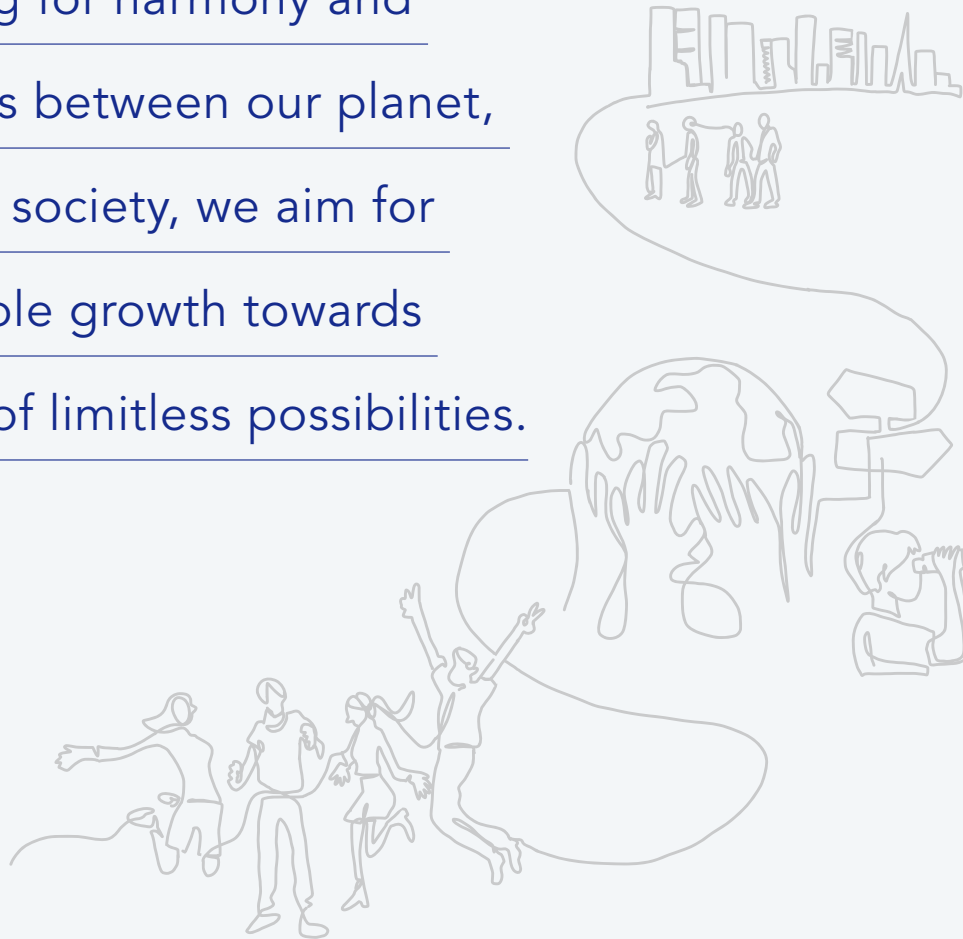


Cosmo Energy Group Management Vision

In striving for harmony and symbiosis between our planet, man and society, we aim for sustainable growth towards a future of limitless possibilities.



Basic Concept of Sustainability

Harmony and Symbiosis

Harmony and Symbiosis with the Global Environment
Harmony and Symbiosis between Energy and Society
Harmony and Symbiosis between Companies and Society

Creating Future Values

Creating the Value of "Customer First"
Creating Value from the Diverse Ideas of the Individual
Creating Value by Expressing Collective Wisdom

Brand Statement

Filling up your hearts, too.

In any era, we wish to remain a company that fills up hearts of all of the people engaged with Cosmo.

Cosmo Energy Group's Vision for the Future

Vision 2030

To create energy that shapes the future, energy that sustains society, and new forms of value

The Cosmo Energy Group seeks to realize its vision for the future by focusing on the following three pillars under Vision 2030.

Bolster the green electricity supply chain

(Build a high value-added supply chain that encompasses power generation, supply-demand adjustment, and sales)

Expand next-generation energy

(Supply SAF and develop hydrogen and other energy businesses)

Strengthen competitiveness of our Oil Business and pursue low carbonization

(Enhance competitiveness by digitizing refineries, etc., and shift to low-carbon operations through CCS/CCUS)



Oil & New ~Next Stage~

During the period of the Sixth Consolidated Medium-Term Management Plan, the Cosmo Energy Group successfully improved its financial position to a certain extent by increasing its profitability through the steady implementation of profit improvement initiatives. Under the Seventh Consolidated Medium-Term Management Plan, we will move to a new stage, under the slogan "Oil & New ~Next Stage~," and work to sustainably enhance enterprise value based on the following four basic policies.

- 1 Secure profitability
- 2 Expand New fields to drive growth
- 3 Realize three-pronged capital policy
- 4 Transform management foundation

COSMO REPORT 2023

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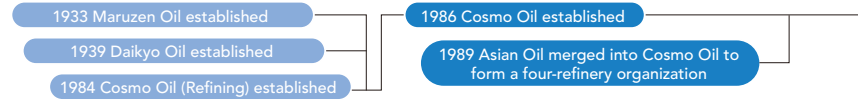
History of Value Creation

Thirty-seven years have passed since the establishment of Cosmo Oil and the start of the Cosmo Energy Group. Amid a variety of changes in the business environment, the Cosmo Energy Group remains committed to fulfilling its mission of providing a safe and stable energy supply and seeks to become a group that contributes to society.

■ Related to all businesses
 ■ Related to the Petroleum Business
 ■ Related to the Renewable Energy Business
■ Related to the Oil E&P Business
 ■ Related to the Petrochemical Business



Corporate origin



- 1933** Maruzen Oil established
- 1939** Daikyo Oil established
- 1943** Construction of Yokkaichi Refinery completed
- 1944** Construction of Matsuyama Refinery completed
- 1963** Construction of Chiba Refinery completed
- 1968** Construction of Sakai Refinery completed
- 1968** Abu Dhabi Oil established
- 1972** Construction of Sakaide Refinery completed
- 1984** Cosmo Oil (Refining) established

- 1986** Cosmo Oil established through the tripartite merger of Daikyo Oil, Maruzen Oil, and former Cosmo Oil (Refining)
- 1986** Abu Dhabi Office opened
- 1986** Cosmo service stations completely redesigned
- 1989** Asian Oil merged into Cosmo Oil to form a four-refinery organization
- 1997** Qatar offshore concession area acquired and Qatar Petroleum Development established
- 1997** "Filling up your hearts, too" adopted as corporate message
- 1997** IPP business entered
- 1999** Business alliance formed with Nippon Mitsubishi Oil (currently ENEOS)
- 2000** LNG business entered
- 2004** Wind power generation started in Sakata City
- 2005** Full-scale entrance made into the mixed-xylene business and CM Aroma established
- 2006** Construction of delayed coker unit started at the Sakai Refinery

- 2007** Business alliance formed with IPIC (currently MIC)
- 2007** Japanese language education program launched in the UAE
- 2008** Full-scale entrance made into the petrochemical business and Hyundai Cosmo Petrochemical established
- 2010** Shares of Eco Power acquired and full-scale entrance made into the wind power generation business
- 2010** Delayed coker unit started operation at the Sakai Refinery
- 2010** Started the automobile leasing business Cosmo Vehicle Lease*
- 2011** Fire and explosion accident at the Chiba Refinery due to the Great East Japan Earthquake
- 2011** Construction of mixed-xylene distillation unit completed at the Yokkaichi Refinery
- 2012** Abu Dhabi Oil's new concession agreement came into effect
- 2012** Operation resumed at the Chiba Refinery's No. 2 Crude Distillation Unit (CDU)
- 2013** Sakaide Refinery closed, resulting in a three-refinery organization
- 2013** Commercial operation of new paraxylene manufacturing unit started at Hyundai Cosmo Petrochemical
- 2014** Strategic comprehensive alliance entered into with CEPESA

- 2015** Business alliance entered into with Showa Shell (currently Idemitsu Kosan) in the Yokkaichi area
- 2015** Cosmo Energy Holdings established
- 2016** Maruzen Petrochemical became a consolidated subsidiary
- 2017** Production started at the Hail Oil Field
- 2018** Fuel conversion work at the Yokkaichi Kasumi Power Plant completed
- 2018** Sales of Cosmo Denki (Electricity) commenced
- 2018** Fiftieth anniversary of Abu Dhabi Oil celebrated
- 2019** Supply of fuel oil to Kygnus Sekiyu K.K. commenced
- 2019** Eco Power became a wholly owned subsidiary and was renamed Cosmo Eco Power
- 2020** Cosmo Energy Holdings declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- 2021** Offshore Block 4 in the Emirate of Abu Dhabi acquired
- 2021** Alliance formed with Iberdrola Renewables Japan K.K. for the Aomori Northwest offshore wind power project
- 2021** Decision made to use electricity from virtually 100% renewable energy sources at all service stations directly operated by the Cosmo Energy Group
- 2021** Cosmo Zero Carbon Solution, a package of products including renewable energy and EVs, launched
- 2021** MoU regarding the consideration of collaboration in the field of decarbonization with Masdar
- 2021** Basic agreement regarding the consideration of collaboration in the hydrogen business concluded with Iwatani Corporation
- 2022** Roadmap for achieving net zero carbon emissions by 2050 was disclosed
- 2022** Joint studies on domestically produced SAF manufacturing technology utilizing Alcohol-to-Jet (ATJ) technology commenced with Mitsui & Co., Ltd.
- 2022** SAFFAIRE SKY ENERGY LLC established in preparation for Japan's first large-scale domestic production of SAF
- 2023** Commercial operation of offshore wind farms at Akita Port and Noshiro Port in Akita Prefecture commenced

*Currently Cosmo My Car Lease



Yokkaichi Refinery



Chiba Refinery



Sakai Refinery



"Filling up your hearts, too" corporate logo



Offshore oil collection base for oil development



Maruzen Petrochemical's Chiba Plant



Wind power generation

Message from the CEO

In a time of energy industry transformation, the Cosmo Energy Group will enhance enterprise value by positioning *people* as our focus.

Shigeru Yamada

Representative Director, Group CEO



Surviving in a period of transformation

People as the most critical factor during times of change

The energy supply and demand environment is currently exposed to significant change. Since 2021, factors such as the COVID-19 pandemic being brought under control and the emergence of geopolitical risk have put pressure on supply and demand for resources and energy. At the same time, the importance of energy security is being reexamined. Moreover, concerns about global warming and its effect on climate change and biodiversity will certainly propel decarbonization efforts on a global scale and usher in significant change to the energy industry. Given our duty to promote decarbonization as well as ensure a stable energy supply, the Cosmo Energy Group is tasked to take on the extremely difficult management challenges ahead.

Having been appointed Group CEO in April 2023, I have a renewed determination to overcome this period of transformation. I began my career in sales when I joined the Company (then Cosmo Oil Co., Ltd.) in 1988, shortly after it was formed through a merger. In the 35 years since, I have worked in supply, corporate planning, and other areas of the business.

One of my most memorable experiences was working in the supply division. As part of my job, I was required to monitor supply and demand for petroleum products and make decisions and adjustments in an instant while overseeing all aspects of oil supply, from crude oil imports to refining, sales, and distribution. I believe this experience is

fundamental to how I make decisions that balance the big picture with a sense of speed.

Another event that I will never forget is the LPG tank explosion at the Chiba Refinery due to the 2011 Great East Japan Earthquake. The resulting fire caused great concern and inconvenience to many people. Based on the lessons learned from the fire, the Cosmo Energy Group maintains a steadfast commitment to investing management resources into safety, as well as to continuous diligent effort in the field.

In assuming the role of CEO, I firmly believe our *people* are a critical element for the Group. When a company undergoes a significant change, whether it be while recovering from a fire or going through a period of transformation — like the one we are currently experiencing — it faces many tough challenges. At such times, it is *people* who can encourage the company and its employees, and it is also *people* who bring about the innovations that will shape the future.

I feel that our *people* will be the decisive element of the Cosmo Energy Group's ability to meet and survive the challenges facing the energy industry during this period of great change.

Significantly improved profitability on the back of our competence in safe and stable operations

The Cosmo Energy Group has traversed difficult times in our financial condition and business performance since inception, however, we were able to significantly improve our profitability through initiatives implemented under The Sixth Consolidated Medium-Term Management Plan (hereafter, "the Sixth MTMP"). As a result, our financial condition also

improved, and we achieved a net worth capable of withstanding changes in the market condition and a net debt-to-equity ratio in the 1 to 1.5 times range.

One of the factors behind our improvement in profitability was our ability to achieve continuously safe and stable operation of our refineries which enabled stable energy supply and sales. Since the fire, we have worked to step up safety in tangible areas of our business such as by investing in facilities and equipment together with intangible areas such as operational systems and human resource development.

In addition to these efforts at the management level, the diligent efforts and contribution of each and every onsite employee fundamentally underpins our improvement in profitability. While we cannot achieve safe and stable operations overnight, I am confident that the lessons learned from the fire, held close over time, are now a major strength of the Cosmo Energy Group. We will not disregard these lessons and continue to hone this strength going forward.

A new medium-term management plan to enhance enterprise value — Ideas represented in Vision 2030 and The Seventh Consolidated Medium-Term Management Plan —

Ensuring the sustainable enhancement of enterprise value through the Seventh Consolidated Management Plan

In 2001, we established the Cosmo Energy Group Management Vision: *In striving for harmony and symbiosis between our planet, man and society, we aim for sustainable*

growth towards a future of limitless possibilities. Although more than 20 years have passed, this vision remains unchanged. However, in this period of energy transformation, we understand the expectation for us to develop a medium to long-term vision to connect our medium-term management plan and our Group Management Vision. To take us through to 2030, we have therefore newly formulated Vision 2030: *To create energy that shapes the future, energy that sustains society, and new forms of value.*

Energy that shapes the future is renewable energy, next-generation energy, and other sources of energy essential for transitioning to a decarbonized society. Meanwhile, energy that sustains society means the efficient use of conventional oil resources for a stable energy supply. This

new vision incorporates our desire to create new forms of value with a two-wheeled approach to the types of energy required.

In Vision 2030, we have defined the Cosmo Energy Group's mission as providing a stable supply of low-carbon, low-cost energy, while fully recognizing the growing societal demand for decarbonization and factoring in the distortions and adverse effects of rapid energy conversion.

Also, while our top priority was always to address the long-term challenge of improving our financial condition until the Sixth MTMP, the focus of The Seventh Consolidated Medium-Term Management Plan (hereafter, "the Seventh MTMP") is the enhancement of enterprise value based on the results achieved under the Sixth MTMP.

Although companies listed on the Tokyo Stock Exchange are required to disclose their enterprise value enhancement initiatives and progress if their price-to-book value ratio (PBR) is consistently below 1.0 times, we were ahead of the curve in presenting our approach to enterprise value.

One main pillar of Vision 2030 is to bolster the green electricity supply chain. While we have been expanding our Renewable Energy Business with a focus on wind power generation for some time, we will strengthen and create a single seamless supply chain which is not limited to power generation and actually goes beyond this to include power adjustment, storage, and subsequent sales.

The Cosmo Energy Group has played a part in stable energy supply in Japan for many years. Given the global trend toward decarbonization and our ongoing commitment to fulfilling our responsibilities as an energy supplier, bolstering the green electricity supply chain is a role I believe we must play, and we already have many businesses that can help us in this effort.

In terms of renewable energy generation, we are Japan's third-largest producer of wind power, and we will continue to expand our business steadily in line with our plan. In offshore wind power, we see the next two to three years as critical years for us, despite fierce market competition. In the area of power supply-demand adjustment and storage, while the supply of renewable energy is increasing throughout Japan, we are beginning to see a situation where producers have no choice but to let the power that they have laboriously generated go to waste due to a mismatch between supply and demand. To solve this, there is a need for a function to balance power supply and demand and store the generated renewable energy. This function is crucial to prudent energy

Vision 2030

To create energy that shapes the future, energy that sustains society, and new forms of value



Bolster green electricity supply chain

Build a high value-added supply chain that encompasses power generation, supply-demand adjustment, and sales



Expand next-generation energy

Supply SAF and develop hydrogen and other energy businesses



Strengthen competitiveness of Oil Business and pursue low carbonization

Enhance competitiveness by digitizing refineries, etc., and shift to low-carbon operations through CCS/CCUS

use, and we plan to begin proof-of-concept testing in our energy storage business in FY2023. In the area of green electricity sales, we have a track record of sales through Group companies. In the future, we will work to develop a variety of products such as selling solutions that include energy management and providing them together with electric vehicle (EV) leasing and sales.

By creating synergies through the linking of such businesses and expertise, I believe we can monetize the green electricity business through not only power generation, but also throughout the entire supply chain. To achieve this, we plan to make strategic investments totaling ¥300.0 billion by 2030.

As for the second pillar, the expansion of next-generation energy, we will pioneer mass-production of Japan's first domestically produced SAF and enter the hydrogen supply chain. In terms of SAF, we have established a joint venture, SAFFAIRE SKY ENERGY LLC, with JGC Holdings and Revo International Inc. to mass-produce SAF made from waste cooking oil. In addition, we have begun joint studies with Mitsui & Co., Ltd. on the production and supply of SAF made from ethanol using the technology of Lanza Jet Inc., a U.S. company in which Mitsui & Co. holds a stake.

In the hydrogen supply chain, we established a joint venture with Iwatani Corporation for the hydrogen station business in February of this year. We plan to open a hydrogen station for trucks in FY2024. For both initiatives in our second pillar, we plan to make a strategic investment of ¥100.0 billion by 2030.

The third pillar is to strengthen competitiveness and pursue low-carbonization of our *Oil* businesses. While the trend toward decarbonization will continue without question,

the timeframe over which it occurs will be critical. Even with the growing popularity of EVs and the like, petroleum products will continue to account for a large share of energy demand until around 2030. Until then, we must fulfill our responsibility to ensure their stable supply.

Globally, oil is still an essential energy resource. The Cosmo Energy Group's current concession areas are limited to low-risk exploration blocks, but I believe it is necessary to continue this business to some extent to fulfill our responsibility to provide a stable energy supply. In addition, as mentioned earlier, the safe and stable operation of our refineries contributed significantly to improving our profitability under the Sixth MTMP. In the future, we will achieve greater efficiency by improving refinery operating rates through measures such as digital transformation (DX).

At the same time, we will also focus on achieving low-carbon operations. We will convert to alternative fuels in our Petroleum Refining and Petrochemical businesses as well as leverage our strong relationship with the Emirate of Abu Dhabi to work with the Abu Dhabi National Oil Company on decarbonization, including carbon capture and storage (CCS) and carbon capture, utilization, and storage (CCUS).

The capital policy that meets expectations and transformation of our management foundation

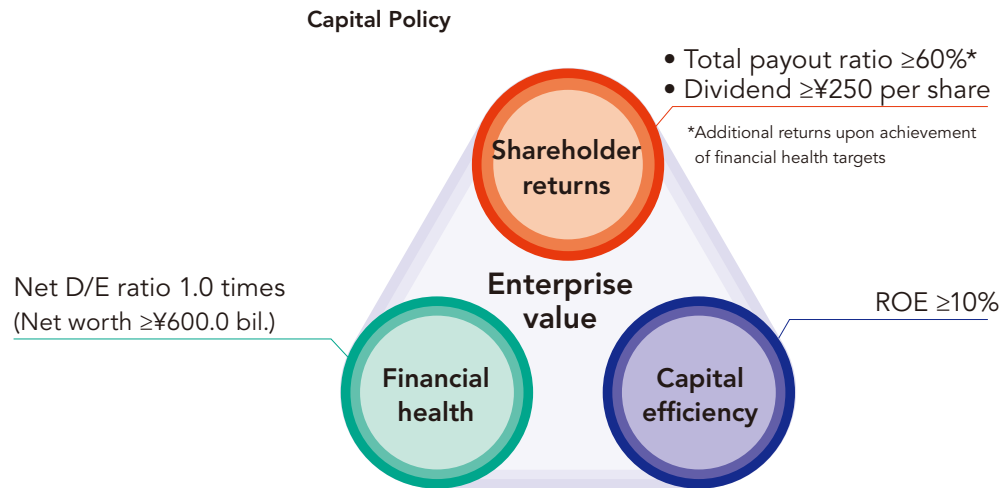
To date, the Cosmo Energy Group has prioritized improving our financial condition, with some improvement achieved during the period of the Sixth MTMP. During management discussions on how to enhance enterprise value, which is the theme of the Seventh MTMP, we concluded that it is necessary to present a balanced capital policy while



increasing profitability and raising growth expectations, and thus announced our capital policy for the first time as part of our overarching plan.

Our new approach to capital policy is to enhance enterprise value by achieving growth in three areas — shareholder returns, financial health, and capital efficiency — without deficiency or bias.

As part of shareholder returns, we have set a cumulative total payout ratio of 60% over three years. This figure was set based on our recognition of capital market expectations, while ensuring a balance between the investments necessary to implement our growth strategy and financial health based on profitability. In terms of dividends, we will pay a stable dividend of at least ¥250 per share. Factoring in the business environment during the period of the Seventh MTMP, we are committed to a dividend level that is achievable even if there is a certain degree of change in the external environment, provided we have the capability to do so.



With respect to financial health, we have set a target net debt-to-equity ratio of 1.0 times and a target net worth of ¥600.0 billion or more following scrutiny of our financial condition from multiple viewpoints. Specifically, from the perspective of responding to risk, we benchmarked similar domestic and overseas companies in each segment and calculated the risks associated with each asset and the capital necessary to cover these risks by analyzing each company's past performance and financial condition. We also considered the required capital efficiency and level of capital needed to provide flexible financing even as the trend toward decarbonization accelerates in the future.

During the period of the Seventh MTMP, we will increase investment in the development of *New fields*, while aiming to achieve a stable return on equity (ROE) of 10% or more in terms of capital efficiency.

In our discussions with shareholders and investors

regarding our capital policy, we received a certain amount of recognition for disclosing not only numerical targets but also the thinking behind them as part of our commitment under our medium-term management plan. We will continue to meet their expectations by delivering on our promises outlined in the policy.

Three transformations to innovate our management foundation under the Seventh MTMP

When it comes to human resources, the most important asset for the Cosmo Energy Group, we will undertake talent development with a dual focus on *motivation and autonomy* and *capabilities and diversity*. Multiple results of an employee survey showed a favorable view of workplace relationships and a high regard for the good character and humanity of co-workers. This leads me to believe that our great teamwork is

one of the Group's strengths. That said, it is also essential during periods of transformation to have some friction in the team caused by friendly competition and for each team member to have a strong desire for personal growth. While the Group continues to establish systems and training programs on the organizational side, we also encourage individual employees to develop their skills independently as this will ultimately produce greater engagement with the company.

DX is an area with significant room for expansion. To cite a typical example, we hope to use purchase data from the Car Life Square App, which is provided to customers of COSMO-branded service stations, and operation and maintenance data from refineries not only to improve existing services and businesses but to create new business opportunities as well. To promote the use of such data, we plan to cultivate 900 core digital personnel* while continuing to raise overall IT literacy of employees.

Regarding green transformation (GX), we aim to achieve net zero carbon emissions, including Scope 3, in 2050. Although our current emissions reductions are mainly attributable to our wind power generation business, we will also tackle new areas such as CCS/CCUS. In addition, as the Petrochemical Business accounts for a significant proportion of the Group's total CO₂ emissions, we will work with external parties to reduce our carbon footprint such as by considering converting equipment and plants to run on ammonia.

As a cornerstone of sustainable management, the Cosmo Energy Group has also proactively implemented governance reform. From the perspective of board transparency, currently four out of our nine directors are independent outside directors. Also, from the standpoint of diversity, one third of the directors are women, with one female director serving as an executive

officer. As a result of such reform, the Board of Director meetings have become a forum for very dynamic discussion.

On a related note, we review our directors' skills matrix each year. During this review we discuss which skills should be added or deleted, as well as assess any excesses or deficiencies that might be present at the executive director level in the entire Group. It is through this process that we can keep a close eye on the pipeline of future candidates for leadership roles.

*Human resources who will lead data utilization (data scientists, data engineers, and data strategists)

Facilitating the Group's transformation in anticipation of a new era

Creating new growth drivers that are not just an extension of the past

As I mentioned earlier, the energy industry is undergoing a significant transformation in response to the global trend toward decarbonization. The Cosmo Energy Group must also fulfill our responsibility to provide a stable supply in our *Oil* businesses while meeting the expectations for us to expand our presence in *New fields*. I am also aware that in order to realize the theme of the Seventh MTMP, which is to enhance enterprise value, we must ensure the profitability of our *Oil* businesses and to demonstrate the growth potential of *New fields*, including actual results, while implementing our newly formulated capital policy. As Group CEO, I will personally take the lead in promoting these efforts.

Having inherited the tangible and intangible assets built by my predecessors, I believe that my greatest mission as Group CEO is to create new growth drivers for the Cosmo Energy Group that are not merely an extension of the past and to achieve sustainable growth in anticipation of a new era.

Under the Seventh MTMP, we will do our utmost to enhance the value we provide and prove ourselves worthy of our stakeholders' trust. I hope you will join us in looking forward to the future growth of the Cosmo Energy Group.



Left: Hiroshi Kiriya, Representative Director and Group Chairman Right: Shigeru Yamada, Representative Director and Group CEO

Initiatives to Enhance Enterprise Value

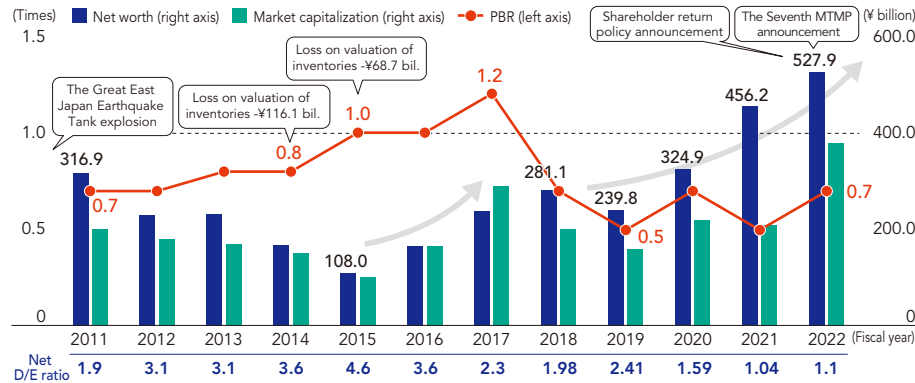
Although the Cosmo Energy Group experienced a notable decline in financial health due to factors such as the impact of the Great East Japan Earthquake and the booking of substantial inventory valuation losses resulting from the fall in crude oil prices, we successfully restored our financial standing to a certain extent through the diligent execution of various initiatives during the period of the Sixth Consolidated Medium-Term Management Plan (FY2018-2022).

In FY2022, we announced a shareholder return policy that explicitly emphasized significant strengthening of shareholder returns. In March 2023, we unveiled the Seventh Consolidated Medium-Term Management Plan, which encompasses a three-pronged capital

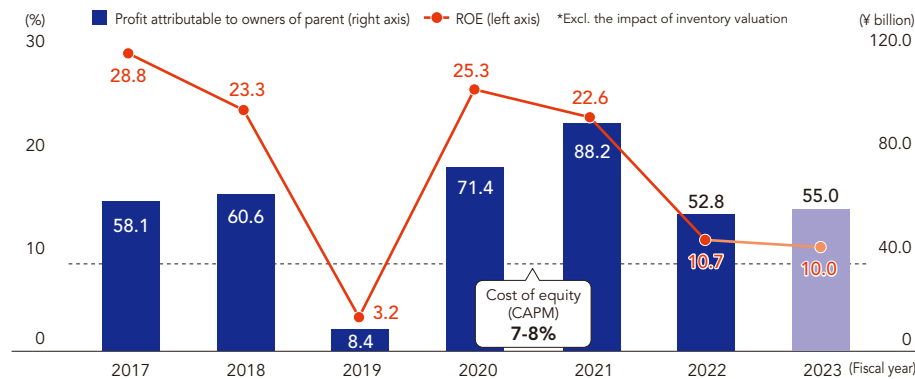
policy emphasizing shareholder returns, capital efficiency, and financial health. This plan was generally well received by capital markets. On the other hand, since one of the key stock price indicators, the price book-value ratio (PBR), continues to remain below 1.0 times, we have established three new basic policies to boost the effectiveness of our efforts to enhance enterprise value.

We are committed to pursuing both short-term and medium- to long-term initiatives to enhance enterprise value and ultimately improve our PBR. As of September 30, 2023, our PBR was at 0.9 times.

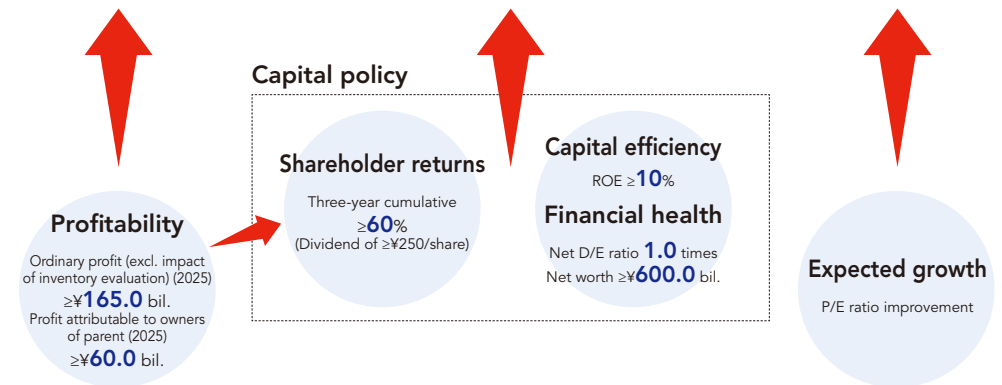
Trend in PBR, net worth and market capitalization



Trend in ROE excluding the impact of inventory valuation



Enterprise value enhancement (PBR improvement)



Basic policies	Profitability	<ul style="list-style-type: none"> Thorough implementation of the Seventh MTMP and further improvement of profitability 	<ul style="list-style-type: none"> Short-term initiative Medium- to long-term initiative
	Capital policy	<ul style="list-style-type: none"> Early realization of a total payout ratio of $\geq 60\%$ Review of business portfolio and capital efficiency 	<ul style="list-style-type: none"> Short-term initiative Medium- to long-term initiative
	Expected growth	<ul style="list-style-type: none"> Steady realization of New businesses 	<ul style="list-style-type: none"> Medium- to long-term initiative