



May 12, 2026

To whom it may concern,

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(Code: 5021, Prime Market of the Tokyo Stock Exchange)
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Notice Regarding the Continuation of the Share-Based Compensation Plan

Cosmo Energy Holdings Co., Ltd. (hereafter, “the Company”) hereby announces that at a Board of Directors meeting held today, the Company resolved to continue, with certain revisions, its share-based compensation plan (hereafter, “the Plan”), which was introduced in fiscal 2018 and partially revised in fiscal 2024, as an incentive plan for the Company’s directors (excluding outside directors, non-executive directors, directors who are members of the Audit and Supervisory Committee, and non-residents of Japan; hereafter, the “Company’s Directors”) and executive officers (excluding non-residents of Japan; hereafter, the “Company’s Executive Officers”) (hereafter, collectively referred to as the “Company’s Directors, etc.”) as well as the directors of the three core operating companies of the Cosmo Energy Group (Cosmo Oil Co., Ltd., Cosmo Oil Marketing Co., Ltd., and Cosmo Energy Exploration & Production Co., Ltd.; hereafter, the “Eligible Business Companies”) (excluding outside directors and non-residents of Japan; hereafter, the “Directors of Eligible Business Companies”).

In connection with this resolution, the Company has resolved to submit a proposal concerning the Plan at the 11th Ordinary General Meeting of Shareholders, scheduled to be held on June 25, 2026, and hereby announces as follows. Details such as the aggregate cost of shares to be acquired under the Plan will be announced once determined.

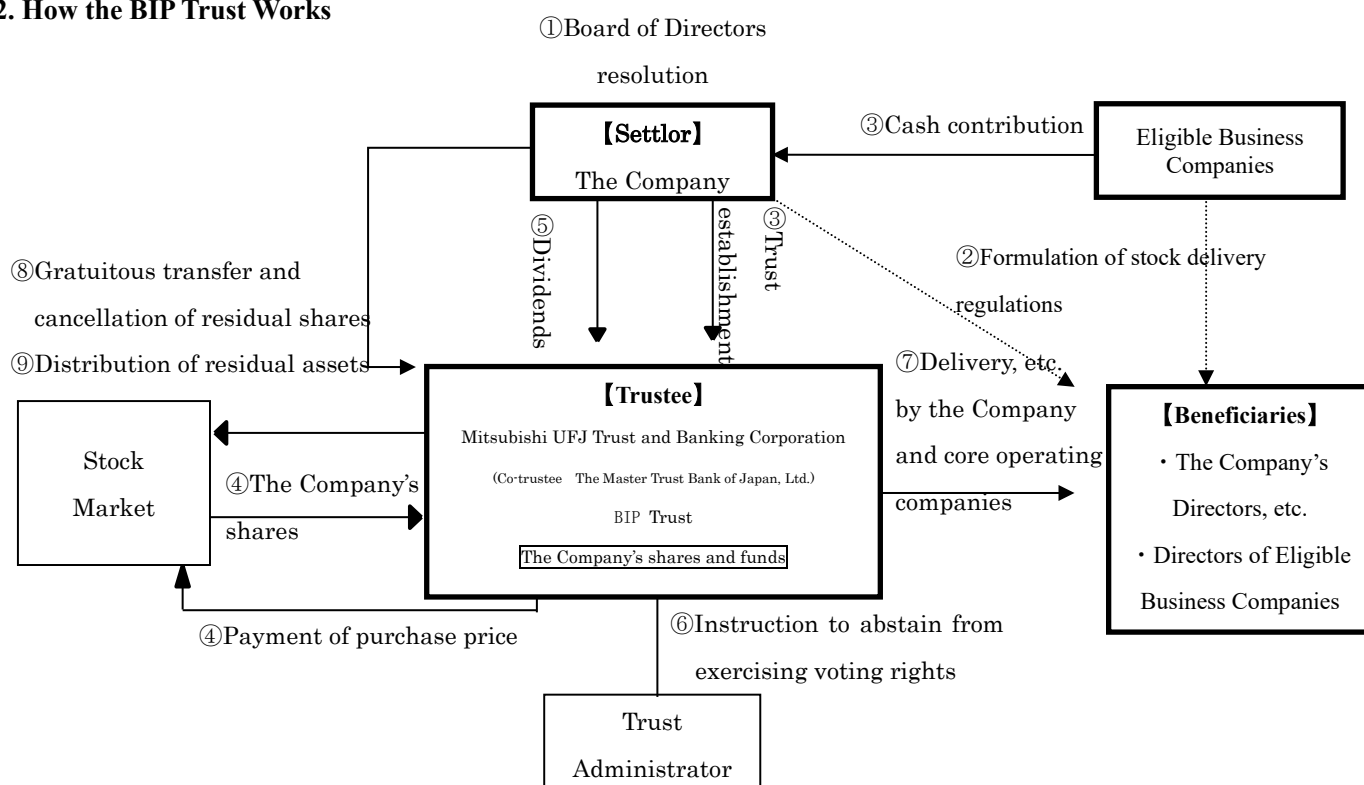
1. Overview of the Plan

- (1) The Cosmo Energy Group introduced the Plan in fiscal 2018, partially revised it in fiscal 2024, and will continue it with certain revisions from fiscal 2026 onwards to function as a system that encourages the Company’s Directors, etc., and the Directors of Eligible Business Companies to work together toward achieving the financial and non-financial targets outlined in its corporate strategy, and to steadily deepen

sustainable shared interests with its shareholders, thereby enhancing enterprise value over the long term.

(2) The Plan adopts a framework known as the Board Incentive Plan (BIP) trust (hereafter, “the BIP Trust”). The BIP Trust is an executive incentive plan similar to performance share plans and restricted stock compensation plans in the United States. The Company shall deliver or pay to the Company’s Directors, etc., and the Directors of Eligible Business Companies the Company’s shares acquired through the BIP Trust and cash equivalent to the proceeds from the sales of the Company’s shares (hereafter collectively, the “Company’s Shares, etc.”), in accordance with the degree of achievement of performance targets and other factors (such delivery or payment hereafter referred to as the “Delivery, etc.”).

2. How the BIP Trust Works



1. Pursuant to the Plan, the Company shall resolve to continue the Plan and its content for fiscal 2026 at a meeting of the Board of Directors.
2. The Company and the Eligible Business Companies have already established stock delivery regulations related to executive remuneration at a meeting of the Board of Directors regarding the continuation of the Plan.
3. The Eligible Business Companies shall each contribute funds to the Company within the scope approved at their respective General Meeting of Shareholders (hereafter, “their respective Shareholders’ Meetings”) as necessary. The Company shall, as necessary, establish a trust (hereafter, “the Trust”) with Mitsubishi UFJ Trust and Banking Corporation as the trustee, by combining the funds contributed by the Eligible Business Companies with funds within the scope approved at the 9th Ordinary General Meeting of Shareholders held on June 20, 2024 (hereafter, “the 9th Shareholders’ Meeting”). The beneficiaries of the Trust shall be the Company’s Directors, etc., and the Directors of Eligible Business Companies who satisfy the beneficiary requirements.
4. The trustee shall acquire the Company’s shares from the stock market using the funds contributed in 3. above, in accordance with the instructions of the trust administrator. The Company’s shares held in the Trust will be managed separately according to the amount contributed by the Company and the Eligible Business Companies.
5. Dividends shall be paid on the Company’s shares held in the Trust, in the same manner as the Company’s other shares.
6. Voting rights attached to the Company’s shares held in the Trust shall not be exercised throughout the trust period.
7. During the trust period, beneficiaries shall receive the Company’s shares, in accordance with stock delivery regulations established by the Company and the Eligible Business Companies. (Beneficiaries may also receive cash upon the sale of the Company’s shares held in the Trust, in accordance with the

provisions of the trust agreement).

8. In cases where residual shares remain at the end of the trust period due to factors such as failure to achieve performance targets within the trust period, the Company plans to continue using the Trust by amending the trust agreement and, if necessary, contributing additional funds to the Trust. Alternatively, such residual shares shall be transferred to the Company without consideration and cancelled pursuant to a resolution of the Board of Directors.
9. Upon termination of the Trust, any residual assets after distribution to beneficiaries will revert to the Company within the scope of the trust expense reserve, which consists of the trust funds less stock acquisition funds. Furthermore, any portion exceeding the trust expense reserve shall be donated to organizations with no vested interest in the Company, the Eligible Business Companies, and their executives.

Note: During the trust period, if there is a possibility that the number of shares held in the Trust will be insufficient to cover the number of shares corresponding to the points to be granted to the Company's Directors, etc., and the Directors of Eligible Business Companies during the trust period, or if there is a possibility that the cash held as a trust asset will be insufficient to pay trust fees and expenses, the Company and the Eligible Business Companies may, within the scope approved by resolutions at their respective Shareholders' Meetings, make additional monetary contributions to the Trust.

3. Overview of the Plan and its Contents

(1) Overview of the Plan and its Contents

The incentive plan to be continued in fiscal 2026 (hereafter, “the Plan”) covers the three consecutive fiscal years from fiscal 2026 to fiscal 2028 (hereafter, the “Applicable Period”) and delivers a certain number of the Company’s Shares, etc., as executive remuneration. If the Trust is continued as described in (3) below, each subsequent three fiscal years shall also be considered as the Applicable Period.

(2) Eligible Persons (Beneficiary Requirements)

The Company’s Directors, etc., and the Directors of Eligible Business Companies (including former directors, hereafter, “Eligible Persons”) can be granted the Company’s Shares, etc., from the Trust according to the number of stock delivery points specified in (4) below, subject to satisfying the following beneficiary requirements at a certain time after the eligible period and after completing the prescribed procedures for qualifying as a beneficiary.

The beneficiary requirements are as follows:

1. Serving as a Director of the Company as of July 1, 2026, or as an Executive Officer of the Company or a Director of an Eligible Business Company as of April 1, 2026
2. Has not resigned due to personal reasons (except in cases recognized as unavoidable by the Nomination and Remuneration Committee; the same applies hereafter), been dismissed, or committed certain acts of misconduct
3. Satisfies other requirements deemed necessary to fulfill the purpose of the share-based compensation plan

(3) Extended Trust Period

The extended trust period shall be approximately three years from September 2026 (per current plan) to the end of August 2029 (per current plan). At the end of the trust period, the Trust may be continued by amending the trust agreement and, if necessary, making additional contributions to the Trust.

In such cases, the trust period may be extended for another three years, and for each extended trust period, the Eligible Business Companies shall additionally contribute to the Company funds to serve as the source of remuneration for Directors of Eligible Business Companies, within the maximum amount of trust funds approved by a resolution at their respective Shareholders’ Meetings. The Company shall contribute to the Trust, in addition to the funds contributed by the Eligible Business Companies, funds to serve as the source of remuneration for the Company’s Directors, etc., within the maximum amount of trust funds approved at the Company’s 9th Shareholders’ Meeting, and shall continue to grant points to the eligible Directors, etc., during the extended trust period.

Provided, however, that if there are any of Company’s shares and cash remaining as trust assets at the end of the trust period prior to any extension (hereafter, the “Residual Shares, etc.”), the aggregate cost of the Residual Shares, etc., and any additional trust contributions shall, for each account corresponding to the Company and each of the Eligible Business Companies, not exceed the maximum amount of trust funds approved by a resolution at their respective Shareholders’ Meetings. The trust period may be extended more than once, and the Trust may be renewed in the same manner thereafter.

(4) The Company's Shares, etc., Delivered to Eligible Persons

On July 1, 2026, Eligible Persons will be granted basic points determined according to their respective positions, which will be divided into the “performance-linked portion” and the “non-performance-linked portion.”

Persons who satisfy the beneficiary requirements at a certain time after the Applicable Period shall have the respective basic points for the “performance-linked portion” and the “non-performance-linked portion” converted into stock delivery points in accordance with the calculation methods set forth below, and the Company's Shares, etc., shall be delivered or paid in accordance with the total number of such stock delivery points.

The “performance-linked portion” shall be converted into stock delivery points by multiplying the basic points by a coefficient based on the length of service during the Applicable Period and a performance-linked coefficient corresponding to the degree of achievement of performance targets during the Applicable Period. The performance-linked coefficient shall vary from 0% to 200% depending on the degree of achievement of performance targets.

The “non-performance-linked portion” shall be converted into stock delivery points after the end of the Applicable Period by multiplying it by a coefficient corresponding to the length of service during the Applicable Period.

However, if an Eligible Person passes away or becomes a non-resident of Japan during the trust period, the basic points shall be converted into stock delivery points promptly in accordance with the predetermined calculation method. This will take into account the length of service during the Applicable Period and, in the case of death or a determination that the person will become a non-resident of Japan, the degree of achievement of the most recent performance targets and other factors.

One point shall correspond to one Company share. However, in the event of a stock split, reverse stock split, or similar event involving the Company's shares during the trust period, the number of shares per point (including the number of shares subject to cash conversion) shall be adjusted in accordance with the applicable stock split or consolidation ratio.

(5) Method and Timing of Delivery of the Company's Shares, etc., to the Company's Directors, etc., and the Directors of Eligible Business Companies

Eligible Persons who satisfy the beneficiary requirements shall, after the end of the Applicable Period and by completing the prescribed procedures for qualifying as a beneficiary, receive from the Trust the Company's shares corresponding to 50% of the stock delivery points (with any fractional shares rounded down). With respect to the Company's shares corresponding to the remaining stock delivery points, such shares shall be sold within the Trust, and the Eligible Persons shall receive from the Trust a cash payment equivalent to the proceeds from such sale.

In addition, if it is determined during the trust period that an Eligible Person who satisfies the beneficiary

requirements will become a non-resident of Japan, said Eligible Person shall, by completing the prescribed procedures for qualifying as a beneficiary, have the Company's shares corresponding to the stock delivery points calculated after such determination sold within the Trust, and shall receive from the Trust a cash payment equivalent to the proceeds from such sale.

When an Eligible Person who satisfies the beneficiary requirements passes away during the trust period, the heir(s) of said Eligible Person shall, by completing the prescribed procedures for qualifying as a beneficiary, receive from the Trust a cash payment equivalent to the proceeds from the sale within the Trust of the Company's shares corresponding to the stock delivery points calculated after said Eligible Person's passing.

(6) Method of Acquiring the Company's Shares by the Trust

The Trust shall acquire the Company's shares from the stock market within the scope of the stock acquisition funds and the total number of stock delivery points approved at the 9th Shareholders' Meeting or the respective Shareholders' Meetings of the Eligible Business Companies.

(7) Exercising of Voting Rights Attached to the Company's Shares Held in the Trust

To ensure neutrality in management, voting rights attached to the Company's shares held in the Trust (i.e., shares not yet delivered to the Company's Directors, etc., and the Directors of Eligible Business Companies as described in (4) and (5) above) shall not be exercised during the trust period.

(8) Treatment of Dividends on the Company's Shares Held in the Trust

Dividends on the Company's shares held in the Trust shall be received by the Trust and used to cover trust fees and expenses.

(9) Treatment upon Expiration of the Trust Period

In cases where residual shares remain at the end of the trust period due to factors such as failure to achieve performance targets during the Applicable Period (excluding the Company's Shares, etc., scheduled for Delivery, etc., after retirement to Eligible Persons who have not yet retired as of the end of the trust period but may satisfy the beneficiary requirements thereafter), the Trust may continue to be used as the Plan or a similar incentive plan by amending the trust agreement and making additional contributions to the Trust. If the Trust is terminated at the end of the trust period, the Company shall receive such residual shares from the Trust without consideration and cancel them as a shareholder return measure by a resolution of the Board of Directors.

Additionally, any remaining dividends on the Company's shares held in the Trust at the end of the trust period shall be used as stock acquisition funds if the Trust is continued, but if the Trust is terminated, any portion exceeding the trust expense reserve shall be donated to organizations with no vested interest in the Company, the Eligible Business Companies, and their executives.

(Reference)

Overview of the Trust Agreement

1. **Type of Trust:** Money trust other than a specified individually managed money trust (third-party beneficiary trust)
2. **Purpose of the Trust:** To provide incentives to the Company's Directors, etc., and the Directors of Eligible Business Companies
3. **Settlor:** The Company
4. **Trustee:** Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
5. **Beneficiaries:** The Company's Directors, etc., and the Directors of Eligible Business Companies who satisfy the beneficiary requirements
6. **Trust Administrator:** A third party with no vested interest in the Company and the Eligible Business Companies (Certified Public Accountant)
7. **Trust Agreement Date:** August 7, 2026 (per current plan)
8. **Trust Period:** September 1, 2026, to August 31, 2029 (per current plan)
9. **Exercising of Voting Rights:** Not to be exercised
10. **Type of Shares Acquired:** Common shares of the Company
11. **Amount of Additional Trust Funds:** To be determined (to be disclosed once determined)
12. **Timing of Share Acquisition:** To be determined (to be disclosed once determined)
13. **Method of Share Acquisition:** To be determined (to be disclosed once determined)
14. **Residual Beneficiary:** The Company
15. **Residual Assets:** The residual assets that the Company, as the residual beneficiary, can receive shall be within the scope of the trust expense reserve, which consists of trust funds less stock acquisition funds.

(End)