◆ Cosmo Energy Holdings (Security code: 5021)
FY2025 ESG Presentation: Main questions and answers

-This document contains forward-looking statements. Care instructions are provided at the end of the document.

1. Date and time : Tuesday, December 2, 2025 10:00 to 11:00 (JST)
2. Attendees : 66 persons
3. Main questions and answers :

Q1: Please explain the current status of developing the next medium-term management plan and the key points of focus. Additionally, how are outside directors involved in this process?

A1: (Yamada) We are currently formulating the next medium-term management plan, and enhancing enterprise value remains our constant theme. Among these, capital policy is recognized as a very important point. During the period of the next medium-term management plan, we expect to continue generating profits mainly in the *Oil* Business as an extension of the current plan, but it is also important to look further ahead and consider which areas to allocate resources to sow seeds for future growth.
(Asai) The next medium-term management plan has been discussed continuously over multiple years at the Board of Directors, with all outside directors actively participating in the discussions. In the next medium-term management plan, we are particularly focused on the balance between growth investment and shareholder returns. This is also related to capital policy, but it is necessary to build a value creation story that convinces stakeholders, including investors, about how profits generated in the *Oil* Business will be distributed to investments and returns. As supervisors, we want the executive side to approach medium- to long-term growth with animal spirits, but at the same time, it is important to discern which risks should be taken. We are encouraging appropriate risk-taking to realize the value creation story, such as portfolio restructuring and growth investments.

Q2: Director Asai’s explanation, there was mention of an imbalance in the number of next-generation managerial talent by age group. What does this specifically look like? Also, regarding the managerial talent and successor development pyramid on page 17 of the briefing materials, in which part do you feel a shortage of talent, and how are you supplementing it? Additionally, regarding mid-career hires, has the system and corporate culture for developing them as management talent been established?

A2: (Takeda) The imbalance in numbers is due to the employment ice age, resulting in a shortage of those hired during that period who are now section managers or group leaders, and thus a lack of future managerial talent or department heads. To address this, we are actively promoting mid-career hires, especially in the age groups and among women who are candidates for executive positions, and the ratio of mid-career hires has reached 20% of the total.
As a system, mid-career hires are properly evaluated and selected through dialogue between the division and the HR department. In terms of corporate culture, in the past, when there were few mid-career hires, there was a sense of being an outsider among many homegrown employees, but now, with the increase in mid-career hires, that sense has disappeared, and employees with high expertise in DX and AI from mid-career hires are successfully integrating with homegrown employees to carry out operations.

Q3: Please tell us about your approach to revising the Roadmap for Achieving Net Zero Carbon by 2050. Currently, 2050 is set as the target year, but is there a possibility of changing the target year itself?

A3: (Takeda) First, we are revising the targets, including the reduction contribution, to align with the GHG Protocol, and are formulating a roadmap for the next medium-term management plan that includes milestones we can achieve. We will consider the approach to the target year as pointed out.

Q4: From the perspective of the stock market, enterprise value is weighted by market capitalization, and from the perspective of the Tokyo Stock Exchange, PBR is emphasized. As an outside director of your company, what image of “enterprise value” do you have in mind during discussions?

A4: (Asai) Our company’s mission is the stable supply of energy, and providing energy affordably and stably is our raison d’être. Therefore, fulfilling that mission leads to qualitative improvement in our enterprise value. Quantitatively, stock price, ROE, ROIC, etc., indicate profitability, but personally, I place particular importance on P/E ratio, which indicates growth expectations. If P/E ratio improves, P/B ratio will inevitably improve as well.

C4: The mention of stock price and P/E ratio provides reassurance from the perspective of the stock market.

Q5: Regarding the managerial talent pool initiatives mentioned on page 17 of the briefing materials, I think the framework has become more sophisticated as a result of strengthening the existing structure, but looking ahead 5–10 years, is there a possibility of significant change due to the spread of AI?

A5: (Takeda) Regarding the talent pool, the current system will be the basis for the next medium-term management plan, but from a talent strategy perspective, the use of AI will change the way work is done and the requirements for talent. The use of AI is directly linked to productivity improvement and, ultimately, to enhancing enterprise value, and we are discussing the next medium-term management plan from the perspective of the number and quality of personnel across the group. For sustainable improvement of enterprise value, it is necessary to hire the right number of people, but how to develop them and the desired talent profile will change significantly.

(Rzonca) As AI utilization progresses, the key for the next 3–5 years is how much current data can be digitized, and at this point, we cannot reduce the number of people. However, looking ahead 10 years, especially at the base of the talent pool pyramid, there may be a decrease due to a shrinking labor force and changes in work caused by AI, and the quality and positioning of required work may also change.

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