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Cosmo Energy Holdings Co., Ltd.

2025 New Year's Address by Shigeru Yamada, Cosmo Energy Group CEO

Cosmo Energy Holdings Co., Ltd. is pleased to share the following summary of the New Year's address given by Representative Director and Group CEO, Shigeru Yamada.

Happy New Year and welcome to 2025. I am delighted to embark on another promising year with all of you.

Reflecting on the past year, 2024 was undeniably an eventful year. The ongoing situation in Ukraine and conflicts in the Middle East showed no signs of abating, while key elections held across the globe resulted in shifts of power in many countries, particularly in Europe, as well as heightened global political instability—a state that will likely continue going forward.

On the energy front, the drive toward decarbonization remains steadfast. However, the strengthening of energy security and declining economic rationality primarily due to inflation has significantly influenced energy conversion policies.

Amid these geopolitical and political uncertainties, one unexpected development was the relative stability of crude oil prices. Dubai crude oil prices, for instance, have currently settled in the lower \$70 range after hovering in the \$80 range during the first half of last year.

In Japan, meanwhile, companies faced significant changes in the business environment in 2024. The country experienced frequent disasters, including earthquakes and heavy rainfall, while also grappling with economic challenges such as the depreciation of the yen, accelerating inflation, and labor shortages. At the same time, companies saw even greater demand for improved capital efficiency.

In the energy sector, the draft of the Seventh Strategic Energy Plan was unveiled at the end of 2024. It was a truly pivotal year with the release of provisional guidelines outlining strategies for supplying affordable and clean energy in response to the increasing demand for electricity and energy, driven by advancements in digital transformation (DX) and green transformation (GX).

Amid these circumstances, 2024 marked the second year of the Cosmo Energy Group's Seventh Consolidated Medium-Term Management Plan, during which we implemented a range of initiatives. Although I won't go into detail here, some efforts were more fruitful than expected, while others fell short of our targets. That being said, it is evident that we are making steady progress toward "enhancing enterprise value," the central theme of the current plan.

This year is the final year of the Seventh Consolidated Medium-Term Management Plan, which we will dedicate to its completion. We must also remain acutely mindful that it is a year to lay the groundwork for further growth by formulating our next medium-term management plan and rolling out long-term strategies. With this mindset, we can achieve our current plan and ensure a seamless transition to the next one.

I am confident that each division clearly understands the specific initiatives required to achieve the plan. To ensure we do so and pave the way for an even brighter future, we have defined six core values under a new brand framework.

The first three values—誠実 (Integrity), 共生 (Harmony), and 安全 (Safety)—are principles we have prioritized throughout our history of petroleum-centered business operations. Given that petroleum will remain an essential energy source for society for the foreseeable future, we must

continue to uphold these core values. I would like to reaffirm them with everyone at the beginning of this new year.

Looking ahead, as we further develop the *New* pillar of "Oil & New," it is essential to adopt a proactive mindset, rather than a passive one, and embrace challenges. To that end, we have defined three additional values: 挑戦 (Pioneering), 自発 (Self-Startership), and 進化 (Evolution). These values emphasize the importance of each employee taking initiative, thinking critically, and pushing their own boundaries. While not every effort will result in immediate success, each one will provide valuable lessons that drive evolution and growth. These values are crucial as we shape the future of Cosmo.

Although these six words, each consisting of two Chinese characters, may be a little difficult to understand collectively, I encourage each of you to carefully reflect on them individually, internalize them, and allow them to manifest within you. I believe that these six values will become a powerful driving force for our continued growth as they take root and are more widely and deeply accepted within the Group.

It is anticipated that 2025 will be even more tumultuous than last year, with significant events such as the change of the U.S. president, political instability across Europe—especially in Germany and France—and political turmoil in South Korea.

Similarly, the energy landscape will also become more uncertain. However, regardless of the circumstances ahead, I urge you to keep the six values mentioned earlier in mind, focusing on "seeing things through to completion" and "not fearing friction" as you carry out your daily work. If you embrace this mindset, positive results will surely follow. Let us move forward together, resolute in our commitment to tackling whatever lies before us.

This year marks the 40th anniversary of Cosmo's founding, and we are also planning for the relocation of our head office in the summer. At the same time, we are looking forward to key milestones such as the commencement of SAF production line operations at the Sakai Refinery, completed at the end of last year, and the scaling up of production at the Hail Oil Field.

Furthermore, our safety standards at our refineries and other production sites have certainly improved, and we have also achieved strong results in fuel oil and lubricant sales through various measures. In addition, collaborative initiatives with Iwatani Corporation, announced last fall, are progressing smoothly, and we look forward to further developments in this regard as well.

Let us continue working together as a united group in 2025 to achieve further growth.

In closing, I sincerely pray that this year brings even greater prosperity to each one of you and to the Cosmo Energy Group.

(End)

(The official language for Cosmo Energy Group's filings with the Tokyo Stock Exchange and Japanese authorities, and for communications with our shareholders, is Japanese. We have posted English versions of some of this information on this website. While these English versions have been prepared in good faith, Cosmo Energy Group does not accept responsibility for the accuracy of the translations, and reference should be made to the original Japanese language materials.)