

[Translation]



August 30, 2023

To whom it may concern:

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

Notice Concerning Delivery of Information List (2) Regarding Large-scale Purchase Actions,
etc. of the Company's Share Certificates, etc.

As announced in the press release as of August 15, 2023, "Notice Concerning Receipt of Response to Information List Regarding Large-scale Purchase Actions, etc. of the Company's Share Certificates, etc.," the Company received a response to the "Information List" requesting the provision of information considered necessary for the Company's Board of Directors and the Company's shareholders to examine details of the Large-scale Purchase Actions, etc. (the "Response") from Minami Aoyama Fudosan Co., Ltd. ("Minami Aoyama Fudosan") and Ms. Aya Nomura ("Ms. Nomura").

The Company's Board of Directors deliberately examined the details of the Response and determined that it would be insufficient for the Company's Board of Directors and the Company's shareholders to examine details of the Large-scale Purchase Actions, etc. Today, the Company delivered to Minami Aoyama Fudosan and Ms. Nomura the "Information List (2)" as exhibited requesting additional provision of necessary information.

The delivery of the Information List (2) is based on the advice from the Independent Committee as of August 29, 2023 that its delivery is appropriate.

The Company would like to ask its shareholders to continuously pay close attention to the information to be disclosed by the Company.

End

(Exhibit)

Information List (2)

The inquiries or information which we request that the Large-scale Purchasers answer or provide as of August 30, 2023 are as follows. Terms not specifically defined in Information List (2) follow the definitions in the Company's press release regarding the introduction of the Response Policies dated January 11, 2023 and the Information List.

Please note that points to note for provision of information which is also included in the Information List also apply to this Information List (2). In particular, **in regard to each of the matters in Information List (2) for which you are requested to respond or provide information, the Company requests again that you do so in order to contribute to reasonable decisions by the Company's shareholders, taking into account the points in the "Guidelines for Corporate Takeovers (Draft)"** announced by the Ministry of Economy, Trade and Industry on June 8, 2023.

Furthermore, as stated in the Information List, please note again that **if any information or responses necessary and sufficient for the Company's shareholders to make a well-considered and reasonable decisions are not provided, since the Statement of Intent states the method of purchases both inside and outside the market which will be used for the Large-scale Purchase Actions, etc., the Company's general shareholders will be pressured.**

I. Among the inquiries and information included in the Information List, responses or provision considered to be incomplete or insufficient

Part 1 Details of the Large-scale Purchasers and its Group

1. In response to the inquiries below from among the inquiries in 3. of **Part 1.** of the Information List (inquiries reposted as (i) and (ii) below in italics), we received the Response, “Purchasers can acquire shares based on the advance notification for inward direct investment, etc. only within six months from the acceptance date of the advance notification. The purchasers [the Company’s note: Minami Aoyama Fudosan, Ms. Nomura, and City Index Eleventh; the same applies hereinafter] provided such advance notification to the Company’s shareholders (the upper limit of acquisition is 9.9% of the voting rights, respectively), but the purchase availability period of Minami Aoyama Fudosan terminates on October 3, 2023 and that of City [the Company’s note: City Index Eleventh; the same applies hereinafter] and Ms. Nomura terminates on October 20, respectively. The current advance notification was provided before submitting the Statement of Intent for Large-scale Purchase Actions, etc. this time, and if purchasing occurs after the procedures of the takeover defense measures [the Company’s note: Response Policies], the purchasers may make a purchase only to the extent stated in the statement and thus, we believe that the above response is sufficient for details of the current advance notification;” and based on this response we have not received responses to some inquiries. **Regarding (i), “pledges for acquisition” will relate to forms of acquisition of the Company’s share certificates, etc., and since similar pledges may be required when the Large-scale Purchasers conduct Large-scale Purchase Actions, etc. in the future, this is important for shareholders as information on the Large-scale Purchase Actions, etc. In addition, we asked inquiry (ii) because changes in behavior related to the upper limit relates to reliability of your company’s responses regarding voting rights acquired by Large-scale Purchase Actions, etc. Please sincerely provide an answer again.**
- (i) *“Details indicated on the advance notification for inward direct investment under the Foreign Exchange Act by the Large-scale Purchaser Group (defined in 4. below) (including entities planned to acquire share certificates, etc. of the Company, as well as the limit of share certificates, etc. to be acquired by each entity, acquisition period, and matters indicated on the notification, etc. as pledges upon acquisition) and the current status of the procedures”*
- (ii) *The material titled “Cosmo Energy Holdings Co., Ltd.’s Ordinary General Meeting of Shareholders,” dated May 29, 2023, prepared by City Index Eleventh Co., Ltd. (“City Index Eleventh”), claimed that “the effective upper limit in our advance notification under the Foreign Exchange Act is merely 22.9%.” While it is claimed that “the effective upper limit is 22.9%,” please inform us specifically how this relates to the ratio of the voting rights to be 24.56% for the Large-scale Purchasers and Others after completion of the Large-scale Purchase Actions, etc., planned under the Statement of Intent. Further, while we understand that the claim of “the effective upper limit” is based on the movement of the shares within the Large-scale Purchaser Group, indicated in 8. below, please specifically inform us, with respect to “the effective upper limit” here, of the intention to add “effective,” rather than merely indicating “upper limit.”*
2. According to the Response to the inquiry in 3. of **Part 1.** of the Information List, “City Index Eleventh will not make the advance notification regarding acquisition of shares after completion of the purchase availability period above, and Ms. Nomura and Minami Aoyama Fudosan will do so in line with the details of the Statement of Intent for Large-scale Purchase Actions, etc.,” but would it be appropriate to understand that the upper limit in the advance notification that will be conducted “in line with the details of the Statement of Intent for Large-scale Purchase Actions, etc.” will be 24.56% of the voting rights? In addition, regarding matters that are expected to be

in the statements on advance notification for inward direct investment under the Foreign Exchange Act in the above case (in particular, **including the limit of the Company's share certificates, etc. to be acquired by each entity, acquisition period, and matters that are expected to be indicated on the notification, etc. as pledges upon acquisition**), please provide us with specific detailed information, considering the details of the current advance notification stated in 1. above.

In addition, **only City Index Eleventh (which is a joint-holder of the Large-scale Purchasers) has made shareholder proposals and sent letters to the Company, and Ms. Aya Nomura and Mr. Hironao Fukushima, a representative of City Index Eleventh, attended and appeared in a meeting with the Company and press conferences. Nevertheless, Minami Aoyama Fudosan is included as a Large-scale Purchaser instead of City Index Eleventh this time, and since several entities appear in this way, it is very difficult for shareholders to understand the actual state of the Large-scale Purchasers, including the capital relationships of each company. Please provide the reason why the purchasing bodies have been changed in this way.** Specifically, please answer yes or no as to (i) whether avoiding regulations that will be imposed on major shareholders, including the provision system of short-term margins (Article 164 of the FIEA) is included in the purpose and (ii) whether enjoying maximum tax benefits is included in the purpose in anticipation of the Company conducting a TOB by an issuer based on demand of the Large-scale Purchaser Group in the future, respectively.

3. In the Response to 4. of **Part 1.** of the Information List (the inquiry reposted below in italics), since “the definition of the ‘Large-scale Purchaser Group’ is inappropriate,” you disclosed information only on the “purchasers” i.e., City Index Eleventh as well as Minami Aoyama Fudosan and Ms. Nomura, but the “Large-scale Purchaser Group” was established by listing specific company names, after carefully considering the relationship in past investment cases by the Large-scale Purchasers and City Index Eleventh and their related parties (including relationships that were stated to be joint holders when submitting the large-volume holdings statement) and family relationships, etc. We believe that the broad understanding of the “Large-scale Purchaser Group” including persons who may fall under specially related persons under tender offer regulations is essential in order to provide information to the Company’s shareholders, in light of the fact that your company and others clearly stated that your response is “provision of information broader than that is required to be disclosed in the TOB” (response to 7. of **Part 3.** of the Information List) (as you know, in the case of TOB, formal specially related parties and substantial specially related parties of the tender offerors are also required to be disclosed in the tender offer statement) and as stated in 2. above, **Minami Aoyama Fudosan is included as the Large-scale Purchaser this time instead of City Index Eleventh (which was the counterpart of the dialogue), and the purchasing body is changing frequently.** The Company believes that information on the scope of the “Large-scale Purchaser Group” is appropriate. Please inform us of matters regarding the inquiry again (**please provide information so that it is easy for general shareholders to understand by using the capital relationship chart related to relationships between corporations and individuals that are included in the scope of the Large-scale Purchaser Group**). Among the Large-scale Purchaser Group, **it is obvious that Mr. Murakami in particular always has been a main speaker in numerous meetings with your company and others that were conducted since your company and others commenced acquisition of the Company’s shares, and had a leading position in the Large-scale Purchaser Group.** Please provide the reason why you “determined that it is sufficient if we provide responses about the purchasers from the perspective of necessity of provision of information to shareholders” and believe that you do not need to provide information on Mr. Murakami, in spite of the above fact.
4. *Please provide the following matters with respect to the Large-scale Purchasers’ joint holders and specially related parties under the Financial Instruments and Exchange Act (the “FIEA”) concerning the share certificates, etc. of the Company, as well as the Large-scale Purchasers’ parent companies, subsidiaries, and affiliated companies, those*

that have a direct or indirect capital relationship with the Large-scale Purchasers, groups of individuals or relatives who may exercise effective influence over the Large-scale Purchasers, and those falling under joint holders under the FIEA concerning share certificates, etc. of other companies with those parties. Under the change report submitted by City Index Eleventh regarding share certificates, etc. of the Company so far, the Large-scale Purchasers and Reno, Inc. (“Reno”) are indicated as “joint holders.” Please provide us with the following matters for, in addition to the four parties of City Index Eleventh, Minami Aoyama Fudosan, Ms. Nomura, and Reno (the four parties are collectively referred to as the “Large-scale Purchasers and Others”), the parties objectively acknowledged to have close relationships with the Large-scale Purchasers, regardless of whether they fall under any of the above: Mr. Yoshiaki Murakami (“Mr. Murakami”), Mr. Takateru Murakami, Mr. Yukihiro Nomura, Kabushiki Kaisha Office Support (“Office Support”), S-Grant Co., Ltd. (“S-Grant”), Kabushiki Kaisha ATRA (“ATRA”), C&I Holdings Co., Ltd. (“C&I”), Kabushiki Kaisha MI2, City Index Holdings Co., Ltd., Kabushiki Kaisha Fortis, Kabushiki Kaisha M Investments, City Index Twelfth Co., Ltd., and Mr. Fuminori Nakashima. The Large-scale Purchasers and the parties indicated in this paragraph are collectively referred to as the “Large-scale Purchaser Group”):

- (1) when a party is a corporation, in addition to (i) the location of the head office, (ii) contact information in Japan, and (iii) the governing law for incorporation, the matters designated in 1. above and the following matters with respect to its representative:
 - (A) address;
 - (B) contact information in Japan;
 - (C) place of tax payment;
 - (D) main banks and/or main lenders, as well as the balance of borrowings therefrom;
 - (E) History over the past ten years;
 - (F) investees, the investment ratio at the investees, and position at the investees;
 - (G) funds effectively controlled or operated by the party, as well as the Outline of the Partners, etc., details of the investment policy, and details of the investment and lending activities over the past ten years; and
 - (H) whether falling under a “Foreign Investor” and information serving as the basis thereof (including the existence of an address or residence in Japan);

or
- (2) when a party is an individual, the matters from (A) through (H) above.

4. In the Response to 5. of **Part 1.** of the Information List, it is merely stated that “the reason for changing the capital structure was due to finances of each company and the circumstances of shareholders, as well as other circumstances,” but please provide us with specific details on the (i) finances of each company, (ii) circumstances of shareholders, and (iii) other circumstances, respectively, including the time and facts serving as the basis.
5. In the Response to 5. of **Part 1.** of the Information List (inquiry reposted below in italics), you have not provided an answer to the inquiry below, but according to the information in the letter on May 1, 2023 by City Index Eleventh, since ATRA is a wholly-owning parent company of Minami Aoyama Fudosan, the Large-scale Purchaser, it is obvious that the person who owns 66.6% of the voting rights of ATRA substantially controls investment decisions of Minami Aoyama Fudosan, the Large-scale Purchaser; therefore, please provide us the details of such person, because it is important information for shareholders. In addition, relation to the details mentioned above, in the Response to 1. of **Part 1.** of the Information List, it is stated that “the entity substantially controlling’ Minami Aoyama Fudosan is Office Support Co., Ltd., which is a wholly-owning parent company of the company” [the Company’s note: emphasis and underline added by the Company]. Does this mean that Office Support directly owns 100% of the shares of Minami Aoyama Fudosan? If so, have there been

any changes in the situation “ATRA is a wholly-owning parent company of Minami Aoyama Fudosan, the Large-scale Purchaser,” which is stated in the letter on May 1, 2023? If this understanding is correct, this means that the capital structure of Minami Aoyama Fudosan, the Large-scale Purchaser, has changed significantly in a short period of time (the wholly-owning parent company has been changed), but if it was changed, please provide the specific reason for the change, its background, timing, and the fact serving as the basis for making such determination. Also, in light of the possibility that the Large-scale Purchaser will increase its influence on management of the Company through the Large-scale Purchase Actions, etc., the actual state, including the capital relationship of the Large-scale Purchasers, is quite important as basic information to determine whether the Large-scale Purchase Actions, etc. will prevent improvement of the Company’s corporate value and shareholders’ common interests, and if you do not provide an answer to the inquiry below, it would be difficult for general shareholders of the Company to make a reasonable decision. Please provide specific details of your opinion on this point.

5. *“While City Index Eleventh holds 33.4% of the voting rights of ATRA (total number of issued shares: 595), please provide the matters indicated in 4.(1) and (2) above for the holders of the other voting rights of 66.6%.”*
6. According to the Response to 8. of **Part 1.** of the Information List, it is stated that Reno moved all of its shares to Minami Aoyama Fudosan based on “fund demand of each group company.” Regarding “fund demand of each group company,” please provide us with the specific facts (including the details of “fund demand of each group company”) serving as the basis for making such determination.
7. Regarding 10. and 11. of **Part 1.** of the Information List (each inquiry reposted below in italics), it is obvious that the ratio of the value of the share certificates, etc. of the Company to its total assets also affects behavior relating to timing of sale of the Company’s share certificates, etc. and will have a material impact on investment decisions by the Company’s shareholders and it is “important information for the shareholders’ decision” (the Response to 10. and 11. of **Part 1**) obviously. Please sincerely provide an answer again to each inquiry.
 10. *“Please inform us about the ratio of the value of the share certificates, etc. of the Company for each of the Large-scale Purchasers and Others to its total assets.”*
 11. *“Please inform us about the ratio of the value of the Large-scale Purchaser Group’s shares certificates, etc. of the Company to its total assets.”*
8. Regarding 13. of **Part 1.** of the Information List (the inquiry reposted below in italics), since these actions are Large-scale Purchase Actions, etc. for “the purpose of encouraging improvement of the corporate value and improvement of the shareholder value,” it is obvious that this inquiry is to ask about important information for shareholders, whether corporate control is intended or not. Therefore, we believe that it is inappropriate to reject the response by stating “since the purchasers do not intend to control and manage Cosmo, we believe we do not need to answer this inquiry” (the Response to 13. of **Part 1.** of the Information List). Please provide us your answer with specific details again.
 13. *“Please inform us specifically whether the Large-scale Purchaser Group and its members have experience in effectively managing a company and being involved in such company’s actual operations in Japan, and if ‘yes,’ of the specific details thereof (including the ratio of the voting rights owned by the Large-scale Purchaser Group and the form of actual management or involvement in the operations).”*
9. Regarding 19., 20., 21., 23., and 24. of **Part 1.** of the Information List (the inquiries reposted below in italics), we asked about the Large-scale Purchaser **Group**, but in the Response, **you**

provided answers only about Minami Aoyama Fudosan, Ms. Nomura, and City Index

Eleventh. Please provide us with specific details of the Large-scale Purchaser Group, excluding those you already provided above, again. Regarding 21. of **Part 1.** of the Information List, you provided an answer only about City Index Eleventh; therefore, please also inform us of Minami Aoyama Fudosan.

19. *“Regarding the cases where the Large-scale Purchaser Group has acquired or held share certificates, etc. of listed companies in Japan, if they made, through means such as meeting with the management, and for purposes such as share price increases or returning profits to shareholders, specific proposals such as selling or separating businesses, etc. other than the existing core business, disposing of surplus assets, dividend increases, share buybacks, advising that a person recommended by the Large-scale Purchaser Group be appointed as a director, please inform us specifically of each of the following matters: the specific details of such proposals, responses of the target company that received such proposals, how the share price of the target company developed, including over the medium to long term, following its implementation of such proposals, and the details of the profits received by the Large-scale Purchaser Group thereby.”*
 20. *“In the cases where the Large-scale Purchaser Group has invested in listed companies in Japan, please inform us specifically of whether the Large-scale Purchaser Group conducted any proxy fights to realize its proposals and of their results.”*
 21. *“Please provide specific details about the Large-scale Purchaser Group’s internal control system (including a corporate group internal control system) to comply with the Laws, as well as their effectiveness.”*
 23. *“Among the Large-scale Purchaser Group and its members’ past acts of investment in listed companies, if there are any cases where, after acquiring shares of a target company, they had a return or attempted to have a return on investment by causing company-related parties, such as the target company itself, large shareholders of the target company, or the management thereof, to acquire such shares (including the cases of causing acquisition through a TOB by an issuer and ToSTNeT-2/3), please provide the consequences leading to those acts, specific details thereof, and the like.”*
 24. *“Regarding the investments in listed companies in Japan conducted so far by the corporations or Funds that have been controlled or operated by the Large-scale Purchaser Group and its members or to which they have belonged, please inform us individually and specifically about, among other matters, the name of each investee, the reason for deciding on each investee (including specific details of the Large-scale Purchaser Group’s investment standards), the timing to commence acquiring share certificates, etc., purpose of acquiring share certificates, etc., investment policy, method and period for having a return on investment, acts to make proposals to the investee, if the Large-scale Purchaser Group conducted any activity contributing to the improvement of the investee company’s corporate value, specific details of such activities, details of participation in the management after the investment, existence of sales or other disposals of material property after the investment, method of acquiring share certificates, etc. of each investee, method and period for having a return on investment, developments of the business results of the investee company after the investment, and whether it was possible to establish an amicable relationship with the management and employees of the investee company.”*
10. In the Response to 19. of **Part 1.** of the Information List, in a proposal to contribute to improvement of the shareholder value provided to the investee company, you indicated as an example “collaboration with other business companies and sale of real property that does not

contribute to improvement of ROE to REIT by Nishimatsu Construction Co., Ltd.,” but **in the “Notice of Convocation of the Ordinary General Meeting of Shareholders” regarding the 84th annual general meeting of shareholders held on June 29, 2021, Nishimatsu Construction Co., Ltd. (“Nishimatsu Construction”) stated that the Large-scale Purchaser Group proposed that “the company conduct large-scale share buy-back of the maximum of 200 billion yen by selling real property owned by the Company [the Company’s note: Nishimatsu Construction; the same applies hereinafter in this paragraph] for funds” and in response to this proposal, Nishimatsu Construction determined “if real property owned by the Company is sold in bulk and a share buy-back of the maximum of 200 billion yen is conducted, the financial circumstances may deteriorate and the Company may not be able to continue its business. Therefore, we believe that the large-scale share buy-back of 200 billion yen will damage the corporate value of the Company significantly.” Furthermore, Nishimatsu Construction stated that “in making a proposal for such large-scale share buy-back, the Large-scale Purchaser Group clearly stated that they would like to increase the shareholding ratio of the Company to more than 1/3 of issued shares, etc. of the Company (see Article 23, paragraph (6) of the Corporate Tax Act, Article 22-3 of the Corporate Tax Act) because, if the Company conducts share buy-back by own-share TOBs, the Company can enjoy more favorable tax effects (note: the percentage not including deemed dividends goes from 50% to 100%). It is obvious that the Large-scale Purchase Group focuses on short-term profits (investment recovery), including tax benefits, which the specific shareholder’s group can enjoy, rather than continuous growth of the Company, improvement of medium- to long-term corporate value, and its shareholders’ common interests” and rejected the proposal of the Large-scale Purchaser Group clearly.** In light of this background, even if Nishimatsu Construction sold the real property to REIT, we infer that it is not directly related to the proposal of the Large-scale Purchaser Group. Please provide the reason why you indicated the case of Nishimatsu Construction as an example of a proposal that contributed to improvement of shareholder value of the investee company in spite of the above circumstances.

11. Regarding 22. of **Part 1** of the Information List, you answered regarding Minami Aoyama Fudosan, a company which is part of the Large-scale Purchasers, that **“since financial results about the settlement were not announced due to administrative errors, we are proceeding with the procedures for it now”** [the Company’s note: emphasis and underline added by the Company], but regarding the TOB for shares of Toshiba Machine Co., Ltd. (currently Shibaura Machine Co., Ltd.) by City Index Eleventh, in the response on p. 21 of the submitted “responses to the inquiries for the tender offerors” on February 4, 2020, you provided a similar response, stating “each company of the tender offeror group, **including Minami Aoyama Fudosan, confirmed financial results of the settlement were not announced due to administrative errors and thus we are proceeding with the procedures for now”** [the Company’s note: emphasis and underline added by the Company].” **Please provide the specific reason why you have not announced financial results, even though there was sufficient time of more than three years to deal with it from that time to now (including details of “administrative errors”).**

In addition, such **failure to announce financial results breaches Article 440, paragraph (1) of the Companies Act and is subject to sanctions of a civil penalty to directors (Article 976, item (ii) of the Companies Act). Furthermore, if you made false statements about important matters or omitted a statement of material fact that is necessary to prevent it from being misleading in the response letter to inquiries in the TOB for shares of Toshiba Machine Co., Ltd., it will constitute a material breach of laws and regulations which will be subject to criminal penalties under the FIEA (Article 197-2, item (vi), Article 27-10, paragraph (11) of the same Act).** Please provide specific details about whether you recognize that there is a problem under compliance regarding such circumstances, and regarding consistency with your response to 21. of **Part 1** of the Information List “the purchasers care about legal compliance and are making an effort to maintain legality of business activities by asking assistance and advice from lawyers and other outside experts, as necessary.” In addition,

in 22. of **Part 1.** of the Information List, you provided answers only about City Index Eleventh and Minami Aoyama Fudosan. Please provide answers about other Large-scale Purchaser **Groups** in the same way.

12. Regarding 25. of **Part 1.** of the Information List (the inquiry reposted below in italics), you stated “Ms. Yoko Atsumi does not fall under a ‘related party’ and thus this question lacks premise. Your company requested that the purchasers provide answers, such as the reason why they determined that Ms. Yoko Atsumi does not fall under a related party, but the party claiming that she falls under a related party (your company) should provide the reason why you think so.” On this point, **regarding Ms. Atsumi, the Company recognizes the facts as stated in Exhibit 2 (Attached as an Exhibit of the Information List (2). In addition, partially correction of errors, emphasis and underline added by the Company.) of the press release on May 23, 2023 of the Company “Notice Concerning Opposing Opinion of the Company’s Board of Directors to the Shareholder Proposal at the Company’s Ordinary General Meeting of Shareholders.” In addition, in light of the fact that she is serving as a representative lawyer of City Index Eleventh in the case of petition for provisional injunction order against share option gratis allocation by City Index Eleventh against Japan Asia Group Limited in April 2021, we understand that it is quite possible that she falls under a “related party” as a “person who receives a large amount of money and other assets” from the Large-scale Purchaser Group (Article 2, paragraph (1), item (ii), (e) of the Order on Inward Direct Investment).** The purpose of this question is to confirm compliance in the Large-Scale Purchaser Group, not with respect to Ms. Atsumi personally. Please provide an answer to the inquiry again considering these circumstances.

25. *“At the Company’s Eighth Ordinary General Meeting of Shareholders, held on June 22, 2023, the Large-scale Purchaser and Others submitted a shareholder proposal (the “Shareholder Proposal”), which proposed to appoint Ms. Yoko Atsumi (“Ms. Atsumi”), who had a transactional relationship with the Large-scale Purchaser Group, which was a “Foreign Investor,” and could fall under a “related party” as “a person that has received a large amount of money or any other property” (Article 2, paragraph (1), item (ii)(e) of the Order on Inward Direct Investment) from the Large-scale Purchaser Group, as a director of the Company, and exercised its voting rights to approve the proposal. Please provide the details indicated on the advance notification by the Large-scale Purchaser Group in this regard and the current status of the procedures. In relation to the above, if the Large-scale Purchaser and Others determines that Ms. Atsumi does not fall under a “related party” as she is not “a person that has received a large amount of money or any other property,” please specifically provide the reason and the facts serving as the basis for making such determination.”*

Part 2 Details of Share Purchase Conducted

1. In the response to the inquiry in 7. of **Part 2.** of the Information List (the inquiry reposted below in italics), it is stated that “Nothing was pointed out by Cosmo (in the past letters) regarding the rapid purchases of share certificates, etc. of Cosmo indicated in the inquiry. Furthermore, since the ratio of shares of Cosmo obtained as a result of the Share Purchase Conducted is approximately 20%, and considering that they were not purchases made to acquire control of Cosmo or a veto on matters requiring a special resolution in ordinary general meetings of shareholders, the purchasers do not recognize such purchases as having an adverse effect on general shareholders.” However, regarding the statement above, in light of fostering the environment for constrictive conversation with Mr. Murakami and the Large-scale Purchasers Group, the fact that the Company did not point out anything does not mean that the Company recognizes there to have been no problem in the process of the Share Purchase Conducted. In addition, regarding the reason above, since the ratio of share certificates, etc. of the Company obtained by the Large-scale Purchasers and Others as a result of the Share Purchase Conducted is

approximately 20%, the ratio of shareholding is not small, and even if “they were not purchases made to acquire control of Cosmo or a veto on matters requiring a special resolution in ordinary general meetings of shareholders,” the Large-scale Purchaser and Others stated that from the viewpoint of improving the Company’s corporate value and shareholder value, the Large-scale Purchasers and Others purchased share certificates, etc. of the Company **to influence the Company’s management**, and they substantively acknowledged that the Share Purchase Conducted would have an important effect on the Company’s corporate value; therefore, please sincerely provide an answer again.

7. *“Please inform us of the specific reason that you chose the market purchase method for the Share Purchase Conducted (i.e., the reason that you selected the market purchase, even though a TOB and other methods were available). Further, **in the Share Purchase Conducted, as shown by the fact that the Large-scale Purchaser Group increased its holding ratio of share certificates, etc. by 8.28% during a period of only 26 days (17 business days) from March 10, 2022 to April 4, 2022, and increased its holding ratio of share certificates, etc. by 7.64 % during a period of only 80 days (54 business days) from July 26, 2022 to October 13, 2022, the Large-scale Purchaser Group purchased a large amount of the Company’s share certificates, etc. during short periods of time both before and after the period in which it had no choice but to suspend the purchase of the Company’s share certificates, etc. due to the advance notification procedures pursuant to the Foreign Exchange Act.** Please inform us of your specific understanding in regard to the adverse effects on general shareholders caused by these rapid purchases of the Company’s share certificates, etc. from the market, which were conducted without providing sufficient information.”*

2. In the response to 8. of **Part 2** of the Information List, it is stated that “because Cosmo’s remark to the effect that ‘Cosmo is seriously discussing the improvement of the corporate value and shareholder value’ was not true, and under the current circumstances we cannot avoid determining that the purchasers’ assumption that ‘your company will announce a path to improve your corporate value and shareholder value that is satisfactory to the shareholders’ will not hold up, the purchaser indicated the intention to acquire 20% or more of Cosmo’s shares.”

On the other hand, as stated in question (v) above, in a meeting on January 6, 2023 between the Company, City Index Eleventh, Ms. Nomura, and Mr. Murakami, the Company told Mr. Murakami that as the appropriateness of the Share Buy-back was related to the Company’s medium-term management strategy, the Company planned to explain necessary equity capital in the Medium Term Management Plan, scheduled to be announced in March 2023, and could not make a definite promise regarding the implementation of the Share Buy-back as of January 6, 2023. **In response, Mr. Murakami made a one-sided announcement that they would acquire 20% or more of the Company’s shares as calculated on a large-volume holdings statement basis as the Share Buy-back was not promised as of the meeting date of January 6, 2023, and expressed an intention that there was no room for discussion regarding this point and actually the Large-scale Purchasers and Others commenced the additional purchasing of the Company’s shares.** Please explain the specific reason that the one-sided announcement above was made and commenced additional purchasing the Company’s shares without waiting for the announcement of the specific measures of the Medium Term Management Plan even though the Company stated that the Company’s Medium Term Management Plan was scheduled to be announced and that the Company planned to explain necessary equity capital in the plan.

Part 3 Purposes, method, and details of the Large-scale Purchase Actions, etc.

1. In the response to the inquiry in 1. of **Part 3**. of the Information List, it is stated that “Minami Aoyama Fudosan made joint investments with City Index Eleventh and Ms. Nomura in the past,

and as a result of the consultation between purchasers, it was deemed desirable for Minami Aoyama Fudosan and Ms. Nomura to be the entity to make the Purchase;” as such inquiry stated, **since the reason why it was deemed “desirable for Minami Aoyama Fudosan and Ms. Nomura to be the entity to make the Purchase” as a result of such consultation, even though Minami Aoyama Fudosan (we understand that Mr. Tatsuya Ikeda serves as a representative director , and there are no directors other than him) has no involvement (the previous meetings had been conducted between the Company and City Index Eleventh, Ms. Nomura and Mr. Murakami) as stated in the same inquiry as well, is important.**

Please inform us about the specific details of this point. Furthermore, in what way do you think the details of such consultation will contribute to the “purpose of encouraging improvement of (the Company’s) corporate value and shareholder value” explained in the Statement of Intent?

2. In the response to the inquiry in 8. of **Part 3.** of the Information List (the inquiry reposted below in italics), it is stated that “Even assuming that the ratio of voting rights exercised at Cosmo’s Eighth Ordinary General Meeting of Shareholders was approximately 87.5%.” Even assuming such ratio of voting rights exercised, the planned number of the Large-scale Purchase Actions, etc. is sufficient **for a small number of shareholders jointly acting in cooperation with one another** to have a substantial veto on matters requiring a special resolution in the Company’s ordinary general meetings of shareholders; in addition, unlike the Company’s Eighth Ordinary General Meeting of Shareholders in which the proposal for enactment of countermeasures based on the Response Policies and proposal for appointment of directors by shareholder proposal were agenda items, **the ratio of voting rights exercised at the Company’s Seventh Ordinary General Meeting of Shareholders held on June 24, 2022, which was held in the ordinary situation, was approximately 75.0%, and considering such ratio of voting rights exercised, the ratio of voting rights deemed to be held by the Large-scale Purchasers and Others as a result of the Large-scale Purchase Actions, etc. (24.56%) is sufficient for a small number of shareholders jointly acting in cooperation with one another to have a substantial veto on matters requiring a special resolution in the Company’s ordinary general meetings of shareholders.** Furthermore, the proposals listed in the response to the inquiry in 17. of **Part 7.** of the Information List include matters which may be sufficient to constitute matters requiring a special resolution in the Company’s ordinary general meetings of shareholders, such as a proposal for the spin-off of Cosmo Eco Power Co., Ltd. (“ECP”), a wholly-owned subsidiary of the Company engaged in the renewable energy business, (through dividend in kind of shares,) , transferring the crude oil development business, the Company becoming an affiliate company of other companies, or the consolidation and abolition of refineries by transferring all or part of them. Based on the above, please sincerely provide a response to such inquiry again.

8. **“In the Statement of Intent, regarding the planned number of the Large-scale Purchase Actions, etc., it is stated that you intend to acquire 24.56% of the shares as the voting rights ratio; however, considering the ratio of voting rights exercised at the Company, the planned number of purchases is sufficient to have a substantial veto on matters requiring a special resolution by a small number of shareholders acting in cooperation with one another at the Company’s Ordinary General Meeting of Shareholders and there will be a structural coercion in the Large-scale Purchase Actions, etc. (if the shareholders of the Company think that the corporate value of the Company will be lost under the strong influence of the Large-scale Purchaser Group, rather than remaining a minority shareholder of such a company, they may be forced to consider immediately selling their shares of the Company in the market). While the Large-scale Purchasers stated “there is no coercion in purchase by the Company and others” in the Statement of Intent (we understand that such statement is related to the Share Purchase Conducted), there are no statements in the Statement of Intent about your understanding of the structural coercion related to the Large-scale Purchase Actions, etc. that may be conducted in the future. In regard to this point, please inform us why you made no statements about the coercion related to the Large-scale Purchase Actions, etc. and of your specific understanding as the Large-scale Purchaser Group in regard to the**

above structural coercion. In addition, please inform us of measures that the Large-scale Purchaser Group is taking or plans to take in order to avoid or mitigate such coercion.”

3. In the response to the inquiry in 10. of **Part 3.** of the Information List, regarding the possibility of additional purchases of share certificates, etc. of the Company in the future, it is stated that “since the purchase period of the Purchase will not end until one year after the submission of the Statement of Intent for Large-scale Purchase Actions, etc., nothing has been determined at this time. **If we intend to acquire additional shares of Cosmo after the completion of the purchase period, it would be acceptable for Cosmo to re-confirm the intentions of shareholders regarding whether the additional acquisition is appropriate, if necessary at the time.**”[the Company’s note: emphasis and underline added by the Company] We understand that such statement means that the Large-scale Purchasers assume prior confirmation of intentions of the Company’s shareholders for the additional acquisition of shares of the Company at the Company’s ordinary general meetings of shareholders if the Company’s Board of Directors considers it necessary, and **if the Large-scale Purchasers assume that the method to confirm the intentions of the Company’s shareholders for the additional purchases is to make an ordinary resolution, which includes the voting rights of the Large-scale Purchaser Group, since the voting rights ratio of the Large-scale Purchaser Group will further increase at that time, in effect, it would be even more difficult to reflect the intentions of general shareholders other than the Large-scale Purchaser Group, and we must say that such step-by-step purchases (in the United States and other countries, its problematic nature has already been pointed out as creeping takeover/acquisition) are a purchase method that disrespects the intentions of the Company’s general shareholders.** Please provide your perception in this regard as the Large-scale Purchaser Group.
4. In the response to the inquiries in 3. of **Part 1.** and 10. of **Part 3.** of the Information List, it is stated that “City will not make the advance notification regarding acquisition of shares after completion of the purchase availability period above, and Ms. Nomura and Minami Aoyama Fudosan will do so in line with the details of the Statement of Intent for Large-scale Purchase Actions, etc.,” and “since the purchase period of the Purchase will not end until one year after the submission of the Statement of Intent for Large-scale Purchase Actions, etc., nothing has been determined at this time. If we intend to acquire additional shares of Cosmo after the completion of the purchase period, it would be acceptable for Cosmo to re-confirm the intentions of shareholders regarding whether the additional acquisition is appropriate, if necessary at the time;” please provide a specific response to the following inquiries regarding such statements again.
 - (i) **If the Large-scale Purchaser acquires shares of the Company until the voting rights ratio in the Company exceeds 24.56% after implementation of the Large-scale Purchase Actions, etc., please provide us about the maximum number of additional shares of the Company that may be acquired.** In relation to this, please inform us about the specifics of the expected details of the written procedures for advance notification under the Foreign Exchange Act (including an entity scheduled to acquire share certificates, etc. of the Company, the maximum number of share certificates, etc. of the Company to be acquired by each entity, and matters expected to be stated in written notifications, etc. as the pledges during the acquisition period and at the time of acquisition) (notwithstanding the upper limit of the Large-scale Purchase Actions, etc., this includes whether the Large-scale Purchaser plans to apply for acquisition of the maximum number of share certificates, etc., 9.99%, of each entity as before). In addition, since it is stated that “the purchase period of the Purchase will not end until one year after the submission of the Statement of Intent for Large-scale Purchase Actions, etc.,” **we understand that if the Large-scale Purchaser acquires shares of the Company until the voting rights ratio exceeds 24.56%, it will do so after a period of at least one year, and please just in case answer yes or no as to whether this understanding is correct.**
 - (ii) **There is no statement regarding the possibility of acquisition of shares of the Company**

by the Large-scale Purchaser Group excluding the Large-scale Purchaser; please provide whether there is a possibility that the Large-scale Purchaser Group will acquire additional shares of the Company in the future.

- (iii) Regarding (ii) above, if there is a possibility that the Large-scale Purchaser Group excluding the Large-scale Purchaser will acquire additional shares of the Company in the future, please provide the way the Large-scale Purchaser Group may assume (purpose and time of acquisition, number of shares to be acquired, methods and policy of acquisition, etc.)
5. In relation to 9. of **Part 3.** of the Information List, in change report No. 12 dated April 14, 2023 for the large-volume holdings statement submitted by City Index Eleventh, the Large-scale Purchasers and Others states “investments and the act of providing advice and making important suggestions, etc., to the management depending on situations” as the purpose of holding (“the Act of Making Important Suggestions, etc.” includes disposition of important property, important changes to capital policy, etc.), but in such response to the inquiry, it is only stated that “the purchaser will continue to ask Cosmo’s management to continuously improve the profit of all shareholders of Cosmo,” and no specific answer has been provided. In this regard, considering that the Large-scale Purchaser submitted the Statement of Intent and declared it will purchase the shares of the Company until the voting rights ratio reaches 24.56% in such Statement of Intent, we believe that the Large-scale Purchaser has some specific assumptions about such “Act of Making Important Suggestions, etc.,” please inform us about the specific details of what is considered “an act of making important suggestions, etc.” at this time and how you believe this will contribute to the medium- to long-term corporate value of the Company and its shareholders’ common interests.
If the Large-scale Purchaser determines that it is not in a situation where it should conduct “an Act of Making Important Suggestions, etc.” at present, please inform us specifically about the basis for such determination.
6. In the response to the inquiry in 9. of **Part 3.** of the Information List, it is stated that “since the price of shares of Cosmo has been left undervalued by Cosmo’s management who prefers self-protection to the improvement of shareholder value, we intend to acquire shares of Cosmo.” In addition, based on other the Large-scale Purchaser Group’s investment cases, we understand that **only the purpose of the Large-scale Purchase Actions, etc. is for the Large-scale Purchaser Group to obtain capital gain.** Also, in other inquires, no other positive response or explanation was provided as to why the Voting Rights Ratio will be increased to 24.56% from the viewpoint of improving the Company’s corporate value; please provide your perception of this understanding.
7. In the inquiry in 16. of **Part 3.** of the Information List, we asked for an overview of advisers employed by the Large-scale Purchasers and Others for the Large-scale Purchase Actions, etc., because 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.” states that the advisors, as part of the specific shareholders’ group, may be treated as one with the Large-scale Purchasers and Others (please see Note 1 on page 13 of the press release concerning the same response policies as of January 11, 2023). Since this is not a request for disclosure of the details of advisory agreements, please provide a response thereto again.

Part 4 Basis for funds of the Large-scale Purchase Actions, etc.

1. In the inquiry in 4. of **Part 1.** of the Information List, most parts of the basic information concerning the “Large-scale Purchaser Group” were not disclosed, and in the response to the inquiry in 8. of **Part 1.** of the Information List, it is stated that “based on the demand for funds from each of the purchaser’s group companies, etc., the shares were transferred,” and the fact

that the demand for funds from each of the purchaser's group companies, etc. is fluid was suggested; in the response to the inquiry in 2. of **Part 4.** of the Information List, it is stated that "the Purchase will be made using the purchaser's own funds (including funds of the purchaser's group companies). We believe that it is clear only by reference to the shares held that were disclosed by the purchaser and its group companies in the large-volume holdings statement and its change report that funds necessary and sufficient for the Purchase can be prepared" [the Company's note: emphasis and underline added by the Company]. While the Large-scale Purchasers refused to provide responses regarding the information concerning the Large-scale Purchaser Group other than the Large-scale Purchaser in other parts, here was a response that there would be no problem because "the purchaser's group companies" have funds, etc., and the responses lack consistency, but under the Response Policies, the statement of "substance equivalent to that which is required to be contained in a tender offer statement" is required, and for the TOB, the "document sufficient to show existence of a tender offeror's balance of deposits in banks, etc. and other funds necessary for tender offer (securities, etc. if securities, etc. are in exchange for purchases, etc.)" (Article 13, paragraph (1), item (vii) of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer) is required. Based on the foregoing, please provide a response to the inquiry in 2. of **Part 4.** of the Information List (the inquiry reposted below in italics), in addition to the inquiry in 3. of **Part 1.** above, again.

2. *If part or all of the funds pertaining to the Share Purchase Conducted and the Large-scale Purchase Actions, etc., are funds on hand of individuals, funds, corporations, unions, or other organizations of the Large-scale Purchaser Group, please provide specific details regarding the funds on hand (including the name of the owner of the funds and ownership form, the amount of funds, the ratio of funds on hand and external funds). In addition, please present materials indicating that you have these funds on hand.*

Part 5. Management policy, business Plan, capital policy, and dividend policy of the Company and the Company's group

1. In the responses to the inquiries in 1., 3., and 4. of **Part 7.** of the Information List (the inquiries reposted below in italics), it is respectively stated that "the purpose of the Purchase is not to acquire a majority of Cosmo's voting rights, and the purchasers do not intend to acquire Cosmo's management control," and "the purchasers do not plan to acquire Cosmo's management control through the Large-scale Purchase" "even after the Purchase, the purchasers do not have the decision rights of 'management policy, business plan, financial plan, capital policy, dividend policy and asset utilization policy'." [the Company's note: emphasis and underline added by the Company], but as stated in 2. of **Part 3.** above, (notwithstanding the intention or schedule of the acquisition of the management control,) considering that the substantial impact of the Large-scale Purchase Actions, etc. on the management of the Company's group is large, please provide a response to such inquiries as the Large-scale Purchaser Group again.
 1. *"Please inform us whether the Large-scale Purchaser Group intends to participate in the business management of the Company; and if it does, please inform us of the details and the policy."*
 3. *"Please provide specific details of the contemplated management policy, business plan, financial plan, fund plan, investment plan, capital policy, and dividend policy of the Company and the Company's group after completion of the Large-scale Purchase Actions, etc. (including plans related to business of the Company, sale of assets, provision of security, and other disposition after completion of the Large-scale Purchase*

Actions, etc.), customers, business partners, officers, employees of the Company and the Company's group after completion of the Large-scale Purchase Actions, etc., local governments in which real property or manufacturing and production facilities operated and managed by the Company are located, and other treatment policy of stakeholders of the Company."

4. *"In relation to 3. above, there are no statements in the Statement of Intent about expected "management policy, business plan, financial plan, capital policy, dividend policy, asset utilization policy of the Company and the Company's group companies" after completion of the Large-scale Purchase Actions, etc. Considering the ratio of voting rights exercised at the Company, the Large-scale Purchase Actions, etc. are sufficient to have a substantial veto on matters requiring a special resolution by a small number of shareholders acting in cooperation with one another at the Company's ordinary general meeting of shareholders. Needless to say, if the purpose of the Large-scale Purchase Actions, etc. is to encourage the Company to improve the corporate value and the shareholder value as a shareholder, you should offer an opinion about the above items proactively; moreover, if there are any planned matters, you should disclose them from the perspective of providing sufficient information to the general shareholders. However, considering that there are no statements about each of the above items, would it be possible to understand that you have never considered the above items? If you have considered them, please provide the specific reason why you did not state the details in the Statement of Intent and the details of the consideration."*

Part 6 Investment activities by Mr. Murakami and the companies, etc. over which he exercises influence

1. Since you did not provide your responses to the inquiry in 12. of **Part 10.** of the Information List, "please explain your opinion on a series of these responses by Sanshin Electronics," the inquiry in 14. of the same part "please explain your opinion on a series of these responses by Hoosiers," and the inquiry in 16. of the same part, "please explain your opinion on such responses by Daiho," please sincerely provide each of your responses thereto again.
2. In the response to the inquiry in 13. of **Part 10.** of the Information List, it is stated that "In regard to the statement in the inquiry that 'the Large-scale Purchaser Group concentrated its shares in Hoosiers only in City Index Eleventh,' this was implemented on May 15, 2020 in relation to the financing, etc. by each company," but please inform us about the specifics of "in relation to the financing, etc. by each company." In addition, **regarding the fact that after each company of the Large-scale Purchaser Group concentrated its shares of Hoosiers only in City Index Eleventh, City Index Eleventh tendered shares in Hoosiers' TOB by an issuer, please answer yes or no as to whether the Large-scale Purchaser Group enjoyed the more benefit arising from deducting dividend income with regard to the deemed dividends due to the concentration of such shares, by tendering shares in Hoosiers' large-scale TOB by an issuer and by selling its shares.**
3. In the response to the inquiry in 15. of **Part 10.** of the Information List, regarding the Share Transfer Scheme, it is stated that "(i) based on the basic idea that becoming a consolidated subsidiary of other companies while remaining listed is contrary to what the share market should be, City Index Eleventh and Other Parties agreeing to such scheme and tendering shares means that the purchasers themselves act against this basic idea, and (ii) since we believe the purchasers should tender shares in other company's TOB only if it is confirmed that it will create the largest value for the existing shareholders in an auction format, we indicated our intention not to tender shares." First, regarding (i), **since we believe that even through the scheme that was revealed to have been proposed in the letter dated January 13, 2022 by the Large-scale Purchaser Group itself to implement a TOB by an issuer by Daiho and a capital increase**

through third-party allotment to Aso, a company would still “become a consolidated subsidiary of other companies while remaining listed” and the proposal for the scheme “means that the purchasers themselves act against this basic idea,” please explain your specific opinion on the inconsistency such explanation with approval. In addition, regarding (ii), please specifically explain a case where “it is confirmed that this will create the largest value for the existing shareholders in an auction format” and the reason why you determined that the Share Transfer Scheme does not fall under such case.

II. Additional questions or information requested to be responded to or provided (as those related to the Response, etc.)

Given the details of the Response, it is strongly presumed that the Large-scale Purchasers have no specific management policy, and we cannot avoid saying that, as shown by the fact that the Large-scale Purchaser Group has continuously made inconsistent suggestions regarding the spin-off of the Company’s subsidiary, **none of the options, such as management integration with other companies transferring the oil exploration and production business, or the consolidation and abolition of refineries by transferring all or part of them,** given as examples of Acts of Making Important Suggestions that can be conducted, **are (especially, as the Company inquire in Part 1 below,) suggestions that have appropriate specifics and feasibility and all have a high degree of uncertainty.**

Given the above, in this regard, we believe that **it is increasingly necessary to collect information regarding the Large-scale Purchasers’ measures to improve corporate value and shareholder value.** Therefore, in II., we request that you provide additional information stated below.

Part 1 Specifics and feasibilities etc. of the proposals by the Large-scale Purchaser Group

1. In the response to 17. of **Part 7.** of the Information List, you stated possibility such as “(ii) regarding the refineries held by Cosmo, after thoroughly surveying as to which refineries have competitiveness, a proposal of course of actions, including closure of refineries or consolidation with refineries held by competitors in the industry, and its milestone should be publicly announced,” and “(iii) if it can be determined that proceeding with the consolidation and abolition of refineries by becoming a part of ENEOS Corporation or Idemitsu Kosan Co., Ltd. or transferring all or part of its refineries would not only be beneficial to Cosmo but also contribute to the stabilization and optimization of energy supply in Japan, then such a proposal.”

The Company assumes that it will continue to run refineries at high operation rates for the time being, even taking into account future decrease in domestic demand, because the Company has significantly decreased its oil refining capacity strategically and increased the sales volume from the past, as the Large-scale Purchasers and Others admitted in the response to 1. of Part 2. of the Information List. **In light of this, please provide specific details regarding the status of examination of the impact on the Company’s medium- to long-term corporate value and the common interests of its shareholders in connection with becoming a part of ENEOS Corporation or Idemitsu Kosan Co., Ltd..**

Furthermore, please provide the circumstances whether or not there have been any consultations with these companies, and your recognition as the Large-scale Purchaser Group regarding the feasibility from the perspective of compliance with various domestic and foreign laws and regulations including Antimonopoly Act of Japan and other competition laws of each country.

2. In the response to 17. of **Part 7.** of the Information List, you stated that “(vi) proposal for business transfer, etc. if it can be determined that, regarding a project related to oil exploration & production conducted by Cosmo through its business companies, ownership and management thereof by a company other than Cosmo (a domestic corporation is assumed) would contribute to Cosmo’s corporate value and the efficiency of the industry as a whole, eventually Japan’s national interests and stabilization and optimization of the supply of energy to Japanese people.” **Considering the fact that the Company has established close partnership with oil producing**

countries in the Middle-East through businesses related to crude oil mining for 50 years or more, please inform us the specific status of the consideration of such proposal, in particular, regarding a project related to the Company's crude oil development, in what cases you believe a business transfer to another company would contribute to the Company's corporate value and Japan's national interests, as well as stabilization and optimization of the supply of energy to Japanese people.

3. In relation to 1. above, on the other hand, in the response to the inquiry in 10. of **Part 7** of the Information List, it states that "we stated that if Cosmo would like to acquire shares of Fuji Oil for industry reorganization, we would consider transferring shares of Fuji Oil to Cosmo." **Given even only "the Company's acquisition of shares of Fuji Oil" and "the Company becoming a part of ENEOS Corporation or Idemitsu Kosan Co., Ltd. or proceeding with consolidation and abolition of refineries," these proposals regarding the operation policy of the Company's petroleum business are wide-reaching.** Please inform us specifically about **your opinion on how the relationships with other companies should ultimately be in order to increase the Company's refinery competitiveness.**
4. Please inform us about the specific reason that, in the response to the inquiry in 17. of **Part 7** of the Information List, you believe that "there is a possibility that it will be necessary to convert the business structure, such as by effectively using the land and facilities of Cosmo's refineries not only at supply bases for petroleum products but also at supply bases for hydrogen, ammonia, etc. as alternative energy in the future" and that there is a possibility that "with respect thereto, ownership and management by ENEOS Corporation, Idemitsu Kosan Co., Ltd., or any other third party other than Cosmo (a domestic corporation is assumed) would contribute to improvement of Cosmo's corporate value and stabilization and optimization of the supply of energy in Japan."
5. Please provide the reason why you suddenly suggested the proposals at this time listed as (i) through (vi) in the response to 17. of **Part 7** of the Information List even though proposals other than (i) and (ii) had rarely (or never) been mentioned in prior dialogue. Furthermore, even though the proposals listed as (i) through (vi) in the response to the inquiry in 17. of **Part 7** of the Information List are essential matters which can have the Company's management basis change significantly, including matters which may be sufficient to constitute matters requiring a special resolution in the Company's ordinary general meetings of shareholders. Please provide the details of the consistency and reason that in the response to the inquiry in 8. of **Part 3** of the Information List, it is stated that "the purpose of the Purchase is not so-called corporate acquisition or to acquire management control by acquiring a majority of Cosmo's voting rights," and in the response to the inquiry in 13. of **Part 1** of the Information List, it is stated that "the purchasers do not intend to control and manage Cosmo."

Part 2 Status of other companies' shares held by the Large-scale Purchaser Group, etc. (status regarding conflict of interest with the Company and the Company's shareholders)

1. Please inform us specifically about any relationship, such as stock ownership, personal relations, or other relationships, between the Large-scale Purchaser Group and companies operating business which competes with the Company (including ENEOS Holdings, Inc., ENEOS Corporation, Idemitsu Kosan Co., Ltd., Fuji Oil Company, Ltd., INPEX Corporation, and Japan Petroleum Exploration Co., Ltd.) and San-ai Obbli Co., Ltd. (if any entity belonging to the Large-scale Purchaser Group holds any share certificates, etc. of those companies, including which entities hold which amount of the share certificates, etc. in detail).
2. In relation to 1. above, if the Large-scale Purchaser Group has any relationship, such as stock ownership, personal relations, or other relationships, with companies operating business which competes with the Company, please inform us specifically about the influence of the relationships on the Company Business and the Large-scale Purchase Actions, etc. (awareness of

the risk that company secrets and important information of the Company Business will be shared with companies operating business which competes with the Company, as well as measures that are expected or have already been taken in order to eliminate such a risk) and the possibility that the relationships will be used as pressure on the Company and recoupment of investment in the Company. Specifically, in a meeting on May 25, 2022, Mr. Murakami made a proposal regarding integration Yokkaichi Refinery and Chiba Refinery with other refineries, and also Mr. Murakami proposed that “Don’t you have the intention to hold the shares of Fuji Sekiyu?” Thereafter, in a meeting on August 31, 2022, he made a similar proposal, and also made a proposal regarding Fuji Oil again. Given this, please provide your specific response.

3. At a meeting with the Company and Mr. Murakami and City Index Eleventh held on June 29th, 2023, after the Company’s 2023 Ordinary General Meeting of Shareholders, they proposed a certain proposal, by providing a specific company name in their proposal, and asserted that Mr. Murakami himself should be allowed to be directly involved in the negotiations between this company and the Company as an intermediary. In response to this, the Company stated that even if the Company were to negotiate with this company, the Company would not allow Mr. Murakami to participate in the negotiations since the Company needed to carefully consider, among others, the following matters: (i) in general, such negotiations are conducted only by the parties to a transaction; (ii) involving Mr. Murakami in the negotiations may result in having the Large-scale Purchase Group including Mr. Murakami (the Group’s total holding ratio of share certificates, etc. is currently 20.01%, which virtually constitute a status as a “major shareholder” under the FIEA) informed of material facts under insider trading regulations; and (iii) a Fair Disclosure Rules issue could also arise. However, City Index Eleventh and Mr. Murakami insisted that Mr. Murakami should be allowed to be practically involved in the negotiations, such as requesting a report on the negotiation process. As soon as City Index Eleventh and Mr. Murakami recognized that the Company’s intent to not allow Mr. Murakami to be involved in the negotiations was strong, they unilaterally determined, among other things, that the Company was reluctant to improve its shareholder value only based on the fact that there was no progress during the period of only two weeks after the proposal, and immediately after that, they showed their intention to acquire additional shares of the Company, and finally, unilaterally notified that they would submit a Statement of Intent for Large-scale Purchase Actions, etc., unless the Company immediately decides and discloses measures to improve its shareholder value. In connection with the circumstances above, please specifically provide each of the following: (i) the reason why you insist that Mr. Murakami should be directly involved in the negotiations with this company; (ii) whether your understanding is that having Mr. Murakami directly involved in the negotiations will not violate the principle of shareholder equality or the principle of equal and fair disclosure to shareholders (if you believe that it does not violate those principles, please provide the reason); and (iii) the reason why you showed your intention to acquire additional shares of the Company and finally submitted the statement of intent suddenly after the Company you realized the Company’s strong will not to allow Mr. Murakami to be involved in the negotiations. In addition, particularly in relation to (iii) above, please answer yes or no as to whether the intention of making Mr. Murakami and people who execute business of the Large-scale Purchasers directly involved in negotiations and consultations regarding transactions between the Company and third parties like that is included as one of the purposes to execute the Large-scale Purchase Actions, etc.

Part 3 Purposes, method, details, etc. of the Large-scale Purchase Actions, etc.

1. According to the Statement of Intent, in order to acquire share certificates, etc. equivalent to approximately 24.56% of the voting rights in the Company, the Large-scale Purchase Actions, etc. has been contemplated. We believe that in comparison with the current status, it would

come to be more difficult to sell or dispose of the Company's shares equivalent to 24.56% of the voting rights ratio, which is a large amount. Since the sale or disposal of the Company's shares in that percentage would have a strong influence on the share market and the Company's general shareholders, please inform us specifically about the method how the Large-scale Purchaser Group, including you and others, (currently) expected for recoupment of investment (in particular, if it is expected that the Company will conduct the TOB by an issuer will be sold in their entirety to third parties, to that effect).

2. In relation to 1. above, in the responses to 1. and 3. of Part 7 of the Information List, it is stated respectively that "purchasers do not intend to acquire the Company's management control" and "the purchaser do not intend to acquire the Company's management control by the Large-scale Purchase Actions, etc." [the Company's note: emphasis and underline added by the Company]. Please inform us about the specific reason that the Large-scale Purchaser Group not only maintains the current holding ratio but also intends to contemplate to conduct the Large-scale Purchase Actions, etc. even though if the Large-scale Purchase Actions, etc. is conducted, (in light of difficulty to sell or dispose of a large amount of the Company's shares) it is expected objectively that it will become more difficult for the Large-scale Purchaser Group to recoup investment made in order to acquire the Company's shares. Specifically, as the Large-scale Purchaser Group (not as the Large-scale Purchasers), please answer yes or no as to whether the final purpose is to acquire the Company's management right.

Part 4 Management policy, business plan, capital policy, and dividend policy of the Company and the Company's group

1. Considering the details of the discussion between the Company and the Large-scale Purchaser Group so far and the material titled "Explanation of Our Proposal" on April 21, 2023, prepared by City Index Eleventh, and other announced materials, we understand that at that time, measures for improvement of the Company's corporate value claimed by the Large-scale Purchasers and Others were mainly the division and listing of ECP. In the response to 17. of Part 7. of the Information List, you stated, as one of the proposals, a "proposal to make Cosmo Eco Power Co., Ltd. independent from Cosmo by taking advantage of the tax benefits of spin-offs (i.e., all shares of a subsidiary are allocated to existing its shareholders in the form of dividends in kind) and be newly listed." However, with respect to ECP, it was indicated 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," but in the Response, no statements were made in regard to this point. Please inform us specifically of the Large-scale Purchaser Group's opinion about these points at present.
2. For the division and listing of ECP, in the announced material on January 27, 2023, City Index Eleventh suggested that ECP's corporate value should be increased by locating ECP within the Company's group, by stating "we believe that Cosmo can distribute a portion of the shares in its renewable energy business subsidiary to Cosmo shareholders as dividends in kind" and "we believe that said subsidiary will be able to improve its corporate value as a group company of Cosmo even after it becomes a publicly traded company." However, in the announced material on February 22, 2023, City Index Eleventh made a complete change and stated "We believe that the renewable energy business should aim for maximum shareholder value as an independent, publicly traded entity. Further, we believe that a spin-off (taking a business from an existing company and creating a new company, and assigning the shares of the new independent company to the shareholders of the existing company) would be an option that can be considered as a method to achieve this" and in the

power point material titled “Attachment” on the same date, it indicated that “Since no change can be expected as long as the renewable energy business stays under the umbrella of Cosmo Group, it should aim for the maximization of shareholder value as an independent, publicly traded entity” [the Company’s note: emphasis and underline added by the Company] , and made a suggestion on the assumption that the Company would divide ECP from the Company’s group. Please provide the specific reason why the Large-scale Purchaser Group significantly changed its statements as indicated above in regard to whether ECP should remain in the Company’s group or be separated from the Company’s group.

3. City Index Eleventh made the Shareholder Proposal in the 2023 Ordinary General Meeting of Shareholders, to the effect that it would appoint Ms. Atsumi, a lawyer, as an outside director of the Company, and she stated that she was committed to “seriously discussing the listing of the renewable energy subsidiary at the Company’s Board of Directors meeting and disclosing the results thereof.” However, as a result, **the approval rate of the Shareholder Proposal was just 25.93% of the total voting rights of the Company’s shareholders who exercised their voting rights, and if we deduct affirmative votes by the Large-scale Purchaser Group, only 3.04% of affirmative votes were gathered; subsequently, this means that an overwhelming number of general shareholders of the Company were against the Shareholder Proposal.** Regarding the reason for such a result, as the Large-scale Purchaser Group, please inform us specifically of your understanding.
In addition, in light of the low percentage of votes in favor of the Shareholder Proposal, we can reasonably conclude that the Company’s general shareholders’ will with respect to listing the renewable subsidiary, and this has been confirmed substantially. **Please provide specific details about the reason that you still have described that “proposal to make Cosmo Eco Power Co., Ltd. independent from Cosmo by taking advantage of the tax benefits of spin-offs (i.e., all shares of a subsidiary are allocated to existing shareholders in the form of dividends in kind) and be newly listed” in the response to 17. of Part 7. of the Information List.**
4. In the response to 17. of Part 7. of the Information List, you stated a “proposal to make Cosmo Eco Power Co., Ltd. independent from Cosmo by taking advantage of the tax benefits of spin-offs (i.e., all shares of a subsidiary are allocated to existing shareholders in the form of dividends in kind) and be newly listed.” Please provide **specific details of the reason and background why this was proposed again even though there are no statements about the operation policy of ECP-related business (division and listing as well as conversion of ECP into a joint venture with another company) in the Statement of Intent.** In addition, **City Index Eleventh and Mr. Murakami also after the Company’s 2023 Ordinary General Meeting of Shareholders that ECP will be converted into a joint venture with another company.** However, we understand that **it is significantly different from a “proposal to make ECP ...independent ...and be newly listed” as mentioned above.** Please provide specific details of the reason why their assertion has significantly changed in this way and specific ideas about ECP’s growth strategy. **In addition, with respect to the low percentage of votes in favor of the Shareholder Proposal as mentioned above 3., the Company believes that it is the result of Company’s shareholders supporting its opinion that growth of ECP across the Company group’s entire value chain contributes to the enhancement of the Company’s corporate value and its shareholders’ common interests. Even though these results show its shareholders’ determination, please provide specific details about the reason that you still adhere to separating ECP from the Company, such a proposal for converting ECP into a joint venture and injection of external capital.**
5. Mr. Murakami (i) stated that in a meeting on November 22, 2022, **he desired to recommend persons who have deep expertise of the oil industry and have no self-interest as director candidates (he also stated that if Mr. Murakami himself is not appointed, one person would be sufficient, and asked whether it was possible to appoint Mr. Murakami himself and another person),** and (ii) stated that in a meeting on November 25, 2022, in order to avoid a

situation in which the director candidate would simply agree and follow his opinions, **he desired a person who was older than him to be the director candidate and that it was meaningless for a person who had less expertise of the industry than him and who did not hold shares of the Company to discuss matters regarding the Company.** In addition, **in an article of Toyo Keizai Online dated June 9, 2023, Mr. Fukushima, the representative of City Index Eleventh, stated, “what Yoshiaki Murakami wanted to say was that ‘an outside director should be appointed who can properly discuss how Cosmo and the oil industry should be after 10 years and 20 years.’”**

Please inform us of the Large-scale Purchaser Group’s understanding regarding consistency between this series of remarks and the shareholder proposal that recommended, as the Company’s outside director candidate, Ms. Atsumi, who responded, “I was involved in structured finance business related to renewable energy when I worked in a law firm, so I have expertise in renewable energy to some extent” in response to the inquiry (on whether she had such skills and expertise) from the Company’s Nomination and Remuneration Committee at the 2023 Ordinary General Meeting of Shareholders. Further, in a meeting with Mr. Murakami and others on December 13, 2022, as the Company’s outside director candidates, several persons from the Ministry of Economy, Trade and Industry were specifically lined up. Please provide the specific reason why you thought that in comparison with such candidates, Ms. Atsumi would be suited for the position of the Company’s outside director. Further, please answer whether there is a possibility that Mr. Murakami himself or people who execute business of the Large-scale Purchasers will be recommended as candidates for the position of the Company’s director if the Large-scale Purchase Actions, etc. are conducted.

Part 5 Employment policies of the Company and its group

1. You stated in the response to 5. of **Part 8.** of the Information List (the inquiry reposted below in italics) that “we have no such intention. The purchasers will request that the management team of Cosmo ensure stable employment of employees.” However, we believe that **such a statement contradicts the fact that the proposals listed as (i) through (vi) in the response to 17. of Part 7. of the Information List include the (actual) sale of company, sale of business, or assets (crude oil development business and refineries etc.), etc.** Please provide your thought on this. In addition, as stated in 2. through 4. of **Part 4.** above, you have consistently taken a negative attitude toward the Company’s investment in the renewable energy business. With the inevitable downsizing of the petroleum business over the medium to long term, please provide your specific thoughts on how you intend to achieve stable employment of employees for the Company’s group.
 5. *“Please inform us specifically whether you might propose that the Company reduce the number of the Company’s employees (including the reductions associated with the sale of the business; the same shall apply hereinafter), and if what type of event occurs, whether you may propose to reduce the number of the Company’s employees.”*

Part 6 Investment activities, tax treatment, etc. by the Large-scale Purchaser Group

1. In the response to the inquiry in 23. of **Part 1.** of the Information List, regarding “Among the Large-scale Purchaser Group and its members’ past acts of investment in listed companies, cases where, after acquiring shares of a target company, they had a return or attempted to have a return on investment by causing the target company itself, large shareholders of the target company, or the company-related parties, such as management thereof, to acquire such shares (including the cases of causing acquisition through a TOB by an issuer and ToSTNeT-2/3),” you mentioned that “when there was a request from an investee and we determined that it would contribute to improvement of the investee’s shareholder value, we responded to the request (for a specific example, please see the response to the inquiry in Part 10.), but the purchasers have never

demanded it.” However, a considerable number of the companies we listed in the Information List, even if only provided in **Part 10.** of the Information List, ultimately implemented the TOB by an issuer with the upper limit exceeding the number of shares held by the Large-scale Purchaser Group, and if the response that all of them were based on voluntary requests from listed companies is true, we believe that such fact is evidence that many listed companies came to recognize that the existence of the Large-scale Purchaser Group prevents improvement of such listed companies’ corporate value and its shareholders’ common interests. Please explain your opinion on this as the Large-scale Purchaser Group.

2. We believe that the Large-scale Purchaser Group obtained a significant amount of returns by investing in various investees. However, according to the public notice of account closing (from the 13th term to the 17th term) of City Index Eleventh, the amounts of net profits before tax for is as follows:

the 13th term (from June 1, 2019 to May 31, 2020): 2,872,000,000 yen;

the 14th term (from June 1, 2020 to May 31, 2021): 10,008,000,000 yen;

the 15th term (from June 1, 2021 to January 31, 2022): 22,006,000,000 yen;

the 16th term (from February 1, 2022 to July 31, 2022): 25,463,000,000 yen; and

the 17th term (from August 1, 2022 to February 28, 2023): 24,260,000,000 yen.

The most recent three fiscal terms are so large that they reach 20 billion yen or more, on the other hand, **it seems that City Index Eleventh has not paid any corporate tax, inhabitants tax, or enterprise tax at least since fiscal year 2019 until fiscal year 2022, and we believe that such circumstances are very strange. Is our understanding correct that City Index Eleventh has not actually paid any corporate tax, inhabitants tax, or enterprise tax (“Corporate Tax and Others”)? If it has not actually made payment, please explain according to what tax treatment it has not made payment, together with the specific reason.** In particular, if tax benefits (that cannot be enjoyed by individuals and foreign corporations) obtained through exclusion of dividends from taxable gross revenue regarding deemed dividends for the tender and sale in the TOB by an issuer regarding 11. through 20. of **Part 10.** of the Information List is involved, in relation thereto, please explain according to what treatment it has not paid the Corporate Tax and Others, together with the specific reason.

3. In relation to 1. above, of City Index Eleventh’s fiscal years, each period of the 15th term (from June 1, 2021, to January 31, 2022), the 16th term (from February 1, 2022, to July 31, 2022), and the 17th term (from August 1, 2022, to February 28, 2023) is less than one year. It is extremely unusual for fiscal years to be such periods of less than one year continuously. Please explain due to what reason those fiscal years are less than one year.
4. In relation to 1. above, please explain the status of payment of the Corporate Tax and Others of the Large-scale Purchaser Group other than City Index Eleventh. Also, if such payment has not been made at all or is a significantly low amount, please explain the reason why such payment has not been made at all or is a significantly low amount. In particular, regarding Minami Aoyama Fudosan, which is the Large-scale Purchaser, according to the profit and loss statements provided (from the 17th term to the 19th term), the amounts of Corporate Tax and Others for each term are extremely small compared to the net profits before tax as follows:

the 17th term (from October 1, 2021 to November 30, 2021):

net profits before tax: 1,570,808,814 yen; Corporate Tax and Others: 11,600 yen;

the 18th term (from December 1, 2021 to November 30, 2022):

net profits before tax: 5,126,639,871 yen; Corporate Tax and Others: 70,000 yen; and

the 19th term (from December 1, 2022 to February 28, 2023):

net profits before tax: 2,177,561,717 yen; Corporate Tax and Others: 17,500 yen.

Please provide the reason why the amounts of the Corporate Tax and Others for each term are extremely small compared to the net profits before tax, to the extent that it would normally be

unthinkable.

5. Regarding Minami Aoyama Fudosan, which is the Large-scale Purchaser, as stated in 4. above, the fiscal year period of the 17th term is only two months and the fiscal year period of the 19th term is more than one year. It is extremely unusual to have a fiscal year of several months and a fiscal year of more than one year. Please explain due to what reason those fiscal years are as above.
6. Reno, which transferred shares of the Company (6.8%, its holding ratio of share certificates, etc.) to Minami Aoyama Fudosan, which is the Large-scale Purchaser, outside the market as of April 7, 2023, was taxed for the borrowing totaling 16.4 billion yen from Mr. Murakami based on the application of the thin capitalization rule as of July 29, 2016 (please see Tokyo High Court judgment dated July 7, 2021, page 12 of Hanrei Jiho Vol. 2502). Please specifically provide what amount Minami Aoyama Fudosan and Ms. Aya Nomura, who are the Large-scale Purchasers, borrow from Mr. Murakami and his relatives, and the interest rate and other borrowing conditions. Furthermore, if there are any borrowings, please provide a response as to whether there is a possibility of taxation based on the thin capitalization rule.

End

Relationship between Ms. Atsumi and Mr. Murakami

1 Transactions with Mr. Murakami and Relevant Parties

As shown in sections 2 and 5 below, as far as multiple transactions between Ms. Atsumi and Mr. Murakami and Relevant Parties were disclosed, so we asked through the written Q&A whether the amount of annual transaction amounts Ms. Atsumi and Mr. Murakami and Relevant Parties exceeded 10 million yen per year during the past 5 years, in order to confirm whether Ms. Atsumi is independent from Mr. Murakami and Relevant Parties. However, Ms. Atsumi gave no clear answer, due to her confidentiality obligations. For this reason, we were unable to confirm that Ms. Atsumi does not fall within the Company's established criteria for the independence of Independent Outside Directors, which means that she did not qualify as an attorney who earned more than 10 million yen per year during the past 5 years (see Items (5) and (9) of our Independence Criteria for Independent Outside Directors). In other words, we were unable to confirm whether Ms. Atsumi is independent from Mr. Murakami and Relevant Parties.

In addition, through the written Q&A, we asked about the percentage of the total sales of Atsumi Law Office, for which Ms. Atsumi currently works, accounted for by transactions with Mr. Murakami and Relevant Parties. However, Ms. Atsumi did not give a clear answer due to her confidentiality obligations. **For this reason, we were unable to confirm that Ms. Atsumi does not fall within the Company's established criteria for determining the independence of Independent Outside Directors, as defined in Item (3)A of our Independence Criteria for Independent Outside Directors; in other words, we were unable to confirm whether Ms. Atsumi is independent from Mr. Murakami and Relevant Parties.**

Furthermore, we asked through the written Q&A **whether an advisory agreement was executed by and between Ms. Atsumi and City Index Eleventh. However, Ms. Atsumi gave no clear answer, due to her confidentiality obligations.**

As mentioned above, there are multiple transactions between Ms. Atsumi and Mr. Murakami and Relevant Parties in the range disclosed, so we asked Ms. Atsumi through the written Q&A to confirm whether she has independence from Mr. Murakami and Relevant Parties, but we were unable to obtain a response. As a result, we have not confirmed the independence of Ms. Atsumi from Mr. Murakami and Relevant Parties, which are major shareholders of the Company.

2 Activities as an agent for Mr. Murakami and Related Parties

According to reports, Ms. Atsumi served as Mr. Murakami's agent when Mr. Murakami was suspected of Market Manipulation in 2015.

In addition, in April 2021, Ms. Atsumi served as an agent on behalf City Index Eleventh in connection with City Index Eleventh's petition for a provisional injunction concerning the allotment of share options without contribution by Japan Asia Group Co., Ltd.

3 Relationship with the Murakami Family Foundation

Ms. Atsumi served as a director of the Murakami Family Foundation ("Murakami Family Foundation"). Through the written Q&A, she answered that she receives no remuneration or other financial benefits from the Murakami Family Foundation in return for her services as a director. **Although we asked her through the written Q&A about the reason she serves as a director, Ms. Atsumi did not give a clear answer. In addition, through the written Q&A, she disclosed that she has contributed 100,000 yen to the Murakami Family Foundation so far. We asked her through the written Q&A about the percentage of the total income of the Foundation attributable to her contributions, but Ms. Atsumi did not give a clear answer.**

4 Appointment as an outside director of Daiho Corporation

Ms. Atsumi was appointed as an outside director of Daiho Corporation ("Daiho") when City Index Eleventh and Related Parties were major shareholders of Daiho. We asked her **about the reason she was appointed as an outside director of Daiho; however, Ms. Atsumi did not give a clear answer due to her confidentiality obligations.** Provided that the time at which she was appointed as an outside director of Daiho was when City Index Eleventh was a major shareholder of Daiho, and given the relationship between Ms. Atsumi and Mr. Murakami, it is very difficult to assume that Mr. Murakami had no involvement in the background of the appointment of Ms. Atsumi as an outside director of Daiho. In other words, we could suppose that Ms. Atsumi was appointed with the involvement of Mr. Murakami. In addition, **approximately 9 months after Ms. Atsumi was appointed as an outside director of Daiho, it passed a resolution to perform a large-scale tender offer and third-party allocation of shares, with premiums, and as a result of these transactions, Daiho enabled City Index Eleventh to enjoy tax benefits.**

5 Appointed as an outside director of Kosaido Co., Ltd.

Ms. Atsumi was appointed as an outside director of Kosaido Co., Ltd. ("Kosaido") when Reno and Minami-Aoyama Fudosan, which are under the influence of Mr. Murakami, were major shareholders of Kosaido. We asked her **about the reason she was appointed as an outside director of Kosaido; however, Ms. Atsumi did not give a clear answer.** Provided that the time at which she was appointed as an outside director of Kosaido was when Reno and Minami-Aoyama Fudosan, which are under the influence of Mr. Murakami, were major shareholders of Kosaido, and given the relationship between Ms. Atsumi and Mr. Murakami, it is very difficult to assume that Mr. Murakami had no involvement in the background of the appointment of Ms. Atsumi as an outside director of Daiho. In other words, we could suppose that Ms. Atsumi was appointed with the involvement of Mr. Murakami.

End