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March 14, 2023

To whom it may concern:

Cosmo Energy Holdings Co., Ltd.

Notice Concerning Status of Dialogue with Institutional Investors and Shareholders, and Analysts

Cosmo Energy Holdings Co., Ltd. (the “Company”) plans to announce the 7th Medium-term Management Plan (the “New Medium Term Plan”) on March 23, 2023. Currently, the Company is conducting repeated IR interviews to enhance engagement with institutional investors and shareholders, and analysts in preparation for the announcement of the New Medium Term Plan. However, in light of the fact that one of our shareholders, City Index Eleventh Co., Ltd. (“City”; together with its joint holders, “City and Other Parties”), has announced its thoughts on the Company’s New Medium Term Plan on its website, the Company decided to announce the status of our most recent dialogue with institutional investors and shareholders, and analysts in this press release.

1. Renewable Energy Business

Many institutional investors and shareholders, and analysts understand the significance of our long-term business strategy of strengthening our renewable energy business as a growth driver for the future while leveraging the profitability of our petroleum business as a foundation. We also received opinions from institutional investors and shareholders stating that our renewable energy business is essential for Cosmo’s transition. In particular, we have received the valuable opinion that it is important to have a grasp of the wind power generation business “throughout the entire value chain,” and the Company intends to provide an explanation with this point in mind in the upcoming announcement of the New Medium Term Plan.

On the other hand, we also received many requests for proactive information disclosure and explanations concerning profitability, investment discipline, prospects for business expansion, and other information on our renewable energy business partly because major changes in the business and bidding environments surrounding offshore wind power generation in Japan in the last year have led to a sense of uncertainty about the future. Although it may be difficult to disclose detailed information concerning individual investment projects from the perspectives of confidentiality obligations with related parties, competitive trade secrets, and the like, we will strive to disclose information in an appropriate manner based on the opinions of institutional investors and shareholders, and analysts.

In relation to these matters, we received several questions from institutional investors and shareholders regarding whether a spin-off of our wind power generation business could be a future management option. The spin-off mentioned here mainly refers to a scheme in which Cosmo Eco Power Co., Ltd., a wholly-owned subsidiary of the Company is carved out as an independent entity and is expected to manifest its value in the market (tax-qualified spin-off through a dividend-in-kind method of shares in a wholly-owned subsidiary) (in order to meet the tax qualification, the Company’s maximum investment ratio in Cosmo Eco Power after the spin-off will be less than 20%). The Company intends to collect a wide range of information and consider all options that lead to improvement of the Company’s medium to long-term corporate value. In formulating the New Medium Term Plan, we are of course considering whether these options are appropriate. If we were to state our current view, the Company considers that Cosmo Eco Power is not a company that can achieve growth by making its management and capital independent, partly because it currently has many officers and employees seconded from the Company, is still highly dependent on the Company’s management resources, human resources, know-how, and the like, and is still growing in terms of business scale. In addition, The Company believes that it is extremely important for Cosmo Eco Power to collaborate seamlessly with the Company group’s supply chain, including various retail businesses, such as electricity retail,

in order to grow our renewable energy business throughout the entire value chain from the perspective of improving Cosmo Eco Power's corporate value.

In addition, in order to conduct a tax-qualified spin-off through a dividend-in-kind method of shares in a wholly-owned subsidiary, there are considerably high hurdles and burdens to overcome in terms of systems and schedule; for example, it is necessary to obtain approval of a business restructuring plan under the Act on Strengthening Industrial Competitiveness (the need for a company to formulate its own business plan concerning various requirements, such as improving productivity and meeting financial soundness requirements, and obtain approval from the Ministry of Economy, Trade and Industry) and to list the spin-off company without delay under Japan's M&A legal and tax systems. Therefore, the Company believes that it is difficult to state that this is a transaction that will contribute to sustainably increasing the Company's corporate value.

Considering these circumstances, the Company will continue to collect and consider various types of information for strengthening the competitiveness of the Company's wind power generation business and expanding its growth, as well as continue dialogue with institutional investors and shareholders, and analysts from the perspective of sustainable improvement of the Company's corporate value over the medium to long term.

2. Capital Policy and Shareholder Returns

The Company achieved the quantitative targets of the 6th Medium Term Management Plan one year ahead of schedule at the end of March 2022 and has been actively promoting shareholder returns in response to the enhancement of the Company's borrowing capacity, such as the Company's having obtained an external credit rating of A- as a result of the improvement of the Company's financial standing. In addition to announcing a total return ratio of 50% or more and implementing a share buyback of 20 billion yen in fiscal year 2022, the Company plans to increase the dividend per share by 50 yen from the previous fiscal year to 150 yen per share (75 yen for the interim dividend, and 75 yen for the year-end dividend). Also, in November 2022, the Company purchased zero-coupon convertible bonds due in 2022 (including stock acquisition rights) (CBs) on a scale of approximately 32 billion yen to improve the Company's corporate value by improving EPS and ROE. Many institutional investors and shareholders, and analysts highly appreciated the increased returns to shareholders as a "surprise" due to the earlier-than-expected achievement of the 6th Medium Term Management Plan.

In our most recent dialogue with institutional investors and shareholders, and analysts, although returns and distributions are fundamental when infrastructure funds engage in the wind power generation business, the Company received feedback that "The Company should consider investment in a forward-looking manner as a business company." When we discussed financial soundness, the Company was also informed to the effect that "The Company is expected to explain the necessary net worth level and capital policy, not only from the perspective of the existing petroleum business but also from the perspective of entry into the renewable energy business."

Although the Company will continue to carry out shareholder returns with high awareness during the target period of the New Medium Term Plan, it plans to announce and explain new shareholder return and capital policies in the New Medium Term Plan based on these suggestions.

3. Others (Oil Refining, Non-financial, and Sustainability, etc.)

In addition to the dialogue topics above, the Company received feedback praising the high operating ratio of the Company's oil refining among its competitors (the high profitability of the Company's oil refining is one of the Company's strengths, and there were no comments on the reorganization or abolition of oil refineries), and it was requested that non-financial and sustainability actions be

included in the New Medium Term Plan without delay (including concerns that City and Other Parties would delay non-financial and sustainability actions), and the like.

As a general energy company that plays a role in Japan's energy supply, the Company will strive to sustainably improve our medium to long-term corporate value, while appropriately sharing the series of suggestions from institutional investors and shareholders, and analysts with the Company's management team and members of the Board of Directors.

With regard to the announcement of the New Medium Term Plan, the Company has had several dialogue with City and Other Parties. For more information on the dialogue and correspondence with City and Other Parties, please visit "Press Release" on the Company's IR website.¹

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¹ Company's website for IR "Press Release <https://www.cosmo-energy.co.jp/en/about/press.html>