

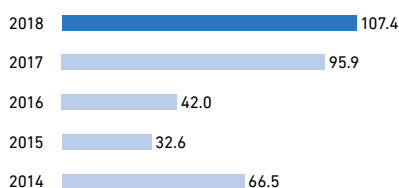
Major Key Performance Indicators (KPI) Used as Targets

Financial

Ordinary income (excluding the impact of inventory valuation)

Management Goals (FY2022)

Over **¥120 billion**



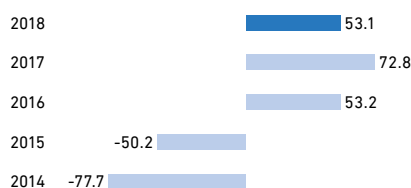
Reason for selection as KPI

The company maintains a 70-day equivalent volume inventory, conforming to the oil product stockpiling obligation for private oil companies. Ordinary income (excluding the impact of inventory valuation) is therefore used as a KPI as it reflects real ordinary income.

Profit attributable to owners of parent

Management Goals (FY2022)

Over **¥50 billion**



Reason for selection as KPI

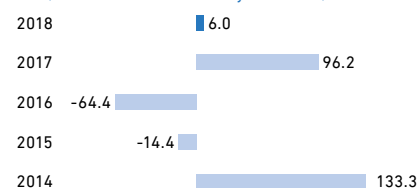
Profit attributable to owners of parent is used as a KPI because net profit is related to net worth, net debt-to-equity ratio, and other financial indicators that the company finds important.

Free cash flow

Management Goals (FY2022)

Over **¥150 billion**

(FY 2018 - FY 2022 Five years total)



Reason for selection as KPI

Free cash flow is emphasized in assessing ongoing business activities, as well as appropriate investment and the dividend payment level. It is therefore used as a KPI.

Pre-Financial

CO₂ emissions¹

Management Goals (FY2022)

6.28 million ton-CO₂



Reason for selection as KPI

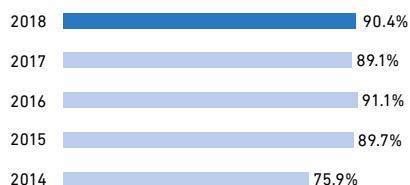
"Reduction of greenhouse gas emissions" is one of KPIs in the Consolidated Medium-Term CSR Management Plan, while "Harmony and Symbiosis with the Global Environment" and "Harmony and Symbiosis between Energy and Society" are stated in the Cosmo Energy Group Management Vision. The Cosmo Energy Group identifies reduction in environmental impact, including CO₂ emission, as one of priority issues.

See page 30.

Rate of usage of annual paid holidays²

Management Goals (FY2022)

100%



Reason for selection as KPI

The rate of usage of annual paid holidays is used as a KPI with the aim of promoting efficient operation and employees' work-life balance. Group companies set their targets separately, depending on their business category.

See page 40.

The ratio of the "AA" evaluation rating of three promises*

Management Goals (FY2022)

50.0%



(Average of three evaluation results per year)

Reason for selection as KPI

With the aim of raising customer satisfaction, Cosmo Oil service stations use an outside research institute to conduct an investigation by mystery examiners three times a year. The ratio of service stations with an "AA" rating is used as a KPI.

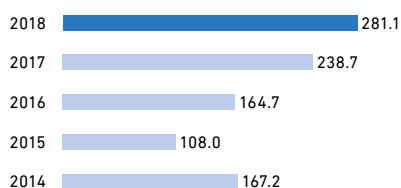
* Evaluation on fulfillment of three promises:

See page 37.

Net worth

Management Goals (FY2022)

Over ¥400 billion



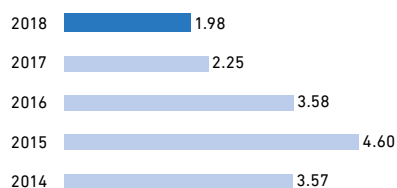
Reason for selection as KPI

The level of net worth is used as a KPI in order to gauge improvement of the company's financial condition, which had been impaired mainly by the impact of inventory in the past.

Net D/E Ratio

Management Goals (FY2022)

1.0-1.5 times



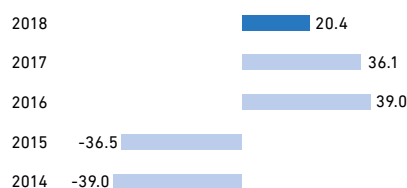
Reason for selection as KPI

The net debt-to-equity ratio is used as a KPI because of the importance of the balance between net worth and interest-bearing debt.

ROE

Management Goals (FY2022)

Over 10%



Reason for selection as KPI

The ROE is used as a KPI as a measure of emphasis on efficient generation of profit by use of net worth.

Serious Work-Related Accidents³

Management Goals (FY2022)

None

2018 ■ 1

Reason for selection as KPI

Safe, stable operation is one of the most important issues of the Cosmo Energy Group and is also recognized as priority issue in the sixth medium-term plan and the CSR medium-term plan. In particular, Cosmo Oil, which adopted an Operations Management System (OMS; details on [See page 58.](#)) and strives for achieving safe operation and stable supply, improving operations, and avoiding opportunity loss.

1. Definition and coverage: The petroleum and petrochemical segments, the renewable energy segment, and others of the Cosmo Energy Group, which are covered in the sixth medium-term plan.

2. Definition and coverage: Employees, contract employees, and part-time employees of Cosmo Energy Holdings, Cosmo Energy Exploration & Production, Cosmo Oil, and Cosmo Oil Marketing are included. Those who were out of work during the entire term and those who retired during the term are excluded from the calculation.

3. Definition and coverage: Total work-related accidents that require and do not require time off from work. Accidents involve both directly-hired employees and those working at subcontractors of Cosmo Energy Holdings, Cosmo Energy Exploration & Production, Cosmo Oil, Cosmo Oil Marketing, Maruzen Petrochemical, and 44 related companies.