

Interview with Outside Directors



I am committed to playing a full role in the auditing function and helping to enhance the effectiveness of the Board of Directors by speaking up on such occasions.

Independent Outside Director,
Supervisory Committee Member

Sakae Kanno

* See details of his biography and reasons for selection on page 54.

From your position as outside director, please tell us what you think about the uniqueness and competitive advantages of the Cosmo Energy Group.

The Cosmo Energy Group has a strong integrated oil business portfolio from downstream to upstream, including oil exploration, refining, distribution, and petrochemicals. It also has a leading renewable energy business. I think this is very exciting.

Again as outside director, what do you see as the areas of strength and issues concerning the Cosmo Energy Group's corporate governance, including the implementation of safety measures?

I would like to point out first that a clear commitment to the establishment of governance by top management is one of Cosmo's strengths. This is clearly demonstrated in the consolidated medium-term management plan and is steadily being disseminated to the entire Group. Cosmo's challenges should include the thorough implementation of safety measures, for example. I am closely watching how measures to cultivate a culture of safety in refineries will be implemented.

Have you seen any changes or progress concerning the enhancement of governance in the past year?

Three years have passed since the company moved to a holding company. Last year, I think significant progress was made in making Group companies better understand and become aware of internal control and its structure. I also find that the Nomination and Remuneration Advisory Committee is functioning well with greater transparency in areas such as selecting directors and deciding remuneration.

How do you think the relationship between the Supervisory Committee and the Board of Directors can be further enhanced?

I have a positive view on the relationship because three of ten directors are also members of the Supervisory Committee; a majority of members of the Nomination and Remuneration Advisory Committee are independent members of the Supervisory Committee; a full-time member of the Supervisory Committee attends important internal

meetings; and members of the Supervisory Committee regularly communicate with the top management and executives of each department and are actively involved in the Board of Directors and other meetings. In light of these conditions, in my view, an auditing function from an independent standpoint has been fully performed and I will strive to further raise its effectiveness.

Looking back at the Board of Directors meetings you attended last year, is there any specific example of when you particularly sensed the effectiveness of the Board of Directors?

We have exchanged constructive opinions not only at the time of drawing up a medium-term management plan but also in promoting it in light of this fiscal year. I believe that the Board is fully performing its supervisory function.

Please tell us about your current role and what you would like to accomplish in your role going forward.

While aiming for an increase in corporate value, I try to speak with consideration for the viewpoints of various stakeholders, including society, customers, employees and shareholders. I also keep in mind to proactively discuss issues such as the establishment of governance, initiatives for refineries to achieve global standards, and new business investment opportunities.

Will you give a message to shareholders and other stakeholders?

The Cosmo Energy Group has been reborn after boldly reconstructing its business portfolio under the extremely difficult business situation caused by the Great East Japan Earthquake and Tsunami of 2011. Along with the Oil E&P Business, the Oil Refining and Sales Business has become a profit pillar and will potentially become a highly profitable division once refineries achieve global standards. In addition, the Cosmo Energy Group is seeking to become Japan's leading company in the Renewable Energy Business, taking up challenges in offshore wind farms and other advanced areas.

While Cosmo is positioned third in Japan's oil industry behind the leading majors, I am confident that it will soon be recognized as a well-balanced and highly-profitable group.

I intend to use my experience at a consumer goods manufacturer and make proposals from the viewpoint of diverse stakeholders.

Independent Outside Director,
Supervisory Committee Member
Yasuko Takayama



* See details of her biography and reasons for selection on page 54.

Please give us your thought on the role of independent outside directors in corporate management.

I feel a sense of determination and honor in having been appointed as an independent outside director of the Cosmo Energy Group, which is actively engaged in enhancing its corporate governance. In aiming for the sustainable growth and enhancement of the long-term value of the corporate group, independent outside directors play the role of advising and supervising on the offense side as well as on the defense side, from a fair, independent position. I believe that their particularly important role is to candidly express what they find and think in the decision-making process. They also play an especially vital role in making use of these views in management from the standpoint of shareholders, investors, and other diverse stakeholders, based on a full understanding of the corporate philosophy, business activities, and the corporate culture.

What would you like to achieve or what kind of role would you like to play as an independent outside director?

I have been engaged in building a good relationship with diverse stakeholders at a consumer goods manufacturer, mainly in CSR areas such as PR and consumer relations, compliance and risk management, as well as in the promotion of ESG.

At present, with the world being oriented toward decarbonization, I recognize that the Cosmo Energy Group, which supports the infrastructure of industries and society, has a great role to play and a huge responsibility to take. The Group is aiming to make renewable energy another pillar of its business portfolio in the long run, in addition to achieving SDGs. I am determined to dedicate my best efforts to helping to enhance its corporate value and governance, by making use of my experience, focusing on the relationship with stakeholders, and having a highly keen awareness of risks.

