Please note that the following is an unofficial English translation of Japanese original text of the Notice of Convocation of the 9th Ordinary General Meeting of Shareholders of COSMO ENERGY HOLDINGS COMPANY, LIMITED. The Company provides this translation for reference and convenience purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

COSMO ENERGY HOLDINGS COMPANY, LIMITED

NOTICE OF CONVOCATION OF THE 9th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Date and Time: **10:00 a.m., Thursday, June 20, 2024**
Reception begins at 9:00 a.m.

Place: **"Willard" 5F, INTERCONTINENTAL TOKYO BAY,**
1-16-2, Kaigan, Minato-ku, Tokyo, Japan

Proposals to be Resolved:

- **Proposal No. 1: Appropriation of Surplus**
- **Proposal No. 2: Partial Amendments to the Articles of Incorporation**
- **Proposal No. 3: Election of Eight (8) Directors (excluding those who are Members of the Supervisory Committee)**
- **Proposal No. 4: Election of Two (2) Directors who are Members of the Supervisory Committee**
- **Proposal No. 5: Election of One (1) Substitute Director who is a Member of the Supervisory Committee**
- **Proposal No. 6: Determination of Amounts of Remuneration, etc. for Directors (excluding those who are Members of the Supervisory Committee)**
- **Proposal No. 7: Determination of Amounts of Remuneration, etc. for Directors who are Members of the Supervisory Committee**
- **Proposal No. 8: Determination of the Compensation Framework Concerning the Performance-linked Share-based Compensation for Directors, etc.**

Deadline for exercise of voting rights via the Internet and in writing (postal mail):
5:30 p.m., Wednesday, June 19, 2024

To Shareholders

I would like to express my sincere gratitude for your continued patronage and support for COSMO ENERGY HOLDINGS COMPANY, LIMITED.

We are pleased to hereby bring you this notice of our 9th Ordinary General Meeting of Shareholders to be held on Thursday, June 20, 2024.

In FY2023, the first year of the 7th Consolidated Medium-Term Management Plan with the slogan "Oil & New ~Next Stage~," the Group made a concerted effort to steadily execute its business strategy for the future in view of the operating conditions over the long term.

We look forward to the continued support and guidance of our shareholders as we aim to enhance medium-to-long-term corporate value and achieve sustainable growth.

May 2024
Shigeru Yamada, President, Representative Director

Cosmo Energy Group Vision

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

Basic Concepts of Sustainability

Harmony and Symbiosis	Creating Future Values
■ **Harmony and Symbiosis with the Global Environment**	■ **Creating the Value of "Customer First"**
■ **Harmony and Symbiosis between Energy and Society**	■ **Creating Value From the Diverse Ideas of the Individual**
■ **Harmony and Symbiosis between Companies and Society**	■ **Creating Value by Expressing Collective Wisdom**

Brand Statement

Filling Up Your Hearts, Too

Securities Code: 5021
May 29, 2024

To Shareholders with Voting Rights

Shigeru Yamada
President, Representative Director
COSMO ENERGY HOLDINGS COMPANY, LIMITED
1-1-1, Shibaura, Minato-ku, Tokyo

NOTICE OF CONVOCATION OF THE 9th ORDINARY GENERAL MEETING OF SHAREHOLDERS

We would like to inform you that we will hold the 9th Ordinary General Meeting of Shareholders of COSMO ENERGY HOLDINGS COMPANY, LIMITED (the "Company"). The Meeting will be held as described below.

The General Meeting of Shareholders will be streamed live so that shareholders can watch the meeting from their own homes. When convening the General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (matters for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Internet website of the Company. Please access the website by using the Internet address shown below to review the information.

The Company's website
https://ceh.cosmo-oil.co.jp/ir/meeting/index.html (in Japanese)

In addition to posting matters subject to measures for electronic provision on the Company's website, the Company also posts this information on the website of Tokyo Stock Exchange (TSE) shown below.

TSE website (Listed Company Search)
https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese)

(Access the TSE website by using the Internet address shown above, enter "COSMO ENERGY HOLDINGS COMPANY, LIMITED" in "Issue name (company name)" or the Company's securities code "5021" in "Code," and click "Search." Then, click "Basic information" and select "Documents for public inspection/PR information." Under "Filed information available for public inspection," click "Click here for access" under "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].")

If you do not attend the meeting in person, you may exercise your voting rights via the Internet or in writing (postal mail). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:30 p.m., Wednesday, June 19, 2024.

1. **Date and Time:** **10:00 a.m., Thursday, June 20, 2024**
   Reception begins at 9:00 a.m.
2. **Place:** **"Willard" 5F, INTERCONTINENTAL TOKYO BAY,**
   1-16-2, Kaigan, Minato-ku, Tokyo, Japan
3. **Agenda of the Meeting:**

Matters to be Reported:
(1) The Business Report and the Consolidated Financial Statements, and Audit Reports of the Accounting Auditor and the Supervisory Committee for the Consolidated Financial Statements for the 9th Business Year (from April 1, 2023 to March 31, 2024)
(2) The Financial Statements for the 9th Business Year (from April 1, 2023 to March 31, 2024)

Proposals to be Resolved:
Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Election of Eight (8) Directors (excluding those who are Members of the Supervisory Committee)
Proposal No. 4: Election of Two (2) Directors who are Members of the Supervisory Committee
Proposal No. 5: Election of One (1) Substitute Director who is a Member of the Supervisory Committee
Proposal No. 6: Determination of Amounts of Remuneration, etc. for Directors (excluding those who are Members of the Supervisory Committee)
Proposal No. 7: Determination of Amounts of Remuneration, etc. for Directors who are Members of the Supervisory Committee
Proposal No. 8: Determination of the Compensation Framework Concerning the Performance-linked Share-based Compensation for Directors, etc.

- Should any modification to the matters subject to measures for electronic provision occur, a notice of the modification and the matter content before and after the modification will be posted on the aforementioned Internet website of the Company and the TSE website.

Instructions for Exercising Your Voting Rights

The right to vote at the General Meeting of Shareholders is an important right of all shareholders. Please review the accompanying Reference Documents for the General Meeting of Shareholders before exercising your voting rights.

There are three methods for voting at the General Meeting of Shareholders.

1. Voting by Attendance at the General Meeting of Shareholders

Please bring the enclosed Voting Rights Exercise Form and submit it to the reception desk on the day of the meeting. If you delegate a proxy to exercise your voting rights, such proxy must be another shareholder of the Company entitled to vote. If you expect to vote by proxy, please make a document evidencing his/her power of attorney presented to a receptionist at the place of the meeting. You are allowed to delegate only one (1) person as proxy.

Date and time of the General Meeting: 10:00 a.m., Thursday, June 20, 2024

2. Exercising Your Voting Rights by Post

Please review the accompanying Reference Documents for the General Meeting of Shareholders, indicate your approval or disapproval of the proposals in the enclosed Voting Rights Exercise Form, and post it without affixing postage stamps.

*Please refer to the following for details on how to fill out the Voting Rights Exercise Form.

Votes must be completed by: 5:30 p.m., Wednesday, June 19, 2024

3. Exercising Your Voting Rights via the Internet

Please exercise your voting rights by accessing the Company designated website (https://www.web54.net).

*Please see page 5 for details.

Votes must be completed by: No later than 5:30 p.m., Wednesday, June 19, 2024

How to fill out the Voting Rights Exercise Form

Please input "Approve" or "Disapprove" here for each of the proposals.

Proposals No. 1, No. 2, No. 5, No. 6, No. 7 and No. 8

Approval: Mark ○ in the box labelled "賛"

Against the proposal: Mark ○ in the box labelled "否"

Proposal No. 3 and No. 4

Approval of all candidates: Mark ○ in the box labelled "賛"

Opposed to all candidates: Mark ○ in the box labelled "否"

Opposed to certain candidates: Mark ○ in the box labelled "賛" and indicate the number of each candidate you disapprove of.

*In the case that multiple votes are received via the Internet, the last vote shall be deemed valid.

*If you exercise your voting rights both via the Internet, and in writing (Voting Rights Exercise Form), the vote that reaches us last shall be deemed valid.

*If you neglect to indicate your approval or disapproval for any proposal in writing (Voting Rights Exercise Form), your vote will be assumed to be "賛" (approval) and counted accordingly.

Exercising Your Voting Rights via the Internet

Deadline for exercise of voting rights via the Internet　No later than 5:30 p.m., Wednesday, June 19, 2024

Exercising Your Voting Rights via Smartphone, etc.

1. Please scan the QR Code® printed on the Voting Rights Exercise Form. QR Code is a registered trademark of DENSO WAVE INCORPORATED.
2. Then tap the "Go to Exercise Voting Rights" button on the Shareholders' Meeting Portal® home screen.
3. The Smart Exercise® home screen will be displayed. Then, please indicate your approval or disapproval for each proposal according to the instructions on the screen.

Exercising Your Voting Rights via PC, etc.

Please access the following URL after entering the login ID and password indicated on the Voting Rights Exercise Form. After logging in, please indicate your approval or disapproval for each proposal according to the instructions on the screen.

URL for the Shareholders' Meeting Portal　▶ https://www.soukai-portal.net (in Japanese)

You can continue to use the website for exercising voting rights.　▶ https://www.web54.net (in Japanese)

Important notes

- If you wish to change your vote after exercising your voting rights once, you must enter the "Voting Right Exercise Code" and "Password" indicated on the Voting Rights Exercise Form.
- If you exercise your voting rights more than once, the last exercise received by the Company will be treated as the valid exercise of your voting rights. If your vote via the Internet and your vote by post arrive on the same day, the vote via the Internet will be treated as the valid exercise of your voting rights.
- Please note that the system will be unavailable from midnight to 5:00 a.m. on the first Monday of January, April, July, and October due to maintenance.

Contact for inquires:

The Sumitomo Mitsui Trust Bank, Limited, Securities Agent Web Support Hotline
Phone: 0120 (652) 031
(9:00 to 21:00)

Please also see the Q&A section.

Institutional investors may exercise their voting rights using the Voting Rights Electronic Exercise Platform for institutional investors operated by ICJ, Inc.

Information on Live Stream of the General Meeting of Shareholders

In order to enable shareholders who will not be able to attend the General Meeting of Shareholders on the day of the meeting to view the meeting, a live webcast via the Internet of the meeting will be made available to shareholders as follows.

Voting rights cannot be exercised during the live webcast via the Internet.

Please exercise your voting rights in advance via the Internet or in writing (by post). Questions and motions will not be allowed during the live webcast.

Live Stream date / time	**Thursday, June 20, 2024, starting at 10:00 a.m.** (Access is available from 9:30 a.m. on the day of the event.)
How to watch	Please access the following URL or QR code from your PC or smartphone, etc. and log in. https://v.sokai.jp/5021/2024/cosmo09/ * QR Code is a registered trademark of DENSO WAVE INCORPORATED.
ID and password for viewing	In order to view the Meeting, you will need to enter your ID (shareholder number) and password (postal code). The shareholder number and postal code are shown on the enclosed Voting Rights Exercise Form.

About your ID (shareholder number)

Please enter the 9-digit number shown on the enclosed Voting Rights Exercise Form using half-width alphanumeric characters.

About your password (postal code)

Please enter the 7-digit number, using half-width alphanumeric characters, excluding hyphen, of the postal code shown on the Voting Rights Exercise Form.

(Please be sure to have your shareholder number on hand before posting your Voting Rights Exercise Form.)

How to log in

1) Access the website from a PC, smartphone, or other device from the URL or QR code listed on page 6.
2) Enter your ID (shareholder number) and password (postal code) on the login screen, agree to the site terms and conditions, and click the login button.
3) When it becomes the start date/time (Thursday, June 20, 2024, 10:00 a.m.), please click the Live Viewing button, agree to the terms of use, and proceed to the viewing screen.

- Please note that there may be problems with the video and audio depending on the device used (model, performance, etc.) and the Internet connection environment (line conditions, connection speed, etc.).
  Also please note that telecommunication charges, etc. for viewing the live stream will be borne by each shareholder.
- Filming, video recording, audio recording, storage or secondary use of the webcast screen (publication on social media, etc.), as well as providing your login ID and password to a third party, are strictly prohibited.
- Please understand that although we will be filming from the rear of the venue, there may be unavoidable cases where shareholders in attendance are captured on camera.

[Inquiries about shareholder numbers and passwords]

Sumitomo Mitsui Trust Bank, Limited, Virtual Shareholders' Meeting Support Hotline

Phone: 0120 (782) 041

Service availability period: From Wednesday, May 29, 2024 to Thursday, June 20, 2024

Help desk hours: 9:00 a.m. to 5:00 p.m. (excluding weekends and holidays)

[Inquiries about how to view the live stream]

PRONEXUS Inc. Live Stream Call Center

Phone: 0120 (970) 835

Date and time: Thursday, June 20, 2024, from 9:00 a.m. on the day of the General Meeting of Shareholders until the end of the meeting.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company regards the distribution of profit to shareholders as an important issue. Our basic policy on dividends is provided on the following page (Reference).

In consideration of the Company's performance in this fiscal year and future business environment, the Company would like to set the term-end dividend as follows.

1. Type of dividends

Cash

2. Matter related to distribution of property dividends and the total amount

¥150 per share of common shares of the Company Total amount: ¥13,252,739,550

Because the Company paid an interim dividend of ¥150, an annual dividend for this fiscal year will be ¥300 per share.

3. Effective date of the appropriation of surplus

June 21, 2024

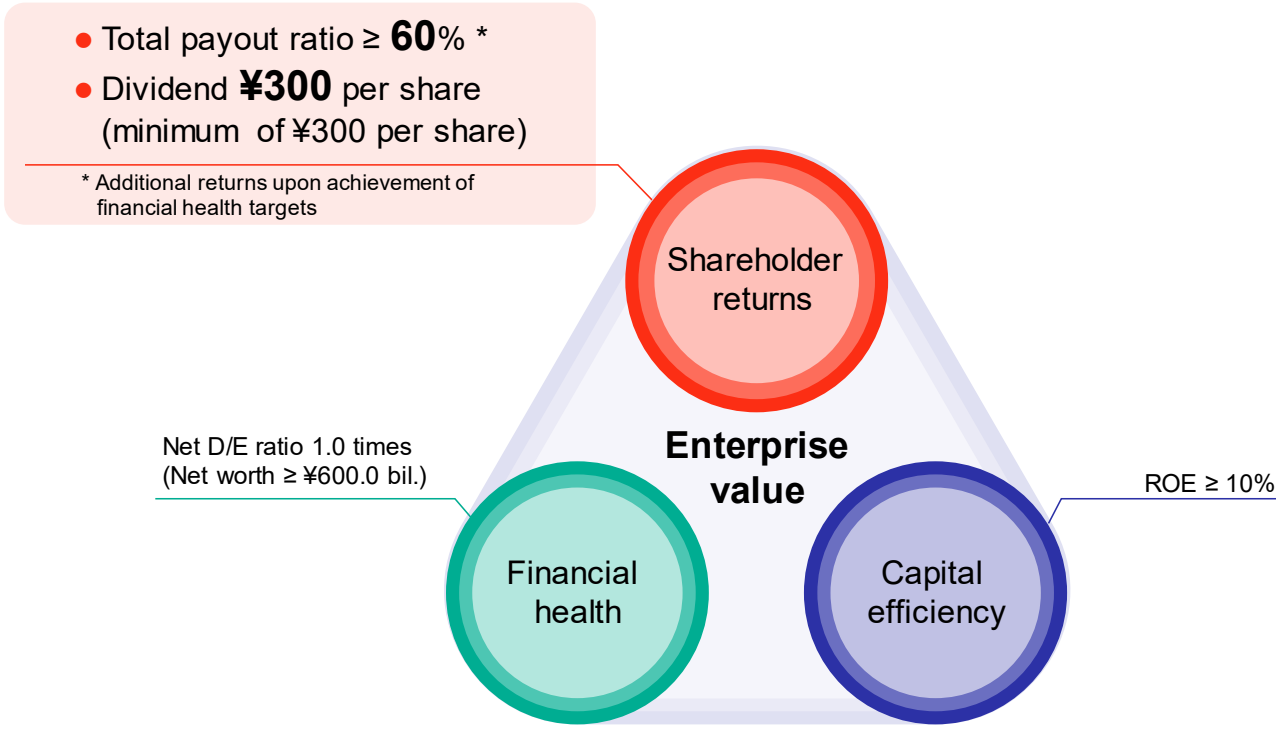
(Reference)

Basic policy on dividends

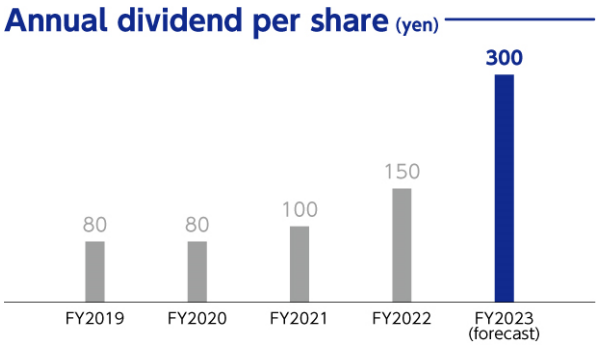
The Company regards the distribution of profits to shareholders as an important issue.

In the 7th Consolidated Medium-Term Management Plan, we will aim to maximize corporate value with a three-pronged approach that places equal emphasis on shareholder returns, financial health, and capital efficiency. In terms of our shareholder returns policy during the period of the 7th Consolidated Medium-Term Management Plan, we are committed to maximizing the expansion of shareholder returns as we realize our three-pronged capital policy. We have therefore set a total payout ratio of 60% or more of net profit (three-year cumulative; excluding the impact of inventory valuation) and will pay a stable dividend of at least ¥300 per share.

If we achieve our targets in terms of financial health, we will, in principle, provide additional returns. The timing of any additional returns will be decided during the three-year period of the plan.



	Management goals
Total payout ratio (excl. impact of inventory valuation)	≥60% (three-year cumulative)
Dividend	¥300 per share (minimum dividend of ¥300 per share)
Net D/E ratio	1.0 times (Net worth ≥ ¥600.0 bil.)
ROE	≥10%


Annual dividend per share (yen)
80
80
100
150
300
FY2019
FY2020
FY2021
FY2022
FY2023
(forecast)

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reason for the proposal

(1) In keeping with the current situation of our businesses and to clarify the nature of our business operations, as well as to respond to the diversification of our business lines, a new paragraph shall be added to Article 2 (Purpose) of the current Articles of Incorporation.

(2) In order to improve the Group's management efficiency and accommodate new working styles, the decision was made to relocate the Company's head office. Accordingly, the location of the head office stipulated in Article 3 of the current Articles of Incorporation shall be changed to Chuo-ku, Tokyo, Japan (currently Minato-ku). The change in head office location stipulated in Article 3 of the current Articles of Incorporation shall take effect on a date decided at a meeting of the Board of Directors to be held before the 10th Ordinary General Meeting of Shareholders scheduled to be held in 2025 and a supplementary provision to that effect will be established and then removed after the effective date has passed.

(3) In order to facilitate the flexible administration of the Board of Directors in line with the Company's management structure, some necessary changes shall be made to Article 23 (Board of Directors) of the current Articles of Incorporation.

2. Details of the proposed amendments

Details of the proposed amendments are as follows.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
Article 2. Purpose The Company's purpose shall be managing the businesses of companies whose purposes are to engage in the following business activities by owning shares or equity interests in such companies, as well as engaging in other associated activities: (1) – (2) (Omitted) (3) Development, mining, manufacture, processing, storage, purchase and sale, and export and import of coal, natural gas, and other alternative energy sources to petroleum; (4) – (15) (Omitted) (New) (16) – (24) (Omitted)	Article 2. Purpose The Company's purpose shall be managing the businesses of companies whose purposes are to engage in the following business activities by owning shares or equity interests in such companies, as well as engaging in other associated activities: (1) – (2) (Unchanged) (3) Development, mining, manufacture, processing, storage, purchase and sale, and export and import of coal, natural gas, and other alternative energy sources to petroleum, including renewable energy, as well as mineral resources and their by-products; (4) – (15) (Unchanged) (16) Development, manufacture, and sale of power generation equipment, storage battery equipment, and other energy-related equipment (17) – (25) (Unchanged)
Article 3. Head office Location The head office of the Company shall be located in Minato-ku, Tokyo, Japan.	Article 3. Head office Location The head office of the Company shall be located in Chuo-ku, Tokyo, Japan.
Article 23. Board of Directors 1. The Board of Directors shall determine matters prescribed by law and regulations and Articles of Incorporation, as well as matters relating to the execution of important operations of the Company. 2. Unless otherwise stipulated by law and regulations, the Chairperson of the Board of Directors shall call the meetings of the Board of Directors and assume the role of chairperson in presiding over such meetings.	Article 23. Board of Directors 1. The Board of Directors shall determine matters prescribed by law and regulations and Articles of Incorporation, as well as matters relating to the execution of important operations of the Company. 2. Unless otherwise stipulated by law and regulations, a Director previously determined at a meeting of the Board of Directors shall call the meetings of the Board of Directors and assume the role of chairperson in presiding over such meetings.

Current Articles of Incorporation	Proposed Amendments
3. If there is currently no Chairperson of the Board of Directors or if circumstances prevent the Chairperson of the Board of Directors from chairing a meeting, the Director and President shall assume the role of chairperson. If there is currently no Director and President or if circumstances prevent the Director and President from chairing a meeting, another Director shall stand in as chairperson according to the order of responsibility previously determined by the Board of Directors.	3. If circumstances prevent the Director appointed in accordance with the previous paragraph from chairing a meeting, another Director shall stand in as chairperson according to the order of responsibility previously determined by the Board of Directors.
(New)	Supplementary Provisions
(New)	Article 1. Effective Date The change in head office location stipulated in Article 3 shall take effect on a date decided at a meeting of the Board of Directors to be held before the 10th Ordinary General Meeting of Shareholders scheduled to be held in 2025. This supplementary provision shall be removed after the effective date of the head office location has passed.

Proposal No. 3: Election of Eight (8) Directors (excluding those who are Members of the Supervisory Committee)

The terms of office of all six (6) Directors (excluding those who are Members of the Supervisory Committee; the same applies hereafter in this proposal) will expire at the close of this General Meeting of Shareholders. Therefore, it is proposed that eight (8) Directors be elected, increasing the number of Directors by two (2) in order to enhance the management system.

This proposal was passed through the deliberation process of the Nomination and Remuneration Committee, which includes four (4) Independent Outside Directors, and was decided on by the Board of Directors. The Company has received a report from the Supervisory Committee stating that the candidates and the procedure for the election were appropriate.

The candidates for Directors are as follows.

Candidate No.	Name	Current Status and Assignment at the Company			
1	Hiroshi Kiriyama	Chairperson, Representative Director	Reelection		
2	Shigeru Yamada	President, Representative Director, Chief Executive Officer	Reelection		
3	Junko Takeda	Director, Senior Executive Officer Responsible for Human Resource Dept., Business Portfolio Management Dept., Sustainability Initiative Dept.	Reelection		
4	Taisuke Matsuoka	Senior Executive Officer Responsible for Corporate Planning Dept., Finance Dept., Power Business Management Dept., New Energy Business Management Dept.	New election		
5	Shigeki Iwane		New election	(Non-executive)	
6	Ryuko Inoue	Outside Director	Reelection	Outside	Independent
7	Takuya Kurita	Outside Director	Reelection	Outside	Independent
8	Takako Suzuki		New election	Outside	Independent

1	Hiroshi Kiriyama	Reelection	June 20, 1955

Career Summary and Status		Status of Significant Concurrent Position(s)
April 1979	Joined Daikyo Oil Co., Ltd.	None
June 2013	Director, Senior Executive Officer, COSMO OIL COMPANY, LIMITED	
October 2015	Director, Senior Managing Executive Officer of the Company	
June 2016	Representative Director, Executive Vice President	
June 2017	President, Representative Director, Chief Executive Officer	
April 2023	Chairperson, Representative Director (current position)	



Number of Shares of the Company Held: 63,171 shares

Record of attendance to Board of Directors Meetings: 14/14

Reasons for choosing the person as candidate	Hiroshi Kiriyama has been responsible for supply and demand, and corporate planning departments for a long time, and he has participated in the decision making of various alliances in Japan and overseas. Also, he possesses abundant knowledge and experience regarding overall corporate management. In addition, he managed 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 whilst maintaining a stable supply of fossil fuels, among other accomplishments. Since April 2023 he has served as Representative Director and Chairperson of Directors. In light of these achievements and leadership, the Company proposes Hiroshi Kiriyama maintain his position as Director.

2	Shigeru Yamada	Reelection	November 7, 1965

Career Summary and Status		Status of Significant Concurrent Position(s)
April 1988	Joined COSMO OIL COMPANY, LIMITED	None
June 2015	General Manager, Supply Dept.	
April 2018	Executive Officer, General Manager, Corporate Planning Dept. of the Company	
April 2020	Senior Executive Officer	
June 2020	Director, Senior Executive Officer	
April 2023	President, Representative Director, Chief Executive Officer (current position)	



Number of Shares of the Company Held: 18,600 shares

Record of attendance to Board of Directors Meetings: 14/14

Reasons for choosing the person as candidate	Shigeru Yamada has mainly worked in the departments of sales, supply and demand, and planning, and has a wide range of knowledge across the Group's entire business domain. In 2018, he was appointed Executive Officer, General Manager of Corporate Planning Dept. and in 2020, he was appointed Director, Senior Executive Officer. He has achieved solid results such as formulation of the 7th Consolidated Medium-Term Management Plan, promotion of group management, capital and business alliance related supervision, and proposals for new business projects. Since April 2023 he has led the Group and delivered results as President, Representative Director, and CEO. In light of these achievements, the Company proposes Shigeru Yamada maintain his position as Director.

3	Junko Takeda	Reelection	May 1, 1967

Career Summary and Status		Assignment at the Company
April 1990	Joined COSMO OIL COMPANY, LIMITED	Human Resource Dept. Business Portfolio Management Dept. Sustainability Initiative Dept.
October 2015	General Manager, Human Resource and General Affairs Dept.	
April 2017	General Manager, Planning & Management Dept.	**Status of Significant Concurrent Position(s)**
April 2019	Director, Executive Officer	None
April 2020	Executive Officer, General Manager, Human Resource Dept. of the Company	
April 2022	Senior Executive Officer	
June 2022	Director, Senior Executive Officer (current position)	



Number of Shares of the Company Held: 14,100 shares

Record of attendance to Board of Directors Meetings: 14/14

Reasons for choosing the person as candidate	Junko Takeda has worked in the departments of sales, planning, and human resources, and since 2019 supervised the refining business as Director, Executive Officer in charge of planning and human resources of COSMO OIL COMPANY, LIMITED, contributing to promotion in operation efficiency of the refining business and improvement in productivity. Since 2020, as Executive Officer and General Manager of Human Resource Dept. of the Company, she has shown steady achievements by promoting workstyle reform, diversity, and the Group's human resource policy. Since 2022, as Director and Senior Executive Officer, she has supervised the Human Resource Dept., Legal and General Affairs Dept., and Business Portfolio Management Dept., and achieved solid results such as formulation of the 7th Consolidated Medium-Term Management Plan, Human Rights Policy, and Human Resources Policy. Currently, she is steadily implementing the medium-term management plan across multiple departments. In light of these achievements, the Company proposes Junko Takeda maintain her position as Director.

4	Taisuke Matsuoka	New election	October 8, 1969

Career Summary and Status		Assignment at the Company
April 1993	Joined COSMO OIL COMPANY, LIMITED	Corporate Planning Dept. Finance Dept. Power Business Management Dept. New Energy Business Management Dept.
April 2018	General Manager, Supply Dept.	
April 2021	Director, Executive Officer	**Status of Significant Concurrent Position(s)**
April 2023	Senior Executive Officer of the Company (current position)	None



Number of Shares of the Company Held: 720 shares

Reasons for choosing the person as candidate	Taisuke Matsuoka has long worked in the sales, supply and demand, and planning departments, and has a wide range of knowledge of the Cosmo Group's entire business domain. Since 2018 he has contributed to the formulation of the Group's supply and demand policy and the optimal supply-demand balance as the General Manager of the Supply Dept. at COSMO OIL COMPANY, LIMITED. Since 2021 he has overseen the operations of this Group company and achieved results as Director and Executive Officer. Since 2023, as Senior Executive Officer of the Company, he has taken charge of the Corporate Planning Dept., the Power Business Management Dept., and the New Energy Business Management Dept., and in addition to carrying out the medium-term management plan, he has successfully reviewed further initiatives for decarbonization. In light of these achievements, the Company proposes his election as Director.

5	Shigeki Iwane	New election (Non-executive)	May 27, 1953



Number of Shares of the Company Held: 0 shares

Career Summary and Status		Status of Significant Concurrent Position(s)
April 1976	Joined The Kansai Electric Power Company, Incorporated	Senior Advisor, YUASA M&B, Co., Ltd. Advisor, Iwatani Corporation
June 2007	Executive Officer, General Manager, Planning Office	
June 2010	Managing Director	
April 2012	Representative Director, Vice President	
June 2013	Representative Director, Executive Vice President	
June 2016	Representative Director, President Outside Director, Mitsubishi Tanabe Pharma Corporation	
May 2019	Chairman, the Federation of Electric Power Companies of Japan	
June 2019	Outside Director, Television Osaka, Inc.	
June 2021	Senior Advisor, YUASA M&B, Co., Ltd. (current position)	
December 2023	Advisor, Iwatani Corporation (current position)	

Reasons for choosing the person as candidate	After joining The Kansai Electric Power Company, Incorporated in 1976, Shigeki Iwane was appointed Director and President of the aforementioned company in 2016. He has profound knowledge regarding the electric power market and system that he gained while serving as President at the aforementioned company, including responses to deregulation of the electric power retail market, and promotion of operational efficiency improvement, and it is believed that he can contribute to bolstering the green electric supply chain, which the Company aims for as part of its Medium-Term Management Plan. Outside the field of electric power as well, he has broad knowledge that is not confined to the industry to which the Company belongs based on his successful experience with diversified management, including the information and communications business, real estate business and gas business. The Company deems that he can use such knowledge to provide appropriate opinions on the Company's group management. Shigeki Iwane was recommended to the Company by Iwatani Corporation, and after deliberation at the Company's Board of Directors, the Company proposes his election as Director who does not execute business of the Company.

6	Ryuko Inoue	Reelection Outside Independent	January 8, 1957



Number of Shares of the Company Held: 200 shares

Record of attendance to Board of Directors Meetings: 14/14

Career Summary and Status		Status of Significant Concurrent Position(s)
April 1981	Joined Ministry of Agriculture, Forestry and Fisheries	Of Counsel, Atsumi & Sakai Outside Director, NS United Kaiun Kaisha, Ltd.
January 2003	Minister, Embassy of Japan in Italy (Permanent Representative of Japan to Food and Agriculture Organization of the United Nations • United Nations World Food Programme)	
April 2016	Deputy Director-General, Agriculture, Forestry and Fisheries Research Council, Ministry of Agriculture, Forestry and Fisheries	
July 2017	Resigned from Ministry of Agriculture, Forestry and Fisheries	
November 2017	Registered as an attorney at law Of Counsel, Atsumi & Sakai (current position)	
June 2019	Outside Director, NIPPON STEEL TRADING CORPORATION	
June 2021	Outside Director of the Company (current position)	
June 2023	Outside Director of NS United Kaiun Kaisha, Ltd. (current position)	

Reasons for choosing the person as candidate and the roles expected of her	After joining the Ministry of Agriculture, Forestry and Fisheries in 1981, Ryuko Inoue took the office of Permanent Representative of Japan to Food and Agriculture Organization of the United Nations • United Nations World Food Programme in 2003, contributing to the growth of the global economy. She is currently an attorney at law at Atsumi & Sakai, Outside Director at NS United Kaiun Kaisha, Ltd., and a member of the Central Labour Relations Commission. In addition to her experience at the Ministry of Agriculture, Forestry and Fisheries, as well as her extensive knowledge in her current roles as an attorney at law and as an outside director at other companies, she has endeavored to further improve the Company's succession planning and performance-linked executive remuneration as a member of the Nomination and Remuneration Committee. She was also active as a member of the Independent Committee in 2023. In light of these achievements, the Company proposes Ryuko Inoue maintain her position as Independent Outside Director.

7	Takuya Kurita	Reelection Outside Independent	August 31, 1961



Number of Shares of the Company Held: 200 shares

Record of attendance to Board of Directors Meetings: 14/14

Career Summary and Status		Status of Significant Concurrent Position(s)
April 1984	Joined Ministry of Construction (now Ministry of Land, Infrastructure, Transport and Tourism)	Corporate Advisor, Sumitomo Mitsui Trust Bank, Limited
September 2007	Counsellor, Cabinet Secretariat	
July 2009	Director, Urban Renewal Promotion Division, Ministry of Land, Infrastructure, Transport and Tourism (MLIT)	
July 2011	Counselor, the Headquarters for the Reconstruction from the Great East Japan Earthquake	
February 2012	Counselor, Reconstruction Agency	
August 2013	Director, Personnel Division, MLIT	
July 2015	Director-General, City Bureau	
July 2018	Director-General, Policy Bureau	
July 2020	Vice-Minister, Land, Infrastructure, Transport and Tourism	
July 2021	Resigned from Vice-Minister, Land, Infrastructure, Transport and Tourism	
October 2021	Corporate Advisor, Sumitomo Mitsui Trust Bank, Limited (current position)	
June 2022	Outside Director of the Company (current position)	

Reasons for choosing the person as candidate and the roles expected of him	Takuya Kurita joined the Ministry of Construction (now the Ministry of Land, Infrastructure, Transport and Tourism) 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. He was appointed as Counselor of the Headquarters for the Reconstruction from the Great East Japan Earthquake in 2011, where he directed reconstruction policies, and was appointed as Vice-Minister of the Ministry of Land, Infrastructure, Transport and Tourism in 2020. Since resigning from the post in MLIT in 2021, he has served as Corporate Advisor of Sumitomo Mitsui Trust Bank, Limited and also serves as Project Professor of The University of Tokyo. In addition to his experience working in that government ministry, as well as his wide-ranging knowledge as an advisor that extends beyond the industry to which the Company belongs, he has endeavored to further improve the Company's succession planning and performance-linked executive remuneration as a member of the Nomination and Remuneration Committee. He was also active as a member of the Independent Committee in 2023. In light of these achievements, the Company proposes Takuya Kurita maintain his position as Independent Outside Director.

8	Takako Suzuki	New election Outside Independent	March 5, 1962



Number of Shares of the Company Held: 0 shares

Career Summary and Status		Status of Significant Concurrent Position(s)
April 1984	Joined Nissan Motor Co., Ltd.	Chairman, S.T. CORPORATION Director, Shaldan Co., Ltd. Outside Director, TRUSCO Nakayama Corporation External Director, KING JIM CO., LTD.
August 2001	Joined LVJ Group Co., Ltd. (now Louis Vuitton Japan Co., Ltd.)	
April 2009	Representative Director, Shaldan Co., Ltd.	
January 2010	Joined S.T. CORPORATION	
April 2013	Director, President & CEO	
May 2013	Director, Shaldan Co., Ltd. (current position)	
March 2020	Outside Director, TRUSCO Nakayama Corporation (current position)	
June 2021	Chairman of the Board, President & CEO, S.T. CORPORATION	
September 2022	External Director, KING JIM CO., LTD. (current position)	
June 2023	Chairman, S.T. CORPORATION (current position)	

Reasons for choosing the person as candidate and the roles expected of her	Takako Suzuki joined Nissan Motor Co., Ltd. in 1984. In 2001, she engaged in public relations and marketing for products targeting women at multiple companies, including the Louis Vuitton Group, and then leveraged her insights in this field to establish a consulting firm specializing in design. In 2010, she joined S.T. CORPORATION where she produced many hit products as part of a design revolution and in 2013 was appointed President and CEO. In 2023, she assumed the position of Chairperson at S.T. CORPORATION, and along with her experience as Outside Director at TRUSCO Nakayama Corporation and External Director at KING JIM CO., LTD., the Company believes she can properly execute her duties by leveraging her wide-ranging knowledge that extends beyond the industry to which the Company belongs, and therefore proposes the election of Takako Suzuki as Independent Outside Director.

(Notes) 1. No special interests exist between the Company and any of the candidates.
2. Ryuko Inoue, Takuya Kurita and Takako Suzuki are the candidates for Outside Directors.
3. Ryuko Inoue is currently the Outside Director and the term of office of her will be three (3) years at conclusion of this Meeting.
4. Takuya Kurita is currently the Outside Director and the term of office of him will be two (2) years at conclusion of this Meeting.
5. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Ryuko Inoue and Takuya Kurita to limit the liability for damages under Article 423, paragraph 1 of the said act. The limitation of the liability for damages under the relevant agreements are the minimum liability amount set forth in Article 425, paragraph 1 of the Companies Act. In the event that the elections of Ryuko Inoue and Takuya Kurita are approved, the Company plans to renew these agreements with them. Also, in the event that the election of Shigeki Iwane and Takako Suzuki is approved, the Company plans to enter into the agreements for limitation of liability having the same details.
6. The Company has entered into indemnity agreements with all Directors that enable the Company to compensate Directors for expenses stipulated in item 1 and losses stipulated in item 2 of paragraph 1, Article 430-2 of the Companies Act, within the scope prescribed in laws and regulations. If this proposal is approved and adopted, the Company plans to renew the indemnity agreements with each reelected candidate above and also enter into new agreements having the same details with Shigeki Iwane and Takako Suzuki.
7. The Company has concluded a directors and officers liability insurance contract with an insurance company in accordance with Article 430-3, paragraph 1 of the Companies Act, and the details of such insurance contract are as

described on page 52. In the event that the elections of candidates for Directors (excluding those who are Members of the Supervisory Committee) are approved, they will be included as insured persons in the insurance contract. In addition, when such insurance contract is next reviewed, the Company plans to renew with the same details.

8. The Company has notified Ryuko Inoue and Takuya Kurita as Independent Directors to the Tokyo Stock Exchange. In the event that the elections of Ryuko Inoue and Takuya Kurita are approved, the Company plans to continue to notify them as Independent Directors. In addition, Takako Suzuki meets the Independent Director criteria established by the Tokyo Stock Exchange, and if her election is approved, the Company plans to provide notification thereof.

Proposal No. 4: Election of Two (2) Directors who are Members of the Supervisory Committee

The term of office of Toshiyuki Mizui, Director who is a Member of the Supervisory Committee, will expire at the close of this General Meeting of Shareholders. Accordingly, the Company would like to add another member to the Supervisory Committee in order to enhance the audit structure and elect two Directors who are Members of the Supervisory Committee.

The proposal at the Meeting had already been agreed upon by the Supervisory Committee.

The candidates for Directors who are Members of the Supervisory Committee are as follows.

1	**Takayuki Uematsu**	**New election**	December 13, 1962



Number of Shares of the Company Held: 29,400 shares

Record of attendance to Board of Directors Meetings: 14/14

Career Summary and Status		**Status of Significant Concurrent Position(s)**
November 1992	Joined COSMO OIL COMPANY, LIMITED	None
June 2015	General Manager, Finance Dept.	
October 2015	General Manager, Finance Dept. of the Company	
June 2016	Executive Officer, General Manager, Finance Dept.	
April 2018	Senior Executive Officer	
June 2018	Director, Senior Executive Officer	
June 2020	Representative Director, Senior Executive Officer	
April 2021	Representative Director, Senior Managing Executive Officer	
April 2024	Director (current position)	

Reasons for choosing the person as candidate	Takayuki Uematsu joined the Company after working at a foreign financial institution and since then has demonstrated his expertise by working almost exclusively in the finance division. He was appointed Director and Senior Executive Officer in 2018 and Representative Director and Senior Managing Executive Officer in 2021. Since 2022, he has supervised the Sustainability Initiative Dept., the Finance Dept., and the Accounting Dept., steadily implementing sustainable management and demonstrating leadership toward the achievement of net zero carbon emissions. In light of his wide-ranging knowledge of the Cosmo Group, the Company believes he will be able to supervise the Company's management appropriately as Director, Full-time Member of the Supervisory Committee. Accordingly, the Company proposes his election as Director who is a Member of the Supervisory Committee.

2	Toshihiro Kuriyama	New election Outside Independent	April 25, 1957



Number of Shares of the Company Held: 0 shares

Career Summary and Status		Status of Significant Concurrent Position(s)
April 1980	Joined ALPS ELECTRIC CO., LTD. (now ALPS ALPINE CO., LTD.)	Representative Director, Chairman, ALPS ALPINE CO., LTD.
June 2004	Director, General Manager, Magnetic Devices Division	
April 2007	Director, General Manager, Business Development Headquarters	
April 2009	Director, General Manager, Engineering Headquarters and Quality Management Executive	
June 2011	Managing Director	
June 2012	Representative Director, President	
January 2019	Representative Director, President	
June 2023	Representative Director, Chairman (current position)	

Reasons for choosing the person as candidate and the roles expected of him	Toshihiro Kuriyama joined ALPS ELECTRIC CO., LTD. (now ALPS ALPINE CO., LTD.) in 1980. After working as the General Manager of the Business Development Headquarters and the General Manager of the Engineering Headquarters, he was appointed President and Chairman of the Board of Directors in 2012. Alps Electric operates businesses extensively in Japan and overseas that are indispensable to the mobility industry, including the development and sale of automotive in-vehicle information equipment. As President, Toshihiro Kuriyama has led the company for the last 11 years. Not only has he expanded its business operations, but he established various systems required by the company, including a suitable governance framework and initiatives geared towards decarbonization. In 2023, he was appointed Representative Director and Chairman, and given all of his knowledge, the Company believes he will be able to supervise the Company's management. Accordingly, the Company proposes his election as Independent Director who is a Member of the Supervisory Committee.

(Notes) 1. No special interests exist between the Company and any of the candidates.
2. Toshihiro Kuriyama is the candidate for Outside Director.
3. If Toshihiro Kuriyama is elected, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company will enter into an agreement with him to limit the liability for damages under Article 423, paragraph 1 of the said act. The limitation of the liability for damages under the relevant agreement is the minimum liability amount set forth in Article 425, paragraph 1 of the Companies Act.
4. The Company has entered into indemnity agreements with all Directors that enable the Company to compensate Directors for expenses stipulated in item 1 and losses stipulated in item 2 of paragraph 1, Article 430-2 of the Companies Act, within the scope prescribed in laws and regulations. If this proposal is approved and adopted, the Company plans to renew the indemnity agreement with Takayuki Uematsu and also enter into a new agreement having the same details with Toshihiro Kuriyama.
5. The Company has concluded a directors and officers liability insurance contract with an insurance company in accordance with Article 430-3, paragraph 1 of the Companies Act, and the details of such insurance contract are as described on page 52. In the event that the elections of candidates for Director who are Members of the Supervisory Committee are approved, they will be included as insured persons in the insurance contract. In addition, when such insurance contract is next reviewed, the Company plans to renew with the same details.
6. In the event that the election of Toshihiro Kuriyama as Outside Director who is a Member of the Supervisory Committee of the Company is approved, the Company plans to notify him as Independent Director.

Proposal No. 5: Election of One (1) Substitute Director who is a Member of the Supervisory Committee

The effective term of Hideyuki Wakao's appointment as Substitute Director who is a Member of the Supervisory Committee expires at the opening of this General Meeting of Shareholders. Therefore, in order to prepare for cases where there is a vacancy which results in a shortfall in the number of Directors who are Members of the Supervisory Committee provided in laws and regulations, the Company requests the election of one (1) Substitute Director who is a Member of the Supervisory Committee in advance.

The Company requests the election of Hideyuki Wakao as a substitute for internal Director who is a Member of the Supervisory Committee.

A resolution for the election of Substitute Director who is a Member of the Supervisory Committee shall cease to be effective by the resolution of the Board of Directors with the consent of the Supervisory Committee, only before the Substitute Director who is a Member of the Supervisory Committee assumes office as Director who is a Member of the Supervisory Committee. The proposal at the Meeting had already been agreed upon by the Supervisory Committee.

The candidate for Substitute Director who is a Member of the Supervisory Committee is as follows.

Hideyuki Wakao		May 8, 1970	
Career Summary and Status		**Status of Significant Concurrent Position(s)**	Number of Shares of the Company Held: 524 shares
April 1993	Joined COSMO OIL COMPANY, LIMITED	None	
April 2018	General Manager, Accounting Dept. of the Company		
April 2021	General Manager, Internal Auditing Office		
April 2023	Executive Officer, General Manager, Internal Auditing Office (current position)		
Reasons for choosing the person as candidate	Since joining COSMO OIL COMPANY, LIMITED, Hideyuki Wakao has mostly worked in the Accounting Dept. As General Manager of Accounting Dept. from 2018, he has contributed to Group management by maintaining an appropriate and healthy relationship with the accounting auditor by harnessing his extensive knowledge and wealth of experience of accounting and finance. Since 2021, as General Manager of Internal Auditing Office, he has appropriately conducted examinations of financial and business conditions and contributed to the management of the company by improving the efficiency of operations and preventing malpractice. In light of these achievements, the Company proposes Hideyuki Wakao maintain his position as Substitute Director who is a Member of the Supervisory Committee.		

(Notes) 1. No special interests exist between the Company and Hideyuki Wakao.

2. The Company has entered into indemnity agreements with all Directors that enable the Company to compensate Directors for expenses stipulated in item 1 and losses stipulated in item 2 of paragraph 1, Article 430-2 of the Companies Act, within the scope prescribed in laws and regulations. In the event that the election of Hideyuki Wakao is approved and he assumes the office of Director who is a Member of the Supervisory Committee, a new indemnity agreement will be concluded with him.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company in accordance with Article 430-3, paragraph 1 of the Companies Act, and the details of such insurance contract are as described on page 52. In the event that the election of Hideyuki Wakao is approved and he assumes the office of Director who is a Member of the Supervisory Committee, he will be included as an insured person in the insurance contract. In addition, when such insurance contract is next reviewed, the Company plans to renew with the same details.

(Reference)

Transform management foundation

Transformational moment in strengthening the effectiveness of the Board of Directors

In light of our discussions with institutional investors, we have decided to increase the number of independent outside directors and the number of female directors.

We will continue our commitment to strengthening the effectiveness for the continuous improvement of the Group's corporate value.

		Director mix (people)	Women director composition (people)
FY2024 (Scheduled)	● **Number of independent outside directors increased** ● **Number of women directors increased**		
FY2022	● Appointed a woman executive officer as a director ● Number of independent outside directors increased ● Evaluation of ESG efforts introduced in annual incentive remuneration		
FY2021	● Number of independent outside directors increased ● Number of women directors increased		
FY2019	● TSR standard introduced for medium- to long-term incentive remuneration (2018) ● Appointed a woman director (Audit and Supervisory Committee Member)		
October, 2015	● Formed a holding company structure ● Shifted to company with an audit and supervisory committee structure ● Introduced a share-based compensation plan		

■ Independent outside directors ■ Men ■ Women

■[Reference] Skill matrix (scheduled)

Shown below are the experience, knowledge and expertise of the Directors and Executive Officers if Proposal No. 3 to Proposal No. 4 are approved as proposed.

	Experience, knowledge, and expertise etc. (areas in which the individual has a higher level of expertise are marked with ◎)									
	Corporate Management	Petroleum Business (Oil)	Other than Petroleum (New) (Renewable Energy/New Business)	Sustainability (ESG)/Risk Management	Human Resources/ Human Resource Development/ Diversity	DX/ Technology	PR/IR/Brand Marketing	Finance/ Accounting/ Taxation	Legal Affairs/ Compliance	Internationality
Directors										
Hiroshi Kiriyama (Representative Director)	◎	◎	○	○			○			
Shigeru Yamada (Representative Director)	◎	◎	○				○			
Junko Takeda (Director)		◎			◎				○	
Taisuke Matsuoka (Director)		◎	◎				○			
Shigeki Iwane (Director)	◎		◎							
Ryuko Inoue (Outside Director)				○	○				◎	○
Takuya Kurita (Outside Director)			◎		○	◎				
Takako Suzuki (Outside Director)	◎		○	○			◎			
Takayuki Uematsu (Director, Full-time Member of the Supervisory Committee)	◎			○			○	◎		
Yasuko Takayama (Outside Director, Member of the Supervisory Committee)				◎	○		○		○	
Keiichi Asai (Outside Director, Member of the Supervisory Committee)	◎	◎	○							○
Toshihiro Kuriyama (Outside Director, Member of the Supervisory Committee)	◎		○	○		◎				

	Experience, knowledge, and expertise etc. (areas in which the individual has a higher level of expertise are marked with ◎)									
	Corporate Management	Petroleum Business (Oil)	Other than Petroleum (New) (Renewable Energy/New Business)	Sustainability (ESG)/Risk Management	Human Resources/ Human Resource Development/ Diversity	DX/ Technology	PR/IR/Brand Marketing	Finance/ Accounting/ Taxation	Legal Affairs/ Compliance	Internationality
Executive Officers										
Noriko Rzonca (Senior Executive Officer)					○	◎	○			◎
Tomoki Iwai (Senior Executive Officer)		○						◎		
Yoshihiko Sato (Senior Executive Officer)		◎								○
Hideyuki Wakao (Executive Officer)		○						◎	○	
	7	8	8	6	5	3	7	3	4	4

Based on the 7th Consolidated Medium-Term Management Plan, the Company has defined the skills required for Directors and Executive Officers as follows.

By defining a skill 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 promote the 7th Consolidated Medium-Term Management Plan.

Skill	Definition of skill
Corporate Management	Has experience in business execution as CEO or in some other role at a business company, and possesses the ability to lead an organization in accordance with management strategy
Petroleum Business (Oil)	Has specialist knowledge of the petroleum business, and possesses the ability to enhance corporate value
Other than Petroleum (New) (Renewable Energy/New Business)	Has been engaged in projects involving renewable energy and new businesses, and possesses the ability to make comprehensive judgments about new business models and profitability
Sustainability (ESG)/ Risk Management	Possesses the ability to execute sustainable management from the perspective of sustainability and ESG, in order to achieve sustainable growth
Human Resources/ Human Resource Development/ Diversity	Has knowledge and experience of implementing human resource strategies, and possesses the ability to draft management strategy from the perspective of human resources, labor management, and diversity
DX/Technology	Has knowledge and experience of science and technology, including digital technologies, and possesses the ability to drive changes in business and corporate culture by utilizing scientific and technological data in management strategies.
PR/IR/Brand Marketing	Is capable of rolling out PR activities strategically and making related comprehensive judgments and decisions, and possesses the ability to take the lead in creating enhancements to corporate value
Finance/Accounting/Taxation	Has the specialist knowledge of finance, accounting and taxation required to draft finance and accounting strategy, and possesses the ability to execute the Group's financing and closing of accounts operations
Legal Affairs/Compliance	Has specialist knowledge of corporate legal affairs and compliance, and possesses the ability to provide supervision to ensure sound management of a company
Internationality	Has experience of business overseas, understands different cultural perspectives and customs among others, and possesses the ability to make management decisions from a global perspective

Proposal No. 6: Determination of Amounts of Remuneration, etc. for Directors (excluding those who are Members of the Supervisory Committee)

Remuneration for executives of the Company is composed of basic remuneration, which is a set amount, and incentive remuneration, which is linked to consolidated performance indicators. The incentive remuneration comprises yearly incentive remuneration (hereinafter referred to as "bonuses") linked to consolidated business indicators for each fiscal year and long-term incentive remuneration (hereinafter referred to as "stock remuneration") linked to individual performance for the target period.

The amounts of remuneration for Directors (excluding those who are Members of the Supervisory Committee; the same applies hereafter in this proposal) shall not amount to more than ¥600 million per year (including no more than ¥50 million per year for Outside Directors), as stipulated at the 3rd Ordinary General Meeting of Shareholders held on June 21, 2018. However, with regard to the amounts of remuneration for Directors after the close of this meeting, the Company proposes that the amount of monetary remuneration that is the sum of the basic remuneration and the bonuses be set at no more than ¥1.0 billion per year (including no more than ¥200 million per year for Outside Directors) with an upper limit that allows the Company to pay remuneration that does not appear inferior compared to its competitors, taking into consideration not only the plan to increase the number of Independent Outside Directors for the purpose of further strengthening the Company's governance structure, but also such factors as inflation and wage hikes in Japan and overseas, as well as the possibility of further increases in performance-linked compensation. The total amount of remuneration, etc. for Directors does not include the salaries paid as the employee portion for the Directors who also work as employees. In addition, it should be noted that remuneration for Outside Directors consists only of basic remuneration, which is a fixed amount. Also, for the purpose of further enhancing the governance of remuneration for executives, the introduction of malus and clawback provisions (provisions regarding the repayment of compensation) by the Board of Directors this fiscal year is currently being considered.

Also, this proposal is in keeping with the Company's remuneration system detailed on pages 53 to 55 of the business report and was decided on by the Board of Directors after passing through the deliberation process of the Nomination and Remuneration Committee, which includes four Independent Outside Directors, and the Supervisory Committee, which includes two Independent Outside Directors. The details of this proposal are therefore deemed to be appropriate.

At present, the number of Directors is six (6) persons (including two (2) Outside Directors), and if Proposal No. 3 is approved and adopted as proposed, the number of Directors will be eight (8) persons (including three (3) Outside Directors).

Proposal No. 7: Determination of Amounts of Remuneration, etc. for Directors who are Members of the Supervisory Committee

The amounts of monetary remuneration for Directors who are Members of the Supervisory Committee shall not amount to more than ¥90 million per year, as stipulated at the 1st Ordinary General Meeting of Shareholders held on June 21, 2016. However, the Company proposes that the amount of monetary remuneration be set at no more than ¥200 million per year with an upper limit that allows the Company to pay remuneration that does not appear inferior compared to its competitors, taking into consideration not only the plan to increase the number of Independent Outside Directors who are Members of the Supervisory Committee for the purpose of further strengthening the Company's governance structure, but also such factors as inflation and wage hikes in Japan and overseas.

As remuneration for Directors who are Members of the Supervisory Committee is limited to only basic remuneration, which is a set amount, they are not paid bonuses or stock remuneration.

Also, this proposal is in keeping with the Company's remuneration system detailed on pages 53 to 55 of the business report and was decided on by the Board of Directors after passing through the deliberation process of the Nomination and Remuneration Committee, which includes four Independent Outside Directors. The details of this proposal are therefore deemed to be appropriate.

At present, there are three (3) Directors who are Members of the Supervisory Committee (including two (2) Independent Outside Directors), and if Proposal No. 4 is approved and adopted as proposed, the number of Directors who are Members of the Supervisory Committee will be four (4) (including three (3) Independent Outside Directors).

Proposal No. 8: Determination of the Compensation Framework Concerning the Performance-linked Share-based Compensation for Directors, etc.

1. Reasons for proposing and considering the compensation as reasonable

For the purpose of achieving the financial and non-financial targets in the Company's Group-wide strategies and to have the Directors committed to steadily deepening the sharing of lasting interests with shareholders and improving corporate value over the long term, at the 3rd Ordinary General Meeting of Shareholders held on June 21, 2018, the Company obtained approval to introduce a share-based compensation plan (hereafter the "Plan") for Directors (excluding Outside Directors, Directors who are Members of the Supervisory Committee, and non-residents of Japan; hereafter "Directors") and Executive Officers (excluding non-residents of Japan; hereafter "Executive Officers") (collectively referred to as "Directors, etc."), whereby the Company's shares are delivered in proportion to the level of achievement of performance targets. Along with the possibility of the appointment of external personnel in the future and further increases in performance-linked remuneration, the Company seeks approval to change the upper limit on the amount of contributions in order to keep up with inflation and rising wages in Japan and overseas.

With this Proposal, the Company requests your approval, separately from the maximum remuneration for Directors (no more than ¥1 billion per year) subject to the approval of Proposal No. 6 as proposed at this General Meeting of Shareholders.

If Proposal No. 3 "Election of Eight (8) Directors (excluding those who are Members of the Supervisory Committee)" is approved and adopted as proposed, the number of eligible Directors for the Plan will be four (4).

As stated above, Executive Officers are also eligible for the Plan (there are currently four Executive Officers who do not concurrently serve as Director of eligible company), and the compensation under the Plan includes compensation for the Executive Officers. In this Proposal, however, the Company presents a proposal concerning the sum of compensation under the Plan, as the amount and other details of compensation for Directors, given the possibility that the Executive Officers may be appointed as Director during the applicable period of the Trust (as defined in 2. (2) below).

Furthermore, the aim of the Plan remains the same—to enhance awareness of contributing to longer-term improvement in earnings and greater corporate value. As for the details of the policy on decision-making pertaining to how decisions should be made about Director compensation and related content, we have determined that the compensation framework is necessary and reasonable in light of the criteria for calculating the amount of compensation, the level as a proportion of overall compensation for Directors, and the number of eligible Directors. We also believe it to be appropriate after comprehensively taking into account the Company's business conditions and other circumstances. Also, the Company has received a report from the Supervisory Committee stating that this proposal is appropriate, having been decided on by the Board of Directors after passing through the deliberation process of the Nomination and Remuneration Committee, which includes four Independent Outside Directors.

2. The amount and other details of compensation etc. under the Plan

(1) Outline of the Plan

The Plan is a share-based compensation plan, under which the Company's shares are acquired through trusts set every year with the amount of compensation for Directors, etc., to be contributed by the Company as the underlying asset and the Company's shares and the money in the amount equivalent to the exchange value of the Company's shares (the "Company's shares, etc.") are delivered and provided to Directors, etc. ("Delivery, etc."). (The details are as described in (2) onwards.)

(i) Persons eligible for the Delivery, etc. of the Company's shares etc. under this proposal	● The Company's Directors (excluding Outside Directors, Directors who are Members of the Supervisory Committee, and non-residents of Japan) ● The Company's Executive Officers (excluding non-residents of Japan)

(ii) Maximum amount of money contributed by the Company (as described in (2) below)	● Each trust covers a period of three fiscal years, up to a total of ¥1 billion for each period

(iii) Maximum number of the Company's shares etc. to be delivered and provided to the Directors, etc. (as described in (3) below)	● For each of the Trusts, a maximum of 700,000 points (equivalent to 700,000 shares) are granted to the Directors, etc., during a period of three fiscal years

(iv) Methods for acquiring the Company's shares (as described in (2) below)	● The maximum number of points to be granted to the Directors, etc., for each trust and for each period is equivalent to approximately 0.8% of the total number of the Company's shares issued (as of March 31, 2024, excluding treasury shares). ● The Company's shares will not be diluted, as they are planned to be obtained from the stock market.

(v) Details of the terms of achieving performance targets (as described in (3) below)	● Fluctuate within a range of 0 – 200% according to TOPIX growth, consolidated net D/E ratio, etc., vs. the TSR of each period.

(vi) Timing of Delivery, etc. of the Company's shares etc. (as described in (4) below)	● After a period of three fiscal years, in principle

(2) Maximum amount of moneys contributed by the Company

Under the Plan, the Company contributes money, as compensation for the Company's Directors, etc., every year up to ¥1.0 billion to an incentive plan for a period of three consecutive fiscal years (the "Applicable Period") (the initial period is from the fiscal year ending March 31, 2025 through the year ending March 31, 2027) and creates a trust (the "Trust") lasting approximately three years with Directors, etc., who meet the requirements as beneficiaries (including the renewal of the Trust by making changes or additions to the existing trust, where necessary, instead of creating a new trust; the same applies hereafter). More specifically, a maximum of three trusts can exist concurrently as long as the Trust is renewed.

Under the Trust, the Company's shares are acquired from the stock market in accordance with a trust administrator's directions with trusted money as the underlying asset. The Company grants points to Directors, etc., during the trust period (as described in (3) below) and the Company's shares, etc., are delivered and provided.

In addition, the Trust may be renewed when its trust period expires, by making changes and additional trusts, where necessary, to the existing trust. In this case, the period of the Trust is extended for three more years and additional contributions are made up to a total of ¥1.0 billion for each Applicable Period corresponding to the extended period of the Trust and points continue to be granted to Directors, etc., during this period.

However, where these additional contributions are made, if there are any of the Company's shares and money remaining in the trust assets on the last day of the trust period before the extension (the "Remaining Shares, etc."), the sum of (the acquisition

value of) the Remaining Shares, etc., and the additional contributions to the trust money shall be up to ¥1 billion per Applicable Period. The extension of the trust period is not limited to once, and the Trust may be renewed likewise hereafter.

(3) Maximum number of the Company's shares etc. to be delivered and provided to Directors, etc.

The compensation under the Plan consists of a "performance-linked portion" that the Company's shares, etc., are delivered and provided according to the level of achievement of performance targets over the Applicable Period with its main objective of giving an incentive for the Company's sustainable growth and medium to long-term improvements in corporate value and a "non-performance-linked portion" that a certain number of the Company's shares, etc., are delivered and provided with its main objective of encouraging shareholdings during the term of office so that interests are shared with our shareholders.

For each of the Trusts, 50% of the base points that are determined based on the ranking of positions and the remaining 50% are separately granted to Directors, etc., as a "performance-linked portion" and as a "non-performance-linked portion," respectively, on the first July 1 during the Applicable Period.

To those who meet beneficiary requirements during a certain period of time after the Applicable Period, the respective base points of the "performance-linked portion" and the "non-performance-linked portion" are converted to stock delivery points using the following calculation method, and the Company's shares, etc., in the number corresponding to a total of these stock delivery points are delivered and provided.

The "performance-linked portion" is converted to stock delivery points after the Applicable Period by being multiplied by a coefficient corresponding to the term of office during the Applicable Period and a performance-linked coefficient corresponding to the level of achievement of performance targets over the Applicable Period. The performance-linked coefficient fluctuates within a range of 0 – 200% in proportion to the level of achievement of performance targets, etc., which shall be evaluated using indicators such as TSR vs. TOPIX growth, consolidated net D/E ratio, etc.

The "non-performance-linked portion" is converted to stock delivery points after the Applicable Period by being multiplied by a coefficient corresponding to the term of office during the Applicable Period.

However, for Directors, etc., who pass away or become a non-resident of Japan during the trust period, their base points are immediately converted to stock delivery points by the predetermined calculation method, in proportion to the level of achievement of performance targets, etc.: (i) in the term of office during the Applicable Period; or (ii) up until the month prior to the date of death or becoming a non-resident of Japan.

One (1) point shall be one (1) Company share. But in the event of a split, reverse split, etc., of the Company's shares during the trust period, the number of the Company's shares per one (1) point (including the number of shares subject to the exchanges) shall be adjusted according to the ratio of split, reverse split, etc., of the Company's shares.

The total number of stock delivery points to be granted to Directors, etc., for each Trust shall be capped at 700,000 points for each Applicable Period comprising three fiscal years.

(4) Timing of Delivery etc. of the Company's shares etc. to the Directors, etc.

Directors, etc., who meet beneficiary requirements shall receive the Delivery, etc., of the Company's shares, etc., from the Trust in the number corresponding to the number of the stock delivery points as calculated in (3) above, by taking the predefined procedure to determine beneficiaries after the Applicable Period. In this case, Directors, etc., receive the Company's shares worth 50% of the stock delivery points (the number of fractional shares is rounded down) and the Company's shares corresponding to the number of remaining stock delivery points in the money from the Trust, after the exchange within the Trust, in the amount equivalent to such exchange.

In addition, when Directors, etc., who meet beneficiary requirements are to become a non-resident of Japan during the trust period, such Directors, etc., shall receive the money, which is worth the number of the stock delivery points that is calculated after the decision of becoming a non-resident of Japan, from the Trust after the exchange of the Company's shares within the Trust, in the amount equivalent to such exchange, by taking the predefined procedure to determine beneficiaries.

When Directors, etc., who meet beneficiary requirements pass away during the trust period, the heirs of such Directors, etc., shall receive the money, which is worth the number of the stock delivery points that is calculated after the death, from the Trust after the exchange of the Company's shares within the Trust, in the amount equivalent to such exchange, by taking the predefined procedure to determine beneficiaries.

(5) Exercising voting rights related to the Company's shares

Voting rights related to the Company's shares under the Trust may not be exercised during the trust period to ensure neutrality of the Company's management.

(6) Handling of dividends of surplus of the Company's shares

Dividends of surplus of the Company's shares held in the Trust will be received by the Trust and assigned to the Trust's fees, expenses, etc.

(7) Other details of the Plan

Other details of the Plan shall be determined by the Board of Directors each time the Trust is established, the trust agreement is modified, or additional contributions are made to the Trust.

(Reference)

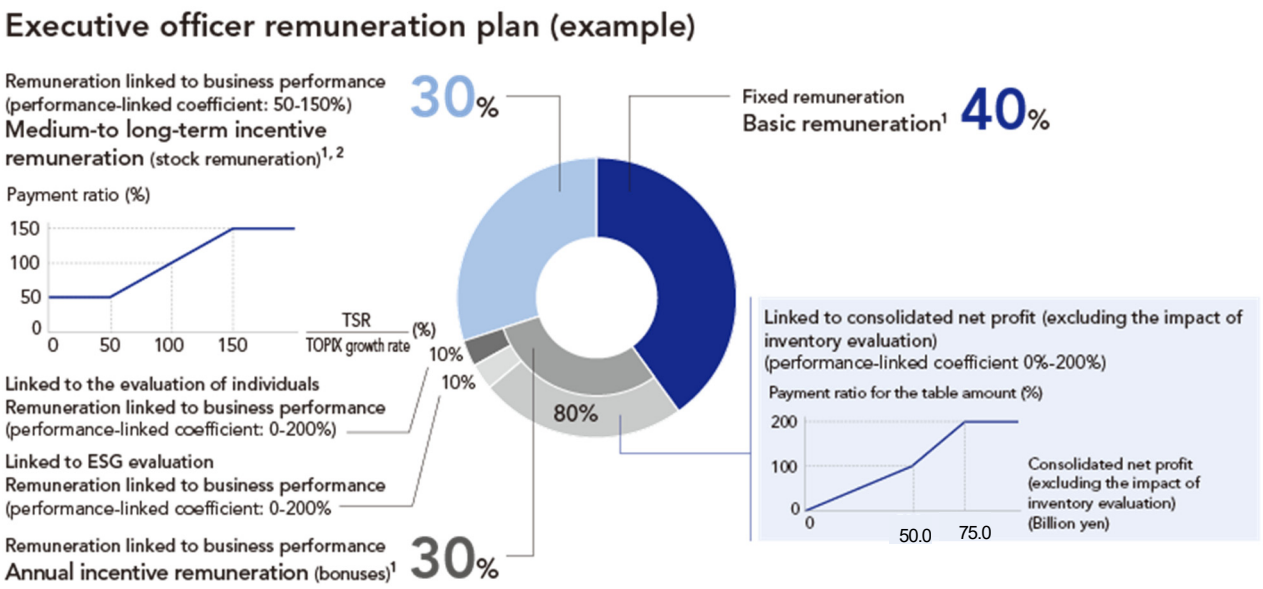
The same trust will continue to be used for the Plan for Directors (excluding Outside Directors and non-residents of Japan) of the Group's core business companies (Cosmo Oil Co., Ltd., Cosmo Oil Marketing Company, Limited, and Cosmo Energy Exploration & Production Co., Ltd.).

- END –

[Reference]

■ Executive remuneration plan

- Set consolidated net income (excluding the impact of inventory valuation) as the performance evaluation criteria to be consistent with the shareholder return policy announced in the 7th MTMP.
- Beginning in FY2022, efforts made towards ESG targets were reflected in remuneration.
  ESG targets as indicators are linked to material issues KPIs in the 7th MTMP.



1 The basic remuneration, annual incentive remuneration, and medium- to long-term incentive remuneration distribution ratio varies depending on the executive position.

2 Linked to FY2023-2025 total shareholder return (TSR) growth rate relative to TOPIX and the consolidated net debt-to-equity ratio

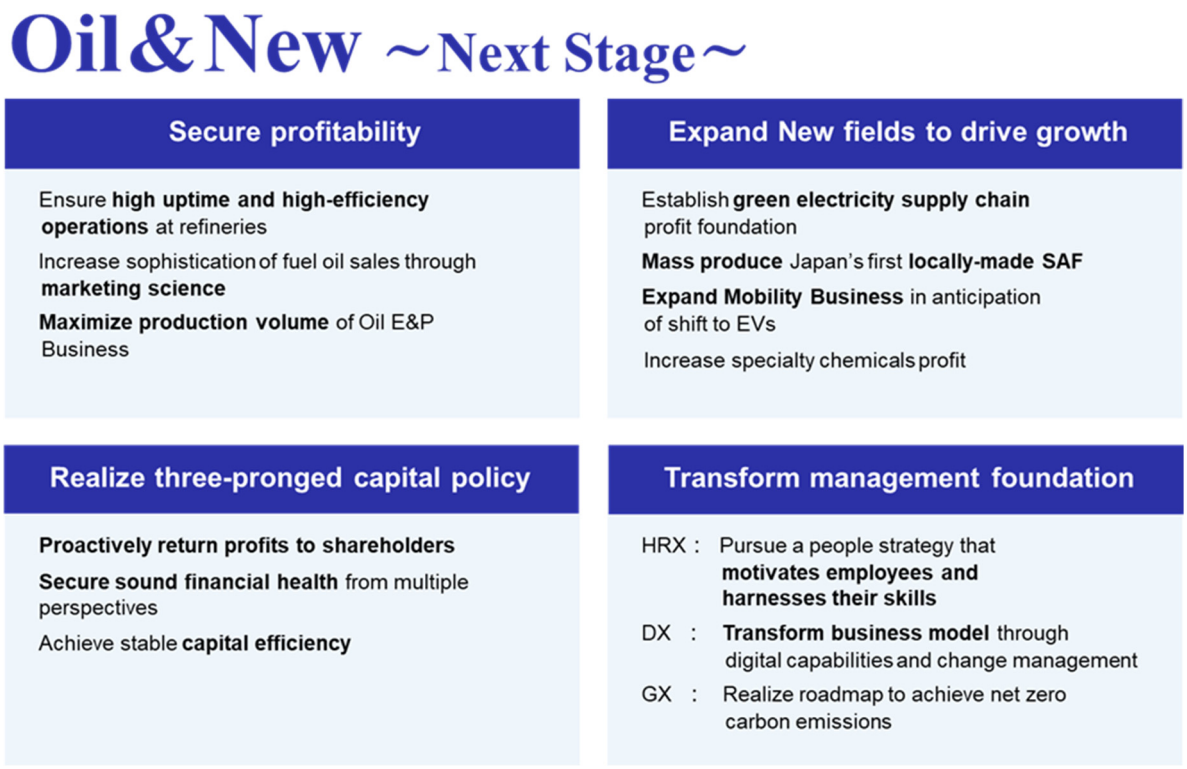
1. Business Overview

(1) Issues to be Addressed

In FY2023, the impact of COVID-19 on the Japanese economy almost completely dissipated, and some degree of economic recovery is expected to continue in FY2024, backed by rising wages and other factors. However, attention must also be paid to the impact of further rising material costs and fluctuations in financial markets due to rising geopolitical risks such as the situation in Ukraine.

Over the medium to long term, the global trend toward a decarbonized society is expected to accelerate. In the energy sector, we expect the use of renewable energy to expand as a core energy source as well as further progress in the development of decarbonization technologies such as hydrogen and ammonia technologies. However, petroleum will remain an important energy source, and petroleum products will continue to account for a large percentage of energy demand. We will strengthen our profitability focusing on the petroleum business, while keeping an eye on our long-term direction and enhancing our business portfolio to achieve next growth.

7th MTMP Basic Policies



7th MTMP Management Goals and Results (FY2023)

Earnings continued to grow due to rising operating rates at refineries as a result of the Company establishing a production short position with our sales volume exceeding our production volume. Shareholder returns were based on robust earnings, and we achieved a total payout ratio of 60%, which is a cumulative target during the period of MTMP, in a single fiscal year, which is also the first year, of our MTMP. With respect to shareholder returns, we will continue to make flexible shareholder returns. In addition, we are implementing a capital policy of balancing shareholder returns, financial health and capital efficiency, without sacrificing either, and aiming to maximize our corporate value. As a result, we were able to achieve a PBR of 1 at an early stage. Going forward, we will continue to improve profitability and further raise our corporate value over the medium to long term with the aim of realizing our FY2025 and Vision 2030.

		FY2022 Results	FY2023 Results	FY2025 Targets
Shareholder returns	Total payout ratio (excl. impact of inventory valuation)	62%	60%	≥60% (three-year cumulative)
	Dividend	¥150	¥300	≥¥300 per share
Financial health	Net D/E ratio	1.10 times	0.83 times (Net worth ≥¥600.5 bil.)	1.0 times (Net worth ≥¥600.0 bil.)
Financial efficiency	ROE (excl. impact of inventory valuation)	10.7%	14.6%	≥10%
	ROIC (excl. impact of inventory valuation)	6.1%	7.6%	≥6%
Profitability	Ordinary profit (excl. impact of inventory valuation)	¥142.9 bil.	¥162.2 bil. (Profit attributable to owners of parent ≥¥ 82.4 bil.)	≥¥165.0 bil. (Profit attributable to owners of parent ≥¥60.0 bil.)
Future investment	Investment in New fields	-	¥19.5 bil. *Before taking asset sales (¥16.5 bil.) into account	¥140.0 bil. (three-year cumulative)

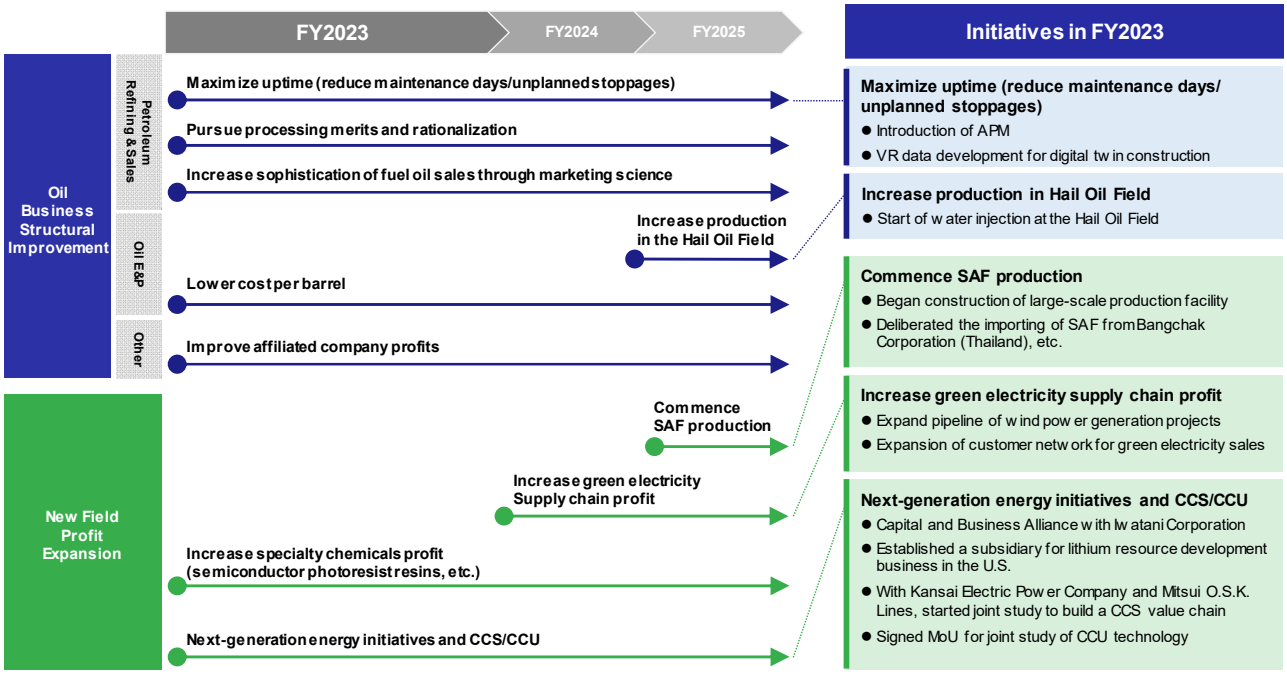
Initiatives in the First Year of 7th MTMP

During the current fiscal year, which was the first year of our MTMP, we enhanced our competitiveness by maximizing operating rates in our oil-related businesses, but we also reinforced measures for expanding into the New fields for achieving growth. Specifically, from May 2023, we began construction of the SAF large-scale production facility in the Sakai Refinery. We also worked to expand our green electricity sales customer network, with the number of sites deciding to use our Cosmo Denki Business Green service growing to around 2,400.



SAF large-scale production facility currently under construction

Progress on each measure of the 7th MTMP



[HRX]

We are implementing specific initiatives in the areas of HR training and development, organizational culture, and wellness to realize the ideal state of the HR strategy.

In HR training and development, with an aim to foster the employees' desire to grow and to make them more autonomous, we have launched a career declaration system (a revised version of our previous self-declaration system)*1 and revised our job challenge system*2 to place greater weight on developing the capabilities of individual employees. As a result of these efforts, employees have begun to think proactively. With respect to human capital investment, per capita investment amounted to ¥130,000, up ¥30,000 over the previous year. We have started out with reforming employee mentalities by enhancing support for self-development study and focusing on improving the capabilities of managers and on enlightenment activities for self-directed learning, which are the keys to HR training. Going forward, we will carry out initiatives for improvement which seek to transform behavior, raise the base level of HR, and enhance their expertise.

In the area of organizational culture, we increased the percentage of female managers from 6.7% to 7.1% by continuously implementing training and networking events for women, and in addition, we steadily promoted the active participation of women by expanding the support system through introducing a mentorship program for female managers with subordinates, and taking other measures.

In addition, we achieved our FY2025 engagement index target ahead of schedule through increasing opportunities to engender in employees' feelings of satisfaction and pride in one's work such as through facilitating active communication by promoting 1-on-1 communication between supervisors and subordinates.

*1 A system in which employees declare their own short-term to medium- to long-term career aspirations using the system and consult with their managers

*2 A system that enables employees to directly express how they would like to contribute when requesting department transfer

	FY2022 Results	FY2023 Results	FY2025 Targets
Human capital investment	¥100,000/person	¥130,000/person	¥180,000/person
Engagement index	57 points	60 points	≥60 points

Recognized Under 2024 Certified KENKO Investment for Health (KIH) Outstanding Organizations Recognition Program

In the area of wellness, in order to strengthen our structure in line with our Health Management Policy, we have reinforced our management's commitment in the area of wellness through initiatives such as the establishment of the Wellness Management Promotion Committee for discussing company-wide measures relating to wellness management.

We have also held wellness seminars on various themes with the aim of reforming employee mentalities. As a result, we were recognized under the 2024 Certified KIH Outstanding Organizations Recognition Program for the sixth consecutive year starting from 2019.

The Group promotes a people strategy that motivates employees and harnesses their skills as it strives to realize Vision 2030, the Group's vision, with a view to changes in the environment over the long term. The Group positions wellness enhancement of officers and employees, which is the source of the creation of corporate value, as the foundation of these efforts.

[DX]

We are establishing a DX promotion foundation and cultivating digital talent to improve our competitiveness and create new value. In FY2023, the first year of the 7th MTMP, we have positioned the cultivation of core digital personnel as a central initiative and carried out full-fledged implementation of collective DX within Cosmo.

With respect to the cultivation of core digital personnel, in FY2023, 389 personnel were certified as a result of combining classroom-based training and hands-on support, and we are making steady progress towards reaching our target of 900 people by FY2025. We will continue to promote DX throughout the Group by assisting with activities for improving everyday operations, increasing digital literacy using easy-to-use tools, and more.

	FY2022 Result	FY2023 Result	FY2025 Target
Core digital personnel	-	389	900

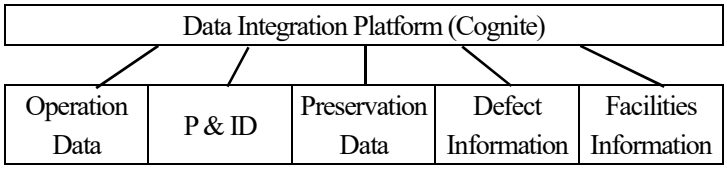
Group DX Case Examples

We are advancing with the preparation of a data integration platform in our refineries and are working on building the plant digital twin. Providing greater access to data will not only help us achieve high uptime and high-efficiency operations, but will also contribute to safety improvements.

In addition to the above, case examples of data utilization have increased, such as KPI progress management using BI tools* and automatic report generation. In each of the Group's business domain, we are working on data utilization to make decisions more accurately and quickly and to increase the efficiency of our operations.

* Tools to optimize business processes by collecting, storing, analyzing, and processing the vast amount of data accumulated by each department

Two elements to build the plant digital twin
1) Visualization Tool (INTEGNANCE VR)
Equipment information and other information is registered in a 3D viewer based on 360° panoramic photographs. An environment is created where information on the site can be obtained from anywhere, enabling planning from remote locations.
2) Data Integration Platform (Cognite Data Fusion)



- By linking all kinds of data, improving simulation accuracy and automatic analysis of the generated AI are possible.
- ChatGPT already implemented

[GX]

While we fulfill our responsibility for stable supply of energy, we will achieve net zero carbon emissions including Scope 3 by 2050 to contribute to realizing the carbon neutrality of society as a whole.

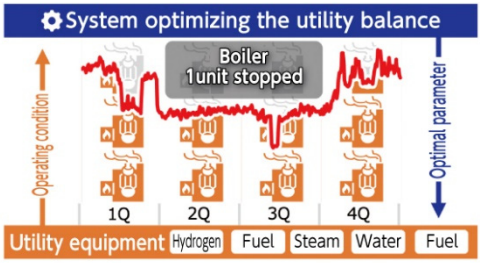
We have reduced GHG emissions by 14.3% compared to FY2013 levels by implementing energy-saving measures, in addition to the effect of our equipment operations such as regular maintenance. We are making steady progress toward our 2030 targets, but the external environment is undergoing profound changes, such as legal and regulatory changes, so we must study investment projects for reducing emissions in even greater depth. We will strengthen our internal systems for performing these studies to achieve this.

	FY2022 Result	FY2023 Result	2030 Target
GHG emissions reduction*	-9.5%	-14.3%	-30%

* GHG emissions reduction compared to FY2013 (including Scope 1, 2, reduction contribution)
Result for FY2023 is the preliminary figure

Energy-saving Measures at Refineries

Our refineries use various utilities in the operation of equipment. We have introduced a system optimizing the utility balance to minimize energy consumption. This system uses operation data from across entire refineries to calculate and visualize which boilers it would be most efficient to operate, what amount of electric power to purchase, and more. During the current fiscal year, we performed predictive management of operation conditions for the entire Chiba Refinery, calculated the balance of steam usage, and shut down one of the three steam boilers in operation during periods where its steam would be used less. In this way, we carried out efficient, energy-saving operation. As a result, approximately 13,000 tonnes of CO_2 emissions were eliminated.



Participation in the GX League

The Group endorses the fundamental concepts behind the GX League, which is led by Japan's Ministry of Economy, Trade and Industry, and is a participant in the forum. In addition to the GHG emissions reduction measures announced in the 7th MTMP, we are also considering additional emissions reduction measures such as fuel conversions and energy-saving in our refineries, starting from the brainstorming stage. We have set a target of reducing GHG emissions in 2030 by 21% in comparison to FY2013 levels. With regard to fuel conversion, one of our reduction measures, we will proceed with our

demonstration project aimed at the commercialization of ammonia fuel as well as studying fuel conversion to LNG.

Going forward, we will continue to study a broad range of additional reduction measures and strive to reduce GHG emissions.

Capital and Business Alliance with Iwatani Corporation

In December 2023, Iwatani Corporation acquired the Company's shares, becoming the top shareholder.

Prior to the acquisition of the Company's shares, the Company concluded a basic agreement regarding the consideration of collaboration in March 2022 with Iwatani Corporation. We are strengthening this collaboration through efforts such as establishing Iwatani Cosmo Hydrogen Station LLC in February 2023 to collaborate in the hydrogen station business and establishing Cosmo Iwatani Hydrogen Engineering LLC in November 2023 to collaborate in the hydrogen-related project engineering business.

On April 23, 2024, the Company concluded a capital and business alliance agreement with Iwatani Corporation with the aim of achieving carbon neutrality by 2050. Energy demand is changing, and our two companies came to share a view that we could create new synergy and increase the value of both of our companies if we collected our respective management resources and expertise and further deepened our collaboration to ensure a smooth transition from fossil fuels such as oil and LP gas to hydrogen and renewable energy.

Through this business alliance, we have agreed to consider collaboration in multiple fields, including initiatives to realize a decarbonized society and strengthening relationships in existing business sectors. Principal among them is the hydrogen area, in which, in addition to our previous collaborative relationship, we are considering the expansion of our hydrogen stations using the Group's SS (service station) network and the creation of a hydrogen supply network that encompasses everything from manufacturing to supply and retailing by making maximal use of the Group's and Iwatani Corporation's hydrogen business expertise and management resources such as their infrastructure.



Opening ceremony on April 8 for a hydrogen station of Iwatani Cosmo Hydrogen Station LLC

(2) Review of Operations of the Group

In the fiscal year under review, net sales were ¥2,729.6 billion, down ¥62.3 billion from the previous year and ordinary profit was ¥162.2 billion, excluding the impact of inventory valuation, up ¥19.3 billion from the previous year.

This was mainly due to improved conditions in the domestic market, primarily in the petroleum business. As a result of the factors contributing to the increase in income shown on the left, net income attributable to owners of the parent (excluding inventory effects) was ¥82.4 billion, up ¥29.6 billion from the previous year.

(Billions of yen)

	FY2023	FY2022	YoY change
Net sales	2,729.6	2,791.9	-62.3
Ordinary profit	161.6	164.5	-2.9
Ordinary profit (excl. impact of inventory valuation)	162.2	1,42.9	+19.3
Petroleum Business	91.3	44.1	+47.2
Petrochemical Business	-7.8	3.8	-11.6
Oil Exploration and Production Business	68.3	84.5	-16.2
Renewable Energy Business	2.8	2.6	+0.2
Other	7.6	7.9	-0.3
Profit attributable to owners of parent	82.1	67.9	+14.2
Profit attributable to owners of parent (excl. impact of inventory valuation)	82.4	52.8	+29.6
Crude oil price (Dubai) ($/B)	82	93	-11
Foreign exchange rate (¥/$)	145	135	10

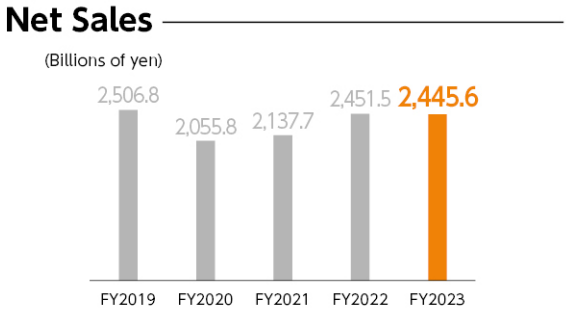
(3) Principal Businesses

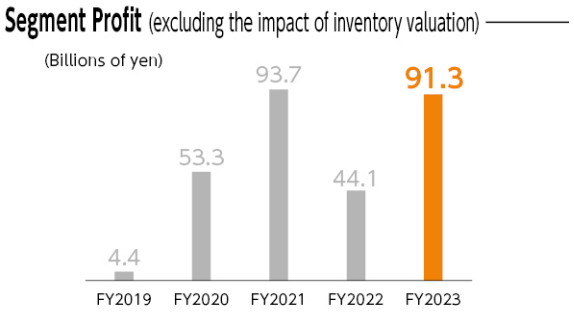
Petroleum Business

Business Overview

In the petroleum business, Cosmo Oil, a core business company of the Group, is mainly engaged in crude oil procurement, manufacturing, distribution, and importation and exportation of petroleum products.

Cosmo Oil Marketing, which is also a core business company, sells Group products, including petroleum products, to corporate and individual customers.





Business Performance

Segment profit (excluding the impact of inventory valuation) was ¥91.3 billion (up ¥47.2 billion from the previous fiscal year), mainly due to improvements in domestic market margins and expenses, despite the impact of regular maintenance and troubles at refineries.

Initiatives in the Fiscal Year under Review

In the petroleum refining business, our refineries have maintained high operating rates as a result of our having established a production short position with our sales volume exceeding our production volume.

To further improve the utilization rate, we promoted the strengthening of digital transformation by expanding the scope of APM implementation and developing VR data for the construction of digital twins.

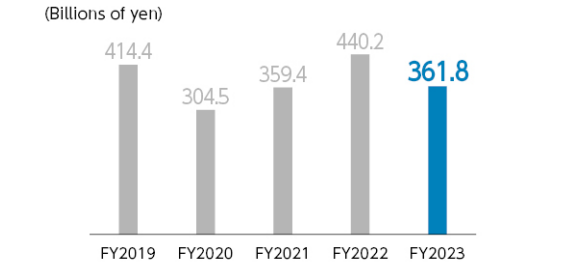
In the Car Life business, we implemented measures to acquire new customers and retain existing customers, such as using card and app member data to automatically distribute information tailored to customer attributes. In the future, we will combine data from partners in other industries to promote sales.

Petrochemical Business

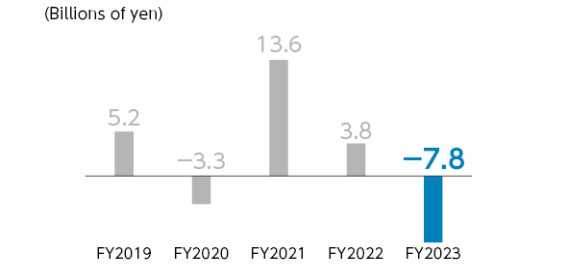
Business Overview

In the petrochemical business, Maruzen Petrochemical, a group company, provides a stable supply of petrochemical products, primarily ethylene products. In addition, HD Hyundai Cosmo Petrochemical (HCP), a joint venture with HD Hyundai Oilbank (HDO), primarily supplies para-xylene. Maruzen Petrochemical also manufactures specialty chemicals used in the semiconductor manufacturing process.

Net Sales



Segment Profit



Business Performance

Segment profit was -¥7.8 billion (down ¥11.6 billion from the previous fiscal year), mainly due to deteriorating market conditions for MEK.

Initiatives in the Fiscal Year under Review

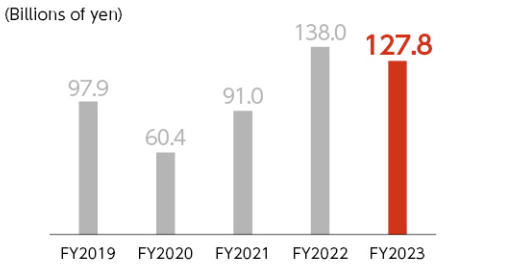
Amid a challenging market environment for basic chemicals such as ethylene, we worked to strengthen our competitiveness through cost reductions. In addition, we actively worked to develop new customers for photoresist polymers in preparation for a recovery in semiconductor demand.

Oil Exploration and Production Business

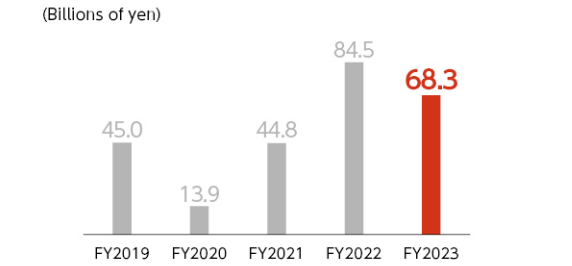
Business Overview

The oil exploration and production business is a revenue driver within the Group business portfolio. In the Middle East, centered on Abu Dhabi in the United Arab Emirates (UAE), with which we have established long trustworthy relationships, we are promoting safe and stable operations in existing concession areas.

Net Sales



Segment Profit



Business Performance

Segment profit was ¥68.3 billion (down ¥16.2 billion from the previous fiscal year), due to a decline in crude oil prices.

Initiatives in the Fiscal Year under Review

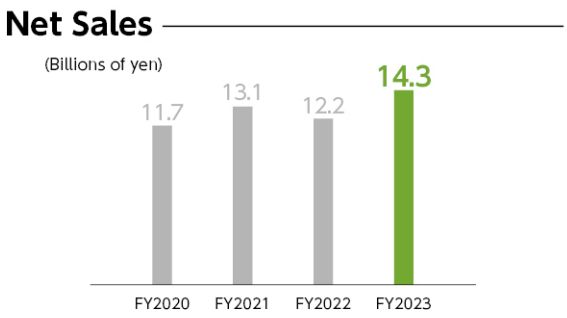
We continued to maintain stable and safe operations in the existing oil fields, including those held by ABU DHABI OIL.

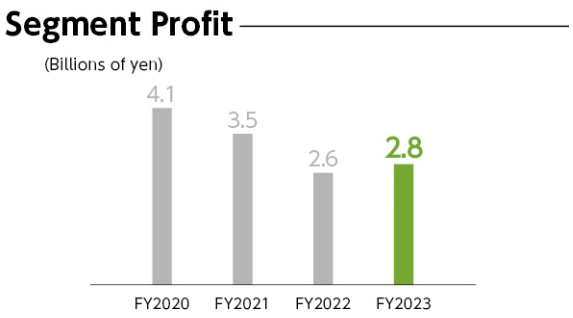
With regard to the Hail Oil Field, where ABU DHABI OIL COMPANY LIMITED started production in November 2017, we have implemented water flooding measures (in which water is injected into a reservoir to restore reduced reservoir pressure) as a secondary recovery investment to recover reservoir pressure. We are striving for rapid recovery and maximization of production volume at the Hail Oil Field.

Renewable Energy Business

Business Overview

The renewable energy business is building a system that can implement the development of onshore wind power generation sites for the design, construction, operation and maintenance of power plants through Cosmo Eco Power, a group company. Taking advantage of this strength, we are working to expand our onshore wind power generation business. At the same time, we are actively engaged in offshore wind power projects while legislation regarding these projects is being advanced.





Business Performance

Segment profit was ¥2.8 billion (up ¥0.2 billion from the previous fiscal year), mainly due to the improvement in wind conditions.

Initiatives in the Fiscal Year under Review

The wind power generation facilities of Cosmo Eco Power continued smooth operations. Sales of electricity were 643,000,000 kWh (up 90,000,000 kWh from the previous fiscal year) and total power generation volume was 295,000 kW due to the start of business operations at the Kamiyuchi Wind Farm (Hokkaido) and the Oita Wind Farm (Oita Prefecture) in April 2023.

Also, we have been steadily taking on construction at multiple onshore wind power generation facilities. We will continue to aim for active expansion of these facilities.

(4) Capital Investments

The Group spent a total of ¥82.4 billion on capital investments during the fiscal year under review, primarily in the following:

- Petroleum business
  Construction of petroleum refining and shipping facilities
  New establishment and remodeling of service stations
- Petrochemical business
  Construction of production facilities
- Oil exploration and production business
  Construction of production facilities
- Renewable energy business
  Wind power generation facilities

(5) Financing Activities

The 1st series of unsecured corporate bonds of ¥15.0 billion was issued during the fiscal year under review.

(6) Assets, Profit and Loss for Recent Four Fiscal Years

(Billions of yen)

Category	The 6th Term FY2020	The 7th Term FY2021	The 8th Term FY2022	The 9th Term FY2023
Net Sales	2,233.3	2,440.5	2,791.9	2,729.6
Ordinary Profit	97.4	233.1	164.5	161.6
Profit Attributable to Owners of Parent	85.9	138.9	67.9	82.1
Net Income per Share (yen)	1,025.86	1,658.64	811.15	938.11
Total Assets	1,709.0	1,938.4	2,120.8	2,211.9
Net Assets	449.1	584.0	663.4	726.8

(Note) Net income per share is calculated on the basis of average number of shares issued and outstanding during the year (excluding the average number of treasury shares held during the year and shares owned by the trust bank through the "Executive Remuneration Board Incentive Plan (BIP) Trust").

(7) Principal Offices and Plants (as of March 31, 2024)

1) The Company

Head Office	1-1-1, Shibaura, Minato-ku, Tokyo
Overseas Bases	Middle East (United Arab Emirates) / Beijing (China)

2) Major Subsidiaries and Affiliates

(Subsidiaries) **COSMO OIL COMPANY, LIMITED**	(Head Office) (Refineries) (Laboratories)	Minato-ku, Tokyo Chiba (Ichihara-shi) / Mie (Yokkaichi-shi) / Osaka (Sakai-shi) Saitama (Satte-shi)
COSMO OIL MARKETING COMPANY, LIMITED	(Head Office) (Offices)	Minato-ku, Tokyo Hokkaido (Sapporo-shi) / Miyagi (Sendai-shi) / Aichi (Nagoya-shi) / Osaka (Osaka-shi) / Hiroshima (Hiroshima-shi) / Kagawa (Takamatsu-shi) / Fukuoka (Fukuoka-shi)
Maruzen Petrochemical Company, Limited	(Head Office) (Plant) (Laboratories)	Chuo-ku, Tokyo Chiba (Ichihara-shi) / Mie (Yokkaichi-shi) Chiba (Ichihara-shi)
Cosmo Energy Exploration & Production Co., Ltd.	(Head Office)	Minato-ku, Tokyo
ABU DHABI OIL COMPANY LIMITED	(Head Office) (Mining Plant)	Minato-ku, Tokyo Abu Dhabi (United Arab Emirates)
Cosmo Eco Power Co., Ltd.	(Head Office)	Shinagawa-ku, Tokyo
(Affiliates) **HD Hyundai Cosmo Petrochemical Co., Ltd.**	(Head Office and Plant)	Seosan (Korea)
Gyxis Corporation	(Head Office)	Minato-ku, Tokyo

(8) Major Subsidiaries and Affiliates (as of March 31, 2024)

1) Major Subsidiaries and Affiliates

Company Name	Paid-in Capital	Ratio of Voting Rights	Principal Business Lines
(Subsidiaries)	100 million yen	%	
COSMO OIL COMPANY, LIMITED	1	100.0	Imports and exports, refining, storage, and sales of crude oil and petroleum products, etc.
COSMO OIL MARKETING COMPANY, LIMITED	10	100.0	Sales of oil products, car leasing, etc.
Maruzen Petrochemical Company, Limited	100	52.7	Manufacture and sales of petrochemical products
Cosmo Energy Exploration & Production Co., Ltd.	1	100.0	Planning in the energy exploration and production business
ABU DHABI OIL COMPANY LIMITED	128	64.4	Development, production and sales of crude oil
Cosmo Eco Power Co., Ltd.	72	100.0	Sales of electricity produced by wind power generation, etc.
(Affiliates) **HD Hyundai Cosmo Petrochemical Co., Ltd.**	KRW 772.2 billion	50.0	Manufacture and sales of petrochemical products
Gyxis Corporation	110	40.0	Manufacture, storage, transportation, purchase and sale, and export and import of LP gas

(Note) The Company's ratio of voting rights includes a portion of indirect holding via subsidiaries.

2) Review and Results of Business Combinations

(Review of Business Combinations)

- The Group consists of 34 consolidated subsidiaries (increase of 1 from the previous year) and 25 companies under the equity method (increase of 1 from the previous year) including the major subsidiaries and affiliates as listed in 1) above.

(Results of Business Combinations)

Consolidated net sales for the fiscal year under review amounted to ¥2,729.6 billion, and profit attributable to owners of parent for the period was ¥82.1 billion.

(9) Employees (as of March 31, 2024)

1) Employees of Cosmo Energy Group

Name of Business Segment	Number of Employees (Persons)		Year-on-year Change (Persons)
Petroleum Business	4,072	(2,966)	117 (decreased)
Petrochemical Business	1,142	(164)	13 (increased)
Oil Exploration and Production Business	298	(133)	20 (decreased)
Renewable energy business	232	(53)	5 (increased)
Other	786	(370)	10 (decreased)
Total	6,530	(3,686)	129 (decreased)

(Notes) 1. Number of employees indicates the number of employees in operation.
2. Number in parentheses in the number of employees' column indicates the yearly average employment number of temporary employees.

2) Employees of the Company

Number of Employees (Persons)	Year-on-year Change (Persons)	Average Length of Service
221	-	16 years 3 months

(Notes) 1. Seconded employees (280), temporary employees and part-timers are not included in the number of employees.
2. For the average length of service calculation, the length of service for COSMO OIL COMPANY, LIMITED is used.

(10) Principal Lenders (as of March 31, 2024)

(Billions of yen)

Lenders	Borrowed Amount
Japan Organization for Metals and Energy Security	100.8
Mizuho Bank, Ltd.	92.2
MUFG Bank, Ltd.	73.5
Sumitomo Mitsui Banking Corporation	54.6
Development Bank of Japan Inc.	49.7
SBI Shinsei Bank, Limited	21.0

(Note) In addition to the above, there are borrowings via syndicated loans (¥78.6 billion in total).

(11) Other Significant Matters concerning Current Status of the Group

None.

2. Share Information (as of March 31, 2024)

(1) Total Number of Shares Authorized to be Issued: 170,000,000 shares

(2) Total Number of Shares Issued and Outstanding: 88,353,761 shares

(of which, number of treasury shares: 2,164 shares)

(3) Number of Shareholders: 32,857

(4) Major Shareholders (Top 10)

Name of Shareholders	Number of Shares Held (thousands)	Investment Ratio (%)
Iwatani Corporation	17,709	20.04
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,504	11.88
Custody Bank of Japan, Ltd. (Trust Account)	5,857	6.62
The Kansai Electric Power Co., Inc.	1,860	2.10
Cosmo Energy Holdings Client Stock Ownership	1,631	1.84
Mizuho Bank, Ltd.	1,600	1.81
Aioi Nissay Dowa Insurance Co., Ltd.	1,580	1.78
MUFG Bank, Ltd.	1,580	1.78
Sompo Japan Insurance Inc.	1,342	1.51
Mitsui Sumitomo Insurance Company, Limited	1,250	1.41

(Note) Investment ratio is calculated by excluding the number of treasury shares. The treasury shares do not include those shares owned by the trust bank through the "Executive Remuneration Board Incentive Plan (BIP) Trust."

(5) Status of shares granted to Directors of the Company as consideration for the execution of duties during the fiscal year under review

Position	Number of shares	Number of recipients
Directors (excluding Members of the Supervisory Committee and Outside Directors)	143,460 shares	6
Outside Directors (excluding Members of the Supervisory Committee)	-	-
Directors (Members of the Supervisory Committee)	-	-

(Notes) 1. The figure shown includes shares granted as remuneration for Directors, etc. to two Directors who retired before the fiscal year under review (41,190 shares).

2. The number of shares includes 72,260 shares converted to cash at the time of share delivery and paid as an amount equivalent to the converted value based on the share granting rules under the share-based remuneration plan.

3. Executives of the Company

(1) Directors (as of March 31, 2024)

Position		Name	Responsibilities	Significant Concurrent Positions
Chairperson, Representative Director		Hiroshi Kiriyama		
Representative Director, Chief Executive Officer		Shigeru Yamada		
Representative Director, Senior Managing Executive Officer		Takayuki Uematsu	Responsible for Sustainability Initiative Dept., Accounting Dept., and Finance Dept.	
Director, Senior Executive Officer		Junko Takeda	Responsible for Business Portfolio Management Dept., Legal and General Affairs Dept., and Human Resource Dept.	
Director	**Independent Director**	Ryuko Inoue		Of Counsel, Atsumi & Sakai Outside Director of NS United Kaiun Kaisha, Ltd.
Director	**Independent Director**	Takuya Kurita		Corporate Advisor, Sumitomo Mitsui Trust Bank, Limited
Director (Full-time Member of the Supervisory Committee)		Toshiyuki Mizui		Outside Director (Audit and Supervisory Committee Member), KYOEI TANKER CO., LTD.
Director (Member of the Supervisory Committee)	**Independent Director**	Yasuko Takayama		Outside Director, The Chiba Bank, Ltd. Outside Audit & Supervisory Board Member, Yokogawa Electric Corporation
Director (Member of the Supervisory Committee)	**Independent Director**	Keiichi Asai		Outside Director, Sun Frontier Fudousan Co., Ltd.

(Notes) 1. Directors Ryuko Inoue and Takuya Kurita and Directors (Members of the Supervisory Committee) Yasuko Takayama and Keiichi Asai are Outside Directors.

2. The Company has notified Directors Ryuko Inoue and Takuya Kurita and Directors (Members of the Supervisory Committee) Yasuko Takayama and Keiichi Asai as Independent Directors to the Tokyo Stock Exchange.

3. Director Toshiyuki Mizui is a full-time member of the Supervisory Committee. The reason for electing a full-time member of the Supervisory Committee was that a person thoroughly familiar with the circumstances in the Company could increase the effectiveness of the Supervisory Committee by attending important meetings, gathering information daily, listening to periodic business reports from the Business Execution Department and sharing with all Members of the Supervisory Committee information gained through their close coordination with the Internal Audit Department, etc.

4. Director Toshiyuki Mizui has taken charge of operations in the accounting and systems departments for many years, and he possesses a suitable level of knowledge regarding finance and accounting.
5. On April 1, 2024, Takayuki Uematsu was appointed Director after serving as Representative Director, Senior Managing Executive Officer.
6. The table above presents the status of significant concurrent positions of executives. There are no special relationships between the Company and companies where the concurrent positions are held.
7. Executive Officers (as of April 1, 2024)
There are no special relationships between the Company and companies where the concurrent positions are held.

Position	Name	Responsibilities
Senior Executive Officer, CDO	Noriko Rzonca	Responsible for Corporate DX Strategy Dept., Corporate Communication Dept., IT Initiative Dept. Unicharm Corporation, Outside Director, Audit & Supervisory Committee Member
Senior Executive Officer	Taisuke Matsuoka	Responsible for Corporate Planning Dept., Finance Dept. Power Business Management Dept. New Energy Business Management Dept.
Senior Executive Officer	Tomoki Iwai	Responsible for Accounting Dept., Legal and General Affairs Dept.
Senior Executive Officer	Yoshihiko Sato	General Manager, Secretariat Office
Executive Officer	Hideyuki Wakao	General Manager, Internal Auditing Office/ Substitute Director, Audit and Supervisory Committee Member

(2) Outline of the Terms and Conditions of Agreements for Limitation of Liability

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Ryuko Inoue, Takuya Kurita, Yasuko Takayama, and Keiichi Asai to limit the liability for damages under Article 423, Paragraph 1 of the said act.

The limitation of liability for damages under the relevant agreement is the minimum liability amount set forth in Article 425, Paragraph 1 of the Companies Act.

(3) Outline of the Company Indemnification Contracts

The Company has entered into company indemnification contracts with Directors Hiroshi Kiriyama, Shigeru Yamada, Takayuki Uematsu, Junko Takeda, Ryuko Inoue, Takuya Kurita, Toshiyuki Mizui, Yasuko Takayama and Keiichi Asai as set in Article 430-2, Paragraph 1 of the Companies Act, whereby the Company shall compensate Directors for expenses as set forth in Item 1 and losses as set forth in Item 2 of said Paragraph 1 within the scope set forth in applicable laws and regulations. However, the Company shall not indemnify the counterparties with respect to the expenses, etc. arising from the conduct of each Director aware of the illegality thereof, or from the execution of duty with a view to illegal gain for himself/herself or a third party, or to the detriment of the Company.

(4) Outline of the Terms and Conditions of Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract, as provided for in Article 430-3, Paragraph 1 of the Companies Act, with an insurance company. The individuals covered by this insurance contract are the Directors, Corporate Auditors (including those who are Members of the Supervisory Committee and those who served as Members of the Supervisory Committee during the fiscal year under review) and Executive Officers of 30 companies (the Company and 29 companies among its consolidated subsidiaries and equity-method affiliates). Under the terms of this insurance contract, those insured will be compensated for indemnification and legal defense costs incurred by the insured due to corporate litigation, shareholder derivative suits, etc. received in the course of their duties. For all those covered, the insurance premiums are fully borne by each company.

(5) Remuneration to Directors

1) Total remuneration related to the fiscal year under review

Category	Number of Recipients (Persons)	Amount of Remuneration (Millions of yen)	Basic Remuneration (Millions of yen)	Performance-Linked Remuneration (Yearly Incentive) (Millions of yen)	Non-Monetary Remuneration (Medium- to Long-Term Incentives) (Millions of yen)
Directors (Excluding Members of the Supervisory Committee)	6	760	232	259	268
(Of which Outside Directors)	(2)	(32)	(32)	(-)	(-)
Directors (Members of the Supervisory Committee)	3	76	76	-	-
(Of which Outside Directors)	(2)	(39)	(39)	(-)	(-)
Total	9	836	308	259	268

(Notes)
1. Of the remuneration etc. above, the amount of remuneration etc. for Directors (excluding those who are Members of the Supervisory Committee) includes the amount of performance-linked remuneration (yearly incentive) for the fiscal year under review and the amount of expenses booked for medium- to long-term incentives related to non-monetary remuneration for the Applicable Evaluation Period which includes the fiscal year under review.
2. The total amount of remuneration, etc. for Directors does not include the salaries paid as the employee portion for the Directors who also work as employees.
3. At the 3rd Ordinary General Meeting of Shareholders held on June 21, 2018, it was resolved that the amount of monetary remuneration for Directors (excluding those who are Members of the Supervisory Committee) would be set at no more than ¥600 million per year (including no more than ¥50 million per year for Outside Directors), not including the salaries paid as the employee portion for the Directors who also work as employees. With regard to the number of persons eligible at the conclusion of said General Meeting, the number of Directors that received basic remuneration was seven (7) persons (including two (2) Outside Directors), and the number of Directors that received yearly incentives was five (5) persons (Internal Directors only).
   In addition to monetary remuneration, the maximum amount of money contributed by the Company under the share-based remuneration plan is ¥400 million each target period. As Executive Officers are also eligible for medium- to long-term incentive, the number of Directors and Executive Officers eligible for this plan at the conclusion of said General Meeting was seven (7) persons (five (5) Directors (Internal Directors only) and two (2) Executive Officers who do not concurrently serve as Director).
4. At the 1st Ordinary General Meeting of Shareholders held on June 21, 2016, it was resolved that the amount of monetary remuneration for Directors who are Members of the Supervisory Committee would be set at no more than ¥90 million per year. At the conclusion of said General Meeting, the number of Directors who are Members of the Supervisory Committee was three (3) persons (including two (2) Outside Directors).

2) Policy for determining remuneration, etc. for Directors

<Method for determining the policy>

In order to ensure a high degree of independence, objectivity and transparency in the process for determining and managing the remuneration of executives, the Company has established the Nomination and Remuneration Committee, in which more than half of the members are Independent Outside Directors, with Independent Outside Director Keiichi

Asai as Chairman and Independent Outside Directors Yasuko Takayama, Ryuko Inoue and Takuya Kurita and Chairperson and Representative Director Hiroshi Kiriyama as committee members. The policy for determining individual remuneration etc. for Directors is determined by the Board of Directors after verifying its validity every term by the Nomination and Remuneration Committee.

<Summary of the details of the policy>

Remuneration plan

The remuneration system for Directors (excluding Outside Directors and Members of the Supervisory Committee) is comprised of 1) fixed salaries as basic remuneration, 2) yearly incentive remuneration that is linked to single-year performance (consolidated net income (excluding the impact of inventory valuation)), initiatives for achieving ESG targets, and the performance of individuals, 3) as well as medium- to long-term incentive remuneration in which the number of shares to be granted varies according to the degree of achievement of performance targets etc. for three fiscal years. As for the level of remuneration and the composition ratios of each type of remuneration, an "executive compensation database" operated by an outside consulting firm is used as data for analysis, and validity is verified based on an objective benchmark analysis of the latest conditions for the level and composition of Director remuneration at major domestic corporations. Specifically, we established the competitive enough level of basic remuneration comparable with major domestic corporations, while setting greater proportion of incentive remuneration for Directors with higher positions, thereby reflecting the weight of management responsibilities on the composition ratio of Director remuneration by position.

In addition, Remuneration for Independent Outside Directors and Directors who are Members of the Supervisory Committee consists only of a set amount of basic remuneration so that they can fulfill their supervisory roles appropriately from the standpoint of individuals who are not involved in business execution. In addition, regarding the determination of individual remuneration etc. for Directors who are Members of the Supervisory Committee, it is determined through discussions among Directors who are Members of the Supervisory Committee in accordance with the provisions of Article 361, Paragraph 3 of the Companies Act.

Basic remuneration is paid each month. As for yearly incentive remuneration and medium- to long-term incentive remuneration, remuneration is paid or standard points are granted at a certain time every year.

Shareholding guidelines

To ensure sustainable value sharing with all stakeholders, shareholding guidelines have been established for Executive Officers of the Group. Specifically, Chairperson and President of the Company shall aim to attain standard holding value including the potential shareholding (the value of non-performance-linked portion of standard points granted through medium- to long-term incentive remuneration) equivalent to 1.5 times annual basic remuneration within five years from their appointment, while Executive Officers of the Group shall aim to attain the same level as annual basic remuneration also within five years from their appointment.

<Matters related to details for remuneration, etc. of Directors for the fiscal year under review>

Matter related to the process for determining the amount of total remuneration

In individual remuneration, etc. of Directors for the fiscal year under review, the Nomination and Remuneration Committee, delegated by the Company's Board of Directors, determined the remuneration amount for each individual based on the executive remuneration system decided by the Board of Directors after considering the report of the Nomination and Remuneration Committee. The delegated authority is the final determination of individual remuneration amounts based on the evaluation result of the part of yearly incentive remuneration that is linked with individual performance evaluation. The reason for delegating it is to encourage improvement in the qualities of the Company's executives by linking manager remuneration and nomination. Furthermore, the Chairman and committee members of the Nomination and Remuneration Committee that received the delegation is as stated above.

As measure to ensure that the delegated authority is exercised appropriately, the Company strives to provide adequate necessary objective information to the Nomination and Remuneration Committee using external nomination and remuneration consultants with a view to ensuring comprehensive and effective deliberation while also assuming the secure independence of the Nomination and Remuneration Committee.

In making the decision, the Board of Directors collected objective information that was necessary and sufficient for deliberations, given the activities of the Nomination and Remuneration Committee during the decision-making process for individual remuneration, etc. for the fiscal year under review. And it gave consideration of multiple things, including the compatibility of the remuneration of executives with the policy for determining individual remuneration, etc. for Directors. Therefore, the Board of Directors determined that the details of individual remuneration, etc. for Directors for the fiscal year under review would be in line with the policy.

The Company's yearly incentive remuneration (portion linked to consolidated net income (excluding the impact of inventory valuation)) as well as medium- to long-term incentive remuneration (performance-linked portion) is designed as "performance-linked remuneration" for the purpose of Corporation Tax Act. The Company and its core business companies decide on the method for calculating such performance-linked portion by the resolution at the Board of Directors of the Company and at the Board of Directors of the core business companies, subject to the approval of a majority of Directors who are Members of the Supervisory Committee at the Supervisory Committee.

3) Matters related to performance-linked remuneration (yearly incentive remuneration)

In the case of yearly incentive remuneration, Directors (excluding Outside Directors and Directors who are Members of the Supervisory Committee) receive monetary payments that vary in accordance with single-year performance (consolidated net income (excluding the impact of inventory valuation)), initiatives for achieving ESG targets, and the performance of individuals based on the perspective of their management nomination. The actual result for consolidated net income (excluding the impact of inventory valuation) for the fiscal year under review was ¥82.4 billion, and the individual amounts paid reflect evaluation of initiatives on ESG targets and individual performance evaluation on an amount calculated by predetermined formulas for each position based on the individual performance.

Consolidated net income (excluding inventory effects) was selected as a performance indicator (KPI) for this system because it is a standard indicator in the petroleum industry that excludes the characteristic of fluctuations in inventory effects, and is widely used to explain the Company's performance to internal and external stakeholders.

With respect to the portion linked to evaluations of initiatives on ESG targets set at 10% of the yearly standard amount, payment rate calculated in a range between 0 - 200% has been established in consideration of the progress of the non-financial KPIs predetermined focusing on the Company's material issues, along with the results of evaluation at the Board of Directors and the Sustainability Strategy Committee.

4) Matters related to performance-linked non-monetary remuneration (medium- to long-term incentive remuneration)

Medium- to long-term incentive remuneration is a performance-linked share-based remuneration plan (hereinafter the "Plan" in this paragraph), whereby, every year from FY2018, an incentive plan is established for an evaluation spanning three consecutive years (the "Applicable Evaluation Period").

The KPIs of the Plan are the ratio of the Company's total shareholder return (TSR) to the Tokyo Stock Price Index (TOPIX) growth rate, and the consolidated net interest-bearing debt ratio (hereinafter the "Consolidated Net D/E ratio"). The ratio of the Company's TSR to the TOPIX growth rate was chosen as a KPI because it enables the volatility in performance caused by market factors that is characteristic of the Company's business to be excluded as far as possible, and for the skill involved in creating corporate value, resulting from management efforts, to be evaluated fairly and impartially. The Consolidated Net D/E ratio was chosen as a KPI for the early achievement of the goal cited in the 7th Consolidated Medium-Term Management Plan of achieving consistently sound financial management over the medium to long term.

For this remuneration plan which has the Applicable Evaluation Period for the three fiscal years from FY2021 through FY2023, with the fiscal year under review as the final year of the period, as of the end of March 2024, the Company's TSR to the TOPIX growth rate was 150%, and Consolidated Net D/E ratio was 0.83 times, and the number of shares granted to individual is calculated based on actual results as of the end of May 2024 according to a predetermined formula for each position.

(6) Outside Directors

Major Activities in the Fiscal Year Under Review

Title	Name	Record of Attendance		Outline of Opinions Expressed and Performance of Duties in Relation to Expected Role
		Board of Directors Meeting	Supervisory Committee Meeting	
Outside Director	Ryuko Inoue	14 out of 14 times	—	Ms. Inoue is properly fulfilling her role through giving valuable advice and other activities regarding government policies, laws and regulations, and risks, etc. from her abundant experience at the Ministry of Agriculture, Forestry and Fisheries and as outside director of other business corporation as well as on her expertise as an attorney. She also expressed her opinions proactively as a member for the Nomination and Remuneration Committee, and the Independent Committee.
Outside Director	Takuya Kurita	14 out of 14 times	—	Mr. Kurita is properly fulfilling his role through giving valuable advice and other activities, from his broad-based expertise at the Ministry of Land, Infrastructure, Transport and Tourism and as corporate adviser of other business corporation without being bound by the conventions of the industry to which the Company belongs. He also expressed his opinions proactively as a member for the Nomination and Remuneration Committee, and the Independent Committee.

Title	Name	Record of Attendance		Outline of Opinions Expressed and Performance of Duties in Relation to Expected Role
		Board of Directors Meeting	Supervisory Committee Meeting	
Outside Director (Member of the Supervisory Committee)	Yasuko Takayama	14 out of 14 times	17 out of 17 times	By drawing on her extensive experience as an Outside Director and Outside Member of the Audit & Supervisory Board, Ms. Takayama is properly fulfilling her role through the activities including providing oversight and advice appropriately over business execution and giving advice without being bound by the conventions of the industry to which the Company belong. She also expressed her opinions proactively as a member of the Nomination and Remuneration Committee, and the Independent Committee.
Outside Director (Member of the Supervisory Committee)	Keiichi Asai	14 out of 14 times	17 out of 17 times	By drawing on his track record in corporate management and his abundant professional knowledge of the energy and chemical industries, Mr. Asai is properly fulfilling his role through the activities including providing oversight and advice appropriately over business execution based on his experience in international business. He also expressed his opinions proactively as Chairman of the Nomination and Remuneration Committee, and the Independent Committee.

4. Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Amount of Remuneration, etc., pertaining to the Fiscal Year Under Review to Accounting Auditor

(Millions of yen)

	Amount of Remuneration
Amount of Remuneration, etc., to be Paid to the Accounting Auditor pertaining to the Fiscal Year Under Review	164
Amount of Moneys and Other Property Benefits to be Paid to the Accounting Auditor by the Company and Its Subsidiaries	354

(Notes)
1. The audit agreement entered into by the Company and the Accounting Auditor does not clearly distinguish the amount of remuneration, etc. for audit under the Companies Act and that for audit under the Financial Instruments and Exchange Act, and those cannot be substantially distinguished from each other. Therefore, the aforementioned amount of remuneration, etc. to be paid to the Accounting Auditor pertaining to the current fiscal year indicates the total amount of these.
2. The Supervisory Committee consented to the amount of remuneration, etc., to the Accounting Auditor after fully examining the details explained by the Accounting Auditor including the length of the audit period and personnel arrangement of the accounting audit plan for the current fiscal year, review and assessment of the audit results for the previous year, reasonableness of the status of audit by the Accounting Auditor and the basis for calculating the estimate used as an assumption for such remuneration.
3. Our subsidiary COSMO OIL INTERNATIONAL PTE. LTD. undergoes audits by audit corporations other than the Account Auditor of the Company.

(3) Non-audit Services

Not applicable

(4) Guidelines for Decisions on Dismissal or Non-reappointment of Accounting Auditor

The Supervisory Committee will decide on dismissal or non-reappointment of the Accounting Auditor after comprehensively considering the independence, reliability and status of performance of duties of the Accounting Auditor as prescribed in laws and regulations or standards. The Supervisory Committee will decide on details of proposals related to the dismissal or non-reappointment of the Accounting Auditor to be submitted to a General Meeting of Shareholders, if it deems it necessary to do so, such as in cases in which performance of duties by the Accounting Auditor is hindered.

Also, the Supervisory Committee will dismiss the Accounting Auditor if it judges that any of the items stipulated in Article 340, Paragraph 1 of the Companies Act is applicable to the Accounting Auditor, based on the consent of all members of the Supervisory Committee. In this case, a member of the Supervisory Committee appointed by the Supervisory Committee will report the fact of dismissal and the reasons thereof at the first General Meeting of Shareholders convened after the dismissal.

5. Basic Policies on Internal Control Systems

(1) Basic Policies on Internal Control Systems (As of March 31, 2024)

In order to put into practice the Cosmo Energy Group Vision and code of conduct, and to execute duties appropriately and efficiently, the following basic policies on internal control systems have been established, by the resolution of the Board of Directors, with respect to the preparation of a system for execution of duties by Directors and employees, etc. of the Company and its group companies, system for risk management and internal auditing to support it, and a system to ensure effective auditing by the members of the Supervisory Committee.

Group companies constitute the group of enterprises consisting of the Company and a group of subsidiaries represented by its core business companies (COSMO OIL COMPANY, LIMITED, COSMO OIL MARKETING COMPANY, LIMITED, and Cosmo Energy Exploration & Production Co., Ltd.) and semi-core business company (Maruzen Petrochemical Company, Limited).

1) System to Ensure that Execution of Duties by Directors and Employees of the Company and its group companies is in Compliance with Laws and Regulations, and Articles of Incorporation (Article 399-13, Paragraph 1, Item 1, c of the Companies Act, Article 110-4, Paragraph 2, Item 4 and Item 5, d of the Regulations for Enforcement of the Companies Act)

<Group Vision and Code of Conduct>

- The Company will formulate the "Cosmo Energy Group Vision" based on the mission as a company and responsibilities the Company assumes to society, and will establish the "Cosmo Energy Group Code of Conduct" as a specific guideline to promote and achieve this Vision.

<Corporate Governance>

- The Company is a company with a supervisory committee and will strengthen the management oversight function of the Board of Directors and ensure transparency and fairness of management judgment by appointing several Outside Directors. The Board of Directors will determine important matters in accordance with laws and regulations, the Articles of Incorporation, the resolution thereof and internal rules, and oversee the execution of duties of Directors.
- The Company is a holding company, and its structure consists of three core business companies and semi-core business company. To quickly conduct business execution in response to any change in the business environment, the Company will delegate authority and responsibilities to the core business companies and semi-core business company, and facilitate speedy decision-making on important management matters such as development of growing businesses and nurturing of a safety-oriented workplace culture.
- In order to promote sound business activities of the Company and group companies, the Company will establish the Sustainability Strategy Committee chaired by the President and CEO to supervise overall sustainability activities and internal controls and determine non-financial policies and indicators. The Sustainability Strategy Committee shall submit important decisions and reports to the Board of Directors.

<Separation of Execution of Duties and Supervision>

- The Company will introduce an Executive Officer System that separates the execution of duties from their supervision to enhance the supervisory function of the Board of Directors.

<Enhancement of Internal Audit>

- The Company will establish a rule for a system to ensure effective implementation of internal audits, and implement audits that possess high level of expertise and sense of ethics by the Internal Auditing Office.

<Compliance>

- The Company will provide the Cosmo Energy Group Corporate Ethics Consultation Helpline (a corporate ethics helpline) both inside and outside the Company that enables its employees to report a legal violation or a violation of internal rules, etc., by the Company or the group companies and any matter concerning corporate ethics to thoroughly carry out legal compliance and foster and heighten ethical standards.
- The Company will place a Sustainability Promotion Officer (president of group company) and a Corporate Ethics Helpline Officer (, who is in charge of human resource department) at each group company and hold a Sustainability Liaison Committee to promote initiatives of the Company and the group companies for corporate ethics.

<Stance Against Anti-Social Forces>

- The Company and the group companies will never have any relationship with anti-social forces or groups that are a menace to social order and safety, and will not give favors of any sort.

2) Rules and Other Systems concerning Management of Risk of Loss in the Company and its group companies (Article 110-4, Paragraph 2, Item 2 and Item 5, b of the Regulations for Enforcement of the Companies Act)

- The Company will determine basic matters with regard to risk management such as crisis management (establishment of Risk Management Rules and Crisis Management Rules), and through the Sustainability Strategy Committee and the Sustainability Committee, it will conduct assessment and reexamination of various risks facing the business activities and take proper measures.
- The Board of Directors will oversee whether measures for major risks and crisis control that are reported by the Sustainability Strategy Committee are effectively implemented.
- The Company and the group companies will take prompt and proper measures such as establishing Crisis Response Headquarters, etc., at times of crisis and provide information outside the Company on a timely and appropriate manner while minimizing damage.

3) Systems to Ensure Efficient Execution of Duties by Directors of the Company and its group companies (Article 110-4, Paragraph 2, Item 3 and Item 5, c of the Regulations for Enforcement of the Companies Act)

- The Company will hold a meeting of the Board of Directors in accordance with the Board of Directors Meeting Rules or as required when any important matter comes up, and determine matters stipulated by laws and regulations and the Articles of Incorporation and other important matters concerning management such as management policy.
- The Company will hold a meeting of the Executive Officers' Committee in accordance with the Executive Officers' Committee Rules or as required when any important matter comes up. The Executive Officers' Committee is a decision-making organization that discusses the basic policy and important matters for business execution based on the management policy determined by the Board of Directors.
- The Company will ensure effective execution of duties in response to a change in the management environment by establishing a system for sharing responsibilities for business execution based on the Rules for Duties that stipulate the organizational body, office organization, reporting line and segregation of duties as well as the Rules for Job Authorization that stipulate basic matters concerning management of the decision-making system.
- The Company will formulate a management plan and clarify objectives to be achieved given the management policy of the Company and the group companies while determining an annual plan based on such plan and implement performance management of the Company and the group companies.
- The Company shall require the group companies to build a system necessary for efficient execution of duties of Directors, etc., in reference to the Company's system or based on organizations of the group companies.

4) System with regard to Information Retention and Management pertaining to Execution of Duties by Directors (Article 110-4, Paragraph 2, Item 1 of the Regulations for Enforcement of the Companies Act)

- In accordance with the internal rules with respect to information management, such as Board of Directors Meeting Rules and Information Management Rules, etc., the Company shall properly retain and manage information pertaining to execution of duties by Directors.
- The Company will build an information security system for proper information use and management.

5) System to Report Matters concerning Execution of Duties of Directors, etc. of the Group Companies to the Company (Article 110-4, Paragraph 2, Item 5, a of the Regulations for Enforcement of the Companies Act)

- The Company shall regularly hold a meeting with the group companies concerning overall management thereof to

share important information, and shall approve or receive a report on the execution of important businesses of the group companies based on their regulations for management.

- The Company will require the group companies to report the progress of various measures for sustainability and improve or review such measures based on the Consolidated Medium-Term Management Plan the Company establishes.

6) Matters concerning Employees Assisting the Duties of Supervisory Committee, Matters concerning Independence of Employees from Directors Other Than Members of Supervisory Committee and Matters concerning Securing of Effectiveness of Orders to the Relevant Employees (Article 110-4, Paragraph 1, Item 1, Item 2 and Item 3 of the Regulations for Enforcement of the Companies Act)

- The Company will place dedicated staff who assist the duties of Supervisory Committee and support execution thereof.
- The Company shall obtain approval from Supervisory Committee concerning selection, transfer and change of treatment of employees assisting the duties of such Committee.
- The authority to give instructions and commands to employees assisting the duties of members of the Supervisory Committee will be held by the Supervisory Committee.

7) Systems for Reporting to the Supervisory Committee (Article 110-4, Paragraph 1, Item 4 of the Regulations for Enforcement of the Companies Act)

- Directors and employees of the Company and its group companies shall report to the Supervisory Committee on statutory matters and (1) material matters that affect the management and results of the Company and its group companies, (2) overview of activities of Internal Auditing Office, Corporate Auditors and Audit Offices of the group companies, (3) overview of activities with respect to internal controls of the Company and its group companies, and (4) status of operation at the Cosmo Energy Group Corporate Ethics Help Line.
- When there is a report to the Cosmo Energy Group Corporate Ethics Helpline, it shall be reported to the Supervisory Committee without delay.
- The Directors and employees, etc. of the Company and the group companies will respond swiftly and appropriately when they are requested by the Supervisory Committee to report on a matter regarding business execution or other important matter.

8) System for Ensuring a Person Reporting to the Supervisory Committee Does Not Receive Unfair Treatment Due to Making that Report (Article 110-4, Paragraph 1, Item 5 of the Regulations for Enforcement of the Companies Act)

- The Company prescribes the rule and will respond appropriately to ensure unfair treatment is not given to any Director or an employee, etc. of the Company and the group companies, due to the making of a report to the Supervisory Committee.

9) Procedures for Advanced Payment or Reimbursement of Costs, and Policies for Treatment of Other Costs or Obligations Incurred through the Performance of Duties by Members of the Supervisory Committee (Article 110-4, Paragraph 1, Item 6 of the Regulations for Enforcement of the Companies Act)

- Costs recognized as necessary for the performance of duties by members of the Supervisory Committee will be budgeted and when there is a claim for such payment in advance, a swift response will be given to such claims except in the cases when such claims are inappropriate.
- Costs for the expenses of emergencies or extraordinary events related to the Supervisory Committee will be met by responding to a subsequent claim for reimbursement.

10) Other Systems for Ensuring Audits of the Supervisory Committee are Performed Effectively (Article 110-4, Paragraph 1, Item 7 of the Regulations for Enforcement of the Companies Act)

- The Audit Standard and Audit Implementation Plan decided by the Supervisory Committee will be respected and

cooperation will be given to ensure a smooth execution of audit and preparation of audit environment.

- Meetings among the members of the Supervisory Committee, the President, primary departments and office managers, and Audit & Supervisory Board Members of the group companies will be held on regular basis to prepare systems to ensure audit effectiveness.
- Sufficient collaboration among the Internal Auditing Office, the Accounting Auditor, and the Supervisory Committee shall be promoted.

(2) Outline of the Status of Operation of the Basic Policies on Internal Control Systems

In order to put into practice, the Cosmo Energy Group Vision and code of conduct, and to execute duties appropriately and efficiently, an auditing system has been established and put into operation based on the basic policies on internal control systems, with respect to the execution of duties by Directors and employees, etc. of the Company and its group companies, risk management and internal auditing, and the Supervisory Committee. Furthermore, the Company has established the Sustainability Strategy Committee chaired by the President and Group CEO to supervise internal controls. The Sustainability Strategy Committee is composed of executives of the Company and the general managers of its planning departments, as well as our core business companies' presidents and Chief Sustainability Officer, and members of their supervisory committees. The Committee assesses the performance and activities of various measures for sustainability based on the Consolidated Medium-Term Management plan, and reports to the Board of Directors significant matters. In addition, meetings of the Sustainability Committee, which serves as the operational organization of the Sustainability Strategy Committee, are held as necessary, with the General Manager of the Sustainability Initiative Dept. serving as the chief administrator. In FY2023, the Sustainability Strategy Committee met seven times, discussed 15 agenda items, and submitted/reported seven of the agenda items to the Board of Directors for deliberation. Furthermore, committees have been established at core business companies and semi-core business companies in accordance with the functions of each company. These committees work together with our Sustainability Strategy Committee to oversee all Group companies.

1) Status of Operation of System to Ensure Appropriateness of Businesses

- The Company held 14 meetings of the Board of Directors in person, four meetings of the Board of Directors in writing, and 23 meetings of the Executive Officers' Committee in accordance with internal rules. The Board of Directors discussed and determined the basic policy and important matters concerning business management of the Group in addition to matters stipulated by laws and regulations and the Articles of Incorporation while the Executive Officers' Committee discussed and determined the basic policy and important matters concerning business execution.
- In an attempt to foster ethical standards widely across the Group, the Company provided individual training by corporate ethics e-learning to all Cosmo Energy Group employees and deepened the understanding toward the Code of Conduct. The Company continually implemented consistent contents throughout the year, including issuing an e-mail based magazine, conducting an employee awareness survey, appropriately managing working time, and creating a workplace that respects diversity, and raised the level of awareness of corporate ethics and human rights among employees. The Company also provided the Cosmo Energy Group Corporate Ethics Consultation Helpline (a corporate ethics helpline) both inside and outside the Company as a system to consult or report under anonymity any legal or ethical issue encountered during business operation, and provided consultations on harassment issues for the purpose of preventing mental health disorders and resolving issues in workplace quickly through effects such as a sense of sympathy and security gained by counseling provided by outside specialists.

2) Status of Operation concerning Management of the Risk of Loss

Being strongly committed to the stable supply of energy, the Group advocates "strengthening of the Group risk management" and "safe operation and stable supply" as most important material issues under the Consolidated Medium-Term Management Plan, and set targets and KPIs to enhance the governance structure.

Risk management policies have been established as part of an effort to build up sustainability management paradigm under which the Sustainability Strategy Committee promoted group-wide risk and safety management activities including discussions on risks and safety policies relevant to the entire Group, and checking of progress of risk prevention initiatives and safety activities. The Committee checked the progress of measures for "CEG Priority Risks (Cosmo Energy Group Priority Risks)" that identify cross-group risks and define matters to be dealt with preferentially, and redefined crisis events including the emerging risks such as cyber terrorism. With respect to seismic countermeasures, we conducted BCP drills for FY2023 focusing on decision-making including formulation of response policies while expanding the scope of drill from two hours to 24 hours after the occurrence of a disaster. In December 2023, a tripartite initiative was arranged enlisting the Company, Cosmo Oil, and Cosmo Oil Marketing in conducting drills envisioning a Nankai Megathrust (the fault line under the Nankai trough) Earthquake. Moreover, in November 2023, drills were conducted premised on the notion that Crisis Response Headquarters is to be established at Cosmo Oil's Sakai Refinery and at Cosmo Oil Marketing's Osaka Office and decision-making authority regarding disaster response is to be

delegated, envisioning a scenario where functions of the Group's head office become subject to a state of paralysis due to a Tokyo Inland Earthquake.

3) Status of Operation concerning System for Ensuring Audits of the Supervisory Committee is Performed Effectively

- To ensure the Supervisory Committee's performance of its duties is effective, in addition to members of the Supervisory Committee attending important meetings of the Executive Officers' Committee, the Sustainability Strategy Committee, the Group Strategy Committee, etc., and coordination with Audit & Supervisory Board Members of each company of the Group, we carried out coordination between the Internal Audit Department and the Accounting Auditor.
- Furthermore, to ensure the Supervisory Committee's audits are carried out in an effective manner, we assigned appropriate assistant employees in accordance with the basic policies for Internal Control Systems. In addition, we provided necessary and adequate information to the Supervisory Committee such as the documents for resolution, minutes, and documents to be approved from the meetings, etc., that members of the Supervisory Committee do not attend.

4) Status of Operation concerning Business Management of the Group Companies

The Group, for the purpose of ensuring proper group governance based on the holding company structure, developed internal rules such as the Rules for Management of Subsidiaries and Affiliated Companies and the Rules for Job Authorization that stipulate matters concerning the oversight authority of the Company and the Group. Accordingly, the Company and the group companies discussed and approved important management matters of the respective affiliated companies and were briefed on the results as appropriate.

Consolidated Balance Sheet

Fiscal Year 2023 (As of March 31, 2024)

(Unit: million yen)

Item	Amount	Item	Amount
Assets	**2,211,942**	**Liabilities**	**1,485,170**
Current assets	**1,122,740**	**Current liabilities**	**1,007,628**
Cash and deposits	117,295	Notes and accounts payable - trade	346,805
Notes receivable - trade	4,130	Short-term loans payable	245,082
Accounts receivable - trade	395,261	Commercial papers	88,000
Merchandise and finished goods	204,470	Accounts payable - other	150,515
Work in process	168	Accrued volatile oil and other petroleum taxes	113,810
Raw materials and supplies	187,652	Income taxes payable	12,793
Accounts receivable - other	97,059	Accrued expenses	3,681
Other	116,730	Provision for bonuses	8,642
Allowance for doubtful accounts	-28	Provision for directors' bonuses	719
Non-current assets	**1,089,123**	Other	37,577
Property, plant and equipment	**850,239**	**Non-current liabilities**	**477,542**
Buildings and structures, net	240,625	Bonds payable	21,568
Oil storage depots, net	36,874	Long-term loans payable	263,669
Machinery, equipment and vehicles, net	205,190	Deferred tax liabilities	55,359
Land	313,806	Deferred tax liabilities for land revaluation	4,968
Leased assets, net	1,833	Provision for special repairs	52,415
Construction in progress	37,497	Provision for environmental measures	954
Other, net	14,411	Net defined benefit liability	3,481
Intangible assets	**42,094**	Provision for executive remuneration BIP trust	1,535
Software	10,216	Asset retirement obligations	27,384
Other	31,877	Other	46,204
Investments and other assets	**196,790**	**Net assets**	**726,771**
Investment securities	131,147	**Shareholders' equity**	**596,617**
Long-term loans receivable	312	**Capital stock**	**46,435**
Long-term prepaid expenses	10,048	**Capital surplus**	**93,572**
Net defined benefit asset	10,086	**Retained earnings**	**458,542**
Deferred tax assets	37,203	**Treasury shares**	**-1,932**
Other	8,270	**Accumulated other comprehensive income**	**3,899**
Allowance for doubtful accounts	-278	**Valuation difference on available-for-sale securities**	**9,602**
Deferred assets	**77**	**Deferred gains or losses on hedges**	**-1,185**
Bond issuance cost	77	**Revaluation reserve for land**	**-20,771**
		Foreign currency translation adjustment	**13,587**
		Remeasurements of defined benefit plans	**2,665**
		Non-controlling interests	**126,253**
Total assets	**2,211,942**	**Total liabilities and net assets**	**2,211,942**

Consolidated Statements of Income

Fiscal Year 2023(From April 1, 2023 to March 31, 2024)

(Unit: million yen)

Item	Amount	
I Net sales		**2,729,570**
II Cost of sales		**2,409,926**
Gross profit		**319,643**
III Selling, general and administrative expenses		**170,443**
Operating profit		**149,200**
IV Non-operating income		
Interest income	4,936	
Dividend income	962	
Rent income on non-current assets	792	
Foreign exchange gains	10,291	
Other	4,107	21,090
V Non-operating expenses		
Interest expenses	4,761	
Share of loss of entities accounted for using equity method	1,770	
Other	2,142	8,675
Ordinary profit		**161,615**
VI Extraordinary income		
Gain on sales of non-current assets	1,296	
Gain on sales of investment securities	143	
Compensation income	7,021	
Insurance income	73	
Other	125	8,661
VII Extraordinary losses		
Loss on sales of non-current assets	20	
Loss on disposal of non-current assets	12,249	
Impairment loss	902	
Loss on valuation of investment securities	857	
Other	1,293	15,323
Profit before income taxes		**154,952**
Income taxes - current	57,394	
Income taxes - deferred	7,214	64,609
Profit		**90,343**
Profit attributable to non-controlling interests		8,283
Profit attributable to owners of parent		**82,060**

Consolidated Statements of Changes in Equity

Fiscal Year 2023 (from April 1, 2023 to March 31, 2024)

(Unit: million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2023	46,435	91,349	396,361	-2,237	531,909
Changes of items during the period					
Dividends of surplus			-19,879		-19,879
Profit attributable to owners of parent			82,060		82,060
Purchase of treasury shares				-793	-793
Disposal of treasury shares				1,098	1,098
Capital increase of consolidated subsidiaries		308			308
Purchase of shares of consolidated subsidiaries		1,914			1,914
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	2,222	62,180	305	64,708
Balance at March 31, 2024	46,435	93,572	458,542	-1,932	596,617

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at April 1, 2023	5,094	-34	-20,880	11,278	527	-4,014	135,485	663,380
Changes of items during the period								
Dividends of surplus								-19,879
Profit attributable to owners of parent								82,060
Purchase of treasury shares								-793
Disposal of treasury shares								1,098
Capital increase of consolidated subsidiaries								308
Purchase of shares of consolidated subsidiaries								1,914
Net changes of items other than shareholders' equity	4,508	-1,150	109	2,309	2,138	7,914	-9,231	-1,317
Total changes of items during the period	4,508	-1,150	109	2,309	2,138	7,914	-9,231	63,391
Balance at March 31, 2024	9,602	-1,185	-20,771	13,587	2,665	3,899	126,253	726,771

Notes to Consolidated Financial Statements

In the consolidated balance sheet, consolidated statements of income and consolidated statements of changes in equity of Cosmo Energy Holdings Co., Ltd. (the "Company") represented in the million yen unit, figures less than 1 million yen are rounded down.

(Notes concerning Important Items that Provide the Basic Information for the Development of the Consolidated Financial Statements)

1. Items concerning the Scope of Consolidation for Reporting

(1) Number of Consolidated Subsidiaries: 34

Name of major consolidated subsidiaries: Cosmo Oil Co., Ltd.
Cosmo Oil Marketing Co., Ltd.
Maruzen Petrochemical Co., Ltd.
Cosmo Energy Exploration & Production Co., Ltd.
Abu Dhabi Oil Co., Ltd.
Cosmo Eco Power Co., Ltd.

Cosmo Abu Dhabi Energy Exploration & Production Co., Ltd., which was a consolidated subsidiary in the previous consolidated fiscal year, was excluded from the scope of consolidation due to merger with Cosmo Energy Exploration & Production Co., Ltd. in the consolidated fiscal year under review.

Cosmo Iwatani Hydrogen Engineering LLC and Cosmo E&P USA lnc. were included in the scope of consolidation due to new incorporation during the consolidated fiscal year under review.

(2) Name of major non-consolidated subsidiaries: Osadano Gas Center Co., Ltd.

Reason for exclusion from accounting consolidation:

13 subsidiaries of the Company were excluded from its consolidated subsidiaries because they are small businesses and their respective total assets, net sales, and profit/loss attributable to owners of parent and retained earnings (both amounts equivalent to what is accounted for under the equity method) have no material impact on the consolidated financial statements.

2. Items concerning the Application of the Equity Method

(1) Number of Non-consolidated Subsidiaries Accounted for Using the Equity Method: 13

Name of major subsidiaries: Osadano Gas Center Co., Ltd.

During the consolidated fiscal year under review, the Company additionally acquired shares of JMG Trading Sdn. Bhd.; however, JMG Trading Sdn. Bhd. does not have a material impact on the consolidated financial statements and is, therefore, not included in the scope of consolidation and is treated as a non-consolidated subsidiary accounted for using the equity method.

(2) Number of Associated Companies Accounted for Using the Equity Method: 12

Name of major associated companies: HD Hyundai Cosmo Petrochemical Co.,Ltd., United Petroleum Development Co., Ltd., GYXIS CORPORATION, Kygnus Sekiyu K.K.

(3) Major Business Entities of Associated Companies Not Accounted for Using the Equity Method:

Ogishima Oil Terminal Co., Ltd., Kasumi Sanbashi Kanri Co., Ltd.

Reasons for Exclusion from the Application of the Equity Method:

The equity method does not apply to the above associates because their profit/loss attributable to owners of parent and retained earnings (both amounts equivalent to what is accounted for under the equity method) have little impact on the consolidated financial statements on an individual basis, nor have any material impact on them on an aggregate basis.

(4) Special Remarks Necessary to Make concerning the Procedures of the Application of the Equity Method:

As for the subsidiaries and associates which are subject to the application of the equity method and which have different accounting periods from that of the Company, such business entities' financial statements for their accounting periods are used for reporting herein.

3. Items concerning the Accounting Periods of the Consolidated Subsidiaries

Among the 34 consolidated subsidiaries, Abu Dhabi Oil Co., Ltd., Qatar Petroleum Development Co., Ltd., COSMO OIL INTERNATIONAL PTE. LTD., COSMO OIL EUROPE B.V., Cosmo E&P Albahriya Limited and Cosmo E&P USA lnc. have fiscal years ending on December 31.

When preparing the consolidated financial statements, the Company uses their financial statements as of December 31 and makes adjustments necessary for consolidation for any material transactions arising between December 31 and the consolidated closing date.

4. Items concerning the Accounting Policies

(1) Significant Asset Valuation Standards and Methods

1) Securities:

Held-to-maturity securities:

- Stated at amortized cost

Other securities:

- Securities except non-marketable securities:

Stated at fair value (in which all differences between the carrying amounts and the fair values are reported as a separate component of net assets, while the cost of securities sold is calculated by the moving average method)

- Non-marketable securities:

Stated at cost determined by the moving average method

2) Inventories: Principally stated at cost determined by the weighted average method (however, the amounts of inventories stated in the balance sheet were computed by using the method that book values are reduced to reflect declines in profitability)

3) Derivative financial instruments: Stated at fair value

(2) Significant Depreciable Assets and Depreciation Methods

1) Property, Plant and Equipment (except leased assets):

The straight line method is mainly adopted to calculate depreciation expenses for these asset items. The number of years of their useful lives and their residual value is calculated based on the criteria defined under the Corporation Tax Law of Japan. However, the number of years of useful lives of the machinery and equipment, structures and Oil storage depots, of the property, plant and equipment owned by Cosmo Oil Co., Ltd., a consolidated subsidiary of the Company, is calculated based on the number of years of their economic useful lives, which better reflect their use status respectively and the economic useful life of 15 years is adopted for the Cosmo Oil Property Service Corporation's service stations by taking their actual past performances into consideration. As for Abu Dhabi Oil Co., Ltd., a consolidated subsidiary of the Company, adopts the number of years for useful life as defined in the concession agreements and economic useful life by taking into account the durability and other conditions of the assets currently owned. As for Cosmo Eco Power Co., Ltd., a consolidated subsidiary of the Company, and its subsidiaries, an economic useful life of 20 years is mainly adopted for the wind power plant operated by them.

2) Intangible Assets (except leased assets):

The straight line method is mainly adopted to calculate depreciation expenses for these asset items. The number of years of their useful lives is calculated based on the criteria defined under the Corporate Income Tax Law of Japan, providing that amortization expenses for the software used by the Company is calculated on the straight line method over the period of its availability in-house (5 years).

3) Leased Assets:

Leased assets involving finance lease transactions under which the ownership of the leased assets is transferred to lessees:

The method to calculate depreciation expenses for such assets is the same as that applied to non-current assets owned by the Company.

Leased assets involving finance lease transactions under which the ownership of the leased assets is not transferred to lessees:

The method to calculate depreciation for such assets is the straight line method with their residual values being zero over their leased periods used as the number of years for useful life.

Out of finance lease transactions other than those under which the ownership of the leased assets is considered to be transferred to lessees, such transactions, of which the lease term each commenced before the initial year of the application of the ASBJ Statement No. 13"Accounting Standards for Lease Transactions", are continuously accounted for in conformity with the accounting process applicable to operating lease transactions.

4) Long-term Prepaid Expenses:

The equal installment method is adopted to calculate depreciation expenses for these account items over the period defined under the Corporate Income Tax Law of Japan.

(3) Accounting Process Applied to Deferred Assets

Bond Issuance Cost:

The cost for bond issuance is amortized in the straight line method over the bond redemption period.

(4) Standards for Recording Significant Allowance/Provisions

1) Allowance for doubtful accounts

An estimated amount of irrecoverable debts is set aside against any potential losses on the failure to collect the accounts receivable.

a. Ordinary accounts receivable:	The amount of allowance calculated at the actual ratio of bad debts
b. Highly doubtful receivables and claims in bankruptcy and reorganization, etc.:	The amount of allowance calculated based on the evaluation of financial situations of individual accounts involved.

2) Provision for special repairs

As for certain consolidated subsidiaries, a provision is set aside to cover expenses arising from the inspection and repairs of the oil tanks and machine equipment in refineries subject to the open regular inspection in compliance with the Fire Service Act, and an amount equal to the estimated cost of periodically required repairs was added to the provision for current fiscal year.

3) Provision for environmental measures

Primarily the Company recorded the estimated amount of a provision to cover expenses to treat the PCB waste in accordance with the Law Concerning Special Measures Against Polychlorinated Biphenyl Waste.

4) Provision for bonuses

In preparation for the payment of bonuses to employees etc., the amount to be paid in the fiscal year under review is posted based on the amount estimated to be paid.

5) Provision for directors' bonuses

In preparation for the payment of bonuses to directors, the Company and certain consolidated subsidiaries post the amount to be paid in the fiscal year under review based on the amount estimated to be paid.

6) Provision for Executive Remuneration Board Incentive Plan Trust

In preparation for the granting of shares in the Company to the Company's Directors (excluding Outside Directors and members of the Supervisory Committee) and Executive Officers, and certain consolidated subsidiaries' Directors (hereinafter "the Directors etc."), provision is posted based on the value of shares estimated to be granted in accordance with points allocated to the Directors etc. under the share granting rules.

(5) Standards for Recording Significant Revenue and Cost

The Company mainly offers products in the Petroleum business, Petrochemical business, Oil exploration and production business, Renewable energy business and others.

The Company recognizes revenue, once the customer obtains control of the products and the Company satisfies a performance obligation. This occurs when the product stated in the contract is delivered to the customer. The Company also recognizes revenue at the time of shipping in accordance with the alternative treatment.

(6) Method for significant hedge accounting

1) Method for hedge accounting

Deferred hedge accounting is applied. Special accounting treatment has been adopted for interest rate swap contracts, which meet accounting requirements.

2) Hedging instruments and hedged items

Exchange rate

Hedging instruments: Forward exchange rate contracts, exchange rate option contracts

Hedged items: Forecasted transactions denominated in foreign currencies

Interest rate

Hedging instruments: Interest rate swap contracts

Hedged items: Loans payable

Commodity

Hedging instruments: Crude oil and product swap contracts, Crude oil and product forward contracts

Hedged items: Transactions in crude oil and product

3) Hedging policy

The Company hedge risks in a certain range, for currency exchange rate fluctuations, interest rate fluctuations and commodity price fluctuations, in accordance with their internal management regulations, which provide authority and limits for transaction amounts.

4) Evaluation of effectiveness of hedging transactions

The assessment of hedge effectiveness is examined every quarter by, comparing the change in market price or cumulative changes in cash flows, from the hedged items and instruments. However, the evaluation of interest swap contract which adopt the special accounting treatment, is omitted.

(Hedge accounting for which the “Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” is applied)

Of the above hedged items, the Group has applied the special treatment defined in “Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” (Practical Issues Task Forces No.40; March 17, 2022) to all hedge related items included in the applicable scope of this Practical Solution. The details of the hedge related items to which this Practical Solution is applied, are as follows.

a. Method of hedge accounting: Special accounting treatment

b. Hedging instruments: Interest rate swap transactions

c. Hedged items: Loans payable

d. Type of Hedge transaction: Transactions which fix the cash flows

(7) Other Important Items Necessary to Develop Consolidated Financial Statements

1) Application of the group tax sharing system

The group tax sharing system is applied.

2) Accounting for corporate income taxes and local corporate income taxes and accounting for tax effect accounting in relation thereto

The Company accounts for corporate income taxes and local corporate income taxes and accounts for and discloses tax effect accounting in relation thereto in accordance with Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System (Practical Solution No.42 issued on August 12, 2021).

3) Standards for Recording Net defined benefit liability

"Net defined benefit liability" is recorded at an estimated amount of projected benefit obligation after deducting the fair value of pension assets as of the end of the current fiscal year to cover retirement and severance benefits payable to employees.

Actuarial gains and losses are primarily recognized in expenses as an amount prorated in the straight line method over a certain number of years (8 - 10 years), which is within the average of the estimated remaining years of service to be performed by the employees at the time of accrual, commencing with the consolidated fiscal year following the accrual time.

Unrecognized actuarial gains and losses are recognized as "Remeasurements of defined benefit plans" in accumulated other comprehensive income of net assets in the balance sheets after adjusting for tax effects.

The liabilities of employee retirement benefits, which is expected employee retirement benefits attribute to the end of the financial year, is calculated by a method using a benefit formula.

4) Accounting treatment of trust beneficiary rights to trusts whose trust assets are land

With respect to trust beneficiary rights to trusts whose trust assets are land owned by some of its consolidated subsidiaries, the Company records all asset and liability accounts in the trust assets and all revenues and expenses arising from the trust assets in relevant account items on its consolidated balance sheet and consolidated statement of income.

(Notes to Accounting Estimates)

Recoverability of deferred tax assets

The Company reviews the recoverability of deferred tax assets every fiscal year. In tax loss carryforwards and deductible temporary differences, the Company recognizes deferred tax assets to the extent considered to have the effect of reducing expected future tax consequences.

The Company posted deferred tax assets of ¥ 37,203million in the consolidated balance sheet. The amount of deferred tax assets before they are offset by deferred tax liabilities is ¥70,478 million. The Company applies the group tax sharing system. Deferred tax assets (before being offset by deferred tax liabilities) at the Company and certain domestic consolidated subsidiaries (hereinafter "Totalization Group") is ¥41,544 million and accounts for a large percentage of the consolidated figure.

As part of accounting under the Group Tax Sharing System, the Company has posted deferred tax assets, expecting taxable income before additions and subtractions, including temporary differences, in multiple years. This expectation is based on the consideration of causes of significant increases and decreases in taxable income, excluding those attributable to extraordinary causes, the medium-term consolidated management plan and progress towards its achievement, as well as trends in taxable income or tax losses in the fiscal year under review and past fiscal years.

The Company estimates taxable income before additions and subtractions, including temporary differences, based on the budget for the following fiscal year and the Seventh Consolidated Medium-Term Management Plan created by the Group. The estimate is adjusted in consideration of the evaluation of effects of uncertainties.

The Company makes key assumptions based on the assumption that crude oil prices and foreign exchange rates remain stable. Domestic demand estimates are based on medium to long-term demand projections. The Company assumes that domestic markets will remain stable. The Company expects that sales volumes will exceed production volumes at refineries and that high utilization at refineries can be maintained.

Management believes that accounting estimates used in the evaluation of the recoverability of deferred tax assets are reasonable and the amount of deferred tax assets posted is appropriate. However, the estimates involve uncertainties that are unpredictable, and the Company may change assumptions and estimates and record reversal of deferred tax assets from the next fiscal year.

(Notes to Consolidated Balance Sheet)

1. Accumulated depreciation for property, plant and equipment ¥1,163,995 million

2. Pledged Assets

(1) Breakdown of Assets Pledged as Collateral and Amounts thereof:

Property, plant and equipment	¥123,200 million
Cash and deposits	¥63,471 million
Accounts receivable-trade	¥19,752 million
Investment securities (Note)	¥4,507 million

(Note) These are pledged as property guarantees to secure the borrowings and other of the investee of Cosmo Eco Power Co., Ltd., our consolidated subsidiary.

(2) Secured Liabilities:

Long-term loans payable (including repayments due within the next year)	¥32,880 million
Debts related to transactions with banks	¥20,991 million

(3) Assets Pledged as Collateral for Business Guarantees:

Investment securities	¥50 million
Other(Current assets)	¥6,927 million

3. Breakdown of the Compressed Amounts deducted from the Acquisition Cost due to the National Subsidy, etc thereof:

Machinery, equipment and vehicles	¥3,655 million
Oil storage depots	¥62 million

4. Contingencies

The Company guarantees debts for borrowings from financial institutions such as affiliated companies and fulfilling contracts.

Chiba Arkon Production, Limited	¥9,114 million
Japan Biofuels Supply LLP	¥5,946 million
North Hokkaido Wind Energy Transmission Corp.	¥2,390 million
Abukuma South Wind Power, LLC	¥1,949 million
Others	¥29 million

5. Items concerning Revaluation of Land

The three consolidated subsidiaries revalued their land properties used for business under the "Law concerning Revaluation Reserve for Land" (Law No. 34 issued on March 31, 1998). The income tax portion on variances due to revaluation is stated in the "Deferred tax liabilities for land revaluation" account in the "Liabilities" section on the consolidated balance sheet and the revaluation variances, net of the income tax portion, are stated in the "Revaluation reserve for land" account in the "Net Assets" section on the consolidated balance sheet.

・Revaluation method

The land sites for the refineries were valued in accordance with the appraisal provided in Paragraph 5 of Article 2 of the "Enforcement Ordinance for the Law concerning the Revaluation Reserve for Land" (Government Ordinance No. 119 issued on March 31, 1998), and other land sites were valued by referring to the road ratings provided in Paragraph 4 of Article 2 of the "Enforcement Ordinance for the Law concerning the Revaluation Reserve for Land," as well as making some rational adjustments.

・Date of Revaluation

March 31, 2002 (and December 31, 2001 completed by one consolidated subsidiary)

・The total amount of the revalued land at fair value as of the end of the current fiscal year is smaller than their total carrying amount after revaluation and the difference amounted to:

¥28,216 million

6. Financial Covenants

Out of borrowings, borrowings amounting to ¥45,740 million (including those payable within the next year) come with financial covenants with the acceleration clause which will be activated with respect to such liabilities under certain loan contracts. (Financial covenants vary from different loan contracts, but key covenants are stated as follows):

	Repayment Deadline	Loan Balance	Financial Covenants
(1)	September 30, 2024	¥15,600 million	1) The Company shall not record ordinary loss, as stated in consolidated statements of income for three consecutive years. 2) The Company shall maintain the amount of net assets at ¥156.6 billion or more as stated in its consolidated balance sheet at the end of each fiscal year.
(2)	June 28, 2024	¥19,890 million	The Company shall maintain the amount of net assets at ¥152.0 billion or more as stated in its consolidated balance sheet at the end of each fiscal year.
(3)	April 3, 2024	¥10,000 million	1) The Company shall not record ordinary loss, as stated in consolidated statements of income for three consecutive years. 2) The Company shall maintain the amount of net assets at ¥213.6 billion or more as stated in its consolidated balance sheet at the end of each fiscal year.

(Notes to Consolidated Statements of Changes in Equity)

1. Types and Number of Outstanding Shares and Treasury Shares as of March 31, 2024

Outstanding shares	Ordinary shares		88,353,761 shares
Treasury shares	Ordinary shares		766,247 shares
		(including executive remuneration BIP trust	764,083 shares)

2. Distribution of Dividend

(1) Payment Amount of Dividend

(Resolution adopted by)	Type	Total dividend amount (¥ mil)	Dividend per share (¥)	Record date	Effective date
Shareholders' Meeting held on June 22, 2023 Note : 1	Ordinary shares	6,626	75	March 31, 2023	June 23, 2023
Board of Directors Meeting held on November 8, 2023 Note : 2	Ordinary shares	13,252	150	Septenber 30, 2023	December 14, 2023

(Note) 1. The dividend amount for treasury shares held by BIP trust in the total dividend amount ¥74 million

2. The dividend amount for treasury shares held by BIP trust in the total dividend amount ¥114 million

(2) Dividends whose effective date will fall after the end of FY 2023 among those whose record date falls within FY2023

The Company proposes the following agendum at the ordinary general meeting of shareholders held on June 20, 2024.

(Resolution adopted by)	Type	Total dividend amount (¥ mil)	Dividend resource	Dividend per share (¥)	Record date	Effective date
Shareholders' Meeting held on June 20, 2024	Ordinary shares	13,252	Retained earnings	150	March 31, 2024	June 21, 2024

(Note) The dividend amount for treasury shares held by BIP trust in the total dividend amount ¥114 million

(Notes to Financial Products)

1. Information on the Status of Financial Products

The Company procures funds for the capital spending and the working capital by direct financing like bonds or indirect financing like bank loans. These funds are mainly necessary to undertake refineries and wind power plant.

The Company also keeps credit risks involving customers with respect to Notes receivable - trade, Accounts receivable - trade and Accounts receivable - other lower by managing them in accordance with its credit management scheme. Securities and Investment securities are mainly equity securities, out of which listed shares are reviewed on a quarterly basis to keep track of their fair value.

Most of Notes and accounts payable - trade and Accounts payable - other, etc. are due within the next year.

Loans payable, Commercial papers and Bonds payable are used to raise working funds (mainly short-term) and capital spending funds (long-term) and interest rate swap contracts are purchased to reduce interest rate fluctuations on some loans to get interest payable fixed.

The Company uses foreign currency forward contracts and currency option contracts to hedge risks due to the effect of currency exchange rate fluctuations, and also uses crude oil and petroleum product swap contracts and commodity forward contracts in open market to hedge risks stemming from commodity price fluctuations. The Company trades derivatives within the range of actual demand in accordance with its internal control rules, and The Company has a policy of not executing speculative derivative transactions.

2. Information about Fair Value of Financial Products, etc.

The book value of the following items on the consolidated balance sheet, their fair value and the variance between the two amounts are stated as follows.

Non-marketable securities(Amount recorded on the consolidated balance sheet is ¥105,175 millions) is not included in “Other securities” in the table below. Cash and deposits, Notes receivable - trade, Accounts receivable - trade, Accounts receivable - other, Notes and accounts payable - trade, Short-term loans payable, Commercial papers, Accounts payable - others, Accrued volatile oil and other petroleum taxes and Income taxes payable are omitted, since they are settled in short-term basis and their fair values are approximately the same as their book value.

(Unit：million yen)

	Book value on the consolidated balance sheet *	Fair value*	Difference
(1) Investment securities			
Held to maturity securities	50	48	-1
Other securities	25,921	25,955	33
(2) Bonds payable	(21,568)	(21,119)	-449
(3) Long-term loans payable	(263,669)	(260,329)	-3,340
(4) Derivative transactions	1,871	1,871	―

* Items recorded in the liabilities section are stated in ( ).

3. Information about the breakdown of Fair Value level of Financial Products.

Fair value for financial products are categorized into three levels based upon the observability and materiality of the inputs used to calculate fair value.

Level 1: Fair value of assets and liabilities that are calculated by using observable inputs, which are quoted prices in active markets.

Level 2: Fair value calculated by using observable inputs not used in Level 1.

Level 3: Fair value calculated by unobservable inputs.

When several inputs with significant impact in calculating the fair value are used, the level of the fair value will be determined, accordingly to the level of input with the lowest priority in calculating the fair value.

(1) Financial assets and financial liabilities stated at fair value on the consolidated balance sheets

(Unit：million yen)

	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Stock	25,280	—	—	25,280
Other	—	598	—	598
Derivative transactions				
Currency related	—	3,644	—	3,644
Product related	—	(1,772)	—	(1,772)

* Receivables and payables arising from derivative transactions are presented on a net basis. Items that result in a net liability in the aggregate are stated in ( ).

(2) Financial assets and financial liabilities not stated at fair value

(Unit：million yen)

	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Held to maturity securities				
Municipal bond	—	48	—	48
Other securities				
Other	—	76	—	76
Bonds payable	—	(21,119)	—	(21,119)
Long-term loans payable	—	(260,329)	—	(260,329)

* Items recorded in the liabilities section are stated in ( ).

(Note) Valuation techniques for measuring fair value and explanation of inputs：

Investment securities

Listed shares and municipal bond are calculated using quoted market price. Fair values for listed shares are categorized as Level 1, due to active markets. On the other hand, fair values for municipal bond are categorized as Level 2, due to inactive markets.

Bonds payable

The fair value of a corporate bond is calculated by discounting the sum of its principal and interest, using interest rate estimated from similar bonds. It is categorized as Level 2.

Long-term loans payable

The fair value of Long-term loans payable is calculated by discounting the sum of its principal and interest, using interest rate estimated from similar loans. It is categorized as Level 2.

Derivative transactions

The fair values of derivative transactions are calculated based on the price provided by the financial institutions, etc. from which they were purchased and its final price in the forward market. They are categorized as Level 2, since they do not have quoted prices in active markets.

For interest swap which special treatment is applied, the fair values are included in the fair values of the hedged long-term loan (refer to Long-term loans payable).

(Notes to Asset Retirement Obligations)

Asset retirement obligations reported in the consolidated balance sheet

1 Overview of the Asset Retirement Obligations

The Company primarily records the following asset retirement obligations.

- Obligation to restore the service stations accompanying with the fixed-term land lease contract for business purposes
- Obligation to restore the wind power plant accompanying with the land lease contract
- Obligation to restore the offices accompanying with the real estate rental contract
- Obligation to close the mine accompanying with the concession agreement taking effect

2 Calculation Method of the Asset Retirement Obligations

The asset retirement obligations are calculated by estimating the expected period of use between 7 and 50 years since its acquisition and applying discount rates ranging from 0.005% to 2.306%.

3 Change in the Asset Retirement Obligations (Millions of yen)

	Fiscal Year 2023 (From April 1, 2023 to March 31, 2024)
Balance at the beginning of the year	27,840
Increase due to the acquisition of property and equipment	444
Increase due to change in estimation	22
Adjustments due to the elapse of time	269
Decrease due to the fulfillment of asset retirement obligations	-288
Increase (decrease) due to other	-414
Balance at the end of the year	27,872

(Notes to Leasehold Properties and Other Real Estate)

1. Information about the Current Status of Leasehold Properties and Other Real Estate

The Company and some subsidiaries own leasehold service stations, office buildings and other properties in Tokyo and other areas, and they also own idle properties which are not expected to be utilized in the future.

2. Information on the Fair Value of the Leasehold Properties Held

(Unit：million yen)

Book value on the consolidated balance sheet	Fair value
25,079	25,515

Notes: 1 The book value of each property on the consolidated balance sheet is its acquisition cost less accumulated depreciation therefore.

2 The fair value of major properties as of the end of the current consolidated fiscal year is the amount based on the statement of the property appraisal standard provided by the external licensed appraiser, while the fair value of other properties is determined by referring to the amount based on the property appraisal standard.
As for properties of less importance, certain assessed amounts or the amounts based on the measurement indices which are considered as reflecting appropriate market prices are regarded as the fair value of such properties, while the appropriate book value of some buildings and other depreciated assets is regarded as their fair value.

(Notes to Per-Share Information)

1. Net assets per share ¥6,856.20
2. Net profit per share ¥938.11

(Notes to Lease Transactions)

The future lease payment from non-cancellable operating leases

Within one year ¥3,763 million
Over one year ¥8,128 million

(Notes to Revenue Recognition)

1. Disaggregation of revenue from contracts with customers

(Unit：million yen)

	Petroleum	Petrochemical	Oil exploration and production	Renewable Energy	Other	Total
Japan	2,033,822	303,037	38,520	14,156	18,970	2,408,507
Asia	134,908	9,280	－	－	979	145,167
Other	172,296	797	621	－	2,179	175,894
Outside customers	2,341,027	313,115	39,141	14,156	22,129	2,729,570
Revenue from contracts with customers	2,338,573	312,782	39,141	14,156	21,399	2,726,053

Note 1. The amounts are net value of internal transactions between group companies.

2. Revenue from outside customers include ¥3,516 million of revenue recognized from sources other than that of contracts with customers.

2. Information used as a basis for understanding revenue from contracts with customers

Petroleum Business

In the Petroleum business, the Company primarily exports and imports, refines, stores, and sells crude oil and petroleum products.

In the business, the Company determines that control of a product promised primarily in a contract has been transferred to the customer and the performance obligation set out in the contract is satisfied when the product is loaded in transportation mode, such as a tanker truck, arranged by the customer at a refinery or other place and is shipped, and recognizes an amount based on the unit price and shipment volume promised in the contract as revenue. If a product promised in a contract is transported by a transportation mode, such as a tanker truck, arranged by the Company, the Company determines that control of the product has been transferred to the customer and the performance obligation set out in the contract is satisfied when the product is loaded and shipped by the alternative means, and recognizes an amount based on the unit price and shipment volume promised in the contract as revenue. Revenue recognized is the consideration promised in the contract with the customer minus the value of product returns and discounts, etc. The Company receives the consideration of transactions by the due date set out in contracts and receives payments within a year of the delivery of the products. There are thus no material financing components included.

Petrochemical Business

In the Petrochemical business, the Company primarily produces and sells petrochemical products.

In the business, products promised primarily in contracts are shipped through pipelines between petrochemical plants. The Company determines that control of a product has been transferred to the customer and the performance obligation set out in the contract is satisfied when the product has passed the point in the pipeline set out in the contract and recognizes an amount based on the unit price and shipment volume promised in the contract as revenue. The Company receives the consideration of transactions by the due date set out in contracts and receives payments within a year of the delivery of the products. There are thus no material financing components included. Revenue from a transaction whose consideration may change is recognized to the extent that there is highly unlikely to be any significant downward revision to revenue.

Oil Exploration and Production Business

In the Oil Exploration and Production business, the Company primarily develops, produces, and sells crude oil.

In the business, the Company determines that control of a product promised primarily in a contract has been transferred to the customer and the performance obligation set out in the contract is satisfied when the product has passed the flange that connects shipping facilities and the chartered tanker and recognizes an amount based on the unit price and shipment volume promised in the contract as revenue. The Company receives the consideration of transactions by the due date set out in contracts and receives payments within a year of the delivery of the products. There are thus no material financing components included.

Renewable Energy Business

In the Renewable Energy business, the Company primarily supplies and sells electricity generated by wind power.

In the business, the Company determines that control of electricity generated chiefly at wind power facilities has been transferred to the customer and the performance obligation set out in the contract is satisfied when electricity is supplied through power supply facilities to consumers, and recognizes an amount based on the unit price and the amount of electricity sold promised in the contract as revenue. The Company receives the consideration of transactions by the due date set out in contracts and receives payments within a year of delivery. There are thus no material financing components included.

3. Information to understand revenue from current consolidated fiscal year and following consolidated fiscal year

(1) Contract assets and contract liabilities, etc.

(Unit：million yen)

	Current fiscal year
Receivables from contracts with customers at the beginning of the year	277,221
Receivables from contracts with customers at the end of the year	338,786
Contract assets at the beginning of the year	4,199
Contract assets at the end of the year	2,496
Contract liabilities at the beginning of the year	8,623
Contract liabilities at the end of the year	7,244

Contract assets are primarily related to the consideration of uncompleted construction from which revenue has been recognized under the construction contract. Contract assets will be transferred to receivables from contracts with customers when the Company receives an unconditional right to a consideration. Contract liabilities are considerations the Company has received from customers before deliveries of products under contracts primarily in the Petroleum business. Contract liabilities will be transferred to revenue when performance obligations are fulfilled.

Contract assets are included in "Other" in current assets. Contract liabilities are included in "Other" in current liabilities.

Almost all contract liabilities at the beginning of the fiscal year under review have been transferred to revenue in the fiscal year under review, and the amount that is carried over is minor and immaterial. The amount of revenue recognized in the fiscal year under review due to the fulfillment of performance obligations in past fiscal years is also immaterial.

(2) Transaction prices allocated to remaining performance obligations

The Company has applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations, and does not disclose contracts with an original expected duration of one year or less.

The revenue expected to be recognized in the future related to performance obligations that are unsatisfied as of this fiscal end was as follows.

There is no significant amount of consideration arising from contracts with customer that is not included in the transaction prices.

(Unit：million yen)

	Current fiscal year
Within one year	9,245
Over one year and within five years	1,386
Total	10,632

(Notes to Significant Subsequent Events)

(Purchase of Treasury Shares)

The Company resolved to repurchase treasury shares under Article 156, which is applicable in accordance with Article 165, paragraph (3) of the Companies Act, at the meeting of Board of Directors held on May 9th, 2024.

1. Reason for the Repurchase of Treasury Shares

To improve capital efficiency and to enhance shareholder return

2. Details of Matters Concerning Repurchase

(1) Class of shares to be repurchased: Common shares of the Company

(2) Total number of shares to be repurchased: 3,500,000 shares (Maximum)

(Equivalent to 3.96% of outstanding shares (excluding treasury shares))

(3) Total amount of repurchase price: ¥23,000 million (Maximum)

(4) Period of repurchase: From May 10, 2024 to March 31, 2025

(5) Method of repurchase: Open market purchase on the Tokyo Stock Exchange

(Additional Information)

(Transactions of granting shares in the Company to executives through a trust)

The Company introduced the Executive Remuneration BIP Trust to the Directors etc.

In the Executive Remuneration BIP Trust, the Company purchases as many Company shares as estimated to be granted to the Directors etc. under the established share granting rules and grants Company shares to Directors etc. in accordance with their ranks and terms of office.

In accounting for the trust, the gross method is adopted in line with "Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees etc. through Trusts" (Practical Issues Task Force No. 30; March 26, 2015). As a result, the book value of the Company shares held in trust is posted as treasury shares in shareholders’ equity.

The book value and number of the treasury shares at the end of the fiscal year under review were ¥1,923 million and 764 thousand respectively.

Balance Sheet

Fiscal Year 2023 (As of March 31, 2024)

(Unit: million yen)

Item	Amount	Item	Amount
Assets	**806,658**	**Liabilities**	**606,870**
Current assets	**332,257**	**Current liabilities**	**342,160**
Cash and deposits	11,605	Short-term loans payable	92,946
Short-term loans receivable from subsidiaries and associates	298,968	Current portion of long-term loans payable	36,880
Accounts receivable-other	9,343	Commercial papers	88,000
Other	13,626	Accounts payable-other	8,131
Allowance for doubtful accounts	-1,287	Income taxes payable	626
Non-current assets	**474,336**	Deposits received	113,598
Property, plant and equipment	**123,827**	Provision for bonuses	752
Buildings and structures, net	145	Provision for directors' bonuses	259
Vehicles, net	3	Other	964
Tools, furniture and fixtures, net	156	**Non-current liabilities**	**264,710**
Land	123,200	Bonds payable	18,000
Leased assets	135	Long-term loans payable	243,940
Construction in progress	186	Long-term deposits received	1,759
Intangible assets	**2,567**	Deferred tax liabilities	210
Software	1,577	Provision for executive remuneration BIP trust	674
Other	989	Other	125
Investments and other assets	**347,942**	**Net assets**	**199,787**
Investment securities	8,739	**Shareholders' equity**	**196,721**
Shares of subsidiaries and associates	213,536	**Capital stock**	**46,435**
Long-term loans receivable	3	**Capital surplus**	**27,873**
Long-term loans receivable from subsidiaries and associates	124,096	Legal capital surplus	16,435
Long-term deposits	1,324	Other capital surplus	11,438
Other	241	**Retained earnings**	**124,345**
Deferred assets	**64**	Other retained earnings	124,345
Bond issuance cost	64	Retained earnings brought forward	124,345
		Treasury shares	**-1,932**
		Valuation and translation adjustments	**3,065**
		Valuation difference on available-for-sale securities	**3,065**
Total assets	**806,658**	**Total liabilities and net assets**	**806,658**

Statements of Income

Fiscal Year 2023 (From April 1, 2023 to March 31, 2024)

(Unit: million yen)

Item	Amount	
I Operating revenue		**83,992**
II General and administrative expenses		**17,289**
Operating profit		**66,702**
III Non-operating income		
Interest income	3,777	
Dividend income	380	
Other	158	4,316
IV Non-operating expenses		
Interest expenses	3,307	
Interest on bonds	112	
Foreign exchange losses	3	
Other	431	3,855
Ordinary profit		**67,163**
V Extraordinary loss		
Loss on disposal of non-current assets	32	
Loss on valuation of investment securities	52	
Loss on valuation of shares of subsidiaries and associates	559	
Provision of allowance for doubtful accounts	1,287	1,931
Profit before income taxes		**65,232**
Income taxes-current	1,607	
Income taxes-deferred	-257	1,350
Profit		**63,881**

Statements of Changes in Equity

Fiscal Year 2023 (From April 1, 2023 to March 31, 2024)

(Unit: million yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholder s' equity
Balance at April 1, 2023	46,435	16,435	11,438	27,873	80,343	80,343	-2,237	152,414
Changes of items during the period								
Dividends of surplus					-19,879	-19,879		-19,879
Profit					63,881	63,881		63,881
Purchase of treasury shares							-793	-793
Disposal of treasury shares							1,098	1,098
Net changes of items other than shareholders' equity								
Total changes of items during the period	—	—	—	—	44,002	44,002	305	44,307
Balance at March 31, 2024	46,435	16,435	11,438	27,873	124,345	124,345	-1,932	196,721

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at April 1, 2023	1,205	1,205	153,620
Changes of items during the period			
Dividends of surplus			-19,879
Profit			63,881
Purchase of treasury shares			-793
Disposal of treasury shares			1,098
Net changes of items other than shareholders' equity	1,859	1,859	1,859
Total changes of items during the period	1,859	1,859	46,167
Balance at March 31, 2024	3,065	3,065	199,787

Notes to Financial Statements

1. In the non-consolidated balance sheet, non-consolidated statements of income and non-consolidated statements of changes in equity of Cosmo Energy Holdings Co., Ltd. (the "Company") represented in the million yen unit, figures less than 1 million yen are rounded down.

2. Notes to Items concerning Significant Accounting Policies

(1) Standards and Methods for Valuation of Securities

Stocks issued by subsidiaries and associated companies:	Stated at cost determined by the moving average method
Other securities:	Securities except non-marketable securities: Stated at fair value (in which all differences between the carrying amounts and the fair values are reported as a separate component of net assets, while the cost of securities sold is calculated by the moving average method) Non-marketable securities: Stated at cost determined by the moving average method

(2) Valuation of Net Amounts of the Assets and Liabilities by Derivative Transactions:

Stated at fair value

(3) Methods for Depreciation of Non-current Assets

Property, Plant and Equipment (Excluding leased assets)	The straight-line method The number of years of their useful lives and salvage values are calculated based on the criteria defined under the Corporate Income Tax Law of Japan.
Intangible Assets	The straight line method The number of years of their useful lives is calculated based on the criteria defined under the Corporate Income Tax Law of Japan, providing that amortization expenses for the software used by the Company is calculated on the straight-line method over the period of its availability in-house (5 years).
Leased Assets	Leased assets involving finance lease transactions under which the ownership of the leased assets is not transferred to lessees: The method to calculate depreciation for such assets is the straight-line method with their residual values being zero over their leased periods used as the number of years for useful life.

(4) Standards for Recording Allowances/Provisions

Allowance for doubtful accounts	An estimated amount of irrecoverable debts is set aside against any potential losses on the failure to collect the accounts receivable. a) Ordinary accounts receivable: The amount of allowance calculated at the actual ratio of bad debts b) Highly doubtful receivables and claims in bankruptcy and reorganization, etc.: The amount of allowance calculated based on the evaluation of financial situations of individual accounts involved.
Provision for bonuses	In preparation for the payment of bonuses to employees etc., the amount to be paid in the fiscal year under review is posted based on the amount estimated to be paid.
Provision for directors' bonuses	In preparation for the payment of bonuses to directors, the Company posts the amount to be paid in the fiscal year under review based on the amount estimated to be paid.
Provision for Executive Remuneration Board Incentive Plan Trust	In preparation for the granting of shares in the Company to the Company's Directors (excluding Outside Directors and members of the Supervisory Committee) and Executive Officers (hereinafter "the Directors etc."), provision is posted based on the value of shares estimated to be granted in accordance with points allocated to the Directors etc. under the share granting rules.

(5) Standards for Recording Significant Revenue and Cost

The main performance obligation and point of time when revenue is recognized for the primary business is as stated in “9. Notes to Revenue Recognition.”

(6) Accounting Process Applied to Deferred Assets

Bond Issuance Cost:

The cost for bond issuance is amortized in the straight line method over the bond redemption period.

(7) Method for significant hedge accounting

Method for hedge accounting

Deferred hedge accounting is applied. Special accounting treatment has been adopted for interest rate swap contracts, which meet accounting requirements.

Hedging instruments and hedged items

Exchange rate

Hedging instruments: Forward exchange rate contracts, exchange rate option contracts

Hedged items: Forecasted transactions denominated in foreign currencies

Interest rate

Hedging instruments: Interest rate swap contracts

Hedged items: Loans payable

Commodity

Hedging instruments: Crude oil and product swap contracts, Crude oil and product forward contracts

Hedged items: Transactions in crude oil and product

Hedging policy

The Group hedge risks in a certain range, for currency exchange rate fluctuations, interest rate fluctuations and commodity price fluctuations, in accordance with their internal management regulations, which provide authority and limits for transaction amounts.

Evaluation of effectiveness of hedging transactions

The assessment of hedge effectiveness is examined every quarter by, comparing the change in market price or cumulative changes in cash flows, from the hedged items and instruments. However, the evaluation of interest swap contract which adopt the special accounting treatment, is omitted.

(Hedge accounting for which the “Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” is applied)

Of the above hedged items, the Group has applied the special treatment defined in the “Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” (Practical Issues Task Forces No.40; March 17, 2022) to all hedge related items included in the applicable scope of this Practical Solution. The details of the hedge related items to which this Practical Solution is applied, are as follows.

a. Method of hedge accounting: Special accounting treatment

b. Hedging instruments: Interest rate swap transactions

c. Hedged items: Loans payable

d. Type of Hedge transaction: Transactions which fix the cash flows

(8) Application of the group tax sharing system

The group accounting system is applied.

(9) Accounting for corporate and local income taxes or tax effect accounting related to these taxes.

The Company has applied, for accounting and disclosure related to tax effect accounting for corporate and local income taxes, "the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (Practical Issues Task Forces No. 42, issued August 12, 2021).

(10) Accounting Treatment for the Anonymous Association

The Company invested in the anonymous association, and CEAM LLC is entrusted with its operation of business transaction. Although the property of the anonymous association attribute to the operator, the association is practically operated by our capital. Thus, all the association’s property and income summary records on to the financial statements with its total amounts, and with respect to trust beneficiary rights to trusts whose trust assets are land owned by the anonymous association, the Company records all asset and liability accounts in the trust assets and all revenues and expenses arising from the trust assets in relevant account items on its balance sheet and statement of income.

3. Notes to Accounting Estimates

Accounting estimates made in preparing the financial statements for the current fiscal year are omitted because there is no risk that they will have a material impact on the financial statements for the following fiscal year.

4. Notes to Non-Consolidated Balance Sheet

(1) Short-term loans receivable from subsidiaries and associates: ¥9,372million
Long-term loans receivable from subsidiaries and associates: ¥0 million
Short-term loans payable to subsidiaries and associates: ¥119,823 million
Long-term loans payable to subsidiaries and associates: ¥1,202 million
Allowance for doubtful accounts to subsidiaries and associates: ¥1,287 million

(2) Accumulated depreciation for the property, plant and equipment ¥1,797 million

(3) Pledged Assets
Breakdown of Assets Pledged as Collateral and Amounts thereof:
Land ¥123,200 million
Secured Liabilities:
Debts related to transactions with banks ¥20,991 million

(4) Contingencies
Guaranty of Liabilities
Cosmo Oil., Ltd. ¥111,242 million
Others ¥18,835 million

(5) Financial Covenants

Out of borrowings, borrowings amounting to ¥45,490 million (including those payable within the next year) come with financial covenants with the acceleration clause which will be activated with respect to such liabilities under certain loan contracts if the Company fails to comply with any of the following financial covenants.

＜Financial Covenants of the Company＞

	Repayment Deadline	Loan Balance	Financial Covenants
(1)	September 30, 2024	¥15,600 million	1) The Company shall not record ordinary loss, as stated in consolidated statements of income for three consecutive years. 2) The Company shall maintain the amount of net assets at ¥156.6 billion or more as stated in its consolidated balance sheet at the end of each fiscal year.
(2)	June 28, 2024	¥19,890 million	The Company shall maintain the amount of net assets at ¥152.0 billion or more as stated in its consolidated balance sheet at the end of each fiscal year.
(3)	April 3, 2024	¥10,000 million	1) The Company shall not record ordinary loss, as stated in consolidated statements of income for three consecutive years. 2) The Company shall maintain the amount of net assets at ¥213.6 billion or more as stated in its consolidated balance sheet at the end of each fiscal year.

5. Notes to Non-Consolidated Statements of Income

Operating revenue from subsidiaries and associates:	¥83,992 million
General and administrative expenses for subsidiaries and associates:	¥1,339 million
Non-operating transactions with subsidiaries and associates:	¥5,659 million

(in addition, it is stated in "Notes to the Company's Transactions with Related Parties".)

6. Notes to Non-Consolidated Statements of Changes in Equity

Type and Number of Treasury Shares as of March 31, 2024

Ordinary shares	766,247 shares
(including the Executive Remuneration BIP Trust	764,083 shares)

7. Notes to Tax Effective Consequence Accounting

(Unit: million yen)

1) Deferred tax assets:

Loss on valuation of investment securities	1,184
Provision for bonuses	309
Tax loss carryforwards	7
Others	970
deferred tax assets – Sub-total:	2,471
Valuation allowance	-1,355
Total deferred tax assets:	1,115

2) Deferred tax liabilities:

Valuation difference on available-for-sale securities	-1,187
Others	-139
Total deferred tax liabilities:	-1,326
Net deferred tax assets:	-210

8. Notes to the Company's Transactions with Related Parties

(1) Subsidiaries and Associated companies

Type	Name (Ownership type & ratio)	Line of business	Cosmo Energy Holdings's relationship with related parties	Account item for record entry	Transaction amount (¥mil)	Item	Balance as of Mar 31, 2024 (¥mil)
Subsidiary	Cosmo Oil Co., Ltd. (directly, 100% owned)	Imports and exports, refining, storage, and sales of crude oil and petroleum products, etc.	Business administration Loans to it Guarantees Guaranteed liabilities Interlocking directors	Receipt of operating revenue (*1)	46,599	Accounts receivable-other	1,037
				Loans to it (*2) and Funds deposit (*3)	213,054	Short-term loans receivable from subsidiaries and associates	219,316
				Interest receivable (*4)	1,675	—	—
				Assumption of guaranty liabilities (*5)	111,242	—	—
				Guaranteed liabilities (*6)	139,530	—	—
Subsidiary	Cosmo Oil Marketing Co., Ltd. (directly, 100% owned)	Sales of oil products, vehicle leasing, etc.	Business administration Loans to it Guarantees Guaranteed liabilities Interlocking directors	Receipt of operating revenue (*1)	31,697	Accounts receivable-other	737
				Loans to it (*2) and Funds deposit (*3)	21,726	Deposits received	21,416
				Interest receivable (*4)	318	—	—
				Interest payable (*4)	152	—	—
				Assumption of guaranty liabilities (*5)	2,623	—	—
				Guaranteed liabilities (*6)	139,530	—	—
Subsidiary	Cosmo Oil Sales Co., Ltd. (indirectly, 100% owned)	Sales of oil products	Loans to it	Loans to it (*2) and Funds deposit (*3)	15,662	Deposits received	33,613
				Interest payable (*4)	68	—	—
Subsidiary	Cosmo Oil Property Service Co., Ltd. (indirectly, 100% owned)	Management and lease of service station equipments	Loans to it	Loans to it (*2) and Funds deposit (*3)	71,510	Short-term loans receivable from subsidiaries and associates	25,344
						Long-term loans receivable from subsidiaries and associates	46,041
				Interest payable (*4)	596	—	—
Subsidiary	Cosmo Matsuyama Oil Co., Ltd. (indirectly, 100%owned)	Manufacture and sale of petrochemical products Storage, loading and discharging of petroleum products	Loans to it	Loans to it (*2) and Funds deposit (*3)	27,417	Short-term loans receivable from subsidiaries and associates	15,730
						Long-term loans receivable from subsidiaries and associates	13,088
				Interest receivable (*4)	203	—	—

Type	Name (Ownership type & ratio)	Line of business	Cosmo Energy Holdings's relationship with related parties	Account item for record entry	Transaction amount (¥mil)	Item	Balance as of Mar 31, 2024 (¥mil)
Subsidiary	Cosmo Energy Exploration & Production Co., Ltd.(directly, 100% owned)	Planning in the energy exploration and production business	Business administration Loans to it Interlocking directors	Loans to it (*2) and Funds deposit (*3)	16,335	Long-term loans receivable from subsidiaries and associates	16,648
						Deposits received	6,182
				Interest receivable (*4)	245	Accounts payable-other	214
				Interest payable (*4)	1	—	—
Subsidiary	CEAM LLC (directly, 99% owned)	Property management	Investment in anonymous association contract	Gain on investment (*7)	4,474	—	—
Subsidiary	Maruzen Petrochemical Co., Ltd.(directly, 41% owned) (indirectly, 10% owned)	Manufacture and sale of petrochemical products	Loans to it Interlocking directors	Loans to it (*2) and Funds deposit (*3)	56,168	Deposits received	42,110
						Long-term loans receivable from subsidiaries and associates	19,000
				Interest receivable (*4)	261	Accounts receivable-other	121
				Interest payable (*4)	171	Accounts payable-other	80
Subsidiary	Cosmo Eco Power Co., Ltd.(directly, 100% owned)	Wind Power Generation	Loans to it Guarantees Interlocking directors	Loans to it (*2) and Funds deposit (*3)	36,323	Short-term loans receivable from subsidiaries and associates	4,820
						Long-term loans receivable from subsidiaries and associates	15,552
				Interest receivable (*4)	274	Deposits received	591
						Accounts receivable-other	52
				Assumption of guaranty liabilities (*5)	8,255	—	—
Subsidiary	Yokkaichi Kasumi Power Co., Ltd. (directly, 61% owned)	Lease of power generation plant	Loans to it	Loans to it (*2)	14,105	Long-term loans receivable from subsidiaries and associates	12,904
				Interest receivable (*4)	135		

Out of the amounts shown above, the transaction amounts are exclusive of consumption tax charges, while the balance amounts as of March 31, 2024 include such charges.

Conditions for Transactions with the Subsidiaries Above and the Policy to Determine such Conditions:

Notes:
1. The Core Business Companies (Cosmo Oil, Cosmo Oil Marketing, and Cosmo Energy Exploration & Production) receive the revenue needed for the management of the Company in accordance with their business scales.
2. Loans are used for operating funds, and the amount of transactions shown above is stated based on the average balance during current fiscal year.
3. Loans/Deposits are based on the Company's group financing program, and the amount of transactions is stated base on the average balance during current fiscal year.
4. Interest rates are determined by taking market rates of interest and other conditions into consideration.
5. The Company guarantees loans from financial institutions and the fulfillment of contracts. The amount of guarantee fees is reasonably decided by their agreements.
6. The Company is jointly guaranteed for loans from financial institutions and bonds payable the Company issued. The amount of guarantee fees is reasonably decided by their agreements.
7. Trust bank rent lands in trust in regard to trust beneficiary rights, the property of the anonymous association, to Cosmo Oil Co., Ltd. Since the anonymous association is practically managed by the Company, land rental income is stated including in "Operating revenue" on statements of income. Rental fees are calculated based on verification and appraisal by real property appraisers.

(2) Directors

Type	Name (Ownership type & ratio)	Line of business	Cosmo Energy Holdings's relationship with related parties	Account item for record entry	Transaction amount (¥mil)	Item	Balance as of Mar 31, 2023(¥mil)
Director	Noriko Rzonca (directly, - owned)	Senior Executive Officer, CDO of the Company	Senior Executive Officer, CDO of the Company and Chairman of Cosmo Eco Fund	Contributions (*)	12	—	—

The transaction amounts are exclusive of consumption tax charges.

Conditions for Transactions with the Related Parties Above and the Policy to Determine such Conditions:

Notes: Transaction for third party.

9. Notes to Revenue Recognition

(Basic information about revenue from contracts with customer)

The company engages in management of subsidiaries involved in oil ranging from upstream to downstream and other businesses. Our revenue mainly consists from management revenue and dividend income.

Management revenue is recognized based on the transaction price in accordance with the contract with the customer, once the customer obtains control of the service and the Company satisfies a performance obligation by delivering the service to the customer.

Dividend income is recognized on the effective date.

10. Notes to Per-Share Information

(1) Net assets per share ¥2,281.01

(2) Net profit per share ¥730.29

11. Notes to Significant Subsequent Events

(Purchase of Treasury Shares)

The Company resolved to repurchase treasury shares under Article 156, which is applicable in accordance with Article 165, paragraph (3) of the Companies Act, at the meeting of Board of Directors held on May 9th, 2024.

The overview is as stated in "Notes to the Consolidated financial statements; Notes to Significant Subsequent Events."

12. Additional Information

(Transactions of granting shares in the Company to executives through a trust)

The Company introduced the Executive Remuneration BIP Trust to the Directors etc.

In the Executive Remuneration BIP Trust, the Company purchases as many Company shares as estimated to be granted to the Directors etc. under the established share granting rules and grants Company shares to the Directors etc. in accordance with their ranks and terms of office.

In accounting for the trust, the gross method is adopted in line with "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (Practical Issues Task Force No. 30; March 26, 2015). As a result, the book value of the Company shares held in trust is posted as treasury shares in shareholders' equity.

The book value and number of the treasury shares at the end of the fiscal year under review were ¥1,923 million and 764 thousand respectively.

Accounting Auditor's Report
Concerning the Consolidated Financial Statements: Full Copy

Independent Auditor's Report

May 9, 2024

To the Board of Directors,
COSMO ENERGY HOLDINGS COMPANY, LIMITED

KPMG AZSA LLC
Tokyo office

Designated Limited Liability and Engagement Partner	Certified Public Accountant	Katsunori Hanaoka
Designated Limited Liability and Engagement Partner	Certified Public Accountant	Kyoko Shiga
Designated Limited Liability and Engagement Partner	Certified Public Accountant	Tetsuhiko Suzuki

Opinion
Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statements of income, the consolidated statements of changes in equity and the notes to the consolidated financial statements of COSMO ENERGY HOLDINGS COMPANY, LIMITED applicable to the fiscal year from April 1, 2023 to March 31, 2024.
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other information
Other information consists of the business report and supplementary schedules. Management is responsible for the preparation and disclosure of other statements. The Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other information.
The scope of our opinion on the consolidated financial statements does not include the other information, and we do not provide our opinion on the other information.
Our responsibility for the audit of the consolidated financial statements is to read the other information, and, in doing so, consider whether there is a material inconsistency between the other information and the consolidated financial statements or our knowledge obtained in audit, and give attention to whether there are any other indications of material errors in the other information other than such material inconsistency.
If, based on the audit work performed, we determine that there is a material misstatement in the other information, we are required to report such facts.
We have no matters to report with respect to the other information.

Management's and Supervisory Committee's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines are necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.
Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit as independent auditor. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Furthermore, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, measures taken to remove, or safeguards applied to reduce obstructing factors to an acceptable level.

Conflict of Interest

Our firm and engagement partners have no interest in the Company.

- END -

Accounting Auditor's Report Concerning the Financial Statements: Full Copy

Independent Auditor's Report

May 9, 2024

To the Board of Directors,
COSMO ENERGY HOLDINGS COMPANY, LIMITED

KPMG AZSA LLC
Tokyo office

Designated Limited Liability and Engagement Partner	Certified Public Accountant	Katsunori Hanaoka
Designated Limited Liability and Engagement Partner	Certified Public Accountant	Kyoko Shiga
Designated Limited Liability and Engagement Partner	Certified Public Accountant	Tetsuhiko Suzuki

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statements of income, the statements of changes in equity and the notes to the financial statements and the supplementary schedules of COSMO ENERGY HOLDINGS COMPANY, LIMITED (hereinafter referred to as the "Financial Statements, Etc.") applicable to the 9th fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the Financial Statements, Etc. referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the Financial Statements, Etc. were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other information

Other information consists of the business report and supplementary schedules. Management is responsible for the preparation and disclosure of other statements. The Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other information.

The scope of our opinion on the financial statements does not include the other information, and we do not provide our opinion on the other information.

Our responsibility for the audit of the financial statements is to read the other information, and, in doing so, consider whether there is a material inconsistency between the other information and the financial statements or our knowledge obtained in audit, and give attention to whether there are any other indications of material errors in the other information other than such material inconsistency.

If, based on the audit work performed, we determine that there is a material misstatement in the other information, we are required to report such facts.

We have no matters to report with respect to the other information.

Management's and Supervisory Committee's Responsibility for the Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the Financial Statements, Etc. in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines are necessary to enable the preparation and fair presentation of the Financial Statements, Etc. that are free from material misstatements, whether due to fraud or error.

In preparing the Financial Statements, Etc., management is responsible for assessing whether it is appropriate to prepare the Financial Statements, Etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the Financial Statements, Etc. as a whole are free from

material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the Financial Statements, Etc. based on our audit as independent auditor. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of the Financial Statements, Etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Furthermore, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the Financial Statements, Etc. obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the Financial Statements, Etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the Financial Statements, Etc. or, if the notes to the Financial Statements, Etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the Financial Statements, Etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the Financial Statements, Etc. and notes to the Financial Statements, Etc. are in accordance with accounting standards generally accepted in Japan, as well as evaluate the presentation, structure, and content of the Financial Statements, Etc., including the related notes thereto, and whether the Financial Statements, Etc. fairly present the underlying transactions and accounting events.

We report to the Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and to communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, measures taken to remove, or safeguards applied to reduce obstructing factors to an acceptable level.

Conflict of Interest

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act.

- END -

Supervisory Committee's Audit Report: Full Copy

Audit Report

The Supervisory Committee has conducted audit on the execution of duties by Directors for the 9th business year from April 1, 2023 to March 31, 2024, and hereby reports the methods and results of audit as follows:

1. The Methods and Details of the Audit

With regard to the resolution of the Board of Directors concerning the matters stipulated in Article 399-13, Paragraph 1, Item 1, b, c of the Companies Act, as well as the system (the internal control system) developed based on such resolution, while using measures that utilize the Internet, etc., the Supervisory Committee received reports regularly and requested explanation as necessary from the Directors and employees on the establishment and operation of such system, expressed its opinion, and conducted audit by the following methods.

1) In compliance with the Supervisory Committee Auditing Standards established by the Supervisory Committee and in accordance with the auditing policies and allocation of duties, we cooperated with Internal Audit Department of the Company; attended significant meetings; obtained reports on business operations from Directors and employees; requested explanation as necessary; reviewed documents which record approval of material matters; conducted investigations regarding the status of the business operations and assets. With respect to subsidiaries, the Supervisory Committee communicated and exchanged information with Directors, Audit & Supervisory Board Members, and other relevant personnel of the subsidiaries, and received business reports from subsidiaries as necessary.

2) The Supervisory Committee monitored and confirmed if the Accounting Auditor holding independent position and performing appropriate audit, received reports on auditing operations from the Accounting Auditor; and requested explanation as necessary. Also, the Supervisory Committee received a report from the Accounting Auditor that the Company implemented the "system to ensure appropriate execution of duties" (set forth in Article 131 of the Regulations on Corporate Accounting) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council) and others, and requested explanation as necessary.

Based on the methods as described above, the Supervisory Committee deliberated the business report and supplementary schedules, the consolidated financial statements (the consolidated balance sheet, consolidated statements of income, consolidated statements of changes in equity and the notes to consolidated financial statements), and the financial statements (the balance sheet, statements of income, statements of changes in equity and the notes to financial statements) and supplementary schedules for the period under review.

2. Results of Audit

(1) Audit results of business report and other documents concerned

1). The business report and supplementary schedules comply with the laws and regulations and with the Articles of Incorporation and correctly represents the company status.

2). The business activities performed by the Directors were correct and did not seriously violate the laws and regulations, or the Articles of Incorporations.

3). The corporate resolution concerning the internal control system is fair and reasonable. In addition, there are no matters to be pointed out for the business report and the business activities performed by the Directors regarding the internal control system

(2) Audit results of the consolidated financial statements

The auditing methods and results of the Accounting Auditor, KPMG AZSA LLC, are fair and reasonable.

(3) Audit results of the financial statements and supplementary schedules

The auditing methods and results of the Accounting Auditor, KPMG AZSA LLC, are fair and reasonable.

May 9, 2024

COSMO ENERGY HOLDINGS COMPANY, LIMITED
Supervisory Committee

Member of the Supervisory Committee	Yasuko Takayama	Seal
Member of the Supervisory Committee	Keiichi Asai	Seal
Full-time member of the Supervisory Committee	Toshiyuki Mizui	Seal

(Note) Members of the Supervisory Committee Yasuko Takayama and Keiichi Asai are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.