

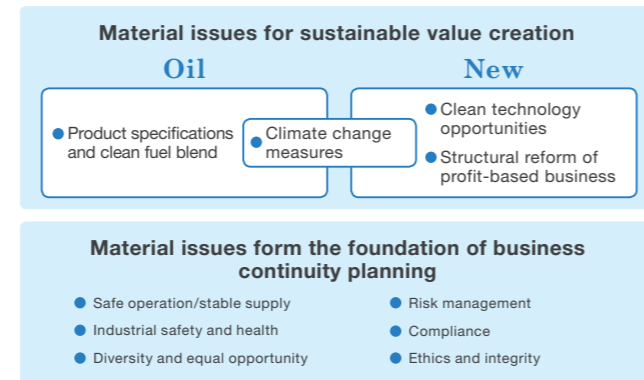
Issues that materially impact the Cosmo Energy Group and the Consolidated Medium-Term Sustainability Management Plan

The Cosmo Energy Group newly identified the important ESG tasks (material issues) that will influence the sustainable growth of society and the Group, with the goal of working to create an ideal society for 2050. Regarding the material issues for the sustainable creation of value, we will promote activities under the "Oil & New," slogan during the Sixth Consolidated Medium-Term Management Plan from the perspective of social issues as well. The base of these activities is the material issues that are the foundation of our business continuity planning. In FY2021, we identified the SDGs that we contribute to achieving by addressing our material issues, based on the 169 targets of the SDGs, and considered KPIs for the Seventh Consolidated Medium-Term Management Plan.

To achieve the sustainable growth declared in the Cosmo Energy Group Management Vision, we have developed and are implementing the Consolidated Medium-Term Sustainability Management Plan (FY2018-FY2022; hereafter, the "Sustainability Plan") in line with the Sixth Consolidated Medium-Term Management Plan. As a part of these activities, we have identified material risks and opportunities and are engaged in an array of initiatives with the goal of achieving how the Company wants the

Group to be through a focus on the material issues. In FY2021, we worked to achieve the KPIs of the current sustainability plan. At the same time, we formulated the Seventh Consolidated Medium-Term Management Plan, aiming to resolve issues and increase opportunities concerning newly identified material issues.

Most important material issues

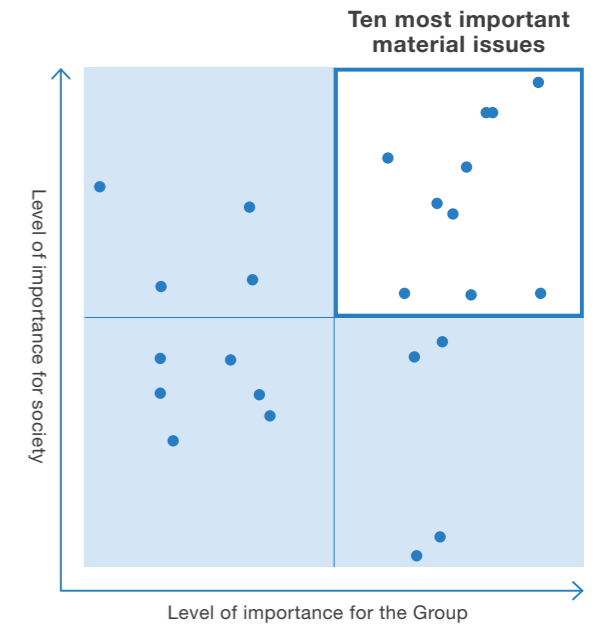


Material Issue Identification Process

In identifying material issues, we listened to the opinions of our stakeholders including opinions from within the Group. We first selected 154 candidate tasks referencing international initiatives and guidelines from within and outside the industry. We consolidated these tasks and created a list of 41 candidate material issues.

We placed the material issues on the horizontal axis by identifying their importance for the Group through a workshop held by our directors. We also considered the Group's Management Vision, Code of Conduct and the content of various initiatives. Next, we placed the issues on the vertical axis by determining their importance for society based on evaluations from an array of rating agencies, information from our peers in the industry, the results of consumer surveys and employee questionnaire surveys, interviews with investors, dialogue with experts and other information. We created a matrix which plots these elements and identified the ten most important material issues.

We ensured the identified material issues were reflected in our business and medium-term plans, implementing a PDCA cycle.



Consolidated Medium-Term Sustainability Management Plan

Material issues	Vision	SDG contributions	Major KPIs (FY2021 results)	Reference	Evaluation
Material issues for sustainable value creation	Climate change measures	12, 13	▶ GHG emissions are managed appropriately. ▶ Progress has been made toward achieving net zero carbon emissions by 2050.	P65	△
	Product specifications and clean fuel blend	7, 9, 12, 14, 17	▶ Opportunities to offer and sell clean fuels catering to customers' needs have been acquired. ▶ Clean fuels are continually developed and demonstrated.	-	-
	Clean technology opportunities	7, 9, 12, 14, 17	▶ We have become the leading company in Japan in the generation of power from renewable energy sources. ▶ Low-carbon/decarbonization technologies have become an R&D theme of focus, leading to the acquisition of business opportunities. ▶ Clean products and services other than fuels are provided.	-	-
	Structural reform of profit-based business	8	▶ Stable profits are being earned from existing businesses, and these profits are invested in new businesses, enabling steady shift to new businesses. ▶ The financial foundation has been stable due to expansion of profits from new businesses focused on clean technologies, as well as improvement of corporate value.	-	-
Material issues form the foundation of business continuity planning	Safe operation/stable supply	3, 7, 9, 11, 12, 14	▶ The injury of officers, employees, and other staff members in accidents has been prevented. ▶ Plant accidents and product (quality) accidents have been prevented. ▶ Our operations do not threaten the safety of areas where we operate and local residents of the areas. ▶ Energy is supplied stably even in times of disaster and emergency.	P75	○
	Risk management	-	▶ In addition to operational risks, the strategy risks and opportunities we face have been identified, and these risks are hedged and handled appropriately. ▶ The serious risks faced by the Group as a whole have been identified and managed.	P77	-
	Compliance	8, 16	▶ Laws, regulations, and social norms are observed. ▶ Officers, employees, and other staff members understand and observe internal regulations.	P78	○
	Ethics and integrity	8, 12, 16	▶ The Cosmo Energy Group Code of Conduct and the Group's policies have become entrenched, enabling individuals to make appropriate decisions.	P71	△
	Industrial safety and health	5, 8	▶ The injury of employees in accidents has been prevented. ▶ Work-related accidents caused by overwork or harassment have been prevented. ▶ Employees are working with a peace of mind and in good health.	P70	○
	Diversity and equal opportunity	5, 8, 10, 12	▶ Every employee is able to fully demonstrate their capabilities regardless of age, gender, nationality, job category, organization, or job history. ▶ There is lively discussion before decisions are made, and diverse opinions are reflected in decision-making.	-	○
			▶ Sustainable procurement is being practiced. ▶ The ratio of the "AA" evaluation rating of three promises: Target 48.5% Result 48.1% ▶ Customer evaluation: Target Quality evaluation 3.4/Performance evaluation 3.4 Result 3.30/3.53 ▶ Rate of service complaints: Target 0.11 Result 0.07 ▶ Percentage of employees who have received a health check-up: 100% ▶ Total work hours: Target 1,860 hours or below Result 1,936 hours (YoY: Down 28 hours) ▶ Paid leave acquisition rate: Target 90% or higher Result 90.6% (YoY: Up 9.2 percentage points) ▶ Percentage of new graduate hires who are women: FY2022 Target 50% Result 50% ▶ Percentage of managers who are women: Target 6% (as of April 1, 2023) Result 5.9% (as of April 1, 2022)		