit Department, etc.
 4. Director Takayuki Uematsu has taken charge of operations in the finance departments for many years, and he possesses a suitable level of knowledge regarding finance and accounting.
 5. The table above presents the status of significant concurrent positions of executives. There are no special relationships between the Company and companies where the concurrent positions are held.
 6. Executive Officers (as of April 1, 2025)
There are no special relationships between the Company and companies where the concurrent positions are held.

Position	Name	Responsibilities
Senior Executive Officer, CDO	Noriko Rzonca	Responsible for Corporate DX Strategy Dept., Corporate Communication Dept., IT Initiative Dept. Unicharm Corporation, Outside Director, Audit & Supervisory Committee Member
Senior Executive Officer	Hiroaki Ohtsuka	Responsible for Power Business Management Dept. New Energy Business Management Dept.
Senior Executive Officer	Tomoki Iwai	Responsible for Accounting Dept., Legal and General Affairs Dept.
Executive Officer	Hideyuki Wakao	General Manager, Internal Auditing Office

(2) Outline of the Terms and Conditions of Agreements for Limitation of Liability

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Shigeki Iwane, Ryuko Inoue, Takuya Kurita, Takako Suzuki, Yasuko Takayama, Keiichi Asai, and Toshihiro Kuriyama to limit the liability for damages under Article 423, Paragraph 1 of the said act.

The limitation of liability for damages under the relevant agreement is the minimum liability amount set forth in Article 425, Paragraph 1 of the Companies Act.

(3) Outline of the Company Indemnification Contracts

The Company has entered into company indemnification contracts with Directors Hiroshi Kiriya, Shigeru Yamada, Junko Takeda, Taisuke Matsuoka, Shigeki Iwane, Ryuko Inoue, Takuya Kurita, Takako Suzuki, Takayuki Uematsu, Yasuko Takayama, Keiichi Asai, and Toshihiro Kuriyama as set in Article 430-2, Paragraph 1 of the Companies Act, whereby the Company shall compensate Directors for expenses as set forth in Item 1 and losses as set forth in Item 2 of said Paragraph 1 within the scope set forth in applicable laws and regulations. However, the Company shall not indemnify the counterparties with respect to the expenses, etc. arising from the conduct of each Director aware of the illegality thereof, or from the execution of duty with a view to illegal gain for himself/herself or a third party, or to the detriment of the Company.

(4) Outline of the Terms and Conditions of Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract, as provided for in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The individuals covered by this insurance contract are the Directors (including those who are Members of the Supervisory Committee), Corporate Auditors, Executive Officers, and Executive Members of 31 companies (the Company and 30 companies among its consolidated subsidiaries and equity-method affiliates). Under the terms of this insurance contract, those insured will be compensated for indemnification and legal defense costs incurred by the insured due to corporate litigation, shareholder derivative suits, etc. received in the course of their duties. For all those covered, the insurance premiums are fully borne by each company.

(5) Remuneration to Directors

1) Total remuneration related to the fiscal year under review

Category	Number of Recipients (Persons)	Amount of Remuneration (Millions of yen)	Basic Remuneration (Millions of yen)	Performance-Linked Remuneration (Yearly Incentive) (Millions of yen)	Performance-Linked Non-Monetary Remuneration (Medium- to Long-Term Incentives) (Millions of yen)
Directors (Excluding Members of the Supervisory Committee)	9	554	253	251	50
(Of which Outside Directors)	(3)	(43)	(43)	(-)	(-)
Directors (Members of the Supervisory Committee)	5	92	92	-	-
(Of which Outside Directors)	(3)	(54)	(54)	(-)	(-)
Total	14	647	346	251	50

- (Notes)
1. Of the remuneration etc. above, the amount of remuneration etc. for Directors (excluding those who are Members of the Supervisory Committee) includes the amount of performance-linked remuneration (yearly incentive) for the fiscal year under review and the amount of expenses booked for medium- to long-term incentives related to performance-linked non-monetary remuneration for the Applicable Evaluation Period which includes the fiscal year under review.
 2. The total amount of remuneration, etc. for Directors does not include the salaries paid as the employee portion for the Directors who also work as employees.
 3. At the 9th Ordinary General Meeting of Shareholders held on June 20, 2024, it was resolved that the amount of monetary remuneration for Directors (excluding those who are Members of the Supervisory Committee) would be set at no more than ¥1,000 million per year (including no more than ¥200 million per year for Outside Directors), not including the salaries paid as the employee portion for the Directors who also work as employees. With regard to the number of persons eligible at the conclusion of said General Meeting, the number of Directors that received basic remuneration was eight (8) persons (including three (3) Outside Directors), and the number of Directors that received yearly incentives was four (4) persons (including zero (0) Outside Director).
At said General Meeting, it was resolved that the maximum amount of money contributed by the Company under the share-based remuneration plan would be set at ¥1,000 million each target period in addition to monetary remuneration. As Executive Officers are also eligible for medium- to long-term incentive, the number of Directors and Executive Officers eligible for this plan at the conclusion of said General Meeting was eight (8) persons (four (4) Directors (including zero (0) Outside Director) and four (4) Executive Officers who do not concurrently serve as Director).
 4. At the 9th Ordinary General Meeting of Shareholders held on June 20, 2024, it was resolved that the amount of monetary remuneration for Directors who are Members of the Supervisory Committee would be set at no more than ¥200 million per year. At the conclusion of said General Meeting, the number of Directors who are Members of the Supervisory Committee was four (4) persons (including three (3) Outside Directors).

2) Policy for determining remuneration, etc. for Directors

<Method for determining the policy>

In order to ensure a high degree of independence, objectivity and transparency in the process for determining and managing the remuneration of executives, the Company has established the Nomination and Remuneration Committee, in which more than half of the members are Independent Outside Directors, with Independent Outside Director Keiichi Asai as Chairman and Independent Outside Directors Yasuko Takayama, Ryuko Inoue and Takuya Kurita and Chairperson and Representative Director Hiroshi Kiriya as committee members. The policy for determining individual remuneration etc. for Directors is determined by the Board of Directors after verifying its validity every term by the Nomination and Remuneration Committee.

<Summary of the details of the policy>

Remuneration plan

The remuneration system for Directors (excluding Outside Directors and Members of the Supervisory Committee) is comprised of 1) fixed salaries as basic remuneration, 2) yearly incentive remuneration that is linked to single-year performance (profit attributable to owners of parent (excluding the impact of inventory valuation)), initiatives for achieving ESG targets, and the performance of individuals, 3) as well as medium- to long-term incentive remuneration in which the number of shares to be granted varies according to the degree of achievement of performance targets etc. for three fiscal years. As for the level of remuneration and the composition ratios of each type of remuneration, an “executive compensation database” operated by an outside consulting firm is used as data for analysis, and validity is verified based on an objective benchmark analysis of the latest conditions for the level and composition of Director remuneration at major domestic corporations. Specifically, we established the competitive enough level of basic remuneration comparable with major domestic corporations, while setting greater proportion of incentive remuneration for Directors with higher positions, thereby reflecting the weight of management responsibilities on the composition ratio of Director remuneration by position.

In addition, Remuneration for Independent Outside Directors and Directors who are Members of the Supervisory Committee consists only of a set amount of basic remuneration so that they can fulfill their supervisory roles appropriately from the standpoint of individuals who are not involved in business execution. In addition, regarding the determination of individual remuneration etc. for Directors who are Members of the Supervisory Committee, it is determined through discussions among Directors who are Members of the Supervisory Committee in accordance with the provisions of Article 361, Paragraph 3 of the Companies Act.

Basic remuneration is paid each month. As for yearly incentive remuneration and medium- to long-term incentive remuneration, remuneration is paid or standard points are granted at a certain time every year.

Shareholding guidelines

To ensure sustainable value sharing with all stakeholders, shareholding guidelines have been established for Executive Officers of the Group. Specifically, Chairperson and President of the Company shall aim to attain standard holding value including the potential shareholding (the value of non-performance-linked portion of standard points granted through medium- to long-term incentive remuneration) equivalent to 1.5 times annual basic remuneration within five years from their appointment, while Executive Officers of the Group shall aim to attain the same level as annual basic remuneration also within five years from their appointment.

<Reference>

For the purpose of further enhancing the governance of remuneration for executives, the Board of Directors plans to implement malus and clawback provisions (provisions regarding the forfeiture and repayment of compensation) during this fiscal year.

<Matters related to details for remuneration, etc. of Directors for the fiscal year under review>

Matter related to the process for determining the amount of total remuneration

In individual remuneration, etc. of Directors for the fiscal year under review, the Nomination and Remuneration Committee, delegated by the Company’s Board of Directors, determined the remuneration amount for each individual based on the executive remuneration system decided by the Board of Directors after considering the report of the Nomination and Remuneration Committee. The delegated authority is the final determination of individual remuneration amounts based on the evaluation result of the part of yearly incentive remuneration that is linked with individual performance evaluation. The reason for delegating it is to encourage improvement in the qualities of the Company’s executives by linking manager remuneration and nomination. Furthermore, the Chairman and committee members of the Nomination and Remuneration Committee that received the delegation is as stated above.

As measure to ensure that the delegated authority is exercised appropriately, the Company strives to provide adequate necessary objective information to the Nomination and Remuneration Committee using external nomination and remuneration consultants with a view to ensuring comprehensive and effective deliberation while also assuming the secure independence of the Nomination and Remuneration Committee.

In making the decision, the Board of Directors collected objective information that was necessary and sufficient for deliberations, given the activities of the Nomination and Remuneration Committee during the decision-making process for individual remuneration, etc. for the fiscal year under review. And it gave consideration of multiple things, including the compatibility of the remuneration of executives with the policy for determining individual remuneration, etc. for Directors. Therefore, the Board of Directors determined that the details of individual remuneration, etc. for Directors for the fiscal year under review would be in line with the policy.

The Company's yearly incentive remuneration (portion linked to profit attributable to owners of parent (excluding the impact of inventory valuation)) as well as medium- to long-term incentive remuneration (performance-linked portion) is designed as "performance-linked remuneration" for the purpose of Corporation Tax Act. The Company and its core business companies decide on the method for calculating such performance-linked portion by the resolution at the Board of Directors of the Company and at the Board of Directors of the core business companies, subject to the approval of a majority of Directors who are Members of the Supervisory Committee at the Supervisory Committee.

3) Matters related to performance-linked remuneration (yearly incentive remuneration)

In the case of yearly incentive remuneration, Directors (excluding Outside Directors and Directors who are Members of the Supervisory Committee) receive monetary payments that vary in accordance with single-year performance (profit attributable to owners of parent (excluding the impact of inventory valuation)), initiatives for achieving ESG targets, and the performance of individuals based on the perspective of their management nomination. The actual result for profit attributable to owners of parent (excluding the impact of inventory valuation) for the fiscal year under review was ¥79.2 billion, and the individual amounts paid reflect evaluation of initiatives on ESG targets and individual performance evaluation on an amount calculated by predetermined formulas for each position based on the individual performance.

Profit attributable to owners of parent (excluding inventory valuation) was selected as a performance indicator (KPI) for this system because it is a standard indicator in the petroleum industry that excludes the characteristic of fluctuations in inventory effects, and is widely used to explain the Company's performance to internal and external stakeholders.

With respect to the portion linked to evaluations of initiatives on ESG targets set at 10% of the yearly standard amount, payment rate calculated in a range between 0 - 200% has been established in consideration of the progress of the non-financial KPIs predetermined focusing on the Company's material issues, along with the results of evaluation at the Board of Directors and the Sustainability Strategy Committee.

4) Matters related to performance-linked non-monetary remuneration (medium- to long-term incentive remuneration)

Medium- to long-term incentive remuneration is a performance-linked share-based remuneration plan (hereinafter the "Plan" in this paragraph), whereby, every year from FY2018, an incentive plan is established for an evaluation spanning three consecutive years (the "Applicable Evaluation Period").

The KPIs of the Plan are the ratio of the Company's total shareholder return (TSR) to the Tokyo Stock Price Index (TOPIX) growth rate, and the consolidated net interest-bearing debt ratio (hereinafter the "Consolidated Net D/E ratio"). The ratio of the Company's TSR to the TOPIX growth rate was chosen as a KPI because it enables the volatility in performance caused by market factors that is characteristic of the Company's business to be excluded as far as possible, and for the skill involved in creating corporate value, resulting from management efforts, to be evaluated fairly and impartially. The Consolidated Net D/E ratio was chosen as a KPI for the early achievement of the goal cited in the 7th Consolidated Medium-Term Management Plan of achieving consistently sound financial management over the medium to long term.

For this remuneration plan which has the Applicable Evaluation Period for the three fiscal years from FY2022 through FY2024, with the fiscal year under review as the final year of the period, as of the end of March 2025, the Company's TSR to the TOPIX growth rate was 149%, and Consolidated Net D/E ratio was 0.84 times, and the number of shares granted to individual is calculated based on actual results as of the end of May 2025 according to a predetermined formula for each position.

(6) Outside Directors

Major Activities in the Fiscal Year Under Review

Title	Name	Record of Attendance		Outline of Opinions Expressed and Performance of Duties in Relation to Expected Role
		Board of Directors Meeting	Supervisory Committee Meeting	
Outside Director	Ryuko Inoue	13 out of 13 times	—	Ms. Inoue is properly fulfilling her role through giving valuable advice and other activities regarding government policies, laws and regulations, and risks, etc. from her abundant experience at the Ministry of Agriculture, Forestry and Fisheries and as outside director of other business corporation as well as on her expertise as an attorney. She also expressed her opinions proactively as a member for the Nomination and Remuneration Committee.
Outside Director	Takuya Kurita	13 out of 13 times	—	Mr. Kurita is properly fulfilling his role through giving valuable advice and other activities, from his broad-based expertise at the Ministry of Land, Infrastructure, Transport and Tourism and as corporate adviser of other business corporation without being bound by the conventions of the industry to which the Company belongs. He also expressed his opinions proactively as a member for the Nomination and Remuneration Committee.
Outside Director	Takako Suzuki	10 out of 10 times	—	Ms. Suzuki has experience in corporate management and extensive knowledge of branding. She has served as an outside director at several companies, giving her a broad understanding of various industries. Leveraging this expertise, she is properly fulfilling her role through giving valuable advice aimed at sustainably enhancing business value for the Board of Directors.

Title	Name	Record of Attendance		Outline of Opinions Expressed and Performance of Duties in Relation to Expected Role
		Board of Directors Meeting	Supervisory Committee Meeting	
Outside Director (Member of the Supervisory Committee)	Yasuko Takayama	13 out of 13 times	15 out of 15 times	By drawing on her extensive experience as an Outside Director and Outside Member of the Audit & Supervisory Board, Ms. Takayama is giving advice without being bound by the conventions of the industry to which the Company belongs. She is properly fulfilling her role through activities including providing oversight and advice based on her abundant knowledge especially on corporate governance. She also expressed her opinions proactively as a member of the Nomination and Remuneration Committee.
Outside Director (Member of the Supervisory Committee)	Keiichi Asai	13 out of 13 times	15 out of 15 times	By drawing on his insight on overall corporate management and his abundant professional knowledge of the energy and chemical industries, Mr. Asai is giving valuable advice through his experience in international business, and properly fulfilling his role through activities including providing oversight and advice. He also expressed his opinions proactively as Chairman of the Nomination and Remuneration Committee.
Outside Director (Member of the Supervisory Committee)	Toshihiro Kuriyama	10 out of 10 times	11 out of 11 times	By drawing on his abundant knowledge and experience on overall corporate management, Mr. Kuriyama is giving valuable advice based on his experience in initiatives related to group governance, capital policy and new business development, and properly fulfilling his role through activities including providing oversight and advice.

4. Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Amount of Remuneration, etc., pertaining to the Fiscal Year Under Review to Accounting Auditor

(Millions of yen)

	Amount of Remuneration
Amount of Remuneration, etc., to be Paid to the Accounting Auditor pertaining to the Fiscal Year Under Review	169
Amount of Moneys and Other Property Benefits to be Paid to the Accounting Auditor by the Company and Its Subsidiaries	370

- (Notes)
1. The audit agreement entered into by the Company and the Accounting Auditor does not clearly distinguish the amount of remuneration, etc. for audit under the Companies Act and that for audit under the Financial Instruments and Exchange Act, and those cannot be substantially distinguished from each other. Therefore, the aforementioned amount of remuneration, etc. to be paid to the Accounting Auditor pertaining to the current fiscal year indicates the total amount of these.
 2. The Supervisory Committee consented to the amount of remuneration, etc., to the Accounting Auditor after fully examining the details explained by the Accounting Auditor including the length of the audit period and personnel arrangement of the accounting audit plan for the current fiscal year, review and assessment of the audit results for the previous fiscal year, reasonableness of the status of audit by the Accounting Auditor and the basis for calculating the estimate used as an assumption for such remuneration.
 3. Our subsidiary COSMO OIL INTERNATIONAL PTE. LTD. undergoes audits by audit corporations other than the Account Auditor of the Company.

(3) Non-audit Services

The Company pays KPMG AZSA LLC the remuneration for its work in preparing the comfort letter related to bond issuance.

(4) Guidelines for Decisions on Dismissal or Non-reappointment of Accounting Auditor

The Supervisory Committee will decide on dismissal or non-reappointment of the Accounting Auditor after comprehensively considering the independence, reliability and status of performance of duties of the Accounting Auditor as prescribed in laws and regulations or standards. The Supervisory Committee will decide on details of proposals related to the dismissal or non-reappointment of the Accounting Auditor to be submitted to a General Meeting of Shareholders, if it deems it necessary to do so, such as in cases in which performance of duties by the Accounting Auditor is hindered.

Also, the Supervisory Committee will dismiss the Accounting Auditor if it judges that any of the items stipulated in Article 340, Paragraph 1 of the Companies Act is applicable to the Accounting Auditor; based on the consent of all members of the Supervisory Committee. In this case, a member of the Supervisory Committee appointed by the Supervisory Committee will report the fact of dismissal and the reasons thereof at the first General Meeting of Shareholders convened after the dismissal.

5. Basic Policies on Internal Control Systems

(1) Basic Policies on Internal Control Systems (As of March 31, 2025)

In order to put into practice the Cosmo Energy Group Vision and code of conduct, and to execute duties appropriately and efficiently, the following basic policies on internal control systems have been established, by the resolution of the Board of Directors, with respect to the preparation of a system for execution of duties by Directors and employees, etc. of the Company and its group companies, system for risk management and internal auditing to support it, and a system to ensure effective auditing by the members of the Supervisory Committee.

Group companies constitute the group of enterprises consisting of the Company and a group of subsidiaries represented by its core business companies (COSMO OIL COMPANY, LIMITED, COSMO OIL MARKETING COMPANY, LIMITED, and Cosmo Energy Exploration & Production Co., Ltd.) and semi-core business company (Maruzen Petrochemical Company, Limited).

1) System to Ensure that Execution of Duties by Directors and Employees of the Company and its group companies is in Compliance with Laws and Regulations, and Articles of Incorporation (Article 399-13, Paragraph 1, Item 1, c of the Companies Act, Article 110-4, Paragraph 2, Item 4 and Item 5, d of the Regulations for Enforcement of the Companies Act)

<Group Vision and Code of Conduct>

- The Company will formulate the “Cosmo Energy Group Vision” based on the mission as a company and responsibilities the Company assumes to society, and will establish the “Cosmo Energy Group Code of Conduct” as a specific guideline to promote and achieve this Vision.

<Corporate Governance>

- The Company is a company with a supervisory committee and will strengthen the management oversight function of the Board of Directors and ensure transparency and fairness of management judgment by appointing several Outside Directors. The Board of Directors will determine important matters in accordance with laws and regulations, the Articles of Incorporation, the resolution thereof and internal rules, and oversee the execution of duties of Directors.
- The Company is a holding company, and its structure consists of three core business companies and semi-core business company. To quickly conduct business execution in response to any change in the business environment, the Company will delegate authority and responsibilities to the core business companies and semi-core business company, and facilitate speedy decision-making on important management matters such as development of growing businesses and nurturing of a safety-oriented workplace culture.
- In order to promote sound business activities of the Company and group companies, the Company will establish the Sustainability Strategy Committee chaired by the President and CEO to supervise overall sustainability activities and internal controls and determine non-financial policies and indicators. The Sustainability Strategy Committee shall submit important decisions and reports to the Board of Directors.

<Separation of Execution of Duties and Supervision>

- The Company will introduce an Executive Officer System that separates the execution of duties from their supervision to enhance the supervisory function of the Board of Directors.

<Enhancement of Internal Audit>

- The Company will establish a rule for a system to ensure effective implementation of internal audits, and implement audits that possess high level of expertise and sense of ethics by the Internal Auditing Office.

<Compliance>

- The Company will provide the Cosmo Energy Group Corporate Ethics Consultation Helpline (a corporate ethics helpline) both inside and outside the Company that enables its employees to report a legal violation or a violation of internal rules, etc., by the Company or the group companies and any matter concerning corporate ethics to thoroughly carry out legal compliance and foster and improve ethical awareness.
- The Company will place a Sustainability Promotion Officer (president of group company) and a Corporate Ethics Helpline Officer (, who is in charge of human resource department) at each group company and hold a Sustainability Liaison Committee to promote initiatives of the Company and the group companies for corporate ethics.

<Stance Against Anti-Social Forces>

- The Company and the group companies will never have any relationship with anti-social forces or groups that are a menace to social order and safety, and will not give favors of any sort.

2) Rules and Other Systems concerning Management of Risk of Loss in the Company and its group companies (Article 110-4, Paragraph 2, Item 2 and Item 5, b of the Regulations for Enforcement of the Companies Act)

- The Company will determine basic matters with regard to risk management such as crisis management (establishment of Risk Management Rules and Crisis Management Rules), and through the Sustainability Strategy Committee and the Sustainability Committee, it will conduct assessment and reexamination of various risks facing the business activities and take proper measures.
- The Board of Directors will oversee whether measures for major risks and crisis control that are reported by the Sustainability Strategy Committee are effectively implemented.
- The Company and the group companies will take prompt and proper measures such as establishing Crisis Response Headquarters, etc., at times of crisis and provide information outside the Company on a timely and appropriate manner while minimizing damage.

3) Systems to Ensure Efficient Execution of Duties by Directors of the Company and its group companies (Article 110-4, Paragraph 2, Item 3 and Item 5, c of the Regulations for Enforcement of the Companies Act)

- The Company will hold a meeting of the Board of Directors in accordance with the Board of Directors Meeting Rules or as required when any important matter comes up, and determine matters stipulated by laws and regulations and the Articles of Incorporation and other important matters concerning management such as management policy.
- The Company will hold a meeting of the Executive Officers' Committee in accordance with the Executive Officers' Committee Rules or as required when any important matter comes up. The Executive Officers' Committee is a decision-making organization that discusses the basic policy and important matters for business execution based on the management policy determined by the Board of Directors.
- The Company will ensure effective execution of duties in response to a change in the management environment by establishing a system for sharing responsibilities for business execution based on the Rules for Duties that stipulate the organizational body, office organization, reporting line and segregation of duties as well as the Rules for Job Authorization that stipulate basic matters concerning management of the decision-making system.
- The Company will formulate a management plan and clarify objectives to be achieved given the management policy of the Company and the group companies while determining an annual plan based on such plan and implement performance management of the Company and the group companies.
- The Company shall require the group companies to build a system necessary for efficient execution of duties of Directors, etc., in reference to the Company's system or based on organizations of the group companies.

4) System with regard to Information Retention and Management pertaining to Execution of Duties by Directors (Article 110-4, Paragraph 2, Item 1 of the Regulations for Enforcement of the Companies Act)

- In accordance with the internal rules with respect to information management, such as Board of Directors Meeting Rules and Information Management Rules, etc., the Company shall properly retain and manage information pertaining to execution of duties by Directors.
- The Company will build an information security system for proper information use and management.

5) System to Report Matters concerning Execution of Duties of Directors, etc. of the Group Companies to the Company (Article 110-4, Paragraph 2, Item 5, a of the Regulations for Enforcement of the Companies Act)

- The Company shall regularly hold a meeting with the group companies concerning overall management thereof to

share important information, and shall approve or receive a report on the execution of important businesses of the group companies based on their regulations for management.

- The Company will require the group companies to report the progress of various measures for sustainability and improve or review such measures based on the Consolidated Medium-Term Management Plan the Company establishes.

6) Matters concerning Employees Assisting the Duties of Supervisory Committee, Matters concerning Independence of Employees from Directors Other Than Members of the Supervisory Committee and Matters concerning Securing of Effectiveness of Orders to the Relevant Employees (Article 110-4, Paragraph 1, Item 1, Item 2 and Item 3 of the Regulations for Enforcement of the Companies Act)

- The Company will place dedicated staff who assist the duties of Supervisory Committee and support execution thereof.
- The Company shall obtain approval from Supervisory Committee concerning selection, transfer and change of treatment of employees assisting the duties of such Committee.
- The authority to give instructions and commands to employees assisting the duties of members of the Supervisory Committee will be held by the Supervisory Committee.

7) Systems for Reporting to the Supervisory Committee (Article 110-4, Paragraph 1, Item 4 of the Regulations for Enforcement of the Companies Act)

- Directors and employees of the Company and its group companies shall report to the Supervisory Committee on statutory matters and (1) material matters that affect the management and results of the Company and its group companies, (2) overview of activities of Internal Auditing Office, Corporate Auditors and Audit Offices of the group companies, (3) overview of activities with respect to internal controls of the Company and its group companies, and (4) status of operation at the Cosmo Energy Group Corporate Ethics Help Line.
- When there is a report to the Cosmo Energy Group Corporate Ethics Helpline, it shall be reported to the Supervisory Committee without delay.
- The Directors and employees, etc. of the Company and the group companies will respond swiftly and appropriately when they are requested by the Supervisory Committee to report on a matter regarding business execution or other important matter.

8) System for Ensuring a Person Reporting to the Supervisory Committee Does Not Receive Unfair Treatment Due to Making that Report (Article 110-4, Paragraph 1, Item 5 of the Regulations for Enforcement of the Companies Act)

- The Company prescribes the rule and will respond appropriately to ensure unfair treatment is not given to any Director or an employee, etc. of the Company and the group companies, due to the making of a report to the Supervisory Committee.

9) Procedures for Advanced Payment or Reimbursement of Costs, and Policies for Treatment of Other Costs or Obligations Incurred through the Performance of Duties by the Supervisory Committee (Article 110-4, Paragraph 1, Item 6 of the Regulations for Enforcement of the Companies Act)

- Costs recognized as necessary for the performance of duties by the Supervisory Committee will be budgeted and when there is a claim for such payment in advance, a swift response will be given to such claims except in the cases when such claims are inappropriate.
- Costs for the expenses of emergencies or extraordinary events related to members of the Supervisory Committee will be met by responding to a subsequent claim for reimbursement.

10) Other Systems for Ensuring Audits of the Supervisory Committee are Performed Effectively (Article 110-4, Paragraph 1, Item 7 of the Regulations for Enforcement of the Companies Act)

- The Audit Standard and Audit Implementation Plan decided by the Supervisory Committee will be respected and

cooperation will be given to ensure a smooth execution of audit and preparation of audit environment.

- Meetings among the members of the Supervisory Committee, the President, primary departments and office managers, and Audit & Supervisory Board Members of the group companies will be held on regular basis to prepare systems to ensure audit effectiveness.
- Sufficient collaboration among the Internal Auditing Office, the Accounting Auditor, and the Supervisory Committee shall be promoted.

(2) Outline of the Status of Operation of the Basic Policies on Internal Control Systems

In order to put into practice, the Cosmo Energy Group Vision and code of conduct, and to execute duties appropriately and efficiently, an auditing system has been established and put into operation based on the basic policies on internal control systems, with respect to the execution of duties by Directors and employees, etc. of the Company and its group companies, risk management and internal auditing, and the Supervisory Committee. Furthermore, the Company has established the Sustainability Strategy Committee chaired by the President and Group CEO to supervise internal controls. From FY2025, the Executive Officers' Committee will treat both the financial and non-financial domains equally as management issues, and the Sustainability Strategy Council that was placed as an auxiliary body to the Executive Officers' Committee, will oversee internal controls. The Sustainability Strategy Committee (the Sustainability Strategy Council from FY2025 onwards) assesses the performance and activities of various measures for internal control based on the Consolidated Medium-Term Management plan, and submits/reports to the Board of Directors significant matters. In FY2024, the Sustainability Strategy Committee met six times, discussed 19 agenda items, and submitted/reported nine of the agenda items to the Board of Directors. Furthermore, committees have been established at core business companies and semi-core business companies in accordance with the functions of each company. These committees work together with the Company to oversee all Group companies.

1) Status of Operation of System to Ensure Appropriateness of Businesses

- In FY2024, the Company held 13 meetings of the Board of Directors, and 23 meetings of the Executive Officers' Committee in accordance with internal rules. The Board of Directors discussed and determined the basic policy and important matters concerning business management of the Group in addition to matters stipulated by laws and regulations and the Articles of Incorporation while the Executive Officers' Committee discussed and determined the basic policy and important matters concerning business execution.
- In an attempt to foster ethical standards widely across the Group, the Company provided individual training by corporate ethics e-learning to all Cosmo Energy Group employees and deepened the understanding toward the Code of Conduct. The Company continually implemented consistent contents throughout the year, including issuing an e-mail based magazine, conducting an employee awareness survey, appropriately managing working time, and creating a workplace that respects diversity, and raised the level of awareness of corporate ethics and human rights among employees. The Company also provided the Cosmo Energy Group Corporate Ethics Consultation Helpline (a corporate ethics helpline) both inside and outside the Company as a system to consult or report under anonymity any legal or ethical issue encountered during business operation, and provided consultations on harassment issues for the purpose of preventing mental health disorders and resolving issues in workplace quickly through effects such as a sense of sympathy and security gained by counseling provided by outside specialists.

2) Status of Operation concerning Management of the Risk of Loss

Being strongly committed to the stable supply of energy, the Group advocates “strengthening of the Group risk management” and “safe operation and stable supply” as most important material issues under the Consolidated Medium-Term Management Plan, and set targets and KPIs to enhance the governance structure.

In accordance with risk management policies as a part of the sustainability management paradigm, the Group promoted group-wide risk and safety management activities in the Sustainability Strategy Committee, etc. including discussions on risks and safety policies relevant to the entire Group, and checking the progress of risk prevention initiatives and safety activities. Eleven risks that may impact the Group's viability have been identified as top risks, with risk owners assigned to each to control across the Group. With respect to seismic countermeasures, a tripartite initiative was arranged in September 2024, enlisting the Company, Cosmo Oil, and Cosmo Oil Marketing in conducting BCP (Business Continuity Plan) drills envisioning a Nankai Megathrust (the fault line under the Nankai trough) Earthquake. With a focus on formulating policies for the supply and sales of petroleum products to affected areas from the initial response, participants confirmed the effectiveness and challenges of the BCP. These more practical drills include online information linking and sharing through the use of a dashboard system that visually displays disaster information. Moreover, in November 2024, BCP drills were conducted premised on the notion that Temporary Crisis Response Headquarters is to be established at Cosmo Oil's Sakai Refinery and at Cosmo Oil Marketing's Osaka Office and decision-making authority regarding disaster response is to be delegated, envisioning a scenario where functions of the Group's head office become subject to a state of paralysis due to a Tokyo Inland Earthquake.

3) Status of Operation concerning Business Management of the Group Companies

The Group, for the purpose of ensuring proper group governance based on the holding company structure, developed internal rules such as the Rules for Management of Subsidiaries and Affiliated Companies and the Rules for Job Authorization that stipulate matters concerning the oversight authority of the Company and the Group. Accordingly, the Company and the group companies discussed and approved important management matters of the respective affiliated companies and were briefed on the results as appropriate.

4) Status of Operation concerning System for Ensuring Audits of the Supervisory Committee is Performed Effectively

To ensure the Supervisory Committee's performance of its duties is effective, in addition to members of the Supervisory Committee attending important meetings of the Board of Directors, the Executive Officers' Committee, the Sustainability Strategy Council, etc., we carried out appropriate coordination through communication with the Company's Directors and those of the Group companies, regular exchanges of opinions with Audit & Supervisory Board Members of the group companies, the Internal Audit Department and the Accounting Auditor, and providing updates on corporate ethics information. Furthermore, we assigned assistant employees to help and support the Supervisory Committee's duties, and provided necessary and adequate information.

Consolidated Balance Sheet
Fiscal Year 2024 (As of March 31, 2025)

(Unit: million yen)

Item	Amount	Item	Amount
Assets	<u>2,156,605</u>	Liabilities	<u>1,449,128</u>
Current assets	1,079,108	Current liabilities	945,465
Cash and deposits	126,926	Notes and accounts payable - trade	360,446
Notes receivable - trade	3,277	Short-term loans payable	222,192
Accounts receivable - trade	349,693	Current portion of bonds payable	3,000
Merchandise and finished goods	196,306	Commercial papers	92,000
Work in process	645	Accounts payable - other	124,681
Raw materials and supplies	253,701	Accrued volatile oil and other petroleum taxes	84,310
Accounts receivable - other	41,307	Income taxes payable	7,849
Other	107,292	Accrued expenses	4,303
Allowance for doubtful accounts	-41	Provision for bonuses	9,574
Non-current assets	1,077,370	Provision for directors' bonuses	708
Property, plant and equipment	871,374	Other	36,397
Buildings and structures, net	237,020	Non-current liabilities	503,662
Oil storage depots, net	37,628	Bonds payable	37,778
Machinery, equipment and vehicles, net	214,991	Long-term loans payable	264,936
Land	313,679	Deferred tax liabilities	65,952
Leased assets, net	3,178	Deferred tax liabilities for land revaluation	5,110
Construction in progress	47,591	Provision for special repairs	34,984
Other, net	17,284	Provision for environmental measures	582
Intangible assets	43,559	Net defined benefit liability	3,576
Software	11,276	Provision for executive remuneration BIP trust	1,291
Other	32,282	Asset retirement obligations	31,062
Investments and other assets	162,436	Other	58,386
Investment securities	98,538	Net assets	<u>707,477</u>
Long-term loans receivable	129	Shareholders' equity	591,978
Long-term prepaid expenses	10,808	Capital stock	46,435
Net defined benefit asset	10,731	Capital surplus	93,576
Deferred tax assets	33,016	Retained earnings	490,634
Other	9,454	Treasury shares	-38,667
Allowance for doubtful accounts	-243	Accumulated other comprehensive income	-7,196
Deferred assets	126	Valuation difference on available-for-sale securities	7,740
Bond issuance cost	126	Deferred gains or losses on hedges	-519
		Revaluation reserve for land	-20,912
		Foreign currency translation adjustment	4,410
		Remeasurements of defined benefit plans	2,084
		Non-controlling interests	122,694
Total assets	2,156,605	Total liabilities and net assets	2,156,605

Consolidated Statements of Income

Fiscal Year 2024(From April 1, 2024 to March 31, 2025)

(Unit: million yen)

Item	Amount	
I Net sales		2,799,947
II Cost of sales		2,493,124
Gross profit		306,822
III Selling, general and administrative expenses		178,572
Operating profit		128,249
IV Non-operating income		
Interest income	6,153	
Dividend income	997	
Rent income on non-current assets	808	
Share of profit of entities accounted for using equity method	3,134	
Foreign exchange gains	16,205	
Other	3,681	30,981
V Non-operating expenses		
Interest expenses	5,242	
Other	3,229	8,472
Ordinary profit		150,758
VI Extraordinary income		
Gain on sales of non-current assets	118	
Gain on sales of investment securities	6,623	
Compensation income	398	
Insurance income	52	
Other	58	7,250
VII Extraordinary losses		
Loss on sales of non-current assets	50	
Loss on disposal of non-current assets	10,438	
Impairment loss	236	
Loss on valuation of investment securities	4,375	
Business restructuring expenses	16,860	
Other	1,097	33,059
Profit before income taxes		124,950
Income taxes - current	49,672	
Income taxes - deferred	16,349	66,021
Profit		58,928
Profit attributable to non-controlling interests		1,257
Profit attributable to owners of parent		57,671

Consolidated Statements of Changes in Equity

Fiscal Year 2024 (from April 1, 2024 to March 31, 2025)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2024	46,435	93,572	458,543	-1,932	596,618
Cumulative effects of changes in accounting policies			643		643
Restated balance	46,435	93,572	459,186	-1,932	597,261
Changes of items during the period					
Dividends of surplus			-26,223		-26,223
Profit attributable to owners of parent			57,671		57,671
Purchase of treasury shares				-37,102	-37,102
Disposal of treasury shares				368	368
Capital increase of consolidated subsidiaries		4			4
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	4	31,447	-36,734	-5,282
Balance at March 31, 2025	46,435	93,576	490,634	-38,667	591,978

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2024	9,602	-1,185	-20,771	13,587	2,665	3,899	126,253	726,772
Cumulative effects of changes in accounting policies								643
Restated balance	9,602	-1,185	-20,771	13,587	2,665	3,899	126,253	727,415
Changes of items during the period								
Dividends of surplus								-26,223
Profit attributable to owners of parent								57,671
Purchase of treasury shares								-37,102
Disposal of treasury shares								368
Capital increase of consolidated subsidiaries								4
Net changes of items other than shareholders' equity	-1,861	665	-141	-9,177	-580	-11,095	-3,559	-14,655
Total changes of items during the period	-1,861	665	-141	-9,177	-580	-11,095	-3,559	-19,937
Balance at March 31, 2025	7,740	-519	-20,912	4,410	2,084	-7,196	122,694	707,477

Notes to Consolidated Financial Statements

In the consolidated balance sheet, consolidated statements of income and consolidated statements of changes in equity of Cosmo Energy Holdings Co., Ltd. (the “Company”) represented in the million yen unit, figures less than 1 million yen are rounded down.

(Notes concerning Important Items that Provide the Basic Information for the Development of the Consolidated Financial Statements)

1. Items concerning the Scope of Consolidation for Reporting

(1) Number of Consolidated Subsidiaries: 34

Name of major consolidated subsidiaries: Cosmo Oil Co., Ltd.

Cosmo Oil Marketing Co., Ltd.

Maruzen Petrochemical Co., Ltd.

Cosmo Energy Exploration & Production Co., Ltd.

Abu Dhabi Oil Co., Ltd.

Cosmo Eco Power Co., Ltd.

(2) Name of major non-consolidated subsidiaries: Osadano Gas Center Co., Ltd.

Reason for exclusion from accounting consolidation:

14 subsidiaries of the Company were excluded from its consolidated subsidiaries because they are small businesses and their respective total assets, net sales, and profit/loss attributable to owners of parent and retained earnings (both amounts equivalent to what is accounted for under the equity method) have no material impact on the consolidated financial statements.

2. Items concerning the Application of the Equity Method

(1) Number of Non-consolidated Subsidiaries Accounted for Using the Equity Method: 14

Name of major subsidiaries: Osadano Gas Center Co., Ltd.

During the consolidated fiscal year under review, Sasebo Shikamachi Wind Power, G.K; was newly established, however, it does not have a material impact on the consolidated financial statements and is, therefore, not included in the scope of consolidation and is treated as a non-consolidated subsidiary accounted for using the equity method.

(2) Number of Associated Companies Accounted for Using the Equity Method: 11

Name of major associated companies: United Petroleum Development Co., Ltd., GYXIS CORPORATION, Kygnus Sekiyu K.K. For the consolidated fiscal year under review, HD Hyundai Cosmo Petrochemical Co., Ltd. is excluded from the scope of application of the equity method since all shares of this company held by Cosmo Oil Co., Ltd., a consolidated subsidiary of the Company, were sold.

(3) Major Business Entities of Associated Companies Not Accounted for Using the Equity Method:

Ogishima Oil Terminal Co., Ltd., Kasumi Sanbashi Kanri Co., Ltd.

Reasons for Exclusion from the Application of the Equity Method:

The equity method does not apply to the above associates because their profit/loss attributable to owners of parent and retained earnings (both amounts equivalent to what is accounted for under the equity method) have little impact on the consolidated financial statements on an individual basis, nor have any material impact on them on an aggregate basis.

(4) Special Remarks Necessary to Make concerning the Procedures of the Application of the Equity Method:

As for the subsidiaries and associates which are subject to the application of the equity method and which have different accounting periods from that of the Company, such business entities' financial statements for their accounting periods are used for reporting herein.

3. Items concerning the Accounting Periods of the Consolidated Subsidiaries

Among the 34 consolidated subsidiaries, Abu Dhabi Oil Co., Ltd., Qatar Petroleum Development Co., Ltd., COSMO OIL INTERNATIONAL PTE. LTD., COSMO OIL EUROPE B.V., Cosmo E&P Albahriya Limited and Cosmo E&P USA Inc. have fiscal years ending on December 31.

When preparing the consolidated financial statements, the Company uses their financial statements as of December 31 and makes adjustments necessary for consolidation for any material transactions arising between December 31 and the consolidated closing date.

4. Items concerning the Accounting Policies

(1) Significant Asset Valuation Standards and Methods

1) Securities:

Held-to-maturity securities:

- Stated at amortized cost

Other securities:

- Securities except non-marketable securities:

Stated at fair value (in which all differences between the carrying amounts and the fair values are reported as a separate component of net assets, while the cost of securities sold is calculated by the moving average method)

- Non-marketable securities:

Stated at cost determined by the moving average method

2) Inventories:

Principally stated at cost determined by the weighted average method (however, the amounts of inventories stated in the balance sheet were computed by using the method that book values are reduced to reflect declines in profitability)

3) Derivative financial instruments:

Stated at fair value

(2) Significant Depreciable Assets and Depreciation Methods

1) Property, Plant and Equipment (except leased assets):

The straight line method is mainly adopted to calculate depreciation expenses for these asset items. The number of years of their useful lives and their residual value is calculated based on the criteria defined under the Corporation Tax Law of Japan. However, the number of years of useful lives of the machinery and equipment, structures and Oil storage depots, of the property, plant and equipment owned by Cosmo Oil Co., Ltd., a consolidated subsidiary of the Company, is calculated based on the number of years of their economic useful lives, which better reflect their use status respectively and the economic useful life of 15 years is adopted for the Cosmo Oil Property Service Corporation's service stations by taking their actual past performances into consideration. As for Abu Dhabi Oil Co., Ltd., a consolidated subsidiary of the Company, adopts the number of years for useful life as defined in the concession agreements and economic useful life by taking into account the durability and other conditions of the assets currently owned. As for Cosmo Eco Power Co., Ltd., a consolidated subsidiary of the Company, and its subsidiaries, an economic useful life of 20 years is mainly adopted for the wind power plant operated by them.

2) Intangible Assets (except leased assets):

The straight line method is mainly adopted to calculate depreciation expenses for these asset items. The number of years of their useful lives is calculated based on the criteria defined under the Corporate Income Tax Law of Japan, providing that amortization expenses for the software used by the Company is calculated on the straight line method over the period of its availability in-house (5 years).

3) Leased Assets:

Leased assets involving finance lease transactions under which the ownership of the leased assets is transferred to lessees:

The method to calculate depreciation expenses for such assets is the same as that applied to non-current assets owned by the Company.

Leased assets involving finance lease transactions under which the ownership of the leased assets is not transferred to lessees:

The method to calculate depreciation for such assets is the straight line method with their residual values being zero over their leased periods used as the number of years for useful life.

Out of finance lease transactions other than those under which the ownership of the leased assets is considered to be transferred to lessees, such transactions, of which the lease term each commenced before the initial year of the application of the ASBJ Statement No. 13 "Accounting Standards for Lease Transactions", are continuously accounted for in conformity with the accounting process applicable to operating lease transactions.

4) Long-term Prepaid Expenses:

The equal installment method is adopted to calculate depreciation expenses for these account items over the period defined under the Corporate Income Tax Law of Japan.

(3) Accounting Process Applied to Deferred Assets

Bond Issuance Cost:

The cost for bond issuance is amortized in the straight line method over the bond redemption period.

(4) Standards for Recording Significant Allowance/Provisions

1) Allowance for doubtful accounts

An estimated amount of irrecoverable debts is set aside against any potential losses on the failure to collect the accounts receivable.

- | | |
|---|---|
| a. Ordinary accounts receivable: | The amount of allowance calculated at the actual ratio of bad debts |
| b. Highly doubtful receivables and claims in bankruptcy and reorganization, etc.: | The amount of allowance calculated based on the evaluation of financial situations of individual accounts involved. |

2) Provision for special repairs

As for certain consolidated subsidiaries, a provision is set aside to cover expenses arising from the inspection and repairs of the oil tanks and machine equipment in refineries subject to the open regular inspection in compliance with the Fire Service Act, and an amount equal to the estimated cost of periodically required repairs was added to the provision for current fiscal year.

3) Provision for environmental measures

Primarily the Company recorded the estimated amount of a provision to cover expenses to treat the PCB waste in accordance with the Law Concerning Special Measures Against Polychlorinated Biphenyl Waste.

4) Provision for bonuses

In preparation for the payment of bonuses to employees etc., the amount to be paid in the fiscal year under review is posted based on the amount estimated to be paid.

5) Provision for directors' bonuses

In preparation for the payment of bonuses to directors, the Company and certain consolidated subsidiaries post the amount to be paid in the fiscal year under review based on the amount estimated to be paid.

6) Provision for Executive Remuneration Board Incentive Plan Trust

In preparation for the granting of shares in the Company to the Company's Directors (excluding Outside Directors and members of the Supervisory Committee) and Executive Officers, and certain consolidated subsidiaries' Directors (hereinafter "the Directors etc."), provision is posted based on the value of shares estimated to be granted in accordance with points allocated to the Directors etc. under the share granting rules.

(5) Standards for Recording Significant Revenue and Cost

The Company mainly offers products in the Petroleum business, Petrochemical business, Oil exploration and production business, Renewable energy business and others.

The Company recognizes revenue, once the customer obtains control of the products and the Company satisfies a performance obligation. This occurs when the product stated in the contract is delivered to the customer. The Company also recognizes revenue at the time of shipping in accordance with the alternative treatment.

(6) Method for significant hedge accounting

1) Method for hedge accounting

Deferred hedge accounting is applied. Special accounting treatment has been adopted for interest rate swap contracts, which meet accounting requirements.

2) Hedging instruments and hedged items

Exchange rate

Hedging instruments: Forward exchange rate contracts, exchange rate option contracts

Hedged items: Forecasted transactions denominated in foreign currencies

Interest rate

Hedging instruments: Interest rate swap contracts

Hedged items: Loans payable

Commodity

Hedging instruments: Crude oil and product swap contracts, Crude oil and product forward contracts

Hedged items: Transactions in crude oil and product

3) Hedging policy

The Company hedge risks in a certain range, for currency exchange rate fluctuations, interest rate fluctuations and commodity price fluctuations, in accordance with their internal management regulations, which provide authority and limits for transaction amounts.

4) Evaluation of effectiveness of hedging transactions

The assessment of hedge effectiveness is examined every quarter by, comparing the change in market price or cumulative changes in cash flows, from the hedged items and instruments. However, the evaluation of interest swap contract which adopt the special accounting treatment, is omitted.

(7) Other Important Items Necessary to Develop Consolidated Financial Statements

1) Application of the group tax sharing system

The group tax sharing system is applied.

2) Accounting for corporate income taxes and local corporate income taxes and accounting for tax effect accounting in relation thereto

The Company accounts for corporate income taxes and local corporate income taxes and accounts for and discloses tax effect accounting in relation thereto in accordance with Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (Practical Solution No.42 issued on August 12, 2021).

Modification to the amount of deferred tax assets and deferred tax liabilities due to changes in corporate taxation rates

The Act Amending the Income Tax Act (Act No. 13 of 2025) was passed by the Diet on March 31, 2025, and the Special Defense Corporation Tax will be levied starting from the fiscal year beginning April 1, 2026.

Due to this change, the Company has changed the statutory tax rate used to calculate deferred tax assets and deferred tax liabilities resulting from temporary differences between accounting and tax values that will become deductible from the fiscal year beginning April 1, 2026. The tax rate has changed from 30.6% to 31.5%. It does not have a material impact on the consolidated financial statements.

3) Standards for Recording Net defined benefit liability

"Net defined benefit liability" is recorded at an estimated amount of projected benefit obligation after deducting the fair value of pension assets as of the end of the current fiscal year to cover retirement and severance benefits payable to employees.

Actuarial gains and losses are primarily recognized in expenses as an amount prorated in the straight line method over a certain number of years (8 - 10 years), which is within the average of the estimated remaining years of service to be performed by the employees at the time of accrual, commencing with the consolidated fiscal year following the accrual time.

Unrecognized actuarial gains and losses are recognized as "Remeasurements of defined benefit plans" in accumulated other comprehensive income of net assets in the balance sheets after adjusting for tax effects.

The liabilities of employee retirement benefits, which is expected employee retirement benefits attribute to the end of the financial year, is calculated by a method using a benefit formula.

4) Accounting treatment of trust beneficiary rights to trusts whose trust assets are land

With respect to trust beneficiary rights to trusts whose trust assets are land owned by some of its consolidated subsidiaries, the Company records all asset and liability accounts in the trust assets and all revenues and expenses arising from the trust assets in relevant account items on its consolidated balance sheet and consolidated statement of income.

(Notes relating to changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") effective from beginning of the fiscal year under review.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the fiscal year under review. This change in accounting policy is applied retrospectively. As a result, the initial balance of retained earnings for the fiscal year in consolidated statements of changes in equity, increased by 643 million yen due to the application of the cumulative effect to net assets.

(Notes to Accounting Estimates)

1. Recoverability of deferred tax assets

The Company reviews the recoverability of deferred tax assets every fiscal year. In tax loss carryforwards and deductible temporary differences, the Company recognizes deferred tax assets to the extent considered to have the effect of reducing expected future tax consequences.

The Group posted deferred tax assets of 33,016 million yen in the consolidated balance sheet. The amount of deferred tax assets before they are offset by deferred tax liabilities is 67,366 million yen. The Group applies the group total system. Deferred tax assets (before being offset by deferred tax liabilities) at the Company and certain domestic consolidated subsidiaries (hereinafter "Totalization Group") is 36,564 million yen and accounts for a large percentage of the consolidated figure.

The Group records deferred tax assets based on the assumption that it will generate taxable income before any additions and subtractions, including temporary differences, within the Totalization Group over multiple years. This assumption is supported by an analysis of the reasons for significant changes in taxable income, excluding the effects of temporary factors, as well as considerations from the Consolidated Medium-Term Management Plan, its progress, and the trends in taxable income for the fiscal year under review and preceding fiscal years.

The Company estimates taxable income before additions and subtractions, including temporary differences, based on the budget for the following fiscal year created by the Group. The estimate is adjusted in consideration of the evaluation of effects of uncertainties. The Company makes key assumptions based on the assumption that crude oil prices and foreign exchange rates remain stable.

Domestic demand estimates are based on medium to long-term demand projections. The Company assumes that domestic markets will remain stable. The Company expects that sales volumes will exceed production volumes at refineries and that high utilization at refineries can be maintained.

Management believes that accounting estimates used in the evaluation of the recoverability of deferred tax assets are reasonable and the amount of deferred tax assets posted is appropriate. However, the estimates involve uncertainties, and the Company may change assumptions and estimates and record reversal of deferred tax assets from the next fiscal year.

2. Impairment loss of Basic Chemical Business's fixed assets in Chiba area

Non-current assets are regularly depreciated. If there are any indications of impairment, the Group determines whether or not it should recognize impairment losses by comparing the total undiscounted future cash flows from the asset group with the carrying amount. If the Company identifies the need to recognize an impairment loss, it reduces the carrying amount to the recoverable amount. This reduction in the carrying amount is then recorded as an impairment loss.

The Group has recorded 25,321 million yen as non-current assets associated with the basic chemicals business run by Maruzen Petrochemical Co., Ltd. and Keiyo Ethylene Co., Ltd., both of which are consolidated subsidiaries, in its consolidated balance sheet. The Group has decided to concentrate ethylene production at Ethylene Production Facility No. 4 of Keiyo Ethylene and halted the operation of Ethylene Production Facility No. 3 of Maruzen Petrochemical in March 2025. This decision is based on the business environment, including a global oversupply caused by enhancements to production facilities in China, such as the establishment of new large-scale facilities, as well as a decline in domestic demand for ethylene. The Group used to treat the non-current assets associated with the basic chemicals business as a single asset group. In accordance with the decision mentioned above, this has been revised. This decision entailed a change that significantly reduced the recoverable amount with respect to the scope or method of the asset groups. The Company deemed this to constitute a sign of impairment, and studied whether or not it was necessary to recognize an impairment loss.

As a result, it judged that the third ethylene production unit that was set to be stopped and removed had no value in use and so the Company reduced its book value to scrap value. The Company also reduced to the recoverable amount the book value of assets whose operation ratio would fall after the cessation of the third ethylene production unit, given that their total undiscounted future cash flows would fall below book value after the cessation. The Company thus posted an impairment loss totaling 10,929 million yen and presented it as business restructuring expenses in consolidated statements of income. For assets the operating ratio of which will decline following the cessation of operations of the third ethylene production unit, the Company calculates the recoverable amount as the value in use, which is calculated by discounting future cash flows 8.5% on the assumption that the operation ratio would continue to be reduced.

The total undiscounted future cash flows from the basic chemicals business asset group that primarily comprises Ethylene Production Facility No. 4 exceeds their carrying amount of 22,749 million yen. The Group has thus determined that it does not need to recognize any impairment losses. The undiscounted future cash flows from the basic chemicals business asset group primarily including Ethylene Production Facility No. 4 that are used to determine the need for recognizing any impairment losses are calculated based on the business plan prepared by management for the first three years of the remaining economic life of the major assets. For the fourth year and beyond, the cash flows are projected based on the profit level set for the final year of the business plan. The net selling prices of assets at the end of their economic life, which are used to assess the need for recognizing any

impairment losses, are estimated based on the assumption that they can be sold in their condition at that time. This reflects an assumption that the future sales volume will be stable and selling price are mainly linked with the naphtha price and that the sales margin will be stable on the basis of the forecast of industry trends in ethylene demand in Japan, including demand from industrial complex users. The net selling price of land included in total undiscounted future cash flows is calculated on the basis of the real estate value appraised by a real estate appraiser.

Management believes that the accounting estimates of impairment losses for the basic chemicals business asset group are reasonable and that the amounts recorded as non-current assets and impairment losses are appropriate. However, the estimates involve future uncertainties and the Company may change its assumptions and estimates and recognize an impairment loss on non-current assets in the subsequent fiscal year or beyond.

(Notes to Consolidated Balance Sheet)

1. Accumulated depreciation for property, plant and equipment ¥1,193,715 million

2. Pledged Assets

(1) Breakdown of Assets Pledged as Collateral and Amounts thereof:

Property, plant and equipment	¥123,200 million
Cash and deposits	¥90,755 million
Accounts receivable-trade	¥20,344 million
Investment securities (Note)	¥5,314 million

(Note) These are pledged as property guarantees to secure the borrowings and other of the investee of Cosmo Eco Power Co., Ltd., our consolidated subsidiary.

(2) Secured Liabilities:

Long-term loans payable (including repayments due within the next year)	¥22,003 million
Debts related to transactions with banks	¥20,991 million

(3) Assets Pledged as Collateral for Business Guarantees:

Investment securities	¥50 million
Other(Current assets)	¥6,566 million

3. Breakdown of the Compressed Amounts deducted from the Acquisition Cost due to the National Subsidy, etc thereof:

Machinery, equipment and vehicles	¥3,655 million
Oil storage depots	¥62 million

4. Contingencies

The Company guarantees debts for borrowings from financial institutions such as affiliated companies and fulfilling contracts.

Chiba Arkon Production, Limited	¥10,192 million
Japan Biofuels Supply LLP	¥5,262 million
North Hokkaido Wind Energy Transmission Corp.	¥2,132 million
Others	¥16 million

5. Items concerning Revaluation of Land

The three consolidated subsidiaries revalued their land properties used for business under the "Law concerning Revaluation Reserve for Land" (Law No. 34 issued on March 31, 1998). The income tax portion on variances due to revaluation is stated in the "Deferred tax liabilities for land revaluation" account in the "Liabilities" section on the consolidated balance sheet and the revaluation variances, net of the income tax portion, are stated in the "Revaluation reserve for land" account in the "Net Assets" section on the consolidated balance sheet.

• Revaluation method

The land sites for the refineries were valued in accordance with the appraisal provided in Paragraph 5 of Article 2 of the "Enforcement Ordinance for the Law concerning the Revaluation Reserve for Land" (Government Ordinance No. 119 issued on March 31, 1998), and other land sites were valued by referring to the road ratings provided in Paragraph 4 of Article 2 of the "Enforcement Ordinance for the Law concerning the Revaluation Reserve for Land," as well as making some rational adjustments.

• Date of Revaluation

March 31, 2002 (and December 31, 2001 completed by one consolidated subsidiary)

• The total amount of the revalued land at fair value as of the end of the current fiscal year is smaller than their total carrying amount after revaluation and the difference amounted to:

¥27,166 million

6. Financial Covenants

Out of borrowings, borrowings amounting to 19,890 million yen (including those payable within the next year) come with financial covenants with the acceleration clause which will be activated with respect to such liabilities under certain loan contracts.

Repayment Deadline	Loan Balance	Financial Covenants
April 30, 2025	¥19,890 million	The Company shall maintain the amount of net assets at 152.0 billion yen or more as stated in its consolidated balance sheet at the end of each fiscal year.

(Notes to Consolidated statement of income)

(Business restructuring expenses)

Expenses and losses incurred by Maruzen Petrochemical Co., Ltd., a subsidiary of the Company, for the optimization of ethylene production in the Chiba area announced in the press released on April 1, 2025 are treated as business restructuring expenses and have been posted as extraordinary losses. Major details are as follows.

Consolidated fiscal year under review (April 1, 2024 - March 31, 2025)

Impairment loss on non-current assets	¥10,929 million
Estimated expenses for the removal of equipment	¥4,983 million
Loss on valuation of supplies	¥948 million

(Notes to Consolidated Statements of Changes in Equity)

1. Types and Number of Outstanding Shares and Treasury Shares as of March 31, 2025

Outstanding shares	Ordinary shares	88,353,761 shares
Treasury shares	Ordinary shares	5,703,453 shares
	(including executive remuneration BIP trust	538,948 shares)

2. Distribution of Dividend

(1) Payment Amount of Dividend

(Resolution adopted by)	Type	Total dividend amount (¥ mil)	Dividend per share (¥)	Record date	Effective date
Shareholders' Meeting held on June 20, 2024 Note : 1	Ordinary shares	13,252	150	March 31, 2024	June 21, 2024
Board of Directors Meeting held on November 12, 2024 Note : 2	Ordinary shares	12,970	150	September 30, 2024	December 13, 2024

(Note) 1. The dividend amount for treasury shares held by BIP trust in the total dividend amount ¥114 million

2. The dividend amount for treasury shares held by BIP trust in the total dividend amount ¥80 million

(2) Dividends whose effective date will fall after the end of FY 2024 among those whose record date falls within FY2024

The Company proposes the following agenda at the ordinary general meeting of shareholders held on June 26, 2025.

(Resolution adopted by)	Type	Total dividend amount (¥ mil)	Dividend resource	Dividend per share (¥)	Record date	Effective date
Shareholders' Meeting held on June 26, 2025	Ordinary shares	14,974	Retained earnings	180	March 31, 2025	June 27, 2025

(Note) The dividend amount for treasury shares held by BIP trust in the total dividend amount ¥97 million

(Notes to Financial Products)

1. Information on the Status of Financial Products

The Company procures funds for the capital spending and the working capital by direct financing like bonds or indirect financing like bank loans. These funds are mainly necessary to undertake refineries and wind power plant.

The Company also keeps credit risks involving customers with respect to Notes receivable - trade, Accounts receivable - trade and Accounts receivable - other lower by managing them in accordance with its credit management scheme. Securities and Investment securities are mainly equity securities, out of which listed shares are reviewed on a quarterly basis to keep track of their fair value.

Most of Notes and accounts payable - trade and Accounts payable - other, etc. are due within the next year.

Loans payable, Commercial papers and Bonds payable are used to raise working funds (mainly short-term) and capital spending funds (long-term) and interest rate swap contracts are purchased to reduce interest rate fluctuations on some loans to get interest payable fixed.

The Company uses foreign currency forward contracts and currency option contracts to hedge risks due to the effect of currency exchange rate fluctuations, and also uses crude oil and petroleum product swap contracts and commodity forward contracts in open market to hedge risks stemming from commodity price fluctuations. The Company trades derivatives within the range of actual demand in accordance with its internal control rules, and The Company has a policy of not executing speculative derivative transactions.

2. Information about Fair Value of Financial Products, etc.

The book value of the following items on the consolidated balance sheet, their fair value and the variance between the two amounts are stated as follows.

Non-marketable securities(Amount recorded on the consolidated balance sheet is 77,097 million yen) is not included in "Other securities" in the table below. Cash and deposits, Notes receivable - trade, Accounts receivable - trade, Accounts receivable - other, Notes and accounts payable - trade, Short-term loans payable, Current portion of bonds payable, Commercial papers, Accounts payable - others, Accrued volatile oil and other petroleum taxes and Income taxes payable are omitted, since they are settled in short-term basis and their fair values are approximately the same as their book value.

(Unit : million yen)

	Book value on the consolidated balance sheet *	Fair value*	Difference
(1) Investment securities			
Held to maturity securities	50	46	-3
Other securities	21,390	21,433	42
(2) Bonds payable	(37,778)	(36,448)	-1,329
(3) Long-term loans payable	(264,936)	(258,076)	-6,860
(4) Derivative transactions	(1,905)	(1,905)	-

* Items recorded in the liabilities section are stated in ().

3. Information about the breakdown of Fair Value level of Financial Products.

Fair value for financial products are categorized into three levels based upon the observability and materiality of the inputs used to calculate fair value.

Level 1: Fair value of assets and liabilities that are calculated by using observable inputs, which are quoted prices in active markets.

Level 2: Fair value calculated by using observable inputs not used in Level 1.

Level 3: Fair value calculated by unobservable inputs.

When several inputs with significant impact in calculating the fair value are used, the level of the fair value will be determined, accordingly to the level of input with the lowest priority in calculating the fair value.

(1) Financial assets and financial liabilities stated at fair value on the consolidated balance sheets

(Unit : million yen)

	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Stock	20,775	—	—	20,775
Other	—	564	—	564
Derivative transactions				
Currency related	—	(1,095)	—	(1,095)
Product related	—	(810)	—	(810)

* Receivables and payables arising from derivative transactions are presented on a net basis. Items that result in a net liability in the aggregate are stated in ().

(2) Financial assets and financial liabilities not stated at fair value

(Unit : million yen)

	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Held to maturity securities				
Municipal bond	—	46	—	46
Other securities				
Other	—	92	—	92
Bonds payable	—	(36,448)	—	(36,448)
Long-term loans payable	—	(258,076)	—	(258,076)

* Items recorded in the liabilities section are stated in ().

(Note) Valuation techniques for measuring fair value and explanation of inputs :

Investment securities

Listed shares and municipal bond are calculated using quoted market price. Fair values for listed shares are categorized as Level 1, due to active markets. On the other hand, fair values for municipal bond are categorized as Level 2, due to inactive markets.

Bonds payable

The fair value of a corporate bond is calculated by discounting the sum of its principal and interest, using interest rate estimated from similar bonds. It is categorized as Level 2.

Long-term loans payable

The fair value of Long-term loans payable is calculated by discounting the sum of its principal and interest, using interest rate estimated from similar loans. It is categorized as Level 2.

Derivative transactions

The fair values of derivative transactions are calculated based on the price provided by the financial institutions, etc. from which they were purchased and its final price in the forward market. They are categorized as Level 2, since they do not have quoted prices in active markets.

For interest swap which special treatment is applied, the fair values are included in the fair values of the hedged long-term loan (refer to Long-term loans payable).

(Notes to Asset Retirement Obligations)

Asset retirement obligations reported in the consolidated balance sheet

1. Overview of the Asset Retirement Obligations

The Company primarily records the following asset retirement obligations.

- Obligation to restore the service stations accompanying with the fixed-term land lease contract for business purposes
- Obligation to restore the wind power plant accompanying with the land lease contract
- Obligation to restore the offices accompanying with the real estate rental contract
- Obligation to close the mine accompanying with the concession agreement taking effect

2. Calculation Method of the Asset Retirement Obligations

The asset retirement obligations are calculated by estimating the expected period of use between 8 and 50 years since its acquisition and applying discount rates ranging from 0.005% to 2.804%.

3. Change in the Asset Retirement Obligations (Unit: million yen)

	Fiscal Year 2024 (From April 1, 2024 to March 31, 2025)
Balance at the beginning of the year	27,872
Increase due to the acquisition of property and equipment	293
Increase due to change in estimation	3,380
Adjustments due to the elapse of time	324
Decrease due to the fulfillment of asset retirement obligations	-157
Increase (decrease) due to other	-10
Balance at the end of the year	31,702

4. Change in estimates of asset retirement obligations

For the fiscal year under review, the Company changed the estimates of asset retirement obligations posted mainly as an obligation to close the mine accompanying the concession agreement taking effect, after it became clear that the expenses for retirement anticipated in the future would be higher than the estimates at the beginning of the fiscal year.

(Notes to Leasehold Properties and Other Real Estate)

1. Information about the Current Status of Leasehold Properties and Other Real Estate

The Company and some subsidiaries own leasehold service stations, office buildings and other properties in Tokyo and other areas, and they also own idle properties which are not expected to be utilized in the future.

2. Information on the Fair Value of the Leasehold Properties Held

(Unit : million yen)

Book value on the consolidated balance sheet	Fair value
25,020	26,332

Notes: 1 The book value of each property on the consolidated balance sheet is its acquisition cost less accumulated depreciation therefore.

2 The fair value of major properties as of the end of the current consolidated fiscal year is the amount based on the statement of the property appraisal standard provided by the external licensed appraiser, while the fair value of other properties is determined by referring to the amount based on the property appraisal standard.

As for properties of less importance, certain assessed amounts or the amounts based on the measurement indices which are considered as reflecting appropriate market prices are regarded as the fair value of such properties, while the appropriate book value of some buildings and other depreciated assets is regarded as their fair value.

(Notes to Per-Share Information)

1. Net assets per share	¥7,075.39
2. Net profit per share	¥672.78

(Notes to Lease Transactions)

The future lease payment from non-cancellable operating leases

Within one year	¥3,785 million
Over one year	¥4,383 million

(Notes to Revenue Recognition)

1. Disaggregation of revenue from contracts with customers

(Unit : million yen)

	Petroleum	Petrochemical	Oil exploration and production	Renewable Energy	Other	Total
Japan	2,111,032	293,136	42,847	13,158	25,516	2,485,691
Asia	139,366	3,123	—	—	1,317	143,807
Other	166,634	700	759	—	2,353	170,447
Outside customers	2,417,033	296,960	43,606	13,158	29,188	2,799,947
Revenue from contracts with customers	2,414,585	296,418	43,606	13,158	28,555	2,796,325

Note 1. The amounts are net value of internal transactions between group companies.

2. Revenue from outside customers include 3,621 million yen of revenue recognized from sources other than that of contracts with customers.

2. Information used as a basis for understanding revenue from contracts with customers

Petroleum Business

In the Petroleum business, the Company primarily exports and imports, refines, stores, and sells crude oil and petroleum products.

In the business, the Company determines that control of a product promised primarily in a contract has been transferred to the customer and the performance obligation set out in the contract is satisfied when the product is loaded in transportation mode, such as a tanker truck, arranged by the customer at a refinery or other place and is shipped, and recognizes an amount based on the unit price and shipment volume promised in the contract as revenue. If a product promised in a contract is transported by a transportation mode, such as a tanker truck, arranged by the Company, the Company determines that control of the product has been transferred to the customer and the performance obligation set out in the contract is satisfied when the product is loaded and shipped by the alternative means, and recognizes an amount based on the unit price and shipment volume promised in the contract as revenue. Revenue recognized is the consideration promised in the contract with the customer minus the value of product returns and discounts, etc. The Company receives the consideration of transactions by the due date set out in contracts and receives payments within a year of the delivery of the products. There are thus no material financing components included.

Petrochemical Business

In the Petrochemical business, the Company primarily produces and sells petrochemical products.

In the business, products promised primarily in contracts are shipped through pipelines between petrochemical plants. The Company determines that control of a product has been transferred to the customer and the performance obligation set out in the contract is satisfied when the product has passed the point in the pipeline set out in the contract and recognizes an amount based on the unit price and shipment volume promised in the contract as revenue. The Company receives the consideration of transactions by the due date set out in contracts and receives payments within a year of the delivery of the products. There are thus no material financing components included. Revenue from a transaction whose consideration may change is recognized to the extent that there is highly unlikely to be any significant downward revision to revenue.

Oil Exploration and Production Business

In the Oil Exploration and Production business, the Company primarily develops, produces, and sells crude oil.

In the business, the Company determines that control of a product promised primarily in a contract has been transferred to the customer and the performance obligation set out in the contract is satisfied when the product has passed the flange that connects shipping facilities and the chartered tanker and recognizes an amount based on the unit price and shipment volume promised in the contract as revenue. The Company receives the consideration of transactions by the due date set out in contracts and receives payments within a year of the delivery of the products. There are thus no material financing components included.

Renewable Energy Business

In the Renewable Energy business, the Company primarily supplies and sells electricity generated by wind power.

In the business, the Company determines that control of electricity generated chiefly at wind power facilities has been transferred to the customer and the performance obligation set out in the contract is satisfied when electricity is supplied through power supply facilities to consumers, and recognizes an amount based on the unit price and the amount of electricity sold promised in the contract as revenue. The Company receives the consideration of transactions by the due date set out in contracts and receives payments within a year of delivery. There are thus no material financing components included.

3. Information to understand revenue from current consolidated fiscal year and following consolidated fiscal year

(1) Contract assets and contract liabilities, etc.

(Unit : million yen)

	Current fiscal year
Receivables from contracts with customers at the beginning of the year	338,786
Receivables from contracts with customers at the end of the year	308,780
Contract assets at the beginning of the year	2,496
Contract assets at the end of the year	1,768
Contract liabilities at the beginning of the year	7,244
Contract liabilities at the end of the year	14,951

Contract assets are primarily related to the consideration of uncompleted construction from which revenue has been recognized under the construction contract. Contract assets will be transferred to receivables from contracts with customers when the Company receives an unconditional right to a consideration. Contract liabilities are considerations the Company has received from customers before deliveries of products under contracts primarily in the Petroleum business. Contract liabilities will be transferred to revenue when performance obligations are fulfilled.

Contract assets are included in "Other" in current assets. Contract liabilities are included in "Other" in current liabilities.

Almost all contract liabilities at the beginning of the fiscal year under review have been transferred to revenue in the fiscal year under review, and the amount that is carried over is minor and immaterial. The amount of revenue recognized in the fiscal year under review due to the fulfillment of performance obligations in past fiscal years is also immaterial.

(2) Transaction prices allocated to remaining performance obligations

The Company has applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations, and does not disclose contracts with an original expected duration of one year or less.

The revenue expected to be recognized in the future related to performance obligations that are unsatisfied as of this fiscal end was as follows.

There is no significant amount of consideration arising from contracts with customer that is not included in the transaction prices.

(Unit : million yen)

	Current fiscal year
Within one year	10,859
Over one year and within five years	2,287
Total	13,147

(Additional Information)

(Transactions of granting shares in the Company to executives through a trust)

The Company introduced the Executive Remuneration BIP Trust to the Directors etc.

In the Executive Remuneration BIP Trust, the Company purchases as many Company shares as estimated to be granted to the Directors etc. under the established share granting rules and grants Company shares to Directors etc. in accordance with their ranks and terms of office.

In accounting for the trust, the gross method is adopted in line with "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (Practical Issues Task Force No. 30; March 26, 2015). As a result, the book value of the Company shares held in trust is posted as treasury shares in shareholders' equity.

The book value and number of the treasury shares at the end of the fiscal year under review were 1,555 million yen and 538 thousand respectively.

Balance Sheet

Fiscal Year 2024 (As of March 31, 2025)

(Unit: million yen)

Item	Amount	Item	Amount
Assets	<u>812,508</u>	Liabilities	<u>595,197</u>
Current assets	320,313	Current liabilities	304,550
Cash and deposits	7,295	Short-term loans payable	59,370
Short-term loans receivable from subsidiaries and associates	293,489	Current portion of bonds payable	3,000
Accounts receivable-other	13,785	Current portion of long-term loans payable	46,340
Other	6,179	Commercial papers	92,000
Allowance for doubtful accounts	-436	Accounts payable-other	14,141
Non-current assets	492,072	Income taxes payable	814
Property, plant and equipment	125,921	Deposits received	86,383
Buildings and structures, net	16	Provision for bonuses	874
Machinery and equipment, net	221	Provision for directors' bonuses	250
Vehicles, net	11	Other	1,376
Tools, furniture and fixtures, net	130	Non-current liabilities	290,646
Land	123,200	Bonds payable	30,000
Leased assets	128	Long-term loans payable	257,600
Construction in progress	2,214	Long-term deposits received	1,594
Intangible assets	4,399	Deferred tax liabilities	291
Software	2,648	Provision for executive remuneration BIP trust	577
Other	1,750	Other	583
Investments and other assets	361,751	Net assets	<u>217,311</u>
Investment securities	7,280	Shareholders' equity	214,748
Shares of subsidiaries and associates	213,536	Capital stock	46,435
Long-term loans receivable	3	Capital surplus	27,873
Long-term loans receivable from subsidiaries and associates	138,143	Legal capital surplus	16,435
Long-term deposits	2,353	Other capital surplus	11,438
Other	434	Retained earnings	179,107
Deferred assets	122	Other retained earnings	179,107
Bond issuance cost	122	Retained earnings brought forward	179,107
		Treasury shares	-38,667
		Valuation and translation adjustments	2,563
		Valuation difference on available-for-sale securities	2,563
Total assets	812,508	Total liabilities and net assets	812,508

Statements of Income

Fiscal Year 2024 (From April 1, 2024 to March 31, 2025)

(Unit: million yen)

Item	Amount	
I Operating revenue		100,391
II General and administrative expenses		19,620
Operating profit		80,771
III Non-operating income		
Interest income	4,811	
Foreign exchange gains	92	
Dividend income	287	
Other	167	5,359
IV Non-operating expenses		
Interest expenses	3,888	
Interest on bonds	187	
Commission for purchase of treasury shares	26	
Other	1,527	5,630
Ordinary profit		80,500
V Extraordinary profit		
Gain on sale of non-current assets	2	
Gain on sale of investment securities	2,503	
Reversal of allowance for doubtful accounts	851	3,356
VI Extraordinary loss		
Loss on disposal of non-current assets	51	51
Profit before income taxes		83,805
Income taxes-current	2,559	
Income taxes-deferred	261	2,820
Profit		80,984

Statements of Changes in Equity

Fiscal Year 2024 (From April 1, 2024 to March 31, 2025)

(Unit: million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings		Treasury shares	Total shareholder s' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at April 1, 2024	46,435	16,435	11,438	27,873	124,345	124,345	-1,932	196,721
Changes of items during the period								
Dividends of surplus					-26,223	-26,223		-26,223
Profit					80,984	80,984		80,984
Purchase of treasury shares							-37,102	-37,102
Disposal of treasury shares							368	368
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	—	—	54,761	54,761	-36,734	18,026
Balance at March 31, 2025	46,435	16,435	11,438	27,873	179,107	179,107	-38,667	214,748

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at April 1, 2024	3,065	3,065	199,787
Changes of items during the period			
Dividends of surplus			-26,223
Profit			80,984
Purchase of treasury shares			-37,102
Disposal of treasury shares			368
Net changes of items other than shareholders' equity	-502	-502	-502
Total changes of items during the period	-502	-502	17,524
Balance at March 31, 2025	2,563	2,563	217,311

Notes to Financial Statements

1. In the non-consolidated balance sheet, non-consolidated statements of income and non-consolidated statements of changes in equity of Cosmo Energy Holdings Co., Ltd. (the "Company") represented in the million yen unit, figures less than 1 million yen are rounded down.

2. Notes to Items concerning Significant Accounting Policies

(1) Standards and Methods for Valuation of Securities

Stocks issued by subsidiaries and associated companies:	Stated at cost determined by the moving average method
Other securities:	Securities except non-marketable securities: Stated at fair value (in which all differences between the carrying amounts and the fair values are reported as a separate component of net assets, while the cost of securities sold is calculated by the moving average method) Non-marketable securities: Stated at cost determined by the moving average method

(2) Valuation of Net Amounts of the Assets and Liabilities by Derivative Transactions:

Stated at fair value

(3) Methods for Depreciation of Non-current Assets

Property, Plant and Equipment (Excluding leased assets)	The straight-line method The number of years of their useful lives and salvage values are calculated based on the criteria defined under the Corporate Income Tax Law of Japan.
Intangible Assets	The straight line method The number of years of their useful lives is calculated based on the criteria defined under the Corporate Income Tax Law of Japan, providing that amortization expenses for the software used by the Company is calculated on the straight-line method over the period of its availability in-house (5 years).
Leased Assets	Leased assets involving finance lease transactions under which the ownership of the leased assets is not transferred to lessees: The method to calculate depreciation for such assets is the straight-line method with their residual values being zero over their leased periods used as the number of years for useful life.

(4) Standards for Recording Allowances/Provisions

Allowance for doubtful accounts	An estimated amount of irrecoverable debts is set aside against any potential losses on the failure to collect the accounts receivable. a) Ordinary accounts receivable: The amount of allowance calculated at the actual ratio of bad debts. b) Highly doubtful receivables and claims in bankruptcy and reorganization, etc.: The amount of allowance calculated based on the evaluation of financial situations of individual accounts involved.
Provision for bonuses	In preparation for the payment of bonuses to employees etc., the amount to be paid in the fiscal year under review is posted based on the amount estimated to be paid.
Provision for directors' bonuses	In preparation for the payment of bonuses to directors, the Company posts the amount to be paid in the fiscal year under review based on the amount estimated to be paid.
Provision for Executive Remuneration Board Incentive Plan Trust	In preparation for the granting of shares in the Company to the Company's Directors (excluding Outside Directors and members of the Supervisory Committee) and Executive Officers (hereinafter "the Directors etc."), provision is posted based on the value of shares estimated to be granted in accordance with points allocated to the Directors etc. under the share granting rules.

(5) Standards for Recording Significant Revenue and Cost

Our main business is the management of our group companies that engage in comprehensive petroleum business and other related operations, and our revenues come mainly from management guidance fees and dividends received from our subsidiaries. With regard to management consulting fees, we consider that the contractual performance obligation is satisfied when the services promised in the contract are provided to the customer, and control over the services is transferred to the customer, and we recognize revenue in the amount promised in the contract. Dividends received are recognized as income on the effective date.

(6) Accounting Process Applied to Deferred Assets

Bond Issuance Cost:

The cost for bond issuance is amortized in the straight line method over the bond redemption period.

(7) Method for significant hedge accounting

Method for hedge accounting

Deferred hedge accounting is applied. Special accounting treatment has been adopted for interest rate swap contracts, which meet accounting requirements.

Hedging instruments and hedged items

Exchange rate

Hedging instruments: Forward exchange rate contracts, exchange rate option contracts

Hedged items: Forecasted transactions denominated in foreign currencies

Interest rate

Hedging instruments: Interest rate swap contracts

Hedged items: Loans payable

Commodity

Hedging instruments: Crude oil and product swap contracts, Crude oil and product forward contracts

Hedged items: Transactions in crude oil and product

Hedging policy

The Group hedge risks in a certain range, for currency exchange rate fluctuations, interest rate fluctuations and commodity price fluctuations, in accordance with their internal management regulations, which provide authority and limits for transaction amounts.

Evaluation of effectiveness of hedging transactions

The assessment of hedge effectiveness is examined every quarter by, comparing the change in market price or cumulative changes in cash flows, from the hedged items and instruments. However, the evaluation of interest swap contract which adopt the special accounting treatment, is omitted.

(8) Application of the group tax sharing system

The group accounting system is applied.

(9) Accounting for corporate and local income taxes or tax effect accounting related to these taxes.

The Company has applied, for accounting and disclosure related to tax effect accounting for corporate and local income taxes, "the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Practical Issues Task Forces No. 42, issued August 12, 2021).

(10) Accounting Treatment for the Anonymous Association

The Company invested in the anonymous association, and CEAM LLC is entrusted with its operation of business transaction. Although the property of the anonymous association attribute to the operator, the association is practically operated by our capital. Thus, all the association's property and income summary records on to the financial statements with its total amounts, and with respect to trust beneficiary rights to trusts whose trust assets are land owned by the anonymous association, the Company records all asset and liability accounts in the trust assets and all revenues and expenses arising from the trust assets in relevant account items on its balance sheet and statement of income.

3. Notes to Accounting Estimates

Accounting estimates made in preparing the financial statements for the current fiscal year are omitted because there is no risk that they will have a material impact on the financial statements for the following fiscal year.

4. Notes to Non-Consolidated Balance Sheet

(1) Short-term loans receivable from subsidiaries and associates:	¥13,988 million
Long-term loans receivable from subsidiaries and associates:	¥0 million
Short-term loans payable to subsidiaries and associates:	¥98,694 million
Long-term loans payable to subsidiaries and associates:	¥892 million
Allowance for doubtful accounts to subsidiaries and associates:	¥436 million
(2) Accumulated depreciation for the property, plant and equipment	¥1,404 million
(3) Pledged Assets	
Breakdown of Assets Pledged as Collateral and Amounts thereof:	
Land	¥123,200 million
Secured Liabilities:	
Debts related to transactions with banks	¥20,991 million
(4) Contingencies	
Guaranty of Liabilities	
Cosmo Oil, Ltd.	¥144,487 million
Others	¥21,055 million

(5) Financial Covenants

Out of borrowings, borrowings amounting to 19,890 million yen (including those payable within the next year) come with financial covenants with the acceleration clause which will be activated with respect to such liabilities under certain loan contracts.

Repayment Deadline	Loan Balance	Financial Covenants
April 30, 2025	¥19,890 million	The Company shall maintain the amount of net assets at 152.0 billion yen or more as stated in its consolidated balance sheet at the end of each fiscal year.

5. Notes to Non-Consolidated Statements of Income

Operating revenue from subsidiaries and associates:	¥100,391 million
General and administrative expenses for subsidiaries and associates:	¥1,931 million
Non-operating transactions with subsidiaries and associates:	¥7,976 million
(in addition, it is stated in "Notes to the Company's Transactions with Related Parties".)	

6. Notes to Non-Consolidated Statements of Changes in Equity

Type and Number of Treasury Shares as of March 31, 2024

Ordinary shares	5,703,453 shares
(including the Executive Remuneration BIP Trust	538,948 shares)

7. Notes to Tax Effective Consequence Accounting

(Unit: million yen)

(1) Breakdown of the main causes of deferred tax assets and deferred tax liabilities.

1) Deferred tax assets:

Loss on valuation of investment securities	993
Provision for bonuses	336
Provision for executive remuneration BIP trust	180
Others	851
deferred tax assets – Sub-total:	2,360
Valuation allowance	-1,327
Total deferred tax assets:	1,033

2) Deferred tax liabilities:

Valuation difference on available-for-sale securities	-1,006
Others	-317
Total deferred tax liabilities:	-1,324
Net deferred tax assets:	-291

(Note) In the previous fiscal year, the "Provision for executive remuneration BIP trust" that was included in "other" is separately itemized from this business year due to its increased importance in terms of amount.

In addition, the amount included in "Others" in the financial statements for the previous fiscal year was 206 million yen.

(2) Adjustment of deferred tax assets and deferred tax liabilities due to changes in the corporate tax rate.

With the enactment of the "Act for Partial Amendment to the Income Tax Act, etc." (Act No. 13 of 2025), the taxation of the "Defense Special Corporate Tax" will take effect from the fiscal year beginning on or after April 1, 2026.

In conjunction with this, the deferred tax assets and deferred tax liabilities related to temporary differences expected to be resolved after the fiscal year beginning on April 1, 2026, are calculated with a change in the statutory effective tax rate from 30.62% to 31.52%.

Furthermore, the impact on the financial statements is minor.

8. Notes to the Company's Transactions with Related Parties

(1) Subsidiaries and Associated companies

Type	Name (Ownership type & ratio)	Line of business	Cosmo Energy Holdings's relationship with related parties	Account item for record entry	Transaction amount (¥mil)	Item	Balance as of Mar 31, 2025 (¥mil)
Subsidiary	Cosmo Oil Co., Ltd. (directly, 100% owned)	Imports and exports, refining, storage, and sales of crude oil and petroleum products, etc.	Business administration Loans to it Guarantees Guaranteed liabilities Interlocking directors	Receipt of operating revenue (*1)	10,879	Accounts receivable-other	1,603
				Loans to it (*2) and Funds deposit (*3)	256,353	Short-term loans receivable from subsidiaries and associates	248,939
				Interest receivable (*4)	2,535	—	—
				Assumption of guaranty liabilities (*5)	144,487	—	—
				Guaranteed liabilities (*6)	75,916	—	—
Subsidiary	Cosmo Oil Marketing Co., Ltd. (directly, 100% owned)	Sales of oil products, vehicle leasing, etc.	Business administration Loans to it Guarantees Guaranteed liabilities Interlocking directors	Receipt of operating revenue (*1)	7,724	Accounts receivable-other	1,138
				Loans to it (*2) and Funds deposit (*3)	25,408	Deposits received	36,025
				Interest receivable (*4)	398	—	—
				Interest payable (*4)	204	—	—
				Assumption of guaranty liabilities (*5)	2,504	—	—
Subsidiary	Cosmo Oil Sales Co., Ltd. (indirectly, 100% owned)	Sales of oil products	Loans to it	Loans to it (*2) and Funds deposit (*3)	15,359	Deposits received	8,785
				Interest payable (*4)	103	—	—
Subsidiary	Cosmo Oil Property Service Co., Ltd. (indirectly, 100% owned)	Management and lease of service station equipments	Loans to it	Loans to it (*2) and Funds deposit (*3)	71,910	Short-term loans receivable from subsidiaries and associates Long-term loans receivable from subsidiaries and associates	4,093 67,041
				Interest payable (*4)	631	—	—
Subsidiary	Cosmo Energy Solutions Co., Ltd. (indirectly, 100% owned)	Sales of oil products	Loans to it	Loans to it (*2) and Funds deposit (*3)	9,730	Deposits received	4,495
				Interest payable (*4)	66	—	—
Subsidiary	Cosmo Matsuyama Oil Co., Ltd. (indirectly, 100% owned)	Manufacture and sale of petrochemical products Storage, loading and discharging of petroleum products	Loans to it	Loans to it (*2) and Funds deposit (*3)	29,811	Short-term loans receivable from subsidiaries and associates Long-term loans receivable from subsidiaries and associates	18,805 13,806
				Interest receivable (*4)	248	—	—

Type	Name (Ownership type & ratio)	Line of business	Cosmo Energy Holdings's relationship with related parties	Account item for record entry	Transaction amount (¥mil)	Item	Balance as of Mar 31, 2024 (¥mil)
Subsidiary	Cosmo Energy Exploration & Production Co., Ltd.(directly, 100% owned)	Planning in the energy exploration and production business	Business administration Loans to it Interlocking directors	Loans to it (*2) and Funds deposit (*3)	21,632	Long-term loans receivable from subsidiaries and associates	12,648
						Deposits received	8,019
				Interest receivable (*4)	294	Accounts payable-other	198
				Interest payable (*4)	38	—	—
Subsidiary	CEAM LLC (directly, 99% owned)	Property management	Investment in anonymous association contract	Gain on investment (*7)	4,474	—	—
Subsidiary	Maruzen Petrochemical Co., Ltd.(directly, 41% owned) (indirectly, 10% owned)	Manufacture and sale of petrochemical products	Loans to it Interlocking directors	Loans to it (*2) and Funds deposit (*3)	46,916	Deposits received	12,000
						Long-term loans receivable from subsidiaries and associates	19,176
				Interest receivable (*4)	210	—	—
				Interest payable (*4)	198	Accounts payable-other	106
Subsidiary	Cosmo Eco Power Co., Ltd.(directly, 100% owned)	Wind Power Generation	Loans to it Guarantees Interlocking directors	Loans to it (*2) and Funds deposit (*3)	28,303	Short-term loans receivable from subsidiaries and associates	7,732
						Long-term loans receivable from subsidiaries and associates	22,380
				Interest receivable (*4)	247	Deposits received	1,010
						Accounts receivable-other	49
				Assumption of guaranty liabilities (*5)	15,045	—	—
Subsidiary	Yokkaichi Kasumi Power Co., Ltd. (directly, 61% owned)	Lease of power generation plant	Loans to it	Loans to it (*2)	12,243	Short-term loans receivable from subsidiaries and associates	1,910
				Interest receivable (*4)	139	Long-term loans receivable from subsidiaries and associates	9,105

Out of the amounts shown above, the transaction amounts are exclusive of consumption tax charges, while the balance amounts as of March 31, 2025 include such charges.

Conditions for Transactions with the Subsidiaries Above and the Policy to Determine such Conditions:

- Notes:
1. The Core Business Companies (Cosmo Oil, Cosmo Oil Marketing, and Cosmo Energy Exploration & Production) receive the revenue needed for the management of the Company in accordance with their business scales.
 2. Loans are used for operating funds, and the amount of transactions shown above is stated based on the average balance during current fiscal year.
 3. Loans/Deposits are based on the Company's group financing program, and the amount of transactions is stated base on the average balance during current fiscal year.
 4. Interest rates are determined by taking market rates of interest and other conditions into consideration.
 5. The Company guarantees loans from financial institutions and the fulfillment of contracts. The amount of guarantee fees is reasonably decided by their agreements.
 6. The Company is jointly guaranteed for loans from financial institutions and bonds payable the Company issued. The amount of guarantee fees is reasonably decided by their agreements.
 7. Trust bank rent lands in trust in regard to trust beneficiary rights, the property of the anonymous association, to Cosmo Oil Co., Ltd. Since the anonymous association is practically managed by the Company, land rental income is stated including in "Operating revenue" on statements of income. Rental fees are calculated based on verification and appraisal by real property appraisers.

(2) Directors

Type	Name (Ownership type & ratio)	Line of business	Cosmo Energy Holdings's relationship with related parties	Account item for record entry	Transaction amount (¥mil)	Item	Balance as of Mar 31, 2025(¥mil)
Director	Noriko Rzonca (directly, - owned)	Senior Executive Officer, CDO of the Company	Senior Executive Officer, CDO of the Company and Chairperson of Cosmo Eco Fund	Contributions (*)	13	—	—

The transaction amounts are exclusive of consumption tax charges.

Conditions for Transactions with the Related Parties Above and the Policy to Determine such Conditions:

Notes: Transaction for third party.

9. Notes to Revenue Recognition

(Basic information about revenue from contracts with customer)

The details of the main performance obligations and the normal timing for recognizing revenue for the major business are described in “Notes to Items concerning Significant Accounting Policies”

10. Notes to Per-Share Information

(1) Net assets per share

¥2,629.29

(2) Net profit per share

¥944.75

11. Additional Information

(Transactions of granting shares in the Company to executives through a trust)

In regards to the transaction of delivering the company's shares to directors and executive officers through a trust, the same information is included in the consolidated financial documents 'Consolidated Notes (Additional Information)', so we have omitted the note.

**Accounting Auditor's Report
Concerning the Consolidated Financial Statements: Full Copy**

Independent Auditor's Report

May 13, 2025

To the Board of Directors,
COSMO ENERGY HOLDINGS COMPANY, LIMITED

KPMG AZSA LLC	
Tokyo office	
Designated Limited Liability and Engagement Partner	Certified Public Accountant Katsunori Hanaoka
Designated Limited Liability and Engagement Partner	Certified Public Accountant Kyoko Shiga
Designated Limited Liability and Engagement Partner	Certified Public Accountant Tetsuhiko Suzuki

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statements of income, the consolidated statements of changes in equity and the notes to the consolidated financial statements of COSMO ENERGY HOLDINGS COMPANY, LIMITED applicable to the fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other information

Other information consists of the business report and supplementary schedules. Management is responsible for the preparation and disclosure of other statements. The Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our opinion on the consolidated financial statements does not include the other information, and we do not provide our opinion on the other information.

Our responsibility for the audit of the consolidated financial statements is to read the other information, and, in doing so, consider whether there is a material inconsistency between the other information and the consolidated financial statements or our knowledge obtained in audit, and give attention to whether there are any other indications of material errors in the other information other than such material inconsistency.

If, based on the audit work performed, we determine that there is a material misstatement in the other information, we are required to report such facts.

We have no matters to report with respect to the other information.

Management's and Supervisory Committee's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines are necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit as independent auditor. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Furthermore, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Plan and perform audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. We are responsible for the direction, supervision and inspection of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, measures taken to remove, or safeguards applied to reduce obstructing factors to an acceptable level.

Conflict of Interest

Our firm and engagement partners have no interest in the Company.

- END -

**Accounting Auditor's Report Concerning
the Financial Statements: Full Copy**

Independent Auditor's Report

May 13, 2025

To the Board of Directors,
COSMO ENERGY HOLDINGS COMPANY, LIMITED

KPMG AZSA LLC

Tokyo office

Designated Limited Liability

and Engagement Partner

Designated Limited Liability

and Engagement Partner

Designated Limited Liability

and Engagement Partner

Certified Public Accountant Katsunori Hanaoka

Certified Public Accountant Kyoko Shiga

Certified Public Accountant Tetsuhiko Suzuki

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statements of income, the statements of changes in equity and the notes to the financial statements and the supplementary schedules of COSMO ENERGY HOLDINGS COMPANY, LIMITED (hereinafter referred to as the "Financial Statements, Etc.") applicable to the 10th fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the Financial Statements, Etc. referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the Financial Statements, Etc. were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other information

Other information consists of the business report and supplementary schedules. Management is responsible for the preparation and disclosure of other statements. The Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our opinion on the financial statements does not include the other information, and we do not provide our opinion on the other information.

Our responsibility for the audit of the financial statements is to read the other information, and, in doing so, consider whether there is a material inconsistency between the other information and the financial statements or our knowledge obtained in audit, and give attention to whether there are any other indications of material errors in the other information other than such material inconsistency.

If, based on the audit work performed, we determine that there is a material misstatement in the other information, we are required to report such facts.

We have no matters to report with respect to the other information.

Management's and Supervisory Committee's Responsibility for the Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the Financial Statements, Etc. in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines are necessary to enable the preparation and fair presentation of the Financial Statements, Etc. that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, Etc., management is responsible for assessing whether it is appropriate to prepare the Financial Statements, Etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the Financial Statements, Etc. as a whole are free from

material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the Financial Statements, Etc. based on our audit as independent auditor. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of the Financial Statements, Etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Furthermore, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the Financial Statements, Etc. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the Financial Statements, Etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the Financial Statements, Etc. or, if the notes to the Financial Statements, Etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Financial Statements, Etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the Financial Statements, Etc. and notes to the Financial Statements, Etc. are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the Financial Statements, Etc., including the related notes thereto, and whether the Financial Statements, Etc. fairly present the underlying transactions and accounting events.

We report to the Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, measures taken to remove, or safeguards applied to reduce obstructing factors to an acceptable level.

Conflict of Interest

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

- END -

Supervisory Committee's Audit Report: Full Copy

Audit Report

The Supervisory Committee has conducted audit on the execution of duties by Directors for the 10th business year from April 1, 2024 to March 31, 2025, and hereby reports the methods and results of audit as follows:

1. The Methods and Details of the Audit

With regard to the resolution of the Board of Directors concerning the matters stipulated in Article 399-13, Paragraph 1, Item 1, b, c of the Companies Act, as well as the system (the internal control system) developed based on such resolution, while using measures that utilize the Internet, etc., the Supervisory Committee received reports regularly and requested explanation as necessary from the Directors and employees on the establishment and operation of such system, expressed its opinion, and conducted audit by the following methods.

1) In compliance with the Supervisory Committee Auditing Standards established by the Supervisory Committee and in accordance with the auditing policies and allocation of duties, we cooperated with Internal Audit Department of the Company; attended significant meetings; obtained reports on business operations from Directors and employees; requested explanation as necessary; reviewed documents which record approval of material matters; conducted investigations regarding the status of the business operations and assets. With respect to subsidiaries, the Supervisory Committee communicated and exchanged information with Directors, Audit & Supervisory Board Members, and other relevant personnel of the subsidiaries, and received business reports from subsidiaries as necessary.

2) The Supervisory Committee monitored and confirmed if the Accounting Auditor holding independent position and performing appropriate audit, received reports on auditing operations from the Accounting Auditor; and requested explanation as necessary. Also, the Supervisory Committee received a report from the Accounting Auditor that the Company implemented the "system to ensure appropriate execution of duties" (set forth in Article 131 of the Regulations on Corporate Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council) and others, and requested explanation as necessary.

Based on the methods as described above, the Supervisory Committee deliberated the business report and supplementary schedules, the consolidated financial statements (the consolidated balance sheet, consolidated statements of income, consolidated statements of changes in equity and the notes to consolidated financial statements), and the financial statements (the balance sheet, statements of income, statements of changes in equity and the notes to financial statements) and supplementary schedules for the period under review.

2. Results of Audit

(1) Audit results of business report and other documents concerned

- 1). The business report and supplementary schedules comply with the laws and regulations and with the Articles of Incorporation and correctly represents the company status.
- 2). The business activities performed by the Directors were correct and did not seriously violate the laws and regulations, or the Articles of Incorporations.
- 3). The corporate resolution concerning the internal control system is fair and reasonable. In addition, there are no matters to be pointed out for the business report and the business activities performed by the Directors regarding the internal control system

(2) Audit results of the consolidated financial statements

The auditing methods and results of the Accounting Auditor, KPMG AZSA LLC, are fair and reasonable.

(3) Audit results of the financial statements and supplementary schedules

The auditing methods and results of the Accounting Auditor, KPMG AZSA LLC, are fair and reasonable.

May 13, 2025

COSMO ENERGY HOLDINGS COMPANY, LIMITED

Supervisory Committee

Member of the Supervisory Committee	Yasuko Takayama	Seal
Member of the Supervisory Committee	Keiichi Asai	Seal
Member of the Supervisory Committee	Toshihiro Kuriyama	Seal
Full-time member of the Supervisory Committee	Takayuki Uematsu	Seal

(Note) Members of the Supervisory Committee Yasuko Takayama, Keiichi Asai and Toshihiro Kuriyama are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.