

[Translation]

January 24, 2023

To whom it may concern:

Cosmo Energy Holdings Co., Ltd.

Notice Concerning Our Opinion on the Press Release
Announced by City Index Eleventh Co., Ltd. on January 20, 2023

The Company has confirmed that City Index Eleventh Co., Ltd. (“City”), our shareholder, has disclosed a press release entitled “Our Thoughts on Cosmo Energy Holdings Co., Ltd., and our Dialogue with the Company” dated January 20, 2023 (the “City Press Release”) on its website. **The City Press Release has arbitrarily abstracted only some of the statements that were convenient for City and other parties, making it seem as if the Company, City, and Mr. Yoshiaki Murakami have continued constructive dialogue. The Company has no choice but to deepen our suspicions about City and Mr. Yoshiaki Murakami, since City has issued a press release that was not based on facts, omitting any threatening words or actions by City and other parties.**

The Company’s opinion on the Response Policies to Large-scale Purchase Actions, etc. by City and other parties already have been explained to our shareholders in the “Notice Concerning the Introduction of the Company’s Basic Policies for the Control of the Company Based on the Fact that City Index Eleventh Co., Ltd. and Other Parties Carry Out Large-scale Purchase Actions, etc. of the Company’s Share Certificates, etc. and Response Policies to Large-scale Purchase Actions, etc. of the Company’s Share Certificates, etc.” announced on January 11, 2023 and the “Notice Concerning Our Opinion on the Letter from City Index Eleventh Co., Ltd. to Our Board of Directors on January 12, 2023 and the Press Release Announced by City Index Eleventh Co., Ltd. on the Same Date” announced on January 17, 2023 (“Our January 17th Press Release”). However, **as City Press Release includes statements that differ from the facts, the Company would like to provide our opinion on the City Press Release in order to correct our shareholders’ misunderstanding and to provide appropriate information.**

First, regarding its recommendation of a candidate for the position of an Outside Director, City goes to great lengths to explain that “we did not demand the consignment of an independent outside director that benefits us, in a one-sided and strong manner”. However, as City admits by stating “a selective excerpt of Mr. Murakami’s comments” in the City Press Release, we have to say that the proposal for the dispatch of an Outside Director to the Company was not made simply for recommending a candidate for an Outside Director, and that the proposal was inappropriate and unreasonable since it was suddenly presented as a package deal that by doing so they will not acquire 20% or more of the Company’s shares based on a large-volume holdings statement basis. Further, although Mr. Yoshiaki Murakami of City initially asserted in the series of meetings with the Company that he wanted to recommend a candidate proposed by the Company as a shareholder in an amicable manner stating “I am considering recommending an eye-opening and fine person” and “I will not recommend a person who Cosmo will dislike”, when the Company asked whether it would be late for an Ordinary General Meeting of Shareholders, he urged the Company to decide to recommend an Outside Director preferred by him as a candidate in a strong tone stating “Please do not say it like that. It will be in time”, “If the chairperson of the Company’s Nomination and Remuneration Committee (at that time, the name was “Nomination and Remuneration Advisory Committee”; the same applies hereinafter in this press release) says they will not have enough time, please allow me to meet the chairperson. Then, I will remove only the chairperson through proxy fights”, “For that matter, please make a statement at the Company’s Nomination and Remuneration Committee meeting that ‘Mr. Murakami made such a proposal’. If some of the Company’s Nomination and Remuneration Committee members refuse it, I will remove all of the members next year”. Regarding that point, as City itself has stated in its press release that “the meeting started off in a rather confrontational manner”, it is

evident to the Company that City feigned friendliness superficially, saying, “We will not recommend any person who Cosmo dislikes” or “no person in the world will know (that it is a shareholders’ proposal because it looks like a Company proposal)” and so on, but in reality, City has been acting in a threatening manner, for example by **implying that it will remove of all of the Company’s Nomination and Remuneration Committee members as soon as City learned that the Outside Director candidates were not doing what it wanted** (furthermore, the current composition of the Company’s Board of Directors is such that four out of the nine members are Independent Outside Directors, which ensures the effectiveness of the corporate governance system, and we believe that Mr. Yoshiaki Murakami’s proposal to dismiss all of the Nomination and Remuneration Committee members through proxy fights if a person whom City itself recommends does not become a candidate for Outside Director, based on that fact only, is not at all reasonable).

In addition, even when City and Mr. Yoshiaki Murakami mentioned the actual names of Outside Director candidates, they displayed incomprehensive speech and behavior. In the meeting on December 13, 2022, Mr. Yoshiaki Murakami mentioned multiple actual names of retired Ministry of Economy, Trade and Industry senior officials as the Company’s Outside Director candidates. Since the Company believed from before that, with a view to enhancing wind power generation business in the future, it was worth considering making a retired Ministry of Economy, Trade and Industry senior official who is familiar with energy policies an Outside Director candidate, and one of the candidates mentioned by Mr. Yoshiaki Murakami (hereinafter referred to as Mr./Ms. X) is a person who the Company may consider as an Outside Director candidate, we told him in the meeting with City on December 27, 2022 that the Company was considering approaching Mr./Ms. X. However, when Mr. Yoshiaki Murakami heard it, he suddenly changed his attitude and stated, “I don’t believe it will go well”, and “Even if Mr./Ms. X comes (to the Company), I wonder there is an issue of compatibility.” and, further, in the meeting with City on January 6, 2023, Mr. Yoshiaki Murakami abruptly changed his attitude with stating that “That’s impossible”, “Mr./Ms. X will not serve as an Outside Director for the Company”, “Mr./Ms. X will come only if I ask for it”, and “Well then, do whatever you want”. It is beyond the Company’s comprehension that **although Mr. Yoshiaki Murakami himself said that he wanted to recommend Mr./Ms. X as “a candidate proposed by the Company,” when he knew the Company would approach them, he acted and made statements in a way that intended to prevent the Company from contacting Mr./Ms. X, as if there are circumstances which would make such inconvenient for himself.**

Furthermore, with regard to the Company’s efforts in terms of renewably energy, City provided an explanation that arbitrarily cut out some of the facts so as to seem as if City was holding “constructive dialogue” with the Company. However, in fact, in the meeting on January 6, 2023, **every time the Company tried to explain the mid- to long-term growth strategy, Mr. Yoshiaki Murakami did not listen at all, interrupted the Company’s explanation repeatedly, and only demanded an immediate implementation of the Share Buy-back from the Company in a threatening tone.** With regard to the onshore wind power generation business in which the Company was enhancing efforts, Mr. Yoshiaki Murakami implied as a bargaining chip unsourced information that the Company would not be selected in public biddings as if he heard it from a person related to biddings, and repeated his statements that it was taken for granted that the efforts in such business would fail. Eventually, **it could be considered that City is not interested in the Company’s wind power business from the perspectives of improvement of the medium to long-term corporate value and clean energy policies, but City and Mr. Yoshiaki Murakami made these statements in order to continue to emphasize the possibility of failure in the wind power generation business, from the perspective of maximizing surplus funds that would be used as funding for the Share Buy-back (and the existence of surplus funds in cases of being unable to make investments), for the sole purpose of demanding the Share Buy-back from the Company.** Considering the fact that City is continuously issuing the incorrect information to the shareholders, the Company is considering asking to hear the audio data of the meetings with Mr. Yoshiaki Murakami in an individual meeting or through other means with institutional investors and shareholders, if necessary.

In addition to the above, City also stated its own views in the City Press Release in great detail on how the Share Buy-back and the equity capital should be. However, the Company has no intention of disproving each and every one of these assertions of City because, as already announced in the Company Press Release Dated January 17 as well, the Company plans to explain how the equity capital should be in the 7th Medium-Term Management Plan to be published in March, 2023.

During the meetings held so far, City and Mr. Yoshiaki Murakami tried to be involved in the formulation of the Medium-Term Management Plan itself by trying to become an insider of the Company, and repeatedly proposing the execution of a non-disclosure agreement, saying, “Could you let us join the talk and discuss the topic of the Medium-Term Management Plan?” “Executing a non-disclosure agreement is one of the ways,” and so on. However, the Company considers it unacceptable because there is no reason to execute a non-disclosure agreement with a specific shareholder in the absence of any special circumstances, especially when viewing it from the perspective of equality with general shareholders.

We would like to request that our shareholders pay full attention to the fact that the information issued by City contains information that is not based on facts and grasp appropriate information through disclosed materials and other similar information issued by the Company.

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