

COSMO REPORT 2025

FOUNDATION

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Special Interview: Corporate Governance

Building and evolving sound governance at the Cosmo Energy Group: Current status and future outlook

Shigeru Yamada

Representative Director,
Group CEO



Dr. Chieko Matsuda

Professor, Graduate School of Management
Tokyo Metropolitan University
Professor, Faculty of Economics and Business Administration
Tokyo Metropolitan University

Professor Matsuda has been engaged in research, education, and business practice in the fields of management strategy, particularly corporate-level strategy (business portfolio management), financial strategy, and corporate governance. After working at The Long-Term Credit Bank of Japan, Limited, where she was responsible for international credit review and overseas sales, she went on to work as a credit rating analyst at Moody's Japan K.K. She later became Partner at management strategy consulting firms, including Corporate Directions, Inc. and Booz & Company, Inc., before assuming her present position. Matsuda holds a Bachelor of Arts from Tokyo University of Foreign Studies, a Master of Business Administration from École Nationale des Ponts et Chaussées, and a PhD in Management from the Graduate School of Business Science, University of Tsukuba. She is currently Senior Researcher at the Japan Association of Chief Financial Officers. In addition, she has served as an outside director for several leading companies and as a committee member for various government agencies and public institutions.



2015 as the starting point of governance: A major turning point toward stronger business execution

Yamada

The Cosmo Energy Group sustained significant damage when our main plant, the Chiba Refinery, was impacted by the 2011 Great East Japan Earthquake. For several years thereafter, the refinery was unable to operate at sufficient capacity, leading to declining profits and a prolonged period of hardship.

Under these circumstances, we recognized the need to further strengthen business execution across the Group's core Oil Exploration and Production, Petroleum Refining and Sales, and Petrochemical businesses. In 2015, we transitioned to a holding company structure and, at the same

time, became a company with an audit and supervisory committee, thereby reinforcing our organizational framework. This marked the starting point for the subsequent strengthening of our corporate governance.

Dr. Matsuda

In 2015, the "Company with an Audit and Supervisory Committee" system was introduced in Japan, with around 1,600 companies having adopted this form of corporate governance since then. Making the transition in the system's very first fiscal year, however, must have been a courageous decision.

Yamada

Our strong conviction that the status quo was untenable and that change was imperative gave

us the resolve to take decisive action. Since 2015, we have consistently pursued governance reforms. As a result, business execution has become more streamlined, enhanced monitoring has improved management transparency and efficiency, and risk management has been further strengthened.

Dr. Matsuda

In many cases, companies take a passive approach to corporate governance reforms, acting only in response to the introduction of the Corporate Governance Code. However, without a firm policy or clear vision on the part of management, efforts to strengthen corporate governance risk becoming little more than a matter of formal compliance.

In your company's case, I was especially impressed by your strong determination to enhance

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both management oversight and business execution. Treating governance as a means of reinforcing management is, in fact, the ideal approach, and I believe it has contributed to favorable outcomes.

Yamada

Regarding the streamlining of business execution, under the previous structure, implementing relatively large-scale operational reforms at our refineries required multiple procedural steps before any decisions could be made. This often delayed management approvals and created distance between senior management and frontline employees. Currently, under a holding company structure, significant authority and responsibility are delegated to each operating company, shortening decision-making time and substantially bridging the gap between the field and management. During visits to worksites, I have observed that employees feel more empowered to express their opinions candidly, which contributes to improved execution. Overall, I feel that the current framework is functioning effectively and delivering positive results.

At the same time, I also recognize that a holding company structure has some drawbacks,

such as inevitable overlaps in back-office functions and a gradual weakening of inter-company communication, sometimes without us even realizing it. It is the responsibility of the management teams of each operating company, with me at the helm, to thoroughly eliminate redundancies, including overlapping duties, and ensure smooth communication between companies. I intend to remain constantly mindful of these priorities in our governance efforts going forward.

Dr. Matsuda

While many companies report that the decision-making process takes longer under a holding company structure, I believe it is extremely important that your company has delegated considerable authority to its operating companies, enabling them to act with greater autonomy.

2022 marked the evolution of governance: Reform and restructuring of the Board of Directors

Yamada

In 2007, our company carried out a capital increase by way of third-party allotment, making International Petroleum Investment Company¹ (now Mubadala Investment Company², hereafter, "IPIC")—an investment company wholly owned by the government of Abu Dhabi, United Arab Emirates—our largest shareholder. The appointment of two IPIC directors to our Board of Directors, along with other measures, helped deepen our relationship. Ultimately, in 2022, IPIC withdrew its investment and ceased to be a shareholder. At that time, however, the Board engaged in repeated, passionate discussions and exchanged candid opinions, all grounded in the trust-based relationship built with the Emirate of Abu Dhabi over more than 50 years. I believe this experience served as a catalyst for revitalizing the Board.

Dr. Matsuda

By receiving diverse insights and advice from long-term-oriented shareholders over the years and taking appropriate actions, your company has successfully laid the foundation for the corporate governance framework in place today.

Yamada

When we transitioned to a holding company structure in 2015, the Board of Directors was comprised of 10 members, including two outside directors from IPIC and two independent outside directors serving part-time on the Audit and Supervisory Committee. Later, in 2019, we appointed our first female director. The number of outside directors has gradually increased, and today the Board consists of 12 members, including six independent outside directors—accounting for half of the Board—and four female directors, representing one-third. In 2022, we implemented board reforms and delegated significant business execution authority to executives, enabling swift management decisions in response to changes in the external environment.

Dr. Matsuda

Regarding outside directors, there are concerns that if their careers are too similar, boards may only express homogeneous opinions, and if most are executives, they may be overly lenient toward management. Looking at the professional backgrounds of your outside directors, I noted that many have management experience, yet they come from a variety of industries, with diversity in both skills and gender. Overall, I believe the composition of your Board to be well balanced.

1. International Petroleum Investment Company: An investment company wholly owned by the Government of the Emirate of Abu Dhabi
 2. Mubadala Investment Company: An energy-related investment company wholly owned by the Emirate of Abu Dhabi. Formed as a holding company through the merger of International Petroleum Investment and Mubadala Development Company



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Yamada | The two individuals newly appointed as outside directors in 2024 bring management experience from companies outside the energy sector. They have offered numerous valuable perspectives that differ from those of their counterparts in the energy industry, underscoring once again the importance of ensuring diversity. Among the six current independent outside directors, several have government or legal backgrounds, contributing to a well-balanced board composition. Going forward, we remain committed to ensuring diversity.

Outside directors continually deepen their understanding of our company through regular consultations and meetings with employees, which is to be expected. They also proactively visit operational sites, enabling them to gain firsthand insight into conditions and practical nuances on the frontlines. Furthermore, when it comes to dialogue with investors, they hold small-scale meetings with investors themselves, engaging in direct discussions without executive officers in charge of operations present. At board meetings, we receive a range of opinions, recommendations, and questions informed by these interactions, many of which are highly substantive and incisive.

Mechanisms supporting effective governance: A cycle of dialogue and evaluation

Dr. Matsuda | Are dynamic discussions taking place at your board meetings?

Yamada | Board meetings are a forum for free and open discussion, and I find them highly productive. With outside directors from various professional backgrounds sharing diverse perspectives, we often run short on time, and the Board engages

in fruitful discussions grounded in a shared commitment to enhancing enterprise value. In addition to board meetings, we hold dedicated meetings (executive sessions) for outside directors approximately three times a year, where they exchange opinions on topics other than those on the board meeting agenda. The various suggested areas for improvement and requests arising from these sessions are reported to me and the Board Secretariat, and I believe this plays a major role in strengthening governance.

Since 2015, the Board of Directors has conducted an evaluation of its effectiveness, using questionnaires to gather feedback as a basis for discussion and identification of key issues. While this process is standard, in FY2023, we conducted an effectiveness evaluation with the cooperation of a third-party organization to incorporate objective perspectives and external expertise at the recommendation of outside directors. This external assessment confirmed that board meetings serve as a forum for the candid exchange of opinions and that appropriate monitoring is being conducted. We plan to continue to enlist the support of a third-party organization for such effectiveness evaluations in the future.

At the same time, outside directors requested that board discussions be further deepened. While I felt that the level of discussion at board meetings was sufficient, this reaffirmed that some members may seek more in-depth dialogue depending on the matter at hand. Going forward, I intend to focus on deepening discussions through preliminary briefings, executive sessions, and other measures.

Dr. Matsuda | I often hear from board secretariats and executives that they feel apologetic about asking outside



directors to spend so much time on discussions. However, outside directors frequently request that sufficient time be set aside for meaningful dialogue. Executive sessions and retreats serve this purpose well, enabling more in-depth discussions. I feel that everyone is conscious of this feedback loop, recognizing that sharing the results of their discussions with management helps enhance enterprise value.

Yamada | Although sudden changes and extensions to meeting times pose scheduling problems, I have heard that when setting the annual schedule, outside directors actually prefer if certain matters are slated for discussion at executive sessions or other such meetings.

Dr. Matsuda | Absolutely. I believe many outside directors, provided they know the schedule in advance, are willing to spend the necessary time on discussions, including on weekends—I myself feel the same way. Within the time allotted for board meetings, many topics receive only limited discussion and are not fully explored. In this regard, full day executive sessions provide an opportunity for much deeper discussion. Furthermore, outside directors appreciate time being allocated for these discussions, as such settings also make it easier

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to understand what the executive team is truly thinking. I believe your company's outside directors similarly value the chance to engage in deeper dialogue.

Integration of financial and non-financial discussions: Toward the realization of sustainability governance

Yamada

As part of our governance framework, we established the Sustainability Strategy Committee in FY2021 to focus on sustainability-related discussions. Under the Board of Directors, the Executive Officers' Committee handled finance-related matters, while the Sustainability Strategy Committee dealt with non-financial topics; they operated in parallel with one another. With the president serving as chairperson of both committees, balance was maintained. Over the four years since then, sustainable management has become well embedded throughout the company. Recognizing that financial and non-financial matters are inherently inseparable and need to be discussed together, in FY2025, we transitioned to a system where all matters are discussed by the Executive Officers' Committee.

Dr. Matsuda

In your company's case, I felt that separating financial and non-financial discussions would be challenging due to the nature of your industry. In particular, when it comes to the environment, I think that your company treats sustainability as synonymous with management itself, and indeed with strategy itself.

Yamada

As you mentioned, we did face challenges in separating discussions. We initially chose to establish two separate meeting bodies or frameworks because we wanted all employees



to understand the importance of sustainability. However, financial and non-financial matters are inherently inseparable. Now that these discussions have been integrated, I believe we are able to engage in more concrete and productive dialogue.

Dr. Matsuda

While it is the role of senior management to embed sustainability within management strategies and articulate a unified vision for the future, I believe it is the responsibility of middle management to set concrete KPIs for achieving this vision, ensure these are effectively communicated, and actively monitor progress. Many companies have not yet been able to make this distinction successfully.

Looking at sustainability-related governance in three stages, the final stage would see the Sustainability Strategy Committee dissolved, with sustainability so fully integrated into senior management that it no longer needs to be explicitly referenced. On the other hand, even when it is integrated at that level, actual tasks—such as monitoring KPIs—still need to be carried out, and these remain the responsibility of middle

management. It is essential for senior management to be mindful of treating sustainability as a separate matter while simultaneously ensuring its integration.

Yamada

I see. There is a balance between separation and integration. In that sense, our company's efforts are still a work in progress. Although outside directors have repeatedly emphasized the need for *integration* and *unification*, in practice we tend to address sustainability separately. Today's dialogue has reinforced the importance of further strengthening efforts around KPIs while striving for seamless integration at the senior management level, with the goal of further enhancing corporate governance. I look forward to applying these insights to our future governance initiatives.

Message from the Executive Officer in Charge of Sustainability



Even in an era of increasing uncertainty, we aim to enhance enterprise value by creating a sustainable future.

Junko Takeda

Representative Director, Senior Executive Officer
In charge of Human Resource Dept., Business Portfolio Management Dept., and Sustainability Initiative Dept.

Sustainable management to realize our Group Management Vision

The Cosmo Energy Group's corporate mission is to contribute to both society and the environment through our energy business. While petroleum remains a foundation for global economic growth, the industry faces pressing challenges in reducing environmental impact and addressing climate change. In response, we are proactively pursuing transformations while prioritizing safe operations and stable supply, fulfilling our role as an energy company that supports a sustainable society.

For more than 20 years, the Group has positioned sustainable development (sustainability), as defined in our Group Management Vision, at the heart of corporate management, and has committed to undertaking environmentally-friendly business operations. Building on this, in 2024, in addition to our existing brand statement, we defined six values—Integrity, Harmony, Safety, Pioneering, Self-startership, and Evolution—to guide us as we go forward and advance our sustainability efforts under a new brand framework. Our pursuit of sustainable value enhancement and development, grounded in our Group Management Vision, constitutes the very foundation of sustainability at the Group. Since FY2022, the evaluation of

efforts to achieve ESG targets has been reflected in executive remuneration as directors and executive officers work to ensure sustainable management.

Addressing material issues to fulfill Vision 2030

Based on our Group Management Vision and Basic Concept of Sustainability, the Group has identified its eight most important material issues.

When it comes to *climate change countermeasures*, one of these material issues, we announced our Net Zero Carbon Declaration in May 2021, committing to achieving net zero greenhouse gas emissions from our business operations by 2050. With the publication of the Seventh Consolidated Medium-Term Management Plan, we expanded this commitment to include our entire supply chain, aiming for net zero carbon emissions that include Scope 3 as well. We will continue to take on this challenge as a unified group, working steadily toward a carbon-neutral future.

Furthermore, investment in people is essential for implementing sustainable management. Defining *promoting human resources' success, health, and job satisfaction* as a material issue, we are pursuing a people strategy that motivates

employees and harnesses their skills in an effort to cultivate talent who can help us realize Vision 2030. To enhance enterprise value, we are focused on strengthening the capabilities of individual employees and maximizing their performance by increasing employee engagement, while also prioritizing health and productivity management, which serves as the foundation for everything we do.

Regarding *strengthening of Group risk management*, another of our material issues, we recognize growing concerns over emerging risks, including geopolitical tensions, environmental regulations, and the impact of policy trends related to decarbonization and climate change. With the business environment constantly evolving, the need for even swifter responses has grown. To address this, our Group is working to further enhance risk management across all organizations through the operation of our Enterprise Risk Management (ERM) system.

Engagement with stakeholders

From 2022 to 2024, we engaged in active dialogue with our investors and disclosed information in the area of sustainability through measures such as our annual investor-targeted ESG Presentation. Fulfilling our social responsibilities is vital to sustainable corporate growth. Aiming to continuously enhance enterprise value, we are committed to meeting stakeholders' expectations by listening carefully to their opinions, engaging in continuous dialogue and collaboration, and working for the sustainable growth of society and the Cosmo Energy Group.

Initiatives to Promote Sustainability (Sustainability Governance)

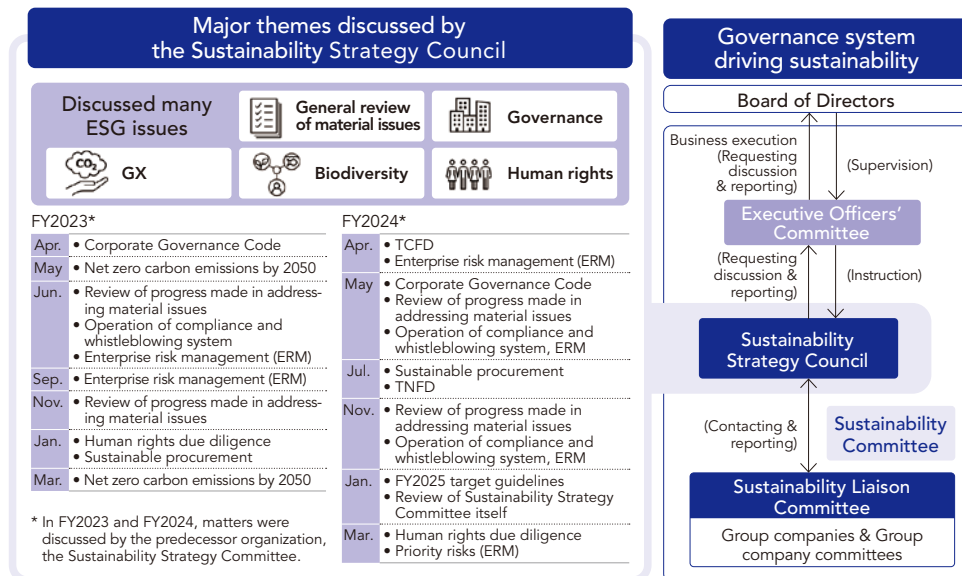
Promotion structure

Aiming to realize our Group Management Vision, the Cosmo Energy Group has established and operates organizational structures to oversee sustainability and internal control-related activities.

As a framework for advancing sustainable management, we established the Sustainability Strategy Committee to identify and assess sustainability-related risks and opportunities, and to report and evaluate progress on materiality initiatives under the Seventh Consolidated Medium-Term Management Plan. Matters deemed significant are reported to the Board of Directors.

In FY2024, the Sustainability Strategy Committee met a total of six times and discussed 19 agenda items, of which nine were reported to the Board of Directors for discussion. When necessary, the matters discussed by the Sustainability Strategy Committee are shared with Group companies through the Sustainability Liaison Committee. Moreover, the evaluation of efforts to achieve ESG targets has been reflected in executive remuneration since FY2022 as directors and executive officers work to ensure sustainable management.

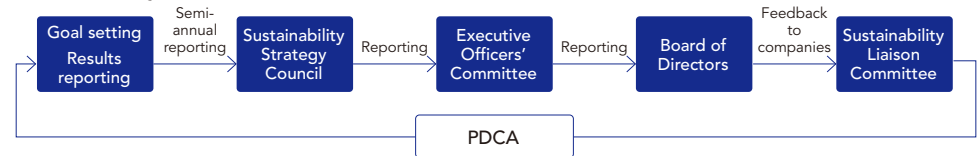
In FY2025, we revised our sustainability governance system by consolidating business execution decision making, including on sustainability strategy, under the Executive Officers' Committee, and established the Sustainability Strategy Council as an advisory body to the Committee. This organizational revision enables the Executive Officers' Committee to address financial and non-financial matters in an integrated manner, promoting the advancement of sustainable management.



PDCA cycle

We have defined KPIs for each of the material issues we have identified, setting annual targets and reporting results to the Sustainability Strategy Council, the Executive Officers' Committee, and the Board of Directors every six months. The details of reports are then relayed back to Group companies through the Sustainability Liaison Committee, ensuring effective implementation of the Plan-Do-Check-Action (PDCA) cycle.

KPI review cycle



Information disclosure: ESG assessments

The Company has been included in the FTSE4Good Index Series, one of the world's leading ESG investment indices, for 23 consecutive years since we became the first Japanese oil company to be included in the index in 2003. Furthermore, we are a constituent of the FTSE Blossom Japan Index, which has been adopted by the Government Pension Investment Fund (GPIF) as an ESG investment index, and are included in the MSCI Japan Empowering Women (WIN) Select Index, devised by the U.S. company MSCI based on women's employment data disclosed under the Act on Promotion of Women's Participation and Advancement in the Workplace. In addition, we have been selected as a constituent of SOMPO Asset Management Co., Ltd.'s SOMPO Sustainability Index— independently established by combining ESG assessments and stock valuations—for nine consecutive years*.

*Includes years up to FY2019, when we were a constituent of the SNAM Sustainability Index.



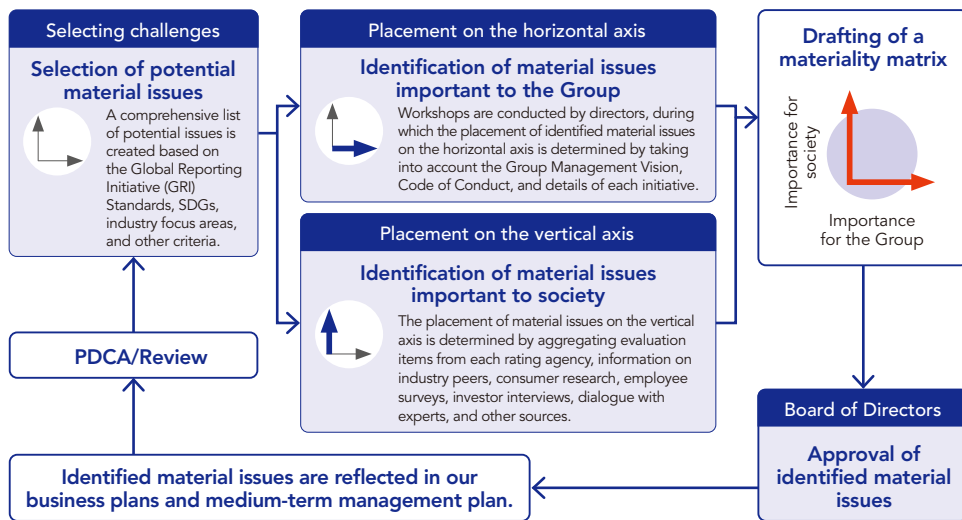
2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

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Material Issues of the Cosmo Energy Group

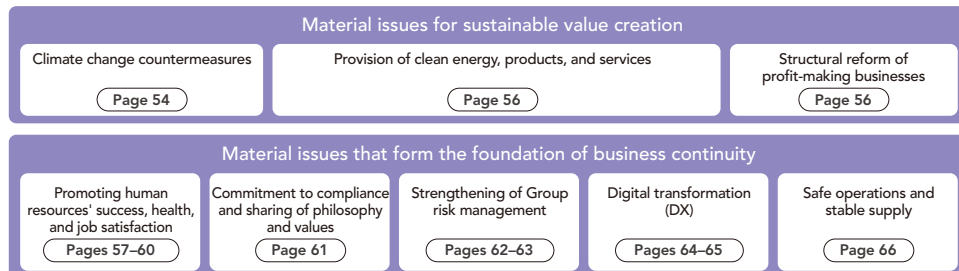
Material issue identification process

The Cosmo Energy Group has identified eight important ESG challenges (material issues) that must be addressed and that will influence the sustainable development of society and our Group, as well as our medium- to long-term enterprise value, as we work towards building the society we envision for 2050. The Group has set KPIs for each material issue.



Most important material issues

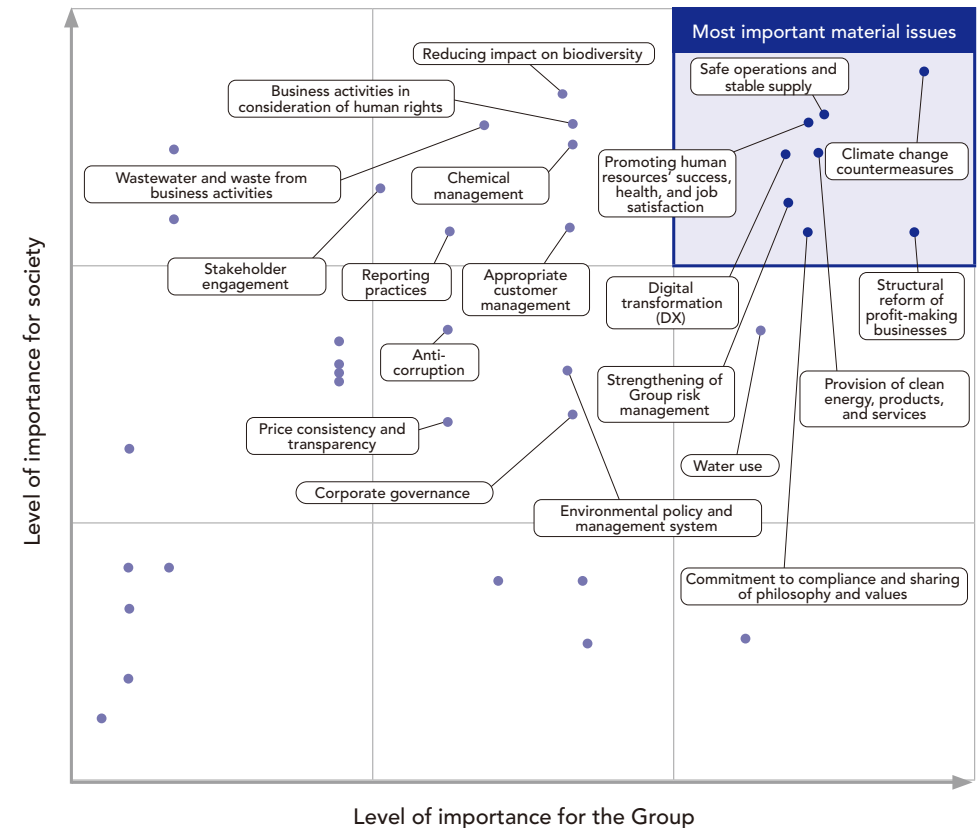
Material issues for sustainable value creation have been defined with the goal of enhancing enterprise and societal value through business operations, building upon material issues that form the foundation of business continuity.



Materiality matrix

A matrix was used for evaluating the importance of each material issue, where the horizontal axis represents the importance of each issue for the Group and the vertical axis represents their respective importance for society. We determined the level of importance of each issue for the Group based on the Group Management Vision, Code of Conduct, results of workshops conducted among directors, and details of each initiative. We then determined the level of importance of each issue for society by aggregating data from various sources, including evaluation items from rating agencies, information on industry peers, consumer research, employee surveys, investor interviews, and dialogue with experts. After plotting the resulting data points on the materiality matrix, we were able to identify the Group's eight most important material issues.

Materiality matrix



KPIs and Results for Material Issues in the Seventh Consolidated Medium-Term Management Plan

Material issues		Long-term vision	Main KPIs	FY2024 results	Related SDGs
Material issues for sustainable value creation	Climate change countermeasures (Page 54)	<ul style="list-style-type: none"> GHG emissions are managed appropriately Progress is steadily being made toward achieving net zero carbon emissions by 2050 	<ul style="list-style-type: none"> ≥30% reduction in GHG emissions* by 2030 (vs. FY2013) CO₂ emissions reduction (Scopes 1 & 2) (vs. FY2013) CO₂ reduction contribution (avoided emissions) 	<ul style="list-style-type: none"> 24% reduction 1,630,000-ton CO₂e reduction 470,000-ton CO₂e reduction contribution (avoided emissions) 	
	Provision of clean energy, products, and services (Page 56)	<ul style="list-style-type: none"> Clean fuel that meets customer needs has been developed and is supplied We have become a leading company in domestic renewable energy generation Clean products have been developed and are being provided across the entire value chain Technologies and services that support low-carbonization and decarbonization have been developed and are being supplied 	<ul style="list-style-type: none"> Clean fuel supplied <ul style="list-style-type: none"> Bio-ETBE SAF Wind power generation facility capacity Other renewable energy generation facility capacity Next-generation raw materials supplied Sales excluding fossil fuels R&D expenses and investments in new businesses 	<ul style="list-style-type: none"> Bio-ETBE supplied: 310,000 KL Used cooking oil-derived SAF supplied: Supply commenced in April 2025 Wind power generation facility capacity (as of March 31, 2025): 320MW Commercialization of other renewable energy businesses is under consideration R&D related to next-generation raw materials and new businesses is ongoing 	
	Structural reform of profit-making businesses (Page 56)	<ul style="list-style-type: none"> Business profits are generated in a decarbonized society by investing profits from existing businesses in new ventures Enterprise value is being enhanced through new businesses centered on clean technologies 	<ul style="list-style-type: none"> Investment in New businesses 	<ul style="list-style-type: none"> ¥44.5 billion invested in New fields (two-year cumulative), before factoring in sales of assets (¥16.5 billion) 	
Material issues that form the foundation of business continuity	Promoting human resources' success, health, and job satisfaction (Pages 57-60)	<ul style="list-style-type: none"> All employees can demonstrate their abilities to the fullest, regardless of age, gender, nationality, job type, affiliation, or work history Decisions are made through dynamic discussions that incorporate diverse opinions Overwork and harassment are prevented, and employees can work healthily and with peace of mind Employees take the lead in managing their own physical and mental health, and make efforts to manage and improve it Employees autonomously improve and utilize their strengths and expertise to implement business strategies Employees are energetic and challenge themselves, and enjoy continuous growth with job satisfaction and fulfillment 	<ul style="list-style-type: none"> Proportion of women in managerial roles (FY2025): ≥10% Percentage of women among total new graduate hires: ≥50% Percentage of employees who have taken a stress check (mental health) Percentage of employees who have received lifestyle health guidance (physical health) Investment in employee education and training Employee awareness survey "work satisfaction/pride" score: ≥60 points 	<ul style="list-style-type: none"> Proportion of women in managerial roles (as of April 1, 2025): 7.7% Percentage of women among total new graduate hires (those who joined the Company in April 2025): 51% 98.2% of employees took a stress check Health-focused initiatives to increase the percentage of employees who have received lifestyle health guidance are being implemented Annual training cost: ¥160,000 per person Employee awareness survey score: 62 points 	
	Commitment to compliance and sharing of philosophy and values (Page 61)	<ul style="list-style-type: none"> Laws, internal regulations, and social norms are observed Officers, employees, and other staff members understand and observe the Group Management Vision, policies, and internal regulations The Cosmo Energy Group Code of Conduct and policies are widely understood, and individuals are able to make appropriate decisions 	<ul style="list-style-type: none"> Number of compliance violations Employee awareness survey scores <ul style="list-style-type: none"> Compliance education: ≥83% Awareness of consultation helplines: ≥94% Understanding of Code of Conduct: ≥72% 	<ul style="list-style-type: none"> Number of serious compliance violations: 0 Employee awareness survey scores <ul style="list-style-type: none"> Compliance education: 83% Awareness of consultation helplines: 92% Understanding of Code of Conduct: 74% 	
	Strengthening of Group risk management (Pages 62-63)	<ul style="list-style-type: none"> Both the Group's operational risks and strategic risks (including opportunities) have been identified, and risks are appropriately hedged or leveraged Serious risks for the entire Group are understood and managed 	<ul style="list-style-type: none"> Priority risks are monitored Risks associated with priority initiatives undertaken by each company are monitored 	<ul style="list-style-type: none"> 11 priority risk categories were determined, and measures to address each were drafted and implemented Risks associated with priority initiatives undertaken by each company were identified, and a risk mitigation plan was implemented and evaluated 	
	Digital transformation (DX) (Pages 64-65)	<ul style="list-style-type: none"> A corporate culture embracing digital technology is being cultivated to transform work processes and drive continuous innovation for business transformation Efforts are being made to improve the internal and external customer experience (CX) by delivering data-driven solutions that address challenges for both customers and employees 	<ul style="list-style-type: none"> Cultivation of core digital personnel (FY2025): ≥900 people 	<ul style="list-style-type: none"> 980 core digital personnel developed We are currently working to change how employees view DX through initiatives such as classroom-based training, data utilization in work, sharing case studies across organizations, and communication with each division, with the aim of developing human resources. 	
	Safe operations and stable supply (Page 66)	<ul style="list-style-type: none"> Employee injuries are prevented Plant accidents and product (quality) accidents are prevented Operations are carried out in a way that does not threaten the safety of the operating area and surrounding residents Energy supply remains stable and reliable, even during disasters and emergencies, etc. 	<ul style="list-style-type: none"> Number of major work-related injuries Number of serious accidents Number of serious accidents with an impact on the environment Supply and sales structure during disasters and emergencies: Up and running again within 24 hours 	<ul style="list-style-type: none"> Number of major work-related injuries: 2 Number of serious accidents: 0 Number of serious accidents with an impact on the environment: 0 BCP activation: N/A 	

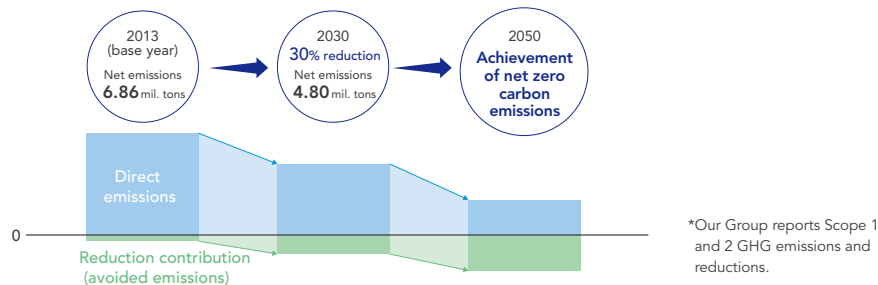
* GHG emissions are calculated by subtracting the reduction contribution (avoided emissions) attributable to renewable energy and biofuels from Scope 1 and 2 emissions.

Climate Change Countermeasures

With global attention on efforts to reduce greenhouse gases (GHG), the Cosmo Energy Group is striving to reduce GHG emissions and has announced its 2050 Net Zero Carbon Declaration. In this section, we introduce our plans, action policy, and progress in addressing climate change.

 Roadmap for Achieving Net Zero Carbon by 2050
<https://www.cosmo-energy.co.jp/en/sustainability/environment/gl-warming/netzero-roadmap.html>

GHG emissions targets and reductions



While fulfilling its responsibility to provide a stable supply of energy, the Cosmo Energy Group is aiming to reduce Scope 1 and 2 emissions from its business operations by 30% by 2030, compared to FY2013. We will do this by converting to zero-carbon energy and utilizing negative emissions technologies. Furthermore, to contribute to the realization of carbon neutrality across society as a whole, we seek to achieve net zero carbon emissions, including Scope 3, by 2050.

Priority themes for achieving net zero carbon emissions

The Cosmo Energy Group has developed a roadmap summarizing the key themes and processes we will focus on to achieve our goal of net zero carbon emissions by 2050. As a priority theme, we are focusing not only on direct reductions through energy conservation and fuel conversion but also on utilizing negative emissions technologies, green electricity, and new technologies in the form of next-generation energy. At the same time, stable energy supply has become increasingly important due to the recent rise in geopolitical risks and other factors. As an energy company, our primary responsibility is to provide a stable and reliable supply of energy that supports society, while striking a balance with our decarbonization efforts.

For this reason, we will maintain our goal of achieving net zero carbon emissions by 2050 and will steadily advance measures to ensure that we fulfill our responsibility to offer a stable supply even during the transition period. Additionally, we recognize the need to rethink our roadmap, including making adjustments to our targets, in response to changes in the external environment and advancements in technology. Accordingly, we are working to update it in line with evolving policy trends and other factors.



Efforts to reduce GHG emissions

The Cosmo Energy Group has always positioned the reduction of GHG emissions as a critical agenda, and has been working to reduce CO₂ emissions throughout the entire supply chain. In FY2024, actual GHG emissions (Scopes 1 and 2) amounted to 6.43 million t-CO₂e, representing a 20% reduction (1.63 million t-CO₂e) compared to FY2013. This was the result of increased efficiency of our manufacturing division (improved CO₂ emissions intensity) and a decrease in crude oil processing due to regular maintenance.

Furthermore, in FY2024, we achieved a 24% reduction compared to FY2013, which includes a 470,000 t-CO₂e reduction contribution attributable to the use of biofuel and renewable energy.

Under the Group's Seventh Consolidated Medium-Term Management Plan, we will further advance our GHG emissions reduction efforts, based on our Roadmap for Achieving Net Zero Carbon by 2050.

Cosmo Energy Group's GHG emissions¹

(Unit: 10,000 t-CO₂e)

	FY2013	FY2022	FY2023	FY2024
Scope 1	774	729	690	618
Scope 2 ²	32	24	23	26
Scope 1 & 2 total	806	753	712	643
Scope 3 ³	8,197	7,329	7,723	7,503

Total Group reduction contribution⁴

(Unit: 10,000 t-CO₂e)

	FY2013	FY2022	FY2023	FY2024
Avoided emissions	-23	-51	-48	-47

1. Scope of data coverage: A total of 45 companies, including Cosmo Energy Holdings, and its consolidated subsidiaries (Cosmo Oil, Cosmo Oil Marketing, Cosmo Energy Exploration & Production, Maruzen Petrochemical, etc., as well as subsidiaries and affiliated companies). In addition, the emissions intensity used for calculation was reviewed in FY2024.

2. Calculated value of market-base emissions

3. In FY2024, we reviewed calculation categories and recalculated retroactively past data for FY2022 and FY2023.

4. The total reduction contribution (avoided emissions) attributable to the use of biofuel (ETBE-blended gasoline) and renewable energy.


Participating in the GX League

The Cosmo Energy Group participates in the GX (Green Transformation) League. For details on the emissions reduction targets set by the GX League, please refer to our corporate website.



TCFD

Climate change has significant impacts on society, and at the Cosmo Energy Group, we recognize it as a material social issue. To maintain effective communication with a wide range of stakeholders, including shareholders and investors, we have organized our approach to climate change based on the framework of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

 Addressing Climate Change — Support for the TCFD Recommendations
<https://www.cosmo-energy.co.jp/en/sustainability/environment/gl-warming/tcfd.html>

Governance

Climate change-related governance is included as part of sustainability strategy governance. The Company's Sustainability Strategy Council deliberates on important business matters and policies, including those related to climate change.

See [Page 51](#) Initiatives to Promote Sustainability (Sustainability Governance) for details.

Strategy

In line with the TCFD recommendations, the Group performed scenario analyses based on what the world may look like under the 4°C (business as usual) and 1.5°C (very low-carbon transition) scenarios. These analyses covered our Petroleum, Petrochemical, and Oil E&P businesses, looking at possible business impacts by 2030, 2040, and 2050.

Regarding predictable climate change risks and opportunities in our business activities, we anticipate changes in the business environment due to external factors and consider their importance based on the climate change risk items in the TCFD recommendations.

The results of our financial impact assessment conducted as part of our 4°C and 1.5°C scenario analyses are as follows. For the 4°C scenario, we estimated physical risks due to natural disasters and transition risks due to decreasing demand based on what the world may look like if it warmed by 4°C. For the 1.5°C scenario, we estimated transition risks due to decreasing demand and carbon pricing based on what the world may look like if it warmed by 1.5°C.

Financial impact of climate-related risks

Scenario	Risk category	Event	Subject of impact calculation	2030	2040	2050
4°C scenario	Physical risks	Natural disasters	Increase in costs due to abnormal weather	-¥0.5 bil.	-¥1.0 bil.	-¥1.5 bil.
	Transition risks	Decrease in demand	Decrease in profit due to decrease in demand	-¥4.0 bil.	-¥11.0 bil.	-¥19.0 bil.
1.5°C scenario	Transition risks	Decrease in demand	Decrease in profit due to decrease in demand	-¥9.0 bil.	-¥25.0 bil.	-¥37.0 bil.
		Carbon pricing	Increase in costs due to introduction of carbon pricing	-¥83.0 bil.	-¥76.0 bil.	-¥52.0 bil.

Natural disasters = (Largest amount of damage from a heavy rain event during the past five years × Annual incidence of heavy rain) + (Petroleum and petrochemical insurance premiums × Annual incidence of heavy rain)
 Decrease in demand = Estimated ordinary profit in 2030 × Percentage change in demand (refer to percentages in the Stated Policies Scenario (STEPS) and Announced Pledges Scenario (APS) issued by the International Energy Agency (IEA))
 Carbon pricing = Scope 1 and 2 emissions for 2030 through 2050 × Carbon price (refer to the IEA's Net Zero Emissions by 2050 Scenario (NZE))



Risk management

We recognize climate change-related risks as material management issues that affect all Group companies and have established a framework under the Sustainability Strategy Council to facilitate ongoing discussions, identify risks, and assess the status of our responses.

See [Pages 62-63](#) Strengthening of Group Risk Management for details.

Metrics and targets

At the Group, climate change-related risks are managed as part of *climate change countermeasures*, one of our defined material issues, while opportunities are addressed under *provision of clean energy, products, and services*.

In terms of our long-term greenhouse gas (GHG) emissions reduction targets, we aim to reduce emissions (Scopes 1 and 2) from our own operations by 30% by FY2030 compared with FY2013 levels, including reductions attributable to avoided emissions. Looking ahead to FY2050, we are committed to achieving net zero carbon emissions, including Scope 3 as well, in order to contribute to the realization of a carbon-neutral society.

In FY2024, Scope 1 GHG emissions from the Group's business activities amounted to 6.18 million t-CO₂e while Scope 2 came to 0.26 million t-CO₂e, for a total reduction of 6.43 million t-CO₂e, representing a 10% year-on-year reduction. When factoring in avoided emissions, Scope 1 and 2 emissions totaled 5.96 million t-CO₂e, reflecting a 24% reduction compared with FY2013.

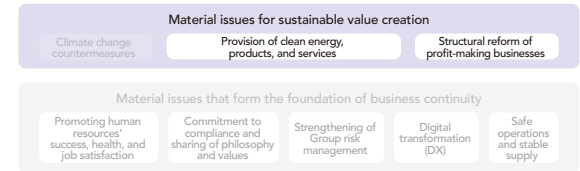
For Scope 3 emissions, we expanded the aggregation scope to cover all applicable categories (1-7, 9, 11-13, and 15), with total emissions amounting to 75.03 million t-CO₂e.

For details of actual Scope 1 and 2 emissions, as well as category-specific data for Scope 3, please refer to our corporate website.

 ESG Data
https://www.cosmo-energy.co.jp/en/sustainability/esgdb/data-e.html#anchor_01

Provision of Clean Energy, Products, and Services

The Cosmo Energy Group aims to contribute to the development and decarbonization of society as a whole by providing energy, products, and services that meet our customers' needs through our commitment to the *provision of clean energy, products, and services*, one of our most important material issues.



Reduction contributions

Approximately 70% of the total greenhouse gases (GHG) emitted across the Group's supply chain are attributable to the use of petroleum products (Scope 3, Category 11). In light of this, in addition to efforts to reduce our own GHG emissions (Scopes 1 and 2), we are also undertaking initiatives to reduce GHG emissions across our supply chain. In terms of efforts that contribute to decarbonization on a societal level, we perform quantitative assessments based on reduction contribution (avoided emissions), a metric that quantifies the positive impact that a company's business activities have on the climate.

Supplying green electricity

The Group aims to achieve a combined installed capacity of over 1,500 megawatts in onshore and offshore wind power by 2030. Wind power is a clean, eco-friendly energy source that neither depletes resources nor emits CO₂ during generation. In addition to helping to reduce CO₂ emissions, it also contributes to improving Japan's energy self-sufficiency rate, as the country relies heavily on imported energy. We quantitatively assess how our wind power business contributes to reducing CO₂. See [Page 35](#) Increasing Green Electricity Supply Chain Profit for details.

Supplying clean fuel

Over the years, the petroleum industry has implemented a variety of environmental measures, including investing in heavy oil desulfurization units, mitigating the environmental impact of automobile fuels (gasoline and diesel oil), and reducing GHG emissions by adding bio-ETBE (ethyl tert-butyl ether) to gasoline. The Cosmo Energy Group has also been supplying bio-ETBE-blended gasoline to date, and in April 2025, began supplying Sustainable Aviation Fuel (SAF). Accordingly, we quantitatively assess the CO₂ reduction contribution of supplying bio-ETBE-blended gasoline and SAF as clean fuels.

Regarding SAF, in addition to its production and supply, we also purchase emissions reduction certificates to offset CO₂ emissions generated by Group employees' use of commercial flights for business travel. By supplying SAF, we help reduce airlines' direct emissions (Scope 1), and by purchasing these certificates associated with SAF use, we also reduce our Group's indirect emissions, contributing to the wider adoption of SAF. The Company is the first oil wholesaler to participate in the CO₂ emissions reduction programs offered by Japan Airlines Co., Ltd. and ALL NIPPON AIRWAYS CO., LTD., and through this series of initiatives, we aim to support the broader use of SAF. See [Pages 32-33](#) Commence SAF Production for details.

Reduction contribution results and targets

(Unit: 10,000 t-CO₂e)

	FY2024 result	FY2030 target
Reduction attributable to green electricity	25	130
Reduction attributable to clean fuel	22	40
Total reduction contribution (avoided emissions)	47	170

*Reduction contribution calculation method:

The reduction contribution attributable to green electricity supply is calculated by multiplying total power generation by the estimated FY2030 CO₂ emission factor for conventional grid electricity (0.25 kg of CO₂ per kWh). The reduction contribution attributable to ETBE supply is calculated using the difference in emission factors between gasoline with and without ETBE added. The reduction contribution attributable to SAF supply is calculated using reduction effect figures based on International Civil Aviation Organization (ICAO) standards.

Material issue: Structural reform of profit-making businesses

To realize our to-be business portfolio set forth in Vision 2030, the Group has defined *structural reform of profit-making businesses* as a material issue. By investing the profits from existing businesses in new ventures, we aim to contribute to a decarbonized society while ensuring the stable growth of the Group's businesses even in an environment that is changing as we transition to a decarbonized world. To this end, we have set the amount invested in new businesses (New fields) as a KPI for this material issue, and under the Seventh MTMP, we plan to invest a total of ¥140.0 billion over the three-year period.

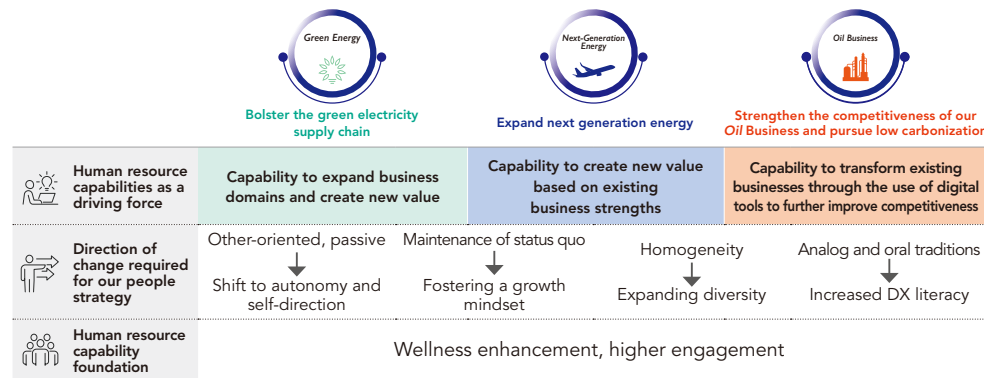
Promoting Human Resources' Success, Health, and Job Satisfaction

Recognizing human resources as a form of management capital and aiming to maximize their value, we have established the Human Resources Policy* to serve as our basic approach to utilizing human resources across the Group. The source of enterprise value creation lies in human resources. Having defined four key elements necessary for transformation—*autonomous and proactive, growth mindset, diversity, and DX literacy*—we are pursuing a people strategy that motivates employees and harnesses their skills to ensure that employees grow daily and can fully demonstrate their capabilities.

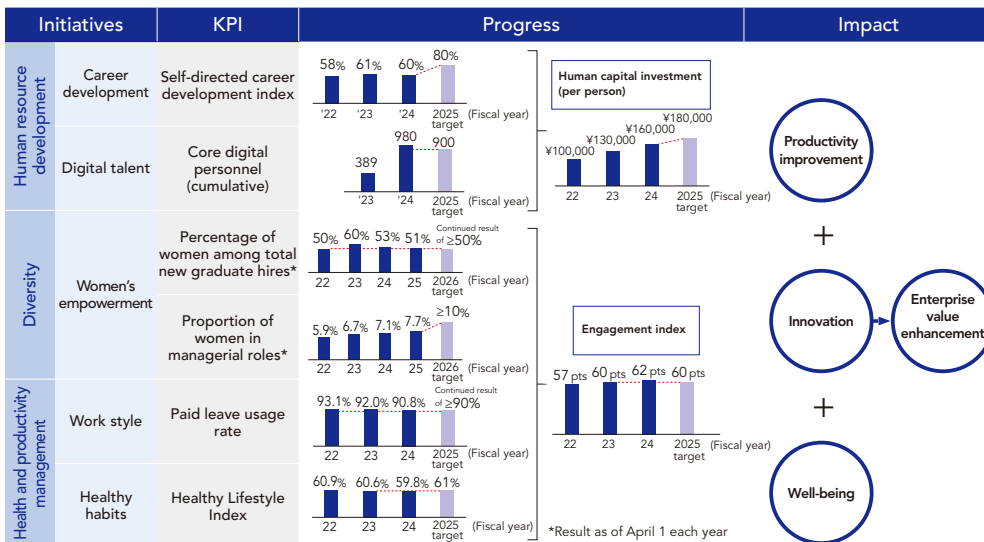
*Specific measures and targets apply to Cosmo Oil employees.

Human Resources Policy
<https://www.cosmo-energy.co.jp/en/company/policy/human-resources.html>

Vision 2030 To create energy that shapes the future, energy that sustains society, and new forms of value



HRX progress status



ESG Data
https://www.cosmo-energy.co.jp/en/sustainability/esgdb/data-s.html#anchor_01



People strategy to realize Vision 2030

Under Vision 2030, we are working to strengthen the competitiveness of our Oil Business and increase profitability, while at the same time stepping up our efforts in New fields such as green electricity and next-generation energy. We have developed a roadmap to maximize enterprise value from a medium- to long-term perspective, enabling us to respond flexibly to change and drive an energy transition that connects the present to the future.

To simultaneously take on challenges in New fields and realize transformation in Oil fields, we are pursuing a people strategy that involves forming a diverse and autonomous talent pool that continues to challenge itself, with the goal of fostering growth of both employees and the Company. By proactively setting ambitious goals and seeing them through, our employees strengthen their individual capabilities. In turn, the Company fosters an environment and culture that enable employees to challenge themselves and grow, thereby generating exceptional productivity and enhancing enterprise value over the long term.

Monitoring of our people strategy

In FY2015, we established the Human Resource Strategy Committee as an organization to continuously monitor the alignment and progress of our management and people strategies. Acting as an advisory body to the Group CEO, the Committee is composed of the Group CEO, the presidents of core operating companies, and the Executive Officer in charge of the Human Resource Dept., deliberating on matters related to the promotion of groupwide strategic human resource initiatives as well as management personnel selection and development policies. The Executive Officers' Committee discusses and makes decisions regarding our people strategy based on deliberations by the Human Resource Strategy Committee, while the Board of Directors regularly monitors people strategy progress, drawing on objective perspectives and advice from outside directors.

Human resource development - Cultivating management personnel

To systematically develop and deploy future management personnel who will lead business transformation, the management team, human resource divisions, supervisors, and employees themselves take a unified approach in providing higher-level opportunities for skill application, ensuring hands-on experience, and actively fostering growth.

Promoting Human Resources' Success, Health, and Job Satisfaction

Human resource development: Talent development in business divisions

Our talent development efforts within business divisions focus on enhancing the capabilities of line managers, who are key players in the business transformation process—particularly in developing subordinates and successors—while also emphasizing the transfer of technical skills among frontline employees and the building of expertise.

Diversity: Women's empowerment

Since the Sixth MTMP (FY2018–2022), we have promoted the active participation of women in the workplace in an effort to move beyond traditional male employee-centric organizational structures and values. Under the Seventh MTMP, we continue to define diversity, equity, and inclusion (DE&I) as a key theme in our people strategy, with the promotion of women's empowerment designated as a top priority to drive transformation and innovation across all business domains.



Initiatives to realize Vision 2030

Human resource development

To realize Vision 2030, we recognize the need for mechanisms that maximize the potential of both employees and organizations. Employees increase their engagement by putting their abilities into practice and finding fulfillment through achievement and growth. The Company, in turn, supports the strengthening of individual capabilities through effective management and by fostering an organizational culture, as well as through the design and operation of personnel systems and learning support that facilitates self-directed career development.

Cultivating management personnel

For candidates at the department head level, each individual is paired with an external strategic coach to engage in training focused on mapping out and advancing their department's management strategy through coaching. For candidates at the section chief level, the human resource division and supervisors collaboratively create a "talent profile" that outlines anticipated future positions and development challenges, with cultivation of individuals being pursued in accordance with their personal profile over a three-year development cycle. Specifically, we focus on practical development through challenging assignments, mentoring by executives, and participation in external trainings.

In FY2025, the second year of the program, employees will be encouraged to apply the insights and skills gained through executive mentoring and external training in the first year by taking on challenging assignments.



The following comments from selected participants indicate that the program is already fostering a mindset shift at business sites.

Participant feedback



In particular, challenging assignments have enabled me to seek out a wider range of information when making decisions and to consider how I should approach decision making from a managerial perspective.

I appreciated being able to discuss both professional and personal matters during mentoring sessions with executives. In particular, discussing specific projects and gaining an understanding of the reasoning behind certain decisions and actions provided me with a higher-level perspective.



Talent development in business divisions

1. Succession planning

To ensure and visualize our line manager talent pool, we have developed job descriptions and successor lists for line manager positions, which are managed through our talent management system *Cosmo Talent Palette (CTP)*. Based on these successor lists, we conduct recruitment activities, talent development, and internal transfers.

2. Passing on of technology and improvement of expertise

To pass on technology and improve expertise, we first developed a "capability map" that outlines business skills within the technical division, which is subsequently being rolled out across various domains. In addition, we certify positions that require a high level of expertise and are also recognized externally as Specialist Positions (SP course), thereby clarifying compensation for contributions to the Company and internal career paths. Through these efforts, we aim to strengthen recruitment competitiveness, reduce the risk of talent outflow, and enhance the capabilities necessary for business advancement.

Human Resource Development
<https://www.cosmo-energy.co.jp/en/sustainability/social/employee2.html>

Promoting Human Resources' Success, Health, and Job Satisfaction

Promotion of self-directed career development

1. Human resource requirements at Cosmo

We have articulated what we expect of Cosmo personnel in three key phrases: "Take on challenges," "Nurture your career," and "Excel at work." When it comes to goal setting, employees declare the concrete actions they will take that exemplify these phrases and the Company evaluates these actions, thereby promoting the internalization and practical application of the requirements.



2. Creation of career development opportunities

The career guidebook *Navigating Your Career at Cosmo* introduces the operations and required skills of each department. During the annual career declaration process, employees autonomously reassess their work experience, skills, and future career goals, reporting their desired career trajectory to the Company through discussions with their supervisors.

3. Offering a wider range of self-development opportunities

To support employees' voluntary learning aspirations and promote self-directed learning, the Company fully subsidizes the costs of correspondence courses taken for self-development purposes. From FY2024, we introduced the online learning platform *Schoo*.

4. Job challenge system

This system enables employees to directly submit their envisioned career paths to their human resource division and apply for openings in their preferred departments.

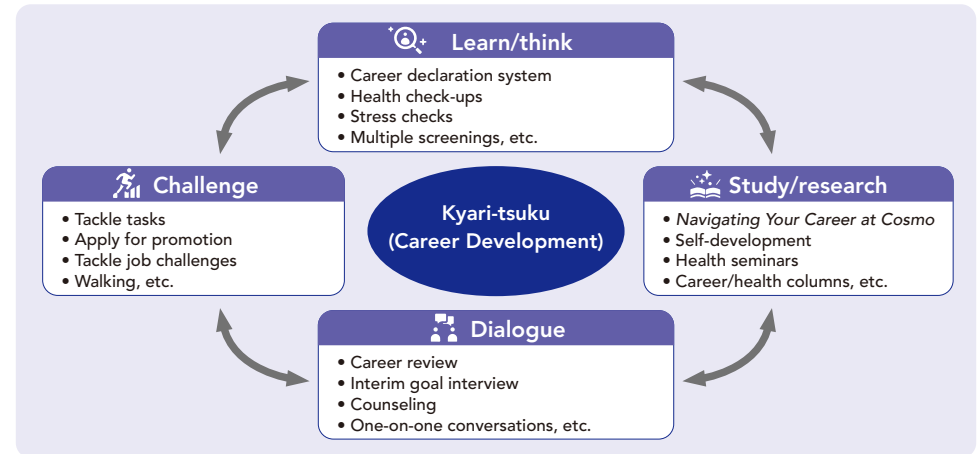
By helping employees realize their career paths, we foster self-directed career development and engagement, while receiving departments benefit from greater productivity by effectively utilizing motivated and ambitious talent.

5. Setting a career development period

We have designated September to October each year as the "Kyari-tsuku (Career Development)" period, during which employees engage in activities to deepen self-understanding, reflect, learn new professional skills and healthy habits, discuss their future with supervisors, and work on personal growth and well-being. In FY2024, as part of initiatives to help employees better understand themselves, all employees took the SPI personality test. Through the initiatives shown in the diagram at the top right, we aim to increase employees' sense of job satisfaction.



Kyari-tsuku (Career Development)



Diversity

Women's empowerment

In promoting the active participation of women in the workplace, we first recognize that forming a sufficiently sized talent pool is essential. We also place a strong emphasis on post-hiring talent development, engaging in a wide range of initiatives to foster employee growth.

The percentage of women among new graduate hires was 51% for the April 1, 2025 cohort, with a ratio of 50% or more being maintained each year since FY2022.

The proportion of women in managerial roles increased to 7.7% as of April 1, 2025 from the previous fiscal year. To achieve the Seventh MTMP target of 10% or more by FY2025, business sites and human resource divisions are working closely together to formulate individualized development plans for female management candidates, providing personalized support primarily by fostering a sense of achievement through practical work experience and raising perspectives.

In FY2024, we also organized cross-industry networking events and seminars for female managers and management candidates to learn from more senior women colleagues. In the seminars, female internal and external directors as well as line managers served as speakers, with a total of 517 employees participating across the three sessions during the year.

Diversity, Equity & Inclusion (DEI) Initiatives
<https://www.cosmo-energy.co.jp/en/sustainability/social/employee3.html>

Promoting Human Resources' Success, Health, and Job Satisfaction

Increasing engagement and promoting health and productivity management

To maximize employees' full potential, mental and physical health are essential. We focus on increasing engagement and promoting better health as a crucial human resource capability foundation. To increase engagement, we are working to maximize individual productivity by enhancing the quality of workplace communication and implementing flexible work arrangements. As KPIs under the Seventh MTMP, we set the ratio of positive responses in employee awareness surveys regarding work satisfaction, capability demonstration, and pride in work as the Engagement Index, and monitor trends in scores annually. In FY2024, our employee engagement score rose by two percentage points from the previous year to 62. Notably, the "work satisfaction" score improved, reflecting efforts that encouraged more proactive behavior among employees, such as making it mandatory for line managers to set employee development goals and enhancing both the frequency and quality of one-on-one sessions. In addition, departments with frequent one-on-one feedback sessions and regular communication between supervisors and team members tend to show higher engagement levels. Since FY2023, we have implemented monthly pulse surveys, which encourage reflection through introspection and mental health care through regular monitoring of individual employees' mental and physical well-being. In terms of our health and productivity management initiatives, we have been recognized for our preventive measures, including implementing a smoking ban during working hours and a system that allows employees to take leave when undergoing complete medical checkups and follow-up testing. In 2019, we obtained Development Bank of Japan (DBJ) Employees' Health Management Rated Loan Program¹ certification, and in 2025, we were recognized under the KENKO Investment for Health (large enterprise category) for the seventh consecutive year.



1. The Development Bank of Japan (DBJ) Employees' Health Management Rated Loan Program certification is part of the world's first financing menu to incorporate health management ratings. Using a proprietary screening system, DBJ rates and selects enterprises on the quality of their care for employee health and working conditions.

Strengthening communication

To enhance communication, we hold one-on-one meetings. These sessions encourage the sharing of development challenges and career paths between supervisors and their subordinates. In the employee awareness survey, 76% of respondents said that one-on-one meetings were beneficial for their personal growth and for their career. We aim to further improve communication quality by also leveraging the recording function for one-on-one meeting outcomes on the CTP platform, a system tool.



Promotion of autonomous and flexible work styles

1. Support for balancing childcare/nursing care and work

Recognized for our initiatives that encourage employees to balance work and childcare, Cosmo Oil became Japan's first oil wholesaler to obtain *Platinum Kurumin* certification in 2018. We are also encouraging male employees to balance work and childcare responsibilities, and in FY2024 achieved a paternity leave usage rate of 79%. Other measures include offering employees on leave the opportunity to take part in e-learning, having employees talk with their supervisors before and after leave, and providing training to supervisors. These initiatives demonstrate our commitment to ensuring that childbirth and childcare do not put the brakes on employees' career development. Furthermore, in conjunction with the establishment of a nursing care leave system that exceeds legal requirements, we hold a seminar on balancing nursing care and work to enhance internal understanding of caregiving, with over 200 participants each year.



2. Choice of autonomous work styles

Based on the *Cosmo Work Style Guidelines*, we strive to promote work styles that enhance productivity. To enable employees to choose their most productive way of working, we offer a flex-time system without core hours for day-shift employees, as well as unlimited telecommuting days, allowing for a flexible work style where employees can choose when and where they work according to their own personal circumstances. In addition, we promote the use of paid leave, which has led to a paid leave usage rate of over 90% each year.

Creating Supportive Workplaces
<https://www.cosmo-energy.co.jp/en/sustainability/social/employee4.html>

Initiatives for promoting better health

Health and productivity management at the Cosmo Energy Group is driven by the strong commitment of senior management at each Group company. We hold regular meetings of the Health and Productivity Management Promotion Committee, consisting of human resource division heads from each Group company, industrial physicians, medical professionals, and health insurance associations. In addition, we have established the Healthy Lifestyle Index² as a health and productivity management KPI, allowing us to track the degree to which healthy habits have become part of an employee's life over time. We regularly and continuously provide employees with information through online seminars, health-related events, and other channels to empower them to actively address health-related issues.

2. Healthy Lifestyle Index: The average number of employees deemed to be healthy in the following five categories based on the results of routine health check-ups (1. Exercise, 2. Diet, 3. Alcohol consumption, 4. Sleep, 5. Smoking habits)

Health and Productivity Management Initiatives
<https://www.cosmo-energy.co.jp/en/sustainability/social/employee6.html>

Commitment to Compliance and Sharing of Philosophy and Values

In the Seventh Consolidated Medium-Term Management Plan, the Cosmo Energy Group designates *commitment to compliance and sharing of philosophy and values* as one of its most important material issues that form the foundation of business continuity.

Furthermore, we have set zero incidents of serious compliance violations as a KPI for this material issue, and are working to foster a corporate culture of integrity and strengthen our compliance promotion system.



Ensuring widespread understanding of the Cosmo Energy Group Code of Conduct

At the Cosmo Energy Group, we recognize the importance of each employee upholding a strong sense of ethics and adhering to laws, internal regulations, social norms, and other rules, in order to achieve *sustainable development* as set out in the Group Management Vision. The actions that all officers and employees should take and rules they must observe in their everyday work are defined in the Cosmo Energy Group Code of Conduct, and we are working to ensure that this is widely understood.

With the objective of raising employees' ethical awareness, we plan, implement, and evaluate various initiatives on an ongoing basis, including holding annual corporate ethics and human rights training for all Group employees, sending out an e-newsletter six times a year, and conducting an annual employee awareness survey designed to foster compliance awareness and improve the workplace environment.

Compliance promotion system

Under the supervision of the Board of Directors, the Company promotes and confirms efforts to respect human rights, with the aim of preventing and eliminating all manner of compliance and human rights violations both in and outside of Japan, and reports these matters to the Sustainability Strategy Council.

Compliance violations, should they occur, are reported promptly to the Executive Officer in charge of the Sustainability Initiative Dept., as well as to directors who are members of the Audit and Supervisory Committee. In addition, the status of compliance and related matters are regularly reported to the Sustainability Strategy Council, the Executive Officers' Committee, and the Board of Directors. For all violations, we conduct a root cause analysis and implement corrective actions and recurrence prevention measures to ensure continuous improvement.

In FY2024, there were zero serious compliance violations at the Group.

Corporate Ethics Consultation Helpline

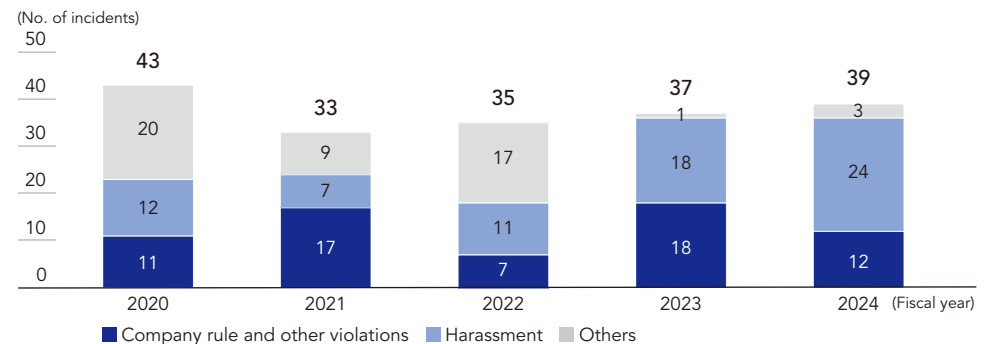
We have established the Cosmo Energy Group Corporate Ethics Consultation Helpline (Corporate Ethics Helpline) both internally and externally, allowing a wide range of stakeholders involved in the Group's business activities—including employees of all types (such as temporary, contract, and part-time staff) and business partners—to seek advice or report various ethical issues, either anonymously or under their own name. These include not only consultations that equate to whistleblowing on legal or other violations but also harassment and other unethical conduct in violation of the Cosmo Energy Group Code of Conduct, as well as breaches of company rules.

The Helpline is staffed by multiple dedicated personnel who work in cooperation with an external law firm, ensuring an organizational structure that enables reported incidents to be addressed promptly and appropriately.

In FY2024, the number of consultations totaled 39 (12 violations of company rules, etc., 24 cases of harassment, and 3 other incidents). The details of reports and consultations are regularly reported to and shared with directors who are members of the Audit and Supervisory Committee, leading to further improvement of the workplace environment at all Group companies and cross-organizational rollout of recurrence prevention initiatives and preventive measures.

Furthermore, we are working to raise internal awareness of the Corporate Ethics Helpline through regular training for all Group employees.

Number of incidents reported to the Corporate Ethics Office (past five years)



*Classifications were revised for FY2023 onwards

Strengthening of Group Risk Management

The Cosmo Energy Group has positioned the *strengthening of Group risk management* as one of its most important material issues. Based on the identification of potential risks relating to business activities, we have established a system to ensure appropriate management of various risks using a cycle of planning, implementation, evaluation, and corrective action.

*For further information on the Group's material issues, please refer to [Pages 52-53](#), and for details on the likelihood and impact of priority risks materializing as well as the corresponding countermeasures, see [Pages 33-37](#) of the Securities Report.



ERM establishment and risk management structure

To respond more appropriately to changes in the business environment and various risks, the Group has adopted a medium- to long-term perspective, approaching risks as business opportunities while implementing a groupwide Enterprise Risk Management (ERM) system aimed at maximizing enterprise value. In the selection of risks, we use a management-driven, top-down approach and promote groupwide risk management by risk category through the appointment of risk owners.

In addition, the Group's Sustainability Strategy Council deliberates on measures to address risks that affect the entire Group, including on how each measure is progressing. The Council then reports the results of these deliberations to the Executive Officers' Committee and the Board of Directors, and shares them with Group companies through the Sustainability Liaison Committee.

The Sustainability Committee meets as necessary, functioning as the practical working body of the Sustainability Strategy Council.

Sustainability Promotion Structure
<https://www.cosmo-energy.co.jp/en/sustainability/governance/system.html>

Operation of risk management

The Group designates risks that could significantly impact its existence as priority risks. These priority risks were selected based on their high potential impact and likelihood of occurring, as well as strong relevance to material issues and industry significance, from a pool of risks identified from the top down—through management interviews and questionnaires—and from the bottom up—by each division and Group company. In April 2024, the Sustainability Strategy Committee (from FY2025, the Sustainability Strategy Council) determined 11 priority risks in consultation with management and reported them to the Board of Directors. In FY2025, we are continuing to address these 11 priority risks while incorporating recent internal and external environmental changes that could impact the Group into risk scenarios and strengthening countermeasures.

To ensure groupwide control of these priority risks, we appoint a Group risk owner to oversee the entire Group and a risk owner at core operating companies for each risk.

The Group risk owner formulates countermeasures and related implementation plans for priority risks, sets KPIs, and monitors and reviews results to gain insights for further improvement. Risk owners at core operating companies, in collaboration with the Group risk owner, ensure that the same Plan-Do-Check-Act (PDCA) cycle is implemented at each company.

Moreover, risks identified by each division and Group company that are not included among priority risks are also managed as part of the ERM system.

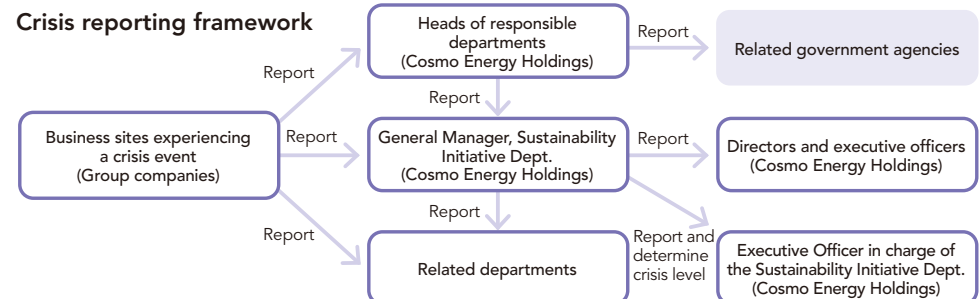
Risk Management
<https://www.cosmo-energy.co.jp/en/sustainability/governance/risk.html>

Response in the event of a crisis

The Group prepares for various crisis events, including large-scale natural disasters and major accidents or equipment failures at our facilities. To ensure a prompt and appropriate response, we have established internal regulations that cover our response policy, crisis levels, reporting framework and criteria, and the establishment and structure of the Crisis Response Headquarters. In the event of a crisis, we consider safeguarding human life as our highest priority and make every effort to minimize losses to the Group and its stakeholders.



Photo of a Crisis Response Headquarters' earthquake business continuity plan (BCP) drill



Strengthening of Group Risk Management



Priority risks

Priority risks are as outlined below. We determine and manage these risks as described in Operation of Risk Management on [Page 62](#).

No.	Priority risk	Category	Relevance to material issues	Possible scenarios and main countermeasures
1	Decrease in demand for oil due to decarbonization and its impacts on business assets	Strategy	○	<p>Scenario An unexpectedly fast decrease in demand for petroleum products due to progress in the energy transition, together with increased costs due to the emissions trading system operated by Japan's GX (Green Transformation) League (GX-ETS) and carbon taxes, could reduce profitability and strand the Group's business assets.</p> <p>Countermeasures Appropriate assessment of medium- to long-term changes in the business environment, and examination of business direction with a view to the future environment</p>
2	Impact on our business portfolio and strategic investments associated with tighter environmental regulations and enhanced climate change countermeasures	Strategy	○	<p>Scenario The rapid strengthening of climate change countermeasures due to changes in energy policies and regulations could affect portfolio transformations and strategic investment decisions.</p> <p>Countermeasures Appropriate assessment of medium- to long-term changes in the business environment, and development of an appropriate portfolio and business strategies suited to the future environment</p>
3	Increasing difficulty in securing and developing human resources due to labor market changes	Strategy	○	<p>Scenario As Japan's working population declines, it could become difficult to secure and develop diverse, specialized human resources for both existing and new businesses.</p> <p>Countermeasures Securing management personnel and human resources in accordance with business strategies</p>
4	Delay in transitioning to carbon-neutral fuels	Strategy	○	<p>Scenario Action on carbon-neutral fuels could be delayed due to difficulties in procuring commercially available fuels or setbacks and failures in developing and introducing new technologies.</p> <p>Countermeasures Monitoring of industry and policy trends, and review of technologies</p>
5	Fluctuations in prices of raw materials and supplies	Strategy	○	<p>Scenario Increased volatility in crude oil, LNG, and other resource prices due to political and economic changes, policy shifts in other countries, and other factors, as well as global protectionist policies, inflation (including soaring equipment and labor costs), and fluctuations in foreign exchange rates may cause the Group's performance to deteriorate.</p> <p>Countermeasures Monitoring of industry and policy trends and oil-producing country moves, and optimization of procurement systems</p>
6	Natural disasters	Strategy	○	<p>Scenario The Group's facilities could suffer catastrophic damage due to a large-scale natural disaster such as an earthquake or tsunami, making early recovery difficult and leading to huge losses.</p> <p>Countermeasures Establishment of groupwide disaster countermeasures</p>
7	Misconduct related to product quality	Operations	○	<p>Scenario Product quality issues arising after shipment, due to deficiencies in quality control and a lack of self-correcting mechanisms, could result in losses from product recalls and erosion of stakeholder trust.</p> <p>Countermeasures Conducting quality audits, and considering ways to enhance quality control systems</p>
8	Supply chain interruptions	Operations	○	<p>Scenario As the Group's supply chain covers a wide area, deterioration in political situations or various issues at suppliers could cause supply chain interruptions or losses, including crude oil production site shutdowns or issues with shipping, refinery maintenance, and service station operations.</p> <p>Countermeasures Strengthening transportation systems, and reinforcing procurement risk management</p>
9	Information security risks	Operations	○	<p>Scenario A cyberattack could cause operational shutdowns, information leaks, ransom demands, or other damage. Insufficient guidance and auditing of customer information management subcontractors could result in personal information leaks and loss of customer trust.</p> <p>Countermeasures Strengthening ransomware and antivirus measures, and enhancing other countermeasures such as personal information protection</p>
10	Accidents, malfunctions, and breakdowns at production facilities	Operations	○	<p>Scenario Accidents, malfunctions, or breakdowns at refineries or oil fields could make it difficult to continue operations, result in losses that impact the surrounding natural environment and wildlife, or adversely affect cash flow generation.</p> <p>Countermeasures Preventing malfunctions (establishment of an Asset Performance Management (APM) system, etc.), strengthening disaster mitigation measures, and implementing aging countermeasures</p>
11	Fraud or inappropriate conduct due to deficiencies in internal controls	Finance/compliance	○	<p>Scenario Inadequate functioning of the internal control system or serious deficiencies or misconduct due to a lack of personnel, expertise, or proper IT implementation could result in administrative guidance or criminal penalties, in addition to a loss of stakeholder trust. The leakage of information assets outside the Group could undermine enterprise value and competitiveness.</p> <p>Countermeasures Implementing Control Self-Assessments (CSA), strengthening Group governance, and enhancing intellectual property management</p>

Digital Transformation (DX)

Defining *digital transformation (DX)* as one of our most important material issues, the Cosmo Energy Group is working to enhance its digital capabilities and promote change management.

We achieved our KPI of developing 900 core digital personnel—set under the Seventh MTMP—one year ahead of schedule, and are advancing our transformation to a data-driven business model.

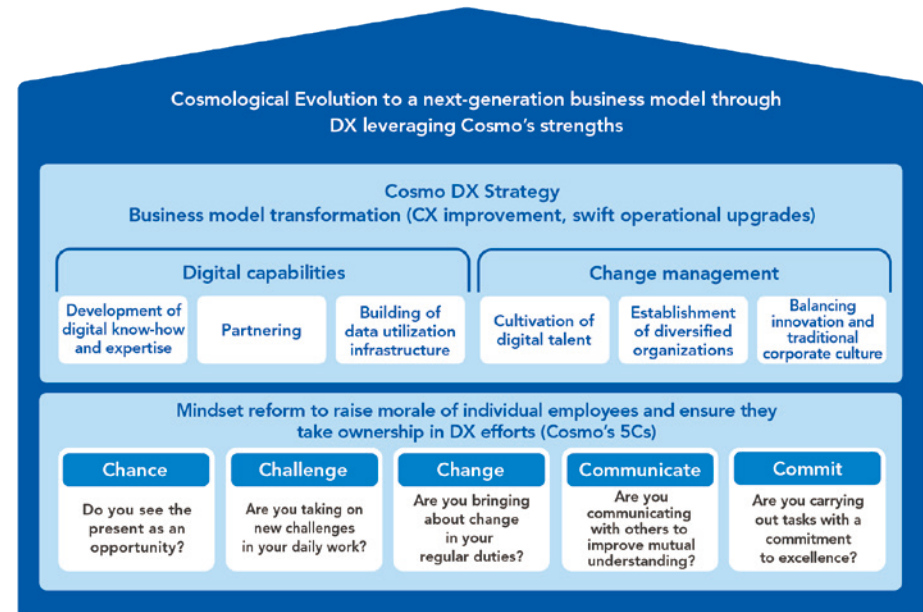


At the Cosmo Energy Group, we believe that it is crucial for each employee to take ownership in addressing business challenges and actively engage in collective DX initiatives while making use of digital technology. Under the Seventh MTMP, we set a KPI of developing 900 new personnel over the course of three years. These individuals are defined as core digital personnel and will lead the Group's culture of data utilization. We rolled out our in-house training program, called COSMO Data Campus, and certified 980 individuals—meeting our target—as core digital personnel in the two years through FY2024. By promoting organizational readiness for data utilization and orchestration through cross-departmental data linkage, we can further unlock the inherent value of data.

By integrating various DX-related programs—including Group employee communication tools such as the DX survey, lectures by external experts, internal knowledge sharing at DX Forum¹ events, and Cosmo's DX Hub² for bringing DX projects that address business challenges to fruition—we are establishing a robust DX promotion framework and enhancing the speed of DX implementation across the Group.

1. DX Forum: An information-oriented program that seeks to improve the DX literacy of all Group employees, by sharing information on the latest digital technologies and the qualities of digital talent
 2. Cosmo's DX Hub: An in-house program under which a dedicated DX Taskforce supports the implementation of DX project ideas solicited from within the Group, with the goal of accelerating digitization

DX at Cosmo (Cosmo's Vision House)



Cosmo's commitment to DX is represented as "Cosmo's Vision House," with our primary objective being to realize "Cosmological Evolution." To achieve this end, we have established six initiative pillars, categorized into two primary strategies, each consisting of three sub-initiatives. To enhance our digital capabilities, we are building digital knowledge, engaging in partnerships, and reinforcing our data utilization infrastructure. Simultaneously, effective change management requires cultivating DX talent, creating diversified organizations, and balancing innovation with our established corporate culture. Additionally, we refer to the five principles that drive the most important aspects of DX promotion—employee mindset reform and meaningful behavioral change—as "Cosmo's 5Cs."

Digital Transformation (DX)

Establishing a DX promotion activity cycle

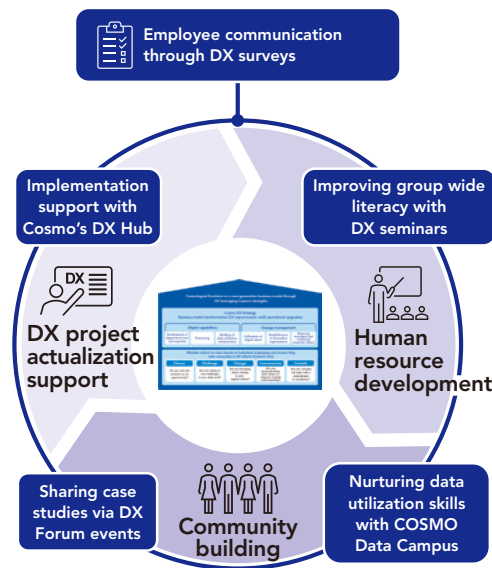
We have established and are implementing an activity cycle, encompassing communication with all employees through DX surveys, talent development, community building, and the actualization of DX initiatives.

We regularly conduct DX surveys for all Group employees to assess DX penetration and identify employee needs, which are then reflected in the Group's DX promotion activities. By collecting ideas and needs from frontline employees through these surveys and analyzing them through segmentation and other methods, we provide DX support tailored to the needs of each individual employee.

To realize our data-driven DX strategy, we provide DX training for all employees and have launched the talent development program COSMO Data Campus. The program offers tailored educational tracks for three types of data professionals—(i) data strategists, (ii) data scientists, and (iii) data engineers—based on the skills required for each role. Through practical exercises and hands-on initiatives, we cultivate personnel capable of leveraging data. These core digital personnel drive data collection, visualization, and analysis, accelerating the enhancement of digital capabilities across the Group.

Furthermore, we offer DX training designed to address business challenges and host DX Forum events to share the latest digital trends both inside and outside the company. Available to all employees, these initiatives promote an inclusive, company-wide DX culture.

To bring Group employees' DX project ideas to fruition, we have established Cosmo's DX Hub, where employees can submit proposals and receive support for their implementation. Through this initiative, we have created an environment where a dedicated DX Taskforce acts as an enabler, helping employees who seek support—from specifying an issue to discussing and implementing measures to address it.

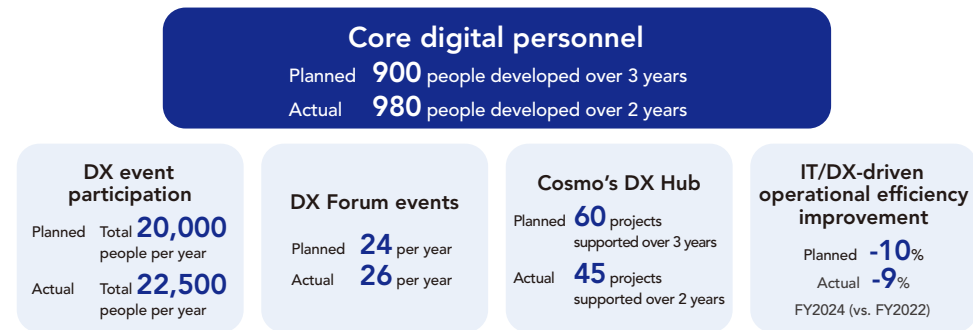


Results of our DX initiatives

To realize the Group's Seventh MTMP, we are promoting DX with the following four focus areas. In FY2024, we also undertook projects leveraging generative AI.

	Business challenge	Key details of initiative
1	Digital refineries Pages 20-24	<ul style="list-style-type: none"> Centralized maintenance data management using AI and other technologies Remote equipment monitoring through the introduction of IoT sensors Safety monitoring of refinery employees using vital sensors
2	Supply chain optimization	<ul style="list-style-type: none"> Establishing a platform for integrating supply chain data Improving accuracy of demand forecasting Utilizing optimization AI in coastal vessel scheduling
3	Promotion of marketing science	<ul style="list-style-type: none"> Sophistication of digital marketing (customer data-driven marketing initiatives)
4	Green/Energy/Mobility	<ul style="list-style-type: none"> Forecasting wind power generation volume Analyzing alert data to increase wind turbine operating hours Exploring commercialization of a new EV charging service
5	Other (back office, etc.)	<ul style="list-style-type: none"> Generating responses for various inquiry tasks using generative AI Generative AI-driven knowledge search

We are making steady progress toward achieving our main KPIs and Seventh MTMP targets, as outlined below.



Positioning DX as a key management strategy, the Company was selected for the first time as one of the DX Stocks 2025, a designation under the Digital Transformation (DX) Stock selection program jointly administered by Japan's Ministry of Economy, Trade and Industry (METI), the Tokyo Stock Exchange (TSE), and the Information-technology Promotion Agency, Japan (IPA). This recognition reflects our efforts to establish a DX promotion framework that engages all employees, advance tangible DX initiatives, and digitize our refineries.



Safe Operations and Stable Supply

The Cosmo Energy Group has designated *safe operations and stable supply* as one of our most important material issues. We consider the thorough implementation of safety measures as a foundation of business continuity to enhance enterprise value, and we have set KPIs to strengthen our safety management structure.



Thorough implementation of safety measures

The Cosmo Energy Group is actively engaged in safety activities, having set a safety target of zero major work-related injuries and serious accidents rated Level IV* or higher under the Seventh MTMP. Based on this target, in FY2024, Cosmo Oil, which operates refineries and other production sites, worked to improve safety activities under the unified Operations Management System (OMS), while continuing to prevent malfunction recurrence, deploy such measures across organizations, and manage equipment with advanced technologies.

In FY2024, although no accidents rated Level IV or higher occurred, there were two serious work-related injuries. In response, we are implementing recurrence prevention measures at each operating company while working to enhance our management system through initiatives such as the company-wide deployment of the OMS, which is already in operation at several facilities.

Similarly, Cosmo Oil Marketing has also set a safety target of zero major work-related injuries and serious accidents. To achieve this, the company issues safety alerts and shares examples of emergencies that have occurred at service stations (SS) and other sites with all organizations under its oversight, working continuously to maintain workplaces free of serious accidents.

*Based on a five-level system which represents the impact of equipment malfunctions, with Level V being the most severe.

Number of work-related accidents at the Cosmo Energy Group

(Accidents)

	FY2022		FY2023		FY2024	
	Accidents requiring time off from work	Accidents not requiring time off from work	Accidents requiring time off from work	Accidents not requiring time off from work	Accidents requiring time off from work	Accidents not requiring time off from work
Accidents during work	42	74	40	59	36	72
Accidents while commuting	12	18	10	29	12	42
Total	146		138		162	

*Accidents during work includes ones that occurred at subcontracting companies.

Accident prevention and reduction of unsafe conditions and equipment malfunctions

At Cosmo Oil, the date of the LPG tank explosion and fire in March 2011 has been designated as "Cosmo Oil Safety Day." To ensure that lessons from the accident are not forgotten and to reinforce the importance of safety, all Group employees must watch a DVD summarizing the accident, its causes, recurrence prevention measures, and so on. In addition, we are implementing various initiatives at sites nationwide, including safety lectures and the installation of monuments. Furthermore, for any malfunctions that occur, Cosmo Oil regularly holds cross-organizational follow-up meetings to discuss causes and countermeasures, enabling all refineries to implement recurrence prevention measures and reduce unsafe conditions and malfunctions.

Quality assurance: Enhancing our quality assurance structure

The Cosmo Energy Group's Sustainability Strategy Council has set a quality target of zero serious product (quality) accidents under the Seventh MTMP, based on its quality policy. At Cosmo Oil, which is primarily engaged in the petroleum refining business, we have established the Sustainability Promotion Committee to determine quality assurance policies that align with the Group's quality goals and promote quality control activities. Our refineries and plants have continued to achieve zero serious quality-related issues and shipments of non-conforming products.

Similarly, Cosmo Oil Marketing and other Group companies are undertaking quality control activities in line with the Group's quality goals, with a continued focus on ensuring zero serious quality accidents.

Moving forward, we remain committed to strengthening our quality control system and instilling a quality mindset to achieve the Group's quality goals.

Business and Human Rights, Sustainable Procurement, and Biodiversity

The Cosmo Energy Group conducts due diligence on various risks across our value chain.

Business and human rights

Promotion structure and relief mechanism

The Company promotes and monitors basic policies on corporate ethics and efforts to respect human rights, with the aim of preventing and eliminating all manner of human rights violations both in and outside of Japan, and reports these matters to the Sustainability Strategy Council.

In addition, we have established the Cosmo Energy Group Corporate Ethics Consultation Helpline (Corporate Ethics Helpline), which allows employees to anonymously consult on and report misconduct and ethical issues such as violations of laws and company rules, as a relief mechanism both inside and outside the Group.


Implementing human rights due diligence

Since FY2022, the Group has been conducting human rights due diligence to identify and evaluate human rights risks and propose improvement measures. We evaluated apparent and latent risks, as well as vulnerabilities in our management structure, and created a map of potential human rights issues. In addition, in FY2024, we conducted human rights due diligence across the entire supply chain and engaged with partner companies at our refineries and with major suppliers.

 Basic Approach to Human Rights
<https://www.cosmo-energy.co.jp/en/sustainability/social/employee.html>

Sustainable procurement

At the Cosmo Energy Group, we believe that we must deliver on our social responsibilities across the entire supply chain by ensuring legal compliance, fair transactions, respect for human rights, and environmentally responsible operations. Accordingly, we have established our Sustainable Procurement Policy and the Cosmo Energy Group Sustainable Procurement Guidelines, and evaluate our suppliers using our own questionnaire based on these guidelines. Going forward, we will expand our sustainable procurement efforts in line with the guidelines, obtain understanding and agreement from all suppliers, and work toward sustainable mutual development.

 Supply Chain Management and Sustainable Procurement
<https://www.cosmo-energy.co.jp/en/sustainability/social/procurement.html>

Biodiversity

The recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) call on companies to disclose how risks and opportunities associated with their nature-related dependencies and resulting impacts can affect their business strategies and financial plans. At the same time, they also urge companies to disclose the indicators necessary for assessing and managing these risks and opportunities.

The Group, based on the TNFD recommendations, ascertained the relationship between its business activities and nature. We also conducted a trial risk assessment and analysis of the associated business impacts.

Using existing environmental data, we conducted a trial risk assessment of our nature-related dependencies and impacts using the LEAP (Locate, Evaluate, Assess, and Prepare) approach recommended by the TNFD. This assessment incorporated the necessary indicators for issue evaluation and management, including the nature-related material issues set by the TNFD, the geographical specificity of the Group's business sites, and the upstream and downstream portions of our value chain. As a result, we confirmed that the six sites located near areas of biodiversity importance and identified as priority locations have already implemented various measures to address material issues.

Priority locations		Response measures
Off the coast of the Emirate of Abu Dhabi, United Arab Emirates	<ul style="list-style-type: none"> • Mubarraz Oil Field • Umm Al-Anbar Oil Field • Neewat Al-Ghalan Oil Field • Hail Oil Field 	Accident impact reduction <ul style="list-style-type: none"> • Installation of recovery equipment to prevent leakage of crude oil or reservoir water from offshore oil platforms • Improvement of disaster prevention equipment such as oil fences • Development of emergency notification systems Spill prevention <ul style="list-style-type: none"> • Use of double-hulled tankers • Creation of health, safety, and environment (HSE) management systems Related activities <ul style="list-style-type: none"> • Environmental protection activities on Mubarraz Island (mangrove planting, coral and seaweed cultivation, rare species protection) • Implementation of environmental impact assessments
Ichihara City, Chiba Prefecture	<ul style="list-style-type: none"> • Cosmo Oil Chiba Refinery • Maruzen Petrochemical Chiba Plant 	Accident impact reduction <ul style="list-style-type: none"> • Installation of oil fences on piers • Safety management through rapid response in the event of a refinery accident • Implementation of soil surveys, soil remediation, and monitoring
Yokkaichi City, Mie Prefecture	<ul style="list-style-type: none"> • Cosmo Oil Yokkaichi Refinery • Cosmo Oil Lubricants Yokkaichi Plant • Yokkaichi Kasumi Power Plant 	Spill prevention <ul style="list-style-type: none"> • Safety management by preventing accidents and disasters at refineries • Ensuring firefighting readiness • Appropriate management of hazardous substances • Equipment updating and shoreline reinforcement near refineries to mitigate heavy rain and tsunami risks • Treatment of drainage water from refineries and production facilities
Sakai City, Osaka Prefecture	<ul style="list-style-type: none"> • Cosmo Oil Sakai Refinery 	
Osaka City, Osaka Prefecture	<ul style="list-style-type: none"> • Cosmo Oil Lubricants Osaka Plant 	
Hokuto City, Hokkaido	<ul style="list-style-type: none"> • Cosmo Oil Hokkaido Distribution Terminal 	

 Biodiversity Initiatives
<https://www.cosmo-energy.co.jp/en/sustainability/environment/biodiversity.html>

Corporate Governance

Overview of Corporate Governance

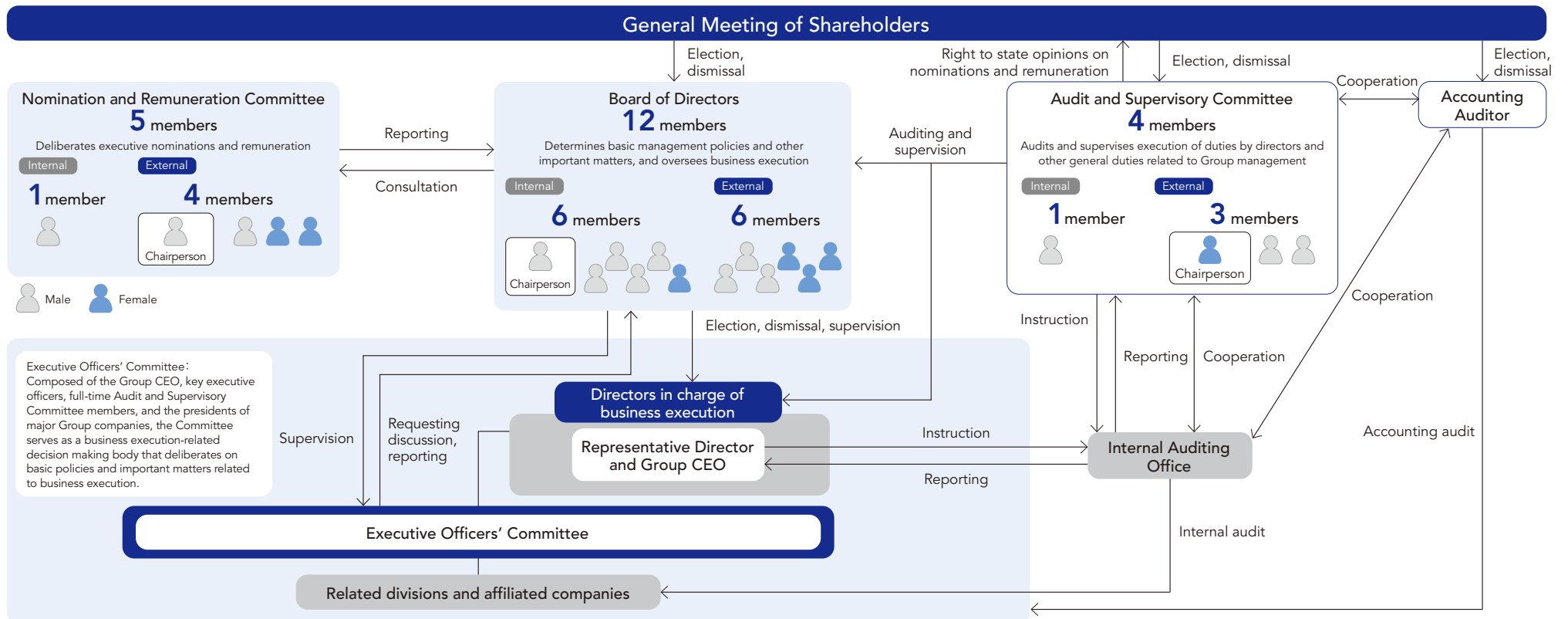
Basic approach to corporate governance

At the Cosmo Energy Group, we are actively pursuing improvements in management transparency and efficiency, prompt execution of business, and thorough risk management and compliance based on the Cosmo Energy Group Management Vision and the Cosmo Energy Group Code of Conduct, which serves as the specific guidelines for implementing and achieving the Group Management Vision.

 Cosmo Energy Holdings Co., Ltd. Corporate Governance Basic Policy
<https://www.cosmo-energy.co.jp/en/ir/management/governance.html>

Corporate governance structure

To advance the above, Cosmo Energy Holdings is structured as a company with an audit and supervisory committee, and has established a Board of Directors, an Audit and Supervisory Committee, a Nomination and Remuneration Committee, and an Executive Officers' Committee. Additionally, we have introduced an executive officer system to further clarify the separation between management supervision and business execution and to respond swiftly to changes in the business environment.



Corporate Governance

Skills Matrix

Based on the Seventh Consolidated Medium-Term Management Plan, the Company has defined the skills required of directors and executive officers as follows. Since FY2023, we have disclosed the definition of each skill area, as well as the areas in which each individual officer has a higher level of expertise.

By defining a skills matrix not only for directors but also for executive officers, we have created a structure to encourage officers, including executive officers, to work together to advance the Seventh Consolidated Medium-Term Management Plan.

Skill area	Definition
Corporate management	Has experience in business execution as CEO or in another role at an operating company, and possesses the ability to lead an organization in accordance with management strategy
Petroleum Business (Oil)	Has specialized knowledge of the petroleum business, and possesses the ability to enhance enterprise value
Other businesses (New) (Renewable Energy Business/new businesses)	Has been involved in the Renewable Energy Business and new business projects, and possesses the ability to make comprehensive judgments about new business models and profitability
Sustainability (ESG)/risk management	Possesses the ability to pursue sustainable management from the perspective of sustainability and ESG, in order to achieve sustainable growth
Personnel affairs/human resource development/diversity	Has knowledge and experience in implementing human resource strategies, and possesses the ability to draft management strategies from the perspective of personnel affairs, labor management, and diversity

Skill area	Definition
DX/technology	Has knowledge and experience in digital and other scientific technologies, and possesses the ability to transform businesses and corporate culture by leveraging related data in management strategies
PR/IR/brand marketing	Is capable of strategically deploying PR activities and making related comprehensive judgments and decisions, and possesses the ability to take the lead in enhancing and creating enterprise value
Finance/accounting/taxation	Has the finance, accounting, and taxation expertise required to draft financial and accounting strategies, and possesses the ability to properly carry out the Group's financing and finance closing operations
Legal affairs/compliance	Has expertise in corporate legal affairs and compliance, and possesses the ability to provide supervision to ensure sound corporate management
Global-mindedness	Has overseas business experience, understands different cultural perspectives and practices among other things, and possesses the ability to make management decisions from a global perspective

	Name	Gender	Title	Committee membership, responsibilities, etc.	Number of years as director ¹	Experience, knowledge, and expertise, etc. ^{2,3}									
						Corporate management	Petroleum Business (Oil)	Other businesses (New) (Renewable Energy Business/new businesses)	Sustainability (ESG)/risk management	Personnel affairs/human resource development/diversity	DX/technology	PR/IR/brand marketing	Finance/accounting/taxation	Legal affairs/compliance	Global mindedness
Directors	Hiroshi Kiriya	Male	Director, Group Chairperson	Chairperson, Board of Directors Nomination and Remuneration Committee Member	10	◎	◎	○	○	—	—	○	—	—	—
	Shigeru Yamada	Male	Representative Director, Group CEO	—	5	◎	◎	○	—	—	—	○	—	—	—
	Junko Takeda	Female	Representative Director, Senior Executive Officer	Human Resource Dept., Business Portfolio Management Dept., Sustainability Initiative Dept.	3	—	◎	—	—	◎	—	—	—	○	—
	Taisuke Matsuoka	Male	Representative Director, Senior Executive Officer	Corporate Planning Dept., Finance Dept.	1	—	◎	◎	—	—	—	○	◎	—	—
	Shigeki Iwane	Male	Director	—	1	◎	—	◎	—	—	—	—	—	—	—
	Ryuko Inoue	Female	Independent Outside Director ⁴	Nomination and Remuneration Committee Member	4	—	—	—	○	○	—	—	—	◎	○
	Takuya Kurita	Male	Independent Outside Director ⁴	Nomination and Remuneration Committee Member	3	—	—	◎	—	○	◎	—	—	—	—
	Takako Suzuki	Female	Independent Outside Director ⁴	—	1	◎	—	○	○	—	—	◎	—	—	—
	Takayuki Uematsu	Male	Director, Full-time Audit and Supervisory Committee Member	Audit and Supervisory Committee Member	7	◎	—	—	○	—	—	○	◎	—	—
	Yasuko Takayama	Female	Independent Outside Director, Audit and Supervisory Committee Member ⁴	Nomination and Remuneration Committee Member Chairperson, Audit and Supervisory Committee	6	—	—	—	◎	○	—	○	—	○	—
Keiichi Asai	Male	Independent Outside Director, Audit and Supervisory Committee Member ⁴	Chairperson, Nomination and Remuneration Committee Audit and Supervisory Committee Member	4	◎	◎	○	—	—	—	—	—	—	○	
Toshihiro Kuriyama	Male	Independent Outside Director, Audit and Supervisory Committee Member ⁴	Audit and Supervisory Committee Member	1	◎	—	○	○	—	◎	—	—	—	—	
Executive Officers	Noriko Rzonca	Female	Senior Executive Officer, CDO	Corporate DX Strategy Dept., Corporate Communication Dept., IT Initiative Dept.	—	—	—	—	—	○	◎	○	—	—	◎
	Hiroaki Ohtsuka	Male	Senior Executive Officer	Power Business Management Dept., New Energy Business Management Dept.	—	—	◎	◎	—	—	○	—	—	—	—
	Tomoki Iwai	Male	Senior Executive Officer	Accounting Dept., Legal & General Affairs Dept.	—	—	○	—	—	—	—	◎	○	—	—
	Hideyuki Wakao	Male	Executive Officer	General Manager, Internal Auditing Office Substitute Director, Audit and Supervisory Committee Member	—	—	○	—	—	—	—	◎	○	—	—
						7	8	9	6	5	4	7	4	5	3

Male Female

1. The number of years as director only takes into account the period following the establishment of Cosmo Energy Holdings in October 2015. Figures were calculated by counting the period from October 2015 to the date of the General Meeting of Shareholders in June 2016 as one year. If the calculation was to include the years served at the Company's predecessor, Cosmo Oil Co., Ltd., Mr. Hiroshi Kiriya would have served for eleven years because he was appointed as a director in June 2013.

2. The expertise and attributes of each director and executive officer disclosed here include the areas in which they have outstanding knowledge and experience. It does not represent an exhaustive list of their respective capabilities.

3. ◎ indicates the areas in which the individual has a higher level of expertise.

4. The requirements for independent officers and auditors based on the regulations of the Tokyo Stock Exchange have been fulfilled.

Corporate Governance

Transition of Corporate Governance Enhancement

Since entering into a strategic partnership with International Petroleum Investment Company¹ (currently Mubadala Investment Company², hereafter, "IPIC") in 2007, the Company has consistently strengthened its governance through a series of key turning points. In 2006, we introduced the executive officer system, and in 2015 we completed our governance framework by transitioning to a holding company structure and becoming a company with an audit and supervisory committee. More recently, in 2022, we reformed the Board of Directors, reviewing its purpose and authority to further enhance the Board's monitoring function.

1. International Petroleum Investment Company: An investment company wholly owned by the Government of the Emirate of Abu Dhabi.

2. Mubadala Investment Company: An energy-related investment company wholly owned by the Emirate of Abu Dhabi; established as a holding company following the merger between International Petroleum Investment Company and Mubadala Development Company.

2006

Introduction of executive officer system

Aims of introducing the executive officer system

To ensure the clear separation of management decision making and supervisory functions from business execution functions, and to strengthen each function

2007

Strategic partnership with IPIC and capital increase through third-party allotment

Start of full-fledged shareholder-centric management

2015

Transition to a holding company structure and company with an audit and supervisory committee

Aims of a holding company structure

- To optimize resource allocation for business portfolio transformation
- To bolster business competitiveness and stabilize holding company earnings
- To strengthen Group management and accelerate the shift in management resources
- To promote alliances in each business segment

Aims of a company with an audit and supervisory committee

- To strengthen governance by granting voting rights to Audit and Supervisory Committee members

2022

Reform of the Board of Directors following change in largest shareholder (Mubadala Investment Company)

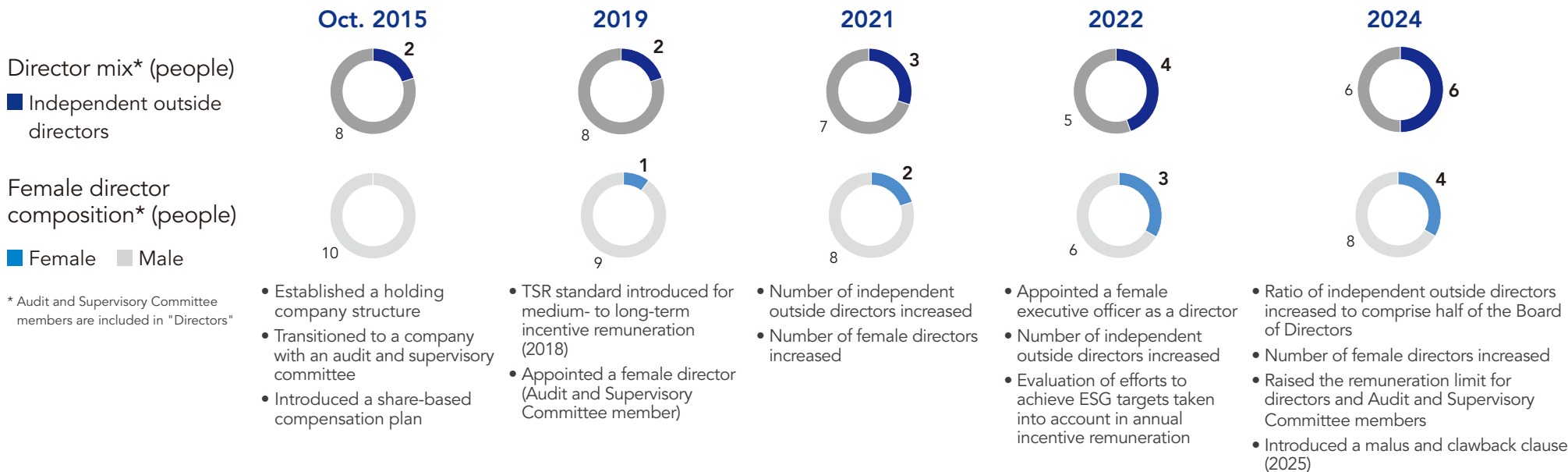
Revision of Board of Directors' purpose

Primarily focused on ensuring the sustainable growth of the Group and enhancing enterprise value over the medium- to long-term

- Seeks to streamline management while focusing on determining the Company's overall direction, engaging with stakeholders, and overseeing business execution

Review of Board of Directors' authority

- Delegated significant business execution authority to the Executive Officers' Committee, with the aim of strengthening the Board's supervisory function and streamlining management



Corporate Governance

Board of Directors

Overview

The Board of Directors is composed of directors (excluding directors who are members of the Audit and Supervisory Committee) and Audit and Supervisory Committee members. It is responsible for making decisions on basic management policies and other important matters, as well as supervising business execution.

To strengthen the Board of Directors' supervisory function and ensure fair and transparent management, we have appointed independent outside directors and established a system to provide them with necessary information in a timely manner.

Progress in strengthening Board governance

Enhancing transparency

To enable the Board of Directors to function more effectively and efficiently, we have increased transparency from various perspectives, including diversity in terms of skills and gender, and the balance between internal and external directors. As of July 2025, four out of 12 directors are women and six are independent outside directors, meaning that independent outside directors now account for half of the Board.

Review of Board of Directors' purpose and authority

In FY2021, the Board of Directors reviewed its purpose with the goal of deepening medium- to long-term discussions and strengthening engagement with stakeholders. At the same time, it broadened discussions on sustainability and the Company's medium- to long-term direction in line with this purpose.

Purpose of the Board of Directors

- The Board of Directors aims to ensure the sustainable growth of the Group and enhance enterprise value over the medium- to long-term.
- The Board of Directors strives to instill compliance with laws and regulations as well as corporate ethics. With this in mind, it focuses on determining the Group's overall direction, engaging with stakeholders (information disclosure, etc.), and overseeing business execution while streamlining management.

Furthermore, in July 2022, the Board of Directors entrusted the Executive Officers' Committee with making decisions on business execution, with the aim of strengthening the Board's supervisory function and streamlining management. Currently, the Board is increasing its effectiveness by accelerating discussions in preparation for formulating the next medium-term management plan.

Activities in FY2024

In FY2022, the Company revised the authority of the Board of Directors, delegating decision making authority over business execution to executives and expanding the scope of matters subject to reporting to further strengthen the Board's supervisory function.

Building on the above-mentioned reforms, in FY2024, the Board focused its deliberations on the following points toward realization of the Seventh Consolidated Medium Term Management Plan (hereafter, "the Seventh MTMP") and Vision 2030.

Monitoring progress of the Seventh MTMP

In FY2024, the second year of the Seventh MTMP, the Board once again conducted semi-annual progress reviews to monitor the status of business execution and provide advice for its further advancement. As a result, we have achieved many of our financial and non-financial targets ahead of schedule.

Amid significant changes in the business environment, the Board deepened discussions on strengthening profitability in *Oil* fields and expanding *New* fields to realize Vision 2030.

Discussions on sustainability

The Board of Directors supervises and discusses sustainability strategy at its meetings based on deliberations by the Sustainability Strategy Council (formerly the Sustainability Strategy Committee). In FY2024, discussions focused on themes such as reporting on the progress and results of material issue KPIs, the status of compliance and the whistleblower system, reporting on human rights due diligence, as well as revision of our sustainability governance system.



FY2024 Securities Report (available in Japanese only)

(See **Page 65** for details of Board of Directors' meeting attendance)

https://www.cosmo-energy.co.jp/content/dam/corp/jp/ja/ir/financial/valuable/2024/pdf/fy2024_all.pdf

Corporate Governance

Board of Directors

Evaluation of Board of Directors' effectiveness

In order to check whether or not the Board of Directors is effectively fulfilling its roles and responsibilities, the Company has conducted an evaluation of the Board's effectiveness every year since FY2015.

In FY2023, we appointed a third-party organization for the first time to help us evaluate the Board's effectiveness, in order to incorporate more objective perspectives and outside expertise. In FY2024, we applied the insights gained from the previous fiscal year's third-party evaluation to improve our in-house effectiveness evaluation process.

Going forward, we will continue to consider the periodic use of third-party organizations for such evaluations.



Results of the Board of Directors Effectiveness Evaluation (Full Report)
https://www.cosmo-energy.co.jp/en/ir/management/governance/pdf/evaluation_en.html

Overview of evaluation results

- The Board of Directors is of an appropriate size, diverse in its composition, and served as a forum for the free and open exchange of opinions.
- It provided a forum for discussing topics such as management foundation issues, including our three transformations, and our governance structure.
(Increased frequency of reporting on risk management and compliance to further strengthen governance)
- The Board of Directors took the following actions and made improvements concerning its action policy stated in the previous fiscal year.
 1. Held discussions on the environment surrounding the Company and how it may change in the future, in preparation for formulating the next consolidated medium-term management plan
 2. Conducted semi-annual progress reviews, supervised the status of business execution, and held discussions on identified issues to achieve the Seventh MTMP

Future challenges and action policy

To further enhance the effectiveness of the Board of Directors, we will continue to deepen discussions in preparation for formulating the next medium-term management plan, while regularly monitoring business execution toward achieving the Seventh MTMP, as we did in FY2024.

Board of Directors support system

To ensure greater Board effectiveness and strengthen its functions, we have established a system to support directors. The Corporate Planning Dept., Secretariat Office, and Secretariat of the Audit and Supervisory Committee play a central role in this effort, providing the Board—including directors on the Audit and Supervisory Committee—with support such as advance distribution and explanation of meeting materials and the sharing of necessary information. We also hold executive sessions (informal meetings attended only by outside directors) and offer training programs for directors.

Executive succession

Separate from the Board of Directors, we hold several discussion-focused executive sessions each year exclusively for outside directors. We have established a system that ensures that the details of those discussions are shared internally in a way that protects the identity of the speaker, and that allows for outside directors' opinions and expertise to be thoroughly reflected in management.

Board of Directors training

Following their appointment, we offer directors opportunities to meet with department heads to discuss business activities undertaken by the Company and core operating companies, and to visit key facilities operated by the Group.

In FY2024, these visits included tours of our refineries, service stations, oil development facilities in the Middle East, and hydrogen stations operated in partnership with Iwatani Corporation.



Site visit by outside directors and others
(Iwatani Cosmo Hydrogen Station Heiwajima, October 2024)

Corporate Governance

Nomination and Remuneration Committee

Overview


The Company has established the Nomination and Remuneration Committee as an advisory body to the Board of Directors to ensure transparency and objectivity in the process of determining director candidates and remuneration. The Committee—composed of the Representative Director and Group Chairperson as well as independent outside directors—is responsible for deliberating on the nomination and remuneration of executives. The Committee is chaired by an independent outside director.

Activities in FY2024

In FY2024, the Nomination and Remuneration Committee met a total of nine times and primarily discussed the following agenda items.

Based on results of its deliberations, the Nomination and Remuneration Committee recommended to the Board of Directors that, starting after the 2025 Ordinary General Meeting of Shareholders, the Chairperson of the Board be appointed without representative authority. This change aims to further separate management from business execution and strengthen the Board's management monitoring function. The Committee also recommended the introduction of a malus and clawback clause.

Meeting date	Matters deliberated/reviewed
April 23, 2024	<ul style="list-style-type: none"> • Appointment of directors and executive officers • Director and executive officer remuneration
May 13, 2024	<ul style="list-style-type: none"> • Evaluation of individual directors and executive officers • Director and executive officer remuneration
June 10, 2024	<ul style="list-style-type: none"> • FY2024 activity report and effectiveness evaluation • Individual remuneration amounts for FY2023
June 20, 2024	<ul style="list-style-type: none"> • Future Board of Directors structure
July 24, 2024	<ul style="list-style-type: none"> • FY2024 individual director and executive officer goal setting • Future Board of Directors structure • Report on details of newly appointed director and executive officer training initiatives
September 24, 2024	<ul style="list-style-type: none"> • Introduction of a malus and clawback clause
November 12, 2024	<ul style="list-style-type: none"> • Confirmation of director and executive officer multilateral evaluation results • Review of report and analysis of the environment surrounding governance and executive remuneration
January 21, 2025	<ul style="list-style-type: none"> • Appointment of directors and executive officers • Introduction of a malus and clawback clause
March 26, 2025	<ul style="list-style-type: none"> • Future Board of Directors structure • Introduction of a malus and clawback clause • Director and executive officer remuneration

 FY2024 Securities Report (available in Japanese only)
 (See **Page 66** for details of Nomination and Remuneration Committee meeting attendance)
https://www.cosmo-energy.co.jp/content/dam/corp/jp/ja/ir/financial/valuable/2024/pdf/fy2024_all.pdf

Results of the evaluation of Nomination and Remuneration Committee effectiveness

As in the previous fiscal year, we determined that the Nomination and Remuneration Committee is effective and has been striving to improve its effectiveness on an ongoing basis, as demonstrated below.

In FY2023, we appointed a third-party organization for the first time to help us evaluate the Nomination and Remuneration Committee's effectiveness, in order to incorporate more objective perspectives and outside expertise. In FY2024, we applied the insights gained from the previous fiscal year's third-party evaluation to improve our in-house effectiveness evaluation process.

Going forward, we will continue to consider the periodic use of third-party organizations for such evaluations.

Overview of evaluation results


- Under an appropriate structure, the Committee engages in thorough discussions based on the proper scope of its advisory function.
- The Committee conducts open and proactive discussions under appropriate management.
- The Secretariat is regarded as effectively fulfilling all necessary functions.

Achievements in FY2024

- Changes in the structure of the Board of Directors
- Introduction of a malus and clawback clause

Future challenges and action policy

To further enhance the effectiveness of the Nomination and Remuneration Committee, we will undertake initiatives such as revising our remuneration plan in line with the next medium-term management plan.

 Results of the Evaluation of Nomination and Remuneration Committee Effectiveness
https://www.cosmo-energy.co.jp/en/ir/management/governance/pdf/evaluation_en.html

Corporate Governance

Nomination and Remuneration Committee

Succession planning and CEO appointment and dismissal

The Cosmo Energy Group considers the development of successors to the Group CEO to be one of the most important strategies to support its sustainable growth. Our basic policy is to ensure transparency and objectivity in the selection of successor candidates and to develop individuals as successors who possess the capabilities and qualities befitting the role.

During the successor development period, successor candidates are subject to multilateral human resource evaluations, including an evaluation of whether they meet the Group’s human resource requirements, as well as annual performance reviews. At the same time, future development is supported in a structured manner through job assignments tailored to each candidate’s development status, the provision of external training opportunities, and other initiatives. The Nomination and Remuneration Committee continuously evaluates the appropriateness of the successor candidate pool and the succession plan, using information from multilateral human resource evaluations and results of annual performance reviews.

Regarding final candidate selection, the Group CEO selects a candidate who possesses the capabilities and qualities necessary to lead the Group as CEO from a pool of candidates. Selection is based on multilateral human resource evaluation information, including whether the candidate meets the Group’s human resource requirements and the results of annual performance reviews. The Group CEO then submits the proposed candidate to the Nomination and Remuneration Committee, which reviews the proposal and makes their recommendation to the Board of Directors.

In addition, the Nomination and Remuneration Committee deliberates every fiscal year on whether or not it is necessary to submit a proposal regarding the dismissal of the Group CEO to the Board of Directors in light of human resource requirements, performance standards, and other factors. If the Committee concludes that the matter needs to be referred to the Board of Directors, the Board will decide whether to dismiss the Group CEO based on the Committee’s recommendation.

Regarding the appointment of a new Group CEO in March 2023, please also refer to the Outside Director Dialogue section on pages 76-80 of COSMO REPORT 2023 and the Message from the Chairperson, Nomination and Remuneration Committee section on page 77 of COSMO REPORT 2024.

 COSMO REPORT 2023
https://www.cosmo-energy.co.jp/content/dam/corp/jp/en/ir/report/2023/pdf/report2023_en_all.pdf

 COSMO REPORT 2024
https://www.cosmo-energy.co.jp/content/dam/corp/jp/en/ir/report/2024/pdf/report2024_en_all.pdf

Corporate Governance

Executive Remuneration Plan

Overview

The Company has adopted a performance-linked remuneration plan for directors (excluding outside directors and directors who are members of the Audit and Supervisory Committee) and executive officers. The plan is designed to improve medium- to long-term business performance, provide incentives for enhancing enterprise and shareholder value, ensure ongoing alignment with shareholders’ interests, encourage directors and executive officers to take on challenges, and ensure transparency and objectivity in the remuneration determination and performance evaluation processes.

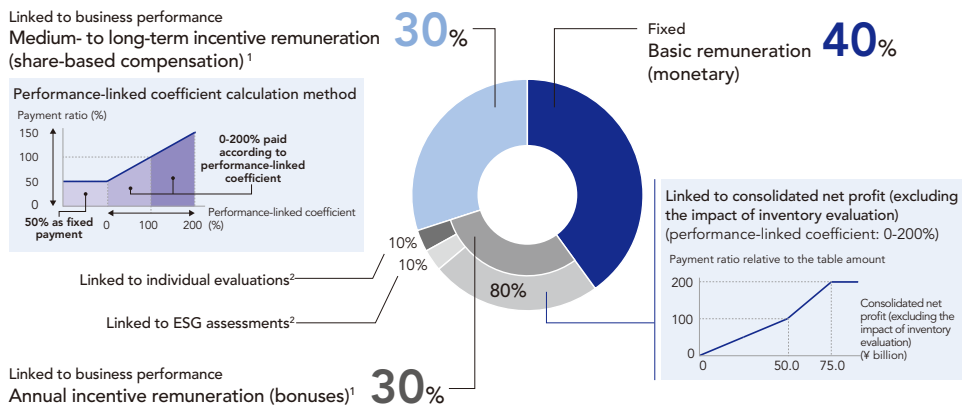
Under this plan, remuneration is composed of three parts: basic (monetary) remuneration; annual incentive remuneration; and non-monetary medium- to long-term incentive remuneration. Remuneration levels are competitive compared to those of leading domestic companies, and the weight of managerial responsibility is reflected in the higher proportion of incentive remuneration for senior executives.

Remuneration for outside directors, non-executive directors, and directors who are members of the Audit and Supervisory Committee consists solely of fixed basic remuneration, reflecting the fact that they do not perform executive duties and must properly fulfill their supervisory roles.

	Monetary remuneration		Share-based compensation
	Basic remuneration (fixed)	Remuneration linked to business performance	
		Annual incentive remuneration	Medium- to long-term incentive remuneration
Executive director	○	○	○
Executive officer	○	○	○
Outside director	○	—	—
Non-executive director	○	—	—
Audit and Supervisory Committee member	○	—	—

Corporate Governance
Executive Remuneration Plan

Executive officer remuneration plan framework (example)



1. Linked to FY2023-2025 TSR relative to the TOPIX growth rate and the consolidated net debt-to-equity ratio
2. Remuneration linked to performance (performance-linked coefficient: 0-200%)

Incentive plans

Annual incentive remuneration

Annual incentive remuneration is based on the evaluation of Group business performance, ESG assessments, and individual evaluations determined each fiscal year by the Nomination and Remuneration Committee.

To ensure consistency with the shareholder return policy announced in the Seventh MTMP, performance evaluations are now conducted based on consolidated net profit (excluding the impact of inventory valuation). Since FY2022, ESG assessments have been reflected in remuneration in an effort to foster an environment that motivates directors and executive officers to address material issues promptly and earnestly, thereby promoting sustainable management. Regarding ESG assessments, we are discussing whether to review them based on our past performance.

* For ESG targets, which serve as benchmarks, please refer to the KPIs and Results for Material Issues in the Seventh Consolidated Medium-Term Management Plan section on **Page 53** of this report.

Medium- to long-term incentive remuneration

Medium- to long-term incentive remuneration is provided in the form of a performance-linked share-based compensation plan that is non-monetary in nature. Each year, we establish an incentive plan that evaluates performance over three consecutive business years, and provide incentives as compensation for the execution of duties during the applicable business execution period. For each executive officer eligible under this system, 50% of the basic points defined for each position will be awarded based on performance and the remaining 50% based on other factors. The performance-linked coefficient is determined based on the Company's total shareholder return (TSR) relative to the Tokyo Stock Price Index (TOPIX) growth rate and the consolidated net debt-to-equity ratio.

Stock ownership guidelines

To ensure sustainable value sharing with all stakeholders, we introduced stock ownership guidelines for the Group's executive officers, effective FY2023. Including potential stock holdings (the non-performance-linked portion of basic points granted through medium- to long-term incentive remuneration), the Group Chairperson and the Group CEO are expected to receive up to 1.5 times their annual basic remuneration within five years of assuming their respective positions. For other executive officers of the Group, the goal is a standard holding value equivalent to their annual basic remuneration within five years of assuming their respective positions.

Malus and clawback clause

At the June 2024 Ordinary General Meeting of Shareholders, the Company resolved to revise its remuneration limit, taking into account potential future initiatives such as the appointment of external talent and further expansion of business performance-linked remuneration. At the same time, the Board of Directors resolved in June 2025 to introduce a malus and clawback clause to ensure the soundness of the remuneration framework.

Under this clause, if the Board of Directors identifies a material accounting error or misconduct requiring the retroactive correction of financial statements, the Company may, within three years from the occurrence of the relevant event, require the forfeiture or return of all or part of the incentive compensation paid to the relevant director or executive officer.

Directors and Executive Officers (as of July 1, 2025)

Directors



Hiroshi Kiriya
Director,
Group Chairperson

Apr. 1979 Joined Daikyo Oil Co., Ltd.
Jun. 2013 Director, Senior Executive Officer, Cosmo Oil Co., Ltd.
Oct. 2015 Director, Senior Managing Executive Officer of the Company
Jun. 2016 Representative Director, Executive Vice President
Jun. 2017 Representative Director, Group CEO
Apr. 2023 Representative Director, Group Chairperson
Jun. 2025 Director, Group Chairperson (current position)

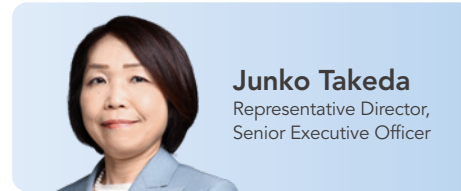
Hiroshi Kiriya has worked for many years in the supply and demand and corporate planning divisions. He possesses extensive knowledge and experience in all areas of corporate management, including participating in decision making on various alliances in Japan and overseas. In addition, he led the Group as Representative Director and CEO from June 2017 to March 2023 and was successful in addressing the future transition to environmentally-friendly renewable energy while maintaining a stable supply of fossil fuels, among other accomplishments. Since April 2023, he has served as Director and Chairperson of the Board of Directors, focusing on strengthening the Board's supervisory function.



Shigeru Yamada
Representative Director,
Group CEO

Apr. 1988 Joined Cosmo Oil Co., Ltd.
Jun. 2015 General Manager, Supply Dept.
Apr. 2018 Executive Officer, General Manager, Corporate Planning Dept. of the Company
Apr. 2020 Senior Executive Officer
Jun. 2020 Director, Senior Executive Officer
Apr. 2023 Representative Director, Group CEO (current position)

Shigeru Yamada has worked mainly in the sales, supply and demand, and corporate planning divisions, boasting a wealth of knowledge across all of the Group's business domains. Having been appointed Executive Officer and General Manager of the Corporate Planning Dept. in 2018 and as Director and Senior Executive Officer in 2020, he steadily produced results across various areas, including formulating the Seventh MTMP, promoting Group management, supervising capital and business alliances, and developing new business projects. Since April 2023, he has led the Group as Representative Director and CEO, achieving significant results in enhancing enterprise value for all stakeholders, most importantly shareholders. In addition to effectively managing existing businesses, his accomplishments include launching new businesses, considering collaborative projects with partner companies, pursuing decarbonization initiatives, and strategically managing human capital.



Junko Takeda
Representative Director,
Senior Executive Officer

Apr. 1990 Joined Cosmo Oil Co., Ltd.
Oct. 2015 General Manager, Human Resource and General Affairs Dept.
Apr. 2017 General Manager, Planning and Management Dept.
Apr. 2019 Director, Executive Officer
Apr. 2020 Executive Officer, General Manager, Human Resource Dept. of the Company
Apr. 2022 Senior Executive Officer
Jun. 2022 Director, Senior Executive Officer
Jun. 2025 Representative Director, Senior Executive Officer (current position)

Junko Takeda has worked in sales, planning, human resources, and other divisions. In 2019, she went on to supervise the Refining Business as Director and Executive Officer in charge of corporate planning and human resources at Cosmo Oil where she contributed to increasing operational efficiency and improving productivity across the business. From 2020, as Executive Officer and General Manager of the Company's Human Resource Dept., she demonstrated steady achievements by promoting workstyle reforms, encouraging diversity, and driving personnel affairs across the Group. From 2022, as Director and Senior Executive Officer, she supervised the Human Resource, Legal and General Affairs, and Business Portfolio Management departments, achieving solid results such as formulating the Seventh MTMP, Human Rights Policy, and Human Resources Policy. Since 2024, she has led human capital and sustainable management for the Group as officer in charge of the Human Resource, Business Portfolio Management, and Sustainability Initiative departments.



Taisuke Matsuoka
Representative Director,
Senior Executive Officer

Apr. 1993 Joined Cosmo Oil Co., Ltd.
Apr. 2018 General Manager, Supply Dept.
Apr. 2021 Director, Executive Officer
Apr. 2023 Senior Executive Officer of the Company
Jun. 2024 Director, Senior Executive Officer
Jun. 2025 Representative Director, Senior Executive Officer (current position)

Taisuke Matsuoka worked for many years in the sales, supply and demand, and corporate planning divisions, boasting a wealth of knowledge across the Group's business domains. From 2018, he contributed to drafting the Group's supply and demand policy and an optimal supply-demand balance as General Manager of the Supply Dept. at Cosmo Oil, and from 2021, he worked to establish a track record by overseeing Cosmo Oil as Director and Executive Officer. As Senior Executive Officer of the Company from 2023 and Director and Senior Executive Officer since 2024, he has overseen the Corporate Planning and Finance departments. Throughout his tenure, in addition to carrying out the Seventh MTMP, he has successfully explored further initiatives to achieve decarbonization.



Shigeki Iwane
Director (non-executive)

Apr. 1976 Joined The Kansai Electric Power Co., Inc.
Jun. 2007 Executive Officer, General Manager, Planning Office
Jun. 2010 Managing Director
Apr. 2012 Representative Director, Vice President
Jun. 2013 Representative Director, Executive Vice President
Jun. 2016 Representative Director, President, Outside Director, Mitsubishi Tanabe Pharma Corporation
May 2019 Chairman, Federation of Electric Power Companies of Japan
Jun. 2019 Outside Director, Television Osaka, Inc.
Jun. 2021 Senior Advisor, YUASA M&B Co., Ltd. (current position)
Dec. 2023 Advisor, Iwatani Corporation (current position)
Jun. 2024 Director of the Company (current position)

After joining The Kansai Electric Power Co., Inc. (KEPCO) in 1976, Shigeki Iwane went on to be appointed to various leadership positions, including Executive Officer and General Manager of the Planning Office in 2007, Managing Director in 2010, and Representative Director and Vice President in 2012, before assuming the role of Representative Director and President in 2016. With extensive experience in corporate management, he possesses significant expertise in the electricity sector, which is essential for achieving the Company's goal of bolstering the green electricity supply chain under its medium-term management plan. In addition, he has served as Outside Director at Mitsubishi Tanabe Pharma Corporation and Television Osaka, Inc., and has demonstrated his ability to execute his duties properly by leveraging his wide-ranging knowledge that extends beyond the industry to which the Company belongs.



Ryuko Inoue
Independent Outside
Director

Apr. 1981 Joined Ministry of Agriculture, Forestry and Fisheries (MAFF)
Jan. 2003 Minister, Embassy of Japan in Italy
Apr. 2016 Deputy Director-General, Agriculture, Forestry and Fisheries Research Council, MAFF
Jul. 2017 Resigned from MAFF
Nov. 2017 Registered as attorney-at-law, Of Counsel, Atsumi & Sakai (current position)
Jun. 2019 Outside Director, Nippon Steel Trading Corporation
Jun. 2021 Independent Outside Director of the Company (current position)
Jun. 2023 Outside Director, NS United Kaiun Kaisha, Ltd.
Jan. 2024 Outside Director, DIGITAL GRID Corporation (current position)

After joining the Ministry of Agriculture, Forestry and Fisheries (MAFF) in 1981, Ryuko Inoue took up the position of Permanent Representative of Japan to the Food and Agriculture Organization of the United Nations (FAO) and the United Nations World Food Program (WFP) in 2003, contributing to the growth of the global economy. She is currently an attorney-at-law at Atsumi & Sakai and has served as Outside Director at multiple companies. As a member of the Nomination and Remuneration Committee, she has also provided valuable guidance on how to further improve the Company's succession planning and performance-linked executive remuneration, drawing on her experience at MAFF and her wealth of knowledge in her current roles as an attorney-at-law and outside director of other companies. She has demonstrated her ability to properly execute her duties by leveraging her wide-ranging expertise that extends beyond the industry to which the Company belongs.



Takuya Kurita
Independent Outside
Director

Apr. 1984 Joined Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism (MLIT))
Sep. 2007 Counselor, Cabinet Secretariat
Jul. 2009 Director, Urban Renewal Promotion Division, City and Regional Development Bureau, MLIT
Jul. 2011 Counselor, the Headquarters for the Reconstruction from the Great East Japan Earthquake
Feb. 2012 Counselor, Reconstruction Agency
Aug. 2013 Director, Personnel Division, MLIT
Jul. 2015 Director-General, City Bureau, MLIT
Jul. 2018 Director-General, Policy Bureau, MLIT
Jul. 2020 Vice-Minister, Land, Infrastructure, Transport and Tourism
Jul. 2021 Resigned from MLIT
Oct. 2021 Corporate Advisor, Sumitomo Mitsui Trust Bank, Limited (current position)
Jun. 2022 Independent Outside Director of the Company (current position)

Takuya Kurita joined the Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism (MLIT)) in 1984 and was appointed Director of the Urban Renewal Promotion Division, City and Regional Development Bureau of the Ministry in 2009, where he contributed to the development of the Japanese economy through urban development. In 2011, he was appointed as Counselor to the Headquarters for Reconstruction from the Great East Japan Earthquake, where he directed reconstruction policy, and in 2020, he was named Vice-Minister of Land, Infrastructure, Transport and Tourism. Since resigning from his post at MLIT in 2021, he has served as Corporate Advisor to Sumitomo Mitsui Trust Bank, Limited and Project Professor at the University of Tokyo. As a member of the Nomination and Remuneration Committee, he has provided valuable guidance on ways to further improve the Company's succession planning and performance-linked executive remuneration, drawing on his extensive experience working for the MLIT and as an advisor. He has also demonstrated his ability to properly execute his duties by leveraging his wide-ranging knowledge that extends beyond the industry to which the Company belongs.



Takako Suzuki
Independent Outside
Director

Apr. 1984 Joined Nissan Motor Co., Ltd.
Aug. 2001 Joined LVJ Group Co., Ltd. (currently Louis Vuitton Japan Co., Ltd.)
Jan. 2010 Joined S.T. CORPORATION
Apr. 2013 Director, President and CEO
Mar. 2020 Outside Director, TRUSCO NAKAYAMA CORPORATION
Jun. 2021 Chairperson of the Board, President and CEO, S.T. CORPORATION
Sep. 2022 External Director, KING JIM CO., LTD. (current position)
Jun. 2023 Chairperson, S.T. CORPORATION (current position)
Jun. 2024 Independent Outside Director of the Company (current position)
Jun. 2025 Outside Director, FUJIFILM Holdings Corporation (current position)
Jun. 2025 Outside Director, Calbee, Inc. (current position)

Takako Suzuki joined Nissan Motor Co., Ltd. in 1984. In 2001, she conducted product PR and marketing campaigns targeting women at various companies, including the Louis Vuitton Group, leveraging her extensive insights. In 2010, she joined S.T. CORPORATION, where she produced numerous hit products as part of a design revolution, and in 2013, she was appointed Director, President and CEO. In 2023, she assumed the position of Chairperson at the same company. Along with her experience as External Director at KING JIM CO., LTD. and Outside Director at FUJIFILM Holdings Corporation, she has demonstrated her ability to properly execute her duties by leveraging her wide-ranging knowledge that extends beyond the industry to which the Company belongs.

Directors and Executive Officers (as of July 1, 2025)

Directors



Takayuki Uematsu
Director, Full-time Audit and Supervisory Committee Member

Nov. 1992 Joined Cosmo Oil Co., Ltd.
Jun. 2015 General Manager, Finance Dept.
Oct. 2015 General Manager, Finance Dept. of the Company
Jun. 2016 Executive Officer, General Manager, Finance Dept.
Apr. 2018 Senior Executive Officer
Jun. 2018 Director, Senior Executive Officer
Jun. 2020 Representative Director, Senior Executive Officer
Apr. 2021 Representative Director, Senior Managing Executive Officer
Apr. 2024 Director
Jun. 2024 Director (Full-time Audit and Supervisory Committee Member) (current position)
Outside Director, KYOEI TANKER CO., LTD. (Audit and Supervisory Committee Member) (current position)

Takayuki Uematsu joined Cosmo Oil after working for a foreign-owned financial institution, and has since demonstrated his expertise, serving almost exclusively in the finance division. In 2018, he was appointed Director and Senior Executive Officer, and in 2021 he assumed the position of Representative Director and Senior Managing Executive Officer. From 2022, he supervised the Sustainability Initiative, Accounting, and Finance departments, steadily implementing sustainable management and demonstrating leadership toward the achievement of net zero carbon emissions. Since FY2024, he has served as Director and Audit and Supervisory Committee Member, auditing and supervising the management decision making process, as well as the compliance and adequacy of business execution.



Yasuko Takayama
Independent Outside Director, Audit and Supervisory Committee Member

Apr. 1980 Joined Shiseido Co., Ltd.
Apr. 2009 General Manager, Social Affairs and Consumer Relations Dept.
Apr. 2010 General Manager, Corporate Social Responsibility Dept.
Jun. 2011 Full-time Audit and Supervisory Board Member
Jun. 2015 Outside Director, Nippon Soda Co., Ltd.
Outside Director, The Chiba Bank, Ltd. (current position)
Jun. 2016 Outside Audit and Supervisory Board Member, Mitsubishi Corporation
Jun. 2017 Outside Audit and Supervisory Board Member, Yokogawa Electric Corporation
Jun. 2019 Independent Outside Director of the Company (Audit and Supervisory Committee Member) (current position)
Jun. 2024 Outside Director, Yokogawa Electric Corporation

After serving as General Manager of the Consumer Relations and Corporate Social Responsibility departments and a Full-time Audit and Supervisory Board Member at Shiseido Co., Ltd., Yasuko Takayama went on to be appointed as Outside Director and Outside Audit and Supervisory Board Member for several listed companies, as well as a member of the Central Labour Relations Commission. At the Company, she has endeavored to further improve succession planning and performance-linked executive remuneration as a member of the Nomination and Remuneration Committee. In her role as Chairperson of the Audit and Supervisory Committee, she has audited and supervised the management decision making process, as well as the compliance and adequacy of business execution, drawing on her previous experience and extensive expertise in corporate governance. In addition to the above accomplishments, she has demonstrated her ability to properly execute her duties as an Outside Director (Audit and Supervisory Committee Member) from a broad perspective that extends beyond the industry to which the Group belongs.



Keiichi Asai
Independent Outside Director, Audit and Supervisory Committee Member

Apr. 1978 Joined Mitsubishi Corporation
Apr. 2009 Executive Officer, Head of CEO Office, Energy Group
Apr. 2013 Director and Vice President, Lithium Energy Japan
Sep. 2014 Representative Director, President and CEO, KH Neochem Co., Ltd.
Jun. 2021 Independent Outside Director of the Company (Audit and Supervisory Committee Member) (current position)
Jun. 2022 Outside Director, Sun Frontier Fudoushan Co., Ltd. (current position)

Keiichi Asai has spent most of his career working in the energy sector, including petroleum business divisions such as oil sales, supply and demand, and refining, at Mitsubishi Corporation. After being named Executive Officer of the same company, he went on to become Director and Vice President of Lithium Energy Japan in 2013, before being appointed Representative Director, President and CEO of KH Neochem Co., Ltd. in 2014. At the Company, his accomplishments include further improving succession planning and performance-linked executive remuneration as Chairperson of the Nomination and Remuneration Committee. As a member of the Audit and Supervisory Committee, he has audited and supervised the management decision making process, as well as the compliance and adequacy of business execution. In addition to the above accomplishments, he has demonstrated his ability to properly execute his duties as an Outside Director (Audit and Supervisory Committee Member), drawing on his international expertise that includes postings in the U.S. and India, as well as his extensive knowledge and experience related to all areas of corporate management.



Toshihiro Kuriyama
Independent Outside Director, Audit and Supervisory Committee Member

Apr. 1980 Joined ALPS ELECTRIC CO., LTD. (currently ALPS ALPINE CO., LTD.)
Jun. 2004 Director, General Manager, Magnetic Devices Division
Apr. 2007 Director, General Manager, Business Development Headquarters
Apr. 2009 Director, General Manager, Executive in charge of Engineering and Quality Management
Jun. 2011 Managing Director
Jun. 2012 Representative Director, President
Jun. 2019 Representative Director, President, Executive Officer
Jun. 2023 Representative Director, Chairperson
Jun. 2024 Independent Outside Director of the Company, Audit and Supervisory Committee Member (current position)

After joining ALPS ELECTRIC CO., LTD. (currently ALPS ALPINE CO., LTD.), Toshihiro Kuriyama went on to serve as General Manager of Business Development Headquarters, Engineering Headquarters, and other divisions. In 2012, he was appointed Representative Director and President of the same company, and in 2023 assumed the role of Representative Director and Chairperson. At ALPS ELECTRIC, he engaged in a wide range of businesses both in Japan and overseas that are indispensable to the mobility industry, including the development and sales of automotive onboard information systems, and led the company as President for 11 years. In addition to business expansion, he has worked toward building an ideal corporate governance structure and achieving decarbonization as well as establishing various systems required of companies. At the Company, he has audited and supervised the management decision making process, as well as the compliance and adequacy of business execution as a member of the Audit and Supervisory Committee. He has demonstrated his ability to properly execute his duties as an Outside Director (Audit and Supervisory Committee Member), drawing on his extensive knowledge and experience related to all areas of corporate management.

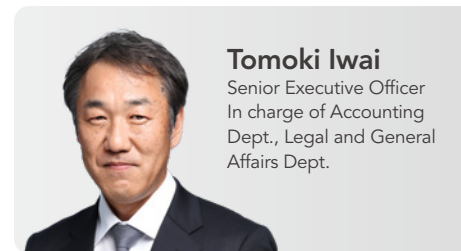
Executive Officers



Noriko Rzonca
Senior Executive Officer, CDO
In charge of Corporate DX Strategy Dept., Corporate Communication Dept., IT Initiative Dept.



Hiroaki Ohtsuka
Senior Executive Officer
In charge of Power Business Management Dept., New Energy Business Management Dept.



Tomoki Iwai
Senior Executive Officer
In charge of Accounting Dept., Legal and General Affairs Dept.



Hideyuki Wakao
Executive Officer
General Manager, Internal Auditing Office
Substitute Director, Audit and Supervisory Committee Member