

[Translation]

April 20, 2023

To whom it may concern:

Company name	Cosmo Energy Holdings Co., Ltd.
Representative	Shigeru Yamada Representative Director and President (Code: 5021, Prime Market in the Tokyo Stock Exchange)
Contact person	Eriko Date General Manager of Corporate Communication Dept. (TEL: (03)-3798-3101)

Notice Concerning Receipt of the Shareholder Proposal

The Company hereby announces that on April 19, 2023, it received a letter from City Index Eleventh Co., Ltd.(the “Proposing Shareholder”), a shareholder of the Company, stating that it would make a shareholder proposal (the “Shareholder Proposal”) at the 8th ordinary general meeting of shareholders to be held in June 2023.

The details of the Shareholder Proposal are as follows.

The Company’s Board of Directors will carefully consider and deliberate the details of the Shareholder Proposal and disclose the opinion of the Company’s Board of Directors promptly once determined.

Details of the Shareholder Proposal

*The details submitted by the Proposing Shareholder are described below as they appear in the original letter.

I. Proposed Agenda

Election of one Director (excluding a person who is an Audit and Supervisory Committee member)

II. Details of the Proposal (Summary of the Proposal)

The Proposing Shareholder proposes the election of one Director (excluding a person who is an Audit and Supervisory Committee member). The candidate for Director is as follows:

[Name]

Yoko Atsumi

[Date of birth]

March 12, 1984

[Past experience and status of representation in other companies]

December 2009

Registered as an attorney-at-law

January 2010

Joined Nishimura & Asahi

December 2011

Seconded to Legal Department, JP Morgan Securities Japan Co., Ltd.

June 2014

Joined Law Office Hironaka

October 2017

Established Atsumi Law Office; Representative Attorney
June 2019
Outside Director, KOSAIDO Co., Ltd.
September 2019
Outside Audit & Supervisory Board Member, KIDSLINE Inc. (current position)
December 2020
Senior Partner, Head of Kojimachi Office, Atsumi & Sakai
June 2021
External Director, Daiho Corporation (current position)
January 2023
Atsumi Law Office; Representative Attorney (current position)
[Significant concurrent positions]
Atsumi Law Office; Representative Attorney
Outside Audit & Supervisory Board Member, KIDSLINE Inc.
External Director, Daiho Corporation
[Number of shares of the Company held]
0 shares

(Notes)

1. There are no special interests between the candidate and the Company.
2. Ms. Atsumi is a candidate for Outside Director.

III. Reasons for Proposals

1. The shareholder (the “Proposing Shareholder”) who proposed the agenda stated in I. and II. above (the “Agenda”) has insisted that, as a result of comparing the Company’s corporate size and current valuation (PER of approximately from 3 times to 6 times) with the industry valuation of the renewable energy business (PER of approximately 25 times), it is necessary to list the Company’s renewable energy business subsidiary and expand the business by procuring and utilizing third-party capital. The Proposing Shareholder believes that if the Company’s renewable energy business subsidiary, which is not valued as it should be, seeks to maximize shareholder value as a listed company, it will cause the Company’s share price to exceed PBR on an ongoing basis and lead to higher shareholder value for the Company. The Proposing Shareholder has suggested to the Company’s Board of Directors that they should seriously discuss this matter.

With respect to the listing of our renewable energy business subsidiary, the Proposing Shareholder thinks that there are various issues which should be considered, including whether a certain level of capital relationship with the Company should be retained (and if so, how much should be retained), as well as capital relationship issues (including whether to use a spin-off tax system for the change in capital relationship), business issues (including whether to retain business relationships related to management resources, human resources, and know-how, and if so, which should be retained), and the timing of when to list the subsidiary, and the Proposing Shareholder is not committed to utilizing any specific method. The Proposing Shareholder thinks that the Company’s Board of Directors should seriously discuss the listing of our renewable energy business subsidiary from the perspective of which options would contribute most substantially to improving the Company’s corporate value and shareholder value and will disclose the results thereof.

However, the Company adheres to the idea that “growing our renewable energy business throughout the entire value chain will lead to maximizing the Company’s corporate value”, as was indicated in the 7th Consolidated Medium-Term Management Plan announced on March 23, 2023, and appears unwilling to seriously discuss the listing of our renewable energy business subsidiary at the Board of Directors meeting.

Therefore, the Proposing Shareholder proposes the Agenda in order to nominate Ms. Yoko Atsumi, an attorney-at-law, as a candidate for Director, who stated that she is committed to “seriously discussing the listing of the renewable energy business subsidiary at the Company’s Board of Directors meeting

and disclosing the results thereof.” By electing Ms. Yoko Atsumi as the Company’s Outside Director, the Proposing Shareholder expects that serious discussions will be held at the Company’s Board of Directors in order to realize improvement of the Company’s corporate value and shareholder value, including discussion on the listing of our renewable energy business subsidiary.

In addition, Ms. Yoko Atsumi has expertise and experience in the field of corporate governance, and through utilizing her professional perspective as an attorney-at-law, she is capable of providing advice to ensure the adequacy and appropriateness of the decision making of the Board of Directors. As such, the Proposing Shareholder believes that she will contribute to improving the Company’s corporate value and shareholder value, as well as to eventually enhancing all of the stakeholders’ relevant interests.

End